

ANNUAL REPORT 2023



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

Be the leader in new media landscape in sri lanka

Maintain financial stability of the organization

Develop creative, talented, well qualified human resources

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	<p>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.</p> <p>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.</p>
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. Sudarshana Gunawardana
Director	Mr. Indika Liyanahewage
Director/ Treasury Representative	Mr. M.A.L.S.N.K. Manthreenayake
Director	Mr. Raweendranath Guruge
Director	Mr. N.K. Ajith Gunarathne Naragala
Director	Prof. Disanayaka Mudiyanse Mudiyanse
Director	Mr. Lokuliyana Aruna De Silva

Senior Management

Chairman	Mr. Sudarshana Gunawardana	
General Manager	Mr. W P A M Wijesinghe	Upto 2023.06.30
	Mr. Sudarshana Gunawardana	From 2023.07.01
Deputy General Managers	Mr. S. Radaliyagoda	Deputy General Manager (News & Current Affairs)
	Mrs. Sanjivani Epa	Deputy General Manager (Administration & HR)
	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.S.P Nonis	Deputy General Manager (Engineering) Attending to Duties
	Mr. Kapila Thilakasiri	Deputy General Manager (Radio) Attending to Duties

Contact Details

Head Office

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● 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.
1989		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 & Prime FM 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



As we reflect on the past financial year, marked by unprecedented challenges, I am proud to say that ITN has continued to demonstrate resilience and unwavering commitment to our mission.

Our commitment to media integrity, impartiality, and accuracy has never been stronger. We have clearly understood the critical role played by the media in shaping public discourse, promoting transparency, and fostering moral values.

Furthermore, our efforts to diversify our content offerings and embrace digital innovation have yielded significant results. With the rise of digital platforms and changing consumer preferences, ITN has successfully expanded its reach and engagement digitally as well.

ITN has demonstrated a remarkable performance by the end of the year 2023 posting an income of Rs. 1752 million. This signifies a year on year income growth of 10.3%. What is most outstanding is the reduction in losses from Rs. 361 million recorded in the year 2022 by 54.5% to Rs. 164.2 million. (Excluding the government grant of Rs. 49.5 million received for the voluntary retirement scheme of employees). This achievement was made possible by strict cost management, strategic shift towards social media and rebranding as a contemporary and urban channel moving away from its family oriented traditional image.

At the Raigam Tele'es Awards Ceremony of 2023, Independent Television Network bagged the awards for the Television Channel of Excellence of the Year, Tele-drama Excellence Award, the Most Popular Tele-drama of the Year (Janu), the Best Tele-drama of the Year (Eya Den Bendala) and the Best Musical Programme of the Year (Nura with Covers club).

Further, at the 2023 Sumathi Tele Awards, ITN was felicitated as the Channel that broadcast the Best Tele-drama and the Best Tele-drama of the Year (Kodi Gaha Yata) and at the SLIM KANTAR Peoples Awards, "Atapattama" won the award for the most popular television programme for the unprecedented 14th consecutive year.

Amidst our achievements, we also acknowledge the challenges that lie ahead. The media landscape is constantly evolving, presenting us with both opportunities and obstacles. However, with a clear vision, strategic planning, and the dedication of our talented team, I am confident that ITN will continue to thrive and remain a trusted source of information and entertainment for generations to come.

As we look to the future, I would like to express my gratitude to the Board of Directors for their invaluable guidance to move forward against seemingly insurmountable odds. My heartfelt thanks are also due to the senior management team for their exemplary commitment demonstrating resilience during this challenging period, our shareholders for reposing their continued trust on us and the employees for their discipline and ethical conduct. Together, we have overcome adversity, embraced change, and laid the foundation for a brighter tomorrow.

In closing, I reaffirm ITN's commitment to excellence, innovation, and service to society. I am confident that we will continue to achieve new heights and make a positive impact on the media landscape in Sri Lanka and beyond.

Sudarshana Gunawardana
Chairman

2023 AWARDS



The Television Channel of Excellence of the Year

The Best Tele-drama of the Year
Eya Den Bendala

The Channel of telecast the Best Tele-drama

The most popular television programme of Tthe Year
Atapattama

Tele-drama Excellence Award of the Year

The Most Popular Tele-drama of Tthe Year
Janu

The Best Tele-drama of the Year
Kodi Gaha Yata

The most popular Tele-drama 2nd place
Janu

The Best Musical Programme of the Year
Nura With Coversclub



● MARKETING DIVISION

The year 2023 marked a substantial success for the Marketing Division, registering an impressive income of Rs. 1650 million. This notable achievement was attributed to the robust performance across our diverse portfolio, including ITN, Vasantham TV, Lakhanda Radio, Vasantham FM, and ITN Digital channels. The detailed breakdown of the income is as follows:

Channel	Income (Rs. Mn)
ITN	1369
Vasantham TV	121
Lakhanda Radio	73
Vasantham FM	49
ITN Digital	38

ITN

Our success extends beyond financial figures, as evidenced by the strategic partnerships and significant contributions from esteemed agencies and clients. GroupM Media (Pvt) Ltd. emerged as the top contributor among agencies, investing approximately Rs. 222 million in ITN, closely followed by Phoenix O & M (Pvt) Ltd. with an investment of around Rs. 218 million.

On the client front, the National Lotteries Board emerged as the single largest contributor, allocating a substantial budget of Rs. 444 million to ITN. Following closely, Unilever Sri Lanka Ltd demonstrated its commitment with a budgetary allocation of Rs. 119 million.

In the spirit of innovation and collaboration, the Marketing Division successfully negotiated and implemented various media partnerships throughout the year 2023. These partnerships not only enhanced our reach but also solidified our position as a leading player in the industry.

- “Premaniya Valentine - 2023” (Value - Rs. 10,564,983.42)
- “Soorya Mangallaya- 2023” (13th and 14th April, 2023) Sinhala and Hindu New Year celebrations at Kaluwamodara, Moragolla Beach (Value - Rs. 20,250,000.00)

Other Avurudu events generated income as below

● Tele Tharu Mangallaya	-	Rs. 17,000,000.00
● Avurudu Kumara / Kumariya	-	Rs. 13,400,000.00
● Lama Avurudu	-	Rs. 5,500,000.00
● Maha Gedara Avurudu	-	Rs. 10,200,000.00
● “Divyadari” Cross over	-	Rs. 7,800,000.00
● Neketh Mangallaya	-	Rs. 14,000,000.00
● Studio	-	Rs. 7,000,000.00
● Frequency Package	-	Rs. 13,900,000.00

- Vesak Poya Programme in May 2023 (Value Rs. 2,900,000/-)

- “Children’s day -2023” (Value - Rs. 3,211,000/-)

- Media Sponsorship for “Raigam Awards - 2023” organized by Raigam Marketing Ltd (Value - Rs. 1,600,000/-)

- Media Sponsorship for “NLB 60th Anniversary Musical Show” organized by National Lotteries Board (Value - Rs. 4,956,000/-)

- “Mahagedra Naththal” with Glow & Lovely. (Value - Rs. 4,000,000/-)

- Sponsorship for 31st Night Movie (Tamil) in December, 2023 (Value Rs.2,250,000/-)

Lakhanda Radio

- Lakhanda total revenue for the year 2023 was Rs 73 million

- National Lotteries Board is the highest advertiser with a budget of 32.73 million.

- Revenue earned for Avurudu programme is Rs. 01 million and combining Women’s day programme with ITN generated - Rs. 400,000/-in revenue for Lakhanda Radio.

- Lakhanda Radio hosted a special Children’s day “Hadena Rataka Wedena Lamai” on 01st October 2023 at Dehiwala Zoo - Income for Rs. 450,000/-was received from sponsors.

- A special musical show for Lakhanda Anniversary Golden Memories Show was organized generating an Income of Rs.1.6 million.

Vasantham TV & Vasantham FM

Vasantham TV has steadily improved its annual advertising revenue by Rs 121.32 million in the year 2023 with major cultural/sports events, advertising promotions despite less countrywide coverage. Also the critical economic crisis and low budget allocation for Tamil TV channels in the advertising sector has led to a decline in revenue in 2023.

Vasantham FM has significantly improved its annual advertising revenue by keeping Rs 49.72 million compared to last 03 years.

However, both the channels have performed exceptionally, keeping a low channel share among the total television and radio audience.

Vasantham TV and Vasantham FM secured its revenue by marketing its various contents like news, tele dramas, movies, religious & cultural events, studio discussions and external airtime programs for many major clients

● PROGRAMME DIVISION

Independent Television Network, a leading media network in Sri Lanka commemorating its 44th anniversary as a people's media channel was in the forefront in transmitting a host of programmes with social responsibility and accountability.

From the beginning of the year, an array of high quality programmes in the realms of religion, culture, education, development, agriculture, music and entertainment redound to people's wellbeing and artistic taste. It is also of significance to witness greater public admiration and increased appreciation at awards ceremonies during the year.

Commencement of Transmission

Daily transmission commenced at 5.00 am in the morning with pirith chanting followed by 'Subha Muhurthaya', an astrological programme at 05.55 a.m. detailing beneficial and malefic effects for each zodiac sign and Birthday Wishes at 05.58 a.m. "Paththaren Eha" a round-up of main news items in daily newspapers was aired from 06.00 am to 7.00 am and "Hathweni Peaya", a discussion programme with an academic was slotted from from 07.00 am to 8.00 am on weekdays. A dhamma sermon programme titled "Sitha Nivana Budu Bana" was telecast every Sunday from 06.00 am onwards.

