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வரையறுக்கப்பட்ட சுயாதீன தொலைக்காட்சி சேவை.
INDEPENDENT TELEVISION NETWORK LTD.

ANNUAL REPORT 2021



INDEPENDENT TELEVISION NETWORK LTD.

VISION

To be the leader in Electronic Media

MISSION

Produce and telecast quality, attractive and people friendly media content consistant with the Sri Lankan values and culture.

GOALS

Create excellent educational, informative and entertaining content

Use state of the art technology for creating and dissemination of content

Maintain financial stability of the organization

Develop creative, talented, well qualified human resources

Promote Sri Lanka to international audiences through the dissemination and exchange of local content

VALUES

Creative -

Supporting the talented people in their commitment for innovation and new ideas.

Courageous -

Vision to adapt to change with integrity and decisiveness

Supportive -

Providing opportunities to ITN staff to grow personally and professionally during their tenure in the organization

Accountable -

Maintaining high standards of governance and value for money to the Sri Lankan community

CORPORATE INFORMATION

Name of Company	Independent Television Network Limited
Legal Form	Commenced operations on 13th April 1979 as a private sector company. Vested in the government by Gazette Extraordinary No. 39/4 of 5th June 1979 under the Business Undertaking Acquisition Act No. 35 of 1971. Declared a Government Owned Public Company on 27th April 1992 under the Act No. 23 of 1987 appointing General Treasury as the only shareholder. Registered as a company under the Companies Act No 07 of 2007 as a Limited Company.

Company Registration Number PB 1070

Type of Business Operates two TV channels (ITN and Vasantham TV) and two radio channels (Lakhanda and Vasantham FM) serving Sinhala and Tamil speaking communities in Sri Lanka along with the channel ITN Digital for social media activities. ITN has the strongest island wide transmission network in Sri Lanka.

Accounting Year 1st January to 31st December

Auditors Auditor General, National Audit Office

Company Secretary Corporate Advisory Services (Pvt) Ltd, Colombo.

Banker Bank of Ceylon

Board of Directors

Chairman	Mr. Sudath Rohana	(Upto 2021.12.29)
Executive Director	Dr. H.S. Hettiarachchi	(Upto 2021.12.30)
Director	Prof. M K C Rajapaksha	
Director	Dr. A I Kankanamge	(Upto 2021.12.28)
Director	Mr. M. Fainaz	
Board Director/ Treasury Representative	Ms. Sanjeevani Weerasekara	
Board Director	Mr. T. A. Yajeesh Thennakoon	(From 2021.01.27)

Senior Management

Chairman	Mr. Sudath Rohana	(Upto 2021.12.29)
Executive Director	Dr. H.S. Hettiarachchi	(Upto 2021.12.30)
Chief Executive Officer	Mr. N A I N K Nissanka	
General Manager	Mr. W P A M Wijesinghe	
Deputy General Managers	Mr. S. Radaliyagoda	Deputy General Manager (News & Current Affairs)
	Mrs. Sanjivani Epa	Deputy General Manager (Administration)
	Mr. H.S.K. Perera	Deputy General Manager (Programme)
	Mr. Ravi Siriwardene	Deputy General Manager (Marketing)
	Mrs. T.K.Z Gunasekara	Deputy General Manager (Finance) Attending to duties
	Mr. K.A.G.A Kularathna	Deputy General Manager (Engineering) (Upto 30th Aug. 2021)
	Mr. U. Hewawasam	Deputy General Manager (Engineering) Attending to duties. (From 31st Aug. 2021)
	Mr. Asoka Karunanayake	Deputy General Manager (Radio) (Upto 3rd June 2021)
	Mr. Kapila Thilakasiri	Deputy General Manager (Radio) Attending to duties. (From 3rd June 2021)

Contact Details

Head Office	Wickramasinghepura, Battaramulla, Sri Lanka. Tel: 94 11 2774424, 2773289 Fax: 94 11 2774594 Web: www.itn.lk E-mail: chairman@itn.lk itnadm@itn.lk
Marketing Office	No: 325, Baudhaloka Mawatha, Colombo 07. Tel: 94 11 2699072, 2682304, 2691868 Fax: 94 11 2688724 E-mail: marketing@itn.lk

● OUR ROOTS

1979	13th April	ITN Commenced operations using a 1 KW transmitter on a 65 feet tall antenna mast in Mahalwarawa, Pannipitiya by a team of private entrepreneurs.
	5th June	Vested in the government.
1982		Transmission facilities, Studios and Head Office shifted to Wickramasinghepura, Battaramulla. Commenced operations using U-matic / Low Band recording and later switched over to commonly used Betacam SP format
1990	1st November	Yatiantota Tx Station was officially launched.
1992	27th April	Converted into a government owned public company under the Act No. 23 of 1987 and registered under the Companies Act No. 07 of 1982.
	23rd November	Deniyaya Tx Station was officially launched.
1993	23rd August	Nayabedda Tx Station was officially launched .
1997	1st April	Lakhanda Radio was brought under the management of ITN.
1999	12th April	Hunnasgiriya Tx Station was officially launched.
2000	4th October	Karaghatenna Tx. Station was officially launched.
2001	7th April	Lakhanda Studios and Head Office were shifted to ITN premises at Wickramasinghepura, Battaramulla.
2006	2nd June	Sooriyakanda Tx. Station was officially launched.
2008	21st April	Vasantham FM Radio channel was officially launched.
2008	September	ITN became the No. 1 channel in Prime Time for the first time in its' history.
2009		ITN became the No. 1 channel in overall programmes.
	25th June	Vasantham TV channel was officially launched.
	12th November	Prime TV channel was officially launched.
2010	6th June	Kokavil Multifunctional Transmitting Station was commissioned under the expansion project for Lakhanda, Vasantham TV and Vasantham FM.
2011	20th January	Commenced construction of a large HDTV Studio and office complex.
	8th September	A transmitter and an antenna was installed in Jaffna to broaden coverage of Vasantham FM.
	December	Introduced and implemented a Performance Appraisal System in recognition of the commitment of employees.
2012	03rd September	Vasantham TV coverage was expanded to the Eastern province by installing a Transmitter in Madulsima.
2014	03rd March	Commenced construction of a 05 storey office complex building for the Programme, Finance & Engineering Divisions with a visitor area for guests, clients & visitors.
2016	30th June	Commissioning of HD TV studio complex and office complex
	19th September	Relaunch of ITN Relaunch of Lakhanda Radio as ITN FM
2017	14th June	Commissioning of 05 storey office building complex.
2020	1st Jan	Re-introduce previous logo of ITN Rename ITN FM as Lakhanda and re- introduce previous logo of Lakhanda.
	June	Launch of channel ITN Digital for Social Media.

● CHAIRMAN'S MESSAGE

It is with pleasure that I present the progress achieved by Independent Television Network during the past year.

Despite the Covid-19 pandemic which affected the entire world, ITN was able to record a growth in its revenue and attention has been focused on enhancing the quality of programmes produced, aiming to improve market share as well as ratings through more appealing presentation of programmes.

A series of programme catering to the taste of audience giving pride of place to national and social responsibility, cultural heritage, values and knowledge, has been introduced under the tag line of "Channel of National Heritage". Action has been taken to offer the viewers top grade teledramas and programmes.

At the Suamathi Tele Awards held in the year 2021, 'Wilpaththu Wadaya and Acoustica Unlimited aired by ITN won the awards respectively for the best current affairs programme and the best music programme and at the SLIM Nielson People's Awards, 'Atapattama' bagged the award for the most popular television programme in Sri Lanka for the 13th consecutive year.

Further, at the prestigious Raigam Tele'es Awards Ceremony, ITN bagged the coveted awards for the Best Tele-drama Channel of the Year for the years 2020 and 2021 and the Best Television Channel of the Year for the years 2020 and 2021. Altogether, ITN won forty awards at this awards ceremony.

Thanks to this programme lineup and other changes effected within the institution, the market share which stood at 5.21 at the end of the year 2019 could be raised up to 8.51 by the end of the year 2021.

ITN digital Channel launched by Independent Television Network for using the new media competitively has reached great heights. ITN earned an income of Rs. 1407 million by the end of the year 2021 through executing new sales promotion and marketing programmes and presenting innovative programmes. This denotes a revenue growth of 22.35% compared to the year 2020. Further, the loss of Rs. 507 million incurred in the year 2020 without the government grant of Rs 280 million was reduced to Rs. 316 million (by 37.7%) in the year 2021 by boosting the revenue as indicated above and keeping a tight lid on all economically unfavorable expenses of the institution. Though boosting revenue was highly challenging amidst the Covid-19 pandemic and the extreme competitiveness in the field of media, a significant progress could be achieved in the year 2021. It is also worth mentioning that ITN did not obtain any recurrent expenditure from the General Treasury in the year 2021.

All these victories have been achieved, according priority to policies and activities of the 'Vistas of Prosperity and Splendour' policy framework and special priorities gazetted under the Ministry of Media.

By securing greater viewer attraction for all radio and television channels belonging to Independent Television Network through websites, social media, mobile phone text messages and smart phones, further enhancing the value and revenue and using social media networks and Over the Top streaming media services, attention has been paid for building new business opportunities using the new media with responsibility for audiovisual creations, animations, art designs and article writing.

I wish to convey my thanks to the Board of Directors, senior management and all the members of the staff for the support extended in carrying out these activities which was of utmost importance and I have no doubt that they will serve as catalysts of our future success.

Sudarshana Gunawardana

Chairman

● MARKETING DIVISION

The Marketing Division recorded an income of Rs. 1579.11 millions in respect of ITN, Vasantham TV, ITN FM & Vasantham FM channels as summarized below.

Channel	Income (Rs. Million)
ITN	1346.27
Vasantham TV	133.68
Lakhanda FM	63.2
Vasantham FM	35.96

ITN

Agency wise GroupM Media (Pvt) Ltd. was the highest contributor investing approx. 286.33 million on ITN, followed by Phoenix O & M (Pvt) Ltd who invested Approx. 186.04 million.

The National Lotteries Board was the highest contributor as a single client investing a budget of Rs. 180 Million whilst Unilever Sri Lanka Ltd was following closely with a budget of Rs. 136 million on ITN.

Income generated through various events organized by ITN is as below

- “ITN Sooryamangala” was held in Minneriya Army Camp, under Covid -19 restrictions and safety guidelines. The Avurudu Program was hosted in main events and its generated income is as below

- Main Soorya Mangala – Rs. 30Mn
- Tharu Piri Avurudu – Rs. 23 Mn
- Mahagedara Avurudu – Rs. 12 Mn

Other Avurudu Sub events (Lama Avurudu | Avurudu Frequency packages | Sellam Gedara Avurudu) generated 33Mn Approx. Therefore Avurudu event as a whole generated Approx. 98 million which was a massive success compared to previous year’s celebrations and income generated.

- “TN Tharu Palasa” was telecasted on 31st night. It was attended by many stars and well known personalities in the industry. Lux – Unilever was the title sponsor for the event.

Lakhanda FM

Lakhanda has improved in terms of income by earning Rs.63.2 million for the year 2021.

Selacine has given the highest contribution as an advertising agency, with an advertising budget of Rs. 14.4 million while National Lotteries Board is the Top invested client with Rs. 23 million .

Lakhanda Radio hosted a special Anniversary program, “Color of Love” on the 27th November 2021. The program was telecasted simultaneously on ITN as well. A total income was Rs. 3,350,000/- from sponsors for this program, out of which Rs. 500,000/- was allotted for Lakhanda Radio. Main sponsors of the program were SLIC, Hemas, Anjana Senevirathna & Dialog

Lakhanda’s Avurudu event generated an income of Rs. 1,580,000/-

Vasantham TV

Vasantham TV has improved in terms of income by earning Rs. 133.68 million for the year 2021. Despite the limited coverage facilities and COVID- 19 situations Vasantham TV strived to achieve the management's target for the financial year.

Phoenix O & M (Pvt) Ltd has given the highest contribution as an advertising agency, with an advertising budget of Rs. 35.26 million while Unilever Sri Lanka is the Top invested client with Rs 11.43 million .

Vasantham TV was the Official Television partner for the Abu Dhabi T10 Cricket Tournament which was held in January- February 2021.

Vasantham FM

Vasantham FM also generated a growth in its income as Rs 35.96 million for the year 2021. Vasantham FM has been performing well for the year 2021 despite any BTL activities, promotions and also the COVID- 19 situations.

Lanka Hope Media has given the highest contribution Rs. 4.22 million as an advertising agency while Development Lotteries Board has generated higher portion of income of Rs. 13.4 million for Vasantham FM in terms of corporate clients.

● PROGRAMME DIVISION

Independent Television Network commemorated its 42nd anniversary in the year 2021. Though Sri Lanka too was badly affected by the Covid-19 pandemic which dealt a devastating blow to the entire world, the channel made an outstanding contribution despite the numerous difficulties and challenges experienced during this period to cater to diverse needs of Sri Lankan television viewers with programmes on education, entertainment, culture, development, agriculture, music, children, religion as well as information.

Programme transmission time

The transmission begins at 4.00 in the morning everyday and ends at 12.00 midnight. With the commencement of the lottery draws, the transmission period was extended by another half an hour. Accordingly, the programmes of the channel were telecast for 20 hours and 30 minutes daily.

Of the programmes telecast, nearly 45 programmes are produced by the Network itself and 19 are programmes purchased from external parties. Some of them are aired as sponsored programmes and the remainder as unsponsored programmes.

Morning transmission

The morning transmission commences with pirith chanting followed by "Paththaramenthawa" where attention is focused on prominent news items of daily newspapers and "Hathweni Peya". On Sundays, the programme titled "Mohan Samaga" discusses headline making global news items. From 04.01.2021, the morning transmission is on air from 8.00 a.m. to 12 noon in all five days of the week. The morning transmission consists of a number of different segments each of which has been produced by different producers.

"Nimhim Sara" is a programme where a guest is invited and the songs of his/her choice are played. A programme based on astrology is telecast once a week during the morning transmission. Other programmes during the morning belt includes a discussion on a topical issue with an invited guest, a discussion once a week on indigenous medicine and the effectiveness of local herbal medicines and a repeat telecast of a popular tele-drama of yesteryear from 9.30 a.m. to 10.00 a.m. each day. Further, during morning transmission, a beauty culture programme titled "Life Style", a chat show on topical issues on women, a cookery programme named "Soopa Yathra", a programme named "Sith Yaya" and a one-hour song request show titled "Music@11" are telecast.

Evening transmission

Old tele-dramas which became highly popular when they were originally telecast were aired again for 3 hours from 12.30 to 3.30. An educational programme titled "Ape Panthiya" was aired from 3.30 to 5.00 on weekdays and from 5.00 p.m. onwards programmes focusing on arts/agriculture/children/youth were broadcast.

