



**FINANCIAL STATEMENTS**  
**OF**  
**NATIONAL LOTTERIES BOARD**  
**FOR THE YEAR ENDED**  
**31<sup>ST</sup> DECEMBER 2024**



Unaudited Financial Statements 2024



## NATIONAL LOTTERIES BOARD

## INCOME STATEMENT

For the year ended 31st December

	Note	2024 Rs.	2023 Rs.
Gross Turnover	03	37,983,206,760	32,014,201,280
<u>Less : Indirect Taxes</u>			
Value Added Tax (VAT)		1,658,592,022	1,164,695,700
Social Security Contribution Levy (SSCL)		719,239,399	597,823,835
Net Turnover		35,605,375,339	30,251,681,745
<u>Less : Cost of Sales</u>			
Gross Profit	04	32,561,245,336	28,227,236,781
		3,044,130,003	2,024,444,964
<u>Add : Other Income</u>			
	05	939,253,314	1,322,749,168
		3,983,383,317	3,347,194,132
<u>Less : Expenses</u>			
Sales, Marketing & Distribution Expenses	06	1,158,486,156	1,408,116,521
Administrative Expenses	07	1,128,174,614	1,056,920,215
Finance and Other Expenses	08	3,454,692	37,304,827
Profit before Tax		1,693,267,855	844,852,568
<u>Less : Income Tax Expense</u>			
PROFIT FOR THE YEAR	09	189,065,042	193,975,415
		1,504,202,812	650,877,152
The accounting policies and notes from 01 to 32 form an integral part of the financial statements.			

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**Mrs. B. A. P. S. BALASURIYA**  
 Attorney-at-Law, Notary Public & Commissioner for Oaths  
 Deputy General Manager - Legal &  
 Secretary to the Board  
 National Lotteries Board  
 No. 32, Deshamanya N. W. J. Mudalige Mawatha, Colombo 01  
 Sri Lanka



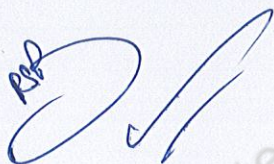
## NATIONAL LOTTERIES BOARD

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December

	Note	2024 Rs.	2023 Rs.
Profit for the Year		1,504,202,812	650,877,152
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods (net of tax)			
Actuarial Gain / (Loss) on Defined Benefit Plans		(7,876,533)	7,572,085
Deferred Tax Reversal / (Expense) on Actuarial Gain / Loss		2,362,960	(2,271,626)
Revaluation Gain on Land and Buildings		-	547,325,750
Deferred Tax Charge on Land and Buildings Revaluation		-	(164,197,725)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR NET OF TAX</b>		<b>1,498,689,239</b>	<b>1,039,305,637</b>

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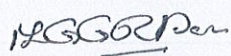
## NATIONAL LOTTERIES BOARD

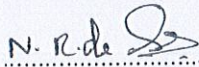
## STATEMENT OF FINANCIAL POSITION

As at 31st December

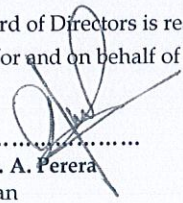
	Note	2024 Rs.	2023 Rs.
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant & Equipment	10	1,326,750,107	1,089,340,971
Investment Property	11	46,739,417	49,224,917
Intangible Assets	12	684,792	-
Capital Work-in Progress - Head Office Building	13	-	-
Deferred Tax Assets	14	-	-
Staff Loans	15-02	99,382,279	100,972,808
Long term investments	16	-	-
<b>Total Non Current Assets</b>		<b>1,473,556,595</b>	<b>1,239,538,695</b>
<b>Current Assets</b>			
Inventories	17	44,907,912	58,018,187
Trade Receivables	18	135,795,532	248,775,730
Other Current Assets	19	252,566,174	175,861,437
Short Term Investments	20	462,977,820	425,408,312
Cash & Cash Equivalents	21	8,681,052,763	8,130,550,104
<b>Total Current Assets</b>		<b>9,577,300,200</b>	<b>9,038,613,769</b>
<b>TOTAL ASSETS</b>		<b>11,050,856,795</b>	<b>10,278,152,465</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Retained Earnings	22	4,040,535,811	3,603,093,604
Other Components of Equity	23	2,732,864,507	2,731,617,473
<b>Total Equity</b>		<b>6,773,400,318</b>	<b>6,334,711,076</b>
<b>Non-Current Liabilities</b>			
Retirement Benefit Obligation	24	97,383,455	81,161,686
Deferred Tax Liability	14	159,570,577	154,179,246
<b>Total Non Current Liabilities</b>		<b>256,954,032</b>	<b>235,340,932</b>
<b>Current Liabilities</b>			
Trade & Other Payables	25	3,737,565,067	3,602,003,773
Current Tax Payables	26	282,937,376	106,096,683
<b>Total Current Liabilities</b>		<b>4,020,502,445</b>	<b>3,708,100,457</b>
<b>TOTAL LIABILITIES</b>		<b>4,277,456,477</b>	<b>3,943,441,389</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>11,050,856,795</b>	<b>10,278,152,465</b>

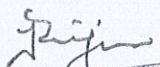
These Financial Statements are in compliance with the Sri Lanka Accounting Standards (LKAS & SLFRS) issued by the Institute of Chartered Accountants of Sri Lanka and the requirement of the Finance Act No. 11 of 1963 with amendments thereto in the Finance (Amendment) Act, No. 35 of 1997 and Finance (Amendment) Act, No. 22 of 1998 and the Finance Act, No. 38 of 1971.

  
 .....  
 Geetha Perera  
 DGM - Operational Finance


  
 .....  
 Nandika Roshani de Silva  
 AGM - Finance

The Board of Directors is responsible for the preparation and presentation of these Financial Statements.  
 Signed for and on behalf of the Board,

  
 .....  
 M. D. C. A. Perera  
 Chairman

  
 .....  
 M. P. D. P. Pathirana  
 Director

Colombo  
 24.02.2025

**TRUE COPY**  
  
 Mrs. B. A. P. S. BALASURIYA  
 Attorney-at-Law, Notary Public & Commissioner for Oaths  
 Deputy General Manager - Legal &  
 Secretary to the Board  
 National Lotteries Board

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



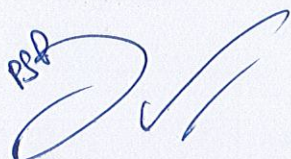
## NATIONAL LOTTERIES BOARD

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31st December

	Accumulated Treasury Fund Rs.	Revaluation Reserve Rs.	Building Reserve Rs.	Prizes Reserve Rs.	Retained Earnings Rs.	Total Rs.
Balance as at 01st January 2023	21,263,101	298,261,466	1,264,594,304	2,240,661,848	2,396,866,788	6,221,647,509
Prizes Reserve utilised	-	-	-	(550,049,200)	550,049,200	-
Prizes Reserve old balance corrections and transfers	-	-	-	73,757,929	-	73,757,929
Special Levy Transfer to General Treasury	-	-	(1,000,000,000)	-	-	(1,000,000,000)
Revaluation on Land and Building	-	547,325,750	-	-	-	547,325,750
Deferred tax on Revaluation gain on Land and Buildings	-	(164,197,725)	-	-	-	(164,197,725)
Actuarial Losses on defined benefit plans	-	-	-	-	7,572,085	7,572,085
Deferred tax attributable to Actuarial Losses on defined benefit plans	-	-	-	-	(2,271,626)	(2,271,626)
Profit for the Year	-	-	-	-	650,877,152	650,877,152
Balance as at 31st December 2023	21,263,101	681,389,491	264,594,304	1,764,370,578	3,603,093,600	6,334,711,075
Prizes Reserve utilised	-	-	-	1,563,152	(1,563,152)	-
Writeoff Disposal Property, Plant & Equipment Revaluation Gain	-	(316,118)	-	-	316,118	-
Special Levy Transfer to General Treasury	-	-	-	-	(1,060,000,000)	(1,060,000,000)
Actuarial Gains on defined benefit plans	-	-	-	-	(7,876,533)	(7,876,533)
Deferred tax attributable to Actuarial Gains on defined benefit plans	-	-	-	-	2,362,960	2,362,960
Profit for the Year	-	-	-	-	1,504,202,812	1,504,202,812
Balance as at 31st December 2024	21,263,101	681,073,373	264,594,304	1,765,933,730	4,040,535,807	6,773,400,314

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 Sri Lanka

Unaudited Financial Statements 2024



**NATIONAL LOTTERIES BOARD  
STATEMENT OF CASH FLOWS**
**For the year ended 31st December**
**Mrs. B. A. P. S. BALASURIYA**

Attorney-at-Law, Notary Public &amp; Commissioner for Oaths

 Deputy General Manager - Legal &  
Secretary to the Board  
National Lotteries Board

 No. 32, Deshamanya N. W. J. Mudalige Mawatha, Colombo 01  
Sri Lanka

**CASH FLOW FROM OPERATING ACTIVITIES**

Profit before Taxation

**Adjustments For**

Depreciation

Amortization

Defined Benefit Plan Cost

Fair Value increase of Investment Property

Revaluation Loss on Building

Impairment of Capital work in progress

Exchange (Gains) / Loss

Bad Debt Provision / (Over provision reversal)

Other Income - Balances written back

Old balances correction and written off

Income from Circuit Bungalows &amp; Hiring of Board Vehicles

Interest Income

Operating Profit before Working Capital Changes

**Changes in Working Capital**

(Increase)/Decrease in Inventories

(Increase)/Decrease in Trade Receivables

(Increase)/Decrease in Other Current Assets

Increase/(Decrease) in VAT and SSCL Payables

Increase/(Decrease) in Prizes Obligations

Increase/(Decrease) in Government Contribution (Special Levy) Payables

Increase/(Decrease) in Trade &amp; Other Payables

Income Tax Paid

Defined Benefit Plan Cost Paid

**NET CASH FLOW FROM OPERATING ACTIVITIES**
**CASH FLOW FROM INVESTING ACTIVITIES**

Additions to P.P.E, Investment Property, Intangible Assets &amp; Work-in Progress

Proceeds from Disposal of Property, Plant &amp; Equipment

Long Term Investments

Short Term Investments

Income from Circuit Bungalows &amp; Hiring of Board Vehicles

Staff Loans Granted

Staff Loans Recovered

Interest Received

**NET CASH FLOW FROM INVESTING ACTIVITIES**
**CASH FLOW FROM FINANCING ACTIVITIES**

Special Levy transferred to General Treasury by Building Reserve Fund

Special Levy transferred to General Treasury by Retained Earnings

**NET CASH FLOW FROM FINANCING ACTIVITIES**

Net Increase / (Decrease) in Cash &amp; Cash Equivalent

Cash &amp; Cash Equivalent at the beginning of the Year ( Note )

**CASH & CASH EQUIVALENT AT THE END OF THE YEAR**
**Note to the Cash Flow Statement**
**CASH & CASH EQUIVALENT**

Short Term Deposits

Cash in Hand &amp; at Bank

**NET CASH & CASH EQUIVALENT AT THE END OF THE YEAR**
**Note : Cash & Cash Equivalent at the beginning of the Year**

Add : Exchange Gains / (Loss)

Cash &amp; Cash Equivalent at the beginning of the Year

**2024  
Rs.**
**2023  
Rs.**

1,693,267,855

844,852,568

27,572,840

14,888,701

2,560,708

1,473,622

17,156,070

19,498,310

-

(26,884,983)

-

581,103

-

27,178,359

6,004

(3,300,399)

(901,639)

4,697,428

(216,972,325)

(68,203,023)

212,113

1,455,528

(705,204)

(760,816)

(715,227,589)

(1,194,699,827)

806,485,565

(379,223,430)

13,110,275

(9,747,636)

113,881,837

(31,557,892)

(92,646,674)

(95,557,684)

90,640,039

33,804,632

(223,212,509)

717,793,318

75,605,523

94,790,095

500,140,605

158,549,045

1,284,004,662

488,850,449

(79,380,272)

(206,821,185)

(8,810,834)

(7,004,270)

1,195,813,556

275,024,994

(266,229,089)

(6,157,118)

970,381

-

-

500,000,000

(50,747,156)

2,270,454,190

705,204

764,520

(65,007,784)

(43,980,017)

66,598,313

45,032,870

728,405,237

1,599,775,459

414,695,106

4,365,889,903

-

(1,000,000,000)

(1,060,000,000)

-

(1,060,000,000)

(1,000,000,000)

550,508,661

3,640,914,897

8,130,544,100

4,489,635,206

8,681,052,763

8,130,550,104

8,386,932,808

7,751,325,604

294,119,955

379,224,500

8,681,052,763

8,130,550,104

8,130,550,104

4,486,334,807

(6,004)

3,300,399

8,130,544,100

4,489,635,206



# NATIONAL LOTTERIES BOARD

## NOTES TO THE FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

#### 1.1 REPORTING ENTITY

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

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

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

#### 1.2 PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS

The main purpose of establishing the National Lotteries Board is to conduct national lotteries to raise funds for the Government.

