

**ITV Public Company Limited  
and its Subsidiaries**

Annual financial statements  
and  
Audit Report of Certified Public Accountant

For the years ended 31 December 2009 and 2008

## **Report of Certified Public Accountant**

### **To the Shareholders of ITV Public Company Limited**

I have audited the accompanying consolidated and separate balance sheets as at 31 December 2009 and 2008, and the related statements of income, changes in equity and cash flows for the years then ended of ITV Public Company Limited and its subsidiaries, and of ITV Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information presented in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

As mentioned in notes 2 (b) and 18 to the financial statements as at 31 December 2009, the Company's current liabilities exceed its current assets by an amount of Baht 3,036 million and there is a deficit in excess of the share capital of an amount of Baht 3,036 million and the Company's Television Broadcasting Station under a UHF Radio-Television Broadcasting Agreement ("Operating Agreement") was revoked by the Office of the Permanent Secretary of the Office of the Prime Minister ("PMO") as the Company did not pay the unpaid Operating Agreement fee totaling Baht 2,210 million and the interest on the total unpaid Operating Agreement fee at 15% per annum including the penalty arising from the alteration of television programming of Baht 97,760 million and adjust television programs fee. Subsequently, the Company ceased its operations and delivered their assets under the Operating Agreement to PMO. The Company has filed statements of claim regarding the unpaid Operating Agreement fee totaling Baht 2,210 million plus the interest and adjust television programs fee to the arbitration process. These events indicate a material uncertainty which may cast significant doubt on ITV's ability to continue as a going concern.

Because of the significance of the matters discussed in the preceding paragraph to the consolidated and separate financial statements for the years ended 31 December 2009 and 2008 of ITV Public Company Limited and its subsidiaries and of ITV Public Company Limited, I am unable to express an opinion on the aforementioned financial statements.

(Winid Silamongkol)  
Certified Public Accountant  
Registration No. 3378

KPMG Phoomchai Audit Ltd.  
Bangkok  
17 February 2010

# ITV Public Company Limited and its Subsidiaries

## Balance sheets

As at 31 December 2009 and 2008

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
		<i>(in Baht)</i>			
<i>Current assets</i>					
Cash and cash equivalents	5	19,681,400	638,645,278	18,526,067	634,089,473
Current investments	6	1,108,432,033	478,011,201	1,108,432,036	478,011,201
Trade accounts receivable	7	-	80,000	-	-
Loan to a subsidiary	4	-	-	-	1,403,330
Programming rights and production costs	8	-	-	-	-
Withholding tax receivable		454,083	798,833	452,444	409,143
Other current assets		2,632,272	4,586,756	2,622,029	4,623,286
<b>Total current assets</b>		<b>1,131,199,788</b>	<b>1,122,122,068</b>	<b>1,130,032,576</b>	<b>1,118,536,433</b>
<i>Non-current assets</i>					
Investments in a subsidiary and a jointly-controlled entity	9	-	-	1,225,392	3,536,223
Equipment	10	19,497	25,073	19,497	25,073
Other non-current assets		147,300	91,200	147,300	91,200
<b>Total non-current assets</b>		<b>166,797</b>	<b>116,273</b>	<b>1,392,189</b>	<b>3,652,496</b>
<b>Total assets</b>		<b>1,131,366,585</b>	<b>1,122,238,341</b>	<b>1,131,424,765</b>	<b>1,122,188,929</b>

The accompanying notes are an integral part of these financial statements

# ITV Public Company Limited and its Subsidiaries

## Balance sheets

As at 31 December 2009 and 2008

Liabilities and equity	Note	Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2009	2008	2009	2008
		(in Baht)			
<i>Current liabilities</i>					
Provision for unpaid operating agreement fee and interest	18	4,156,324,770	3,722,906,962	4,156,324,770	3,722,906,962
Accrued expenses		10,770,439	6,526,221	10,729,439	6,377,556
Other current liabilities		567,658	557,601	567,660	557,602
<b>Total current liabilities</b>		<b>4,167,662,867</b>	<b>3,729,990,784</b>	<b>4,167,621,869</b>	<b>3,729,842,120</b>
<i>Non-current liabilities</i>					
Long-term loan from bank	11	-	-	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>4,167,662,867</b>	<b>3,729,990,784</b>	<b>4,167,621,869</b>	<b>3,729,842,120</b>
<i>Capital deficiency</i>					
Share capital	12				
Authorised share capital		7,800,000,000	7,800,000,000	7,800,000,000	7,800,000,000
Issued and paid-up share capital		6,033,487,000	6,033,487,000	6,033,487,000	6,033,487,000
Deficiency on share capital	12	(174,296,959)	(174,296,959)	(174,296,959)	(174,296,959)
Unrealised gain on securities available for sale	6	7,187,790	4,566,483	7,187,790	4,566,483
Deficit		(8,902,674,113)	(8,471,508,967)	(8,902,574,935)	(8,471,409,715)
<b>Total capital deficiency</b>		<b>(3,036,296,282)</b>	<b>(2,607,752,443)</b>	<b>(3,036,197,104)</b>	<b>(2,607,653,191)</b>
<b>Total liabilities and net of capital deficiency</b>		<b>1,131,366,585</b>	<b>1,122,238,341</b>	<b>1,131,424,765</b>	<b>1,122,188,929</b>

The accompanying notes are an integral part of these financial statements

# ITV Public Company Limited and its Subsidiaries

## Statements of income

For the years ended 31 December 2009 and 2008

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
<i>(in Baht)</i>					
<b>Revenues</b>					
Revenue from rendering of services	13	-	400,000	-	-
Return on investments		31,863,929	-	31,863,929	-
Interest income		1,468,001	36,680,891	1,509,947	36,628,646
Other income		118,051	1,153,472	118,053	1,146,653
<b>Total revenues</b>		<b>33,449,981</b>	<b>38,234,363</b>	<b>33,491,929</b>	<b>37,775,299</b>
<b>Expenses</b>					
Cost of rendering of services		-	385,596	-	-
Loss on provision for interest of unpaid operating fee	18	433,417,808	433,417,808	433,417,808	433,417,809
Administrative expenses	14	26,389,671	37,472,362	26,254,698	32,358,668
Impairment loss on assets		-	14,239	177,938	4,957,464
Directors' remuneration	4	4,800,000	4,635,000	4,800,000	4,635,000
<b>Total expenses</b>		<b>464,607,479</b>	<b>475,925,005</b>	<b>464,650,444</b>	<b>475,368,941</b>
<b>Loss before financial costs</b>		<b>(431,157,498)</b>	<b>(437,690,642)</b>	<b>(431,158,515)</b>	<b>(437,593,642)</b>
Financial costs		(7,648)	(8,025,132)	(6,705)	(8,023,193)
<b>Loss for the year</b>		<b>(431,165,146)</b>	<b>(445,715,774)</b>	<b>(431,165,220)</b>	<b>(445,616,835)</b>
<b>Basic loss per share</b>	16	<b>(0.36)</b>	<b>(0.37)</b>	<b>(0.36)</b>	<b>(0.37)</b>

The accompanying notes are an integral part of these financial statements.

**ITV Public Company Limited and its Subsidiaries**

**Statements of changes in equity**

**For the years ended 31 December 2009 and 2008**

<b>Consolidated financial statements</b>					
<i>Note</i>	Share capital	Deficiency on share capital	Fair value changes <i>(in Baht)</i>	Deficit	Total equity
<b>At 1 January 2008</b>	<b>6,033,487,000</b>	<b>(174,296,959)</b>	-	<b>(8,025,793,193)</b>	<b>(2,166,603,152)</b>
Unrealised gain on securities available for sale	6	-	4,566,483	-	4,566,483
Net income recognised directly in equity	-	-	4,566,483	-	4,566,483
Loss for the year	-	-	-	(445,715,774)	(445,715,774)
<b>At 31 December 2008</b>	<b>6,033,487,000</b>	<b>(174,296,959)</b>	<b>4,566,483</b>	<b>(8,471,508,967)</b>	<b>(2,607,752,443)</b>
<b>At 1 January 2009</b>	<b>6,033,487,000</b>	<b>(174,296,959)</b>	<b>4,566,483</b>	<b>(8,471,508,967)</b>	<b>(2,607,752,443)</b>
Unrealised gain on securities available for sale	6	-	2,621,307	-	2,621,307
Net income recognised directly in equity	-	-	2,621,307	-	2,621,307
Loss for the year	-	-	-	(431,165,146)	(431,165,146)
<b>At 31 December 2009</b>	<b>6,033,487,000</b>	<b>(174,296,959)</b>	<b>7,187,790</b>	<b>(8,902,674,113)</b>	<b>(3,036,296,282)</b>

