

# Sri Lanka Broadcasting Corporation

## Statement of financial position

Financial Statements 2023

(all amounts in Sri Lanka Rupees)

	Note	31 December	31 December	31 December
		2023	2022	2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	9	1,284,806,651	1,479,574,592	1,698,733,364
Deferred tax Assets	8	34,388,682	42,620,266	57,178,569
Capital Working Progresses	10	19,823,163	18,723,163	15,917,019
Fixed deposits		134,718,677	166,233,768	90,478,538
Investment	11	1,000,000	1,000,000	1,000,000
		<b>1,474,737,172</b>	<b>1,708,151,788</b>	<b>1,863,307,490</b>
<b>Current assets</b>				
Inventories	12	35,178,915	31,837,158	19,811,969
Trade and other receivables	13	1,300,729,033	272,028,144	315,007,400
Cash and cash equivalents	14	34,323,993	109,097,633	159,295,490
		<b>1,370,231,941</b>	<b>412,962,935</b>	<b>494,114,859</b>
<b>Total assets</b>		<b>2,844,969,113</b>	<b>2,121,114,723</b>	<b>2,357,422,349</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Stated capital		780,239,085	480,239,085	397,386,085
Revaluation reserves		1,329,971,999	11,971,999	11,971,999
Retained earnings	15	(1,008,286,552)	(361,482,389)	(218,463,340)
		<b>1,101,924,532</b>	<b>130,728,695</b>	<b>190,894,744</b>
<b>Contingent Liabilities:</b>				
<b>Non-current liabilities</b>				
Defined benefit obligations	21	112,789,510	166,810,047	207,642,033
Foreign Grant	20	230,813,448	385,228,863	539,857,262
Government Grant		497,951,083	567,698,791	693,352,122
Other Payable	19	3,301,385	6,301,385	7,789,635
Deferred tax liabilities	8	209,844,894	211,618,748	244,915,237
		<b>1,054,700,320</b>	<b>1,337,657,833</b>	<b>1,693,556,289</b>
<b>Current liabilities</b>				
Trade and other payables	16	421,822,076	401,485,840	318,517,659
Short Term Borrowings	17	55,119,389	60,993,772	14,523,578
Non financial Liabilities	18	211,402,796	190,248,583	139,930,079
		<b>688,344,261</b>	<b>652,728,195</b>	<b>472,971,316</b>
<b>Total liabilities</b>		<b>2,844,969,113</b>	<b>2,121,114,723</b>	<b>2,357,422,349</b>

The Director Finance certifies that the financial statements have been prepared in compliance with the requirements of the Sri Lanka Financial Reporting Standards, Finance Act. No: 38 of 1971 and Sri Lanka Broadcasting Corporation act no.37 of 1966

Mr. Lalith Hettige  
Director Finance

Date: 29/02/2024

The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were authorized by the Board of Directors on 29th February, 2024.

Hudson Samarasinghe  
Chairman  
Date: 29/02/2024

Board of Director  
Date: 29.02.2024

Board of Director  
Date: 29/02/2024

## Sri Lanka Broadcasting Corporation

### Statement of comprehensive income

(all amounts in Sri Lanka Rupees)

	Note	Year ended 31 December 2023	Year ended 31 December 2022 adjusted	Year ended 31 December 2022	Year ended 31 December 2021
Sales	1	667,939,619	682,083,556	682,086,556	632,842,573
Cost of sales	2	539,709,559	555,511,008	555,511,008	555,341,319
<b>Gross profit</b>		<b>128,230,060</b>	<b>126,572,548</b>	<b>126,575,548</b>	<b>77,501,254</b>
Other operating income	3	391,964,905	364,569,389	364,332,698	340,018,557
Distribution costs	4	3,033,053	15,311,236	15,311,236	14,009,237
Other Operating Expenses	5	392,694,768	350,775,686	350,971,983	355,045,386
Administrative expenses	6	294,509,362	355,005,572	355,818,272	377,874,344
<b>Operating profit</b>		<b>(170,042,219)</b>	<b>(229,950,557)</b>	<b>(231,193,244)</b>	<b>(329,409,156)</b>
Finance costs	7	12,463,385	5,195,318	5,195,318	4,103,603
Profit/(Loss) before Copansation		<b>(182,505,604)</b>	<b>(235,145,875)</b>	<b>(236,388,563)</b>	<b>(333,512,759)</b>
Compansation	6.1	(349,902,958)			
Profit/(Loss) after Copansation		<b>(532,408,562)</b>	<b>(235,145,875)</b>	<b>(236,388,563)</b>	<b>(333,512,759)</b>
Govt. Grant	3.1				345,000,000
Profit/(Loss) after Govt. Grant		<b>(532,408,562)</b>	<b>(235,145,875)</b>	<b>(236,388,563)</b>	<b>11,487,241</b>
Income Tax	8	(10,507,297)	15,476,900	60,478,069	45,198,370
Profit/(Loss) after Income Tax		<b>(542,915,858)</b>	<b>(219,668,975)</b>	<b>(175,910,494)</b>	<b>56,685,611</b>
Other Comprehensive Income	21	(103,888,305)	34,779,394	34,779,394	54,947,608
<b>Profit after tax</b>		<b>(646,804,163)</b>	<b>(184,889,581)</b>	<b>(141,131,100)</b>	<b>111,633,219</b>
<b>Total comprehensive income</b>		<b>(646,804,163)</b>	<b>(184,889,581)</b>	<b>(141,131,100)</b>	<b>111,633,219</b>

