

**ANNUAL REPORT
AND
ACCOUNTS
1987**

**BROADCASTING
AUTHORITY**

MALTA



BROADCASTING AUTHORITY

ANNUAL REPORT

Covering the period

January - December 1987

C O N T E N T S

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INTRODUCTORY

1987 was General Election Year and this event which was held in May left its mark on the broadcasting services and put to the test the Broadcasting Authority's regulatory role and its carefully prepared plans to ensure fairness and impartiality.

The strongest test of media impartiality comes at times of internal stress such as at an election period, when demands on broadcasting time are at their highest level and political parties are constantly watchful and prone to accuse each other and the broadcasting services at the slightest detection of any real or alleged grievance. It is no wonder, therefore, that the Authority had to devote a great deal of time dealing with complaints - and of these, there were 86 during the year arising solely from news broadcasts most of which occurred during the months preceding the election. The Authority considered each case on its merits and after thorough investigation communicated its decision to the party concerned and, wherever necessary, took remedial action through Xandir Malta.

The Broadcasting Authority does not as a rule originate programmes broadcast on radio and television although it can do so in terms of the Broadcasting Ordinance. Although, with some minor exceptions, the Authority does not produce programmes it is ultimately responsible to Parliament and the public for everything which its Programme Contractor - the TeleMalta Corporation with Xandir Malta as its broadcasting division - transmits.

This public accountability arises from the provisions of the Constitution which whilst safeguarding the independence of the Authority requires it to ensure that programmes preserve due impartiality in matters of political or industrial controversy or relating to current public policy. It is also the duty of the Authority to fairly apportion broadcasting facilities and time between persons belonging to different political parties. The Broadcasting Ordinance lays down other related obligations which are to be observed in the presentation of news broadcasts.

These responsibilities and the restrictions they imply are unique to broadcasting and constitute the essential difference between radio and television and their counterparts in the print sector. Newspapers can, for instance, back which political party they choose but the broadcasting services must be balanced and impartial. As an added safeguard, contractual provisions prohibit Xandir Malta from having editorial opinions of its own. The Broadcasting media cannot take sides but have a duty to reflect all main views on issues of controversy.

Conscious of its responsibilities and working within its legal framework, the Authority formulated a set of rules which were strictly enforced during the election campaign. These directives which were also made public at the time had the exclusive aim of avoiding any use being made of the broadcasting media for the purpose of exercising undue influence on electors by the election contestants during this delicate period.

The Authority's role, however, was not merely regulatory. The Authority used its own funds to produce and prescribe two series of programmes. One was the Party Election Broadcasts series and the other a series of discussion programmes under the general title of 'Il-Fehma Taghna'. Further details about these programmes are given in a later section of this report.

The present system of broadcasting operates under a mixture of public service and commercial influences and has been functioning under various strains and stresses for the last 26 years. During most of this period, enough evidence has been recorded to demonstrate the need of change which can only be brought about by legislation. The prime weaknesses in the system are: the method of the Authority's financing which is radically in need of overhaul since funds are neither adequate nor guaranteed; and the machinery which regulates the Authority's supervisory and control powers over its Programme Contractor.

As matters now stand, Xandir Malta forms part (and has done so for the last 12 years) of a para-statal corporation which has other interests unconnected with broadcasting. This set-up is not the ideal method through which broadcasting should be organised. Neither does it make the Authority's tasks of supervision and control any easier. In fact there were several instances during the first four months of the year under review when the inevitable stress of a pre-election period became more pronounced through lack of cooperation by Xandir Malta. Although the Authority's relations with its Programme Contractor are regulated by contract, this too is mainly negative in character and lacks provision for sanctions which could be speedily and effectively applied to control difficult situations which might develop.

This need for effective control is felt by the Authority because it is recognised that the broadcasting media exert a powerful influence on society and because with control and direction the media can make good use of the public assets available to them for the welfare of the whole nation.

During 1987 two other significant events were recorded. Television celebrated its twenty-fifth anniversary having been inaugurated in Malta on the 29th September 1962. Much has happened since that date and progress has been recorded in various sectors of television. This was mainly due to the untiring efforts, dedication and hard work put in by the management and staff at Xandir Malta. Much further progress can be achieved if broadcasting is given the means and allowed to develop,

free from undue political pressures, on the lines of its traditional objectives to inform, entertain and educate its audience.

