

SIGNIFICANT ACCOUNTING CONVENTION

1. GENERAL ACCOUNTING CONVENTION

1.1 The Financial Statements have been prepared in conformity with generally accepted accounting principles, and accounting standards laid down by the Institute of Chartered Accountants of Sri Lanka and the provision of Finance Act No.38 of 1971 which have been applied consistently on historical cost basis, with no adjustments being made for inflationary factors affecting the Financial Statements.

1.2 Basis of Consolidation

The Assets, Liabilities and Operating Results of the Sevana Lottery have been amalgamated with the Financial Statements of the National Lotteries Board since the Sevana Lottery has been assigned to the National Lotteries Board from 07th November 1997, by the ministry of Finance and Planning. However, Intra-group balances are eliminated in preparing the consolidated financial statements.

1.3 Financial Year

Financial Statements have been prepared for the Calendar year ended 31st December 2002.

1.4 Post Balance Sheet Events

All material events occurring after the Balance Sheet date have been considered and where necessary, adjustments have been made in the Financial Statements.

1.5 Comparative Information

Where necessary comparative figures have been adjusted to confirm with changes in presentation in the current year.

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2. ASSETS AND BASIS OF THEIR VALUATION

2.1 Property, Plant and Equipments

2.1.1 Cost

The Property, Plant and Equipment are stated at cost less accumulated depreciation. The cost of the assets is the cost of acquisition or construction together with any expense incurred in bringing the assets to its working condition for the intended use.

Expenditure incurred for the purpose of acquiring, extending 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 have been treated as capital expenditure.

2.1.2 Restoration Cost

Expenditure incurred on repairs or maintenance of Property, Plant and Equipment in order to maintain the future Economic benefits expected from originally assessed standard of performance, is recognized as an expense when incurred.

2.1.3 Depreciation - National Lotteries Board

Depreciation is charged to Income Statements on written down value basis. In the year of purchase full year's depreciation is provided and in the year of disposal no depreciation is provided. Followings rates are used.

<u>Item</u>	<u>Rate</u>
Building, Office Equipment, Kitchen Equipment, Furniture & Fittings, Electrical Fittings, Amplifiers & Microphones, Machinery, Draw Barrels, Tools, Disk & Disk Boxes, Ticket Booths & Name Boards, Cameras, Ball Drawings Machines	10%
Carpets, Motor Vehicles	25%

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2.1.4 Depreciation – Sevana Lottery

Depreciation is charged to Income Statements on straight line basis so as to write off the cost of the assets over their estimated useful lives. In the year of purchase no depreciation is provided and in the year of disposal full year's depreciation is provided. Following rates are used.

Motor Vehicles & Computers	Over 04 Years @ 25%
Furniture & Fittings	Over 10 Years @ 10%
Air Conditioners, General & Office Equipment	Over 05 Years @ 20%

2.2 Inventories

Inventories are valued at cost. Cost is determined on first-in-first-out basis and includes the cost of acquisition and other incidental expenses incurred in bringing them to their existing location and condition.

Provision is made for obsolete, slow moving and defective stocks.

2.3 Trade and Other Receivables

Debtors are stated at the amounts which they are expected to realize. Adequate provision has been made for bad and doubtful debts. Other receivables and dues are stated at cost.

2.4 Cash and Cash Equivalents

2.4.1 Cash and Cash Equivalents are defined as Cash in Hand, demand deposits and short term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

2.4.2 Short Term Investment in Treasury Bills, Treasury Bonds, Treasury Investments and Bank Fixed Deposits are stated at cost as at the Balance Sheet date. All Investments are considered as short term.

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3. **LIABILITIES AND PROVISIONS**

3.1 All known liabilities have been accounted for in preparing the Financial Statements.

3.2 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.

3.3 Liabilities are classified as non current when those balances fall due for payment after one year from the Balance Sheet date.

3.4 **Retirement Benefits**

3.4.1 **Defined Contribution Plans - EPF & ETF**

All employees who are eligible for Employees Provident Fund contribution and Employees Trust Fund contribution are covered by relevant contribution funds in line with respective statutes and regulations.

Contribution to defined contribution plans are recognized as an expenditure in the Income Statement.

3.4.2 **Defined Benefit Plan - Retiring Gratuity**

Provision is made in Financial Statements for retirement gratuities payable under the provisions of Gratuity Act No.12 of 1983 for all employees who have completed 5 years of continued service with the board.

The provision is not funded externally nor actuarially valued.

3.5 **Trade and Other Payable**

Trade and other payable are stated at cost.

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4. INCOME STATEMENT

4.1 Turnover

The turnover represents the value of Sweep Tickets sold for draws conducted during the financial year.

4.2 Revenue Expenditure

All expenditure incurred in running the business and maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the surplus for the year.

4.3 Borrowing Cost

Borrowing costs are recognized as an expenditure in the period in which they are incurred.

4.4 Disposal of Property, Plant and Equipment and Investment

Gains or losses of a revenue nature on the disposal of Property, Plant and Equipment and other non current assets including investments have been accounted for in the Income and Expenditure Statement.

4.5 Revenue Recognition

4.5.1 Revenue from ticket sold is recognized on accrual basis.

4.5.2 Interest Income is accrued on a time basis.

4.5.3 Other Income is recognized on accrual basis.

NATIONAL LOTTERIES BOARD

BALANCE SHEET AS AT 31ST DECEMBER 2002

	Note	Consolidated			National Lotteries Board		
		2002		2001	2002		2001
		Rs.	Cts.	Rs.	Rs.	Cts.	Rs.
<u>Assets</u>							
Property, Plant & Equipment	(13)	30,738,755.15		35,789,152		29,831,696.93	34,076,345
<u>Current Assets</u>							
Stocks	(14)	37,199,501.07		76,896,995		19,386,061.49	47,612,664
Sweep Debtors	(15)	24,414,650.57		100,270,081		3,260,873.37	74,925,564
Other Debtors	(16)	144,409,638.55		222,131,866		43,069,408.89	18,766,705
Deposits & Prepayments	(17)	2,691,118.61		2,967,817		2,691,118.61	2,967,817
Loans to Staff	(18)	17,469,591.60		20,098,257		17,469,591.60	20,098,257
Accounts Receivables	(19)	24,865,756.08		55,849,584		24,865,756.08	55,849,584
Airport Super Draw - Deferred Expenditure		492,905.30		455,190		492,905.30	455,190
Short Term Investments	(20)	1,791,698,152.39		1,327,320,008		1,565,291,907.83	1,112,974,096
Cash at Bank and in Hand	(21)	185,297,154.39		94,280,503		166,369,302.28	78,478,432
Income Tax Advance		117,724,306.14		117,724,306		117,724,306.14	117,724,306
		<u>2,346,262,774.70</u>		<u>2,017,994,607</u>		<u>1,960,621,231.59</u>	<u>1,529,852,615</u>
Total Assets		<u>2,377,001,529.85</u>		<u>2,053,783,759</u>		<u>1,990,452,928.52</u>	<u>1,563,928,960</u>
<u>Equity & Liability</u>							
Accumulated Fund and Reserves							
Accumulated Fund	(22)	21,263,100.54		21,263,101		21,263,100.54	21,263,101
Capital Reserve		-		16,672,507		-	16,672,507
Building Reserve		400,000,000.00		-		400,000,000.00	-
On Line Lotto Reserve		500,000,000.00		-		500,000,000.00	-
Prizes Reseve		290,461,682.64		290,461,683		290,461,682.64	290,461,683
Revenue Reserve	(23)	524,787,309.93		1,032,922,264		312,728,488.18	721,301,023
		<u>1,736,512,093.11</u>		<u>1,361,319,555</u>		<u>1,524,453,271.36</u>	<u>1,049,698,314</u>
<u>Non Current Liabilities</u>							
Retirement Benefit Provision (Welfare & Medical Fund)		10,098,522.77		9,367,849		9,143,526.50	8,554,237
		<u>10,098,522.77</u>		<u>9,367,849</u>		<u>9,143,526.50</u>	<u>8,554,237</u>
<u>Current Liabilities</u>							
Bank Overdraft	(24)	274,425.30		5,164,779		-	5,164,779
Trade Creditors & Accrued Expenses	(25)	100,901,639.83		65,823,905		68,659,678.52	38,930,922
Prizes Control Accounts	(26)	301,463,242.16		258,353,518		255,149,653.06	214,035,254
Sweep Collection in Advance		34,704,880.00		24,445,791		34,704,880.00	24,445,791
Amount Payable to Consolidated Fund		193,046,726.68		329,308,362		98,341,919.08	223,099,663
		<u>630,390,913.97</u>		<u>683,096,355</u>		<u>456,856,130.66</u>	<u>505,676,409</u>
Total Equity & Liability		<u>2,377,001,529.85</u>		<u>2,053,783,759</u>		<u>1,990,452,928.52</u>	<u>1,563,928,960</u>

.....
(Sgd) Chairman

National Lotteries Board

Date

.....
(Sgd) Accountant

National Lotteries Board

Date

NATIONAL LOTTERIES BOARD

CASHFLOW STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2002

	<u>Consolidated</u>	<u>NLB</u>
	Rs.	Rs.
<u>Cash Flows from Operating Activities</u>		
Net Profit before Taxation	375,192,539	474,754,958
<u>Less:</u> Additional Contribution to Consolidated Fund	-	-
	<u>375,192,539</u>	<u>474,754,958</u>
<u>Adjustment for</u>		
Profit on Sale of Fixed Assets	(2,161,593)	(2,079,594)
Depreciation	6,437,385	5,623,299
Provision for Gratuity	873,103	731,720
	<u>5,148,895</u>	<u>4,275,425</u>
<u>Changes in Working Capital</u>		
(Increase)/Decrease in Inventory	39,697,494	28,226,604
(Increase)/Decrease in Sweep Debtors	75,855,432	71,664,693
(Increase)/Decrease in Other Debtors	77,722,228	(24,302,704)
(Increase)/Decrease in Deposits & Prepayments	276,699	276,699
(Increase)/Decrease in Staff Loans	2,628,666	2,628,665
(Increase)/Decrease in Accounts Receivable	30,983,828	30,983,828
(Increase)/Decrease in Airport Superdraw C/A	(37,715)	(37,715)
Increase/(Decrease) in Sweep Collection in Advance	10,259,089	10,259,089
Increase/(Decrease) in Dues to Consolidated Fund	(136,261,636)	(124,757,744)
Increase/Decrease in Creditors	41,174,454	22,511,886
Increase/(Decrease) in Accrued Expenses	(6,096,723)	(7,216,870)
	<u>136,201,816</u>	<u>10,236,431</u>
<u>Prizes Control Accounts</u>		
Increase/(Decrease) in Mahajana Sampatha	43,109,724	41,114,400
Net Cash Flow from Operating Activities	<u>559,652,974</u>	<u>532,376,538</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of Property, Plant & Equipment	(1,911,397)	(1,903,059)
Proceeds from Sale of Fixed Assets	2,686,001	2,603,998
Net Cash Flows from Investing Activities	<u>774,604</u>	<u>700,939</u>
<u>Cash Flows from Financing Activities</u>		
Gratuity Payment	(142,430)	(142,430)
Net Cash Flows from Financing Activities	<u>(142,430)</u>	<u>(142,430)</u>
Net Changes in Cash and Cash Equivalents during the year	560,285,148	545,373,461
Cash and Cash Equivalent at the beginning of the period	1,416,435,733	1,186,287,749
Cash and Cash Equivalent at the End of the year	<u>1,976,720,881</u>	<u>1,731,661,210</u>
<u>Analysis of Cash & Cash Equivalents at the end of the Year</u>		
Cash at Bank & in Hand	185,297,154	166,369,302
Short Term Investments	1,791,698,152	1,565,291,908
Bank Overdraft	(274,425)	-
	<u>1,976,720,881</u>	<u>1,731,661,210</u>

