Sri Lanka Broadcasting Corporation

Statement of comprehensive income

For the year ended 31st Deember 2025

(all amounts in Sri Lanka Rupees)

	Year ended 31 December 2025 - Draft	Year ended 31 December 2024
Sales	578,346,160	639,931,825
Cost of sales	469,013,519	498,118,111
Gross profit	**109,332,641**	**141,813,714**
Other operating income	276,384,984	357,269,412
Distribution costs	7,914,794	9,287,782
Other Operating Expenses	258,942,246	363,030,349
Administrative expenses	320,308,413	295,604,931
Operating profit	**(201,447,823)**	**(168,839,936)**
Finance costs	1,625,708	7,578,155
Profit/(Loss) before tax	**(203,073,535)**	**(176,418,091)**
Income Tax	-	50,271,907
Profit/(Loss) after Income Tax	**(203,073,535)**	**(126,146,184)**
Other Comprehensive Income	(17,069,786)	(31,648,652)
Profit after tax	**(220,143,321)**	**(157,794,836)**
Total comprehensive income	**(220,143,321)**	**(157,794,836)**

Unaudited Financial Statements 2025

Sri Lanka Broadcasting Corporation

Statement of financial position
as at 31st December 2025

(all amounts in Sri Lanka Rupees)

	31 December 2025	31 December 2024
ASSETS		
Non-current assets		
Property, plant and equipment	845,869,093	966,152,239
Investment property	126,375,682	126,375,682
Deferred tax Assets	40,072,296	40,072,296
Software	3,603,333	3,603,333
Capital Working Progrees	13,797,019	13,797,019
Fixed deposits	348,623,819	75,655,263
Investment	1,000,000	1,000,000
	1,379,341,242	**1,226,655,832**
Current assets		
Inventories	45,888,213	35,715,397
Trade and other receivables	848,847,998	1,057,670,540
Cash and cash equivalents	374,552,775	395,030,521
	1,269,288,986	**1,488,416,458**
Total assets	**2,648,630,228**	**2,715,072,290**
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	1,298,239,085	980,239,085
Revaluation reserves	1,329,971,999	1,329,971,999
Retained earnings	(1,534,167,768)	(1,314,028,139)
	1,094,043,316	**996,182,945**
Non-current liabilities		
Borrowings		
Defined benefit obligations	175,054,532	132,007,892
Foreign Grant	24,429,267	76,398,034
Government Grant	373,816,050	435,805,233
Other Payable	-	301,385
Deferred tax liabilities	151,319,362	151,319,362
	724,619,211	**795,831,906**
Current liabilities		
Trade and other payables	487,514,061	507,533,417
Short Term Borrowings	284,631	41,328,965
Non financial Liabilities	342,169,010	374,195,056
Total liabilities	**829,967,702**	**923,057,439**
Total equity and liabilities	**2,648,630,228**	**2,715,072,290**

Unaudited Financial Statements 2025

Sri Lanka Broadcasting Corporation

Cash Flow Statement for the year ended 31st December 2025

(all amounts in Sri Lanka Rupees)

Description	2025		2024	
Cash flow from operating activities				
Net profit before tax		(377,561,403)		(176,418,091)
Interest income		(20,826,385)		(11,105,206)
Net profit before interest and tax		(398,387,788)		(187,523,296)
Adjustment for				
Amortisation of government grant	(54,660,922)		(62,145,850)	
Amortisation of grant Trinco	(51,471,805)		(154,415,414)	
Depreciation	68,913,867		68,174,634	
Depreciation Trinco	56,501,688		159,383,512	
Software Amortisation	1,925,833		156,667	
Provision for gratuity	20,409,378		17,191,868	
Provision for bad debts	34,574,794		8,262,782	
Gain/ Loss on Exchange	353,484		1,081,453	
Prior year Adjustments	(9,069,016)		(27,397)	
Bad debts			62,057	
Revaluvation Loss	151,945,556			
Desposal Profit	(20,960,651)	198,462,206	-	37,724,311
		(199,925,582)		(149,798,985)
Operating profit before working capital				
increase/ Decrease in inventories	(3,061,536)		914,514	
Increase/ Decrease in Trade & other receivables	196,010,220		231,845,938	
Increase/Decrease in Trade & other payables	6,509,824		30,957,126	
Increase/Decrease in Non financial Liabilities	(31,612,011)	167,846,498	53,420,690	317,138,267
Gratuity paid		(20,180,102)		(25,944,262)
Tax Paid				(7,681,373)
Net cash from operating activities		(52,259,186)		
Cash flow from investing activities				
Interest income	15,025,913		6,319,210	
Fixed Deposits Withdrawal			74,348,905	
Fixed Deposits	(272,768,826)		(15,285,492)	
Government Grant	318,000,000		200,000,000	
Disposal assets	20,960,651			
Purchase of property, plant and equipment	(12,116,895)		(24,599,320)	
Software	(1,100,000)			
Capital work in progress	(324,000)	67,676,843		240,783,304
Net cash used in investing activities				
Cash flow from Financial activities				
Cash flow from finance activities				
Net Increase/ Decrease in cash and cash equivalents		15,417,657		374,496,951
Cash and cash equivalents at beginning of period		353,701,556		(20,795,395)
Cash and cash equivalents at end of period (note 14)		**369,119,213**		**353,701,556**

Unaudited Financial Statements 2025

Sri Lanka Broadcasting Corporation

Notes to the financial statements

1 General information

1.1 Reporting Entity

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

1.2 Principal Activities and Nature of Operations

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

1.3 Date of Authorization for Issue

Financial Statements of Sri Lanka Broadcasting Corporation for the year ended 31st December 2025 was presented for approval on 22nd July 2026.

