

**ANNUAL REPORT
AND
ACCOUNTS
1982**

**BROADCASTING
AUTHORITY**

MALTA



BROADCASTING AUTHORITY

TWENTY-SECOND ANNUAL REPORT

Year Ended 31st December 1982

ANNUAL REPORT 1982

INTRODUCTORY

In Malta, the main topic surrounding broadcasting dwelt upon television as it completed its twentieth year on the 29th September 1982 with hardly a mention after the publicity given the previous year, with the introduction of colour transmission to the other media operating under the auspices of the Broadcasting Authority.

The Authority's role in terms of Constitutional requirements was rendered difficult, just prior to the commencement of the period under review, with the resignation of the Members: Messrs Anthony V Mallia and John A Manduca. The remaining members on the Board were Mr Emanuel Bonello, CPA., FCI., FLSA (Chairman) and Messrs Renald Dalli and Angelo Fenech whose term of appointment ran until the 20th July, 1982 when it was extended until the end of the year.

GENERAL REVIEW

Functions of the Authority

The year was dominated by a number of cases instituted in the Courts when the composition of the Board of the Authority was predominant amongst the disputes. As early as February, the Chief Executive confirmed

in Court that the Authority, with reduced membership, was still functioning, so much so that even a Ministerial Broadcast under its auspices had recently been transmitted.

In its judgement, the Court held that the Authority having been properly constituted, could function and was actually functioning - notwithstanding the resignation of two of its members. The Authority had to respect the duties imposed on it by law, and that no vacancies in its composition could absolve it from such duties. As for the Authority's contractor TeleMalta Corporation, it was also decreed that it has a juridical responsibility as to what is broadcast by Xandir Malta since it is contracted by the Authority to organise the broadcasting services.

It is important to record that in May the Court of Appeal subsequently asserted that the Constitution (Art. 123 (2)) provided that a Commission set up by it (The Constitution) may function notwithstanding vacancies in its membership. Naturally, this principle applies equally to the Authority which could not justify its failure to hold a sitting to consider complaints submitted to it by claiming a lack of quorum.

In the light of this decision, the Authority represented by the Chairman and the two remaining members, held its first meeting of the year within that same week to see what could possibly be done to normalize the broadcasting situation by once again having the activities of both parties reported by Xandir Malta, a requirement upon which the Authority continued to insist all along.

Obviously, there was no easy solution to the problems arising out of the various cases before the courts and the actions connected with the calling of the Boycott ordered by the Nationalist Party (of those firms advertising their products on the broadcasting media and in the 'Gwida') and the counter directives issued by the GWU to Xandir Malta employees to refrain from covering activities by the Nationalist Party, reflected in the non-compliance with the Authority's instructions.

It is relevant to recall the case instituted by the Nationalist Party against the Authority and the TeleMalta Corporation claiming that both the latter had created or permitted an imbalance in political broadcasting to the Party's prejudice through the coverage of activities organised by the Malta Labour Party and the Nationalist Party. In one instance, Xandir Malta had broadcast speeches by the leader of the Malta Labour Party in an effort to counter-balance Nationalist Party broadcasts from abroad which, in a meeting of the Authority held the previous 19th November, had been described as affecting the balance in local broadcasting.

In such a confusing situation, the position was deliberated at length during the meeting of the Authority in May while the contention remained foremost that with a reduced membership lacking the necessary quorum, the Authority could hardly function adequately with the consequence that no decisions were taken on the various problems facing it. Another meeting of the Authority was subsequently held but with no progress registered.

No further meetings were held pending the Authority's current term ending on the 20th July, following which date it was later held by the Court that the Authority was no longer validly constituted since the mere renewal of the appointment of those three of its (remaining) members at the end of their term of office could not substitute its actual constitution in terms of the Constitution which requires that the Authority be made up of a Chairman and at least four members.

In such circumstances, the constitutional provision which stated that the Authority's representation was vested in the Chairman could not here apply observing that the Chairman could not represent an Authority which in itself was invalidly constituted.

Of particular interest, therefore, was the Court of Appeal's final affirmation of the new decision of the First Hall of the Civil Court where it confirmed that when the case originally commenced, the Authority had been a proper defendant in the suit at the time as it had then been regularly constituted. As, however, following the renewal of appointment in July solely of three of its members, the Authority was no longer regularly constituted, consequently, it could no longer remain a proper defendant.

For the first time since its establishment, the function of the Authority and its proper role in broadcasting was placed to a test.