NATIONAL LOTTERIES BOARD

INCOME STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2002

	<i>Note</i>	<i>Consolidated</i>		<i>National Lotteries Board</i>			
		2002		2001	2002		2001
		Rs.	Cts.	Rs.	Rs.	Cts.	Rs.
<u>Turnover</u>							
Mahajana Sampatha		1,789,018,200.00	1,271,543,100	1,789,018,200.00		1,271,543,100	
Hospital Lottery - Lotto		87,207,297.50	69,828,693	87,207,297.50		69,828,693	
Vasana Sampatha		779,888,500.00	619,694,700	779,888,500.00		619,694,700	
Govisetha		776,698,800.00	593,359,800	776,698,800.00		593,359,800	
Samurdhi		44,498,000.00	37,358,400	44,498,000.00		37,358,400	
Shrma Vasana		51,364,000.00	41,690,000	51,364,000.00		41,690,000	
Supiri Vasana		359,135,600.00	274,611,000	359,135,600.00		274,611,000	
Jayawiru		329,771,400.00	241,244,260	329,771,400.00		241,244,260	
Airport Super Draw		19,285,225.58	10,033,282	19,285,225.58		10,033,282	
Sevana Lottery		728,498,520.00	708,058,000	-		-	
	(5)	<u>4,965,365,543.08</u>	<u>3,867,421,235</u>	<u>4,236,867,023.08</u>		<u>3,159,363,235</u>	
<u>Less: Statutory Allocations</u>							
Prizes Declared		2,343,684,869.98	1,821,863,918	2,001,290,565.28		1,489,076,658	
Agent's Commission		742,133,045.16	578,823,496	632,858,267.16		472,614,796	
Consolidated Fund		<u>804,380,769.72</u>	<u>633,229,057</u>	<u>709,675,962.12</u>		<u>527,020,357</u>	
		<u>3,890,198,684.86</u>	<u>3,033,916,471</u>	<u>3,343,824,794.56</u>		<u>2,488,711,811</u>	
Income to the Board		1,075,166,858.22	833,504,763	893,042,228.52		670,651,424	
<u>Add: Other Income</u>	(6)	<u>249,968,432.54</u>	<u>236,154,079</u>	<u>218,441,404.10</u>		<u>192,366,295</u>	
Total Income to the Board		<u>1,325,135,290.76</u>	<u>1,069,658,842</u>	<u>1,111,483,632.62</u>		<u>863,017,719</u>	
<u>Less: Expenses</u>							
Administrative Expenses	(7)	103,870,458.78	136,727,064	86,703,765.03		122,852,442	
Distribution Expenses	(8)	98,495,581.28	136,419,534	60,850,612.26		83,137,763	
Finance Cost	(9)	9,196,872.39	6,792,112	8,930,173.39		6,584,673	
Ticket Printing Expenses	(10)	413,048,279.52	349,258,077	257,178,610.06		214,750,973	
Marketing & Sales Promotion	(11)	200,370,732.48	184,902,018	200,370,732.48		184,902,018	
Extraordinary Item	(12)	124,960,827.06	-	22,694,781.00		-	
		<u>949,942,751.51</u>	<u>814,098,805</u>	<u>636,728,674.22</u>		<u>612,227,869</u>	
Income Over Expenditure		<u>375,192,539.25</u>	<u>255,560,037</u>	<u>474,754,958.40</u>		<u>250,789,850</u>	
Surplus Revenue after	}	375,192,539.25	255,560,037	474,754,958.40		250,789,850	
Contributing to the Consolidated fund & before Taxation							
Taxation		-	-	-		-	
Surplus Income for the year		<u><u>375,192,539.25</u></u>	<u><u>255,560,037</u></u>	<u><u>474,754,958.40</u></u>		<u><u>250,789,850</u></u>	

NATIONAL LOTTERIES BOARD

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2002

(5) **TURNOVER**

Gross Proceeds & Statutory Allocations - National Lotteries Board

<u>LOTTERY</u>	<u>GROSS SALES</u>		<u>%</u>	<u>PRIZE FUND ALLOCATION</u>		<u>%</u>	<u>COMMISSION ALLOCATION</u>		<u>%</u>	<u>CONSOLIDATED FUND ALLOCATION</u>		<u>%</u>	<u>BOARD'S FUNDS ALLOCATION</u>	
	Rs.	Cts.		Rs.	Cts.		Rs.	Cts.		Rs.	Cts.		Rs.	Cts.
Mahajana Sampatha	1,789,018,200.00		47%	840,838,554.00		15%	268,352,730.00		16.5%	295,188,003.00		21.5%	384,638,913.00	
Lotto	87,207,297.50		47%	40,987,429.83		15%	13,081,094.63		16.5%	14,389,204.09		21.5%	18,749,568.96	
Vasana Sampatha	779,888,500.00		47%	366,547,595.00		15%	116,983,275.00		16.5%	128,681,602.50		21.5%	167,676,027.50	
Govi Setha	776,698,800.00		47%	365,048,436.00		15%	116,504,820.00		18%	139,805,784.00		20%	155,339,760.00	
Samurdhi	44,498,000.00		47%	20,914,060.00		15%	6,674,700.00		10%	4,449,800.00		28%	12,459,440.00	
Shrama Vasana	51,364,000.00		47%	24,141,080.00		15%	7,704,600.00		10%	5,136,400.00		28%	14,381,920.00	
Supiri Vasana	359,135,600.00		47%	168,793,732.00		15%	53,870,340.00		16.5%	59,257,374.00		21.5%	77,214,154.00	
Jayawiru	329,771,400.00		50%	164,885,700.00		15%	49,465,710.00		18%	59,358,852.00		17%	56,061,138.00	
	<u>4,217,581,797.50</u>			<u>1,992,156,586.83</u>			<u>632,637,269.63</u>			<u>706,267,019.59</u>			<u>886,520,921.46</u>	
Airport Super Draw	19,285,225.58			9,133,978.75			220,997.53			3,408,942.53			6,521,306.76	
	<u>4,236,867,023.08</u>			<u>2,001,290,565.58</u>			<u>632,858,267.16</u>			<u>709,675,962.12</u>			<u>893,042,228.22</u>	
Sevana Lottery	728,498,520.00		47%	342,394,304.40		15%	109,274,778.00		13%	94,704,807.60		25%	182,124,630.00	
	<u>4,965,365,543.08</u>			<u>2,343,684,869.98</u>			<u>742,133,045.16</u>			<u>804,380,769.72</u>			<u>1,075,166,858.22</u>	

NATIONAL LOTTERIES BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

	<i>Consolidated</i>		<i>National Lotteries Board</i>	
	2002	2001	2002	2001
(6) <u>OTHER INCOME</u>				
Interest on Staff Loans - Other Loans	331,240.38	246,250	331,240.38	246,250
Interest on Staff Loans - Housing Loan	446,531.87	418,949	446,531.87	418,949
Interest on Fixed Deposits	11,784,435.12	1,151,987	11,784,435.12	1,151,987
Interest on Call Deposits	20,531,170.78	5,066,101	20,531,170.78	5,066,101
Interest on Treasury Bills	72,650,713.03	61,248,397	72,650,713.03	61,248,397
Interest on Foreign Currency Bank Account	493,387.60	737,512	493,387.60	737,512
Interest on Treasury Investments	-	13,026,374	-	13,026,374
Interest on Treasury Bonds	98,822,197.91	89,477,888	98,822,197.91	89,477,888
Bank Transfers	-	8,728,650	-	8,728,650
Sundry Income	2,477,926.06	635,172	2,477,926.06	635,172
Recovery of Promotional Advertisement	-	11,421,365	-	11,421,365
Registration of Suppliers	5,000,000.00	26,000	5,000,000.00	26,000
Non Refundable Tender Fees	1,796,500.00	-	1,795,000.00	-
Commission on Propaganda Sales	-	118,818	-	118,818
Income on Circuit Bungalow	-	36,900	-	36,900
Disposal of Fixed Assets	2,161,595.68	3,633	2,079,596.68	3,633
Hire of Vehicles		22,299	-	22,299
Other Income	67,866.54	66,206	-	-
General Sales	780.00	460	-	-
Agency Registration Fee	247,590.00	106,110	-	-
Interest Received from Distress Loan	54,119.96	51,727	-	-
Interest Receivable from Building Material Co	-	14,520,000	-	-
Interest Received from Banks	31,041,216.77	29,043,281	-	-
Gain on Exchange Fluctuation	2,029,204.67	-	2,029,204.67	-
Recovery of Bad Debts - Return Cheques	22,500.00	-	-	-
Claim from Damage Tickets	9,456.17	-	-	-
	<u>249,968,432.54</u>	<u>236,154,079</u>	<u>218,441,404.10</u>	<u>192,366,295</u>