The second event concerned the setting up in August by the House of Representatives of a Select Committee to make recommendations on changes in the Constitution. One of the Select Committee's declared aims was the review of broadcasting legislation. All political parties agree that broadcasting should be kept out of political control. However, there are divergent opinions concerning the best means by which the broadcasting services should be regulated so that they can function in the public interest.

Towards the end of the year under review, the Authority contributed its considered proposals and recommendations on the organisation of broadcasting to the Select Committee for consideration.

PROFILE OF THE YEAR

The Authority

The Authority owes its continued existence to Section 118 of the Constitution which also lays down its minimum membership. This shall consist of a Chairman and four other Members. According to the Broadcasting Ordinance 1961, the number of members could be increased to a maximum of six.

The Chairman and Members of the Authority hold Office for a period of up to five years and are ineligible for appointment to any public Office within a three-year period subsequent to the day on which they last held Office as Members of the Authority.

On 31st December 1987 the Broadcasting Authority was composed as follows:-

Dr. Joseph Micallef Stafrace, B.A., LL.D.	-	Chairman
Mr. Joseph J Camilleri, B.A., M.A., A.I.E. (Lond.)		
Mr. Laurence Mizzi, S.Th.Dip.		
Mr. Joseph Sammut		
Dr. Kenneth Wain, B.A.(Hons.) (Lond.), M.A., Dip.Ed. (Lond.), Ph.D. (Lond.)		

On the 22nd July 1987, the Chairman and Members with the exception of Mr Manni Spiteri who had resigned were confirmed in their appointment for a further period of two years expiring in July 1989. Concurrently, Dr. Wain was appointed for the first time for a two-year term.

Mr Manni Spiteri who had been appointed Member of the Authority in July 1986 relinquished his appointment on the 13th May 1987 on being appointed Acting Head of Xandir Malta. The Authority wishes to record its appreciation of Mr Spiteri's services rendered during his term of Office with the Authority.

During the year under review, the Authority held 75 formal sessions each lasting approximately six hours. Several other meetings were held with constituted bodies when matters of mutual broadcasting interest were discussed.

By Notice No. 543 in the Government Gazette of the 11th September 1987, the Acting President of Malta appointed Mr Laurence Mizzi to be Acting Chairman of the Authority during the absence from Malta of Dr. J. Micallef Stafrace who visited the United States in September and October on a USIS Exchange Visitor Scheme. Mr Mizzi's acting appointment was made in terms of Section 118 (7) of the Constitution.

The honorarium paid to the Chairman and Members of the Authority is determined by the President and paid in accordance with Section 3 (6) of the Broadcasting Ordinance. On the 22nd September 1987, the Cabinet advised the President to revise the honorarium to Lm2000 per annum for the Chairman and Lm1000 per annum for each of the Members. The Authority whilst acknowledging the improvement registered in this matter feels that the revised rates are still not commensurate with the onerous duties and the responsibilities expected of it.

Staff and Organisation

The total staff employed by the Authority on 31st December 1987 was as follows:-

Managerial....	....	....	1
Administrative....	....	....	2
Programming....	....	....	3
Clerical and Secreterial	....	....	3
Other	....	....	3

The Authority, if it is to be in a position to fulfil its statutory duties, must be kept fully informed about the programmes broadcast or planned for production on radio and television. It will be seen from the above figures that only three members of the staff were fully engaged on programme supervision and monitoring. In fact, it had become necessary to request other members of the staff to watch and assess programmes outside normal working hours. It is essential to engage more personnel and provide them with adequate professional training if the Authority is to carry out its obligations adequately and in a competent manner. Efforts to recruit staff were being made at the end of the year.

In accordance with the provisions of Section 4 (1) of the Broadcasting Ordinance, it is the Prime Minister's prerogative to appoint the Authority's Chief Executive. Following the general elections which were held in May, the Prime Minister appointed Mr Antoine Ellul to the post of Chief Executive in July 1987. Mr Ellul was formerly associated with broadcasting having served with the Authority in various capacities during the period 1961 to 1981. He had also represented the Authority at several international broadcasting conferences held in Commonwealth and European countries.

Mr Ellul succeeded Mr Frans Carbone who had been the Authority's Chief Executive since 1981. The Authority records its thanks and appreciation for Mr Carbone's efforts on its behalf during the period of his appointment at the end of which the Authority made suitable

ad hoc financial arrangements to compensate Mr Carbone on his retirement.

