

Last year saw a continuation of the pleasing and mutually profitable relationships between ZB stations, advertisers, and listeners. Many of the country's foremost advertisers have continued to use our stations, and at this time of stocktaking it is gratifying to note that a number of advertisers have used the medium of broadcasting since its inception in New Zealand. Now we are unable to accommodate all the firms desirous of using our facilities. Our thanks are due to our sponsors for providing many popular programmes at no cost to the New Zealand listeners. The added service which the Commercial Division gives to the listeners permits our Broadcasting Service to spend in other ways money which might have been required for varied types of programming.

FINANCIAL REPORT

Audited accounts for the year will be published in parliamentary paper B-1 (Pt. IV). Summarized information is given below, with figures in parentheses relating to the previous year :—

NATIONAL DIVISION

Total income for the year was £490,635 (£480,193), including radio licence fees, £459,515 (£441,371), and net profit on publication of the *New Zealand Listener*, £4,632 (£8,017).

Programme expenditure increased to £144,029 (£116,177), increase being mainly due to the establishment of the National Orchestra, payments to members of this and other orchestras absorbing £45,491 (£17,541). Other programme charges were £31,913 on talent, £4,340 on welfare and entertainment of the fighting Forces in New Zealand and overseas, and miscellaneous, £62,285.

With the addition of general administrative and running expenses, £172,283 (£140,367), total expenditure (including provision for depreciation) amounted to £334,728 (£276,009), surplus for the year being £155,907 (£204,184). Investments of surplus funds are unaltered at £1,830,000. Last year's report gave some indication that expenditure would increase when arrears of maintenance could be undertaken. A start has been made in this direction, being reflected in general administration and running expenses, which have increased by £31,916. Further increases can be expected as labour and materials become more freely available for development of this work. Capital commitments which did not come to charge during the year have been entered into under a programme of development, and these, together with further charges of a similar nature, which will be incurred as development advances, can be expected to make inroads on liquid resources which have been built up for the purpose.

COMMERCIAL DIVISION

Sales of station time again exceeded any previous year's return at £303,114 (£289,379) despite the fact that reduced hours of broadcasting due to power restrictions caused a loss of revenue towards the end of the year. Miscellaneous revenue of £6,626 (£6,191) brought the total income to £309,740 (£295,570). Free announcements to local and national community organizations were granted to a value of £9,919. The policy was continued of granting rate concessions to Government Departments and non-profit-making organizations, reduction in charges being valued at £11,536. It is of interest to note that no reciprocal advantage is gained in return for these concessions, full charges being paid for all services used by the Department.

In addition to talent and recorded features supplied by advertisers at their cost, programme costs totalled £32,660 (£20,893). General administrative and running expenses (including provision for depreciation) totalled £181,454 (£167,369), leaving a net profit of £95,626 (£107,308). A reserve of £55,600 has been provided to meet taxation on the year's profits, leaving Appropriation Account with an accumulated credit balance of £167,148.