

ANNUAL REPORT  
**TG/4**

2010



# CONTENTS

<b>MISSION, VISION &amp; CORE VALUES</b>	<b>3</b>
<b>TG4'S COMMITMENTS FOR 2010</b>	<b>5</b>
<b>KEY TG4 PERFORMANCE HIGHLIGHTS OF 2010</b>	<b>8</b>
<b>THE BOARD OF TEILIFÍS NA GAEILGE AND OTHER INFORMATION</b>	<b>15</b>
<b>CHAIRMAN'S REPORT</b>	<b>18</b>
<b>DIRECTOR GENERAL'S REPORT</b>	<b>21</b>
<b>CORPORATE GOVERNANCE</b>	<b>26</b>
<b>FINANCE REVIEW 2010</b>	<b>28</b>
<b>FINANCIAL STATEMENTS</b>	<b>30</b>

A man in profile, facing right, wearing a black beret and a black blindfold. He has a mustache and is looking upwards. He is wearing a black jacket over a white shirt. His arms are crossed.

1916

SEACHTAR  
NA  
CÁSCA



"I thoroughly enjoyed the documentary series on the 1916 leaders from TG4, the best of the home based channels" *Tuam Herald*

4

## MISSION, VISION & CORE VALUES



### 1916 SEACHTAR NA CÁSCA

Winner of 9 Awards including: IFTA Best Language  
Celtic Media: Best Documentary Series

*TG4's mission is to provide an attractive and innovative television and content service in Irish, that celebrates Irish creativity and identity – language, culture, music and sport, packaged and presented to be accessible and appealing in order to connect to audiences in Ireland and worldwide.*

TG4's vision is "to continue to promote successfully the Irish language and culture using television and web content so as to ensure a central place in Irish people's lives, both in Ireland and abroad".

While TG4's vision and mission set out what the organisation will achieve and the strategies it will use to deliver on its public service objectives, TG4's values influence the way in which they will be achieved, the manner in which

it works with its key stakeholders and overall reflect the principles which are the founding characteristics of the organisation. The culture of the TG4 organisation is built on these values. It is expected that each TG4 employee lives these values day-to-day and uses them as their guiding principles to inform and direct their on-the-job behaviours.

### TG4 CORE VALUES

#### CONNECTION:

- To provide a daily link for the Irish language to every household in the country.
- To put our audiences at the centre of everything we do.
- To offer an alternative viewpoint on national and international affairs.

#### QUALITY AND VALUE-FOR-MONEY:

- To provide a high quality programme schedule.
- To operate a cost effective and efficient structure.

#### CREATIVITY:

- To be creative in our output and everything we do.
- To continue to deliver innovative and unique programmes.

#### PROACTIVE:

- To maintain the can do attitude cultivated and now established within our organisation and staff.



# Garraí Glas





"I love everything on TG4, and it's so diverse. You never know what's next. From donkeys, to Honda 50s to who knows what" *Comment from viewer*

4

## TG4'S COMMITMENTS FOR 2010



GARRAÍ GLAS

*TG4's key priorities for 2010 were outlined in its Statement of Commitments.*

TG4's 36 corporate commitments can be grouped into six broad "themes" or areas as follows:

1. **Programming Outputs;**
2. **Promotion & Development of the Irish Language & Culture;**
3. **Service Development;**
4. **Development of the Irish Language Production Sector & Broader National Economy;**
5. **Continued Pursuit of Enhanced Strategic & Operational Performance; and,**
6. **Excellence in Governance, Risk & Compliance.**

### PROGRAMMING OUTPUTS

- Commission and broadcast a wide range of new high quality, innovative Irish language content in 2010.

- Progress towards a 35 week core schedule and broadcast 4.1 hours of Irish language content per day.

- Maintain current cost per hour and ensure value-for-money.

- Maximise additional financial support for programme projects from external sources including striving to secure co-funding from the Irish Film Board for two TG4 projects.

### PROMOTION & DEVELOPMENT OF THE IRISH LANGUAGE & CULTURE

- Continue to engage proactively with Government on the new 20 year strategy for Irish.
- Spend at least 70% of Exchequer current funding on Irish language content, a further 15% on its broadcast & 15% on overheads

- Invest in new Irish language programme development across all genre ensuring a distinctive "súil eile" perspective
- Continue to proactively engage with the "World Indigenous Television Broadcasters Network"

and other indigenous broadcasters and initiatives such as BBC Alba and the Celtic Media Festival etc.

### SERVICE DEVELOPMENT

- Achieve overall national audience share of 2.3-2.5% and improve TG4 shares if possible, in key targeted demographic sectors including kids, young adults and adults.
- Deliver a "world Irish language service" by further developing its web and WebTV services, achieving 450k unique visitors and 3.4m page impressions online and 2m programme streams on TG4 BEO over 2010.
- Continue to augment the quality and distribution platform availability of TG4 content, thereby enhancing the channel's cross-platform content proposition overall.
- Continue to make TG4 available on an all-island basis, by ensuring its availability across all broadcast platforms in the North and through this, developing a viable audience share in addition to exploring possible means to measure it.

## 4

## TG4'S COMMITMENTS FOR 2010

- Continue to work with RTÉNL to facilitate the distribution of TG4 on MUX 1 on the R.O.I. DTT network and with the relevant UK authorities to ensure TG4 is positioned on MUX 2 in advance of analogue switch-off in 2012.
- Develop TG4 strategies and initiatives to support the transition to DTT and to ensure availability of DTT for its audience base and throughout Ireland overall.
- Continue to support RTÉ in its establishment of the Irish Diaspora channel.
- Develop a 2010 Marketing & Branding Plan to deliver four high quality, high impact campaigns across radio, TV and print, to retain existing audiences and attract new audiences to TG4.
- Strengthen the TG4 brand across all its communications including delivery of two new Idents in 2010 and commence the development of brand strategies for the 2010 / 2011 year.
- to commissioning content from Gaeltacht-based companies.
- Strengthen the Irish language production sector by ensuring a minimum of €3.75m is secured by the sector from the BAI and £2m from the ILBF for TG4 commissioned content in 2010.
- In conjunction with Údarás na Gaeltachta and other relevant agencies, identify and deliver new production development initiatives to advance the creative talent within the sector.
- Work with the ILBF to further develop the Irish language production sector in the North by targeting a small number of companies for joint project development over 2010.
- Enhance critical TG4 systems and processes through completing the implementation of Phase 2 of the Digital Asset Management system and through ongoing development of the Finance, HR and key broadcast systems.
- Continue to operate as cost effectively as it has been and to maintain minimum levels of overhead costs across all TG4 Departments in 2010.
- Continue to further enhance the efficiency of TG4 work practices in conjunction with new system implementations.
- Deliver TG4's Five Year Strategic Plan for 2010-2014.

