



Republic of Montenegro  
**BROADCASTING AGENCY**  
Number: 02 - 848/1  
Podgorica, 28 March 2006

**FINANCIAL REPORT**  
for 2005

Podgorica, March 2006

## INTRODUCTION

Provisions of the Broadcasting Law prescribe the financial activities directed to and formed as the support to the independent operation and realisation of the role of the Broadcasting Agency. It is prescribed that the Agency acquires the funds necessary for its activities from:

- ✧ fees for registration of broadcasters;
- ✧ fees for registration of legal entities that have been granted licence for development and use of distribution systems;
- ✧ fees for licences for transmission and broadcasting of radio and TV signals (hereinafter referred to as: frequency fee);
- ✧ fees for licences for development and use of distribution systems;
- ✧ a part of broadcasting fee;
- ✧ a part of tax on radio receivers in motor vehicles;
- ✧ a part of income of the company for transmission and broadcasting of radio and TV signals, in compliance with the decision of the Council;
- ✧ other sources in compliance with the Broadcasting Law.

Financial activities are public and completed through a single bank account. Funds acquired by the collection of broadcasting fee and tax on radio receivers are part of the same bank account. In compliance with the Law, these funds are distributed to the Republican public broadcasting services (75%), Agency's fund for the support of local public broadcasting services (10%), Agency's fund for the support of commercial broadcasting services (10%), and Agency (5%). The Agency Council distributes the funds periodically on the basis of public tender in compliance a the separate document.

The Agency is obliged to present the overall financial activities in the final balance sheet, together with the quarterly and biannual financial results. All accounts of income and expenditure are subject to the annual audit of the independent authorised auditor hired by the Council. The surplus of income over expenditure can be used only for the fulfilment of legal obligations.

Accounting records and financial reports are kept in compliance with the Accounting and Audit Law of the Republic of Montenegro and pursuant to the Decision on Direct Implementation of Accounting Standards.

In compliance with the Broadcasting Agency Statute, the Agency prepares the reports informing the Agency Council about its activities. After considering and adopting the reports, the Council will make it available to all interested broadcasters and citizens.

The objective of the 2005 business report is to present the business conditions and environment in 2005, completed business activities, as well as their effects.

The Agency was affected by objective conditions related to a complex social and economic situation characterised by a rather low standard of living. In spite of such conditions, the Agency managed to provide efficient functioning and realisation of the planned objectives of the Agency through the effective expenditure of public funds.

The business report for 2005 is based on the accounting data and accurate accounting documentation and drafted adhering to clearly defined procedures for administrative, accounting and financial activities.

## FINANCIAL INDICATORS

### Income statement

for the period from 1 January to 31 December 2005

In 2005, the Agency had the total income of €714,936.07, while the expenditure amounted to €563,623.56, meaning that there was a profit of €151,312.51.

Serial No.	Position	Current year (1.01. 31.12. 2005)	Previous year (01.09.-31.12. 2004)
1	Membership fees		
2	Income from remitted funds		
3	Other income from regular activities	703,980	528,517
4	Expenditure of employees	(362,207)	(317,852)
5	Depreciation expenses	(27,387)	(18,478)
6	Detraction of real estate, facilities and equipment value		
7	Other business expenditure	(174,008)	(139,014)
	<b>Profit from business activities</b>	<b>140,378</b>	<b>53,173</b>
8	Net financial expenses	10,935	4,115
9	Profit tax		
10	Net profit/loss from discontinued operation		
	<b>Net profit/loss for the accounting period</b>	<b>151,313</b>	<b>57,288</b>

### Income of the Agency

Income of the Agency in the reporting period is realised on the basis of a part of tax on radio receivers, monthly fees for licences for transmission and broadcasting of radio and TV signals, a part of broadcasting fee, rental of the equipment for simultaneous translation, regular interest, as well as of other business income.

❖ Income from fees for licences for transmission and broadcasting of radio and TV signals is given according to the invoice value and recorded monthly regardless of the use of frequency up to the moment of expiry of the licence for transmission and broadcasting of radio and TV signals.

❖ Income from the broadcasting fee includes the income for the period from 1 January to 31 December 2005, invoiced to the households and legal entities that have radio or TV receiver by the Telecom of Montenegro on behalf of the Agency. The aforesaid income is registered after the collection and accounts for 5% of the total collected funds.

❖ Income from the tax on use of radio receivers in motor vehicles includes the income for the period from 1 January to 31 December 2004. The income is registered after the

collection and accounts for 5% of the total funds paid by the owners of motor vehicles during the registration to the bank account of the Agency.

❖ Income from the rental of equipment for simultaneous translation is registered at the moment of providing of service.

❖ Other business proceeds include the income from donations, commissions, processing of tender applications and other documentation. The said income is registered in the period when they took place.

**Table 1: Income analysis in 2005**

account	I – XII 2005	amount (€)	%
611020	Income from the tax on radio receivers	27,066.65	3.8
611021	Income from frequencies	234,280.73	32.8
611022	Income from broadcasting fee	353,631.96	49.5
611023	Income from translation equipment	7,400.00	1.0
613010	Other business proceeds	81,600.66	11.4
776070	Default interest income	10,482.95	1.5
777020	Positive exchange difference	473.12	0.1
	<b>total</b>	<b>714,936.07</b>	<b>100.0</b>

The highest share in the income structure is the income from the broadcasting fee (49.5%), followed by the income from frequencies (32.8%), other business income (11.4%), income from tax (3.8%), default interest income (1.5%), income from equipment for simultaneous translation (1.0%), positive exchange difference (0.1%).

