



**TOWARDS  
PROSPERITY.  
OVERCOMING  
CHALLENGES.**

**DEVELOPMENT LOTTERIES BOARD**  
ANNUAL REPORT 2022

## **TOWARDS PROSPERITY OVERCOMING CHALLENGES**

*The Development Lotteries Board (DLB) marks 39 years of transformative growth. Our journey thus far is marked with significant achievements. The Board was successful in recording the highest profitability level in our corporate history despite the unprecedented challenges in the operating environment.*

*Evolving with the aspirations of our customers we have been successful in redefining the overall customer experience creating new dimensions and value to lotteries.*

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## Digital Version

*This Annual Report can be accessed through our website*



# CORPORATE INFORMATION

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## Name of the Board

Development Lotteries Board

## Legal Form

The Board was incorporated under the Act of Parliament No. 20 of 1997 Development Lotteries Board Act

## Date of Commencement

19<sup>th</sup> January 1983

## Registered Office

No. 356, Dr. Colvin R. De Silva Mawatha,  
Union Place, Colombo 2

## Telephone

0112 333 546-8, 0114 824 824

## Fax

0112 333 545

## Email

info@dlb.lk

## Web

www.dlb.lk

## TIN

409089844

## Current Board of Directors

Mr. Ajith Gunarathna Naragala - Chairman/CEO

Mr. W.A. Sarath Kumara - Secretary, President's Fund  
Deputy Secretary to the Treasury, Ministry of Finance  
Director, Development Lotteries Board

Ms. K.A.H.C. Pubudusiri – Director, Department of  
External Resources, Ministry of Finance  
Director, Development Lotteries Board.

Mrs. Janet Jayawardena - Attorney at Law  
Director, Development Lotteries Board.

## Auditor

Auditor General

## Bankers

People's Bank  
Bank of Ceylon  
Sampath Bank PLC  
Hatton National Bank

# OUR VISION AND MISSION

## Vision

To be a premier fortune-making public entity in Sri Lanka.

## Mission

Conducting innovative and attractive lotteries using state-of-the-art technology, upholding trust and being excellent in fulfilling the aspirations of stakeholders at all times.

## Goals

Increase the market share.	Maximize the contribution made to the President's Fund.	Acquire and utilize modern technology effectively.	Fulfill the expectations of stakeholders.
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## Our Core Values

**Integrity** The lotteries that we offer and the way we conduct business is fair, honest and trustworthy.

**Positive Attitude** DLB employees hold an optimistic approach to every challenge they face when carrying out the lottery business.

**Result Orientation** DLB employees are confident in their roles and focus on achieving the given targets in an effective manner.

**Innovation** The employees of DLB are also encouraged to seek ideas that will improve the business and to decide and act quickly in response to strategic and competitive market changes.

**Team Work** DLB employees work together to achieve organizational goals while fostering openness, mutual respect and individual development.

**Orientation Towards Excellence** Employees strive to maximize the quality of service continuously.

# GLANCING BACK ON OUR HISTORY

The Development Lotteries Board, was established in 1983 as the Development Lotteries Center. The main objective of the establishment of the Development Lotteries Center at that time was to raise funds for the President's Fund and Mahapola Scholarship Fund, which gave a helping hand to the students following higher education amidst various difficulties.

In addition to the above objective, Dr. Wickrema Weerasooria invited a number of public and private institutions to provide their assistance to introduce an instant lottery scheme with the expectation of establishing a continuous income-generating scheme for funding various financial and social development programs.

Extending positive response to the above invitation, His Excellency Mr. J.R. Jayawardana, the then President of Sri Lanka, released an amount of Rs. 2.2 million, while, Mr. Lalith Athulathmudali also agreed to invest a similar amount from the Mahapola Higher Education Fund.

Accordingly, the first lottery ticket was issued to the market in the name of "Development Lottery," aiming at the stability of the fund. As a result of various attempts, a "Development Lotteries Center" was established with the aim of raising funds for the President's Fund and the Mahapola Scholarship Fund.

In 1993, the Development Lotteries Center was transformed into an institution called the Development Lotteries Trust and again on 12<sup>th</sup> August, 1997, it was re-established as the Development Lotteries Board by a parliamentary act.

The first instant lottery, which was issued to the market as the "Development Lottery," was sold across the island at Rs. 10 and within 24 hours it could produce two jackpot winners; thereby, attracting customers to instant lotteries whilst popularizing a new lottery system.

For the first time in the history of the lottery industry, a lottery program named Shanida Wasanawa was telecast. At the start the draw was conducted only on Saturdays.

However, after gaining popularity it was telecast every day of the week. Furthermore, the lottery program Wasana Chakra, which was introduced on January 25, 1998, has been telecast on Sundays, specifically aimed at customers, who could not be the lucky winners of instant lotteries.

The Development Lotteries Center upon commencing its journey in the industry, successfully contributed towards economic goals in the first year itself and has marked a significant achievement during the past period. The net profit of DLB was remitted to the President's Fund and Mahapola Scholarship Fund. Since then, the Development Lotteries Board has remitted the largest portion of its profit to the President's Fund, and in return, the President's Fund has allocated 50% of the same to the Mahapola Scholarship Fund.

Given the potential popularity of this program, the Development Lotteries Board took another step in 1998, introducing the second lottery, Sanwardana Wasanawa, drawn live and telecast on Tuesdays and Fridays. After considering its sale, it was renamed as Lagna Wasana in 2015, At present this lottery continues to grow in popularity and the draw is conducted every day of the week.

In addition to the lotteries with super jackpots and general cash prizes included in the prize schedule, the Development Lotteries Board introduced another draw, Jayoda, on January 26, 2004, which has been telecast on Mondays and Thursdays. The super jackpot of the lottery begins at Rs. 10 million. Marking another turning point in the history of the lottery industry in Sri Lanka, the Development Lotteries Board gave the option to the winners of the super jackpot to select either the cash prize of Rs. 10 million or a house valued at more than Rs. 10 million.

On April 10, 2009, the Development Lotteries Board launched the Jana Jaya lottery ticket and the lottery draw is telecast on Thursdays and Sundays. To be a winner, the super number drawn from a drawing machine must be added to the other four

winning numbers drawn from a pool of 64 numbers. The initial amount of the super jackpot is Rs. 2.5 million.

The launch of the Super Ball lottery on July 11, 2012, marked another watershed moment in the history of the Sri Lanka's lottery industry. This lottery, in which the initial jackpot is Rs. 30 million, was recorded in history as the one that offered the highest cash prize at that time. Today, it is very popular in the market as a lottery drawn daily.

In 2016, the Development Lotteries Board introduced several new lotteries to the market. In the meantime, the Development Lotteries Board introduced the Lakshapathi lottery ticket on May 14, 2016 reording a sale of 5.6 million.

Further, the lottery Kotipathi Shanida, which was introduced on April 8<sup>th</sup>, 2016 with a super jackpot of Rs. 75 million, made a sales record of 4.4 million.

Telecasting the draw of Sanwardana Wasanawa, which was introduced with new expectations and three cash prizes, recommenced on December 12, 2016. In addition to this, the Ada Kotipathi lottery was launched on August 31, 2017 as the first lottery ever drawn every day of the week in the history of Sri Lanka's lottery industry.

DLB, by updating its functions and utilizing modern technology to improve the lottery industry, has enabled its customer's to purchase a lottery through their smart phones in the year 2020. For this purpose, it has introduced the "DLB Sweep App." Along with this new turning point, DLB introduced the first digital lottery in South Asia in the name of Sasiri, targeting a new market in the industry. In an effort to find new dimensions in the modification of the lottery business, the Development Lotteries Board turned away from the old drawing system in 2021, introducing a new rhythm and new changes to the lottery draws. On March 1, 2021, the DLB Lottery Show, which allows the telecast of all draws in a row in a short period of time, was introduced as a part of this transformation. Concurrently

with this change, a YouTube channel was also introduced as “DLB Lottery Show.”

Another milestone of the DLB was marked on 2<sup>nd</sup> December 2021, with the introduction of the Kotipathi Kapruka lottery under its new title, Kapruka, along with an attractive prize schedule consisting of an initial jackpot of Rs. 120 million which is drawn every day of the week. The first draw of this lottery was conducted on 30<sup>th</sup> December 2021 and accordingly, the total number of draws conducted per day is marked as six.

A new lottery ticket was introduced to the market under the name “Valampuri,” a symbol of luck, on September 9, 2022 (Friday), targeting customers in the Northern and Eastern provinces. However, the Management subsequently decided to introduce the “Valampuri” lottery ticket to the entire island due to its popularity.

The Development Lotteries Board was established with two noble objectives; raising funds for the President’s Fund and the Mahapola Trust Fund. Therefore, the Development Lotteries Board remits its profit to the President’s Fund. The Development Lotteries Board, during the past 39 years, has remitted more than Rs. 36 billion while performing its responsibility for the country and offering its customers opportunities to try their luck against the Rs. 20 they spend for a lottery ticket.

# MILESTONES

1983

Instant lottery introduced for the first time in Sri Lanka

1987

Introduction of the first Television Lottery Draw 'Shanida Wasanawa'

1993

Transformation of 'Development Lottery Centre' to 'Development Lottery Trust'

1997

Established of 'Development Lottery Trust' to 'Development Lotteries Board' as a Government-owned corporate body under the Development Lotteries Board Act No. 20 of 1997

- A total turnover level of Rs. 2 billion was achieved

1998

Re-launch of 'Wasana Chakraya' television draw for non-winning instant/scratch lottery tickets

- 'Development Fortune' was launched together with 'Windows' for Rs.10 and 'Ureka' Instant Lotteries for Rs. 100 with a super luxury motor car as the winning prize

1999

Computer system updated to meet technological challenges posed by the changeover to year 2000 with the assistance of The World

Bank.

2004

'Jayoda' launched with the option for a cash prize or a house – a pioneering feature introduced by DLB

- A total turnover of Rs. 3 billion was achieved

2008

Moved to DLB's own house at No. 356, Dr. Colvin R. De Silva Mawatha, Colombo 2.

- A total turnover of Rs. 5 billion was achieved

2010

Introduction of 'Jana Jaya Draw' Lottery with a Super Jackpot prize

2011

Launch of 'Niyatha Jaya Draw' Lottery

2012

Launch of 'Super Ball Draw Lottery' with Rs. 30 million Super Jackpot

2013

'Highway Dream' Lottery launched with the highest jackpot value

2014

SMS Lottery selling launched

2016

Launch of 'Sanwardana Lakshapathi', 'Kotipathi Shanida' and 'Sanwardana

Wasanawa'

2017

Launch of 'Ada Kotipathi' Lottery

2018

IVR and SMS results alerts launched

2019

Launch of DLB Sweep App

2020

Launch of e-Lottery – Sasiri

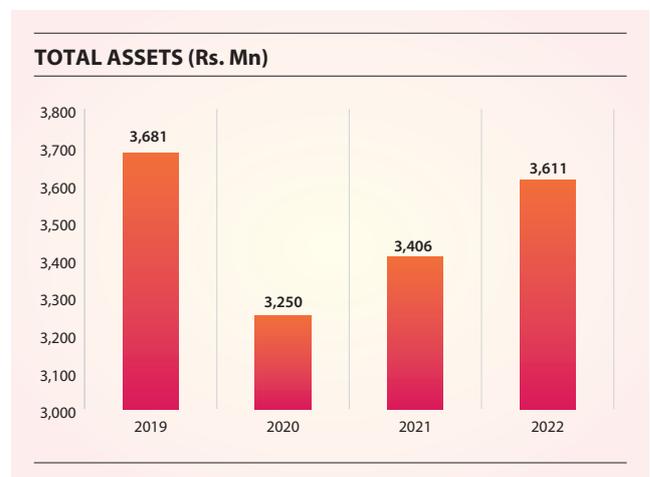
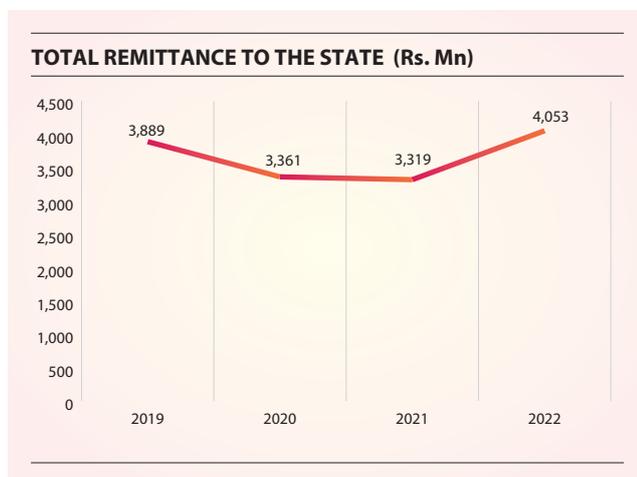
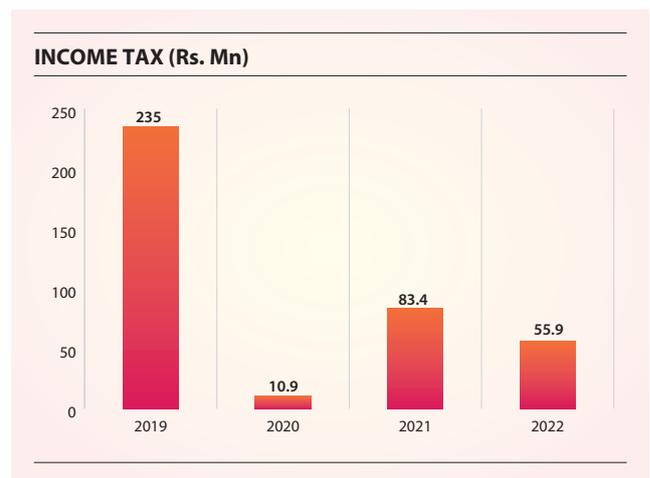
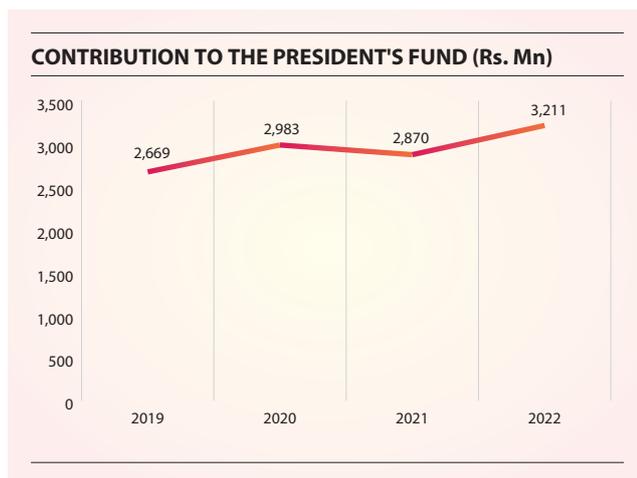
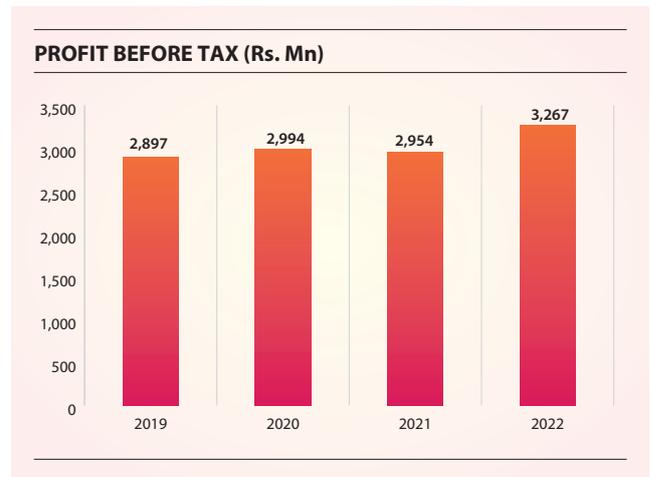
2021

Relaunch of Kapruka with a Rs. 120 Mn biggest Jackpot in the Sri Lankan lottery industry

2022

'Valampuri' Lottery launched

# FINANCIAL HIGHLIGHTS



	2022 Rs.	2021 Rs.
<b>Operating Results</b>		
Revenue	19,071,456,751	15,364,398,498
Gross Profit	7,591,995,984	6,523,212,978
Profit before tax	3,266,591,501	2,953,528,558
Tax expenses	55,904,459	83,440,185
Net Profit	3,225,653,361	2,875,951,381
Contribution to the President's Fund	3,210,687,041	2,870,088,373
<b>Statement of financial Position</b>		
<b>Assets</b>		
Property Plant & Equipment	1,095,292,917	1,158,675,958
Fixed deposit	1,742,324,887	1,142,259,436
Inventories	45,970,611	43,102,269
Trade Debtors & other receivable	163,480,972	150,441,764
Prepayments & Deposits	6,223,428	11,141,943
Cash in hand & at Bank	557,240,367	900,006,350
<b>Total Assets</b>	<b>3,610,533,182</b>	<b>3,405,627,719</b>
<b>Liabilities</b>		
Employee Benefits Liabilities	(4,438,730)	(9,372)
Dealer & Distributor Deposit Payable	38,718,881	37,664,881
Credit Voucher Payable	123,353,560	130,268,260
Trade & other payable	771,026,177	640,706,596
President's Fund payable	315,791,041	564,219,473
Prize Payable	1,003,306,515	962,793,104
<b>Equity</b>		
President's Fund	2,200,000	2,200,000
Mahpola Trust Fund	2,200,000	2,200,000
Prize reserve account	725,956,289	448,131,648
Revaluation Surplus	620,583,095	614,729,237
Re-measurement gain/(loss) on Employee Benefit Plan	11,836,354	2,723,891
<b>Total equity &amp; liabilities</b>	<b>3,610,533,182</b>	<b>3,405,627,719</b>
<b>Profitability Ratio</b>		
Net Profit ratio	17%	19%
Gross Profit ratio	40%	42%
<b>Liquidity Ratio</b>		
Current Asset ratio	1 : 1.33	1 : 1.30
Quick(Liquid) Assets Ratio	1 : 1.30	1 : 1.27

# CHAIRMAN'S MESSAGE AND PROGRESS REPORT 2022

Even amidst an unprecedented economic crisis DLB has been able to move closer to its targets with the backing of its dynamic support system.

## Current Financial Review - 2022

The Board is pleased to report that during the year 2022, achieved a turnover of LKR 19,755 million; an achievement of 26% higher compared to the previous year. Ever since the COVID-19 pandemic, there has been greater uncertainty with regards to financial achievements. However, DLB has continued to win the confidence of its customers and due to challenging circumstances, sales too have increased. Even though the sales revenue was budgeted as LKR 19,212 million, the actual revenue stood at LKR 19,755 million. On the other hand, the actual contribution to the President's Fund was LKR 3,211 million while the actual tax contribution to the government was LKR 842 million.

	2021	2022	Variance	%
Revenue (Rs. Mn)	15,730	<b>19,755</b>	4,025	26
Contribution to the President's Fund (Rs. Mn)	2,870	<b>3,211</b>	341	12
Prize money for the winners (Rs. Mn)	7,866	<b>9,884</b>	2,018	26

## Our Achievements

At a time when the foreign exchange crisis has seriously affected the country, at a time when we are waiting for the support of the International Monetary Fund, at a time when government expenditure and income management are being managed with great effort, and also, in the midst of many crises such as Covid-19, DLB has maintained the services and achieved the revenue targets last year.

In addition, in an environment where the cost of production had gone up, Development Lotteries Board was set to achieve an exceptional high performance while bearing a huge burden in terms of overall cost. Through constantly updated marketing plans and financial strategies, we were able to navigate the crisis and achieve satisfactory results.

For the first time in the history of the Development Lotteries Board, we earned a profit of Rs. 3.2 billion, the highest contribution so far in the history of the board making it yet another significant milestone.

## Our Team

The dynamic and robust team at DLB has been at the core of our success story. Our Marketing, Finance, IT, Procurement, Sales, Administration and Internal Audit divisions are the livewires behind this journey. Their innovative thinking has taken the Board to greater heights while projecting our products and bringing in newer dimensions to the lottery experience.

## CSR Initiatives

- An amount of Rs. 565,500 was spent in 2022 for awarding scholarships to children of Sales Agents of DLB, who have been selected to universities.
- Further an amount of Rs. 6,072,130 was spent in year 2021 to Sales Agents and Sales Assistants of Development Lotteries Board, who are suffering from various health issues and who are infected with the COVID virus and family members of those who died due to the pandemic.
- The Development Lotteries Board distributed 100 t-shirts to the employees of the Kandy Municipal Council who beautify the city in recognition of their social mission.

