

Asian Television Network International Limited

Unaudited Interim Condensed Consolidated Income Statements

For the three months and nine months ended September 30, 2023 and September 30, 2022

		Three months ended September 30,		Nine months ended September 30,	
	Note	2023	2022	2023	2022
Operating revenue	5	\$ 2,031,621	\$ 1,982,197	\$ 5,677,936	\$ 5,935,283
Operating expenses					
Office, Studio & Production Expenses	7	\$ 193,316	\$ 207,575	\$ 872,109	\$ 638,546
License Fees and Distribution Costs	6	\$ 1,234,300	\$ 1,220,199	\$ 3,479,710	\$ 1,700,403
Employee costs		\$ 355,046	\$ 578,114	\$ 875,709	\$ 3,712,779
Depreciation, amortization and impairments	8	\$ 144,961	\$ 200,142	\$ 521,538	\$ 700,931
Finance costs		\$ 10,385	\$ 27,751	\$ 31,144	\$ 76,079
Loss (gain) on foreign exchange difference		\$ 1,531	\$ 2,934	\$ 2,578	\$ 9,024
Total operating expenses		\$ 1,939,539	\$ 2,236,715	\$ 5,782,788	\$ 6,837,762
Income before tax		\$ 92,082	\$ (254,518)	\$ (104,852)	\$ (902,479)
Income tax expense					
Net income for the year		\$ 92,082	\$ (254,518)	\$ (104,852)	\$ (902,479)

See accompanying notes.

Asian Television Network International Limited

Unaudited Interim Condensed Consolidated Statement of Financial Position

As at September 30, 2023 and December 31, 2022

Current assets	Note	2023		2022	
Cash and cash equivalents	14	\$	16,937	\$	68,693
Short-term investments	15	\$	500,000	\$	500,000
Trade and other receivables		\$	1,600,562	\$	1,562,835
Income taxes recoverable	9	\$	262,692	\$	262,692
Total current assets		\$	2,380,191	\$	2,394,220
Non-current assets					
Long-term investments		\$	1,110,000	\$	2,000,000
Property, plant and equipment	12	\$	776,600	\$	609,661
Right of use assets		\$	1,856,566	\$	2,257,407
Intangible assets	13	\$	-	\$	191,479
Other long-term assets		\$	95,130	\$	95,130
Total non-current assets		\$	3,838,296	\$	5,153,677
TOTAL ASSETS		\$	6,218,487	\$	7,547,897
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	16	\$	2,286,013	\$	3,068,592
Bank indebtedness	17	\$	140,000	\$	330,000
Deferred Revenue		\$	-	\$	87,000
Current Portion of Long-term debt		\$	6,288	\$	-
Current Portion of Finance lease Obligation		\$	566,571	\$	572,858
Total current liabilities		\$	2,998,873	\$	4,058,450
Non-current liabilities					
Long-term debt		\$	1,867,189	\$	2,033,243
Total non-current liabilities		\$	1,867,189	\$	2,033,243
TOTAL LIABILITIES		\$	4,866,062	\$	6,091,693
SHAREHOLDERS' EQUITY	10	\$	1,352,425	\$	1,456,204
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$	6,218,487	\$	7,547,897

See accompanying notes.