**Feature 1: Income structure of the Agency from January to December 2005**

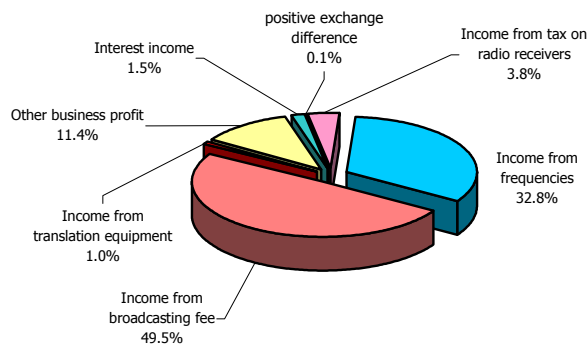
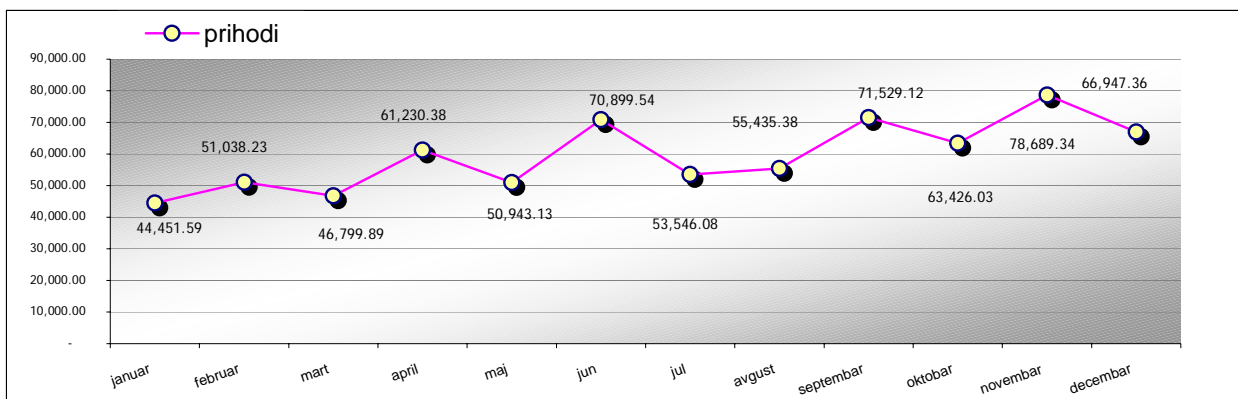


Chart 1: Monthly income overview



### Expenditure of the Agency

The total expenditure of the agency amounted to **€563,623.56**. The highest share in the expenditure structure are expenses for salaries and other personnel expenditures (53.5%), followed by other business expenses (23.9%), expenses for goods, raw materials and materials (4.9%), depreciation (4.9%), and the expenses for fixed assets maintenance (2.8%).

Table 2: Expenditure of the Agency in 2005

account	I – XII 2005.	amount (€)
	<b>Expenses for goods, raw materials and materials</b>	
735221	Office supplies	8,672.08
735222	Advertising material	5,677.77
735330	Stationeries	6,796.14
735510	Fuel	6,268.23
	<b>total</b>	<b>27,414.22</b>
	<b>Expenses for salaries and other personnel expenditures</b>	
741010	Net salaries of employees	128,984.58
742510	Tax on gross salaries	42,262.82
743010	Contributions for Pension Insurance Fund – employees	26,260.10
743011	Healthcare contributions – employees	16,571.33
743012	Unemployment contributions – employees	1,094.19
743521	Winter bonus	4,600.00
743522	Summer bonus	6,900.00
743552	Assistance in case of death	3,000.00
743554	Medical treatment assistance	2,200.00
744060	Transport of employees	3,210.00
744070	Meal expenses for employees	13,100.00
744090	Other remunerations for employees	8,140.23
762022	Surtax - salaries	6,339.41
762110	Contributions for Pension Insurance Fund - employer	21,465.40
762111	Healthcare contributions – employer	13,257.08
762112	Unemployment contributions – employer	1,104.78
762180	Contributions for the chamber of commerce	1,122.08
762181	Contributions for the trade union	180.00
762190	Solidarity contributions	1,510.47
	<b>total</b>	<b>301,302.47</b>

<b>Agency Council fees</b>		
744011	Council fees	36,221.80
762081	Taxes	5,412.45
762021	Surtax	811.85
	<b>total</b>	<b>42,446.10</b>

<b>Other fees</b>		
744010	Contracts and honorariums	12,872.50
762020	Surtax	531.04
762080	Other taxes and levies	5,055.10
	<b>total</b>	<b>18,458.64</b>

<b>Expenses for maintenance of fixed assets</b>		
761310	Maintenance of fixed assets	6,739.48
735230	Material for maintenance of fixed assets	2,066.44
761311	Car maintenance	7,164.13
	<b>total</b>	<b>15,970.05</b>

<b>Other business expenses</b>		
744030	Business trip per diems	12,703.29
744050	Business trip fares	7,693.71
744051	Business trip accommodation	11,044.34
745010	Expense account	8,223.96
761260	Postal services	2,048.08
761261	Registration	1,564.47
761262	Telephone	8,041.74
761270	Insurance	792.00
761510	Seminar registration fees	777.60
761530	Advertising expenses	936.00
761710	Audit	4,095.00
761750	Other non-production services	5,684.42
761810	Telecom and payment operation commissions	26,703.69
762020	Membership fees for international organisations	7,352.77
762210	Training of employees	3,378.92
762230	Advertising in the press	6,476.35
762240	Taxes	453.16
762250	Sponsorship	5,987.22
762251	Subscriptions for magazines, newspapers	2,492.01
762252	Premium hosting subscription	215.00
762253	Humanitarian and solidarity support (KBC donation, medical treatment....)	9,568.27
762254	Other non-material expenses	2,903.75
773020	Negative exchange difference	-
772030	Default interest	20.59
765220	Lack of fixed assets	1,489.02
	<b>total</b>	<b>130,645.36</b>