1.4 Number of employees

The number of permanent employees at the end of the year was 271

And the number of Contract staff at the end of the year was 57

(31.12.2024 – 348)

Unaudited Financial Statements 2025

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

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

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

3. 1 Summary of significant accounting policies

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

3.1.1 Basis of preparation

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

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

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

3.1.2 Going Concern

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

3.1.3 Post Balance Sheet Events

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

3.1.4 Comparative Information

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

Unaudited Financial Statements 2025

3.1.5 Foreign currencies

(a) Functional and presentation currency

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

(b) Foreign Currency Transactions and balances

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

3.1.6 Deposited with the Labor court.

Amount of Rs.56,755,356.40 has been deposited in the name of the assistant commissioner of the Labor department in connection with the case filed against the corporation

3.2 Other Significant Accounting Policies

3.2.1 Assets and Bases of Their Valuation

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

3.2.1.1 Property, plant and equipment

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

Unaudited Financial Statements 2025

3.2.1.2. Investment Property

The building in front of the corporation has been rented to Cargill's super company. The corporation intend to use this building for rental income. According to LKAS 40 identified as investment property and reflected financial statement in cost.

3.2.1.3 Fixed Asset register

A register of fixed asset was prepared in the year of 2025 and asset other than Land, Building and Motor vehicle were included therein.

3.2.1.4 Restoration Costs

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

3.2.1.5 Depreciation

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

Buildings	2.5%
Plant and machinery	7.5%
Audio Frequency Equipment	7.5%
Furniture and fixture & Equipment	10%
Transmitter	7.5%
Motor vehicles	25%
Musical Instruments	10%
Computer Equipment	50%
Record Tapes	33.33%
Loose Tools	50%
Software	50%

Revaluation Asset

A committee carried out a verification of class of fixed asset and revalued accordingly. According to the accounting standard LKAS 16 revaluation surplus or losses were identified and correctly recorded.

3.2.1.6. Cost of Sale Rates are given below,

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

Unaudited Financial Statements 2025

3.2.2 Capital Work-in-Progress

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

3.2.3 Financial Assets

3.2.3.1. Classification

3.2.3.2 Loans and receivable

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

3.2.3.3 Recognition and measurement

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

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

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

Unaudited Financial Statements 2025

3.2.3.4 Impairment of financial assets

According to the LKAS 36 Impairment required the carrying amount of an asset to be reduced to its recoverable amount. The reduction is treated as the impairment loss. According to standard the provision for debtors accounts has been applied in financial statement.

3.2.3.5 Trade receivables

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

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

3.2.4 Inventories

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

3.2.5 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities. A Bank overdraft facility of as 60 million obtained from the bank of Ceylon. Fixed deposits of the Rs.81,218,975.89 have been pledged for this purpose.

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3.2.6 Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.
All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

3.2.7 Current and deferred tax

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

a) **Current Taxation**

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

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

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b) Deferred Tax

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

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

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

3.2.8 Employee benefits

3.2.8.1 Retirement Benefit Obligations

a) Defined Benefit Plan – Retirement Gratuity Provision

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

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

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

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

01. Rate of Interest of 10.75.%
02. Rate of Salary increment of 1.5%
03. Retirement age of all employees 60 Year
04. Staff Turnover factor 2%

b) Defined Contribution Plans – "Employees Provident Fund" & "Employees Trust Fund"

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

3.2.9 Government grants

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

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

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

Amortization Rates are given below,

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

Unaudited Financial Statements 2025

3.2.10 Provisions

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

3.2.11 Contingent Liabilities and Contingent Assets

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

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

3.2.12 Trade Payables

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

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

3.2.13 Income Statement

3.2.13.1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for service supplied, stated net of discounts and value added taxes. The corporation recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the corporation's activities, as described below the Corporation bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Unaudited Financial Statements 2025

(a) Sale of Air time

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

(b) Interest income

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

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

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

(d) Other Income

All other incomes are recognized on an accrual basis.

3.2.14. Expenditure Recognition

a) Operating Expenses

Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running in the business and in maintaining the property, plant and equipment in a state of efficiency has been charged to income in arriving at the profit / (loss) for the year. Provisions have also been made for bad and doubtful debts, all known liabilities and depreciation on Property, Plant & Equipment.

b) Finance Expenses

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

3.2.15 Comparatives

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

Unaudited Financial Statements 2025

4. Critical accounting estimates and judgment

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

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

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

Unaudited Financial Statements 2025

(a) Pension benefits

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

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

(b) Income taxes

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

were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

5. Financial Risks Management

5.1 Financial risks factors

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

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

Unaudited Financial Statements 2025

a) Market Risks

(i) Foreign exchange risk

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

(ii) Price risk

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

iii) Credit risks

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

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

iv) Liquidity risks

Cash flow forecasting is performed by the corporation and reviewed regularly to ensure the corporation's liquidity requirement. Such forecasting takes into consideration the corporation's debt financing plans, covenant compliance. Surplus cash held by the corporation over and above balance required for working capital management are transferred to the time deposit to earn interest income with appropriate maturities to meet the obligation.

6 . Related party transactions

Name of the Relationship	Designation	Nature of the Transaction	Period
Prof. Uditha Gayashana Gunasekara	Chaiman	No	2025.01.01 – 2025.12.31
Mr.Nalin Atigala	Baord Member	No	2025.01.01 – 2025.12.31
Mr.Stanly Hettiarachchi	Board Member	No	2025.01.01 – 2025.12.31
Mr.Jagath Wickramanayaka	Board Member	No	2025.01.01 – 2025.12.31
Mr.Mohendra Wallage	Board Member	No	2025.01.01 – 2025.12.31
Mrs.I.J.Abeyrathna	Treasury observer	No	2025.01.01 – 2025.12.31
Ms.W.A.P.Wellappuli	Ministry observer	No	2025.01.01 – 2025.06.15
Riyaza M.Naufel	Ministry Observer	No	2025.06.24 – 2025.12.31

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Note 7

Revenue

Description	2025	2024 adjusted	adjustment	2024	2023
Sale of Air Time Asia Service	11,177,865	11,461,795		11,461,795	12,374,532
Sale of Air Time T.W.R.	56,832,707	57,827,306		57,827,306	62,711,224
Sale of Air Time Local Service	505,590,370	476,776,961		476,776,961	445,284,743
Production Charges - Local Service	1,449,131	10,221,266		10,221,266	9,163,363
Revenue Trincomalee Project	-	82,165,307		82,165,307	134,861,164
Obituary Notices	1,375,700	1,479,190		1,479,190	1,863,210
	576,425,772	**639,931,825**	**-**	**639,931,825**	**666,258,237**

