

INDEPENDENT TELEVISION NETWORK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER		2023	2022
		Note	
Revenue	6	1,466,223,335	1,394,668,739
Other Income	7	215,718,957	138,847,672
Total Income		1,681,942,292	1,533,516,411
Program Expenses	8	(541,971,692)	(579,015,448)
Marketing Expenses	9	(97,563,953)	(97,326,223)
Other Operating and Administrative Expenses	10	(1,268,848,083)	(1,282,361,160)
Profit / (Loss) from Operation		(226,441,436)	(425,186,420)
Net Finance Income	11	70,597,357	54,907,485
Compensation on Volunteer Service Retirement		(49,500,000)	-
Profit / (Loss) Before Taxation		(205,344,079)	(370,278,935)
Income Tax Expenses	12	23,702,069	16,931,378
		(181,642,010)	(353,347,557)
Profit / (Loss) for the Year		(181,642,010)	(353,347,557)
Basic Earnings Per Share (Rs.)	13	(22.50)	(38.06)
Profit / (Loss) for the Year		(181,642,010)	(353,347,557)
Other Comprehensive Income		(32,097,456)	(8,216,716)
Total Comprehensive Income for the Year		(213,739,466)	(361,564,273)

Figures in brackets indicate deductions.

Notes to the Financial Statements on Pages 5 to 23 form an integral part of these Financial Statements.

INDEPENDENT TELEVISION NETWORK LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER	Note	2023	2022
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	14	581,523,759	697,118,057
Intangible Assets	15	14,843,458	8,829,871
Available-for-Sale (AFS) Financial Assets	16	4,000	4,000
Deferred Tax Asset	17	57,814,008	34,111,945
Total Non - Current Assets		654,185,225	740,063,873
Current Assets			
Inventories	18	29,282,410	20,179,277
Trade and Other Receivables	19	653,962,374	544,295,437
Staff Loans and Advances	20	50,990,042	53,826,094
Deposits and Advances	21	72,483,861	25,930,319
Current Tax Receivable		10,736,395	10,736,395
Prepayments		5,620,118	7,696,672
Other Financial Assets	22	424,634,213	563,236,520
Cash and Cash Equivalents	23	223,854,095	32,609,584
Total Current Assets		1,471,563,508	1,258,510,298
Total Assets		2,125,748,733	1,998,574,171
EQUITY AND LIABILITIES			
Equity			
Stated Capital	24	144,500,000	95,000,000
Retained Earnings		345,421,592	559,161,058
Total Equity		489,921,592	654,161,058
Non - Current Liabilities			
Retirement Benefits Obligation	25	126,768,650	111,012,451
Government Grants	26	139,436,288	91,939,603
Deferred Tax Liability	17		
Total Non - Current Liabilities		266,204,938	202,952,054
Current Liabilities			
Bank Overdraft		228,389,595	92,763,071
Client Advances		144,521,622	131,555,563
Deferred Income	27	70,702,230	69,702,230
Other Payables	28	200,524,492	182,853,759
Statutory Payable	29	48,774,772	24,882,281
Provision and Accrued Expenses		676,709,492	639,704,155
Total Current Liabilities		1,369,622,203	1,141,461,059
Total Equity and Liabilities		2,125,748,733	1,998,574,171

I certify that these Financial Statements of the Company comply with the requirements of the Companies Act No. 07 of 2007.

.....
Finance Manager

The Board of Directors is Responsible for Preparation and Presentation of these Financial Statements.

Approved and Signed for and on behalf of the Board,

.....
Director

.....
Director

Date : 27th February 2024
Colombo,

Figures in brackets indicate deductions.

Notes to the Financial Statements on Pages 5 to 23 form an integral part of these Financial Statements.

INDEPENDENT TELEVISION NETWORK LIMITED*(Expressed in Sri Lankan Rupees)***STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023**

	Stated Capital	Retained Earnings	Total
Balance as at 01 January 2022	95,000,000	920,725,329	1,015,725,329
Profit for the Year	-	(361,564,273)	(361,564,273)
Balance as at 31 December 2022	95,000,000	559,161,056	654,161,056
Profit for the Year	-	(213,739,464)	(213,739,464)
Addition to Share Capital	49,500,000		49,500,000
Balance as at 31 December 2023	144,500,000	345,421,592	489,921,592

Figures in brackets indicate deductions.