#### 1.3 FINANCIAL PERIOD

The financial period of the Board represents twelve months from 01<sup>st</sup> January 2024 to 31<sup>st</sup> December 2024.


#### 1.4 RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and presentation of the Financial Statements of the Board following Sri Lanka Accounting Standards (SLFRS/LKAS) issued by the Institute of Chartered Accountants of Sri Lanka.

These Financial Statements include the following components:


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

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**NATIONAL LOTTERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**

07  
  
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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**2.1 GENERAL ACCOUNTING POLICIES**

**2.1.1 Basis of Preparation.**

These financial statements presented in Sri Lankan Rupees have been prepared on an accrual basis under the historical cost basis and on a fair value basis where applicable following Sri Lanka Accounting Standards (SLFRS & LKAS) laid down by the Institute of Chartered Accountants of Sri Lanka. The Financial Statements for the year ended 31<sup>st</sup> December 2024 were authorized for issue by the Board of Directors on 25<sup>th</sup> February 2025.

**2.1.2 Statement of Compliance.**

The Statement of Financial Position, Statement of Comprehensive Income, Changes in Equity and Cash Flows, together with Notes to Financial Statement of the Board as at 31<sup>st</sup> December 2024 and for the year then ended have been prepared in compliance with the Sri Lanka Accounting Standards (LKAS & SLFRS) issued by the Institute of Chartered Accountants of Sri Lanka and the requirement of the Finance Act No. 11 of 1963 with amendments to it in the Finance (Amendment) Act, No. 35 of 1997 and Finance (Amendment) Act, No. 22 of 1998 and the Finance Act, No. 38 of 1971.

**2.1.3 Going Concern.**

The Directors are confident of the Board's ability to continue as a going concern and they do not intend either to liquidate or to cease trading. The Management is satisfied that they have the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Board's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going-concern basis.

**2.1.4 Comparative Information.**

The accounting policies have been consistently applied by the Board and are consistent with those of the previous year. The previous year's figures and phrases have been rearranged and reclassified wherever necessary to conform to the current year's presentation. The Accounting Policies have been consistently applied by the Board with those of the previous financial year following LKAS 01 - Presentation of Financial Statements.

**2.1.5 Foreign Currency Transaction.**

All foreign exchange transactions are converted to Sri Lanka Rupees, which is the reporting currency, at the rate of exchange (spot exchange rate) prevailing at the time the transactions were affected. Foreign exchange gains and losses resulting from the settlement of such transactions and the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss. Monetary assets and liabilities denominated in foreign currencies are translated to Sri Lankan Rupee equivalents using the spot foreign exchange rates at the year's end, the resulting gains or losses are accounted for in the Statement of Income.



## NATIONAL LOTTERIES BOARD

### NOTES TO THE FINANCIAL STATEMENTS

#### 2.1.6 Basis of Measurement.

The Financial Statements have been prepared under the historical cost conversion, except for the following material items in the Statement of Financial Position,

- Financial instruments at fair value through profit or loss are measured at fair value
- Liability for defined benefit obligations is recognized as the present value of the defined benefit obligation plus unrecognized actuarial gains, less unrecognized past service cost, and unrecognized actuarial losses.
- Financial assets available for sales are measured at fair value

No adjustments are being made for inflationary factors affecting the Financial Statements.

The financial statements, except for information on cash flows have been prepared following the accrual basis of accounting.

#### 2.1.7 Functional and Presentation Currency.

The financial statements of the Board are presented in Sri Lankan Rupees, which is the Board's functional currency. All the financial information presented in Rupees has been rounded to the nearest Rupees unless stated otherwise.

#### 2.1.8 Materiality and Aggregation.

Each material class of similar items is presented cumulatively in the Financial Statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by the Sri Lanka Accounting Standard-LKAS 01 on 'Presentation of Financial Statements'.

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position, only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the statement of comprehensive income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies.

#### 2.1.9 Significant Accounting Judgments, Estimates and Assumptions

##### a) Judgments.

In the process of applying the Accounting Policies, Management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

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**NATIONAL LOTTERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**

09

*psp*  
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**Estimates and Assumptions.**

The preparation of the Board's financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenue, expenses, assets, and liabilities and the disclosure of contingent liabilities at the reporting date. The key assumptions concerning the future and other key sources of estimation uncertainty at the date of financial position, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year, have been considered.

**2.2 ASSETS**

**Assets & Bases of Other Valuations**

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements unless otherwise indicated.

**2.2.1. Property, Plant & Equipment**

**Basis of Recognition**

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

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

**Basis of Measurement**

**a) Cost.**

Property, Plant, and Equipment are stated at cost less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of Plant and Equipment are required to be replaced at intervals, the Board derecognizes the replaced part and recognizes the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Income as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.



**NATIONAL LOTTERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**

10

*PSR*  
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**b) Revaluation.**

Assets are measured at fair value less accumulated depreciation on the assets and impairment losses recognized after the date of the revaluation. Valuations are performed with sufficient frequency to ensure that the fair value of a revalued asset does not differ materially from its carrying amount.

Any revaluation surplus is recognized in Other Comprehensive Income and accumulated in equity in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the Other Comprehensive Income, in which case the increase is recognized in the Other Comprehensive Income. A revaluation deficit is recognized in the Other Comprehensive Income, except to the extent that it offsets an existing surplus on the same assets recognized in the asset's revaluation reserve.

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

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

Land, buildings, motor vehicles, computers & accessories, office equipment, furniture & fittings of the Board are subsequently carried at fair value, based on periodic valuations by the Government Valuer for the Department of Valuation or internally appointed committee as per the Assets Management circular no. 04/2018. The recent valuation has been completed in 2023.

**c) Depreciation.**

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Provision for depreciation is calculated by using the straight-line method on the cost or valuation of all Property, Plant, and Equipment other than freehold land, to write off such amounts over the estimated useful lives of such assets.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognized. The asset's residual values, useful lives, and methods of depreciation are reviewed at the end of each reporting period and adjusted only if required.



**NATIONAL LOTTERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**

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 Sri Lanka

As per the depreciation policy of the National Lotteries Board, an asset is depreciated in the month of purchase and depreciation will not be calculated in the month of disposal or end of useful lives.

The principal annual rates used for this purpose, which are consistent with those of the preceding years are,

	Per annum %
Freehold Buildings	05
Draw Barrels, Lottery Equipment	20
Motor Vehicles	25
Furniture and Fittings	10
Computers	25
Air Conditioners, General & Office Equipment	20
Promotional Equipment	33.33

**d) Subsequent Cost.**

The cost of replacing part of an item of Property, Plant & Equipment is recognized in the carrying amount of the item. If it is probable that the future economic benefits embodied within the part will flow to the Board and its cost can be measured reliably. The carrying amount of those parts that are replaced is derecognized under the de-recognition policy given below. The costs of the day-to-day servicing of Property, Plant & Equipment are recognized in the Statement of Income as incurred.

**e) De-recognition.**

An item of Property, Plant, and Equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Income when the asset is de-recognized.

The assets' residual values, useful lives, and methods of depreciation are reviewed at each financial year end and adjusted prospectively to the financial statements, to increase the relevance and reliability of the information provided in financial statements for decision makers if appropriate.


**f) Restoration Costs.**

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



**NATIONAL LOTTERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**2.2.2 Capital Work in Progress.**

Capital work in progress is transferred to the respective asset accounts at the time of the first utilization of the asset. The cost of capital work-in-progress is the cost of purchase or construction together with any related expenses thereon.

Expenditure incurred on capital work-in-progress for a permanent nature or to increase the earning capacity of the business has been treated as capital expenditure.

Capital work-in-progress is transferred to the respective asset accounts at the time of first utilization or at the time the asset is commissioned.

**2.2.3 Intangible Assets.**

**Computer Software**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. The intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, for rental, or administrative purposes.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Intangible assets have been amortized at the rate of 25% per annum. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible assets.

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the assets will flow to the entity and the cost of the assets can be measured reliably under LKAS 38 - 'Intangible Assets'.

Gains or losses arising from the de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.



**NATIONAL LOTTERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**

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**2.2.4 Leased Assets.**

**Leasing**

Assets acquired by way of a lease are measured at an amount equal to the lower of their fair value or the present value of minimum lease payments at the inception less accumulated depreciation and accumulated impairment losses.

The corresponding principal amount payable to the lessor is shown as a liability. The finance charges allocated to future periods are separately disclosed in the notes.

The interest element of the rental obligation applicable to each financial year is charged to the statement of comprehensive income throughout the lease to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The cost of improvements to or on leased property is capitalized, and depreciated over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is shorter.

Any excess of sales proceeds over the carrying amount of assets in respect of a sale and leaseback transaction is deferred and amortized over the lease term.

**Short-Term Leases and Leases of Low-Value Assets**

The Board has elected not to recognize Right-of-Use Assets and Lease Liabilities for leases of low-value assets and short-term leases. The Board recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**2.2.5 Investment property.**

Investment property of the Board includes Anuradhapura Circuit Bungalow & Mannar Circuit Bungalow.

**a) Basis of Recognition.**

Investment Property is Property held either to earn rental income for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes.

**b) Basis of Measurement.**

Investment Property is recognized when and only when it is probable that the future economic benefits associated with the item will flow to the group and the cost of the investment property can be measured reliably. Investment property, comprising freehold land and buildings, is property held for long-term rental for capital appreciation or both is not occupied substantially for the supply of goods or services or administration and is not intended for sale in the ordinary course of business.



## NATIONAL LOTTERIES BOARD

## NOTES TO THE FINANCIAL STATEMENTS

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Investment property is initially and subsequently measured at its cost including related transaction costs and is therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

The Board's investment property is revalued annually to open market value, with changes in the carrying value recognized in the Statement of Comprehensive Income.

**c) De-recognition.**

Investment properties are de-recognized when disposed, of or permanently withdrawn from use because no future economic benefits are expected. Any gain or loss on retirement or disposal is recognized in the Statement of Comprehensive Income in the year of retirement or disposal.

**d) Subsequent Transfers to/from Investment Property.**

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner-occupation, the commencement of an operating lease to another party, or completion of construction or development with a sale view.

**2.2.6 Impairment of Non-Financial Assets.**

The Board assesses at each reporting date whether there is an indication that an asset may be impaired. If such indication exists or when annual impairment testing for an asset is required the Board estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risk specific to the asset. These calculations are corroborated by valuation multiples, quoted share prices, or other available fair value indicators.

Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case, the impairment is also recognized in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the Board estimates the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot "exceed" the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.



## NATIONAL LOTTERIES BOARD

### NOTES TO THE FINANCIAL STATEMENTS

#### 2.2.7 Non-Current Assets held for Sale.

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sales transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less cost to sell.

Non-current assets and disposal groups are classified as held for sale only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Property, Plant and Equipment, and intangible assets once classified as held for sale are not depreciated or amortized.

#### 2.2.8 Financial Assets.

##### SLFRS 9 – Financial Instrument: classification and measurement

SLFRS 9, issued in 2014, replaces the guidance in LKAS 39 Financial Instruments: Recognition and Measurement. SLFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on the recognition and de-recognition of financial instruments from LKAS 39.

The Board classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Board's accounting policy for each category is as follows:

##### (a) Trade Receivables.

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to district dealers (e.g. trade receivables) but also incorporate other types of contractual monetary assets. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue.

##### (b) Other Current Assets.

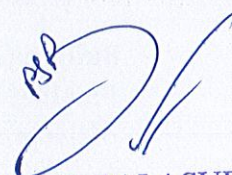
Trade and other receivables are initially measured at cost.

##### (c) Provision for Bad Debts

A provision for bad debts on unsecured trade debtors is made as the provision of debtors after eliminating the value of bank guarantees obtained against individual debtor balances based on the below-age analysis,

Debtor Period	Percentage (%)
<b>Active Debtors</b>	
0 – 3 months	- No Provision
4 – 6 months	- 2.5 %
7 – 12 months	- 5%
Over 12 months	- 10%
<b>Inactive Debtors</b>	
Debtors under legal case and	- 100%
Other disputes	

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**NATIONAL LOTTERIES BOARD**  
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**2.2.9 Inventories.**

Inventories are measured at cost only as there is no net realizable value (NRV) due to the short life cycle of the product, after making due allowances for obsolete and slow-moving items. As the lottery ticket stocks are fast-moving, there is no requirement to identify NRV. Net realizable value is the price at which inventories can be sold in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale

The stock of prizes which includes gold items, motor vehicles, and other prizes are valued at cost as there is no sale value for them – only the cost incurred. All such stocks are offered as prizes at any time in the future but not sold in an arms-length transaction.

The cost incurred in bringing inventories to its present location and condition is accounted for as the cost of inventory.

**2.2.10 Cash and Cash equivalents**

Cash and cash equivalents are defined as cash in hand and demand deposits. This includes cash in hand, deposits held at calls with banks, and other short-term highly liquid investments with original maturities of three months or less and for the statement of cash flows.

The cash flow statements are reported based on the indirect method.

**2.2.11 SLFRS 13 Fair Value Measurement**

SLFRS 13 requires assets and liabilities that are measured at fair value on a recurring and non-recurring basis together with the valuation techniques adopted.

**2.3 EQUITY, LIABILITIES & PROVISIONS**

**2.3.1 Equity**

**Accumulated Treasury Fund**

This represents the initial capital introduced by the General Treasury.

**Revaluation Reserve**

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

**Building Reserve Fund**

Building Reserve Fund was established to generate and utilize funds needed for the construction of the proposed head office building.



**NATIONAL LOTTERIES BOARD**  
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**Prizes Reserve Fund**

Prizes Reserves Fund is maintained to offer super prizes and special draw prizes of the lotteries conducted by the Board.

**Retained Earnings**

This represents the accumulated net surplus after taxation from the operations.

**2.3.2 Liabilities.**

Liabilities classified under current liabilities in the Statement of Financial Position are those expected to fall due within one year from the balance sheet date. All known liabilities have been accounted for in preparing the financial statements.

Trade creditors and other payables are stated in their book values.

**2.3.3 Provisions, Contingent Assets, and Contingent Liabilities.**

**Trade and Other Payables.**

Provisions are recognized when the Board has a present obligation (legal & constructive) as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**2.3.4 Income Tax Expense**

Income tax expenses comprise current and deferred tax. Income tax expense is recognized directly in the statement of profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

**Current Tax**

The provision for Income Tax is based on the elements of income and expenditure as reported in the financial statements and computed under the provisions of the Inland Revenue Act No.24 of 2017 and subsequent amendments thereto. Income Tax due/paid on the contribution made to the Consolidated Fund was received/recoverable in installments basis from future remittances to the respective fund as agreed with the authorities concerned.

**Deferred Tax**

Deferred tax is provided using the liability method on temporary differences at the Balance Sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognized for all temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits, and unused tax losses, to the extent that taxable profit will probably be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused losses can be utilized.



## NATIONAL LOTTERIES BOARD

### NOTES TO THE FINANCIAL STATEMENTS

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Unrecognized deferred tax assets are reassessed at each Statement of Financial Position date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the date of the Statement of Financial Position.

#### 2.4 EMPLOYEE BENEFITS

##### 2.4.1. Short-term Employee Benefits

Salaries, Incentive, Travelling Allowance, Annual Bonus, Medical, Uniform Allowance, Draw Allowance, Risk Allowance, Over time, and provision of meals.

##### 2.4.2. Long-term Employee Benefits

Housing Loan and Distress Loan

##### 2.4.3. Retirement Benefit Obligations

###### a). Defined Contribution Plans - EPF & ETF

All employees who are eligible for Employees Provident Fund (EPF) contributions and Employee Trust Fund (ETF) contributions are covered by relevant contribution funds in line with respective statutes and regulations. Contributions to defined contribution plans are recognized as expenditures in the Income Statement. Employee contribution for EPF is 10% whereas the Board provides 15% of the salary. The Board contributes 3% of the salary of each employee to the Employees' Trust Fund.

###### b). Defined Benefit Plan - Gratuity


Gratuity is a defined benefit plan. To meet this liability, a provision is carried forward in the Statement of Financial Position. The provision is made based on an actuarial valuation as recommended by the Sri Lanka Accounting Standards considering the Projected Unit Credit (PUC) method and the premium for the period is charged as an expense to the Income Statement. The actuarial valuation is carried out by a professionally qualified valuer and the Board expects to carry out actuarial valuation every year.

The fund is not externally funded.

However, as per the Payment of Gratuity Act No. 12 of 1983, the liability arises only upon the completion of five years of continuous service.



**NATIONAL LOTTERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**

  
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**2.5 INCOME STATEMENT**

**2.5.1 Revenue Recognition**

The lottery business of the National Lotteries Board does not require contracts with customers as it is general sales.

**a) SLFRS 15 - Revenue from contracts with customers**

SLFRS 15 establishes a comprehensive framework for determining whether, and how much and when revenue is recognized. It replaces existing revenue recognition guidance, including LKAS 18 Revenue, LKAS 11 Construction Contracts, and IFRIC 13 Customer Loyalty Programmes. Revenue of passive lotteries is recognized at the date of draw and revenue of instant lotteries is recognized at the date of invoice.

**b) Interest.**

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

**c) Others.**

Other income is recognized on an accrual basis.

**2.5.2 Expenditure Recognition.**

Expenses are recognized in the income statement based on a direct association between the cost incurred and the earnings of specific items of income. All the expenditure incurred in the running of the business and in maintaining the Property, Plant, and Equipment in a state of efficiency has been charged to income in arriving at the profit for the year.

**2.5.3 Payments made to Government Contribution (Special Levy)**

In terms of Section 9 (2) (f) of the Finance Act, No. 38 of 1971, payments made to the Government Consolidated fund (Special Levy) or payments made to the government as may be determined from time to time, by the Minister of Finance have been charged against revenue in determining the net surplus of the Board.

**2.6 GENERAL**

**2.6.1 Events Occurring after the Reporting Date.**

The materiality of the events occurring after the reporting date has been considered and appropriate adjustments to or disclosure have been made in the financial statements where necessary.

**2.6.2 Comparative Figures**

Where necessary, comparative figures have been reclassified to conform to the current year's presentation.



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- #### 2.6.4 Commitments and Contingencies

### 2.6.5 Forfeited Prizes

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

### 2.6.6 Distribution of Funds

With the approval of the Ministry of Finance and Planning, the Board increased the price of a ticket from Rs. 10.00 to Rs. 20.00 with effect from 02<sup>nd</sup> September 2008 and from Rs.20 to Rs.40 effective from 06<sup>th</sup> July 2023. Agency Commission too was increased from 15% to 17.5% in 2008 accordingly. Further, on the 01<sup>st</sup> of July 2019, the Agency Commission was increased again from 17.5% to 18.75%.

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

[illegible]



**NATIONAL LOTTERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**(b) Distribution of income for Scratch Lotteries.**

	Sevana Rs. 50/-	Sevana Rs.40/-	Samurdhi Rs. 50/-
Prizes	53%	53%	53%
Agent Commission	18.75%	18.75%	18.75%
Dealer Commission	1.25%	1.25%	1.25%
Government Contribution	10.00%	10.00%	10.00%
Board	17.00%	17.00%	17.00%
Total	100.00%	100.00%	100.00%

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

Passive Lotteries	Percentage	Consolidated Fund / Ministries
Mahajana Sampatha	16.5%	Consolidated Fund
Govisetha	10%	Consolidated Fund - Ministry of Agriculture
Lucky 7 (Wednesday)	10%	Consolidated Fund - Ministry of Health
Lucky 7 (Saturday and Sunday)	10%	Consolidated Fund - Ministry of Labour (Shrama Vasana Fund)
Lucky 7 (Monday, Tuesday, Thursday)	10%	Consolidated Fund
Lucky 7 (Friday)	10%	National Kidney Fund
Mega Power	10%	Consolidated Fund
Dhana Nidhanaya	10%	Consolidated Fund
Handahana (Monday, Tuesday and Wednesday)	10%	Consolidated Fund - Ranawiru Sewa Authority
Handahana (Thursday, Friday, Saturday and Sunday)	10%	Consolidated Fund - Ministry of Sports & Ministry of Social Services
Ada Sampatha	10%	Consolidated Fund
<b>Instant Lotteries</b>		
Sevana	10%	Consolidated Fund - Ministry of Housing
Samurdhi	10%	Consolidated Fund - Samurdhi and Youth Affairs

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**NATIONAL LOTTERIES BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**

**2.6.7 Accounting for Prizes**

The Board has maintained a Prize Reserve Fund Account to credit prize money not won in a particular draw to accumulate such prize money to award prizes in subsequent draws as stipulated in laws viz. section 5(1) of Finance (Amendment) Act No. 35 of 1997 and section 7(2) of Finance (Amendment) Act No.22 of 1998.

**2.6.8 E- Lottery**

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

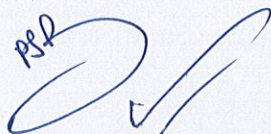
**2.6.9 Accounting Policies, Changes in Accounting Estimates and Errors.**

The following amended standards are not expected to have a significant impact on the Board's financial statements.

