



Republic of Montenegro
BROADCASTING AGENCY
Number: 02 -768/1
Podgorica, 26 February 2007

FINANCIAL REPORT
for 2006

Podgorica, February 2007

INTRODUCTION

Provisions of the Broadcasting Law prescribe the financial activities directed to and formed as the support to the independent operation 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 the transmission and broadcasting of radio and TV signals (hereinafter referred to as: frequency fee/income);
- ✧ fees for licences for the 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 with a 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. At the session held on August 22nd, the Agency Council adopted the Financial Report for the first half of 2006. In this period, the total income of the Agency amounted to €392,358.85, the expenditure was €325,682.82, and positive balance amounted to €66,676.03. All accounts of income and expenditure are subject to the annual audit of an independent authorised auditor hired by the Council. The surplus of income over expenditure can be used only for the fulfilment of Agency's 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 Statute, the Agency prepares the reports, to be considered and adopted by the Agency Council and made available to all interested broadcasters and citizens.

The objective of the financial report for 2006 is to present the business conditions and environment, completed business activities, as well as their effects.

The financial report for 2006 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 2006

In 2006, the Agency had the total income of €832.477,69, while the expenditure amounted to €690.661,18, meaning that there was a profit of €141.816,51.

serial No.	position	current year (1.01.-31.12. 2006)	previous year (01.01.-31.12. 2005.)
1	Membership fees		
2	Income from remitted funds		
3	Other income from regular activities	811.282	703.980
4	Expenditure of employees and Council memb.	(403.683)	(362.207)
5	Depreciation expenses	(40.574)	(27.387)
6	Detraction of real estate, facilities and equipment value		
7	Other business expenditure	(246.312)	(174.008)
	Profit from business activities	120.713	140.378
8	Net financial expenses	21.103	10.935
9	Profit tax		
10	Net profit/loss from discontinued operation		
	Net profit/loss for the accounting period	141.816	151.313

In compliance with the financial plan, during 2006, in addition to its regular activities, the Agency has allocated significant funds to the following:

- ✧ international coordination aimed at harmonisation of the draft digital plan of radio frequency allotment with the neighbouring countries, within the framework of the Adriatic League and group of Central and Eastern European countries;
- ✧ funding of the participation of the Republic of Montenegro comprised of *inter alia* four representatives of the Broadcasting Agency in the Regional Radiocommunications Conference (RRC-06) in Geneva from 15 May to 16 June 2006;
- ✧ procurement of computers and video equipment for monitoring, providing the conditions for monitoring and logging of programme contents of broadcasters in the Republic of Montenegro;
- ✧ procurement of the equipment for the Technical Sector, necessary for technical inspection of radio and TV stations (FM spectrum analyser, wattmeter, mobile stations, etc.);

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, monthly licence fees for development and use of cable distribution systems, regular interest, as well as of other business income.

❖ Income from the tax on use of radio receivers in motor vehicles 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 fees for licences for transmission and broadcasting of radio and TV signals is given according to the invoiced 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 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 rental of equipment for simultaneous translation is registered at the moment of providing the service.

❖ Income from the licence fee for the development and use of cable distribution systems is given according to the invoiced value and calculated on the basis of offered percentage of income based on the distribution of radio and TV channels.

❖ 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 it took place.

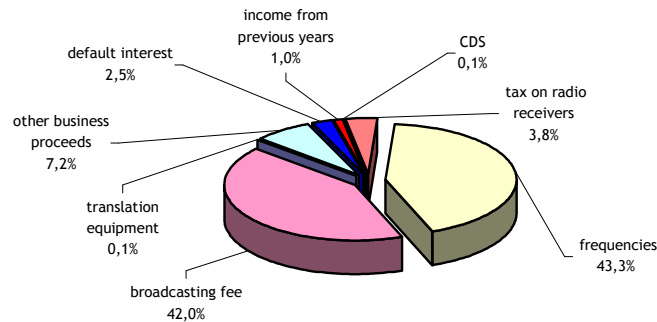
In 2006, the income of the Agency amounted to €832.477,69, which is in accordance with the financial plan. The income overview is given in the table below:

Table 1: Income analysis in 2006

account	I – XII 2006.	amount (€)	%
611020	Income from the tax on radio receivers	31,813.58	3.82
611021	Income from frequencies	360,069.26	43.25
611022	Income from broadcasting fee	349,234.08	41.95
611023	Income from translation equipment	1,091.34	0.13
611024	Income from CDS	737.70	0.09
613010	Other business proceeds	59,681.82	7.17
626170	Income from previous years	8,653.84	1.04
776070	Default interest	21,158.13	2.54
777020	Positive exchange difference	37.94	0.00
	total	832,477.69	100,0