Note - 8

Cost of Sales

Description	2025	2024 adjusted	adjustment	2024	2023
Salaries, Wages & Allowances	185,387,627	180,054,916		180,054,916	209,415,244
Employee Provident Fund	28,773,872	25,171,676		25,171,676	29,296,615
Employee Trust Fund	5,728,710	5,040,211		5,040,211	6,012,657
Traveling and Subsistence	1,250,400	750,540	(7,500)	758,040	632,551
Programme Expenditure	6,384,849	4,936,038	(20,000)	4,956,038	6,604,995
Relief Staff	41,404,807	35,471,841		35,471,841	30,345,241
Vehicle hiring Charges	9,061,208	8,885,502		8,885,502	2,766,108
Maintenance cost	6,070,525	3,724,961	96,878	3,628,082	3,603,735
Linking Charges	5,199,249	-		-	-
Higher of Outside Tower	10,170,498	11,639,410	(161,924)	11,801,334	9,598,697
Electricity	106,993,832	159,405,077		159,405,077	185,114,900
Business promotion expenditure	101,870	397,886		397,886	220,540
Commission on Sale of Air Time (Local)	64,716,223	60,789,227		60,789,227	53,425,675
Commission on Sale of Air Time (Foreign)	1,674,157	1,758,281		1,758,281	1,865,016
	472,917,828	**498,025,565**	**(92,546)**	**498,118,111**	**538,901,975**

Unaudited Financial Statements 2025

Note - 9

Other Operating Income

Description	2025	2024 adjusted	adjustment	2024	2023
Interest Income	20,826,385	11,184,588		11,184,588	17,720,790
Miscellaneous Income (Other)	121,933,973	107,480,253		107,480,253	128,466,413
Fines from Advertising Agents for Returned Cheques	57,505	142,085	(11,284)	153,369	86,906
House Rent	96,035	16,731		16,731	31,769
Income from Circuit Bunglow - Nuwara Eliya	-	1,200,000		1,200,000	740,475
Special Recording	1,723,516	2,847,969		2,847,969	1,695,698
Licensing of Importers, Dealers	7,785,000	4,097,000		4,097,000	5,805,000
Income from Circuit Bungalow-Rajarata	11,864	-		-	-
Income from Rajarata Ragahala	29,661	-		-	-
Sale of Cassettes	2,378,154	1,289,962		1,289,962	910,504
Fine Account	36,750	13,633		13,633	96,112
Income from Circuit Bungalow-Ambewella	-	-		-	30,000
Course Fee Income	16,540,676	12,394,474		12,394,474	10,988,279
Sales of Publication	28,139	30,169		30,169	10,034
Sub Total	**171,447,658**	**140,696,864**	**(11,284)**	**140,708,148**	**166,581,979**
Amortisation of government grant	54,660,922	62,145,850		62,145,850	69,511,017
Amortisation grant Trinco	51,471,805	154,415,414		154,415,414	154,415,414
Sub Total	**106,132,727**	**216,561,264**	**-**	**216,561,264**	**223,926,431**
Grand Total	**277,580,385**	**357,258,128**	**(11,284)**	**357,269,412**	**390,508,410**

Unaudited Financial Statements 2025

Note 10

Distribution Cost

Description	2025	2024 adjusted	adjustment	2024	2023
Urgent Scheduling Fees					
Provision for bad and doubtful debts	34,574,794	**8,262,782**		8,262,782	2,453,928
Programme Exp.(Cricket & Artist)	564,794	**1,025,000**		1,025,000	579,125
	35,139,589	**9,287,782**	**-**	**9,287,782**	**3,033,053**

Note 11

Other Operating Expenses

Description	2025	2024 adjusted	adjustment	2024	2023
Contribution to Outside Broadcasting Organi	1,540,431	1,476,942		1,476,942	1,632,934
News Service & News Summaries	391,465	451,265	14,595	436,670	438,875
Advertising and Publicity	8,046,107	645,819		645,819	3,321,088
Electricity and Power	35,664,611	53,135,026		53,135,026	61,859,476
Postage & Telephones	12,539,844	11,968,122	(495,734)	12,463,855	12,172,310
Printing & Stationery	3,953,950	4,848,410		4,848,410	4,420,583
Cost of Printing Publication	52,730	-		-	12,884
Motor Vehicle running expenses	12,592,144	8,461,213	(15,000)	8,476,213	11,774,929
Repairs & Maintenance of Broadcasting equ	9,105,788	5,587,441	(96,878)	5,684,319	6,427,317
Repairs and Maintenance of Musical Instrum	-	5,720		5,720	-
Repairs and Maintenance of Furniture fix & f	4,637,655	8,553,540		8,553,540	10,257,608
Repairs and Maintenance of Building & Garc	7,892,255	2,604,954		2,604,954	6,478,408
Depreciation	68,913,867	71,847,754	3,673,121	68,174,634	70,958,259
Depreciation Trinco	56,501,688	160,086,725	703,214	159,383,512	158,647,491
Software Amortization	1,925,833	156,667		156,667	-
Cassettes expenditure	226,871	38,000		38,000	1,591
Social Security Contribution Levy	15,926,375	15,425,336		15,425,336	14,465,178
Vehicle hiring Charges	13,591,812	13,328,252		13,328,252	16,281,367
Stamp Duty	74,530	80,275	25	80,250	56,925
Course Fee Expenses	3,197,651	2,727,230	(85,000)	2,812,230	3,108,790
Radio frequency Charges	5,000,000	4,570,080	(729,920)	5,300,000	4,968,230
Revaluvation Loss	151,945,556	-		-	-
	413,721,161	**365,998,771**	**2,968,422**	**363,030,349**	**387,284,245**

A revaluvation loss has been incurred on the revaluvation of fixed asset in the year 2025 from the following items

Transmitters	8,238,385
Audio frequency	92,426,503
Pant & Machinery	51,280,667
	151,945,556