Morning Transmission

A series of old tele-dramas which became highly popular when they were originally telecast were re-telecast from 08.00 to 09.30 am for enhanced viewer entertainment. The programme "Pini Viyana" at 10.00 am was a programme where an academic with expertise in a specific field was invited for discussion. In addition, during the morning session, a programme titled "Life Style", a cookery programme named "Soopa Yathra" and a one-hour song request show titled "Music@11" were telecast.

Evening transmission

From the beginning to the middle of the year 2023, a popular tele-drama that captivated the audience was telecast and from the middle to the end of the year, a popular Tamil movie in the Tamil cinema was telecast.

Musical program

Chat & Music

This live music programme was telecast round the year 2023 and was equally popular amongst local and overseas viewers. It features veteran and up and coming artistes and professionals of diverse fields and held the audience captivated combining entertainment and interaction. It became one of the most popular programmes in social media last year.

Morning Live Band Show

This is a programme for introducing newly emerging talented bands to the music world. It provides a window of opportunity for promising young musicians of the new generation to showcase their musical talents and this programme was telecast live every Wednesday for two hours during the morning transmission.

Last year, nearly fifty programmes were telecast with the participation of approximately 50 youth bands.

Rhythm of India

This music TV show features Hindi movie songs and music videos. Requests of Hindi music fans were given priority during the one hour programme and is a mixture of popular current Hindi hits and golden oldies. This weekly programme is watched live by Hindi, Nepalese, Pakistani and Sri Lankan viewers from their respective countries. Contributions from viewers make this show more lively and entertaining.

In addition, several music programmes in the form of a talk show were aired. Amongst them were "Ananthaya" that was telecast on Sunday and "SL Chart Show" that was telecast on Saturday and popular singers, actors and actresses participated in both programmes.

"Hitha Nawathuna Thena" is another popular music programme. The nature of this program is to visit workplaces, factories and service promotional places and places where people gather in numbers and have a friendly conversation with that group, singing songs and having fun. It also promotes an institutional publicity campaign.

Tele Dramas

The primetime slot starting at 07.30 pm was allotted for sponsored tele-dramas. Tele dramas purchased externally as well as tele-dramas directed by producers attached to the organization were telecast and both categories were extremely popular among our viewers. This primetime belt was the highest revenue generation airtime of ITN.

Some of the popular tele-dramas of the year were "Janu", "Divyadari", "Kodi Gaha Yata", "Six Pack", "Vacation", "Fortune", "Jeewithaye Eka Dawasak", "Mandaram Kathawa", "Meeya", "Thathparayak Denna" and "Uda Thattuwa".

Magazine programmes

Silver Screen

This 22- minute program centered on the world of cinema was aired on Sunday at 11.00 in the morning and viewers are being updated about the latest Sinhala, Tamil, Hindi, Western, Telugu films and views expressed by actors, directors, producers and others involved in film making are accommodated. Similarly, "Behind the Scene" segment brings to the audience the unseen dimensions of cinema such as film editing, sound design and colour correction.

Atapattama

This programme won the SLIM Kantar People's Award for the 14 consecutive years as the most popular TV programme. The programme produced and telecast at a minimal cost continued to be one of the major revenue earners.

Ran Bimata Arunella

This explorative agricultural programme is of 23 minute duration created awareness amongst viewers on agriculture, animal products and self-employment opportunities and it laid emphasis on food security and food production. It was telecast every Sunday from 5.00 pm.

Travel Girl

This first episode of this programme was telecast on 12th May 2019 and it continued through the year 2023 as well. The aim of the programme is to explore picturesque places in Sri Lanka and inform edify the audience on the significance of such places.

Three Thal

Three Thal is a 30 minute programme that goes on air at 05.30 every Saturday. This programme combines knowledge with enjoyment covering different dimensions of traditional art forms including dancing, folk music, theatre and music and the audience is educated on the advancement made in these fields.

Veterans and artistes in each of the said fields join the programme as resource persons.

Religious Programmes

Sawanak Ras

"Sawanak Ras" live programme was telecast on every Full Moon Poya Day in 2023. The programme was telecast from prominent Buddhist places of worship located in different parts of the country.

As part of this program, the Vesak Poya Day sil campaign at Kebellawala Sri Rathnasiri Piriven Vihara, Chillaw held concurrent to the State Vesak Festival on 05th May 2023.

Programmes covering the Vesak zones across the country titled "ITN Buddhabhi Vandahana" was telecast from Wickremasinghepura studio on 05th and 06th May 2023.

Christmas Programme

Catholic and Christian were telecast for Christmas masses. The Catholic mass was telecast live from Duwa Church, Negambo in the night of 24th December 2023 at 11.45pm.

The Christian mass was recorded at St' Stephen's Church Rajagiriya and was telecast at 08.00 on Christmas Day.

Christmas carol programs were produced by ITN having selected artistes to represent Christian and Catholic religions and were telecast in the evening of the Christmas Day. Apart from this, a carol song program was also recorded in Tamil and broadcasted on Vasantham channel.

A one-hour carol song program with the participation of school children was recorded and broadcast on 24th December 2023.

Discussion Programmes

Doramadalawa

At the SLIM KANTAR People's Awards ceremony in 2023, "Doramadalawa" earned a recommendation as one of the five most popular television programmes in the country. This programme is conducted on different themes based on creative and positive thinking. It has won many an accolade from audience and has been on air uninterrupted as an acclaimed programme.

Hope

This programme focus on economic matters. It discusses economic issues, ways and means of attracting foreign exchange into the country, local and foreign employment opportunities and problems connected thereto and without confining to issues it also offers possible solutions.

The programme also aims to create awareness on services offered by public sector institutions and as to how people can access such services.

Special programmes aired in the year 2023

Independence Day

The 75th Independence Day celebration was held on 04th February 2023. Marking the event, a commemorative pirith chanting was recorded at the embankment of the Victoria dam on 02.02.2023.

Valentine's Day

Two musical shows "Nura with Covers Club", a programme with love songs from movies and "Coffee Corner" a musical drama were telecast marking Valentine's Day. Popular artistes participated in this sponsored programme.

Surya Mangalyaya – 2023

ITN telecast the Soorya Mangalya National New Year programme on 13th and 14th April at the Moragolla beach giving pride of place to Sri Lankan identity and traditional cultural values.

Other programmes telecast for the New Year included Surya Mangalya of Tele artistes, Mahagedara Avurudu, Avurudu Kumara/ Kumariya (Beauty pageant) and Punchi Ape Avurudu'

International Children's Day

This was telecast on 10.01.2023 from Leisure World Kaluaggala as a live program throughout the day. A music concert titled "Ese Lama" with the participation of school children was also telecast.

Social Responsibility Programmes

Manushyathwaye Sathkaraya

With the rapid increase of Dengue fever, a dengue combat programme by raising public awareness was conducted covering the Colombo, Gampaha and Kalutara Districts.

Early Childhood Development Project

This project funded by the World Bank is implemented by the Ministry of Social Empowerment. The project included diverse components such as newly constructed day care centers, preschools in the plantation and non-plantation areas, awareness programmes for parents on early childhood development and other forms of support for children.

In addition, social welfare programmes 'Watawala Siripa Sathkaraya' and 'Watawala Special Social Welfare Programme' were telecast.



● 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 for continuous upgrading of quality 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 and necessary infrastructure facilities in the main control room and studios are being put in place.

In terms of a budget proposal approved in the year 2018, measures were taken to upgrade Vasantham TV to transmit high quality visuals 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. 314 million. As funds were not received as expected 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. By the end of the year 2021, the total cost incurred for the project was Rs. 73.337 million. For the year 2023, Rs. 50 million was received as provisions from the General Treasury which was utilized for essential procurements of the relevant projects.

Despite the existence of many obstacles, the Engineering Division was able to achieve a significant progress in the year 2023 and the standout achievements of the year include the conversion of main control room to HD technology, maintaining a HD transmission through PEO TV channel 303, networking the institution using high capacity network switches through a high quality fiber network whilst promoting information technology activities, making the first live transmission in Sri Lanka using virtual reality and augmented reality having secured transmission rights of cricket tournaments and installing a studio equipped with Chroma Key facility and using virtual reality and augmented reality techniques.

In the year 2018, a You Tube channel ITN Sri Lanka was launched posing a challenge to social media platforms of other channels. It was rebranded as ITN Digital and was

re-launched with a new look in the year 2021 signifying another business opportunity of ITN media network. The number of subscribers which stood at 1,412,000 at the beginning of the year 2022 could be increased up to 1,948,600 and the total number of subscriber views was 1.6 billion and the income generated in the year 2023 through ITN Digital was Rs. 130.5 million.

in addition, You Tube channels of Lakhanda and VasanthamTV has also started generating revenue and the Facebook channels of ITN has also attracted a large number of subscribers. Among them, ITN Sri Lanka Facebook page has increased to 980,000 followers

Collating information required for updating Management Information System purchased in the year 2022 for the management of income and expenditure and installation of the said software were carried out and was operated for parallel run. In addition, the Human Resource Management System which was about to expire was upgraded enabling the global access capability of HRM incorporating new technology in the same template.

Core switch and access switches were purchased for broadcast network which is an infrastructure required for transmission and using those accessories, the link between News, NLE, WEB, Studios and server room was upgraded bringing the capacity of Broadcast Local Area Network from 10 Gbps to 40 Gbps.

● ITN DIGITAL

Independent Television Network having identified emerging trends of in global media has started using the new media in a competitive manner through which it sought to achieve the following objectives.

i) Enhancing commercial value and revenue by securing greater viewer attraction for all radio and television channels belonging to Independent Television Network through websites, social media platforms, mobile phone text messages and smart phones.

ii) Building new business opportunities using the new media as a responsible state media organisation with the help of social media platforms and Over the Top Platforms for audio visual creations, animations, pictorial creations and document creations.