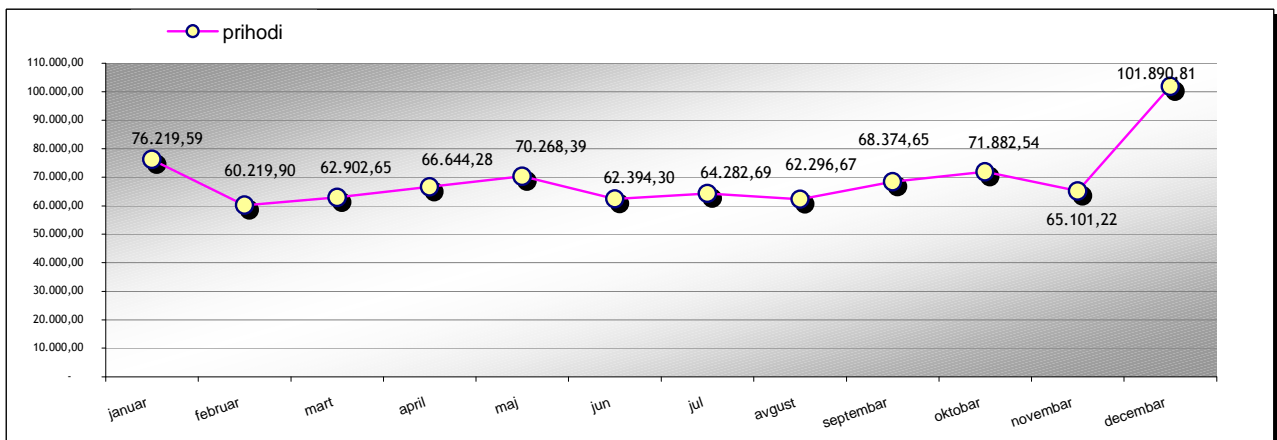
The highest share in the income structure is the income from the frequencies (43,25%) followed by the income from broadcasting fee (41.95%), other business proceeds 7.17%, income from tax 3.82%, default interest income 2.54%, income from previous years 1.04 %, income from equipment for simultaneous translation 0,13%, and income from cable distribution systems 0,09%.

Feature 1: Income structure in 2006



Out of the total income, amounting to €832,477.69 in 2006, €76.219,59 accounts for January, €60.219,90 for February, €62.902,65 for March, €66.644,28 for April, €70.268,39 for May, and €62.394,30 for June, €64.282,69 for July, €62.296,67 for August, €68.374,65 for September, €71.882,54 for October, €65.101,22 for November, €101.890,81 for December.

Graph 1: monthly overview of income



Expenditure of the Agency

In the reporting period, the expenditure of the Agency amounted to **€690.661,18**. The highest share in the expenditure structure are expenses for salaries and other personnel expenditures (52,11%), followed by expenses for materials and services (14,39%), business trips and membership in international organisations (11,04%), Agency Council fees (6,33%), depreciation (5,87%), humanitarian assistance and sponsorship (4,74%), and other business expenses (2,85%), expenses for the fixed assets maintenance (2,65%).

Table 2: Income in 2006

account	January – December 2006	amount (€)
Expenses for salaries and other personnel expenditures		
741010	Net salaries of employees	162.104,22
742510	Tax on gross salaries	58.279,70
743010	Contributions for Pension Insurance Fund – employees	28.797,21
743011	Healthcare contributions – employees	18.407,93
743012	Unemployment contributions – employees	1.199,87
743521	Winter bonus	7.590,00
743522	Summer holiday bonus	7.590,00
743552	Assistance in case of death	1.500,00
743554	Assistance for medical treatment and medications	440,00
744060	Transport of employees	3.315,00
744070	Meal expenses for employees	14.355,00
744090	Other remunerations for employees	5.957,55
762022	Surtax - salaries	8.491,36
762110	Contributions for Pension Insurance Fund - employer	24.217,68
762111	Healthcare contributions – employer	14.726,36
762112	Unemployment contributions – employer	1.227,20
762180	Contributions for the chamber of commerce and trade union	1.328,29
762190	Solidarity contributions	406,62
	total	359.933,99
Agency Council fees		
744011	Council fees	37.331,88
762081	Taxes	5.578,21
762021	Surtax	838,36
	total	43.748,45
Business trips and membership in int. org.		
744030	Business trip per diems	26.502,50
744050	Business trip fares	13.707,00
744051	Business trip accommodation	24.751,02
762020	Membership fees for international organisations	11.310,56
	total	76.271,08
Expenses for maintenance of fixed assets		
761310	Maintenance of fixed assets	2.867,94
735230	Material for maintenance of fixed assets	952,43
761311	Car maintenance	6.579,17
761261	Insurance and registration of vehicles	1.269,97
735510	Fuel expenses	6.638,13
	total	18.307,64
Expenses for material and services		
735221	Stationery	7.922,02
735222	Advertising material	1.667,80

735330	Office supplies	12.663,96
745010	Expense account	8.558,68
761270	Insurance	1.267,00
761750	Other non-production services	13.755,17
761810	Telecom and payment operation commissions	27.546,19
762080	Other taxes and levies	1.438,55
762020	Surtax	335,74
761262	Telephone	9.627,94
761260	Postal services	1.628,36
744010	Contracts and honorariums	10.335,00
762210	Training of employees	2.625,80
	total	99.372,21

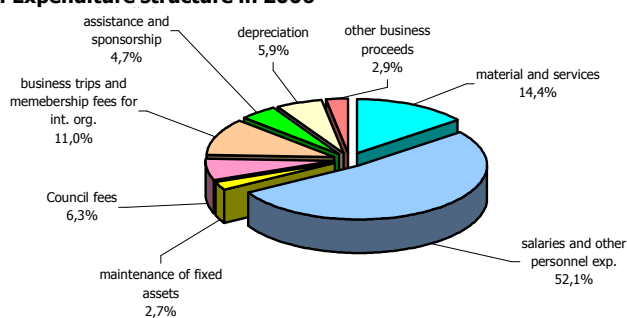
	Other business expenses	
762230	Advertising in the press	7.248,30
762240	Administrative taxes	947,07
762251	Subscriptions for magazines, newspapers	2.798,17
762252	Premium hosting subscription	180,00
761710	Audit	4.095,00
762254	Other non-material expenses	2.795,45
765000	Write-off of receivables	1.160,00
765030	Subsequently determined expenditure	367,94
772030	Default interest	92,42
	total	19.684,35

