

1937.
NEW ZEALAND.

ANNUAL REPORT
OF THE
NATIONAL BROADCASTING SERVICE

(FOR THE FIFTEEN MONTHS ENDED 31st MARCH, 1937).

Presented to both Houses of the General Assembly pursuant to the Provisions of the Broadcasting Act, 1936.

REPORT.

I HAVE the honour to submit the following report on the operations of the Service for the period 1st January, 1936, to 31st March, 1937. For the first six months of that period the Service was controlled by the New Zealand Broadcasting Board, which was abolished on 30th June, 1936, by the Broadcasting Act, 1936. Since the 1st July, 1936, the Service has been carried on as a Government Department.

The most important events of the period under review were the initiation of broadcasts of the proceedings of Parliament and the opening of a new 60 kilowatt transmitter at Titahi Bay, Wellington.

RECEIVING LICENSES.

The number of radio-receiving licenses at 31st March, 1937, was 242,306, an increase of 170,853 over the number in existence when the New Zealand Broadcasting Board took over the Service on 1st January, 1932. As the estimated number of dwellings in New Zealand is 375,000 approximately, it will be seen that about 64 per cent. of the houses are equipped with radio-receiving sets.

Hereunder are shown the increases in licenses during the past seven years:—

	Number of Licenses.	Increase for Year.
31st December, 1929	50,273	..
31st December, 1930	60,162	9,889
31st December, 1931	71,453	11,291
31st December, 1932	88,993	17,540
31st December, 1933	113,053	24,060
31st December, 1934	148,284	35,231
31st December, 1935	183,830	35,546
31st December, 1936	231,364	47,534
31st March, 1937	242,306	*58,476

* Increase for fifteen months.

PERCENTAGE OF LICENSES TO POPULATION.

In the Dominion there are now 15.395 licenses per hundred of population. The table below shows the position based on the latest figures obtainable in the seven countries having the greatest density of licenses:—

Country.	Date to which Percentage refers.	Percentage of Licenses to Population.
Denmark	31st December, 1936	17.598
Great Britain	31st December, 1936	17.153
Sweden	31st December, 1936	15.113
New Zealand	31st December, 1936	14.537
Australia	31st December, 1936	13.092
Canada	31st December, 1936	12.238
Germany	31st December, 1936	12.221

The following table shows the percentage of licenses to population in towns of the Dominion :—

Town.	Percentage of Licenses to Population.	Town.	Percentage of Licenses to Population.
Blenheim	23·70	Napier	17·83
Masterton	23·64	Auckland	17·55
Ashburton	22·71	Timaru	17·42
Wellington	20·82	Bluff	17·37
Hamilton	20·71	Greymouth	16·73
Oamaru	20·54	Gisborne	16·37
Wanganui	19·79	Nelson	16·30
New Plymouth	19·19	Invercargill	15·73
Palmerston North	18·77	Westport	15·32
Christchurch	18·49	Whangarei	15·29
Dunedin	18·31	Rotorua	14·51
Hastings	17·93		

HOURS OF TRANSMISSION.

During the fifteen months ended 31st March, 1937, the total hours of transmission numbered 34,932, which shows a proportionate increase over the figure for the previous twelve months.

The subjoined table shows the progressive increases in the hours of transmission since 1st January, 1932 :—

	Hours of Transmission (Rate per Annum).
At 1st January, 1932	10,612
At 1st January, 1933	16,484
At 1st January, 1934	23,036
At 1st January, 1935	25,700
At 1st January, 1936	27,456
At 31st March, 1937	27,593

For the fifteen months ended 31st March, 1937, out of 34,932 hours of transmission-time, 36½ were lost owing to technical faults and power failures.

PROGRAMMES.

The National Broadcasting Service continued to supply throughout the period programmes from the eight national stations indicated hereunder :—

Station.	Aerial Energy.	Frequency.	Wave-length.
		Kilocycles/Second	Metres.
1YA Auckland	10·00 kw.	650	462
IYX Auckland	0·15 kw.	880	341
2YA Wellington	60·00 kw. (formerly 5 kw.)	570	526
2YC Wellington	0·20 kw.	840	357
3YA Christchurch	10·00 kw.	720	416
3YL Christchurch	0·30 kw.	1,200	250
4YA Dunedin	10·00 kw.	790	380
4YO Dunedin	0·15 kw.	1,140	263

Throughout the period use was made of the best musical and other talent available in the Dominion, and many eminent artists from overseas were engaged. In addition, the library of recordings was added to extensively, and listeners, through this medium, were able to hear most of the famous international artists and musical combinations.