Notes to the Financial Statements on Pages 5 to 23 form an integral part of these Financial Statements.

INDEPENDENT TELEVISION NETWORK LIMITED*(Expressed in Sri Lankan Rupees)***CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER**

	2023	2022
Cash Flows from Operating Activities		
Profit Before Taxation	(205,344,079)	(370,278,933)
<i>Adjustments for;</i>		
Amortization of Intangible Assets	127,565,100	69,431,641
Profit/Loss on Sale of Property, Plant and Equipment	35,246	122,914
Amortization of Government Grants	(13,558,661)	(9,167,188)
Written Back of Un - Paid Balances	(6,693,184)	284,848
Bad Debts Written-off	97,668	0
Provision for Impairment of Trade Receivable	934,414	2,806,754
Provision for Impairment of Receivable	-	-
Decrease in Impairment of Trade Receivables	(14,752,229)	(3,738,796)
Gratuity Charge for the Year	57,933,815	41,732,774
Depreciation	129,575,135	131,498,805
Provision of Deferred Tax	-	(14,992,468)
Exchange Gain	(1,295,013)	(1,109,531)
Stock Write Off	0	0
Interest Income	(94,931,819)	(64,307,463)
Interest Expenses	24,334,462	9,399,978
Operating Profit Before Changes in Working Capital	3,900,855	(208,316,665)
Changes in Working Capital		
Inventories	(9,103,133)	(7,367,433)
Trade and Other Receivables	(95,432,012)	58,179,696
Staff Loans and Advances	2,836,052	3,841,192
Deposits and Advances	(46,553,542)	(13,236,230)
Prepayments	2,076,554	(1,811,896)
Client Advances	12,966,059	4,314,810
Deferred Income	1,000,000	-
Other Payables	17,670,733	50,052,548
Statutory Payable	23,892,491	5,380,567
Provision and Accrued Expenses	37,005,337	89,420,724
Cash Generated from Operations	(49,740,599)	(19,542,687)
Gratuity Paid	(24,295,020)	(18,354,862)
Interest Paid	(24,334,462)	(9,399,978)
Taxes Paid	-	(7,533,246)
Net Cash Flow from Operating Activities	(98,370,081)	(54,830,773)
Cash Flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(9,209,787)	(57,898,238)
Proceeds from Sale of Property, Plant and Equipment	2,783,383	9,374
Expenses Incurred on Capital Work-in-Progress	-	-
Acquisition of Intangible Assets	(134,175,000)	(68,076,000)
Investments in Other Financial Assets	134,475,233	(221,231,625)
Interest Received	99,058,893	46,935,967
Net Cash used in Investing Activities	92,932,722	(300,260,522)
Cash Flows from Financing Activities		
Government Grant	61,055,346	35,131,786
Dividends Paid	-	-
Net Cash used in Financing Activities	61,055,346	35,131,786
Net Changes in Cash and Cash Equivalents During the Year	55,617,987	(319,959,509)
Cash and Cash Equivalents at Beginning of the Year	(60,153,487)	259,806,022
Cash and Cash Equivalents at End of the Year	(4,535,500)	(60,153,487)

Audit Report on Page 1**Figures in brackets indicate deductions.****Notes to the Financial Statements on Pages 5 to 23 form an integral part of these Financial Statements.**

INDEPENDENT TELEVISION NETWORK LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER****2023****2022**