Asian Television Network International Limited

Unaudited Interim Condensed Consolidated Statements of Cash flows
For the three months ended September 30, 2023 and September 30, 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income(loss) for the period	\$ 92,082	\$ (254,518)
Adjustments for:		
Finance costs	\$ 10,385	\$ 27,751
Depreciation and amortization	\$ 144,961	\$ 231,565
Deferred income tax	\$ -	\$ -
Changes in working capital:		
(Increase) decrease in trade and other receivables	\$ (141,871)	\$ (34,371)
Increase (decrease) in accounts payable and accrued liabilities	\$ (482,434)	\$ 197,002
Interest paid	\$ (10,385)	\$ (27,751)
NET CASH FLOWS FROM OPERATIONS	\$ (387,262)	\$ 139,678
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Payments to acquire) or Proceeds from sale of plant and equipment	\$ (100,687)	\$ -
(Payments to acquire) or Proceeds from sale of right of use assets		\$ -
(Payments to acquire) or Proceeds from sale of intangible assets		\$ (11,375)
(Payments to acquire) or Proceeds from sale of other long term assets	\$ -	\$ -
(Payments to acquire) or Proceeds from sale of investments	\$ 890,000	\$ -
NET CASH FLOWS (USED IN) FROM INVESTING	\$ 789,313	\$ (11,375)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advance or (repayment) of finance lease obligation		\$ (143,635)
Proceeds from (repayment of) bank indebtedness	\$ (246,524)	\$ 10,000
Proceeds from (repayment of) long-term debt	\$ (138,590)	\$ -
Payments of dividends	\$ -	\$ -
NET CASH FLOWS USED IN FINANCING	\$ (385,114)	\$ (133,635)
Net change in cash and cash equivalents	\$ 16,937	\$ (5,332)
Cash and cash equivalents at beginning of period	\$ -	\$ 89,765
Cash and cash equivalents at end of period	\$ 16,937	\$ 84,433

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Notes to Consolidated Financial Statements

For the Quarter ended September 30, 2023, and September 30, 2022

1 Nature of Business

Asian Television Network International Limited ("ATN" or the "Company") is incorporated under the laws of the province of Ontario and its shares are traded on the TSX Venture Exchange under the symbol SAT.V. The Company's executive offices are located at 330 Cochrane Drive, Markham, Ontario, Canada L3R 8E4. Its activities comprise providing specialty, pay television broadcasting and advertising primarily aimed at the South Asian community in Canada. ATN is the ultimate parent of the group of companies listed in Note 2b below.

2 Summary of Significant Accounting Policies

a. Basis of Presentation

These unaudited consolidated financial statements have been prepared by the Company in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") up to September 30, 2023.

They are prepared using the historical cost basis.

The consolidated statements of income present expenses based upon their nature. The presentation currency and the functional currency of the Company is the Canadian dollar.

b. Basis of Consolidation

The consolidated financial statements include the accounts of Asian Television Network International Limited and its wholly-owned subsidiaries. All inter-company transactions and balances are eliminated on consolidation.

Significant subsidiaries are as follows:

Subsidiaries	Percentage Owned	
	2023	2022
Asian Television Network Inc.	100%	100%
Commonwealth Broadcasting Ltd.	100%	100%
JCTV Productions Ltd.	100%	100%
South Asian Television Network Limited	100%	100%
South Asian Television Canada Limited	100%	100%

c. Revenue Recognition

The Company derives revenue from the transfer of services. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. Revenue is recognized when the performance obligation in the contract has been performed - "point in time" recognition.

Subscription revenues are recognized monthly, based on the number of subscribers reported by the Company's major Broadcast Distribution Undertakings (BDUs) at agreed upon rates. As the Company does not have a direct contract with the end user (the subscriber) any adjustments in fees by the BDUs, for whatever reason, are accounted for prospectively as revenue in the period reported. Because BDUs are the only viable system available to the Company to deliver its product to the end user, reliance is placed on subscriber information provided by the BDUs and is considered an industry practice.