<b>Depreciation</b>		
751000	Depreciation	27,386.72
	<b>total</b>	<b>27,386.72</b>

Feature 2: Expenditure structure of the Agency for 2005

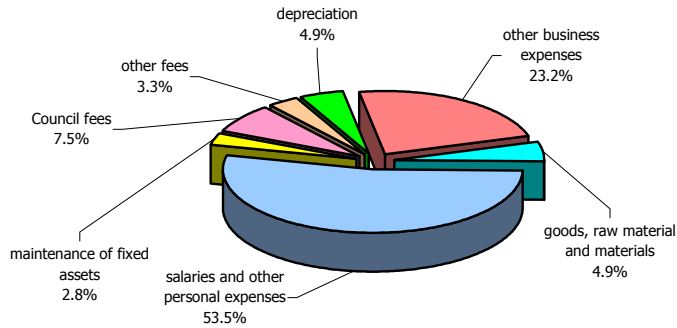
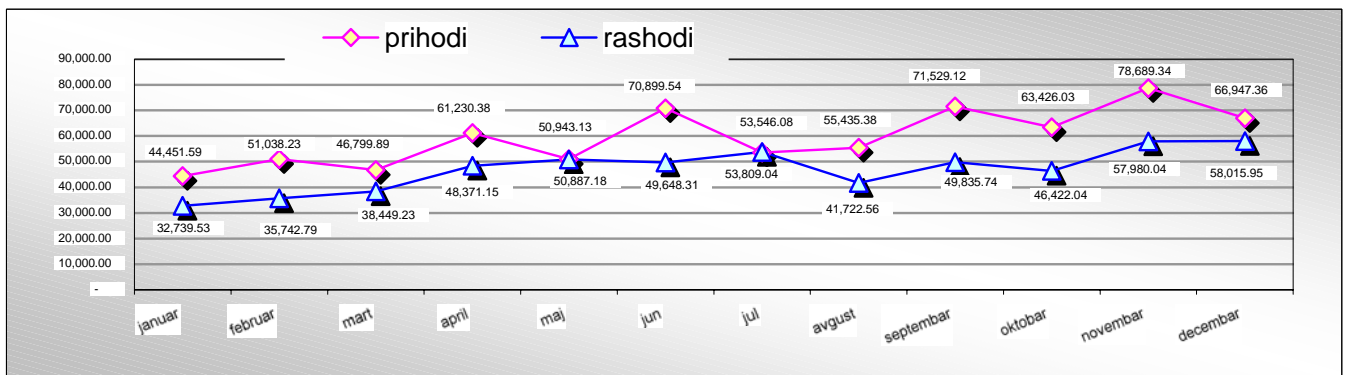
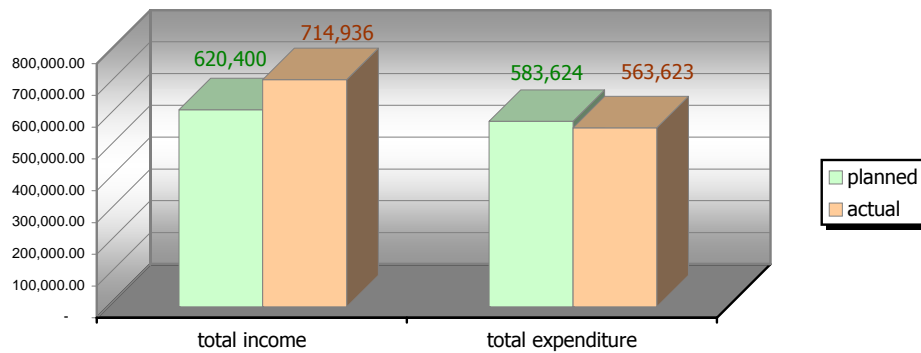


Chart 2: Monthly overview of income and expenditure



During the reporting period, the Broadcasting Agency fully adhered to the adopted Financial Plan, with the exception of the income, which was higher, and expenditure, which was lower than planned.

Chart 3: Planned and actual income and expenditure in 2005



## Tabular overview of key financial indicators and their comparison with the plan:

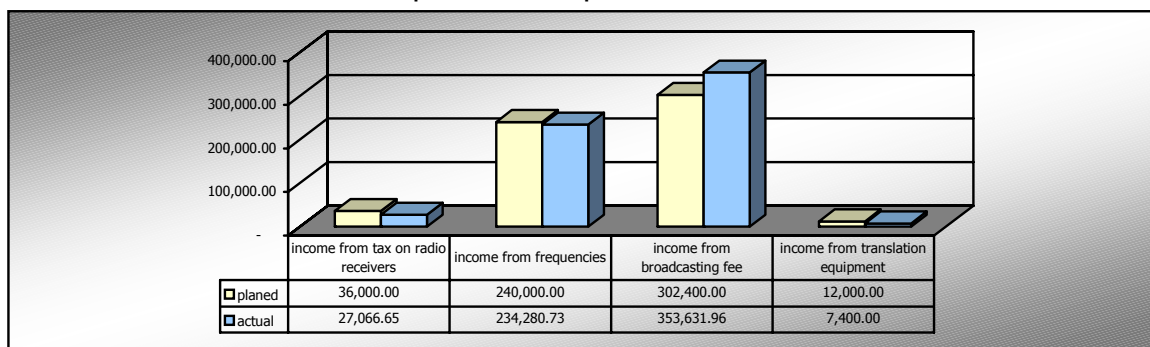
*January - December 2005*

Type of income	Planned	Realised	Index
Income from tax on radio receivers	36,000.00	27,066.65 <sup>1</sup>	75.2
Income from frequencies	240,000.00	234,280.73 <sup>2</sup>	97,6
Income from broadcasting fee	302,400.00	353,631.96	116,9
Income from translation equipment	12,000.00	7,400.00	61,7