Arrangements were made during the year to upgrade the level of the post of Secretary to the Authority. This post which for many years had been pegged to a Civil Service grade with totally unconnected duties and responsibilities was finally accorded the status of Assistant Head with a salary scale comparable to this post in the Civil Service. The Authority expects that other anomalies within its staff structure will be revised in due course.

Another measure implemented during the year concerned the payment for overtime work rather than accumulation of time off in lieu which because of pressure of work could not be availed of by most of the personnel concerned.

Finance

The audited Accounts of the Authority for the year ended 31st December 1987 are attached as an appendix to this report. They show the comparative figures for the previous year.

Income increased substantially during the year from Lm13,843 in 1986 to Lm80,989 in 1987. This increase was due to a more realistic government grant from Wireless Licence Fees. It was also attributable to the fact that 1987 was the first full year after the preceding

four-year period when the Authority was not constituted - during which the Authority was again operational. Total expenditure during the year amounted to Lm80,001 leaving a small 'surplus' of Lm988. The funds available to the Authority were applied to meet administration expenses - Lm49,882; airtime and studio charges for prescribed programmes - Lm26,043 and the purchase of fixed assets - Lm4,076.

It is again recorded in the accounts that the financial contractual obligation towards the Programme Contractors is not being met for lack of funds. The shortfall for 1987 was Lm7,969 whilst the accumulated shortfall since this obligation was laid aside, through no fault of the Authority, amounted to Lm325,751.

The General Election

General Elections were held in May. This was the sixth general election in which the Authority was involved since its establishment in 1961. It was also one of the most hotly contested elections and campaign activities were given extensive coverage on radio and television. The Authority spared no efforts to ensure that the coverage given was balanced and impartial and that the electorate had every opportunity of seeing personalities from all parties and hearing arguments from all aspects of the political spectrum.

As stated earlier in this report the Authority had the delicate task of ensuring, as far as possible, that facilities and time are fairly

apportioned between persons belonging to different political parties and that the media were not used, either accidentally or by design, to provide unfair advantage to any of the election contestants. For this purpose the Authority issued the following specific directives, effective from 13 April 1987, to the TeleMalta Corporation and to Xandir Malta which were respectively responsible for providing the transmission facilities and the programme production opportunities. The directives were:

1. No prospective election candidate will be allowed access to the broadcasting media except for normal coverage in news bulletins or in the Authority's organised scheme of party political broadcasts.
2. No changes in the schedule of programmes are to be made except with the prior specific approval of the Authority.
3. During the 15-day period immediately preceding the elections, no broadcasts are allowed if these originate from Government Ministeries or departments. The only exceptions are the Government Notices slot and news reports.
4. During the final two weeks of the election campaign, no current affairs programmes dealing with local matters will be broadcast.
5. Also prohibited are political or other comments which could be construed as being in favour or against the government and the political parties. This ban, naturally, applies to locally originated programmes only.

The Authority issued and made these directives public in an effort to retain a firm grip on the local broadcasting scene and to ensure that fairness and impartiality were observed. The prohibitions referred to in the directives did not apply to the Authority's own programmes or other programme output authorised by it or to anything broadcast by the Electoral Commission.

Following discussions with representatives of the political parties, the Authority made arrangements in connection with a series of General Election Broadcasts. The scheme made available 655 minutes of airtime spread over a period of two weeks and consisted of talks, press conferences, debates and for the first time - a one-hour programme during which leaders of the two main parties replied to press questions concerning their respective party manifestos.

In accordance with established practice, the last broadcast was reserved for the party in Government and the penultimate was allocated to the party in Opposition. The order of the remaining broadcasts was pre-determined by the Authority. All broadcasts were utilised by the parties and independent candidates contesting the election.

The Authority's involvement in arrangements for broadcasts connected with the elections extended to the announcement of election results and the immediate aftermath. Working in close consultation with the Electoral Commission (joint sittings were held and liaison officers appointed), the Police authorities and Xandir Malta, the Authority engaged

commentators and analysts to give direct election reports and statistical information from the counting hall of Hal Far. For the first time since its inception and in agreement with Xandir Malta, two members of the Broadcasting Authority, Mr M Spiteri and Mr J Sammut were directly responsible for the programmes connected with the reporting of the election results and directed broadcasting operations from Hal Far throughout the counting process. Through these arrangements, the public was kept regularly informed throughout all the stages of the counting procedure until the final election result was announced. These arrangements included informal interviews with the two main party leaders who were eventually called upon to assume the Office of Prime Minister and that of Leader of the Opposition.