  

<b>Separate financial statements</b>					
<i>Note</i>	Share capital	Deficiency on share capital	Fair value changes <i>(in Baht)</i>	Deficit	Total equity
<b>At 1 January 2008</b>	<b>6,033,487,000</b>	<b>(174,296,959)</b>	-	<b>(8,025,792,880)</b>	<b>(2,166,602,839)</b>
Unrealised gain on securities available for sale	6	-	4,566,483	-	4,566,483
Net income recognised directly in equity	-	-	4,566,483	-	4,566,483
Loss for the year	-	-	-	(445,616,835)	(445,616,835)
<b>At 31 December 2008</b>	<b>6,033,487,000</b>	<b>(174,296,959)</b>	<b>4,566,483</b>	<b>(8,471,409,715)</b>	<b>(2,607,653,191)</b>
<b>At 1 January 2009</b>	<b>6,033,487,000</b>	<b>(174,296,959)</b>	<b>4,566,483</b>	<b>(8,471,409,715)</b>	<b>(2,607,653,191)</b>
Unrealised gain on securities available for sale	6	-	2,621,307	-	2,621,307
Net income recognised directly in equity	-	-	2,621,307	-	2,621,307
Loss for the year	-	-	-	(431,165,220)	(431,165,220)
<b>At 31 December 2009</b>	<b>6,033,487,000</b>	<b>(174,296,959)</b>	<b>7,187,790</b>	<b>(8,902,574,935)</b>	<b>(3,036,197,104)</b>

The accompanying notes are an integral part of these financial statements.

# ITV Public Company Limited and its Subsidiaries

## Statements of cash flows

For the years ended 31 December 2009 and 2008

	Consolidated		Separate	
	financial statements		financial statements	
	2009	2008	2009	2008
	(in Baht)			
<i>Cash flows from operating activities</i>				
Loss for the year	(431,165,146)	(445,715,774)	(431,165,220)	(445,616,835)
<i>Adjustments for</i>				
Depreciation and amortisation	5,575	2,887,804	5,577	1,791,735
Allowance for doubtful debt (reversal)	21,307	(694,805)	(4,357,835)	796,121
Interest income	(1,468,001)	(35,455,356)	(1,509,947)	(35,403,111)
Interest expense	-	6,229,124	-	6,204,757
Impairment loss on equipment and				
Operating Agreement assets	-	13,928	-	-
Impairment loss on investment	-	-	3,774,608	4,249,010
Loss on disposal of equipment	-	344,968	-	-
	<u>(432,606,265)</u>	<u>(472,390,111)</u>	<u>(433,252,817)</u>	<u>(467,978,323)</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	58,694	1,447,586	761,165	481,054
Withholding tax receivable	344,750	62,150,982	(43,301)	61,500,385
Other current assets	471,408	9,576,440	468,180	9,371,899
Other non-current assets	(56,100)	8,026,469	(56,100)	7,630,097
Trade accounts payable	-	(1,277,094)	-	(867,467)
Provision for unpaid operating agreement fee and interest	433,417,808	433,417,808	433,417,808	433,417,808
Accrued expenses	4,244,219	1,488,507	4,351,883	1,596,206
Other current liabilities	10,056	415,738	10,055	451,528
<b>Net cash provided by operating activities</b>	<b><u>5,884,570</u></b>	<b><u>42,856,325</u></b>	<b><u>5,656,873</u></b>	<b><u>45,603,187</u></b>

The accompanying notes are an integral part of these financial statements.



# ITV Public Company Limited and its Subsidiaries

## Statements of cash flows

For the years ended 31 December 2009 and 2008

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2009	2008	2009	2008
		(in Baht)			
<b><i>Cash flows from investing activities</i></b>					
Interest received		2,951,077	37,307,725	3,043,023	37,161,432
Purchases of debt securities		(596,000,000)	(472,000,000)	(596,000,000)	(472,000,000)
Increase debt securities		(31,799,525)	(1,444,717)	(31,799,525)	(1,444,718)
Sale of equipment		-	1,118,517	-	-
Purchases of equipment		-	(1,029,420)	-	(27,885)
Return investment from capital reduction of joint venture		-	-	3,536,223	16,516,571
Cash outflow on investment in subsidiary		-	-	(5,000,000)	-
<b>Net cash flows used in investing activities</b>		<b>(624,848,448)</b>	<b>(436,047,895)</b>	<b>(626,220,279)</b>	<b>(419,794,600)</b>
<b><i>Cash flows from financing activities</i></b>					
Interest paid		-	(6,310,224)	-	(6,285,856)
Repayment of long-term loan from bank		-	(197,343,277)	-	(197,343,278)
Finance lease liabilities payments		-	(486,528)	-	-
Proceed loan to subsidiary		-	-	5,000,000	-
<b>Net cash flows provided by(used in)financing activities</b>		<b>-</b>	<b>(204,140,029)</b>	<b>5,000,000</b>	<b>(203,629,134)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(618,963,878)</b>	<b>(597,331,599)</b>	<b>(615,563,406)</b>	<b>(577,820,547)</b>
Cash and cash equivalents at beginning of year		638,645,278	1,235,976,877	634,089,473	1,211,910,020
<b>Cash and cash equivalents at end of year</b>	5	<b>19,681,400</b>	<b>638,645,278</b>	<b>18,526,067</b>	<b>634,089,473</b>

The accompanying notes are an integral part of these financial statements.

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

<b>Note</b>	<b>Contents</b>
1	General information
2	Basis of preparation of the financial statements
3	Significant accounting policies
4	Related party transactions and balances
5	Cash and cash equivalents
6	Current investments
7	Trade accounts receivable
8	Programming rights and production costs
9	Investments in a subsidiary and a jointly-controlled entity
10	Equipment
11	Borrowings
12	Share capital, deficiency and warrants
13	Service income
14	Administrative expenses
15	Income tax
16	Basic loss per share
17	Financial instruments
18	Commitments and contingencies
19	Significant agreements with the third parties
20	Thai Accounting Standards (TAS) not yet adopted
21	Reclassification of accounts

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

These notes form an integral part of the financial statements.

These financial statements were authorised for issue by the Board of directors on 17 February 2010

**1 General information**

ITV Public Company Limited (the “Company”) is a public limited company and is incorporated and domiciled in Thailand. The address of its registered office is 1010 Shinawatra Tower 3, Viphavadi Rangsit Road, Chatuchak, Bangkok 10900.

The Company has been listed on the Stock Exchange of Thailand since 13 March 2002.

On 4 June 2009, the Stock Exchange of Thailand (“SET”) withdrawn the Company’s stock from trading board and moved to Non-Performing Group (“NPG”). However, the Company still maintains its status as a listed company which has to comply with the SET’s regulation. In accordance with the reviewed financial statements for the first quarter ended 31 March 2009, equity of the Company was below zero and the Company incurred net operating loss for two consecutive years. The Company is in the process of preparing development plans to resolve the cause of delisting and a plan to undertake new business and rehabilitation of the Stock Exchange of Thailand.

The parent company during the financial year was Shin Corporation Public Co., Ltd. It was incorporated in Thailand.

The Company used to operate a television broadcasting station under a UHF radio-television broadcasting agreement (“Operating Agreement”) provided by the Office of the Permanent Secretary of the Office of the Prime Minister (“PMO”). The Company’s Operating Agreement was revoked on 7 March 2007. Therefore, the Company ceased its operations.

The Operating Agreement is a Build Transfer Operate operating agreement according to which the Company has to transfer ownership of certain property and equipment that it procures to the PMO, upon completion of equipment installation.

The Company has explained about the progress of lawsuit and judgment of the Supreme Administrative Court relating to the Agreement for the Operation of Television Station in note 16 to the financial statements. On 7 March 2007, the letter of revocation of the Operating Agreement was sent by the PMO requesting the Company to repay the debt and return all operations assets under the Operating Agreement back to the PMO within the period specified by the PMO in accordance with the Cabinet resolution passed on 6 March 2007. Such termination caused the Company to cease carrying on the business of the UHF television broadcasting station.