One hundred and thirty-three concerts by musical societies and choirs and broadcasts by 1,683 different local performers were transmitted during the period.

Tours were arranged of the national stations by many notable artists, including Spivakovsky-Kurtz Trio, Leo Cherniavsky, Sydney MacEwan, Duncan Morison, Browning Mummery, Sydney de Vries, John Amadio, Arved Kurtz, Signor and Signora Marotta, Gladys Lorimer, Evelyn Gardiner, Florence Austral, Thea Philips, and Eileen Joyce.

Talks.

As far as possible advantage has been taken of the presence of visitors to the Dominion to induce them to broadcast talks, usually on subjects on which the speakers have been authorities. In addition, overseas speakers have contributed interesting talks on their experiences both here and abroad, and suitable local speakers have been encouraged and have been engaged whenever the opportunity arose. A pamphlet has been prepared to assist those who have had no previous broadcasting experience, and the staff of the Broadcasting Service give them every possible assistance.

Included in the list of speakers heard either direct from the national stations or by rebroadcasts from overseas stations were—Lord Bledisloe, Lord Nuffield, Right Hon. Stanley Baldwin (now Earl Baldwin of Bewdley), Marquis of Hartington, Viscount Elibank and Viscountess Elibank, Right Rev. Graham-Brown, Right Rev. Bishop of Wellington, Sir Stanton Hicks, Sir Joseph Byrne, Vice-Admiral J. E. T. Harper, M. Henri Cochet, Mr. Cherry Kearton, Mr. Lincoln Ellsworth, Rev. David Lang, Rev. C. F. D'Arcy, Madame de Vries, Dr. Weston Price, Mr. J. E. Lovelock, Dr. C. Rolls, Hon. B. S. Stephens, Right Hon. R. B. Bennett, Dr. Winifred Cullis, Right Hon. J. Lyons, Dr. H. J. Hogbin, Dr. A. R. Southwood, Dr. Francis Lloyd, Mr. A. E. R. Gilligan, Mr. Walter Hagen, Marche Booth Clibborn, and M. Lajos Steiner.

The interest in the educational talks for schools was fully maintained. A total of 74,657 books were issued free to the school-children for the fifteen months ended 31st March, 1937, as against 64,000 during the previous twelve months.

There are now 357 schools participating in this service, as against 276 during the preceding twelve months. This gratifying increase in the Service has been made possible by the willing co-operation of the Education Department, the Education Boards, the Advisory Committees, and the speakers.

Plays.

Two hundred and eighty-one plays were broadcast during the period, as against two hundred and thirty-nine during the previous twelve months. Most of these plays were produced and presented by local performers under the supervision of the Department's officers, and have been a great source of enjoyment to those who are interested in this form of entertainment. The following are worthy of special mention: "A Midsummer Night's Dream," "Alcestis," "Bulldog Drummond," "A Bill of Divorcement," and "Ambrose Applejohn's Adventure."

Arrangements were also made for special studio performances by the J. C. Williamson Dramatic Company which visited the Dominion, and the following plays were broadcast by them: "The Importance of Being Earnest," "The Circle," "Mr. Pim Passes By," and "The Breadwinner."

Overseas Rebroadcasts.

Important events taking place overseas have been rebroadcast by the Service for the benefit of listeners generally, and particularly for those people whose receiving-sets would not allow them to hear these broadcasts direct.

Some of the most notable events and speeches rebroadcast by the national stations were: Descriptions of the funeral of His Majesty, the late King George V; the speech of His Majesty King Edward VIII after the Proclamation; the farewell message from the ex-King Edward VIII; the Proclamation of His Majesty, King George VI; the commentaries on the rugby test matches played in England by the New Zealand team; the commentaries on the Derby from Epsom Downs, and on the Motor-cycle Tourist Trophy Race from the Isle of Man; the commentary on the Melbourne Cup Race; also talks by the High Commissioner, Mr. W. J. Jordan, from Geneva, and by Miss Jean Batten, from Sydney.