**Cash Flow Statement for the year ended 31st December 2023**

Description	2023		2022	
<b>Cash flow from operating activities</b>				
Net profit before interest and tax		(532,408,562)		(236,388,563)
<b>Adjustment for</b>				
Amortisation of government grant	(69,511,017)		(82,800,331)	
Amortisation of grant Trinco	(154,415,414)		(154,628,399)	
Depreciation	75,797,650		75,053,883	
Depreciation Trinco	159,922,491		159,851,496	
Software Amortisation				
Provision for gratuity	16,621,434		36,341,450	
Provision for bad debts	2,453,928		13,798,736	
Disposal assets				
Gain/(Loss) on Exchange	4,853,643	35,722,716	(13,707,668)	
ESC				33,909,167
		(496,685,845)		(202,479,396)
<b>Operating profit before working capital</b>				
Increase/ Decrease in inventories	(3,341,756)		(12,025,189)	
Increase/ Decrease in Trade & other receivables	(53,371,352)		14,678,743	
Increase/Decrease in Trade & other payables	42,896,347		148,013,899	
Increase/Decrease in Non financial Liabilities	(28,789,841)	(42,606,602)	37,956,978	188,624,431
Gratuity paid		(189,624,644)		(29,222,119)
Tax Paid				
<b>Net cash from operating activities</b>				
<b>Cash flow from investing activities</b>				
Fixed Deposits			(75,755,230)	
Government Grant	300,000,000		40,000,000	
Disposal assets	368,600,786			
Purchase of property, plant and equipment	(7,482,950)		(15,461,957)	
Capital work in progress	(1,100,000)	660,017,836	(2,806,144)	(54,023,331)
Net cash used in investing activities				
<b>Cash flow from Financial activities</b>				
Payment of lease rental				
Net cash used in Financial activities				
Cash flow from finance activities				
Net Increase/ Decrease in cash and cash equivalents		(68,899,256)		(97,100,415)
Cash and cash equivalents at beginning of period		48,103,360		145,204,275
Cash and cash equivalents at end of period (note 14)		<b>(20,795,395)</b>		<b>48,103,860</b>

# Sri Lanka Broadcasting Corporation

## Statement of changes in equity

(all amounts in Sri Lanka Rupees)

	Stated capital	Revaluation reserves	Retained earnings	Total
Balance at 1 January 2021	307,386,085	11,971,999	(377,857,113)	(58,499,029)
<b>Comprehensive income</b>				
Comprehensive income			111,633,219	111,633,219
Capital	90,000,000		47,760,554	47,760,554
Revenue Reserve				90,000,000
<b>Balance at 31 December 2021</b>	<b>397,386,085</b>	<b>11,971,999</b>	<b>(218,463,340)</b>	<b>190,894,744</b>
Balance at 1 January 2022	397,386,085	11,971,999	(218,463,340)	190,894,745
<b>Comprehensive income</b>				
Comprehensive income			(184,889,580)	(184,889,580)
Adjustment			41,870,531	
Revenue Reserve				
Capital	82,853,000			82,853,000
<b>Balance at 31 December 2022</b>	<b>480,239,085</b>	<b>11,971,999</b>	<b>(361,482,389)</b>	<b>130,728,696</b>
Balance at 1 January 2023	480,239,085	1,329,971,999	(361,482,389)	130,728,696
Comprehensive income			(646,804,163)	(646,804,163)
Revenue Reserve				
Capital	300,000,000			300,000,000
<b>Balance at 31 December 2023</b>	<b>780,239,085</b>	<b>1,329,971,999</b>	<b>(1,008,286,552)</b>	<b>(216,075,467)</b>

**Sri Lanka Broadcasting Corporation****Notes to the financial statements****1 General information****1.1 Reporting Entity**

Sri Lanka Broadcasting Corporation, a Corporation duly incorporated and established under the Sri Lanka Broadcasting Corporation Act No. 37 of 1966 having its registered office at Independence Square, Colombo 07 and principal place of business is situated at Independence Square, Colombo 07.

**1.2 Principal Activities and Nature of Operations**

During the year, the principal activity of the Corporation is sale of airtime.

**1.3 Date of Authorization for Issue**

Financial Statements of Sri Lanka Broadcasting Corporation for the year ended 31<sup>st</sup> December 2023 was presented for approval on 29<sup>th</sup> February 2023.

**1.4 Number of employees**

The number of permanent employees at the end of the year was 317

And the number of Contract staff at the end of the year was 62

(31.12.2022 – 659)

**2 .Basis of preparation and adoption of Sri Lanka Financial Reporting Standards ("SLFRS")**

The Corporation prepares its financial statements in accordance with the Sri Lanka Accounting Standards ("SLFRS") issued by the Institute of Chartered Accountants of Sri Lanka and Sri Lanka Accounting and Auditing Standards Act No. 19 of 1995.

The institute of Chartered Accountants of Sri Lanka issued a new volume of Sri Lanka Accounting Standards ("SLFRS") and to require enterprises to apply these standards effective for years beginning on or after 1 January 2012.

**3. 1 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **3.1.1 Basis of preparation**

The financial statements of Sri Lanka Broadcasting Corporation have been prepared in accordance with Sri Lanka Financial Reporting Standards (SLFRS). The financial statements have been prepared under the historical cost and other specific measurements which are explained in the succeeding notes.

No adjustments have been made for inflationary factors affecting the financial statements.

The preparation of financial statements in conformity with SLFRS require the use of critical accounting estimates. It also requires management to exercise its judgment in the process of applying the corporation's accounting policies. The areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4. The reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the report of amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

### **3.1.2 Going Concern**

The directors have made an assessment of the Corporation's ability to continue as a going concern and they do not intend either to liquidate or to cease trading.

### **3.1.3 Post Balance Sheet Events**

All material events occurring after the balance sheet date have been considered and where necessary adjustments have been made to /or disclosed in the financial statements.

### **3.1.4 Comparative Information**

The Accounting policies, which have been consistently applied by the Corporation, are unless otherwise stated, consistent with those used in the previous years. Previous year's figures and phases have been rearranged to confirm to the presentation.

### **3.1.5 Foreign currencies**

#### **(a) Functional and presentation currency**

Items included in the financial statements of the Corporation is measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Sri Lankan Rupees, which is the Corporation's functional and presentation currency.

#### **(b) Foreign Currency Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

### 3.2 Other Significant Accounting Policies

#### 3.2.1 Assets and Bases of Their Valuation

Assets classified as current assets in the Balance Sheet are cash and those which are expected to be realized in cash, during the normal operating cycle of the Corporation's business, or within one year from the Balance Sheet date, whichever is shorter. Assets other than current assets are those which the Corporation intends to hold beyond a period of one year from the Balance Sheet date.