## Contributions for sponsorships

During the year the Development Lotteries Board offered a sponsorship of Rs. 500,000 for the Esala Perahera of Ruhunu Katharagama Maha Devala, Rs. 2 Mn for Sri Dalada Perahera in Kandy, Rs. 200,000 for the annual Sri Dalada Maha Perahera at the Raja Maha Viharaya in Sri Jayawardenepura Kotte and Rs. 200,000 for 72<sup>nd</sup> annual Esala Perahera of Bellanwila Raja Maha Viharaya.

## Future Outlook

A new business logo has been introduced to the Board to commemorate its 40<sup>th</sup> Anniversary.

A new lottery ticket has also been introduced to the market under the name "Valampuri," a symbol of luck, on September 9, 2022 (Friday), targeting customers in the Northern and Eastern provinces. It was subsequently decided to introduce this to the entire island due to its popularity and this launch will be continued in the upcoming year.

The strategic decision was also made to increase the ticket price with effect from year 2023 due to the increase of the overhead cost, printing cost as well as the taxes.

### Closing Note

I wish to extend my gratitude to His Excellency the President, Honorable Prime Minister, Honorable Minister of Finance, State Ministers of Finance and Secretary to the Treasury for their support and guidance. It has been a rewarding experience to work with our various stakeholders, learning and sharing knowledge along the way with the support of a highly talented and dedicated staff over the past years and at present. Together, the team has delivered and continues to deliver an exceptional service to our customers while supporting our communities.

I also give noteworthy thanks to all Draw Judges, President's Fund staff members, staff members at the Mahapola Higher Education Trust Fund, Distributors, Dealers, Sales assistants, Resellers, Media, Bankers, all service providers and all our executive staff officers including the General Manager, Deputy General Managers and Assistant General Managers. We are also not forgetting all our other staff members in all

categories for their extra effort, dedication, good work and the contribution towards our success. They have truly assisted us in making our task at DLB meaningful. We also wish to thank all the customers who have patronized our services, without whom we would not have been able to achieve this success. We would also thank Superintendent of Audit and the Auditor General Department for their valuable contribution.

In conclusion, I wish to thank all our stakeholders, for the trust and confidence placed in this organization and I look forward to your continued support in the coming years.



**Ajith Gunarathna Naragala**  
Chairman/CEO

# REVIEW OF BOARD OF DIRECTORS

The Board of Directors of the Development Lotteries Board has pleasure in presenting the Audited Financial Statements for the year ended 31<sup>st</sup> December 2022.

## Principal activities

The principal activity of the board is to generate revenue for the President's Fund and Mahapola Higher Education Trust Fund.

## Review of the Year's Performance

Even amidst an unprecedented economic crisis DLB was able to contribute Rs. 3,211 million to the President's fund which is 12% more than the contribution made during 2021. Development Lotteries Board was able to achieve a turnover of Rs.19.7 billion, this is an increase of 26% when compared with last year.

## Corporate social Responsibility (CSR)

CSR activities during the period under review are given under the operational review section of the annual report.

## Directors' Responsibility for Financial Reporting

The Directors are responsible for the preparation of Financial Statements that will reflect a true and fair view of the state of affairs. The Directors are of the view that these Financial Statements have been prepared in conformity with the requirements of the Sri Lanka Accounting Standards.

## Auditor's Report

The Auditor General is the Auditor of Development Lotteries Board in terms of the provisions of Article 154 of the constitution of the Democratic Socialist Republic of Sri Lanka and section 14(3) of the Development Lotteries Board Act No 20 of 1997. The report of the Auditor General on the Financial Statements of the Board as at 31<sup>st</sup> December 2022 is given on page 42 of this Annual Report.

## Accounting Policies

The Board prepared their Financial Statements in accordance with Sri Lanka Accounting Standards (LKASs). The accounting policies adopted in the preparation of Financial Statements are given on pages 57 to 61. There have been no material changes in the accounting policies adopted by the Board during the year under review.

## Board members' Interest in Contracts with the Board

The Directors have no direct or indirect interest in any contract or proposed contract with the Board for the year ended 31<sup>st</sup> December 2022.

## Audit and Management Committee

The Audit and Management Committee as a sub-committee of the governing body has an overall responsibility for reviewing the organization's governance and risk management systems, monitoring the internal control process and overview of functions of Internal Audit and Statutory Audit. The report of the Audit and Management Committee is given on page 40.

## Compliance with Laws and Regulations

The Directors, to the best of their knowledge and belief confirm that the Board has not engaged in any activities contravening the laws and regulations.

## Statutory Payments

The Board confirms that all statutory payments due to the President's Fund, government taxes and in relation to Employees Provident Fund, Employee Trust Fund and Gratuity have been made on time.

## Post Balance Sheet Events

The Directors are of the view that no material events have arisen in the interval between the end of the financial year and the date of this Report that would require adjustments or disclosures.

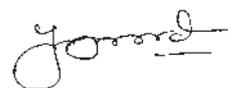
## Going Concern

The Directors are confident that the resources of the Board are adequate to continue its operations.

Therefore, it has applied the going concern basis in preparing the Financial Statements.

On behalf of the Board of Directors, I would like to sincerely thank the President and the Honorable Prime Minister and the Minister of Finance for their support and our employees who have worked diligently in meeting the annual target even amidst challenges. Among many others to thank, we should be grateful to our sales force especially the Distributors, Dealers and Sales Assistants for their valuable contributions to the delivery of products to our consumers.

To conclude, I wish to extend my sincere thanks to all our customers and other stakeholders for the trust and confidence placed in the DLB.



Mrs. Jenat Jayawardana  
(Attorney at Law)  
Director

# BOARD OF DIRECTORS - 2022



*Left to Right*

**Ms. K.A.H.C. Pubudusiri**

**Director**

Department of External Resources

Ministry of Finance

Director, Development Lotteries Board

W.e.f 28.06.2021

**Mr. W.A. Sarath Kumara**

**Deputy Secretary to the Treasury, Ministry of Finance**

Senior Additional Secretary, President's Office

Secretary, President's Fund

Director, Development Lotteries Board

W.e.f 22.08.2022

**Mr. Ajith Gunarathna Naragala**

**Chairman /CEO**

W.e.f 16.12.2021

**Mrs. Jenat Jayawardena**

**(Attorney at Law)**

**Director, Development Lotteries Board**

W.e.f 15.01.2020

**Mr. S.T. Kodikara (Not in picture)**

**Secretary**

Ministry of Trade, Commerce and Food Security

Director, Development Lotteries Board

W.e.f 28.06.2022

# CURRENT BOARD OF DIRECTORS

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**Mr. Ajith Gunarathna Naragala**  
**Chairman /CEO**



**Mr. W.A. Sarath Kumara**  
**Secretary, President's Fund.**  
Deputy Secretary to the Treasury, Ministry  
of Finance  
Director, Development Lotteries Board



**Ms. K.A.H.C. Pubudusiri**  
**Director**  
Department of External Resources  
Ministry of Finance  
Director, Development Lotteries Board



**Mrs. Jenat Jayawardena**  
**(Attorney at Law)**  
Director, Development Lotteries Board

# DEVELOPMENT LOTTERIES BOARD

## BOARD OF DIRECTORS PROFILE

### Mr. N. K. A. G. Naragala

Chairman/CEO Development Lotteries Board

#### Date of Appointment

16<sup>th</sup> December 2021

#### Education, Skills and Experience

- Master of Business Administration, Mahatma Gandhi University, India
- Post Graduate Diploma in Event Management, Devanshi University, India
- Bachelor's in Performing Arts (Special), University of Performing Arts, Sri Lanka
- Diploma in Business Management, Lalith Athulath Mudali Vocational Training Centre, Sri Lanka
- Exquisite experience in leading public sector institutions through policy formulation and strategic planning to achieve institutional mission.
- Private sector administration and leadership in Marketing, brand building, market expansion.

#### Other appointments

- Board of Director at,
  - ☛ Independent Television Network Ltd
  - ☛ BCC Lanka Limited
- Council Member at,
  - ☛ University of Ruhuna
- Visiting Lecturer at University of Kelaniyaa
- Visiting Lecturer at University of Visual and Performing Arts
- Managing Director of Luxury Caring (Pvt) Ltd

#### Previous Appointments

- Director General of Sri Lanka Rupavahini Corporation
- Operational Director at National Youth Services Council
- Board Member of National Youth Services Council

### Mr. W.A. Sarath Kumara

Director, Development Lotteries Board

#### Date of Appointment

22<sup>nd</sup> August 2022

#### Education, Skills and Experience

- BSc in Management and Valuation, University of Sri Jayawardenapura

- Masters degree in Public Management from the Sri Lanka Institute of Development Administration (SLIDA)
- Over 36 years of experience in Sri Lanka Accountants' Service

#### Other appointments

- Deputy Secretary to the Treasury, Ministry of Finance
- Senior Additional Secretary, President's Office
- Secretary, President Fund.

#### Previous Appointments

- Chief Accountant at Ministry of Disaster Management
- Chief Accountant at Ministry of Economic Development
- Chief Financial Officer, Prime Minister's Office
- Minister - Sri Lankan Embassy, Riyadh
- Deputy Registrar of Companies (Finance)

### Mr. Sisira Tissa Kumara Kodikara

Director, Development Lotteries Board

#### Date of Appointment

28<sup>th</sup> June 2022

#### Education, Skills and Experience

- B.A.(Hons) in Geography with 2<sup>nd</sup> Class Upper Division, University of Colombo
- Post Graduate Diploma in Devolution & Local Government Studies, University of Colombo
- Master of Commerce in Economics, University of New South Wales, Australia
- Post-Graduate Diploma in Computer Science, University of Colombo
- Bachelor of Law (L.L.B), Open University of Sri Lanka

#### Other appointments

- Secretary  
Ministry of Trade, Commerce and Food Security

#### Previous Appointments

Secretary	State Ministry of Housing
Secretary	State Ministry of National Heritage, Performing Arts and Rural Arts Promotion

Chairman	National Human Resources Council, Ministry of Public Services, Provincial Council & Local Govt.
Secretary	State Ministry of Community Police Services.

### Miss. K.A.H.C. Pubudusiri

Director, Development Lotteries Board

#### Date of Appointment

28<sup>th</sup> June 2021

#### Education, Skills and Experience

- BSc - University of Kelaniya
- MSc (Biotechnology) - University of Peradeniya
- MA (Economics) - University of Kelaniya
- MA (Policy Economics) - Williams College, USA
- Working experience in public finance, fiscal policy and external development assistance

#### Other appointments

Director, Department of External Resources

### Mrs. Jenat Jayawardana

Director, Development Lotteries Board

#### Date of Appointment

15 January 2020

#### Education, Skills and Experience

- LLB- Faculty of Law, University of Colombo
- 22-year experience

#### Other appointments

Chairman – Kurunegala Plantation company  
(From Oct 2022 to up to date)

#### Previous Appointments

- Legal advisor - North Western Province, (2004 to 2010)
- NICD Chairman - Year 2019

# MANAGEMENT TEAM



1. **MR. D.D.C. DAMMINDA** - Deputy General Manager (Marketing) 2. **MR. W.K.A.A. JAYARATHNA** - General Manager 3. **MR. AJITH GUNARATHNA NARAGALA** - Chairman / CEO 4. **MISS. W.A.V.C. SOMARATHNA** - Deputy General Manager (Finance) 5. **MR. T. KASUN JAYASOORIYA** - Assistant General Manager (Finance)



6. **MR. C.C. AILAPPERUMA** - Assistant General Manager (Sales) Actg. 7. **MR. S.M.A. WASANTHA UDAYAKUMARA** - Internal Auditor 8. **DR. ASANKHAA S. GUNASINGHE** - Assistant General Manager (Marketing) 9. **MR. NISHAN PERERA** - Assistant General Manager (Finance) 10. **MR. P.D.U. MALINTHA** - Assistant General Manager (Procurement) 11. **MR. ROHANA PRASAD RANASINGHA** - Assistant General Manager (HR & Administration)

# JUNIOR MANAGERS



1. **MR. G.A.R.S. RANATHUNGA** - Territory Manager 2. **MR. E.D.I.N.S. ABERATHNA** - Administrative Officer 3. **MR. J.M.D.A. CRISHANTHA** - Chief Security Officer 4. **MR. M.B.M.N.K. BALAGALLA** - Territory Manager 5. **MR. I.D. PATHMA KUMARASIRI** - Territory Manager 6. **MR. M.K.A.I. KAMALSIRI** - Territory Manager



7. **MR. C.J.B. JAYAWARDHANA** - Territory Manager 8. **MR. N.V. INDIKA UPUL** - Finance Officer 9. **MRS. M.L. GOWRI KAUSHALYA** - Territory Manager 10. **MR. R.M.U.S. KUMARA** - Territory Manager 11. **MR. D.M.B.L. MAHINDA** - Territory Manager 12. **MR. R.A. SUNIL RATHNAYAKA** - Territory Manager



13. **MRS.R.D.C. RAJAPAKSHA** - Finance Officer 14. **MR. B.A.C.J. KARUNARATHNA** - Procurement Officer 15. **MRS. C.N. THEWARAPPERUMA** - Human Resources Officer 16. **MR. P. PRASANNA GOKULA FERNANDO** - Transport Officer 17. **MRS. R.A.W.G. RUPASINGHE** - Finance Officer 18. **MR. U.G. ILLEPERUMA** - System Analyst 19. **MRS. M.A.L.N. GUNASEKARA** - Finance Officer 20. **MRS. G.D.S. PREMATHILAKA** - Marketing & Advertising Officer

# OPERATIONAL REVIEW

## Highlights of the marketing activities of 2022

When comparing with the sales of year 2021, the sales from the beginning up to the end of the first quarter showed a striking growth. However, from the second quarter we witnessed a downward trend as a result of the political and economic crisis which unraveled in the country. Under such circumstances, an emergency situation was imposed for days and accordingly, lottery draws could not be held according to the planned schedule. Further, the price escalation and shortage of fuel in the face of the inflation during that period brought numerous difficulties for the sales network. Amidst these circumstances, especially the Sales Representatives, who were in mobile sales, were forced to leave the field. In the meantime, a rapid decline in the demand for lotteries was also seen and Sales Agents left the sales process as a result of not receiving an adequate income.

A huge decline was observed in the sales of DLB as a result of these crises but a progress to a certain extent could be seen by the final quarter of this year. Even though we were aiming to achieve a target of Rs. 25 billion in sales volume, we had to be satisfied in achieving Rs. 19 billion. However, the DLB managed to go beyond the targeted profit of Rs. 3 billion since DLB effectively and prudently managed its costs.

Further, we were able to increase the sales of DLB up to Rs. 19 billion as a result of launching special promotional programmes, meetings of Sales Agents and motivating them in financial terms by the end of the year. This is a growth achieved at the highest level compared to the previous year.

Promotional programmes mentioned below paved the way for DLB to achieve this sales level in 2022.

### 01. Promotional Programme

#### Lagna Wasana

A special draw was conducted on 28<sup>th</sup> January 2022 (Friday) named 'Supiri Dhana Yogaya' for the lottery 'Lagna Wasana' and a recorded sale of 5.3 million lottery tickets was made on the day of the lottery draw. Two

further special sales programmes were conducted under the same segment in February and April following the success achieved through the previous programme, and accordingly a recorded sale of 3.3 million and 3.5 million lottery tickets were made by these two draws.

Further, an additional incentive of 50 cents was offered to the Sales Agents of DLB for each Lagna Wasana lottery purchase for the period January to December 2022 with a view to transform the Lagna Wasana lottery as the prime lottery in the market. As a result of this measure, a progress of 17% has been recorded in the sales volume of the Lagna Wasana lottery.

#### Ada Kotipathi

A special draw was conducted on 29 November 2022 (Tuesday) named Ada Vishsha Kotipathi and the sales volume recorded in this special draw was 3.0 million.

#### Kapruka

The Kotipathi Kapruka, which offered a super jackpot of Rs. 75 million at its launch, marked a re-launch along with a huge jackpot of Rs. 120 million and other jackpots offering several million in December 2021. With a view to promote the huge jackpot of the Kapruka Lottery, a special draw was conducted in the name of "Kapruka Power Play" on 29 September 2022 (Thursday) and this event recorded a sale of Rs. 2.7 million lottery tickets. In the meantime, a special draw was conducted on 30 December 2022 (Friday) considering the higher demand for this lottery in the market and the sales volume recorded in the draw was Rs. 4.1 million.

#### Super Ball

The prize of Rs. 40, granted to the lotteries, in which any number tallies with English letter, has been increased up to Rs. 100 on 11 November 2022 and concurrently, a series of lottery draws have been conducted from 16 to 30 November 2022 in the name of "Super Ball Super Chance".

Accordingly, in addition to the normal prize schedule, a large number of cash prizes to the value of Rs. 100 and Rs. 500 were also offered at daily draws.

#### Sasiri

With a view to promote the Sasiri Brand, a special lottery draw has been conducted on 15 March 2022 (Tuesday) in the name of "Sasiri Lakshapathi Wasana" and a sale of Rs. 1.3 million lottery tickets was recorded under this draw. This lottery, which presents a large number of winners daily, produced 1596 winners during the year 2022.

#### Valampuri

This new lottery ticket named "Valampuri", Wasanawe Jaya Shanka (Symbol of the luck) was introduced to the market at a price of Rs. 50 on 09 September 2022 (Friday) targeting the customers in the Northern and Eastern provinces and the draws of this lottery are held once in two months. The first draw of this lottery was held on 28 October 2022 (Friday) and a sale of Rs. 1.1 million lottery tickets was recorded under this draw.

### 02. Super Jackpots and other prizes awarded during the year 2022

Nearly Rs. 10 billion was delivered among the winners of super jackpots, first, second and third cash awards including other cash awards.

#### Ada Kotipathi

During the year Ada Kotipathi the lottery offered a super jackpot of Rs. 63,138,148 and 118 prizes of Rs. One million and 1442 cash prizes of Rupees One Hundred Thousand. The total value of the prizes delivered among consumers in 2022 was Rs. 1,456,765,648

#### Lagna Wasana

Lagna Wasana, the lottery ticket, which presents the highest number of winners, delivered prizes to the value of Rs. 3,207,019,838 and it included 36 Supiri Dhana Yogas and 518 cash prizes of Rupees five Hundred Thousand.

### Super Ball

The Super Ball lottery created history in the lottery industry by offering two super jackpots of Rs. 61,193,570.40 and Rs. 50,000,000.00 and 90 cash prizes of One million and 1041 cash prizes of Rupees one Hundred Thousand and therefore the total value of cash prizes delivered among consumers was Rs. 1,113,060,570.40

### Shanida

Shanida marked the total value of cash prizes delivered among consumers during year 2022 against its name as Rs. 1,441,630,211.50 and it included three super jackpots to the value of Rs. 30,277,239.00, Rs. 32,604,731.40 and Rs. 83,740,721.10 and 118 cash awards of Rupees One million and 1319 cash awards of Rupees One Hundred Thousand are also included in the above amount.

### Kapruka

The Kapruka lottery ticket, which offers a huge jackpot of Rs. 120 million along with other super jackpots, offered a super jackpot of Rs. 10 million and three jackpots of Rupees Five Million during year 2022. The total value of the cash awards offered to the consumers during the year was Rs. 1,350,940,060.00. In addition to the above-mentioned jackpots, 119 cash prizes of Rupees One Million and 1373 cash prizes of Rupees One Hundred Thousand also were included in the above amount.

### Jayoda

The total value of the cash prizes awarded by the Jayoda lottery during year 2022 was Rs. 198,018,820.00 and this amount represented 26 cash prizes of Rupees One million, 14 cash prizes of Rupees One Hundred Thousand and 221 cash prizes of Rupees Fifty Thousand.

### Sanwardhana Wasana

One super jackpot of Rs. 14,596,184 and 41 cash prizes of Rupees Five Hundred Thousand, 14 cash prizes of Rupees One Hundred Thousand and 326 cash prizes of Rupees Fifty Thousand were offered to consumers by Sanwardhana Wasana lottery ticket during year 2022 and accordingly the total value of the cash awards had been marked as Rs. 198,214,984.00.

### Sasiri

Sasiri made its mark in the lottery industry as the presenter of the highest number of winners of One Hundred Rupees cash awards and continuing this tradition, it could present 1597 winners even during year 2022. Accordingly, the total value of the such awards delivered among winners was Rs. 33,512,550.00.