Parliamentary Broadcasts.

The Government decided to permit the proceedings of Parliament to be broadcast, in order that listeners might be able to keep in touch with the work done by their representatives in Parliament. These broadcasts were inaugurated during the period under review, and have created great interest.

Outside Broadcasts.

Relays of many interesting and historical events taking place in the Dominion were arranged and carried out successfully. Amongst the more important of these were—The reading of the Proclamation of His Majesty, King Edward VIII by Lord Galway; the opening of the Palmerston North—Dunedin Air Service; the opening of the Bell Block Aerodrome and the unveiling of the memorial to the late Sir Charles Kingsford-Smith and the late Mr. C. T. P. Ulm; the description of the unveiling of the memorial to the late Hon. Sir Maui Pomare, K.B.E., C.M.G., M.D.; the opening of the National Art Gallery and Dominion Museum; the arrival of the Pan-American Pacific Airways "Clipper Ship"; the arrival of Mr. Ernle Clark at Wigram; the opening of the World Conference of Chambers of Commerce; the opening of the Royal Australasian College of Surgeons Conference; the opening of the Pacific Rotary Conference; and the inauguration of the appeal to the people of New Zealand for the King George V Memorial Fund by the Right Hon. the Prime Minister.

Sporting Broadcasts.

Sporting broadcasts were many and varied. Ninety-two racing and sixty-five trotting meetings were dealt with; commentaries were given on 101 rugby football matches, 101 wrestling matches, and 34 boxing matches. Yacht races were described on thirteen and swimming races on fourteen occasions.

In addition talks on various aspects of sport are given regularly from the national stations, and many famous sportsmen were broadcast during the period under review.

SPECIAL SERVICES.

Broadcasting is a useful adjunct to the social services of the Dominion, and the details below show some of the uses which have been made of the national system in this respect. Particular mention should be made here of the broadcasting of school lessons during the recent epidemic of infantile paralysis in the Dominion. This enabled school-children to be given homework during the period when many of the schools were closed.

During the period 455 appeals were broadcast for information regarding missing persons, or persons required on account of the serious illness of relatives.

Missing vehicles were the subject of 324 announcements, and numerous appeals were made on behalf of charity.

Reports of wool-sales were broadcast frequently for the information of woolgrowers, and special weather reports for farmers are given regularly.

Talks on gardening, book reviews, and advice to motorists were given at regular periods.

NEWS.

By arrangement with the United Press Association, a limited amount of cable news was broadcast each evening, and this was augmented by the British Official Wireless News received regularly from Rugby. By courtesy of the daily newspapers, a local news service was maintained.

SPECIAL RECORDED PROGRAMMES.

The recording equipment installed at Wellington has proved most useful, and, in addition to making permanent records of important events, many special programmes have been recorded by the Department's staff.

PROGRAMME ANALYSIS.

A dissection of the matter broadcast during the 34,932 transmitting-hours shows that music took up 72·707 per cent. of the broadcasting-time. The following analysis sets out the position in detail :—

Item.	Percentage of Programme Time.
Music—	
Serious	25·415
Light	43·321
Modern dance	3·751
Old-time dance	0·220
Plays and sketches	5·354
Sporting commentaries	2·280
Talks : General ; educative (including school broadcasts)	3·514
News, weather and market reports, announcements, &c.	6·748
Church and devotional services	3·566
Children's session	4·746
Miscellaneous	1·075
	100·000

SUBSIDIZED PRIVATE BROADCASTING STATIONS.

Regular monthly subsidies which were originally granted to private stations operating in areas where reception from the national stations was indifferent were paid throughout the period to eight such stations, and assistance in the form of gramophone recordings was also given. Relays of national programmes were also arranged in some cases. Following are particulars of the stations being subsidized : 2YB, New Plymouth ; 2ZF, Palmerston North ; 2ZD, Masterton ; 2ZJ, Gisborne ; 2ZH, Napier ; 3ZR, Greymouth ; 4ZC, Cromwell ; 4ZP, Invercargill.

TECHNICAL.

The new transmitter for Station 2YA was brought into service at the end of 1936. Programmes were transmitted from the new station from 29th December, 1936, for the purpose of completely testing the transmitter, both for stability and fidelity of transmission. The tests were entirely satisfactory, and the station has continued in service since that date.