Advertising revenues, net of agency commissions, are recognized in the period in which the advertising is aired on the Company's television network and when collection is reasonably assured.

d. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost and trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company always recognizes lifetime expected credit losses (ECL) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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Notes to Consolidated Financial Statements

For the Quarter ended September 30, 2023, and September 30, 2022

e. Impairment of non-financial and long-lived assets

The Company reviews its long-lived assets for impairment at the end of each reporting period for events and changes in circumstances which indicate that the carrying amount may not be recoverable. Recoverability is assessed based on the carrying amount of a long-lived asset compared to the sum of the future undiscounted cash flows expected to result from its use and the eventual disposal of the asset. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would be determined, net of depreciation or amortization, if no impairment loss had been recognized. To September 30, 2023, \$nil (2022 - \$nil) impairment losses have been recognized in these consolidated financial statements.

f. Plant and Equipment

i. Costs capitalized

Costs are included in the plant and equipment's carrying value or recognized as a separate asset when it is probable that future economic benefits associated with the item will be realized and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the consolidated statement of loss.

ii. Derecognition

Plant and equipment is derecognized and removed from the consolidated statements of financial position on disposal or when no future economic benefits are expected. Gains and losses from derecognition are measured as the difference between the disposal proceeds, if any, and the carrying amount and are recognized in the consolidated statement of loss.

iii. Depreciation

Plant and equipment are recorded at cost and are depreciated on a straight-line or declining balance basis over their estimated useful life which is as follows:

Furniture and fixtures	20% declining balance
IT equipment	4 to 10 years straight line
Broadcast equipment	2 to 10 years straight line
Right of use asset – building	5 years straight line
Right of use asset – other	1 to 2 years straight line

Leasehold improvements are depreciated on a straight-line basis over the remaining term of the related lease(s)

g. Intangible Assets

i. Costs capitalized

Intangible assets (broadcast licenses and broadcast rights) are carried at cost less accumulated amortization and accumulated impairment losses.

ii. Derecognition

Intangible assets are derecognized and removed from the consolidated statements of financial position up on disposal or when no future economic benefits are expected. Gains and losses from derecognition are measured as the difference between the disposal proceeds, if any, and the carrying amount and are recognized in the consolidated statement of loss.

iii. Amortization

The Company amortizes intangible assets on a straight-line basis over their estimated useful lives. The amortization amount is included in Marketing and Distribution costs in the statements of loss. The Company monitors and reviews the useful lives, residual values, and amortization methods at least once a year and changes them if they are different from previous estimates. The Company recognizes the effects of changes in estimates in the consolidated statements of loss prospectively. The estimated useful lives for intangibles with finite lives are as follows:

Broadcast license estimated life of the contract from 1 to 2 years

h. Film rights

Amounts paid to acquire the rights to broadcast full length feature films or other media (media) are recorded at cost. For media under production the cost is not amortized until the media is delivered to the Company by the producers for broadcast. Prior to delivery, the carrying value is assessed for impairment on an annual basis. The assessment includes the stage of completion of the media, its anticipated delivery and entertainment value. After delivery the media is amortized on a straight-line basis over the period the Company has a right to broadcast.

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i. Leases

The Company accounts for its right of uses assets per IFRS 16. On the lease commencement date, a right-of-use asset and a corresponding lease liability are recognized. The right-of-use asset is initially measured at cost, which corresponds to the value of the lease liability adjusted for any lease payments made at or before the commencement date, lease incentives, initial direct costs incurred and estimated dismantling or restoration cost payable at the end of the lease. The right-of-use asset is subsequently depreciated using the straight-line method over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise (where applicable):

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

This policy is in place for all leases except for short-term leases (less than 12 months) and leases of low value where the Company recognizes lease payments made as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the pattern of the benefit obtained from the lease.

j. Provisions

Provisions are recognized when the Company has a 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 of the amount of the obligation can be made. If the effect is material, provisions are determined by discounting the expected future cash flows using a current pre tax rate that reflects, where appropriate, the risks specific to the liability.

k. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are stated at cost, which approximates fair value due to the short term nature of these liabilities.

l. Other Comprehensive Income/Loss

Other comprehensive income/loss represents the change in net equity for the period that arises from unrealized gains and losses on financial instruments accounted for through OCI. Amounts included in other comprehensive income are shown net of tax.