A collection of websites, YouTube Channels, Face book Pages and other social media platforms which have been designed for all radio and television channels and news bulletins and special programmes 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 par with changing times and a smart 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.

Gold Play Button has been obtained for ITN Sri Lanka YouTube Channel and Silver Play Button has been obtained for Chat & Music 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.

ITN Sri Lanka YouTube channel commenced generating revenue on 01st March 2018 and the estimated income of the year 2018 was recorded as Rs. 3.5 million and the total number of subscribers as of now is 117,300 and the total number of subscriber views has been reported as 62.7 million.

By the year 2019, the number of subscribers increased to 263,500 with an addition of 146,200 new subscribers. Further, a income of Rs. 17.7 million was made during the year 2019 posting an income of Rs. 21.2 million and 173 million views.

Thereafter, in the year 2020 the total number of subscribers grew to 650,000 with the addition of 386,500 new subscribers generating revenue amounting to Rs. 48.9 million whilst recording an overall income of Rs. 71.5 million. The overall number of views by the end of 2020 stood at 460.2 million.

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 ITN youtube channel was able to secure Gold Play Button of YouTube.

By the end of the year 2022, the total number of subscribes increased to 1,412,800 with 412,800 new subscribers and the profit posted in the year 2022 was Rs.67.6 million with an overall income of Rs. 186.4 million and a total number of subscriber views reaching 1.1 million.

By the year 2023, the total number of subscribers increased to 1,948,200 with 533,800 new subscribers and the profit earned in the year 2023 was Rs. 130.9 million with an overall income of Rs. 313.3 million and the total number of subscribe views reached 1.6 billion.

In addition, Vasantham TV, Lakhanda, ITN News, Chat & Music YouTube Channels and the Facebook channels too have been able to attract a large number of subscribers and generate revenue.

Aside from the above mentioned ITN Digital activities, income is expected to be generated by keeping the copyrights for all programmes and creations (content) belonging to ITN 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 3 million by the end of the year 2024.

- Developing YouTube channels and Face Book pages of other channels affiliated to ITN 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	2022	2023
Total Views	360.0 M	515.0M
New Subscribers	412.8 K	533.8K
Total Subscribers	1,412 K	1,948K
Estimated Revenue Each Year	Rs. 67.6 M	Rs 130.9M
Total Revenue cumulative	Rs 186.4 M	Rs. 313.3M

YouTube Analytics - Lakhanda

Category - YouTube	2022	2023
Total Views	7.9M	9.1M
New Subscribers	31.2K	33.9K
Total Subscribers	71.7K	102.0K
Estimated Revenue Each Year	Rs 722,842.00	Rs 1.53M
Total Revenue cumulative	Rs1,143,983.00	Rs 2.89M

YouTube Analytics – Vasantham TV

Category - YouTube	2022	2023
Total Views	474.1K	1.7M
New Subscribers	6.3K	16.9K
Total Subscribers	51.7K	67.7K
Estimated Revenue Each Year	Rs 55,681.00	Rs 433,981.00
Total Revenue cumulative	Rs 159,387.00	Rs 593,370.00

YouTube Analytics – ITN News

Category - YouTube	2022	2023
Total Views	1.7M	1.7M
New Subscribers	17.1K	10.9K
Total Subscribers	70,8K	80.5K
Estimated Revenue Each Year	Rs 155,433.00	Rs 77,787.00
Total Revenue cumulative	Rs 533,225.00	Rs 611,014.00

YouTube Analytics – Chat & Music

Category - YouTube	2022	2023
Total Views	3.1M	22.9M
New Subscribers	14.1K	72.9K
Total Subscribers	28.6K	101.5K
Estimated Revenue Each Year	-	Rs 872,569.00
Total Revenue cumulative	-	Rs 872,569.00

FaceBook Analytics - ITN Sri Lanka

Category - Face Book	2022	2023
Total Likes cumulative	-	459K
Total followers cumulative	761,080	998,000
Page Reach	82.7M	70.9M
Engagement	-	12.3

FaceBook Analytics - Lakhanda

Category - Face Book	2022	2023
Total followers cumulative	174,670	198,100
Page Reach	5.8M	5.9M
Engagement	-	1M

FaceBook Analytics – ITN Srilanka News

Category - Face Book	2022	2023
Total followers cumulative	251,854	334,800
Page Reach	9.4M	11.1M
Engagement	-	8.7M

FaceBook Analytics – Vasantham TV

Category - Face Book	2022	2023
Total followers cumulative	406,418	410,200
Page Reach	8.6M	3.1M
Engagement	-	168.9K

FaceBook Analytics – Vasantham FM

Category - Face Book	2022	2023
Total followers cumulative	492,843	517,500
Page Reach	85M	21.7M
Engagement	-	1.9M

FaceBook Analytics – Chat & Music

Category - Face Book	2022	2023
Total followers cumulative	-	117,100
Page Reach	4.4M	8.0M
Engagement	607.9K	3.6M

FaceBook Analytics – ITN lifestyle

Category - Face Book	2022	2023
Total followers cumulative	-	30,300
Page Reach	2.3M	4.4M
Engagement	65.2K	197.1K

● ITN NEWS & CURRENT AFFAIRS

The News Division approached the year 2023 further reinforcing the solid foundation laid in the year 2022 to pursue a new path amidst a host of challenges. Political neutrality of programmes became the talking point amongst the audience. This was an outstanding victory achieved by ITN News Division. Only news deemed important to the society disregarding political divide, be it the government or the opposition was telecast, with the objective of presenting only the truth that matters to the people.

In the wake of this turnaround, signifying a standout success for ITN news struck a responsive chord with viewers. By the end of the year 2023, ITN telecast two main news bulletins and six top of the hour news bulletins. According to prevailing economic situation, the main news bulletin aired at 10.00 pm was suspended and it was decided to telecast the main news bulletin of ITN at 06.30 pm with an extended time of one hour. During the year, many positions fell vacant in the News Division. Though some officers left the service due to the dire economic situation, action was taken to maintain without compromising its quality though no new recruitments were made during this period. Besides, the news bulletin won recommendations at several awards ceremonies including Sumathi/Raigam/ Popular Awards and several news presenters bagged the award for the best news presenter. Bringing audience responses to greater heights, the Current Affairs Division too underwent major changes. Accordingly, the 'Pattaramentuwa' daily programme was rebranded as 'Beyond newspapers with Deepthi' to bring it closer to our viewers. Further, 'Thulawa' political programme which remained heavily one-sided was turned into a level playing field earning recognition of the audience.

The advertising revenue from the 6.30 p.m. main news bulletin and current affairs programs in each month of the year 2023 was as follows.

News bulletin	income (Rs.)
12 noon news bulletin	23,304,329.13
News Flash (hourly News)	26,569,197.02
Main news bulletin at 6.30 pm	142,020,557.00
Current Affairs Programmes	
Thulawa programme	2,180,950.00
7th hour programme	2,902,716.67
Beyond newspapers with Deepthi (weekend)	6,061,482.00
Beyond newspapers	21,077,450.00
Kedapatha programme	539,833.34
Total Income	224,656,515.16

Vasantham TV News

Taking employee shortage and the ratings of Vasantha TV news bulletin, it was decided to suspend the top of the hour news bulletin and telecast only two main news bulletins.

Accordingly, two main news items were telecast at 1.00 pm and 6.55 pm. The revenue generated from advertisements during the news bulletins was Rs. 47,963,122.86

Lakhanda News

The progress made in the year 2022 was maintained unchanged and three main news bulletins and eight top of the hour news bulletins were broadcast. A summary of main news items was aired at 8.00 pm and 9.00 pm.

The revenue earned from advertisements during all news bulletins in the year 2023 was Rs. 5,350,000.00.

Vasantham FM News

Broadcasting 02 main news bulletins at 12.00 noon and 7.00 pm, 08 top of the hour news bulletins from 9.00 am to 5.00 pm and a news summary at 8.00 pm daily, the radio channel has earned the trust of the Tamil speaking people.

The revenue earned from advertisements broadcast during all news bulletins in the year 2023 was Rs. 2,780,000.00.

● LAKHANDA RADIO

The market was going through a period of uncertainty at the beginning of the year 2023. During a time where sponsors were not interested in advertising and economic difficulties forced consumers to restrict purchases, an average monthly income was maintained during the first 06 months of the year 2023. As income was inadequate to meet the expenditure, several measures were adopted with the consent of the top management to increase the revenue.

Measures such as giving the opportunity to staff members to procure advertisements on commission basis, increasing regional sponsors, apparel industry promotion programme and restructuring airtime allocation contributed to a growth of revenue from July to December of 2023. Consequently, the highest income since 2018 was posted in the year 2023.

The digital unit of Lakhanda expanded video propaganda parallel to Lakhanda programmes in earnest with the aim of enhancing revenue generation and 04 persons serving as external artists were deployed for social media activities without an extra cost.

A promotion supervisor amongst the permanent staff was appointed to boost promotional income and promote the channel in line with an annual plan. By cutting down on expenditure and improving marketing income, Lakhanda Radio was able to achieve a positive growth in the year 2023.



● VASANTHAM TV

Vasantham TV is a national tamil television channel with its own unique identity that captivates the hearts of the viewers on a daily basis. Accordingly Vasantham TV's programmes have been designed taking into consideration of people's aspirations and timely requirements. Reflecting our understanding of the viewership, the channel has gone from strength to strength every passing year. Accordingly, a review of the performance of Vasantham TV channel in the year 2023 is outlined below.

