



## *Rising through challenges*



Development Lotteries Board  
Annual Report 2021

*“Marking a year of phenomenal success we have created a sustainable impact in the lives of the people of Sri Lanka. As we move forward we present a winning proposition by contributing to provide educational opportunities as well as elevating the lives of all Sri Lankans.*

*Building on a successful platform we move ahead by introducing innovative IT driven platforms to meet the expectations and aspirations of our modern customers.”*

## Content

Corporate Information	04
Our Vision and Mission	05
A quick look back on our history	06
Milestones	08
Financial Highlights	10
Chairman's Message and progress report 2021	12
Review of Board of Directors	14
Board of Directors – 2021	15
Current Board of Directors	15
Management Team	16
Junior Managers	17
Operational Review	18
Product Portfolio Overview	20
Sustainability Report	26
Cadre position as at 31.12.2021	30
Corporate Governance	32
Risk Management Report	35
Audit and Management Committee Report	36
Financial Report	37
Independent Auditors Report	38
Audit Report 2021 and Action Taken by Management	46
Statement of Comprehensive Income	55
Statement of Financial Position	56
Statement of Cash Flow	57
Statement of Changes in Equity	58
Accounting Policies	59
Segment Report	64
Notes to the Final Accounts	66
Ten Year Summary	76

## Corporate Information

**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**

19th 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. S.T. Kodikara – Director  
Mr. W.A. Sarath Kumara – Director  
Miss. K.A.H.C.Pubudusiri – Director  
Mrs. Jenat Jayawardena – Attorney at law - Director

**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.
- Maximise the contribution made to the President's Fund.
- Acquire and utilise modern technology effectively.
- Fulfill the expectations of stakeholders.

## Our Core Values

<b>Integrity</b>	The lotteries that we offer, and the way we conduct business is fair, honest and trustworthy.
<b>Positive Attitude</b>	DLB employees hold an optimistic approach to every challenge they face when carrying out lottery business.
<b>Result Orientation</b>	DLB employees are confident in their roles and focus on achieving the given targets in an effective manner.
<b>Innovation</b>	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.
<b>Team Work</b>	DLB employees work together to achieve organisational goals while fostering openness, mutual respect and individual development.
<b>Orientation Towards Excellence</b>	The employees strive to maximise the quality of service continuously.

## A quick look back on our history

The Development Lotteries Board, which brings the dawn to the door step of the nation, has been established in 1983 as Development Lotteries Center. Main objective of the establishment of Development Lotteries Center at that time was to raise fund for President's Fund and Mahapola Scholarship Fund, which gave helping hand to the students following higher studies amidst various difficulties.

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

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

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

Development Lotteries Center has commenced its journey in the industry becoming successful in economic goals in the first

year and it could mark significant achievement during the past period. Net profit of DLB has been remitted to the President's Fund and Mahapola Scholarship Fund, which were the parent organizations of the center. Since then, the Development Lotteries Board remits the larger portion of its profit to the President's Fund and in return President's Fund allocates 50% of the same to Mahapola Scholarship Fund.

In year 1993, Development Lotteries Center was transformed to an institution called Development Lotteries Trust and again on 12<sup>th</sup> August 1997 it was reestablished as Development Lotteries Board by parliament act.

The first instant lottery, which was issued to the market as Development Lottery was sold all over the Island at Rs. 10 and within 24 hours it could produce two jackpot winners and thereby it served to attract customers for instant lotteries whilst popularizing new lottery system.

For the first time in the history of lottery industry, A lottery, of which the draw has been conducted in Television, has been introduced in the name of Shanida Wasanawa and at the beginning the draw has been conducted only on Saturdays. However now it has won popularity as a lottery of which the draw is conducted on every day of the week. In the meantime, the programme called Wasana Chakra, which has been introduced on 25<sup>th</sup> January 1998, has been televised on Sundays specially aiming at the customers, who could not be the lucky winners of instant lotteries.

Since this programme could win huge attraction, Development Lotteries Board has taken another step in 1998 introducing the second lottery in the name of Sanwardana Wasanawa to be drawn through Television and it has been telecasted on Tuesdays and Fridays. Having taken in to consideration its sale, it has been renamed as Lagna Wasana in 2015 with the inclusion of 12 Lagnas. Now this lottery has marked its name as an attractive one, of which the draw is conducted on every day of the week.

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

Development Lotteries Board has launched Jana Jaya lottery ticket on 10<sup>th</sup> April 2009 and the draw of the lottery telecasted on Thursdays and Sundays. To be a winner the super number selected from a drawing machine should be tallied with other 04 winning numbers selected from 64 numbers. The initial amount of super jackpot is Rs 2.5. million.

Introduction of Super ball lottery on 11<sup>th</sup> July 2012 is another turning point of the history of lottery



industry of Sri Lanka. This lottery, of which initial jackpot is Rs. 30 million, was written in the history as the lottery, which offered the highest cash prize at that time. Today it is very popular in the market as a lottery drawn daily.

In year 2016, Development Lotteries Board has introduced several new lotteries to the market.

In the meantime, Development Lotteries Board has introduced Lakshapathi lottery ticket on 14 May 2016 and it has recorded a sale of 5.6 million. Further the lottery Kotipathi Shanida, which was introduced on 08. April 2016 with a super jackpot of Rs. 75 million, has marked a sales record of 4.4 million.

Telecasting the draw of Sanwardana Wasanawa, which was introduced with new expectations along with three cash prizes, has again started on 12<sup>th</sup> December 2016. In addition to the above, Ada Kotipathi lottery has been introduced on 31<sup>st</sup> August 2017 as the first ever lottery drawn every day of the week in the history of the lottery industry of Sri Lanka.

DLB has been updating its functions applying modern technology for the enhancement of the lottery industry, has opened the avenue for its customers in year 2020 for the purchase of a lottery through their Smart Phone. For this purpose, it has introduced **"DLB Sweep App"**. Along with this new turning point, DLB introduced the first digital lottery of the South Asia in the name of Sasiri targeting a new market in the industry.

Development Lotteries Board, making an effort to find new dimension in the modification of lottery business, has turned away from the old drawing system in 2021 introducing a new rhythm and new change to the lottery draws. Under this transformation, DLB Lottery Show, which facilitates to telecast all the draws in a line within a short period, has been introduced on 01.03.2021. Concurrently to this change a You Tube Channel has also been introduced as DLB Lottery Show.

Another turning point of DLB has

been marked on 02 December 2021 with the introduction of Kotipathi Kapruka lottery under new title as Kapruka along with an attractive prize schedule consists of an initiate jackpot of Rs. 120 million conducting draws every day of the week. The first draw of this lottery was conducted on 30.12.2021 and accordingly the total number of draws conducted per day is marked as 06.

Development Lotteries Board has been established with two noble objectives; raising funds for President's Fund and Mahapola Trust Fund. Therefore, Development Lotteries Board remits its profit to the President's Fund. Development Lotteries Board, during the period of past 38 years has remitted more than Rs.30 billion whilst performing its responsibility for the country and offering its customers opportunities to try their luck against Rs. 20 they spent 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 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





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



SMS Lottery selling launched



Launch of DLB Sweep App



Launch of 'Niyatha Jaya Draw' Lottery



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



Launch of e-Lottery - Sasiri



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



Launch of 'Ada Kotipathi' Lottery



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

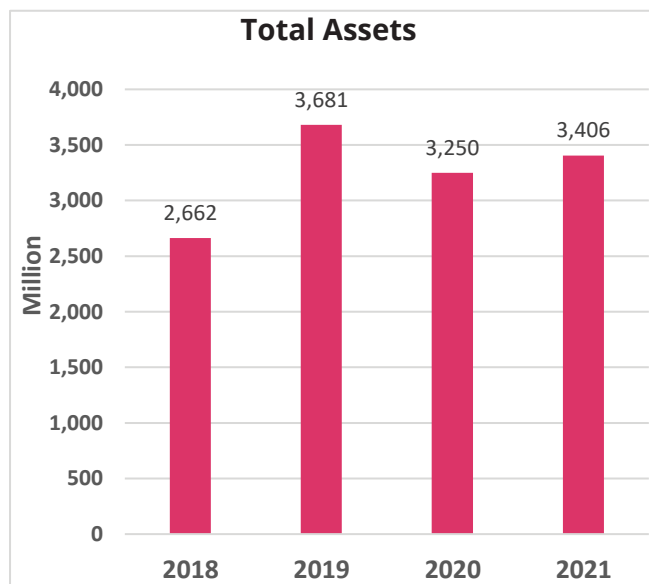
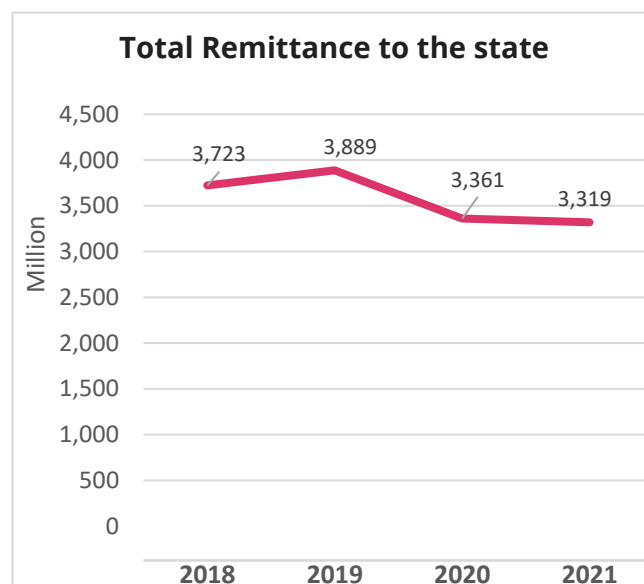
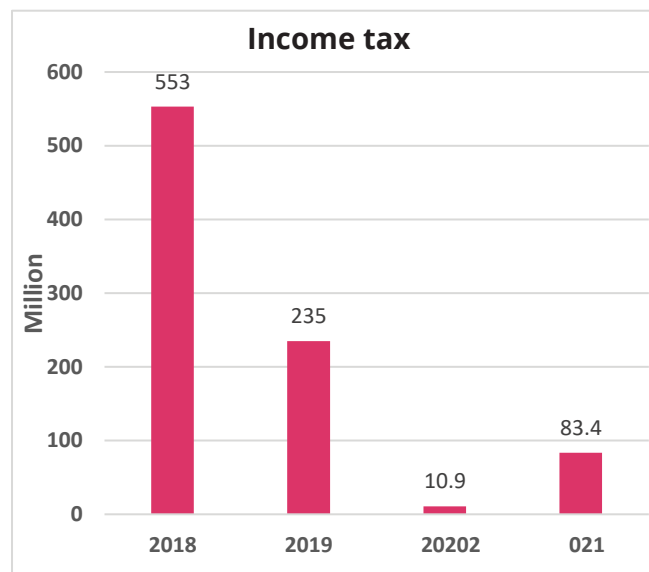
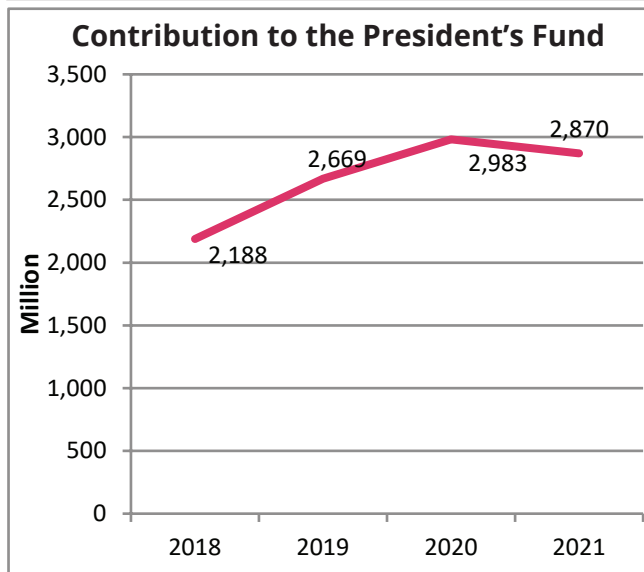
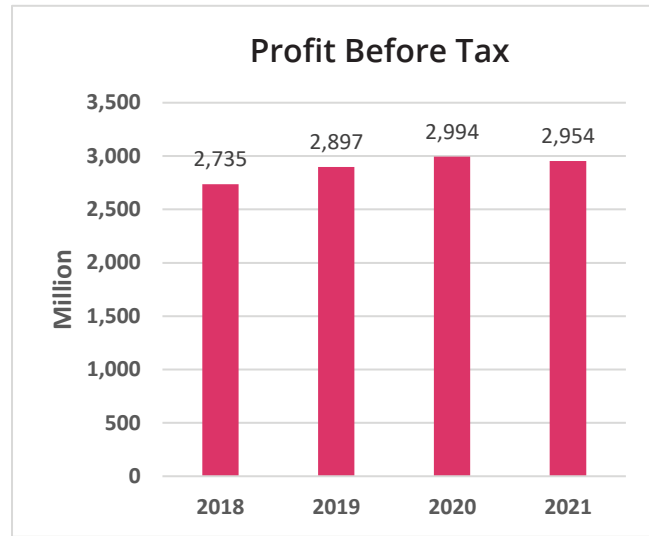
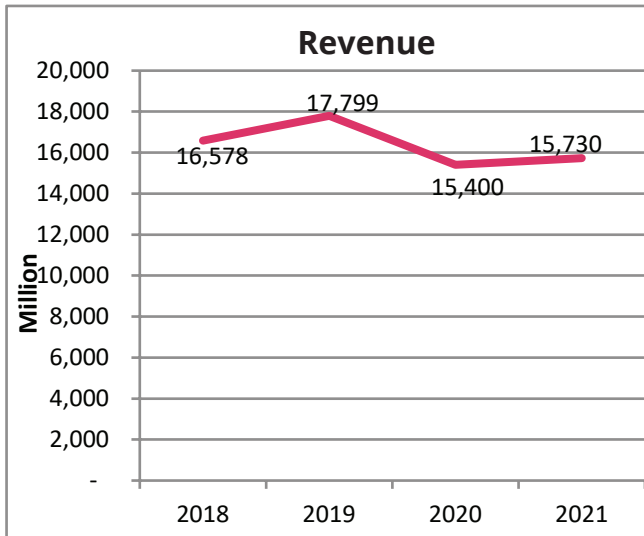