The Authority is satisfied that all its election arrangements worked smoothly and satisfactorily and contributed to the proper and orderly fashion in which the broadcasting services acquitted themselves during the 1987 elections. The Authority records its appreciation of the work put in by all those concerned with this delicate exercise.

Party Political Broadcasts

This is an area of broadcasting where the rules are prescribed in specific terms. The Authority makes an offer of time annually to the political parties represented in Parliament for a series of broadcasts the content of which is determined by the parties themselves. The Authority does not exercise any editorial control over these programmes except to ensure that they comply with the provisions of the law.

During the year under review, the Authority had two Schemes of party political broadcasts in operation. The previous annual report provides details of the first scheme which commenced in September 1986 and ended in February 1987 when Parliament was dissolved.

The second series of party political broadcasts came into operation on the 15th October 1987. This series consisted of 18 programmes with 870 minutes of airtime spread over a period of nine months. The series included press conferences, debates and four 'Face to Face' interviews. This scheme followed the established basis of allocating airtime in proportion to the parties' parliamentary strength. The 1987 series was as follows:-

Nationalist Party

- 3 Press Conferences of 60 minutes each
- 4 Debates of 50 minutes each
- 2 Interview programmes of 30 minutes each

Malta Labour Party

- 3 Press Conferences of 60 minutes each
- 4 Debates of 50 minutes each
- 2 Interview programmes of 25 minutes each.

These arrangements which were introduced after consultation with the parties represented in Parliament were criticised by the Partit Demokratiku (PDM) and the Communist Party for not having been

included in the Scheme. The Malta Labour Party, too, disagreed with some of the arrangements.

A Political Debate broadcast on 12th November 1987 gave rise to a Court case which is still pending. The Malta Labour Party and its two representatives in this debate (Dr. Alfred Sant and Mr Karmenu Vella) asked the Court to give any directives it considered necessary to ensure freedom of expression after the Authority had deleted certain words which in the opinion of its Legal Adviser were not in keeping with the requirements of the law and contravened the Authority's code prohibiting reference in these broadcasts to persons unconnected with public Office.

Ministerial Broadcasts

This is a separate category of broadcasts which is reserved to the Government of the day in view of its executive responsibilities for the care of the nation. Ministerial broadcasts are meant to be explanations of legislation or of approved policies or appeals to the public to cooperate in national policies which require active participation. These broadcasts are intended to be non-partisan but the Authority reserves the right to authorise a reply if the case for such action is proved to its satisfaction.

Six Ministerial Broadcasts were delivered during the period commencing from the time the new Government had assumed Office to 31st March

1988. Details are as follows:-

<u>Date</u>	<u>Minister</u>	<u>Subject</u>	<u>Duration</u>
1987			
1. August 27	Minister of Productive Development	Prices of Vegetables and fruit	9' 45"
2. September 2	Minister of Social Policy	Preview of policies for health, housing, Social Welfare and old age	18'
3. October 7	Minister of Education	Reforms in the Educational Sector	12' 50"
4. October 26	Minister of Finance	Treasury Bills	8' 23"
1988			
5. February 18	Minister of Social Policy	Auxiliary Workers Scheme	48'
6. March 24	Parliamentary Secretary for Housing	New Housing Scheme	32'

The total duration of Ministerial Broadcasts was 128 minutes 58 seconds out of a global annual entitlement of 240 minutes.

The Malta Labour Party claimed the right to reply to the broadcast delivered by the Minister of Productive Development. This right, however, was not established to the Authority's satisfaction and the claim was rejected.

During the course of the year, the Malta Labour Party asked for a revision of the policy governing Ministerial Broadcasts. The party contended that the Authority should tighten its rules concerning government access to such broadcasts and claimed that the relative recordings should be made available to the party before broadcast. The Authority disagreed with the first contention and rejected the Labour Party's claim for a copy of the tape before broadcast.

News and Current Affairs

The Authority regards news and current affairs programmes as one of the most important sectors under its surveillance. News programmes are a vital source of information and exert considerable influence in the formation of public opinion. Since news programmes and politics are inextricably linked together, they are at the centre of controversy.