The Company does not have any other comprehensive income or loss items.

m. Cash and Cash Equivalents

Cash comprises deposits held in financial institutions, and cash equivalents, which are short term investments with an original maturity of three months or less. All are stated at their fair value.

n. Income Taxes

Income tax expense is comprised of current and deferred taxes. Current tax and deferred tax are recognized in the consolidated statement of loss except to the extent that they relate to a business combination, or items recognized directly in equity or other comprehensive income.

The calculation of current tax is based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences will reverse. Deferred tax assets are recognized for unused tax losses and unused tax credits to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable income will be available in the future.

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Notes to Consolidated Financial Statements

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o. Employee Benefits

i. Short-term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are recognized as a liability and expense as employees render service.

ii. Termination benefits

Termination benefits are recognized as a liability and an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a detailed formal plan to either terminate employment of an employee before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary departure. Where termination benefits are payable more than 12 months after the reporting period, they are discounted to their present value.

p. License Fees and Distribution Costs

Management considers program, broadcast costs, satellite, fiber and advertising costs to be license fees and distribution costs. Program and broadcast costs represent contractual rights acquired from third parties to broadcast television programs. Satellite and fiber costs represent the cost to receive and deliver broadcast signals from third party suppliers and to deliver the signals to BDUs. Advertising represents the cost to market and promote the various television programs and multi-year sports programming arrangements.

q. Government Grants

Government grants are recognized if there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. Government grants received or receivable are applied to reduce the expense to which they relate.

r. Dividends

Dividends are not recognized in the consolidated financial statements until they have been approved and declared by the Board of Directors.

s. Earnings per Share

The Company presents basic and diluted earnings/loss per share data. Basic earnings/loss per share is calculated by dividing the income or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. The diluted earnings per share is determined by dividing the income or loss attributable to common shareholders by the weighted average number of common shares outstanding after adjusting for potentially dilutive effects of instruments that are convertible into common shares.

t. Foreign Currency Translation

i. Monetary assets and liabilities

Foreign currency transactions are translated at the rates of exchange in effect at the date of the transaction. Resulting foreign currency denominated monetary assets and liabilities are translated at the rates of exchange in effect at the statement of financial position date. Gains and losses on foreign exchange are recognized in the consolidated statement of income/loss.

ii. Non-monetary assets and liabilities

Non-monetary assets and liabilities that are measured on a historical cost basis are translated at the rates of exchange in effect at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value are translated at the rates of exchange in effect at the statement of financial position date. Gains and losses on foreign exchange are recognized in the consolidated statement of income/loss.

u. Borrowing Costs

The Company expenses borrowing costs in the period the costs are incurred.

v. Critical Accounting Estimates, Judgments and Assumptions

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Estimates and assumptions are generally based on historical experience and other factors management believes to be relevant at the time financial statements are prepared. Although these estimates and assumptions are made with diligence, actual results could differ from the reported amounts disclosed in the Company's consolidated financial statements.

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

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Examples of significant estimates include:

- Estimated useful life of assets;
- Allowance for doubtful accounts;
- Deferred income taxes;
- Determination of lease term of contracts with renewal options
- Incremental borrowing rate of leases

3 Capital Risk Management

The Company defines capital as the aggregate of shareholders' equity (excluding accumulated other comprehensive income) and long-term liabilities (excluding deferred income taxes).

The components of the Company's capital structure are as follows:

	2023	2022
Long Term Debt	\$1,867,189	\$2,033,243
Shareholders' equity	\$1,352,425	\$1,456,204
Ratio (Shareholders' Equity/ Long Term Debt)	0.724	0.716

4 Segment Information

Management has determined the Company has one operating segment.