6	Revenue		
	Sale of Air Time	1,385,459,165	1,394,783,090
	Production Charges	118,345,221	7,418,896
		1,503,804,386	1,402,201,986
	SSCL	(37,581,051)	(7,533,247)
		1,466,223,335	1,394,668,739
7	Other Income		
	Profit on Sale of Property, Plant and Equipment	-	330
	Registration of Suppliers	413,702	542,461
	You Tube Income	144,134,323	84,013,685
	Fines	906,537	1,515,703
	Sundry Income	33,790,308	38,206,205
	Charges on Returned Cheques	-	-
	Exchange Gain	1,295,013	1,109,531
	Amortization/Recurrent Government Grants	13,558,661	9,167,188
	Write Back	6,693,184	284,848
	Impairment Allowance Decrease	14,752,229	3,738,796
	Tender Fee	175,000	268,925
		215,718,957	138,847,672
8	Program Expenses		
	Procurement of Program Materials - Foreign	10,483,955	14,809,081
	Procurement of Program Materials - Local	213,748,424	245,064,096
	Amortization of Tele-casting Rights	127,565,100	69,431,641
	Other Production	190,174,213	249,710,630
		541,971,692	579,015,448
9	Marketing Expenses		
	Agency and Marketing Executive Commission	83,739,714	74,928,949
	License Fees for Microwave Link	12,346,003	13,019,341
	Market Research Expenses	446,154	6,571,179
	Bad Debts Written Off	97,668	-
	Impairment of Trade and Other Receivable / Reversal of Over Provision	934,414	2,806,754
		97,563,953	97,326,223
10	Other Operating and Administrative Expenses		
	Salaries and Allowances	419,799,721	483,139,594
	Employees' Provident Fund	55,598,323	64,023,068
	Employees' Trust Fund	11,069,644	12,802,123
	Overtime	62,319,073	62,842,714
	Incentives	33,625,532	39,578,049
	Performance Incentive	-	-
	Re-imburement of Medical Leave	20,819,655	25,621,574
	Awards to Staff	1,035,000	-
	Staff Training	388,500	331,085
	Staff Welfare	22,622,377	21,046,158
	Uniforms to Staff	205,567	403,733
	Traveling and Subsistence	29,339,025	28,134,297
	Gratuity Charge for the Year	25,836,359	33,516,058
	Housing Loan Interest	3,783,786	4,599,134
	Postage, Telephone and Telex	8,593,022	7,024,455
	Electricity & Power	208,587,903	122,176,486
	Entertainment	91,786	138,992
	Fuel for Generators	14,926,600	26,011,781
	Motor Vehicle Running	66,914,211	43,362,635
	Repairs and Maintenance of Equipment	38,961,757	26,915,602
	Repairs & Maintenance of Buildings	10,202,604	18,082,252
	Repairs & Maintenance of Studio	32,415	54,407
	Maintenance of Garden	598,430	323,875
	Stationery, Minor Articles and Printed Forms	9,025,299	7,987,708
	Advertising and Periodicals	11,550,536	7,164,838
	Balance C/F	1,055,927,125	1,035,280,618

Figures in brackets indicate deductions

Notes to the Financial Statements continued

INDEPENDENT TELEVISION NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER		2023	2022
Balance B/F		1,055,927,125	1,035,280,618
Maintenance of Roads		-	43,750
Other Maintenance		2,133,116	1,415,389
Insurance		5,882,525	26,087,973
Rent, Rates and Taxes		26,505,218	42,863,845
Depreciation		125,348,415	131,498,805
Amortization of Intangible Assets			
Security		21,606,265	19,530,471
Subscriptions to Foreign Organizations		1,086,243	5,038,807
Water Supply		2,367,131	1,703,513
Audit Fees		1,446,900	1,272,000
Board Of Suvey		300,000	-
Legal Expenses		5,227,617	2,324,433
Expenses on Board Meetings		1,266,115	840,378
Ceremonial Expenses		423,395	1,078,415
Consultancy Fee		120,000	37,500
Compensation		-	-
Professional Charges		603,707	640,502
Management Information System		1,404,250	339,100
Prime TV Expenses		-	-
Stamp Duty		156,525	114,635
Registration Fees		7,000	36,493
Web Hosting Services		10,069,383	6,979,141
Dialog TV Connection		727,379	676,301
Donations		350,000	575,000
Exchange Loss		-	-
Provision for slow moving Inventory		-	-
Loss on Sale of Property, Plant and Equipment		35,246	123,244
Frequency Charges		3,960,970	1,044,025
Internet and Link Charges		1,425,769	2,267,843
Impairment of Other Receivables		-	-
Stock Write Off		-	-
Bank Charges		467,789	548,979
ESC write off		-	-
		1,268,848,083	1,282,361,160
11 Net Finance Income			
Interest Income			
Interest on Investments		93,135,219	62,354,590
Staff Loan Interest		1,796,600	1,952,873
		94,931,819	64,307,463
Interest Expenses			
Interest on Overdraft		(24,334,462)	(9,399,978)
Lease Interest			
Bank Loan Interest			
		70,597,357	54,907,485
12 Income Tax Expenses			
Provision for Current Tax	(Note 12.1)		
Charge / (Reverse) of Deferred Tax Expenses	(Note 17)	(23,702,068)	16,931,378
Under Provision in Previous Year			
		(23,702,068)	16,931,378