### Valampuri

The Valampuri special lottery ticket introduced with the aim of winning consumers in the Northern and Eastern Provinces offered five jackpots of Rs. 2,000,000.00 and 55 cash awards of Rs. One Hundred Thousand at its first draw. The total value of the cash awards offered to the consumers in the above manner was Rs. 1,350,940,060.00.

## 03. Appointment of new Sales Distributors and Sales Agents for the year 2022

Number of the District	District	Sales Distributors	Sales Agents
01	Colombo	02	09
02	Kalutara		03
03	Kandy		06
04	Matale		02
05	Nuwara Eliya	01	02
06	Galle		04
07	Matara	01	04
08	Hambantota		01
09	Jaffna		
10	Mannar		
11	Vavuniya		01
12	Batticaloe		
13	Ampara		01
14	Trincomalee		03
15	Kurunegala		06
16	Puttalam		01
17	Anuradhapura	01	03
18	Polonnaruwa		
19	Badulla		01
20	Monaragala		04
21	Rathnapura		03
22	Kegalle		05
23	Gampaha	02	15
24	Killinochchi		06
25	Mullativu		
		<b>07</b>	<b>80</b>

# OPERATIONAL REVIEW

## 04. Meetings of Sales Agents

With a view to encourage the Sales Agents scattered all over the island, action has been taken to launch new types of meeting by the Development Lotteries Board in the following Districts under the theme 'Sanwardhana Abhiman' for the Sales Agents.

Date	District	Venue
15 January 2022	Anuradhapura	Anuradhapura
16 January 2022	Kegalle	Kegalle
17 January 2022	Puttalam	Puttalam
29 January 2022	Matale, Kandy	Kandy
26 February 2022	Galle	Galle
27 February 2022	Matara	Matara
05 March 2022	Ampara, Batticaloa	Ampara
06 March 2022	Badulla	Badulla
12 March 2022	Monaragala	Monaragala
13 March 2022	Nuwaraeliya	Nuwaraeliya
17 March 2022	Jaffna, Kilinochchi, Mannar, Vavuniya,	Jaffna
19 March 2022	Trincomalee, Polonnaruwa	Trincomalee
20 March 2022	Kurunegala	Kurunegala
26 March 2022	Rathnapura	Rathnapura

During these meetings of Sales Agents, a programme has also been organized by the Development Lotteries Board to appreciate the services of the Sales Agents. Accordingly, cash prizes and certificates have been awarded in the following manner.

- Sales Agents, who have reported a higher sales volume within the Island
- Sales Agents, who won first, second and third places from among those who have recorded highest sales volume in relevant District.
- Sales Agents, who have recorded the highest sales volume within the relevant electorate.

## 05. Special programmes conducted for the Sales Agents and Sales Assistants

- With a view to enhance the sales, 60 new sales outlets were distributed during 2022 under the project '500 outlet project' which was initially launched in 2018. The value of an outlet distributed in the above manner was Rs. 115,560 and Rs. 6,933,600 was spent during the year for this purpose.
- The amount of Rs. 20,000, which was allocated to paste stickers at each sales outlet, was increased to Rs. 30,000 by the end of the year 2022. Accordingly, Rs. 1,420,000 was spent on 66 sales outlets.
- A programme for granting sponsorships to the Sales Agents all over the island to make Lottery Shops was launched in year 2018 by the Development Lotteries Board. Under this programme DLB managed to make contributions for 02 such Lottery Shops by the end of 2022.

- A project aimed at the retail shops for inducing them for selling lottery tickets (selling through retail shop project) was launched in year 2022. Under this project lottery tickets have been delivered among 1373 all over the island during the year. The rapid decline observed in the sales amidst the fuel crises was controlled to a certain extent with this project.
- An allocation of Rs. 565,500 was made in 2022 for the children of the Sales Agents of DLB, who had been selected to the universities.
- Rs. 6,072,130 was granted for the Sales Agents and Sales Assistants who became victims of COVID 19 and those who suffered from various illness and demised.
- 122 Garden Umbrellas were distributed among Sales Agents of DLB scattered all over the Island.
- With the intention to encourage the District Sales Agents, who recorded the highest sales in each district, mini meetings have been organized in districts from time to time and the views of sales assistants were entertained at these meetings. This measure made it possible to supervise the sales outlets and appreciate their service awarding gifts.

## 06. Social Care Programmes

- Sponsorship of Rs. 2,000,000 for Sri Dalada Perehera, Kandy.
- Sponsorship of Rs. 500,000 for Esala Perehera, of Ruhunu Katharagama Maha Devala.
- Sponsorship of Rs. 200,000 for annual Sri Dalada Perehera, of Raja Maha Vihara at Sri Jayawardanapura Kotte.

- Sponsorship of Rs. 200,000 for the 72<sup>nd</sup> annual Esala Perahera, Bellanwila.
- In appreciation of the social service rendered by the employees of Kandy Municipal Council, who carry out landscape works, Development Lotteries Board for the 12<sup>th</sup> time granted them 100 t-shirts.

### **07. Special Programmes**

- December 2022 marked the launch of the new Business Logo for the Development Lotteries Board to facilitate Corporate Image Building and attract the attention of the young generation.
- Further, a new programme was introduced at the beginning of year 2022 to hand out prize awards to the winners of the Development Lotteries Board and to the Sales Agents of such winning lottery tickets at the sales outlets, which have become popular places of the consumers. In addition, photographs taken at such occasions have been published in the Facebook page of the Development Lotteries Board with a view to make the general public continuously aware of the measures taken by DLB.
- A new service has been made available to the consumers of DLB, who usually purchase a considerable number of lottery tickets, to deliver their lottery tickets at their door step collecting their orders over telephone and it has resulted in selling nearly 1000 tickets per day.
- In appreciation of the service rendered by the employees who have completed a period of twenty years, a Gold Pound was awarded on 29.12.2022.

# PRODUCT PORTFOLIO OVERVIEW

The Development Lotteries Board (DLB) provides funding for education and for community endeavors through the President’s Fund. The DLB offers two product types; passive lottery and digital lottery. The digital lottery is sold through the “DLB Sweep” mobile app.

**Draw games** - Played by matching numbers on a game ticket to numbers drawn by the lottery

**Scratch games** - Played by scratching latex from a paper ticket to reveal any predetermined wins.

## Brand Calendar



Monday / Tuesday  
Wednesday / Thursday / Friday /  
Saturday & Sunday



Monday / Tuesday  
Wednesday / Thursday  
Friday / Saturday &  
Sunday



Monday / Tuesday  
Wednesday / Thursday  
Friday / Saturday &  
Sunday



Monday / Tuesday  
Wednesday / Thursday  
Friday / Saturday &  
Sunday



Monday / Tuesday  
Wednesday / Thursday  
Friday / Saturday &  
Sunday



Thursday / Saturday



Monday / Wednesday



Tuesday / Friday & Sunday



Once in two months



## 1. ADA KOTIPATHI



### ● Brand Vision

To be the market leader and the most popular lottery in Sri Lanka.

### ● Brand Mission

To introduce innovative prize structures by using state-of-the-art technology and thereby to enhance the profitability of the board.

### ● Game Details

Draw Days : Monday to Sunday (All 7 days)

Ticket Colors : Red, Light Blue, Pink, Dark blue, Purple, Yellow & Green

Starting Jackpot: Rs. 50,000,000

### ● Prize Structure

Combination	Prize (Rs.)
Any Single Number	Rs. 20.00
Any English Letter	Rs. 20.00
Any 2 Numbers	Rs. 100.00
Any 3 Numbers	Rs. 2,000.00
4 Numbers	Rs. 1,000,000.00
Any one Number + English Letter	Rs. 100.00
Any 2 Number + English Letter	Rs. 1,000.00
Any 3 Numbers + English Letter	Rs. 100,000.00
4 Numbers + English Letter	Rs. 50,000,000.00

## 2. SHANIDA



### ● Brand Vision

To be a leading brand in the lottery market from Monday to Sunday. (All 7 days)

### ● Brand Mission

As a leading brand of all 7 days in Sri Lanka through introducing innovative prize structures by state-of-the-art technology through enhancing the profitability of the board.

### ● Game Details

Draw Days : Monday to Sunday (All 7 days)

Ticket Colors : Dark Blue, Light Blue, Purple, Red, Orange, Green & Pink

Starting Jackpot: Rs. 30,000,000

### ● Prize Structure

Combination	Prize (Rs.)
Any English Letter	Rs. 20.00
Any Single Number	Rs. 20.00
Any 2 Numbers	Rs. 100.00
Any 3 Numbers	Rs. 2,000.00
4 Numbers	Rs. 1,000,000.00
Any one Number + English Letter	Rs. 100.00
Any 2 Number + English Letter	Rs. 1,000.00
Any 3 Numbers + English Letter	Rs. 100,000.00
4 Numbers + English Letter	Rs. 30,000,000.00

# PRODUCT PORTFOLIO OVERVIEW

## 3. KAPRUKA



- Brand Vision**  
 The lottery brand that fulfills dreams and aspirations of people who are attracted by the jackpot.
- Brand Mission**  
 To be the preferred choice of brand among the people who are attracted by the jackpot.
- Game Details**  
 Draw Days : Monday to Sunday (All 7 days)  
 Ticket Colors : Light blue, Pink, Green, Orange, Indigo, Red & Yellow  
 Starting Jackpot: Rs. 120,000,000

- Prize Structure**

Combination	Prize (Rs.)
Any Single Number	Rs. 20.00
Any English Letter	Rs. 20.00
Any 1 Number + English Letter	Rs. 100.00
Any 2 Numbers	Rs. 100.00
Any 2 Numbers + English Letter	Rs. 1,000.00
Any 3 Numbers	Rs. 2,000.00
Any 3 Numbers + English Letter	Rs 100,000.00
4 Numbers	Rs. 1,000,000.00
4 Numbers + Super Number	Rs. 5,000,000.00
4 Numbers + English Letter	Rs. 10,000,000.00
4 Numbers + English Letter+ Super Number	Rs. 120,000,000.00

## 4. LAGNA WASANAWA



- Brand Vision**  
 Become the number one lottery brand that fulfills aspirations of people who believe in fortunes from zodiac symbols.
- Brand Mission**  
 The Brand that is sought after by the people who believe in luck in fortune from zodiac symbol.
- Game Details**  
 Draw Days : Monday to Sunday (All 7 days)  
 Ticket Colors : Yellow, Red, Green, Brown, Blue, Light blue, Purple  
 Starting Jackpot: Rs. 2,000,000

- Prize Structure**

Combination	Prize (Rs.)
Any Single Number	Rs. 20.00
Any Zodiac Sign	Rs. 20.00
Any 2 Numbers	Rs. 100.00
Any 3 Numbers	Rs. 1,000.00
4 Numbers	Rs. 500,000.00
Any 1 Number + Zodiac Sign	Rs. 60.00
Any 2 Numbers + Zodiac Sign	Rs. 200.00
Any 3 Numbers + Zodiac Sign	Rs. 10,000.00
4 Numbers + Zodiac Sign	Rs. 2,000,000.00

## 5. SUPER BALL



### ● Brand Vision

To be the market leader and a popular lottery in Sri Lanka.

### ● Brand Mission

To introduce innovative prize structures by using state-of-the-art technology & thereby to enhance the profitability of the Board.

### ● Game Details

Draw Days : Monday to Sunday (All 7 days)  
 Ticket Colors : Purple, Light Blue, Orange, Green, Pink, Dark Blue & Red  
 Starting Jackpot: Rs. 50,000,000

### ● Prize Structure

Combination	Prize (Rs.)
Any English Letter	Rs. 20.00
Any One Number	Rs. 20.00
Any 2 Numbers	Rs. 100.00
Any 3 Numbers	Rs. 2,000.00
All 4 Numbers	Rs. 1,000,000.00
Any One Number + English Letter	Rs. 100.00
Any 2 Numbers + English Letter	Rs. 1,000.00
Any 3 Numbers + English Letter	Rs. 100,000.00
All 4 Numbers + English Letter	Rs. 50,000,000.00

## 6. DEVELOPMENT FORTUNE



### ● Brand Vision

To be a popular brand on both days it is being drawn, offering a unique, credible and a prestigious proposition, generating revenues and profits for DLB.

### ● Brand Mission

As a popular brand in Thursdays & Saturdays offline lottery in Sri Lanka introducing innovative prize structures by state-of-the-art technology through enhancing the profitability of the board.

### ● Game Details

Draw Days : Thursday / Saturday  
 Ticket Colors : Blue & Red  
 Starting Jackpot: Rs. 10,000,000

### ● Prize Structure

Combination	Prize (Rs.)
Fate No	Rs. 20.00
English Letter	Rs. 20.00
Any Single Number	Rs. 20.00
Any 02 no's	Rs. 100.00
Any 03 no's	Rs. 50,000.00
Any 01 no with fate no	Rs. 100.00
Any 02 no with fate no	Rs. 500.00
Any 03 no with fate no	Rs. 500,000.00
Any 01 no with English letter	Rs. 100.00
Any 02 no with English letter	Rs. 500.00
Any 03 no with English letter	Rs. 100,000.00
01 no + fate no+ English letter	Rs. 200.00
02 no + fate no+ English letter	Rs. 10,000.00
03 no + fate no+ English letter	Rs. 10,000,000.00

# PRODUCT PORTFOLIO OVERVIEW

## 7. JAYODA



### Brand Vision

To be a popular brand on Monday and Wednesday offering a unique and credible proposition and generating revenue and profit for DLB.

### Brand Mission

As the most popular brand on Monday & Wednesday introducing innovative price structures by using state-of-the-art technology through enhancing the profitability of the Board.

### Game Details

Draw Days : Mondays and Wednesdays.

Ticket Colors : Yellow & Orange

Starting Jackpot: Rs. 20,000,000

### Prize Structure

Combination	Prize (Rs.)
Any English Letter	Rs. 20.00
Any One Number	Rs. 20.00
Any 2 Numbers	Rs. 100.00
Any 3 Numbers	Rs. 2,000.00
All 4 Numbers	Rs. 1,000,000.00
Any One Number + English Letter	Rs. 40.00
Any 2 Numbers + English Letter	Rs. 1,000.00
Any 3 Numbers + English Letter	Rs. 50,000.00
All 4 Numbers + English Letter	Rs. 20,000,000.00

## 8. SASIRI



### Brand Vision

Become a leading e-lottery brand

### Brand Mission

To introduce innovative high-tech to create a new untapped market and thereby to enhance the profitability of the Board.

### Game Details

Draw Days : Tuesday, Friday and Sunday

Ticket Colors : Purple, Light brown & Green

### Prize Structure

Combination	Prize (Rs.)
Any Single Number	Rs. 20.00
Any 2 Numbers	Rs. 200.00
Any 3 Numbers	Rs. 100,000.00

## 9. VALAMPURI



### ● Brand Vision

To be the most popular lottery brand in the Northern and East region and generate more winners in the region.

### ● Brand Mission

As the popular lottery brand in the North and East region as a cultural brand by distributing more winning chances in the region and enhancing the profitability of the organization.

### ● Game Details

Draw Days : Once in two months

Ticket Colors : Green

### ● Prize Structure

Combination	Prize (Rs.)
Any Single Number	Rs. 50.00
Any 2 Numbers	Rs. 1,000.00
Any 3 Numbers	Rs. 100,000.00
Any 3 Numbers + Zodiac Sign	Rs. 2,000,000.00

## 10. INSTANT LOTTERY



### ● Introduction

Instant lottery was introduced to Sri Lanka by the Development Lotteries Board in 1983 as the pioneer in the instant lottery segment. When it was introduced to the market it was a novel concept to the country.

### ● Brand Vision

To be the market leader in Sri Lanka through the offline instant lottery.

### ● Brand Mission

As a market leader of offline instant lottery in Sri Lanka introducing innovative prize structure and a new face by state-of-the-art technology to enhance the profitability of the Board.

### ● Competitive landscape

After the DLB introduced the instant lottery to the market two brands of instant lotteries were launched by NLB to the market named Sevena and Samurdhi.

Sevena is a direct competitor to the DLB scratch lottery. Sevena has been established as a separate entity to conduct the instant lottery and is managed separately by NLB. Therefore, people have recognized NLB as one of the business entities in the instant lottery segment.

# SUSTAINABILITY REPORT

As a conscious and socially responsible institution we are committed to contributing to the community through long-term partnerships and by conducting business in an environmentally responsible manner. Our community-centric initiatives have enriched the lives of all Sri Lankans.

# SUSTAINABILITY REPORT

For the past three decades, the Development Lotteries Board (DLB) has essentially been a sustainable business entity. Since its inception, DLB confidently believes that formulating competitive business strategies does not essentially conflict with society's overall long-term needs and values while taking into account more than just the interests of the immediate stakeholders. The Sustainability Report of the Company consists of the profile, strategy for sustainability, economic responsibility, social responsibility and environmental responsibility.

DLB is dedicated to responsible growth, and through its lottery products and prizes creates constant and sustainable value over time for Sri Lankans. This report highlights DLB's initiatives to maintain social, environmental and economic accountability. Social responsibility of DLB includes responsible initiatives for the protection of business, consumers and lottery winners as well as community outreach programmes. In order to achieve environmental responsibility, DLB monitors the environmental impacts of its corporate activities. Economic responsibility translates into a model of governance that is transparent and balanced.

## Our Core Values

The Development Lotteries Board continues to have a clear ambition to provide exceptional customer experience, commitment, confidence and advocacy in our selected business area. Delivering this ambition is not going to be straightforward and largely depends on our ability to preboud question that we are becoming a responsible business in a sustainable manner.

And when it comes to our dedicated and highly spirited employees, we were given a great hand. That's why strive hard to create an environment in which they're proud to be a part of. We understand that our business success depends on their job satisfaction and continue to invest

in our people by offering opportunities for training and continuing education to encourage excellence. Our sustainability program also aims to improve customer experience, create jobs in the industry and increase revenue to support important services such as healthcare and education through contribution to the President's Fund and Mahapola Trust Fund. DLB is more customer-oriented on the delivery of lotteries and continues to provide oversight of service providers.

## Environmental Responsibility

Our efforts to reduce the impact on the environment have been successful. DLB provides a gateway to effective community support services through comprehensive employee training, innovative technology and collaboration with stakeholders. Through digitalization DLB aims to minimize the carbon footprint on the planet while introducing more Apps and e-services for the convenience of our customers. We intend to improve DLB's operations on environmental impact and increase green awareness among customers and employees. Sasiri lottery, the first ever digital lottery brand of South Asia, which has been inaugurated by the Development Lotteries Board leveraging the digital technology has been able to win a merit award. Sasiri digital lottery is a green initiative developed by the Development Lotteries Board. lottery concept has been expanded to other existing lottery brands in hoping of reducing printing of tickets. We will demonstrate the progress in these areas each year through this report and articulate our goals for the coming year. DLB focuses on committed development through its lottery products and prizes creating consistent and sustainable value to the lives of Sri Lankans. These activities highlight that DLB has executed to look after social, environmental and monetary obligations. DLB monitors the environmental impacts of its corporate exercises.

## Corporate Social Responsibility

We at Development Lotteries Board want to be recognized as a valued community member based on our Corporate Social Responsibility Policies. Therefore, DLB focuses on contributing to the community through meaningful, long-term partnerships and conducting business in an environmentally sustainable way. DLB commits funding to the President's Fund and Mahapola Higher Education Trust Fund, host communities, local charities, and enrich the lives of our people in Sri Lanka. DLB was able to launch to launch several social ventures programmed that focus on empowering entrepreneurship for individuals by providing assistance to the entire chain of lottery Agent / Distributers.

The Development Lotteries Board was recognized by the Institute of Chartered Accountants of Sri Lanka as an approved training institute for the Business Level signifying our effort to uplift professional training among our young professionals. During 2022 Rs. 6,072,130 was granted for the Sales Agents and Sales Assistants who became victims of COVID 19 pandemic and those who suffered from various illnesses and those demised. Furthermore, 122 Garden Umbrellas have been distributed among Sales Agents of DLB scattered all over the island. With the intention of encourage the District Sales Agents, who recorded the highest sales each district, pocket meetings were organized in districts from time to time and the views of sales assistants were heard at these meetings. This measure allowed us to supervise the sales outlets and appreciate their service by awarding gifts.

## Other CSR Activities

An amount of Rs. 565,500 was spent during 2022 to award scholarships to the children of Sales Agents of DLB, who have been selected to enter universities. Our beneficiaries are living proof of the fact that we have contributed meaningfully towards impacting the lives of students by way of disbursement of scholarships

# SUSTAINABILITY REPORT

to needy students in our society through the President's Fund. The Development Lotteries Board distributed 100 t-shirts to the employees of the Kandy Municipal Council who beautify the city in recognition of their social mission.