Both the Broadcasting Ordinance and the Broadcasting Agreements refer to news. The former lays down that news shall be accurate and impartial and the latter empowers the Authority to formulate a policy for the preparation, editing and presentation of news broadcasts.

The amount of time devoted to news and news magazines during the statistical period from October 1986 to September 1987 was as follows:

1. On Radio Malta I - 18.5% equivalent to 1147 hours
2. On Radio Malta II - 14.4% " " 895 hours
3. On Television Malta - 10.58% " " 261 hours

Accuracy in news programmes is not just a question of getting the facts straight although this is of prime importance. It should also mean that the responsible news editor makes sure that all the relevant facts have been weighed in an effort to get at the truth of what is reported or described in news stories. In presenting controversial issues, programme producers must consider relevant opinions as well as known facts. Any mistakes that occur, whether in news bulletins or in other programmes, should be corrected as quickly as possible.

Reference has been made in the introductory section of this report to complaints arising from news broadcasts. The main sources of these complaints were the political parties which often drew the attention of the Authority to alleged improper news coverage or slanted reports given to their activities. Unions and other constituted bodies also complained in a similar vein.

The process of examining each complaint is, at times, laborious and involves the analysis of reports through the compilation of comparative exercises and of checking broadcast news reports with press coverages. Comments on complaints are also asked for and obtained from Xandir Malta. There were several occasions during the year when complaints led the Authority to formulate policy directives in particular sectors of news reporting. One of these directive was issued in September 1987 and gave rise to comments. The instructions given concerned the reporting of speeches at political activities which, at the time, were often unacceptably long and full of unnecessary details. After repeated

appeals by the Authority for the exercise by Xandir Malta of a more proper sense of news value based on professional journalistic practice, the Authority, in an effort to control the situation, and after consulting Xandir Malta, issued the following directive:

"The reporting of speeches delivered by party leaders at mass meetings and other political activities are to be compiled on the basis of news value. Every report of this nature is not to exceed 3 minutes (about 420 words). This maximum applies to all reports of speeches of a political nature.

The Authority also expects that the visual element in news reporting should be increased and, therefore, these news reports have to be supported by film which, at least, covers two-thirds of the time taken by the report".

These instructions partly achieved their main purpose. They are, naturally, subject to review in the light of experience. Other directives issued by the Authority during the year emphasised the need for impartiality and fairness in news broadcasts. It was also stressed that news value was of fundamental importance and this principle should be applied with a proper sense of news judgement based on integrity and backed by experience.

There were occasions during the year when the Authority publicly stated that the news services were being subjected to political

pressures from quarters who always seemed to want more television exposure regardless of adverse public reaction and the nature of the broadcasting media which, in its style of reporting, is quite different from the newspaper industry.

During the year under review, the Authority held periodical meetings with representatives of the Nationalist Party and the Malta Labour Party to review policies or discuss specific grievances. The Partit Demokratiku (PDM) also met the Authority both with regard to party political broadcast facilities and other matters. Similar meetings were held with Senior Officials of the General Workers' Union and the Union Haddiema Maghqudin with whom the Authority discussed news policy. In this consultative process, the Authority's efforts were concentrated on a proper appreciation of the merits of news value which dictated that only news items of general interest should be included on Xandir Malta's national news bulletins.

The Authority reaffirms its awareness of the special responsibilities of broadcasting journalists and of the main values - independence, integrity and dedication to truth - on which all good journalism depends.

Efforts were being made by the Authority towards the end of the year to organise a series of public lectures about problems affecting the broadcasting media. The main speaker at these occasions would be Professor Herbert Zettl of the Institute of Communications at San Francisco State University. The American Center and the University

of Malta were helping in the arrangements for this visit which took place early in 1988.

Parliamentary Broadcasting

Television and radio programmes include two daily reports on Parliamentary Sittings whenever the House meets which is normally three times weekly. The first report is broadcast around 11 p.m. after the day's sitting is over. Each report is repeated on the following day at about 12.15 p.m. on radio and at 5.45 p.m. on television. This is an improvement on the old system when television followers of this programme could only watch the late night report as the repeat was not then available.