*January - December 2005*

Type of expenditure	Planned	Realised	Index
Gross salaries of employees	268,080.00	259,972.24	96.9
Gross Council member fees	47,832.00	42,446.10	88.7
Other personal remunerations	61,020.00	59,788.87	97.9
Goods, raw material and materials	25,800.00	27,414.22	106.2
Business trips	27,600.00	31,441.34 <sup>3</sup>	113.92
Membership fees in international organiz.	2,000.00	7,352.77 <sup>4</sup>	367.63
Maintenance of fixed assets	11,600.00	15,970.05	137.6
Depreciation	20,000.00	27,386.72	136.9

Chart 4: Overview of income and its comparison with the plan



<sup>1</sup> Income from tax on radio receivers in motor vehicles was lower than planned, because of the amendment to the legislation regulating the obligation of the motor vehicle owners to pay this tax. Namely, it is prescribed that every motor vehicle owner in the Republic with the installed radio receiver has the obligation to pay the tax on radio receiver when registering the vehicle. Payment of the tax is a precondition for the registration of vehicle;

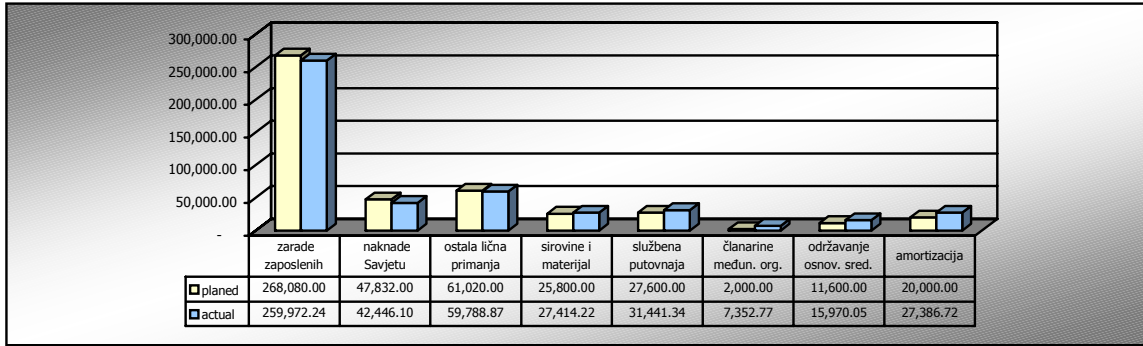
<sup>2</sup> Income from frequencies was lower than planned because of the delay in allocation of broadcasting frequencies in compliance with Broadcasting Frequency Allocation Plan;

<sup>3</sup> Business trip expenses include expenses of business trips in country (fares, accommodation, per diems) and business trips abroad (fares, accommodation, per diems). They were somewhat higher than planned because of the preparations for the regional radio-communication conference for development of digital plan I and III (pre-coordination with neighbouring countries);

<sup>4</sup> Expenses for the membership fees for the international organisations include the dues for the accession of the Broadcasting Agency to the international institutions ITU, AIB (not planned) and EPRA. The accession to these organisations was necessary in order to meet the conditions for implementation of legal obligation and objectives of the Broadcasting Agency and to harmonise with the international regulations and standards;



Chart 5: Overview of actual expenditure and its comparison with the plan



**Balance sheet**  
on 31 December 2005

Serial No.	Position	Note*	Current year (1.01.-31.12. 2005)	Previous year (01.01.-31.12. 2004.)
	<b>ASSETS</b>			
	Permanent property		197,779	65,515
1	Non-material property		58,582	
2	Real estate, facilities and equipment		139,197	65,515
3	Permanent property planned for sale			
4	Long-term receivables			
5	Long-term financial marketing			
6	Deferred taxes			
	Revolving capital		1,293,830	1,011,496
7	Supplies			5,099
8	Receivables from buyers		43,705	106,877
9	Short-term financial marketing			
10	Cash and cash equivalents		1,250,125	899,520
11	Prepaid expenses			
12	Calculated uncollected income			
13	Other revolving capital			
	<b>Total assets</b>		<b>1,491,609</b>	<b>1,077,011</b>
	<b>LIABILITIES</b>			
	Capital and reserves		714,939	563,626
14	Issued capital		563,626	506,388
15	Revaluation reserve			
16	Other reserves			
17	Undistributed profit/loss		151,313	57,288
	Long-term debts		26,135	9,367
18	Long-term debts			
19	Deferred taxes			
20	Long-term reservation			
21	Other long-term debts			
22	Deferred income		26,135	9,367
	Short-term debts		750,535	504,018
23	Short-term business debts		750,535	504,018
24	Short-term financial debts			
25	Running long-term credits			
26	Liabilities for taxes			
27	Short-term reservation			
28	Accrued liabilities			
	<b>Total liabilities</b>		<b>1,491,609</b>	<b>1,077,011</b>

Total value of the assets, on the basis of the balance sheet on 31 December 2005 is €1,491,609. Permanent property of €197,779 amounts to 13.26% of the total assets, and consists of non-material property (29.61%) and material property (70.39%).

The Agency has used the surplus of income over expenditure in 2005 for investments foreseen by the financial plan, in order to meet the conditions for the fulfilment of Agency's duties. The equipment worth €80,998.77 was purchased (off-road vehicle, spectrum analyser, audio and video monitoring card, beamer, computers...), as well as the digital planning software worth €59,073.96 (supplier was paid \$60,000.00, the rest are taxes and other levies for the procurement of software).