Figures in brackets indicate deductions

Notes to the Financial Statements continued

INDEPENDENT TELEVISION NETWORK LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER**

2023

2022

12.1 Reconciliation Between Current Tax Provision and the Product of Accounting Profit.

Accounting Profit Before Tax	(182,371,838)	(361,564,271)
Aggregated Expenses Disallowed for Tax	293,577,975	243,302,416
Aggregated Expenses Allowed for Tax	(216,880,083)	(135,593,713)
Aggregated Income from Other Sources	93,135,219	62,354,590
Taxable Profit for the Year	(12,538,727)	(191,500,978)
Other Income Liable for Tax		
Total Statutory Income / Assessable / Taxable Income	(12,538,727)	(191,500,978)
Current tax Charge		
Current Year Loss	(12,538,727)	(191,500,978)
Losses B/F	(1,531,132,259)	(1,339,631,281)
	(1,543,670,986)	(1,531,132,259)

13 Basic Earnings Per Share (Rs.)

Basic Earnings Per Share is calculated by dividing the net profit / (Loss) for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

<i>Amount used as the Numerator</i>		
Net Profit / (Loss) Attributable to Ordinary Shareholders (Rs.)	(213,739,466)	(361,564,271)
Number of Ordinary Shares used as the Denominator		
Weighted Average Number of Ordinary Shares in issue	9,500,000	9,500,000
Basic Earnings Per Share (Rs.)	(22.50)	(38.06)

Figures in brackets indicates deductions.

Notes to the Financial Statements continued

INDEPENDENT TELEVISION NETWORK LIMITED

(Expressed in Sri Lankan Rupees)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

14 Property, Plant and Equipment

Freehold Cost	Land	Buildings	Plant, Machinery and Equipment	Transmitters and Frequency Equipment	Motor Vehicles	Furniture and Fittings	Others	Total
Balance as at 01 January 2022	29,782,159	600,920,874	1,857,571,378	526,362,011	173,029,532	225,654,803	93,480,050	3,506,800,807
Additions	-	-	54,359,776	-	-	2,467,055	2,767,715	59,594,546
Transferred from Leasehold Assets	-	-	-	-	-	-	-	-
Transfers	-	-	(1,255,280)	-	-	(217,958)	(223,070)	(1,696,308)
Disposals	-	-	(9,623,954)	-	-	(4,369,252)	(38,241)	(14,031,447)
Balance as at 31 December 2022	29,782,159	600,920,874	1,901,051,920	526,362,011	173,029,532	223,534,648	95,986,454	3,550,667,598
Additions	-	-	4,177,772	-	-	3,072,585	2,685,739	9,936,096
Transferred from Leasehold Assets	-	-	-	-	-	-	-	-
Transfers	-	-	(274,000)	-	-	(66,809)	(385,500)	(726,309)
Disposals	-	-	(1,290,187)	-	-	(994,367)	(620,063)	(2,904,617)
Balance as at 31 December 2023	29,782,159	600,920,874	1,903,665,505	526,362,011	173,029,532	225,546,057	97,666,630	3,556,972,768
Depreciation								
Balance as at 01 January 2022	-	187,494,663	1,579,963,574	506,631,527	173,029,533	203,570,153	86,721,093	2,737,410,543
Charge for the Year	-	27,384,204	91,646,587	9,007,723	-	6,173,189	3,116,505	137,328,208
Transferred from Leasehold Assets	-	-	-	-	-	-	-	-
Transfers	-	-	(4,175,685)	(1,490,852)	-	(339,612)	(186,234)	(6,192,383)
Disposals	-	-	(9,504,269)	-	-	(4,356,319)	(38,241)	(13,898,829)
Balance as at 31 December 2022	-	214,878,867	1,657,930,207	514,148,398	173,029,533	205,047,411	89,613,123	2,854,647,539
Charge for the Year	-	27,323,232	89,465,588	4,080,979	-	5,619,435	3,085,901	129,575,135
Transferred from Leasehold Assets	-	-	-	-	-	-	-	-
Transfers	-	-	(4,023,884)	(248,476)	-	(337,828)	(212,844)	(4,823,032)
Disposals	-	-	(1,290,187)	-	-	(942,383)	(620,063)	(2,852,633)
Balance as at 31 December 2023	-	242,202,099	1,742,081,724	517,980,901	173,029,533	209,386,635	91,866,117	2,976,547,009
	29,782,159	358,718,775	161,583,781	8,381,110	(1)	16,159,422	5,800,513	580,425,759
Net Carrying Values							2023	2022
Land							29,782,159	29,782,159
Buildings							358,718,775	386,042,007
Plant, Machinery and Equipment							161,583,781	243,121,713
Transmitters and Frequency Equipment							8,381,110	12,213,611
Motor Vehicles							(1)	(1)
Furniture and Fittings							16,159,422	18,487,237
Others							5,800,513	6,373,331
Total Freehold Assets							580,425,759	696,020,057
Work-in-Progress						(Note 14.2)	1,098,000	1,098,000
							581,523,759	697,118,057