BROADCASTING AND PARLIAMENT

Permission for Broadcasting of Parliamentary Procedures

In order that the nation becomes more aware and increasingly better informed of all that is taking place in the House, the Minister of Justice and Parliamentary Affairs, the Hon Dr Joseph Cassar introduced a Motion which was subsequently approved by a Resolution on the 17th February so that during the present Legislature those Sittings or Committees of the House would, on the order of the Speaker, be transmitted direct on television and/or directly on all the other broadcasting media.

This Resolution also empowered the Speaker to authorize the permission of the recording of certain sittings and subsequent transmission particularly on those occasions where the sitting was expected to proceed beyond the normal broadcasting hours.

Party Political Broadcasts

There being only a partially constituted board of the Authority, it was not possible to draw up, as was customary over the previous years, a scheme of such broadcasts apportioned between the parties.

Meetings with Nationalist Party Delegations

Even while the question of the composition of the Authority was being contested in Court, delegations from the Nationalist Party led by the

Deputy Leader, Dr Guido DeMarco met the Chairman, Mr Dalli and Mr Fenech along with the Chief Executive at the Authority's Offices. These meetings which took place on the 26th and 30th July as well as on the 6th August materialised as a result of correspondence that had been exchanged with the aim of seeking an agreed solution to the existing problems connected with local broadcasting generally. In view of the prevailing situation especially considering that at that particular moment the "Leader of the Opposition" did not exist, these talks were held without prejudice to either the Party or the Authority whose term had been extended the previous week in the Government Gazette.

The main themes brought up during these discussions concerned: broadcasting from abroad, removal of the existing boycotts, consideration by Government that the Nationalist Party would have its own radio and TV station equally controlled by a wholly constituted Authority which would ensure the safeguards of the spirit and the content of the Constitution and the Ordinance governing all spheres of broadcasting in these Islands.

After these meetings both sides were to consider the various points that had arisen with a view finally to changing broadcasting legislation and reaching an agreement on broadcasting.

The Foreign Interference Act

The ongoing controversy over broadcasting, mainly through the boycotts aforementioned, was further accentuated by the transmission of broadcasts of a political nature by the Nationalist Party transmitting from

Sicily to Malta.

In a move designed to stop these television and radio broadcasts, Parliament deliberated, over five sittings transmitted live, the enactment of the Foreign Interference Bill which, on passing through all the stages, became "Act No. XI of 1982 - an Act to make provision with respect to certain foreign activities in or in relation to Malta, and with respect to matters connected therewith or ancillary thereto". The Act came into force on its publication in the Government Gazette Number 14,031 of the 1st September, 1982.

Following the suspension of transmission from Sicily on the 3rd August 1982, it was held that this Act would hold back a foreign government from reopening such a station in the future.

In Parliament, the Prime Minister stressed that such legislation did not make the receiving of normal radio and television broadcasts from abroad an offence. However, under this Act, no Maltese citizen could approach a foreign state and broadcast to these Islands, thereby being immune from prosecution locally for any infringement as prescribed under the Broadcasting Ordinance 1961. Once broadcasting were regulated in Malta, it would henceforth likewise be regulated from abroad.

OVERSEAS CONTACTS

As on previous occasions, the Authority did not fail in maintaining its contacts long held with Broadcasting organisations overseas.

Following ministerial approval that Xandir Malta reverts to sharing its joint subscription without any interruption to the European Broadcasting Union (EBU) along with the Authority, the Chief Executive discussed Malta's continuing membership and the fees chargeable by the Union in the light of the financial position facing the Authority and Xandir Malta in particular.

These discussions were held during the General Assembly of the Union held in Killarney, Ireland in June; having regard to the internal broadcasting situation prevailing, a major reduction was approved in our fees for this year, while maintaining the previous subscription for 1983.

Preceding these discussions, Mr Zammit Cordina (Malta Broadcasting Authority) and Mr Norman Hamilton (Xandir Malta) attended the EBU's Eurovision Contact Meetings held in Geneva. Their attendance was further made possible through Air Malta's donation of two free return air passages, acknowledged with much gratitude.

Prior to his proceeding to Ireland, the Chief Executive subsequently accompanied by Mr Michael Camilleri represented the Authority at the bi-annual conference of the Commonwealth Broadcasting Association held in Toronto, Canada. The Conference called for more intensive efforts to inform, educate and, where necessary change attitudes of certain politicians and policy makers also stressing the need for systematic training for broadcasters and technicians. Attendance at such meetings is always recommended considering the benefit derived

in the national interest. In fact the Conference was specifically arranged to be followed closely by that of the EBU enabling most broadcasting executives (in this case the Chief Executive) to attend both sessions.