NATIONAL LOTTERIES BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

	<i>Consolidated</i>		<i>National Lotteries Board</i>	
	2002	2001	2002	2001
(7) <u>ADMINISTRATIVE EXPENSES</u>				
Staff Salaries	25,850,905.33	19,236,635	22,010,172.83	15,921,398
Staff Overtime	4,213,282.30	5,876,406	3,190,005.15	4,682,685
Holiday pay	71,448.25	-	71,448.25	-
Travelling & Subsistence	320,101.50	433,891	320,101.50	433,891
Duty Allowance	2,627,069.73	2,315,123	1,186,133.35	1,605,958
Staff provident fund & ETF	3,516,563.23	2,942,080	2,831,772.13	2,367,835
Staff Bonus	2,299,615.35	2,363,433	1,811,124.90	1,784,740
Staff Welfare	863,976.80	601,194	681,953.50	459,877
Staff uniform	37,630.00	180,641	8,030.00	180,641
Gratuity	873,124.06	908,405	731,630.31	750,384
Allowance to Board Members	653,701.29	641,035	586,716.85	582,529
Travelling & Other Expenses	151,788.40	16,746	18,353.15	-
Casual Salaries	4,200.00	1,437,588	4,200.00	1,437,588
Ex-Gratia Payments	8,000.00	50,000	8,000.00	50,000
Allowance - ASD Staff	22,100.00	479,431	22,100.00	479,431
Travelling & transport - ASD Staff	24,932.00	30,503	900.00	1,000
Rent Head Office	8,257,405.00	6,159,990	7,030,734.81	5,170,650
Electricity Charges	5,070,161.77	3,591,885	4,020,325.79	2,975,885
Water Charges	6,592.00	1,833	6,592.00	1,833
Cleaning & Maintenance	359,990.48	743,470	337,736.30	646,470
Repairs other than vehicles	892,627.74	821,252	507,603.09	429,393
Insurance Other than Motor Vehicles	1,336,543.17	1,268,045	431,961.68	411,852
Depreciation other than Motor Vehicles	2,765,129.07	3,257,251	1,843,394.88	1,938,474
Partions & office Modificat ion	90,064.40	-	90,064.40	-
ASD-Cleaning & Maintenance	2,406.42	79,847	2,406.42	79,847
Postage & Telegrams	639,660.24	565,924	372,813.49	299,010
Telephone Charges	3,544,325.19	2,602,145	2,138,662.83	1,885,118
Printing & Stationery	4,365,676.53	3,600,537	4,099,249.98	3,296,566
CASD Stationery	104,676.30	49,301	43,000.00	-
Press Notises	577,310.00	391,862	577,310.00	391,862
CASD Repair & Maintenance	76,460.99	-	76,460.99	-
Uniform to CASD Staff	73,090.39	-	73,090.39	-
ASD Telephone & Faxes	15,624.50	-	15,624.50	-
External Audit Charges	227,041.00	612,416	193,520.00	530,165

NATIONAL LOTTERIES BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

	<i>Consolidated</i>		<i>National Lotteries Board</i>	
	2002	2001	2002	2001
<u>ADMINISTRATIVE EXPENSES (CONTD...)</u>				
Legal Charges	1,410,432.04	392,108	1,397,732.04	392,108
Newspaper & periodicals	167,803.08	123,445	167,803.08	123,445
Over Seas Travel	1,219,481.20	-	1,219,481.20	-
International Lottery Assosoat	173,715.84	-	173,715.84	-
Pool Vehicles -Fuel	1,847,905.77	2,351,833	1,847,905.77	2,351,833
Pool Vehicles -Repairs	2,171,416.26	2,226,315	2,171,416.26	2,226,315
pool Vehicles-Insurance	253,837.05	699,518	253,837.05	699,518
pool Vehicles-Revenue Licence	104,576.67	38,842	104,576.67	38,842
pool Vehicles-Other Expenses	102,481.07	36,480	102,481.07	36,480
pool Vehicles-Depreciation	3,396,193.26	2,641,245	3,396,193.26	2,641,245
Non consumable items	433,842.80	240,758	433,842.80	240,758
Consumable items	42,188.72	23,393	42,188.72	23,393
Incidental & general Expenses	516,619.48	379,388	516,619.48	379,388
Scrutiny of Prizes Tickets	677,640.00	528,800	677,640.00	528,800
Expenses at Board Meeting	14,305.00	16,904	14,305.00	16,904
Training Seminar Fees	51,577.50	121,760	31,577.50	99,117
Circuit Bungalow Maintenance	1,829,194.70	215,165	1,829,194.70	215,165
Consultancy & professional Charges	10,238,099.87	80,445	7,729,474.87	6,196
Public Relation Expenses	328,011.25	542,385	328,011.25	542,385
Partitioning & Redecorate	-	93,800	-	93,800
Stamp fees	932.00	500,434	932.00	4,614
Prizes validation charges	2,618,478.03	852,601	2,618,478.03	852,601
Medical Insurance premium	2,471,197.47	1,928,426	2,471,197.47	1,928,426
Software Maintenance	31,887.88	121,975	31,887.88	121,975
Battaramulla stores Expenses	73,640.00	-	73,640.00	-
Vehicle hire	40,322.50	290,987	40,322.50	290,987
Travelling & other expenses	296,640.95	-	296,640.95	-
Exp.on Refresh of Board of Dir	13,560.17	-	13,560.17	-
Sundry expenses - Samurdhi	8,450.00	-	8,450.00	-
Archives expenses	1,152.00	-	1,152.00	-
ASD Sundries	264.00	3,638	264.00	3,638
Sweep Auditors Fees	3,200,050.00	3,325,570	3,200,050.00	3,325,570
Overhead Expenses Post	-	229,995	-	229,995

NATIONAL LOTTERIES BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

	<i>Consolidated</i>		<i>National Lotteries Board</i>	
	2002	2001	2002	2001
<u>ADMINISTRATIVE EXPENSES (CONTD...)</u>				
Rates & Taxes	-	8,780	-	8,780
Police officers Fees	166,000.00	154,478	166,000.00	154,478
GST- Input tax	-	56,480,604	-	56,480,604
Meal allowance	16,040.00	-	-	-
Loss on damage tickets & Disp of assets	9,298.79	21,635	-	-
Increment payment	-	796,488	-	-
	<u>103,870,458.78</u>	<u>136,727,064</u>	<u>86,703,765.03</u>	<u>122,852,442</u>

(8) DISTRIBUTION EXPENSES

Branch staff travelling	45,837.00	500,986	45,837.00	500,986
Branch telephone	139,582.67	154,701	139,582.67	154,701
Branch Electricity	1,952.03	-	1,952.03	-
Branch Sundries	85.50	48,602	85.50	48,602
Distribution allowance	31,704,963.01	20,799,471	31,704,963.01	20,799,471
Branch Maintenance Expenses	1,310.00	-	1,310.00	-
Branch sundry expenses	16,725.50	-	16,725.50	-
Tempary wages	22,400.00	32,800	-	-
Loss on non recoverable balance	-	3,060,959	-	-
Advertising expenses	27,752,943.76	23,187,255	-	-
Transport charges	231,187.50	134,108	227,224.50	134,108
production Incentive	25,548,617.06	33,397,507	18,320,354.89	10,833,003
Cost returned tickets	265,947.38	-	265,947.38	-
Bad debt provision	7,705,789.30	44,968,288	7,705,789.30	44,968,288
Branch rent	9,000.00	12,000	9,000.00	12,000
Fuel	747,522.86	691,497	818.00	-
Repairs	2,400,434.53	3,446,070	1,267,671.60	2,454,588
Insurance	1,166,847.90	708,738	749,485.60	316,752
Revenue	148,226.68	127,820	100,276.68	79,170
Other Ex	310,145.00	1,032,048	24,900.00	416,027
Depreciation	276,063.60	4,116,684	268,688.60	2,420,067
	<u>98,495,581.28</u>	<u>136,419,534</u>	<u>60,850,612.26</u>	<u>83,137,763</u>

NATIONAL LOTTERIES BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

	<i>Consolidated</i>		<i>National Lotteries Board</i>	
	2002	2001	2002	2001
(9) <u>FINANCE COST</u>				
Bank Charges	8,958,911.53	6,587,186	8,928,260.56	6,563,847
Collection charges	1,912.83	20,826	1,912.83	20,826
Debit tax	236,048.03	-	-	-
WHT	-	184,100	-	-
	<u>9,196,872.39</u>	<u>6,792,112</u>	<u>8,930,173.39</u>	<u>6,584,673</u>
(10) <u>TICKET PRINTING COST</u>				
Paper Consumption	34,075,459.58	28,573,760	34,075,459.58	28,573,760
Lotto Masks,Coupons & Stamps	176,334.20	2,134,955	176,334.20	2,134,955
Printing Charges	378,796,485.74	318,549,362	222,926,816.28	184,042,258
	<u>413,048,279.52</u>	<u>349,258,077</u>	<u>257,178,610.06</u>	<u>214,750,973</u>
(11) <u>MARKETING & SALES PROMOTION</u>				
Production& Telecasting	64,449,474.36	80,081,947	64,449,474.36	80,081,947
Publication of results	10,447,194.88	9,814,811	10,447,194.88	9,814,811
Promotional Advertising	73,996,812.71	72,007,176	73,996,812.71	72,007,176
Corporate Image Advertising	51,477,250.53	22,998,084	51,477,250.53	22,998,084
	<u>200,370,732.48</u>	<u>184,902,018</u>	<u>200,370,732.48</u>	<u>184,902,018</u>
(12) <u>EXTRAORDINARY ITEMS</u>				
Stock Losses - Scratch Lottery (NLB)	17,694,781.00	-	17,694,781.00	-
Stock Losses - Scratch Lottery (Sevana)	6,190,484.19	-	-	-
BMC Loan Interest (Sevana) - (Note 12.1)	96,075,561.87	-	-	-
Short term Deposit-Pramuka Bank -(Note12.2)	5,000,000.00	-	5,000,000.00	-
	<u>124,960,827.06</u>	<u>-</u>	<u>22,694,781.00</u>	<u>-</u>

(12.1) Loan Interest Receivable - Rs.96,075,561.87

Special provision for doubtful debts has been made for accrued interest receivable from Building Materials Corporation (BMC). Total loan capital provided for the BMC in several instalments amounting to Rs.94.0 million has been shown under trade and other receivables of which the recoverability is certain after one year from the Balance Sheet Date.

(12.2) Premuka Bank Deposit - Rs.5,000,000.00

Consequent to the decision taken by the Central Bank of Sri Lanka to liquidate the Premuka Savings & Development Bank, special provision has been created for the entire amount until and to the amount recovered.