#### DEVELOPMENT OF THE IRISH LANGUAGE PRODUCTION SECTOR & BROADER NATIONAL ECONOMY

- Provide some 100 jobs directly and support approximately 300 jobs in the independent production sector, thereby enhancing Ireland's capability in the knowledge-based creative sectors.
- Build on the previous year's contribution to the national economy by adding approximately €58m to national earnings and having an employment impact of approximately 1000 jobs.
- Commit a share of Irish language programming spend

#### CONTINUED PURSUIT OF ENHANCED STRATEGIC & OPERATIONAL PERFORMANCE

- Strive over 2010 to achieve an increase in Exchequer funding of €2.8m for 2011 as per TG4's 2010-2014 Corporate Strategic Plan.
- Revise TG4's Funding plan to position the case with Government for longer-term increases in funding and a multi-annual funding approach.
- Generate airtime sales and sponsorship revenue of €2.6m on a targeted audience share of 2.3-2.5% and evaluate the potential to raise additional revenue from other sources such as the TG4 website and new content distribution mechanisms.
- Persist in driving a culture of continuous improvement throughout TG4 by investing in talent and HR management and development.

#### EXCELLENCE IN GOVERNANCE, RISK & COMPLIANCE

- Work closely with its two key stakeholders, DCENR and BAI, to support broadcasting policy development and to deliver on governance and compliance requirements
- Engage in ongoing dialogue with key industry stakeholders, regulators, broadcasters, policy-makers and other key bodies on all aspects of broadcasting operations, codes and regulations.
- Work closely with the TG4 Board to comply with all relevant and binding codes and regulations under which it functions.
- Establish an Audience Council & deliver TG4's Customer Charter, Public Service Statement, Code of Fair Trading and Code of Practice for the Handling of Complaints.
- Deliver two Internal Audits and a Risk Management review of TG4 over 2010.



A woman with dark hair pulled back, wearing a black coat and black gloves, is shown in a close-up, looking down at a white garment she is holding. The lighting is dramatic, highlighting her face and the texture of the fabric. She is wearing a small, round earring.

ROS na RÚN

## 4

# KEY TG4 PERFORMANCE HIGHLIGHTS OF 2010

## KEY TG4 PERFORMANCE HIGHLIGHTS OF 2010 ARE:

- TG4 performed strongly in fulfilling its commitments in 2010 despite a very challenging financial environment and the requirement to implement significant expenditure and cost reductions throughout its operations during the year:

- Overall, TG4 “fully achieved” 33 of its 36 commitments for 2010. Of these, 20 commitments exceeded their targets for the 2010 year.
- Three commitments were “substantially achieved”. These were heavily dependent on funding levels and with the reduction in TG4’s Exchequer funding for 2010, TG4 had to implement expenditure reductions across all areas of its operations which impacted full delivery of the three targets in 2010.
- Despite significant funding reductions in 2010, TG4 delivered even greater levels than planned of new and high-quality Irish language programming and strengthened its schedule through the negotiation of many new content deals – without any increase in costs.

- TG4’s *new / original* Irish language content output was 1593 hours in 2010. This represented an average of almost 4.4 hours per day. TG4’s targets for 2010 were a total of 1495 hours and 4.1 hours per day which means that TG4 exceeded its targets for the year by 6.5%.

- A number of very strong programmes were commissioned / acquired and broadcast over 2010. Some of the programming highlights were “1916 Seachtar na Cásca”, the widely lauded series about the key signatories of the 1916 Proclamation, which was launched by an Taoiseach, Brian Cowen in September 2010, “Gualainn le Gualainn” the documentary series which chronicled the history of Irish rugby from the birth of the sport on the playing fields of Trinity College in 1854 up to the Grand Slam triumph in Wales’ Millennium Stadium in 2009, in addition to many other great programmes such as “ó Bhearna go Carna”, “Bliain in Inis Meáin”, “Dún Chaoin”, “Na Cloigne”, “Lorg Lunny” and “T K Whitaker”. Sport also continued to hold an important position in the programming schedule. TG4 broadcast GAA matches, Magners Rugby from September 2010 onwards and in October 2010, we had the rights for the two International Rules matches between Ireland and Australia from Limerick and Croke Park. Other programming highlights included “Oireachtas na Gaeilge” which was held in



ROS NA RÚN

Killarney in 2010 and “Gradam Ceoil TG4” which was broadcast from the Wexford Opera House.

- 2010 was TG4’s best year yet for the number of awards and nominations TG4 received across its programming, personalities and marketing/branding. In total, 82 awards and nominations were secured which was twice that of 2009. Over the year, TG4 secured 49 programming awards / nominations with the major programming awards including: an IFTA for “Rásaí na Gaillimhe”, three Celtic Media Festival awards for “Mobs Mheiriceá”, “Faoi Lán Cheoil” and “Seacht”, five Oireachtas na Gaeilge awards including “Seo Spóirt” and “Na Cloigne”, and a Galway Film Fleadh award for “An Píopa”. These prestigious awards/nominations reflect TG4’s on-going ability to commission content with a distinctive *súil eile* perspective that is unique and entertaining and capable of impressing not just the core domestic audience but the highest standards of programming competition. The Oireachtas na Gaeilge Television Presenter of the year award was presented to the TG4 news anchor Eimear Ní Chonaola.
- 2010 saw a continuation of the exceptionally challenging period facing not just TG4, but all businesses in the Irish

"I think Ros na Rún is an absolute credit to TG4, it is a very enjoyable show that I never get tired watching" *Comment from viewer*

4



ROS NA RÚN

economy. Efforts to address the economic and financial situation saw all public expenditure being scrutinised with its reduction seen as a vital means of addressing the worsening budget deficit. This, combined with a decline in revenues in the advertising sector, had a serious financial effect on TG4's income levels. TG4's Exchequer funding fell from €38.01m at the beginning of 2009 to €32.25m in 2010 – a 15% reduction and the lowest it has been since 2007. In addition, due to the severe reduction in advertising and sponsorship expenditure in the economy, TG4 suffered a major decline in its commercial income - more than 40% during the same period. The television advertising market is directly linked to the overall performance of the economy. In 2007, television advertising expenditure was at its peak and was valued at €374m<sup>1</sup>. It is estimated that television advertising revenues have declined by between 35-40% since then which has had a major knock-on impact on all broadcasters including TG4. TG4's commercial income target for 2010 was €2.6m and TG4 generated just over €2m in advertising and sponsorship. While this represented a 12.5% decline vis-à-vis 2009, it was a strong outturn given the recession and the growing

competition in television broadcasting and advertising overall.

- In 2010, TG4 continued to place an emphasis on an operating model which works as efficiently as possible, in addition to cost management to ensure value-for-money. Total operating expenditure was €35.75m in 2010, an 8% decline on that of 2009. As is consistent with TG4's objectives, programming expenditure represented the largest component of its operating expenditure at almost 64% (this excludes internal programming costs).
- In terms of efficiency specifically, TG4 continued to focus on maximising value-for-money and for securing the best value for all areas of its business. The following metrics provide an indication of how TG4 has endeavoured to ensure it operates as efficiently as possible.
  - Reductions in TG4's operating expenditure of -3% in 2009 and -8% in 2010. These compare positively to Consumer Price Index (CPI) falls of -4.5% in 2009 and -1% in 2010. Specifically, in 2010, TG4's operating expenditure was 7% below CPI.