Revolving capital worth €1,293,830 accounts for 86.74% of the total assets and it refers to receivables from buyers (2.72%), cash and cash equivalents (97.28%).

Collection rate for the income from frequencies in the reporting period amounted to 90.3%. Receivables from buyers in 2004 amounted to €108,854.27, while the total receivables from buyers on 31 December 2005 amounted to €35,144.05. Out of that amount, €33,184.05 are the receivables from broadcasters, and €1,960.00 are translation equipment receivables. Consequently, the conclusion is that the Agency has a good collection rate in the reporting period.

Total turnover over the bank account in 2005 amounted to €8,893,478.79, turnover over the cash office amounted to €77,347.52, and turnover over the foreign exchange account amounted to €90,098.24. At the end of 2005, the foreign exchange credits amounted to €25,725.00, receivables for advance payments for business trips amount to €3,050.00, and receivables from employees amount to €5,510.94.

Total liabilities amount to €1,491,609. The Agency's capital amounts to €563,626, including the capital provided by the Government of Montenegro as initial funds for the operation of the Agency, in the amount of €436,165.38, and the funds amounting to €64,031.29 taken over from the republican Secretariat of Information, while the Agency's own capital amounts to €63,429.73.

Total financial obligations of the Agency amount to €750,535.55 out of which €45,766.00 accounts for the debts to suppliers, and €704,769.55 for liabilities to funds from broadcasting fee and tax on radio receivers in motor vehicles. Comparing these obligations with the value of revolving capital of €1,293,830, it can be concluded that the Agency is solvent, and that its liquidity has never been called into question.

### **Funds from broadcasting fee**

The law prescribes that every household and legal person, with the seat on the territory of the Republic, have the obligation to pay broadcasting fee where the technical conditions have been provided for the reception of at least one radio or TV channel, and in case they own radio or TV set.

Following the consultations with the Council of the republican broadcasting services, at the session held on 19 February 2004, the Broadcasting Agency Council adopted the decision on the level of broadcasting fee in the Republic of Montenegro in the amount of **€3.5**. Telecom of Montenegro, the Agency has a collection contract with, is in charge of the collection. Telecom of Montenegro started making payments on the Agency's bank account in March 2004.

In the period from 1 January to 31 December 2005, the total funds collected by the Telecom amounted to **€6,974,104.33**. The broadcasting fee payments of the Telecom to the Broadcasting Agency amount to **€6,594,735.33**. The commission paid for the Telecom's services for the aforesaid period amounted to **€488,911.94**.

Table 3: monthly overview of broadcasting fee

month	No. of invoice	No. inv with broadcasting fee	broadcast. fee	BROADCASTING FEE - TELECOM OF MONTENEGRO (€)			
				invoiced	collected	paid to BA	commis. + VAT
Jan-05	181,316	176,688	3.5	618,410.00	386,381.60	350,000.00	27,161.64
Feb-05	182,588	176,779	3,5	618,726.00	501,428.20	450,000.00	35,274.17
Mar-05	182,589	175,351	3.5	613,729.00	606,484.00	265,000.00	42,662.37
Apr-05	182,589	174,542	3.5	610,897.00	601,016.20	753,543.17	42,884.97
May-05	181,486	173,546	3.5	607,411.62	591,899.27	407,115.03	42,640.25
Jun-05	181,341	173,943	3.5	608,801.26	674,015.55	700,275.22	42,737.80
Jul-05	180,718	172,864	3.5	605,024.00	587,364.50	581,277.75	42,472.68
Aug-05	182,176	173,276	3.5	606,466.00	639,115.34	557,527.32	45,051.44
Sep-05	179,461	170,012	3.5	595,092.00	576,754.14	731,428.40	40,616.18
Oct-05	176,715	166,846	3.5	583,961.00	546,210.47	526,754.14	38,439.52
Nov-05	175,038	166,366	3.5	582,282.20	542,919.07	767,154.77	38,259.18
Dec-05	175,377	166,840	3.5	583,940.00	720,515.99	504,659.89	50,711.74
total				7,234,740.08	6,974,104.33	6,594,735.69	488,911.94

Total receivables from the Telecom of Montenegro on 31 December 2005 amounted to **€670,804.69** for the unpaid total receipts and **€2,021,518.65** from the invoiced receipts.

Broadcasting fee collection rate from subscribers by Telecom on 31 December 2005 amounts to **86,2%**, while the Agency's collection rate from Telecom for the same fee amounts to **94.6%**<sup>5</sup>. Telecom has not collected **13,8%** of the invoiced receipts from the subscribers for the said period.

Table 4: monthly overview of the broadcasting fee distribution

month	funds collected from broadcasting fee	distribution of funds from broadcasting fee		
		75 % Radio-television of Montenegro	10% Fund for support of local PBSs	10% Fund for support of commercial broadcasters
Jan-05	389,704.14	292,278.11	38,970.41	38,970.41
Feb-05	450,000.00	337,500.00	45,000.00	45,000.00
Mar-05	327,435.81	245,576.86	32,743.58	32,743.58
Apr-05	796,205.55	597,154.16	79,620.56	79,620.56
May-05	450,000.00	337,500.00	45,000.00	45,000.00
Jun-05	742,915.46	557,186.60	74,291.56	74,291.56
Jul-05	624,015.56	468,011.66	62,401.56	62,401.56
Aug-05	600,000.00	450,000.00	60,000.00	60,000.00
Sep-05	776,479.83	582,359.88	77,647.98	77,647.98
Oct-05	526,754.14	395,065.61	52,675.41	52,675.41
Nov-05	846,210.47	634,657.85	84,621.05	84,621.05
Dec-05	542,919.07	407,189.30	54,291.91	54,291.91
total	7,072,640.03	5,304,480.03	707,264.02	707,264.02

<sup>5</sup> It should be taken into consideration that funds from the broadcasting fee refer to the collection period from 1 January to 31 December 2005, not including the funds calculated for the given period if the collection is transferred from one month to another. It should also be emphasized that the Telecom of Montenegro regularly pays its obligations to the Broadcasting Agency, so the extension of the collection contract with the Telecom of Montenegro will be considered in the forthcoming period.