5 Operating Revenue

	2023	2022
Subscription	\$1,453,304	\$1,487,650
Advertising	\$422,878	\$449,584
Programming	\$ 135,000	\$33,673
Other revenue	\$ 20,439	\$11,290
Total	\$2,031,621	\$1,982,197

6 License Fees and Distribution Costs

	2023	2022
Programming and broadcast costs	\$1,097,951	\$1,044,693
Satellite and fiber costs	\$98,443	\$124,703
Advertising	\$12,739	\$11,735
License Fees and other distribution costs	\$25,167	\$39,428
Total	\$1,234,300	\$1,220,199

7 Office, Studio and Production Expenses

Office, studio and production expenses are composed of various expenses including utilities, rent, internet/telephone, legal fees, bank charges, web development, meals & entertainment, insurance, license, courier, and vehicular costs.

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Notes to Consolidated Financial Statements

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8 Depreciation, Amortization & Impairments

	2023	2022
Broadcast equipment	\$33,887	\$48,682
IT equipment	\$2,514	\$2,709
Furniture and fixtures	\$1,153	\$1,442
Right of use assets	\$99,627	\$139,308
Leasehold improvements	\$7,780	\$8,001
Total	\$144,961	\$200,142

9 Income Taxes

As of the current quarter, there have been no adjustments to the income taxes asset or liability. The deferred tax balance remains unchanged and any modifications to this balance will be implemented by the conclusion of the fiscal year 2023.

10 Authorized & Share Capital

The Company's authorized and issued capital is as follows:

- An unlimited number of Class "A" preference shares, with no par value, with a \$0.12 cumulative dividend, payable on the third anniversary date from issuance. They are non-voting, redeemable and retractable at the amount paid thereon after the third anniversary date from issuance and convertible at the option of the holder at the rate of \$225,000 of preference shares in exchange for 1% issued and outstanding common shares. None of this class of shares is outstanding.
- An unlimited number of Class "B" preference shares, with no par value, which have non-cumulative dividends, are non-voting, and are redeemable and retractable at the amount paid thereon. None of this class of shares is outstanding.
- An unlimited number of common shares with no par value. The following details the issued and outstanding common shares for the Period ended September 30, 2023 and September 30, 2022:

Common shares	Number of Shares
Balance, January 1, 2022	24,402,914
<i>Issued, repurchased or cancelled shares</i>	0
Balance, September 30, 2022	24,402,914
<i>Issued, repurchased or cancelled shares</i>	0
Balance, September 30, 2023	24,402,914

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Notes to Consolidated Financial Statements

For the Quarter ended September 30, 2023, and September 30, 2022

11 Loss Per Share

The following table sets forth the computation of basic and diluted income (loss) per share for the comparable periods:

	2023	2022
Numerator for basic and diluted income (loss) per share available to common shareholders		
Net income (loss) attributable to common shareholders	\$ (13,868)	\$ (395,198)
Denominator for basic income (loss) per share - weighted average number of shares outstanding	24,402,914	24,402,914
Effect of potentially dilutive instruments	-	-
Denominator for dilutive income (loss) per share - adjusted weighted average shares	24,402,914	24,402,914
Basic and dilutive income (loss) per share	(0.00)	(0.02)

12 Property, Plant and Equipment

	30 September, 2023			31 December, 2022		
	Cost	Accumulated Depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Furniture and fixtures	\$327,661.16	(\$304,767.19)	\$22,893.97	\$327,661.16	\$(301,307.41)	\$26,353.75
IT equipment	\$474,321.41	(\$464,169.56)	\$10,151.85	\$474,321.41	\$(456,501.94)	\$17,819.47
Production equipment	\$544,724.83	(\$531,648.00)	\$13,076.83	\$544,724.83	\$(520,414.57)	\$24,310.26
Broadcast equipment	\$5,325,709.40	(\$5,050,826.12)	\$274,883.28	\$5,325,709.40	\$(4,947,261.47)	\$378,447.93
Leasehold improvements	\$466,579.64	(\$332,608.82)	\$133,970.82	\$466,579.64	\$(309,267.41)	\$157,312.23
Other Fixed Assets/Clearing	\$321,623.33	-	\$321,623.33	-	-	-
Right of use asset - building	\$2,861,750.42	(\$1,010,077.82)	\$1,851,672.60	\$2,861,750.42	\$(631,255.49)	\$2,230,494.93
Right of use asset - other	\$91,786.72	(\$86,893.68)	\$4,893.04	\$91,786.72	\$(64,874.91)	\$26,911.81
Total	\$10,414,156.91	(\$7,476,224.00)	\$2,633,165.72	\$10,414,156.91	(\$7,344,856.42)	\$2,867,068.28