During the year, several complaints were made, mainly by Opposition speakers, about reports which they alleged were either incorrect or inadequate. The Authority's guidelines on Parliamentary reporting is that this should be concise where main speakers are concerned. Members of Parliament who speak in a supporting role should be reported briefly in so far as their main arguments are concerned whilst those speakers who do not add any significant arguments should be mentioned as having participated in the debate. Several MPs raised cases involving breaches of Parliamentary privilege based on inadequate reporting. This was not accepted by the Speaker. In other instances, the Authority and Xandir Malta, acting on their own initiative or following consultation with Mr Speaker, corrected reports of previously broadcast speeches.

Another aspect of Parliamentary coverage is the direct or deferred relay of entire sittings of the House of Representatives. This is often resorted to during the debates on the Budget and involves prime television time being completely taken over for detailed Ministry by Ministry coverage. The Authority has issued public statements to make it clear that whenever this happened, the Authority was merely informed, practically at the last moment, rather than consulted. Appropriate measures were taken towards the end of the period under review to ensure the Authority's involvement in future similar instances.

Overseas Contacts

The Broadcasting Authority has been a member of the Commonwealth Broadcasting Association since 1965. It is also an Active Member of the European Broadcasting Union together with Xandir Malta.

During the year, the Authority was represented by the Chairman and the Secretary at the 38th Ordinary Session of the General Assembly of the European Broadcasting Union which was held in Copenhagen from the 3rd to the 5th July. The range of business discussed at this assembly included general policy questions: Satellite broadcasting and related tariff policy as well as financial matters such as cost sharing and the value of the subscription unit. The latter is of interest to small countries like Malta which are not linked to the Eurovision network and, therefore, do not benefit fully from EBU association. On the other hand, the membership fee which is normally based on the set count can be quite substantial irrespective of the benefits actually derived. The EBU

Administrative Council took Malta's special position into account in arriving at an equitable arrangement.

The Authority is also a member of the European Institute for the Media which was set up in 1978 on the initiative of the European Cultural Foundation. The objectives of the Institute have been defined as follows:

- i) the provision of a forum for the discussion of media aims and policies by those representing the public as well as the professional interest in the media in European countries;
- ii) the undertaking of research on the developing roles and influences of the media;
- iii) the development, on the basis of such discussion and research, of appropriate media policies in Europe;
- iv) the promotion of the use of the media to develop a better understanding of the European tradition shared by all citizens of Europe; and
- v) the reinforcement of the aid and technical assistance which European countries provide to the countries of the Third World in the development of their media.

Much useful experience was gained by the expert advice contained in documentation which was made available and by the many personal contacts made with executive heads of broadcasting organisations in European and Commonwealth countries.

APPENDIX

BROADCASTING AUTHORITY(constituted under Ordinance XX of 1961)FINANCIAL STATEMENTS31 DECEMBER, 1987INDEXPage

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2.	Administration Expenses
3.	Changes in the Cash 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, 1987 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 SHEET31 DECEMBER, 1987


	<u>Notes</u>	Lm	Lm	<u>31.12.86</u> Lm
FIXED ASSETS	1 & 2		7,561	5,026
CURRENT ASSETS	3	3,009		1,270
CURRENT LIABILITIES	4	(2,550)		(3,295)
			459	(2,025)
			8,020	3,001
<u>Less:</u>				
SHORTFALL IN "PRESCRIBED PROGRAMMES"	5		(290,399)	(281,442)
			(282,379)	(278,441)
			=====	=====
GRANTS	6		16,960	16,960
GOVERNMENT CONTRIBUTIONS	7		26,412	22,381
			43,372	39,341
SHORTFALL IN "AVAILABLE FUND"	5		(325,751)	(317,782)
			(282,379)	(278,441)
			=====	=====

SIGNED ON BEHALF OF THE MEMBERS
OF THE AUTHORITY:

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



CHAIRMAN



CHIEF EXECUTIVE

BROADCASTING AUTHORITY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER, 1987

		<u>1986</u>
	Lm	Lm
INCOME - (Note 8)	80,989	13,843
<u>(Less)/Add:</u>		
(Purchase)/Disposal of fixed assets	(4,076)	2,087
	<hr/>	<hr/>
	76,913	15,930
EXPENDITURE		
Administration	(49,882)	(30,401)
	<hr/>	<hr/>
	27,031	(14,471)
On prescribed programmes	(26,043)	(10,536)
	<hr/>	<hr/>
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR	988	(25,007)
SHORTFALL IN "PRESCRIBED PROGRAMMES"	(8,957)	(24,464)
	<hr/>	<hr/>
SHORTFALL IN "AVAILABLE FUND"	(7,969)	(49,471)
	=====	=====
AVAILABLE FUND		
Shortfall Brought Forward	(317,782)	(268,311)
Shortfall For the Year	(7,969)	(49,471)
	<hr/>	<hr/>
Shortfall Carried Forward	(325,751)	(317,782)
	=====	=====

The notes on pages 31 to 34
form part of these financial
statements.