<sup>1</sup> Source: Oliver & Ohlbaum analysis (PSB Public Funding Review 2010)



## 4

KEY TG4 PERFORMANCE  
HIGHLIGHTS OF 2010

- Reductions in staff costs<sup>2</sup> of -5.3% in 2009 and almost -6% in 2010. Again, they compare positively to CPI with staff cost reductions in 2010 being almost 5% below CPI.
  - Reductions in key cost metrics as follows: total operating expenditure per broadcast hour declined from €4.5k in 2008 to €4.4k in 2009 to €4k in 2010; total Irish language programming expenditure per Irish language broadcast hour declined from €14.3k in 2008 to €13.8k in 2009 to €13k in 2010.
  - Average staff costs declined from €71.4k in 2008 to €70.06k in 2009 to €67.5k in 2010.
  - 70% of TG4's Exchequer current funding was spent on Irish language content, an additional 16% was spent on its broadcast and the remaining 14% was spent on related overheads such as promotion of the channel and its programmes.
- In a very competitive and challenging broadcast (where digital TV now accounts for over 70% of Irish TV homes and through which there are 100s of channels available), TG4 achieved a national audience share of almost 2.1% which represented a decline on 2009's share. However, there were extensive declines in most of the other channels' shares. In addition, this does not reflect the audience share for viewing TG4 on other digital platforms (i.e. TG4 Player) nor deferred viewing (i.e. where TG4 programmes are deferred for later viewing using Personal Video Recorder (PVR) technology). If they were included, there is no doubt that TG4's viewing share would far exceed the traditional measure of 2.1%. For example, the TG4 Beo Player performed strongly during the year. Analysis from AMAS "State of the Net" (winter 2010) showed strong streaming figures for TG4 in 2010, particularly during October, which had 343,000 streams boosted by the International Rules series between Ireland and Australia and the Oireachtas Festival.
- 2010 was the strongest year yet for TG4 in terms of the use of its website and Player service. The website achieved 6.1m page impressions (a 63% increase on 2009) and almost 1m visitors. TG4 has been supplying programmes online since 2003. TG4 BEO programme streams reached their highest ever levels at 2.65m in 2010, a growth of 44% over 2009. All targets for the year were exceeded. Essentially, TG4 delivered a "world Irish language service" to thousands of viewers both in and outside Ireland by providing broadcast content on a world-wide



basis through its Player service. In 2010, TG4 invested significantly in the service, positioning itself ahead of industry standards, enabling it to provide content that meets not only Irish market standards but also those of the UK and US markets. TG4 continues to embrace new digital technologies to develop its cross-platform content proposition overall with its objective being to ensure its online services become important services for Irish language users, bring Irish language users together, and ensure that TG4 online is "the definitive source" for Irish language content online, particularly children's Irish language content. TG4's online services are particularly critical at a time where viewing patterns are changing significantly through the use of Player services and "deferred viewing" using personal video recorder (PVR) services. With the help of new technology, TG4's Player service now carries more archive content than ever before. Programmes are available to view through the service for 35 days following transmission, and what makes the TG4 Beo Player unique in Ireland is that viewers have the ability to watch TG4 programming live.

<sup>2</sup> Including capitalised element

“TG4 to me is the heart of Irish television at it’s grass roots: Irish people producing Irish programmes about Irish issues” *Comment from viewer*

4



- As per other years, when TG4 has extra resources for additional commissioned programmes, it makes additional investment in Irish Language Programming for peak audience viewing periods such as Christmas and St Patrick’s Day etc. where there has always been a substantial increase in audience share. Christmas 2009 saw over 3 million people viewing TG4 and in 2010 itself, it achieved a 6.5% share on St. Patrick’s Day and a 5.7% share on Easter Sunday. The 2010 year ended on a high with a 6% increase in TG4’s Christmas viewership compared to that of 2009.
- In 2010, TG4 worked on the continued rollout of DTT, specifically in the context of delivering an all-island broadcast service. It continued with its endeavours to ensure availability of its service in Northern Ireland. Following on from the Memorandum of Understanding announced by the Irish and UK Governments in February 2010 regarding reciprocal arrangements for North / South public service television broadcaster availability, TG4 was appointed as a key member of the Steering Group set-up by the UK Government to consider the best DTT solution in Northern Ireland in addition to implementing the Memorandum and the provisions of the Good Friday Agreement.
- In terms of specific DTT roll-out initiatives in 2010, TG4 has been assiduous throughout the year in working closely with RTÉ and the relevant agencies and Departments to ensure that all necessary steps are being taken that will lead to the widest possible availability of the DTT transmissions and a smooth transition to the digital terrestrial era in the lead up to analogue switch-off in late 2012. To that end, TG4 had representatives appointed to all technical and communications committees and working groups established by DCENR, the BAI and RTÉNL. The broadcast of TG4 along with RTÉ’s channels and TV3 on MUX 1 will be launched as “Saorview” in 2011. The objective is that by 2012, Saorview will be available to 98% of the population.
- In terms of TG4’s involvement in the 20 Year Strategy for the Irish language, the Government asked the Joint Oireachtas Committee on Rural, Community and Gaeltacht Affairs to make observations on the strategy. TG4 made a presentation to this Committee and emphasised the importance of providing an attractive, entertaining and wide-ranging context for Irish in people’s lives. All Deputies and Senators paid tribute to TG4’s success and innovative approach to date, acknowledging its unique achievement in making the language attractive and accessible to all. The Strategy was published in late 2010 to all-party support. It

## 4

KEY TG4 PERFORMANCE  
HIGHLIGHTS OF 2010

acknowledges the pivotal role of TG4 in addition to its importance for the future promotion of the language, particularly among young people and parents.

- In 2010, TG4 continued to play a key role in the Irish language independent production sector in Ireland and to have a major impact on its development – both South and North. This involvement and impact included: expenditure in the independent production sector in Ireland; initiatives undertaken to support the development of the sector in the ROI; initiatives undertaken to support the development of the sector in the North of Ireland; and, jobs supported and economic impact. Overall, 75% of TG4's total programming expenditure was spent on commissioning content from independent production sector companies in 2010 (over €17m). A major part of this is from Gaeltacht and Western Seaboard based companies. TG4 commissioned 2.3% more hours in 2010 than in 2009 and almost 4% more than in 2008. This is a total of over 6% over two years in a very difficult economic environment and demonstrates TG4's commitment to working closely with, and supporting the development of, the Irish language independent production sector. In-house / co-productions with the Irish language independent production sector also grew in 2010 (with an almost 14% increase in 2010 versus 2009). Again, this is a clear indication of TG4's commitment to fostering the development of the skills and talent of the sector through sourcing as much as possible of its new / original Irish language programming from the sector.
- In addition to the 81 people employed in TG4 in 2010, TG4

supported an additional 283<sup>3</sup> jobs in the independent production sector directly. On a national level, multiplier analysis shows that TG4 contributed €60.3m to national incomes in 2010 and had an associated impact of 1036 jobs in the Irish economy.