Unaudited Financial Statements 2025

Note 12

Administrative Expenses

Description	2025	2024 adjusted	adjustment	2024	2023
Allowances - Chairman & Members of the C	750,397	972,023		972,023	1,115,600
Salaries, Wages & Allowances	123,591,751	120,036,611		120,036,611	142,347,967
Employee Provident Fund	19,182,582	16,781,117		16,781,117	20,095,150
Employee Trust Fund	3,819,140	3,360,140		3,360,140	4,008,438
Overtime to Staff	20,105,354	16,431,247		16,431,247	14,696,297
Relief Staff	4,600,534	3,941,316		3,941,316	3,929,693
Emoluments to Contract Staff	59,792,849	58,242,319	1,017,808	57,224,512	45,062,451
Staff training Charges (Local)	-	20,000		20,000	-
Traveling and Subsistence-(Foreign & Local)	1,250,400	1,359,990	(7,500)	1,367,490	1,433,041
Holiday pay	2,367,437	1,901,795	(6,349)	1,908,144	2,806,722
Gratuity	20,409,378	17,191,868		17,191,868	16,621,434
Entertainment by Chairman	325,920	340,517		340,517	276,861
Entertainment by Director General	143,892	151,440		151,440	119,950
Welfare	2,386,003	2,073,666		2,073,666	1,838,893
General Charges	1,747,784	3,157,339		3,157,339	1,493,696
Private security Service	13,282,386	9,471,344	(225,653)	9,696,997	6,226,313
Rent Rate & Taxes	24,373,372	20,576,264	(141,784)	20,718,048	20,973,165
Insurance	4,080,427	3,159,070		3,159,070	2,641,425
Audit fees	1,380,000	1,380,000		1,380,000	1,680,000
Legal Fees	3,092,149	1,652,168		1,652,168	4,437,962
Publications & Periodicals	968,800	469,720		469,720	744,320
Penalty for gratiuity,court cases & other etc	156,138	13,571,498		13,571,498	1,134,838
	307,806,691	**296,241,453**	**636,522**	**295,604,931**	**293,684,216**

Unaudited Financial Statements 2025

* The Corporation had incurred Rs.260,100.00 in respect of Broadcasting Obituary notice of relatives staff members for the year 2025.These notise were Broadcast in accordence with the approved scheme in force. This was the practice adopted by the corporation every year.

Pending Legal Cases – 2025

Description	Court	Case Number	Amount (Rs.)
Sri Lanka Broadcating Corporation Vs SLBC Technical Officers Unicee	Court of Appeal	CA/WRIT/288/2023	56,755,356
Sri Lanka Broadcating Corporation Vs Yamuna Vinodani	Court of Appeal	CA/WRIT/784/2024	1,816,625
Sri Lanka Broadcating Corporation Vs M.N.M.Asam	Commercial High Cour	CHC/79/15/MR	7,551,750
	High Court	LT/ 55/2025	-
Sri Lanka Broadcating Corporation Vs Sri Lanka ciment company	District Court	DMR/02558/2025	417,116
The case has been field demanding a compansation of Rs 8 million and interest	District Court	DMR/00862/14	8,000,000
Sri Lanka Broadcating Corporation Vs Mohomad Naseer Mohomad Asam	District Court	DMR/421/2015	4,716,813
	Supreme Court.	SC(APP)191/ 2014	-
	Supreme Court.	SC(F/R)327/2015	-
Sri Lanka Broadcating Corporation Vs SLBC Technical Officers Unicee	Magistrate Court.	566/5/23	-
Sri Lanka Broadcating Corporation Vs Yamuna Vinodani	Magistrate Court.	16269/5	-
	Magistrate Court.	HCT/OPP/MC/235/2021	12,714,678
S.D.Sunil Chandrathilaka Assistant Commissioner of Labour (Hatton) Vs SLBC	Magistrate Court.	72805/5	1,006,374
Tulin Jayanatha Vs SLBC	Labour Tribunal	LT/01/10/2025	
Vimukthi Prabath Fernando Vs SLBC	Labour Tribunal	LT/02/1233/20223	

Unaudited Financial Statements 2025

The above information was obtained from corporation Leagle Officer

12.1 Compansation

Description	2025	2024	2023
Compensation-		-	349,907,958
	-	**-**	**349,907,958**

Note 13

Finance Cost

Description	2025	2024 adjusted	adjustment	2024	2023
Bank Charges	343,247	472,256		472,256	470,141
OD Interest	1,152,671	5,988,501		5,988,501	7,064,842
Gain/(Loss) exchange	353,484	1,081,453		1,081,453	4,853,643
Credit Card Commission	132,889	35,944		35,944	42,361
	1,982,291	**7,578,155**	**-**	**7,578,155**	**12,430,987**

Unaudited Financial Statements 2025

Note 14

8 (i) Income Tax	2025			2024 adjusted
Net Loss as per financial statements			(377,561,403)	(179,941,773)
Less:.				
Interest Income		(20,826,385)		(11,184,588)
Investment Income		(38,700,000)	(59,526,385)	(35,272,875)
			(437,087,788)	
Add:Disallowable expenses				
Depreciation		68,913,867		71,847,754
Depreciation Trinco		56,501,688		160,086,725
Provision for bad debts		34,574,794		8,262,782
Provision Gratuity		20,409,378		17,191,868
Entertament		-		491,957
Legal Fees		3,092,149		1,652,168
Penalty		156,138		13,571,498
Stamp Duty		74,530		
Revaluvation Loss		151,945,556	335,668,099	
			(101,419,689)	
Less:- Allowable Items				
Capital Allowances		(34,866,667)		(105,193,368)
Gratuity Paid		(20,180,152)	(55,046,819)	(28,104,693)
Business Loss			(156,466,509)	
Computation of Investment Income				
Interest Income		20,826,385		11,184,588
Investment Income		38,700,000	59,526,385	35,272,875
Computation of Assessable Income				
Business Income/(Loss)				
Investment Income			(96,940,123)	
Tax Thereon				
Business Income/(Loss)				
Investment Income				
Tax Payable		30%	-	30%
Differed Tax			129,560,474	
Tax Liability			129,560,474	

Unaudited Financial Statements 2025

Provision for Income Tax

The corporation is liable for income tax at the rate of 30% on profit derived from the income. A provition has been made in these financial statements on account of income taxes in view of adjusted taxable profits of the corporation.