BROADCASTING AUTHORITYNOTES TO THE FINANCIAL STATEMENTS31 DECEMBER, 19871. PRINCIPAL ACCOUNTING POLICIESDepreciation of Fixed Assets

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

Freehold Land	Nil
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 broadcasting agreements dated 28th September, 1961.

2. FIXED ASSETS

	Total	Freehold Land	Furniture, Fittings and Office Equipment	Technical Equipment	Studio Equipment	Motor Vehicle
	Lm	Lm	Lm	Lm	Lm	Lm
Cost (1.01.87)	37,878	655	13,470	10,969	8,837	3,947
Additions	4,246	-	3,880	366	-	-
Disposals	(215)	-	(215)	-	-	-
Cost (31.12.87)	41,909	655	17,135	11,335	8,837	3,947
Depreciation (1.01.87)	32,852	-	9,761	10,892	8,263	3,936
Charge for the year	1,541	-	1,238	148	144	11
Released	(45)	-	(45)	-	-	-
Depreciation (31.12.87)	34,348	-	10,954	11,040	8,407	3,947
Net Book Value (31.12.87)	7,561	655	6,181	295	430	-
Net Book Value (31.12.86)	5,026	655	3,709	77	574	11

BROADCASTING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER, 1987

3. CURRENT ASSETS

	<u>31.12.86</u>	
	Lm	Lm
Debtors and Prepayments	576	542
Cash in Hand and at Bank	2,433	728
	<u>3,009</u>	<u>1,270</u>
	=====	=====

4. CURRENT LIABILITIES

	<u>31.12.86</u>	
	Lm	Lm
Creditors and Accruals	2,550	2,102
Bank Overdraft (Unsecured)	-	1,193
	<u>2,550</u>	<u>3,295</u>
	=====	=====

5. SHORTFALL IN "AVAILABLE FUND" 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 improvement of programmes (referred to as the "Prescribed Programmes").

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

6. GRANTS

These represent grants of Technical Equipment received from foreign organisations.

BROADCASTING AUTHORITYNOTES TO THE FINANCIAL STATEMENTS31 DECEMBER, 1987

7. GOVERNMENT CONTRIBUTIONS

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

		<u>31.12.86</u>
	Lm	Lm
Amounts applied for capital purposes to date	24,949	42,319
Less: Cost of Radio Malta Equipment transferred to Telemalta Corporation	-	(21,401)
	<hr/>	<hr/>
	24,949	20,918
Provision for loss or damage to films on hire	1,463	1,463
	<hr/>	<hr/>
	26,412	22,381
	=====	=====

8. INCOME

The authority's income for the year is detailed hereunder:

		<u>31.12.86</u>
	Lm	Lm
Government Contributions from Wireless		
Licence Fees	80,000	12,500
Licence Fees from Contractor	751	751
Ground Rent	13	13
Bank Interest	225	579
	<hr/>	<hr/>
Balance carried forward	80,989	13,843

BROADCASTING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER, 1987

8. INCOME (Continued)

		<u>31.12.86</u>
	Lm	Lm
Balance brought forward	80,989	13,843
From which is deducted amounts utilised towards the purchase of fixed assets -		
Additions during the year	(4,246)	(4,420)
	<hr/>	<hr/>
	76,743	9,423
	<hr/>	<hr/>
<u>Add:</u>		
Proceeds from disposal of fixed assets	170	-
	<hr/>	<hr/>
Adjustment relating to Radio Malta Equipment transferred to Telemalta Corporation -		
Cost of Equipment	-	21,401
Net book value of Equipment on date of transfer	-	(14,894)
	<hr/>	<hr/>
	-	6,507
	<hr/>	<hr/>
	76,913	15,930
	<hr/>	<hr/>

Schedule 1.