Night transmission

Night transmission commenced at 6.00 in the evening and during the prime time belt from 6.00 to 9.30, tele-dramas were telecast.

Children's Programmes

Samanala Yaya

This programme was introduced with the aim of honing musical talents of children where children sing songs of a popular artiste in his/her presence. The artiste then review the songs sung by children and also includes an interview with him/her. This programme accords opportunities for talented children of school choirs.

Fun Street

This children's programme blends entertainment with knowledge. According to the format of the programme, children act out various roles which sets the stage for them to improve knowledge, attitudes and skills while having fun.

Children's News

Making children aware of activities and events with news value taking place in the school system and giving publicity to children's societies and events important to children, presenting short featured segments for broadening knowledge of children and providing information on places of cultural, historical and social importance are the objectives of this programme.

Magazine Programmes

Hirimal Savariya

This is a programme aimed at fostering respect and loyalty towards the motherland through positively changing children's knowledge, attitude about their country and sharing such feelings of patriotism with their peers. The programme also teaches children to enjoy the beauty and tranquility of mother nature and benefits that can be derived from being in harmony with nature.

Kala Manjari

'Kala Manjari' is a collection of visual media segments providing entertainment, knowledge and understanding and is a programme that can be enjoyed by viewers with artistic and aesthetic inclination.

Weda Gedara

This programme is produced with the objective of bringing indigenous and traditional ayurveda medical knowledge to the audience in a creative manner. The programme is presented by a female Ayurveda physician. In recognition of the role played by this programme to uplift indigenous and traditional system of Ayurveda medical practices, it has won awards at the "Raigam" and "Sumathi" television awards ceremonies.

Wenasa Plus

This is an award winning infotainment programme presenting information to viewers on a host of areas including culture, sports, foreign news, mysteries, prominent personalities, artistic creations, religion, tours and animals.

A slew of social service programmes too have been carried out through this programme. Providing assistance to people living penury, donating artificial limbs, extending assistance for the construction of houses, lending support to budding artistes are some of them and it also focuses on hidden aspects of many social issues.

Due to its novel content and popularity, the programme has received many awards.

Travel Girl

This is a programme rendering an immense service for the development of tourism industry by highlighting scenic beauty and national heritages as well as traditional industries of Sri Lanka.

Atapattama

“Atapattama” which has been on air for nearly 21 years once again brought substantial revenue in the year 2021 as well. is a magazine programme. The programme which is being telecast with unparalleled records won the SLIM Nielsen People’s Award 2021 for the 13th consecutive year as the most popular TV programme in Sri Lanka. The programme produced and aired at a minimal cost continued to be one of the major revenue earners.

Ran Bimata Arunella

This explorative agricultural programme creates awareness amongst viewers on agriculture, animal products and self employment opportunities and is particularly useful to new entrants to the field of agriculture.

Music Programmes

Siyapath Pokura

This programme was telecast in the year 2021 as well amidst positive responses from viewers. This was aired as a performing art programme about more than 50 artistes.

Rhythm of India

This is a programme exclusively for Hindi music lovers accommodating their requests for popular hindi songs of their choice.

Chat N Music

Chat N Music was telecast in the year 2021 with a new look featuring veteran and up and coming artistes, professional of diverse fields, actors and actresses and expatriate Sri Lankans and the participants livened up the programme with their comments and interactions with each other.

Shanida Sadaya

This music programme was launched in the year 2016 with a view to enriching classical Sri Lankan music. In this programme, 8 children sing songs of various singers, lyricists and composers. Music is provided for this live programme by an 08-member orchestra.

31st Night – Asiyanu Tharu Palasa

A musical show named ‘Asiyanu Tharu Palasa’ organized by ITN in partnership with OBS Air was telecast live in the night of 31.12.2021.

Voice of Colombo

This reality TV show organized jointly by ITN and the Colombo District Secretariat provides a platform for public sector employees to showcase their vocal skills. The preliminary selections for the programme are due to be commenced in November 2021 and the final programme is planned to be held on 29th January 2022.

Discussion Programmes

Doramadalawa

Acclaimed as the television university of the nation, this programme has been on air uninterrupted for nearly 21 years and maintained its popularity and quality in the year 2021 too. At the SLIM Nielsen awards ceremony held in 2021, it earned a recommendation as one of the four most popular television programmes in the country.

Commercially, the programme brings high benefits to the institution.

Medical Clinic

Knowledge on surgeries of serious nature performed in an operating theatre and medical science is provided to TV viewers through this programme.

Hitha Gawa

This is a discussion programme conducted with the participation of a psychiatrist and a psychological counselor about mental issues of people and remedies that can be provided thereto.

Documentaries

The lotus bloomed in the mass media pond

This is a programme produced based on the biography of the late veteran media personality Kala Keerthi Edwin Ariyadasa and his services to the society in general and to the field of media in particular. The programme provides a host of guidelines to new entrants to the field of media.

“Sanda Hiru Seya” documentary and live telecast

The Sanda-Hiru Seya constructed in Anuradhapura for the commemoration of war heroes who made the supreme sacrifice for the country was bequeathed to the Sambuddha Sasana on 18th November 2021 and this historic moment was telecast live and a documentary on the new Chaitya too was telecast on the same day.

“Along the Great Canal” documentary

This programme discussed the benefits accrued on farmers and contribution made for their economic advancement through the Minipe canal scheme, Maha Ela project and Wayamba Ela Mahaweli scheme project

Surya Mangalyaya – 2021

The Surya Mangalyaya programme which is telecast live on Sinhala and Tamil New Year Day every year was recorded on the embankment of the Minneriya Tank in collaboration with the Sri Lanka Army and transmitted despite the rapid spread of the Covid-19 pandemic across the country. In addition, a New Year programme named 'Mahagedara Avurudda' with the participation of families of 05 artistes of different generations, a New Year ceremony for television artistes titled 'Tele Tharu Relle Surya Mangalyaya' and a children's New Year programme named 'Sellam Gedara Avurudu' were telecast.

Sports Programmes

Live telecast of a volleyball tournament

A new volleyball tournament named 'Galaxy Volleyball' was telecast in the year 2021. Similarly Munchee volleyball tournament too was successfully aired.

Schoolboy Cricketer

The ceremony for organizing the selection of the most popular schoolboy cricketer of the year was telecast live in both 2020 and 2021.

Live telecast of T-10 Cricket Tournament

For the first time ever, a T-10 cricket tournament was telecast live over our channel.

Political Programmes

"Thulawa"

"Thulawa" political programme which discusses topics of timely importance with the participation of representatives from 04 different political parties representing the ruling party and the opposition was telecast in the year 2021 as well.

"Theeranaya"

A current affairs programme presented with the participation of leaders of political parties, economists, heads of government institutions and statutory bodies, prominent medical professionals, trade union representatives and senior administrative officers.

Religious Programmes

"Sawanak Ras"

"Sawanak Ras" live programme which has been on air for many years on every Full Moon Poya Day was telecast this year too from prominent Buddhist temples every Poya day.

"Sanghadhikaranaya"

This programme in which a social issue was discussed with relevant to Buddhism was conducted with the participation of two erudite Buddhist prelates.

"Negena Lovata Esena Dahama"

This programme is a commentary on the stanzas of the 'Lo Weda Sangarawa' by two Buddhist prelates and a professor. It replaced "Sanghadhikaranaya" programme which was telecast on Poya Days from September 2021.

Vesak Programmes

The digital pandal displaying the "Thakka Jathaka Story" produced under the theme of the Vesak Programme "Aloko Udhapadhi" was serialized from 26 May 2021 at the Aloko Udhapadhi programme telecast from 7.00 at night. Further, several sponsored programmes were telecast to coincide with the Vesak Week including Dhamma Padhaya, Vesak Nisades and Pali stanzas.

Christmas Programmes

The Catholic midnight mass heralding Christmas of 2021 was telecast from St. Cajetan's Church Negambo while the Christian service was telecast from Christ's Church Galle Face.

In addition, Christmas carol teams from various Catholic and Christian parishes were invited to our institution and the recorded hymns were telecast as "Naththal Gee Mihira".

Educational Programmes

Yavuvanaya

The objective of this programme to improve children's knowledge on science, elevate their artistic taste and develop a liking for scientific research, Inventions and entrepreneurship.

Thakshilawa

'Thakshilawa' programme which catered to educational needs of children for many years, telecast a series of programmes from 29.05.2021 targeting students sitting the G.C.E. (O/L) and G.C.E. (A/L) examinations.

ITN 'Ape Panthiya'

The telecasting of 'Ape Panthiya' educational programme conducted in partnership with the National Institute of Education from 3.30 to 4.55 commenced on 06.08.2021.

Smart 5

This programme was telecast for the benefit of school children sitting the Grade 5 scholarship examination. It served to address the gap created by the closure of schools in the year 2021 due to the Covid-19 pandemic.

ITN Smart Mind

This quiz programme was presented with the participation of school children from Grade 04 to Grade 11 with the objective of broadening knowledge of the audience and presenting quality programmes surpassing other channels.

ITN Television School

At a time, the education sector had been totally paralyzed in the aftermath of the Covid-19 pandemic, ITN launched Television Iskole (Television School) programme as a need of the hour and it remained highly popular in the year 2021 as well and was a commercial success.

Gadget Mania

An explorative feature programme about modern technical gadgets produced with the state of the art technology.

Denumai Vasanawai

This quiz programme which evaluates general knowledge of schoolchildren boost the image and popularity of the channel.

Dubbed Programmes

Shadow of the Elves cartoon series was dubbed in Sinhala and telecast on Sundays as “Sura Mitiyawatha”.

NLB Lottery Draw

The telecasting of lottery draws of the National Lotteries Board over ITN was commenced from 19.04.2021. This enabled the channel to attract a large number of new viewers.

Liya Waruna

This was transmitted from the HD studio in compliance with health guidelines to coincide with International Women’s Day which fell on 08th of March.

The programme specifically focused on issues affecting women and was oriented towards empowerment of women socio economically.

Tele Dramas

On the recommendations of a preview board comprising external scholars/ artistes and critics and taking into account the competitiveness of the market and ratings of airtime, quality and creativeness of the drama, expenditure and the potential for sale and the purchasing competitiveness of other channels, action was taken to telecast tele-dramas.

In addition to new tele-dramas, high quality tele-dramas of yesteryear too were telecast as a result of which the amount which would otherwise have spent on tele-dramas could be saved.

Tele-dramas on weekdays

Amongst the tele-dramas aired during on weekdays, the most prominent were International 01, Kohollewe Devathavi, Sath Varsha, Iskole Kale, Ekagei Kurullo, Sakman Chaya, Sansara Sihine, Lengathu Asapuwa, Nadi, Hadawila Aruna, Sakuna Piyapath, International 02, Girikula, Wana Wadule Wasanathaya, Katu Imbula, Appachchi, Sahodaraya, Beddegedara, Metro Heena, Bro, Aaliya, Pork Weediya, Hithuwakkari, Pavena Yakada and Kolomba lthaliya.

Weekend tele-dramas

Classical tele-dramas were aired as “Sathi Anthayae Nidahas Sathi Aga” during the weekend. Amongst them were Ayaal, Yuga Vilakkuwa, Dunhinda Addara, Septembaraye Digu Dawasak, Asanwara Wessak, Thadee, Andun Gira, Maha Polowa, Sakarma, Manikkawatha, Garunda Muhurthaya, Pin Ketha, Diyasuliya, Chkara and Pichcha Mala Suwandai.

Development Programmes of the government

- The vesting in of the scheme “Drinking Water for All” 2020-2025 in line with “Vistas of Prosperity and Splendour” held under the patronage of the Hon. Prime Minister was telecast live as a development programme of the government from Temple Trees.
- “Ammawarune” programme held under the auspices of the Hon. Prime Minister at the Independent Square as part of commemoration of International Women’s Day for promoting good parenting for the creation of a generation of children with virtues and knowledge was telecast live.
- “Eka Mage Rata” programme for the introduction and promotion of inventions and innovations was telecast this year too until June.
- “Wari Saubhagya programme was telecast live from Anuradhapura on 05.02.2021.
- The inauguration of “Surakimu Ganga” held at Kataragama with the participation of His Excellency the President was shown live on 05.02.2021.
- A discussion programme “Port City- The True Story” was transmitted live on 20.04.2021.
- The inauguration of the Ruwanpura Expressway was telecast live from Temple Trees on 07.05.2021 jointly with the Sri Lanka Rupavahini Corporation.
- A discussion programme series on the modern agricultural revolution entitled “Urumaya” was telecast live.
- The inauguration of the construction of the elevated highway from the Kelani Bridge to Athurugiriya and the flyover was shown live from Temple Trees on 07.06.2021.
- “A dialogue with village” programme was transmitted on 07.03.2021 and 12.06.2021.
- Inauguration of ‘Preschool of Prosperity and the teacher felicitation ceremony was shown live 17.06.2021.
- Production Village of Prosperity – Inauguration ceremony was telecast live on 01.07.2021.
- Road Revolution of Prosperity- Telecast live on 02.07.2021.
- The inauguration ceremony of “Dorin Dorata Kapruka” held under the patronage of His Excellency the President was transmitted live on 10.07.2021.
- A discussion programme on chemical fertilized titled “Sipagamu Mawpasa” was telecast on 17.04.2021.
- The speech made by His Excellency the President at the 76th general assembly of the United Nations was telecast.
- The handing over of the water treatment project of Nagadeepa, Jaffna to the people was telecast live from Temple Trees on 06.10.2021.
- Road Revolution of Prosperity – The opening ceremony of 1500 roads was telecast live from Matara on 06.11.2021.
- A programme titled ‘Two years of prosperity amidst challenges’ was telecast on 20.11.2021.

- Golden Gate Kalyani- A programme on the opening of the expressway and the vesting in of the new Kelani Bridge to the people was simulcast with Sri Lanka Rupavahini Corporation.
- A programme on the development initiatives of the government during the past two years was telecast on 04.12.2021.
- “Yugayaka Nimavum” exhibition organized by the State Ministry of Batik, Handloom and Local Apparel Products was held from 17 to 19 December 2021 at Kandy City Centre. Live situational reports and 02 discussion programmes were aired about the event.

Social responsibility Programmes

- A special meritorious deed of renewing the vow made to goddess Paththini pleading that people of Sri Lanka and the entire world community be protected from the Covid-19 pandemic was conducted as a live television programme on 28.08.2021 and was telecast live.
- Vishwa Ashirwada Pooja programme to invoke blessings on the country held from 5.30 to 6.45 p.m. on 08.05.2021 was telecast live from Gangarama Temple, Colombo.