NATIONAL LOTTERIES BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

	<i>Consolidated</i>		<i>National Lotteries Board</i>	
	2002	2001	2002	2001
(14) <u>STOCKS</u>				
Security Paper Reams	-	11,662,532	-	11,662,532
Lotto Security Stamps	8,667.84	89,112	8,667.84	89,112
Printed Tickets Stocks	11,959,301.00	-	11,959,301.00	-
Prizes Stocks	27,080.00	-	27,080.00	-
Tyres & Tubes Stocks	431,921.80	554,632	431,921.80	554,632
Prize Cars - Shrama Vasana	1,361,588.01	500,000	1,361,588.01	500,000
Prize Cars - Airport Super Draw	59,347.00	9,133,979	59,347.00	9,133,979
Spare Parts - Ball Drawing Machine	36,969.18	36,969	36,969.18	36,969
Advertising Materials	183,080.00	183,080	183,080.00	183,080
Normal Paper Stocks	3,559,939.43	756,513	3,559,939.43	756,513
Stationery Items	487,164.07	896,840	487,164.07	896,840
Samurdhi Tickets	18,965,784.21	19,291,925	18,965,784.21	19,291,925
Shrama Vasana Tickets	(0.05)	4,507,082	(0.05)	4,507,082
Sevana Stocks	24,003,923.77	29,284,331	-	-
	61,084,766.26	76,896,995	37,080,842.49	47,612,664
<u>Less: Slow Moving Stock Provision</u>	(23,885,265.19)	-	(17,694,781.00)	-
	37,199,501.07	76,896,995	19,386,061.49	47,612,664

NATIONAL LOTTERIES BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

	<i>Consolidated</i>		<i>National Lotteries Board</i>	
	2002	2001	2002	2001
(9) <u>FINANCE COST</u>				
Bank Charges	8,958,911.53	6,587,186	8,928,260.56	6,563,847
Collection charges	1,912.83	20,826	1,912.83	20,826
Debit tax	236,048.03	-	-	-
WHT	-	184,100	-	-
	<u>9,196,872.39</u>	<u>6,792,112</u>	<u>8,930,173.39</u>	<u>6,584,673</u>
(10) <u>TICKET PRINTING COST</u>				
Paper Consumption	34,075,459.58	28,573,760	34,075,459.58	28,573,760
Lotto Masks,Coupons & Stamps	176,334.20	2,134,955	176,334.20	2,134,955
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	<u>413,048,279.52</u>	<u>349,258,077</u>	<u>257,178,610.06</u>	<u>214,750,973</u>
(11) <u>MARKETING & SALES PROMOTION</u>				
Production& Telecasting	64,449,474.36	80,081,947	64,449,474.36	80,081,947
Publication of results	10,447,194.88	9,814,811	10,447,194.88	9,814,811
Promotional Advertising	73,996,812.71	72,007,176	73,996,812.71	72,007,176
Corporate Image Advertising	51,477,250.53	22,998,084	51,477,250.53	22,998,084
	<u>200,370,732.48</u>	<u>184,902,018</u>	<u>200,370,732.48</u>	<u>184,902,018</u>
(12) <u>EXTRAORDINARY ITEMS</u>				
Stock Losses - Scratch Lottery (NLB)	17,694,781.00	-	17,694,781.00	-
Stock Losses - Scratch Lottery (Sevana)	6,190,484.19	-	-	-
BMC Loan Interest (Sevana) - (Note 12.1)	96,075,561.87	-	-	-
Short term Deposit-Pramuka Bank -(Note12.2)	5,000,000.00	-	5,000,000.00	-
	<u>124,960,827.06</u>	<u>-</u>	<u>22,694,781.00</u>	<u>-</u>

(12.1) Loan Interest Receivable - Rs.96,075,561.87

Special provision for doubtful debts has been made for accrued interest receivable from Building Materials Corporation (BMC). Total loan capital provided for the BMC in several instalments amounting to Rs.94.0 million has been shown under trade and other receivables of which the recoverability is certain after one year from the Balance Sheet Date.

(12.2) Premuka Bank Deposit - Rs.5,000,000.00

Consequent to the decision taken by the Central Bank of Sri Lanka to liquidate the Premuka Savings & Development Bank, special provision has been created for the entire amount until and to the amount recovered.

NATIONAL LOTTERIES BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

	<i>Consolidated</i>		<i>National Lotteries Board</i>	
	2002	2001	2002	2001
(14) <u>STOCKS</u>				
Security Paper Reams	-	11,662,532	-	11,662,532
Lotto Security Stamps	8,667.84	89,112	8,667.84	89,112
Printed Tickets Stocks	11,959,301.00	-	11,959,301.00	-
Prizes Stocks	27,080.00	-	27,080.00	-
Tyres & Tubes Stocks	431,921.80	554,632	431,921.80	554,632
Prize Cars - Shrama Vasana	1,361,588.01	500,000	1,361,588.01	500,000
Prize Cars - Airport Super Draw	59,347.00	9,133,979	59,347.00	9,133,979
Spare Parts - Ball Drawing Machine	36,969.18	36,969	36,969.18	36,969
Advertising Materials	183,080.00	183,080	183,080.00	183,080
Normal Paper Stocks	3,559,939.43	756,513	3,559,939.43	756,513
Stationery Items	487,164.07	896,840	487,164.07	896,840
Samurdhi Tickets	18,965,784.21	19,291,925	18,965,784.21	19,291,925
Shrama Vasana Tickets	(0.05)	4,507,082	(0.05)	4,507,082
Sevana Stocks	24,003,923.77	29,284,331	-	-
	61,084,766.26	76,896,995	37,080,842.49	47,612,664
<u>Less: Slow Moving Stock Provision</u>	(23,885,265.19)	-	(17,694,781.00)	-
	37,199,501.07	76,896,995	19,386,061.49	47,612,664

NATIONAL LOTTERIES BOARD**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 2002**

	<i>Consolidated</i>		<i>National Lotteries Board</i>	
	2002	2001	2002	2001
(15) <u>SWEEP DEBTORS</u>				
M/s 5 Star Enterprise	63,467.39	1,524,714	63,467.39	1,524,714
Mr. A A Meril	(134,946.00)	-	(134,946.00)	-
Mr. A.H.M.Jayaweera	36,450.00	36,450	36,450.00	36,450
Mr. A.K.Hemanath	(2,130.00)	(2,130)	(2,130.00)	(2,130)
Mr. A.P.Illeperuma	111,060.35	1,589,994	111,060.35	1,589,994
Mr. A.Ranasinghe	96,807.58	220,102	96,807.58	220,102
Mr. A.Wickramarachchi	-	15,441	-	15,441
Agricultural Ministry	14,280.00	701,940	14,280.00	701,940
Mr. Ananda Herath	(1,050.00)	-	(1,050.00)	-
Mr. Asoka Palpola	(13,716.02)	9,035	(13,716.02)	9,035
Mr. B.G. Senarathna	(270.00)	19,635	(270.00)	19,635
Mr. Anura Neelakantha Kulasekara	(4,291.05)	-	(4,291.05)	-
Mr. Arjuna Cooray	(18,020.00)	-	(18,020.00)	-
Mr. Asoka Chandrasekara	(44,479.80)	-	(44,479.80)	-
Mr. Bernard Munasinghe	-	150,080	-	150,080
Mr. C.Jayasundara R/Sales	11,866.00	86,589	11,866.00	86,589
Mr. B.Premasiri Fernando	(9,721.50)	-	(9,721.50)	-
Mr. Basil Vanlanganberge	13,240.00	-	13,240.00	-
Mr. Ciril Karunarathna	-	41,800	-	41,800
Mr. D.D.N.Rathnayake	(44,330.21)	42,108	(44,330.21)	42,108
Mr. Chanaka Jagatha Jayasinghe	0.50	-	0.50	-
Colombo Sundries	(63,184.26)	-	(63,184.26)	-
Mr. D.A.Pushpawarana	94,665.00	146,878	94,665.00	146,878
Mr. D.Guruge	(37,931.02)	381,078	(37,931.02)	381,078
Mr. D.J.Dias P'naruwa	-	(800)	-	(800)
Mr. D.L.B.Sirinanda	(51,560.10)	58,725	(51,560.10)	58,725
Mr. De Silva Chandrasiri	600.00	-	600.00	-
Mr. E. F. D. De Silva	63,150.00	-	63,150.00	-
Mr. D.M.C.R.Gunasekara	4,590,517.00	4,590,517	4,590,517.00	4,590,517
Mr. D.M.S.D.Dissanayaka	84,200.00	84,200	84,200.00	84,200
Mr. G. L. A. Kithsiri	(355.23)	-	(355.23)	-
Mr. E.K.Premasiri	-	20,183,496	-	20,183,496
Mr. G.A.D.Peries Edmond	633,316.65	633,317	633,316.65	633,317
Mr. G.A.Jayasekara	216.00	216	216.00	216
Mr. G.B.L.Sriyananda	361,923.86	2,845,991	361,923.86	2,845,991
Mrs Geethani Samantha	(118,740.70)	59	(118,740.70)	59
Mr. George Christy	(1,650.00)	14,450	(1,650.00)	14,450
Mr. H.P.Jayawardane	15,100.00	46,750	15,100.00	46,750
Mr. H.Sumanadasa	10.00	41,410	10.00	41,410
Mr. H.D.Karunanayaka	(39,694.20)	3,379,682	(39,694.20)	3,379,682
Mr. H.M.Jayarathna	(183,100.01)	1,310,154	(183,100.01)	1,310,154

NATIONAL LOTTERIES BOARD**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 2002**