The power of the transmitter is 60 kilowatts of unmodulated aerial energy, and the field-strength measurements indicate that this power is being efficiently radiated. Most of New Zealand is comprised of territory which is hilly, if not mountainous, and terrain of this nature is least suitable for the transmission of radio waves, but in spite of this drawback the new station can be heard at all times on a good receiver in any part of New Zealand. The only exception to this is in distant localities where the noise level is high, due to heavy power interference.

The 5 kilowatts transmitter previously in use for Station 2YA was remodelled on modern lines and transferred to the new site at Titahi Bay. It is now in the process of test transmissions, and will be brought into service shortly under the call sign 2YC, operating on a frequency of 840 kilocycles.

Preliminary work is being undertaken in connection with the further development of the complete coverage scheme. The areas next requiring attention are Southland and Hawke's Bay, and during the coming year active steps will be taken to select and test sites, provide buildings, and take the necessary action to have transmitters installed. It is expected that by the end of the next financial year the work in connection with the installation of both stations will be well advanced.

A specially designed transmitter for site-testing purposes is being constructed, and will be available for its peculiar type of work when required.

Improved types of recording equipment have been designed and brought into operation during the period. The improvement in the technique of both transmitting-stations and receivers demands greater fidelity from the recording equipment, and also from all the reproducing units.

Each of the transmitters in use by the National Service and all the studio equipment is now capable of transmitting programmes of a fidelity which in some countries is called "high fidelity" or "wide range."

FINANCIAL REPORT.

Balance-sheets.

Under the Broadcasting Act, 1936, all the property of the Broadcasting Board was vested in His Majesty the King, and all rights, liabilities, and engagements of the Board were declared to be rights, liabilities, and engagements of His Majesty. Consequently, the book value of assets and liabilities of the Board at the 30th June, 1936, were taken over by this Department on 1st July, 1936.

The fifth balance-sheet of the New Zealand Broadcasting Board as at the 30th June, 1936, was prepared, and was duly audited by the Controller and Auditor-General, and is presented with this report. The Revenue Account of the Board for the six months ended 30th June, 1936, is also presented.

Also are submitted, the first accounts of this service under its operation as a Government Department, comprising the Revenue Account for the nine months ended 31st March, 1937, together with a balance-sheet as at 31st March, 1937, certified correct by the Controller and Auditor-General.

During the period under review, the total amount expended on land, buildings, and equipment associated with the new transmitting-station at Titahi Bay was approximately £101,149. A commencement was made on the reconstruction of the old 2YA transmitter, and at the end of the financial period the sum of £2,108 was expended on that work.

The financing of the Commercial Service has been arranged through the Broadcasting Account, from which account all the expenditure for this service is provided. The revenue received from advertising receipts is lodged to the credit of this account. At the 31st March, 1937, the amount advanced for running-expenses and capital expenditure to this Service was £14,721 1s. 1d., and the advertising revenue received for that period was £3,450 6s. 10d.

REVENUE ACCOUNT.

After providing the sum of £14,945 8s. for depreciation of assets, there is an excess of income over expenditure for the nine months ended 31st March, 1937, of £94,519 3s. 9d. This balance has been transferred to the Appropriation Account, and has, in turn, been appropriated in total to the Accumulated Fund to meet future heavy capital commitments.

The same proportionate rate of expenditure on programmes was maintained during the period under review, but the cost for the maintenance of plant has shown an increase due to the operation of more high-powered transmitters.

In addition to an expenditure of £710 2s. 10d. for the provision of gramophone records, relay lines and equipment for eight subsidized private stations, £1,921 10s. was paid in cash subsidies to these stations.

The sum of £641 3s. 6d. was provided for the running-expenses of the "Friendly Road" broadcasting-station—1ZB—for the period 1st July, 1936, to the 2nd October, 1936. From the latter date the station commenced operating under the control of the National Commercial Broadcasting Service.

In submitting this report, I desire to place on record my appreciation of the co-operation and assistance given to me by the Business Manager and the Chief Engineer, and of the services rendered by the staff at the Head Office and the district offices. The satisfactory results obtained are in themselves a tribute to their devoted and efficient services.

The following section dealing with the Commercial Service and the Balance-sheet and Revenue Account relating thereto have been furnished by the Controller of the National Commercial Broadcasting Service.