As our country was coming out of one of its worst economic situation from 2022, Vasantham TV was also battling an uphill task as a lot of programmes was discontinued during the Covid 19 pandemic. Live shows during that time was not done as travelling was an issue inside the country. Vasantham TV totally relied on recorded programs. Even after the pandemic, Vasantham TV couldn't resume it's usual productions due the the economic crisis that Sri Lanka was facing. It is in 2023 that Vasantham TV got an opportunity to restart and from that point onwards, work has been done towards rebuilding Vasantham TV to it's former state by creating new programmes, updating existing programmes to the latest trends, interacting with viewers through various ways and much more.

As a start Vasantham TV was able to attract sponsors for weekday live song request shows "Hello Vasantham" & "Music Express". Hello Vasantham show got a six month sponsorship, where the callers had a chance to win valuable gift hampers every day. The same way, Music Express show got a 3 month sponsorship from a different sponsor. Along with these, one of Vasantham TV's fan favourite "Ninaithale Inikkum" Golden Hits song show started inviting viewers to the show. One viewer was able to participate live in the show and these episodes are airing on Fridays as of right now. These initiatives helped Vasantham TV to bridge the gap between it's viewers and the channel. And as a result, the audience showed more involvement in the content and Vasantham TV started attracting more clients who are willing to advertise.

800 Movie was made on the life story of Sri Lankan Cricket Star Muththaiah Muralitharan and Vasantham TV invited the main sri lankan crew members of the film for a special interview on Deepavali Day. Similarly Indian Actress Namitha and Laila participated for 2 special shows which aired on April New Year and Christmas day 2023. There were a lot of other special programmes made by Vasantham TV to celebrate the Sinhala & Tamil New Year and Deepavali Festival. "Vasantha Kaalam", "Special Pattimandram (Tamil Debate)", "Vaazhthuhai", "Anybody Can Sing" and "Thiththikkum Deepavali" were some of the notable ones. For Christmas, "Christmas Killadis" a fun family game show brought joy to viewers.

Programmes such as Namma Veettu Samayal, Malarum Bhoomi, Namma Hits were recorded in different parts of the country, moving outside of ITN Studios and without using the ITN ENG as well. These programmes generated revenue through corporate clients. In addition to the morning devotional programmes, a special “Kandha Shashti Kavasam” segment was aired during the month of October as Hindu viewers were observing fasting. “Ramazhan Vasantham” was also there to light up the month of Ramadan.

Programmes like Suyadeena Seidhi Paarvai, Thoduvanam, Aarokkiyam, 7m Naal, Aadukala,, Tholluyir Thedal and other regular programmes were aired as usual with much appreciation from the audience.

Currently decisions are being made about some new upcoming programmes for Vasantham TV for the upcoming year which will give informative and entertaining content to the audience.



● VASANTHAM FM

External programmes which were not produced during the crisis hit of Covid pandemic period owing to the difficulty in finding sponsors were resumed in the year 2023 as per the annual plan. In order to minimize expenditure, the commemoration of special cultural festival days were only broadcast over Vasantham FM without a video simulcast. External programmes without directly being organized by the channel were organized with the support of external parties and sponsors were found to broadcast them. The Thaipongal ceremony held Sulipural area in Jaffna can be cited as an example.

The commemorations of Maha Shiva Rathri was telecast live by regional correspondents from Tamil speaking areas with focus in Tamiil cultural practices and rituals.

Due to lack of sponsorship revenue, the annual VPL cricket tournament and Deepavali festival could not be held as planned. Despite many obstacles such as the availability of just one Marketing Executive, suspension of broadcasting from Kobkawil transmitting station and the poor reception of Vasantham FM in major Tamil speaking areas like Wellawatta, Mattakkuliya, Wattala , Vasantham FM was able minimize expenditure and increase revenue in year 2023 thus becoming a profit making channel.

● Sustainability Report

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

Appointments / Recruitments during 2023

General Manager	01
Producer (VTV)	01
Digital Media Creator - Contract	03
Assistant Computer Animator - Contract	01
Marketing Executive - Contract	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 2023

Post	ITN	LAKHANDA	VTV	VFM
Senior Level	25	3	2	1
Tertiary Level	91	7	-	-
Secondary Level	256	37	6	6
Primary Level	128	1	-	-
Others (Marketing Executive)	18	3	4	1
Grand Total	589			

Service Analysis as at 31st Dec. 2023

Years	Permanent	Contract
Less than 01	0	0
01 - 05	63	27
05 - 10	101	30
10 - 15	115	10
15 - 20	86	12
20 - 25	61	0
25 - 30	62	0
Greater than 30	22	0
Total	510	79

Permanent & Contract Employee Service Analysis as at 31st Dec. 2023



- less than 01
- 01 - 05
- 05 - 10
- 10 - 15
- 15 - 20
- 20 - 25
- 25 - 30
- 30 <

Permanent & Contract Employee Age Analysis as at 31st Dec. 2023

Years	18-30	31-40	41-50	50<
Male				
Management	0	0	2	6
Executive	0	0	7	15
Technical	7	25	45	23
TV / Radio Production	14	58	46	25
Clerical	05	69	43	38
Total	26	152	143	107

Female				
Management	0	0	1	2
Executive	0	1	5	2
Technical	0	3	2	4
TV / Radio Production	0	40	5	8
Clerical	7	36	26	19
Total	7	80	39	35

Training Summary 2023

Training Area	No of Training Programmes	No. of employees participated
Local		
Marketing	1	3
Engineering	3	9
Finance	2	4
Supply	2	2
Total	8	18

Training Area	No of Training Programmes	No. of employees participated
Foreign (Online)		
Engineering Programme	1	1
News	1	2
Total	3	4

Turnover analysis (Permanent / Contract) 2023

Male	Resignation	Retirement	VRS	VOP/ Dismissal	Death
Managerial	0	2	0	0	0
Executive	0	2	1	0	1
Technical	6	1	3	0	0
TV/Radio Production	14	2	8	3	0
Clerical & Allied	8	5	7	1	0
Total	28	12	19	4	1

Turnover Analysis by Employee Age as at 31st Dec. 2023 (Permanent / Contract)

Turnover (Years)				
18-30	31-40	41-50	50>	
0	1	0	1	
0	0	1	3	
0	4	6	0	
5	10	10	2	
0	5	13	3	
5	20	30	9	

Female	Resignation	Retirement	VRS	VOP/ Dismissal	Death
Managerial	0	0	0	0	0
Executive	0	2	1	0	0
Technical	0	0	1	0	0
TV/Radio Production	13	0	1	0	0
Clerical & Allied	6	1	5	0	0
Total	19	3	8	0	0

Turnover (Years)				
18-30	31-40	41-50	50>	
0	0	0	0	
0	1	2	0	
0	0	1	0	
5	7	2	0	
4	4	4	0	
9	12	9	0	

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. There is 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.

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.

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 Rs. 5,500/- per month as attendance incentive.
- Providing Personal Accident Insurance cover for all permanent, contract employees and relief panel.
- 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.
- Providing gift vouchers worth Rs.7,500/- to all permanent, contract and days pay service providers for New year 2024

● 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.

*** The Board of Directors for the year 2023 is given on page no.2.**

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	12
Audit and Management Committee	Quarterly	04
Major Procurement Committee	As Required	06
Minor Procurement Committee	Twice a Month	19

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 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, General Manager, Deputy General Managers Finance, Administration, Programme, Engineering and Marketing, Accountants of ITN/ Lakhanda 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 Prgrammes 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 goods, 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.

● SUSTAINABILITY REPORT/ RISK CONTROL

Basic risks and Contingency declaration

Independent Television Network has a process established within the bounds of control set out in the control framework for the identification and control of risks of sectoral businesses.

Since our businesses are driven primarily by the preferences, trends and constantly evolving lifestyles of people, the company should have the capability of identifying in advance the emerging trends as to the people's taste and making timely adjustments to ensure the continuity of business as a going concern.

Risk management is eventually the responsibility of the Board of Directors and the formulation and implementation of a holistic and robust becomes the topmost priority.

Amongst the matters included in the role of the Board of Directors in relation to risk management are the promotion of a culture that emphasizes integration, fusion of risk management into the basis process of the business, formulation of overall policies for risk management and control subsequent to the determination of basis risks and ensuring that such policies are communicated to the entire business.

The following components are included in the process of risk management within the business

Identifying and assessing each risk

Planning controls

Arriving at a conclusion on the efficacy of the controlling environment being implemented

The senior management in collaboration with the entire Board of Directors identifies the basic risks impacting on the company and if required, external auditors may be consulted to deal with risks in an effective and timely manner.

The risks so identified are categorized according to the impact on the business and probability of occurring and after identifying each risk, it is assigned to responsible divisions for ensuring that it is seen at the correct level and that due attention is paid thereto during progress review meetings held throughout the year for solving problems at the operational level.

Following three main risk areas are identified.

Strategic risk – Risks impacting on strategic goals of the business or issues affecting the strategic objectives of the company.

Financial risk – Matters that may affect the financial activities of the business which could be external or relating to the internal controls that have been put in place.

Operational risk- Matters arising from operational activities of the company in respect of areas such as procurement, product development and interactions with commercial partners.

Technical risk management

Our focus

Media is a technology driven industry. The success of the business depends on the accessibility to the state of the art technology for the business and compliance thereto and the generation of accurate information through an efficient management information system.

Possible impacts

Any impediment or failures relating to factors such as systems, infrastructure and inputs could deprive the company of its market opportunities causing financial losses and negatively impact its operations.