The Development Lotteries Board also offered sponsorships of Rs. 500,000 for the Esala Perahera of Ruhunu Katharagama Maha Devala, Rs. 2,000,000 for Sri Dalada Perahera in Kandy, Rs. 200,000 for the annual Sri Dalada Maha Perahera at the Raja Maha Viharaya in Sri Jayawardenepura Kotte and Rs. 200,000 for 72nd annual Esala Perahera of Bellanwila Raja Maha Viharaya during the year.

## Human Resources

We recognize that our employees play an important role in developing good business practices and building lasting customer relationships. We value our employees deeply and strive to create a workplace that is innovative, supportive and engaging to show our appreciation for their many contributions.

## Local Training Programmes

Training programme/ Workshop	Participant's Name	Position	Training Period	Venue
National Data Protection Law Symposium 2022	1. Mr. Wasantha Senadheera	Internal Auditor	01 Day	Bar Association of Sri Lanka
	2. Mr. Madura Harshana	AGM(IT)		
	3. Ms. Anuruddhika Mahanama	IT Assistant		
	4. Mr. Manoj Shyamaka De Silva	IT Assistant		
	5. Mr. Jalith Punchihewa	MA		
Motivation Programme	Drivers (16)		01 Day	Skills Development Fund Ltd. (SDFL)
Computer Application	Transport Officer Management Assistants (14)		03 Days	Skills Development Fund Ltd. (SDFL)

## Higher Education Programmes for Officers

Officer	Position	Course	Period
Mr.I.D.P.Kumarasiri	TM	Master of Business Administration Degree	02 years

## Staff development objectives

- Create and encourage job and career opportunities
- Continue progressing with workforce planning and talent management programmed, quality recruitment and retention initiatives, development of leadership and succession planning, and continuous learning
- Ensure that our employees are empowered and rewarded for their achievements
- Ensure that our staff is well informed and aware of the company's strategic direction and empowered and rewarded for their achievements

# CADRE POSITION AS AT 31.12.2022

Designation	Salary	Approved Cadre	Existing Cadre	Vacancies	Excess	Cadre Contract	Details Secondment
Chairman/ CEO		1	1				
General Manager	H.M - 2.1	1	1				
Deputy General Manager (Marketing).	H.M - 1.1	1	1				
Deputy General Manager (Finance)	H.M - 1.1	1	1				
Asst.General Manager (Marketing)	M.M-1.1	2	1	1			
Asst.General Manager (Finance)	M.M- 1.1	3	2	1			
Asst.General Manager (Sales)	M.M- 1.1	2	1	1			
			1				
			Acting				
Asst.General Manager (HRM/ Admin.)	M.M- 1.1	1	1				
Asst.General Manager (Procurement)	M.M- 1.1	1	1				
Asst. General Manager (Info. Tech)	M.M- 1.1	1	1				
Internal Auditor	M.M- 1.1	1	1				
Administrative Officer	J.M- 1.1	1	1				
Chief Security Officer	J.M- 1.1	1	1				
Transport Officer	J.M- 1.1	1	1				
Territory Manager	J.M- 1.1	10	10				
Finance Officer	J.M- 1.1	4	4				
Sys./Prog.Analyst	J.M- 1.1	1	1				
Procurement Officer	J.M- 1.1	1	1				
Human Resource Officer	J.M- 1.1	1	1				
Marketing & Advertising Officer	J.M- 1.1	1	1				
Sales Promotion Assistant	MA - 3	24	16	8			
Quality Control Assistant	MA - 3	1	0	1			
IT Assistant	MA - 3	4	2	2			
Media & Public Relation Assistant	MA-3	1	1				
Finance Assistant	M.A-2.2	2	0	2			
Chief Management Assistant	MA-1.2	1	1				
<b>Management Assistant (137 Management Assistants &amp; 01 - Personal Assistant post)</b>	MA-1.2	138	125	11		2	
Sales Coordinator	MA-1.1	5	3	2			
Driver	P.L - 3	43	40	1		1	1
Electrician	P.L-3	2	2				
Peons	P.L-1	65	59	5		1	
Field Promoter	P.L-1	10	10	0			
Field Mobile Vehicle Announcer	P.L-1	6	1	5			
Security Assistant	P.L-1	3	15		*12		
<b>TOTAL</b>		<b>341</b>	<b>308</b>	<b>40</b>	<b>*12</b>	<b>4</b>	<b>1</b>

\* The positions have been approved as personal.

# CADRE POSITION AS AT 31.12.2022

## Staff members - By category

Chairman / CEO	1
General Manager	1
DGM	2
AGM	7
Internal Auditor	1
Administrative Officer	1
Chief Security Officer	1
Territory Manager	10
Finance Officer	4
System Analyst	1
Human Resources Officer	1
Procurement Officer	1
Transport Officer	1
Marketing & Advertising Officer	1
Area Sales Promotion Assistant	16
IT. Assistant	2
Media & Public Relation Assistant	1
Chief management Assistant	1
Management Assistant	127
Sales Coordinator	3
Driver	42
Electrician	2
Peons	60
Field Promoter	10
Field Mobile Announcer	1
Security Assistants	15
<b>Total</b>	<b>313</b>

## Staff members - By age

21 - 30	43
31 - 40	103
41 - 50	104
51 - 60	63
<b>Total</b>	<b>313</b>

## Staff members - By gender

Male	221
Female	92
<b>Total</b>	<b>313</b>

# CORPORATE GOVERNANCE

The Corporate Governance System guides DLB's long-term goals and strategic plans while defining practices and guiding principles for the Board to make decisions. The Corporate Governance model outlines the authority and accountability that is broken down among different levels of DLB, particularly at levels of government, Board and Executive Management. The Board establishes corporate policies and provides strategic guidance for the CEO and executives, who are responsible for the smooth operation of their business. Development Lotteries Board is governed by the Development Lotteries Board Act No. 20 of 1997. The structure of the Board has been specified under section 3(l) of the act, as follows.

- a) The following ex-office members:
- (i). The Chairman of the Mahapola Higher Education Scholarship Trust Fund or his representative.
  - (ii). The Secretary to the President or his representative.
  - (iii). Secretary to the Ministry of the Minister or his representative.
- b) Two other members appointed by the Minister.

The Minister shall appoint a Chairman who shall be the Chief Executive Officer of the Board, and be charged with the administration and management of the affairs of the Board.

## Role of the Board of Directors

In line with government policies, the Board of Directors is responsible for the organization's efficient management. This should be achieved while protecting resources, maintaining adequate accounts, ensuring accurate reports are compiled while complying with all statutory and other management regulation requirements.

## Hence, the Board should ensure the following:

- Ensure that the organization's strategic objectives are in place
- Give leadership to achieve strategic objectives
- Ensure an effective internal control and risk management system is in place
- Monitor and ensure that the organization's Management functions effectively.
- Adequately report on financial aspects and disclosures required on a regular basis to shareholders
- Use resources and assets responsibly
- Be accountable for all their actions in accordance with relevant statutes, guidelines and circulars etc.

## Board Meetings

Organizational operations and results at Board meetings are monitored closely and regularly against budgets and relevant standards. A standard agenda is followed along with any other issues that require the attention of the Board in detail. The Board meets once a month and special Board meetings are held whenever necessary.

## Development Lotteries Board Committees

1. Management Committee
2. Audit and Management Committee
3. Tender Board Committee
4. Staff Welfare Committee
5. Advertising Committee
6. DLB's Cultural and Art Society

## The Management

The Board's day-to-day operations are entrusted to the Chairperson. CEO, top management and senior management teams. The teams ensure that risks and opportunities are identified and steps are taken in time and budgets are being set to achieve goals.

# CORPORATE GOVERNANCE

## Number of Board Meetings in 2022

Date of Meeting	Name of Director	Designation	Present
25.01.2022	Mr. Ajith Gunarathna Naragala	Chairman/CEO	✓
	Mrs. J.M. Bhadrani Jayawardane	Director	✓
	Mr. R.J.Wimalaweera	Director	✓
	Ms. K.A.H.C Pubudusiri	Director	✓
	Ms. Jenat Jayawardana	Director	✓
18.02.2022	Mr. Ajith Gunarathna Naragala	Chairman/CEO	✓
	Mrs. J.M. Bhadrani Jayawardane	Director	✓
	Mr. R.J.Wimalaweera	Director	✓
	Ms. K.A.H.C Pubudusiri	Director	✓
	Ms. Jenat Jayawardana	Director	✓
25.02.2022	Mr. Ajith Gunarathna Naragala	Chairman/CEO	✓
	Mrs. J.M. Bhadrani Jayawardane	Director	Ab
	Mr. R.J.Wimalaweera	Director	✓
	Ms. K.A.H.C Pubudusiri	Director	✓
	Ms. Jenat Jayawardana	Director	✓
03.03.2022	Mr. Ajith Gunarathna Naragala	Chairman/CEO	✓
	Mrs. J.M. Bhadrani Jayawardane	Director	Ab
	Mr. R.J.Wimalaweera	Director	✓
	Ms. K.A.H.C Pubudusiri	Director	✓
	Ms. Jenat Jayawardana	Director	✓
23.03.2022	Mr. Ajith Gunarathna Naragala	Chairman/CEO	✓
	Mrs. J.M. Bhadrani Jayawardane	Director	✓
	Mr. R.J.Wimalaweera	Director	✓
	Ms. K.A.H.C Pubudusiri	Director	✓
	Ms. Jenat Jayawardana	Director	✓
11.04.2022	Mr. Ajith Gunarathna Naragala	Chairman/CEO	✓
	Mrs. J.M. Bhadrani Jayawardane	Director	Ab
	Mr. R.J.Wimalaweera	Director	✓
	Ms. K.A.H.C Pubudusiri	Director	✓
	Ms. Jenat Jayawardana	Director	✓

Date of Meeting	Name of Director	Designation	Present
25.04.2022	Mr. Ajith Gunarathna Naragala	Chairman / CEO	✓
	Mrs. J.M. Bhadrani Jayawardane	Director	Ab
	Mr. R.J.Wimalaweera	Director	✓
	Ms. K.A.H.C Pubudusiri	Director	✓
	Ms. Jenat Jayawardana	Director	✓
30.05.2022	Mr. Ajith Gunarathna Naragala	Chairman / CEO	✓
	Mrs. J.M. Bhadrani Jayawardane	Director	Ab
	Mr. R.J.Wimalaweera	Director	✓
	Ms. K.A.H.C Pubudusiri	Director	✓
	Ms. Jenat Jayawardana	Director	✓
27.06.2022	Mr. Ajith Gunarathna Naragala	Chairman / CEO	✓
	Mr. S.T. Kodikara	Director	✓
	Mr. D.N.Nanayakkara	Director	✓
	Ms. K.A.H.C Pubudusiri	Director	✓
	Ms. Jenat Jayawardana	Director	✓
15.08.2022	Mr. Ajith Gunarathna Naragala	Chairman / CEO	✓
	Mr. S.T. Kodikara	Director	✓
	Mr. D.N.Nanayakkara	Director	Ab
	Ms. K.A.H.C Pubudusiri	Director	✓
	Ms. Jenat Jayawardana	Director	✓
06.09.2022	Mr. Ajith Gunarathna Naragala	Chairman / CEO	✓
	Mr. S.T. Kodikara	Director	✓
	Mr. W.A. Sarath Kumara	Director	✓
	Ms. K.A.H.C Pubudusiri	Director	✓
	Ms. Jenat Jayawardana	Director	✓
28.09.2022	Mr. Ajith Gunarathna Naragala	Chairman / CEO	✓
	Mr. S.T. Kodikara	Director	✓
	Mr. W.A. Sarath Kumara	Director	✓
	Ms. K.A.H.C Pubudusiri	Director	✓
	Ms. Jenat Jayawardana	Director	✓

# CORPORATE GOVERNANCE

Date of Meeting	Name of Director	Designation	Present
09.11.2022	Mr. Ajith Gunarathna Naragala	Chairman / CEO	✓
	Mr. S.T. Kodikara	Director	✓
	Mr. W.A. Sarath Kumara	Director	✓
	Ms. K.A.H.C Pubudusiri	Director	✓
	Ms. Jenat Jayawardana	Director	✓
12.12.2022	Mr. Ajith Naragala	Chairman / CEO	✓
	Mr. S.T. Kodikara	Director	✓
	Mr. W.A. Sarath Kumara	Director	✓
	Ms. K.A.H.C Pubudusiri	Director	✓
	Ms. Jenat Jayawardana	Director	✓
23.12.2022	Mr. Ajith Naragala	Chairman / CEO	✓
	Mr. S.T. Kodikara	Director	✓
	Mr. W.A. Sarath Kumara	Director	✓
	Ms. K.A.H.C Pubudusiri	Director	✓
	Ms. Jenat Jayawardana	Director	✓

## Number of Audit & Management Meetings -2022

Date of Meeting	Name of Director	Designation	Present
29.03.2022	Mr. Ravindra J. Wimalaweera	Director	✓
	Mrs. J.M. Bhadrani Jayawardane	Director	✓
	Ms. K.A.H.C. Pubudusiri	Director	✓
	Ms. Jenat Jayawardana	Director	✓
04.08.2022	Ms. K.A.H.C. Pubudusiri	Director	✓
	Mr. S.T. Kodikara	Director	✓
	Ms. Jenat Jayawardana	Director	✓
11.10.2022	Mr. W.A. Sarath Kumara	Director	✓
	Ms. K.A.H.C. Pubudusiri	Director	✓
	Mr. S.T. Kodikara	Director	✓
	Ms. Jenat Jayawardana	Director	✓
27.12.2022	Mr. W.A. Sarath Kumara	Director	✓
	Ms. K.A.H.C. Pubudusiri	Director	✓
	Mr. S.T. Kodikara	Director	✓
	Ms. Jenat Jayawardana	Director	✓

# RISK MANAGEMENT REPORT

Effective risk management is a key factor in the business process of DLB. We seek to achieve an appropriate balance between risk and reward in our business and continue to enhance the risk management capabilities that assist us in delivering on our growth plans in a controlled environment. Risk management is at the core of the DLB's operating structure. We seek to limit adverse variations in earnings and capital by managing risk exposures within agreed levels of risk appetite.

A responsible approach to risk identification and mitigation is included in the DLB risk management system. Our major focus is to create a strong risk management culture that supports risk awareness behaviors thereby influencing decisions taken based on risk. We will continue to improve our risk strategies to ensure DLB's long-term sustainability.

The risk management strategy of DLB operates as a feedback system for specific stakeholders, managers and Boards. It is unique in its position as a strategic hub for informed decision making for businesses, operations, systems and services of the Board. This provides a consistent approach at strategic and business planning, project management and business process levels to address business risks by:

- Providing a general understanding of risks across business functions and units
- Providing management with an ongoing risk assessment to facilitate improved priority setting and decision-making
- Increasing employee awareness and management responsibilities

DLB is subject to a particular set of risks as given below:

## Prize Pay-Out Risk

A standard pay-out ratio of prizes must be maintained at all consignment levels. The risk may be that there would have been an increased prize ratio due to the likelihood of occurrences which could affect cash flow. DLB also takes insurance coverage from the printers to cover the above mentioned risk.

## Economic Risk

DLB customers' buying patterns are influenced by the country's socio economic and political changes.

## Financial Risks

Risks associated with inefficient cash flow management and financial information could jeopardize the profitability and effectiveness of organizations. DLB uses conventional practices of financial risk management such as ensuring proper insurance coverage and coordinating cost control strategies throughout the organization.

## Liquidity Risk

Liquidity risks may arise from early earnings of high-level prizes. In order to mitigate the risk, DLB maintains high cash assets. Liquidity risk arises when DLB, despite being solvent, cannot maintain or generate sufficient cash resources to meet its payment obligations as they call due or can only do so at materially disadvantageous terms.

## Operational Risk

Operational risks include potential losses resulting from system failures, human error, criminal activity and internal systematic breakdown. Such situations could harm the confidence of customers and the organizational image. In order to reduce operational risk, DLB constantly enhances internal controls. In order to mitigate the threat of organizational risk, the management of DLB carries out regular risk assessments of operational units, business processes and large-scale units.

## Business Risk

Business risk relates to the potential revenue shortfall compared to the cost base due to strategic and/or reputational reasons. DLB's ability to generate revenue is impacted by, among others, the external macro-economic environment, its chosen strategy and its reputation in the markets in which it operates.

## Reputation Risk

Reputational risk results from damage to DLB's image among stakeholders, which may impair its ability to retain and generate business. Such damage may result from a breakdown of trust, confidence or business relationship.

DLB's reliance on visual media and public interest puts the Organization at considerable reputational loss risk. DLB undertakes effective marketing campaigns to retain public interest and complies to strict systematic transparency in order to mitigate this risk.

## Legal Risk

Failure to defend prospective legal actions against DLB increases the risk of legal damage. DLB has taken appropriate steps to mitigate the actions in consultation with accredited legal professionals.

## IT Risk

An integral part of the operational process of DLB is precise and timely information obtained from the IT system.

# AUDIT AND MANAGEMENT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31<sup>st</sup> December 2022.

## Composition of the Audit Committee

The Audit Committee comprises the following four (04) Non-Executive Directors

Mr. W.A. Sarath Kumara	Chairman of Audit & Management Committee
Ms. K.A.H. Pubudusiri	Member of Audit & Management Committee
Ms. Janet Jayawardena	Member of Audit & Management Committee
Mr. S.T. Kodikara	Member of Audit & Management Committee

The General Manager, Deputy General Manager - Marketing, Deputy General Manager - Finance, Internal Auditor, Assistant General Manager – Human Resource & Administrative and other required officers are required to attend to the meeting. The Superintendent of Audit from the Auditor General's Department participates as an observer to the committee.

## Role of the Audit Committee

Development Lotteries Board is required to maintain a sound system of internal controls to safeguard stakeholder's interest and assets of the Board. The guidelines issued by the Ministry of Finance and relevant authorities are also followed by the Committee. The activities undertaken by the audit committee in respect of its principal responsibilities during the year ended 31<sup>st</sup> December 2022 are summarized below;

## Financial Reporting

Observe the compliance and integrity of Annual Financial statements and review significant financial reporting judgements contained in them prior to their issuance. This included a review of accounting policies, notes and practices, major judgmental areas and compliance with legal and regulatory requirements.

The Audit Committee discussed these matters with the representative from the Auditor General's Department as a part of the review of the findings from the audit of the financial statements.

## Internal Audit

The internal auditor submits periodic internal audit reports carried out in line with the approved annual audit plan. The internal audit reports highlight the gaps in the systems and procedures in place and recommend improvements to the existing system and procedures where necessary after negotiating with the implementation of recommendations and reports progress to the management and audit committee. The audit committee receives regular reports from internal audit, which include summaries of the key findings of each audit in the period. Management comments are also part of it and the committee reviews root causes for audit observations and preventive measures to avoid repetitions.

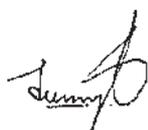
## Risk Management and Controls

With the assistance of internal audit and government audit, the committee assesses the effectiveness of the Board's operational and financial controls and procedures, which include authorization limits for expenditure, revenue process and capital expenditure, signing authorities, IT application controls and developments, organizational structure, policies, segregation of duties and reviews by Management. The liquidity status of the Board's Financial Position Statement was regularly monitored. The gaps identified thereon will be reported to the Board with recommendation for improvement. The committee pays special attention to COPE directives issued to the Board.

## Number of Meetings Held

Four (04) meetings were conducted during the year 2022 of which the attendance is given below.