Figures in brackets indicates deductions.

Notes to the Financial Statements continued

INDEPENDENT TELEVISION NETWORK LIMITED

(Expressed in Sri Lankan Rupees)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER**2023****2022**

21	Deposits and Advances		
	Local Advances	1,012,053	1,618,822
	LC Deposits	9,561,665	10,462,970
	Advance for Local Purchase	1,909,192	5,478,431
	Others	60,000,951	8,370,096
		72,483,861	25,930,319

22	Other Financial Assets		
	Fixed Deposits	411,950,921	546,426,154
	Interest Receivable	12,683,292	16,810,366
		424,634,213	563,236,520

Investments in fixed deposits are pledged against company's overdraft facilities to extent the face value of investments and are measured inclusive of interest receivable.

Details of the fixed deposits pledged and the overdraft facilities are as follows:

Financial Institution	Type of the Facility	Limit of the Facility	Face Value of the Fixed Deposits Pledged
Bank of Ceylon	Overdraft	5,900,000	7,015,638
Bank of Ceylon	Overdraft	235,000,000	252,007,963
Bank of Ceylon	Letter of Credit	100,000,000	143,010,291

23	Cash and Cash Equivalents	2023	2022
	Bank and Cash Balances	103,846,132	24,609,584
	Short Term Fixed Deposits	120,007,963	8,000,000
		223,854,095	32,609,584

24	Stated Capital		
	<i>Issued and fully paid</i>	9,500,000	9,500,000
	Value (f.s.)	144,500,000	95,000,000

25	Retirement Benefits Obligation		
	Balance as at 01 January	111,012,451	113,854,752
	Expenses Recognized in Comprehensive Income	25,836,359	33,516,058
	Actuarial (Gain)/ Losses Recognized in Payable	32,097,455	8,216,716
		(17,882,595)	(26,220,213)
	Payments Made During The Year	(24,295,020)	(18,354,862)
	Balance as at 31 December	126,768,650	111,012,451

25.1	Expenses Recognized in Comprehensive Income		
	Current Service Cost		5,854,118
	Interest Charge for the Year		19,982,241
	Net Actuarial (Gain)/Loss recognized in year (Gain) / Loss Arising From Changes in the Assumptions		32,097,455
		-	57,933,814

These assumptions are developed by the Company is based on the management's best estimates of variables used to measure the retirement benefits obligation. Discount rate is determined on the basis of market yield for five years Government Bond at end of the reporting period.

The principal assumptions used are as follows.

Mortality: A 1967/70 Mortality Table
 Disability: 10% of the Mortality Table
 Normal Retirement Age: 60 years
 Rate of Discount: 14% p.a.
 Staff turnover Rates: 6% upto age 54 and thereafter 0%

Salary escalation rate: 3% in 2024, 2025 and 2026 and thereafter 7% p.a.

Figures in brackets indicates deductions.

Notes to the Financial Statements Continued

INDEPENDENT TELEVISION NETWORK LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER**

	2023	2022
26 Government Grants		
Balance as at 01 January	91,939,603	65,975,005
Received	61,055,346	35,131,786
Amortization for the Year	(13,558,661)	(9,167,188)
Balance as at 31 December	139,436,288	91,939,603

The above grants received from the Government of Sri Lanka for the development of telecasting and transmission stations. The amounts spent have been capitalized under the relevant class of property, plant and equipment. The corresponding grant is being amortized over the useful life of the related assets.