##### 3.2.1.1 Property, plant and equipment

Land and buildings comprise mainly head office, regional and transmission station. All the property, plant and equipment are stated at historical cost. The cost of PPE is the cost of purchase with any incidental expenses incurred in bringing the assets to its working conditions, for its intended use. Expenditure incurred for the purpose of acquiring, extending or improving assets of permanent nature has been treated as capital expenditure. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably.

##### 3.2.1.2 Restoration Costs

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

##### 3.2.1.3 Depreciation

Land is not depreciated. Provisions for depreciation for other assets are calculated by using a straight-line method on the cost / revalued amounts of all fixed assets. The principal annual rates used for this purpose are:

Buildings	2.5%
Plant and machinery	7.5%
Audio Frequency Equipment	7.5%
Furniture and fixture & Equipment	10%
Transmitter	7.5%

Motor vehicles	25%
Musical Instruments	10%
Computer Equipment	50%
Record Tapes	33.33%
Loose Tools	50%
Software	50%

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

#### 3.2.1.4. Cost of Sale Rates are given below,

Salaries & Wages	60%
EPF	60%
ETF	60%
Travelling & Subsistence	50%
Programme Expenditure	100%
Relief Staff	90%
Vehicle hiring charges	40%
Maintenance cost	40%
Linking charges	100%
Higher of outside Tower	100%
Electricity	75%
Business Promotion Expenditure	100%
Commission (Local)	100%
Commission (Foreign)	100%

#### 3.2.2 Capital Work-in-Progress

Capital work-in-progress represents the accumulated cost of materials and other costs directly related to the construction of an asset. Capital work-in-progress is transferred to the respective asset accounts at the time it is substantially completed and ready for its intended use.



### **3.2.3 Financial Assets**

#### **3.2.3.1. Classification**

#### **3.2.3.2 Loans and receivable**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Corporation's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position. (Notes 13 and 14).

#### **3.2.3.3 Recognition and measurement**

Financial assets carried at fair value through profit or loss is initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains – net' in the period in which they arise.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognized in other comprehensive income. When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the income statement as 'gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognized in the income statement as part of other income.

#### **3.2.3.4 Impairment of financial assets**

##### **(a) Assets carried at amortized cost**

The Corporation assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a

'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Corporation may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the income statement.

#### **3.2.3.5 Trade receivables**

Trade receivables are carried at anticipated realizable value. A provision for impairment of trade receivables is established when there is objective evidence that the Corporation will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default payments are considered indicators that the trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in the statement of comprehensive income within distribution cost. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivable. Subsequent recoveries of amounts previously written-off are credited against distribution cost in the income statement.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

#### **3.2.4 Inventories**

Inventories are stated at the lower of cost or net realizable value. Cost is determined on a purchase price basis. Net realizable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

#### **3.2.5 Cash and cash equivalents**

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

### 3.2.6 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

### 3.2.7 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

#### a) Current Taxation

Current tax liabilities arise to the Corporation in accordance with the provisions of the Inland Revenue Act No. 24 of 2017 and amendments thereto. These liabilities are provided for in the Financial Statements applying the said provisions which the management believes reflect actual liability. There can be instances where the stand taken by the Corporation on transaction is contested by the Revenue Authority. Any additional costs on account of these issues are accounted for as a tax expense at the point of liability is confirmed on the Corporation.

Current tax assets and liabilities for the current year and prior periods are measured at the amounts expected to be recovered from or paid to Revenue Authority. Tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the Balance Sheet date. The provision for current tax is based on the elements of income and expenditure as reported in the Financial Statements.

#### b) Deferred Tax

Deferred tax is recognized using the Balance Sheet method, providing for temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax is not recognized for the temporary differences arising in the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investment subsidiaries to the extent that they probably will not reverse in the

foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by reporting date. Deferred tax assets and liabilities are offset if there is a legal enforceable right to set off current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities on the same taxable entity.

A deferred tax asset is recognized only to the extent that it is probable that future profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduce to the extent that is no longer probable that the related tax benefit will be realized.

### 3.2.8 Employee benefits

#### 3.2.8.1 Retirement Benefit Obligations

##### a) Defined Benefit Plan – Retirement Gratuity Provision

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognized in the financial statements in respect of defined benefit plan is the present value of the defined obligation at the reporting date. The defined benefit obligation is calculated using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows.

Using interest rates that are determined in currency in which the benefits will be paid and that have term to maturity approximating to the terms of the related liability.

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 (Revised 2006) on retirement benefit costs. However, under the payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

The liability is not externally funded. The key assumption by the Management includes the followings,

01. Rate of Interest of 26.08.%
02. Rate of Salary increment of 1.5%
03. Retirement age of all employees 60 Year
04. Staff Turnover factor 2%

### b) Defined Contribution Plans – “Employees Provident Fund” & “Employees Trust Fund”

All employees who are eligible for “Employees Provident fund” contribution and “Employees Trust Fund” contribution are covered by relevant contribution funds in line with respective statutes and regulations. Employer’s contribution to the defined contribution plans are recognized as an expense in the Income Statement when incurred.

#### 3.2.9 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the corporation will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

Amortization Rates are given below,

Buildings	2.5%
Plant and machinery	7.5%
Audio Frequency Equipment	7.5%
Furniture and fixture & Equipment	10%
Transmitter	7.5%
Motor vehicles	25%
Computer Equipment	50%
Software	50%

#### 3.2.10 Provisions

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

#### 3.2.11 Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the corporation or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that can not be measured reliably. The corporation does not recognize a contingent liability but discloses its existence in the Financial Statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events, beyond the control of the corporation. The corporation does not recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

### **3.2.12 Trade Payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

### **3.2.13 Finance Lease Obligations**

Property, plant and equipment on finance leases which effectively transfers to the corporation substantially all the risks and benefits incidental to Ownership of the leased items are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payment at inception of the, less accumulated depreciation

The total interest payable is accounted as interest in suspense. The corresponding credit is recorded lease as an amount payable to lesser. The installments paid are used to reduce the liability.

The Interest charge of the year is transferred from the interest suspense account to the Income Statement.

### **3.2.14 Income Statement**

#### **3.2.14.1 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for service supplied, stated net of discounts and value added taxes. The corporation recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the corporation's activities, as described below

the Corporation bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**(a) Sale of Air time**

Revenue comprises the sale of air time. Revenue from the sale of air time is recognized when advertisement are aired .