- While not part of TG4's income, the Sound & Vision scheme operated by the BAI, the Irish Language Broadcast Fund (ILBF) operated by Northern Ireland Screen and the Irish Film Board are important funders of Irish language content productions which are co-funded by TG4 and broadcast on the channel. In 2010, TG4 productions secured almost €4.7m towards programme commissions by working in partnership with the sector on funds administered by the BAI and the ILBF. 2010 saw 12 Sound & Vision programmes and 29 ILBF programmes co-funded with the Sector. In addition, TG4 secured €460k in co-funding in 2010 from the Irish Film Board for two programming productions.
- Over 2010, TG4 focused on effective management of costs and securing value-for-money in all programme commissioning and acquisition activities. TG4 endeavoured to reduce operational costs and deliver effective asset management through the programming costs year-on-year and also vis-à-vis other broadcasters. TG4 commissioned a total of €17m in programming which yielded 656 hours of programming with an average cost-per-hour of €26k. This represented a 3.5% increase in total hours commissioned over those in 2009 but over 6% decrease in total expenditure driven by an average cost-per-hour decline of 9% between the two years. This

clearly indicates TG4's commitment to maximising value-for-money for public funding.

- In terms of comparisons of TG4's per-hour commissioning programme tariffs with those of BBC and S4C, it is clear that all TG4 tariffs across key genres come in either below or at the lower end of the tariff ranges for their equivalent genres at BBC. TG4 compares favourably with S4C and overall, it would appear that TG4 pays more competitive per-hour-commissioning tariffs. While recognising market differences, it provides evidence of TG4's focus on costs and value-for-money.
- For 2010, TG4 committed to the delivery of a number of targets in the development of its systems and associated processes and procedures. System developments are a significant element of TG4's capital programme which is reviewed and implemented on an annual basis and monitored on a monthly basis. They are also a crucial component of TG4's drive to reduce operating costs, deliver effective asset utilisation and increase productivity. All targets were met, TG4 is implementing a three phase archive project which will see the introduction of a Digital Asset Management (DAM) system and as part of this, a server based Archive. All DAMS target commitments were delivered in 2010. A range of other system developments were also implemented. For example, all purchase orders are now issued electronically with quotes and invoices scanned and fully integrated electronically into the DCS document management system. The HR system was integrated with TG4's Intranet which allows staff to undertake long-term planning of holidays and management of complex roster patterns. A number of key initiatives were undertaken

<sup>3</sup> Film & TV Production in Ireland, Audiovisual Federation Review 2010





## “TG4 has excelled itself with many fine shows and documentaries” *Mayo News*

to improve the security and safety of TG4s data infrastructure. Further integration of the MediaGenix system (WhatsOn scheduling) took place in addition to upgrades to the Online Edit Suite and delivery of High Definition (HD) file delivery strategy. In line with system developments, TG4 also implemented a number of process and procedure developments.

- TG4 worked closely with the DCENR and BAI to support broadcasting policy development and to deliver on all governance and compliance requirements. It also worked closely with its Board in 2010 to ensure the highest standards of corporate governance, risk management and compliance with all corporate and broadcasting codes, policies and standards. In addition to its internal audits, TG4 undertook a full risk review of the organisation in late 2010. The review involved all senior management and was facilitated by DHKN.
- As a public service broadcaster, TG4 plays an active role in any activity that informs the policy decisions, legislative provisions and directives at national and European levels which govern and regulate broadcasting. During 2010, TG4 continued with its active membership of key sector and representative bodies such as TBIG, IBEC's Audio Visual Federation and WIBTN and was an assiduous attendee at meetings. Despite TG4's size and level of resources, it continued to play a leading role in many of these bodies.



# *Gradam Ceoil* **TG4**



# THE BOARD OF TEILIFÍS NA GAEILGE AND OTHER INFORMATION

4



**Peadar Ó Cuinn**  
(Chairman)



**Pól Ó Gallchoír**  
(Director General)



**Fergal**  
**Ó Sé**



**Regina**  
**Uí Chollatáin**



**Seosamh**  
**Ó Conghaile**



**Eilís**  
**Ní Chonnaola**



**Méabh**  
**Mhic Gairbheith**



**Méadhbh Nic**  
**an Airchinnigh**



**Pádraic**  
**Mac Donncha**



**Bríd**  
**Ní Neachtain**



**Rónán**  
**Ó Coisdealbha**



**Concubhar**  
**Ó Liatháin**

## 1. The Board of Teilifís na Gaeilge and Other Information

The Board of Teilifís na Gaeilge was established in April 2007 under the provision of the Broadcasting Act, 2001. The Board members were appointed by the Minister for Communication, Marine and Natural Resources.

The Board met 8 times during the 12 months to the 31<sup>st</sup> December 2010.

## 2. Board Members and Director General at 31st December 2010

**Peadar Ó Cuinn (Chairman)**  
**Pól Ó Gallchoír (Director General)**  
**Seosamh Ó Conghaile**  
**Eilís Ní Chonnaola**  
**Pádraic Mac Donncha**  
**Bríd Ní Neachtain**  
**Fergal Ó Sé**  
**Regina Uí Chollatáin**  
**Méabh Mhic Gairbheith**  
**Méadhbh Nic an Airchinnigh**  
**Rónán Ó Coisdealbha**  
**Concubhar Ó Liatháin**



## 4

THE BOARD OF TEILIFÍS NA GAEILGE  
AND OTHER INFORMATION**Company Secretary and  
Registered Office**

Mary Uí Chadhain  
TG4  
Baile na hAbhann  
Co. na Gaillimhe

**Secretary to the Board**

Pádraic Ó Ciardha

**Sub-Committees of the Board**

There are two sub-committees of  
the Board as follows:

**3. Audit Committee**

Three members of the Board serve  
on the Audit Committee -

Regina Uí Chollatáin (Chair)  
Pádraic Mac Donncha  
Fergal Ó Sé

During the 12 months to 31<sup>st</sup>  
December 2010, the committee  
met on 4 occasions after which  
they reported to the Board. The  
Internal Audit function reports  
directly to the Audit Committee.

**4. Remuneration Committee**

The Remuneration Committee  
comprises;

Peadar Ó Cuinn (Chairman)  
Eilís Ní Chonnaola  
Méabh Mhic Gairbheith  
Bríd Ní Neachtain

During the 12 months to 31<sup>st</sup>  
December 2010 the committee  
met once.