- Telecasting short and long programmes containing instructions on the risk of Corona and telecasting short messages.
- Two public awareness programmes named “Vasanthaya Enawa Saththai” on Covid-19 pandemic were telecast.
- In the ‘Siw Mansala’ programme lineup which discusses political, social, economic and religious issues, 15 minute and 20 minute programmes were aired as per the availability of time.
- A blood donation programme of ITN named “Manusathkamin Piri Le Bindak” was held at the premises of the institution on 03.007.2021. Despite the threats posed by Covid-19, a large number of people donated blood at this campaign.

Accordingly, the Programme Division has played a pivotal role for Independent Television Media Network in the year 2021.



● ENGINEERING DIVISION

Improving studio facilities for enhancing the quality of programme production, upgrading main control rooms, transmission facilities and associated infrastructure facilities for improving the quality of reception and implementing projects targeting the improvement of information technology facilities are the functions relevant to the Engineering Division.

Accordingly, since infrastructure facilities of analog technology currently being used such as Broadcast Local Area Network, studio equipment and facilities, the main control room and facilities affiliated thereto can no longer be used as they are not compatible with the digital broadcasting system due to be introduced in near future, arrangements have been made to upgrade these facilities to be compatible with the state of the art technology and digitalization. Programmes produced for digital broadcasting should be of the highest quality with digital audio/video signals necessary infrastructure facilities in the main control room and studios are being put in place.

Most of the projects planned for the year 2020 could not be implemented as envisaged since most of the production companies and local agencies restricted their activities in the wake of travel restrictions imposed due to the Covid-19 pandemic situation, the delay in receiving funds from the Treasury and the lengthy process for obtaining approval from the Ministry of Finance and the Export and Import Control Department for the issuance of letters of credit. However the procurement process related thereto was continued and the process is expected to be completed in the first quarter of 2022.

In terms of a budget proposal approved in the year 2018, measures were taken to upgrade Vasantham TV to transmit high quality pictures to cater to the Tamil speaking Sri Lankan community, enable the production and transmission of local Tamil programmes and expand the coverage. Accordingly, a bilateral project was launched at an estimated cost of Rs. 31 million. As expected funds were not received in the year 2019, the project period had to be extended up to 03 years. In the year 2020, expenditure of the project amounted to Rs. 40.037 million and though it was proposed to secure capital funds to upgrade the transmission centre under analog technology, with the launch of the digital television technology project of the country in the year 2021, ITN too has focused attention on digitalization. Therefore, funds amounting to Rs. 209.96 million allocated but not spent in the year 2021 were reverted to the Treasury. It is expected to reclaim this amount from the Treasury in the year 2022. By the end of the year 2021, the total cost incurred for the project was Rs. 73.337 million.

● ITN DIGITAL

Independent Television Network having identified emerging trends of in world media has started using the new media in a competitive manner and the following objectives are expected to be realized accordingly.

- i) By securing greater viewer attraction for all radio and television channels belonging to Independent Television Network through websites, social media, mobile phone text messages and smart phones, further enhancing trade value and revenue.
- ii) Using social media networks and Over the Top streaming media services, building new business opportunities using the new media with responsibility for audiovisual creations, animations, art designs and article writing.

A collection of websites, YouTube Channels, Face book Pages and other social media platforms which have been designed or are to be designed for all radio and television channels and news bulletins and special programmes (such as Youth with Talent) of ITN is operated as ITN Digital.

Audio and video programmes produced by ITN and animation creations were posted on these social media platforms. For this purpose, new media such as websites, Face Book and Youtube were updated to be on a par with changing times and a Mobile Apps was developed enabling viewers to watch all television channels and listen to all radio channels of ITN using their mobile phones from anywhere in the world. This is the only Mobile App by a television channel of Sri Lanka at present with the facility of viewing programmes telecasted during the last 6 hours.

Gold Play Button of YouTube has obtained ITN Sri Lanka YouTube Channel and action has been taken to promote all radio and television programmes belonging to ITN through ITN Digital in new media platforms and attract greater viewership.

A rate card had been designed for the sale of live streaming of programmes aired over Facebook and YouTube and the on-demand downloadable content as per the viewer responses. Income of ITN has also been boosted by securing advertisements for YouTube and Face Book programmes by the Marketing Division.

Further, new methods have been devised to boost the income from Google on the back of increasing viewership for programmes aired over YouTube.

The total number of subscribers of ITN YouTube Channel has grown to 1,000,000 by the year 2021 with 334,000 new subscribers during the year and posting an overall income of Rs. 118.9 million with 720.3 million overall views, the channel has earned Rs. 48.9 million during the year 2021. Further it was able secure Gold Play Button of YouTube.

In addition, Vasantham TV, Lakhanda YouTube Channels and Vasantham FM Facebook too have been able to attract a large number of subscribers and generate revenue.

Asides from the abovementioned ITN Digital activities, income is expected to be generated by keeping the copyrights for all programmes and creations (content) belonging to ITN media network by making available above programmes to OTT platforms, satellite channels, wired networks such as PEO TV and Cable TV, internet live streaming services an on-demand downloadable systems.

Accordingly, since an additional income can be generated by the institution by sharing the content belonging to ITN on commercial basis with entities providing the above services, the matter is being studied.

Targets

- Boosting the income further by increasing the number of overall ITN Sri Lanka YouTube subscribers to 1.5 million by the end of the year 2022
- Developing YouTube channels and Face Book pages of other channels affiliated to ITN media network and generating income through them.
- Increasing the number of subscribers and income by obtaining Content ID facility, joining with or securing partnership of a Multi Channel Network thus increasing the number of subscribers and revenue.
- Employing new income and subscriber enhancing strategies by adopting methods such as Over The Top streaming and Video on Demand.

YouTube Analytics - ITN Sri Lanka

Category - YouTube	2020	2021
Total Views	276.1 M	255.6M
New Subscribers	403.9 K	334 K
Total Subscribers	650K	1000K
Estimated Revenue Each Year	Rs 48.9 M	Rs 48.9 M
Total Revenue cumulative	Rs 71.2 M	Rs 118.9 M

FaceBook Analytics - ITN Sri Lanka

Category - Face Book	2020	2021
Total Likes cumulative	372,380	-
Total followers cumulative	288,129	565,705
Page Reach	49.1M	118.8M
Engagement	14.3M	28.2M
Total Revenue cumulative	Rs 215,595.00	Rs 377,705.00

YouTube Analytics - Lakhanda

Category - YouTube	2020	2021
Total Views	1.2M	2.2M
New Subscribers	9.1K	20.9K
Total Subscribers	15.9K	36.8K
Estimated Revenue Each Year	Rs 60,981.00	Rs 291,363.00
Total Revenue cumulative	Rs 127,056.00	Rs 418,420.00

FaceBook Analytics - Lakhanda

Category - Face Book	2020	2021
Total followers cumulative	30,000	119,633
Page Reach	5.1M	5.2M
Engagement	2.5M	4.1M

YouTube Analytics – Vasantham TV

Category - YouTube	2020	2021
Total Views	895.7K	622.4K
New Subscribers	18.2K	9.4K
Total Subscribers	35.1K	44.5K
Estimated Revenue Each Year	Rs 47,401.00	Rs 37,841.00
Total Revenue cumulative	Rs 65,864.00	Rs 103,705.00

FaceBook Analytics – ITN Srilanka News

Category - Face Book	2020	2021
Total followers cumulative	41000	164,377
Page Reach	6.7M	6.5M
Engagement	10.4M	9.5M

YouTube Analytics – ITN News

Category - YouTube	2020	2021
Total Views	1.9M	987.5K
New Subscribers	25.3K	10.9K
Total Subscribers	41.5K	52.5K
Estimated Revenue Each Year	Rs 148,875.00	Rs 162,110.00
Total Revenue cumulative	Rs 215,595.00	Rs 377,705.00

FaceBook Analytics – Vasantham TV

Category - Face Book	2020	2021
Total followers cumulative	-	337,774
Page Reach	5.4M	7.6M
Engagement	4.0M	3.0M

FaceBook Analytics – Vasantham FM

Category - Face Book	2020	2021
Total followers cumulative	-	432,564
Page Reach	65.4M	83.5M
Engagement	22.6M	39.5M

● ITN NEWS & CURRENT AFFAIRS

The year 2021 was a challenging year for the News and Current Affairs Division amidst Covid Pandemic. It was also a challenging process to divide the News Staff into two sections and set up daily shifts and employ only a limited number, on daily basis.

By doing this News & Current Affairs Division managed to telecast 10 Live Sinhala News Bulletins and 2 Live Tamil News Bulletins with a limited number of staff but successfully managed the challenge until the end of the year.

ITN News which was rated lower, in comparison to other competitive channels, was brought up to the 3rd level and was able to occupy and maintain the 3rd and 4th positions throughout the year.

While fulfilling social responsibility, ensured the credibility and accuracy of the news and provided what people wanted. Although worked as a government media organisation, we constantly provided information similar to competitive media channels.

The News & Current Affairs Division was able to earn a higher income in comparison to the year 2020

Net Profit from Weekly Noon News Bulletins of each Month of 2021

News Bulletins	Net Profit(Rs.)
Noon News Bulletin	25,961,974.88
6.30 pm Main News Bulletin	127,516,894.36
10.00 pm Main News Bulletin	24,932,979.17
Weekend Main News Bulletin	32,275,852.33
Hourly News	30,585,233.44
12.00 Noon Tamil @ Main News Bulletin (Daily)	26,392,991.94
8.00 pm @Tamil Main News Bulletin (Daily)	4,106,916.62
Total	276,994,167.74

Annual Income received by Current Affairs Programmes

Programme	Net Profit(Rs.)
• Paththaramenthawa	13,863,112.25
• Hathweni peya	1,888,164.00
• Theeranaya	693,170.00
• Thulawa	137,961.00
Total	16,582,407.25

A dedicated Group of Provincial Correspondents for the News & Current Affairs Division was retained with the aim of enhancing the quality of the news contents and standardizing the uniqueness of the news materials.

Accordingly, an agreement was signed between the Institution and the Reporters.

Action will be taken in the future against the Provincial Correspondents who were disseminating their video footages with the other media organization while serving ITN News & Current Affairs Division.

Recruitments were completely suspended during the year 2021.

The staff of the News & Current Division made sure to carry out their duties with the existing machinery and equipment, taking into account the current situation of the organization caused by the pandemic.

NOVEL PROGRAMMES AND PROGRESS

Morning programmes presented by the Current Affairs Division in the year 2020 continued in the year 2021 and those programmes managed to gain a high viewership during this year. Therefore, demand for this programme from ministries and institutions has significantly grown, as a result.

Many new segments were included in the main news bulletin and there was a high response in this effort.

- Amathaka nethi mathaka
- Platform
- Sarupolowak kara
- Ekwa negitimu
- Yanna hithena thenak

A new platform was created within the news bulletin as well as in the current affairs to discuss about the government's way forward. In this process, it was possible to highlight government's shortcomings.

Launching the "Thulawa" Political Programme is a great achievement. Opposition Political Representatives too receive an opportunity to express their views on the same platform and the programme airs every Thursday at 10.25 pm. It is receiving a commendable response.

LAKHANDA

Lakhanda news - Truth with Impartiality and Credibility

News section of the Lakhanda radio is determined to bring accurate and impartial news content to its listeners with balanced reporting in an attractive manner to keep audiences informed. Lakhanda's entrance into the scene broke a new ground as it revolutionized highly partial and manipulated status quo news content generation, even sometimes fabricated.

Lakhanda brings three major radio news bulletins on daily basis: 6.30 am, 12 noon and 6.30 pm.

10 hourly news in brief bulletins are aired from 8 am to 9 pm.

New strategic plan for the Lakhanda newscasting

- Studying the competitive radio channels and re-arranging the news broadcast schedule and being the leading radio news broadcaster with unique content. The Lakhanda radio is capable to outperform some private radio channels in case of newscasting with some special or breaking news (The radio station is aimed to air the most verified and accurate information to the audiences instead of being the "first" in breaking news).
- Reporting newsworthy events will be given pride of place and balanced and impartial news content will be and opposition parties; inclusion of news pertaining to opposition parties and their views will be made mandatory. The Lakhanda news bulletin will be open for press conferences of the opposition and their press releases and decisions.
- It is planned to coordinate information officers and other government officials in all 25 districts in the country to gather information regarding the ongoing development activities and airing them as news items. A new segment, titled iReporter, with voice cuts and sound bites from information officers countrywide, will be introduced to give a better understanding on development projects embarked by the state to the audiences.
- Assigning news reporters to cover all government ministries to report accurate information on services and development work rendered by those ministries to the general public. The same strategy was fruitful in the past in obtaining unreported and missed significant and valuable information linked with ministries, departments and corporations.
- A news feature program was aired on Mondays, every week, namely "Public Day" to bring a comprehensive set of information on public services offered by the state institutions; the knowledge and details, presented over the feature program has been highly productive in case of enlightening people to obtain services without any hassle.
- A feature program on environment titled "Husma" was broadcast to persuade the general public on protection of

environment, natural attractions and tourist destinations; the content was aired on weekly basis.

- "Saubhagyaye Peramaga" news feature program was aired on Mondays to bring follow-ups of government's major development projects.

Achievements made by the Lakhanda news

1. Due to the aforementioned operation, Lakhanda news reached a wider public attention and was appreciated by the politicians of both government and the opposition.
2. Lakhanda news division was nominated for the "Best News Presenter" award at the State Radio Awards 2021.
3. Lakhanda news division was also presented with an appreciation certificate for the "Best News Editor" award at the State Radio Awards 2021.

Lakhanda news income generation in 2021

The Lakhanda news division earned an income more than 2.2 million rupees in between January and November of 2021.

VASANTHAM FM

Vasantham FM was launched on 21st April, 2008. From that day onwards, Vasantham FM news broadcasts were also developed step by step.

It can be pointed out that Vasantham FM news broadcasts have good faith and acceptance in the areas where Tamil speaking people live during the period when the corona epidemic was rampant.

Vasantham FM was also able to stay on the position number 2 and 3 for news broadcasts in 2021 out of 8 other competing Tamil radio channels.

The news division of Vasantham FM operates with limited human and physical resources. That is, with a number of ten employees.

Vasantham FM News – True and impartial broadcasts

The main role of Vasantham FM News is to bring true and unbiased hot news and special news to the audience in a balanced way. The confidence of the Tamil speaking people was strengthened by broadcasting 03 main news bulletins daily and 10 hourly news bulletins.