**(b) Interest income**

Interest income is recognized as the interest accrued on the time basis (taking into account the effective yield on the asset) unless collectability is in doubt.

**(c) Net Gains and Losses on Disposals of Property, Plant & Equipment**

Net gains and losses on disposal of an item on Property, Plant & Equipment are determined by comparing the net sales proceeds with the carrying amount of Property, Plant & Equipment and are recognized in the Income Statement.

**(d) Other Income**

All other incomes are recognized on an accrual basis.

**3.2.15. Expenditure Recognition**

**a) Operating Expenses**

Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running in 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 / (loss) for the year. Provisions have also been made for bad and doubtful debts, all known liabilities and depreciation on Property, Plant & Equipment.

**b) Finance Expenses**

Interest expenses are recognized on an accrual basis. Borrowing costs are recognized as an expense in the period in which they are incurred.

**3.2.16 Comparatives**

Where necessary, comparative figures have been adjusted to conform with change in presentation in the current year.

#### **4. Critical accounting estimates and judgment**

judgments, estimates, and assumptions that affects the application of accounting policies and reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcome that require material adjustments to the carrying amounts of assets or liabilities effected in future periods.

The judgments, estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments, estimates and assumptions about the carrying amount of assets, liabilities and contingent liabilities that are not readily identified from other sources.

The judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgments, estimates and assumptions made by the management in application of LKASs that could have a significant effect on the Financial Statements.

##### **(a) Pension benefits**

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The corporation determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the corporation considers the interest rates of corporate bonds. Other key assumptions for pension obligations are based in part on current market conditions.

##### **(b) Income taxes**

The corporation is subject to income taxes. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The corporation recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

#### **5. Financial Risks Management**



## 5.1 Financial risks factors

The corporation's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Corporation's overall risk management program focuses to minimize potential adverse effects on the Corporation's financial performance.

Risk management is carried out by a Finance department under the policies approved by the board of directors.

### a) Market Risks

#### (i) Foreign exchange risk

The Corporation imports required equipment internationally and it is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US dollars. To manage their foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, corporation enter in to agreement with local agents.

#### (ii) Price risk

The group is exposed to commodity price risk . Corporation minimizes the risk by entering agreement with the main suppliers.

#### iii) Credit risks

Credit risk is exposing mainly from trade receivables and corporation is responsible for managing and analyzing the credit risk for each of their new clients before delivering the service.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customer's receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilization of credit limits is regularly monitored.

#### iv) Liquidity risks

Cash flow forecasting is performed by the corporation and reviewed regularly to ensure the corporation's liquidity requirement. Such forecasting takes into consideration the corporation's debt financing plans, covenant

compliance. Surplus cash held by the corporation over and above balance required for working capital management are transferred to the time deposit to earn interest income with appropriate maturities to meet the obligation.

#### 6. Related party transactions

Name of the Relationship	Designation	Nature of the Transaction	Period
Mr. Hudson Samarasinghe	Chairman	No	2021.06.25 – 2023.12.31
Rew.Pannaluwa paghannarama	Board Member	No	2023.04.24 – 2023.12.31
Mr.Priyantha K. Rathnayake	Board Member	No	2022.06.13 – 2023.12.31
Mr. M.A.C.Sisira Kumara	Board Member	No	2022.01.29 – 2023.12.31
Mr. J.Yogaraj	Board Member	No	2022.06.13 – 2023.12.31
Mr. Dunil Heiyanthuduwa	Ministry Member	No	2022.06.28 – 2023.12.31
Mrs. D.C.W.Hapugoda	Treasury Member	No	2022.11.22 – 2023.12.31

**Note - 1**  
**Revenue**

Description	2023	2022 adjusted	adjustment	2022	2021
Sale of Air Time Asia Service	12,374,532	11,812,630		11,812,630	7,437,060
Sale of Air Time T.W.R.	62,711,224	96,910,536		96,910,536	99,044,845
Sale of Air Time Local Service	446,966,125	417,786,393	(3,000)	417,789,393	440,631,760
Production Charges - Local Service	9,163,363	8,231,494		8,231,494	6,951,071
Revenue Tricomalee Project	134,861,164	145,742,997		145,742,997	77,886,600
Obituary Notices	1,863,210	1,599,505		1,599,505	891,237
Sale of Air Time FEBA					
	<b>667,939,619</b>	<b>682,083,556</b>	<b>(3,000)</b>	<b>682,086,556</b>	<b>632,842,573</b>

**Note - 2**  
**Cost of Sales**

Description	2023	2022	2021
Salaries, Wages & Allowances	209,415,244	270,796,111	269,168,814
Employee Provident Fund	29,296,615	38,812,998	41,588,028
Employee Trust Fund	6,012,657	8,453,305	8,367,114
Traveling and Subsistence	632,551	807,977	1,421,163
Programme Expenditure	6,604,995	4,932,619	4,058,451
Relief Staff	30,345,241	30,689,358	31,977,685
Vehicle hiring Charges	2,766,108	5,120,108	4,595,302
Maintenance cost	3,603,735	10,534,789	4,674,739
Linking Charges		4,166,404	4,086,702
Higher of Outside Tower	10,220,726	9,026,614	7,662,685
Electricity	185,114,900	114,638,879	114,865,425
Business promotion expenditure	220,540	572,845	1,960,850
Commission on Sale of Air Time (Local)	53,611,230	55,165,315	59,823,804
Commission on Sale of Air Time (Foreign)	1,865,016	1,793,686	1,090,557
	<b>539,709,559</b>	<b>555,511,008</b>	<b>555,341,319</b>