Name of Director	Attendance	Excused
Mr. W.A. Sarath Kumara	02/02	Nil
Ms. K.A.H.C.Pubudusiri	04/04	Nil
Mr. Ravindra J Wimalaweera	01/01	Nil
Ms. Janet Jayawardena	04/04	Nil
Mr. S.T. Kodikara	03/03	Nil
Ms. J.M. Bhadrani Jayawardane	01/01	Nil



Mr. W. A. Sarath Kumara

Chairman - Audit & Management Committee

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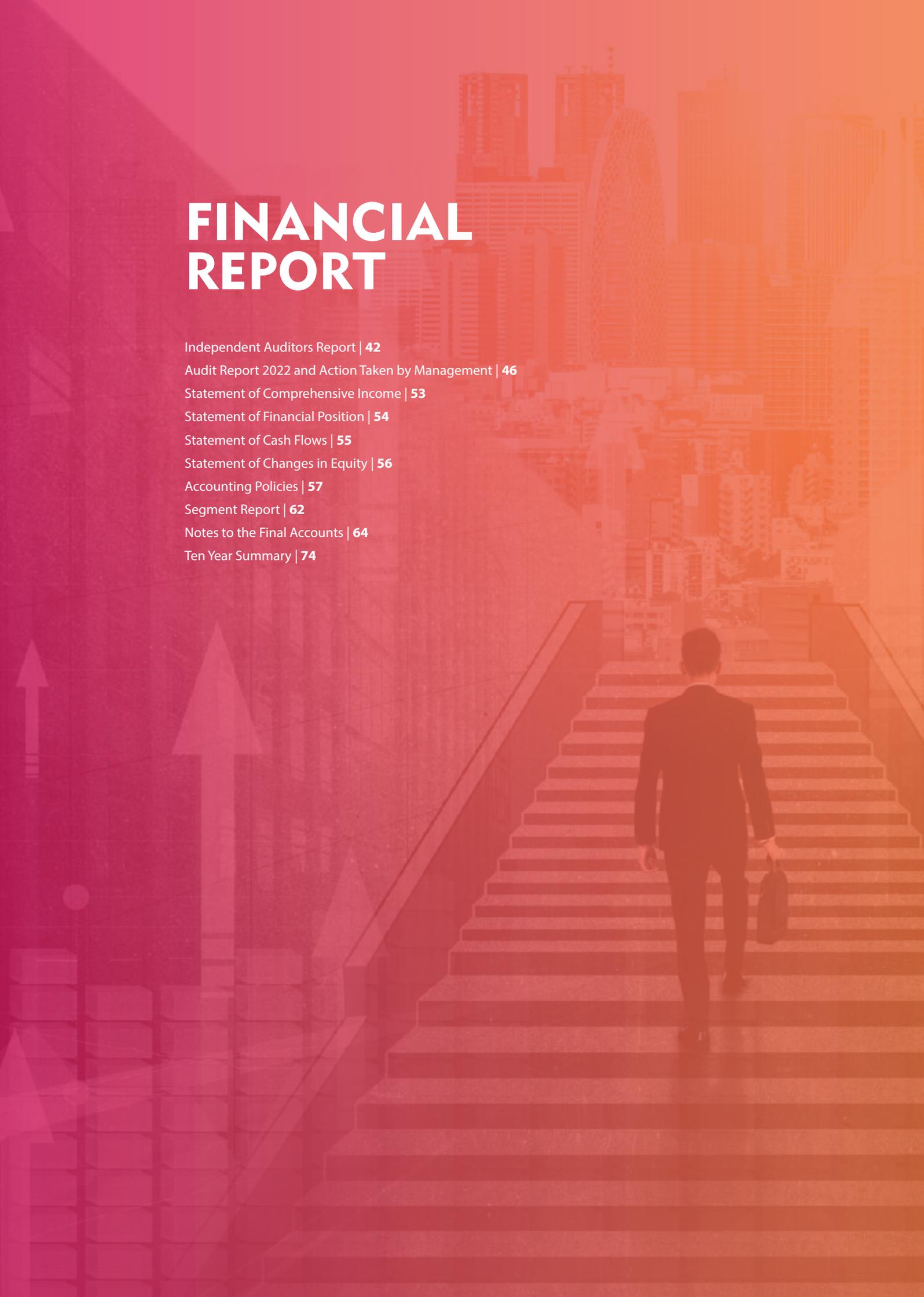
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# INDEPENDENT AUDITORS REPORT

## Chairman

Development Lotteries Board

### Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Development Lotteries Board for the year ended 31 December 2022 in terms of Section 12 of the National Audit Act No. 19 of 2018

The aforementioned report and the audited financial statements are sent herewith.



**W.P.C. Wickramaratne**  
Auditor General

Copy: - (1) Secretary - Ministry of Finance, Economic Stabilization and National Policy

## Chairman

Development Lotteries Board

### Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Development Lotteries Board for the year ended 31 December 2022 in terms of Section 12 of the National Audit Act No. 19 of 2018

## 1. Financial Statements

### 1.1 Qualified Opinion

The audit of the financial statements of the Development Lotteries Board for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka to be read in conjunction with provisions of the National Audit Act, No.19 of 2018 and the Finance Act No. 38 of 1971. The report of the Auditor General in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in Parliament in due course.

In my opinion, except for the effects of the matters described in basis for qualified Opinion section of this report, the financial statements of the Board give a true and fair view of the financial position as at 31 December 2022, and its financial

performance and cash flows for the year then ended in accordance with Sri Lanka Accounting standards.

### 1.2 Basis for Qualified Opinion

#### (a) Sri Lanka Accounting Standards

- i. In contrary to paragraph 69 of Sri Lanka Accounting Standard No. 01, a sum of Rs. 13,793,093 estimated as current liabilities in the previous years had been brought to accounts as other income in the year under review and as a result, the profit of the year under review had been overstated by that amount.
- ii. According to paragraph 36 of Sri Lanka Accounting Standard No. 16, although the entire class of property, plant and equipment should be revalued in the revaluation of property, plant and equipment, only the assets of Rs. 11,707,714 out of the total value of Rs. 56,204,125 belonging to the two asset classes of office equipment, furniture and fittings, had been revalued and assets, of which total value had been Rs. 44,496,411, had not been revalued.

- iii. As per paragraph 51 of Sri Lanka Accounting Standard No. 16, fixed assets, which had been fully depreciated and costed at Rs.81,790,967 as at 31 December in the year under review had been used further as the residual value and useful life of non-current assets had not been reviewed annually. Accordingly, the estimated error had not been rectified in accordance with Sri Lanka Accounting Standard No. 08.

#### (b) Accounting Deficiencies

- i. The necessary accounting adjustments had not been made for the expenditure totalling to Rs.1,728,884 that had been incurred to prepare a plan for an activity, of which construction had been suspended and it had been brought to accounts as work in progress under property, plant and equipment for 08 years.
- ii. In calculating the income tax expenditure of the Board for the year 2022, although a rate of 24 percent

on the taxable profit of the first half year and a rate of 30 percent on the taxable profit of the second half year should have been applied, the Board had applied a tax rate of 30 percent on the taxable profit of the full year. As a result, the income tax expenditure of the year under review had been overstated by Rs.6,127,600. Due to this, the profit after tax for the year under review had been under calculated by that amount.

- iii. A cab valued at Rs.8,095,000 that had been included in non-current assets had not been in the physical possession of the Board as a former Chairman had taken it.
- iv. The lotteries totalling to Rs. 840,343, which had been accounted as income from the sale of lottery tickets in the years 2017 and 2021, had been considered as unsold returns and money had been paid to the relevant distribution agents in the year under review. The profit of the year under review had been understated by Rs.840,343 as a sum of Rs.616,743 had been brought to accounts as returns and Rs. 223,600 had been brought to accounts as vehicle maintenance expenses.

**(c) Lack of evidence for audit**

- i. Information such as quantity, cost or revaluation value, date of purchase, etc. of computers and office equipment items valued at Rs.4,107,599 and Rs.2,523,988 respectively and included in the relevant computerized basic register of non-current assets, had not been submitted to the audit.

**(d) Unreconciled balances**

- i. Although the amounts payable to the three institutions namely Sri Lanka Broadcasting Corporation, Sri Lanka Rupavahini Corporation and Associated Newspapers of Ceylon Ltd. according to the reports of the Board as at 31 December of the year under review had been Rs.13,758,998, Rs.39,230,000 and Rs.12,005,909 respectively, the amounts confirmed directly by those institutions to audit had been Rs.17,593,053, Rs.45,150,000 and Rs.1,946,541 respectively.

- ii. Although there had been no amount to be recovered from the Sri Lanka Broadcasting Corporation to the Development Lotteries Board as at 31 December of the year under review according to the financial statements, the amount to be recovered had been Rs.1,921,681 according to the confirmation made directly to the audit by the Sri Lanka Broadcasting Corporation.
- iii. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

**1.3 Other Information included in the Annual Report 2022 of the Board**

The Information, included in the Annual Report - 2022 of the Board anticipated to be provided to me after the date of this audit report, but not including in the financial statements and in my audit report in relation to that is called as the other information. Management is responsible for the other information.

My opinion on financial statements does not cover any other information and I do not express any kind of assurance or opinion on it.

In relation to my audit on the financial statements, it is my responsibility to read the other information identified above and to consider in reading so whether other information is quantitatively inconsistent with the financial statements according to my knowledge obtained during the audit or otherwise.

If I conclude that there are material misstatements when I read the Annual Report 2022 of the Board, those facts should be communicated to the controlling parties for correction. If there are any further misstatements not corrected, they will be included in the report that will be tabled by me in Parliament in due course in terms of Article 154 (6) of the Constitution.

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

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

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

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

As per 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 on the Audit of the 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.

# INDEPENDENT AUDITORS REPORT

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism 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 my 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, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial

statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## 2. Report on Other Legal and Regulatory Requirements

**2.1** Specific provisions are included in the following requirements of the National Audit Act, No. 19 of 2018.

**2.1.1** Except for the effect of the matters described in the Basis for Qualified Opinion paragraph, 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 requirement of section 12 (a) of the National Audit Act, No. 19 of 2018.

**2.1.2** The financial statements presented is consistent with the preceding year as per the requirement of Section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.

**2.1.3** The financial statements presented includes all the recommendations made by me in the previous year, except the recommendation included in paragraph 1.2 (b) (i) of the Basis for Qualified Opinion section of my report as per the requirement of 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 Institution has any direct or indirect interest in any contract entered into by the Institution which are out of the normal cause of 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 Institution has not complied with any applicable written law,

general and special directions issued by the governing body of the Institution as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018 except for the following observation;

Reference to Laws, Rules and Direction Observation

- (a) Section 11 of the Finance Act No. 38 of 1971 Although the Board had invested a total of Rs.1,728,541,094 in fixed deposits as at 31 December of the year under review, the approval of the Minister of Finance had not been obtained for that.
- (b) Section 17(5) of the Development Lotteries Board Act No. 20 of 1997 Although the money received from the sale of the goods purchased for the prizes that have not been claimed by the prize winners and the period of 06 months has been expired should be credited to the Fund first and then to the President's Fund and although the approval had been granted at the meeting of the Board of Directors held on 30 May of the year under review to sell three motor cycles, of which the total value had been Rs. 779,750 and purchased to provide as prizes in the year 2018 and 2020 and to use the said money in accordance with the Act, the relevant activities have not been carried out even by now.
- (c) Circular of the Public Finance Department bearing No. 08/2019 dated 17 December 2019 Although public institutions including public corporations should register under the Electronic Government Procurement System (e-GP) introduced under the website of www.promise.lk before 31 January 2020, the procurement activities had not been carried out accordingly since the Development Lotteries Board had not been registered under this System.
- (d) Budget Circular No. 42 dated 31 December 2008 A total amount of Rs.9,867,854 had been given as disaster loans to 147 officers exceeding the loan limit of Rs.250,000.

2.2.3 to state that the Institution has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018.

2.2.4 to state that the resources of the Institution 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.

- i. The Board had started the procurement works related to the printing and supplying of 07 types of lotteries in May 2020, and due to not following the correct Procurement Guidelines for the bid documents, the procurement works had to be cancelled after 06 months, i.e. in December 2020. The procurement works for printing and supplying of 08 types of lotteries had started again in February 2021, and the same procurement had also been cancelled after 11 months on 20 January 2022 due to non-preparation of bid documents as per the requirement of the Board. Although procurement works had been started again for the 08 types of lotteries in February 2022, the Board had failed to select the suppliers and award the bids even though 01 year and 01 month had passed until the end of March 2023. Accordingly, the Development Lotteries Board had been unable to select suppliers for the printing, supplying and delivery of lottery tickets through a proper procurement from 31 July 2020 to 31 March 2023.
- ii. Although the Board had started procurement activities in 03 occasions from 31 July 2020 to the end of the year 2022, the Board had been unable to select printers for printing lottery tickets for a specific year and award bids to them as per the provisions of the Procurement Guidelines, time extensions had been granted to both of the previous suppliers in 09 instances for printing lottery tickets for short periods such as 01 month, 02 months, 03 months, 04 monthss and 06 month during the period from July 2020 to 31 July 2022 in contrary

to the provisions of Section 8.14 of the Government Procurement Guidelines.

- iii. The Departmental Procurement Committee had awarded bids to two organizations only for a period of 03 months by calling for bids under the national competitive bidding to print 08 types of lottery tickets, of which the estimated cost had been Rs. 190 million for a period of 03 months from 01 July 2022 to 30 September 2022 since the main procurement process for printing lottery tickets, which had been started under the Standing Cabinet Appointed Procurement Committee in February 2022 had not been completed, and extensions such as 1 ½, 02 and 03 months totalling 09 ½ months by 15 April 2023 had been given to these two institutions to get the lottery tickets printed.

### 2.3 Other Audit Observations

- i. The Board had decided by the Board paper No. 2022/09/2005 dated 05 September 2022 to provide an additional commission of Rs.0.50 will be given for 03 months from 19 September 2022, in addition to the current commission of Rs.3.25 given to sales representatives for the sale of Lagna Wasanawa Lottery ticket. The provision of that incentive had been extended from 19 December 2022 to 20 June 2023 with the approval of the Board of Directors. Accordingly, an additional commission of Rs. 43,092,258 had been paid to sales representatives from the fund of the Board for the Lagna Wasanawa lottery ticket up to 31 December 2022. Accordingly, even though Rs.0.50 had been paid additionally only for the Lagna Wasanawa lottery ticket and the growth in the sale of Lagna Wasanawa lottery ticket had been 18 percent from September to December, the growth in the sales of the other 04 lotteries, for which no additional commission had been paid during the same period had been in the range of 16 and 30 percent. It was observed that the sales promotion of that lottery tickets as expected by the Board by paying an extra 50 cents only for the Lagna wasanawa lottery ticket had not been achieved.

- ii. The Board had paid a total of Rs. 15,168,369 as the value of the cab and the legal interest related thereto amounting to Rs. 14,923,369 and lawyer fees of Rs. 245,000 for a cab taken by a former Chairman from a private company on 22 April 2008. The case filed by the Board in this regard had not been completed even by the end of the year 2022, and the Board had paid Rs. 1,674,185 to the lawyers, who represented the Board in this regard. Accordingly, the total cost incurred by the Board until the end of the year 2022 in relation to this incident had been Rs. 16,842,554.
- iii. One hundred and twenty-three (123) prize vouchers worth Rs. 592,500 purchased from Lanka Sathosa Limited to provide lottery prizes had not been used for any purpose for over 13 years.



W.P.C. Wickramaratne  
Auditor General

# AUDIT REPORT 2022 AND ACTION TAKEN BY THE MANAGEMENT

Matters mentioned in the Report of the Auditor General	Measures taken by the Management
<b>1.2 Basis for Qualified Opinion</b>	
<b>(a) Sri Lanka Accounting Standards</b>	
i. In contrary to paragraph 69 of Sri Lanka Accounting Standard No. 01, a sum of Rs. 13,793,093 estimated as current liabilities in the previous years had been brought to accounts as other income in the year under review and as a result, the profit of the year under review had been overstated by that amount.	This was a rectification of changes in estimates of accrued expenses in the previous years. Therefore, the LKAS8 standard has been applied. As indicated by this accounting standard (LKAS8), rectifications related to estimates made in previous years should be applied to the current year (Prospective recognition).
ii. According to paragraph 36 of Sri Lanka Accounting Standard No. 16, although the entire class of property, plant and equipment should be revalued in the revaluation of property, plant and equipment, only the assets of Rs. 11,707,714 out of the total value of Rs. 56,204,125 belonging to the two asset classes of office equipment, furniture and fittings, had been revalued and assets, of which total value had been Rs. 44,496,411, had not been revalued.	The Board had carried out the complete revaluation of assets in 2019/2020. These revalued amounts can be maintained for up to 5 years. Thus, it has been scheduled to carry out a formal revaluation for all the assets of the Board in the year 2023 taking into account the values pointed out in the report of the Auditor General.
iii. As per paragraph 51 of Sri Lanka Accounting Standard No. 16, non-current assets, which had been fully depreciated and costed at Rs.81,790,967 as at 31 December in the year under review had been used further as the residual value and useful life of non-current assets had not been reviewed annually. Accordingly, the estimated error had not been rectified in accordance with Sri Lanka Accounting Standard No. 08.	The Board had carried out the complete revaluation of assets in 2019/2020. These revalued amounts can be maintained up to 5 years. Thus, it has been scheduled to carry out a formal revaluation for all the assets of the Board in the year 2023 taking into account the values pointed out in the report of the Auditor General.
<b>(b) Accounting Deficiencies</b>	
i. The necessary accounting adjustments had not been made for the expenditure totalling to Rs.1,728,884 that had been incurred to prepare a plan for an activity, of which construction had been suspended and it had been brought to accounts as work in progress under property, plant and equipment for 08 years.	It is probable that future economic benefits associated with the item will flow to the entity in order to recognize the relevant asset as an asset in accordance with the Accounting Standard, LKAS 16. The above construction had not been completed even by 31.12.2022. Due to this reason, arrangements had not been made to capitalize and depreciate the relevant assets.
ii. In calculating the income tax expenditure of the Board for the year 2022, although a rate of 24 percent on the taxable profit of the first half year and a rate of 30 percent on the taxable profit of the second half year should have been applied, the Board had applied a tax rate of 30 percent on the taxable profit of the full year. As a result, the income tax expenditure of the year under review had been over stated by Rs.6,127,600. Due to this, the profit after tax for the year under review had been under calculated by that amount.	As the financial year of the Development Lotteries Board commences on 01 January 2022, when paying income tax, a tax percentage of 24% for the first 09 months and a tax percentage of 30% for the last 03 months should be calculated and paid in terms of sections 20 (3) (a) (ii) (c) and (d) and section 38 (1) of the Inland Revenue (Amendment) Act No. 45 of 2022. This calculation is to be used for the payment of taxes in the year 2022. Since the accounting year of the Board is from January 01 to December 31, percentage of 24% for the first 06 months and the percentage of 30% for the last 06 months are not applicable as you have pointed out.  As annual income tax cannot be precisely calculated at the time of preparation of the financial statements, only an allocation is made based on an estimate as per Sri Lanka Accounting Standard (LKAS) 12. The Inland Revenue Department has given a period till 30 September of the next financial year to specifically calculate and pay the annual income tax. Furthermore, a Circular (SEC/2023/E/03) has been issued on 09.05.2023 in relation to the manner of calculating the income tax for the year 2022.
	Accordingly, we will consider the income and expenditure for the first 09 months and the last 03 months as scheduled before 30 September 2023 and will make a separate calculation and make payments according to the relevant and precise tax percentag

Matters mentioned in the Report of the Auditor General	Measures taken by the Management
<p>iii. A cab valued at Rs.8,095,000 that had been included in non-current assets had not been in the physical possession of the Board as a former Chairman had taken it.</p>	<p>This cab has been registered in the name of the Board. The relevant asset has been capitalized in the year 2012 based on this registration.</p> <p>Judicial action has been taken by Colombo District Court under case number 00DMR/04781/2021 regarding the misplacement of this cab.</p>
<p>iv. The total of Rs. 840,343, which had been accounted as income from the sale of lottery tickets in the years 2017 and 2021, had been considered as unsold returns and money had been paid to the relevant distribution agents in the year under review. The profit of the year under review had been understated by Rs.840,343 as a sum of Rs.616,743 had been brought to accounts as returns and Rs. 223,600 had been brought to accounts as vehicle maintenance expenses.</p>	<p>As pointed out in this audit query, the payment for these ticket stocks had been made in the year 2022. In this case, payments had been made to 4 distributors and all the four payments had been approved by a special Board meeting. A copy of the Board Report No. 2022/08/1997 has been attached herewith. Therefore, the relevant payment was made in the year 2022.</p> <p>A sum of Rs. 223,600 included in that amount has been brought to accounts erroneously as vehicle maintenance expenses and the staff have been instructed to avoid such mistakes in the future.</p>
<p>(c) Lack of evidence for audit</p> <p>i. Information such as quantity, cost or revaluation value, date of purchase, etc. of computers and office equipment items valued at Rs.4,107,599 and Rs.2,523,988 respectively and included in the relevant computerized basic register of non-current assets, had not been submitted to the audit.</p>	<p>The Board has now appointed a Committee to identify the defects/mismatch in the fixed assets, and this Committee had worked to identify the account balance pointed out in the report of the Auditor General. Accordingly, the Committee had recommended to remove the balance of computers and devices amounting to Rs.4,107,599/- mentioned in the audit query. The recommendation had been forwarded to the Board of Directors through the Audit and Management Committee and approval has already been received to remove it from the accounts. The recommendations of the Committee are being prepared in relation to the office equipment amounting to Rs. 2,523,988/-, which had been pointed out here.</p>
<p>(d) Unreconciled balances</p> <p>i. Although the amounts payable to the three institutions namely Sri Lanka Broadcasting Corporation, Sri Lanka Rupavahini Corporation and Associated Newspapers of Ceylon Ltd. according to the reports of the Board as at 31 December of the year under review had been Rs.13,758,998, Rs.39,230,000 and Rs.12,005,909 respectively, the amounts confirmed directly by those institutions to audit had been Rs.17,593,053, Rs.45,150,000 and Rs.1,946,541 respectively.</p>	<p>Action will be taken to point out the reasons for this difference by reconciling our information and the information provided by the relevant media organizations after obtaining the details of the balances provided by the relevant media.</p>
<p>ii. Although there had been no amount to be recovered from the Sri Lanka Broadcasting Corporation to the Development Lotteries Board as at 31 December of the year under review according to the financial statements, the amount to be recovered had been Rs.1,921,681 according to the confirmation made directly to the audit by the Sri Lanka Broadcasting Corporation.</p>	<p>Action will be taken to point out the reasons for this difference by reconciling our information and the information provided by the relevant media organizations after obtaining the details of the balances provided by the relevant media.</p>