27 Deferred Income		
Balance as at 01 January	69,702,230	69,702,230
Goods and Services Received	1,000,000	-
Recognized in the Comprehensive Income	-	-
Balance as at 31 December	70,702,230	69,702,230

Deferred income represents the net impact of a barter transaction where the company has utilized a higher value of the goods and services provided by the customers, compared to the value of services provided by the company. The deferred income is amortized as services utilized by the customers.

28 Other Payables		
Deposits	559,310	550,950
Sundry Creditors	5,761,407	24,279,768
L.C. Advance	2,094,883	2,094,883
Payables	104,333,825	64,138,571
Unclaimed Payments	1,203,955	1,814,610
Unidentified Deposits	1,293,239	1,320,909
Cancelled Cheques	7,422,918	9,758,581
Retention	3,744,289	3,811,135
Doramandalawa Trust Fund	501,306	488,042
Manushshatruwaye Sathkaraya	3,333,111	3,333,111
Rent	70,276,249	71,263,199
	200,524,492	182,853,759

29 Statutory Payable		
Current Tax		
Value Added Tax (VAT)	45,754,410	22,550,731
SSCL Tax Payable	346,132	203,802
Nation Building Tax (NBT)		
Economic Service Charge		
Withholding Tax	243,347	
Gratuity Payable	2,328,743	2,020,058
Stamp Duty	102,140	107,690
	48,774,772	24,882,281

29.1 Current Tax		
Balance as at 01 January	10,736,395	10,736,395
Provision for the Year		
Adjustments on Under / (Over) Provision		
Payments Made - Settlement of Liability		
Payments Made - Self Assessment		
ESC write off		
Tax Credits		
Balance as at 31 December	10,736,395	10,736,395

30 Related Party Disclosures

The company's related parties includes Government of Sri Lanka, State Owned Enterprises, Other Government Related Entities and Key Management Personnel.

Transactions with Key Management Personnel (KMPs)

According to the Sri Lanka Accounting Standards LKAS 24 "Related Party Disclosures" (KMPs) are those having responsibility for planning, directing and controlling the activities of the entity directly or indirectly. Accordingly, the Board of Directors have been classified as KMPs.

Transactions with Key Management Personnel

	2023
Remuneration & Other Short Term Employee Benefits	4,158,968
Post Employment Benefits	Nil
Loan & Advances granted during the period	Nil

ets indicates deductions.

Notes to the Financial Statements continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

30 Related Party Disclosures

The company's related parties includes Government of Sri Lanka, State-Owned Enterprises, Other Government Related Entities and Key Management Personnel.

Transactions with Key Management Personnel (KMPs)

According to the Sri Lanka Accounting Standards LKAS.24 "Related Party Disclosures" KMPs are those having responsibility for planning, directing and controlling the activities of the entity directly or indirectly. Accordingly, the Board of Directors have been

31 Related Party Transactions

Details of significant related party transactions that the company carries out are as follows:

Transactions with Government of Sri Lanka, State-Owned Enterprises and Other Government Related Entities

The Government of Sri Lanka is only the capital holder of the company and thus has control over its operation. Accordingly the company has considered the Government of Sri Lanka and other entities which are controlled, jointly controlled or significantly influenced by the Government of Sri Lanka (Government related entities) as related parties.

32 Commitments and Contingencies

There were no material capital expenditure or other financial commitments approved by the Board of Directors as at 31 December 2020. The details of the pending litigations as at 31 December 2020 are given below.

Description of the Case	Matter	Position of the Case	Management Estimate
Mr. Gairika Perusinghe Vs ITN and 3 others Case No. 51824/MP Court House - District Court of Colombo	The Plaintiff has filed this case against the defendants on slanderous, insulting and defamatory grounds, for the news item telecasted on 12/04/2004 on ITN news at 7.00 p.m	since all the defendants including ITN failed to appear on 05th July 2019 the case had been fixed exparte against all the defendants. Each defendant is either collectively or severally liable to pay the claim to the plaintiff if the court does not grant permission to enter in to the case under the section 86 of the civil procedure code.	Rs. 50,000,000/- (the damage claimed in the payerr of the plaintiff)

The Company has contingent liabilities in respect of legal claims arising in the ordinary course of business. Unless recognized as a provision in the financial statements, management considers these claims to be unjustified and possibility of an outflow of resources for their settlement is remote. This evaluation is consistent with legal advices of the company's legal division. Accordingly, no provision has been made for such legal claims.