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

Differed Tax Assets & Liabilities

	2025	2024	2023
Financial Position			
DIffered Tax Liabilities	79,225,512	151,319,362	209,844,894
Differed Tax Assets	(97,538,919)	(40,072,296)	(34,388,682)
Net Differed Tax Assets	**(18,313,407)**	**111,247,067**	**175,456,212**
Statement of comprehensive income			
DIffered Tax Liabilities	(72,093,850)	(58,525,532)	(1,773,854)
Differed Tax Assets	(57,466,623)	(5,683,614)	8,231,583.63
Net Differed Tax Income/(Expenses)	**(129,560,474)**	**(64,209,146)**	**6,457,730**

Unaudited Financial Statements 2025

Note 15

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

Gross Carrying Account At Cost	Balance as at 01.01.2025 Rs.	Additions/ Transfers Rs.	Revaluation Surplus & Loss RS.	Disposals/ Transfers Rs.	Balance as at 31.12.2025 Rs.
Land	39,574,763				39,574,763
Building	320,122,769				320,122,769
Plant & Machinery	552,233,467	9,940,924	(51,280,667)	(406,891,941)	104,001,783
Musical Instruments	7,772,149		11,556,633	(7,532,782)	11,796,000
Motor Vehicles	53,863,675			(9,054,071)	44,809,604
Furniture,Fixtures &	137,653,633	258,473	6,686,816	(115,619,673)	29,276,522
Records & Tapes	24,993,249				24,993,249
Audio Frequency	742,101,686	534,860	(92,426,503)	(581,925,291)	68,535,861
Transmitters	1,298,802,001		(8,238,385)	(899,486,289)	391,077,327
Computer equipment	126,729,734	834,255	20,897,086	(123,441,650)	25,019,425
Library Books	437,580				437,580.21
Loose Tools	163,679		1,256,208	(163,679)	1,256,208
	3,304,448,386	**11,568,511**	**(111,548,812)**	**(2,144,115,377)**	**1,060,901,092**

Property,Plant & Equipment Trinco

Gross Carrying Account At Cost	Balance as at 01.01.2025 Rs.	Additions/ Transfers Rs.	Revaluation Surplus & Loss RS.	Disposals/ Transfers Rs.	Balance as at 31.12.2025 Rs.
Plant & Machinery	179,582,058				179,582,058
Motor Vehicles	7,544,000			(1,794,000)	5,750,000
Furniture,Fixtures &	2,839,794				2,839,794
Office Equipment	7,782,753				7,782,753
Generators	206,429,150				206,429,150
Audio Frequency	53,354,383				53,354,383
Transmitters	1,521,908,873				1,521,908,873
Computer equipment	52,624,075				52,624,075
Loose Tools	4,632,471				4,632,471
Equipment	159,206,556				159,206,556
	2,195,904,112	**-**	**-**	**(1,794,000)**	**2,194,110,112**

Unaudited Financial Statements 2025

Intangible Asset

Description	Balance as at 01.01.2025 Rs.	Additions/ Rs.		Disposals/ Transfers Rs.	Balance as at 31.12.2025 Rs.
Computer Software Trinco project	12,124,157				12,124,157
Software	18,248,448			1,100,000	19,348,448
	30,372,605	**-**	**-**	**1,100,000.00**	**31,472,605**

Investment property

Description	Balance as at 01.01.2025 Rs.	Additions/ Rs.	Revaluation Surplus & Loss RS.	Disposals/ Transfers Rs.	Balance as at 31.12.2025 Rs.
Building	116,101,108				116,101,108
Plant & Machinery	10,274,574				10,274,574
	126,375,682	**-**	**-**	**-**	**126,375,682**

Unaudited Financial Statements 2025

Note 16

Capital Working Progress

Depreciation	2025	2024	2023
Capital Working Progress	14,121,019	13,797,019	19,823,163
	14,121,019	**13,797,019**	**19,823,163**

Note 17

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

Investment

Depreciation	2025	2024	2023
Investment in Lanka Puwath Ltd.	1,000,000	1,000,000	1,000,000

Note 18

Inventory

Description	2025	2024 adjusted	adjustment	2024	2023
Consumable Items	38,315,660	35,254,124	(25,000)	35,279,124	36,193,638
Goods Lost Damages	436,273	436,273		436,273	436,273
	38,751,933	**35,690,397**	**(25,000)**	**35,715,397**	**36,629,911**

Unaudited Financial Statements 2025

Note 19

Trade and other receivables

Description	2025	2024 adjusted	adjustment	2024	2023
Debtors Airtime	194,611,918	203,111,026	(11,309)	203,122,335	200,604,563
Impairment of financial assets	(115,151,331)	(80,576,537)		(80,576,537)	(72,375,812)
Loans to staff	4,753,750	3,599,812		3,599,812	2,347,776
Other advances to staff	478,155	501,203		501,203	527,003
Staff Debtors E.P.F.	238,952	238,952		238,952	238,952
Advance payment to Suppliers	4,356,135	797,932		797,932	879,780
Sundry Debtors	4,859,578	4,829,121		4,829,121	4,829,121
Dishonoured Cheques	17,000	17,000		17,000	17,000
Cash Imprest	78,950	106,810		106,810	33,977
G.S.T.Control Account	237,267	237,267		237,267	237,267
Receivable Income (other)	627,833,448	826,786,305	11,455,948	815,330,357	1,050,911,287
With Holding Tax (Income)	57,482,296	49,652,441	7,643,770	42,008,670	42,008,670
Other deposits	66,377,818	67,457,619		67,457,619	67,457,619
	846,173,936	**1,076,758,950**	**19,088,409.95**	**1,057,670,540**	**1,297,717,203**