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

Details of the Company's subsidiary and jointly controlled entity as at 31 December 2009 and 2008 are as follows:

Name of the entity	Type of business	Country of incorporation	Ownership interest	
			2009	2008
<b>Subsidiary</b>				
Artware Media Company Limited	Principal business is the lease of equipment for television programs and movies and arranging related marketing events. (At present, the company ceased its operation)	Thailand	99.99	99.99
<b>Joint venture</b>				
Media Connex Company Limited	Produce contents and advertising media on mobile phones by accompanying computer technologies, televisions and mobile phones. (At present, the company is completed liquidation process)	Thailand	-	60.00

**2 Basis of preparation of financial statements**

**(a) Basis of preparation**

The financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The financial statements are prepared in accordance with Thai Accounting Standards ("TAS") and Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and with generally accepted accounting principles in Thailand.

On 15 May 2009, the FAP announced (Announcement No. 12/2009) the re-numbering of TAS to the same numbers as the International Accounting Standards ("IAS") on which the TAS/TFRS are based.

The Group has adopted the following revised TAS/TFRS and accounting guidance which were issued by the FAP during 2008 and 2009 and effective for annual accounting periods beginning on or after 1 January 2009:

TAS 36 (revised 2007)	Impairment of Assets
TFRS 5 (revised 2007)	Non-current Assets Held for Sale and Discontinued Operations (formerly TAS 54)

Framework for the Preparation and Presentation of Financial Statements (revised 2007) (effective on 26 June 2009)

Accounting Guidance about Business Combination under Common Control

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

The adoption of these revised TAS/TFRS and accounting guidance does not have any material impact on the consolidated or separate financial statements.

The FAP has issued during 2009 a number of new and revised TAS/TFRS which are not currently effective and have not been adopted in the preparation of these financial statements. These new and revised TAS/TFRS are disclosed in note 20.

The financial statements are presented in Thai Baht, rounded in the notes to the financial statements to the nearest thousand unless otherwise stated, e.g. nearest million. They are prepared on the historical cost basis except as stated in the accounting policies.

The preparation of financial statements in conformity with TAS and TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 15 Utilisation of tax losses  
Note 18 Provisions and contingencies

**(b) Financial status**

As at 31 December 2009, the Company's current liabilities exceed its current assets by an amount of Baht 3,036 million and deficit in excess of its share capital by an amount of Baht 3,036 million (*31 December 2008 ITV's current liabilities exceed its current assets by an amount of Baht 2,608 and deficit in excess of its share capital by an amount of Baht 2,608, respectively*). In addition, as discussed in note 16 to the financial statements, in consequence of the ruling of the Supreme Administrative Court on 13 December 2006 the Company is liable for unpaid operating agreement fee totaling Baht 2,210 million and the interest on the total unpaid operating agreement fee at 15% per annum including the penalty arising from the alteration of television programming of Baht 97,760 million. The Company has not yet paid these unpaid operating agreement fee including interest and penalty. The Company's agreement for the operation was revoked on 7 March 2007 by the PMO therefore, the Company ceased its operation at that date. In addition, the PMO claimed the undelivered value of assets under the Operation Agreement amounting to Baht 656 million plus interest on 30 March 2007. In addition, the Company is still in the arbitral proceeding regarding the unpaid operating agreement fee including interest, penalty arising from the alteration of television programming of Baht 97,760 million and value of undelivered assets including its interest. These events indicate a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**3 Significant accounting policies**

**(a) Basis of consolidation**

The consolidated financial statements relate to the Company and its subsidiaries and jointly-controlled entities (together referred to as the “Group”) and the Group’s interests in associates.

*Subsidiary*

Subsidiary is entity controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiary have been changed where necessary to align them with the policies adopted by the Group.

*Jointly-controlled entity*

Jointly-controlled entity is those entity over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions. The consolidated financial statements include the Group’s proportionate share of the entities’ assets, liabilities, revenue and expenses combined with items of a similar nature on a line by line basis, from the date that joint control commences until the date that joint control ceases.

*Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with joint ventures are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**(b) Financial instruments**

Financial instruments carried on the balance sheet include cash and cash equivalents, current investments, trade accounts receivable, loans to a subsidiary, withholding tax receivable, provision for unpaid operating agreements and interest, accrued expenses and other current liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Group is a party to financial instruments that manage exposure to fluctuations in foreign currency exchange and interest rates. These instruments mainly comprise:

*Derivative financial instruments*

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The changes in the fair value are recognised immediately in the statement of income.

*Fair value estimation*

The fair values of foreign currency forward contracts are determined using forward exchange market rates at the reporting date, cross currency and interest rate swap contract are determined by using reference rate from broker.

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**(c) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and deposits held at banks and other short-term highly liquid investments with original maturities of three months or less.

**(d) Trade and other accounts receivable**

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

**(e) Investments**

*Investments in subsidiary and jointly-controlled entity*

Investments in subsidiary and jointly-controlled entity in the separate financial statements of the Company are accounted for using the cost method.

*Investments in other debt and equity securities*

Marketable equity securities which are classified as available-for-sale securities are carried at fair value. Fair value of marketable equity securities is calculated by reference to the purchasing prices quoted by the Stock Exchange at the close of business on the reporting date. Increases/decreases in the carrying amount are credited / charged against unrealised gains/losses from revaluation of investment in shareholders' equity.

Investments in non-marketable equity securities are classified as general investments, presented in balance sheet at cost. Current investments represent time deposits, bills of exchange and promissory notes with original maturities of more than 3 months but less than 12 months.

Investment in held to maturity bond is presented at amortised cost.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statements of income.

When disposing, the difference between the receipt from disposal and the book value of such investments is recognised in the statement of income. When disposing of part of the Group's holding of a particular investment in equity securities the carrying amount of the disposed part is determined by reference to the average carrying amount of the total holding of the investment.

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**(f) Equipment**

Equipment is stated at historical cost less accumulated depreciation.

*Depreciation*

Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each part of an item of equipment. The estimated useful lives are as follows:

Office equipment	5 years
------------------	---------

In case that a book value is higher than realizable value, the book value will be adjusted to be realisable value.

**(g) Programming rights and production costs**

*Programming rights*

The Company buys programming rights for broadcasting. Programming rights are stated at cost. The cost comprises both the purchase price and other costs directly attributable to the acquisition of the programming rights, such as duties, less all attributable discounts, allowance or rebates. Provision is made, where necessary, for impairment based on the estimated recoverable value.

The cost of the programming rights is amortised according to the number of transmissions specified in the broadcasting agreement. If the program is broadcasted more than once, the cost of programming rights is amortised at a rate of 80% on the first transmission and 20% on the second transmission.

*Production costs*

Production costs comprise direct costs related to production. News production costs are expensed as incurred. Costs relating to other in-house productions are capitalised based on estimated recoverable revenues and are amortised when the production is broadcast.

**(h) Impairment**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill, the recoverable amount is estimated at each reporting date, and as and when indicators of impairment are identified.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in the statement of income unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in the statement of income even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in the statement of income is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the statement of income.



**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**(i) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**(j) Provisions**

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**(k) Revenue**

The revenues are recognised as follows:

Advertising revenues - upon broadcast, net of output VAT and discounts

Interest income and return on investments - as it accrues unless collectibility is in doubt

**(l) Expense**

*Finance costs*

Interest expenses and similar costs are charged to the statement of income for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in the statement of income using the effective interest rate method.

**(m) Income tax**

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of income except to the extent that it relates to items recognised directly in equity.

*Current tax*

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

*Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; 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 investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. 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 the reporting date.

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that the related tax benefit will be realised.

**4 Related party transactions and balances**

The Company is controlled by Shin Corporation Public Co., Ltd. (“Shin Group”), incorporated in Thailand, which owns 52.92 % of the Company’s shares as at 31 December 2009 (*31 December 2008: 52.92%*). The remaining 47.08% of the shares (*31 December 2008: 47.08%*) are widely held.

Transactions related to the Group within the Shin Group, such as subsidiaries, associates, management, and related parties, including transactions related to companies of Cedar and Aspen and the Temasek group are recognised as related party transactions to the Group.

During the year, the Group entered into a number of transactions with its parent company and related companies, the terms of which were negotiated on an arm’s length basis in the ordinary course of business and according to normal trade conditions.