BROADCASTING AUTHORITY
EXPENDITURE ON PRESCRIBED PROGRAMMES
FOR THE YEAR ENDED 31 DECEMBER, 1987

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

Sound Broadcasts Lm10,000
 Television Broadcasts Lm25,000

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

	Total		Sound		Television	
	31.12.86		31.12.86		31.12.86	
	Lm	Lm	Lm	Lm	Lm	Lm
Airtime and Studio Charges	13,281	2,736	-	-	13,281	2,736
Depreciation on Technical Equipment	292	200	146	100	146	100
Proportion of Overhead Expenses (Schedule 2)	12,470	7,600	3,554	2,166	8,916	5,434
	26,043	10,536	3,700	2,266	22,343	8,270
Liability for amount payable towards the improvement of programmes	8,957	24,464	6,300	7,734	2,657	16,730
	35,000	35,000	10,000	10,000	25,000	25,000
	=====	=====	=====	=====	=====	=====

BROADCASTING AUTHORITY
ADMINISTRATION EXPENSES
FOR THE YEAR ENDED 31 DECEMBER, 1987

		<u>1986</u>
	Lm	Lm
Audit Fee	400	400
Depreciation		
Furniture and Fittings	755	669
Office Equipment	438	198
Motor Vehicle	11	790
Duty Visits Abroad	1,460	5,126
Entertainment and Hospitality	1,251	370
Professional Fees and Expenses	1,029	792
Maintenance and Repairs	1,127	498
Membership Fees		
International Organisations	2,156	(3,358)
Postages, Telegrams and Telephones	2,651	968
Rent	1,550	1,450
Rentals of Wired Sound and Television Sets	181	132
Stationery	923	791
Subscriptions to Newspapers, etc.	244	221
Sundry Expenses	486	347
Insurances	947	131
Transport	963	611
Wages and Salaries	34,447	23,689
Gratuities to Staff	3,960	-
Honararia to Board	4,650	1,911
N.I. Contributions	1,952	1,816
Water and Electricity	771	449
	<hr/>	<hr/>
	62,352	38,001
<u>Less:</u>		
Amounts charged against prescribed programmes		
Sound Broadcasts - 5.7% (Schedule 1)	(3,554)	(2,166)
Television Broadcasts - 14.3% (Schedule 1)	(8,916)	(5,434)
	<hr/>	<hr/>
	49,882	30,401
	<hr/>	<hr/>

Schedule 3.

BROADCASTING AUTHORITY
CHANGES IN THE CASH POSITION
FOR THE YEAR ENDED 31 DECEMBER, 1987

		<u>1986</u>
	Lm	Lm
Funds became available during the year as follows:		
Government Contributions	80,000	12,500
Sundry Income	1,159	1,343
	<hr/>	<hr/>
	81,159	13,843
	<hr/>	<hr/>
and applied to meet		
Purchase of Fixed Assets	(4,246)	(4,420)
Expenditure on Prescribed Programmes	(26,043)	(10,536)
Administration Expenses	(49,882)	(30,401)
	<hr/>	<hr/>
	(80,171)	(45,357)
	<hr/>	<hr/>
Leaving a Surplus/(Deficit) of	988	(31,514)
		<hr/>
This Surplus/(Deficit) is increased/ (decreased) by:		
Increase in Creditors	448	(19,380)
Decrease in Debtors	(34)	7,217
Retained Depreciation	1,496	1,857
	<hr/>	<hr/>
	1,910	(10,306)
	<hr/>	<hr/>
Leaving a net cash surplus/(deficit) for the year of	2,898	(41,820)
	<hr/>	<hr/>

Schedule 3 cont.

BROADCASTING AUTHORITYCHANGES IN THE CASH POSITION (Continued)FOR THE YEAR ENDED 31 DECEMBER, 1987

The net cash surplus/(deficit) for the year effected the Authority's Liquid Funds as follows:

	Cash and Bank Balances as at		Movement in Liquid Funds	
		31.12.86		31.12.86
	Lm	Lm	Lm	Lm
Bank Savings Account	1,904	678	1,226	(37,328)
Current Account	491	(1,193)	1,684	(4,510)
Cash	38	50	(12)	18
	<hr/>	<hr/>	<hr/>	<hr/>
	2,433	(465)	2,898	(41,820)
	=====	=====	=====	=====