Vasantham FM News Achievements

Vasantham FM News Division received the following awards and nominations, in the year 2021, at the Radio State Awards Ceremony.

1. State Award for Best News Editor
2. State Award for Best Female News Presenter
3. State Award for Best Male News Presenter (Nominated)

● LAKHANDA RADIO

Lakhanda Radio programmes were aired in the year 2021 under the theme “Channel of national legacy”. Though the sponsorship revenues dropped during the period of travel restrictions and quarantine curfew in the wake of Covid-19 pandemic situation, an increase of 15 million was posted in the year 2021 in comparison to the year 2020. In the backdrop of external promotional and external sponsorship programmes could not be conducted, this increase in revenue was a noteworthy progress.

The growth in revenue was propelled by the contribution of the Marketing Division and the sponsored Dhamma sermons of the Programme Division. The recruitment of a female presenter for a one-year contractual period to present programmes on the artiste basis during the prime time slot between 16.00 to 18.00 p.m. and the incentivizing of staff members to coordinate with sponsors also contributed to the growth in the revenue.

During the year 2021, several new programmes were added to the programme lineup. “Lakhanda Thakshilawa’ educational programme aimed at providing greater learning opportunities for schoolchildren was broadcast daily from 05.00 to 06.00 a.m. from the third quarter onwards.

“Wedilla” program aired every morning bringing into focus topical issues mainly dealt with Covid-19 related health issues and the impact of the pandemic on different professions and spot advertisements were broadcast to raise public awareness on the pandemic.

During the airtime from 16.00 to 18.00 p.m., a special package was introduced to local small scale producers thus boosting the marketing revenue.

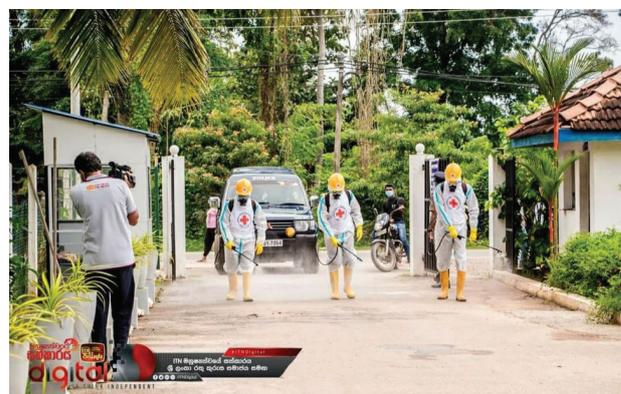
A significant income could also be generated by the reintroduction of “Sitha Nivana Budu Bana” sponsored Dhamma sermon series broadcast from 21.00 to 22.00 at night.

Marking the 25th anniversary of Lakhanda Radio which fell on 15th November, a musical show titled ‘Colour of Love’ was telecast over Independent Television (ITN) with a simulcast over Lakhanda YouTube and Face Book which also contributed to boost the revenue. At the beginning of 2021, the number of subscribers of Lakhanda YouTube Channel was around 15,000 and at the end of the year, the number witnessed a two-fold increase.

During the year under review, the groundwork was laid for enhancing revenue of Lakhanda through YouTube and other social media platforms.

In a situation where external promotional events could not be conducted, Lakhanda joined hands with ITN’s “Manushayathwaye Sathkaraya” and provided relief to the people affected by Covid-19 pandemic in partnership with various institutions and organizations.

Concurrent to the 25th anniversary of Lakhanda, awareness programmes and short messages on protecting schoolchildren from Covid-19 were aired in collaboration with Public Health Inspectors Union.



● VASANTHAM TV

Vasantham TV is a Tamil national television having its own unique identity with its popularity growing by the day. Vasantham TV productions have been designed to cater to timely requirements and people's aspirations and the programmes aired in the year 2021 bear testimony to this.

Many innovations were introduced in planning and creating programmes during the year 2021. New programmes were lined up and changes were made to the themes and content of some existing programmes. 'M-Studio' programme was replaced by a novel programme called 'Star War' striking a responsive chord with our audience. 'Aelam Nal' programme which was temporarily suspended was relaunched. An intellectual programme named 'Eye' was started anew.

Meanwhile, due to the lockdowns imposed across the country due to the outbreak of Covid-19 pandemic, a situation arose where usual programs could not be produced, but as a responsible national channel we were duty bound despite the crisis situation to offer our services to the general public. Therefore, in compliance with the administrative decisions, Vasantham TV recast its usual programme lineup and programmes were aired under a new schedule for a period of three months.,

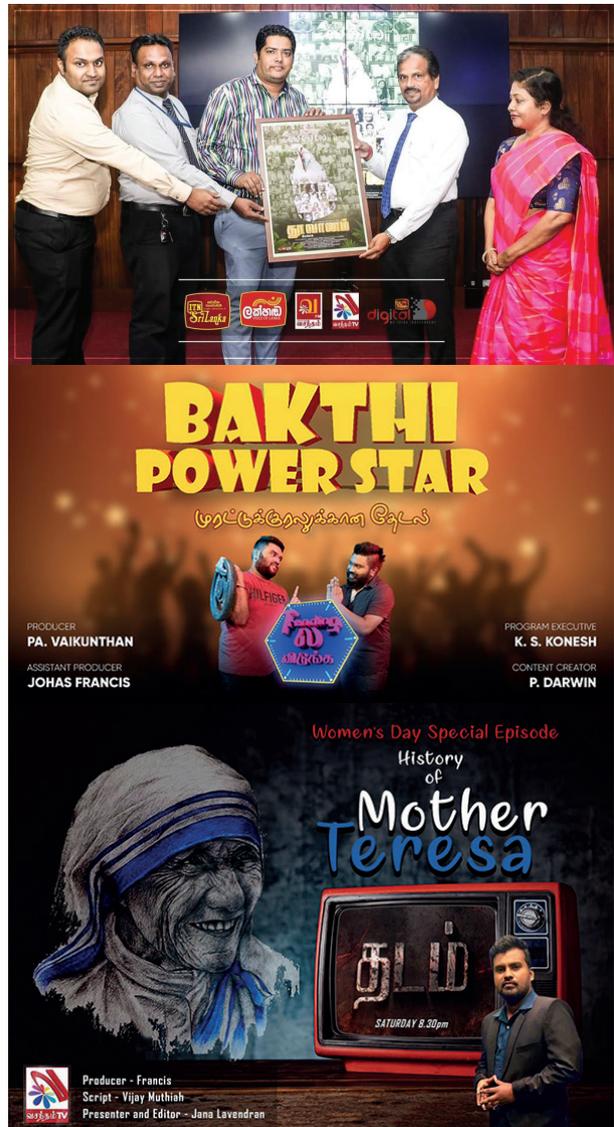
Having regard to the closure of schools and the resultant interruption in education, a series of educational programmes aptly named Vidya Wasantham was telecast in consultation with the Ministry of Education during weekdays. In order to raise public awareness on Covid-19 pandemic, fillers of 1 to 2 minute duration were produced and presented. In addition special discussions and interviews aimed at broadening people's knowledge on the crisis prevailed in the country were telecast regularly.

During this period most of our regular programmes were halted including popular shows such as Engeyum, Eppodum, Thoduvanam, Vanga Palahalam, Sutri Varum Bhoomi and Ladies Special. However other programmes namely, Thalai Vasal, Aarokkiyam, Hello Vasantham, Music Express, Sunday Café, Suyatheena Seithip Parvai, Hollywood Bits, Thuvanam, Adukalam, Makkal Sevei, Kanmani, Kadei Thireyik Kadei Vasanam Iyakkam, Numma Hits, Siharam Thottu, Cinema, Oscar, Rendigla Vidunga and Thadam were telecast as scheduled. The other programmes in the lineup included Siri Maname, Super Scene, Thalai Vasal, Yavarum Keleer, film songs and films.

Vasantham TV remained undeterred by the crisis and focused on broadening the scope of our programmes with novel creations. Accordingly, several new programmes Star War, Aalam Nal, Eye were produced and broadcast. When the situation in the country returned to normal, the telecasting of the bulk of the suspended programmes were resumed together with some of the programmes stopped midway during the early period of the channel. Vasantham TV is gradually regaining its popularity with new additions including films and several TV series.

During the Covid-19 pandemic, the hourly news bulletins had to be suspended but with the restoration of normalcy in the country and arrangements have been made to bring news updates to our viewers at the top of the hour.

Similarly, preliminary arrangements are being made for a host of new programmes to be launched during the upcoming year. A number of films were purchased at a minimum cost with a view to telecasting them on special days and during festive seasons. Until the end of the year 2021, the majority of field programmes and programmes produced with the participation of external individuals were strictly restricted to be apposite with circumstances.



● VASANTHAM FM

Maha Shivaratri

It was planned to record the Mahasivarathri festival live from the famous Sivan Temples in Sri Lanka. But due to the spread of corona disease in the country, it was prohibited to allow anyone from the outer districts to enter the temples, so regional correspondents were sent to the temples and telephoned live updates from there.

International Women's Day

On Women's Day, organized events to highlight women. The show was hosted by women throughout the day. Every hour recorded and broadcast the life story of the most accomplished women in Sri Lanka and the opinions of women who are now making achievements in many fields.

Vasantham Radio's 13th Birthday

Thought it was planned to hold a concert on the eve of Vasantham Radio's 13th birthday celebration the concert was cancelled because the Covid epidemic was a barrier to bring in singers from India.

New Year celebration

All events planned for the New Year have been put on hold due to the Covid epidemic in the country. However arranged special recorded shows that broadcast on the radio

VPL cricket match

The Vasantham Premier League cricket tournament organized on the occasion of Vasantham Radio's birthday was held in Kilinochchi this time.

Due to the spread of covid in the country, large crowds were not allowed to enter the stadium and only allowed players to play in the tournament.

Presented Rs. 100,000 cash prizes to the winning team and 50,000 cash prizes to the 2nd place.



Maaveeran Sangiliyan - Radio Musical Drama

The radio musical Drama for this year is based on the life story of the Sangiliyan King who ruled Jaffna. Taken steps to voice recordings for this whole play from ITN Tamil employees. So created this play at no cost.

Ramadan festival

Due to the increase in the incidence of covid of many office staff during the holy month of Ramadan, outsiders were not called to the office but contacted them directly by telephone and recordings were broadcast.

International Children's Day

A visit to a children's home on Children's Day was planned in conjunction with Vasantham TV and host an event. But this could not be done due to the corona epidemic in the country. So Children were contacted by phone and recorded their voice cuts and broadcasted on Children's Day.

Deepavali

On the day of Deepavali planned to organize an outdoor musical concert. But due to the covid epidemic the concert outside was cancelled but held the concert inside the office and broadcasted live.



Christmas

On Christmas Eve recorded a special Mass at a church and on Christmas day same was recorded live on the radio and on social media site.

● Sustainability Report

ITN recognize that our responsibilities extend beyond financial results and related matters. Effective management of employee, customers, social and environmental concerns are important to our corporate reputation and profitability.

Appointments / Recruitments during 2021

DGM	01
Technical Officer	01

Approved cadre

Post	ITN/ LAKHANDA/ VASANTHAM TV/VASANTHAM FM
Senior Level	80
Tertiary Level	150
Secondary Level	503
Primary Level	190
Total	923

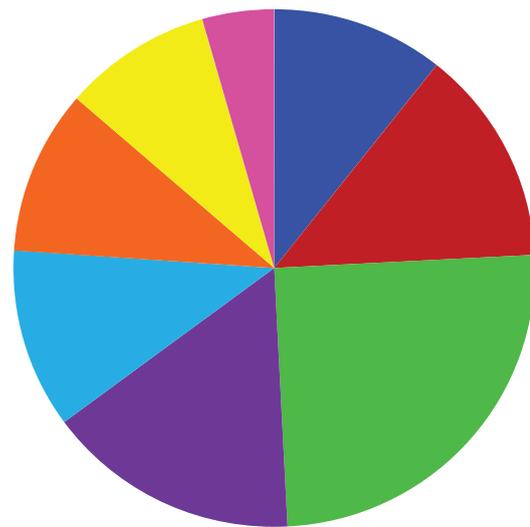
Cadre (Permanent / Contract) as at 31st December 2021

Post	ITN	LAKHANDA	VTV	VFM
Senior Level	42	4	1	1
Tertiary Level	112	8	4	0
Secondary Level	301	42	14	18
Primary Level	159	4	0	0
Others (Marketing Executive)	19	3	6	2
Grand Total	740			

Service Analysis as at 31st Dec. 2021

Years	Permanent	Contract
Less than 01	15	64
01 - 05	63	37
05 - 10	174	11
10 - 15	110	6
15 - 20	76	7
20 - 25	76	0
25 - 30	68	0
Greater than 30	33	0
Total	615	125

Permanent & Contract Employee Service Analysis as at 31st Dec. 2021



Years



Permanent & Contract Employee Age Analysis as at 31st Dec. 2021

Years	18-30	31-40	41-50	50<
Male				
Management	0	0	3	8
Executive	0	1	17	23
Technical	30	67	26	29
TV Prodcution	37	101	60	27
Clerical	6	41	48	43
Total	73	210	154	130

Female				
Management	0	0	2	1
Executive	0	2	6	4
Technical	2	2	0	4
TV Prodcution	17	34	27	15
Clerical	3	23	18	13
Total	22	61	53	37

Training Summery 2021

Training Area	No of Training Programmes	No. of employees participated
Local		
Human Resource Development	2	126
Engineering	3	26
Finance	2	2
IT	1	15
Total	8	169

Training programs could not be conducted from March 2020 due to Covid 19

Employee concerns

Corporate Standards

Shareholders appoint Auditor General, National Audit Office as auditors; for their independent opinion in accordance with the prevailing local and international reporting standards and norms. The Company provide true, accurate and factual financial information for their evaluation, whilst veracity of all statements conforms to the rules and regulations set out by the Accounting Standards of Sri Lanka.

Customer communication

It is a fact that majority of ITN's revenue, is earned through advertising agencies. We have a very clear and trusted understanding with them and they in return place high expectations on our programs, broadcast quality and reach. It is a reciprocating process where the results are measured on mutual understanding and confidence placed.

Additionally, all efforts are measured by statistical findings of two separate independent research organisations, who rank each and every time belt against other media stations giving a clear popularity indication of our programs. This has been a yardstick for our stakeholders to place their advertisements, and for us when and where the improvements are necessary.

Employee communication.

In a media organization where creativity play a significant role, two – way dialogue is of paramount importance, and ITN is no exception for that criterion. There have been many instances that a program, unfolded from a seemingly insignificant seed – of - thought, from an unexpected source and became very successful. Moreover, the performance - based incentives offered annually induced much enthusiasm as the employees realized that the Company values their contributions.