'Highway Dream' Lottery launched with the highest jackpot value



IVR and SMS results alerts launched

# Financial Highlights



<b>Operating Results</b>	<b>2021</b>	<b>2020</b>
Revenue	15,364,398,498	15,033,029,360
Gross Profit	6,523,212,978	6,369,222,716
Profit before tax	2,953,528,558	2,993,501,638
Tax expenses	83,440,185	10,921,555
Net Profit	2,875,951,381	3,018,654,911
Contribution to the President's Fund	2,870,088,373	2,982,580,083

### Statement of financial Position

#### Assets

Property Plant & Equipment	1,158,675,958	1,236,649,449
Fixed deposit	1,142,259,436	1,338,731,761
Inventories	43,102,269	32,590,632
Trade Debtors & Other receivable	150,441,764	92,541,218
Prepayments & Deposits	11,141,943	8,197,378
Cash in hand & at Bank	900,006,350	541,166,763
<b>Total Assets</b>	<b>3,405,627,719</b>	<b>3,250,373,201</b>

#### Liabilities

Employee Benefits Liabilities	(9,372)	3,636,437
Dealer & Distributor Deposit Payable	37,664,881	36,390,381
Credit Voucher Payable	130,268,260	115,286,040
Trade & Other payable	640,706,596	516,032,675
President's Fund payable	564,219,473	685,860,083
Prize Payable	962,793,104	578,618,857

#### Equity

President's Fund	2,200,000	2,200,000
Mahpola Trust Fund	2,200,000	2,200,000
Prize reserve account	448,131,648	698,558,607
Revaluation Surplus	614,729,237	614,729,237
Re-measurement gain/(loss) on Employee Benefit plan	2,723,891	(3,139,116)
<b>Total equity &amp; liabilities</b>	<b>3,405,627,719</b>	<b>3,250,373,201</b>

#### Profitability Ratio

Net Profit ratio	19%	20%
Gross Profit ratio	42%	42%

#### Liquidity Ratio

Current Asset ratio	1 : 1.30	1 : 1.66
Quick(Liquid) Assets Ratio	1 : 1.27	1 : 1.64

## Chairman's message and progress report 2021

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

The Board is pleased to report that during the year 2021, it achieved a turnover of LKR 15,730 million – an achievement of 2% compared to the previous year while contributing LKR 2,870 million to the President's Fund in challenging circumstances.

	2020	2021	Variance	%
Revenue (Rs. Mn)	15,400	15,730	330	2%
Contribution to the President's Fund (Rs. Mn)	2,982	2,870	-112	-4%
Prize money for the winners (Rs. Mn)	7,702	7,866	164	2%

### Current Financial Review -2021

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 budget revenue stood at LKR 16,161 million, the actual revenue is LKR 15,730 million. The variance observed is due to the prevailing economic crisis. On the other hand the actual contribution to the President's Fund was LKR 2970 million while the actual tax contribution to the government was LKR 448 million.

### Our Achievements

As such, the sales budget achievement was at 97%. The contribution to the President's Fund was 123%. Over the last year even amidst the prevailing COVID situation.

### Our Team

The dynamic and robust team at DLB has been at the core of our success story. Teams at 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

- ❖ Rs. 2500 has been granted as a financial aid to nearly 21,527 Sales Agents and Sales Assistants, who were adversely affected due to COVID 19 in year 2021 and the total allocation

made for the purpose by Development Lotteries Board was Rs. 53 million.

- ❖ A project has been launched by Development Lotteries Board for distribution of 112,506 face masks among Sales Agents and Sales Assistants in order to provide protection from COVID 19 pandemic.
- ❖ An amount of Rs. 636,000 has been made in year 2021 for awarding scholarships to children of Sales Agents of DLB, who have been selected for Universities.
- ❖ Further an amount of Rs. 2,500,000 has been granted 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 COVID virus and family members of those who died due to pandemic.

### Contributions for sponsorships

- ❖ Development Lotteries Board has taken action to offer sponsorship of Rs. 1,000,000 in year 2021 for the Esala Perahera of Ruhunu Katharagama Maha Devala. A sponsorship of Rs. 477,000 was offered for the all night pirith chanting conducted at Mirisawetiya Dagoba, Anuradhapura, to save the world from COVID 19 pandemic. Furthermore, Rs. 250,000 has been offered in year 2021 by Development Lotteries Board for Nawam Perahera of Gangarama Vihara. In addition to the above, the Development Lotteries Board has offered a sponsorship of Rs. 250,000 for 75th Upasampada ceremony of Sri Lanka Ramanna Chapter. The total amount paid is Rs. 1,977,000.

### Future Outlook

The Kotipathi Kapruka Lottery was re-introduced to the market with new features on 30<sup>th</sup> December 2021 titled 'Kapruka' with a super jackpot of Rs. 120 million, a jackpot of Rs. 10 million and jackpot of Rs. 5 million. Tickets are being issued to the market on a daily basis.

### Closing Note

I like to extend my gratitude to His Excellency the President, Honorable Prime Minister, Honorable Minister 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, staff at 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 presence

at DLB meaningful. We also wish to thank all the customers who have patronaged 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

DLB is governed by the Development Lotteries Act No. 20 of 1997. The main objective is to provide funds to the President's Fund and to the Mahapola Higher Education Scholarship Trust Fund. Even amidst an unprecedented economic crisis due to the COVID pandemic, DLB was able to contribute Rs. 2870 million to the President's fund which is a 4% drop compared to the year 2020.

	2020	2021	Variance	%
Revenue (Rs. Mn)	15,400	15,730	330	2%
Contribution to the President's Fund (Rs. Mn)	2,982	2,870	-112	-4%
Prize money for the winners (Rs. Mn)	7,702	7,866	164	2%

As per the table a 2% increase in sales and a 2% increase in prizes could be observed between 2020 and 2021.

### Notable Achievements

With the COVID-19 pandemic we had to think of innovative ways to meet our customers' demands. Hence we achieved several milestones in the digital space during the past year. Some of these achievements are as follows :

- During the previous year the DLB Sweep App was introduced to deliver a more enhanced and digitalized service to our customers. Apart from checking lottery results, the public was provided with the facility to purchase Lagna Wasana, Shanida, Super Ball and Sasiri Tickets through the application via payment methods such as credit/debit cards, bank accounts etc. A year later, the DLB Sweep App won a silver award under the "Retail and Distribution in Consumer Category" at the National ICT Awards, NBQSA 2021. The App was also nominated for the 'Best Digitalisation Process Enabler' marking another milestone achievement for the organization as well.
- Sasiri lottery, the first ever digital lottery brand of South Asia, which had been inaugurated by the Development Lotteries Board in line with the digital technology, has been able to win a merit award under In House Category in the same ceremony.
- Sales agents and sales assistants were provided with Rs. 2500 as daily financial aid and the total allocation made for this purpose was Rs. 53 million. 112, 506 facemasks were distributed among sales agents and sales assistants to protect them against COVID. Scholarships were awarded to children of sales agents who have been selected to universities at a sum of Rs. 636,000. An amount of Rs. 2,500,000 has been granted to be provided for sales agents and sales assistants who were suffering from various health issues and those infected with the various or family members of deceased.
- DLB also produced 54 super jackpot winners during the year 2021.

On behalf of the Board of Directors, DLB would like to sincerely thank His Excellency 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, Sales assistants and Resellers for their numerous contribution 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 - 2021

**Mr. Ajith Gunarathna Naragala**

Chairman /CEO  
W.e.f 16.12.2021

**Mrs. J.M. Badrani Jayawardhane**

Secretary  
Ministry of Trade  
Director, Development Lotteries Board

w.e.f 05.10.2020

**Mr. Ravindra J Wimalaweera**

Chief Financial Officer  
Presidential Secretariat  
Director, Development Lotteries Board  
w.e.f 20.07.2020

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

Director, Department of External Resources  
Ministry of Finance.  
Director, Development Lotteries Board  
W.e.f 28.06.2021

**Mrs. Jenat Jayawardana**

(Attorney at Law).  
Director, Development Lotteries Board  
W.e.f 15.01.2020

## Current Board of Directors

**Mr. Ajith Gunarathna Naragala**

Chairman /CEO  
W.e.f 16.12.2021

**Mr.S.T. Kodikara**

Secretary  
Ministry of Trade, Commerce and Food Security  
Director, Development Lotteries Board  
W.e.f 28.06.2022

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

Secretary, President Fund.  
Deputy Secretary to the Treasury, Ministry of Finance  
Director, Development Lotteries Board  
W.e.f 22.08.2022

**Miss. K.A.H.C. Pubudusiri**

Director  
Department of External Resources  
Ministry of Finance.  
Director, Development Lotteries Board  
W.e.f 28.06.2021

**Mrs. Jenat Jayawardana**

(Attorney at Law).  
Director, Development Lotteries Board  
W.e.f 15.01.2020



## Management Team

- 01 **MR. AJITH GUNARATHNA NARAGALA**  
Chairman / CEO
- 02 **MR.W.K.A.A. JAYARATHNA**  
General Manager
- 03 **MISS.W.A.V.C. SOMARATHNA**  
Deputy General Manager (Finance)
- 04 **MR.D.D.C. DAMMINDA**  
Deputy General Manager (Marketing)
- 05 **MR.K.N. BULATHSINHALA**  
Assistant General Manager (Marketing)
- 06 **MR. SUNIL JAYARATHNA**  
Assistant General Manager (Sales)
- 07 **MR.T. KASUN JAYASOORIYA**  
Assistant General Manager (Finance)
- 08 **MR. NISHAN PERERA**  
Assistant General Manager (Finance)
- 09 **MR.S.M.A. WASANTHA UDAYAKUMARA**  
Internal Auditor
- 10 **Dr. ASANKHAA S. GUNASINGHE**  
Assistant General Manager (Marketing)
- 11 **MR. P.B. MADURA HARSHANA**  
Assistant General Manager (IT)
- 12 **MR. ROHANA PRASAD RANASINGHA**  
Assistant General Manager (HR & Administration)
- 13 **MR.P.D.U. MALINTHA**  
Assistant General Manager (Procurement)
- 14 **MR. C.C. AILAPPERUMA**  
Assistant General Manager (sales) Actg.

## Junior Managers

- 01 **MR.E.D.I.N.S.ABERATHNA**  
Administrative Officer
- 02 **MR.J.M.D.A.CRISHANTHA**  
Chief Security Officer
- 03 **MR.M.B.M.N.K. BALAGALLA**  
Territory Manager
- 04 **MR. G.A.R.S. RANATHUNGA**  
Territory Manager
- 05 **MR. M.K.A.I. KAMALSIRI**  
Territory Manager
- 06 **MR. I.D. PATHMA KUMARASIRI**  
Territory Manager
- 07 **MR. D.M.B.L. MAHINDA**  
Territory Manager
- 08 **MRS. M.L. GOWRI KAUSHALYA**  
Territory Manager
- 09 **MR. R.A. SUNIL RATHNAYAKA**  
Territory Manager
- 10 **MR. R.M.U.S. KUMARA**  
Territory Manager
- 11 **MR. N.V. INDIKA UPUL**  
Finance Officer
- 12 **MRS.R.D.C. RAJAPAKSHA**  
Finance Officer
- 13 **MRS. M.A.L.N. GUNASEKARA**  
Finance Officer
- 14 **MRS. R.A.W.G. RUPASINGHE**  
Finance Officer
- 15 **MR. U.G. ILLEPERUMA**  
System Anlysis
- 16 **MRS. C.N. THEWARAPPERUMA**  
Human Resources Officer
- 17 **MR. B.A.C.J. KARUNARATHNA**  
Procurement Officer
- 18 **MR. P. PRASANNA GOKULA FERNANDO**  
Transport Officer
- 19 **MRS. G.D.S. PREMATHILAKA**  
Marketing & Advertising Officer

## Operational Review

### Special matters pertaining to the marketing functions of year 2021

With the decline of adverse effects made by the challenging situation prevailed in year 2020, the sale of the lotteries remained at a comparatively satisfactory level during the first quarter of year 2021. However, the new wave of COVID, which swept the country by the end of the first quarter, has again made setback in the sale of lotteries and marketing process. The country had to face specially with travel restrictions by the third quarter and under such situation the sale of lotteries has to be fully suspended. This situation has resulted in a decline in the sale of lotteries during second and third quarters but we could take necessary measures to achieve success in the sale to a certain extent during fourth quarter with the reopening of the country. These efforts have served to bring the sale of lotteries to a certain positive level. In the meantime, action was taken to increase the number of daily lottery draws from five to six by the end of year 2021.

The sales of the Development Lotteries Board could be enhanced during year 2021 through following processes.

#### 01. Promotional programmes

##### • Lagna Wasana

Special draw has been conducted on 25<sup>th</sup> February 2021 (Thursday) in the name of 'Supiri Dhana Yogaya' for Lagna Wasana Lottery. This special lottery ticket has marked a recorded sale of 3.4 million lottery tickets. Another draw has also been conducted on 23<sup>rd</sup> March 2021 (Tuesday) in the name of 'Supiri Dhana Yogaya' and the sale of lottery tickets for the draw has marked as 3.5 million. Further another draw was conducted on 09<sup>th</sup> April 2021 (Friday) under the sale theme (Supiri Dhana Yogaya) and the total sale of lottery tickets is 3.6 million.

With the view to bring the Lagna Wasana lottery to the apex of the market, an incentive has been granted in February, March and April 2021 to the sales teams and the daily sale of Lagna Wasana has marked a growth by 18% whilst indicating the figure of daily sold lottery tickets as 1.2 million.

##### • Ada Kotipathi

Special draw has been conducted on 27 January 2021 (Wednesday) in the name of 'Ada Vishesh Kotipathi' and the total sale recorded is 1.7 million lottery tickets. The prize schedule of this special lottery was revised to be

effective from 01 May 2021 by way of increasing the cash prize of Rs. 40 offered to the English letter with any number up to Rs. 100 and the cash prize of Rs. 1000 offered to any three numbers found in the lottery ticket up to Rs. 2000.

##### • Kapruka

In order to promote Kotapathi Kapruka Lottery, the lottery was re-introduced to the market with new aspect on 30 December 2021 (Thursday) in the name of 'Kapruka' with a super jackpot of Rs. 1.2 million, a jackpot of Rs. 10 million and jackpot of Rs. 5 million and the tickets were issued to the market on every day of the week. In the meantime a special draw has been conducted on 30 December 2021 (Thursday) in the name of power play at the 785<sup>th</sup> draw of the lottery. The recorded sale of the lottery is 4 million and it is recorded as the highest sale of the year.