SLFRS 03 – Business Combination (Definition of a Business)

SLFRS 17 - Insurance Contracts

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## NATIONAL LOTTERIES BOARD

## NOTES TO THE INCOME STATEMENT

For the year ended 31st December

	Note	2024 Rs.	2023 Rs.
<b>Note 03 - Turnover - VAT Inclusive</b>			
Mahajana Sampatha		10,951,635,560	9,854,274,680
Govisetha		5,657,611,280	5,094,203,960
Jathika Sampatha		-	1,096,931,360
Mega Power		5,234,800,920	4,537,680,200
Dana Nidanaya		3,253,052,480	2,971,642,960
Handahana		5,497,416,080	6,034,965,800
Lucky 7		2,275,921,680	1,514,512,520
Ada Sampatha		4,782,718,760	-
Mega Million		-	143,192,000
Mega 60		-	143,253,000
MS Jaya King 5000		-	170,892,800
Samurdhi		52,058,000	47,942,000
Sevana - Scratch		277,992,000	404,710,000
		<b>37,983,206,760</b>	<b>32,014,201,280</b>
<b>Note 04 - Cost of Sales</b>			
Tickets Printing Charges	04-01	836,737,406	1,186,907,181
Agency Commission	04-02	7,121,851,268	6,002,662,740
Main Agency Commission	04-03	474,790,085	524,263,381
Prizes	04-04	19,617,689,592	16,671,455,496
Government Contribution (Special Levy)	04-05	4,510,176,987	3,841,947,982
		<b>32,561,245,336</b>	<b>28,227,236,781</b>
<b>Note 04-01 - Tickets Printing Charges</b>			
<b>Opening Stock as at 1st January</b>			
Passive Lottery		6,899,988	14,296,425
Sevana Lottery		5,431,530	-
Samurdhi Lottery		2,967,306	-
		<b>15,298,824</b>	<b>14,296,425</b>
Add : Purchase of Tickets during the year		<b>837,419,855</b>	<b>1,187,909,580</b>
		<b>852,718,679</b>	<b>1,202,206,005</b>
<b>Less : Closing Stock as at 31st December</b>			
Passive Lottery		12,611,286	6,899,988
Sevana Lottery		3,369,988	5,431,530
Samurdhi Lottery		-	2,967,306
		<b>15,981,274</b>	<b>15,298,824</b>
		<b>836,737,406</b>	<b>1,186,907,181</b>

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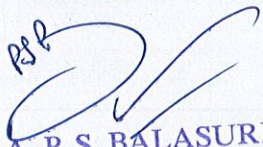
## NATIONAL LOTTERIES BOARD

## NOTES TO THE INCOME STATEMENT

For the year ended 31st December

	Note	2024 Rs.	2023 Rs.
<b>Note 04-02 - Agency Commission</b>			
Mahajana Sampatha		2,053,431,668	1,847,676,503
Govisetha		1,060,802,115	955,163,243
Jathika Sampatha		-	205,674,630
Mega Power		981,525,173	850,815,038
Dana Nidanaya		609,947,340	557,183,055
Handahana		1,030,765,515	1,131,556,088
Lucky 7		426,735,315	283,971,098
Ada Sampatha		896,759,768	-
Mega Million		-	26,848,500
Mega 60		-	26,859,938
Mahajana Sampatha Jaya King 5000		-	32,042,400
Samurdhi		9,760,875	8,989,125
Sevana - Scratch		52,123,500	75,883,125
		<b>7,121,851,268</b>	<b>6,002,662,740</b>
<b>Note 04-03 - Main Agency Commission</b>			
Mahajana Sampatha		136,818,093	123,160,968
Govisetha		70,721,350	63,648,956
Jathika Sampatha		-	13,703,300
Mega Power		65,399,046	56,675,928
Dana Nidanaya		40,676,804	37,141,768
Handahana		68,705,113	179,500,719
Lucky 7		28,560,070	37,844,930
Ada Sampatha		59,783,985	-
Mega Million		-	3,901,990
Mega 60		-	1,740,774
Mahajana Sampatha Jaya King 5000		-	2,109,720
Samurdhi		650,725	479,545
Sevana - Scratch		3,474,900	4,354,785
		<b>474,790,085</b>	<b>524,263,381</b>

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 No. 32, Deshamanya N. W. J. Mudalige Mawatha, Colombo 01  
 Sri Lanka



## NATIONAL LOTTERIES BOARD

## NOTES TO THE INCOME STATEMENT

For the year ended 31st December

	Note	2024 Rs.	2023 Rs.
<b>Note 04-04 - Prizes</b>			
Mahajana Sampatha		5,277,943,509	4,849,466,042
Govisetha		2,811,063,183	2,621,705,730
Jathika Sampatha		-	543,682,512
Mega Power		2,543,205,480	2,140,883,033
Dana Nidanaya		1,654,825,230	1,508,636,940
Handahana		3,054,906,960	3,606,142,591
Lucky 7		1,329,912,450	863,271,381
Ada Sampatha		2,770,906,280	-
Mega Million		-	109,764,000
Mega 60		-	126,109,500
MS Jaya King		-	97,408,896
Samurdhi		27,590,740	24,737,260
Sevana - Scratch		147,335,760	179,647,610
		<b>19,617,689,592</b>	<b>16,671,455,496</b>
<b>Note 04-05 - Government Contribution (Special Levy)</b>			
<b>Contribution to the Consolidated Fund</b>			
Mahajana Sampatha		1,807,019,867	1,625,955,322
Govisetha		565,761,128	509,420,396
Jathika Sampatha		-	109,693,136
Mega Power		523,480,092	453,768,020
Dana Nidanaya		325,305,248	297,164,296
Handahana		549,741,608	603,496,580
Lucky 7		195,337,952	147,272,520
Ada Sampatha		478,271,876	-
Mega Million		-	14,319,200
Mega 60		-	14,325,300
MS Jaya King		-	17,089,280
Samurdhi		5,205,800	4,794,200
Sevana - Scratch		27,799,200	40,471,000
		<b>4,477,922,771</b>	<b>3,837,769,250</b>
<b>Contribution to the National Kidney Fund</b>			
Lucky 7		32,254,216	4,178,732
		<b>32,254,216</b>	<b>4,178,732</b>
		<b>4,510,176,987</b>	<b>3,841,947,982</b>

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Sri Lanka




## NATIONAL LOTTERIES BOARD

## NOTES TO THE INCOME STATEMENT

For the year ended 31st December

	Note	2024 Rs.	2023 Rs.
<b>Note 05 - Other Income</b>			
Interest Income	05-01	715,227,589	1,194,699,827
Sundry Income	05-02	224,025,725	128,049,341
		<b>939,253,314</b>	<b>1,322,749,168</b>
<b>Note 05-01 - Interest Income</b>			
Interest on Fixed Deposits - Short Term Investment		236,974,901	778,467,348
Interest on Call Deposits - Short Term Investment		70,086,438	265,723,511
Interest on Treasury Bills		396,862,145	140,565,594
Interest on Laptops for Staff		25,510	163,060
Interest on Saving Accounts		736	815
Interest on Staff Loans		1,851,390	1,686,835
Interest on Staff Motor Bike Loans		567,553	283,777
Interest on Housing Loans		8,857,833	7,790,773
Interest on Foreign Currency Deposits (CASD/NAL)		1,083	18,114
		<b>715,227,589</b>	<b>1,194,699,827</b>
<b>Note 05-02 - Sundry Income</b>			
Non Refundable Tender Deposits		810,870	397,779
Income from Circuit Bungalows		705,204	760,816
Penalty on Service Charges		318,913	309,630
Fines (Others)		2,460,737	16,218,249
Sundry Income		1,096,441	3,439,038
Other Income and old balances written back		216,972,325	74,841,460
Suppliers, Dealers & Agents Registration Fee		1,177,966	1,896,987
Profit on Disposal of Assets & etc.		483,269	-
Fair Value Increase - Investment Property		-	26,884,983
Exchange Gains		-	3,300,399
		<b>224,025,725</b>	<b>128,049,341</b>

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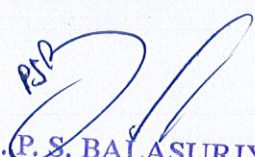
## NATIONAL LOTTERIES BOARD

## NOTES TO THE INCOME STATEMENT

For the year ended 31st December

	Note	2024 Rs.	2023 Rs.
<b>Note 06 - Sales, Marketing &amp; Distribution Expenses</b>			
Distribution Costs	06-01	370,792,590	532,775,998
Marketing & Sales Promotion Expenses	06-02	756,053,030	834,358,916
Communication Expenses	06-03	31,640,535	40,981,607
		<b>1,158,486,156</b>	<b>1,408,116,521</b>
<b>Note 06-01 - Distribution Expenses</b>			
Motor Vehicles - Fuel (50%)		15,723,848	22,033,682
Motor Vehicles - Repairs (50%)		16,452,652	9,913,316
Motor Vehicles - Insurance (50%)		685,621	665,755
Motor Vehicles - Revenue License (50%)		540,702	209,258
Motor Vehicles - Tires and Tubes (50%)		1,972,954	1,527,462
Motor Vehicles - Maintenance & Others (50%)		3,606,880	4,147,674
Motor Vehicles - Depreciation (50%)		480,988	458,311
Tickets Transport Charges		37,438,432	43,902,791
Provision for Bad Debts		(901,639)	4,697,428
Agent Relief Exp. / Cost of Returned Tickets		120,615	131,930
Dealers & Agents Training & Conference		687,238	3,265,954
Scholarships to Agents' Children		1,455,500	1,016,500
Agent & Seller Medical & Insurance Expenses		15,961,000	18,191,000
Agent Additional Sales Promotional Expenses		271,855,746	418,526,937
Agent Appreciation Token for Prize Winners		4,161,000	4,083,500
Agent's & Sellers Welfare		551,055	4,500
		<b>370,792,590</b>	<b>532,775,998</b>
<b>Note 06-02 - Marketing &amp; Sales Promotion Expenses</b>			
Production & Telecasting		499,124,600	523,318,217
Publication of Lottery Results		36,884,615	61,022,462
Brand Promotional Advertising		131,734,197	156,330,755
Corporate Advertising		20,527,965	42,480,422
CSR - Corporate Social Responsibility		8,046,400	4,655,000
BTL Advertising Exp		5,000,000	18,638,975
Sales Booth ect. to Agents		54,735,254	27,913,085
		<b>756,053,030</b>	<b>834,358,916</b>
<b>Note 06-03 - Communication Expenses</b>			
Postage and Telegrams (60%)		482,699	447,938
Telephone, Faxes and Internet (60%)		11,247,343	12,241,040
Printing and Stationery (60%)		19,381,331	27,017,096
Press Notices (60%)		529,162	1,275,533
		<b>31,640,535</b>	<b>40,981,607</b>

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## NATIONAL LOTTERIES BOARD

## NOTES TO THE INCOME STATEMENT

For the year ended 31st December

For the year ended 31st December		Note	2024 Rs.	2023 Rs.
<b>Note 07 - Administrative Expenses</b>				
Personnel Emoluments	07-01		717,325,811	664,228,905
Establishment Expenses	07-02		163,081,305	141,548,554
Other Administrative Expenses	07-03		247,767,499	251,142,757
			<b>1,128,174,614</b>	<b>1,056,920,215</b>
<b>Note 07-01 - Personnel Emoluments</b>				
Staff Salaries			250,605,815	210,229,783
Staff Overtime			34,922,638	40,442,574
Duty Allowance			1,527,288	1,599,403
Staff EPF			34,350,534	28,163,545
Staff ETF			6,870,107	5,624,787
Staff Pension			238,159	211,464
Staff Annual Bonus			30,000,000	24,402,489
Leave Encashment			7,492,149	8,154,073
Risk Allowance			1,132,200	1,095,000
Staff Welfare			42,924,147	44,956,975
Staff Uniforms			8,465,748	9,167,456
Defined Benefit Plan Cost		24	17,156,070	19,498,310
Welfare & Thrift Fund			9,601,684	7,058,387
Allowances to Chairman and Board Members			1,473,333	1,496,118
Production Incentive			143,866,396	119,082,649
Ex-gratia Payments			39,747,832	38,260,866
Staff & Board Members Traveling, Subsistence & Special Allowance			41,703,310	40,366,325
Target based employee motivation benefits			35,816,328	15,266,800
Duty Allowance for Van Sales - Staff			4,708,000	2,936,000
Gift to Staff			-	41,656,500
Employee benefit on Housing loan			4,724,072	4,559,403
			<b>717,325,811</b>	<b>664,228,905</b>
<b>Note 07-02 - Establishment Expenses</b>				
Rent			87,686,550	87,926,550
Rates & Taxes			30,270	65,370
Electricity			21,252,250	20,604,371
Water			1,431,514	1,383,295
Cleaning and Maintenance			10,898,447	9,913,650
Building - Repairs			38,720	73,300
Maintanance other than Vehicles			8,592,908	293,046
Repairs other than Vehicles			3,287,757	5,172,912
Insurance Other than Vehicles			599,912	670,359
Depreciation Other than Vehicles			26,610,865	13,972,078
Amortization of Investment Property			2,485,500	1,473,622
			<b>163,081,305</b>	<b>141,548,554</b>