13 Intangible Assets

	30 September, 2023			31 December, 2022		
	Cost	Accumulated Amortization	Net book value	Cost	Accumulated Amortization	Net book value
Broadcast Licenses & Broadcast Rights	\$4,848,938.73	\$(4,848,938.73)	-	\$4,848,938.73	\$(4,742,459.73)	\$106,479.00
Tape Library	\$4,560,000.00	\$(4,560,000.00)	-	\$4,560,000.00	\$(4,560,000.00)	-
CRTC license	\$419,411.60	\$(419,411.60)	-	\$419,411.60	\$(419,411.60)	-
Film Rights				\$85,000.00	-	\$85,000.00
Total	\$9,828,350.33	\$(9,828,350.33)	-	\$9,828,350.33	\$(9,721,871.33)	\$191,479.00

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14 Cash and Cash Equivalents

	2023	2022
Cash on Hand	\$0	\$500
Bank Balance	\$16,937	\$68,193
Total	\$16,937	\$68,693

15 Short Term Investments

Long-term investments are Guaranteed Investment Certificates held at a major Canadian financial institution with maturities greater than one year after year end.

16 Accounts Payable and Accrued Liabilities

	2023	2022
Accounts & Other Payables	\$2,129,775	\$2,581,902
Accrued Liabilities	\$156,238	\$486,690
Total	\$2,286,013	\$3,068,592

17 Bank Indebtedness

The Company has an authorized line of credit (the "Line") of a maximum of \$500,000 at a Canadian financial institution. The interest rate applicable is the financial institution's prime rate plus 0.5%, per annum. \$140,000 of the \$500,000 line of credit is utilized as of September 30, 2023 (2022 - \$330,000). The lending is secured by a \$500,000 Guaranteed Investment Certificate held with the same major Canadian financial institution which bears interest at the prevailing GIC rate when it is renewed.

18 Commitments

In the normal course of its operations, the Company has entered into agreements for the acquisition of program rights to be aired on its television network along with agreements for signal delivery to distribute the acquired rights to Broadcast Distribution Undertakings with terms ranging from one to two years. The acquisition of the rights and related obligations is contingent on the actual delivery of programming by the supplying partners and on other contractual terms. The total commitment for programming rights, signal delivery and other commitments that are measurable at September 30, 2023, are estimated as follows:

2023	\$	888,924
2024		787,840
2025		719,692
Thereafter		882,112
	\$	3,278,568

19 Related Party Transactions

Transactions with key management personnel

Key management personnel include the directors and senior management of the Company that are primarily responsible for planning, directing and controlling the Company's business activities. Compensation expense for key management is included in employee costs.

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20 Financial Instruments

a. Risks Arising from Financial Instruments

In the normal course of business, the Company has exposure, consisting primarily of interest rate risk, credit risk, foreign exchange risk and liquidity risk, arising from its financial instruments. The Company manages these risk exposures on an ongoing basis.

i Interest rate risk

Borrowing under the Company's Line of credit is subject to interest rate fluctuations. The Company is not materially exposed to interest rate risk.

Furthermore, interest rate fluctuations could have an impact on the Company's interest income that it earns on its cash deposits. The Company has an investment policy designed to safeguard its capital and generate a reasonable return. The policy sets out the types of permissible investment instruments, their concentration and acceptable credit ratings.