**5. Auditor**

Comptroller and Auditor General  
Treasury Block  
Dublin Castle  
Dublin 2

**6. Solicitor**

Landwell Solicitors  
One Spencer Dock  
North Wall Quay  
Dublin 1

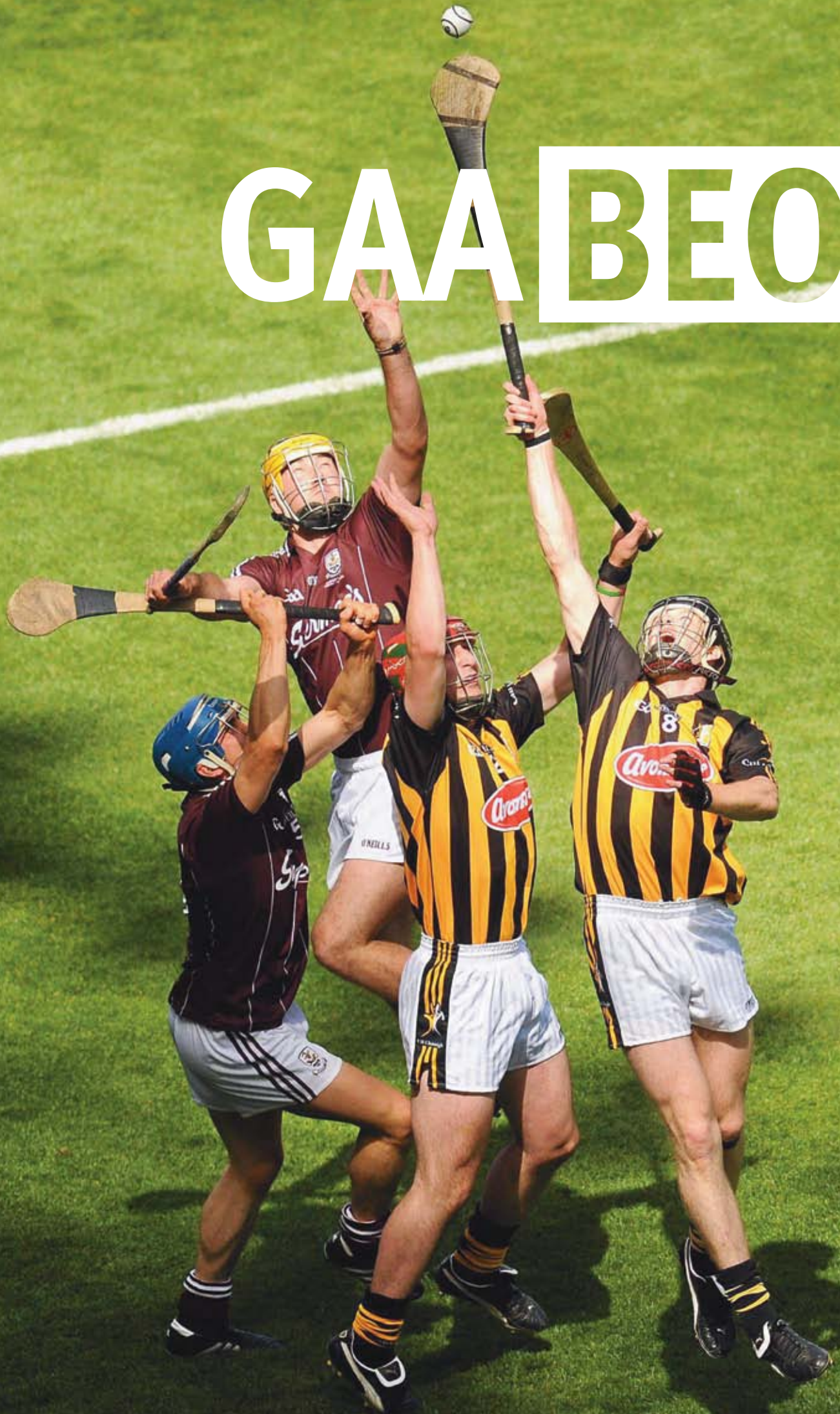
**7. Bankers**

AIB  
Lynch's Castle  
Shop Street  
Galway

**8. Actuary**

PricewaterhouseCoopers  
One Spencer Dock  
North Wall Quay  
Dublin 1

# GAA BEO





## 4

## CHAIRMAN'S REPORT

*It is my pleasure to present TG4's Annual Report for 2010.*

TG4's vision is to continue to promote successfully, Irish language and culture using television and web content so as to ensure a central place in Irish people's lives, both in Ireland and abroad. Despite an extremely challenging financial year, TG4 has delivered a strong performance in achieving this vision, with the quality and uniqueness of TG4's programming remaining at the heart of this.

Ireland is experiencing one of the most severe recessions in its history. All industry sectors have been affected and the speed of the down-turn has challenged even the strongest of organisations. The broadcast industry has been no exception and TG4, along with all other broadcasters, has had to operate in an increasingly competitive media market with continuing deterioration in the economy impacting advertising and sponsorship income and putting downward pressure on commercial revenues. This has presented a major challenge for TG4 with insufficient resources impacting all areas of its business, but in particular, the ability to commission and acquire strong and distinctive content.

Despite these serious challenges, a great deal was achieved by TG4 over the year. Of note is that TG4 featured – once again – a strong and vibrant programming schedule in 2010. Some of the programming highlights include the acclaimed series “1916 Seachtar na Cásca” and, reflecting the vital role that sport, particularly Irish sports, holds in Irish life and culture, the broadcast of a number of major and live sporting events including International Rules from Limerick and Croke Park.

Other achievements over the year include the exceptional performance of TG4's web and Player services. Over 2010, TG4 devoted extensive time and resources to developing “TG4 BEO”, its Player service. In 2010, programme streams reached their highest ever levels at 2.65m. TG4's website achieved 6.1m page impressions and almost 1m visitors. These services are essentially worldwide Irish language services which are delivered to thousands of viewers both in and outside Ireland on a daily basis. Their importance cannot be overstated, particularly during these difficult times when so many of our people are being forced to emigrate to seek work overseas. Through these services, TG4 provides an invaluable link to the Irish language and culture for so many people who are not based here in Ireland.

Another 2010 achievement which merits highlighting is the continued rollout of Digital Terrestrial Television (DTT), specifically in the context of delivering an all-island broadcast service. TG4 continued with its endeavours to ensure availability of its service in Northern Ireland and I am delighted with the results of these efforts. Following on from the Memorandum of Understanding announced by the Irish and UK Governments in February 2010 regarding reciprocal arrangements for North / South public service television broadcaster availability, TG4 was appointed as a key member of the Steering Group set-up by the UK Government to consider the best DTT solution in Northern Ireland in addition to implementing the Memorandum and the provisions of the Good Friday Agreement.

The Board welcomes the publication in late 2010 of the Government's 20-Year Strategy for the Irish Language and the all-party support it immediately received. The Strategy

provides an important policy basis for a wide range of measures and acknowledges the pivotal role of TG4 in providing a universal and attractive point of contact for the Irish language with every household in Ireland.

In terms of the outlook for TG4, there are many opportunities and challenges facing the organisation. The economic environment and finances will remain TG4's greatest challenge. While I am confident that TG4 will continue to deliver a strong attractive programming schedule, adequate public funding remains a key requirement. Other challenges include the competitive television market in Ireland and the almost universal availability of hundreds of channels on satellite, cable and MMDS in addition to the impact of technology which is creating a shift from traditional platforms and driving lower commercial returns. The opportunities are thankfully also many. TG4 has been a major success for the Irish language and we aim to continue building on this success. I look forward to the year ahead and to working closely with TG4 management on these and many other issues.