##### • Sasiri

The draws of Sasiri lottery have been conducted on Wednesdays and Saturdays and the schedule of the draws has been changed by way of conducting three draws per week on Tuesday, Friday and Sunday with a view to promote the brand of Sasiri. Since 31<sup>st</sup> December 2021 the cash prize of Rs. 100 has been increased up to Rs. 200 for any two numbers found in the lottery ticket.

## 02. Appointment of new Distributors and Sales Agents for year 2021.

District No.	District	Newly Appointed Distributors	Newly Appointed Agents
01	Colombo	03	12
02	Kalutara	01	03
03	Kandy		10
04	Mathle	01	04
05	Nuwaraeliya		01
06	Galle		01
07	Matara		05
08	Hambantota		02
09	Jaffna		01
10	Mannar		01
11	Vavuniya	01	07
12	Batticaloa		
13	Ampara		01
14	Trincomalee		
15	Kurunegala	01	10
16	Puttalam		03
17	Anuradhapura	01	01
18	Polonnaruwa		
19	Badulla		03
20	Monaragala		00
21	Rathnapura		05
22	Kegalle	01	07
23	Gampaha		10
24	Kilinochchi		
25	Mullativu		01
		09	88

## 03. Special programmes conducted for the benefit of Sales Agents and Sales Assistants

- ◆ Rs. 2500 has been granted as a financial aid to nearly 21,527 Sales Agents and Sales Assistants, who were adversely affected due to COVID 19 in year 2021 and the total allocation made for the purpose by Development Lotteries Board was Rs. 53 million.
- ◆ A project has been launched by Development Lotteries Board for distribution of 112,506 face masks among Sales Agents and Sales Assistants in order to provide protection from COVID 19 pandemic.
- ◆ An amount of Rs. 636,000 has been made in year 2021 for awarding to children of Sales Agents of DLB, who have been selected for Universities.
- ◆ Further an amount of Rs. 2,500,000 has been granted 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 COVID virus and die due to pandemic.

## 04. Sponsorships and contributions

- ◆ Development Lotteries Board has taken action to offer sponsorship of Rs. 1,000,000 in year 2021 for the Esala Perahera of Ruhunu Katharagama Maha Devala.
- ◆ Development Lotteries Board has taken action to offer sponsorship of Rs. 477,000 for the all night pirith chanting conducted at Mirisawetiya Dagoba, Anuradhapura, to save the world from COVID 19 pandemic.
- ◆ Further sponsorship of Rs. 250,000 has been offered in year 2021 by Development Lotteries Board for Nawam Perahera of Gangarama Vihara.
- ◆ In addition to the above, Development Lotteries Board has offered a sponsorship of Rs. 250,000 for 72nd Upasampada ceremony of Sri Lanka Ramanna Chapter.

## Product Portfolio Overview

The Development Lotteries board (DLB) provides funding for education and for community endeavors through President Fund. The DLB holds two product types: Passive lottery and digital Lottery. 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



அபிவிருத்தி  
உடனடி

## 01. ADA KOTIPATHI



- ◆ **Brand Vision**  
To be the Market Leader and the popular lottery in Sri Lanka.
- ◆ **Brand Mission**  
To introduce innovative prize structures by using state of 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 : 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

## 02. SHANIDA



- ◆ **Brand Vision**  
To be a leading brand in Sri Lanka through the off-line draw lottery of Monday to Sunday (All 7 days).
- ◆ **Brand Mission**  
As a leading brand of all 07 days off line lottery in Sri Lanka introducing innovative prize structures by state of 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 : 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



### 03. KAPRUKA



#### ◆ Brand Vision

The lottery brand that fulfills dreams and aspirations of people who are driven by the jackpot.

#### ◆ Brand Mission

To be the preferred choice of brand among the people who are driven by the jackpot.

#### ◆ Game Details

Draw Date : Monday to Sunday (All 7 days)  
Ticket Colors : Light blue, Pink, Green, Orange, Indigo, Red & Yellow  
Jackpot : 120,000,000.00

#### ◆ 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

### 04. LAGNA WASANAWA



#### ◆ Brand Vision

Become the number one lottery brand that fulfills aspirations of people who believes in fortune from zodiac Symbol.

#### ◆ Brand Mission

A 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 Jackpots: 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



## 05. SUPER BALL



### Brand Vision

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

### Brand Mission

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

### Game Details

Draw Date : Monday to Sunday (All 7 days)  
Ticket Colors : Purple, Light Blue, Orange, Green, Pink, Dark Blue & Red  
Starting Jackpot : 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.40.00
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

## 06. DEVELOPMENT FORTUNE



### Brand Vision

To be a popular brand on both the 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 off line lottery in Sri Lanka introducing innovative prize structures by state of art technology through enhancing the profitability of the board.

### Game Details

Draw Days : Thursday / Saturday  
Ticket Colors : Blue & Red  
Starting Jackpots : 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

**07. JAYODA**

◆ **Brand Vision**

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

◆ **Brand Mission**

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

◆ **Game Details**

Draw Days : Mondays and Wednesdays.  
Ticket Colors : Yellow & Orange  
Starting Jackpots : 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

**08. SASIRI**

◆ **Brand Vision**

Become a leading e-lottery brand.

◆ **Brand Mission**

To introduce innovative, high-tech lottery system and to create a new untapped market thereby enhancing 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

## 09. INSTANT LOTTERY



### ◆ Introduction

Instant lottery was introduced to Sri Lanka by Development Lotteries Board in 1983 as the pioneer to the instant Lottery. 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 off-line instant lottery programme.

### ◆ Brand Mission

To introduce an innovative prize structure as a market leader in off-line instant lottery in Sri Lanka and introduce a new face through state of art technology to enhance the profitability of the board.

### ◆ Competitive landscape

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

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



### DLB Sweep wins Silver Award at the National ICT Awards, 2021

The DLB Sweep App proudly presented by the Development Lotteries Board integrated with the modern technology thereby stepping beyond the traditional lottery style has won a silver award under the "Retail and Distribution in Consumer Category" at the National ICT Awards, NBQSA 2021. Also, the DLB Sweep App had been nominated and recommended for the award of the "Best Digitalization Process Enabler" category while marking another milestone achievement for the organization as well.

Sasiri lottery, the first ever digital lottery brand of South Asia, which had been inaugurated by the Development Lotteries Board in line with the digital technology, has been able to win a merit award under In House Category in the same ceremony.

Mr. Ajith Gunarathna Naragala, Chairman of DLB, Mr. Madura Harshana, Assistant General Manager (Information Technology), Dr. Asankhaa Gunasinghe, Assistant General Manager (Marketing) and Mr. Umesh Ileperuma, System Analyst have graced this occasion representing the Development Lotteries Board.





## **Sustainability Report**

*“DLB is dedicated to responsible growth, which through its Lottery products and prizes creates constant and sustainable value over time for 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, which through its lottery products and prizes create 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 and makes Eco-friendly Instant Lottery. 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 pre-bound 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 we're working hard to create an environment in which they're proud to be apart of. We understand that our business success depends on their job satisfaction and that is why we continue to invest in our people by offering opportunities for training and continuing education to encourage excellence and achievement in our workforce. Our sustainability programme also aims to improve customer experience, create jobs in the industry and increase revenue to support important services such as health care 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. Introduction of the DLB Sweep App and products such as Sasiri – e-Lottery service and SMS Lottery services are proof of these objectives.

Through digitalization DLB aims to minimize the carbon foot print 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. We will demonstrate the progress we are making 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 fund and Mahapola Higher Education Trust Fund, host communities, local charities, and enrich the lives of our people in Sri Lanka. DLB has had the ability to launch several social ventures programmed that focus on empowering entrepreneurship for individuals by providing assistance to the whole chain of lottery Agent / Distributors.

## To empower employment, we have:

1. Distributed Rs. 53 million among sales assistant as COVID relief support
2. A project has been launched by Development Lotteries Board for distribution of 112,506 face masks among Sales Agents and Sales Assistants in order to provide protection from COVID 19 pandemic.
3. Further an amount of Rs. 2,500,000 has been granted in year 2021 to Sales Agents and Sales Assistants of Development Lotteries Board, who are suffering from various health issues and who are infected COVID virus and died due to pandemic.

## Other CSR activities

An amount of Rs. 636,000 has been made in year 2021 for awarding to children of Sales Agents of DLB , who have been selected for 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 to needy students in our society through the Mahapola Trust Fund.

## Human Resources

We recognize our employees' 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.

## Staff development objectives

- Create and encourage job and career opportunities
- Continue progressing with workforce planning and talent management programmes, 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



## Local training programmes

Training programme/ workshop	Participant's name	Training period	Venue
File Management	Management Assistants (37)	01 Day	Ministry of Skills Development and Vocational Training
Essentials of Cyber Security Course	IT Assistant Management Assistants	2 days	Miloda Academy
Motivation Programme	Drivers (21)	1 day	Ministry of Skills Development and Vocational Training
File Management	Management Assistants (20)	01 Day	Ministry of Skills Development and Vocational Training
Motivation Programme	Office Assistants (18)	01 Day	Ministry of Skills Development and Vocational Training
File Management	Management Assistants (23)	01 Day	Ministry of Skills Development and Vocational Training

## Higher Education Programmes for Officers

Officer	Position	Course	Period
Mr.P.B. Madhura Harshana	AGM (IT)	Master of Information Security Degree	02 years
Mr.Prasad Ranasinghe	AGM (HR)	Masters of Human Resources Management (MHRM)	02 years



## Cadre Position as at 31.12.2021

Designation	Salary	Approved	Existing	Vacancies	Excess	Cadre	Details
		Cadre	Cadre			Contract	
Chairman/ CEO		1	1				
Working Director		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	2				
Asst.General Manager(Finance)	M.M- 1.1	3	2	1			
Asst.General Manager(Sales)	M.M- 1.1	2	1	1			
Asst.General Manager(HRM/Adm)	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	9	1			
Finance Officer	J.M- 1.1	4	4				
Sys./Prog.Anlyst	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				
Personal Assistant	MA-1.2	1	0	1			
Management Assistant	MA-1.2	137	126	9		2	
Sales Coordinator	MA-1.1	5	3	2			
Driver	P.L - 3	43	41	1		1	
Electrician	P.L -3	2	2				
KKS	P.L -1	65	59	4		2	
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>342</b>	<b>310</b>	<b>39</b>	<b>12</b>	<b>5</b>	

## Category wise Staff

Age	Total		
20 - 30	50	CHAIRMAN / CEO	1
31 - 40	112	General Manager	1
41 - 50	99	DGM	2
Above 50	54	AGM	8
<b>Total</b>	<b>315</b>	Internal Auditor	1
		Administrative Officer	1
		Chief Security Officer	1
		Territory Manager	9
		Finance Officer	4
		System Analysis	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	128
		Sales Coordinator	3
		Driver	42
		ELECTRITION	2
		KKS	61
		Field Promoter	10
		Field Mobile Announcer	1
		Security Assistors	15
		<b>315</b>	

## Category wise Staff

Male staff	221
Female staff	94
	<b>315</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 board 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. Structure of the board has been specified under section 3(i) of the act, as follows.

- a) 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 shall be the Chief Executive officer of the Board, be changed with the administration and management of the affairs of the Board.

## Role of 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 Organization management functions effectively
- Adequately report on financial aspects and disclosures required on a regular basis is made to share holders
- Use resources and assets responsibly
- Be accountable for all their actions in accordance with relevant statuses, 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 Chairman and CEO's 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.

## Number of Board Meetings in 2021

Date of meeting	Name of Director	Designation	Present
27.01.2021	Mr. Amitha Gamage	Chairman/CEO	<input checked="" type="checkbox"/>
	Mrs. J.M. Bhadrani Jayawardane	Director	<input checked="" type="checkbox"/>
	Mr. H.G. Sumanasinghe	Director	<input checked="" type="checkbox"/>
	Mr. Ravindra J. Wimalaweera	Director	<input checked="" type="checkbox"/>
	Mrs. Jenat Jayawardana	Director	<input checked="" type="checkbox"/>
23.02.2021	Mr. Amitha Gamage	Chairman/CEO	<input checked="" type="checkbox"/>
	Mrs. J.M. Bhadrani Jayawardane	Director	Ab
	Mr. H.G. Sumanasinghe	Director	<input checked="" type="checkbox"/>
	Mr. Ravindra J. Wimalaweera	Director	<input checked="" type="checkbox"/>
	Mrs. Jenat Jayawardana	Director	<input checked="" type="checkbox"/>
02.03.2021	Mr. Amitha Gamage	Chairman/CEO	<input checked="" type="checkbox"/>
	Mrs. J.M. Bhadrani Jayawardane	Director	<input checked="" type="checkbox"/>
	Mr. H.G. Sumanasinghe	Director	<input checked="" type="checkbox"/>
	Mr. Ravindra J. Wimalaweera	Director	<input checked="" type="checkbox"/>
	Mrs. Jenat Jayawardana	Director	<input checked="" type="checkbox"/>
25.03.2021	Mr. Amitha Gamage	Chairman/CEO	<input checked="" type="checkbox"/>
	Mrs. J.M. Bhadrani Jayawardane	Director	<input checked="" type="checkbox"/>
	Mr. H.G. Sumanasinghe	Director	<input checked="" type="checkbox"/>
	Mr. Ravindra J. Wimalaweera	Director	<input checked="" type="checkbox"/>
	Mrs. Jenat Jayawardana	Director	<input checked="" type="checkbox"/>
30.04.2021	Mr. Amitha Gamage	Chairman/CEO	<input checked="" type="checkbox"/>
	Mrs. J.M. Bhadrani Jayawardane	Director	<input checked="" type="checkbox"/>
	Mr. H.G. Sumanasinghe	Director	<input checked="" type="checkbox"/>
	Mr. Ravindra J. Wimalaweera	Director	<input checked="" type="checkbox"/>
	Mrs. Jenat Jayawardana	Director	<input checked="" type="checkbox"/>
19.05.2021	Mrs. J.M. Bhadrani Jayawardane	Director	<input checked="" type="checkbox"/>
	Mr. H.G. Sumanasinghe	Director	Ab
	Mr. Ravindra J. Wimalaweera	Director	<input checked="" type="checkbox"/>
	Mrs. Jenat Jayawardana	Director	<input checked="" type="checkbox"/>
08.06.2021	Mrs. J.M. Bhadrani Jayawardane	Director	<input checked="" type="checkbox"/>
	Mr. H.G. Sumanasinghe	Director	Ab
	Mr. Ravindra J. Wimalaweera	Director	<input checked="" type="checkbox"/>
	Mrs. Jenat Jayawardana	Director	<input checked="" type="checkbox"/>
25.06.2021	Mr. Anusha Pelpita	Chairman / CEO	<input checked="" type="checkbox"/>
	Mrs. J.M. Bhadrani Jayawardane	Director	<input checked="" type="checkbox"/>
	Mr. Ravindra J. Wimalaweera	Director	<input checked="" type="checkbox"/>
	Mrs. Jenat Jayawardana	Director	<input checked="" type="checkbox"/>
08.07.2021	Mr. Anusha Pelpita	Chairman / CEO	<input checked="" type="checkbox"/>
	Mrs. J.M. Bhadrani Jayawardane	Director	<input checked="" type="checkbox"/>
	Mr. Ravindra J. Wimalaweera	Director	<input checked="" type="checkbox"/>
	Miss.K.A.H.C Pubudusiri	Director	<input checked="" type="checkbox"/>
	Mrs. Jenat Jayawardana	Director	<input checked="" type="checkbox"/>