Our response

ITN is today facing stiff competition posed by private television and radio channels. The private sector competitors have a greater flexibility in all operational divisions to counter the market pressures and therefore it has become essential to provide competitive products and services.

Possible impacts

A severe impact due to price competition such as business generation, losses in the sustainable business growth and the decline in market share pressure will be caused.

Our response

The company has adopted various strategies to present products to established markets gaining advantage from prevailing market situation and its predictions and diversify their status and to make competitiveness irrelevant. The company has expanded the services to cover a greater geographical region by establishing more and more transmission centers.

Product risk management

Our focus

The main business operation is the sale of airtime and have to conform to new technological developments and other laws, rules and regulations to enable the sale of products.

Possible impact

Changes in the market preference

Our response

Adding value to entertainment, be on a par with others in the world and be constantly vigilant of global developments in media in order to be in the forefront of Sri Lankan competitiveness.

Similarly, since viewers shift from one type of entertainment to another for inexplicable reasons, a close tab on their mindset. Therefore, in order to determine the structure of programmes, have to use a third eye and an extraordinary sense of anticipation. Consequently, will draw up plans to present a correct mix of entertainment whilst regularly assessing the progress of popularity of programmes and comparing them with those of other channels. Otherwise, we will lose the popularity level built with meticulously organized programme management.

Compliance with laws, rules and regulations

Our focus

Since ITN is a government owned business entity, it has a binding responsibility towards its stakeholders. In such context, transparency and good governance are essential for the continuity of the business.

Possible impact

If management is not properly executed, the risk of indemnity, financial losses and litigation against the institution are always present.

Our Response

Running the business anchored firmly in a stand of accountability, ITN discharges its duties for maintaining clear-cut conditions in compliance with all statutory observations and requirements with regard to financial existence, tender procedure and procurements.

Managing financial risks

Functions of the company have been exposed to a slew of risks such as the credit risk, liquidity risk and market risk (including currency risk and interest rate risk). The overall risk management of the company focuses on minimizing the possible future negative impacts which could affect the financial performance of the company.

Our focus

Risk factors caused by external reasons such as changes in interest rates, foreign exchange fluctuations and credit access restrictions are difficult to control and they may cause financial losses to the organization.

Possible impacts

They could affect interest rates, expenditure, cash flow and dividends.

Our response

The company employs various strategies to control the risks that emerge during operations and in order to gain greater benefits for the company, interest rates can be exploited and more investments can be made.

Contracts are entered into for the control of exchange risks and money is invested in short-term deposits with higher interest rates. Similarly, in order to maintain a balance between cash and cash equivalents, a close watch will be kept on the cash flow.

● 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 2023.

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, along with the channel ITN Digital the social media activities

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.1,682 Mn. An analysis of revenue is given in the financial statements.

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. 213.7 Mn.

Employments

The number of employees as at 31 December 2023 is given in page 17

Reserves

The reserves as at 31 December 2023 amounted to Rs. 345 Mn. The movements of the reserves during the year are shown in statements of changes in equity for the year 2023.

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. 6 Mn. 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 20 of the Annual Report.

Director share holdings

The Directors hold no shares.

Remuneration and other benefits of Directors

The remuneration and other benefits received by the Directors are given in the financial statements on page 21, note 30.

Corporate Donations

The donations made by the company during the year are disclosed in Note. 10 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 2023.

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 30th August 2024 at 3.00 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.

Auditors Fee

Auditors fee is given in the financial statement on page 13, note 10.

For and on behalf of the Board

INDEPENDENT TELEVISION NETWORK LTD

.....
Sudarshana Gunawardana
Chairman

.....
Mr. Raweendranath Guruge
Director

INDEPENDENT TELEVISION NETWORK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31-12-2023

Chairman
Independent Television Network

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 2023 of Independent Television Network Limited

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Independent Television Network for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 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 2022, 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) In terms of valuation reports from 2010 to 2023 for the Torrington land which the company had acquired under the lease method, the company had failed even by the end of the year under review to pay lease rent subject to the tax revisions done once

every 05 years. The lease rent in arrears payable as at 31 December 2023 was Rs. 50,805,000 and the Company had a commitment to pay the arrears in equal monthly instalments as agreed within the next 10 years from the year 2023 onwards. Though this amount should have been classified in terms of paragraph 61 of Sri Lanka Accounting Standard 01 as Rs. 43,391,250 as non-current liability and Rs. 7,413,750 as current liability and presented in the financial statements, contrary to this, the total amount had been stated under current liabilities.

- b) In terms of Sri Lanka Accounting Standard No. 07, the value of current service cost of the retirement benefit plan for the year under review and the total value of interest expenditure amounting to Rs. 25,836,359 had been identified to the net profit and even though the said amount should only be adjusted to the net profit before tax in preparing the statement of cash flow, a sum of Rs. 57,933,815 had been adjusted including the said amount and actuarial loss of Rs. 32,097,455.
- c) In terms of paragraphs 07 to 31 of Sri Lanka Financial Reporting Standard 07, the company had not analyzed the risks of financial instruments indicated in financial statements and disclosed in financial statements as at the last date of the year under review.
- d) Though the classification of financial assets stated under detailed notes of financial statements should be carried out as per Sri Lanka Financial Reporting Standard 09, the Company had carried out the classification of financial assets in terms of Sri Lanka Accounting Standard 39 which was in force for the period before the year 2018.
- e) In terms of paragraph 17 of Sri Lanka Accounting Standard 20, even though the depreciation relevant to a government grant should be recognized over the periods and in the proportions in which depreciation expense on those assets is recognized in recognizing the amortization of a state grant, the amortization value of Rs. 1,381,918 of plant, property and equipment amounting to Rs. 11,055,346 purchased in the year 2022, had not been identified as other income in the year 2023. As a result, the loss of the year under review had been overestimated by that amount and the government grant account balance had been overestimated by that amount.
- f) In terms of Sri Lanka Accounting Standard 21, as a result of the cash balance as at the last date of the year under review of the savings account maintained in foreign

currency not being converted into the spot exchange rate existed as of that date and presented in financial statements, the balance of that account had been understated by Rs. 1,580,294 and as the exchange profit had not been recognized by that amount in the income statement, the loss of the year had been overestimated by that amount.

- g) As a result of the value in arrears of USD 552,555 payable as at the last date of the year under review for episodes telecast in 09 foreign and local tele-dramas purchased at foreign currency from the year 2019 for Vasantham TV not being converted to the spot exchange rate existed as of that date and presented in financial statements, the accrued account balance of purchasing programmes had been understated by Rs. 66,877,990 and the exchange transfer loss had not been recognized by that amount in the income statement. Hence, the loss of the year had been underestimated by that amount.
- h) Though disclosures regarding related parties should be made in the financial statements in terms of Sri Lanka Accounting Standard 24, the Company had not disclosed the relevant information relating to key management personnel under Note 30 of financial statements.
- i) Rs. 42,635,021 deposited in respect of an industrial dispute in Bank of Ceylon in the name of Commissioner General of Labour had been included in deposits and receivables in financial statements and this had not been disclosed through a note in financial statements as per Sri Lanka Accounting Standard 37.
- j) Though a sum of Rs. 1,213,120 receivable due to an employee fraud which had been indicated as not being able to recover lawfully, should be disclosed considering it as a contingent asset only through a note in terms of Sri Lanka Accounting Standard 37, as a result of it being shown as a receivable balance in the financial statements, the current assets had been overstated by that amount.
- k) The government grant of Rs. 49,500,000 allocated for the settlement of compensation payable to officers sent on retirement under the voluntary retirement scheme was shown in the stated capital in financial statements and compensation had not been paid even by the last day of the year under review. Though, it should be disclosed by a note in the financial statements as the provisions for restructuring

expenditure and the government grant received in respect of thereto in terms of paragraphs 80, 85 of Sri Lanka Accounting Standard 37, contrary to this, action had been taken to capitalize the said amount by indicating same within the payables and no disclosure in that regard had been made.

- l) Though the supplier had installed the total value of software amounting to Rs. 21,133,575 made up of the financial and information management software system costing Rs. 14,433,575 and the human resource management software system costing Rs. 6,700,000, the company had not accounted it as intangible assets and creditors as per paragraphs 25 to 27 in Sri Lanka Accounting Standard 38. As a result, the intangible assets had been understated by that value in the statement of financial position. Only the sum of Rs. 4,310,073 paid to the financial and information management software system had been shown in financial statements under deposits and advances and under the amortization policy of the Company, the amortization expenditure of Rs. 2,886,715 had not been recognized to the income statement.

- m) Though the payment for unobtained leave of employees for the year under review was Rs. 18,522,547, as a result of Rs. 20,819,655 being indicated as accrued expenditure in financial statements, the loss of the year under review had been overestimated by Rs. 2,297,108.

- n) During the year under review, Rs. 16,737 had been received by the disposal of plant, property and equipment and Rs. 1,323,000 by the disposal of a motor vehicle and as a result of cash flow from the disposal of plant, property and equipment being stated as Rs. 2,783,383 in preparing the cash flow statement, the cash flow received from investment activities had been overstated by a value of Rs. 1,443,646 in the cash flow statement.

- o) Out of 4 vehicles belonging to the company to the value of Rs. 8,976,339, a vehicle to the value of Rs. 2,250,000 had been sold in the year 2023. However the cost of these vehicles had not been shown in accounts from the year 2020. Accordingly, the value of non-current assets had been understated by Rs. 8,976,339 from 31 December 2020 to 01 January 2023 and by Rs. 6,726,339 as at 31 December 2023.