THE AUTHORITY AND ITS BROADCASTS CONTRACTORS

As in the previous year, the Authority continued with its efforts to induce Xandir Malta to, as much as possible, raise the overall standard of certain programmes, especially as regards drama and culture.

This view was also voiced in the House of Representatives during the debate on the financial estimates of TeleMalta Corporation early in the year. In fact, the Prime Minister, Mr Mintoff, speaking during the Adjournment in regard to TVM, criticized the lack of cultural programmes, stating that more high quality films should be shown as opposed to those of dubious value being transmitted. The Prime Minister quoting RAI as example, said that Xandir Malta should endeavour to produce and show programming of high standard, including documentaries and other more enjoyable as well as educative fare.

Aspects of broadcasting activities carried out by Xandir Malta were detailed in TeleMalta Corporation's annual report for 1981/82.

STAFF MOVEMENTS

On the 1st February 1982, Mr Alex Pace previously on the staff of the Authority was upgraded to be Programme Editor. He was subsequently

selected and followed a Course in General Television Production and Direction sponsored by, and held at the Radio Netherland Training Centre running from 26th August to the 17th December. This course was offered and gratefully accepted in furtherance of the cooperation existing between Malta and The Netherlands.

FINANCE

The audited accounts of the Authority for the financial year to the 31st December 1982 are shown, with comparative figures for the previous twelve months, annexed to this report.

BROADCASTING AUTHORITY

(constituted under Ordinance XX of 1961)

FINANCIAL STATEMENTS

31st DECEMBER, 1982

INDEX

Page

1.	Report of the Auditors
2.	Balance Sheet
3.	Income and Expenditure Account
4 to 6	Notes to the Accounts

Schedule

1.	Expenditure on Prescribed Programmes
2.	Administration Expenses
3.	Changes in the Cash Position
4.	Changes in Net Working Capital Position

REPORT OF THE AUDITORS
TO THE MEMBERS OF THE
BROADCASTING AUTHORITY

We have examined the annexed Balance Sheet and Income and Expenditure Account which are in agreement with the books and records kept by the Authority and have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. Proper books of account have been kept, so far as appears from our examination thereof.

In our opinion and according to the information and explanations given to us, the said Balance Sheet and Income and Expenditure Account read in conjunction with the notes thereon, give a true and fair view of the state of affairs of the Authority at 31 December, 1982 and of the results for the year ended on that date.



Diamantino, Mizzi & Co
Certified Public Accountants and Auditors

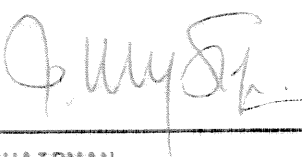
Valletta Buildings
South Street
Valletta

11 July, 1989.

BROADCASTING AUTHORITY(Constituted under Ordinance XX of 1961)BALANCE SHEET31st DECEMBER, 1982

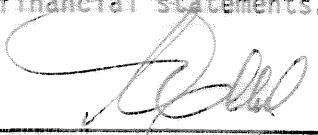
	<u>Notes</u>	Lm	Lm	<u>31.12.81</u> Lm
FIXED ASSETS	1 & 2		4,600	2,044
CURRENT ASSETS	3	32,226		28,496
CURRENT LIABILITIES	4	(1,458)		(7,462)
			30,768	21,034
			35,368	23,078
<u>Less:</u>				
SHORTFALL IN "PRESCRIBED PROGRAMMES"	5		(173,949)	(148,202)
			(138,581)	(125,124)
GRANTS	6		16,960	16,960
GOVERNMENT CONTRIBUTIONS	7		38,103	35,249
			55,063	52,209
SHORTFALL IN "AVAILABLE FUND"	5		(193,644)	(177,333)
			(138,581)	(125,124)

SIGNED ON BEHALF OF THE MEMBERS
OF THE AUTHORITY



CHAIRMAN

The notes on pages 4 to
5 form part of these
financial statements.