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Sri Lanka



## NATIONAL LOTTERIES BOARD

## NOTES TO THE INCOME STATEMENT

For the year ended 31st December

	Note	2024 Rs.	2023 Rs.
<b>Note 07-03 - Other Administrative Expenses</b>			
External Audit Fee		2,700,000	2,440,500
Legal Fee		10,098,470	2,203,238
Over Seas Travel		456,363	-
Newspapers and Periodicals		250,000	844,670
Renewal Fee - Inter. Lottery Association		1,653,345	1,741,713
Motor Vehicles - Fuel (50%)		15,723,848	22,033,682
Motor Vehicles - Repairs (50%)		16,452,652	9,913,316
Motor Vehicles - Insurance (50%)		685,621	665,755
Motor Vehicles - Revenue License (50%)		540,702	209,258
Motor Vehicles - Tires and Tubes (50%)		1,972,954	1,527,462
Motor Vehicles - Maintenance & Others (50%)		3,606,880	4,147,674
Motor Vehicles - Depreciation (50%)		480,988	458,311
Non Consumable Items		1,631,696	1,887,016
Consumable Items		1,591,916	1,765,051
Incidental & General Expenses		3,599,832	13,367,066
Scrutiny of Prize Winning Tickets		164,430	161,690
Expenses at Board Meetings		273,585	318,435
Training and Seminar Fee		1,074,819	1,667,980
Circuit Bungalow Repair & Maintenance		380,852	1,601,778
Consultancy & Professional Charges		1,909,123	3,639,082
Prizes Validation Charges		14,247,734	17,813,843
Medical Expenses - Staff		99,650,000	88,150,000
Staff Accidental Insurance & Compensation		2,000,000	2,000,000
Vehicle Hire Charges		9,886,500	10,029,750
Software Maintenance		12,512,847	13,948,016
Refreshments Board of Directors		224,455	258,900
Fees to Tender Board Members		407,500	800,000
Sweep Audit Fee		22,496,700	20,227,500
Postage and Telegrams (40%)		321,799	298,625
Telephone, Faxes and Internet (40%)		7,498,229	8,160,694
Printing and Stationery (40%)		12,920,887	18,011,397
Press Notices (40%)		352,775	850,356
		<b>247,767,499</b>	<b>251,142,757</b>
<b>Note 08 - Finance and Other Expenses</b>			
Bank Charges		3,236,575	8,089,838
Old balances correction and written off		212,113	1,455,528
Revaluation Loss on Anuradhapura Regional Office Building		-	581,103
Impairment Provision for Capital work in progress		-	27,178,359
Exchange Loss		6,004	-
		<b>3,454,692</b>	<b>37,304,827</b>
<b>Note 09 - Income Tax</b>			
Current year Income Tax		127,122,510	153,274,709
Previous year Income Tax - under provision		54,188,242	38,769,324
Deferred Tax Expense / (Reversal)		7,754,291	1,931,382
<b>Income Tax Expense</b>	<b>09-01</b>	<b>189,065,042</b>	<b>193,975,415</b>



## NATIONAL LOTTERIES BOARD

## NOTES TO THE INCOME STATEMENT


For the year ended 31st December

	2024 Rs.	2023 Rs.
<b>Note 09-01 - Reconciliation between Tax Expenses and Accounting Profit</b>		
A reconciliation between tax expense and the product of accounting profit multiplied by the statutory tax rate is as follows;		
<b>Income Tax</b>		
Profit before Tax	1,693,267,855	844,852,568
Non Business Income - Interest Income	(715,227,589)	(1,194,699,827)
Aggregate Allowable Expense	(19,894,566,028)	(16,073,709,889)
Aggregate Disallowable Expenses	24,195,216,859	20,581,721,001
Statutory Income from Business	5,278,691,097	4,158,163,853
Non Business Income - Interest Income	715,227,589	1,194,699,827
<b>Total Assesable Income</b>	<b>5,993,918,686</b>	<b>5,352,863,679</b>
Less: Qualifying payments	(5,570,176,987)	(4,841,947,982)
<b>Total Taxable Income</b>	<b>423,741,699</b>	<b>510,915,697</b>
<b>Income Tax charge at</b>		
Current year Income Tax @ 30%	127,122,510	153,274,709
<b>Previous year Income Tax -corrections and adjustments</b>		
Under provision for the year ended 2020/2021	54,188,242	-
Under provision for the year ended 2022/2023	-	38,769,324
	<b>54,188,242</b>	<b>38,769,324</b>
<b>Deferred Tax Expense</b>		
Temporary Differences on		
Property, Plant & Equipment	102,370,907	69,079,672
Provision for Bad Debts	(20,411,278)	(21,312,917)
Provision for Gratuity	(97,383,455)	(81,161,686)
	<b>(15,423,826)</b>	<b>(33,394,930)</b>
Deferred Tax Asset @ 30%	(4,627,148)	(10,018,479)
Deferred Tax Asset at the beginning of the year	(10,018,479)	(14,221,487)
Deferred Tax (Reversal) / Expense	5,391,331	4,203,008
Deferred Tax Reversal / (Expense) on actuarial gain/loss	2,362,960	(2,271,626)
<b>Deferred Tax Reversal</b>	<b>7,754,291</b>	<b>1,931,382</b>
<b>Income Tax Expense</b>	<b>189,065,042</b>	<b>193,975,415</b>

Note : Income Tax Rate applicable for 2024 was 30% (2023: 30%).

Deferred tax has been calculated at the rate of 30% which is the future tax rate applicable to the Board and substantially enacted as of the year end.

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## NATIONAL LOTTERIES BOARD

## NOTES TO THE STATEMENT OF FINANCIAL POSITION

As at 31st December

## Note 10 - Property, Plant &amp; Equipment - Free Hold

	Land Rs.	Buildings Rs.	Motor Vehicles Rs.	Computers & Accessories Rs.	Office Equipment Rs.	Draw Barrels Rs.	Furniture & Fittings Rs.	Promotional Equipment Rs.	2024 Total Rs.	2023 Total Rs.
<b>Cost or Revalued Amount</b>										
Balance Beginning of the Year	1,008,450,000	50,965,000	275,810,109	145,902,680	61,079,671	162,980,392	39,486,680	13,389,940	1,758,064,472	1,215,002,574
Revaluation	-	-	-	-	-	-	-	-	-	536,083,680
Additions during the Year	-	-	-	2,749,200	3,521,883	258,678,758	519,248	-	265,469,089	6,978,218
Disposal during the Year	-	-	(1,057,000)	(770,900)	(1,005,202)	-	-	-	(2,833,102)	-
Balance end of the Year	1,008,450,000	50,965,000	274,753,109	147,880,980	63,596,352	421,659,149	40,005,928	13,389,940	2,020,700,459	1,758,064,472
<b>Depreciation</b>										
Balance Beginning of the Year	-	635,604	273,411,124	136,332,413	52,193,996	162,980,392	29,780,032	13,389,940	668,723,501	664,495,767
Revaluation adjustment	-	-	-	-	-	-	-	-	-	(10,660,967)
Depreciation for the Year	-	2,548,250	961,975	5,170,091	3,291,475	12,933,938	2,667,112	-	27,572,840	14,888,701
Depreciation on Disposal	-	-	(1,057,000)	(770,900)	(518,090)	-	-	-	(2,345,990)	-
Balance End of the Year	-	3,183,854	273,316,099	140,731,604	54,967,381	175,914,329	32,447,144	13,389,940	693,950,351	668,723,501
Carrying amount as at 31.12.2024	1,008,450,000	47,781,146	1,437,010	7,149,376	8,628,971	245,744,820.01	7,558,784	-	1,326,750,107	
Carrying amount as at 31.12.2023	1,008,450,000	50,329,396	2,398,985	9,570,267	8,885,675	-	9,706,648	-		1,089,340,971
Rate of Depreciation	-	05%	25%	25%	20%	20%	10%	33.33%		

Land - Vauxhall Street  
Building - Narahenpita Chairman's Bungalow & Vauxhall Building

## Fair Value Measurement

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

## Assets

Freehold Land &amp; Building

## Valuation Technique

Market Comparable method

This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature & location of the property.

## Significant unobservable inputs

Price per perch of land.

## Sensitivity of the input to the fair value

Estimated fair value would increase (decrease) if: - Price per perch increases (decreases).

## Property, Plant &amp; Equipment - Free Hold Property

Land and Buildings carried at revalued amount

Location	Last Revalued Date	Extent	Cost/Revalued Amount as at 31.12.2022 Rs.	Carrying Amount Rs. before Revaluation	Revaluation Amount Rs. 2023	Revaluation Surplus/(loss) Rs. 2023	Carrying Amount Rs. 31.12.2024	Carrying Amount Rs. 31.12.2023
Land - Vauxhall Street No. 55/57, Vauxhall Street, Colombo 02	01.09.2023	112.05 P	500,000,000	500,000,000	1,008,450,000	508,450,000	1,008,450,000	1,008,450,000
Chairmans Bungalow - Narahenpita D 8/1/2, Mangala Path, Mannin Town, Colombo 02	01.12.2023	0.1415Ha	9,900,000	4,991,250	17,000,000	12,008,750	16,079,167	16,929,167
WareHouse at Vauxhall Street Stores No. 55/57, Vauxhall Street, Colombo 02	01.09.2023		12,240,000	6,783,000	33,650,000	26,867,000	31,406,667	33,089,167
Anuradhapura Regional Office No. 352, 1st lane, Harischandra Mawatha, Anuradhapura	01.10.2023		1,191,320	896,103	315,000	(581,103)	295,313	311,063
			523,331,320	512,670,353	1,059,415,000	546,744,647	1,056,231,146	1,058,779,396

Board Property, Plant and Equipment with a cost of Rs. 630,426,325 (2023 - Rs. 628,666,509) have been fully depreciated and continue to be in use by the Board.

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## NATIONAL LOTTERIES BOARD

## NOTES TO THE STATEMENT OF FINANCIAL POSITION

As at 31st December

**Note 11 - Investment Property - Lease hold***Circuit Bungalows - Anuradhapura & Mannar*

Buildings - Lease Hold	2024 Rs.	2023 Rs.
<b>Cost or Revalued Amount</b>		
Balance Beginning of the Year	49,710,000	50,530,000
Additions during the Year	-	-
Revaluation	-	(820,000)
Balance end of the Year	49,710,000	49,710,000
<b>Accumulated Amortization</b>		
Balance Beginning of the Year	485,083	26,716,444
Revaluation adjustment	-	(27,704,983)
Amortisation for the Year	2,485,500	1,473,622
Balance end of the Year	2,970,583	485,083
Carrying amount as at 31.12.2024	46,739,417	
Carrying amount as at 31.12.2023		49,224,917

**Fair Value Measurement**

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

**Significant unobservable inputs**

Price per perch of land.