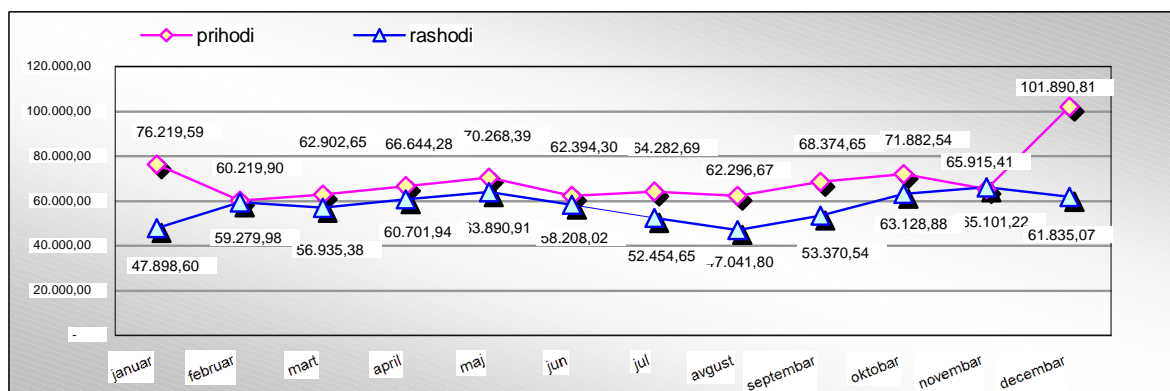
	Humanitarian assistance and sponsorship	
761510	Seminar registration fees	3.004,11
762250	Sponsorship	16.174,81
762253	Humanitarian and solidarity support – donations	13.590,00
	total	32.768,92

	Fixed assets	
751000	Depreciation	40.574,54
	total	40.574,54

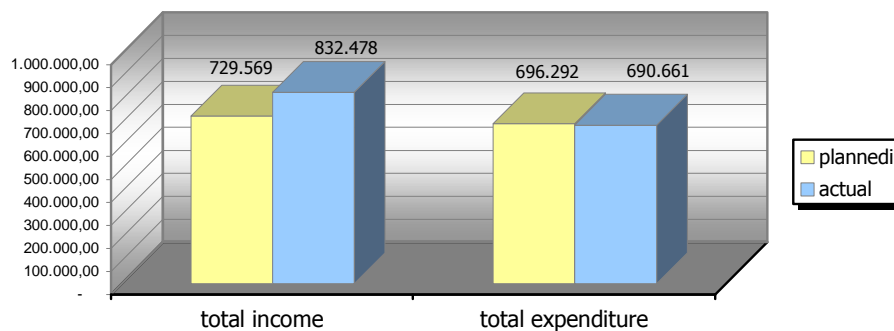
	total	690.661,18
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Feature 2: Expenditure structure in 2006



Graph 2: monthly overview of income and expenditure

In the reporting period, the Broadcasting Agency adhered to the adopted financial plan, keeping its income higher and expenditure lower than planned.

Graph 3: planned and actual income and expenditure in 2006

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

January - December 2006

Type of income	Planned	Actual	Index
One-off fees ¹	35.997,21	-	-
Tax on radio receivers ²	30.000,00	31.813,58	106,05
Frequencies ³	359.972,16	360.069,26	100,03
Broadcasting fees ⁴	285.600,00	349.234,08	122,28
Other income ⁵	18.000,00	91.360,77	507,56

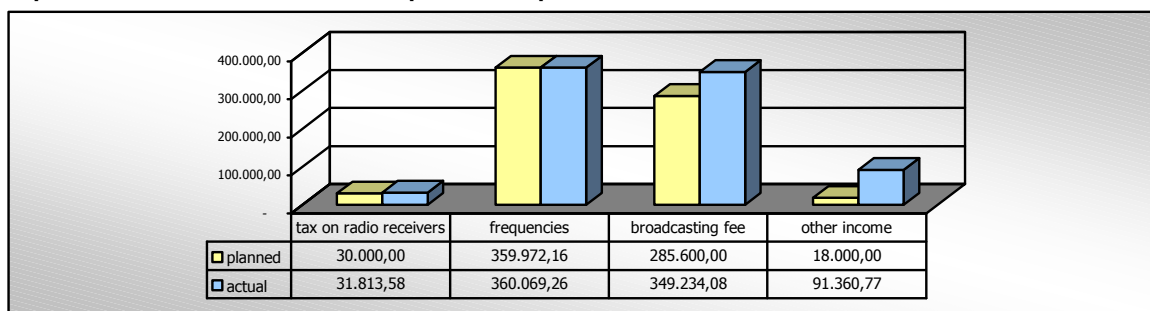
¹ **income from one-off fees** for registration of broadcasters planned for the first quarter of 2006 has not been collected yet due to a delay in the awarding of permanent licences for transmission and broadcasting of radio and TV signals until the completion of technical inspection of studio and transmission equipment of broadcasters;