- p) In calculating the deferred tax liability, the value of deferred tax liability on the depreciation of plant, property and equipment had not been presented under Note 17.1 of financial statements.
- q) Though, the value of arrears of Rs.2,296,000 paid in the year 2023 in respect of 02 tele-dramas telecast in the year 2022 should be recognized within the cost of purchasing local programmes for the year 2022, as a result of it being recognized under the cost of purchasing local programmes in the year 2023, the loss of the year under review had been overestimated by that amount.
- r) A value of Rs. 1,866,829 inadvertently recorded in debtor accounts of Independent Television Network and a value of Rs. 4,193,100 that should be removed from accounts due to the exchange of services between the two parties had been indicated in accounts as a receivable balance even by the end of the year. Therefore the debtor balance in financial statements had been overestimated by Rs. 6,059,229 and as a result of depreciation losses being calculated on the said value, the accumulated losses had increased by Rs. 4,544,947 as a result of which the retained profits had been understated in financial statements.
- s) An invoice value of Rs. 4,105,500 issued in respect of services not provided to a public institution had been included in the debtor balance and no action had been taken during the year under review to settle the said value. Therefore the debtor value had been overestimated by that amount and as a result of depreciation losses being calculated thereon, the accumulated losses had increased by Rs. 3,079,125, the retained earnings had been understated in financial statements.
- t) Though the gratuity expenditure payable and the social security tax payable as at the last date of the year under review, had respectively been Rs. 17,882,595 and Rs. 5,837,751, the said values had been indicated respectively as Rs. 2,328,743 and Rs. 346,132 under the statutory payables in financial statements, and the remaining balances had been shown under other payables. Further, accrued audit fees had been shown in allocations and accrued expenditure instead of stating in statutory payables.
- u) Even though the balance of the payable account indicated under other payables in financial statements as at 31 December of the previous year had been

Rs. 63,239,293, the opening balance of the said account as at 01 January of the year under review had been Rs. 62,399,174 and the management had failed to justify the difference of Rs. 840,119 to the audit.

- v) Even though the value of payables within other payables in financial statements had been Rs. 97,787,490, according to the schedule submitted to the audit the said value was Rs. 96,676,329. The management had failed to explain the difference of Rs. 1,111,161.
- w) As a result of 12 English films to the value of Rs. 1,037,763 purchased in the year 2011 of which the period of contract had been expired being accounted as payment made in advance instead of accounting as an expenditure, the current assets and retained earnings had been overstated by that value.

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 2023 of the Company

Other information means information, though included in the Annual Report 2023 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.

In reading the annual report 2023 of the Authority, If I concluded that there are material misstatements, I am required to report such matters for correction to the governing authorities. If still there are material misstatements that have not been corrected, they will

be included in the report to be tabled by me in due course in Parliament in terms of Article 154 (6) of the Constitution.

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 1.2 (j), 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.	Non-compliance
(a) Public Enterprises Circular No. PED/1 /2015 dated 25 May 2015, PED 1/2015(i) Circular dated 27 October 2016 and PED 1/2015 (ii) Circular dated 14 January 2022	The Chairman of the Company had obtained a transport allowance of Rs. 600,000 and a fuel allowance of Rs. 614,220. In addition an official vehicle and 2786 liters of fuel to the value of Rs. 966,524 had been obtained for the use of the said official vehicle.
(b) Public Administration Circular 22/29 dated 08 October 1999	Though an officer who is eligible to be assigned an official vehicle can be permitted to drive an official vehicle only if the head of the institution is personally satisfied as to the need to drive a vehicle for an urgent official duty which cannot be postponed, there had been instances where the official vehicle assigned to the Deputy General Manager (News) had been taken by the said officer himself without the permission of the head of the institution.

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.

2.3 Other Matters

(a) According to the information submitted to the audit, the Company 20 local tele-dramas had been purchased by the Company at a cost of Rs. 310,310,000 during the period from 1st January to 31st December 2023 and telecast and telecast and a loss of Rs. 65,415,985 had been incurred by telecasting 14 of them.

- (b) In leasing transmission towers to telephone companies by the company, the Company had taken measures to provide communication facilities without renewing the agreements for the ensuing period upon the expiry of lease agreements entered into with telephone companies. The balance arrears recoverable from telephone companies as at 31 December 2023 was Rs. 19,971,680.
- (c) As a result of not providing the services relevant to contra deals entered into with various institutions from the year 2004 until the year under review, Rs. 70,702,230 was indicated as contra deal debtors in financial statements and action had not been taken during the year under review to settle these balances. Of them, the balance exceeding one year was Rs. 69,702,230 or 98.5 percent.
- (d) The aggregate of contra deal debtor balances consisting of twenty debtors as at the last date of the year under review was Rs. 28,824,030 and as a result of the Company not procuring the relevant services, the total contra deal balances exceeding 05 years was Rs. 17,288,1678, Action had not been taken during the year under review to recover these balances.
- (e) Within the balance of other payables in financial statements amounting to Rs. 200,524,492, twenty five debtor balances with an aggregate of Rs. 1,220,239 had been carried forward for more than 10 years and action had not been taken during the year under review to identify and settle the said value.
- (f) According to the schedule submitted to the audit, the aggregate of retention values was Rs. 3,661,576 of which Rs. 3,590,857 had been carried forward for more than 5 years.
- (g) The equity capital of the Network for the year 2015 was Rs. 3,198,499,721 and Rs. 654,161,058 in the year 2022 and it had continuously decreased up to Rs. 489,921,592 by the end of the year under review. Losses had been incurred by the company continuously since the year 2016 to the year 2022 from Rs. 107,189,266 to Rs. 361,564,271 and the loss incurred during the year under review was Rs. 213,739,466. The loss of Independent Television in the year under review was Rs.180,808,436 and the loss of Vasantham TV and ITN FM thereunder respective was Rs. 9,882,712 and Rs. 27,816,668.

- (h) The trade receivable balance indicated in financial statements of the Company as at 31 December 2023 was Rs. 905,105,718 out of which the balance exceeding five years of Independent Television was Rs. 222,661,338. The balances exceeding one year of Vasantham TV, Lakhanda Radio and Vasantham Radio respectively were Rs. 46,033,464, Rs. 8,906,832 and Rs. 1,503,744. The company had not taken action during the year under review to recover the said balances and legal action had been constituted only in respect of debtor balance amounting to Rs. 1,358,640.
- (i) Action had not been taken during the year under review to recover the receivable balances aggregate of Rs. 18,795,407 which had been carried forward since the year 2009.
- (j) In comparing invoice values issued by the company and rate card values relevant to airtime, the value of invoice relevant to advertisements of which rate card value was Rs. 129,461,000 was Rs. 10,286,795 and highly unrealistic discounts ranging from 81-98 percent to clients. By offering such large discounts even during the peak time, the revenue avenues of the company had been severely restricted. Further, though approval should be obtained for the schedules relevant to the transmission of advertisements submitted by agencies from the Assistant Manager (Marketing), the Head of Schedules Division and the Head of Marketing Division, there had been instances where the approval of the Assistant Manager (Marketing) and the Head of the Marketing Division.
- (k) One libel suit seeking compensation had been filed against the Network as at 31 December of the year under review and the compensation demanded was Rs. 50,000,000. Further 06 cases against infringement of rights of film screening, distribution and sales via media in Sri Lanka and 05 cases for film intellectual property had been filed against to the Network and the compensation sought was Rs. 490,000,000 and Rs. 20,325,000 respectively. Three law suits had been filed against the Network for other matters and compensation sought was Rs. 15,000,000. A sum of Rs. 5,227,617 had been incurred for those cases during the year under review and compared to previous year, the legal costs had increased by 125 percent.

- (l) 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 approximately four years.
- (m) Within the total trade debtor balance of Rs. 197,343,665 of Independent Television as at 31 December 2023, the balance between 1-3 years was Rs. 16,448,517, the balance between 4-6 years was Rs. 26,460,747 and the balance between 7-10 years was Rs. 33,792,289 and the balance exceeding 10 years was Rs. 49,939,178 and the commercial trade debtor balances of Lakhanda FM and Vasantham FM respectively were Rs. 3,928,344 and Rs. 2,139,122. Of them, the balances exceeding 5 years respectively were Rs. 2,046,093 and Rs. 645,378 and action had not been taken during the year under review to settle those balances.
- (n) Due to payments not being made subject to lease revisions for the land belonging to Yatiyantota transmitting station, the arrears payable as at 31 December 2023 by the Company stood at Rs. 5,148,000 and total value payable to leased lands of transmitting stations including this value was Rs. 18,511,280.

W.P.C. Wickremaratne
Auditor General

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

Figures in brackets indicate deductions.

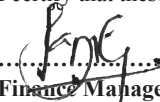
Notes to the Financial Statements on Pages 5 to 23 form an integral part of these Financial Statements.

INDEPENDENT TELEVISION NETWORK LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

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

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


 Finance Manager

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

Approved and Signed for and on behalf of the Board,


 Director


 Director

Date : 27th February 2024

Colombo,

Figures in brackets indicate deductions.

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

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

Figures in brackets indicate deductions.

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER

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

Audit Report on Page 1

Figures in brackets indicate deductions.

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

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. Government Grant value of of Rs.49.5 million received in this year relating to payment of compensation for volunteer retirement scheme is credited to equity.

1.2 Date of Authorization for Issue

The financial statements of the Independent Television Network Limited for the year ended 31 December 2023 were authorized for issue in accordance with resolution of the Board of Directors dated 27th February 2024.

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.