Significant transactions for the years ended 31 December 2009 and 2008 with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Subsidiary</b>				
Interest income	-	-	46	265
<b>Related parties - Shin Group</b>				
Other expense	-	4	-	4
Return on investments	1,732	-	1,732	-
<b>Directors’ remuneration</b>	4,800	4,635	4,800	4,635

Balances as at 31 December 2009 and 2008 with related parties were as follows:

	<b>Separate financial statements</b>	
	2009	2008
	<i>(in thousand Baht)</i>	
<b>Loans to a subsidiary</b>		
Subsidiary	-	5,000
Less allowance for doubtful accounts	-	(3,597)
<b>Net</b>	<u>-</u>	<u>1,403</u>

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

Movements on loans to a subsidiary during the years ended 31 December 2009 and 2008 were as follows:

	<b>Separate financial statements</b>	
	2009	2008
	<i>(in thousand Baht)</i>	
At 1 January	5,000	5,000
Decrease	(5,000)	-
<b>At 31 December</b>	<b><u>-</u></b>	<b><u>5,000</u></b>

During the year ended 31 December 2009, a loan to a subsidiary bears interest at 4% per annum (*31 December 2008: 4% per annum*). The term of repayment is at call. The subsidiary repaid loan the entire amount within the year.

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Accrued interest receivable</b>				
Subsidiary	-	-	-	50
Related parties - Shin Group	574	-	574	-
<b>Current investments</b>				
Related parties - Shin Group	48,131	-	48,131	-

**5 Cash and cash equivalents**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Cash on hand	8	8	8	8
Cash at banks - saving accounts	19,673	113,637	18,518	109,081
Highly liquid short-term investments	-	525,000	-	525,000
<b>Total</b>	<b><u>19,681</u></b>	<b><u>638,645</u></b>	<b><u>18,526</u></b>	<b><u>634,089</u></b>

The weighted average effective interest rate of savings deposits and highly liquid short-term investments was 1.67% per annum (*2008: 3.30% per annum*).

Cash and cash equivalents of the Group and the Company as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**6 Current investments**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<i>Securities available for sale</i>				
Deposit at bank	413	700	413	700
Government bond	-	-	-	-
State of enterprise bond	412,609	97,903	412,609	97,903
Bond	636,330	369,443	636,330	369,443
Return on investment	11,892	5,399	11,892	5,399
Unrealised gain on securities available for sale	7,188	4,566	7,188	4,566
<b>Total Securities available for sale</b>	<b><u>1,068,432</u></b>	<b><u>478,011</u></b>	<b><u>1,068,432</u></b>	<b><u>478,011</u></b>
Promissory Note	40,000	-	40,000	-
<b>Total</b>	<b><u>1,108,432</u></b>	<b><u>478,011</u></b>	<b><u>1,108,432</u></b>	<b><u>478,011</u></b>

Current investments of the Company as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

The average return on investments for the year 2009 was 3.47% (*From starting date of investment until 31 December 2008: was average of 1.46%*)

The weighted average effective interest rate of Promissory Note was 1.50% (*2551: nil*)

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

Movements during the years ended 31 December 2009 and 2008 of equity and debt securities held for trading were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Securities available for sale</b>				
<b>Deposit at bank</b>				
At 1 January	700	-	700	-
Increase during the period	2,575,570	938,961	2,575,570	938,961
Decrease during the period	(2,575,857)	(938,261)	(2,575,857)	(938,261)
	<b>413</b>	<b>700</b>	<b>413</b>	<b>700</b>
<b>Government bond</b>				
At 1 January	-	-	-	-
Purchases during the period	36,941	-	36,941	-
Sales during the period	(36,941)	-	(36,941)	-
	-	-	-	-
<b>State of enterprise bond</b>				
At 1 January	97,903	-	97,903	-
Purchases during the period	1,532,583	564,414	1,532,583	564,414
Sales during the period	(1,217,877)	(466,511)	(1,217,877)	(466,511)
Valuation adjustment	(39)	2,277	(39)	2,277
	<b>412,570</b>	<b>100,180</b>	<b>412,570</b>	<b>100,180</b>
<b>Bond</b>				
At 1 January	369,443	-	369,443	-
Purchases during the period	458,316	369,443	458,316	369,443
Sales during the period	(191,429)	-	(191,429)	-
Valuation adjustment	7,227	2,289	7,227	2,289
	<b>643,557</b>	<b>371,732</b>	<b>643,557</b>	<b>371,732</b>
Return on investments	11,892	5,399	11,892	5,399
<b>At 31 December</b>	<b>1,068,432</b>	<b>478,011</b>	<b>1,068,432</b>	<b>478,011</b>

In 2009 and 2008, the Company has hired a security institution to manage portfolio of investments as describe in note 19 d)

**7 Trade accounts receivable**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Other parties	10,467	11,258	10,467	11,178
	10,467	11,258	10,467	11,178
Less Allowance for doubtful accounts	(10,467)	(11,178)	(10,467)	(11,178)
<b>Total</b>	<b>-</b>	<b>80</b>	<b>-</b>	<b>-</b>

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

Trade accounts receivable of the Group as at 31 December 2009 and 2008 were denominated entirely in Thai Baht.

Aging analyse for trade accounts receivable were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
<b>Other parties</b>				
Within credit terms	-	80	-	-
Overdue:				
Less than 3 months	-	-	-	-
3-6 months	-	-	-	-
6-12 months	-	-	-	-
Over 12 months	10,467	11,178	10,467	11,178
	<u>10,467</u>	<u>11,178</u>	<u>10,467</u>	<u>11,178</u>
<i>Less</i> Allowance for doubtful accounts	<u>(10,467)</u>	<u>(11,178)</u>	<u>(10,467)</u>	<u>(11,178)</u>
<b>Total</b>	<u>-</u>	<u>80</u>	<u>-</u>	<u>-</u>

**8 Programming rights and production costs**

	<b>Consolidated and separate financial statements</b>	
	2009	2008
	<i>(in thousand Baht)</i>	
At 1 January	103,199	103,199
<i>Less</i> Allowance for impairment	<u>(103,199)</u>	<u>(103,199)</u>
<b>At 31 December</b>	<u>-</u>	<u>-</u>

**9 Investments in a subsidiary and a jointly-controlled entity**

	<b>Separate financial statements</b>	
	2009	2008
	<i>(in thousand Baht)</i>	
At 1 January	27,500	50,000
Allowance for impairment	(23,775)	(23,964)
Decrease in share capital	(7,500)	(22,500)
Increase in share capital	5,000	-
<b>At 31 December</b>	<u>1,225</u>	<u>3,536</u>

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

Investment in a subsidiary and a jointly-controlled entity as at 31 December 2009 and 2008 and dividend income for the years ended 31 December 2009 and 2008 were as follows:

	Ownership interest		Paid-up capital		Separate financial statement				At cost - net		Dividend income for the years	
	2009	2008	2009	2008	Cost method		Impairment		2009	2008	2009	2008
	(%)				2009	2008	2009	2008				
<i><b>Subsidiary</b></i>												
Artware Media Company Limited	99.99	99.99	25,000	20,000	25,000	20,000	(23,775)	(20,000)	1,225	-	-	-
<i><b>Jointly-controlled entity</b></i>												
Media Connex Company Limited	-	60.00	-	12,500	-	7,500	-	(3,964)	-	3,536	-	-
<b>Total</b>			<u>25,000</u>	<u>32,500</u>	<u>25,000</u>	<u>27,500</u>	<u>(23,775)</u>	<u>(23,964)</u>	<u>1,225</u>	<u>3,536</u>	<u>-</u>	<u>-</u>

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**Consideration of impairment loss on investments in a subsidiary and a jointly-controlled entity**

**Investment in Artware Media Company Limited (“Subsidiary”)**

On 18 March 2009, The Board of Directors resolved a capital increase in Artware Media Co., Ltd. The capital increase of Baht 5 million resulted in an increase in the company's paid-up capital from the original paid-up amount of Baht 20 million to Baht 25 million. As a result, there is an increase in the total shares outstanding of 200,000 shares, at a per share par value of Baht 100, to 250,000 shares of the same par value.

**Investment in Media Connex Company Limited (“Jointly-controlled entity”)**

The jointly-controlled entity has ceased its operations. Accordingly, the Company made allowance for impairment of investment in a joint venture in full.