### Funds from the tax on radio receivers in motor vehicles

At the session held on 26 June 2003, the Broadcasting Agency Council adopted the decision on the collection procedure and the level of tax on radio receivers in motor vehicles, according to which every motor vehicle owner in the Republic of Montenegro is obliged to pay €6 tax when registering their vehicle. The Agency started collecting the tax on radio receivers in motor vehicles on 1 September 2003.

During 2005, the funds amounting to **€541,332.14**, have been collected and they will be distributed as follows:

Table 5: distribution of collected funds from the tax on radio receivers in motor vehicles

month	funds collected from tax	distribution of funds collected from tax			
		75 % Radio of Montenegro	10% Fund for support of local PBSs	10% Fund for support of commercial broadcasters	5% Broadcasting Agency
Jan-05	27,559.38	20,669.54	2,755.93	2,755.93	1,377.98
Feb-05	32,350.75	24,263.05	3,235.08	3,235.08	1,617.54
Mar-05	48,419.59	36,314.69	4,841.96	4,841.96	2,420.98
Apr-05	47,955.73	35,966.77	4,795.58	4,795.58	2,397.80
May-05	45,945.30	34,458.97	4,594.53	4,594.53	2,297.27
Jun-05	44,530.84	33,398.12	4,453.09	4,453.09	2,226.54
Jul-05	46,923.91	35,192.96	4,692.38	4,692.38	2,346.19
Aug-05	50,271.44	37,703.59	5,027.14	5,027.14	2,513.57
Sep-05	48,873.59	36,655.15	4,887.37	4,887.37	2,443.70
Oct-05	45,893.01	34,419.76	4,589.30	4,589.30	2,294.65
Nov-05	47,611.59	35,708.69	4,761.16	4,761.16	2,380.58
Dec-05	54,997.01	41,247.76	5,499.70	5,499.70	2,749.85
total	541,332.14	405,999.05	54,133.22	54,133.22	27,066.65

### Distribution from the Fund for Support of Local Public Broadcasting Services

At the session held on 14 May 2004, the Broadcasting Agency Council adopted the Decision on Criteria for the Distribution from the Fund for Support of Local Public Broadcasting Services ("Official Gazette of the Republic of Montenegro, No. 32/04), according to which the distribution will be conducted in accordance with the coverage zone of the local public broadcasting service and degree of transformation of local media.

During 2005, the funds collected in the Fund for Support of Local Public Broadcasting Services amounted to the total of €761,397.24 (€707,264.02 from broadcasting fee and €54,133.22 from tax on radio receivers in motor vehicles).

The funds from the Agency's Fund for Support of Local Public Broadcasting Services in the amount of €450,000.00 coming from the broadcasting fee and tax on radio receivers in motor vehicles have been distributed in compliance with the decision on criteria for distribution of funds.

The funds have been distributed to the following public broadcasters:

Table 6: distribution from the Fund for Support of Local Public Broadcasting Services in the period from January to December 2005.

Local broadcaster	amount (€)	total I-XII 2005(€)
Radio Rožaje	2,691.07	29,734.34
Radio Bar	4,133.66	43,787.62
Radio Berane	3,720.36	40,217.82
Radio Bijelo Polje	4,985.95	53,017.91
Radio Herceg Novi	3,551.18	35,507.35
Radio Tivat	1,937.25	19,644.93
Radio Pljevlja	3,781.74	37,832.01
Radio Kotor	2,712.19	27,195.92
Radio Cetinje	2,340.82	23,460.86
Radio Danilovgrad	2,177.88	21,649.53
RTV Nikšić	7,065.17	69,537.13
TV Budva	1,417.87	14,057.57
Radio Budva	708.94	7,028.83
Radio Andrijevisa	1,284.74	2,569.48
Radio Ulcinj	2,491.20	24,758.82

The funds allocated during 2005, have not been paid to the local public broadcasting service Radio Ulcinj, which has not completed the transformation process in compliance with the Media Law and Broadcasting Law, and RTV Nikšić, which had not been broadcasting programme for a long period of time.

### Distribution from the Fund for Support of Commercial Broadcasting Services

During 2005, the Broadcasting Agency Council adopted decision on distribution of money from the Fund for Support of Commercial Broadcasting Services collected in the period from 1 March to 31 August 2004 (**distribution I** - II criterion), in the period from 1 September to 31 December 2004 (**distribution II** – I and II criteria), in the period from 1 January to 30 April 2005 (**distribution III** – I and II criteria), and in the period from 1 May to 30 September 2005 (**distribution IV** – I and II criteria).

Distribution of funds has been done according to the service zone and programme contents, having in mind the need to stimulate, develop and strengthen variety of programme contents of public interest.

The total funds of **€828,873.71** collected from broadcasting fee and tax on radio receivers in motor vehicles have been distributed in the aforesaid period. The amount of **€478,219.48** was allocated to the TV broadcasters, while radio broadcasters received **€350,515.23**.