Employee health and safety.

Our concern for health and safety of all employees is total. As a company who engage personnel, especially production staff who travel to distant places, thick forests or cross waterways and streams and climb treacherous mountains carrying heavy equipment are constantly prone to injury and if the unthinkable happen, the very production may be delayed indefinitely. Therefore, we have to be ready with urgent medical facilities and alternate technicians to carry forward without break. We invest heavily on their health benefits and conduct health and safety camps to educate them.

Benefits to employees and improvements to welfare activities

- Payment of performance incentive of Rs. 10,000/-
- Payment of Rs. 5,500/- per month as attendance incentive.
- Providing gift vouchers worth Rs. 13,000/- per permanent and contract employees and Rs. 5,000/- for days pay category relief panel for New Year 2020.
- Providing Personal Accident Insurance cover for all permanent, contract employees and relief panel.
- A total cost of Rs. 37 mn was borne by the company to facilitate Medical Insurance cover worth Rs. 150,000/- for each permanent/ contract employees and their family members.
- Providing efficient office transportation for staff from Colombo Fort, Dehiwala, Piliyandala and Kaduwela.
- A transport allowance of Rs. 3,000/- was given to employees working on roster basis.
- Providing distress loans commensurate with the present salary.
- Vehicle loans up to maximum of Rs. 1.2 mn for Executive staff.
- Motor bicycle/ Three Wheeler loans to a maximum of Rs.150,000/- for non - executive staff.

Corporate Governance

ITN is committed to achieve high standards of good governance to protect shareholder value and the guidance from the Board of Directors has greatly helped formulate cohesive policy framework.

In addition to complying with the statutory requirements, effective governing systems and practices towards improving transparency, internal controls and ethics at work place Good Governance is a continuing exercise of the organization.

Board of Directors

The core responsibility of the Directors is to act in the best interest of the organization and to create long-term value and return for share holders. The Board is also responsible for the overall performance of the organization, major investments, annual budgets, financial performances reviews, risk management and governance practices. The Board has established a number of sub-committees including the Audit and Management Committee and the Procurement Committee to ensure efficient discharge of its responsibilities and ensure transparency to provide independent oversight of management.

In year 2020 the board comprised of following Directors

Mr. Sudath Rohana
Chairman
(Upto 2021.12.29)

Dr. H.S. Hettiarachchi
Executive Director
(Upto 2021.12.30)

Prof. M K C Rajapaksha
Director

Dr. A I Kankanamge
Director
(Upto 2021.12.28)

Mr. M. Fainaz
Director

Ms. Sanjeevani Weerasekara
Board Director/ Treasury Representative

Mr. T. A. Yajeesh Thennakoon
Board Director
(From 2021.01.27)

The board members are free to discuss and voice their concerns on proposals that are forwarded for Board's consideration and approval. Contributions of each Director are in many forms such as establishing strategic relationships to the organization and providing guidance to the management and exchanging of views.

Type of meeting	meetings held	Frequency of meeting
Board Meetings	Once a Month	13
Audit and Management Committee	Quarterly	04
Major Procurement Committee	As Required	08
Minor Procurement Committee	Twice a Week	11

The Management provides comprehensive managerial and operational report and financial statement to the Board on regular basis. The necessary information is submitted one week before the board meetings so that directors acquaint with the state of affairs prior to the meeting thus, ensuing discussions are more focused and decisive.

Final performance of the organization is presented at Board meetings and the CEO, General Manager and Senior Managers if necessary are also present at the meeting to answer queries the Board may have.

The Company Secretary assists the Chairman with the preparation of meeting agenda and administers, attends and prepares minutes of the Board proceedings, ensuring good flow of information within the Board. The Secretary assists the Board on the compliance with the Articles of Association, laws and regulations.

The management of the organization is committed to assist the Board to implement and strengthen good corporate governance practices.

Audit and Management Committee

The Audit & Management Committee includes two non Executive Directors and Working Director. It is chaired by the Director representing the Treasury.

The Committee also comprises of representative from the Ministry of Mass Media, Chief Executive Officer, General Manager, Deputy General Managers Finance, Administration, Programme, Engineering and Marketing, Accountants of ITN/ Lakhandu and the Internal Auditor. The external auditors are in attendance to assist the Audit and Management Committee.

Internal Audit

The Internal Audit functions of the institution, is being done by Internal Audit Section. Routine audit activity proceeds in accordance with the Annual Audit Programmes are approved by the Audit and Management Committee and Board of Directors.

All audit matters arisen are directly reported to the Chairman for his information and decision.

The Internal Audits performed are aimed at assisting the board and management to discharge their corporate governance responsibilities as well as improving and promoting effective and efficient business process within the institution.

Procurement Committee

ITN is following Government Procurement Guide Lines developed by the National Procurement Agency for its procurement needs of goods, services and works. There by ITN has benefited with best value for money through the competition and ensuring transparency and consistency in procurement process. Department Procurement Committee of ITN is authorized to handle the procurement up to Rs. 100 Mn and it falls into two categories.

Major Procurement Committee is appointed by the Secretary of Ministry of Finance and Mass Media and consist of Chairman, General Manager and a member from the line ministry. It handles major contracts of good, services, work above the value of Rs. 2 Mn.

Minor Procurement Committee is chaired by the General Manager and handles minor procurements below the value of Rs. 2 Mn. Minor Procurement Committee meet fortnightly for procurement matters.

The Company Secretary

The Company Secretary plays a key role in ensuring that the board procedures are followed, all relevant information, details, documents are made available to the Directors for effective decision making at the meetings.

Annual Report of the Board of Directors on the affairs of the Company.

The Board of Directors present this corporate report together with the audited Financial Statements of Independent Television Network Ltd for the year ended 31st December 2021.

Principal Activities

The principal activities of the organization during the year were to operate two TV channels and two Radio channels catering to Sinhala and Tamil speaking communities of Sri Lanka with the widest range of entertaining programmers of music, drama, movie etc and educational programmers, news bulletins and current affairs.

There have been no significant changes in the nature of principal activities during the financial year under review.

Review of Business

The review of the operation of the Company during the financial year and results of those operations and future developments are stated in the reports given by each division. These reports form an integral part of the annual report of the Board of Directors on the affairs of the company .

Going Concern

The Directors are satisfied that Company has adequate resources to continue its operation. Accordingly the financial reports are prepared based on the Going Concern.

Revenue

The revenue of the organization during the year was Rs.1,407 million. An analysis of revenue is given.

Share Capital

The stated capital as at the end of the year was Rs.95,000,000 consisting of 9,500,000 number of ordinary shares.

Profit and appropriation

Net loss after taxation of the organization was Rs. 315 million.

Employments

The number of employees as at 31 December 2021 is given in page 19

Reserves

The reserves as at 31 December 2021 amounted to Rs. 920 Mn. The movements of the reserves during the year are shown in statements of changes in equity for the year 2021.

Property Plant & Equipment

The total net capital expenditure on acquisition on property, plant and equipment and capitalization of work in progress cost of the organization during the year amounted to Rs. 56.2 million. The details of property, plant and equipment are given in Note 14 to the financial statements.

Statutory Payments

The directors to the best of their knowledge and belief confirmed that all payments in respect of statutory liabilities to employees and the government have been made within the stipulated period during the period under review.

Directorate

The Board Directors of ITN and the date of appointment with the changes in the directorate are given on page 22 of the Annual Report.

Director share holdings

The Directors hold no shares.

Corporate Donations

The donations made by the company during the year are disclosed in Note. 7 of the financial statement.

Corporate Governance

The Board of Directors of the organization has accepted and acknowledged adaptation of good governance practices as an essential tool in today's corporate culture. The organization confirms compliance with corporate governance rules as at the date of the annual report 2021.

Share Holdings

The Treasury of the Government of Sri Lanka holds 100% shares.

Contingent Liabilities and Commitments

There are no material contingencies or commitments other than those disclosed in the Note 32 to the Financial Statements

Events after Balance Sheet date

No circumstances have arisen and no material events have occurred during the period between the Balance Sheet date and Directors signing of accounts except disclosures in Note No 33 of the financial statement,

Annual General Meeting

The Annual General Meeting of Independent Television Ltd, will be held on the date of 24th August 2022 at 2.00 p.m. at its Head Office at Wickramasinghepura, Battaramulla.

Auditors

The Accounts have been audited by Auditor General, National Audit Office. As far as the Directors are aware, the auditors do not have any other relationship with the Company.

For and on behalf of the Board

INDEPENDENT TELEVISION NETWORK LTD

Sudarshana Gunawardana

Chairman

INDEPENDENT TELEVISION NETWORK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31-12-2021

My No. CAM/B/ITN/1/FA/2021

12th June 2022

Chairman,
Independent Television Network Limited

Auditor General's report in terms of Section 12 of the National Audit Act No.19 of 2018 on the financial statements and other legal and regulatory requirements for the year ended 31 December 2021 of the Independent Television Network Limited

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Independent Television Network ("Company") for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. In terms of Article 154(6) of the Constitution, my report will be tabled in Parliament in due course.

In my opinion, except for the effects of the matters described in the section on Qualified Opinion of this report, the financial statements give a true and fair view of the financial position of the Independent Television Network as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Qualified Opinion

- (a) Though assets and liabilities cannot be set off against each other in terms of Sri Lanka Accounting Standard No. 01, the bank overdraft of Rs. 69,119,727 existed as at the last day of the year under review had been set off against bank balances of Rs. 29,160,605.

- (b) Though the pretax profit should be used in calculating the cash flow under operating activities in preparing the Statement of Cash Flow as per paragraph 18 b of Sri Lanka Accounting Standard 07, the media network had used the loss of Rs. 329,653,045 after adjusting the comprehensive income. Accordingly, the cash flow under the operating activities had been understated by Rs. 14,058,366.
- (c) Though debtors and creditors arising from contracts with customers should be separately stated as contract assets and contract liabilities in the Statement of Financial Position in terms of Sri Lanka Financial Reporting standard 15 (SLFRS 15), debtor balances and creditor balances of Rs. 28,824,028 and Rs. 69,702,230 respectively arising from contra deals were stated as deferred income under the trade and other receivables.
- (d) Though the related parties should be disclosed in the financial statements in terms of Sri Lanka Accounting Standard 24 (LKAS 24), ITN had not disclosed the relevant information in the financial statements regarding the personnel in the senior management.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other information contained in the Annual Report 2020 of the University

Other information means information, though included in the Annual Report 2021 of the Company which is expected to be handed over to me after the date of this audit but not included in the financial statements and in my audit report thereon. Those charged with management shall be responsible for other information.

My opinion on the financial statements does not cover other information and I do not provide an assurance of any manner or express an opinion on it.

My responsibility in relation to my audit regarding financial statements is to read other information whenever available and consider where there are material inconsistencies between the financial statements or my knowledge gained otherwise and other information. .

If I concluded that there are material misstatements, on the basis of other information obtained by me prior to the date of this audit and the activities carried out by me, I am required to report such matters. I have nothing to report in this regard.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Company is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Company.

1.5 Auditor's Responsibility on the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have communicated with those charged with governance regarding the significant audit findings, including any significant deficiencies in internal control that I have identified during the audit.

2. Report on other legal and regulatory requirements

2.1 Special provisions are included in respect of the following requirements in the National Audit Act No. 19 of 2018 and the Companies Act No.7 of 2007.

- 2.1.1 In terms of the requirements of section 163 (2)(d) of the Companies Act No. 7 of 2007 and section 12 (a) of the National Audit Act No. 19 of 2018, except for the effects of the matters described in the section on the ‘Basis for the Audit Opinion’ of this report, I obtained all information and explanations required for the audit and as far as it appears from my inspection, the Company had maintained proper financial reports.
- 2.1.2 In terms of the requirement of Section 6(1)(d) (iii) of the National Audit Act No. 19 of 2018, the financial statements of the Company presented are consistent with the preceding year.
- 2.1.3 In terms of the requirement indicated in Section 6(1)(d) (iv) of the National Audit Act No. 19 of 2018, except for the observations in paragraph 2.2.2(i) and 2.3(o), the recommendations made by me in the previous year have been included in the submitted financial statements.
- 2.2 On the basis of the procedures followed and evidence obtained and being restricted within the material matters, nothing that warrants the making of the following statements did not come to my attention.
- 2.2.1 In terms of the requirement of section 12 (d) of the National Audit Act No. 19 of 2018, whether any member of the governing body of the Authority has any interest, direct or otherwise, outside normal business status in any contract entered into by the Company.
- 2.2.2 In terms of the requirement of section 12 (f) of the National Audit Act No. 19 of 2018, whether the Authority has not complied with any applicable written law, or other general or special directions issued by the governing body of the Company;

Reference to the Laws, Rules, Regulations etc.	Description
(a) Paragraph 1.2 of Public Enterprises Circular No. PED 01/2020 dated 27 January 2020	(i) 6,347 liters of fuel and Rs. 4,527,582 as vehicle rental to a rented vehicle In addition to the official vehicle provided to the Chairman for official and personal use.

	(ii) Though the approved amount of fuel for the post of Chairman was 1,800 liters as per the provisions of Circulars, during the year under review, Rs. 1,035,828 had been incurred for 6,025 liters exceeding the approved limit.
(b) Circular No. PED 03/2021 dated 15 December 2021	In terms of the provisions of circulars, though government corporations and fully government owned companies which have recorded a loss in the financial year 2020 and failed to reduce the loss during the financial year 2021 should only pay a bonus of Rs. 3,000 to each person, bonuses amounting to Rs. 13,027,000 had been exceeding Rs. 3,000 per individual without approval.

Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention;

2.2.3 to state that the company has not performed according to its powers, functions and duties as per the requirement of Section 12(f) of the National Audit Act No. 19 of 2018,

2.2.4 to state that the resources of the company had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act No. 19 of 2018.

(i) Though the government entities should adopt the Government Procurement Guidelines for logistics, the media network had selected one supplier for the provision of logistics work for an estimated cost of Rs. 11,000,000 outside the procurement process for the event management activities of a musical programme titled “Asiyanu Tharu Palasa” held on 31 December 2021 and action had not been taken to enable reasonable and maximum opportunities for the participation in the procurement for the qualified and interested parties in order to make maximum economic benefits from a minimum cost. Further, any information regarding the existence of the selected institution could not be found from the Internet.