On 2 April 2008, The Board of Directors resolved a capital reduction in Media Connex Co., Ltd. (“MC”) The capital reduction will involve a Baht 37.5 million reduction in the company's paid-up capital from the original paid-up amount of Baht 50 million to Baht 12.50 million. This capital reduction represents a 75% decrease from its total registered and paid-up capital, and a reduction in the total shares outstanding of 5,000,000 shares, at a per share par value of Baht 10, to 1,250,000 shares of the same par value.

On 3 September 2008, The Board of Directors resolved in the liquidation of Media Connex Co., Ltd.

On 29 May 2009, Media Connex Co.,Ltd. was liquidated.

**10 Equipment**

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<i>Cost</i>		
At 1 January 2008	99,360	178
Additions	1,029	28
Disposals	(3,098)	-
<b>At 31 December 2008 and 1 January 2009</b>	<b>97,291</b>	<b>206</b>
Disposals	(97,085)	-
<b>At 31 December 2009</b>	<b>206</b>	<b>206</b>



**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<i>Accumulated depreciation</i>		
At 1 January 2008	97,788	1
Depreciation charge for the year	281	3
Impairment losses	14	177
Disposals	(817)	-
<b>At 31 December 2008 and 1 January 2009</b>	<b>97,266</b>	<b>181</b>
Depreciation charge for the year	6	6
Disposals	(97,085)	-
<b>At 31 December 2009</b>	<b>187</b>	<b>187</b>
 <i>Net book value</i>		
<b>At 31 December 2008</b>	<b>25</b>	<b>25</b>
<b>At 31 December 2009</b>	<b>19</b>	<b>19</b>

The Group has not the fully depreciated equipment that was still in use as at 31 December 2009 and 2008.

## 11 Borrowings

### *Prepayment the entire existing loan*

The Board of Directors approved to complete repayment of existing loan amounting to Baht 147 million paid in September 2008.

## 12 Share capital, deficiency and warrants

### *Share capital and deficiency*

	Number of registered share capital	Issued and Paid-up	Ordinary shares	Deficiency on capital	Total
	<i>(in thousand shares)</i>		<i>(in thousand Baht)</i>		
At 1 January 2008	1,560,000	1,206,697	6,033,487	(174,297)	5,859,190
Issue of shares	-	-	-	-	-
<b>As at 31 December 2008 and 1 January 2009</b>	<b>1,560,000</b>	<b>1,206,697</b>	<b>6,033,487</b>	<b>(174,297)</b>	<b>5,859,190</b>
Issue of shares	-	-	-	-	-
<b>As at 31 December 2009</b>	<b>1,560,000</b>	<b>1,206,697</b>	<b>6,033,487</b>	<b>(174,297)</b>	<b>5,859,190</b>

As at 31 December 2009, the total authorised number of ordinary shares was 1,560 million shares (2008: 1,560 million shares) with a par value of Baht 5 per share (2008: Baht 5 per share).

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**13 Service income**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Advertising income	-	400	-	-
<b>Total</b>	<u>-</u>	<u>400</u>	<u>-</u>	<u>-</u>

**14 Administrative expenses**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
Consult and management fees	15,647	18,590	15,621	18,548
Lawyer and finance fees	10,011	11,510	10,011	11,510
Others	732	7,372	623	2,301
<b>Total</b>	<u>26,390</u>	<u>37,472</u>	<u>26,255</u>	<u>32,359</u>

**15 Income tax**

The income tax on the Group's loss before tax for the years ended 31 December 2009 and 2008 differ from the theoretical amount that would arise using the basic tax rate of the Group as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht)</i>			
For the years ended 31 December				
Loss before income tax	(431,165)	(445,716)	(431,165)	(445,617)
Tax rate	<u>30%</u>	<u>30%</u>	<u>30%</u>	<u>30%</u>
The result of the accounting loss multiplied by the income tax rate	(129,350)	(133,715)	(129,350)	(133,685)
Tax losses in current period not recognised as deferred tax assets	129,238	133,276	129,238	133,282
Expenses not deductible for tax purpose	<u>112</u>	<u>439</u>	<u>112</u>	<u>403</u>
<b>Tax charge</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**16 Basic loss per share**

The calculations of basic loss per share for the years ended 31 December 2009 and 2008 were based on the loss for the years attributable to equity holders of the Company and the number of ordinary shares outstanding during the year as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2009	2008	2009	2008
	<i>(in thousand Baht / thousand shares)</i>			
Loss	(431,165)	(445,716)	(431,165)	(445,617)
<i>Less</i> dividends on preference shares	-	-	-	-
<b>Basic loss attributable to equity holders of the Company</b>	<b>(431,165)</b>	<b>(445,716)</b>	<b>(431,165)</b>	<b>(445,617)</b>
<b>Number of ordinary shares outstanding</b>	<b>1,206,697</b>	<b>1,206,697</b>	<b>1,206,697</b>	<b>1,206,697</b>
<b>Basic loss per share (in Baht)</b>	<b>(0.36)</b>	<b>(0.37)</b>	<b>(0.36)</b>	<b>(0.37)</b>

**17 Financial instruments**

As at 31 December 2009 and 2008, the Group has the following risks relating to significant financial instruments:

***Credit risk***

The Group has no significant concentrations of credit risk.

***Fair values***

The carrying amounts of the following financial assets and financial liabilities approximate their fair value: cash and cash equivalent, trade receivables, related party balances, withholding tax receivable, provision for unpaid operating agreement fee and interest, accrued expenses and other current liabilities. Fair value of current investments are determined in note 6 to the financial statement.

**18 Commitments and contingencies**

**18.1 Commitments from the Operating Agreement before to be revoked the Agreement (Effective date 7 March 2007)**

On 7 March 2007, the Company received the letter of termination of the Operating Agreement from the PMO. This caused the following disputes that are currently under the process of consideration;

1. A case of the arbitration institution dispute No. 46/2550 in which the Company is the plaintiff regarding the PMO's unduly termination of the Operating Agreement which was wrongfully performed in breach of the Operating Agreement and against the law, including the arbitration institution dispute No. 1/2550 on 4 January 2007 which disputes payment of the program penalty fee and interest approximately totaling Baht 100,000 million. Both disputes are currently under the consideration of the arbitration institution, under the arbitration proceedings.

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

2. A case in which the Company is the defendant whereby the PMO demanded that the Company make the payment of the program penalty fee, interest, approximately totaling Baht 100,000 million to Supreme Administrative Court in Black Case No. 640/2550. Later, on 19 December 2007, the Supreme Administrative Court upheld the Central Administrative Court's verdict for the dismissal of the aforesaid case in order to allow the parties to Operating Agreement to use the arbitration proceeding for Cases No. 1/2550 and No. 46/2550.

This shall be subject to the judgment of the Court which may vary from the estimated amount provided in the financial statements, which may be the amount of income, expenditure, assets and liabilities, and disclosure information regarding assets and unpredictable liabilities.

**18.2 Contingencies in respect of other legal cases**

The Company is a defendant in various legal actions. In the opinion of the directors, after taking appropriate legal advice, the outcome of such actions will not give rise to any significant loss. The Company has not recorded any provisions for these legal cases.

**18.3 The contingent liabilities which may have arisen from the dispute between the Company and the PMO relating to the Operating Agreement**

*a) Sequence of significant events of the dispute between the Company and the PMO*

**On 30 January 2004**, the arbitration award granted by the arbitration panel on the dispute between the Company and the PMO in accordance with the Operating Agreement can be summarised as follows;

1. The PMO shall indemnify the Company in the amount of Baht 20 million;
2. The Operating Agreement fee to be paid shall be reduced and adjusted by reducing the fee to 6.50% (from the original rate of 44%) of gross revenue or the minimum guarantee of Baht 230 million (reduced and adjusted from the original Operating Agreement of the 8<sup>th</sup> year of Baht 800 million, the 9<sup>th</sup> year of Baht 900 million, and the 10<sup>th</sup> - 30<sup>th</sup> year of Baht 1,000 million each year), whichever is higher, starting from 3 July 2002;
3. The PMO shall return parts of the minimum guarantee of Baht 800 million paid by the Company subject to conditions during the arbitration proceedings on 3 July 2003. The amount to be returned is Baht 570 million.
4. The Company is eligible to broadcast its television programmes during the prime time (7.00 p.m. - 9.30 p.m.) without being restricted to news, documentaries and social benefit items. The Company must, however, broadcast news, documentaries and social benefit programmes for not less than 50% of its total airtime, subject to the rules and regulations issued by governmental agencies applicable in general to all television stations.