I would like to now give my thanks to a number of important individuals and organisations.

We have had a number of changes to the Board in 2010 and I would like to thank all members for their dedication and their support for TG4. We welcomed two new members in 2010, namely staff representative Rónán Ó Coisdealbha and Concubhar Ó Liatháin.

I would like to specifically highlight the work done on the establishment of the 15 member Audience Council under the Chair of Board member Pádraig Mac Donncha. This Council is



## CHAIRMAN'S REPORT

vital to ensuring that TG4 receives and utilises effectively, public feedback on its performance.

I would like to thank Minister Éamon Ryan and his officials from the Department of Communications, Energy and Natural Resources for their support and guidance in 2010. In particular, Assistant Secretary Peter O'Neill who retired during the year.

Over 2010, we continued to work well with the BAI and I also thank them for their continued support and guidance.

Thanks also go to RTÉ for its continued support for TG4, particularly in its annual statutory provision of 365 hours of Irish language content.

Our gratitude goes to Micheál Ó Muircheartaigh, a regular programme contributor to TG4 programming, who retired after 60 years of devotion to, and being the "voice of", the GAA. We thank him sincerely for all his engagement with TG4 over the years and wish him well in his retirement.

I would like to give my thanks also to TG4's dedicated management and staff under the strong leadership of the Ardstiúrthóir, Pól Ó Gallchóir. Despite a difficult year, Pól and the team have worked hard to ensure that TG4 delivered the strongest performance possible.

Finally, I would like to thank the Board Secretaries and all others who have contributed to the on-going success of TG4.

To conclude, I would like to highlight TG4's fourteen years of unique Irish language television which have celebrated the Irish language, culture and identity with a distinctive "súil eile" perspective. As the national Irish language television service, TG4 is funded to deliver a full range of high quality Irish language content to

audiences at home and abroad. This must be sustained so that TG4 can maintain its position as an important player in the competitive television market in Ireland and in doing so, continue to promote and bring a sense of enjoyment to the Irish language.

**Peadar Ó Cuinn**  
**Chairman**



**MAGNERS**  
LEAGUE



# DIRECTOR GENERAL'S REPORT

## INTRODUCTION

*2010 saw a continuation of the exceptionally challenging period facing not just TG4, but all businesses in the Irish economy.* The recession continued unabated with the banking crisis impacting our national debt and Government Exchequer borrowing levels. Efforts to address the economic and financial situation saw all public expenditure being scrutinised with its reduction seen as a vital means of addressing the worsening budget deficit.

Reflecting this, our budget fell from €38.01m at the beginning of 2009 to €32.25m in 2010 – a 15% reduction and the lowest it had been since 2007. In addition, due to the severe reduction in advertising and sponsorship expenditure in the economy, we suffered a major decline in our commercial income – more than 40% during the same period.

This combined impact has had a serious financial effect on our business. In 2009 and early 2010, management and staff had to make difficult decisions about all areas of our expenditure for the year. We had to work together – but also closely with the Irish language independent production sector – to agree on how to survive the financial difficulties facing us all. Our objective was to not only reduce costs, but also to support the Irish language independent production sector through the recession as we depend on each other to produce quality programming for Irish audiences both at home and abroad. While we tried to avoid wherever possible, reductions in our programming expenditure, we had to make cuts in all areas of our operations. However, it must be said that this joint approach to cost reduction worked well and the Board of TG4, its management and staff must be praised for their tireless efforts in the face of continuous economic challenges.

## PROGRAMMING

Despite our many financial challenges, TG4 delivered even greater levels than planned of new, distinctive and high-quality Irish language programming during the year. We achieved this through working closely with the Irish language independent production sector on TG4 programming commissions in addition to acquiring the best value international content. We ensured that our Irish language programming was sourced across all programming genres with our objective being to reflect the cultural diversity of the whole island of Ireland and to entertain, inform and educate. Some of our programming highlights during 2010 were “1916 Seachtar na Cásca”, the widely lauded series about the key figures behind the 1916

Easter Rising, which was launched by an Taoiseach, Brian Cowen in September 2010, “Gualainn le Gualainn” the documentary series which chronicled the history of Irish rugby from the birth of the sport on the playing fields of Trinity College in 1854 up to the Grand Slam triumph in Wales’ Millennium Stadium in 2009, in addition to many other great programmes such as “ó Bhearna go Carna”, “Bliain in Inis Meáin”, “Dún Chaoin”, “Na Cloigne”, “Lorg Lunny” and “T K Whitaker”.

Sport continued to hold an important position in our programming schedule. We broadcast GAA matches, Magners Rugby from September 2010 onwards and in October 2010, we had the rights for the two International Rules matches between Ireland and Australia from Limerick and Croke Park.

Other programming highlights included “Oireachtas na Gaeilge” which was held in Killarney in 2010 and “Gradam Ceoil TG4” which was broadcast from the Wexford Opera House.

In keeping with previous years, 2010 saw the broadcast of a comprehensive daily service for children, from “Cúla4 na nÓg” for pre-school children, to the popular afternoon show “Cúla4” for older children and Ponc for teen audiences. Over the year, we re-voiced over 200 hours of attractive and educational children’s programming focusing in particular, on material for pre-school, 6-13 year olds and the teen audiences.

We strengthened our schedule through the negotiation of a number of important new content deals. For example, a number of new sports deals such as Magners League, International Rules rights and the renegotiation of a new GAA contract which runs to 2014.

## AWARDS

Reflecting the strength of our programming throughout the year, 2010 was TG4’s best year yet for the number of awards and nominations we received across our programming, personalities and marketing/branding. In total, **82 awards and nominations** were secured which was twice that of 2009. Major programming awards included an IFTA for “Rásaí na Gaillimhe”, three Celtic Media Festival awards for “Mobs Mheiriceá”, “Faoi Lán Cheoil” and “Seacht”, five Oireachtas na Gaeilge awards including “Seo Spóirt” and “Na Cloigne”, and a Galway Film Fleadh award for “An Píopa”. TG4’s news anchor, Eimear Ní Chonaola, won the Oireachtas na Gaeilge Television Presenter of the year award.



## 4

## DIRECTOR GENERAL'S REPORT

The quality of TG4's programming outputs is very much down to the quality of our content commissions. In 2010, we worked closely with the Irish language independent production sector to ensure we have a strong sector which can deliver our required production qualities and standards in addition to value-for-money. In 2010, we commissioned almost €17m in programming from the sector and we additionally undertook initiatives to support the development of the sector's creative talent and programming projects.

To support our schedule, we also continued to participate in the World Indigenous Television Broadcasters Network and its documentary and news exchange schemes. In 2010, TG4 received 34 hours of new documentary, "human interest" and news & current affairs programming from the Network in exchange for four hours of our own programming outputs.