**Note - 3**

**Other Operating Income**

Description	2023	2022 adjusted	adjustment	2022	2021
Interest on Loans	15,165,593	13,588,685		13,588,685	6,285,714
Miscellaneous Income (Other)	143,466,383	88,874,676		88,874,676	69,286,746
Fines from Advertising Agents for Returned Cheques	86,906	30,555		30,555	13,643
House Rent	31,769	39,726		39,728	39,713
Income from Circuit Bungalow - Nuwara Eliya	740,475	355,465		355,465	66,941
Special Recording	1,695,698	923,231		923,231	285,037
Gain/Loss on Exchange		15,160,751		15,160,751	-
Licensing of Importers, Dealers	5,805,000	6,620,000		6,620,000	7,345,000
Sale of Cassettes	910,504	1,097,025		1,097,025	742,711
Fine Account	96,112	73,551		73,551	25,250
Income from Circuit Bungalow-Ambewella	30,000	55,000		55,000	120,402
Sales of Publication	10,034	85,303		85,303	78,533
<b>Sub Total</b>	<b>168,038,473</b>	<b>126,903,968</b>	<b>-</b>	<b>126,903,968</b>	<b>84,289,690</b>
Amortisation of government grant	69,511,017	83,037,022	236,691	82,800,331	100,322,193
Amortisation grant Trinco	154,415,414	154,628,399		154,628,399	155,406,674
<b>Sub Total</b>	<b>223,926,431</b>	<b>237,665,421</b>	<b>236,691</b>	<b>237,428,730</b>	<b>255,728,867</b>
<b>Grand Total</b>	<b>391,964,905</b>	<b>364,569,389</b>	<b>236,691</b>	<b>364,332,698</b>	<b>340,018,557</b>

**Note - 3.1**

**Government Grant**

Description	2023	2022	2021
Govt. Grant for Licence Fees			345,000,000
			345,000,000

**Note 04****Distribution Cost**

Description	2023	2022	2021
Provision for bad and doubtful debts	2,453,928	13,798,736	6,245,224
Programme Exp. (Cricket & Artist)	579,125	1,512,500	7,764,013
	<b>3,033,053</b>	<b>15,311,236</b>	<b>14,009,237</b>

**Note 5.****Other Operating Expenses**

Description	2023	2022 adjusted	adjustment	2022	2021
Contribution to Outside Broadcasting Organisations	1,632,934	1,835,422		1,835,422	1,680,898
News Service & News Summaries	454,110	262,610		262,610	351,858
Advertising and Publicity	1,973,088	7,946,340		7,946,340	380,439
Electricity and Power	61,859,476	32,153,914		32,153,914	38,433,767
Postage & Telephones	12,740,911	10,693,881		10,693,881	11,719,576
Printing & Stationery	4,420,603	4,596,794		4,596,794	3,415,856
Cost of Printing Publication	12,884	2,525		2,525	-
Motor Vehicle running expenses	11,789,734	9,901,160		9,901,160	11,742,671
Repairs & Maintenance of Broadcasting equipment	6,427,317	12,585,094	(21,098)	12,606,191	7,012,110
Repairs and Maintenance of Furniture fix & fittings	10,257,608	5,003,833	(175,199)	5,179,032	5,434,134
Repairs and Maintenance of Building & Garden	6,478,408	6,252,240		6,252,240	5,968,262
Depreciation	75,797,650	75,053,883		75,053,883	88,849,849
Depreciation Trinco	159,922,491	159,851,496		159,851,496	160,774,772
Software Amortization					4,382,527
Cassettes expenditure	1,591	196,667		196,667	912,700
Social Security Contribution Levy	14,465,178	3,181,464		3,181,464	-
Vehicle hiring Charges	16,281,367	7,724,512		7,724,512	6,892,952
Stamp Duty	56,925	5,120,677		5,120,677	41,325
Course Fee Expenses	3,108,790	2,259,514		2,259,514	2,077,389
Radio frequency Charges	5,013,700	6,153,660		6,153,660	4,974,300
	<b>392,694,768</b>	<b>350,775,686</b>	<b>(196,297)</b>	<b>350,971,983</b>	<b>355,045,386</b>

**Note 06****Administrative Expenses**

Description	2023	2022 adjusted	adjustment	2022	2021
Allowances - Chairman & Members of the Corp	1,115,600	1,116,000		1,116,000	1,322,335
Salaries, Wages & Allowances	142,447,642	180,530,741		180,530,741	179,445,877
Special Incentive		-			-
Employee Provident Fund	20,095,150	25,647,391		25,647,391	27,725,352
Employee Trust Fund	4,008,438	4,526,299		4,526,299	5,578,075
Overtime to Staff	14,696,297	16,465,740		16,465,740	29,375,582
Relief Staff	3,929,693	3,156,268		3,156,268	3,553,076
Emoluments to Contract Staff	45,062,451	55,276,335		55,276,335	54,421,871
Traveling and Subsistence-(Foreign & Local)	1,433,041	965,173		965,173	1,421,163
Holiday pay	2,806,722	2,680,643		2,680,643	3,440,160
Gratuity	16,621,434	36,341,450		36,341,450	35,606,070
Entertainment by Chairman	276,861	238,569		238,569	402,019
Entertainment by Director General	119,950	133,368		133,368	81,752
Welfare	1,838,893	2,983,549		2,983,549	5,442,818
Medical Service		-			226,055
General Charges	1,559,016	1,235,297		1,235,297	2,256,016
Private security Service	6,226,313	7,096,400		7,096,400	13,365,700
Rent Rate & Taxes	21,633,317	7,479,219	(1,316,700)	8,795,919	6,362,907
Insurance	2,641,425	4,703,575		4,703,575	4,838,239
Audit fees	1,680,000	2,184,000	504,000	1,680,000	1,428,000
Legal Fees	4,437,962	2,042,065		2,042,065	1,336,487
Publications & Periodicals	744,320	180,988		180,988	244,790
Penalty for gratuity,court cases & other etc	1,134,838	22,502		22,502	-
	<b>294,509,362</b>	<b>355,005,572</b>	<b>(812,700)</b>	<b>355,818,272</b>	<b>377,874,344</b>

\* The Corporation had incurred Rs. 189,000.00 in respect of Broadcasting Obituary notice of relatives staff members for the year 2023. These notice were Broadcast in accordance with the approved scheme in force. This was the practice adopted by the corporation every year.