2.3 Other Matters

- (a) The equity capital of the media network which was Rs. 3,198,499,721 in the year 2015 had gradually declined up to year 2021. The loss of the company in the year 2016 was Rs. 107,189,266 and the loss of Independent Television Network during the year under review was Rs. 238,131,346, the loss of ITN FM was 41,325,521, the loss of Vasantham FM was Rs. 10,455,852 and the loss of Vasantham TV was Rs. 26,061,682 despite receiving grants of Rs. 46,337,505. Accordingly, the total loss of the company during the year under review was Rs. 315, 974,401.
- (b) During the year under review, approval had been obtained for an overdraft limit of Rs. 75 million by placing a fixed deposit as collateral only on the basis of the approval of the Board of Directors and the year end overdraft balance was Rs. 69,119,727. However, in 07 consecutive months of the year under review, the overdraft limit had been exceeded and Rs. 3,593,733 had been paid as overdraft interest.
- (c) Due to poor choice of airtime for the telecasting of teledramas, a loss of Rs. 18,348,836 had been incurred from 8 local tele-dramas purchased by the media network in the year 2021 and “Sath Warsha” teledrama which had been recommended as unsuitable for telecasting by the Preview Board had been telecast by previewing with the approval of another preview board appointed upon an appeal made by the producer and as a result the media network had incurred a loss of Rs. 5,100,506.
- (d) The working capital of the media network in the year 2022 was Rs. 620,761,280 and in the year 2021, it had decreased to Rs. 399, 833,265. Accordingly, due to shortcomings in the working capital management, difficulties had been experienced in meeting day to day financial requirements. Even though cash flows should be planned having prepared a financial budget for the year under review, projecting receipts and payments quarterly in managing the working capital in practice, such budgetary control measures had not been adopted.
- (e) The debtor balance exceeding one year of the media network as at the end of the year under review, and action had only been taken in respect of Rs. 2,531,970 thereof.
- (f) As at 31 December of the year under review, the client contra deal debtor balance was Rs. 28,824,029 and as result of the media network not procuring the relevant services, impairment adjustments had been made for the aggregate of contra deal debtor balances exceeding 05 years amounting to Rs. 14,641,728.

- (g) As at 31 December of the year under review, three libel cases had been filed against the media network claiming damages of Rs. 105,000,000. Six cases had been filed against the company for the violation of the right to telecast films over the media or distribute and sell films in Sri Lanka and 06 intellectual property cases of films had been filed claiming damages of Rs. 510,325,000. A total of 24 cases had been filed against the company including 05 cases challenging the dismissal from service and termination of employment and the total damages claimed was Rs. 125,325,000. By the end of the year under review, an expenditure of Rs. 1,036,494 had been borne for matters relating to these cases. Further, disclosures had not been made in financial statements as regards 23 cases.
- (h) A balance of Rs. 22,725,000 less than 5 years, a balance between 05 to 10 years of Rs. 45,379,753 and a balance of Rs. 45,379,753 more than 10 years were included in the differed income of Rs. 69,702,230 shown in the financial statements. However actions had not been taken to settle those balances even during the year under review.
- (i) The balance exceeding 10 years within the client advance balance of Rs. 127,240,756 shown in the statement of financial position as at 31 December 2021 was Rs. 41,470,241 and actions had not been taken to settle the said balance even during the year under review.
- (j) Included in the balance of Rs. 5,718,320 in the cancelled cheques account indicated in the financial statements was the value of 242 cheques which had been carried forward over a period more than 5 years amounting to Rs. 2,644,085 and the value of 239 cheques between 02 to 03 years amounting to Rs. 2,485,466 and no action had been taken even during the year under review to make the necessary adjustments.
- (k) A Hot Swappable Power Distribution Rack purchased at a cost of Rs. 1,588,500 by the Media Network in the year 2015 remained idling from the date of the purchase and Aros Flexus FT-30 30K VA UPS systems costing Rs. 1,218,274 purchased in the year 2010 had remained idle for a period of three years.
- (l) Even though the institution should have paid greater attention on the staff management against the backdrop of continuous losses and working capital issues, the media network had recruited two employees on contract basis and 16 employees on daily basis and as at the end of the year under review, there was a surplus of 67 employees in the approved posts in the staff, 113 employees as personal to the officers in the posts not belonging to the approved cadre and 13 employees had been recruited on contract basis for permanent posts in the approved cadre which had fallen vacant.

(m) As a result of the inclusion of gift vouchers given to employees amounting to Rs. 10,130,000 within the airtime sale income of the year under review, though an airtime income was generated from contra deal transactions sales income had gone up by Rs. 257,569,354 as a cash flow did not flow into the media network in relation thereto, the net working capital had declined by Rs. 220,928,015. Accordingly, the sales income to working capital ratio, which was 1.85 in the last year had gone up to 3.52 in the year under review.

W.P.C. Wickremaratne
Attorney General

INDEPENDENT TELEVISION NETWORK LIMITED*(Expressed in Sri Lankan Rupees)*

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER	2021	2020	
Note			
Revenue	6	1,407,648,212	1,150,078,858
Other Income	7	110,410,237	345,490,014
Total Income		1,518,058,449	1,495,568,872
Program Expenses	8	(503,971,809)	(409,350,323)
Marketing Expenses	9	(87,284,911)	(91,416,798)
Other Operating and Administrative Expenses	10	(1,300,923,871)	(1,294,624,865)
Profit from Operation		(374,122,142)	(299,823,114)
Net Finance Income	11	30,410,661	50,141,441
Profit Before Taxation		(343,711,481)	(249,681,673)
Income Tax Expenses	12	13,678,644	35,707,166
Profit for the Year		(330,032,837)	(213,974,507)
Basic Earnings Per Share (Rs.)	13	(33.26)	(23.88)
Profit for the Year		(330,032,837)	(213,974,507)
Other Comprehensive Income		14,058,436	(12,886,453)
Total Comprehensive Income for the Year		(315,974,401)	(226,860,960)

Figures in brackets indicate deductions.

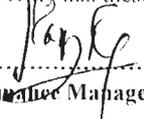
Notes to the Financial Statements on Pages 5 to 23 form an integral part of these Financial Statements.

INDEPENDENT TELEVISION NETWORK LIMITED

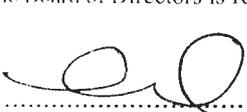
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

	Note	2021	2020
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	14	770,374,015	855,072,463
Intangible Assets	15	8,163,241	4,906,926
Available-for-Sale (AFS) Financial Assets	16	4,000	4,000
Deferred Tax Asset	17	17,180,565	3,501,921
Total Non - Current Assets		795,721,821	863,485,311
Current Assets			
Inventories	18	12,526,995	10,186,261
Trade and Other Receivables	19	601,543,093	712,153,945
Staff Loans and Advances	20	57,667,276	59,144,336
Deposits and Advances	21	12,694,089	14,823,561
Current Tax Receivable		10,736,395	10,736,395
Prepayments		5,884,778	5,928,216
Other Financial Assets	22	338,300,156	326,681,339
Cash and Cash Equivalents	23	259,806,021	362,004,251
Total Current Assets		1,299,158,803	1,501,658,304
Total Assets		2,094,880,624	2,365,143,615
EQUITY AND LIABILITIES			
Equity			
Stated Capital	24	95,000,000	95,000,000
Retained Earnings		920,725,329	1,236,699,730
Total Equity		1,015,725,329	1,331,699,730
Non - Current Liabilities			
Retirement Benefits Obligation	25	113,854,752	129,534,361
Government Grants	26	65,975,005	23,012,500
Deferred Tax Liability	17		
Total Non - Current Liabilities		179,829,757	152,546,861
Current Liabilities			
Client Advances		127,240,756	137,772,746
Deferred Income	27	69,702,230	63,929,480
Other Payables	28	132,801,209	146,229,965
Statutory Payable	29	19,297,912	22,986,518
Provision and Accrued Expenses		550,283,431	509,978,315
Total Current Liabilities		899,325,538	880,897,024
Total Equity and Liabilities		2,094,880,624	2,365,143,615

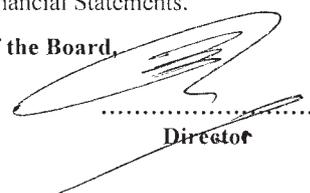
I certify that these Financial Statements of the Company comply with the requirements of the Companies Act No. 07 of 2007.


 Finance Manager

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


 Director

Approved and Signed for and on behalf of the Board,


 Director

Date : 11th March 2022
 Colombo,

Figures in brackets indicate deductions.

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Stated Capital	Retained Earnings	Total
Balance as at 01 January 2020	95,000,000	1,463,560,695	1,558,560,695
Profit for the Year	-	(226,860,960)	(226,860,960)
Balance as at 31 December 2020	95,000,000	1,236,699,735	1,331,699,735
Profit for the Year	-	(315,974,401)	(315,974,401)
Balance as at 31 December 2021	95,000,000	920,725,334	1,015,725,334

Figures in brackets indicate deductions.

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER

	2021	2020
Cash Flows from Operating Activities		
Profit Before Taxation	(329,653,045)	(262,568,126)
Adjustments for;		
Amortization of Intangible Assets	78,376,094	52,397,951
Profit/Loss on Sale of Property, Plant and Equipment	11,739	(1,660,678)
Amortization of Government Grants	(3,375,000)	(2,737,500)
Written Back of Un - Paid Balances	(11,038,234)	0
Bad Debts Written-off	0	0
Provision for Impairment of Trade Receivable	5,936,662	30,077,472
Provision for Impairment of Receivable	2,710,679	4,746,224
Decrease in Impairment of Trade Receivables	(2,395,684)	
Gratuity Charge for the Year	3,688,578	31,991,096
Depreciation	141,921,215	154,740,944
Provision of Slow Moving Inventories	0	490,675
ESC Write Off	0	5,821,064
Stock Write Off	0	0
Interest Income	(34,004,394)	(50,141,441)
Interest Expenses	3,593,733	-
Operating Profit Before Changes in Working Capital	(144,227,657)	(36,842,319)
Changes in Working Capital		
Inventories	(961,594)	2,264,452
Trade and Other Receivables	104,359,196	(239,868,495)
Staff Loans and Advances	1,477,060	6,519,322
Deposits and Advances	2,129,472	4,409,884
Prepayments	43,438	1,085,924
Client Advances	(10,531,990)	19,434,580
Deferred Income	5,772,750	2,531,250
Other Payables	(13,428,756)	34,235,670
Statutory Payable	4,596,428	5,841,414
Provision and Accrued Expenses	40,305,116	77,416,949
Cash Generated from Operations	(10,466,537)	(122,971,369)
Gratuity Paid	(17,879,898)	(13,736,736)
Interest Paid		
Taxes Paid		
Net Cash Flow from Operating Activities	(28,346,435)	(136,708,105)
Cash Flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(62,963,774)	(34,655,293)
Proceeds from Sale of Property, Plant and Equipment	855,333	1,682,028
Expenses Incurred on Capital Work-in-Progress	4,759,707	(495,558)
Acquisition of Intangible Assets	(81,632,409)	(49,069,262)
Investments in Other Financial Assets	(13,900,870)	19,162,687
Interest Received	32,692,714	57,630,945
Net Cash used in Investing Activities	(120,189,299)	(5,744,453)
Cash Flows from Financing Activities		
Government Grant	46,337,505	5,100,000
Dividends Paid		
Net Cash used in Financing Activities	46,337,505	5,100,000
Net Changes in Cash and Cash Equivalents During the Year	(102,198,229)	(137,352,558)
Cash and Cash Equivalents at Beginning of the Year	362,004,251	499,356,809
Cash and Cash Equivalents at End of the Year (Note 23)	259,806,021	362,004,251

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.

1 CORPORATE INFORMATION

1.1 Reporting Entity

Independent Television Network Ltd is a Television and Radio Broadcasting organization, which operates two Television channels and two Radio channels in Sri Lanka. Principal office of the company is at Wickramasinghepura, Battaramulla, Sri Lanka. It was incorporated on 27 April 1992 as a public limited company to take over the business carried on by the Government owned business undertaking of Independent Television Network Ltd, in terms of conversion of State Co operations and government Owned business undertaking in to public Companies Act No 23 of 1987. Accordingly, the balances reflected in the accounts of the Government Owned Business Undertaking have been transferred to the company with the exception of an adjustment in respect of the share capital of Rs.95 million which has been issued to the Secretary to the Treasury resulting in Goodwill of Rs.33,861,107/-which has been fully amortized by the end of the year 2004.

1.2 Date of Authorization for Issue

The financial statements of the Independent Television Network Limited for the year ended 31 December 2021 were authorized for issue in accordance with resolution of the Board of Directors dated 11th March 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of Independent Television Network Ltd have been prepared in accordance with Sri Lanka Accounting Standards (SLFRSs). The preparation of financial statements in conformity with Sri Lanka Accounting Standards (SLFRSs) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company accounting policies. The areas involving a higher degree of judgments or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

The financial statements have been prepared on the historical cost basis and apply consistently with no adjustments been made for inflationary factors affecting the financial statements, except for that, the Defined benefits obligation is measured at its present value, based on the projected unit credit method using gratuity formula.

2.2 Changes in Accounting Policies

The changes in accounting policies set out below have been applied consistently to the periods presented in the financial statements, unless otherwise indicated.

The presentation and classification of the financial statements of the previous year have been amended, where relevant, for better presentation and to be comparable with those of the current year.

2.3 Segment Reporting

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components. All operating segments' operating results are reviewed regularly by the Board to make decisions about resources to be allocated to the segment and assess its performance. The operating segments are organized and managed separately according to different channels that company has. Detailed information on the results of each operating segment is provided in Note 34.

2.4 Going Concern

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

2.5 Events Occurring after the Reporting Period

All material events after the reporting date have been considered and where appropriate adjustments or disclosures have been made in the respective notes to the financial statements.

2.6 Commitments

All material commitments at the reporting period end have been identified and disclosed in the notes to the financial statements.

2.7 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of the Company are 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 Company's functional and presentation currency.

(b) 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 re 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.

2.8 Property, Plant and Equipment

Property, plant and equipment are initially recognized at cost including the cost of purchase with any incidental expenses incurred in bringing the assets to its working conditions, for its intend use. Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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 company and the cost of the item can be measured reliably.

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.

2.8.1 Depreciation

Land is not depreciated. Provisions for depreciation for other assets are calculated by using a straight-line method to allocate their cost over their estimated useful lives, as follows:

Depreciation	Useful Years
Buildings	20
Plant and Machinery	02 - 15
Audio Frequency Equipment	04 - 08
Furniture and Fittings	08
Transmitter	08
Motor Vehicles	04
Library Books	04
Tools	04
Office Equipment	04

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 disposals are determined by comparing the proceeds with the carrying amount and gain / (loss) is recognized in the statement of comprehensive income.

2.8.2 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.