COMMERCIAL BROADCASTING SERVICE.

Under authority provided in the Broadcasting Act, 1936, section 14, the Government has undertaken the inauguration of a Commercial Broadcasting Service. The broad basis of this service is that it shall render a community service to the listeners of the Dominion as an alternative selection to the programmes of the National Broadcasting Stations, and at the same time provide an additional avenue by which manufacturers and business houses generally can make known their commodities to the consuming public. The underlying principle of the Commercial Service is that it shall ultimately be self-supporting, the revenue to cover all operations being obtained from the advertiser in such measure as to ensure that the additional radio entertainment furnished to listeners by the commercial stations shall be without cost to either the listeners or the State.

A preliminary organization was laid down, providing for Head Office control to be located at Wellington, and four experimental stations of one kilowatt each to be established at Auckland, Wellington, Christchurch, and Dunedin respectively.

To facilitate progress, suitable staff appointments were made, and responsibility for the operation of Station 1ZB, Auckland, was taken over by the Government. Advertising schedules were arranged and programmes reorganized so that commercial broadcasting was introduced from that station on 29th October, 1936, with a weekly transmission-time of eighty-four hours.

The innovation proved an immediate success with both radio audiences and the business community, and the proven earning-capacity has been definitely encouraging. Starting with a weekly revenue of £188, Station 1ZB has rapidly advanced so that at the end of five months' commercial operation (at 31st March, 1937) the weekly revenue is in excess of £570.

At this date the organization of the Wellington unit had proceeded to the point where opening of Station 2ZB at Wellington, with advertising schedules providing a commencing revenue of £2,000 per month can be projected for May, 1937. It is anticipated that commercial stations will also be in operation in both Christchurch and Dunedin before the end of 1937.

Funds for establishment of the Service have been provided by advances from Broadcasting Account, and interest at 4 per cent. per annum on these advances has been taken into account. The amount expended from the Broadcasting Account in excess of cash received and deposited was £11,270 14s. 3d. at 31st March, 1937. This, of course, includes capital items and establishment costs (such as purchase of records and initial printing and stationery charges).

Machinery and plant includes some £4,400 expended on technical equipment for Station 2ZB, Wellington, the installation of which was commenced in March, 1937.

Many items of expenditure are proportionately higher than would be the case with a fully established service, and of these mention may be made of the following :—

REPAIRS AND MAINTENANCE.

The plant at Station 1ZB, Auckland, has required considerable maintenance expenditure, and stocks of spares and replacement parts were also purchased with the new equipment for Station 2ZB, Wellington.

TRAVELLING-EXPENSES.

During establishment it was necessary for officers to travel to a greater extent than will eventually be normal, and this will continue to apply whilst expansion proceeds.

SALARIES AND WAGES.

Head Office costs under this heading are disproportionate while only one station is in operation, but the effect will diminish as all stations become revenue-earning.

It will be noted that, after making allowance for purely capital charges, expenditure amounted to some £9,057, against which revenue earnings were £6,462.

ACCOUNTS.

The Revenue Account for the period of operation, and Balance-sheet as at 31st March, 1937, certified by the Controller and Auditor-General, are also attached.

ADVERTISING CONTRACTS.

During the period under review contracts were accepted, not only for broadcasting from Station 1ZB, Auckland, but also for national advertising to be broadcast from all stations. The position at 31st March, 1937, is shown below:—

	£
Total contracts accepted to 31st March	26,357
Value of advertising charged to 31st March	6,462
Contracts uncompleted at 31st March	19,895

I have, &c.,

JAMES SHELLEY,

Director of Broadcasting.

The Right Hon. the Prime Minister.

THE NEW ZEALAND BROADCASTING BOARD.

REVENUE ACCOUNT FOR THE SIX MONTHS ENDED 30TH JUNE, 1936.

<i>Expenditure.</i>	£	s.	d.	<i>Income.</i>	£	s.	d.
Expenditure on programmes including payments to artists, performing rights, relay lines, music, salaries, and expenses of programme staff, records, stationery, and sundry miscellaneous items	33,735	3	0	License fees	112,863	6	1
Maintenance of plant, power, salaries of engineering and operating staffs	8,449	13	4	Net interest	1,319	13	3
General expenses including rent, rates, insurance, lighting, heating, legal, audit, printing, stationery, salaries and wages, telephones, travelling expenses, repairs and maintenance of buildings, and sundry miscellaneous items	7,338	6	11				
Administration salaries and expenses	3,925	5	7				
Subsidies to "B" Stations	1,281	0	0				
Depreciation of assets	11,820	5	8				
Balance	47,633	4	10				
	£114,182 19 4				£114,182 19 4		

BALANCE-SHEET AS AT 30TH JUNE, 1936.