² **income from tax on radio receivers** is higher than planned by 6.05 % due to the increase in the number of registered vehicles in 2006;

³ **income from monthly fees** for licences for the transmission and broadcasting of radio and TV signals is at the planned level;

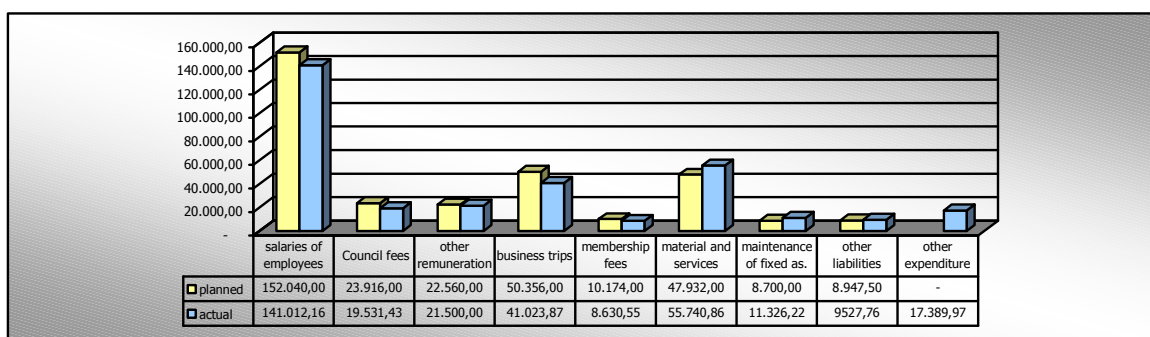
⁴ **income from broadcasting fee** is higher than planned by 22.28 %. The collection rate is higher, and the Telecom of Montenegro has timely settled its liabilities towards the Broadcasting Agency;

⁵ **other income** will include income coming from one-off fees for the processing of applications to tender, income from previous years, default interest, positive exchange difference, rental of translation equipment, etc.

Graph 4: overview of actual income compared to the plan

January - December 2006

Type of expenditure	Planned	Actual	Index
Gross salaries of employees	304.080,00	319.186,44	104,97
Other remunerations of employees	45.120,00	40.747,55	90,31
Gross remunerations of Council Members	47.832,00	43.748,45	91,46
Business trips and membership fees ⁶	78.537,00	76.271,08	97,11
Materials and services ⁷	95.864,00	99.372,21	103,66
Maintenance of fixed assets ⁸	17.400,00	18.307,64	105,22
Other business expenditure ⁹	23.895,00	19.684,35	82,38
Humanitarian assistance and sponsorship ¹⁰	-	32.768,92	-
Depreciation	20.000,00	40.574,54	202,87

Graph 4: overview of actual salaries income compared to the plan

⁶ **Business trip expenses** include expenses of business trips in country (fares, accommodation, per diems) and business trips abroad (fares, accommodation, per diems). The expenses earmarked for the **membership in the international organisations** include the expenses for the membership of the Broadcasting Agency in the international institutions ITU, AIB and EPRA. With the rational use of funds earmarked for this purpose these expenses amounted to €76.271,08, which was by 2,89 % lower than planned;

⁷ **Expenses for material and services** include the expenses for stationery, advertising material, office supplies, expense account, insurance premiums for employees, non-production services, commissions of Telecom Montenegro and payment operations, other taxes and contributions, telephone and postal services, contracted services and training of employees. They were higher than planned (3,66%) due to the increase in expenses for office supplies incurred for the purpose of equipping the BA delegation for the participation in the RRC-06 conference in Geneva, six-month terrain work of the technical monitoring teams, as well as for the operation of the Programme Monitoring Sector aimed at the monitoring of programme contents during the two-months referendum campaign and other regular activities;

⁸ **maintenance of fixed assets** includes the expenses of the fixed assets maintenance, service and repair of vehicles, fuel and lubricants, insurance and registration of vehicles. Given the intensive activities of the technical sector in the reporting period (over 300 technical inspections), the actual expenses were higher than planned by 5,22%;

⁹ **other business expenses** include expenses of advertisements, administrative taxes, audit of the annual financial statement, other non-material expenses, subscription to magazines, newspapers and news agencies, which are in line with the plan;

¹⁰ **humanitarian assistance, sponsorship, seminar registration fees** were not planned. The Agency allocated funds for this purpose according to its possibilities (assistance for the railway accident, equipment for the Nephrology Unit of the Clinical Centre, assistance to the best students of the Electro-technical and other Faculties, and other justified humanitarian requests continuously submitted to BA by citizens);

Balance sheeton 31st December 2006

No.	position	note*	current year (01.01.- 31.12.2006)	previous year (01.01.- 31.12. 2005.)
	ASSETS			
	Permanent property		200.721	197.779
1	Non-material property		55.928	58.582
2	Real estate, facilities and equipment		144.793	139.197
3	Permanent property intended for sale			
4	Long-term receivables			
5	Long-term financial investments			
6	Deferred taxes			
	Revolving assets		1.469.000	1.293.830
7	Supplies			
8	Receivables from buyers		53.527	43.705
9	Short-term financial investments			
10	Cash and cash equivalents		1.415.473	1.250.125
11	Expenses paid in advance			
12	Invoiced uncollected income			
13	Other revolving assets			
	Total assets		1.669.721	1.491.609
	LIABILITIES			
	Capital and reserves		856.755	714.939
14	Registered capital		563.626	563.626
15	Revalorization reserve			
16	Other reserves			
17	Undistributed profit/loss		293.129	151.313
	Long-term liabilities		21.672	26.135
18	Long-term liabilities			
19	Deferred taxes			
20	Long-term reserves			
21	Other long-term liabilities			
22	Deferred income		21.672	26.135
	Short-term liabilities		791.294	750.535
23	Short-term business liabilities		791.294	750.535
24	Short-term financial liabilities			
25	Current part of long-term credits			
26	Tax liabilities			
27	Short-term reserves			
28	Balanced liabilities			
	Total liabilities		1.669.721	1.491.609