Unaudited Financial Statements 2025

Note 20

Cash and Cash Equivalents

Description	2025	2024	2023
Bank of Ceylon - Matara	15,000	45,000	15,000
Bank of Ceylon - Main	34,972,068	-	-
People's Bank International Division	17,084,838	364,574	271,743
State Bank of India	602,892	599,167	672,793
Bank of Ceylon - Anuradhapura	24,087	54,467	247,787
Bank of Ceylon - Kandy	-	271,400	29,914
Nations' Trust bank	7,200,630	87,197	7,816,004
Bank of Ceylon - Torrington -Radio Licences	66,886,215	315,747,278	10,433,790
Bank of Ceylon - Torrington-Cassette Sales	99,780,468	40,622,101	1,320,058
Bank of Ceylon - Madras	2,311,464	2,311,464	2,605,133
Bank of Ceylon Trincomalee project	15,139	18,195,990	3,946,599
Bank of Ceylon -Jaffna Branch	-	159,800	147,169
Bank of Ceylon - Savings	9,693,781	120,374	117,544
Savings A/c (people's Bank)	130,533,831	16,451,708	6,700,459
Total	**369,120,413**	**395,030,521**	**34,323,993**
OD Balances (Jaffna) / Boc Torrington	(1,200)	(41,328,965)	(55,091,991)
Balance for Cash Flow Statement	**369,119,213**	**353,701,555**	**(20,767,998)**

Unaudited Financial Statements 2025

Note 21

Retained Earnings

Description	2025	2024 adjusted	2024	2023
Opening Balance	**(1,270,149,492)**	**(1,156,233,303)**	**(1,156,233,303)**	**(361,482,390)**
Adjustment		33,465,091		(151,879,524)
Comprehensive Income	(246,939,368)	(147,381,279)	(157,794,836)	(642,871,390)
Total	**(1,517,088,859)**	**(1,270,149,492)**	**(1,314,028,139)**	**(1,156,233,303)**

Note 22

Trade and other payables

Description	2025	2024 adjusted	adjustment	2024	2023
Creditors sale of airtime	2,704,692	5,075,201	(15,000)	5,090,201	4,825,189
Miscellaneous deposits refundable	8,015,363	9,000,456		9,000,456	10,724,713
Accrued Expenses	390,016,493	375,233,429	2,457,346	372,776,083	354,315,775
E.P.F.	242,822	244,390		244,390	302,091
Sundry Creditors	78,852,956	83,782,494		83,782,494	85,351,691
ME's Security Deposit	1,362,050	903,138		903,138	1,308,193
Humanitarian Asst. acct (Dharmadeshar	226,075	228,650		228,650	-
Deferred Income	19,355,336	21,646,266		21,646,266	16,349,417
Rajarata Circuit Bunglow	399,221	399,221		399,221	399,221
Provision for Legal Casess		13,462,518		13,462,518	
	501,175,008	**509,975,762**	**2,442,346**	**507,533,417**	**473,576,291**

Note 23

Short Term Borrowings

Description	2025	2024 adjusted	adjustment	2024	2023
Bank of Ceylon - Torrington - Main account.		41,328,965		41,328,965	55,091,991
	-	**41,328,965**	**-**	**41,328,965**	**55,091,991**

Unaudited Financial Statements 2025

Note 24

Non financial Liabilities

Description	2025	2024 adjusted	adjustment	2024	2023
N S L	15,007,806	15,007,806		15,007,806	15,007,806
Save the nation fund	(12,418)	(12,418)		(12,418)	(12,418)
Payee Tax	35,085	401,491		401,491	331,372
With holding tax	130,468	1,097,017		1,097,017	1,029,842
VAT Contrall a/c	263,710,422	293,992,527		293,992,527	240,722,171
ESC	52,619,337	52,619,337		52,619,337	52,619,337
NBT		-			
National Defence Fund	2,835	2,835		2,835	2,835
provision for income Tax	4,769,855	4,732,252	(6,293,468)	11,025,720	4,769,855
Stamp duty payable to Inland Re	63,790.00	60,740		60,740	47,700
	336,327,180	**367,901,588**	**(6,293,468)**	**374,195,056**	**314,518,501**

Note 25

Other Payables

Description	2025	2024	2023
E.P.F.Surcharge		301,385	3,301,385
Generator Hiring Charges			
	-	**301,385**	**3,301,385**

Note 26

Foreign Grant

Description	2024	2024 adjusted	adjustment	2024	2023
Foreign Grant - Japan & Korean	24,429,267	24,429,267		24,429,267	24,429,267
Grant Trinco - Deutschewelle		51,471,805	(496,963)	51,968,768	206,384,182
	24,429,267	**75,901,071**	**(496,963)**	**76,398,034**	**230,813,448**

Unaudited Financial Statements 2025

Note 27

Retirement benefit obligations

As at 31st December 2024

Movement in the present value of the retirement benefit obligations

	2025	2024	2023
Retirement benefit obligations at the beinning of the year	132,007,892	112,789,511	166,810,047
Opening Balance adjestment			
	132,007,892	112,789,511	166,810,047
statement			
Current Service cost	6,869,983	5,432,627	4,481,241
adjestment			
Interest cost	12,707,660	10,241,795	10,848,695
	19,577,643	**15,674,422**	**15,329,936**
comprehensive income			
Actuarial (gain)/loss	39,335,183	31,648,652	103,888,305.00
Total payment			
Benefits paid by the plan	(18,290,010)	(28,104,693)	(173,238,779)
	172,630,707	**132,007,892**	**112,789,509**
Present Value of the obligations	**172,630,707**	**132,007,892**	**112,789,509**

The principal of assumptions

Discount rate	10.75%	13.10%	0.12
Future salary increases	1.50%	1.50%	0.02
Retirement age	60 yrs	60 yrs	60 yrs
Staff Turnover factor	2.00%	2.00%	0.02

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Note 28

Revaluvation Surpluss

Description	2025
Revaluvation Surplus - Computer	20,897,086
Revaluvation Surplus - Furniture	6,686,816
Revaluvation Surplus - Loose tool	1,256,208
Revaluvation Surplus - Music Instrument	11,556,633
	40,396,744

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		2024	
(179,941,773)		(176,418,091)	(176,418,091)
		(11,184,588)	
(46,457,463)		(35,272,875)	(46,457,463)
(226,399,236)			(222,875,554)
		68,174,634	
		159,383,512	
		8,262,782	
		17,191,868	
		491,957	
		1,652,168	
		13,571,498	
273,104,753		80,275	268,808,693
46,705,517			45,933,140
		(105,193,368)	
(133,298,061)		(28,104,693)	(133,298,061)
(86,592,544)			(87,364,921)
		11,184,588	
46,457,463		35,272,875	46,457,463
			(87,364,921)
(40,135,080)			46,457,463
-			-
-			-
	46,457,463	30%	13,937,238.96
-			(13,937,239)
64,209,146			64,209,146
64,209,146			50,271,907