**On 27 April 2004**, the PMO filed the complaint with the Central Administrative Court for setting aside the arbitral award granted by the arbitration panel.

**On 9 May 2006**, the Central Administrative Court handed down its ruling regarding the revocation of the arbitration award.

**On 7 June 2006**, the Company filed an appeal against the verdict of the Administrative Court of the First Instance with the Supreme Administrative Court, and the Supreme Administrative Court received the execution of the judgment.

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**On 13 December 2006**, the Supreme Administrative Court ruled to uphold the judgment of the Central Administrative Court regarding revocation of the arbitral award dated 30 January 2004. As a consequence of that ruling, the Company has to follow the previous terms and conditions as specified in the Operating Agreement on the following;

1. The Company is required to change its television programmes to be in line with Clause 11 of the Operating Agreement which covers the combination of news, documentaries and social benefit programmes which shall not be less than 70% of total air-time, and all programmes broadcasted during the prime time (7.00 p.m. - 9.30 p.m.), have to be these kinds of programmes.
2. The Company is required to follow Clause 5 (the Operating Agreement fee to be rate of 44% and the minimum guarantee of Baht 1,000 million) of the Operating Agreement in respect of payment of Operating Agreement fee to the PMO.

**On 14 December 2006**, the PMO issued a letter dated 14 December 2006 claiming that;

1. The Company is required to alter the television programming in order to comply with Clause 11 of the agreement for the operation.
2. The Company is required to pay the unpaid Operating Agreement fee totalling Baht 2,210 million, for the 9<sup>th</sup> operating year (the Seventh Payment) in the amount of Baht 670 million, the 10<sup>th</sup> operating year (the Eighth Payment) in the amount of Baht 770 million and the 11<sup>th</sup> operating year (the Ninth Payment) in the amount of Baht 770 million plus 15% interest per annum on the unpaid Operating Agreement fee, calculated on a daily basis from the date the payment become overdue.
3. The Company is required to pay the penalty fee in accordance with Clause 11, second paragraph, of the Operating Agreement from 1 April 2004 to 13 December 2006 at the rate of 10% of the annual Operating Agreement fee, calculated on a daily basis from the date the payment become overdue. As the Company had not scheduled programmes following Clause 11, first paragraph, the penalty fee for breach determined by the PMO is in the amount of Baht 97,760 million (The Company changed its programming schedule following the Supreme Administrative Court's judgment on 14 December 2006).

The PMO demanded that all payments must be paid within 45 days of the receipt of such notice (received on 15 December 2006). In the event that the Company fails to repay such amount within the allocated period of time, the PMO will have to act in accordance with the terms of the Operating Agreement and any relevant law.

**On 21 December 2006**, the Company sent a letter to the PMO which is summarised as follows;

1. The Company has altered the television programming in compliance with Clause 11 of the Operating Agreement since 14 December 2006.
2. The Company was not in default for the payment of the Operating Agreement fee since the Operating Agreement fee amounting to Baht 230 million was paid to the PMO in accordance with the arbitral award. Since the arbitral award was bound to both parties under Clause 15 of the Operating Agreement, the Company had no liability on interest of the Operating Agreement fee during the period that the arbitral award was granted until the Supreme Administrative Court's judgment was handed down.
3. The Company disagreed with the PMO on the issue of the penalty fee amounting to Baht 97,760 million with the 45 days payment period as follows;

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

- 3.1 The Company has not breached the Operating Agreement because the Company has complied with Clause 15 of the Operating Agreement which states that “The arbitral award shall be bound to both parties.”, the last paragraph in Clause 30 of the Arbitration rules of Judiciary Office and the second paragraph of Section 70 of Act on Establishment of Administrative Courts and Administrative Court Procedure, B.E. 2542. Consequently, the alteration of television programming from 1 April 2004 to 13 December 2006 (the date that the Supreme Administrative Court’s judgment was handed down) has duly complied with the Operating Agreement and law.
- 3.2 As to the Operating Agreement regarding the penalty fee incurred on the alteration of television programming, the PMO has the right to terminate the Operating Agreement. However, in order to comply with the arbitration proceeding as stated in section 3.1, if it is apparent that the Company breaches the Operating Agreement, the PMO shall be entitled to terminate the Operating Agreement if the process of settlement of dispute becomes final.
- 3.3 The Supreme Administrative Court gazette No. 78/2549 dated 13 December 2006 stated that “Regarding the matter of the penalty, the parties have to resolve these themselves, and if the dispute cannot be resolved, the statement of claims is required to be filed in accordance with the procedure defined in the Operating Agreement”.
- 3.4 The issue of interest and the penalty incurred from the alteration of television programming had not been finalised since it was not an issue raised for consideration by the Supreme Administrative Court. Therefore, if the parties had any controversy thereon and it cannot be resolved, the statement of claims shall then enter into arbitration proceeding in accordance with Clause 15 of the Operating Agreement stating that “If any dispute or controversy arises in connection with this Operating Agreement, both parties shall agree to submit the said dispute for arbitration, and the Arbitration Committee’s award shall be final and binding”.

The Company and its legal consultant viewed that the calculation of the penalty of the PMO was not in compliance with the objective of the Operating Agreement. The penalty should be calculated at Baht 274,000 per day as a maximum amount, not Baht 100 million per day as stated by the PMO. However, if the penalty fees are charged, the penalty for the period from 1 April 2004 to 13 December 2006 should be Baht 268 million, not Baht 97,760 million as claimed to be paid and led to cancellation of agreement by the PMO.

With regard to the interest on the unpaid Operating Agreement fee claimed by the PMO, the Company and its legal consultant is of the opinion that during the period that the Company complied with the arbitral award, the Company neither had a liability to settle the debt nor was at default to pay the Operating Agreement fee since the Operating Agreement fee of Baht 230 million was paid in accordance with the arbitral award. The arbitral award become binding on both parties under Clause 15 at the time it comes into force, since the Company was not at default in the payment of the Operating Agreement fee or makes the delay payment. In addition, the PMO has not requested provisional remedial measures from the Court to order the Company not to comply with the arbitral award in such period of time. Consequently, the Company has no liability for the interest of the Operating Agreement fee and the PMO has no right to claim for the unpaid Operating Agreement fee during the period that the arbitral award was valid and the judgment of the Central Administrative Court was not enforceable during the period that the appeal was submitted to the Supreme Administrative Court.

**On 4 January 2007**, referring to the penalty for alteration of television programming and interest of overdue Operating Agreement fee, the Company filed the statement of claim, Black Case number 1/2550, to the Arbitration Institute. With regard to Operating Agreement fee in the amount of Baht 2,210 million, the Company has the opinion that in order to comply with the Operating Agreement and to compromise with the PMO not to terminate the Operating Agreement affecting The Company’s

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

business. The Company proposed that the PMO to pay the amount of Baht 2,210 million with the condition that the PMO shall enter into the arbitration proceeding seeking the arbitral award on the penalty fee and interest of the Operating Agreement fee. Nevertheless, the PMO did not accept the said proposal on 31 January 2007.

**On 2 February 2007**, the Company submitted a letter to the Prime Minister appealing for justice and proposing that the PMO accept the Operating Agreement fee in the amount of Baht 2,210 million and enter into the arbitral proceedings on the issue of the penalty fee and interest.

**On 13 February 2007**, the PMO did not accept the said proposal. As a result, the Company's proposal shall not be enforceable from the date that the PMO rejected the Company's proposal in writing and the Company had no onward liability on its proposal onward in accordance with Section 357 of the Civil Code. Thereafter, the Central Administrative Court made an order striking out the case, Black Case number 640/2550 dated 22 June 2007 from the Case List. The Court ruled that the PMO's claimant stating that the Company accepted the unpaid debts of Baht 2,210 million cannot be viewed as the Company accepting liability because it was an option proposed by the Company which it had not become final, and thus considered as a dispute to be enter into arbitration proceedings.

**On 20 February 2007**, the Company issued a complaint to prescribe provisional remedial measures, and a complaint of compelling urgency was filed with the Central Administrative Court. The following matters are as follows;

1. The Company requested the Central Administrative Court to rule that the right to terminate the Operating Agreement of the PMO will be revoked during the period that the penalty fee was incurred from the change of television programming, and interest of the unpaid Operating Agreement fee of approximately Baht 100,000 million will not be paid until the arbitral award is granted and the dispute becomes finalised.
2. The Company requested the Central Administrative Court to specify the grace period to make the payment of the unpaid Operating Agreement fee amounting to Baht 2,210 million within 30 days of the date of the receipt of the Court order.