	<i>Consolidated</i>		<i>National Lotteries Board</i>	
	2002	2001	2002	2001
<u>SWEEP DEBTORS (CONTD...)</u>				
Mr. Huloluwa Ralalage Edwin Ranasi	(16,042.90)	-	(16,042.90)	-
Mr. H.P.D.Asokarathna	1,516,794.00	1,516,794	1,516,794.00	1,516,794
Mrs I.Kapuge - Lotto Retails	19,797.97	19,798	19,797.97	19,798
Mr J.Rupasinghe Jayawardane	27,960.00	79,000	27,960.00	79,000
Mr. J. G. Wasantha	(383,500.29)	-	(383,500.29)	-
Mr. J.C.Kodikara	9,787.73	1,064,199	9,787.73	1,064,199
Mr. J.Lamahewa	805,587.56	1,785,856	805,587.56	1,785,856
Mr. Jayadeva Fernando	45,650.00	-	45,650.00	-
Mr. Jayaratne / Abeykoon	189,654.00	-	189,654.00	-
Mr. K.G.Premachandra	(16,040.00)	46,750	(16,040.00)	46,750
Mr. K. Karunaratne	32,398.10	-	32,398.10	-
Mr. K.Peethamparapillai	6,528.38	6,528	6,528.38	6,528
Mr. K.Soyasa	5,100.00	51,750	5,100.00	51,750
Mr. K.V.D.S.Dharmapala	-	31,000	-	31,000
Mr. K.A.Jayawardana - Put	(14,429.50)	59,791	(14,429.50)	59,791
Mr. K.A.K.Beligolla	1,284,180.42	5,712,378	1,284,180.42	5,712,378
Mr. K.G.Wickramasinghe	510,507.44	1,110,585	510,507.44	1,110,585
Mr. K.Nimalasiri	51,170.48	1,245,581	51,170.48	1,245,581
Mr. K.R.C.K.Herath	836,985.00	836,985	836,985.00	836,985
Mr. Kanahala Gamage Lionel	(5,894.00)	-	(5,894.00)	-
Mr. Karadana Withanage Wimalasena	(0.21)	-	(0.21)	-
Mr. K.R.M.Sarath	245,136.80	270,952	245,136.80	270,952
Mr. K.W.Karunasena	107,999.55	410,845	107,999.55	410,845
Mr. L.Senevirathna	100,583.59	2,339,735	100,583.59	2,339,735
Mr. Lalith Fernando	(8,657.30)	1,710,536	(8,657.30)	1,710,536
Mr. Keerthi Munasinghe	35,114.35	-	35,114.35	-
Mr. Lalith Jayawardane	236,735.80	314,878	236,735.80	314,878
Mr. M.A.S.Dias	30.00	39,397	30.00	39,397
Mr. L R Tikiri Bandaraa	99,641.60	-	99,641.60	-
Mr. Lantin Silva	1,365,653.50	-	1,365,653.50	-
Mr. M.G.Senerathna	(19,500.00)	8,525	(19,500.00)	8,525
Mr. M.M.S.K.Ranaweera	4,875,350.00	4,875,350	4,875,350.00	4,875,350
Mr. M.S.A.Chandrasiri	3,370,442.28	5,172,883	3,370,442.28	5,172,883
Mr. M.S.L.Fernando	13,370.63	11,940	13,370.63	11,940
Ministry of Youth	-	(40,000)	-	(40,000)
Mr N.A.Rathnayake	21,120.50	(12,667)	21,120.50	(12,667)
Mr. N.Ariyasena	(20.00)	44,980	(20.00)	44,980
Mr. N.S.Senavirathna	-	38,000	-	38,000
Mr. N.V.Amarasena	256,410.94	-	256,410.94	-
Mr. N.Abegunawardane	632,554.00	701,554	632,554.00	701,554
Mr. N.Abeysekera	2,884,112.00	2,884,112	2,884,112.00	2,884,112

NATIONAL LOTTERIES BOARD**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 2002**

	<i>Consolidated</i>		<i>National Lotteries Board</i>	
	2002	2001	2002	2001
<u>SWEEP DEBTORS (CONTD...)</u>				
Mr. N.Dharmabandu	(8,688.38)	1,210,570	(8,688.38)	1,210,570
Mr. N.S.De Silva	124,175.00	174,330	124,175.00	174,330
M/s N L B Welfare Society - Sarath	1,626,402.98	-	1,626,402.98	-
Mr. N.Wijesinghe	2,004,547.00	6,799,986	2,004,547.00	6,799,986
Mr. Nimal Jayakody	1,223,855.00	3,411,860	1,223,855.00	3,411,860
Mr. Nimal Kulasiri	(0.23)	193,465	(0.23)	193,465
Mr. N. W. Senaratne	(10,485.54)	-	(10,485.54)	-
Mr. P.A.D.Shelton	-	49,305	-	49,305
Mrs P.R.P.Wijewardane	43,823.20	803,818	43,823.20	803,818
Mr. P.B.Abeykoon	(51,027.91)	1,578,679	(51,027.91)	1,578,679
Mr. P.Jayathilaka	-	440,353	-	440,353
Mr. P.Nawarathna	(13,755.60)	479,735	(13,755.60)	479,735
Mr. P.Wijegunawardana	99,275.84	264,468	99,275.84	264,468
Mr. Parakrama Senevirathna	539,791.50	534,608	539,791.50	534,608
Mr. R.A.Sumathirathna	-	(60)	-	(60)
Mr. R.Dissanayaka	355,356.50	716,975	355,356.50	716,975
Mr. R.G.Amarasena	41,519.00	555,769	41,519.00	555,769
Retail Sales to DD's	(44,080.00)	(44,080)	(44,080.00)	(44,080)
Mr. R L Wijewardana	(38.45)	-	(38.45)	-
Mr. R Luckshman Wijewardana	72,880.00	-	72,880.00	-
Mr S.Devasagayam	(10,582.00)	(12)	(10,582.00)	(12)
Mr S.H.Nishantha	(303,004.98)	214,349	(303,004.98)	214,349
Mr. S.K.Samarasingha	648.80	80,832	648.80	80,832
Mr. S.Edirisinghe	2,063,530.00	2,068,530	2,063,530.00	2,068,530
Mr. S.Galhena	1,876,708.00	1,876,708	1,876,708.00	1,876,708
Mr. S.H.Gunasena	(3,804.15)	454,549	(3,804.15)	454,549
Mr. S.H.P.Rathnapala	1,208,900.00	1,218,900	1,208,900.00	1,218,900
Mr. S.K.Jayatissa	1,140,045.00	1,140,045	1,140,045.00	1,140,045
Mr. S.K.Sunil Shantha	1,913,675.40	3,195,045	1,913,675.40	3,195,045
Mr. S.Rajanayake	744,631.47	3,775,097	744,631.47	3,775,097
Mr. S.Samarajeewa	-	760,705	-	760,705
Mr. S.Senevirathna	1,040.00	1,040	1,040.00	1,040
Mr. S.W.S.Lantin Silva	-	1,385,654	-	1,385,654
Mrs Sandiya Kumari	449,663.50	-	449,663.50	-
Mr. Sarath Ananda - Vans	-	1,799,205	-	1,799,205
Sec. Ministry of Sports	(16,200.00)	1,194,091	(16,200.00)	1,194,091
Mr. Upali Gajanayake	111,014.00	-	111,014.00	-
Mrs Samanthi Dilrukshi Wejewardana	57,664.50	-	57,664.50	-
Mr. Vijaya Samaranayaka	4,600.00	-	4,600.00	-
Mr. W W C Perera	380,615.00	-	380,615.00	-
Mr. W H Sirisena	302,911.80	-	302,911.80	-

NATIONAL LOTTERIES BOARD**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 2002**

	<i>Consolidated</i>		<i>National Lotteries Board</i>	
	2002	2001	2002	2001
<u>SWEEP DEBTORS (CONTD...)</u>				
Mr. W. A. D. Sumith Joseph	28,506.00	-	28,506.00	-
Mr. Samson Silva - Galle	(127,315.00)	-	(127,315.00)	-
Mr. Sena Ambalegoda	3,934,644.59	5,750,459	3,934,644.59	5,750,459
Mr. Senaka Jayalath	388,328.00	388,328	388,328.00	388,328
Sevana Winner	-	132,600	-	132,600
M/s Siriluck F/House	-	405,004	-	405,004
Mr. Sarath Paranawit	89,846.00	-	89,846.00	-
M/s Sirilack Fancy House	24,364.00	-	24,364.00	-
Mr. WaasM N M	(10,312.20)	-	(10,312.20)	-
M/s South West Agencies	(90,738.40)	-	(90,738.40)	-
M/s Stores Retail - C Jayasundara	97,522.00	-	97,522.00	-
Mr. Sarath Bandara	(56.40)	-	(56.40)	-
Mr. Sumathiratne R A	(445.00)	-	(445.00)	-
Mr. Sunil Gunaratne - Kandy	1,956,682.00	-	1,956,682.00	-
Mr. Sunil Malwatta	5,690.00	-	5,690.00	-
Sundry Debtors	-	(63,713)	-	(63,713)
Mr. Sunil Gunaratna - Kandy	-	1,956,682	-	1,956,682
Mr. E K Premasiri	7,666,889.56	-	7,666,889.56	-
Mr. S Devasagayam	(10,582.00)	-	(10,582.00)	-
Mr. Asoka Palpola	(22,602.10)	-	(22,602.10)	-
Mr. T. Sudusinghe	13,500.00	112,238	13,500.00	112,238
Mr. T.K.Sudusinghe	859,885.00	859,885	859,885.00	859,885
Mr. Thilak Pushpakumara	-	3,925	-	3,925
Mr. U.K.D. Sarath Ananda	21,600.00	96,680	21,600.00	96,680
Mr. Vajira Uyangoda	-	51,450	-	51,450
M/s Venture Agencies	434,365.39	810,814	434,365.39	810,814
Mr W. A. De Silva	104,428.02	1,085,131	104,428.02	1,085,131
Mr. W. H. Sirisena	-	757,001	-	757,001
Mr. W. S. Ranathunga	20,270.00	42,500	20,270.00	42,500
Mr. W.K.Sumanaratna	86,817.00	42,580	86,817.00	42,580
Mr. W.W.C.Perera	-	380,615	-	380,615
Welfare Sales A/c No.2	5,240.25	13,240	5,240.25	13,240
Mr Wimal Cooray - Welfare	(5.94)	255,166	(5.94)	255,166
Samurdhi Ticket Debtors	132,600.00	132,600	-	-
Trade debtors (Sevena)	19,741,608.20	23,217,068	-	-
Returned Cheques	2,528,289.00	3,266,069	-	-
	78,348,596.87	146,520,737	55,946,099.67	119,905,000
Less : Bad Debts Provision	53,933,946.30	46,250,656	52,685,226.30	44,979,436
Total	24,414,650.57	100,270,081	3,260,873.37	74,925,564