Interest rate fluctuations also have an impact on the Company's consolidated net income and comprehensive income. With all other variables held constant, a 1% interest rate change would have an insignificant impact to the consolidated net income.

ii Foreign currency risk

A portion of the Company's revenue and expenses are in foreign currencies. Consequently, some assets and liabilities are exposed to foreign exchange fluctuations.

Changes in foreign exchange rates may cause translation effects that have a significant impact on operating costs and consolidated net income. A strengthening of the Canadian dollar, which is not hedged, for the year ended September 30, 2023 would have a positive impact on net income. A weakening would have an equal but opposite impact.

iii. Credit risk

Credit exposure on financial instruments arises from the possibility that a counterparty to an instrument for which the Company is entitled to receive payment fails to perform. Trade and other receivables arise mainly from monthly wholesale fees charged to BDUs in connection with specialty and pay television subscriptions and from the sales of advertising aired on the Company's television channels.

Customers distributing the Company's television services are generally large companies with stable financial conditions, thereby mitigating the Company's credit risks related to accounts receivable from such customers. The Company's credit exposure emanating from advertising transactions with advertising agencies and direct clients is influenced by the global economic environment. The Company performs ongoing customer credit evaluations. Allowances, which are estimated on the basis of historical loss rates adjusted for current events, are monitored by management on an ongoing basis. Accounts receivable are written off against the allowance for doubtful accounts only when the Company believes that an outstanding amount will not be recovered. For the year ended September 30, 2023, the Company has not taken an allowance for doubtful accounts as it does not suspect any foreseeable write offs. Historically, the Company has not suffered any material losses related to credit risk. The Company manages its accounts receivable on an ongoing basis and every month management reviews the accounts receivable aging.

The maximum credit risk to which the Company is exposed equals its accounts receivable are aged as follows as at September 30, 2023:

	2023	2022
Total	\$1,600,562	\$1,636,019
Less: allowance for doubtful accounts	-	(73,184)
Total	\$1,600,562	\$1,562,835

b. Fair Values

The carrying values of cash, trade and other receivable, accounts payable and accrued liabilities approximate their fair values because of the short term nature of these financial instruments. The fair value of the Company's long-term debt and lease obligation is not significantly different from its carrying amount, due to the market rate of interest charged on the balance.

Asian Television Network International Limited

Notes to Consolidated Financial Statements

For the Quarter ended September 30, 2023, and September 30, 2022

21 Accounting Pronouncements

There were no accounting pronouncements adopted during the year ended September 30, 2023.

Previous Accounting Pronouncements

- In January 2020, the International Accounting Standards Board (IASB) issued amendments to IAS 1 which were incorporated into Part I of the CPA Canada Handbook in April 2020. The amendments clarify the requirements for classifying liabilities as either current or non-current by specifying the conditions which exist at the end of the reporting period that determine if a right to defer settlement of a liability exists. The amendments apply on or after January 1, 2023. Early application is permitted. The adoption of the above is not expected to have a material impact on the Company's consolidated financial statements.
- In February 2021, the IASB issued amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 "Making Materiality Judgments" which were incorporated into Part I of the CPA Canada Handbook in June 2021. The amendments help entities provide accounting policy disclosures that are more useful to primary users of financial statements by replacing the requirement to disclose "significant" accounting policies under IAS 1 with a requirement to disclose "material" accounting policies. Under this, an accounting policy would be material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that primary users of general-purpose financial statements make on the basis of those financial statements.
- In May 2021, the IASB issued amendments to the recognition exemptions under IAS 12 Income Taxes which were incorporated into Part I of the CPA Canada Handbook in September 2021. The amendments require an entity to recognize deferred tax on initial recognition of particular transactions, to the extent that transaction gives rise to equal taxable and deductible temporary differences. These amendments apply to transactions for which an entity recognizes both an asset and liability, for example leases and decommissioning liabilities. The amendments are effective on or after January 1, 2023. Earlier application is permitted. The adoption of the above standard is not expected to have a material impact on the Company's consolidated financial statements.