**Note 06**

**Administrative Expenses**

Description	2023	2022 adjusted	adjustment	2022	2021
Allowances - Chairman & Members of the Corp	1,115,600	1,116,000		1,116,000	1,322,335
Salaries, Wages & Allowances	142,447,642	180,530,741		180,530,741	179,445,877
Special Incentive		-			-
Employee Provident Fund	20,095,150	25,647,391		25,647,391	27,725,352
Employee Trust Fund	4,008,438	4,526,299		4,526,299	5,578,075
Overtime to Staff	14,696,297	16,465,740		16,465,740	29,375,582
Relief Staff	3,929,693	3,156,268		3,156,268	3,553,076
Emoluments to Contract Staff	45,062,451	55,276,335		55,276,335	54,421,871
Traveling and Subsistence-(Foreign & Local)	1,433,041	965,173		965,173	1,421,163
Holiday pay	2,806,722	2,680,643		2,680,643	3,440,160
Gratuity	16,621,434	36,341,450		36,341,450	35,606,070
Entertainment by Chairman	276,861	238,569		238,569	402,019
Entertainment by Director General	119,950	133,368		133,368	81,752
Welfare	1,838,893	2,983,549		2,983,549	5,442,818
Medical Service		-			226,055
General Charges	1,559,016	1,235,297		1,235,297	2,256,016
Private security Service	6,226,313	7,096,400		7,096,400	13,365,700
Rent Rate & Taxes	21,633,317	7,479,219	(1,316,700)	8,795,919	6,362,907
Insurance	2,641,425	4,703,575		4,703,575	4,838,239
Audit fees	1,680,000	2,184,000	504,000	1,680,000	1,428,000
Legal Fees	4,437,962	2,042,065		2,042,065	1,336,487
Publications & Periodicals	744,320	180,988		180,988	244,790
Penalty for gratuity,court cases & other etc	1,134,838	22,502		22,502	-
	<b>294,509,362</b>	<b>355,005,572</b>	<b>(812,700)</b>	<b>355,818,272</b>	<b>377,874,344</b>

\* The Corporation had incurred Rs.189,000.00 in respect of Broadcasting Obituary notice of relatives staff members for the year 2023. These notice were Broadcast in accordance with the approved scheme in force. This was the practice adopted by the corporation every year.

Note 07

Finance Cost

Description	2023	2022	2021
Bank Charges	470,141	987,386	466,423
OD Interest	7,064,842	4,160,881	3,585,758
Gain/(Loss) exchange	4,853,643		
Credit Card Commission	74,758	47,051	51,422
	<b>12,463,385</b>	<b>5,195,318</b>	<b>4,103,603</b>

Unaudited Financial Statements



**Note 08**

8 (j) Income Tax	2023		2022		2021	
Net Loss as per financial statements		(532,408,562)		(235,145,875)		(335,713,724)
Less:						
Interest Income	(15,165,593)	(15,165,593)	(13,588,685)	(13,588,685)	(6,285,714)	(6,285,714)
<u>Add: Disallowable expenses</u>		(547,574,154)		(248,734,560)		(341,999,438)
Depreciation	75,797,650		75,053,883		88,838,538	
Depreciation Trnco	159,922,491		159,851,496		160,774,772	
Provision for bad debts	2,453,928		13,798,736		6,245,224	
Provision Gratuity	16,621,434		36,341,450		36,559,005	
Entertainment	396,810		371,937		483,771	
Legal Fees	4,437,962		2,042,065		1,517,487	
Penalty	1,134,838		22,502			
Stamp Duty	56,925	260,822,040	5,120,677	292,602,745	41,325	294,460,122
		(286,752,115)		42,625,498		(47,539,316)
<u>Less: Allowable Items</u>						
Capital Allowances	(105,769,594)		(104,425,232)		(107,651,180)	
Gratuity Paid	(189,624,644)	(295,394,238)	(29,222,219)	(133,647,451)	(52,071,185)	(159,722,365)
Business Loss		(582,146,353)		(91,021,953)		(207,261,681)
<u>Computation of Investment Income</u>						
Interest Income	15,165,593	15,165,593	13,588,685	13,588,685	6,285,714	6,285,714
<u>Computation of Assessable Income</u>						
Business Income/(Loss)	(582,146,353)	(582,146,353)	(91,021,953)	(91,021,953)	(207,261,681)	(207,261,681)
Investment Income	15,165,593	15,165,593	13,588,685	13,588,685	6,285,714	6,285,714
<u>Tax Thereon</u>						
Business Income/(Loss)						
Investment Income	8,335,184	(2,000,444)	0.24	3,261,284	6,285,714	1,508,571
	6,830,409	(2,049,123)	0.30	(3,261,284)		(1,508,571)
Tax Payable		(4,049,567)		16,738,185		46,706,941
Differed Tax		(6,457,730)		15,476,900		45,198,370
Tax Liability		(10,507,297)				

### Provision for income Tax

The corporation is liable for income tax at the rate of 24% on profit derived from the income. A provision has been made in these financial statements on account of income taxes in view of adjusted taxable profits of the corporation.

### ii. Deferred Taxation compute & consider the recognition of deferred taxation as per LKAS 12

#### Deferred Tax Assets & Liabilities

	2023	2022 adjusted	adjustment	2022	2021
<b>Financial Position</b>					
Deferred Tax Liabilities	209,844,894	211,618,748	45,001,169	166,617,579	244,915,237
Deferred Tax Assets	(34,388,682)	(42,620,266)		(42,620,266)	(57,178,569)
Net Deferred Tax Assets	175,456,212.21	168,998,482	45,001,169	123,997,314	187,736,667
<b>Statement of comprehensive income</b>					
Deferred Tax Liabilities	(1,773,854)	33,296,489	(45,001,169)	78,297,657	81,828,584
Deferred Tax Assets	8,231,584	(14,568,304)		(14,568,304)	(35,121,644)
Net Deferred Tax Income/(Expenses)	6,457,729.82	18,738,185	(45,001,169)	63,739,353	46,706,940