The finds have been distributed to the following commercial broadcasters:

Table 7: distribution from the Fund for Support of Commercial Broadcasting Services in the period from January to December 2005

radio/TV broadcaster	distribution and criteria III	distribution and criteria II	distribution II criterion I	distribution II criterion II	distribution III criterion I	distribution III criterion II	distribution IV criterion I	distribution IV criterion II	total
ANTENA M	9,365.40	8,529.22	3,695.55	11,279.65	4,222.34	8,364.55	4,606.64	18,059.94	68,123.29
SVETIGORA	15,448.14	3,844.24	4,795.99	7,625.56	-	-	5,701.80	7,427.76	44,843.49
ELMAG	7,399.14	3,915.92	3,708.22	6,628.40	4,455.62	1,936.69	3,576.00	3,373.08	34,993.07
SKALA	1,519.54	4,044.27	332.67	5,898.55	344.67	4,947.90	511.49	4,889.80	22,488.89
KORONA	5,585.12	751.24	1,545.34	849.24	1,777.96	3,347.20	1,980.84	5,201.52	21,038.46
ELITA	804.19	1,206.42	332.67	5,432.78	344.67	2,153.29	511.49	8,351.28	19,136.79
MONTENA	4,903.94	400.00	2,495.55	336.00	3,022.34	-	4,606.64	2,226.23	17,990.70
D	3,817.85	1,542.74	745.34	2,025.74	977.96	2,533.65	1,980.84	2,098.29	15,722.41
FOKUS	1,677.15	474.97	332.67	3,041.54	344.67	4,081.51	511.49	5,242.23	15,706.23
MIR	3,609.29	1,126.67	470.23	5,484.62	555.77	2,396.30	1,667.94	-	15,310.82
DELFIN	5,523.36	2,040.52	1,682.89	1,764.91	1,989.05	-	2,137.29	-	15,138.02
PANORAMA	862.78	2,474.61	332.67	1,815.13	344.67	3,995.67	511.49	4,559.47	14,896.49
D PLUS	3,311.42	1,125.07	607.78	1,437.66	766.86	2,486.10	1,824.39	2,954.35	14,513.63
OZON	462.31	913.55	332.67	2,961.34	344.67	3,886.05	511.49	3,228.85	12,640.93
GORICA	2,084.28	2,751.61	332.67	3,363.93	344.67	-	511.49	2,177.38	11,566.03
JUPOK	756.54	1,042.98	607.78	336.00	766.86	3,009.10	824.39	3,352.14	10,695.79
ZETA	1,468.34	629.52	332.67	2,314.12	344.67	2,476.33	511.49	1,111.95	9,189.09
CITY	-	-	154.87	-	344.67	2,449.12	511.49	5,606.29	9,066.44
BOOM	-	-	154.87	1,404.04	344.67	3,510.97	511.49	2,320.45	8,246.49
Z	1,352.28	659.07	332.67	336.00	344.67	3,105.51	511.49	1,070.08	7,711.77
MOJKOVAC	150.45	400.00	332.67	1,906.67	344.67	2,248.38	511.49	1,363.19	7,257.52
FREE MONTENEGRO	-	-	1,820.44	-	-	-	2,293.74	1,744.70	5,858.88
RADIO 083	3,341.64	400.00	607.78	336.00	766.86	-	-	-	5,452.28
BORKIS	1,468.34	400.00	332.67	1,696.87	344.67	378.26	511.49	255.89	5,388.19
GLAS PLAVA	850.56	760.87	332.67	-	344.67	-	511.49	2,439.09	5,239.35
VIZIJA	1,681.12	1,010.98	332.67	-	-	-	-	-	3,024.77
ADRIATIK	886.88	400.00	332.67	1,137.94	-	-	-	-	2,757.49
RADIO M	721.25	915.81	607.78	-	-	-	-	-	2,244.84
BUSOLA	867.33	400.00	470.23	336.00	-	-	-	-	2,073.56
HARIZMA	-	-	154.87	-	-	-	511.49	455.95	1,122.31
LUNA	95.64	505.85	154.00	336.00	-	-	-	-	1,091.49
MAX	215.35	-	-	-	-	-	-	-	215.35
TROJKA	-	-	-	-	-	-	-	-	-
MBC	8,632.75	3,728.81	7,915.87	19,922.03	7,338.97	21,900.91	11,369.11	28,164.47	108,972.92
IN	12,007.08	4,877.26	10,293.65	17,465.30	9,419.78	10,257.68	14,833.38	29,250.31	108,404.44
MONTENA	4,083.64	3,153.09	3,998.41	10,580.40	3,760.89	10,089.76	7,409.94	16,850.36	59,926.49
ELMAG	6,303.71	2,682.84	3,877.78	9,105.67	3,555.41	7,044.92	7,394.63	13,467.44	53,432.40
PINK	12,354.66	1,893.60	5,176.19	9,219.03	4,641.71	-	7,379.31	8,705.05	49,369.55
TEUTA	1,598.80	3,393.09	1,100.00	10,440.84	1,074.59	14,935.20	1,935.46	12,528.42	47,006.40
PANORAMA	443.82	2,131.72	1,100.00	3,747.90	1,074.59	5,476.98	1,935.46	10,466.86	26,377.33
APR	149.94	582.39	1,100.00	8,304.80	-	-	1,935.46	4,389.23	16,461.82
GLAS PLAVA	294.34	1,019.59	1,100.00	-	1,074.59	-	1,935.46	9,411.61	14,835.59
EHO	206.24	580.78	1,100.00	4,704.85	1,074.59	2,897.46	1,935.46	2,248.14	14,747.52
BOJIN	1,473.45	855.08	1,439.68	3,064.37	1,371.85	5,226.62	-	-	13,431.05
ATV	3,659.86	2,857.62	3,598.41	-	-	-	-	-	10,115.89
ORION	114.84	400.00	1,100.00	672.00	1,074.59	3,099.78	-	-	6,461.21