On the basis of the balance on 31st December 2006, the value of total assets amounts to €1.669.721. The permanent property amounting to €200.721, accounts for 12.02% of the total assets, and it includes non-material property (27.86%) and material property (72.14%).

The Agency used the surplus of income over expenditure from 2006 for the investments included in the financial plan, in order to create conditions for the fulfilment of Agency's duties. The property worth €40,353.16 was procured (spectrum analyser – 30 GHz, wattmeter, tracking generator, software and hardware for 24-hour monitoring and logging of the recorded programme contents of broadcast media, PC equipment, etc.).

Revolving funds worth €1,469,000 accounts for 87.98% of the total assets and it is related to the receivables from buyers (3.64%), cash and cash equivalents (96.36%).

Total receivables transferred from 2005 amounted to €45,554.27, while the total receivables on 31st December 2006 amount to €53,527.49. Out of that amount €49,838,85¹¹ accounts for the receivables from broadcasters, €800,00 for the receivables from rental of the translation equipment, €400,00 for the receivables for the advance payments for business trips, while the receivables of the employees amount to €2,488.64. The collection rate for the income from frequencies was 87,60% in the reporting period. Therefore, it may be concluded that the collection rate in the given period was good.

The total turnover in 2006 amounted to €9,279,909.58 through the bank account, €82.687,46 through the cashier's office, and €50.414,09 through the foreign exchange account.

Total liabilities amounted to €1,669,721. The Agency's capital amounts to €856,755, including the capital provided by the Government of Montenegro for the initial funds for the operation of the Agency amounting to €436,165.38, and €64,031.29 € taken over from the Republican Secretariat of Information, while the Agency's own capital amounts to €63,429.73. Undistributed profit amounts to €293.129,02, out of which €141,816.51 accounts for the current year.

Total liabilities of the Agency amount to €791,293.85, out of which €4,311.92 accounts for liabilities to suppliers, €786.482,83 for liabilities to funds from broadcasting fees and tax on radio receivers in motor vehicles, while €499.10 for the advance payments paid by buyers. Comparing the aforementioned liabilities with the value of the revolving assets of €1,293,830, it may be concluded that the Agency is solvent, and that its liquidity has never been jeopardized.

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. In the reporting period, the decision of the Broadcasting Agency Council on the level of broadcasting fee in the Republic of Montenegro in the amount of **€3.5** was in effect. Telecom of Montenegro, the Agency has a collection contract with, is in charge of the collection. The Telecom's commission for the service of collecting broadcasting fee has not changed, amounting to €0.21 (6%) per telephone bill, including the broadcasting fee in the amount of €3.5.

In the period from 1 January to 31 December 2006, Telecom of Montenegro collected the funds amounting to **€6.873.179,85**, out of which **€6.493.133,30** were paid to the bank account of

¹¹ The procedure of debt collection has been initiated against all broadcasters with the unsettled liabilities towards the Agency in 2006.

the Agency, while the commission of Telecom was **€483.650,37** (December 2005 – November 2006).

Table 3: overview of monthly calculation of broadcasting fee

month	number of tel. bills	no. of bills with broadcast. fee	broadcast. fee	broadcasting fee			
				invoiced	collected	paid to Agency	comiss. + VAT
jan.06	174.447	166.798	3,5	583.793,00	492.817,36	669.804,25	34.662,13
feb.06	175.003	166.445	3,5	582.557,50	551.695,87	458.155,23	38.820,60
mar.06	174.868	165.203	3,5	578.210,30	607.901,76	512.875,27	42.859,17
apr.06	172.172	166.516	3,5	582.816,00	545.485,31	565.042,59	38.374,65
maj.06	175.199	166.494	3,5	582.729,00	547.660,22	507.110,66	38.525,27
jun.06	178.428	169.549	3,5	593.421,50	586.110,71	509.134,95	41.211,02
jul.06	178.719	169.996	3,5	594.988,78	563.981,86	544.899,69	39.658,19
avg.06	180.267	170.278	3,5	595.973,00	638.919,91	524.323,67	44.928,70
sep.06	177.516	167.779	3,5	587.227,40	583.068,49	593.991,21	41.045,41
okt.06	176.225	165.164	3,5	578.074,00	517.602,97	542.023,08	36.439,52
nov.06	174.015	162.210	3,5	567.735,00	628.922,52	481.163,45	44.313,47
dec.06	171.445	162.762	3,5	569.667,00	609.012,87	584.609,25	42.812,24
total				6.997.192,48	6.873.179,85	6.493.133,30	483.650,37

Total receivables of the Broadcasting Agency from the Telecom of Montenegro on 31 December 2006 amounted to **€567.200,87** for the unpaid total receipts and **€2.145.531,28** for the invoiced receipts. Broadcasting fee collection rate from subscribers by Telecom on 31 December 2006 amounts to **90,0 %**, while the Agency's collection rate from Telecom for the same fee amounts to **97,0 %**¹². Telecom has not collected **10.0%** of the invoiced receipts from the subscribers for the said period.