NATIONAL LOTTERIES BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

	<i>Consolidated</i>		<i>National Lotteries Board</i>	
	2002	2001	2002	2001
(16) OTHER DEBTORS				
Sundry Debtors	17,805.80	2,010	17,805.80	2,010
Advance to Staff	117,419.00	56,951	117,419.00	56,951
Advance to Outsiders	2,054,379.23	2,932,038	2,054,379.23	2,932,038
Insurance Claims Pending	1,040,118.62	469,031	1,040,118.62	469,031
Withholding Tax on Interest	6,074,571.70	5,311,121	6,074,571.70	5,311,121
Medical Insurance Claims	462,584.20	501,700	435,816.46	501,700
Medical Insurance Claims (Hospital)	295,982.85	-	295,982.85	-
Recoveries from Farmers Fund	-	788,622	-	801,659
Recoveries from Sevena Lottery	9,615,789.89	5,023,712	9,615,789.89	5,023,712
DDS Receivebale	449,041.93	-	449,041.93	-
Public Enter Reform Commission	19,300,000.00	-	19,300,000.00	-
Ministry of Youth Affairs & Sports	2,296,068.00	2,296,068	2,296,068.00	2,296,068
Recoveries for Calanders	368,783.41	368,783	368,783.41	368,783
Recoveries for 300 GS Draw	1,003,632.00	1,003,632	1,003,632.00	1,003,632
Interest Receivable - Bank	2,935,243.16	9,203,511	-	-
Interest Receivable - BMC	96,075,561.87	96,075,562	-	-
Festival Advance	63,500.00	59,500	-	-
Distress Loans	1,707,138.15	2,023,483	-	-
Advance Payment	731,679.54	713,780	-	-
Miscellaneous Advance	123,242.44	135,168	-	-
Prepayment	939,283.63	801,730	-	-
BMC Loan	94,000,000.00	94,000,000	-	-
Oberthur Gaming Technologies	2,146.47	-	-	-
Wihtholding Tax	561,534.73	-	-	-
HNB LC Margin	-	32,359	-	-
Samurdhi Tickets Debtors	-	132,600	-	-
Ticket Shortage	3,228.80	3,229	-	-
Ratnapura Shortage	90,465.00	90,465	-	-
Refunable Deposit - SL Army welfare	50,000.00	-	-	-
Refundable Deposit - BMC [Fuel]	25,000.00	25,000	-	-
Refundable Deposit	51,000.00	51,000	-	-
Refundable Deposit - Nirosha Enterprises Ltc	30,000.00	30,000	-	-
Over Payment/Prepayment	-	811	-	-
	240,485,200.42	222,131,866	43,069,408.89	18,766,705
Less: Bad Debts Provision				
on BMC Loan Interest	(96,075,561.87)	-	-	-
Total	144,409,638.55	222,131,866	43,069,408.89	18,766,705

NATIONAL LOTTERIES BOARD**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 2002**

	<i>Consolidated</i>		<i>National Lotteries Board</i>		
	2002		2001		
	Rs.	Cts.	Rs.	Cts.	Rs.
(17) DEPOSITS & PREPAYMENTS					
Staff Security Deposits - People's Bank	12,500.00	17,500	12,500.00	17,500	
Staff Security Deposits - National Savings Bar	117,700.00	117,700	117,700.00	117,700	
Postal Franking Machine Deposits	25,026.50	88,812	25,026.50	88,812	
Deposits General	143,822.00	148,822	143,822.00	148,822	
Payments in Advance	700,090.11	2,594,983	700,090.11	2,594,983	
Rent in Advance	1,691,980.00	-	1,691,980.00	-	
	<u>2,691,118.61</u>	<u>2,967,817</u>	<u>2,691,118.61</u>	<u>2,967,817</u>	
(18) LOANS TO STAFF					
Festival Advance	216,032.87	198,453	216,032.87	198,453	
Distress Loans	6,851,435.83	6,527,084	6,851,435.83	6,527,084	
Bicycle Loans	1,383.10	9,083	1,383.10	9,083	
Vehicle Loans - Car	-	11,544	-	11,544	
Indebtedness Loan	35,500.00	56,125	35,500.00	56,125	
Housing Loans to Staff	10,365,239.80	13,292,368	10,365,239.80	13,292,368	
Recoveries from Employees	-	3,600	-	3,600	
	<u>17,469,591.60</u>	<u>20,098,257</u>	<u>17,469,591.60</u>	<u>20,098,257</u>	
(19) ACCOUNTS RECEIVABLES					
Sundry Income	-	4,302	-	4,302	
District Dealers Service Charges	-	265,282	-	265,282	
Amount Due from Supply Department	870.00	870	870.00	870	
Receivable from Ministry of Health	-	206,250	-	206,250	
Receivable from Ministry of Labour	-	300,000	-	300,000	
Receivable from Ministry of Social Services	-	225,000	-	225,000	
Receivable from Ministry of Labour	-	150,000	-	150,000	
Short term Interest Receivables	1,818,893.84	-	1,818,893.84	-	
Receivable from Agriculture Dev. Authority	-	250,000	-	250,000	
Receivable from Ministry of Samurdhi	-	415,859	-	415,859	
Short term Interest due to 2002 not withdraw	185,835.44	-	185,835.44	-	
Bank charges credit due from Bank	615,676.68	-	615,676.68	-	
Interests Receivable on Treasury Bills	20,012,043.31	19,779,416	20,012,043.31	19,779,416	
Interests Receivable on Fixed Deposits	1,374,456.11	160,334	1,374,456.11	160,334	
Unclaim Salaries	3,706.00	-	3,706.00	-	
Interest on Treasury Bonds	854,274.70	22,050,757	854,274.70	22,050,757	
Interest on Treasury Bonds	-	4,840,630	-	4,840,630	
Intersest on Call Deposits	-	27,262	-	27,262	
Interest on Treasury Investments	-	7,170,122	-	7,170,122	
Container Deposit - Receivable	-	3,500	-	3,500	
	<u>24,865,756.08</u>	<u>55,849,584</u>	<u>24,865,756.08</u>	<u>55,849,584</u>	

NATIONAL LOTTERIES BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

	<i>Consolidated</i>		<i>National Lotte</i>	
	2002	2001	2002	
	Rs.	Cts.	Rs.	Rs. Cts.
(20) <u>SHORT TERM INVESTMENTS</u>				
Treasury Bills	1,209,090,572.74		327,181,676	1,209,090,572.74
Fixed Deposits	115,000,000.00		84,600,000	115,000,000.00
Treasury Investments Shortterm	18,099,999.30		167,930,000	18,099,999.30
Treasury Bonds	226,701,335.79		531,862,420	226,701,335.79
Machinery Reserve Investment	700,000.00		700,000	700,000.00
Gratuity Reserve Investment	700,000.00		700,000	700,000.00
Investment - Bank of Ceylon	-		78,915,350	-
Investment - Hatton National Bank	37,000,000.00		-	-
Investment - Commercial Bank	23,216,000.00		5,786,466	-
Investment - NMB	67,746,232.87		-	-
Investment - Sampath Bank	-		35,905,000	-
Investment - People's Bank	92,444,011.69		93,739,096	-
Call Deposit - Hatton National Bank	6,000,000.00		-	-
	1,796,698,152.39		1,327,320,008	1,570,291,907.83
Less: Bad Debts Provision for Deposit at Pramuka Bank	(5,000,000.00)		-	(5,000,000.00)
	1,791,698,152.39		1,327,320,008	1,565,291,907.83
(21) <u>CASH AT BANK & IN HAND</u>				
Collection Cash Book - Sampatha C/A 1620005292	20,722,204.52		11,443,022	20,722,204.52
Collection Cash Book - Lotto C/A 1620005207	417,677.66		1,156,188	417,677.66
Collection Cash Book - Vasana C/A 1620005214	9,018,845.75		5,136,356	9,018,845.75
Collection Cash Book - Govisetha C/A 1620005221	9,384,752.37		7,202,975	9,384,752.37
Collection Cash Book - Samurdhi C/A 1620005238	1,077,361.93		379,002	1,077,361.93
Collection Cash Book - Shrama C/A 1620005245	98,396.66		267,459	98,396.66
Collection Cash Book - Supiri Vasana C/A 1620005252	3,550,949.72		2,142,260	3,550,949.72
Collection Cash Book - Jayawiru C/A 1620005269	19,824,124.62		1,967,254	19,824,124.62
Collection Cash Book - Janasetha C/A 1620005252	(0.01)		421,646	(0.01)
Collection Cash Book - S/W/R	0.15		-	0.15
Collection Cash Book - Kreedha C/A 1620005269	(0.51)		1,258,193	(0.51)
Prizes Cash Book - Sampatha C/A 1620005276	8,214,029.73		6,206,458	8,214,029.73
Prizes Cash Book - Lotto C/A 1620005283	1,775,417.44		2,537,014	1,775,417.44
Prizes Cash Book - Vasana C/A 1620005290	911,323.30		4,149,838	911,323.30
Prizes Cash Book - Govisetha C/A 1620005305	2,067,260.07		2,540,088	2,067,260.07
Prizes Cash Book - Samurdhi C/A 1620005212	3,630,565.41		1,395,815	3,630,565.41
Prizes Cash Book - Shrama C/A 1620005245	1,199,448.22		1,214,448	1,199,448.22
Prizes Cash Book - Supiri Vasana C/A 1620005330	292,174.58		1,720,755	292,174.58
Prizes Cash Book - Jayawiru C/A 1620005343	987,919.34		2,362,097	987,919.34
Prizes Cash Book - Janasetha C/A 090420	-		2,057,285	-
Prizes Cash Book - Kreedha C/A 090470	(0.40)		1,027,289	(0.40)
Board's Expenditure Cash Book C/A 1620005410	19,625,111.45		-	19,625,111.45
Board's Reserve Cash Book C/A 1620005427	2,982,264.35		1,538,337	2,982,264.35
Consolidated Fund Reserve C/A 1620005458	24,005,931.91		150,825	24,005,931.91
Lotto Reserve Cash Book C/A 1620005441	642,334.09		26,828	642,334.09
Lotto Deposits Cash Book C/A 1620005334	774,241.48		60,985	774,241.48
Asarana Sarana Cash Book C/A 0660-08-0000099-9	-		762,601	-
<u>CASH AT BANK & IN HAND (CONTD...)</u>	Rs.	Cts.	Rs.	Rs. Cts.

NATIONAL LOTTERIES BOARD**NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31ST DECEMBER 2002**

	<i>Consolidated</i>		<i>National Lotte</i>
	2002	2001	2002
Grand Benz Cash Book	0.08	3,343,848	0.08
Airport Super Draw Foreign Currency A/c 550048	35,013,840.37	14,490,122	35,013,840.37
Petty Cash Imprest - Head office	1,528.00	1,528	1,528.00
Petty Cash Imprest - Branch	3,000.00	3,000	3,000.00
Petty Cash Imprest - Supplies	12,000.00	2,000	12,000.00
Petty Cash Imprest - Govisetha	15,000.00	15,000	15,000.00
Petty Cash Imprest - Samurdhi	10,000.00	10,000	10,000.00
Petty Cash Imprest - Shrama Vasana	5,000.00	5,000	5,000.00
Petty Cash Imprest - Janasetha	4,500.00	4,500	4,500.00
Petty Cash Imprest - Maintenece	-	2,000	-
Bank Imprest - Branch	4,600.00	4,600	4,600.00
Cashiers Imprest - Special	22,500.00	22,500	22,500.00
Cashiers Imprest - Staff Payments	75,000.00	72,319	75,000.00
Consolidated Fund Reserve International	-	61,607	-
Board Reserve International	-	1,315,390	-
Cash in Hand Branches	14,980.30	14,980	-
Petty Cash Branches	(404.75)	(405)	-
Petty Cash Control Branches	36,699.27	36,699	-
Floating Cash H/O	100,000.00	100,000	-
Petty Cash Book	30,000.00	30,000	-
Cash Book	2,191,326.88	5,292,090	-
Bank Book - BOC (0660-04-0000120-5)	1,884,392.86	1,923,835	-
Bank Book - HNB (0102001-4)	488,014.44	6,754,517	-
Bank Book - HNB (NM)	568,596.16	-	-
Bank Book - SB (0220-252006-001)	-	630,090	-
Bank Book - PB (0309-162-0005398)	13,614,246.95	1,020,265	-
	<u>185,297,154.39</u>	<u>94,280,503</u>	<u>166,369,302.28</u>

(22) ACCUMULATED FUND

Accumulated fund solely consists of the appropriated reserves from year 1963 to 1991. Neither capital has been Treasury when the board was incorporated in 1963, no authorised capital has been fixed by the parliament.