**Current account balance**

In the period from 1 January to 31 December 2005

position	current year	previous year
Operational cash flow		
Cash income from business activities	990,262	992,814
Cash payments to suppliers and employees	(532,656)	(155,362)
<i>Cash generated from business activities</i>	457,606	767,452
Cash outflow for interest	(21)	
Cash outflow for income tax		
Cash outflow for dividends		
<b>Net cash from operational activities</b>	<b>457,585</b>	<b>767,452</b>
Cash flow from investments		
Inflow from sale of facilities and equipment		
Inflow from sale of long-term investments		
Inflow from received interest	10,483	4,115
Inflow from receiver dividends		
Outflow for procurement of assets, facilities and equipment	(140,073)	(22,460)
Outflow for procurement of assets for investment purpose		
Outflow for other investments		
Development costs		
<b>Net cash from investment activities</b>	<b>(129,590)</b>	<b>(18,345)</b>
Cash flow from investment activities		
Inflow from issuance of share capital		
Inflow from long-term loans		
Outflow for rebuying own shares		
Outflow for loan repayment		
Outflow for leasing obligations		
Outflow for transaction costs		
Inflow from donations	30,699	
<b>Net cash from financing activities</b>	<b>30,699</b>	
Net increase of cash and cash equivalents	358,694	749,107
Cash and cash equivalents at the beginning of period	899,519	143,456
Effect of exchange difference at then of period	473	
<b>Cash and cash equivalents at the end of period</b>	<b>1,258,686</b>	<b>892,563</b>

Appendix: Receivables from broadcasters on 31 December 2005

**Reporter:**  
Svetlana Raonić, accountant

**Director:**  
Abaz Beli Džafić



Financial Report for 2005

account	BROADCASTER	monthly	receivables from 2004	invoiced realization (01.01. - 31.12.)	unpaid realization (01.01 - 31.12.)	receivables on 31.12.05.
			A	B	C+E	A+B-(C+E)
221001	RADIO M-CORONA	408.75	- 28.19	4,928.50	4,900.31	-
221002	TV IN	3,093.19	-	26,552.18	26,552.18	-
221003	RADIO TROJKA	283.77	5,107.86	2,553.93	-	<b>7,661.79</b>
221004	TV BUDVA	168.75	- 62.78	4,479.00	1,246.87	<b>3,169.35</b>
221005	FREE MONTENEGRO	431.25	6,442.32	6,231.10	5,858.88	<b>6,814.54</b>
221006	RADIO MIR	112.50	1,614.81	3,254.40	4,869.21	-
221007	RADIO D	731.25	388.58	5,348.30	5,736.88	-
221008	RADIO 083	352.50	-	4,406.80	4,406.80	-
221009	TV MBC	2,143.13	21,481.51	22,033.56	43,515.07	-
221010	RADIO SVETIGORA	1,376.25	5,766.51	12,109.10	17,875.61	-
221011	RADIO DELFIN	727.50	- 1,207.73	5,740.20	4,532.47	-
221012	RADIO VIZIJA	95.87	95.87	-	95.87	-
221013	RADIO PANORAMA	153.75	963.34	1,266.20	2,826.11	- <b>596.57</b>
221014	TV BOIN	444.38	951.93	3,963.06	4,470.61	<b>444.38</b>
221015	RADIO JUPOK	135.94	750.80	2,623.78	3,375.51	- <b>0.93</b>
221016	TV ELMAG	1,826.72	23,238.80	21,511.44	44,750.24	-
221017	RADIO FOKUS	112.50	111.42	1,375.40	1,486.82	-
221018	TV GLAS PLAVA	90.00	1,615.94	1,713.80	3,329.74	-
221019	RADIO MONTENA	656.25	8,889.49	8,088.10	13,086.76	<b>3,890.83</b>
221020	NTV MONTENA	1,075.78	3,861.55	8,355.76	12,217.31	-
221021	TV ATV	2,811.94	6,303.53	11,290.18	17,593.71	-
221022	RADIO ANTENA M	1,181.25	2,668.54	9,207.40	11,875.94	-
221023	RADIO ZETA	183.75	1,725.96	2,246.50	3,972.46	-
221024	TV PINK	2,531.81	- 678.59	20,297.12	19,618.53	-
221025	RADIO GORICA	183.75	922.12	2,246.50	3,168.62	-
221026	RADIO M	202.47	3,534.46	1,822.23	2,244.84	<b>3,111.85</b>
221027	RADIO MAX	63.91	958.65	575.19	215.35	<b>1,318.49</b>
221028	TV APR	281.25	1,246.31	1,521.20	2,767.51	-
221029	RADIO OZON	60.00	287.61	1,078.70	1,366.31	-
221030	RADIO BUSSOLA	230.08	3,681.28	2,070.72	2,073.56	<b>3,678.44</b>
221031	RADIO MOJKOVAC	60.00	-	631.30	632.04	- <b>0.74</b>
221032	RADIO D+	891.75	148.00	3,263.50	3,411.50	-
221033	TV TEUTA	253.13	1,134.91	2,778.26	3,913.17	-
221034	TV PANORAMA	175.78	473.70	1,430.86	3,042.70	- <b>1,138.14</b>
221035	RADIO SKALA	225.00	375.80	1,600.40	1,976.20	-
221036	RADIO Z	168.75	92.00	1,257.50	1,349.50	-
221037	RADIO BORKIS	183.75	1,813.86	2,246.50	3,317.06	<b>743.30</b>
221038	TV EHO	140.63	191.20	1,237.26	1,428.46	-