# AUDIT REPORT 2022 AND ACTION TAKEN BY THE MANAGEMENT

Matters mentioned in the Report of the Auditor General	Measures taken by the Management
<p>2. Report on Other Legal and Regulatory Requirements</p> <p>2.2.2 To state that the Institution has not complied with any applicable written law, general and special directions issued by the governing body of the Institution as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018 except for the following observation;</p> <p><b>Reference to Laws, Rules and Direction</b></p> <p>(a) Section 11 of the Finance Act No. 38 of 1971</p> <p><b>Observation</b></p> <p>Although the Board had invested a total of Rs.1,728,541,094 in fixed deposits as at 31 December of the year under review, the approval of the Minister of Finance had not been obtained for that.</p>	<p>The Board generates significant interest income through fund management and remits that income to the President's Fund. An interest income of Rs.273 million had been earned for the financial year 2022. However, measures will be taken in the future to rectify the deficiencies that had been pointed out.</p>
<p><b>Reference to Laws, Rules and Direction</b></p> <p>(b) Section 17(5) of the Development Lotteries Board Act No. 20 of 1997</p> <p><b>Observation</b></p> <p>Although the money received from the sale of the goods purchased for the prizes that have not been claimed by the prize winners and the period of 06 months has been expired should be credited to the Fund first and then to the President's Fund and although the approval had been granted at the meeting of the Board of Directors held on 30 May of the year under review to sell three motor cycles, of which the total value had been Rs. 779,750 and purchased to provide as prizes in the year 2018 and 2020 and to use the said money in accordance with the Act, the relevant activities have not been carried out even by now.</p>	<p>Plan had been designed to value these 03 motorcycles to send that amount to the President's Fund through the formal disposal process. However, a request had been made from the Presidential Secretariat to provide these 03 motorcycles for the use of the Presidential Secretariat. Accordingly, a Mechanical Engineer of the Presidential Secretariat came and inspected those 03 motorcycles. The necessary action to purchase them for the Presidential Secretariat is being taken and those 03 motorcycles will be purchased by the Presidential Secretariat in the month of June. The Proforma Invoice required for providing these 03 motorcycles to the Presidential Secretariat has already been prepared and has been forwarded to the Presidential Secretariat on 22.05.2023.</p>
<p><b>Reference to Laws, Rules and Direction</b></p> <p>(c) Circular of the Public Finance Department bearing No. 08/2019 dated 17 December 2019</p> <p><b>Observation</b></p> <p>Although public institutions including public corporations should register under the Electronic Government Procurement System (e-GP) introduced under the website of www.promise.lk before 31 January 2020, the procurement activities had not been carried out accordingly since the Development Lotteries Board had not been registered under this System.</p>	<p>This institution has already applied for the registration under the Electronic Government Procurement (e-GP) System and after getting the registration, the organization will have the ability to follow the Electronic Government Procurement (e-GP) System.</p>
<p><b>Reference to Laws, Rules and Direction</b></p> <p>(d) Budget Circular No. 42 dated 31 December 2008</p> <p><b>Observation</b></p> <p>A total amount of Rs.9,867,854 had been given as distress loans to 147 officers exceeding the loan limit of Rs. 250,000.</p>	<p>Action has been taken to provide distress loans without exceeding the limit of Rs. 250,000 as specified in the Circular after that matter had been pointed out by the audit in the year 2022. Accordingly, distress loans have not been provided to any staff member beyond the relevant limit after August 2022.</p>

Matters mentioned in the Report of the Auditor General	Measures taken by the Management
<p>2.2.4 To state that the resources of the Institution 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.</p> <p>i. The Board had started the procurement works related to the printing and supplying of 07 types of lotteries in May 2020, and due to not following the correct Procurement Guidelines for the bid documents, the procurement works had to be cancelled after 06 months, i.e. in December 2020. The procurement works for printing and supplying of 08 types of lotteries had started again in February 2021, and the same procurement had also been cancelled after 11 months on 20 January 2022 due to non-preparation of bid documents as per the requirement of the Board. Although procurement works had been started again for the 08 types of lotteries in February 2022, the Board had failed to select the suppliers and award the bids even though 01 year and 01 month had passed until the end of March 2023. Accordingly, the Development Lotteries Board had been unable to select suppliers for the printing, supplying and delivery of lottery tickets through a proper procurement from 31 July 2020 to 31 March 2023.</p>	<p>Bids were invited by issuing separate bid documents by the Departmental Procurement Committee after considering the selection of a supplier for one type of lottery ticket as one of the procurements in relation to the procurement initiated in March 2020. (Action had been previously taken in a similar manner in the invitation of bids conducted under the Ministry Procurement Committee for many years)</p> <p>That bidding was cancelled at the final stage of inviting bids of that procurement owing to raising the issue by the departmental procurement committee that the invitation of bids by considering the supply of one type of lottery ticket as one of the procurements had been problematic.</p> <p>The departmental procurement committee had also approved the preliminary bid documents related to this preliminary procurement, and those cancellations had also been done by this Committee. (The Membership of the Committee, which worked at the beginning of the procurement had changed in the stage of inviting bids.)</p> <p>Later, open bids had been invited by the Standing Cabinet Appointed Procurement Committee (SCAPC) and since only one successful bidding price had been received in relation to that procurement, the risk situation that may occur in awarding the contract to one supplier to supply all the lottery tickets on the bid prices received and taking into account many factors such as the existence of high prices, the bid was not awarded to that bidder and SCAPC decided to invite bids again for this.</p> <p>Bids were invited for this again in August 2022 with that decision, and bids have been awarded to two suppliers related to the period from 16.05.2023 to 15.05.2024 in relation to that.</p> <p>Those procurement committees have taken the decisions in relation to the above 03 occasions.</p>
<p>ii. Although the Board had started procurement activities in 03 occasions from 31 July 2020 to the end of the year 2022, the Board had been unable to select printers for printing lottery tickets for a specific year and award bids to them as per the provisions of the Procurement Guidelines, time extensions had been granted to both of the previous suppliers in 09 instances for printing lottery tickets for short periods such as 01 month, 02 months, 03 months, 04 months and 06 month during the period from July 2020 to 31 July 2022 in contrary to the provisions of Section 8.14 of the Government Procurement Guidelines.</p>	<p>The last printing agreement of the Board was for the duration of 01.08.2019 to 31.07.2020 and the procurement activities for selecting new suppliers for the ensuing year had been primarily started on 02.03.2020. It had not been possible to carry out the work for a period of 02 months from 19.03.2020 as the country had been locked down due to the corona pandemic situation, and the process had been started again with effect from 18.05.2020.</p>

# AUDIT REPORT 2022 AND ACTION TAKEN BY THE MANAGEMENT

Matters mentioned in the Report of the Auditor General	Measures taken by the Management
	<p>As mentioned above, the time that the country had been locked as well as the cancellation of the invitation of bids made basically by the Departmental Procurement Committee had been independent events that could not be controlled by the procurement entity. However, it is mandatory that the lottery ticket should be continuously provided for the daily lottery operations of the Board, otherwise, big social problems will arise in the loss of income in the sales network and not obtaining huge sales revenue by the Board could be the major issues. Under the circumstances, the extension of the printing agreement that existed at that time was the option that could be taken for this matter, the period of the existing agreement had been extended based on the approval of the Board of Directors that was obtained periodically with the concurrence of both parties of the Agreement.</p>
<p>iii. The Departmental Procurement Committee had awarded bids to two organizations only for a period of 03 months by calling for bids under the national competitive bidding to print 08 types of lottery tickets, of which the estimated cost had been Rs. 190 million for a period of 03 months from 01 July 2022 to 30 September 2022 since the main procurement process for printing lottery tickets, which had been started under the Standing Cabinet Appointed Procurement Committee in February 2022 had not been completed, and extensions such as 1 ½, 02 and 03 months totalling to 09 ½ months by 15 April 2023 had been given to these two institutions to get the lottery tickets printed.</p>	<p>The Board of Directors had decided to invite bids for a period of 03 months and to select a supplier for a short period until a new supplier related to the main annual procurement is selected as the Standing Cabinet Approved Procurement Committee (SCAPC) had called for bids again and the existing printing contract had been extended on several occasions and the rates had also been revised due to the increase in paper prices in the country at that time and the increase in foreign exchange rates. Accordingly, the invitation for bids had been carried out in that way.</p> <p>However, it is mandatory that the lottery ticket should be continuously provided for the daily lottery operations of the Board until the selection of the suppliers in relation to the procurement implemented by the Standing Cabinet Approved Procurement Committee (SCAPC). Otherwise, big social problems will arise in the loss of income in the sales network, not getting huge sales revenue by the Board could be the major issues. Under the circumstances, the extension of the printing agreement that existed at that time was the option that could be taken for this. The period of the existing agreement had been extended based on the approval of the Board of Directors that was obtained periodically with the concurrence of both parties of the Agreement.</p>

Matters mentioned in the Report of the Auditor General	Measures taken by the Management
<p>2.3 Other Audit Observations</p> <p>i. The Board had decided by the Board paper No. 2022/09/2005 dated 05 September 2022 to provide an additional commission of Rs.0.50 will be given for 03 months from 19 September 2022, in addition to the current commission of Rs.3.25 given to sales agents for the sale of Lagna Wasanawa Lottery ticket. The provision of that incentive had been extended from 19 December 2022 to 20 June 2023 with the approval of the Board of Directors. Accordingly, an additional commission of Rs. 43,092,258 had been paid to sales agents from the fund of the Board for the Lagna Wasanawa lottery ticket up to 31 December 2022. Accordingly, even though Rs.0.50 had been paid additionally only for the Lagna Wasanawa lottery ticket and the growth in the sale of Lagna Wasanawa lottery ticket had been 18 percent from September to December, the growth in the sales of the other 04 lotteries, for which no additional commission had been paid during the same period had been in the range of 16 and 30 percent. It was observed that the sales promotion of that lottery tickets as expected by the Board by paying an extra 50 cents only for the Lagna wasanawa lottery ticket had not been achieved.</p>	<p>The sales of Lagna Wasana lottery ticket had decreased during this period compared to the growth rate owing to the market competition prevailed for this lottery ticket. That is, a lottery ticket called Handahana had been presented to the market by the competitive institute with more benefits to the sales agents (providing an additional incentive of 50 cents in addition to the normal commission amount for sales agents and with the increase in the percentage of prizes (providing prizes to customers with 02 sign symbols) to directly compete with the prize pattern of that lottery ticket, the sale of Lagna Wasanawa lottery ticket had been directly affected. This additional 50 cents had been given to sustain the daily sales of Lagna Wasanawa lottery ticket, which had been around 10 lakhs.</p>
<p>ii. The Board had paid a total of Rs. 15,168,369 as the value of the cab and the legal interest related thereto amounting to Rs. 14,923,369 and lawyer fees of Rs. 245,000 for a cab taken by a former Chairman from a private company on 22 April 2008. The case filed by the Board in this regard had not been completed even by the end of the year 2022, and the Board had paid Rs. 1,674,185 to the lawyers, who represented the Board in this regard. Accordingly, the total cost incurred by the Board until the end of the year 2022 in relation to this incident had been Rs. 16,842,554.</p>	<p>A Cab bearing No. WP-PB 6024 purchased for the Board had been carried out by a former chairman and the Board had to pay an amount of Rs.15,168,367 to the private company as the private company had taken legal action against the Development Lotteries Board because the Board had not paid the money to the company, from which the Board had purchased the vehicle. As a result, the Board has incurred a loss of Rs 1,674,185 as the value of the cab, legal interest, legal charges incurred by the relevant institution and the legal charges of the Board. The necessary legal measures to recover this amount have been taken under the guidance of the Attorney General's Department and the first court date related to this case was held on 06.05.2022 and the second court date was held on 07.04.2023.</p>

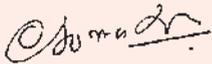
# AUDIT REPORT 2022 AND ACTION TAKEN BY THE MANAGEMENT

Matters mentioned in the Report of the Auditor General	Measures taken by the Management
<p>iii. One hundred and twenty-three (123) prize vouchers worth Rs. 592,500 purchased from Lanka Sathosa Limited to provide lottery prizes had not been used for any purpose for over 13 years.</p>	<p>Even though Lanka Sathosa had been notified by the two letters, issued by the Secretary of the Ministry of Trade dated 05/04/2021 and 21/08/2021 regarding the value of vouchers amounting to Rs.5,92,500/- to be received from C.W.E., to pay the relevant value to the Development Lotteries Board, Lanka Sathosa had not responded to those notifications.</p> <p>Under the circumstances, the Director General of the Consumer Affairs Authority had been informed by a letter regarding the non-payment of the relevant voucher value, and Lanka Sathosa had not taken any action for that although Lanka Sathosa had been informed to settle the relevant value within 10 days as per the letter sent to Lanka Sathosa on 09/09/2022.</p> <p>The Additional Secretary of the Ministry of Trade, Commerce and Food Safety had instructed to make the necessary arrangements to reactivate the above vouchers up to 6 months or to provide goods equal to the above value from Lanka Sathosa.</p> <p>Even though Lanka Sathosa had agreed to reactivate those vouchers up to 6 months and the relevant vouchers had been presented to Lanka Sathosa on 01/02/2023, Lanka Sathosa had refused to make the refund and had declared that they could not reactivate the vouchers by giving various reasons.</p> <p>Under the circumstances, the relevant problem had been referred to the Audit and Management Committee and the committee decided that this problem should be referred to the Board of Directors. Accordingly, the Board of Directors had instructed to inform the Director General of the Department of Public Enterprises regarding the voucher value and seek a solution through discussion between the two parties.</p> <p>A request has been made to the Director General of the Department of Public Enterprises by a letter dated 28/03/2023 to intervene in the relevant matter and organize a discussion between the two parties.</p>

# STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31st December		2022	2021
	Notes	Rs.	Rs.
<b>Revenue</b>	01	<b>19,071,456,751</b>	15,364,398,498
Cost of Tickets	02	<b>844,240,759</b>	433,523,004
Prize payout	03	<b>9,884,078,986</b>	7,865,640,218
Draw Cost	04	<b>751,141,022</b>	542,022,297
<b>Gross Profit</b>		<b>7,591,995,984</b>	6,523,212,978
Other Income	05	<b>320,846,644</b>	110,304,701
Distribution Cost	06	<b>4,487,324,271</b>	3,484,491,585
Administrative Expenses	07	<b>605,097,921</b>	536,791,467
<b>Surplus after operating Expenses</b>		<b>2,820,420,437</b>	2,612,234,628
Finance Cost	08	<b>979,196</b>	936,549
Prize Write back		<b>447,150,260</b>	342,230,480
<b>Profit before Tax</b>		<b>3,266,591,501</b>	2,953,528,558
Income Tax	09	<b>55,904,459</b>	83,440,185
<b>Profit after Income Tax</b>	10	<b>3,210,687,041</b>	2,870,088,373
<b>Other Comprehensive income</b>			
Re-measurement gain/(loss) on Employee Benefit plan	17.1	<b>9,112,463</b>	5,863,008
Revaluation Surplus		<b>5,853,857</b>	
<b>Total Comprehensive income for the Year</b>		<b>3,225,653,361</b>	2,875,951,381

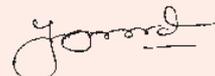
The Accounting policies and Notes form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.



W.A.V.C. Somarathne  
Deputy General Manager (Finance)



Ajith Gunarathna Naragala  
Chairman/ CEO

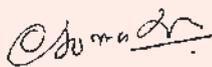


Janet Jayawardana  
Director

# STATEMENT OF FINANCIAL POSITION

As at 31st December		2022	2021
	Notes	Rs.	Rs.
<b>Assets</b>			
<b>Non Current Assets</b>			
Property Plant & Equipment	11	1,082,575,630	1,138,357,289
Capital work in progress	11	3,228,884	2,778,884
<b>Intangible Assets</b>	11	<b>9,488,402</b>	17,539,784
<b>Total Non Current Assets</b>		<b>1,095,292,917</b>	1,158,675,958
<b>Current Assets</b>			
Inventories	13	45,970,611	43,102,269
Trade Debtors & Other receivable	14	163,480,972	150,441,764
Prepayment & Deposits	15	6,223,428	11,141,943
Fixed Deposit	12	1,742,324,887	1,142,259,436
Cash & Cash equivalent	16	557,240,367	900,006,350
<b>Total Current Assets</b>		<b>2,515,240,265</b>	2,246,951,762
<b>Total Assets</b>		<b>3,610,533,182</b>	3,405,627,719
<b>Equity &amp; Liabilities</b>			
<b>Contributed Capital</b>			
President Fund		2,200,000	2,200,000
Mohapola Trust Fund		2,200,000	2,200,000
Prize Reserve Account		725,956,289	448,131,648
Presidents' Fund Payable		315,791,041	564,219,473
Revaluation Surplus		620,583,095	614,729,237
Re-measurement gain/(loss) on Employee Benefit plan		11,836,354	2,723,891
<b>Total Equity</b>		<b>1,678,566,779</b>	1,634,204,250
<b>Non Current Liabilities</b>			
Employee Benefit Liabilities	17	(4,438,730)	(9,372)
Dealer & Distributor Deposit Payable	18	38,718,881	37,664,881
<b>Total Non Current Liabilities</b>		<b>34,280,151</b>	37,655,509
<b>Current Liabilities</b>			
Trade & Other Payable	19	771,026,177	640,706,596
Prize Payable	20	1,003,306,515	962,793,104
Credit Vouchers Payable		123,353,560	130,268,260
<b>Total Current Liabilities</b>		<b>1,897,686,252</b>	1,733,767,960
<b>Total Equity &amp; Liabilities</b>		<b>3,610,533,182</b>	3,405,627,719

The Accounting policies and Notes form an integral part of these Financial Statements. The Board of Directors is responsible for the preparation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.