(23) REVENUE RESERVE

B/F Profit from previous years	1,011,551,135.95	755,991,099	699,929,895.05
Net adjustment for prior period	21,371,127.73	21,371,128	21,371,127.73
Adjusted opening profit	1,032,922,263.68	777,362,227	721,301,022.78
Rent reserve transfer to building reserve	(13,494,453.07)	-	(13,494,453.07)
Balance restated 01/01/2002	1,019,427,810.61	777,362,227	707,806,569.71
Net profit for the year	375,192,539.25	255,560,037	474,754,958.40
	1,394,620,349.86	1,032,922,264	1,182,561,528.11
Provision for Building Reserve	(369,833,039.93)	-	(369,833,039.93)
Transfer to on line Lotto reserve	(500,000,000.00)	-	(500,000,000.00)
Balance as at 31st December 2002	<u>524,787,309.93</u>	<u>1,032,922,264</u>	<u>312,728,488.18</u>

(24) BANK OVERDRAFT

Board's Expenditure Cash Book - C/A 1620005410	-	3,186,209	-
Golden Jubilee Cash Book	-	1,978,570	-
Bank Book - SB (0220-252006-001)	274,425.30	-	-
	<u>274,425.30</u>	<u>5,164,779</u>	<u>-</u>

eries Board

2001

Rs.

327,181,676

84,600,000

167,930,000

531,862,420

700,000

700,000

-

-

-

-

-

-

-

1,112,974,096

-

1,112,974,096

11,443,022

1,156,188

5,136,356

7,202,975

379,002

267,459

2,142,260

1,967,254

421,646

-

1,258,193

6,206,458

2,537,014

4,149,838

2,540,088

1,395,815

1,214,448

1,720,755

2,362,097

2,057,285

1,027,289

-

1,538,337

150,825

26,828

60,985

762,601

Rs.

NATIONAL LOTTERIES BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

	<i>Consolidated</i>			<i>National Lotteries Board</i>		
	2002		2001	2002		2001
	Rs.	Cts.	Rs.	Rs.	Cts.	Rs.
(25) <u>TRADE CREDITORS & ACCRUED EXPENSES</u>						
Sundry Creditors	225,191.59		32,637	225,191.59		32,637
Tender Deposits - Refundable	153,100.00		59,100	153,100.00		59,100
Employees Security Deposits	130,200.00		135,200	130,200.00		135,200
Sampatha Deposits	120,000.00		120,000	120,000.00		120,000
Contribution to Defence Fund	348,058.24		348,058	348,058.24		348,058
Retention Charges - Janasaviya	-		28,147	-		28,147
Sales Commission - Janasaviya	-		38,425	-		38,425
Control Account	-		80	-		80
Withholding Tax - Contractors	1,207,472.64		1,096,784	1,207,472.64		1,096,784
Retention Money - Service Charges	6,674,170.47		15,044,394	6,674,170.47		15,044,394
Long Term Lotto	430,911.30		334,508	430,911.30		334,508
Asarana Sarana Fund	-		900,351	-		900,351
Unclaimed Salaries	838,277.63		602,212	838,277.63		602,212
Stamp Deposits	8,491.00		-	8,491.00		-
Medicals Bills Reimbursements	-		15,925	-		15,925
Exchange Equalization Account	-		1,282,187	-		1,282,187
Grnad Benz Receipts over Dues	-		255,781	-		255,781
Agent Deposit	399,639.97		399,640	-		-
Central Bank - EPF	81,983.05		2,517	-		-
Labour Department - ETF	9,879.15		343	-		-
BMC	4,398,382.40		4,410,772	-		-
NHDA Payable	84,375.00		-	-		-
Interest Over Receipt From Bank	2,941,197.27		-	2,941,197.27		-
NLB Payable	9,615,789.89		4,406,862	-		-
Inland Revenue Department - PAYE	-		14,476	-		-
Incentive to Agents Payable	1,484,204.92		716,897	-		-
Incentive to Staff Payable	719,120.00		-	-		-
Propaganda L/L Prizes Payable	16,060.00		15,700	-		-
Returned Cheque- Salary Deductions	-		8,158	-		-
Payble - Purchase Sundry Stock	1,013,642.50		-	-		-
Advertising Expenses Payable	8,534,289.81		-	-		-
Advance Received	151,779.18		164,139	-		-
Provision for Arrears of Incentives to Staff	-		15,249,497	-		-
Accrued Expenses	60,485,223.37		20,141,115	54,752,407.93		18,637,133
Creditors	830,200.45		-	830,200.45		-
	<u>100,901,639.83</u>		<u>65,823,905</u>	<u>68,659,678.52</u>		<u>38,930,922</u>

NATIONAL LOTTERIES BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2002

	<i>Consolidated</i>		<i>National Lotteries Board</i>		
	2002	2001	2002	2001	
	Rs.	Cts.	Rs.	Rs.	Cts.
(26) <u>PRIZES CONTROL ACCOUNTS</u>					
Mahajana Sampatha	98,448,606.00	247,640,621	98,448,606.00	247,640,621	
Hospital Lotto	12,024,302.58	25,391,678	12,024,302.58	25,391,678	
Vasana Sampatha	34,076,050.00	136,737,789	34,076,050.00	136,737,789	
Govisetha	60,688,635.98	68,975,313	60,688,635.98	68,975,313	
Samurdhi	4,317,500.00	(16,918,541)	4,317,500.00	(16,918,541)	
Shrama Vasana	3,764,000.00	1,745,375	3,764,000.00	1,745,375	
Janasetha	-	2,442,570	-	2,442,570	
Kreeda	-	1,833,952	-	1,833,952	
Supiri Vasana	21,535,096.00	22,915,055	21,535,096.00	22,915,055	
Jayawiru	20,295,462.50	13,733,125	20,295,462.50	13,733,125	
Sevana Lottery High Level Prizes Provision	46,313,589.10	44,318,264	-	-	
	<u>301,463,242.16</u>	<u>548,815,201</u>	<u>255,149,653.06</u>	<u>504,496,937</u>	
<u>Less: Trasfer to Prizes Reserve Fund</u>	<u>-</u>	<u>290,461,683</u>	<u>-</u>	<u>290,461,683</u>	
	<u>301,463,242.16</u>	<u>258,353,518</u>	<u>255,149,653.06</u>	<u>214,035,254</u>	

* Consolidated Fund

The Board was incorporated under the Finance Act No.11 of 1963 as the successor to the Hospital Lotteries Board.

In terms of Section 17(2) of the said Act the Deputy Secretary to the Treasury has determined the following appropriations of gross turnover.

Prizes	47.0%
Commission	15.0%
Consolidated Fund	16.5%
Board Expenses	21.5%

The Board contributes to the Consolidated Fund, on the following percentages on Gross Turnover in respect of the Lotteries conducted on behalf of other Ministries.

Govisetha	18.0%	Ministry of Agriculture
Samurdhi	10.0%	Ministry of Samurdhi, Youth Affairs
Shrama Vasana	10.0%	Ministry of Labour
Supiri Vasana Sampatha	16.5%	Ministry of Sports & Ministry of Social Services

Originally, the Sevana Lottery came under the preview of the Ministry of Housing and Constructions. Later this lottery was assigned to the National Lotteries Board with effect from 07th November 1997 by the Ministry of Finance and Planning. Presently, the Sevana Lottery contributes 10% of it's gross turnover to the Consolidated Fund.

The Board conducts the Colombo Airport Super Draw Lottery on the direction of the Cabinet of Ministers, on behalf of the Airport Aviation Services (SL) Limited. The net proceeds are payable to the Airport Aviation Services (SL) Limited, through the Consolidated Fund.

Amount payable to Consolidated Fund as at the year end has been shown in the Balance Sheet.

NATIONAL LOTTERIES BOARD

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2002

(27) (i) **Post Balance Sheet Events**

Subsequent to the Balance Sheet no circumstance has been arisen which would require disclosure or adjustment to the Financial Statement.

(ii) **Capital Expenditure Commitments**

There are no material Capital Expenditure Commitments as at the Balance Sheet date.

(iii) **Related Party Transactions**

There were no material related party transactions during the year.

(iv) **Earnings per Share**

Being a Statutory Board without a fixed capital, earnings per share could not be computed for the Board's activities.

(v) **Segmental Reporting**

Board activities are limited to a sector of the downstream segment of Lottery industry and Geographically within Sri Lanka.

(vi) **Corporate Information**

Domicile and Legal Form - National Lotteries Board is a Statutory Board incorporated under the Finance Act No.11 of 1963 and domiciled in Sri Lanka. The registered office of the Board is located at No.234/2, Galle Road, Colombo 03.

Principle Activities and Nature of Operations - The principle activities are conducting National Lotteries of which the net proceeds are paid to the Consolidated Fund.