<i>Liabilities.</i>				<i>Assets.</i>			
I. Accumulated Fund—	£	s.	d.	I. Land and buildings—	£	s.	d.
Balance at 1st January, 1936..	181,686	17	0	Balance at 1st January, 1936,			
Balance of Revenue Account at 31st December, 1935..	2,502	14	5	less depreciation	84,935	8	9
Transfer of Reserve for Renewals and Replacements	14,000	0	0	Additions during 1936 at cost, less depreciation	11,616	10	0
	198,189 11 5			II. Machinery and plant—			96,551 18 9
II. Sundry creditors			6,070 11 1	Balance at 1st January, 1936,	52,203	5	10
III. Revenue Account: Balance as at 30th June, 1936			47,633 4 10	less depreciation	1,231	3	10
	£251,893 7 4			Additions during 1936 at cost, less depreciation	1,034	13	2
							8,054 8 2
				IV. Sundry debtors and prepayments			3,239 3 2
				V. Post and Telegraph Department—			
				Investment Account	72,000	0	0
				License Fees Account	14,863	6	1
							86,863 6 1
				VI. Cash at bank and in hand—			
				At bank	3,640	1	6
				In hand	110	0	0
							3,750 1 6
							£251,893 7 4

H. D. VICKERY, Chairman.

I hereby certify that the Revenue Account and Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby.—J. H. FOWLER, Deputy Controller and Auditor-General.

NATIONAL BROADCASTING SERVICE.

REVENUE ACCOUNT FOR THE NINE MONTHS ENDED 31ST MARCH, 1937.

<i>Expenditure.</i>		£	s.	d.	<i>Income.</i>		£	s.	d.
Expenditure on programmes, including payments to artists and organizations, performing and broadcasting rights, relay lines, salaries and expenses of programme staff, artists' travelling-expenses, printing of educational booklets, and sundry miscellaneous items		56,028	19	8	License fees		201,144	14	9
Maintenance of plant, power, and salaries of engineering and operating staffs		15,784	19	5	Proceeds from sale of assets previously written off		48	6	7
General administrative and running-expenses, including rent, rates, insurance, lighting, heating, legal, audit, printing, stationery, salaries and wages of staff, telephone services, repairs and maintenance of buildings, office and studio equipment, and sundry miscellaneous items		17,427	4	1	Interest		75	7	1
Subsidies to "B" Stations		1,921	10	0					
Running-expenses of Station IZB from 1st July, 1936, to 2nd October, 1936		641	3	6					
Depreciation of assets		14,945	8	0					
Balance transferred to Appropriation Account		94,519	3	9					
		<u>£201,268</u>	<u>8</u>	<u>5</u>			<u>£201,268</u>	<u>8</u>	<u>5</u>

APPROPRIATION ACCOUNT.

Transfer to Accumulated Fund	£94,519	3	9	Balance from Revenue Account	£94,519	3	9
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BALANCE-SHEET AS AT 31ST MARCH, 1937.