W.A.V.C. Somarathne  
Deputy General Manager (Finance)



Ajith Gunarathna Naragala  
Chairman/ CEO



Janet Jayawardana  
Director

# STATEMENT OF CASH FLOWS

For the year ended 31st December		2022	2021
		Rs.	Rs.
	Notes		
<b>Cash Flow from Operating Activities</b>			
Profit before tax		3,266,591,501	2,953,528,558
<b>Adjustments for</b>			
Depreciation on Fixed Assets		76,864,509	85,621,228
Prize Reserve A/C		277,824,641	(250,426,959)
Provision for Gratuity		9,482,677	8,787,447
Gratuity Paid		(1,330,145)	(2,440,010)
Interest Income		(276,451,109)	(101,048,159)
Profit from sale of Fixed Assets		(485,143)	(2,000)
Income Tax paid			(653,294)
President's Fund paid		(3,459,115,473)	(2,991,728,983)
<b>Operating Profit before Working Capital changes</b>		<b>(106,618,541)</b>	<b>(298,362,171)</b>
<b>Increase/Decrease in Operating Assets</b>			
Increase/Decrease in Inventories		(2,868,343)	(10,511,637)
Increase/Decrease in Debtors		(8,696,537)	(57,379,665)
Increase/Decrease in Deposit and Prepayments		4,918,515	(2,944,565)
<b>Increase/Decrease in Operating Liabilities</b>			
Increase/Decrease in Creditors		74,565,122	65,157,266
Increase/Decrease in Prize Payable		40,513,411	384,174,247
Increase /Decrease in Credit Vouchers		(6,914,700)	14,982,220
<b>Net Cash flow from Operating Activities</b>		<b>(5,101,074)</b>	<b>95,115,695</b>
<b>Cash from Investment Activities</b>			
Loan to Staff Received		22,222,066	26,027,222
Loan to Staff paid		(26,564,736)	(26,548,102)
Fixed Assets Additions (Property Plant and Equipment)		(7,942,228)	(30,917,973)
Profit from sale of Fixed Assets		649,759	2,000
Interest Income		276,451,109	101,048,159
Investments in Fixed Deposits		(603,534,878)	192,342,087
Increase in Dealer Distributor Deposits		1,054,000	1,274,500
<b>Net cash from Investing Activities</b>		<b>(337,664,908)</b>	<b>263,227,892</b>
		<b>(342,765,983)</b>	<b>358,343,587</b>
Net Cash Increase/Decrease in cash & cash Equivalents		(342,765,983)	358,343,587
Cash & Cash Equivalents at the beginning of the Year		900,006,350	541,662,763
Cash & Cash Equivalents at the end of the Year		557,240,367	900,006,350
Cash at Banks	Bank of Ceylon	264,588,741	347,366,305
	People's Bank	288,958,323	544,886,006
	Sampath Bank	3,139,750	7,297,345
	Hatton National Bank	544,150	447,290
<b>Cash in Hand</b>			
		<b>9,404</b>	<b>9,404</b>
		<b>557,240,367</b>	<b>900,006,350</b>

# STATEMENT OF CHANGES IN EQUITY

For the Year ended 31st December 2022	Presidents' Fund & Mahapola Trust Fund	Prize Reserve Account	Retain Earnings	Revaluation Reserve	Re-measurement gain/(loss) on Employee Benefit plan	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01.01.2021	4,400,000	698,558,607	685,860,083	614,729,237	(3,139,116)	2,000,408,811
Additions during the year 2021		(250,426,959)	2,870,088,373			2,619,661,414
Revaluation Reserve					5,863,008	5,863,008
Appropriation to President Fund 2021			(2,991,728,983)			(2,991,728,983)
<b>Balance as at 31.12.2021</b>	<b>4,400,000</b>	<b>448,131,648</b>	<b>564,219,474</b>	<b>614,729,237</b>	<b>2,723,892</b>	<b>1,634,204,250</b>
Additions during the year 2022		277,824,641	3,210,687,041	5,853,857	9,112,462	3,503,478,003
Payment to the President's Fund for the year			(3,459,115,473)			(3,459,115,473)
<b>Balance as at 31.12.2022</b>	<b>4,400,000</b>	<b>725,956,289</b>	<b>315,791,041</b>	<b>620,583,095</b>	<b>11,836,354</b>	<b>1,678,566,779</b>

# ACCOUNTING POLICIES

## 1. REPORTING ENTITY

Development Lotteries Board was incorporated under an act of parliament named the Development Lotteries Board act of 20 of 1997. The address of the Board's registered office is No.356, Dr. Colvin R De Silva Mawatha Union Place, Colombo 02. During the year, the principal activity of the Board was the sale of Lotteries.

## 2. BASIS OF OPERATION

### 2.1. Statement of compliance

The financial statements have been prepared in accordance with new Sri Lanka Accounting Standards hereinafter referred to as SLFRS / LKASs) as issued by the Institute of Chartered Accountants of Sri Lanka, the requirements of the Finance Regulations and Administrative Regulations of the Government of Sri Lanka.

### 2.2. Basis of measurement

The financial statements have been prepared on a historical cost basis, except as indicated below.

Investments on Fixed Deposits  
- Fair Value

Land & Building  
- Revalued amounts

Gratuity Provision  
- Gratuity formula and recognized at present value of the defined benefit obligation

### 2.3. Functional & presentation currency

Financial information presented in Sri Lanka Rupees has been rounded to the nearest rupee.

### 2.4. Date of authorization for issue

The financial statements of the Board for the year ended 31<sup>st</sup> December 2022 were authorized for issue by the Board of Directors on 23<sup>rd</sup> February 2023.

## 2.5. Use of estimates & judgments

The preparation of financial statements in conformity with Sri Lanka Accounting Standards requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Judgments and estimates are based on historical experience and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual results may differ from these judgments and estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and any future period affected.

## 2.6. Materiality and Aggregation

In compliance with LKAS 01 on the presentation of financial statements, each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or functions too are presented separately if they are material. 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.

## 2.7. Income Tax

The Board is subject to income taxes and other taxes including Value Added Taxation, and Withholding tax. Significant judgment was required to determine the total provision for current and other taxes pending the issue of tax guidelines on the treatment of the adoption of SLFRS in the financial statements and the taxable profit for the purpose of imposition of taxes. Uncertainties exist, with respect to the interpretation of the applicability of tax laws, at the time of the preparation of these financial statements. IRD has issued 7 Income Tax and VAT assessments during the year 2019. Board has appealed and objected. The Board of the opinion is that no major liability would arise from the said assessments. The above assessments have not been finalized yet. However, IRD has issued a determination for assessment no 0201617002. The board has again made an appeal to the Tax Appeal Commission in terms of section 7 of the Tax Appeals Commission Act. No 23 of 2011. The said act requires to submit a refundable bank guarantee amounting to 25% of the assessed value. The board has submitted a bank guarantee amounting to Rs. 37,575,693.25 through an opening a fixed deposit which has been shown under fixed deposits note no. 12.

## 2.8. Going Concern

The Board is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Board is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern and they do not intend either to liquidate or to cease operations

# ACCOUNTING POLICIES

of the company. Therefore, the financial statements continue to be prepared on a going concern basis.

## 3. SIGNIFICANT ACCOUNTING POLICIES.

### 3.1. Property, Plant, and Equipment

#### 3.1.1. Recognition and measurement

Property, plant & equipment are tangible items that are held for service, or for administrative purposes and are expected to be used during more than one period.

##### a. Recognition

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

##### b. Useful lifetime & revaluation of the property, plant, and equipment

The company reviews the residual values, useful lives, and methods of depreciation of assets at each reporting date. Judgment of the management is exercised in the estimation of these values, rates, methods and hence they are subject to uncertainty

##### c. Measurement

Items of property, plant, and equipment are stated at cost or valuation less accumulated depreciation.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other cost directly attributable to bringing the asset to a working condition for its intended use, and the cost of dismantling and removing the items and restoring the site on which they are located.

Expenditure on repairs or maintenance of property, plant, and equipment made to restore or maintain future economic benefits expected from the assets has been recognized as an expense when incurred.

##### d. Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant, and equipment that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. 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 the replaced part is derecognized. The cost of the day-to-day servicing of property, plant, and equipment is recognized in profit or loss as incurred.

##### e. Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant, and equipment. The estimated useful lives of the assets are as follows.

Buildings/Studio	10%
Furniture & Fittings	25%
Office Equipment	25%
Machinery	12.50%
Motor Vehicles/ three wheel	20%
Computers & Accessories	33.33%
Branded Stalls	16.66%
Motor Bicycles	25%
Application Software	33.33%
Mobile Phone	50%

Board provides depreciation from the date the assets are available for use up to the date of disposal or over the useful life.

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. All computer software costs incurred, licensed to be used by the company, which are not integrally related to the associated hardware, which can be clearly identified, reliably measured and it's probable that they will lead to future economic benefits, are included in the balance sheet under the category intangible assets and carried at cost less accumulated amortization and any accumulated impairment losses.

##### f. Derecognized of PPE

PPE should be derecognized (removed from PPE) either on disposal or when no future economic benefits are expected from its use or disposal. A gain or loss on disposal is recognized as the difference between the disposal proceeds and the carrying amount of the asset at the date of disposal. This gain or loss is included in the statement of profit or loss – the disposal proceeds should not be recognized as revenue.

### 3.2. Inventories

The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Accordingly, the costs of inventories of tickets are accounted as follows:

Lagna Wasana	At actual cost
Shanida	At actual cost
Jayoda	At actual cost
Instant	At actual cost
Kotipathi Kapruka	At actual cost
Development Fortune	At actual cost
Super Ball	At actual cost
Ada Kotipathi	At actual cost
Sasiri	At actual cost

FIFO basis has been used for costing other inventory items.

### 3.3. Liabilities and Provisions

#### 3.3.1. Liabilities

Liabilities classified as current liabilities on the balance sheet are those, which fall due for payment on demand or within one year from the balance sheet date. Noncurrent liabilities are those balances that fall due for payment after one year from the balance sheet date.

#### 3.3.2. Provisions

A provision is recognized if, as a result of a past event, the Board has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### Litigation by and against the Board

- a. WP/HCCA/COL/160/2004/F1 -The Board has filed a case against Mr.M.A.M. Ameen. Court has given the verdict in favor of the Board. Attorney General Department has taken steps to collect the sum of Rs. 2,520,000 from the said individual. Since this accused has died, documents have been filed in the court to replace his son and wife on behalf of the deceased.

- b. PB-6024 Cab Vehicle- Attorney General Department has initiated legal proceedings to claim damages due to the loss of the vehicle PB-6024.
- c. The Staff Officers Union of the Development Lottery Board has lodged a complaint with the Commissioner General of Labor regarding the grievances caused by the change in the 19-year-old system of payment of holiday allowance to its members, which is in the process of arbitration.
- d. The Board has filed a case against Sanasa Bank, Ukuwela for the non-payment of a bank guarantee claim amounting to Rs. 2,000,000 owing to the outstanding amount belonging to the distributor, Mr. Gunasena Rankothge.

#### 3.3.3 Prize allocation

50% of the Gross Sales has been allocated for the prize expenses except for Valampuri Lottery Brand for which actual prize allocation rate has been used. Board maintains a Prize Reserve accounts to credit not won prizes in terms of the requirement mentioned in the DLB act. Prize Reserve accounts can be utilized only for the purpose of payment of prizes in subsequent periods.

### 3.4. Employee Benefits

#### a. Defined contribution plans

A defined-contribution plan is a post-employment plan under which an entity pays a fixed contribution into a separate entity and will have no legal or constructive obligation to pay a further amount. Obligations for contributions to defined contribution plans are recognized as expenses in the profit and loss in the period during which related services are rendered by employees.

#### Employees' Provident Fund

The Board and Employees' contribute 15% & 10% respectively on the salary of each employee respectively. Said provident fund is being managed by the Central Bank of Sri Lanka.

#### Employees Trust Fund

The Board contributes 3% of the salary of each employee to the Employees' Trust Fund contributions to defined contribution plans are recognized as an expense in the income statement as incurred

#### b. Defined benefit plans Retiring Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

According to paragraph 57 of LKAS 19, the Public Corporations engaged in the sale of goods or the provision of services may opt to use a qualified actuary or use the Gratuity formula method. Therefore, the Board uses a gratuity formula method to calculate the gratuity liability. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on the completion of 5 years of continued service. Any gains or losses arising are recognized immediately in the income statement. The gratuity fund has been externally funded. The net impact from the Gratuity Provision and the fund has been shown under note number 17.

### 3.5. Capital Commitments & 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

# ACCOUNTING POLICIES

commitment and contingent liabilities of the Board are disclosed in the respective notes to the financial statements.

### 3.6. Events after the Balance Sheet Date

The materiality of the events after the balance sheet date has been considered and appropriate adjustments and provisions have been made in the financial statements wherever necessary.

Since the start of 2020, the COVID 19 outbreak has created interruption for operations and to our key stakeholders such as customers, distributors, agents, and resellers. The Board recognizes the difficulties this poses and has put actions in place to support them through this challenging time. There is a possibility for any associated economic slowdown which would impact our lottery activities. We foresee possible reductions in the revenue due to a decrease in the ticket sales and volume of transactions taking place, and potential losses stemming from disruption to our stakeholder base. We continue to monitor the situation closely and develop strategies to turn around.

### 3.7. Cash Flow Statement

The cash flow statement has been prepared using the indirect method, as stipulated in LKAS 7 - statement of cash flows. Cash and cash equivalents comprise a net of cash in hand, cash at the bank.

### 3.8. Segment Information

For management purposes, the Board has organized ten operating segments based on products. Management monitors the operating results of its brands separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profits or losses.

## 4. INCOME STATEMENTS.

### 4.1. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Board and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Interest income and other income are recognized on an accrual basis.

### 4.2. Expenditure

All expenditure incurred in the running of the business and in maintaining the property, plant & equipment in a state of efficiency has been charged to revenue in arriving at the profit for the year. For the purpose of presentation of Income Statement, the Board is of the opinion that function of expense method presents fairly the elements of the board's performance, hence such presentation method is adopted. Expenditure incurred for the purpose of acquiring, expanding, or improving assets of a permanent nature by means of which to carry on the business or for the purpose of increasing the earning capacity of the business has been treated as capital expenditure. Repairs and renewals are charged to revenue in the year in which the expenditure is incurred.

## 5. FINANCIAL ASSETS.

### 5.1 Initial Recognition

All financial assets are initially recognized on the trade date, i.e., the date that the company becomes a party to the contractual provisions of the instrument. This includes 'regular way trades': purchases or sales of financial assets that require delivery of assets within the time-frame generally established by regulation or convention in the marketplace. The classification

of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value including transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

### 5.2 Subsequent measurement.

Subsequent measurement of non-derivative financial assets categorizing them into the categories of financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets.

#### 5.2.1 Held to Maturity Financial Assets (HTM)

Investments in fixed deposits have been classified under HTM investments. Financial Assets with fixed maturities are classified as HTM when Board has a positive intention and ability to hold them to maturity. After initial measurement, HTM investments are measured at amortized cost.

#### 5.2.2 Cash and bank balances

Cash and bank balances are defined as cash-in-hand and balances with banks. For the purpose of a cash flow statement, cash and cash equivalents consist of cash in hand and at banks. Investments with short maturities i.e. three months or less from the date of acquisition are also treated as cash equivalents.

#### 5.2.3 Financial Risk Management

The Board's activities expose to a variety of financial risks; credit risk, liquidity risk, and Market risk.

Credit risk is the risk of financial losses to the board if a recipient of a service or counterparty to a financial instrument fails to meet its contractual obligations.

To minimize the credit risk fixed deposits are held with state-owned banking Institutions.

The Board is managing the liquidity risk by ensuring that there will always be sufficient liquidity to meet its liabilities when due without incurring unacceptable damages to Board's reputation. Fixed deposits are held with state-owned banking Institutions for a short-term period.

Market risk is the risk that changes in interest rates will affect the Board's income or the value of its holding of financial instruments. The board manages and controls the market risk exposure regularly while optimizing the return.

#### **6. RELATED PARTY TRANSACTIONS.**

Development Lotteries Board was established under Development Lotteries Board act No. 20 of 1997. As per the act, the Board consists of the following directors.

1. The Chairman of the Mahapola Higher Education Scholarship Trust Fund or his representative.
2. The secretary to the President or his representative.
3. The secretary to the Ministry of the minister or his representative.
4. Two other members appointed by the minister.

The Board of Directors is considered as key management personnel. No Director has a direct or indirect interest in the contracts with the Board during the year.

# SEGMENT REPORT

## Note 01 - I - Segment Report

	Shanida Rs.	Lagna Wasanawa Rs.	Jayoda Rs.	Super Ball Rs.	Kapuka Rs.
SALES	2,964,985,180	6,082,730,660	443,139,000	2,462,517,960	3,084,497,240
TAXES - VAT,	102,523,502	210,329,163	15,322,896	85,149,149	106,656,000
<b>Revenue</b>	<b>2,862,461,678</b>	<b>5,872,401,497</b>	<b>427,816,103</b>	<b>2,377,368,811</b>	<b>2,977,841,240</b>
COST OF SALES	122,797,000	251,574,619	21,374,530	102,908,489	133,196,763
PRIZE	1,482,492,790	3,041,366,030	221,569,700	1,231,258,980	1,542,249,320
DRAW COST	128,022,943	126,005,977	31,846,689	126,809,443	126,043,594
<b>GROSS PROFIT</b>	<b>1,129,148,945</b>	<b>2,453,454,872</b>	<b>153,025,184</b>	<b>916,391,899</b>	<b>1,176,351,563</b>
ADD - OTHER INCOME	48,156,322	98,793,728	7,197,319	39,995,414	50,097,398
ADVERTISING EXPENCES	22,415,406	25,072,727	3,467,793	20,453,385	31,454,873
SELLING & DISTRIBUTION EXPENCES	36,862,142	170,092,046	7,609,685	30,615,225	46,900,977
Corporate & Others	7,129,647	14,626,624	1,065,579	5,921,407	7,417,027
DEALER COMMISSION	555,934,721	1,140,511,999	83,088,563	461,722,118	578,343,233
DISTRIBUTOR COMMISSION	36,967,377	75,855,611	5,526,695	30,702,677	38,459,757
ADMINISTRATION & FINANCE EXPENCES	90,966,964	186,620,677	13,595,687	75,551,063	94,633,643
MARKETING RELATED EXPENCES	613,355	1,258,311	91,670	509,412	638,078
ADD - PRIZE WRITE BACK	67,351,320	146,005,780	11,225,200	59,174,800	61,605,300
PROFIT BEFORE TAXES	493,766,974	1,084,216,385	57,002,033	390,086,827	490,206,673
INCOME TAX	8,390,779	17,213,862	1,254,064	6,968,818	8,728,993
<b>PROFIT AFTER TAXES</b>	<b>485,376,195</b>	<b>1,067,002,522</b>	<b>55,747,969</b>	<b>383,118,008</b>	<b>481,477,681</b>
<b>Other Comprehensive income</b>					
Defined benefit plan actuarial gain/Loss	1,367,702	2,805,871	204,413	1,135,922	1,422,831
Revaluation Surplus	878,614	1,802,495	131,315	729,718	914,029
<b>Total Comprehensive income for the Year</b>	<b>487,622,511</b>	<b>1,071,610,888</b>	<b>56,083,697</b>	<b>384,983,648</b>	<b>483,814,541</b>

	Development Fortune Rs.	Ada Kotipathi Rs.	Sasiri Rs.	Valampuri Rs.	Instant Rs.	Total 2022 Rs.
	406,092,200	3,301,557,840	621,807,460	58,799,000	328,404,000	<b>19,754,530,540</b>
	14,041,890	114,161,540	21,500,910	2,033,157	11,355,581	<b>683,073,789</b>
	392,050,310	3,187,396,300	600,306,550	56,765,843	317,048,419	<b>19,071,456,751</b>
	19,369,623	138,361,598	29,953,256	2,084,919	22,619,963	<b>844,240,759</b>
	203,046,100	1,650,779,120	310,903,730	33,512,550	166,900,666	<b>9,884,078,986</b>
	33,472,365	128,014,607	50,593,890	331,513		<b>751,141,022</b>
	136,162,222	1,270,240,975	208,855,674	20,836,862	127,527,790	<b>7,591,995,984</b>
	6,595,617	53,622,826	10,099,194	954,994	5,333,831	<b>320,846,644</b>
	2,096,891	20,522,232	157,225	3,200,713	170,000	<b>129,011,244</b>
	5,048,736	47,303,858	9,097,401	3,024,099	4,082,879	<b>360,637,049</b>
	976,495	7,938,975	1,495,207	141,389	789,685	<b>47,502,035</b>
	76,142,288	619,042,095	116,588,899	11,024,813	58,871,625	<b>3,701,270,351</b>
	5,065,520	41,163,846	7,758,703	733,881	2,582,980	<b>244,817,047</b>
	12,459,076	101,293,152	19,077,308	1,803,977	10,075,570	<b>606,077,117</b>
	84,007	682,981	128,631	12,164	67,936	<b>4,086,545</b>
	10,494,640	84,372,620	6,920,600			<b>447,150,260</b>
	51,379,467	570,289,283	71,572,093	1,850,820	56,220,946	<b>3,266,591,501</b>
	1,149,223	9,343,265	1,759,688	166,399	929,369	<b>55,904,459</b>
	50,230,244	560,946,019	69,812,405	1,684,421	55,291,577	<b>3,210,687,041</b>
	187,324	1,522,958	286,830	27,123	151,488	<b>9,112,463</b>
	120,337	978,350	184,260	17,424	97,316	<b>5,853,857</b>
	50,537,905	563,447,327	70,283,495	1,728,968	55,540,381	<b>3,225,653,361</b>