20.08.2021	Mr. Anusha Pelpita	Chairman / CEO	<input checked="" type="checkbox"/>
	Mrs. J.M. Bhadrani Jayawardane	Director	<input checked="" type="checkbox"/>
	Mr. Ravindra J. Wimalaweera	Director	<input checked="" type="checkbox"/>
	Miss K.A.H.C Pubudusiri	Director	<input checked="" type="checkbox"/>
	Mrs. Jenat Jayawardana	Director	<input checked="" type="checkbox"/>
22.10.2021	Mr. Anusha Pelpita	Chairman / CEO	<input checked="" type="checkbox"/>
	Mrs. J.M. Bhadrani Jayawardane	Director	<input checked="" type="checkbox"/>
	Mr. Ravindra J. Wimalaweera	Director	<input checked="" type="checkbox"/>
	Miss K.A.H.C Pubudusiri	Director	<input checked="" type="checkbox"/>
	Mrs. Jenat Jayawardana	Director	<input checked="" type="checkbox"/>
29.11.2021	Mr. Anusha Pelpita	Chairman / CEO	<input checked="" type="checkbox"/>
	Mrs. J.M. Bhadrani Jayawardane	Director	<input checked="" type="checkbox"/>
	Mr. Ravindra J. Wimalaweera	Director	<input checked="" type="checkbox"/>
	Miss K.A.H.C Pubudusiri	Director	<input checked="" type="checkbox"/>
	Mrs. Jenat Jayawardana	Director	<input checked="" type="checkbox"/>
14.12.2021	Mr. Anusha Pelpita	Chairman / CEO	<input checked="" type="checkbox"/>
	Mrs. J.M. Bhadrani Jayawardane	Director	<input checked="" type="checkbox"/>
	Mr. Ravindra J. Wimalaweera	Director	<input checked="" type="checkbox"/>
	Miss K.A.H.C Pubudusiri	Director	<input checked="" type="checkbox"/>
	Mrs. Jenat Jayawardana	Director	<input checked="" type="checkbox"/>

## Number of Audit & Management Meetings -2021

Date of meeting	Name of Director	Designation	Present
23.02.2021	Mr. H.G. Sumanasinghe	Director	<input checked="" type="checkbox"/>
	Mrs. J.M. Bhadrani Jayawardane	Director	<input checked="" type="checkbox"/>
	Mr. Ravindra J. Wimalaweera	Director	<input checked="" type="checkbox"/>
	Mrs. Jenat Jayawardana	Director	<input checked="" type="checkbox"/>
24.08.2021	Mr. Ravindra J. Wimalaweera	Director	<input checked="" type="checkbox"/>
	Mrs. J.M. Bhadrani Jayawardane	Director	<input checked="" type="checkbox"/>
	Mrs. Jenat Jayawardana	Director	<input checked="" type="checkbox"/>
	Ms. K.A.H.C Pubudusiri	Director	<input checked="" type="checkbox"/>
05.11.2021	Mr. Ravindra J. Wimalaweera	Director	<input checked="" type="checkbox"/>
	Mrs. J.M. Bhadrani Jayawardane	Director	<input checked="" type="checkbox"/>
	Mrs. Jenat Jayawardana	Director	<input checked="" type="checkbox"/>
	Ms.K.A.H.C Pubudusiri	Director	<input checked="" type="checkbox"/>
20.12.2021	Mr. Ravindra J. Wimalaweera	Director	<input checked="" type="checkbox"/>
	Mrs. J.M. Bhadrani Jayawardane	Director	<input checked="" type="checkbox"/>
	Mrs. Jenat Jayawardana	Director	<input checked="" type="checkbox"/>
	Ms. K.A.H.C Pubudusiri	Director	<input checked="" type="checkbox"/>

# 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 and enhance the risk management capabilities that assist in delivering 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 maybe 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 socioeconomic 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 macroeconomic 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. DLB has launched a plan of action to upgrade the Organization's IT System.



# Audit and Management Committee Report

We are pleased to present our report for the financial year ended 31<sup>st</sup> December 2021

## Composition of the Audit Committee

The Audit Committee comprises by following Four (04) Non-Executive Directors

Mr. Ravindra J Wimalaweera	Chairman of Audit & Management Committee
Ms. K.A.H.C. Pubudusiri	Member of Audit & Management Committee
Mrs. Jenat Jayawardena	Member of Audit & Management Committee
Mrs. J.M Bhadrani Jayawardane	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 mandatory 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 2021 are summarized below;

1. 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.

2. 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 committee reviews root causes for audit observations and preventive measures to avoid repetitions.

3. 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. 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. Committee pays special attention to COPE directives issued to the Board.

## Number of Meetings of Audit Committee

There were four (04) meetings conducted for the year 2021 and attendance is given below.

Name of Director	Attendance	Excused
Mr. H.G. Sumanasinghe	01/01	Nil
Ms. K.A.H.C. Pubudusiri	03/03	Nil
Mr. Ravindra J Wimalaweera	04/04	Nil
Mrs. Jenat Jayawardena	04/04	Nil
Mrs. J.M. Bhadrani Jayawardane	04/04	Nil



**Mr. Ravindra J Wimalaweera**  
Chairman - Audit & Management Committee

A hand holding a pen points to a financial report document. The document features various charts and tables. Overlaid on the bottom right is a white box containing a table of contents. The background shows a laptop and other documents.

# Financial Report

## Content

**Independent Auditors Report**

**Audit Report 2021 and Action Taken by Management**

**Statement of Comprehensive Income**

**Statement of Financial Position**

**Statement of Cash Flow**

**Statement of Changes in Equity**

**Accounting Policies**

**Segment Report**

**Notes to the Final Accounts**

**Ten Year Summary**

# Independent Auditors Report

Chairman,

Development Lotteries Board

Report of the Auditor General on the financial statements for the year ended 31 December 2021 and other legal and regulatory requirements of the Development Lotteries Board in terms of Section 12 of National Audit Act No. 19 of 2018

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



W.P.C. Wickramarathna

Auditor General

Copy: Secretary, Ministry of Finance, Economic Stabilization and National Policies

Chairman,  
Development Lotteries Board

Report of the Auditor General on the financial statements for the year ended 31 December 2021 and other legal and regulatory requirements of the Development Lotteries Board in terms of Section 12 of National Audit Act No. 19 of 2018

---

## **1. Financial Statements**

### **1.1. Qualified Opinion**

Financial statements of the Development Lotteries Board for the year ended 31 December 2021, which comprise the statement of financial position as at 31 December 2021 and the statement of comprehensive income, statement of changes of equity, and the cash flow statement for the year then ended, and notes to the financial statements and the summary of significant accounting policies were audited under my order in terms of the provisions of the National Audit Act No. 19 of 2018 and the Finance Act No. 38 of 1971 to be read with Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. My report will be tabled in Parliament in due course in terms of Article 154(6) of the Constitution.

It is my opinion that, except for effect of the matters described under Basis for the Qualified Opinion in my report, the financial position of the Development Lotteries Board as at 31 December 2021 and its financial performance and cash flows for the year then ended represent a true and fair view of the state of affairs in accordance with the Public Sector Accounting Standards of Sri Lanka.

### **1.2. Basis for the qualified opinion**

#### **1.2.1. Accounting Deficiencies**

- a. The interest that is receivable as at 31 December 2021 on the fixed deposit that is held for employee benefit liability under non-current liabilities had been overstated by Rs. 838,937. Consequently, the profit in the comprehensive income statement and the investment value in the statement of financial position, too, had been overstated by Rs. 838,937.
- b. As the depreciation of Rs. 1,757,377 that had been overstated in the accumulated depreciation provision account as at 01 January 2021 had been credited to the depreciation account of the year under review when correcting that error, the actual depreciation of the year under review had decreased by Rs. 1,757,377.



- c. The drawing ball validation machine that the Board had received on 08 November 2018 and is used at present had not been accounted as an asset of the Board even by 31 December 2021.
- d. The Board had taken legal action against a debtor in order to recover a sum of Rs. 1,354,016 that the debtor had defaulted, but it had not been disclosed in the financial statements.
- e. A sum of Rs. 1,583,594, being the total of Rs. 1,336,676, Rs. 246,918 and Rs. 145,290 that had been spent in year 2018 for the reconstruction of the dining room, store room and the parapet wall respectively, which are used at present, had been entered in the work-in-progress account. Action had not been taken even by the end of the year under review to capitalize and depreciate those items.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibility, under those standards is further described in the Auditor's Responsibility for the Audit of the Financial Statements section of this 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 contained in the Annual Report 2021 of the Board**

Other information refers to the information that is included in the Annual Report 2021 of the Board, which was obtained by me before the date of this Audit Report, but not included in the financial statements and my audit report on the same. The management is responsible for other information.

My opinion regarding the financial statements does not cover the other information, and I will not give any assurance or express any opinion regarding the same.

My responsibility in relation to my audit of the financial statements is to read the other information identified above, and in doing so, to consider whether the other information is materially inconsistent with the financial statements or with the knowledge I have gained during the audit or otherwise.

If I decide based on the other information I collected prior to the date of this audit report and based on the tasks carried out by me that other information contains material misstatements, it is required that I report such information. I have nothing to report in this regard.

### **1.4. Responsibility of the management and the administration for the financial statements**

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards, and for determining the internal controls necessary for enabling the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

It is the responsibility of the management to determine the going concern of the institute when preparing the financial statements, and except where the management intends to liquidate the Board or to cease operations in the absence of any alternative, keeping accounts on the basis of going concern and disclosing the matters relating to the going concern of the Board, too, are responsibilities of the management.

The administration of the Board is responsible for the examination of the financial reporting process of the institute.

In terms of Sub-section 16(1) of the National Audit Act No. 19 of 2018, the Board should properly maintain books and reports on its income, expenditure, assets and liabilities in order to enable the preparation of annual and timely financial statements of the Board.

### **1.5. Responsibility of the Auditor for the audit of financial statements**

My intention is to give a fair assurance that the financial statements, as a whole, are free of material misstatements due to fraud and error, and to issue the report of the auditor containing my opinion. Fair assurance is an assurance of a higher level, but when conducting the audit in terms of Sri Lanka Auditing Standards, it will not be a confirmation that it always discloses material misstatements. Material misstatements may occur due to the effect of frauds and errors either individually or collectively, and it is expected that it could have an impact on the economic decisions made by users based on these financial statements.

I conducted the audit in terms of Sri Lanka Auditing Standards with professional judgment and professional dubiousness. Further,

- When identifying and assessing the risks of material misstatements that may occur in financial statements due to fraud or error, as the case may be, obtaining adequate and appropriate audit evidence to avoid the risks caused by frauds or errors by planning proper audit procedures is the basis for my opinion. The effect of a fraud is more serious than the effect of material misstatements, and collusion, preparation of forged documents, intentional omissions or breach of internal controls result in frauds.
- Understanding of the internal control of the institute was gained in order to plan appropriate auditing procedures, but it is not intended to express an opinion about the effectiveness of the internal control.
- Relevance of the Accounting Policies used fairness of the principles of accounting and accounting estimates used and applicability of the related disclosures were evaluated.
- Relevance of using the basis of going concern of the institute for accounting based on the audit evidence obtained regarding whether there exists a material uncertainty about the going concern of the institute due to events or situations was determined. If I determine that



there exists a material uncertainty, attention of my audit report should be directed towards the disclosures related to them in the financial statements, and if such disclosures are not adequate, my opinion should be modified. However, the going concern may end based on the future events or situations.

- Presentation, the structure and the content of the financial statements that include disclosures were evaluated, and it was evaluated that the transactions and events used for that were appropriately and fairly included in the financial statements.

The administration is informed of the significant audit findings, weaknesses of the key internal controls, and other matters that were identified during my audit.

## **2. Report on other legal and regulatory requirements**

### **2.1. National Audit Act No. 19 of 2018 contain special provisions regarding the following requirements:**

- 2.1.1. According to the requirements provided under Section 12(a) of the National Audit Act No. 19 of 2018, except for the effect of the matters detailed under the heading Basis for the Qualified Opinion in my report , I obtained all the information and clarifications required for the audit, and as it is observed through my examination, the Board had maintained proper financial records.
- 2.1.2. According to the requirement provided in Section 6(1)(d)(iii) of the National Audit Act No. 19 of 2018, the financial statements of the institute are consistent with the preceding year.
- 2.1.3. According to the requirement provided in Section 6(1)(d)(iv) of the National Audit Act No. 19 of 2018, the recommendations made by me in the previous year with regard to the observations stated under Sections 1.2.1 (b), (c) and (e) of this report had not been implemented when presenting the financial statements for the year under review as well.