INDEPENDENT TELEVISION NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER		2023	2022
6	Revenue		
	Sale of Air Time	1,385,459,165	1,394,783,090
	Production Charges	118,345,221	7,418,896
		1,503,804,386	1,402,201,986
	SSCL	(37,581,051)	(7,533,247)
		1,466,223,335	1,394,668,739
7	Other Income		
	Profit on Sale of Property, Plant and Equipment	-	330
	Registration of Suppliers	413,702	542,461
	You Tube Income	144,134,323	84,013,685
	Fines	906,537	1,515,703
	Sundry Income	33,790,308	38,206,205
	Charges on Returned Cheques	-	-
	Exchange Gain	1,295,013	1,109,531
	Amortization/Recurrent Government Grants	13,558,661	9,167,188
	Write Back	6,693,184	284,848
	Impairment Allowance Decrease	14,752,229	3,738,796
	Tender Fee	175,000	268,925
		215,718,957	138,847,672
8	Program Expenses		
	Procurement of Program Materials - Foreign	10,483,955	14,809,081
	Procurement of Program Materials - Local	213,748,424	245,064,096
	Amortization of Telecasting Rights	127,565,100	69,431,641
	Other Production	190,174,213	249,710,630
		541,971,692	579,015,448
9	Marketing Expenses		
	Agency and Marketing Executive Commission	83,739,714	74,928,949
	License Fees for Microwave Link	12,346,003	13,019,341
	Market Research Expenses	446,154	6,571,179
	Bad Debts Written Off	97,668	-
	Impairment of Trade and Other Receivable / Reversal of Over Provision	934,414	2,806,754
		97,563,953	97,326,223
10	Other Operating and Administrative Expenses		
	Salaries and Allowances	419,799,721	483,139,594
	Employees' Provident Fund	55,598,323	64,023,068
	Employees' Trust Fund	11,069,644	12,802,123
	Overtime	62,319,073	62,842,714
	Incentives	33,625,532	39,578,049
	Performance Incentive	-	-
	Re-imbursement of Medical Leave	20,819,655	25,621,574
	Awards to Staff	1,035,000	-
	Staff Training	388,500	331,085
	Staff Welfare	22,622,377	21,046,158
	Uniforms to Staff	205,567	403,733
	Traveling and Subsistence	29,339,025	28,134,297
	Gratuity Charge for the Year	25,836,359	33,516,058
	Housing Loan Interest	3,783,786	4,599,134
	Postage, Telephone and Telex	8,593,022	7,024,455
	Electricity & Power	208,587,903	122,176,486
	Entertainment	91,786	138,992
	Fuel for Generators	14,926,600	26,011,781
	Motor Vehicle Running	66,914,211	43,362,635
	Repairs and Maintenance of Equipment	38,961,757	26,915,602
	Repairs & Maintenance of Buildings	10,202,604	18,082,252
	Repairs & Maintenance of Studio	32,415	54,407
	Maintenance of Garden	598,430	323,875
	Stationery, Minor Articles and Printed Forms	9,025,299	7,987,708
	Advertising and Periodicals	11,550,536	7,164,838
	Balance C/F	1,055,927,125	1,035,280,618

Figures in brackets indicate deductions

Notes to the Financial Statements continued

INDEPENDENT TELEVISION NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

2023

2022

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

Figures in brackets indicate deductions

Notes to the Financial Statements continued

INDEPENDENT TELEVISION NETWORK LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER****2023****2022****12.1 Reconciliation Between Current Tax Provision and the Product of Accounting Profit.**

Accounting Profit Before Tax	(182,371,838)	(361,564,271)
Aggregated Expenses Disallowed for Tax	293,577,975	243,302,416
Aggregated Expenses Allowed for Tax	(216,880,083)	(135,593,713)
Aggregated Income from Other Sources	93,135,219	62,354,590
Taxable Profit for the Year	(12,538,727)	(191,500,978)

Other Income Liabile for Tax

Total Statutory Income / Assessable / Taxable Income**(12,538,727)** **(191,500,978)****Current tax Charge**

Current Year Loss	(12,538,727)	(191,500,978)
Losses B/F	(1,531,132,259)	(1,339,631,281)
	(1,543,670,986)	(1,531,132,259)

13 Basic Earnings Per Share (Rs.)

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

Amount used as the Numerator

Net Profit / (Loss) Attributable to Ordinary Shareholders (Rs.)	(213,739,466)	(361,564,271)
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Number of Ordinary Shares used as the Denominator

Weighted Average Number of Ordinary Shares in issue	9,500,000	9,500,000
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Basic Earnings Per Share (Rs.)**(22.50)** **(38.06)**

Figures in brackets indicates deductions.

Notes to the Financial Statements continued

INDEPENDENT TELEVISION NETWORK LIMITED

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

14 Property, Plant and Equipment

Freehold Cost	Land	Buildings	Plant, Machinery and Equipment	Transmitters and Frequency Equipment	Motor Vehicles	Furniture and Fittings	Others	Total
Balance as at 01 January 2022	29,782,159	600,920,874	1,857,571,378	526,362,011	173,029,532	225,654,803	93,480,050	3,506,800,807
Additions	-	-	54,359,776	-	-	2,467,055	2,767,715	59,594,546
Transferred from Leasehold Assets	-	-	(1,255,280)	-	-	(217,958)	(223,070)	(1,696,308)
Transfers	-	-	(9,623,954)	-	-	(4,369,252)	(38,241)	(14,031,447)
Disposals	-	-	1,901,051,920	526,362,011	173,029,532	223,534,648	95,986,454	3,550,667,598
Balance as at 31 December 2022	29,782,159	600,920,874	1,901,051,920	526,362,011	173,029,532	223,534,648	95,986,454	3,550,667,598
Additions	-	-	4,177,772	-	-	3,072,585	2,685,739	9,936,096
Transferred from Leasehold Assets	-	-	(274,000)	-	-	(66,809)	(385,500)	(726,309)
Transfers	-	-	(1,290,187)	-	-	(994,367)	(620,063)	(2,904,617)
Disposals	-	-	1,903,665,505	526,362,011	173,029,532	225,546,057	97,666,630	3,556,972,768
Balance as at 31 December 2023	29,782,159	600,920,874	1,903,665,505	526,362,011	173,029,532	225,546,057	97,666,630	3,556,972,768
Depreciation								
Balance as at 01 January 2022	187,494,663	1,579,963,574	506,631,527	506,631,527	173,029,533	203,570,153	86,721,093	2,737,410,543
Charge for the Year	27,384,204	-	91,646,587	9,007,723	-	6,173,189	3,116,505	137,328,208
Transferred from Leasehold Assets	-	-	-	-	-	-	-	-
Transfers	-	-	(4,175,685)	(1,490,852)	-	(339,612)	(186,234)	(6,192,383)
Disposals	-	-	(9,504,269)	-	-	(4,356,319)	(38,241)	(13,898,829)
Balance as at 31 December 2022	214,878,867	1,657,930,207	514,148,398	514,148,398	173,029,533	205,047,411	89,613,123	2,854,647,539
Charge for the Year	27,323,232	-	89,465,588	4,080,979	-	5,619,435	3,085,901	129,575,135
Transferred from Leasehold Assets	-	-	-	-	-	-	-	-
Transfers	-	-	(4,023,884)	(248,476)	-	(337,828)	(212,844)	(4,823,032)
Disposals	-	-	(1,290,187)	-	-	(942,383)	(620,063)	(2,852,633)
Balance as at 31 December 2023	242,202,099	1,742,081,724	517,980,901	517,980,901	173,029,533	209,386,635	91,866,117	2,976,547,009
Net Carrying Values	29,782,159	358,718,775	1,61,583,781	8,381,110	(1)	16,159,422	5,800,513	580,425,759
Land							2023	2022
Buildings							29,782,159	29,782,159
Plant, Machinery and Equipment							358,718,775	386,042,007
Transmitters and Frequency Equipment							161,583,781	243,121,713
Motor Vehicles							8,381,110	12,213,611
Furniture and Fittings							(1)	(1)
Others							16,159,422	18,487,237
Total Freehold Assets							5,800,513	6,373,331
Work-in-Progress							580,425,759	696,020,057
							1,098,000	1,098,000
							581,523,759	697,118,057

(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. 2023	Incurred (Transferred)	As at 31 Dec. 2023
Buildings		1,098,000	-	1,098,000
Net Carrying Value		1,098,000		1,098,000

15 Intangible Assets	Computer Software	Telecasting Rights	Total
At Cost			
Balance as at 01 January 2022	11,118,367	887,307,349	898,425,716
Additions / (Disposals)	2,385,250	68,076,000	70,461,250
Balance as at 31 December 2022	13,503,617	955,383,349	968,886,966
Additions / (Disposals)		134,175,000	134,175,000
Balance as at 31 December 2023	13,503,617	1,089,558,349	1,103,061,966
Amortization			
Balance as at 01 January 2022	11,118,367	879,144,108	890,262,475
Charge for the Year	362,979	69,431,641	69,794,620
Balance as at 31 December 2022	11,481,346	948,575,749	960,057,095
Charge for the Year	596,313	127,565,100	128,161,413
Balance as at 31 December 2023	12,077,659	1,076,140,849	1,088,218,508
Net Carrying Values		2023	2022
Computer Software		1,425,958	2,022,271
Telecasting Rights		13,417,500	6,807,600
		14,843,458	8,829,871

Figures in brackets indicates deductions.