NATIONAL LOTTERIES BOARD**NOTES TO THE FINANCIAL STATEMENTS****AS AT 31ST DECEMBER 2002****(13) PROPERTY, PLANT & EQUIPMENTS****(13.1) GROSS CARRYING AMOUNTS**

<i>Name of Assets</i>	<i>Consolidation - Cost - 2002</i>							
	<i>Balance</i>		<i>Additions</i>		<i>Disposal</i>		<i>Balance</i>	
	<i>as at</i>		<i>During</i>		<i>During</i>		<i>as at</i>	
	<i>01.01.2002</i>		<i>the Year</i>		<i>the Year</i>		<i>31.12.2002</i>	
	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>
Buildings	5,786,831.51		-		-		5,786,831.51	
Office Equipments	3,782,664.98		778,591.50		-		4,561,256.48	
Kitchen Utensils	100,337.75		-		-		100,337.75	
Furniture & Fittings	4,367,749.11		63,082.00		-		4,430,831.11	
Electrical Fittings	1,033,371.98		-		-		1,033,371.98	
Carpets	122,769.00		-		-		122,769.00	
Amp's & Microphones	1,035,097.75		8,136.00		-		1,043,233.75	
Machinery	1,395,254.39		-		-		1,395,254.39	
Draw Barrels & Equipments	5,003,452.92		-		-		5,003,452.92	
Motor Vehicles	57,008,386.05		-		6,576,633.05		50,431,753.00	
Tools	215,734.25		-		-		215,734.25	
Ticket Booths & Boards	554,099.32		-		-		554,099.32	
Computers	12,655,370.67		1,061,587.90		-		13,716,958.57	
Sales Counters	1,571,600.95		-		-		1,571,600.95	
Air Conditioners	850,495.08		-		-		850,495.08	
General Equipment	3,185,650.00		-		-		3,185,650.00	
Total	98,668,865.71		1,911,397.40		6,576,633.05		94,003,630.06	

(13.2) DEPRECIATION

<i>Name of Assets</i>	<i>Consolidation - Depreciation - 2002</i>							
	<i>Balance</i>		<i>Additions</i>		<i>Disposal</i>		<i>Balance</i>	
	<i>as at</i>		<i>During</i>		<i>During</i>		<i>as at</i>	
	<i>01.01.2002</i>		<i>the Year</i>		<i>the Year</i>		<i>31.12.2002</i>	
	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>
Buildings	3,483,900.96		230,293.06		-		3,714,194.02	
Office Equipments	1,241,907.76		320,174.45		-		1,562,082.21	
Kitchen Utensils	54,022.96		4,631.48		-		58,654.44	
Furniture & Fittings	1,125,328.27		340,339.85		-		1,465,668.12	
Electrical Fittings	114,384.92		91,898.71		-		206,283.63	
Carpets	119,669.79		774.86		-		120,444.65	
Amp's & Microphones	476,119.80		56,421.00		-		532,540.80	
Machinery	977,283.69		41,797.07		-		1,019,080.76	
Draw Barrels & Equipments	2,057,208.95		294,624.40		-		2,351,833.35	
Motor Vehicles	41,809,677.25		3,672,256.86		6,052,224.68		39,429,709.43	
Tools	42,229.23		17,350.50		-		59,579.73	
Camera	64,315.26		122.23		-		64,437.49	
Ticket Booths & Boards	177,299.54		42,390.37		-		219,689.91	
Computers	7,622,369.53		653,833.98		-		8,276,203.51	
Sales Counters	322,171.95		120,232.51		-		442,404.46	
Air Conditioners	784,951.50		-		-		784,951.50	
General Equipment	2,406,872.36		550,244.60		-		2,957,116.96	
Total	62,879,713.72		6,437,385.87		6,052,224.68		63,264,874.91	

NATIONAL LOTTERIES BOARD

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2002

PROPERTY, PLANT & EQUIPMENTS (CONTD...)

(13.3) <u>NET BOOK VALUE</u>	<i>Balance</i>		<i>Balance</i>	
	<i>as at</i>		<i>as at</i>	
	31.12.2002		31.12.2001	
	Rs.	Cts.	Rs.	Cts.
Total Cost	94,003,630.06		98,668,866	
Total Depreciation	(63,264,874.91)		(62,879,714)	
Net Book Value	<u>30,738,755.15</u>		<u>35,789,152</u>	

(13.4) **GROSS CARRYING AMOUNT**

<i>Name of Assets</i>	<i>National Lotteries Board Cost 2002</i>							
	<i>Balance</i>		<i>Additions</i>		<i>Disposal</i>		<i>Balance</i>	
	<i>as at</i>		<i>During</i>		<i>During</i>		<i>as at</i>	
	<i>01.01.2002</i>		<i>the Year</i>		<i>the Year</i>		<i>31.12.2002</i>	
	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.
Buildings	5,786,831.51				-		5,786,831.51	
Office Equipments	2,861,043.98		775,596.50				3,636,640.48	
Kitchen Utensils	100,337.75				-		100,337.75	
Furniture & Fittings	3,953,562.85		63,082.00		-		4,016,644.85	
Electrical Fittings	1,033,371.98				-		1,033,371.98	
Carpets	122,769.00				-		122,769.00	
Amp's & Microphones	1,035,097.75		8,136.00		-		1,043,233.75	
Machinery	1,395,254.39				-		1,395,254.39	
Draw Barrels & Equipments	5,003,452.92				-		5,003,452.92	
Motor Vehicles	41,412,086.05				6,326,633.05		35,085,453.00	
Tools	215,734.25				-		215,734.25	
Ticket Booths & Boards	554,099.32				-		554,099.32	
Computers	6,463,920.75		1,056,244.15		-		7,520,164.90	
Sales Counters	1,571,600.95				-		1,571,600.95	
Air Conditioners	65,537.58				-		65,537.58	
Total	<u>71,574,701.03</u>		<u>1,903,058.65</u>		<u>6,326,633.05</u>		<u>67,151,126.63</u>	

NATIONAL LOTTERIES BOARD

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31ST DECEMBER 2001

PROPERTY, PLANT & EQUIPMENTS (CONTD...)

(13.5) DEPRECIATION

National Lotteries Board - Depreciation 2002

<i>Name of Assets</i>	<i>Balance</i>		<i>Charge</i>		<i>Disposal</i>		<i>Balance</i>	
	<i>as at</i>		<i>During</i>		<i>During</i>		<i>as at</i>	
	<i>01.01.2002</i>		<i>the Year</i>		<i>the Year</i>		<i>31.12.2002</i>	
	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>
Buildings	3,483,900.96		230,293.06		-		3,714,194.02	
Office Equipments	503,832.86		258,250.98				762,083.84	
Kitchen Utensils	54,022.96		4,631.48		-		58,654.44	
Furniture & Fittings	902,116.04		307,467.72		-		1,209,583.76	
Electrical Fittings	114,384.92		91,898.71		-		206,283.63	
Carpets	119,669.79		774.86		-		120,444.66	
Amp's & Microphones	476,119.80		56,421.00		-		532,540.80	
Machinery	977,283.70		41,797.07		-		1,019,080.77	
Draw Barrels & Equipments	2,057,208.95		294,624.40		-		2,351,833.35	
Motor Vehicles	26,228,151.20		3,664,881.86		5,802,225.68		24,090,807.38	
Tools	42,229.23		17,350.50		-		59,579.73	
Camera	64,315.26		122.23		-		64,437.49	
Ticket Booths & Boards	177,299.54		42,390.37		-		219,689.91	
Computers	1,975,649.85		492,161.63		-		2,467,811.48	
Sales Counters	322,171.95		120,232.51		-		442,404.46	
Total	37,498,357.01		5,623,298.37		5,802,225.68		37,319,429.70	

(13.6) NET BOOK VALUE

	<i>Balance</i>		<i>Balance</i>	
	<i>as at</i>		<i>as at</i>	
	<i>31.12.2002</i>		<i>31.12.2001</i>	
	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>
Total Cost	67,151,126.63		71,574,701.03	
Total Depreciation	37,319,429.70		37,498,357.01	
Net Book Value	29,831,696.93		34,076,344.02	

NATIONAL LOTTERIES BOARD

STATEMENT OF CHANGES IN EQUITY

AS AT 31ST DECEMBER 2002

CONSOLIDATED

	<u>ACCUMULATED FUND</u>		<u>CAPITAL RESERVE</u>		<u>NATIONAL LOTTERIES BUILDING RESERVE</u>		<u>PRIZES RESEVES</u>		<u>REVENUE RESERVE</u>		<u>TOTAL</u>	
	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>
Balance as at 01.01.2001	21,263,100.54		16,672,507.00		-		-		755,991,098.95		793,926,706.49	
Prior year adjustment		-		-		-		-	21,371,127.73		21,371,127.73	
Net Profit for the Period		-		-		-		-	255,560,037.00		255,560,037.00	
Balance as at 31.12.2001	21,263,100.54		16,672,507.00		-				1,032,922,263.68		1,070,857,871.22	
Building Reserve		-	(16,672,507.00)		16,672,507.00		-			-		-
Rent Reserve		-		-	13,494,453.07		-		(13,494,453.07)			-
Net Profit for the Period		-		-		-		-	375,192,539.25		375,192,539.25	
To building Reserve		-		-	369,833,039.93		-		(369,833,039.93)			-
Prize Reserve		-		-		-	290,461,682.64			-	290,461,682.64	
On Line Lottery Reserve		-		-	500,000,000.00		-		(500,000,000.00)			-
Balance as at 31.12.2002	21,263,100.54		-		900,000,000.00		290,461,682.64		524,787,309.93		1,736,512,093.11	

NATIONAL LOTTERIES BOARD

	<u>ACCUMULATED</u>		<u>CAPITAL</u>		<u>NATIONAL</u>		<u>PRIZES</u>		<u>REVENUE</u>		<u>TOTAL</u>	
	<u>FUND</u>		<u>RESERVE</u>		<u>LOTTERIES BUILDING</u>		<u>RESEVES</u>		<u>RESERVE</u>			
	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>	<i>Rs.</i>	<i>Cts.</i>
Balance as at 01.01.2001	21,263,100.54		16,672,507.00		-		-		449,140,045.37		487,075,652.91	
Prior year adjustment		-		-		-		-	21,371,127.73		21,371,127.73	
Net Profit for the Period		-		-		-		-	250,789,849.68		250,789,849.68	
Balance as at 31.12.2001	<u>21,263,100.54</u>		<u>16,672,507.00</u>		<u>-</u>		<u>-</u>		<u>721,301,022.78</u>		<u>759,236,630.32</u>	
Building Reserve		-	(16,672,507.00)		16,672,507.00		-		-		-	
Rent Reserve		-		-	13,494,453.07		-		(13,494,453.07)		-	
Net Profit for the Period		-		-		-		-	474,754,958.40		474,754,958.40	
To building Reserve		-		-	369,833,039.93		-		(369,833,039.93)		-	
Prize Reserve		-		-		-	290,461,682.64		-		290,461,682.64	
On Line Lottery Reserve		-		-	500,000,000.00		-		(500,000,000.00)		-	
Balance as at 31.12.2002	<u>21,263,100.54</u>		<u>-</u>		<u>900,000,000.00</u>		<u>290,461,682.64</u>		<u>312,728,488.18</u>		<u>1,524,453,271.36</u>	