### **2.2. Based on the procedure that was adopted and the evidence that was obtained, and in the limitation to material factors, nothing has come to my attention that require making of the following statements:**

- 2.2.1. According to the requirement provided in Section 12(d) of the National Audit Act No. 19 of 2018, a member of the board of directors of the institute has an interest outside the normal business situation of the institute directly or otherwise regarding a contract that relates to the institute.
- 2.2.2. According to the requirement provided in Section 12(f) of the National Audit Act No. 19 of 2018, the institute has not complied with an applicable written law or other general or special direction issued by the board of directors of the institute except for the following observations:

<u>Reference to law/direction</u>	<u>Observations</u>
(a) Section 17(5) of the Development Lotteries Board Act No. 20 of 1997	Any prize of a development lottery that has not been awarded when it has been unable to find the winner to claim the prize after the lapse of a period of six months counted from the date of determination of the winners of that lottery should belong to the government and it should then be credited to the President's Fund, but the value of such prizes that had been credited to the prize reserve fund in 2021 without crediting to the Presidents' Fund was Rs. 15,341,900.
(b) Section 8 of Chapter XIV of the Establishments Code of the Democratic Socialist Republic of Sri Lanka.	Although the field officers of public institutes can be paid only Rs.12 per kilometre for the vehicle they drive while engaged in field duty, the Board had paid a total of Rs. 3,712,160 to marketing managers for driving such vehicles on the basis of Rs. 40 per kilometre.
(c) Paragraph 5.2 of National Budget Circular No. 142 of 31 December 2008.	Contravening the provisions of the circular, the Board had paid a total of Rs. 10,487,342 of distress loans to 145 officers exceeding the distress loan ceiling of Rs. 250,000.
(d) Paragraph (2) of the Public Enterprise Circular No. 02/2018 dated 14 November 2018.	Contravening the provisions of the circular, a sum of Rs. 4,982,000 had been invested in the investments (Repo) of a private bank as at 31 December 2021.
(e) Circular No. ඩී.එල්බී./එම්.ටී.කේ./බෙදානි/වක්‍ර ලේඛ/2015/14 dated 26 October 2015 of the Development Lotteries Board.	Evidence had not been presented to the audit in proof of recovery of a sum of Rs. 18,330,950 being the total of the sums of Rs. 25 per book that should be charged for 733,238 lotteries that had not been handed over even by 28 June 2022 and that had been handed over after a delay of 14 days from January 2021 to August 2021.

2.2.3. According to the requirement provided in Section 12(g) of the National Audit Act No. 19 of 2018, the Board has performed inconsistent with the powers, functions and duties of the Board.

2.2.4. According to the requirement provided in Section 12(h) of the National Audit Act No. 19 of 2018, the resources of the Board have not been procured and utilized economically, efficiently and effectively within the time frames in accordance with the relevant laws and rules.

### 3. Other audit observations

- a. Three (03) motorcycles valued at Rs.775,750 that had been purchased for awarding as prizes, 123 gift vouchers worth Rs. 592,500 in total and that have come down for 13 years, and gold items worth Rs. 5,053,530 that had been purchased for awarding as prizes had existed for a long period without being used as prizes.
- b. The agreement that had been entered into by the Board for obtaining the building number 234 in the Vauxhall Street on rent basis since October 2006 had been breached unilaterally. For 16 years up to now, the Board has failed to recover the sum of Rs. 5,700,000, which is the total of the sums of Rs.723,780 that had been paid as the deposit and Rs. 4,976,220 which is a part of the amount that had been paid as the rental for those years.
- c. The determination of the case that had been filed 23 years ago seeking an order against a person in Ward Place to pay back to the Board a sum of Rs. 2,520,000 that had been paid to him as a building rent deposit as per the rent agreement that the Board had entered into with him in 1990 had been issued on 11 January 2016. Although nearly 6 years has passed since the court has issued the determination that the Board should recover the said amount, the Board had failed to recover this amount even by the end of the year under review.
- d. A total of Rs. 3,626,727, which was comprised of the sums of Rs.2,877,144 paid on 3 occasions during 2013 and Rs. 749,583 paid in 2014, had been paid to a private company as an advance payment for a building plan consultation fee. The Board had allowed a third party to keep the funds of the Board with them for a period of 8 – 9 years without getting the intended tasks fulfilled by them.
- e. An advance payment of a total of Rs. 202,800 had been paid in 2014 to one institute and to three persons for getting accommodation facilities for the Deyata Kirula Programme in 2015. The Board had allowed a third party to keep the funds of the Board with them for a period of 8 years, and the Board had failed to recover the said amount even by the end of the year under review.
- f. The E-Lottery concept was introduced as a solution to the problems faced in selling lotteries physically during pandemic periods such as the Corona pandemic. However, the E-Lottery concept had become a failure as the percentage of the sale of respective E-Lotteries out of the total sale of each lottery in year 2021 had been as low as 0.2% of the Sasiri lottery, 0.3% of the Superball lottery and 0.2% of the Saturday Fortune lottery.
- g. The Board had spent a sum of Rs. 3,275,246 for issuing lotteries through the Sweep App. The lotteries issued by the Board are printed at two private companies. One of those two companies had refused to sell the lotteries printed by that company through the said Sweep App. Therefore the Board had not been able to make full use of the amount that the Board had spent on this App.

- h. The Board had spent a sum of Rs. 38,752,448 for the construction of a studio in 2012. Even by the end of the year under review, it had been left idle without getting the purpose intended from the construction of a studio fulfilled.
- i. The double cab (Mitsubishi 4WD) worth Rs. 8,095,000, which the Board did not possess physically, has been accounted under fixed assets, and a sum of Rs. 8,095,000 has been accounted for the depreciation of that vehicle.



W.P.C. Wickramaratne

Auditor General

## Audit Report 2021 and action taken by the Management

Answers to the Final Report of the Auditor General on the financial statements for the year ended 31 December 2021 and other legal and regulatory requirements of the Development Lotteries Board in terms of Section 12 of National Audit Act No. 19 of 2018.

### 1.2.1 Accounting Deficiencies

Matters pointed out in the report of the Auditor General	Measures implemented by the Management												
<p>(a) The interest that is receivable as at 31 December 2021 on the fixed deposit that is held for employ benefit liability under non-current liabilities had been overstated by Rs. 838,937. Consequently, the profit in the comprehensive income statement and the investment value in the statement of financial position, too, had been overstated by Rs. 838,937.</p>	<p>When calculating the interest of the said fixed deposit as at 31.12.2021, there has been a few days' difference. As this fixed deposit is for the period from 07.06.2021 to 07.06.2022, the interest paid by the bank at the maturity of the deposit will be calculated and this difference will be corrected when preparing the final accounts at the end of the year.</p>												
<p>(b) As the depreciation of Rs. 1,757,377 that had been overstated in the accumulated depreciation provision account as at 01 January 2021 had been credited to the depreciation account of the year under review when correcting that error, the actual depreciation of the year under review had decreased by Rs. 1,757,377.</p>	<p>The value that has not been recognized under 03 asset categories as at 31 December 2020 is as follows:</p> <table data-bbox="887 1387 1394 1532"> <tr> <td>Office equipment</td> <td>-</td> <td>833,138.62</td> </tr> <tr> <td>Computers</td> <td>-</td> <td>4,107,599.87</td> </tr> <tr> <td>Furniture and fixtures</td> <td>-</td> <td><u>2,523,988.16</u></td> </tr> <tr> <td></td> <td></td> <td><b><u>7,464,726.55</u></b></td> </tr> </table> <p>The accumulated depreciation of Rs. 76,926,815/- referred to in the audit query is the balance that existed as at 01.01.2020, and the total cost relating to those assets as at the same date is Rs. 249,046,100/-. Accordingly, depreciation has not been accounted exceeding the asset value of Rs. 69,462,088/- that has been pointed out in the audit query.</p> <p>The account entries of Rs. 1,757,377 referred to in the audit query are agreed to, and this difference is one that existed in the accumulated depreciation account. This difference has been corrected in the depreciation account and in the accumulated depreciation account in the current year.</p>	Office equipment	-	833,138.62	Computers	-	4,107,599.87	Furniture and fixtures	-	<u>2,523,988.16</u>			<b><u>7,464,726.55</u></b>
Office equipment	-	833,138.62											
Computers	-	4,107,599.87											
Furniture and fixtures	-	<u>2,523,988.16</u>											
		<b><u>7,464,726.55</u></b>											

	In terms of LKAS 8, it has been set out that the differences in the accounting estimates should be accounted in the current year. Accordingly, the adjustments relating to the year under review have been made (Prospective Recognition)
(c) The drawing ball validation machine that the Board had received on 08 November 2018 and is used at present had not been accounted as an asset of the Board even by 31 December 2021.	It has been accounted as an asset of the Board in June 2022.
(d) The Board had taken legal action against a debtor in order to recover a sum of Rs. 1,354,016 that the debtor had defaulted, but it had not been disclosed in the financial statements.	The documents required for recovering from bank bonds the sum of Rs. 1,354,016, which is receivable from Mr. Gunasena Rankotge, have been submitted to the Ukuwela Branch of Sanasa Bank on 12.06.2019. However, the Bank has breached the conditions of the bank bond and has defaulted payment. Thus, at present, the bank has filed the case No. DMR 875/21. Details about this case will be disclosed in the financial statements for 2022.
(e) A sum of Rs. 1,583,594, being the total of Rs. 1,336,676, Rs. 246,918 and Rs. 145,290 that had been spent in year 2018 for the reconstruction of the dining room, store room and the parapet wall respectively, which are used at present, had been entered in the work-in-progress account. Action had not been taken even by the end of the year under review to capitalize and depreciate those items.	These amounts have been spent on the preliminary activities relating to the construction works that had been planned. However, an allocation has been made from this years' budget as well in order to complete these ongoing construction works. But, it has been informed through the circular No. 04/2022 issued by the Department of National Budget that construction works that are not essential have to be halted temporarily. Accordingly, it will not be able to complete these construction works even in this year, and these works will be completed after the conditions set out in the aforesaid circular has been relaxed.

## 2. Report on other legal and regulatory requirements

2.2.2 That, according to the requirement provided in Section 12(f) of the National Audit Act No. 19 of 2018, the institute has not complied with an applicable written law or other general or special direction issued by the board of directors of the intitute except for the following observations:



Matters pointed out in the report of the Auditor General		Measures implemented by the Management
<p>Reference to law/direction</p> <p>(a) Section 17(5) of the Development Lotteries Board Act No. 20 of 1997</p>	<p>Observations</p> <p>Any prize of a development lottery that has not been awarded when it has been unable to find the winner to claim the prize after the lapse of a period of six months counted from the date of determination of the winners of that lottery should belong to the government and it should then be credited to the President's Fund, but the value of such prizes that had been credited to the prize reserve fund in 2021 without crediting to the Presidents' Fund was Rs. 15,341,900.</p>	<p>Awarding of prizes for the winning lotteries of the Development Lotteries Board is done in two ways:</p> <p>01. Awarding of prizes out of the fund that is allocated for the prizes of a lottery. When awarding prizes out of the said fund, if the winners do not claim their prizes within 06 months after the date of the draw, the relevant funds will be credited to the President's Fund in terms of Section 17(5) of the Act.</p> <p>02. Awarding prizes using the funds in the Prize Reserve Account. The prize reserve fund receives funds as stipulated in Section 18(3) of the Act, which provides that the difference between the percentage of the prize fund that is allocated for the prizes of a lottery and the percentage of the prizes generated after the respective lottery draw shall be credited to the prize reserves account, and the money in that fund shall be utilized for awarding prizes. The sum of Rs. 15,341,900/-, which is referred to in this audit query, is the value of the prizes that have been awarded using the funds in the Prize Reserve Account.</p> <p>Attorney General's Department has issued an order to the effect that, out of the prizes that are awarded utilizing the funds in the Prize Reserve Account, the prize money relating to the unclaimed prizes shall be credited back to that account. A copy of that order is attached hereto. Accordingly, the said sum of Rs. 15,341,900/- has been credited to the Prize Reserve Fund.</p>

<p>(b) Section 8 of Chapter XIV of the Establishments Code of the Democratic Socialist Republic of Sri Lanka.</p>	<p>Although the field officers of public institutes can be paid only Rs.12 per kilometre for the vehicle they drive while engaged in field duty, the Board had paid a total of Rs. 3,712,160 to marketing managers for driving such vehicles on the basis of Rs. 40 per kilometre.</p>	<p>Although a sum of Rs. 40/- per kilometre was initially paid to Regional Managers for using their own vehicles with fuel, approval was granted at the 266th meeting of the Board of Directors held on 30.06.2022 to pay a sum of Rs. 65.25 per kilometre by adjusting the percentage increase taking the present price increase into consideration.</p>
<p>(c) Paragraph 5.2 of National Budget Circular No. 142 of 31 December 2008.</p>	<p>Contravening the provisions of the circular, the Board had paid a total of Rs. 10,487,342 of distress loans to 145 officers exceeding the distress loan ceiling of Rs. 250,000.</p>	<p>Action will be taken since 01.08.2022 to grant the distress loan subject to the ceiling of Rs. 250,000/- in terms of Public Administration Circular No. 30/2008 and National Budget Circular No. 142 5.2(III), which should be adhered to when granting distress loan.</p>
<p>(d) Paragraph (2) of the Public Enterprise Circular No. 02/2018 dated 14 November 2018.</p>	<p>Contravening the provisions of the circular, a sum of Rs. 4,982,000 had been invested in the investments (Repo) of a private bank as at 31 December 2021.</p>	<p>This is an account that has been maintained for a long time for the comfort of the distribution agents. Before linking with the online systems (LMS Integration) of two state banks, the distribution agents had to send their deposit slips through fax in order to be entered into the LMS system. Through the viewing facility that was provided by Sampath Bank, the staff of the Board was able to update the accounts without getting the slips faxed, and it was some comfort to the distribution agents, too. Further, the leading distribution agents used this account because of the opening hours of Sampath Bank for transactions. This account is maintained solely for the purpose of daily receipts. At present, nearly 30 distribution agents deposit money in this account, and it is observed that, closing the account on further requests made by them will interrupt the daily collection of money by the Board, and if the account was closed, the amounts of money that should be settled daily by the distribution agents would increase.</p>

<p>(e) Circular No. DLB/MTK/ Circular 2015/14 dated 26 October 2015 of the Development Lotteries Board.</p>	<p>Evidence had not been presented to the audit in proof of recovery of a sum of Rs. 18,330,950 being the total of the sums of Rs. 25 per book that should be charged for 733,238 lotteries that had not been handed over even by 28 June 2022 and that had been handed over after a delay of 14 days from January 2021 to August 2021.</p>	<p>A total of 42,023 ticket books that had not been returned as at 10.08.2022 were receivable. The 06-month validity period of those tickets has expired at present, and information as to whether those tickets have been sold or any issue regarding reimbursement of prize money of those tickets has not been reported to the Board. Therefore, it can be observed that the loss the Board had to incur as it had not received the returned consignment of tickets is zero.</p> <p>Whereas those who are engaged in the lottery business and are faced with difficulties due to the economic recession prevailing in the country will be further inconvenienced and discouraged through this, and whereas it seems that it could directly affect the gradually increasing sale of lottery tickets, and as it has been observed that the loss caused to the Board through this was zero, the management of the Board decided that it would be appropriate not to cut down the commission of the district dealers who have not handed over the returned tickets during the period from January 2021 and to provide them some relief.</p>
---	---	--

### 3. Other audit observations

Matters pointed out in the report of the Auditor General	Measures implemented by the Management
<p>(a) Three (03) motorcycles valued at Rs.775,750 that had been purchased for awarding as prizes, 123 gift vouchers worth Rs. 592,500 in total and that have come down for 13 years, and gold items worth Rs. 5,053,530 that had been purchased for awarding as prizes had existed for a long period without being used as prizes.</p>	<p>The 03 motorcycles that had been purchased in order to be awarded as prizes had been included for prizes of the special draws of Super Ball on 23.08.2018, Kotipathi Shanida on 26.01.2018 and Super Ball on 30.01.2020, and the winners had not claimed those prizes even after 06 months from the date of the draw.</p>

It was proposed at the meeting of the committee on prizes held on 24 October 2019 to award these motorcycles as prizes of the special promotions of the lotteries. However, although the audit and management committee had proposed to use these items as future promotional items, these items could not be used again as prizes since sales promotional activities could not be carried out due to the COVID pandemic situation that prevailed in 2021 and 2022. As these motorcycles have been kept in the stores for a long time, it is difficult to award them as prizes. As per the approval granted for the board paper No. 2022/05/1963 at the meeting of the Board of Directors held on 30 May 2022, it has been decided to sell those items and to take action in terms of the Development Lottery Board Act regarding the proceeds from the sale.