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Provision for Depreciation 01.01.2025 Rs.	Revaluation Rs.	Charge for the Period Rs.	Previous year adjustment	Provision for Depreciation 31.12.2025 Rs.	NBW 31.12.2025
					39,574,763
202,293,599		6,599,859	(24,845,361)	184,048,097	136,074,672
406,121,348	(406,121,348)	7,953,585		7,182,992	96,818,791
7,532,782	(7,532,782)	1,179,600		1,179,600	10,616,400
53,863,676	(9,054,071)	-	(0.24)	44,809,604	-
115,619,673	(115,619,673)	2,903,354		2,903,354	26,373,168
24,991,375		-	1,875	24,993,249	-
581,925,291	(581,925,291)	5,103,459		5,103,459	63,432,402
899,486,289	(899,486,289)	29,330,799		29,330,799	361,746,527
123,441,650.33	(123,441,650)	12,312,579		12,312,579	12,706,846
					437,580.21
163,679	(163,679)	628,104		628,104	628,104
2,415,439,363	**(2,143,344,784)**	**66,011,339**	**(24,843,486)**	**312,491,839**	**748,409,254**

Provision for Depreciation 01.01.2025 Rs.		Charge for the Period Rs.	Previous year adjustment	Provision for Depreciation 31.12.2025 Rs.	NBW 31.12.2025
174,637,761		4,592,522	(61,781)	179,168,502	413,556
7,544,000	(1,794,000)			5,750,000	-
2,839,794				2,839,794	-
7,782,754			(0.59)	7,782,753	-
201,267,357		5,161,099		206,428,456	694
51,258,977		1,482,454		52,741,431	612,951
1,461,346,447		41,008,445	764,996	1,503,119,888	18,788,985
52,624,075				52,624,075	-
4,516,658		115,813		4,632,471	-
154,943,074		4,141,354		159,084,429	122,128
2,118,760,898	**(1,794,000)**	**56,501,688**	**703,214**	**2,174,171,799**	**19,938,313**

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Provision for Depreciation 01.01.2025 Rs.	Charge for the Period Rs.	Disposal/Transfer	Previous year adjustment	Provision for Depreciation 31.12.2025 Rs.	NBW 31.12.2025
12,124,157				12,124,157	-
14,645,115	1,925,833			16,570,948	2,777,500
26,769,272	**1,925,833**	**-**		**28,695,105**	**2,777,500**

Provision for Depreciation 01.01.2025 Rs.	Charge for the Period Rs.	Disposal/Transfer	Previous year adjustment	Provision for Depreciation 31.12.2025 Rs.	NBW 31.12.2025
-	2,902,528		2,902,528	5,805,055	110,296,052
-	770,593			770,593	9,503,981
-	**3,673,121**	**-**	**2,902,528**	**6,575,648**	**119,800,034**

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136,074,672.2100	
96,818,790.7400	
10,616,400.0000	
-	
26,373,167.9500	
-	
63,432,402.2300	
361,746,527.0100	
12,706,845.9000	
-	
628,104.0000	
123,441,650.3300	
	123,425,388
12,312,578.91	**16,262**
12,706,845.8900	**(123,441,650)**

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(12,706,845.8900)

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Note 14

8 (i) Income Tax	2025			2024 adjusted			2024	
Net Loss as per financial statements		(377,561,403)		(179,941,773)	(179,941,773)		(176,418,091)	(176,418,091)
Less:.								
Interest Income	(20,826,385)			(11,184,588)			(11,184,588)	
Investment Income	(38,700,000)	(59,526,385)		(35,272,875)	(46,457,463)		(35,272,875)	(46,457,463)
		(437,087,788)			(226,399,236)			(222,875,554)
Add:Disallowable expenses								
Depreciation	68,913,867			71,847,754			68,174,634	
Depreciation Trinco	56,501,688			160,086,725			159,383,512	
Provision for bad debts	34,574,794			8,262,782			8,262,782	
Provision Gratuity	20,409,378			17,191,868			17,191,868	
Entertament	-			491,957			491,957	
Legal Fees	3,092,149			1,652,168			1,652,168	
Penalty	156,138			13,571,498			13,571,498	
Stamp Duty	74,530				273,104,753		80,275	268,808,693
Revaluvation Loss	151,945,556	335,668,099						
		(101,419,689)			46,705,517			45,933,140
Less:- Allowable Items								
Capital Allowances	(34,866,667)			(105,193,368)			(105,193,368)	
Gratuity Paid	(20,180,152)	(55,046,819)		(28,104,693)	(133,298,061)		(28,104,693)	(133,298,061)
Business Loss		(156,466,509)			(86,592,544)			(87,364,921)
Computation of Investment Income								
Interest Income	20,826,385			11,184,588			11,184,588	
Investment Income	38,700,000	59,526,385		35,272,875	46,457,463		35,272,875	46,457,463
Computation of Assessable Income								
Business Income/(Loss)								(87,364,921)
Investment Income		(96,940,123)			(40,135,080)			46,457,463
Tax Thereon								
Business Income/(Loss)					-			-
Investment Income					-			-
Tax Payable	30%	-		30%		46,457,463	30%	13,937,239
					-			(13,937,239)
Differed Tax		129,560,474			64,209,146			64,209,146
Tax Liability		129,560,474			64,209,146			50,271,907

Unaudited Financial Statements 2025

Provision for Income Tax

The corporation is liable for income tax at the rate of 30% on profit derived from the income. A provition has been made in these financial statements on account of income taxes in view of adjusted taxable profits of the corporation.