**On 21 February 2007**, the Central Administrative Court ordered the rejection of the complaint to prescribe provisional remedial measures and the complaint of compelling urgency. The Court ruled that in the case of the PMO's right of termination of Operating Agreement, the Company was entitled to claim for damages arisen from such termination if the Company viewed that such termination was incorrect. In respect of the fact that the PMO requested the Company to pay the penalty fee and interest of the Operating Agreement fee as well as requested the Court demanding the Company to pay the Operating Agreement fee amount of Baht 2,210 million to the PMO within 30 days from the date that the Court had granted the order, the Court opinioned that it was the case that such issues shall be mutually negotiated between the Company and the PMO. If the Company viewed that the Company should not be bound to pay or requested to provide debt settlement, the Company was eligible to process under the Operating Agreement and legal proceeding. Therefore, the Court did not deem it necessary to prescribe provisional remedial measures to the Company during the time that such process was being made. The order of the Central Administrative Court shall be deemed final and cannot be further appealed.

**On 7 March 2007**, the letter of revocation of the Operating Agreement was sent by the PMO requesting the Company to repay the debt and return all operations assets under the Operating Agreement back to the PMO within the period specified by the PMO in accordance with the Cabinet resolution passed on 6 March 2007. Such termination caused the Company to cease carrying on the business of the UHF television broadcasting station.

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**On 28 March 2007**, the Company sent a letter to the PMO disputing that the termination of the Operating Agreement exercised by the PMO demanding that the Company pay the debts of approximately Baht 100,000 million was not in compliance with the law and terms of agreement. The reason is that the Company has not breached the Operating Agreement and disagreed with the said revocation. The termination of the Operating Agreement harmed the Company's business operations which shall be the responsibility of the PMO, and the Company reserved its right on any further legal action against the PMO.

**On 30 March 2007**, the PMO requested the Central Administrative Court in the Black Case number 640/2550 to order the Company to pay unpaid Operating Agreement fee of Baht 2,210 million, the 12<sup>th</sup> Operating Agreement fee of Baht 677 million (counted from the date the arbitration panel judged the arbitral award to 7 March 2007), interest of overdue Operating Agreement fee of Baht 562 million (counted from the date the arbitration panel judged the arbitral award to the date of requesting of the order, 30 March 2007), adjusting of television program fee of Baht 97,760 million, and the undelivered value of assets under Operating Agreement of Baht 656 million with 7.5% of the interest of the undelivered value of assets counted from the requested date until the Company repays in full. The undelivered value of assets fee is a new issue that the PMO has previously not raised. The aggregated amount is Baht 101,865 million.

**On 8 May 2007**, the Company filed against the PMO for the complaint to the Central Administrative Court in the Black Case number 910/2550 requesting that the PMO pay the compensation in the amount of Baht 119,252 million in respect of Article 5 pa.4 which has not been approved by cabinet caused the Company's damages.

**On 9 May 2007**, the Company filed the statement of claim, Black Case number 46/2550, with the Arbitration Institute seeking an arbitral award granted by the arbitration panel to rule that the Operating Agreement terminated by the PMO was not in accordance with law and the terms of Agreement, the PMO's claim for the Company for payment of the Operating Agreement fee (fraction), interest, penalty fee and value of undelivered assets was incorrect, and compensation shall be paid to the Company by the PMO.

**On 30 May 2007**, the Central Administrative court ordered the dismissal of the Black Case number 910/2550 filed by the Company in respect of Article 5 pa.4 which has not been approved by cabinet caused the Company's damages. The reason for the dismissal of the case was its expiry by law (10 years).

**On 22 June 2007**, the Central Administrative Court passed an order striking out Black Case number 640/2550 in which the PMO demanded that the Company pay the Operating Agreement fee, interest, penalty fee and value of undelivered assets from the Case List, so that the parties of the Operating Agreement shall enter into arbitration proceedings as specified in the Operating Agreement. On 24 July 2007, the PMO filed an appeal against the verdict of the Central Administrative Court (of the First Instance) with the Supreme Administrative Court regarding revocation of Black Case number 640/2007 by the Central Administrative Court. In addition, the PMO also issued a complaint to prescribe provisional remedial measures in order to stop arbitration proceedings and await for order of the Supreme Administrative Court.

**On 11 July 2007**, the Company appealed to the Supreme Administrative Court for the Central Administrative Court's order to dismiss Black Case number 910/2550 because of its expiry. (The case No. 910/2550 was the issue that the Company filed the dispute against the PMO in respect of Article 5 pa.4 which has not been approved by cabinet caused the Company's damages and claim to be paid for damages from the PMO in the amount of Baht 119,252 million).

**On 24 July 2007**, the PMO filed an appeal against the verdict of the Central Administrative Court (of the First Instance) with the Supreme Administrative Court regarding revocation of Black Case



**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

number 640/2550 by the Central Administrative Court. In addition, the PMO also issued a complaint to prescribe provisional remedial measures in order to stop arbitration proceedings and await for order of the Supreme Administrative Court.

**On 29 October 2007**, the Company filed a complaint to prescribe the provisional remedial measures to the Central Administrative Court to prescribe provisional remedial measures and the complaint in the case of compelling urgency filed. The complaint was to request the Court to order that the Public Television Bill shall not become effective. The said Bill was approved in principle by the Cabinet and shall be brought to be considered by rules to drop the draft bill on the Thai Public Television Broadcasting Station Act (“TPBS”) which was approved by the Cabinet on 24 April 2007 and shall be submitted to the National Legislative Assembly (“NLA”) on 31 October 2007. The Company contested that if the Bill is approved and becomes enforceable, neither the award granted by the Arbitration Committee nor the judgment given by the Administrative Court on the dispute or case arisen between the Company and the PMO after 31 October 2007, which one of the claims that the Company claimed against the PMO to indemnify for damages and/or grant the Company of the operating right to re-operate the UHF Broadcasting Television Station for the remaining period as specified in the Operating Agreement, shall not be effective for final approval before its effective announcement. The reason is that all business including rights, obligations, assets, budget, debt, frequency rights and encumbrance of the Company shall be transferred to the government subject to Section 57, Transitory Provisions of the Bill. Consequently, the Company then requested the Central Administrative Court to commence urgent proceedings and rule that the Bill shall not be brought for the NLA’s consideration in accordance with any method that the Court shall deem appropriate until the case becomes final or the Court passes other judgment.

**On 30 October 2007**, the Central Administrative Court rejected the complaint clarifying that the approval process of the Bill taken by the NLA is a legislative power under the Constitutional Law, and is not acting as an administrative power, therefore, the Court is unable to make an order forbidding the undertaking of the NLA to cancel the aforesaid complaint of the Company for the reason that NLA is not the Administrative Government agency, but acted as a State Legislative Assembly Council Authority for which the Administrative court has no access right to prohibit its bill approval process. In addition, since the said disputes are currently on the account of the Arbitration Committee or the court is on the process of consideration of the Company cases, the Central Administrative Court shall then be deemed unable to prescribe the provisional remedial measures as per the Company’s complaint. The Administrative court remedial measures shall not be appropriate in the meantime.

**On 31 October 2007**, the said bill was approved by the NLA and its effective date shall be announced by the government gazette at a later stage. Nevertheless, the other claims of the Company which required the PMO to indemnify for damages by paying the damages amount will remain valid if in case the court rules in favour of the Company in the existing lawsuits.

**On 14 November 2007**, the Supreme Administrative Court reaffirmed the Central Administrative Court’s order in dismissing the case No. 910/2550 due to its expiry (10 years). Such case was filed by the Company requesting the PMO to pay the amount of Baht 119,252 million regarding the invalidity of Article 5 pa.4 due to the PMO did not propose to the cabinet for approval caused the Company’s damage.

**On 19 December 2007**, the Supreme Administrative Court upheld the Central Administrative Court’s verdict for the dismissal of the referenced case in order to allow the parties to the Operating Agreement to use the arbitration proceeding. Accordingly, that the Company submitted the arbitration institution dispute No. 1/2550 to the arbitration institution on 4 January 2007, (prior to the termination of the Operating Agreement) seeking the ruling on the fine for the adjustment of the broadcasting schedule and the interest on the difference of the minimum Operating Agreement fee, and the arbitration institution dispute No. 46/2550 on 9 May 2007, (after the termination of the Operating Agreement) with regard to PMO’s illegally terminating the Agreement for the Operation in breach of

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

the Operating Agreement and against the law, and both disputes are currently under the consideration of the arbitration institution, the arbitration proceeding shall continue.