The Secretary to the Ministry of Trade, which is in charge of Sathosa, has been informed in writing regarding the issue of recovering the amount relating to the 123 gift vouchers. Accordingly, the Secretary to the Ministry of Trade has informed Sathosa in writing that the aforesaid amount should be paid to the Development Lottery Board by Sathosa, but as Sathosa had not responded positively, the Board has sent reminders to Sathosa on several occasions. As Sathosa had not responded to those communications either, a written communication was sent to Sathosa requesting them to supply goods worth that amount to the Board instead of paying that amount in cash. Still, Sathosa has not agreed to that request either, and the Director General of the Consumer Affairs Authority has been informed of this in writing, and accordingly the reply that will be sent to the Board will be referred to the Board of Directors and steps will be taken to take necessary action.

These gold items were purchased in order to be awarded as prizes, but as winners had not claimed those prizes within 06 months, those items have been remaining in the Board. Although it had been planned to award these items as prizes once again, it was decided at the meeting of the Audit and Management Committee held on 20 December 2021 to sell these items in auction taking the prevailing situation of the country into consideration. As per the approval of the Board of Directors granted to

	<p>the Board Paper No. 2022/01/1902 at the Board meeting held on 25 January 2022, and in terms of the Development Lotter Board Act No. 20 of 1997 and as per the advice of the Attorney General issued to the Development Lottery Board by the Attorney General's Department through the letter bearing reference E112-19 dated 17 June 2019, the proceeds from the sale of these gold coins and gold items will be accounted. Accordingly, necessary steps were taken to get a valuation of these gold items done by the National Gem and Jewellery Authority, and open bids were invited and the bids were opened on 15.08.2022. As the bids that had been submitted were values that were much lower than the valuation, the procurement committee decided not to sell those gold items at the bid prices that had been submitted.</p>
<p>(b) The agreement that had been entered into by the Board for obtaining the building number 234 in the Vauxhall Street on rent basis since October 2006 had been breached unilaterally. For 16 years up to now, the Board has failed to recover the sum of Rs. 5,700,000, which is the total of the sums of Rs.723,780 that had been paid as the deposit and Rs. 4,976,220 which is a part of the amount that had been paid as the rental for those years.</p>	<p>A letter dated 01.08.2022 was sent to the Attorney General's Department seeking the advice of the Attorney General's Department with regard to taking action as per the recommendation of the committee appointed by the Ministry of Finance regarding the building in Vauxhall Street. The Attorney General's Department has sent a note dated 03.08.2022 to the Board stating that the file number has been received for taking legal action in future.</p>
<p>(c) The determination of the case that had been filed 23 years ago seeking an order against a person in Ward Place to pay back to the Board a sum of Rs. 2,520,000 that had been paid to him as a building rent deposit as per the rent agreement that the Board had entered into with him in 1990 had been issued on 11 January 2016. Although nearly 6 years has passed since the court has issued the determination that the Board should recover the said amount, the Board had failed to recover this amount even by the end of the year under review.</p>	<p>Legal action for getting this amount recovered is being taken by the Attorney General's Department. Mr. Ameen, who is the direct party from whom the said amount is receivable is dead by now, and therefore, his son and his wife are currently involved in this case, and the Board has been informed through the letter dated 17.07.2022 that the Attorney General's Department has sent a letter of demand to them demanding that the said amount be paid by them.</p>

<p>(d) A total of Rs. 3,626,727, which was comprised of the sums of Rs.2,877,144 paid on 3 occasions during 2013 and Rs. 749,583 paid in 2014, had been paid to a private company as an advance payment for a building plan consultation fee. The Board had allowed a third party to keep the funds of the Board with them for a period of 8 – 9 years without getting the intended tasks fulfilled by them.</p>	<p>It had been planned to carry out the construction work after the plans have been prepared by the aforesaid institute. However, it is observed that the construction work has delayed on several occasions due to the change of the administration authorities of the Board. Nevertheless, allocations had been made by the budget for year 2022 for carrying out these construction works, but, it is hereby informed that these construction works have not been carried out as it was informed through National Budget Circular No PDF/04/2024 dated 02/2022 to temporarily halt the construction works that are not essential. It has been proposed to carry out these construction works following the relevant plans once the conditions set out in the aforesaid circular have been relaxed.</p>
<p>(e) An advance payment of a total of Rs. 202,800 had been paid in 2014 to one institute and to three persons for getting accommodation facilities for the Deyata Kirula Programme in 2015. The Board had allowed a third party to keep the funds of the Board with them for a period of 8 years, and the Board had failed to recover the said amount even by the end of the year under review.</p>	<p>A complaint has been lodged regarding this with the Slave Island police-station on 17.08.2022, and when it was investigated, only one party was present and informed that it is not possible for them to pay the said amount at this time, and has stated that they would inform regarding their position in writing. It is expected to take necessary action promptly regarding the other parties as well.</p>
<p>(f) The E-Lottery concept was introduced as a solution to the problems faced in selling lotteries physically during pandemic periods such as the Corona pandemic. However, the E-Lottery concept had become a failure as the percentage of the sale of respective E-Lotteries out of the total sale of each lottery in year 2021 had been as low as 0.2% of the Sasiri lottery, 0.3% of the Superball lottery and 0.2% of the Saturday Fortune lottery.</p>	<p>This Mobile App has been developed subject to the guidelines of the Central Bank of Sri Lanka, but when it is implemented practically, there is some difficulty for the consumers who use this App because they experience difficulty in getting on board at the same time. The reason for this is that the App has been developed following the guidelines that have been issued by the Central Bank, and action is being taken in collaboration with the Central Bank to get this re-developed as a user-friendly App, and once the App has been re-developed, it has been planned to promote it formally and to attract more and more consumers to use this App.</p>

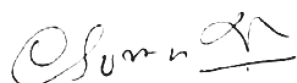


<p>(g) The Board had spent a sum of Rs. 3,275,246 for issuing lotteries through the Sweep App. The lotteries issued by the Board are printed at two private companies. One of those two companies had refused to sell the lotteries printed by that company through the said Sweep App. Therefore the Board had not been able to make full use of the amount that the Board had spent on this App.</p>	<p>As per the conditions in the tenders that had been invited for printing new lottery tickets, the printers who supply the new tickets have provided the necessary facilities for selling every ticket through the mobile phone App. Accordingly, every arrangement is in place to sell all the lottery tickets through the Sweep App by October.</p>
<p>(h) The Board had spent a sum of Rs. 38,752,448 for the construction of a studio in 2012. Even by the end of the year under review, it had been left idle without getting the purpose intended from the construction of a studio fulfilled.</p>	<p>It had been informed through the Board Paper that had been submitted to the meeting of the Board of Directors held on 29.11.2021 that this studio does not have the full facilities required for recording the television lottery draws, and therefore approval has been granted to use this studio as an auditorium. As per the directives issued with regard to this matter at the meeting of the Committee on Public Enterprises held on 10.03.2022, a cost report was called from the Rupavahini Corporation regarding potential for using this studio for recording of television programmes (dated 30.05.2022). However, it was observed through this report that the amount of money that has to be spent on recording the lottery draws in this studio is greater than the amount spent on getting the programmes recorded by the Rupavahini Corporation, and that it would not be financially profitable for the Board to record the programmes in this studio.</p>
<p>(i) The double cab (Mitsubishi 4WD) worth Rs. 8,095,000, which the Board did not possess physically, has been accounted under fixed assets, and a sum of Rs. 8,095,000 has been accounted for the depreciation of that vehicle.</p>	<p>As this asset has been registered by the Board, it has been accounted as an asset. Therefore, provisions have been made for depreciation.</p>

## Statement of Comprehensive Income

for the year ended 31 <sup>st</sup> December	Notes	2021 Rs.	2020 Rs.
<b>Revenue</b>	01	<b>15,364,398,498</b>	15,033,029,360
Cost of Tickets	02	<b>433,523,004</b>	451,308,013
Prize payout	03	<b>7,865,640,218</b>	7,702,515,219
Draw Cost	04	<b>542,022,297</b>	509,983,411
<b>Gross Profit</b>		<b>6,523,212,978</b>	6,369,222,716
Other Income	05	<b>110,304,701</b>	158,323,671
Distribution Cost	06	<b>3,484,491,585</b>	3,357,266,425
Administrative Expenses	07	<b>536,791,467</b>	506,926,732
<b>Surplus after operating Expenses</b>		<b>2,612,234,628</b>	2,663,353,230
Finance Cost	08	<b>936,549</b>	382,172
Prize Write back		<b>342,230,480</b>	330,530,580
<b>Profit before Tax</b>		<b>2,953,528,558</b>	2,993,501,638
Income Tax	09	<b>83,440,185</b>	10,921,555
<b>Profit after Income Tax</b>	10	<b>2,870,088,373</b>	2,982,580,083
<b>Other Comprehensive income</b>			
Re-measurement gain/(loss) on Employee Benefit plan	17.1	<b>5,863,008</b>	(3,139,116)
Revaluation Surplus			39,213,944
<b>Total Comprehensive income for the Year</b>		<b>2,875,951,381</b>	3,018,654,911

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

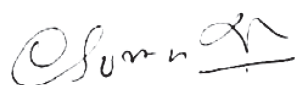


**Janet Jayawardana**  
Director

## Statement of Financial Position

As at 31 <sup>st</sup> December	Notes	2021 Rs.	2020 Rs.
<b>Assets</b>			
<b>Non Current Assets</b>			
Property Plant & Equipment	11	1,138,357,289	1,192,868,608
Capital work in progress		2,778,884	37,729,237
<b>Intangible Assets</b>	11	17,539,784	6,051,604
		<b>1,158,675,958</b>	1,236,649,449
<b>Total Non Current Assets</b>		<b>1,158,675,958</b>	1,236,649,449
<b>Current Assets</b>			
Inventories	13	43,102,269	32,590,632
Trade Debtors & Other receivable	14	150,441,764	92,541,218
Prepayment & Deposits	15	11,141,943	8,197,378
Fixed Deposit	12	1,142,259,436	1,338,731,761
Cash & Cash equivalent	16	900,006,350	541,662,763
<b>Total Current Assets</b>		<b>2,246,951,762</b>	2,013,723,752
<b>Total Assets</b>		<b>3,405,627,719</b>	3,250,373,201
<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		448,131,648	698,558,607
Presidents' Fund Payable		564,219,473	685,860,083
Revaluation Surplus		614,729,237	614,729,237
Re-measurement gain/(loss) on Employee Benefit plan		2,723,891	(3,139,116)
<b>Total Equity</b>		<b>1,634,204,250</b>	2,000,408,811
<b>Non Current Liabilities</b>			
Employee Benefit Liabilities	17	(9,372)	3,636,437
Dealer & Distributor Deposit Payable	18	37,664,881	36,390,381
<b>Total Non Current Liabilities</b>		<b>37,655,509</b>	40,026,818
<b>Current Liabilities</b>			
Trade & Other Payable	19	640,706,596	516,032,675
Prize Payable	20	962,793,104	578,618,857
Credit Vouchers Payable		130,268,260	115,286,040
<b>Total Current Liabilities</b>		<b>1,733,767,960</b>	1,209,937,573
<b>Total Equity &amp; Liabilities</b>		<b>3,405,627,719</b>	3,250,373,201