**Assets Valuation Technique**

Investment Property Market Comparable method.  
This method considers the selling price of a similar property within a reasonably recent period of time in determining the fair value of property being revalued. This involves evaluation of recent active market prices of similar assets, making appropriate adjustments for difference in size, nature & location of the property.

**Investment Property**

Location	Last Revalued Date	Extent	Cost Amount as at 31.12.2022	W.D.V. Amount as at Revaluation Date	Revaluation Amount as at Revaluation Date	Revaluation Surplus 2023	W.D.V. Amount as at 31.12.2023	W.D.V. Amount as at 31.12.2024
Anuradhapura Circuit Bungalow 1 <sup>st</sup> Lane. Harischandra	01.10.2023	1R 18.52	16,030,000	-	17,000,000	17,000,000	16,787,500	15,937,500
Mannar Circuit Bungalow Jubilee Road, Murungan	01.11.2023	0.2683 Ha	34,500,000	22,825,017	32,710,000	9,884,983	32,437,417	30,801,917
			50,530,000	22,825,017	49,710,000	26,884,983	49,224,917	46,739,417

Carrying amount has been adjusted for amortization for investment property.

**Note 12 - Intangible Assets**

Computer Software	2024 Rs.	2023 Rs.
<b>Cost</b>		
Balance Beginning of the Year	90,598,131	90,598,131
Additions during the Year	760,000	-
Balance end of the Year	91,358,131	90,598,131
<b>Accumulated Amortization</b>		
Balance Beginning of the Year	90,598,131	90,598,131
Amortisation for the Year	75,208	-
Balance end of the Year	90,673,339	90,598,131
Carrying amount as at 31.12.2024	684,791.54	
Carrying amount as at 31.12.2023		-

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## NATIONAL LOTTERIES BOARD

## NOTES TO THE STATEMENT OF FINANCIAL POSITION

As at 31st December

	Note	2024 Rs.	2023 Rs.
<b>Note 13 - Capital Work in Progress</b>			
Capital Work in Progress - Building		27,178,359	27,178,359
Less: Provision for impairment - Capital work in Progress		(27,178,359)	(27,178,359)
		-	-
<b>Note 14 - Deferred Tax Assets / (Liability)</b>			
Balance at the beginning of the year		(154,179,246)	14,221,487
Current year Deferred Taxation		(7,754,291)	(1,931,382)
Add : Deferred Tax attributable to remeasurment of Retirement benefit Obligation		2,362,960	(2,271,626)
Deferred Tax Liability on Revaluation surplus of Land and Buildings		-	(164,197,725)
<b>Balance at the end of the year</b>		<b>(159,570,577)</b>	<b>(154,179,246)</b>
<b>Movement in Deferred Tax Assets / (Liability)</b>			
Balance at the beginning of the year		(154,179,246)	14,221,487
Recognised in profit / (loss)	9	(7,754,291)	(1,931,382)
Recognised in other comprehensive income on Actuarial Gain		2,362,960	(2,271,626)
Recognised in other comprehensive income on Revaluation surplus of Land and Buildings		-	(164,197,725)
<b>Balance at the end of the year</b>		<b>(159,570,577)</b>	<b>(154,179,246)</b>
<b>Composition of Deferred Tax Assets / (Liability)</b>			
Deferred tax assets attributable to;			
Defined benefit obligations		29,215,037	24,348,506
Provision for Bad debts		6,123,383	6,393,875
Accelerated depreciation for tax purposes on property, plant & Equipment		(30,711,272)	(20,723,902)
Revaluation surplus of Land and Buildings		(164,197,725)	(164,197,725)
<b>Net deferred tax assets / (liability)</b>		<b>(159,570,577)</b>	<b>(154,179,246)</b>
<b>Note 15 - Staff Loans</b>			
Distress Loans		47,284,036	50,066,507
Housing Loans		72,563,542	71,300,921
		<b>119,847,578</b>	<b>121,367,428</b>
<b>Note 15-01 Loans receivables within one year</b>			
Distress Loans		15,217,972	15,114,271
Housing Loans		5,247,327	5,280,349
	19-03	<b>20,465,299</b>	<b>20,394,620</b>
<b>Note 15-02 Loans receivables after one year</b>			
Distress Loans		32,066,064	34,952,236
Housing Loans		67,316,215	66,020,571
		<b>99,382,279</b>	<b>100,972,808</b>
<b>Note 16 - Long Term Investments</b>			
Fixed Deposits (matured after 12 months)		-	-
		-	-
<b>Note 17 - Inventories</b>			
Printed Tickets Stocks	17-01	15,981,274	15,298,824
Prizes Stocks	17-02	18,367,381	26,159,916
Consumable Stocks	17-03	10,559,258	16,559,447
		<b>44,907,912</b>	<b>58,018,187</b>
<b>Note 17-01 - Printed Tickets Stocks</b>			
Tickets - Passive		12,611,286	6,899,988
Tickets - Sevana - Scratch		3,369,988	5,431,530
Tickets - Samurdhi - Scratch		-	2,967,306
		<b>15,981,274</b>	<b>15,298,824</b>
<b>Note 17-02 - Prizes Stocks</b>			
Prizes Stock - Samurdhi/Shrama		-	18,194
Prizes Stock - Sevana		3,980	3,980
Prize Car & Other Items Stocks		6,662,314	17,501,423
Promotional Items Stocks		9,072,538	6,007,770
Promotional Event Items		2,628,548	2,628,548
		<b>18,367,381</b>	<b>26,159,916</b>
<b>Note 17-03 - Consumable Stocks</b>			
Paper & Stationery		9,004,955	9,297,365
Gold Stock & Advertising Materiels		539,985	6,826,785
Tyres & Tubes Stocks		32,298	107,298
Non Consumable Items		829,417	62,384
Consumable Items		152,603	265,615
		<b>10,559,258</b>	<b>16,559,447</b>

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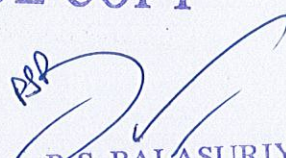
## NATIONAL LOTTERIES BOARD

## NOTES TO THE STATEMENT OF FINANCIAL POSITION

As at 31st December

	Note	2024 Rs.	2023 Rs.
<b>Note 18 - Trade Receivables</b>			
Trade Debtors		156,206,809	270,088,647
Less : Provision for Doubtful Debts		(20,411,278)	(21,312,917)
		<b>135,795,532</b>	<b>248,775,730</b>
<b>Note 19 - Other Current Assets</b>			
Other Debtors	19-01	82,415,401	12,219,215
Accounts Receivables	19-02	1,541,203	1,724,024
Staff Loans	19-03	31,740,874	36,456,044
Deposits & Prepayments	19-04	136,868,696	125,462,155
		<b>252,566,174</b>	<b>175,861,437</b>
<b>Note 19-01 Other Debtors</b>			
Advances to Staff		12,603	557,603
Advances to Outsiders		79,401,003	7,414,067
Recovery of Computer & Accessories to Agents		92,336	92,336
Recovery of Sales Booth to Agents		2,628,208	318,208
Recovery of Bicycles to Agents		281,250	3,802,000
Recovery of Motor Bicycles to Agents		-	15,000
Recovery of Bicycle Loss - Procurement Division		-	20,000
		<b>82,415,401</b>	<b>12,219,215</b>

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Unaudited Financial Statements 2024

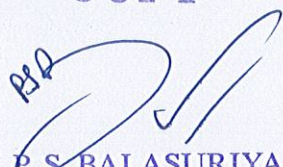


## NOTES TO THE STATEMENT OF FINANCIAL POSITION

As at 31st December

	Note	2024 Rs.	2023 Rs.
<b>Note 19-02 - Accounts Receivables</b>			
Sundry Income Receivable		1,541,203	1,724,024
		<b>1,541,203</b>	<b>1,724,024</b>
<b>Note 19-03 - Staff Loans</b>			
Festival Advance		110,577	245,577
Distress Loans	15-01	15,217,972	15,114,271
Motor Bike Loans		11,164,998	14,354,999
Staff advance for Laptops		-	1,460,847
Housing Loans	15-01	5,247,327	5,280,349
		<b>31,740,874</b>	<b>36,456,044</b>
<b>Note 19-04 - Deposits &amp; Prepayments</b>			
Staff Security Deposits - Peoples Bank		2,500	2,500
Staff Security Deposits - NSB		13,400	13,400
Postal Franking Machine Deposits		66,610	43,483
General Deposits -Building and others		28,023,010	28,523,010
Prepaid (deferred) expenses for employee Benifits		33,954,118	25,767,018
Payments in Advance		11,479,882	7,783,568
Rent Paid in Advance		63,329,175	63,329,175
		<b>136,868,696</b>	<b>125,462,155</b>

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## NATIONAL LOTTERIES BOARD

## NOTES TO THE STATEMENT OF FINANCIAL POSITION

As at 31st December

	Note	2024 Rs.	2023 Rs.
<b>Note 20 - Short Term Investments</b>			
Fixed Deposits (matured within 03 to 12 months)		462,977,820	425,408,312
		<b>462,977,820</b>	<b>425,408,312</b>
A Bank Guarantee has been given to the Tax Appeals Commission amounting Rs. 308,195,850.25 for an appeal made for Income Tax case for the year of assessment 2017/2018 as disclosed in Note 30.			
<b>Note 21 - Cash &amp; Cash Equivalent</b>			
Cash in Hand and at Bank	21-01	294,119,955	379,224,500
Short Term Deposits	21-02	8,386,932,808	7,751,325,604
		<b>8,681,052,763</b>	<b>8,130,550,104</b>
<b>Note 21-01 - Cash in Hand &amp; at Bank</b>			
Imprest Prizes Account - Prizes Division		-	70,000
Cashier Imprest Account - Staff Payments		487,644	125,000
Petty Cash Imprest - Territory Managers		254,437	254,437
Petty Cash Imprest - Finance Division		-	10,000
Petty Cash Imprest - Supplies Division		-	75,000
Petty Cash Imprest - Marketing Division		-	30,000
Petty Cash Imprest - A'pura Circuit Bungalow		20,000	20,000
Petty Cash Imprest - Mannar Bungalow		15,000	15,000
Petty Cash Imprest - Lunch to Staff		-	125,000
Petty Cash Imprest - Chairman's Division		20,000	30,000
Petty Cash Imprest - GM Secretary		-	15,000
Petty Cash Imprest - Maintenance Division		-	30,000
Petty Cash Imprest - Dealer Administration Division		-	10,000
Cash in Hand		<b>797,081</b>	<b>809,437</b>
People's Bank Collection A/C 100110000356 - Control		1,304,603	59,122,273
People's Bank Collection A/C 100102536865 - Samurdhi		2,750,086	4,742,318
People's Bank Collection A/C 100102536870 - Sevana		8,594,113	8,185,901
People's Bank Collection A/C 100120004151 - Special Scratch		157,265	442,940
People's Bank Collection A/C 100192536861 - MS		61,094,005	76,211,835
People's Bank Collection A/C 100132536864 - GS		29,403,005	33,884,404
People's Bank Collection A/C 100190001663 - JS		-	1,349,575
People's Bank Collection A/C 100250007633 - Special Passive		50,000	3,813,698
People's Bank Collection A/C 100170004200 - MP		29,836,478	37,201,909
People's Bank Collection A/C 100194230335 / 100170007864 - Special		50,000	1,401,696
People's Bank Collection A/C 100170007736 - DN		26,088,995	31,465,983
People's Bank Collection A/C 100110009267 - HH		28,380,335	26,897,764
People's Bank Collection A/C- 100190009923 - Lucky 7		15,214,803	24,072,276
People's Bank Collection A/C 100110010157 - Ada Sampatha		38,536,344	-
People's Bank Collection A/C 100272536871 - NLB Jaya		50,000	-
People's Bank Collection A/C - Mega Million		50,000	17,405,618
Sampath Bank Collection A/C 17560000537 - Control		100,000	334,000
Bank of Ceylon Bank Collection A/C 81693845 - Control		20,301,260	5,759,406
People's Bank Collection A/C 796402110230649 - CASD		31,419	34,142
People's Bank Collection A/C 796402100020166 - DF		25,823	27,580
People's Bank Board Expenditure A/C 100182536871		30,557,024	43,209,713
People's Bank Board Reserve A/C 100162536872		93,418	123,921
People's Bank Consolidated Fund A/C 100122536874		117,596	122,135
People's Bank Digital Lottery Collection A/C 100180009278		46,500	46,500
People's Bank Digital Lottery Prize A/C 100180009279		46,500	46,500
Card Sales Collection		50,000	-
People's Bank Asarana Sarana A/C 100424230200		264,134	2,386,771
People's Bank Debit Card A/C 1001 500 08893		100,000	100,000
Saving Accounts - PB ( Safe Deposit of Locker )		29,169	26,204
Cash at Bank		<b>293,322,874</b>	<b>378,415,063</b>
Cash in Hand & at Bank		<b>294,119,955</b>	<b>379,224,500</b>
<b>Note 21-02 - Short Term Deposits</b>			
Fixed Deposits (matured within 03 months)		4,324,797,608	5,696,196,084
Treasury Repo Deposits		4,022,128,898	-
Call Deposits		40,006,301	2,055,129,520
		<b>8,386,932,808</b>	<b>7,751,325,604</b>