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

Differed Tax Assets & Liabilities

	2025	2024	2023
Financial Position			
DIffered Tax Liabilities	79,225,512	151,319,362	209,844,894
Differed Tax Assets	(97,538,919)	(40,072,296)	(34,388,682)
Net Differed Tax Assets	**(18,313,407)**	**111,247,067**	**175,456,212**
Statement of comprehensive income			
DIffered Tax Liabilities	(72,093,850)	(58,525,532)	(1,773,854)
Differed Tax Assets	(57,466,623)	(5,683,614)	8,231,583.63
Net Differed Tax Income/(Ex	**(129,560,474)**	**(64,209,146)**	**6,457,730**

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Note 15

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

Gross Carrying Account At Cost	Balance as at 01.01.2025 Rs.	Additions/ Transfers Rs.	Revaluation Surplus & Loss RS.	Disposals/ Transfers Rs.	Balance as at 31.12.2025 Rs.	Provision for Depreciation 01.01.2025 Rs.	Revaluation Rs.	Charge for the Period Rs.	Previous year adjustment	Provision for Depreciation 31.12.2025 Rs.	NBW 31.12.2025
Land	39,574,763				39,574,763						39,574,763
Building	320,122,769				320,122,769	202,293,599		6,599,859	(24,845,361)	184,048,097	136,074,672
Plant & Machinery	552,233,467	9,940,924	(51,280,667)	(406,891,941)	104,001,783	406,121,348	(406,121,348)	7,953,585		7,182,992	96,818,791
Musical Instruments	7,772,149		11,556,633	(7,532,782)	11,796,000	7,532,782	(7,532,782)	1,179,600		1,179,600	10,616,400
Motor Vehicles	53,863,675			(9,054,071)	44,809,604	53,863,676	(9,054,071)	-	(0.24)	44,809,604	-
Furniture,Fixtures &	137,653,633	258,473	6,686,816	(115,619,673)	29,276,522	115,619,673	(115,619,673)	2,903,354		2,903,354	26,373,168
Records & Tapes	24,993,249				24,993,249	24,991,375		-	1,875	24,993,249	-
Audio Frequency	742,101,686	534,860	(92,426,503)	(581,925,291)	68,535,861	581,925,291	(581,925,291)	5,103,459		5,103,459	63,432,402
Transmitters	1,298,802,001		(8,238,385)	(899,486,289)	391,077,327	899,486,289	(899,486,289)	29,330,799		29,330,799	361,746,527
Computer equipment	126,729,734	834,255	20,897,086	(123,441,650)	25,019,425	123,441,650	(123,441,650)	12,312,579		12,312,579	12,706,846
Library Books	437,580				437,580.21						437,580.21
Loose Tools	163,679		1,256,208	(163,679)	1,256,208	163,679	(163,679)	628,104		628,104	628,104
	3,304,448,386	**11,568,511**	**(111,548,812)**	**(2,144,115,377)**	**1,060,901,092**	**2,415,439,363**	**(2,143,344,784)**	**66,011,339**	**(24,843,486)**	**312,491,839**	**748,409,254**

Property,Plant & Equipment Trinco

Gross Carrying Account At Cost	Balance as at 01.01.2025 Rs.	Additions/ Transfers Rs.	Revaluation Surplus & Loss RS.	Disposals/ Transfers Rs.	Balance as at 31.12.2025 Rs.	Provision for Depreciation 01.01.2025 Rs.	Revaluation Rs.	Charge for the Period Rs.	Previous year adjustment	Provision for Depreciation 31.12.2025 Rs.	NBW 31.12.2025
Plant & Machinery	179,582,058				179,582,058	174,637,761		4,592,522	(61,781)	179,168,502	413,556
Motor Vehicles	7,544,000			(1,794,000)	5,750,000	7,544,000	(1,794,000)			5,750,000	-
Furniture,Fixtures &	2,839,794				2,839,794	2,839,794				2,839,794	-
Office Equipment	7,782,753				7,782,753	7,782,754			(0.59)	7,782,753	-
Generators	206,429,150				206,429,150	201,267,357		5,161,099		206,428,456	694
Audio Frequency	53,354,383				53,354,383	51,258,977		1,482,454		52,741,431	612,951
Transmitters	1,521,908,873				1,521,908,873	1,461,346,447		41,008,445	764,996	1,503,119,888	18,788,985
Computer equipment	52,624,075				52,624,075	52,624,075				52,624,075	-
Loose Tools	4,632,471				4,632,471	4,516,658		115,813		4,632,471	-
Equipment	159,206,556				159,206,556	154,943,074		4,141,354		159,084,429	122,128
	2,195,904,112	**-**	**-**	**(1,794,000)**	**2,194,110,112**	**2,118,760,898**	**(1,794,000)**	**56,501,688**	**703,214**	**2,174,171,799**	**19,938,313**

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Intangible Asset

Description	Balance as at 01.01.2025 Rs.	Additions/ Rs.	Revaluation Surplus & Loss RS.	Disposals/ Transfers Rs.	Balance as at 31.12.2025 Rs.	Provision for Depreciation 01.01.2025 Rs.	Charge for the Period Rs.	Disposal/Transfer	Previous year adjustment	Provision for Depreciation 31.12.2025 Rs.	NBW 31.12.2025
Computer Software Trinco project	12,124,157				12,124,157	12,124,157				12,124,157	-
Software	18,248,448			1,100,000	19,348,448	14,645,115	1,925,833			16,570,948	2,777,500
	30,372,605	**-**		**1,100,000**	**31,472,605**	**26,769,272**	**1,925,833**	**-**		**28,695,105**	**2,777,500**

Investment property

Description	Balance as at 01.01.2025 Rs.	Additions/ Rs.	Revaluation Surplus & Loss RS.	Disposals/ Transfers Rs.	Balance as at 31.12.2025 Rs.	Provision for Depreciation 01.01.2025 Rs.	Charge for the Period Rs.	Disposal/Transfer	Previous year adjustment	Provision for Depreciation 31.12.2025 Rs.	NBW 31.12.2025
Building	116,101,108				116,101,108	-	2,902,528		2,902,528	5,805,055	110,296,052
Plant & Machinery	10,274,574				10,274,574	-	770,593			770,593	9,503,981
	126,375,682	**-**		**-**	**126,375,682**	**-**	**3,673,121**	**-**	**2,902,528**	**6,575,648**	**119,800,034**

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