2.8.3 Intangible Assets

a) Computer Software

Computer software are recognized as intangible assets if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets acquired are stated at cost less accumulated amortization and accumulated impairment losses. These costs are amortized over their estimated useful lives of 5 years.

b) Telecasting Rights

Licenses for telecasting rights are recognized as intangible assets if it is probable that future economic benefits arising from sale of services will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses. These costs are amortized to the extent of related income recognized.

90% of the Telecasting right Expenses	-First run to Telecast
10% of the Telecasting right Expenses	-Second run to Telecast

2.8.4 Impairment of Non – Financial Assets

At each end of reporting period, the company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company determines the cash-generating units (CGUs) and estimates the recoverable amount of the CGUs to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset and CGUs is estimated to be less than its carrying amount, the carrying amount of the asset and CGUs is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of comprehensive income.

2.9 Financial Assets

(a) Classification

The company determines the classification of its financial assets at initial recognition and classifies its financial assets as follows:

- I. Loans and receivables
- II. Available-for-sale (AFS) Financial Assets

I. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The company's loans and receivables comprise corporate loans, advances cash and cash equivalents in the end of reporting period.

II. Available-for-sale (AFS) Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. Available for sale financial assets comprise of long term unquoted equity investments and Debt Securities.

(b) Recognition and Initial Measurement

Financial assets classified as loans and receivables are recognized on the date on which the company originates the transaction. Other financial assets are recognized on the trade-date on which the company becomes a party to the contractual provision of the financial instrument.

A financial asset is measured initially at fair value plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership of the financial assets.

(c) Subsequent Measurement

I. Loans and receivables

Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less provision for impairment.

II. Available for sale Financial Assets (AFS)

Subsequent to initial recognition, available-for-sale financial assets are measured at fair values, less provision for impairment.

(d) Impairment of financial assets

I. Assets carried at amortized cost

The company 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 asset that can be reliably estimated.

For loans and receivables carried at amortized cost, 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 financial assets is reduced and the amount of the loss is recognized in the statement of comprehensive income. 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, the reversal of the previously recognized impairment loss is recognized in the statement of comprehensive income. The corporate loans receivables are assessed individually for impairment.

II. Available-for-sale (AFS) Financial Assets

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. For unquoted equity investments, a significant or prolonged decline in the value of the investments below its cost is also evidence that the assets are impaired. If any such evidence exists for the unquoted investments, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

2.10 Trade Receivables

Trade receivables are amounts due from customers for the services rendered in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at the transaction price (original invoice value) less provision for impairment as they are expected to be received within short term, such that the effect of discounting immaterial.

Provision for impairment of trade receivables is established when there is objective evidence that the company 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 an increase in the number of delayed payments past the maximum credit period of three months are considered as 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 in the statement of comprehensive income.

Significant trade receivables are assessed individually for impairment and Non- significant trade receivables are assessed for impairment on collective basis.

The model and basis used to assess the trade receivables for impairment as follows:

-
- (a) Individual Evaluation Model: Following types of trade receivables are reviewed individually to measure the impairment loss.
- i.) Government Institution - 100% provision only if there is an objective evidence for impairment.
 - ii.) Commercial Clients – Significant Clients - 100% provision only if there is an objective evidence for impairment.
- (b) Collective Evaluation Model: Following types of trade receivables are reviewed collectively to measure the impairment loss.
- i) Commercial Clients -Non-Significant Clients - Probability Model.

2.11 Inventories

Inventories are stated at cost. Cost is determined on a weighted average basis. Inventories comprise of spare parts, stationeries and fuel and lubricants. Inventories are for consumption not for re-sale.

2.12 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.

2.13 Share Capital

Share capital is paid out of consolidated fund and ordinary shares are classified as equity.

2.14 Financial Liabilities

The company classifies financial liabilities into other financial liabilities. The company's other financial liabilities include other payables, interest bearing loans and amounts due to related parties. The other financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

2.15 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowing costs are recognized in comprehensive income statement in the period in which they are incurred.

2.16 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 company in accordance with the provisions of the Inland Revenue Act No. 10 of 2006 and amendments thereto. These liabilities are provided for in the Financial Statements applying the said provisions which the management believes reflect actual liability.

b) Deferred income Tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred Tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against utilized. Deferred Tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the year when the asset is realized or the liabilities settle, based on the tax rates and the tax laws that have been enacted or substantially enacted as at the reported date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

2.17 Employee Benefits

a) Defined Benefits Obligation

The company obligation in respect of defined benefit plan is the present value of the defined benefits obligation at the end of the reporting period. The defined benefits obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefits obligation is determined by discounting the estimated future benefit that employee have earned in return for their services in the current and prior period.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

The company will re-measure the define benefit obligation when the amounts recognized in the financial statements will differ materially from the amount that would be determine at the end of the reporting period.

Past service costs are recognized immediately in the statement of comprehensive income. The retirement benefits obligation is not externally funded.

b) Defined Contribution Plans

All employees of the company are members of the Employees 'Provident Fund and Employees 'Trust Fund, to which their employer contributes 15% and 3% respectively of such employees' basic or consolidated wage or salary, cost of living and all other allowances.

2.18 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 company will comply with all attached conditions.

Government grants relating to costs are recognized in the statement of comprehensive income when grants are received.

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.

2.19 Provisions

Provisions for operational expenses are recognized when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the company and amounts can be estimated reliably.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation.

2.20 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 company 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 cannot be measured reliably. The company 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 company. The company does not

recognize contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

2.21 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 and other payables are recognized initially at fair value and subsequently measured at the original invoice amount as they are expected to be paid within a short period, such that the time value of money is not significant.

2.22 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The company leases certain property, plant and equipment. Leases of property, plant and equipment where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

3. Comprehensive Income

3.1 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services supplied, stated net of Value Added Taxes (VAT). The company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity.

The company applies the revenue recognition criteria set out below to each identifiable major types of services rendered.

(a) Sale of Air time

Revenue comprises the invoiced value of sale of air time net of Value Added Tax (VAT), Revenue is recognized when the advertisement is telecasted.

(b) Production Income

Revenue comprises the invoiced value of sale of air time net of Value Added Tax (VAT), Revenue is recognized when the production is telecasted.

3.2 Interest income

Interest income is recognized using the effective interest method.

3.3 Rental Income

Rental income is recognized on an accrual basis over the term of rent periods.

3.4 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 statement of comprehensive income.

3.5 Other Income

All other incomes are recognized on accrual basis

3.6 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.

4. Sri Lanka Accounting Standards (SLFRS/LKAS) issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the financial statements are listed below. The company intends to adopt those standards when they become effective.

- I. **SLFRS 9-Financial Instruments:** SLFRS 9, issued in 2014, replaces the existing guidance in LKAS 39 Financial instruments; Recognition and Measurement. SLFRS 9 includes revised guidance on the classification and measurement of financial instrument, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forwards the guidance on recognition of financial instrument from LKAS 39. Effective date of IFRS 9 is 1 January 2018.
- II. **SLFRS 15 – Revenue from contracts with customers:** SLFRS 15 establish a comprehensive framework for determining whether, how much and when revenue is recognized. It replace existing revenue recognition guidance, including LKAS 18 Revenue and LKAS 11 construction Contracts. SLFRS 15 is effective for annual reporting period beginning on or after 1 January 2017.

The Company is assessing the potential impacts on its financial statements resulting from the application of SLFRS 15 / SLFRS 9.

5. Significant Accounting Estimates and judgments

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

- I. The following are significant judgments in applying the accounting policies that have most significant effect on the financial statements.
 - (a) **Recognition of Deferred Tax Assets**

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.
- II. Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:
 - (a) **Useful life time of depreciable assets**

Management reviews its estimate of the useful lifetime of depreciable assets at each reporting date, based on the expected economic utility of the assets.
 - (b) **Defined benefit plan**

The present value of the defined benefit plan obligations depends on a number of factors that are determined on projected unit credit method using a number of assumptions. The assumptions are used in determining the net cost and obligation for defined benefit plan including the discount rate disclosed in the note 25. Any changes in these assumptions will impact the carrying amount of defined benefits obligation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

2021

2020

6	Revenue		
	Sale of Air Time	1,399,384,065	1,146,093,466
	Production Charges	8,264,147	4,720,310
		1,407,648,212	1,150,813,776
	Nation Building Tax		(734,918)
		1,407,648,212	1,150,078,858
7	Other Income		
	Profit on Sale of Property, Plant and Equipment		1,660,678
	Registration of Suppliers	534,804	333,010
	You Tube Income	58,391,838	
	Fines	1,202,071	116,932
	Sundry Income	33,014,246	60,517,895
	Charges on Returned Cheques	100	
	Exchange Gain	20,855	
	Amortization/Recurrent Government Grants	3,375,000	282,737,500
	Write Back	11,038,234	
	Impairment Allowance Decrease	2,395,684	
	Tender Fee	437,405	124,000
		110,410,237	345,490,014
8	Program Expenses		
	Procurement of Program Materials - Foreign	28,963,283	9,456,885
	Procurement of Program Materials - Local	221,352,287	190,352,816
	Amortization of Telecasting Rights	78,376,094	52,005,349
	Other Production	175,280,145	157,535,272
		503,971,809	409,350,323
9	Marketing Expenses		
	Agency and Marketing Executive Commission	64,690,462	46,187,305
	License Fees for Microwave Link	12,562,787	10,723,705
	Market Research Expenses	4,095,000	4,428,316
	Bad Debts Written Off		
	Impairment of Trade and Other Receivable / Reversal of Over Provision	5,936,662	30,077,472
		87,284,911	91,416,798
10	Other Operating and Administrative Expenses		
	Salaries and Allowances	462,914,913	442,811,672
	Employees' Provident Fund	67,365,989	62,072,681
	Employees' Trust Fund	13,466,945	12,343,561
	Overtime	73,484,343	82,467,681
	Incentives	38,386,425	36,165,227
	Performance Incentive	3,050,795	5,729,334
	Re-imburement of Medical Leave	27,472,635	28,057,983
	Awards to Staff	380,000	1,195,000
	Staff Training	214,060	233,695
	Staff Welfare	39,138,019	21,899,328
	Uniforms to Staff	95,063	251,753
	Traveling and Subsistence	32,038,810	25,644,494
	Gratuity Charge for the Year	17,747,014	19,104,644
	Housing Loan Interest	5,111,688	5,387,730
	Postage, Telephone and Telex	9,012,514	6,185,342
	Electricity & Power	111,616,263	124,269,155
	Entertainment	179,082	222,888
	Fuel for Generators	5,902,821	4,480,510
	Motor Vehicle Running	46,183,761	46,260,760
	Repairs and Maintenance of Equipment	42,752,878	24,079,033
	Repairs & Maintenance of Buildings	18,141,596	22,027,737
	Repairs & Maintenance of Studio	772,149	59,090
	Maintenance of Garden	315,495	835,589
	Stationery, Minor Articles and Printed Forms	11,533,118	7,178,158
	Advertising and Periodicals	14,082,642	13,586,005
	Balance C/F	1,041,359,018	992,549,048

Figures in brackets indicate deductions

Notes to the Financial Statements continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

2021

2020

Balance B/F		1,041,359,018	992,549,048
Maintenance of Roads		518,750	376,250
Other Maintenance		1,624,153	301,887
Insurance		29,300,332	37,721,216
Rent, Rates and Taxes		34,779,661	40,849,773
Depreciation		141,921,215	154,740,944
Amortization of Intangible Assets			392,602
Security		22,834,714	27,124,395
Subscriptions to Foreign Organizations		5,454,628	5,536,558
Water Supply		1,819,114	1,532,938
Audit Fees		1,272,000	1,272,000
Board Of Suvvey		275,000	550,000
Legal Expenses		1,969,725	2,974,154
Expenses on Board Meetings		1,407,566	898,932
Ceremonial Expenses		211,915	399,445
Consultancy Fee		40,000	47,500
Compensation		1,000,000	3,000,000
Professional Charges		496,678	143,948
Management Information System		150,750	146,550
Prime TV Expenses		-	90,700
Stamp Duty		92,820	36,200
Registration Fees		210,322	121,137
Web Hosting Services		5,590,352	5,448,186
Dialog TV Connection		552,048	490,186
Donations		507,990	307,638
Exchange Loss		-	145,866
Provision for slow moving Inventory		-	490,676
Loss on Sale of Property, Plant and Equipment		11,739	
Frequency Charges		2,163,875	1,578,625
Internet and Link Charges		2,191,843	4,256,468
Impairment of Other Receivables		2,710,679	4,746,224
Stock Write Off		-	
Bank Charges		456,984	533,757
ESC write off		-	5,821,064
		1,300,923,871	1,294,624,865
11 Net Finance Income			
<i>Interest Income</i>			
Interest on Investments		31,965,999	48,078,448
Staff Loan Interest		2,038,395	2,062,993
		34,004,394	50,141,441
<i>Interest Expenses</i>			
Interest on Overdraft			
Lease Interest		(3,593,733)	
Bank Loan Interest			
			0
		30,410,661	50,141,441
12 Income Tax Expenses			
Provision for Current Tax	(Note 12.1)		-
Charge / (Reverse) of Deferred Tax Expenses	(Note 17)	13,678,644	35,707,166
Under Provision in Previous Year			
		13,678,644	35,707,166

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 2020

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

Accounting Profit Before Tax	(315,974,401)	(262,568,124)
Aggregated Expenses Disallowed for Tax	236,268,819	277,336,912
Aggregated Expenses Allowed for Tax	(132,826,097)	(120,220,777)
Aggregated Income from Other Sources	31,965,999	48,078,448
Taxable Profit for the Year	(180,565,680)	(105,451,989)
Other Income Liable for Tax		
Total Statutory Income / Assessable / Taxable Income	(180,565,680)	(105,451,989)
Current tax Charge		0
Current Year Loss	(180,565,680)	105,451,989
Losses B/F	1,520,196,961	1,414,794,972
	1,339,631,281	1,520,246,961

13 Basic Earnings Per Share (Rs.)

Basic Earnings Per Share is

		2020
<i>Amount used as the Numerator</i>		
Net Profit Attributable to Ordinary Shareholders (Rs.)	(315,974,401)	(226,860,960)
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.)	(33.26)	(23.88)