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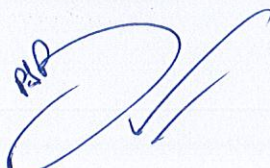
## NATIONAL LOTTERIES BOARD

## NOTES TO THE STATEMENT OF FINANCIAL POSITION

As at 31st December

	Note	2024 Rs.	2023 Rs.
<b>Note 22 - Retained Earnings</b>			
Balance at the beginning of the year		3,603,093,604	2,396,866,790
Profit for the Year		1,504,202,812	650,877,152
		5,107,296,418	3,047,743,944
Net change in Prizes Reserve		(1,563,152)	550,049,200
Less : Special Levy transferred to General Treasury by Retained Earnings		(1,060,000,000)	-
Add: Writeoff Disposal Property, Plant & Equipment Revaluation Gain		316,118	-
Add : Adjustment against Revaluation Gain on Disposal of P. P. & E.		-	-
Less : Actuarial Gain / (Loss) on defined benefit plans		(7,876,533)	7,572,085
Add : Deferred Tax attributable to remeasurment of Retirement benefit Obligation		2,362,960	(2,271,626)
Balance at the end of the year		4,040,535,811	3,603,093,604
<b>Note 23 - Other Components of Equity</b>			
Accumulated Treasury Fund		21,263,101	21,263,101
Revaluation Reserve	23-01	681,073,373	681,389,491
Building Reserve	23-02	264,594,305	264,594,305
Prizes Reserve	23-03	1,765,933,728	1,764,370,577
Balance at the end of the year		2,732,864,507	2,731,617,473
<b>Note 23-01 - Revaluation Reserve</b>			
Balance at the beginning of the year		681,389,491	298,261,466
Add: Writeoff Disposal Property, Plant & Equipment Revaluation Gain		(316,118)	-
Add: Revaluation for Land and Building		-	547,325,750
Less : Deferred Tax on Revaluation Gain on Land and Buildings		-	(164,197,725)
Balance at the end of the year		681,073,373	681,389,491
<b>Note 23-02 - Building Reserve</b>			
Balance at the beginning of the year		264,594,305	1,264,594,305
Transfer to General Treasury		-	(1,000,000,000)
Balance at the end of the year		264,594,305	264,594,305
<b>Note 23-03 - Prizes Reserve</b>			
Balance at the beginning of the year		1,764,370,577	2,240,661,848
Add : Net Change in Prizes Reserves		1,563,152	(550,049,200)
Less : Balances corrections and trasfers		-	73,757,929
Balance at the end of the year as analysed below		1,765,933,729	1,764,370,578
Prizes Reserve - Mahajana Sampatha		652,873,161	454,998,891
Prizes Reserve - Govisetha		256,098,148	294,931,804
Prizes Reserve - Mega Power		327,535,454	377,075,754
Prizes Reserve - Dana Nidanaya		200,226,188	261,055,703
Prizes Reserve - Lucky 7		117,045,372	149,682,464
Prize Reserve - Ada Sampatha		3,070,601	-
Prizes Reserve - Handahana		209,084,804	226,625,961
Balance at the end of the year		1,765,933,728	1,764,370,577

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## NATIONAL LOTTERIES BOARD

## NOTES TO THE STATEMENT OF FINANCIAL POSITION

As at 31st December

	Note	2024 Rs.	2023 Rs.
<b>Note 24 - Retirement benefit Obligation</b>			
Balance at the beginning of the year		81,161,686	76,296,051
Interest Cost		10,551,019	13,733,289
Past and Current Service Costs		6,605,051	5,765,021
Charge to Income Statement		17,156,070	19,498,310
Actuarial (Gain) / Loss included in Other Comprehensive Income		7,876,533	(7,572,085)
		25,032,603	11,926,225
Paid / Payable for during the year		(8,810,834)	(7,060,590)
Balance at the end of the year		97,383,455	81,161,686

**Principal Actuarial Assumptions**

An actuarial valuation was carried out as at 31st December 2024 by Mr. M. Poopalanathan, AIA, of Messrs Actuarial and Management Consultants (Pvt) Ltd., a firm of professional actuaries. Principal Actuarial Assumptions as follows;

Rate of discount	11.00%	13.00%
Salary escalation rate	10.00%	10.00%
Retirement Age in years	60	60
Staff Turnover	3.00%	3.00%
Disability Rate	10% of Mortality table	
Mortality Table	A 1967/70 Mortality table	

**Sensitivity Analysis**

A one percentage change at the reporting date to one of the actuarial assumptions would have the following effects to defined benefit obligation.

Variable	2024		2023	
	Increase +1%	Decrease -1%	Increase +1%	Decrease -1%
<b>Discount Rate</b>				
Sensitivity level				
Impact on defined benefit obligation Rs.	88,500,472	107,689,735	74,117,117	89,332,022
<b>Salary Escalation Rate</b>				
Sensitivity level				
Impact on defined benefit obligation Rs.	107,957,839	88,140,979	88,172,530	75,023,732

Distribution of Present Value of Defined Benefit Obligation in future years are as follows.

	2024 Rs.	2023 Rs.
Within the next 12 months	5,086,751	8,107,903
Between 2 to 5 years	23,861,934	20,123,449
After 5 years	68,434,769	52,930,334
	97,383,454	81,161,686
The Weighted Average duration of Defined Benefit Obligation in years	10.80	10.50

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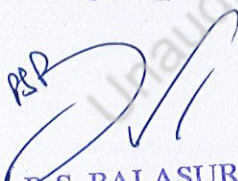
## NATIONAL LOTTERIES BOARD

## NOTES TO THE STATEMENT OF FINANCIAL POSITION

As at 31st December

	Note	2024 Rs.	2023 Rs.
<b>Note 25 - Trade &amp; Other Payables</b>			
Payable to Government Contribution (Special Levy)	25-01	442,037,522	366,431,999
Sweep Collection in Advance	25-02	336,415,125	251,455,350
Prizes Obligations	25-03	1,902,640,070	2,125,852,579
Trade & Other Creditors	25-04	283,300,753	306,797,518
Accrued Expenses	25-05	773,171,598	551,466,327
		<b>3,737,565,067</b>	<b>3,602,003,773</b>
<b>Note 25-01 - Payable to Government Contribution (Special Levy)</b>			
<b>Contribution to the Consolidated Fund</b>			
Mahajana Sampatha		178,524,522	143,622,831
Govisetha		51,226,404	43,740,008
Mega Power		51,298,552	41,114,000
Dhana Nidhanaya		28,745,104	27,170,776
Lucky 7		18,819,736	24,350,716
Samurdhi		-	240,000
Sevana - Scratch		4,175,600	11,475,800
Handahana		48,680,008	46,073,368
Ada Sampatha		60,567,596	-
Mega Million		-	14,319,200
Mega 60		-	14,325,300
		<b>442,037,522</b>	<b>366,431,999</b>
<b>Note 25-02 - Sweep Collection in Advance</b>			
Mahajana Sampatha		92,552,325	79,094,400
Govisetha		46,882,050	40,975,650
Lucky 7		19,484,700	24,042,900
Mega Power		43,656,000	39,081,750
Ada Sampatha		57,985,440	-
Dhana Nidhanaya		28,713,450	26,113,350
Handahana		47,122,800	42,147,300
NLB Jaya		18,360	-
		<b>336,415,125</b>	<b>251,455,350</b>

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 Deputy General Manager - Legal &  
 Secretary to the Board  
 National Lotteries Board  
 No. 32, Deshamanya N. W. J. Mudalige Mawatha, Colombo 01  
 Sri Lanka




## NATIONAL LOTTERIES BOARD

## NOTES TO THE STATEMENT OF FINANCIAL POSITION

As at 31st December

	Note	2024 Rs.	2023 Rs.
<b>Note 25-03 - Prizes Obligations</b>			
Prizes Payable - Passive Lotteries	25-03-01	1,781,845,404	1,978,177,967
Provision for Prizes - Scratch Lotteries	25-03-02	120,794,666	147,674,612
		<b>1,902,640,070</b>	<b>2,125,852,579</b>
<b>Note 25-03-01 - Prizes Payables</b>			
Mahajana Sampatha		320,792,600	344,274,930
Govisetha		229,749,193	325,210,544
Jayawiru		1,000,000	1,000,000
Jathika Sampatha		-	13,523,280
Mega Power		645,173,410	588,073,574
Lucky 7		86,249,896	100,242,986
Dana Nidanaya		185,846,079	212,377,674
Handahana		159,179,466	164,237,880
ADA Sampatha		153,854,760	-
Mega Million		-	109,356,000
Mega 60		-	114,300,400
Jaya King		-	5,580,700
		<b>1,781,845,404</b>	<b>1,978,177,967</b>
<b>Note 25-03-02 - Provision for Prizes</b>			
Samurdhi - Scratch		12,469,393	12,170,253
Sevana - Scratch		108,325,272	118,435,622
Special - Scratch		-	17,068,736
		<b>120,794,666</b>	<b>147,674,612</b>

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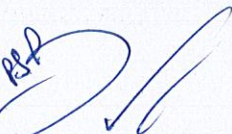