<i>Liabilities.</i>				<i>Assets.</i>			
	£	s.	d.		£	s.	d.
I. Accumulated Fund—				I. Land and buildings—			
Balance on 1st July, 1936	247,715	11	7	Balance on 1st July, 1936,			
Transfer from Appropriation Account	94,519	3	9	less depreciation	93,615	3	8
	<u>342,234</u>	<u>15</u>	<u>4</u>	Additions to 31st March, 1937, at cost	23,951	15	2
II. Sundry creditors					<u>117,566</u>	<u>18</u>	<u>10</u>
				II. Machinery and plant—			
				Balance on 1st July, 1936,			
				less depreciation	42,805	11	11
				Additions to 31st March, 1937, at cost, less depreciation	60,307	3	6
					<u>103,112</u>	<u>15</u>	<u>5</u>
				III. Office and studio equipment—			
				Balance on 1st July, 1936,			
				less depreciation	6,716	11	9
				Additions to 31st March, 1937, at cost, less depreciation	6,794	9	7
					<u>13,511</u>	<u>1</u>	<u>4</u>
				IV. Deposit on purchase price of Station IZB			
				V. Work in progress			
				VI. Sundry debtors and prepayments			
				VII. National Commercial Broadcasting Service—			
				Net amount advanced for running - expenses and capital expenditure to 31st March, 1937	14,721	1	1
				Less advertising revenue received up to 31st March, 1937	3,450	6	10
					<u>11,270</u>	<u>14</u>	<u>3</u>
				VIII. Cash in bank—			
				Broadcasting Account	98,410	3	5
				Broadcasting Imprest Account	1,929	7	1
					<u>100,339</u>	<u>10</u>	<u>6</u>
					<u>£353,763</u>	<u>12</u>	<u>11</u>
					<u>£353,763</u>	<u>12</u>	<u>11</u>

JAMES SHELLEY, Director of Broadcasting.

I hereby certify that the Revenue Account and Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby.—J. H. FOWLER, Controller and Auditor-General.

NATIONAL COMMERCIAL BROADCASTING SERVICE.

REVENUE ACCOUNT FOR THE PERIOD 2ND OCTOBER, 1936, TO 31ST MARCH, 1937.

<i>Expenditure.</i>	£	s.	d.	<i>Income.</i>	£	s.	d.
Expenditure on programmes, including payments to artists, hire of special recordings, relay lines, and sundry miscellaneous items	724	3	11	Sales of station time	6,462	6	8
General administrative and running-expenses, including rents, rates and insurance, lighting, heating and power, legal and audit, printing and stationery, salaries and wages, telephone services, repairs and maintenance of buildings, plant, and office and studio equipment, commission, and sundry miscellaneous items	9,754	11	11	Excess of expenditure over income	4,566	13	9
Interest	75	7	1				
Reserve for bad debts	324	17	6				
Depreciation on records	150	0	0				
	<u>£11,029</u>	<u>0</u>	<u>5</u>		<u>£11,029</u>	<u>0</u>	<u>5</u>

BALANCE-SHEET AS AT 31ST MARCH, 1937.

<i>Liabilities.</i>	£	s.	d.	<i>Assets.</i>	£	s.	d.
Broadcasting Account: Expenditure to date on commercial stations, less receipts from operations	11,270	14	3	Machinery and plant	6,051	7	1
Advertising paid in advance	65	10	6	Office and studio equipment, including furniture, typewriters and duplicating machines, library, music, blocks, and photographs	805	5	2
Creditors—				Records	1,164	17	4
Sundry	2,733	4	7	Less depreciation	150	0	0
Government Departments	497	3	9		<u>1,014</u>	<u>17</u>	<u>4</u>
Commission	1,040	4	0	Stock: Spares, Station 2ZB	402	15	5
	<u>4,270</u>	<u>12</u>	<u>4</u>	Sundry debtors	3,090	15	10
				Less Reserve for Bad Debts	324	17	6
					<u>2,765</u>	<u>18</u>	<u>4</u>
				Excess of expenditure over income for the period 2nd October, 1936, to 31st March, 1937	4,566	13	9
	<u>£15,606</u>	<u>17</u>	<u>1</u>		<u>£15,606</u>	<u>17</u>	<u>1</u>

NOTES.

Contingent Liability.—Purchase price of Station IZB, Auckland, the value of which is not included in the accounts.

Asset Values.—Cost price has been taken throughout, and no depreciation has been provided, excepting on gramophone records. Purchases related almost wholly to the latter part of the year, as the plant and chattels of the only operating station, IZB, Auckland, had not been taken on charge, pending settlement of purchase price.

Stock of Spares.—Spares and replacement parts for technical equipment, Station 2ZB, Wellington, purchased in March, have been included at cost. Expenditure of this nature at Station IZB, Auckland, has not been included, as stock was not taken.

W. J. CROWTHER, Business Manager.

I hereby certify that the Revenue Account and Balance-sheet have been duly examined and compared with the relative books and documents submitted for audit, and correctly state the position as disclosed thereby, subject to the departmental notes en faced thereon.—CYRIL G. COLLINS, Deputy Controller and Auditor-General.

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