### AUDIENCES

TG4's programming and content drove solid viewership to TG4 across all our viewing platforms. On the traditional television platform, we achieved a good share (2.1%), particularly in the context of an extremely competitive and changing broadcast landscape where digital television now accounts for over 70% of Irish television households and through which there are hundreds of channels available. Recent trends have been for established terrestrial channels to lose share at the expense of the many new international channels in the Irish market due to an ever-growing percentage of homes in Ireland now having access to digital reception. Almost all terrestrial channels saw share declines in 2010. While TG4's share increased in 2009, 2010 onwards was expected to be far more

challenging due to the increasing penetration of digital television in the Irish market. TG4 has always been more vulnerable to digital growth and with digital penetration at over 70% at the end of 2010, it will be challenging for us to retain audience share in the digital television market in the future. Of key importance is however, that our viewing share should be considered in the context of "total audience across all digital platforms" (online, personal video recorder [PVR] and Player services) and in this regard, TG4 continues to perform strongly.

As per other years, when TG4 has extra resources for additional commissioned programmes, we make additional investment in Irish Language Programming for peak audience viewing periods such as Christmas and St Patrick's Day etc. where there has always been a substantial increase in our audience share. Christmas 2009 saw over 3 million people viewing TG4 and in 2010 itself, we achieved a 6.5% share on St. Patrick's Day and a 5.7% share on Easter Sunday. The 2010 year ended on a high with a 6% increase in our Christmas viewership compared to that of 2009.

### WEB SERVICES

2010 was the strongest year yet for TG4 in terms of the use of its website and Player service in particular. TG4's Player service ("TG4 BEO") performed exceptionally well. Programme streams reached their highest ever levels at 2.65m (a 44% increase on the prior year) and the service now has all its content available live or on "catch-up" all over the world. Likewise, our website performed strongly and over the year, achieved 6.1m page impressions - a 63% increase on 2009 - and almost 1m visitors.

#### No of Unique Website Visitors

2010	962,395
2009	424,307
2008	430,000

#### No of Page Impressions

2010	6,108,533
2009	3,751,105
2008	5,700,000

#### No of Player Programme Streams

2010	2,648,895
2009	1,843,265
2008	1,625,829

In 2010, we devoted extensive time and resources to developing our Player service. TG4 launched TG4 BEO in 2003 and in February 2010, the service was re-launched as TG4 Beo Player and with the help of new technology, it now carries more archive content than ever before. Programmes are available to view through the service for 35 days following transmission, and what makes the TG4 BEO Player unique in Ireland is that viewers have the ability to watch TG4 programming live. Through these and other developments, we have been positioning ourselves ahead of industry standards in order to provide content that meets not only Irish market standards but also those of the UK and US markets –

## DIRECTOR GENERAL'S REPORT

markets where there are significant populations of first generation Irish and Irish descendants. We continue to embrace new digital technologies to develop our content proposition with our objective being to ensure our online services are important services for Irish language users, bring Irish language users together and become "the definitive source" for Irish language content online, particularly children's Irish language content.

Our online services are also particularly critical at a time where viewing patterns are changing significantly through the use of Player services and through "deferred viewing" using PVR services.

### 20 YEAR STRATEGY FOR THE IRISH LANGUAGE

Following extensive public consultation, in 2010, the Government decided to conclude the preparatory work on its 20 year strategy for the Irish language by asking the Joint Oireachtas Committee on Rural, Community and Gaeltachta Affairs to make its own observations. TG4 was invited to make a presentation to a special meeting of the Joint Oireachtas Committee. We emphasised the vital importance of providing an attractive, entertaining and wide-ranging context for Irish in people's lives. All Deputies and Senators paid tribute to TG4's success and innovative approach to date, acknowledging our unique achievement in making the language attractive and accessible to all. Having concluded its deliberations on the strategy, the Committee made its report and the final draft of the strategy was published in late 2010. It is clear that the strategy adopted by Government and published to all-party support, acknowledges the pivotal role of TG4 in addition to our importance for the future promotion of the language, particularly among young people and parents.

### THE TRANSITION TO DTT

Following a number of delays, DTT is to be rolled-out over 2011 with the existing analogue television network to be switched off at the end of 2012. Due to a withdrawal from the commercial DTT process by the applicants in 2010, it will not be feasible to introduce commercial DTT until after analogue switch-off at the earliest. More recently, the BAI has announced its intention to license a number of channels to be broadcast on the second MUX in advance of this. The broadcast of TG4 along with RTÉ's channels and TV3 on MUX 1 will be launched as "Saorview" in 2011 and in addition, it is intended that MUX 2 will carry additional channels and thus provide more choice. The objective is that by 2012, Saorview will be available to 98% of the population. However, the fact that MUX 3, the commercial

MUX, is not being rolled-out with MUXES 1 and 2 may mean that critical mass and a viable DTT service offering for consumers will not be achieved, which is a concern for TG4.

Analogue switch-off is also impending in the UK and in 2010, we continued to work closely with all relevant agencies and Departments to ensure that TG4 is widely available in Northern Ireland. 2011 will see the launch of MUX 7 in the North, which is to be allocated for Public Service Broadcasters and which will carry TG4. This will be switched-on in 2012.

### OUR WORK WITH OUR KEY STAKEHOLDERS

As an organisation, TG4 engages fully in all industry dialogue on all aspects of broadcasting operations, codes and regulations. We have worked closely with the DCENR and BAI over the 2010 year to support broadcasting policy development and to deliver on all governance and compliance requirements. We endeavour to ensure the highest standards of corporate governance, risk management and compliance with all corporate and broadcasting codes, policies and standards. We also worked closely with the BAI on the Sound & Vision programming fund and applications and we greatly appreciate the value this brings to our programming outputs.

During 2010, we also continued with our proactive membership of, and participation in, all important industry organisations such as the Broadcasters in Ireland Group (TBIG), IBEC's Audio Visual Federation, the European Broadcasting Union (EBU) and the World Indigenous Television Broadcasters Network (WIBTN). Despite our size and level of resources, we continue to play a leading role in many of these bodies.

### TG4 VALUE FOR MONEY

Over 2010, TG4 remained committed to delivering value-for-money. We delivered a strategy which focused on on-going cost control and enhanced productivity – in addition to content and service development. We explored how to make our funding and commercial income "go further". We reduced operational costs and delivered effective asset management through the implementation of our Digital Asset Management and other broadcast systems and their associated enhancement of our productivity. We maintained minimum levels of overhead costs and as a result of this, in 2010, we ensured that over 86 cent of every euro of public funding went directly into the production and broadcast of Irish language programming and content. We understand clearly that we have a duty

## 4

## DIRECTOR GENERAL'S REPORT

to deliver value-for-money and accountability for spending public money and we seek to reflect this in all aspects of our performance.