Note 9

Property, Plant & Equipment S.L.S.C

Gross Carrying Account	Balance as at 01.01.2023 Rs.	Additions/ Transfers Rs.	Disposals/ Transfers Rs.	Balance as at 31.12.2023 Rs.	Provision for Depreciation 01.01.2023 Rs.	Charge for the Period Rs.	Provision for Depreciation 31.12.2023 Rs.	NBW 31.12.2023
At Cost								
Land	7,574,763	32,000,000		39,574,763				39,574,763
Building	433,223,877	3,000,000		436,223,877	186,275,088	10,911,783	197,186,871	239,037,006
Plant & Machinery	535,980,322	1,047,500		537,027,822	385,072,860	10,885,339	395,958,198	141,069,623
Musical Instruments	7,772,148	-		7,772,149	7,350,240	91,271	7,441,511	330,638
Motor Vehicles	53,863,675	-		53,863,675	53,863,676	-	53,863,676	0
Furniture, Fixtures & Records & Tapes	132,842,485	4,300,000	14,750	137,142,485	110,560,122	2,417,094	112,977,216	24,166,269
Audio Frequency Transmitters	25,007,999	-	-	24,993,249	24,988,084	3,291	24,991,375	1,875
Computer equipment	741,081,686	-	-	741,081,686	550,211,180	16,756,000	566,967,180	174,114,505
Library Books	1,298,802,001	685,450	-	1,298,802,001	836,228,599	33,868,506	870,097,104	428,704,897
Loose Tools	123,727,843	-	16,000	124,363,093	121,592,942	864,367	122,457,309	1,905,784
	453,580	-	-	437,580	163,679	-	163,679	437,580
	163,679	-	-	163,679	163,679	-	163,679	0
	<b>3,360,393,860</b>	<b>40,982,950</b>	<b>30,750</b>	<b>3,401,446,660</b>	<b>2,276,306,470</b>	<b>75,787,650</b>	<b>2,352,104,121</b>	<b>1,049,341,940</b>

Property, Plant & Equipment Trinco

Gross Carrying Account	Balance as at 01.01.2023 Rs.	Additions/ Transfers Rs.	Disposals/ Transfers Rs.	Balance as at 31.12.2023 Rs.	Provision for Depreciation 01.01.2023 Rs.	Charge for the Period Rs.	Provision for Depreciation 31.12.2023 Rs.	NBW 31.12.2023
At Cost								
Plant & Machinery	179,582,058	-	-	179,582,058	147,700,453	13,468,654	161,169,107	18,412,951
Motor Vehicles	7,544,000	-	-	7,544,000	7,544,000	-	7,544,000	-
Furniture, Fixtures & Office Equipment	2,839,794	-	-	2,839,794	2,342,831	283,979	2,626,810	212,984
Generators	7,782,753	-	-	7,782,753	7,782,754	-	7,782,754	-
Audio Frequency Transmitters	206,429,150	-	-	206,429,150	173,362,985	15,482,186	185,785,171	20,643,979
Computer equipment	53,354,383	-	-	53,354,383	43,255,820	4,001,579	47,257,398	6,096,984
Loose Tools	1,521,908,873	-	-	1,521,908,873	1,234,080,116	114,398,165	1,348,478,282	173,430,591
Equipment	52,624,075	-	-	52,624,075	52,624,075	-	52,624,075	-
	4,632,471	-	-	4,632,471	3,821,787	347,435	4,169,222	463,249
	159,206,556	-	-	159,206,556	131,062,091	11,940,492	143,002,582	16,203,974
	<b>2,195,904,113</b>	<b>-</b>	<b>-</b>	<b>2,195,904,112</b>	<b>1,640,265,416</b>	<b>159,922,491</b>	<b>1,960,439,402</b>	<b>235,464,711</b>

Intangible Asset

Description	Balance as at 01.01.2023 Rs.	Additions/ Transfers Rs.	Disposals/ Transfers Rs.	Balance as at 31.12.2023 Rs.	Provision for Depreciation 01.01.2023 Rs.	Charge for the Period Rs.	Provision for Depreciation 31.12.2023 Rs.	NBW 31.12.2023
Computer Software Trinco pro	12,124,157	-	-	12,124,157	12,124,157	-	12,124,157	-
Software	14,488,448	-	-	14,488,448	14,488,448	-	14,488,448	-
	<b>26,612,605</b>	<b>-</b>	<b>-</b>	<b>26,612,605</b>	<b>26,612,605</b>	<b>-</b>	<b>26,612,605</b>	<b>-</b>

**Note 10**

Capital Working Progress	2022	2021	2020
Depreciation	19,823,163	18,723,163	15,917,019
Capital Working Progress	19,823,163	18,723,163	15,917,019

**Note 11**

The Corporation Invested Rs. One Million in Lanka Puwath Ltd.

Investment	2023	2022	2021
Depreciation	1,000,000	1,000,000	1,000,000
Investment in Lanka Puwath Ltd.	1,000,000	1,000,000	1,000,000

**Note 12.****Inventory**

Description	2023	2022	2021
Consumable Items	34,742,642	31,400,886	19,361,978
Goods Lost Damages	436,273	436,273	436,273
Goods in Transit			13,718
	35,178,915	31,837,158	19,811,969

**Note 13.****Trade and other receivables**

Description	2023	2022 adjusted	adjustment	2022	2021
Debtors Airtime	203,616,393	279,745,041	(1,945,009)	281,690,050	309,328,518
Impairment of financial assets	(72,375,812)	(137,435,663)		(137,435,663)	(123,636,927)
Loans to staff	2,347,776	2,097,162		2,097,162	2,000,301
Other advances to staff	527,003	241,084		241,084	329,840
Staff Debtors E. P. F.	238,952	238,952		238,952	238,952
Advance payment to Suppliers	879,780	115,022		115,022	1,909,069
Sundry Debtors	4,829,121	13,187,917		13,187,917	16,900,596
Dishonoured Cheques	17,000	17,000		17,000	
Branch Account with Lakhanda			(12,807,862)	12,807,862	
Cash Imprest	33,977	73,481		73,481	150,088
G. S. T. Control Account	237,267	237,267		237,267	237,267
Receivable Income (other)	1,050,911,287	64,085,395		64,085,395	44,821,349
With Holding Tax (Income)	42,008,670	40,213,024		40,213,024	40,213,024
Other deposits	67,457,619	9,242,482		9,242,482	9,707,462
	1,300,729,033	272,028,144	(14,752,871)	286,761,015	316,007,400