Table 4: Overview of monthly distribution of broadcasting fee

month	collected broadcasting fees	distribution of collected broadcasting fees			
		75 % - Radio Television of Montenegro	10% - Fund for support of local public broadcasting services	10% - Fund for support of commercial broadcasters	5% - Broadcasting Agency
jan.06	669.804,25	502.353,19	66.980,43	66.980,43	33.490,20
feb.06	492.817,36	369.613,02	49.281,73	49.281,73	24.640,88
mar.06	551.695,87	413.771,90	55.169,59	55.169,59	27.584,79
apr.06	607.901,76	455.926,32	60.790,18	60.790,18	30.395,08
maj.06	596.197,05	447.147,79	59.619,71	59.619,71	29.809,84
jun.06	547.660,22	410.745,15	54.766,03	54.766,03	27.383,01
jul.06	586.110,71	439.583,04	58.611,07	58.611,07	29.305,53
avg.06	563.981,86	422.986,39	56.398,19	56.398,19	28.199,09
sep.06	638.919,91	479.189,94	63.891,99	63.891,99	31.945,99
okt.06	583.068,49	437.301,37	58.306,85	58.306,85	29.153,42
nov.06	517.602,97	388.202,23	51.760,30	51.760,30	25.880,14
dec.06	628.922,52	471.691,89	62.892,26	62.892,26	31.446,11
total	6.984.682,97	5.238.512,23	698.468,33	698.468,33	349.234,08

¹² It should be taken into consideration that the collected funds from the broadcasting fee refer to the collection period from 1 January to 31 December 2006, not including the funds calculated for the given period given that the collection is transferred from one month to another.

During 2006, the funds coming from the broadcasting fee transferred to the Radio-Television of Montenegro amounted to €4.869.849,82, which is an average of €405.820,82 per month.

Tax on radio receivers in motor vehicles

In the reporting period, the decision of the Broadcasting Agency Council on the collection procedure and the level of tax on radio receivers in motor vehicles was in effect, according to which every motor vehicle owner in the Republic of Montenegro is obliged to pay **€6** tax when registering their vehicle. The funds amounting to **€636.274,07** have been collected and they will be distributed in the following manner:

Table 5: distribution of funds collected 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 public broadcasting services	10% - Fund for support of commercial broadcasters	5% - Broadcasting Agency
jan.06	43.819,00	32.864,25	4.381,90	4.381,90	2.190,95
feb.06	52.989,45	39.742,10	5.298,95	5.298,95	2.649,45
mar.06	61.432,96	46.074,72	6.143,30	6.143,30	3.071,64
apr.06	63.169,16	47.376,88	6.316,92	6.316,92	3.158,44
maj.06	72.128,28	54.096,22	7.212,83	7.212,83	3.606,40
jun.06	49.545,39	37.159,05	4.954,54	4.954,54	2.477,26
jul.06	45.525,08	34.143,80	4.552,51	4.552,51	2.276,26
avg.06	49.901,00	37.425,76	4.990,10	4.990,10	2.495,04
sep.06	47.540,90	35.655,69	4.754,09	4.754,09	2.377,03
okt.06	49.006,40	36.754,80	4.900,65	4.900,65	2.450,30
nov.06	48.048,35	36.036,26	4.804,84	4.804,84	2.402,41
dec.06	53.168,10	39.876,08	5.316,81	5.316,81	2.658,40
ukupno	636.274,07	477.205,61	63.627,44	63.627,44	31.813,58

The funds allocated to the Radio of Montenegro from the tax on radio receivers amounted to €464.349,08 in 2006, which makes an average of €38.695,76 per month.

Distribution from the Fund for Support of Local Public Broadcasting Services

During 2006, the funds collected in the Fund for Support of Local Public Broadcasting Services amounted to the total of €762.095,77 (€698.468,33 from broadcasting fee and €63.627,44 from tax on radio receivers in motor vehicles).

The funds have been distributed in compliance with the Decision on Criteria for Distribution of Funds from the Fund for Support of Local Public Broadcasting Services ("Official Gazette of the Republic of Montenegro", No. 32/04), according to the criteria of coverage zone of local public service broadcaster and level of transformation of local media.

On the basis of the aforementioned decision, the funds from the Fund from Broadcasting Fee and Tax on Radio Receivers in Motor Vehicles, amounting to €765.000,00, were distributed in the reporting period.

Table 6: Distribution from the Fund for the Support of Local Public Service Broadcasters from January to December 2006

Local PBS	amount (€)	total Jan.-Dec. 2006 (€)
Radio Rozaje	2.556,51	45.344,51
Radio Bar	3.926,97	69.652,15
Radio Berane	3.534,34	62.688,06
Radio Bijelo Polje	7.736,66	84.013,28
Radio Herceg Novi	3.373,62	59.837,38
Radio Tivat	1.840,39	32.642,67
Radio Pljevlja	3.592,66	63.722,34
Radio Kotor	2.576,58	45.700,40
Radio Cetinje	2.223,77	39.442,79
Radio Danilovgrad	2.068,98	36.697,26
RTV Niksic	6.771,91	119.048,11
TV Budva	1.346,98	21.055,38
Radio Budva	673,49	14.781,37
Radio Andrijevica	1.220,50	21.647,86
Radio Ulcinj	2.491,20	42.350,40
Association of Local PBSs	2.126,44	6.377,32

The funds allocated in the reporting period, 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.