33 Events Occurring After the Reporting Period

There were no events occurred, which required adjustments or disclosure in these financial statements between the reporting date and the date of authorization.

Figures in brackets indicates deductions.

Notes to the Financial Statements continued

Non Audited

NOTE 34

INDEPENDENT TELEVISION NETWORK LTD

Operational Segment Information

The following table presents the revenue, cost of sale, operational expenses and profit for the year ended 31 December 2022 and 31 December 2023

For the Year ended 31 December	ITN		VASANTHAM TV		LAKHANDA		VASANTHAM FM		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue	1,248,627,457	1,060,753,230	104,300,241	238,672,708	67,334,090	58,662,153	45,961,547	36,580,649	1,466,223,335	1,394,668,740
Cost of Sales	(458,137,000)	(378,740,560)	(74,953,825)	(189,832,347)	(5,926,794)	(6,765,322)	(2,954,070)	(3,677,218)	(541,971,692)	(579,015,447)
Gross Profit / (Loss)	790,490,457	682,012,670	29,346,413	48,840,361	61,407,296	51,896,831	43,007,477	32,903,431	924,251,643	815,653,293
Total Expenses Net of Other Income	(967,423,007)	(976,614,524)	(38,377,842)	(75,282,715)	(81,168,243)	(96,213,169)	(37,626,630)	(37,821,816)	(1,124,595,722)	(1,185,932,225)
Operational Profit / (Loss)	(176,932,550)	(294,601,855)	(9,031,429)	(26,442,354)	(19,760,947)	(44,316,338)	5,380,847	(4,918,385)	(200,344,079)	(370,278,932)
Compensation on VRS Cscheme	(44,500,000)	-	-	-	(5,000,000)	-	-	-	(49,500,000)	-
Profit / (Loss) Before Tax	(132,432,550)	(294,601,855)	(9,031,429)	(26,442,354)	(24,760,947)	(44,316,338)	5,380,847	(4,918,385)	(150,844,079)	(370,278,932)
Income Tax Expenses	22,938,011	14,992,168	-	-	764,059	1,938,909	-	-	23,702,070	16,931,377
Profit / (Loss) for the Year	(153,994,539)	(279,609,687)	(9,031,429)	(26,442,354)	(23,996,888)	(42,377,429)	5,380,847	(4,918,385)	(181,642,009)	(353,347,555)
Actuarial Gains (Losses) on defined Plan	(26,813,897)	(5,204,841)	(851,283)	(617,417)	(3,819,779)	(2,214,787)	(612,497)	(179,671)	(32,097,456)	(8,216,716)
Total Comprehensive Income	(180,808,436)	(284,814,228)	(9,882,712)	(27,059,771)	(27,816,667)	(44,592,216)	4,768,350	(5,098,056)	(213,739,465)	(361,564,271)
Non Current Assets	612,955,037	683,977,218	18,799,535	29,880,912	18,942,966	25,300,402	679,216	905,339	651,376,754	740,063,871
Current Assets	2,015,201,512	1,786,343,699	165,807,175	106,500,010	100,185,308	98,861,829	23,133,115	15,322,001	2,304,327,110	2,007,027,538
Total Assets	2,628,156,549	2,470,320,917	184,606,710	136,380,922	119,128,274	124,162,231	23,812,331	16,227,340	2,955,703,864	2,747,091,410
Equity	1,359,502,144	1,495,810,580	(179,355,225)	(169,472,513)	(477,905,108)	(455,088,440)	(103,235,168)	(108,003,518)	599,006,643	763,246,109
Non Current Liabilities	111,301,522	99,391,505	140,734,386	92,949,265	9,921,232	9,704,136	1,439,330	907,149	263,396,470	202,952,055
Current Liabilities	1,157,352,883	875,118,830	223,227,554	212,904,171	587,112,152	569,546,540	125,608,167	123,323,705	2,093,300,756	1,780,893,246
Total Liabilities	2,628,156,549	2,470,320,916	184,606,715	136,380,923	119,128,276	124,162,236	23,812,329	16,227,336	2,955,703,869	2,747,091,410

Figures in brackets indicates deductions.

Notes to the Financial Statements continued