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

## Cash Flow Statement

For the year ended at 31 <sup>st</sup> December	Notes	2021 Rs.	2020 Rs.
<b>Cash Flow from Operating Activities</b>			
Profit before tax		2,953,528,558	2,993,501,638
<b>Adjustments for</b>			
Depreciation on Fixed Assets		85,621,228	81,003,610
Prize Reserve A/C		(250,426,959)	(404,638,678)
Provision for Gratuity		8,787,447	8,615,668
Gratuity Paid		(2,440,010)	(612,535)
Interest Income		(101,048,159)	(151,670,804)
Profit from sale of Fixed Assets		(2,000)	(501,217)
Income Tax paid		(653,294)	
Prior income tax paid			(88,020,107)
President's Fund paid		(2,991,728,983)	(2,774,512,667)
<b>Operating Profit before Working Capital changes</b>		<b>(298,362,171)</b>	<b>(336,835,092)</b>
<b>Increase/Decrease in Operating Assets</b>			
Increase/Decrease in Inventories		(10,511,637)	18,435,572
Increase/Decrease in Debtors		(57,379,665)	41,830,116
Decrease in Deposit and Prepayments		(2,944,565)	(2,985,107)
<b>Increase/Decrease in Operating Liabilities</b>			
Increase in Creditors		65,157,266	888,914
Increase/Decrease in Prize Payable		384,174,247	(182,175,346)
Decrease in Credit Vouchers		14,982,220	(45,261,820)
<b>Net Cash flow from Operating Activities</b>		<b>95,115,695</b>	<b>(506,102,764)</b>
<b>Cash from Investment Activities</b>			
Loan to Staff Received		26,027,222	16,751,788
Loan to Staff paid		(26,548,102)	(25,110,242)
Fixed Assets Additions (Property Plant and Equipment)		(30,917,973)	(4,102,154)
Profit from sale of Fixed Assets		2,000	501,217
Interest Income		101,048,159	151,670,804
Investments in Fixed Deposits		192,342,087	112,108,066
Increase in Dealer Distributor Deposits		1,274,500	280,000
<b>Net cash from Investing Activities</b>		<b>263,227,892</b>	<b>252,099,479</b>
		<b>358,343,587</b>	<b>(254,003,285)</b>
Net Cash Increase/Decrease in cash & cash Equivalents		<b>358,343,587</b>	<b>(254,003,285)</b>
Cash & Cash Equivalents at the beginning of the Year		541,662,763	795,666,048
Cash & Cash Equivalents at the end of the Year	16	900,006,350	541,662,763
Cash at Banks		347,366,305	326,599,529
	Bank of Ceylon		
	People's Bank	544,886,006	208,778,128
	Sampath Bank	7,297,345	5,486,920
	Hatton National Bank	447,290	783,781
Cash in Hand		9,404	14,404
		<b>900,006,350</b>	<b>541,662,763</b>

## Statement of Changes in Equity

For the Year ended 31 <sup>st</sup> December 2021	President's Fund & Mahapola Trust Fund	Prize Reserve Account	Retain Earnings	Revaluation Reserve	Re-measure- ment gain/ (loss) on Employee Benefit plan	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Balance as at 01.01.2020	4,400,000	1,103,197,285	477,792,667	575,515,293		2,160,905,245
Additions during the year 2020		(404,638,678)	2,982,580,083	39,213,944	(3,139,116)	2,614,016,233
Revaluation Reserve						
Appropriation to President Fund 2020			(2,774,512,667)			(2,774,512,667)
<b>Balance as at 31.12.2020</b>	<b>4,400,000</b>	<b>698,558,607</b>	<b>685,860,083</b>	<b>614,729,237</b>	<b>(3,139,116)</b>	<b>2,000,408,811</b>
Additions during the year 2021		(250,426,959)	2,870,088,373			2,619,661,415
Revaluation Reserve					5,863,008	5,863,008
Payment to the President's Fund for the year			(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>564,219,473</b>	<b>614,729,237</b>	<b>2,723,891</b>	<b>1,634,204,250</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 PREPARATION

### 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

The financial statements are presented in Sri Lankan Rupees, which is the

Board's functional currency. All 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 31st December 2021 were authorized for issue by the Board of Directors on 25<sup>th</sup> February 2022.

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

## 2.9. Useful life-time 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.

## 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. 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.

#### c. 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 Group 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.

#### d. 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.

### 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 the Board

WP/HCCA/COL/160/2004/ F1 -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.

PB-6024 Cab Vehicle- Attorney General Department has initiated legal proceedings to claim damages due to the loss of the vehicle PB-6024

#### 3.3.3 Prize allocation

50% of the Gross Sales has been allocated for the prize expenses. 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 commitment and contingent liabilities of the Group 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 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.

### 6.1 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	Lagna Wasanawa	Jayoda	Super Ball
SALES	2,659,595,480	5,303,949,380	482,955,200	2,235,876,320
TAXES - VAT 8%	61,807,008	123,259,814	1,122,351,735	51,960,092
<b>Revenue</b>	<b>2,597,788,472</b>	<b>5,180,689,566</b>	<b>471,731,683</b>	<b>2,183,916,228</b>
COST OF SALES	69,378,580	139,248,222	13,282,730	59,009,490
PRIZE	1,329,797,740	2,651,974,690	241,477,600	1,117,938,160
DRAW COST	105,823,946	106,321,086	28,406,963	103,054,644
<b>GROSS PROFIT</b>	<b>1,092,788,206</b>	<b>2,283,145,569</b>	<b>188,564,390</b>	<b>903,913,934</b>
ADD - OTHER INCOME	18,650,146	37,193,413	3,386,675	15,678,858
ADVERTISING EXPENCES	15,819,321	20,391,179	10,669,798	15,419,419
MARKETING RELATED EXPENSES	500,063	997,260	90,806	420,394
Corporate & Others	5,721,154	11,409,521	1,038,903	4,809,676
DEALER COMMISSION	498,674,153	994,490,509	90,554,100	419,226,810
DISTRIBUTOR COMMISSION	33,127,739	66,098,673	6,021,170	27,852,781
ADMINISTRATION & FINANCE EXPENCES	90,918,212	181,315,391	16,509,813	76,433,382
SELLING & DISTRIBUTION EXPENCES	28,954,518	57,743,104	5,257,843	24,341,567
ADD - PRIZE WRITE BACK	55,547,520	112,134,620	12,936,440	50,514,620
<b>PROFIT BEFORE TAXES</b>	<b>493,270,714</b>	<b>1,100,027,965</b>	<b>74,745,072</b>	<b>401,603,384</b>
INCOME TAX	14,107,936	28,135,022	2,561,856	11,860,300
<b>PROFIT AFTER TAXES</b>	<b>479,162,778</b>	<b>1,071,892,942</b>	<b>72,183,216</b>	<b>389,743,085</b>
<b>Other Comprehensive income</b>				
Re-measurement gain/(loss) on Employee Benefit plan	991,308	1,976,935	180,011	833,376
<b>Total Comprehensive income for the Year</b>	<b>480,154,086</b>	<b>1,073,869,878</b>	<b>72,363,227</b>	<b>390,576,460</b>

Kapruka	Development Fortune	Ada Kotipathi	Sasiri	Instant	Total 2021
804,127,400	433,144,000	3,145,289,000	290,265,000	374,749,000	<b>15,729,950,780</b>
18,687,319	10,065,942	73,094,162	6,745,541	8,708,886	<b>365,552,282</b>
<b>785,440,081</b>	<b>423,078,058</b>	<b>3,072,194,838</b>	<b>283,519,459</b>	<b>366,040,114</b>	<b>15,364,398,498</b>
24,374,250	11,970,580	82,965,297	8,509,095	24,784,760	<b>433,523,004</b>
402,063,700	216,572,000	1,572,644,500	145,132,500	188,039,328	<b>7,865,640,218</b>
41,459,844	27,460,302	104,791,105	24,704,408		<b>542,022,297</b>
<b>317,542,287</b>	<b>167,075,175</b>	<b>1,311,793,936</b>	<b>105,173,456</b>	<b>153,216,026</b>	<b>6,523,212,978</b>
5,638,863	3,037,379	22,056,023	2,035,454	2,627,890	<b>110,304,701</b>
36,963,168	11,726,268	21,108,151	2,972,432	45,000	<b>135,114,735</b>
151,194	81,441	591,384	54,576	70,461	<b>2,957,578</b>
1,729,788	931,752	6,765,947	624,400	806,136	<b>33,837,277</b>
150,773,888	81,214,500	589,741,688	54,424,688	67,848,875	<b>2,946,949,209</b>
10,039,538	5,399,870	39,194,015	3,617,687	3,032,285	<b>194,383,757</b>
27,489,077	14,807,018	107,521,634	9,922,703	12,810,786	<b>537,728,017</b>
8,754,384	4,715,558	34,242,173	3,160,061	4,079,822	<b>171,249,029</b>
22,046,580	12,755,740	72,131,300	4,163,660		<b>342,230,480</b>
<b>109,326,693</b>	<b>63,991,888</b>	<b>606,816,268</b>	<b>36,596,025</b>	<b>67,150,550</b>	<b>2,953,528,558</b>
4,265,528	2,297,631	16,684,318	1,539,723	1,987,872	<b>83,440,185</b>
<b>105,061,166</b>	<b>61,694,257</b>	<b>590,131,951</b>	<b>35,056,302</b>	<b>65,162,678</b>	<b>2,870,088,373</b>
299,722	161,445	1,172,340	108,190	139,680	<b>5,863,008</b>
<b>105,360,887</b>	<b>61,855,703</b>	<b>591,304,291</b>	<b>35,164,492</b>	<b>65,302,358</b>	<b>2,875,951,381</b>



## Notes to the Final Accounts

For the Year ended 31<sup>st</sup> December

	2021 Rs.	2020 Rs.
<b>Note 01 - Revenue</b>		
<b>Gross Sales</b>		
Shanida	2,659,595,480	2,036,812,215
Lagna wasana	5,303,949,380	4,889,726,820
Jayoda	482,955,200	701,797,800
Instant	374,749,000	576,610,000
Super Ball	2,235,876,320	2,034,347,180
Kapruka	804,127,400	1,107,823,000
Development Fortune	433,144,000	642,526,988
Ada Kotipathi	3,145,289,000	3,294,768,200
Sasiri	290,265,000	116,192,440
<b>Total Sales</b>	<b>15,729,950,780</b>	<b>15,400,604,643</b>
Less: Sales return	-	556,000
<b>Net Total Sales</b>	<b>15,729,950,780</b>	<b>15,400,048,643</b>
Less: VAT	365,552,282	367,019,283
<b>Revenue after Taxes</b>	<b>15,364,398,498</b>	<b>15,033,029,360</b>
<b>Note 02 - Cost of Tickets</b>		
Instant	24,784,760	38,075,697
Shanida	69,378,580	58,200,515
Lagna Wasana	139,248,222	130,483,610
Jayoda	13,282,730	19,724,110
Super Ball	59,009,490	57,306,090
Kapruka	24,374,250	32,052,685
Development Fortune	11,970,580	18,285,805
Ada kotipathi	82,965,297	93,325,210
Sasiri	8,509,095	3,854,291
	<b>433,523,004</b>	<b>451,308,013</b>
<b>Note 03 - Prize Payout</b>		
Prize Expenses - Shanida	1,329,797,740	1,018,406,920
Prize Expenses - Lagna wasana	2,651,974,690	2,444,863,410
Prize Expenses - Instant	188,039,328	290,516,679
Prize Expenses- Jayoda	241,477,600	350,898,900
Prize Expenses- Super Ball	1,117,938,160	915,278,490
Prize Expenses - Kapruka	402,063,700	655,806,600
Prize Expenses - Development Fortune	216,572,000	321,263,900
Prize Expenses - Ada Kotipathi	1,572,644,500	1,647,384,100
Prize Expenses - Sasiri	145,132,500	58,096,220
	<b>7,865,640,218</b>	<b>7,702,515,219</b>

## Notes to the Final Accounts

For the Year ended 31<sup>st</sup> December

	2021	2020
	Rs.	Rs.
<b>Note 04 - Draw Cost</b>		
Shanida	105,823,946	75,700,981
Lagna wasana	106,321,086	116,322,080
Jayoda	28,406,963	32,367,829
Super Ball	103,054,644	83,348,857
Kapruka	41,459,844	47,674,493
Development Fortune	27,460,302	33,385,906
Ada Kotipathi	104,791,105	114,750,924
Sasiri	24,704,408	6,432,341
	<b>542,022,297</b>	<b>509,983,411</b>
<b>Note 05 - Other Income</b>		
Sampath Repo Interest	25,131	168,697
Registration Fees	27,800	(1,750)
Sales of Receipt Books	390	5,655
Staff Loan Interest	2,992,074	2,775,429
Covid 19 Loan Interest	10,276	27,393
Miscellaneous Receipt	2,313,137	378,185
Investment interest income	81,603,799	124,654,328
Non Refundable Deposit	1,211,374	1,447,000
Fine On Cancel tickets not return	43,850	-
Interest Sweep Account	13,677,321	18,480,698
7 Day Call Interest Income	2,749,834	5,564,258
Paper Shredding Income	1,495,659	824,995
Disposal Items	48,000	24,320
Rent Income-Bus	30,952	240,506
Profit on Sale of Motor Vehicle	-	459,081
Profit on Disposal Promotional & Prize Item	-	153,370
Profit on Sale of Three Wheel	-	42,136
Profit on Sale Mobile Phone	2,000	-
Distributor Deduction	3,233,938	1,896,186
Over Six Month Cheques Writeback	613,612	1,183,184
Incentive Provision Write off	225,555	-
<b>Total Other Income</b>	<b>110,304,701</b>	<b>158,323,671</b>
<b>Note 06 - Distribution Expenses</b>		
<b>Note 06 - I - Advertising</b>		
Shanida	15,819,321	19,579,746
Lagna wasana	20,391,179	9,102,088
Jayoda	10,669,798	3,394,723
Instant	45,000	245,000
Super Ball	15,419,419	38,026,305
Kapruka	36,963,168	3,364,370
Development Fortune	11,726,268	4,790,331
Ada Kotipathi	21,108,151	7,128,914
Sasiri	2,972,432	18,481,116
Corporate & Others	31,665,275	16,061,216
New Draw Format	2,101,039	4,230,355
Web Advertising	70,962	37,479
	<b>168,952,012</b>	<b>124,441,642</b>

## Notes to the Final Accounts

For the Year ended 31<sup>st</sup> December

	2021 Rs.	2020 Rs.
<b>Note 06-II - Marketing Related Activities</b>		
CSR Project	531,948	3,200,000
Chairman's vote	68,750	
Souvenirs & Banners	2,294,500	2,944,400
Marketing Related Other Expenses	62,380	79,249
	<b>2,957,578</b>	<b>6,223,649</b>
<b>Note 06-III - Selling &amp; Distribution Expenses</b>		
Selling Expenses	55,279,300	56,583,648
Other Selling & Distribution(Scanning / Validation)	9,004,560	8,780,579
Transportation	16,636,456	14,041,829
Vehicle Branding	117,078	
Dealer & Distributor Motivation Cost	27,202,908	17,420,625
SO/ASPO Incentive	5,473,892	2,484,676
Promotional Vehicles Expenses	56,972	51,450
Vehicle Rent - Ticket Selling	300,000	412,475
Outdoor events/ Annual Promotion Calender	61,649	398,648
Fabricating New Outlet		1,746,460
Lottery Shop	68,140	4,901,416
Retail Shops		127,626
Incentive for Distributor Sales Staff	(4,000)	172,000
Covid 19 - Dealers	55,665,000	44,172,000
Insurance Premium	395,681	966,095
Draw Machine Maintenance	213,585	1,037,920
Propaganda Vehicle Promotion Expenses	34,989	
Dealer Receivable Write Off	129,901	
Disposal Item Losses	480,918	
Outlet Rent for Makubura	132,000	
	<b>171,249,029</b>	<b>153,297,447</b>
<b>Note 06-IV - Commission</b>		
<b>Dealer Commission (1)</b>		
Shanida	498,674,153	381,883,283
Lagna wasana	994,490,509	916,786,354
Jayoda	90,554,100	131,581,313
Instant	67,848,875	104,485,025
Super Ball	419,226,810	381,426,896
Kapruka	150,773,888	207,707,063
Development Fortune	81,214,500	120,467,963
Ada Kotipathi	589,741,688	617,756,250
Sasiri	54,424,688	21,786,083
	<b>2,946,949,209</b>	<b>2,883,880,228</b>