CHIEF EXECUTIVE

BROADCASTING AUTHORITY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31st DECEMBER, 1982

		<u>1981</u>
	Lm	Lm
INCOME - (Note 8)	58,527	59,143
<u>Less:</u>		
Amounts utilised towards purchase of fixed assets	(2,854)	90
	<hr/>	<hr/>
	55,673	59,233
EXPENDITURE		
Administration	(36,984)	(42,548)
	<hr/>	<hr/>
	18,689	16,685
On prescribed programmes	(9,253)	(15,190)
	<hr/>	<hr/>
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR	9,436	1,495
SHORTFALL IN "PRESCRIBED PROGRAMMES"	(25,747)	(19,810)
	<hr/>	<hr/>
SHORTFALL IN "AVAILABLE FUND"	(16,311)	(18,315)
	<hr/>	<hr/>
AVAILABLE FUND		
Shortfall brought forward	(177,333)	(159,018)
Shortfall for the year	(16,311)	(18,315)
	<hr/>	<hr/>
Shortfall carried forward	(193,644)	(177,333)
	<hr/>	<hr/>

The notes on pages 4 to
6 form part of these
financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31st DECEMBER, 1982

1. ACCOUNTING POLICIES

Depreciation of Fixed Assets

Depreciation is calculated on the straight line basis at the rates shown below:

Freehold Land	N11
Furniture, Fittings and Office Equipment	20 - 10%
Technical Equipment	25%
Studio Equipment	20%
Motor Vehicles	20%
Radio Malta -	
Furniture and Fittings	35 - 20 - 10%
Studio and Technical Equipment	25 - 20 - 10%

Expenditure on Prescribed Programmes

Twenty per cent of general administrative expenses is allocated to and forms part of "Expenditure on prescribed programmes" required to be incurred by the authority in accordance with Clause 12 of a broadcasting agreement dated 28th September, 1961.

2. FIXED ASSETS

	Total	Furniture, Fittings and Office Equipment			Radio Malta		
		Freehold Land	Technical Equipment	Studio Equipment	Motor Vehicle	Furniture/ Fittings	Studio and Technical Equipment
	Lm	Lm	Lm	Lm	Lm	Lm	Lm
Cost (1st January, 1982)	50,746	655	8,253	8,119	1,624	1,438	19,963
Additions	4,478	-	585	-	3,893	-	-
Disposals	(1,624)	-	-	-	(1,624)	-	-
Cost (31st December, 1982)	53,600	655	8,838	8,119	3,893	1,438	19,963
Depreciation (1st January, 1982)	48,702	-	7,919	8,119	1,624	1,399	18,969
Charge for the year	1,922	-	316	-	779	13	806
Depreciation on Disposals	(1,624)	-	-	-	(1,624)	-	-
Depreciation (31st December, 1982)	49,000	-	8,235	8,119	779	1,412	19,775
Net Book Value (31st December, 1982)	4,600	655	603	-	3,114	26	188
Net Book Value (31st December, 1981)	2,044	655	334	-	-	39	994

BROADCASTING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31st DECEMBER, 1982

3. CURRENT ASSETS

		<u>31.12.81</u>
	Lm	Lm
Debtors and Prepayments	14,785	16,588
Cash in Hand and at Bank	17,441	11,908
	<hr/>	<hr/>
	32,226	28,496
	<hr/>	<hr/>

4. CURRENT LIABILITIES

	Lm	Lm
Creditors and Accruals	1,458	7,462
	<hr/>	<hr/>

5. SHORTFALL IN "AVAILABLE FUNDS" AND IN "PRESCRIBED PROGRAMMES"

Arising out of Broadcasting agreements, the Authority is obliged to apply a sum of Lm35,000 per annum (referred to as the "Available Fund") towards the improvements of programmes (referred to as the Prescribed Programmes").

The income of the Authority was not always sufficient to enable it to meet its obligation towards "prescribed programmes". The shortfall in income is represented by the "shortfall in Available Funds".

6. GRANTS

These represent grants of Technical Equipment received from foreign organisations.

BROADCASTING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31st DECEMBER, 1982

7. GOVERNMENT CONTRIBUTIONS

These relate to contributions from wireless licence fees and are made up as follows:

		<u>31.12.82</u>
	Lm	Lm
Amounts applied for capital purposes to date	36,640	33,786
Provision for loss or damage to films on hire	<u>1,463</u>	<u>1,463</u>
	38,103	35,249
	=====	=====

8. INCOME

	Lm	Lm
Government Contributions from		
Wireless Licence fees	56,000	58,000
Licence Fees from Contractor	751	751
Ground Rents	14	14
Bank Interest	662	378
Profit on disposal of Fixed Assets	<u>1,100</u>	<u>-</u>
	58,527	59,143
	=====	=====

**BROADCASTING AUTHORITY
EXPENDITURE ON PRESCRIBED PROGRAMMES
FOR THE YEAR ENDED 31st DECEMBER, 1982**

Expenditure on Sound and Television Broadcasts is regulated by Clause 12 of an agreement dated 28th September, 1961 which stipulates an annual expenditure on programmes prescribed by the Authority as follows:

	Sound Broadcasts	Television Broadcasts
Lm10,000		
Lm25,000		

The amount incurred during the period is as shown below:—

	Total	Sound	Television
	31.12.82	31.12.82	31.12.81
	Lm	Lm	Lm
Airtime and Studio Charges	-	-	3,480
Depreciation on Technical Equipment	8	4	4
Proportion of Overhead Expenses (Schedule 2)	9,245	2,635	6,610
	9,253	2,639	11,090
Liability for amount payable towards the improvement of programmes	25,747	7,361	13,910
	35,000	10,000	25,000

BROADCASTING AUTHORITY
ADMINISTRATION EXPENSES
FOR THE YEAR ENDED 31st DECEMBER, 1982

		<u>31.12.81</u>
	Lm	Lm
Audit Fee	400	400
Depreciation		
Furniture and Fittings	241	132
Office Equipment	75	203
Motor Vehicle	778	-
Duty Visits Abroad	2,628	573
Entertainment and Hospitality	548	334
Gratuities	-	15,074
Honoraria to Members	1,250	1,311
Professional Fees and Expenses	483	1,175
Maintenance and Repairs	1,829	243
Membership Fees -		
International Organisations	1,861	3,242
Postages, Telegrams and Telephones	849	760
Rent	1,450	1,500
Rentals of Wired Sound and Television Sets	94	125
Stationery	571	562
Subscriptions to Newspapers, etc.	150	114
Sundry Expenses	479	303
Transport	959	817
Wages and Salaries	28,873	23,938
N.I. Contributions	2,155	2,005
Water and Electricity	556	375
	<hr/>	<hr/>
	46,229	53,186
<u>Less:</u>		
Amounts charged against prescribed programmes		
Sound Broadcasts - 5.7% (Schedule 1)	(2,635)	(3,032)
Television Broadcasts - 14.3% (Schedule 1)	(6,610)	(7,606)
	<hr/>	<hr/>
	36,984	42,548
	<hr/>	<hr/>

BROADCASTING AUTHORITY
CHANGES IN THE CASH POSITION
FOR THE YEAR ENDED 31st DECEMBER, 1982

			<u>31.12.81</u>
	Lm	Lm	Lm
Funds became available during the year as follows:			
Government Contributions		56,000	58,000
Sundry Income		2,527	1,143
		<hr/>	<hr/>
		58,527	59,143
		<hr/>	<hr/>
and applied to meet			
Purchase of Fixed Assets		4,478	-
Expenditure on Prescribed Programmes		9,253	15,190
Administration		36,984	42,548
		<hr/>	<hr/>
		(50,715)	(57,738)
		<hr/>	<hr/>
Leaving a Surplus of Income over Expenditure		7,812	1,405
			<hr/>
From this Surplus is added:			
Increase in Debtors	70		33
Provisions for amounts payable in respect of prescribed programmes	25,747		19,810
		<hr/>	<hr/>
		(25,817)	(19,843)
		<hr/>	<hr/>
Leaving a net deficit for the year of		(18,005)	(18,438)
			<hr/>
The Deficit is decreased by			
Increase in Creditors	21,616		21,505
Retained Depreciation	1,922		1,162
		<hr/>	<hr/>
		23,538	22,667
		<hr/>	<hr/>
Leaving a net cash surplus for the year of		5,533	4,229
		<hr/>	<hr/>

BROADCASTING AUTHORITY
CHANGES IN THE CASH POSITION (Continued)
FOR THE YEAR ENDED 31st DECEMBER, 1982

The Net Cash Surplus for the year effected the Authority's Liquid Funds as follows:

	Cash and Bank Balances as at		31.12.82	31.12.81
	31.12.81	31.12.82		
	Lm	Lm	Lm	Lm
Bank Savings Account	10,581	13,436	2,855	1,879
Current Account	1,272	3,932	2,660	2,342
Cash	55	73	18	8
	<hr/>	<hr/>	<hr/>	<hr/>
	11,908	17,441	5,533	4,229
	=====	=====	=====	=====

Schedule 4.

BROADCASTING AUTHORITY
CHANGES IN NET WORKING CAPITAL POSITION
FOR THE YEAR ENDED 31st DECEMBER, 1982

		<u>31.12.82</u>	<u>31.12.81</u>
	Lm	Lm	Lm
Cash Surplus for the year (Schedule 3)		5,533	4,229
			<hr/>
Increase in Debtors	(70)		(33)
Increase in Creditors	21,616		21,505
	<hr/>		<hr/>
		21,546	21,472
		<hr/>	<hr/>
Decrease in Net Working Capital		16,013	17,243
		<hr/> <hr/>	<hr/> <hr/>