**Note 14.****Cash and Cash Equivalents**

Description	2023		2022 adjusted		2021	
Bank of Ceylon - Mataara	15,000		35,000		455,586	
Cash in Hand (Reception)			25,000		-	
People's Bank International Division	271,743		32,745		699,959	
Bank of Ceylon - Torrington -Main account.			-		-	
State Bank of India	672,793		770,358		449,874	
Bank of Ceylon - Anuradhapura	247,787		24,087		23,001	
Bank of Ceylon - Kandy	29,914		-		230,000	
Nations' Trust bank	7,816,004		17,761,759		4,812,437	
Bank of Ceylon - Torrington -Radio Licences	10,433,790		2,811,482		39,930,164	
Bank of Ceylon - Torrington-Cassette Sales	1,320,058		22,950,785		43,270,767	
Bank of Ceylon - Madras	2,605,133		2,972,288		1,842,540	
Bank of Ceylon Trincomalee project	3,946,599		5,317,524		11,919,593	
Bank of Ceylon -Jaffna Branch	147,169		-		-	
Bank of Ceylon - Savings	117,544		114,586		111,204	
Savings A/c (people's Bank)	6,700,459		56,282,019		55,570,366	
<b>Total</b>	<b>34,323,993</b>		<b>109,097,633</b>		<b>159,295,491</b>	
<b>OD Balances (A/c No:265)</b>	<b>(55,119,389)</b>		<b>(60,993,772)</b>		<b>(14,523,578)</b>	
<b>Balance for Cash Flow Statement</b>	<b>(20,795,395)</b>		<b>48,103,860</b>		<b>144,771,913</b>	

**Note 15.****Retained Earnings**

Description	2023		2022		2021	
<b>Opening Balance</b>	<b>(351,482,389)</b>		<b>(218,463,340)</b>		<b>(377,857,113)</b>	
+ Adjustment			43,459,899		47,760,554	
(-) Adjustment			1,589,368			
Comprehensive Income	(646,804,163)		(184,889,580)		111,633,219	
<b>Total</b>	<b>(1,008,286,552)</b>		<b>(361,482,389)</b>		<b>(218,463,340)</b>	

**Note 16.****Trade and other payables**

Description	2023	2022 adjusted	adjustment	2022	2021
Creditors sale of airtime	4,882,689	26,482,737	(10,919,659)	37,402,395	13,179,619
Miscellaneous deposits refundable	10,724,713	6,821,713		6,821,713	3,435,012
Accrued Expenses	306,850,534	267,060,591	(55,599,256)	322,659,847	277,683,648
E.P.F.	302,091	326,765		326,765	4,137,833
Sundry Creditors	97,354,635.28	99,280,088		99,280,088	19,214,107
Current Account Regional Service					294,000
ME's Security Deposit	1,308,193	1,317,116	(15,053)	1,317,116	558,387
Sanasuma-Tsunami				15,053	15,053
Rajarata Circuit Bungalow	399,221	196,829		196,829	
	<b>421,822,076</b>	<b>401,485,840</b>	<b>(66,533,968)</b>	<b>468,019,808</b>	<b>318,517,659</b>

**Note 17.****Short Term Borrowings**

Description	2023	2022 adjusted	adjustment	2,022	2021
Bank of Ceylon - Torrington -Main acco	55,119,389	60,880,572	(432,364)	61,312,936	14,522,378
Bank of Ceylon -Jaffna Branch		1,200		1,200	1,200
Bank of Ceylon - Kandy		112,000		112,000	
	<b>55,119,389</b>	<b>60,993,772</b>	<b>(432,364)</b>	<b>61,426,136</b>	<b>14,523,578</b>

**Note 18.****Non financial Liabilities**

Description	2023	2022 adjusted	adjustment	2022	2021
N S L	15,007,806	15,007,806		15,007,806	15,007,806
Save the nation fund	(12,418)	(12,418)		(12,418)	(12,418)
Payee Tax	331,372	62,241		62,241	47,472
With holding tax	1,029,842	923,051		923,051	923,051
VAT Contrail a/c	137,606,466	105,773,941	(1,166,032)	106,939,973	68,345,374
ESC	52,619,337	52,619,337		52,619,337	52,619,337
NBT					761,242
National Defence Fund	2,835	2,835		2,835	2,835
provision for income Tax	4,769,855	15,728,889	10,266,275	5,462,614	2,201,330
Stamp duty payable to Inland Re	47,700	142,900		142,900	34,050
	<b>211,402,796</b>	<b>190,248,583</b>	<b>9,100,243</b>	<b>181,148,341</b>	<b>139,930,079</b>

**Note 19.****Other Payables**

Description	2023	2022	2021
E.P.F.Surcharge	3,301,385	6,301,385	7,789,635
	<b>3,301,385</b>	<b>6,301,385</b>	<b>7,789,635</b>

**Note 20.****Foreign Grant**

Description	2023	2022	2021
Foreign Grant - Japan & Korean	24,429,267	24,429,267	24,429,267
Grant Trinco - Deutschewelle	206,364,182	360,799,596	515,427,995
	<b>230,813,448</b>	<b>385,228,863</b>	<b>539,857,262</b>

Note 21

Retirement benefit obligations  
As at 31st December 2023

Movement in the present value of the retirement benefit obligations

	2023	2022	2021
Retirement benefit obligations at the beginning of the year	166,810,047	207,642,031	282,412,177
Opening Balance adjustment	166,810,047	207,642,031	282,412,177
<b>Expenditure recognized in Income statement</b>			
Current Service cost adjustment	4,481,241	7,012,771	8,454,418
Interest cost	10,848,695	28,381,418	27,229,479
	<b>15,329,936</b>	<b>35,394,189</b>	<b>35,683,897</b>
<b>Income recognized in other comprehensive income</b>			
Actuarial (gain)/loss Adjustment (gain)/loss	103,888,305	(34,779,394)	(54,947,608)
<b>Total payment</b>			
Benefits paid			
Benefits paid by the plan adjustment	(173,238,778)	(41,446,779)	(54,553,500)
	<b>112,789,509</b>	<b>166,810,047</b>	<b>207,642,031</b>
<b>Present Value of the obligations</b>	<b>112,789,509</b>	<b>166,810,047</b>	<b>207,642,031</b>

The principal of assumptions

Discount rate	13.10%	11.78%	7.79%
Future salary increases	1.50%	1.50%	1.50%
Retirement age	60 yrs	60 yrs	60 yrs
Staff Turnover factor	2.00%	2.00%	2%