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 2021

14 Property, Plant and Equipment	Land	Buildings	Plant, Machinery and Equipment	Transmitters and Frequency Equipment	Motor Vehicles	Furniture and Fittings	Others	Total
Freehold Cost								
Balance as at 01 January 2020	29,782,159	594,348,908	1,828,225,779	526,362,011	183,561,427	226,149,033	85,973,986	3,474,403,303
Additions	-	-	26,765,775	-	-	4,691,957	4,506,739	35,964,471
Transferred from Leasehold Assets	-	-	(1,119,338)	-	-	(61,770)	(128,070)	(1,309,178)
Transfers	-	-	(44,657,129)	-	(10,531,895)	(7,926,782)	(80,542)	(63,196,348)
Disposals	-	-	1,809,215,087	526,362,011	173,029,532	222,852,438	90,272,113	3,445,862,248
Balance as at 31 December 2020	29,782,159	594,348,908	1,809,215,087	526,362,011	173,029,532	222,852,438	90,272,113	3,445,862,248
Additions	-	6,571,966	49,996,207	-	-	3,947,441	3,584,090	64,099,704
Transferred from Leasehold Assets	-	-	(392,290)	-	-	(382,572)	(361,068)	(1,135,930)
Transfers	-	-	(1,247,626)	-	-	(762,504)	(15,085)	(2,025,215)
Disposals	-	-	1,857,571,378	526,362,011	173,029,532	225,654,803	93,480,050	3,506,800,807
Balance as at 31 December 2021	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
Depreciation								
Balance as at 01 January 2020	132,006,666		1,426,185,596	483,015,378	183,561,428	200,207,263	80,105,154	2,505,081,485
Charge for the Year	28,405,008		107,260,837	14,857,772		6,398,348	3,603,616	160,525,581
Transferred from Leasehold Assets	-	-	(3,807,020)	(1,490,852)	-	(272,517)	(214,219)	(5,784,608)
Transfers	-	-	(44,648,032)	-	(10,531,895)	(7,914,519)	(80,542)	(63,174,988)
Disposals	-	-	1,484,991,381	496,382,298	173,029,533	198,418,575	83,414,009	2,596,647,470
Balance as at 31 December 2020	160,411,674		1,484,991,381	496,382,298	173,029,533	198,418,575	83,414,009	2,596,647,470
Charge for the Year	27,082,989		99,457,529	11,740,081		6,256,218	3,619,946	148,156,763
Transferred from Leasehold Assets	-	-	(4,098,711)	(1,490,852)	-	(294,475)	(237,260)	(6,121,298)
Transfers	-	-	(386,625)	-	-	(756,433)	(15,085)	(1,158,143)
Disposals	-	-	1,579,963,574	506,631,527	173,029,533	203,623,885	86,781,610	2,737,524,792
Balance as at 31 December 2021	187,494,663		1,579,963,574	506,631,527	173,029,533	203,623,885	86,781,610	2,737,524,792
Net Carrying Values								
							2021	2020
Land							29,782,159	29,782,159
Buildings							413,426,211	433,937,238
Plant, Machinery and Equipment							277,607,804	324,223,705
Transmitters and Frequency Equipment							19,730,484	29,979,707
Motor Vehicles							(1)	(1)
Furniture and Fittings							22,030,918	24,433,844
Others							6,698,440	6,858,104
Total Freehold Assets							769,276,015	849,214,756
Work-in-Progress							1,098,000	5,857,707
							770,374,015	855,072,463

(Note 14.2)

Figures in brackets indicates deductions.
Notes to the Financial Statements continued

INDEPENDENT TELEVISION NETWORK LIMITED

(Expressed in Sri Lankan Rupees)

14.2 Capital Work-in-Progress		As at 01 Jan. 2021	Incurred (Transferred)	As at 31 Dec. 2021
Buildings		5,857,707	(4,759,707)	1,098,000
Net Carrying Value		5,857,707		1,098,000

15	Intangible Assets	Computer Software	Telecasting Rights	Total
	At Cost			
	Balance as at 01 January 2020	11,118,367	756,605,678	767,724,045
	Additions / (Disposals)		49,069,262	49,069,262
	Balance as at 31 December 2020	11,118,367	805,674,940	816,793,307
	Additions / (Disposals)		81,632,409	81,632,409
	Balance as at 31 December 2021	11,118,367	887,307,349	898,425,716
	Amortization			
	Balance as at 01 January 2020	10,725,765	748,762,665	759,488,430
	Charge for the Year	392,602	52,005,349	52,397,951
	Balance as at 31 December 2020	11,118,367	800,768,014	811,886,381
	Charge for the Year		78,376,094	78,376,094
	Balance as at 31 December 2021	11,118,367	879,144,108	890,262,475
	Net Carrying Values		2021	2020
	Computer Software		-	
	Telecasting Rights		8,163,241	4,906,926
			8,163,241	4,906,926

Figures in brackets indicates deductions.

Notes to the Financial Statements continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

2021

2020

CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES			
The fair values of the financial assets and liabilities, together with the carrying amounts reported in the statement of financial position are as follows,			
The Fair Values and The Carrying Values of Financial Assets And Liabilities.			
		2021	2020
FINANCIAL ASSETS			
Available for Sale (AFS) Financial Assets			
Investment in Unquoted Share	(Note 16)	4,000	4,000
The Available for Sale (AFS) investment is stated at cost as its fair value cannot be reliably measured.			
Loans And Receivables			
Trade and Other Receivables	(Note 19)	601,543,093	712,153,946
Staff Loans and Advances	(Note 20)	57,667,276	59,144,336
Deposits and Advances	(Note 21)	12,694,089	14,823,561
Other Financial Assets	(Note 22)	338,300,156	326,681,339
Cash and Cash Equivalents	(Note 23)	259,806,021	362,004,251
Total Financial Assets		1,270,010,635	1,474,807,432
The loans and receivables are stated at carrying values as their carrying value approximates the fair value.			
FINANCIAL LIABILITIES			
Other Financial Liabilities			
Client Advances		137,772,746	137,772,746
Other Payables	(Note 29)	146,229,965	146,229,965
Total Financial Liabilities		284,002,711	284,002,711

16	Available-for-Sale (AFS) Financial Assets		
	Investment in Lanka Puwath Limited - (No of Shares -4)	4,000	4,000

Investment in Lanka Puwath Ltd is measured at cost as its fair value cannot be reliably measured.

17	Defferd Taxation		
	Balance as at 01 January	3,501,921	32,205,245
	(Charge) / Reverse for the Year	(20,682,486)	(35,707,166)
	Balance as at 31 December	(17,180,565)	(3,501,921)

17.1 The Analysis of Deferred Tax Assets and Liabilities**Deferred Tax Assets**

From Retirement Benefits Obligation	27,325,140	30,829,399
From Impairment Provisions - Trade Receivable	69,170,159	68,459,846
From Impairment Provisions - Staff Loans	321,905	321,905
From Impairment Provisions - Slow Moving Inventories	1,944,672	2,275,665
From Impairmentof Dishooured Cheques	4,048,414	3,382,557
	102,810,290	105,269,372

Deferred Tax Liability

From Accelerating Depreciation	85,629,725	101,767,451
	(17,180,565)	(3,501,921)

17 Deferred Tax Assets Contd...

Deferred tax assets are recognized for provision for defined benefits obligation, impairment provision for trade and other receivables and provision for slow moving inventories to the extent that the realization of the related tax benefits through future taxable profits are probable and deferred tax liabilities are recognized for accelerating depreciation.

Figures in brackets indicates deductions.

Notes to the Financial Statements continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER		2021	2020
18	Inventories		
	Fuel	3,900,268	2,511,224
	Spares and Others	16,724,982	17,146,371
	Engine Oil	4,546	10,607
		20,629,796	19,668,202
	Provision to write - down	(8,102,801)	(9,481,941)
		12,526,995	10,186,261
	Provision to write - down has been made for slow moving inventories of electronic and spare parts.		
19	Trade and Other Receivables		
	Trade Receivables	880,276,613	992,883,374
	Other Receivables (Note 19.2)	27,556,995	19,309,430
		907,833,608	1,012,192,804
	Provision for Impairment (Note 19.1)	(306,290,515)	(300,038,859)
		601,543,093	712,153,946
19.1	The Details of Provision for Impairment of the Trade Receivables	2021	2020
	Commercial Debtors	273,567,271	270,026,294
	Contra deal Debtors	14,641,728	14,641,728
	Dishonored Cheques	16,868,396	14,157,717
	Other Receivable	1,213,120	1,213,120
		306,290,515	300,038,859
19.2	Other Receivables		
	Other	26,343,875	18,096,310
	From Employees	1,213,120	1,213,120
		27,556,995	19,309,430
20	Staff Loans and Advances		
	Festival Advances	283,916	189,250
	Distress Loans	41,913,655	41,863,829
	Vehicle Loans	14,462,188	16,977,409
	Textile Loan	1,135,667	184,000
	Special loan-Covid	-	57,998
		57,795,426	59,272,486
	Provision for Impairment	(128,150)	(128,150)
		57,667,276	59,144,336

Staff loans are measured at fair value using the interest rate of 4.2% instructed by the Government circular under procurement guidelines para XXIV subsection 3.8. Since the company is covered under establishment code, the rate at which the loans have been granted is considered as the market interest rate for employees working at government organizations.

Figures in brackets indicates deductions.

Notes to the Financial Statements continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

2021

2020

21	Deposits and Advances		
	Local Advances	872,501	1,891,183
	LC Deposits	915,720	2,436,320
	Advance for Local Purchase	3,190,828	2,785,884
	Others	7,715,040	7,710,174
		12,694,089	14,823,561

22	Other Financial Assets		
	Fixed Deposits	329,461,308	315,560,438
	Interest Receivable	8,838,848	11,120,901
		338,300,156	326,681,339

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	86,900,000	95,802,997
Bank of Ceylon	Letter of Credit	250,000,000	379,710,897

23	Cash and Cash Equivalents	2021	2020
	Bank and Cash Balances	(33,774,992)	82,295,049
	Short Term Fixed Deposits	293,581,013	279,709,202
		259,806,021	362,004,251

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

25	Retirement Benefits Obligation		
	Balance as at 01 January	129,534,361	115,844,748
	Expenses Recognized in Comprehensive Income	17,747,013	19,104,644
	Actuarial (Gain)/ Losses Recognized in Payable	(14,058,436)	12,886,452
		(1,488,288)	(4,564,747)
	Payments Made During The Year	(17,879,898)	(13,736,736)
	Balance as at 31 December	113,854,752	129,534,361

25.1	Expenses Recognized in Comprehensive Income		
	Current Service Cost	11,658,092	6,361,722
	Interest Charge for the Year	6,088,921	12,742,922
	Net Actuarial (Gain)/Loss recognized in year (Gain) / Loss Arising From Changes in the Assumptions	(14,378,021)	12,886,452
		3,368,992	31,991,096

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.

Discount Rate [%]	11	11
Future Salary Increases - Salary [%]	1	1 - 3.5
Staff Turnover Factor [%]	4	4
Retirement age [Yrs]	62	60

INDEPENDENT TELEVISION NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

2021

2020

26 Government Grants		
Balance as at 01 January	23,012,500	20,650,000
Received	46,337,505	5,100,000
Amortization for the Year	(3,375,000)	(2,737,500)
Balance as at 31 December	65,975,005	23,012,500

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	63,929,480	61,398,230
Goods and Services Received	15,902,750	11,000,000
Recognized in the Comprehensive Income	(10,130,000)	(8,468,750)
Balance as at 31 December	69,702,230	63,929,480

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	645,950	1,687,956
Sundry Creditors	22,632,536	14,689,375
L.C. Advance	2,094,883	2,094,883
Payables	36,201,330	54,208,495
Unclaimed Payments	1,233,815	2,268,386
Unidentified Deposits	1,465,859	1,253,409
Cancelled Cheques	5,718,321	11,898,232
Retention	3,673,569	5,083,264
Doramandalawa Trust Fund	473,636	459,655
Manushshathwaye Sathkaraya	3,333,111	3,333,111
Rent	55,328,199	49,253,199
	132,801,209	146,229,965

29 Statutory Payable		
Current Tax		
Value Added Tax (VAT)	19,239,012	22,933,543
Nation Building Tax (NBT)		
Economic Service Charge		
Withholding Tax		
Stamp Duty	58,900	52,975
	19,297,912	22,986,518

29.1 Current Tax		
Balance as at 01 January	(10,736,395)	(14,865,957)
Provision for the Year		
Adjustments on Under / (Over) Provision		
Payments Made - Settlement of Liability		(1,691,502)
- Self Assessment		5,821,064
ESC write off		
Tax Credits		
Balance as at 31 December	(10,736,395)	(10,736,395)

ets indicates deductions.

Notes to the Financial Statements continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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/MR Court House - District Court of Colombo	The Plaintiff has filed this case against all the defendants stating that a news item telecast on 12.04.2004 on ITN news at 7.00 p.m. is slanderous, insulting and defamatory.	This matter is at the position of Exparte trial against all the defendants.	Rs. 50,000,000/- (the total amount alaimed in the prayer of the plaint as damages.)

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

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 2020 and 31 December 2021

For the Year ended 31 December	ITN		VASANTHAM TV		LAKHANDA		VASANTHAM FM		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue	1,200,607,356	875,005,987	116,601,235	197,971,701	56,917,796	44,755,150	33,521,825	32,346,020	1,407,648,212	1,150,078,858
Cost of Sales	(420,569,442)	(325,791,550)	(74,092,944)	(75,679,173)	(5,285,147)	(4,873,698)	(4,024,280)	(3,005,902)	(503,971,813)	(409,350,323)
Gross Profit / (Loss)	780,037,914	549,214,437	42,508,291	122,292,528	51,632,649	39,881,452	29,497,545	29,340,118	903,676,399	740,728,535
Total Expenses Net of Other Income	(1,044,594,660)	(788,277,983)	(68,202,716)	(59,908,301)	(94,796,897)	(101,536,821)	(39,793,612)	(42,517,847)	(1,247,387,885)	(992,240,952)
Profit / (Loss) Before Taxation	(264,556,746)	(239,063,546)	(25,694,425)	62,384,227	(43,164,248)	(61,655,369)	(10,296,067)	(13,177,729)	(343,711,486)	(251,512,417)
Income Tax Expenses	13,034,935	28,439,846	-	643,709	7,267,320	-	-	-	13,678,644	35,707,166
Profit / (Loss) for the Year	(251,521,811)	(210,623,700)	(25,694,425)	62,384,227	(42,520,539)	(54,388,049)	(10,296,067)	(13,177,729)	(330,032,842)	(215,805,251)
Actuarial Gains (Losses) on defined Plan	13,390,465	(11,015,959)	(367,261)	(215,500)	1,195,017	(54,388,049)	(159,785)	175,751	14,058,436	(11,055,708)
Total Comprehensive Income	(238,131,346)	(221,639,659)	(26,061,686)	62,168,727	(41,325,522)	(54,388,049)	(10,455,852)	(13,001,978)	(315,974,401)	(226,860,959)

Figures in brackets indicates deductions.
Notes to the Financial Statements continued