## NOTES TO THE STATEMENT OF FINANCIAL POSITION

As at 31st December

	Note	2024 Rs.	2023 Rs.
<b>Note 25-04 - Trade &amp; Other Creditors</b>			
Sundry Creditors		160,285	375,999
Advance Received from Agents-Sales Booth		476,900	1,216,900
Refundable Tender Deposits		7,865,590	13,222,492
Staff Security Deposits		15,900	15,900
Stamp Duty - Retention		52,475	53,975
Retention from District Dealer Service Charges		1,956,677	3,459,336
Withholding Tax		27,089,057	12,799,178
Retention Others		202,677	202,006
Asarana Sarana Control Account		4,261,616	21,951,248
Retention of Prizes Validation Charges		554,197	746,102
Retention of D.D. Cash Prizes ( Promotional )		-	5,000
Unclaimed Incentive, Bonus & Encashment Leave		1,686,101	1,609,400
Collection Cash Book Control Account - People's Bank		120,304,603	155,122,273
Collection Cash Book Control Account - Sampath Bank		100,000	334,000
Collection Cash Book Control Account - Bank of Ceylon		110,301,260	83,759,406
PAYE Tax		3,393,010	2,004,633
Retention of Mannar Circuit Bungalow - SEC		-	2,729,526
Mannar Circuit Bungalow Payable - SEC		-	2,335,562
Sweep Creditors		4,880,406	4,854,583
		<b>283,300,753</b>	<b>306,797,518</b>
<b>Note 25-5 - Accrued Expenses</b>			
Staff Allowances & Staff Payments		113,231,081	107,690,017
Rent, Rates & Taxes		-	8,715,792
Electricity, Water & Telephone		2,799,682	3,283,129
Repair & Cleaning & Maintenance of Buildings		2,244,311	2,148,548
Fixed Assets & Stocks		96,109,980	14,251,470
Printing & Stationery & Press Notice/Software Maintenance		769,687	1,532,039
Vehicles-Fuel & Repairs & Maintenance		13,151,951	8,108,978
Consultancy & Professional Charges		1,132,200	11,572,866
Prizes Validation Charges/Main Agency Commission		28,051,456	3,501,548
Transport Charges - Tickets/Vehicle Hire Charges		11,069,595	5,884,666
Advertising Expenses		96,982,194	162,764,908
Sales Booth to Agents & Maintenance Charges		3,851,150	2,596,660
Other Expenses - Additional Sales Promotion, Agent Relief, Agent Incentive etc.		31,791,576	137,443,206
Printing Charges - Tickets		359,456,634	71,041,500
External & Sweep Audit Fee		12,530,100	10,931,000
		<b>773,171,598</b>	<b>551,466,327</b>
<b>Note 26 - Current Tax Payables</b>			
VAT Payables	26-01	151,508,992	80,962,172
VAT Payable - Previous periods		8,638,749	
Social Security Contribution Levy (SSCL) Payables		70,167,353	58,712,883
Income Tax Payables	26-02	52,622,282	(33,578,372)
		<b>282,937,376</b>	<b>106,096,683</b>
<b>Note 26-01 VAT</b>			
VAT Payable		151,527,391	82,045,622
Less : VAT Recoverable		(18,399)	(1,083,450)
		<b>151,508,992</b>	<b>80,962,172</b>
<b>Note 26-02 Income Tax Payables</b>			
Balance at the begning of the year		(33,578,372)	55,093,219
Provision for Taxation		127,122,510	153,274,709
Previous year under provision		54,188,242	38,769,324
Income Tax paid		(79,380,272)	(206,821,185)
Set off Advance Income Tax		(15,729,825)	(73,894,439)
		<b>52,622,282</b>	<b>(33,578,372)</b>

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Sri Lanka



**NATIONAL LOTTERIES BOARD**  
**NOTES TO THE STATEMENT OF FINANCIAL STATEMENTS**

**27. Related Party Disclosures**

The Board carried out transactions in the ordinary course of its business with parties who are defined as related parties in LKAS 24 - Related Party Disclosures. The details of which are given below.

**27.1 Key Management Personnel**

According to Sri Lanka Accounting Standard 24 - Related Party Disclosures, the Key Management Personnel (KMP) are those having authority and responsibility for planning, directing, and controlling the activities of the entity. Accordingly, the Directors of the Board and the Chairman/CEO have been classified as KMP of the Board directly or indirectly.

**27.1.1 Transaction with key management personnel (KMP)**

	2024	2023
	Rs.	Rs.
Short Term Benefits	3,671,932	4,185,764

**28. Financial Assets and Financial Liabilities - Accounting Classification and Fair Values**

**28.1 Fair Value of Financial Instruments Carried at Amotised Cost**

Following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at the fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying Amount	Carrying Amount
	2024	2023
	Rs.	Rs.
<b>As at 31 December 2024</b>		
<b>Financial Assets not Measured at Fair Value</b>		
Trade Receivables	135,795,532	248,775,730
Staff Receivables	31,740,874	36,456,044
Other Current Assets	83,956,604	13,943,238
Short Term Investments	462,977,820	425,408,312
Cash and Cash Equivalents	8,681,052,763	8,130,550,104
	<u>9,395,523,592</u>	<u>8,855,133,427</u>
<b>Financial Liabilities</b>		
<b>Financial Liabilities not Measured at Fair Value</b>		
Trade Payables	283,300,753	306,797,518
Prizes Payables	1,902,640,070	2,125,852,579
	<u>2,185,940,822</u>	<u>2,432,650,097</u>

**28.2 Classes of financial instruments that are not carried at fair value and of which carrying amounts are a reasonable approximation of fair value,**

This includes trade, staff and other receivables, short term investments, cash and cash equivalents, trade and other payables.

The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair values due to their short term nature.

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## NATIONAL LOTTERIES BOARD

## NOTES TO THE STATEMENT OF FINANCIAL STATEMENTS

## 29. Financial Instruments - Risk Management

## Overview

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

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

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

## Risk Management Framework

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

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

## 29.1 Credit Risk

Credit risk is the risk of financial loss to the Board if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises from its' operating activities principally from the Board's receivables from customers and investment securities and cash at bank.

## 29.1.1 Trade and Other Receivables

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

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

As at 31 December,	Carrying Value	
	2024 Rs.	2023 Rs.
Trade Receivables	135,795,532	248,775,730
Staff Receivables	31,740,874	36,456,044
Other Current Assets	83,956,604	13,943,238
Short Term Investments	462,977,820	425,408,312
Cash at Bank	8,680,255,682	8,129,740,667
	<u>9,394,726,512</u>	<u>8,854,323,991</u>

## Age analysis of trade receivables after provision for impairment

As at 31 December 2024,

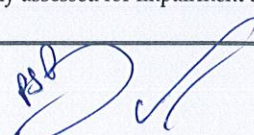
	Past due but not impaired				Impaired	Gross trade receivables
	Less than 30 days	31 -90 days	90 - 365 days	More than 365 days		
Trade receivables	105,248,248	17,266,477	11,964,062	1,316,744	20,411,276	156,206,809
	<u>105,248,248</u>	<u>17,266,477</u>	<u>11,964,062</u>	<u>1,316,744</u>	<u>20,411,276</u>	<u>156,206,809</u>

As at 31 December 2023,

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

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

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## NATIONAL LOTTERIES BOARD

## NOTES TO THE STATEMENT OF FINANCIAL STATEMENTS

**29.2 Liquidity Risk**

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Cash flow forecasting is done by the Board on a regular basis. The finance division monitors rolling forecasts of the Board's liquidity requirements to ensure it has sufficient cash to meet operational needs.

**29.3 Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and security prices will affect the Board's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

**29.4 Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Board's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Board's operations.

Compliance with Board standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the Audit Committee and the relevant divisions to which they relate, with summaries submitted to the Board of Directors and senior management. The responsibility is supported by the development of overall Board standards for the management of operational risk in the following areas.

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance when this is effective.

**29.5 Capital Management**

The Primary Objective of the Board's capital management is to ensure that it maintains a strong financial position and healthy capital ratios in order to support its business.

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# **NATIONAL LOTTERIES BOARD**

## **NOTES TO THE STATEMENT OF FINANCIAL POSITION**

### **30. Capital Commitments and Contingencies**

The Department of Inland Revenue has issued an assessment in respect of the Income Tax filed, by disallowing the amount given to the Consolidated fund, for the year of assessment 2016/2017 amounting to an additional tax value of Rs. 946,462,661/- and a penalty of Rs. 397,514,318/-. Tax Appeal Commission has determined the case in favor of NLB and the Department of Inland Revenue disagreed with the decision and filed a case in the Court of Appeal. The said case is hearing in the court of appeal.

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

The Department of Inland Revenue has issued an assessment in respect of Income Tax filed, disallowing the amount allocated to the Consolidated fund, for the year of assessment 2020/2021. This has resulted in an additional tax liability of Rs. 92,115,271/- and a penalty with interest amounting to Rs. 55,729,739/-. The Board has appealed to the Commissioner General of Inland Revenue against the assessment, and the decision is pending.

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

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

A Case has been filed by a former employee, requesting 500 million as compensation in the District Court Kandy and the case is hearing. The said amount is payable if the Judgment is entered against the National Lotteries board.

Apart from the above, there were no significant contingent liabilities and capital commitments as at the reporting period end that would require adjustments to/or disclosure in the financial statements.

### **31. Events after the Reporting Period End**

There were no significant events after the balance sheet date which require adjustments to or disclosures in the financial statements

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**NATIONAL LOTTERIES BOARD**  
**NOTES TO THE STATEMENT OF FINANCIAL POSITION**

**32. Other Notes**

32.01 One employee of the Board has misappropriated an approximate amount of Rs. 4,736,005/- during the year 2020 and investigation is being carried out by Criminal Investigation Department of Sri Lanka Police. Hence, this misappropriated amount has not been adjusted in this Financial Statements.

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

	2024 Rs.	2023 Rs.
1 <sup>st</sup> Quarter (Draw held during 3 <sup>rd</sup> Quarter of previous year)	194,292,630	96,425,800
2 <sup>nd</sup> Quarter (Draw held during 4 <sup>th</sup> Quarter of previous year)	227,796,800	117,117,850
3 <sup>rd</sup> Quarter (Draw held during 1 <sup>st</sup> Quarter of current year)	175,199,240	144,979,950
4 <sup>th</sup> Quarter (Draw held during 2 <sup>nd</sup> Quarter of current year)	187,226,860	154,674,310
	784,515,530	513,197,910

32.03

Value Added Tax (VAT) rate for 2024 was 18%, and the VAT rate applicable for 2023 was 15%.

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## NOTES TO THE INCOME STATEMENT

## SEGMENTAL ANALYSIS

	2024 Rs.			2023 Rs.		
	Lottery Operation	Investment Operation	Total	Lottery Operation	Investment Operation	Total
Gross Turnover	37,983,206,760	-	37,983,206,760	32,014,201,280	-	32,014,201,280
<b>Less : Indirect Taxes</b>						
Value Added Tax (VAT)	1,658,592,022	-	1,658,592,022	1,164,695,700	-	1,164,695,700
Social Security Contribution Levy (SSCL)	719,239,399	-	719,239,399	597,823,835	-	597,823,835
Net Turnover	35,605,375,339	-	35,605,375,339	30,251,681,745	-	30,251,681,745
Less : Cost of Sales	32,561,245,336	-	32,561,245,336	28,227,236,781	-	28,227,236,781
Gross Profit	3,044,130,003	-	3,044,130,003	2,024,444,964	-	2,024,444,964
<b>Add : Other Income</b>						
Interest Income	-	715,227,589	715,227,589	-	1,194,699,827	1,194,699,827
Other Income	224,025,725	-	224,025,725	128,049,341	-	128,049,341
	3,268,155,728	715,227,589	3,983,383,317	2,152,494,305	1,194,699,827	3,347,194,132
<b>Less : Expenses</b>						
Sales, Marketing & Distribution Cost	1,158,486,156	-	1,158,486,156	1,408,116,521	-	1,408,116,521
Administrative Expenses	1,128,174,614	-	1,128,174,614	1,056,920,215	-	1,056,920,215
Financial Cost	3,454,692	-	3,454,692	37,304,827	-	37,304,827
	2,290,115,462	-	2,290,115,462	2,502,341,564	-	2,502,341,564
Profit before Tax	978,040,266	715,227,589	1,693,267,855	(349,847,259)	1,194,699,827	844,852,568
Less : Income Tax	(25,503,234)	214,568,277	189,065,042	(164,434,533)	358,409,948	193,975,415
Profit / ( Loss ) after Tax	1,003,543,500	500,659,312	1,504,202,812	(185,412,727)	836,289,879	650,877,152

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Unaudited Financial Statements 2024

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AYITSAJAT A. AYITSAJAT

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