Recognizing the continuous and sustainable work of NGO "Association of Local Public Service Broadcasters", the Broadcasting Agency accepted the initiative of members of this association in 2006, to allocate a part of money from this fund to this Association.

Distribution from the Fund for Support of Commercial Broadcasting Services

During 2006, the Broadcasting Agency Council adopted Decisions on the fifth and sixth distribution of money from the Fund for Support of Commercial Broadcasting Services collected from 1 October 2005 to 31 January 2006 (fifth distribution) and from 1 February 2006 to 30 June 2006 (sixth distribution).

Distribution of funds has been done in compliance with the criteria of the coverage zone and programme contents, having in mind the necessity to stimulate, develop and strengthen diverse offer of programming of public interest.

In reporting period, the total funds of **551.227,74**, collected from broadcasting fee and tax on radio receivers in motor vehicles, were distributed. The amount of **€326.345,04** was allocated to TV broadcasters, while radio broadcasters received **€224.822,79 €**.

Table 6: distribution from the Fund for Support of Commercial Broadcasters from January to December 2006

radio station	amount (€)	TV station	amount (€)
Radio Antena M	36.507,52	TV Mbc	55.601,96
Radio Svetigora	22.586,72	TV In	55.723,47
Radio Elmag	11.454,59	TV Montena	29.498,82
Radio Skala	8.578,70	TV Pink	22.832,64
Radio Corona	9.105,52	TV Elmag	40.004,19
Radio Mir	3.991,92	TV Teuta	27.765,12
Radio Delfin	3.184,39	TV Panorama	16.116,58
Radio D	5.747,63	TV Boin	6.555,87
Radio Montena	10.540,62	TV Eho	4.602,26
Radio Elita	7.993,33	TV Apr	17.656,95
Radio Fokus	3.719,48	TV Atv	34.449,84
Radio Panorama	5.669,80	TV Orion	1.484,62
Radio D plus	10.611,41	TV Glas Plava	2.419,20
Radio Ozon	10.336,59	TV Caposat	10.448,51
Radio Gorica	2.089,24	TV Luna	1.185,01
Radio Zeta	634,14	total	326.345,04
Radio Jupok	5.299,89		
Radio Z	1.035,38		
Radio 083	2.541,31		
Radio Boom	7.415,78		
Radio Mojkovac	5.308,97		
Radio Borkis	719,97		
Radio City	7.768,26		
Radio Adriatic	7.671,65		
Radio Glas Plava	4.000,88		
Radio Free Montenegro	1.266,42		
Radio Luna	340,74		
Radio Harizma	634,14		
Radio Atlas	4.963,36		
Radio Plus	3.708,27		
Radio More	2.877,22		
Radio F	1.146,37		
Radio Ponta	1.273,87		
Radio Skadar Lake	3.260,47		
Radio Drs	1.595,41		
Radio Cool	8.668,69		
Radio Gusinje	634,14		
total	224.882,79		

Cash flow balance

From 1 January to 31 December 2006

position	current year	previous year
Operational cash flow		
Cash inflow from business activities	899.103	990.262
Cash payments to suppliers and employees	(711.093)	(535.111)
<i>Cash generated from business activities</i>	188.010	455.151
Cash paid for interests	(92)	(21)
Cash paid for profit tax		
Cash paid for dividends		
Net cash from operational activities	187.918	455.130
Cash flow from investment activities		
Inflow from sale of facilities and equipment		
Inflow from sale of long-term investments		
Inflow from the collected interest	21.158	10.483
Inflow from collected dividends		
Outflow for procurement of property, facilities and equipment	(43.766)	(140.073)
Outflow for procurement of property for investment purposes		
Outflow for other investments		
Development expenses		
Net cash for investment activities	(22.608)	(129.590)
Cash flow for financial activities		
Inflow from equity issue		
Inflow from long-term loans		
Outflow for re-acquisition of company's own shares		
Outflow for repayment of loans		
Outflow for leasing liabilities		
Outflow for transaction expenses		
Inflow from donations		30.699
Net cash from financial activities		30.699
Net increase of cash and cash equivalents	165.310	356.239
Cash and cash equivalents at the beginning of period	1.250.125	893.413
Effects of foreign exchange difference at the end of period	38	473
Cash and cash equivalents at the end of period	1.415.473	1.250.125

Conclusion

On the basis of the Agency's income and the incurred expenditure, during 2006, the Broadcasting Agency had the total income of €832.477,69, and total expenditure of €690.661,18, with the positive balance of €141.816,51.

In the reporting period, the Agency managed to provide efficient operation and realisation of planned objectives of the Agency, by means of the effective spending of public funds, keeping the income higher and expenditure lower than planned.