## Notes to the Final Accounts

For the Year ended 31<sup>st</sup> December

	2021 Rs.	2020 Rs.
<b>Distributor Commission</b>		
Shanida	33,127,739	25,347,016
Lagna wasana	66,098,673	60,885,485
Jayoda	6,021,170	8,736,563
Instant	3,032,285	4,871,655
Super Ball	27,852,781	25,326,875
Kapruka	10,039,538	13,795,083
Development Fortune	5,399,870	8,001,588
Ada Kotipathi	39,194,015	41,011,300
Sasiri	3,617,687	1,447,896
	<b>194,383,757</b>	<b>189,423,459</b>
	<b>3,484,491,585</b>	<b>3,357,266,425</b>
<b>Note 07 - Administrative Expenses</b>		
Staff Cost	367,440,265	351,843,167
Depreciation	54,897,403	48,316,517
Other Administrative	114,453,799	106,767,048
	<b>536,791,467</b>	<b>506,926,732</b>
<b>Note 08- Finance Expenses</b>		
Bank Charges-General	900,899	348,372
Bank Charges-Prize	35,650	33,800
<b>Total Finance Expenses</b>	<b>936,549</b>	<b>382,172</b>
<b>Note 09 -Income Tax</b>		
Income Over expenditure for the year before tax	2,953,528,558	2,993,501,638
Income not liable for income tax	(2,911,721,532)	(2,756,433,830)
<b>Income liable for Tax</b>	<b>41,807,026</b>	<b>237,067,808</b>
Tax Provision for the Year	10,033,686	56,896,274
Tax provision for the prior years	73,406,499	(45,974,719)
<b>Charge/Reversal for the year</b>	<b>83,440,185</b>	<b>10,921,555</b>
<b>Note 10 - Presidents' Fund Contribution</b>		
<b>Profit after Income Tax</b>	<b>2,870,088,373</b>	<b>2,982,580,083</b>
<b>Surplus Attributable to President's Fund</b>	<b>2,870,088,373</b>	<b>2,982,580,083</b>
Payment's made to the President's Fund for the year	2,305,868,900	2,296,720,000
<b>Total President Fund Payable</b>	<b>564,219,473</b>	<b>685,860,083</b>

## Notes to the Final Accounts

### Note 11 - Fixed Assets RS.

	Land	Land Tissamahar- amaya	Buildings/ Improvement & Studio	Capital work in progress	Motor Vehicles/ T'Wheel/ Motor Bicycle
			10%		20%,25%
<b>Cost</b>					
Balance as at 01.01.2021	855,500,000	492,392	110,276,250	37,729,237	124,941,380
Additions during the year				(34,916,411)	11,957,958
Disposals during the year					
Correction				(33,942)	-
Write Off		(492,392)			
	<b>855,500,000</b>	<b>-</b>	<b>110,276,250</b>	<b>2,778,884</b>	<b>136,899,338</b>
<b>Depreciation</b>					
Balance as at 01.01.2021	-	-	21,992,980	-	8,827,751
Depreciation for the year			11,027,625		23,801,164
Depreciation for the disposals			-		
	<b>-</b>	<b>-</b>	<b>33,020,605</b>		<b>32,628,915</b>
Net book balance as at 31.12.2021	<b>855,500,000</b>	<b>-</b>	<b>77,255,645</b>	<b>2,778,884</b>	<b>104,270,423</b>

Machinery	Office Equipment & Mobile Phone	Computers & Accessories	Furniture & Fittings	Branded Stalls	Computer Software	Website Development	Network system	Total
12.50%	25%	50%	33.33%	25%	16.66%	33.33%	33.33%	
135,036,884	38,393,081	53,995,871	16,786,018	8,735,946	15,269,335	989,655	1,481,592	1,399,627,640
	4,254,663	3,063,725	495,363		24,008,453			8,863,752
	(34,000)							(34,000)
	(72,800)	(605,220)	(11,661)					(723,623)
								-
								(492,392)
<b>135,036,884</b>	<b>42,540,944</b>	<b>56,454,376</b>	<b>17,269,721</b>	<b>8,735,946</b>	<b>39,277,788</b>	<b>989,655</b>	<b>1,481,592</b>	<b>1,407,241,377</b>
39,699,412	24,334,956	36,405,847	11,292,322	8,735,946	10,523,917	989,655	175,406	162,978,191
15,787,256	6,871,690	12,759,486	2,853,735		12,026,409		493,864	85,621,228
	(34,000)							(34,000)
<b>55,486,668</b>	<b>31,172,645</b>	<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>
<b>79,550,216</b>	<b>11,368,299</b>	<b>7,289,043</b>	<b>3,123,664</b>	-	<b>16,727,462</b>	-	<b>812,322</b>	<b>1,158,675,958</b>



## Notes to the Final Accounts

For the Year ended 31<sup>st</sup> December

	2021 Rs.	2020 Rs.
<b>Note 12 -Held to Maturity Financial Assets</b>		
Fixed Deposit -BOC/People's Bank	1,051,259,605	1,246,519,291
Dealer Deposits-	90,999,831	92,212,470
<b>Total Fixed Deposits</b>	<b>1,142,259,436</b>	<b>1,338,731,761</b>
<b>Note 13 - Inventories</b>		
<b>13.1 - Ticket Stock</b>		
Shanida	1,589,530	1,667,040
Lagna wasana	6,395,310	2,937,100
Jayoda	409,400	354,200
Instant	10,787,002	4,496,762
Super Ball	1,339,980	1,486,030
Kapruka	2,155,100	542,800
Development Fortune	399,050	333,960
Ada Kotipathi	2,565,650	1,742,710
Sasiri	230,300	281,260
<b>Total Ticket Stocks</b>	<b>25,871,322</b>	<b>13,841,862</b>
<b>13.2 - Other Stocks</b>		
Stationery stock	7,863,714	5,856,498
Promotional items stock	1,336,216	4,343,148
Prize Item Stock	7,031,794	7,788,902
Gold Coin Stock - Staff	394,200	155,200
Other Items Stock	365,760	365,760
Lagna Wasana Tea cup Sets Stock	239,262	239,262
<b>Total Other Stocks</b>	<b>17,230,947</b>	<b>18,748,770</b>
<b>Total Stocks</b>	<b>43,102,269</b>	<b>32,590,632</b>
<b>Note 14 - Trade Debtors &amp; Other Receivable</b>		
Receivable	9,041,899	12,492,241
Debtors - Distributors	70,854,182	8,296,082
Loan to Staff	71,603,919	72,124,799
Festival Advance	12,320	468,750
Refundable Deposit	1,379,114	1,479,114
Security Deposit for Sri Lanka Railways (Gaurantee)	1,800,000	1,800,000
FD WHT Receivable	3,246,551	3,246,551
Receivable For Damage Prize Item		129,901
	<b>157,937,984</b>	<b>100,037,438</b>
Less :		
Provision for Doubtful Debts	<b>7,496,220</b>	<b>7,496,220</b>
	<b>150,441,764</b>	<b>92,541,218</b>

## Notes to the Final Accounts

For the Year ended 31<sup>st</sup> December

	2021 Rs.	2020 Rs.
<b>Note 15 -Prepayment &amp; Deposits</b>		
Prepayments	1,820,350	1,592,312
Advance - Internal	72,986	325,539
Advance - External	9,248,607	6,279,527
	<b>11,141,943</b>	<b>8,197,378</b>
<b>Note 16 - Cash &amp; Cash equivalent</b>		
<b>Bank Balances</b>		
BOC- General Receipt	132,242,841	116,708,235
BOC General 7 day Call	159,079,865	62,184,487
BOC -Prize	20,757,500	44,943,263
Sampath Bank	2,315,345	5,486,920
Peoples Bank	1,559,308	(389,495)
Sweep account	542,109,248	206,987,668
Repo-Sampath	4,982,000	-
BOC- General Payment	32,755,598	100,765,944
BOC	997,500	997,500
Peoples Bank	217,500	335,000
Bank of Ceylon - 84401075	1,533,000	1,000,100
Peoples Bank 014-1-002-7-0010010	999,950	1,844,955
Hatton National Bank 003010525941	1,000	566,261
Hatton National Bank 3010534602	446,290	217,520
	<b>899,996,946</b>	<b>541,648,359</b>
Petty cash-Regional Office	-	5,000
D.L.B Disaster Relief Fund	9,404	9,404
	<b>9,404</b>	<b>14,404</b>
	<b>900,006,350</b>	<b>541,662,763</b>
<b>Note -17 Employee Benefit Liability</b>		
Balance at the beginning of the year	57,463,662	46,321,413
Provision made during the year	2,924,439	11,754,784
payments made during the year	(2,440,010)	(612,535)
<b>Balance at the end of the year</b>	<b>57,948,091</b>	<b>57,463,662</b>
Fixed Deposit for Gratuity Fund	57,957,463	53,827,225
<b>Net Balance</b>	<b>(9,372)</b>	<b>3,636,437</b>

## Notes to the Final Accounts

For the Year ended 31<sup>st</sup> December

	2021 Rs.	2020 Rs.
<b>Note- 17.1 Provision made during the year</b>		
Interest Cost	4,693,988	4,362,314
Current service Cost	4,093,459	4,253,353
	<b>8,787,447</b>	<b>8,615,668</b>
Net actuarial (Gain)/Loss recognized	(5,863,008)	3,139,116
Total provision made during the year	<b>2,924,439</b>	<b>11,754,784</b>

### Note- 17.2 Cost of retirement benefits

Rate of Discount	8.50%	10.00%
Rate of Salary increase	5%	7%
Retirement age	60	60

Fixed Deposit equivalent to Employee Benefit Liability at the end of the year has been maintained.

### Note 18 - Dealer & Distributor Deposit Payable

Dealer Deposit Payable	33,664,881	32,840,381
Distributor Deposit Payable	4,000,000	3,550,000
Total Dealer & Distributor Deposit Payable	<b>37,664,881</b>	<b>36,390,381</b>

## Notes to the Final Accounts

For the Year ended 31<sup>st</sup> December

	2021 Rs.	2020 Rs.
<b>Note 19 - Trade &amp; Other Payable</b>		
Trade Creditors	324,823,802	278,980,880
Provision for Incentive Payments	-	225,555
Dealer Advance	671,685	671,684
Distributor Advance	73,141,750	63,783,221
NBT P'able	(110,107)	(110,107)
VAT P'able	19,903,839	19,893,000
Payee Tax	-	40,438
Distributor Commission & Validation P'able	22,735,553	21,127,313
WHT P'able	17,712,260	31,134,390
Dealer & Distributor Target p'able	8,266,870	8,115,950
Dealer Commission Payable	444,538	444,538
Vender P'ble from staff Salary Deductions	12,044	-
E.P.F/E.T.F P'able	3,213,675	3,559,440
Payable for United Motors	-	1,266,631
Refundable Security Deposit	2,035,000	2,645,375
Provision for Income TAX P'able	8,783,533	56,299,415
Staff Salary Deduction for Recoveries	20,068	-
Payable to Distributor for outlet	-	7,000
Provision for Income Tax (2016)	150,302,773	20,000,000
Provision for VAT (2016 )	4,651,659	4,655,245
Stamp Duty	37,525	35,500
Welfare D.L.B	-	18,900
Draw Machine Payable Account	-	1,513,900
Six Month Old Cheque Payable	610,224	369,667
TV Announcer Over Deduction for Costume	408,820	-
Refundable Tender Deposit	1,182,501	670,001
E Lottery Deposit Payable	10,105	675,940
W&OP Payable	-	8,800
Gratuity Payable to Mr. K.M.K Gunawardena	525,480	-
Dealer Outlet Advance Payable	1,323,000	-
<b>Total Creditors</b>	<b>640,706,596</b>	<b>516,032,675</b>
<b>Note 20 - Prize Payable</b>		
Prizes Payable	955,093,104	562,888,557
<i>Provision for Prize Payable - Non Winning-Draw Tickets</i>		
Shanida	-	4,067,500
Lagna Wasana	-	3,219,700
Super Ball	-	4,334,500
Kapruka	7,700,000	-
Ada Kotipathi	-	4,108,600
	<b>7,700,000</b>	<b>15,730,300</b>
<b>Total Prize Payable</b>	<b>962,793,104</b>	<b>578,618,857</b>

## Ten Year Summary

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)	(Rs. '000)
<b>Operational Results</b>										
Revenue	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	8,624,166
Cost of Tickets	433,523	451,308	460,097	402,323	387,697	444,990	325,360	378,157	410,016	359,844
Prize payout	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	5,113,981
Administrative Expenses	536,791	506,927	541,800	463,619	419,811	382,655	332,597	347,408	330,967	280,682
Distribution cost	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	497,755
Surplus after operating Expenses	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	1,757,752
<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
Mahapala 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	564,219	685,860	477,793	237,466	107,862	52,633	99,010	250,598	132,775	493,970
Prize Reserve Account	448,132	698,559	1,103,197	971,046	810,029	805,435	934,026	877,036	776,867	753,236
<b>Liabilities</b>										
Non Current Liabilities	37,656	40,027	36,110	35,395	38,180	1,318,429	1,615,846	223,288	36,806	35,134
Current Liabilities	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	512,576
<b>Assets</b>										
Non Current Assets	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	1,624,369
Current Assets	2,246,952	2,013,724	2,429,225	1,941,174	2,012,195	684,044	405,087	342,264	641,588	317,323

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