# NOTES TO THE FINAL ACCOUNTS

For the Year ended 31st December	2022	2021
	Rs.	Rs.
<b>Note 01 - Revenue</b>		
<b>Gross Sales</b>		
Shanida	2,964,985,180	2,659,595,480
Lagna wasana	6,082,730,660	5,303,949,380
Jayoda	443,139,000	482,955,200
Instant	328,404,000	374,749,000
Super Ball	2,462,517,960	2,235,876,320
Kapruka	3,084,497,240	804,127,400
Development Fortune	406,092,200	433,144,000
Ada Kotipathi	3,301,557,840	3,145,289,000
Sasiri	621,807,460	290,265,000
Valampuri	58,799,000	
<b>Total Sales</b>	<b>19,754,530,540</b>	<b>15,729,950,780</b>
Less: VAT	683,073,789	365,552,282
<b>Revenue after Taxes</b>	<b>19,071,456,751</b>	<b>15,364,398,498</b>
<b>Note 02 - Cost of Tickets</b>		
Instant	22,619,963	24,784,760
Shanida	122,797,000	69,378,580
Lagna Wasana	251,574,619	139,248,222
Jayoda	21,374,530	13,282,730
Super Ball	102,908,489	59,009,490
Kapruka	133,196,763	24,374,250
Development Fortune	19,369,623	11,970,580
Ada kotipathi	138,361,598	82,965,297
Sasiri	29,953,256	8,509,095
Valampuri	2,084,919	
	<b>844,240,759</b>	<b>433,523,004</b>
<b>Note 03 - Prize Payout</b>		
Prize Expenses-Shanida	1,482,492,790	1,329,797,740
Prize Expenses-Lagna wasana	3,041,366,030	2,651,974,690
Prize Expenses-Instant	166,900,666	188,039,328
Prize Expenses-JF	221,569,700	241,477,600
Prize Expenses-SB	1,231,258,980	1,117,938,160
Prize Expenses- Kapruka	1,542,249,320	402,063,700
Prize Expenses-Development Fortune	203,046,100	216,572,000
Prize Expenses-Ada Kotipathi	1,650,779,120	1,572,644,500
Prize Expenses-Sasiri	310,903,730	145,132,500
Prize Expenses-Valampuri	33,512,550	
	<b>9,884,078,986</b>	<b>7,865,640,218</b>

For the Year ended 31st December	2022	2021
	Rs.	Rs.
<b>Note 04 - Draw Cost</b>		
Shanida	128,022,943	105,823,946
Lagna wasana	126,005,977	106,321,086
Jayoda	31,846,689	28,406,963
Super Ball	126,809,443	103,054,644
Kapruka	126,043,594	41,459,844
Development Fortune	33,472,365	27,460,302
Ada Kotipathi	128,014,607	104,791,105
Sasiri	50,593,890	24,704,408
Valampuri	331,513	
	751,141,022	542,022,297
<b>Note 05 - Other Income</b>		
For the Year ended 31st December	2022	2021
	Rs.	Rs.
Sampath Repo Interest	2,006	25,131
Registration Fees	21,750	27,800
Sales of Receipt Books		390
Staff Loan Interest	3,310,165	2,992,074
Covid 19 Loan Interest	-	10,276
Miscellaneous Receipt	4,746,706	2,313,137
Investment interest income	233,746,005	81,603,799
Non Refundable Deposit	1,222,238	1,211,374
Fine On Cancel tickets not return	316,300	43,850
Interest Sweep Account	25,797,746	13,677,321
7 Day Call Interest Income	13,595,186	2,749,834
Paper Shredding Income	3,972,344	1,495,659
Disposal Items	46,020	48,000
Rent Income-Bus	536,382	30,952
Expenses Writeback	13,793,093	
Profit on Disposal Promotional & Prize Item	8,440,470	
Profit on Sale of Motor Cycle	439,700	
Profit on Sale of Furniture & Fittings	23,772	
Profit on Sale of Mobile Phone	21,671	2,000
Distributor Deduction	9,975,498	3,233,938
Over Six Month Cheques Writeback	839,591	613,612
Incentive Provision Write off	-	225,555
Total Other Income	320,846,644	110,304,701

# NOTES TO THE FINAL ACCOUNTS

For the Year ended 31st December	2022	2021
	Rs.	Rs.
<b>Note 06 -Distribution Expenses</b>		
<b>Note '06-I - Advertising</b>		
Shanida	22,415,406	15,819,321
Lagna wasana	25,072,727	20,391,179
Jayoda	3,467,793	10,669,798
Instant	170,000	45,000
Super Ball	20,453,385	15,419,419
Kapruka	31,454,873	36,963,168
Development Fortune	2,096,891	11,726,268
Ada Kotipathi	20,522,232	21,108,151
Sasiri	157,225	2,972,432
Valampuri	3,200,713	
Corporate & Others	47,390,764	31,665,275
New Draw Format	-	2,101,039
Web Advertising	111,271	70,962
	<b>176,513,280</b>	<b>168,952,012</b>
<b>Note '06-II - Marketing Related Activities</b>		
CSR Project	-	531,948
Chairman's vote	920,000	68,750
Souvenirs & Banners	3,100,000	2,294,500
Marketing Related Other Expenses	66,545	62,380
	<b>4,086,545</b>	<b>2,957,578</b>
<b>Note '06-III - Selling &amp; Distribution Expenses</b>		
SSCL Levy 2.5%	103,087,049	-
Selling Expenses	89,364,361	55,347,440
Other Selling & Distribution(Scanning / Validation)	11,248,176	9,004,560
Transportation	27,346,925	16,636,456
Vehicle Branding	-	117,078
Dealer & Distributor Motivation Cost	120,247,878	27,202,908
SO/ASPO Incentive	3,330,317	5,473,890
Promotional Vehicles Expenses	1,536,197	56,972
Vehicle Rent - Ticket Selling	525,000	300,000
Outdoor events/ Annual Promotion Calender	473,500	61,649
Incentive for Distributor Sales Staff	1,292,040	(4,000)
Covid 19 - Dealers	190,000	55,665,000
Insurance Premium -	167,184	395,681
Draw Machine Maintenance	1,127,375	213,585
Propaganda Vehicle Promotion Expenses	475,019	34,989
Dealer Receivable Write Off		129,901
Disposal Item Losses	114,027	480,918
Outlet Rent for Makubura	112,000	132,000
	<b>360,637,049</b>	<b>171,249,029</b>

For the Year ended 31st December	2022	2021
	Rs.	Rs.
<b>Note '06-IV - Commission</b>		
<b>Dealer Commission (1)</b>		
Shanida	555,934,721	498,674,153
Lagna wasana	1,140,511,999	994,490,509
Jayoda	83,088,563	90,554,100
Instant	58,871,625	67,848,875
Super Ball	461,722,118	419,226,810
Kapruka	578,343,233	150,773,888
Development Fortune	76,142,288	81,214,500
Ada Kotipathi	619,042,095	589,741,688
Sasiri	116,588,899	54,424,688
Valampuri	11,024,813	
	3,701,270,351	2,946,949,209
<b>Distributor Commission</b>		
Shanida	36,967,377	33,127,739
Lagna wasana	75,855,611	66,098,673
Jayoda	5,526,695	6,021,170
Instant	2,582,980	3,032,285
Super Ball	30,702,677	27,852,781
Kapruka	38,459,757	10,039,538
Development Fortune	5,065,520	5,399,870
Ada Kotipathi	41,163,846	39,194,015
Sasiri	7,758,703	3,617,687
Valampuri	733,881	
	244,817,047	194,383,757
<b>Total Distribution Expenses</b>	<b>4,487,324,271</b>	<b>3,484,491,585</b>
<b>Note 07 - Administrative Expenses</b>		
Staff Cost	421,675,524	367,440,265
Depreciation	42,364,540	54,897,403
Other Administrative	141,057,857	114,453,799
	605,097,921	536,791,467
<b>Note 08- Finance Expenses</b>		
Bank Charges-General	948,746	900,899
Bank Charges-Prize	30,450	35,650
<b>Total Finance Expenses</b>	<b>979,196</b>	<b>936,549</b>

# NOTES TO THE FINAL ACCOUNTS

For the Year ended 31st December	2022	2021
	Rs.	Rs.
<b>Note 09 -Income Tax</b>		
Income over expenditure for the year before tax	3,266,591,501	2,953,528,558
Income not liable for income tax	(3,062,338,168)	(2,911,721,532)
<b>Income liable for tax</b>	<b>204,253,333</b>	<b>41,807,026</b>
<b>Taxation</b>	<b>61,276,000</b>	<b>10,033,686</b>
Over provision in respect of previous year	(5,371,541)	73,406,499
<b>Charge / ( Reversal ) for the year</b>	<b>55,904,459</b>	<b>83,440,185</b>

For the Year ended 31st December	2022	2021
	Rs.	Rs.
<b>Note 10 - Presidents' Fund Contribution</b>		
Profit after Income Tax	3,210,687,041	2,870,088,373
Surplus Attributable to President's Fund	3,210,687,041	2,870,088,373
<b>Payment's made to the President's Fund for the year</b>	<b>2,894,896,000</b>	<b>2,305,868,900</b>
<b>Total President's Fund Payable</b>	<b>315,791,041</b>	<b>564,219,473</b>

## Note 11 - Fixed Assets RS.

For the Year ended 31st December 2022	Land	Buildings/ Improvement & Studio	Capital work in progress	Motor Vehicles/ T'Wheel/ Motor Bicycle	Machinery	Office Equipment & Mobile Phone
		10%		20%,25%	12.50%	25% 50%
<b>Cost</b>						
Balance as at 01.01.2022	855,500,000	110,276,250	2,778,884	136,899,338	135,036,884	42,540,944
Additions during the year			450,000		10,290,174	1,307,818
Disposals during the year				(260,000)		(12,659,128)
	855,500,000	110,276,250	3,228,884	136,639,338	145,327,057	31,189,634
<b>Depreciation</b>						
<b>Balance as at 01.01.2022</b>		<b>33,020,605</b>		<b>32,628,915</b>	<b>55,486,668</b>	<b>31,172,645</b>
<b>Depreciation for the year</b>		11,027,625		25,963,687	17,368,377	6,540,487
Depreciation for the disposal/Adjustment				(97,500.00)	7,092,449.01	(16,184,242.18)
	-	44,048,230	-	58,495,101	79,947,495	21,528,890
<b>Net book balance as at 31.12.2022</b>	<b>855,500,000</b>	<b>66,228,020</b>	<b>3,228,884</b>	<b>78,144,237</b>	<b>65,379,563</b>	<b>9,660,744</b>

	Computers & Accessories	Furniture & Fittings	Branded Stalls	Computer Software	Website Development	Network System	Total
	33.33%	25%	16.66%	33.33%	33.33%	33.33%	
	56,454,376	17,269,721	8,735,946	39,277,788	989,655	1,481,592	1,407,241,377
	3,817,500	284,410		290,000		292,500	16,732,402
	(175,900)	(2,639,228)					(15,734,256)
							-
	60,095,976	14,914,903	8,735,946	39,567,788	989,655	1,774,092	1,408,239,523
	<b>49,165,332</b>	<b>14,146,057</b>	<b>8,735,946</b>	<b>22,550,326</b>	<b>989,655</b>	<b>669,270</b>	<b>248,565,419</b>
	5,320,838	2,009,612		8,132,445		501,437	76,864,509
	(175,900)	(3,118,129)					(12,483,322)
	54,310,271	13,037,540	8,735,946	30,682,771	989,655	1,170,707	312,946,606
	<b>5,785,705</b>	<b>1,877,363</b>	-	<b>8,885,017</b>	-	<b>603,385</b>	<b>1,095,292,917</b>

# NOTES TO THE FINAL ACCOUNTS

For the Year ended 31st December	2022	2021
	Rs.	Rs.
<b>Note 12 -Held to Maturity Financial Assets</b>		
Fixed Deposit -BOC/People's Bank	1,644,481,371	1,051,259,605
Dealer Deposits-	97,843,516	90,999,831
<b>Total Fixed Deposits</b>	<b>1,742,324,887</b>	<b>1,142,259,436</b>
For the Year ended 31st December	2022	2021
	Rs.	Rs.
<b>Note 13 - Inventories</b>		
<b>13.1 - Ticket Stock</b>		
Shanida	1,472,005	1,589,530
Lagna wasana	2,775,781	6,395,310
Jayoda	1,666,753	409,400
Instant	597,038	10,787,002
Super Ball	1,815,473	1,339,980
Kapruka	6,508,658	2,155,100
Development Fortune	636,525	399,050
Ada Kotipathi	2,158,941	2,565,650
Sasiri	2,165,364	230,300
Valampuri	2,689,549	
<b>Total Ticket Stocks</b>	<b>22,486,086</b>	<b>25,871,322</b>
<b>13.2 - Other Stocks</b>		
Stationery stock	16,573,906	7,863,714
Promotional items stock	4,686,519	1,336,216
Prize Item Stock	1,619,078	7,031,794
Gold Coin Stock - Staff		394,200
Other Items Stock	365,760	365,760
Lagna Wasana Tea cup Sets Stock	239,262	239,262
<b>Total Other Stocks</b>	<b>23,484,525</b>	<b>17,230,947</b>
<b>Total Stocks</b>	<b>45,970,611</b>	<b>43,102,269</b>
For the Year ended 31st December	2022	2021
	Rs.	Rs.
<b>Note 14 - Trade Debtors &amp; Other Receivable</b>		
Receivable	9,120,678	9,041,899
Debtors - Distributors	74,251,312	70,854,182
Loan to Staff	75,946,589	71,603,919
Festival Advance	6,250	12,320
Refundable Deposit	1,579,114	1,379,114
Security Deposit for Sri Lanka Railways(Gaurantee)	1,800,000	1,800,000
FD WHT Receivable	9,627,265	3,246,551
	172,331,208	157,937,984
	172,331,208	157,937,984
<b>Less :</b>		
Provision for Doubtful Debts	8,850,236	7,496,220
	163,480,972	150,441,764

For the Year ended 31st December	2022	2021
	Rs.	Rs.
<b>Note 15 -Prepayment &amp; Deposits</b>		
Prepayments	2,290,890	1,820,350
Advance - Internal	103,011	72,986
<b>Advance - External</b>	<b>3,829,527</b>	<b>9,248,607</b>
	<b>6,223,428</b>	<b>11,141,943</b>
<b>Note 16 - Cash &amp; Cash equivalent</b>		
<b>Bank Balances</b>		
BOC- General Receipt	131,427,543	132,242,841
BOC General 7 day Call	84,059,723	159,079,865
BOC -Prize	7,261,579	20,757,500
Sampath Bank	3,139,750	2,315,345
Peoples Bank	326,420	1,559,308
Sweep account	287,541,203	542,109,248
Repo-Sampath		4,982,000
BOC- General Payment	30,968,718	32,755,598
BOC	997,500	997,500
Peoples Bank	100,000	217,500
Bank of Ceylon - 84401075	9,873,679	1,533,000
Peoples Bank 014-1-002-7-0010010	990,700	999,950
Hatton National Bank 003010525941	4,900	1,000
Hatton National Bank 3010534602	539,250	446,290
	<b>557,230,963</b>	<b>899,996,946</b>
D.L.B Disaster Relief Fund	9,404	9,404
	<b>557,240,367</b>	<b>900,006,350</b>
<b>Note -17 Employee Benefit Liability</b>		
Balance at the beginning of the year	57,948,091	57,463,662
Provision made during the year	370,214	2,924,439
payments made during the year	(1,330,145)	(2,440,010)
Balance at the end of the year	56,988,160	57,948,091
Fixed Deposit for Gratuity Fund	61,426,890	57,957,463
Net Balance	(4,438,730)	(9,372)
<b>Note- 17.1 Provision made during the year</b>		
Interest Cost	5,680,527	4,693,988
Current service Cost	3,802,150	4,093,459
	<b>9,482,677</b>	<b>8,787,447</b>
Net actuarial (Gain)/Loss recognized	(9,112,463)	(5,863,008)
Total provision made during the year	370,214	2,924,439

# NOTES TO THE FINAL ACCOUNTS

For the Year ended 31st December	2022	2021
	Rs.	Rs.
<b>Note- 17.2 Cost of retirement benefits</b>		
Rate of discount	10%	8.5%
Rate of Salary increase	5%	5%
Retirement age	62	60
Fixed Deposit equivalent to Employee Benefit Liability at the end of the year has been maintained.		
For the Year ended 31st December	2022	2021
	Rs.	Rs.
<b>Note 18 - Dealer &amp; Distributor Deposit Payable</b>		
Dealer Deposit Payable	34,418,881	33,664,881
Distributor Deposit Payable	4,300,000	4,000,000
<b>Total Dealer &amp; Distributor Deposit Payable</b>	<b>38,718,881</b>	<b>37,664,881</b>
For the Year ended 31st December	2022	2021
	Rs.	Rs.
<b>Note 19 -Trade &amp; Other P'ble</b>		
Trade Creditors	361,518,639	324,823,802
Dealer Advance	671,735	671,685
Distributor Advance	41,374,642	73,141,750
NBT P'able		(110,107)
VAT P'able	60,187,471	19,903,839
Social Security Contribution - LEVY P'able	37,039,920	-
Distributor Commission & Validation P'able	23,609,041	22,735,553
WHT P'able	13,471,731	17,712,260
Dealer & Distributor Target p'able	8,855,294	8,266,870
Dealer Commission Payable	-	444,538
Vender P'ble from staff Salary Deductions	-	12,044
E.PF/E.T.F P'able	3,148,224	3,213,675
General Workers Union	59,000	
Refundable Security Deposit	1,160,000	2,035,000
Provision for Income TAX P'able	57,977,908	8,783,533
Provision for Income Tax (2019)	3,463,533	
Staff Salary Deduction for Recoveries	-	20,068
Payableto Distributor for outlet	18,840	
Provision for Income Tax (2016)	150,302,773	150,302,773
Provision for VAT (2016 )	4,651,659	4,651,659
Stamp Duty	38,050	37,525
Six Month Old Cheque Payable	-	610,224
TV Announcer Over Deduction for Costume	388,830	408,820
Refundable Tender Deposit	2,842,501	1,182,501
E Lottery Deposit Payable	103,065	10,105
Retention	143,321	
Gratuity Payable to Mr. K.M.K Gunawardena	-	525,480
Dealer Outlet Advance Payable	-	1,323,000
<b>Total Creditors</b>	<b>771,026,177</b>	<b>640,706,596</b>

For the Year ended 31st December	2022	2021
	Rs.	Rs.
<b>Note 20 - Prize Payable</b>		
Prizes Payable	988,393,015	955,093,104
Provision for Prize Payable - Non Winning-Draw Tickets		
Super Ball	3,943,500	-
Kapruka	9,810,000	7,700,000
Ada Kotipathi	1,160,000	-
<b>Total Prize Payable</b>	<b>14,913,500</b>	<b>7,700,000</b>
	<b>1,003,306,515</b>	<b>962,793,104</b>

# TEN YEAR SUMMARY

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
	(Rs. '000)									
<b>Operational Results</b>										
Revenue	19,071,457	15,364,398	15,033,029	17,065,414	15,854,856	13,981,500	14,759,875	11,874,659	12,271,477	10,611,073
Cost of Tickets	844,241	433,523	451,308	460,097	402,323	387,697	444,990	325,360	378,157	410,016
Prize payout	9,884,079	7,865,640	7,702,515	8,903,494	8,296,413	7,263,437	7,755,659	6,150,951	6,211,302	6,481,076
Administrative Expenses	605,098	536,791	506,927	541,800	463,619	419,811	382,655	332,597	347,408	330,967
Distribution cost	4,487,324	3,484,492	3,357,266	4,219,037	3,950,410	3,541,284	3,561,410	2,728,440	3,067,688	627,574
Surplus after operating Expenses	2,820,420	2,612,235	2,663,353	2,550,732	2,368,138	2,034,129	2,412,020	2,134,322	2,145,085	1,979,330
<b>Equity</b>										
President's Fund	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Mahapola Trust Fund	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
President's Fund payable	315,791	564,219	685,860	477,793	237,466	107,862	52,633	99,010	250,598	132,775
Prize Reserve Account	725,956	448,132	698,559	1,103,197	971,046	810,029	805,435	934,026	877,036	776,867
<b>Liabilities</b>										
Non Current Liabilities	34,280	37,656	40,027	36,110	35,395	38,180	1,318,429	1,615,846	223,288	36,806
Current Liabilities	1,897,686	1,733,768	1,209,938	1,484,836	1,414,220	1,722,249	1,237,896	846,842	581,768	1,228,404
<b>Assets</b>										
Non Current Assets	1,095,293	1,158,676	1,236,649	1,252,626	721,352	670,526	1,372,755	1,537,875	1,594,826	1,733,435
Current Assets	2,515,240	2,246,952	2,013,724	2,429,225	1,941,174	2,012,195	684,044	405,087	342,264	641,588

Note : 1 Effectively from 2014, Gross Sales have been recorded and Agency Commission has been included under Distribution Cost.