Such a result was achieved due to permanent internal control, restrictive expenditure within the framework of planned activities, monthly analyses of income and expenditure and monitoring of business liquidity.

appendix: tabular overview of receivables from broadcasters on 31 December 2006

Report submitted by:

Svetlana Raonić

Director:

Abaz Beli Džafić

Financial Report for 2006

account	BROADCASTER	AMOUNT per month	receivables from 2005	invoiced receipts (01.01. - 31.12.)	collected receipts (01.01 - 31.12.)	receivables on 31 december 2006
221001	RADIO M-CORONA	408,75	-	4.905,00	4.087,50	817,50
221002	TV IN	3.093,19	-	37.167,91	37.167,91	-
221003	RADIO TROJKA	283,77	7.661,79	-	-	7.661,79
221004	TV BUDVA	168,75	3.169,35	2.025,00	5.093,47	100,88
221005	FREE MONTENEGRO	431,25	6.814,54	5.175,00	1.266,42	10.723,12
221006	RADIO MIR	112,50	-	1.350,00	1.350,00	-
221007	RADIO D	731,25	-	8.775,00	8.775,00	-
221008	RADIO 083	352,50	-	4.229,50	4.229,50	-
221009	TV MBC	2.143,13	-	25.717,56	25.717,56	-
221010	RADIO SVETIGORA	1.376,25	-	16.515,00	13.762,50	2.752,50
221011	RADIO DELFIN	727,50	-	8.898,78	8.898,78	-
221012	RADIO VIZIJA	95,87	-	-	-	-
221013	RADIO PANORAMA	153,75	- 596,57	1.845,00	1.500,00	- 251,57
221014	TV BOIN	444,38	444,38	5.332,56	5.776,94	-
221015	RADIO JUPOK	135,94	- 0,93	1.631,28	1.630,35	-
221016	TV ELMAG	1.826,72	-	21.920,64	21.920,64	-
221017	RADIO FOKUS	112,50	-	1.350,00	1.350,00	-
221018	TV GLAS PLAVA	90,00	-	1.080,00	1.080,00	-
221019	RADIO MONTENA	656,25	3.890,83	7.845,00	9.922,87	1.812,96
221020	NTV MONTENA	1.075,78	-	12.909,36	12.909,36	-
221021	TV ATV	2.811,94	-	33.743,28	33.743,28	-
221022	RADIO ANTENA M	1.181,25	-	14.175,00	14.175,00	-
221023	RADIO ZETA	183,75	-	2.205,00	634,14	1.570,86
221024	TV PINK	2.582,44	-	31.945,31	29.362,87	2.582,44
221025	RADIO GORICA	183,75	-	2.205,00	1.653,75	551,25
221026	RADIO M	202,47	3.111,85	-	-	3.111,85
221027	RADIO MAX	63,91	1.318,49	-	-	1.318,49
221028	TV APR	281,25	-	3.375,00	3.375,00	-
221029	RADIO OZON	60,00	-	720,00	720,00	-
221030	RADIO BUSSOLA	230,08	3.678,44	-	-	3.678,44
221031	RADIO MOJKOVAC	60,00	- 0,74	720,00	719,26	-
221032	RADIO D+	891,75	-	10.700,50	10.700,50	-
221033	TV TEUTA	253,13	-	3.037,56	3.037,56	-
221034	TV PANORAMA	175,78	- 1.138,14	2.109,36	1.050,00	- 78,78
221035	RADIO SKALA	225,00	-	2.700,00	2.700,00	-
221036	RADIO Z	168,75	-	2.024,95	2.024,95	-
221037	RADIO BORKIS	183,75	743,30	2.205,00	1.354,12	1.594,18
221038	TV EHO	140,63	-	1.687,56	1.687,56	-
221039	NTV ORION	180,00	646,80	2.160,00	2.806,80	-
221040	RADIO CITY	183,75	- 0,40	2.204,90	2.204,50	-
221041	RADIO ELITA	112,50	-	1.350,00	1.350,00	-
221042	RADIO BOOM	431,25	-	5.175,00	5.175,00	-
221043	RADIO HARIZMA	60,00	1.270,20	720,00	1.308,18	682,02
221044	RADIO LUNA	60,00	273,36	720,00	-	993,36
221045	TV CAPOSAT	168,75	337,50	2.025,00	2.531,25	- 168,75
221046	RADIO GLAS PLAVA	60,00	-	720,00	720,00	-
221047	RADIO ELMAG	1.413,75	-	16.965,00	16.965,00	-
221048	RADIO ATLAS	1.644,75	-	19.737,00	19.737,00	-
221049	RADIO MORE	768,75	-	9.225,00	6.750,27	2.474,73
221050	RADIO KOM	206,25	412,50	2.475,00	-	2.887,50
221051	RADIO SKADAR	183,75	-	2.205,00	2.205,00	-
221052	RADIO S	183,75	367,50	2.205,00	-	2.572,50
221053	RADIO DRS	183,75	367,50	1.286,25	961,27	692,48
221054	RADIO COOL	183,75	-	1.102,50	1.102,50	-
221055	RADIO PONTA	112,50	- 112,50	1.350,00	1.237,50	-
221056	RADIO PLUS	112,50	-	1.350,00	1.350,00	-
221057	RADIO F	112,50	225,00	1.350,00	1.575,00	-
221058	RADIO ADRIATIC	112,50	-	1.350,00	1.350,00	-
221059	RADIO GUSINJE	60,00	120,00	720,00	840,00	-
221060	TV LUNA	90,00	180,00	1.080,00	-	1.260,00
	Total	30.048,31	33.184,05	359.701,76	343.546,06	49.838,85