Notes to the Financial Statements continued

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER

2023

2022

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.			
		2023	2022
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)	653,962,374	544,295,438
Staff Loans and Advances	(Note 20)	50,990,042	53,826,094
Deposits and Advances	(Note 21)	72,483,861	25,930,319
Other Financial Assets	(Note 22)	424,634,213	563,236,520
Cash and Cash Equivalents	(Note 23)	223,854,095	32,609,584
Total Financial Assets		1,425,924,585	1,219,897,955
The loans and receivables are stated at carrying values as their carrying value approximates the fair value.			
FINANCIAL LIABILITIES			
Other Financial Liabilities			
Client Advances		215,223,854	201,257,798
Other Payables	(Note 29)	48,774,772	24,882,281
Total Financial Liabilities		263,998,626	226,140,079

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	(34,111,940)	(17,180,565)
	(Charge) / Reverse for the Year	(23,702,068)	(16,931,375)
	Balance as at 31 December	(57,814,008)	(34,111,940)

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

From Retirement Benefits Obligation		38,030,596	33,303,736
From Impairment Provisions - Trade Receivable		81,805,747	86,211,010
From Impairment Provisions - Staff Loans		402,381	402,381
From Impairment Provisions - Slow Moving Inventories		2,345,386	2,345,386
From Impairmentof Dishooured Cheques		5,032,896	5,032,596
		127,617,005	127,295,109

Deferred Tax Liability

From Accelerating Depreciation			93,183,164
		(127,617,005)	(34,111,945)

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER		2023	2022
18	Inventories		
	Fuel	11,952,704	11,846,500
	Spares and Others	25,143,112	16,146,183
	Engine Oil	4,546	4,546
		37,100,362	27,997,229
	Provision to write - down	(7,817,952)	(7,817,952)
		29,282,410	20,179,277
	Provision to write - down has been made for slow moving inventories of electronic and spare parts.		
19	Trade and Other Receivables		
	Trade Receivables	905,105,716	827,869,204
	Other Receivables (Note 19.2)	39,980,208	21,784,708
		945,085,924	849,653,912
	Provision for Impairment (Note 19.1)	(291,123,550)	(305,358,473)
		653,962,374	544,295,439
19.1	The Details of Provision for Impairment of the Trade Receivables	2023	2022
	Commercial Debtors	258,493,382	272,280,306
	Contra deal Debtors	14,641,728	14,641,728
	Dishonored Cheques	16,775,321	17,223,319
	Other Receivable	1,213,120	1,213,120
		291,123,550	305,358,473
19.2	Other Receivables		
	Other	38,767,088	20,571,588
	From Employees	1,213,120	1,213,120
		39,980,208	21,784,708
20	Staff Loans and Advances		
	Festival Advances	346,500	307,500
	Distress Loans	39,997,096	40,713,752
	Vehicle Loans	9,390,263	11,728,992
	Textile Loan	1,201,000	1,204,000
	Special loan-Covid	183,333	
		51,118,192	53,954,244
	Provision for Impairment	(128,150)	(128,150)
		50,990,042	53,826,094

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		2023	2022
21	Deposits and Advances		
	Local Advances	1,012,053	1,618,822
	LC Deposits	9,561,665	10,462,970
	Advance for Local Purchase	1,909,192	5,478,431
	Others	60,000,951	8,370,096
		72,483,861	25,930,319
22	Other Financial Assets		
	Fixed Deposits	411,950,921	546,426,154
	Interest Receivable	12,683,292	16,810,366
		424,634,213	563,236,520
	Investments in fixed deposits are pledged against company's overdraft facilities to extent the face value of investments and are measured inclusive of interest receivable.		
	Details of the fixed deposits pledged and the overdraft facilities are as follows:		
	Financial Institution	Type of the Facility	Limit of the Facility
			Face Value of the Fixed Deposits Pledged
	Bank of Ceylon	Overdraft	5,900,000
	Bank of Ceylon	Overdraft	235,000,000
	Bank of Ceylon	Letter of Credit	100,000,000
			7,015,638
			252,007,963
			143,010,291
23	Cash and Cash Equivalents	2023	2022
	Bank and Cash Balances	103,846,132	24,609,584
	Short Term Fixed Deposits	120,007,963	8,000,000
		223,854,095	32,609,584
24	Stated Capital		
	<i>Issued and fully paid</i>		
		9,500,000	9,500,000
	Value (Rs.)	144,500,000	95,000,000
25	Retirement Benefits Obligation		
	Balance as at 01 January	111,012,451	113,854,752
	Expenses Recognized in Comprehensive Income	25,836,359	33,516,058
	Actuarial (Gain)/ Losses Recognized in Payable	32,097,455	8,216,716
		(17,882,595)	(26,220,213)
	Payments Made During The Year	(24,295,020)	(18,354,862)
	Balance as at 31 December	126,768,650	111,012,451
25.1	Expenses Recognized in Comprehensive Income		
	Current Service Cost		5,854,118
	Interest Charge for the Year		19,982,241
	Net Actuarial (Gain)/Loss recognized in year		32,097,455
	(Gain) / Loss Arising From Changes in the Assumptions		
		-	57,933,814

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

The principal assumptions used are as follows.

Mortality: A 1967/70 Mortality Table

Disability: 10% of the Mortality Table

Normal Retirement Age: 60 years

Rate of Discount: 14% p.a.

Staff turnover Rates: 6% upto age 54 and thereafter 0%

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

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

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

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

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

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

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

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

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

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

Transactions with Key Management Personnel (KMPs)

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

Transactions with Key Management Personnel

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

ets indicates deductions.

Notes to the Financial Statements continued

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

30 Related Party Disclosures

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

Transactions with Key Management Personnel (KMPs)

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

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 the defendants on slanderous, insulting and defamatory grounds, for the news item telecasted on 12/04/2004 on ITN news at 7.00 p.m	since all the defendants including ITN failed to appear on 05th July 2019 the case had been fixed exparte against all the defendants. Each defendant is either collectively or severally liable to pay the claim to the plaintiff if the court does not grant permission to enter in to the case under the section 86 of the civil procedure code.	Rs. 50,000,000/- (the damage claimed in the payerr of the plaint)

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 2022 and 31 December 2023

For the Year ended 31 December	ITN		VASANTHAM TV		LAKHANDA		VASANTHAM FM		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue	1,248,627,457	1,060,753,230	104,300,241	238,672,708	67,334,090	58,662,153	45,961,547	36,580,649	1,466,223,335	1,394,668,740
Cost of Sales	(458,137,000)	(378,740,560)	(74,953,828)	(189,832,347)	(5,926,794)	(6,765,322)	(2,954,070)	(3,677,218)	(541,971,692)	(579,015,447)
Gross Profit / (Loss)	790,490,457	682,012,670	29,346,413	48,840,361	61,407,296	51,896,831	43,007,477	32,903,431	924,251,643	815,653,293
Total Expenses Net of Other Income	(967,423,007)	(976,614,524)	(38,377,842)	(75,282,715)	(81,168,243)	(96,213,169)	(37,626,630)	(37,821,816)	(1,124,595,722)	(1,185,932,225)
Operational Profit / (Loss)	(176,932,550)	(294,601,855)	(9,031,429)	(26,442,354)	(19,760,947)	(44,316,338)	5,380,847	(4,918,385)	(200,344,079)	(370,278,932)
Compensation on VRS Cscheme	(44,500,000)	-	-	-	(5,000,000)	-	-	-	(49,500,000)	-
Profit / (Loss) Before Tax	(132,432,550)	(294,601,855)	(9,031,429)	(26,442,354)	(24,760,947)	(44,316,338)	5,380,847	(4,918,385)	(150,844,079)	(370,278,932)
Income Tax Expenses	22,938,011	14,992,468	-	-	764,059	1,938,909	-	-	23,702,070	16,931,377
Profit / (Loss) for the Year	(153,994,539)	(279,609,387)	(9,031,429)	(26,442,354)	(23,996,888)	(42,377,429)	5,380,847	(4,918,385)	(181,642,009)	(353,347,555)
Actuarial Gains (Losses) on defined Plan	(26,813,897)	(5,204,841)	(851,283)	(617,417)	(3,819,779)	(2,214,787)	(612,497)	(179,671)	(32,097,456)	(8,216,716)
Total Comprehensive Income	(180,808,436)	(284,814,228)	(9,882,712)	(27,059,771)	(27,816,667)	(44,592,216)	4,768,350	(5,098,056)	(213,739,465)	(361,564,271)
Non Current Assets	612,955,037	683,977,218	18,799,535	29,880,912	18,942,966	25,300,402	679,216	905,339	651,376,754	740,063,871
Current Assets	2,015,201,512	1,786,343,699	165,807,175	106,500,010	100,185,308	98,861,829	23,133,115	15,322,001	2,304,327,110	2,007,027,538
Total Assets	2,628,156,549	2,470,320,917	184,606,710	136,380,922	119,128,274	124,162,231	23,812,331	16,227,340	2,955,703,864	2,747,091,410
Equity	1,359,502,144	1,495,810,580	(179,355,225)	(169,472,513)	(477,905,108)	(455,088,440)	(103,235,168)	(108,003,518)	599,006,643	763,246,109
Non Current Liabilities	111,301,522	99,391,505	140,734,386	92,949,265	9,921,232	9,704,136	1,439,330	907,149	263,396,470	202,952,055
Current Liabilities	1,157,352,883	875,118,830	223,227,554	212,904,171	587,112,152	569,546,540	125,608,167	123,323,705	2,093,300,756	1,780,893,246
Total Liabilities	2,628,156,549	2,470,320,916	184,606,715	136,380,923	119,128,276	124,162,236	23,812,329	16,227,336	2,955,703,869	2,747,091,410

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