**On 15 January 2008**, the State Legislative Assemble Council Authority announced Thai Public Television Broadcasting Station Act (“TPBS”) effective date by law being 15 January 2008. The Bill was approved and becomes enforceable, and neither the award granted by the Arbitration Committee nor the judgment given by the Administrative Court on the dispute or case arisen between the Company and the PMO, for which one of the claims the Company made against the PMO to indemnify for damages and/or grant the Company of the Operating right to re-operate the UHF Broadcasting Television Station for the remaining period as specified in the Operating Agreement, shall not be effective for final approval before its effective announcement. The reason is that all business including rights, obligations, assets, budget, debt, frequency rights and encumbrance of the Company shall be transferred to the government subject to Section 57, Transitory Provisions of the Act. Nevertheless, the other claims of the Company made to the PMO to indemnify for damages by paying such damages amount still be valid if the court rules in favourable of the Company lawsuit cases.

**On 3 March 2008**, the Company filed the complaint with the Arbitration Institution for including black case No.1/2550 and black case No.46/2550 as one case which is under the consideration of the Arbitration Institution.

**On 7 March 2008**, the Company Arbitrator for those 2 cases is approved.

**b) *The contingent liabilities and recording on the dispute between the Company and the PMO***

The contingent liabilities after the Supreme Administrative Court’s judgment on revocation of the arbitration award on 13 December 2006 and the dispute between the Company and the PMO are as follows;

**1. In regard of the penalty arising from the alteration of television programming**

The said liability has not been recorded in the company’s financial statements as the Black Case number 640/2550 filed by the PMO demanding that the Company pay the operating fee, interest, the penalty fee and value of undelivered assets was dismissed by the Central Administrative Court which shall await the arbitral award the Black Case number 1/2550 granted by the arbitration panel and the final legal proceeding.

**2. In regard of the operating fee of the 9th, 10th and 11th year amounting to Baht 2,210 million and 15% interest of such amount**

Since quarter ended 31 December 2006, the provision for unpaid operating fee amounting to Baht 2,210 million plus 15% interest from the date that the arbitral award was revoked by the Supreme Administrative Court as of 13 December 2006 was recorded in the consolidated financial statements. The reason is that the Company proposed condition to pay such amount to the PMO and brought the issue of the penalty fee and interest into the arbitral proceeding under the Operating Agreement. Thereafter, in the first quarter of 2007, the PMO did not accept the said payment, it shall be deemed that the Company’s proposal was not mutually accepted. The Company thus had no liability on the operating fee amounting to Baht 2,210 million plus 15% interest per annum. In addition, the Supreme Administrative Court made the order striking out the case No 640/2550 in which the PMO demanded that the Company pay the operating fee, interest, the penalty fee and value of undelivered assets out of the Case List, so that the disputes shall be brought into the arbitration proceeding and legal process by the Operating Agreement to be finalised.

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**3. Value of undelivered assets**

The undelivered asset in the amount of Baht 656 million plus 7.50% interest per annum of the undelivered asset from the date that the case was filed to the Court until the said amount is fully paid since 1995. The PMO has not requested the Company to pay such amount. Consequently, the Company has no liability to further deliver such asset. In addition, the Central Administrative Court made the order striking out the said case out from the Case List, therefore, the said items have not been recorded by the Company. Since the value of asset claimed by the PMO is only the business estimation comprising income, expense, profit, tax and investment asset, which terms regarding the asset only stated that the Company is required to procure the asset for the undertaking of UHF Television Broadcasting Station to cover the population at the rate of 96.72% of the population in the country without the condition of value of required asset and the Company has complied with such requirement, therefore, the Company has neither liability to procure asset nor indemnify to the PMO.

The Company is awaiting to hear the arbitral award ruling on the said contingent liabilities for Black Case No. 1/2550 and the compensation of damages arisen from illegal termination of agreement Black Case No. 46/2550. It shall be dependant on the judgment which cannot be predicted.

However, the Company has already recorded provision for unpaid operating fee amounting to Baht 2,891 million and interest from the date that the arbitral award was revoked by the Supreme Administrative Court amounting to Baht 1,265 million in these financial statements, of which of the amount of Baht 433 million was provision for interest on unpaid operating fee for the year ended 31 December 2009 (2008: Baht 433 million).

**19 Significant agreements with third parties**

- a) The Company has signed a contract for hiring a financial advisor with a securities institution. The securities institution has given the advice of the rehabilitation plan for rectifying the cause of delisting the Company. The Company will pay the advisory fee for the progress of plan Baht 3.10 million. The contract is due 1 year. On 13 August 2008 the Company has extended the contract until 13 August 2009 or the shareholders meeting date (which one come first). The Company has put more conditional if the Securities institution has not undertaken the rehabilitation plan, the Securities institution will charged the advisory fee at the minimum of Baht 1.54 million according to a job scope.
- b) On 27 June 2008, the Company has signed a contract with a person group for taking care of an administrative management as following;
- 1 Undertaking the rehabilitation plan and preparing documents of the disputes with PMO,
  - 2 Administrative management of accounting and financing affair,
  - 3 Administrative management of business according to the guidelines and procedures of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC),
  - 4 Administrative management of general affair of the office,
  - 5 Administrative management of filing important documents both financial and legal documents and handling company assets and
  - 6 Administrative management of filing financial and legal documents.

The Company has to pay the monthly service fee according to the agreement. The annual fee is Baht 9.6 million. The agreement is due 5 years. The Company has the right to cancel the agreement by informing 30 days in advance.

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

- c) On 20 November 2008, the Company has hired an asset management company for managing bond investment according to the Company policy. The agreement is 1 year and extending agreement year by year automatically. The Company will pay the management fee annually 0.09 % of net asset calculated daily. The asset management company will deduct the fee from fund quarterly within 15 days of ended quarter. The Company has the rights to cancel the agreement by informing 60 days in advance.
- d) On 20 November 2008, the Company has hired a bank for bond investment deposition. The agreement is 1 year extending year by year automatically. The Company has paid service fee annually 0.02 % of net asset of last working day of week and last day of month by weekly calculated. A bank will deduct the fee from fund quarterly within 10 days of ended quarter. The Company has the rights to cancel the agreement by informing 60 days in advance.
- e) On 1 November 2009 the Company has signed a contract with a person group for advising and undertaking legal. The Company has to pay the monthly advisory fee according the agreement. The contract is due 1 year and the annual fee is Baht 3.36 million. The Company has the right to cancel the agreement by informing 7 days in advance.

**20 Thai Accounting Standards (TAS) not yet adopted**

The Group has not adopted the following revised TAS that has been issued as of the reporting date but are not yet effective. The revised TAS are anticipated to become effective for annual financial periods beginning on or after 1 January 2011.

TAS/IFRS	Topic
TAS 24 (revised 2009)	Related Party Disclosures (formerly TAS 47)

**ITV Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the years ended 31 December 2009 and 2008**

**21 Reclassification of accounts**

Certain accounts in the 2008 financial statements have been reclassified to conform to the presentation in the 2009 financial statements as follows:

	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass. <i>(in thousand Baht)</i>	Before reclass.	Reclass.	After reclass.
<b>Balance sheet</b>						
Cash and cash equivalents	639,345	(700)	638,645	634,789	(700)	634,089
Current investments	79,281	398,730	478,011	79,281	398,730	478,011
Other current assets	10,013	(5,426)	4,587	10,050	(5,426)	4,624
Long term investments	388,064	(388,064)	-	388,064	(388,064)	-
Trade accounts payable	(489)	489	-	(489)	489	-
Other current liabilities	(69)	(489)	(558)	(69)	(489)	(558)
Unrealised gain on securities available for sale	(26)	<u>(4,540)</u>	(4,566)	(26)	<u>(4,540)</u>	(4,566)
		<u>-</u>			<u>-</u>	

The reclassifications have been made to comply with the classification adopted by set out in the Pronouncement of the Department of Business Development *Determination of items in the financial statements B.E. 2552* dated 30 January 2009 and because, in the opinion of directors, the new classification is more appropriate to the Group's business.