### Total Operating Expenditure

2010 €35.75m

2009 €39m

2008 €39.76m

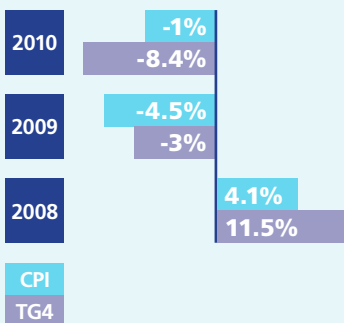
### Total Staff Costs

2010 €5.4m

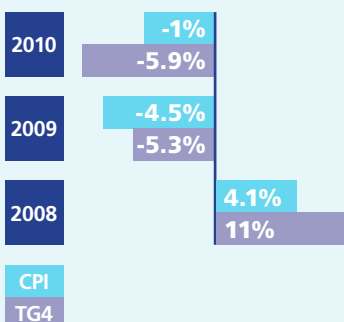
2009 €5.8m

2008 €6.14m

### % Change in Total Operating Expenditure



### % Change in Staff Costs



## THE YEAR AHEAD

Looking ahead, we see many challenges facing us and we relish the opportunity to address these proactively. Adequate and multi-annual funding remain key priorities for TG4. Failure to deliver these may have longer-term implications for the development of our service and for our audiences. This would have a negative knock-on impact on the Irish language and culture and on employment in the independent production sector and the wider national economy where we make a significant economic, social and cultural impact. We acknowledge that additional funding to support TG4 over the coming years will not be easy to secure however. On the positive side, we will continue to develop our services across a range of areas from our broadcasting schedule and DTT, to our online and Player services. We will also continue to work closely with the independent Irish language production sector to develop new ideas and new programmes to educate and entertain our audiences.

Before I conclude with my thanks, I would like to mark the passing of Mick Lally during the year. He was a leading actor on both stage and screen and he took part in many TG4 productions including his last role on TG4 in "Ros na Rún".

I would also like to mention Dáithí Ó Sé who left for RTÉ after 10 years of loyal service to TG4. We wish him well in his new career.

## OUR THANKS

There are a number of people I would like to thank for their support over the year. Firstly, my thanks go to Minister Éamon Ryan and his Department officials for their support for TG4 in 2010. I also wish to thank the Chairman

Peter Quinn and the Board for their unwavering commitment to TG4 and for the guidance they provided to the TG4 Executive over the year.

Our gratitude is also due to the BAI, Bord Scannán na hÉireann, the Northern Ireland Irish Language Broadcast Fund, Údarás na Gaeltachta and the independent sector which provides TG4's wonderful Irish programming. I would also like to thank RTÉ for its ongoing support for TG4 and for its annual provision of 365 hours of Irish language content to the service. Thanks are also due to the many organisations with which we work to develop the Irish language and culture. We are grateful to them all and look forward to working with them over the coming year. Finally, I would like to express my gratitude to my colleagues, the management and staff of TG4. It has been a challenging year and I recognise this and wish to express my appreciation for the dedication of all members of staff.

**Pól Ó Gallchoir**  
Director General





# NA CLOIGNE

## 4

## CORPORATE GOVERNANCE

**BOARD OF TG4**

The duties of the TG4 Board members are laid out in the Broadcasting Act 2009. In performing his/her duties, a Board member must ensure that the activities of TG4 in pursuance of its objectives, as set out in section 118 (1), are performed efficiently and effectively.

**Implementation of the Code of Practice for the Governance of State Bodies**

The Board of TG4 adheres to the Code of Practice for the Governance of State Bodies.

New members have been informed and supplied with copies of the Code.

The Audit Committee affirmed that it had carried out a review of the internal financial controls of Teilifís na Gaeilge in 2010. The Board accepted this and it was reported in the minutes of the Board meeting of the 20<sup>th</sup> December 2010.

All Board members have also received guidance on ethical codes of conduct and in particular their responsibilities with regard to the code of conduct for members and staff of Teilifís na Gaeilge.

**Ethics in Public Office Act 1995 and Standards in Public Office Act 2001**

The Board of Teilifís na Gaeilge is a prescribed public body for the purpose of the Ethics in Public Office Act, 1995 and Standards in Public Office Act 2001.

All Board members, as holders of designated directorships and members of staff who have designated positions have been advised of their obligations under the ethics legislation and given appropriate guidance.

**RISK MANAGEMENT**

Recognising the importance of risk management, the Board undertook a full risk review of the organisation in 2010. A risk assessment report was presented to the Board at its meeting held in December 2010. The Board at the meeting, as outlined in the report, accepted the potential risks and risk mitigation strategies.

It was further agreed that this is an ongoing process. Therefore the risk register will be updated during 2011 and presented to the Board in due course.

**The Board has established the following committees to assist in the performance of their duties.**

These are the Audit Committee and the Remuneration Committee. The membership of these committees is listed under The Board of Teilifís na Gaeilge and Other Information.

**THE ROLE AND RESPONSIBILITIES OF THE AUDIT COMMITTEE INCLUDE:**

**Financial Statements**

- Reviewing the results of audits with management and external auditors.
- Reviewing draft annual financial statements

**Internal Audit and Internal Controls**

- Agreeing the internal audit plan for the forthcoming year.
- Reviewing reports from internal audit on the effectiveness of systems of internal control and monitoring progress and implementation of recommendations.

- Monitoring and reviewing the effectiveness of the company's internal audit function in the context of the company's overall risk management system.

**Compliance**

- Reviewing the effectiveness of the system for monitoring compliance with relevant laws, regulations and guidelines.

**THE ROLE AND RESPONSIBILITIES OF THE REMUNERATION COMMITTEE INCLUDE:**

- Determining and agreeing with the Board the framework for the remuneration of the company's Director General.
- Reviewing the ongoing appropriateness and relevance of the remuneration policy.
- Approving performance related pay schemes operated by the company and approving the total annual payments made under such schemes.
- Being responsible for selecting any remuneration consultants who advise the company.

**EMOLUMENTS TO DIRECTORS**

TG4 has complied with the guidelines covering the payment of fees to the Chairpersons and Director of State Bodies, issued by Minister of Finance in July 1992.

## CORPORATE GOVERNANCE

The TG4 board met 8 times in 2010. The following are details of fees and expenses paid and number of meetings attended

TG4 Board	Fees €000's	Expenses €000's	Number of meetings attended
Peadar Ó Cuinn	21.7	4	8
Pádraic Mac Donncha	12.6	2	4
Regina Uí Chollatáin	12.6	2	7
Brid Ní Neachtain	12.6	2	6
Seosamh Ó Conghaile	12.6	—	8
Fergal Ó Sé	12.6	2	6
Méabh Mhic Gairbheith	12.6	3	7
Eilís Ní Chonnaola	12.6	—	5
Méadhbh Nic an Airchinnigh	12.6	1	5
Rónán Ó Coisdealbha	12.1	—	7
Concubhar Ó Liatháin*	3.3	—	1
Pól Ó Gallchóir	12.6	—	8
<b>Board members fees and expenses</b>	<b>150.5</b>	<b>16</b>	

At the 31st December 2010 there were 11 non-executive members and one executive member, being the Director General, on the Board

In addition to her fees, Regina Uí Chollatáin received immaterial amounts for programme contributions.

*\*Concubhar Ó Liatháin was appointed to the Board in September 2010.*



## 4

## FINANCE REVIEW 2010

## INCOME AND EXPENDITURE REVIEWS

This report reviews TG4's income and expenditure performance in 2010 in terms of the key sources and use of income, the channel's principal cost drivers and its overall focus on efficiency and value-for-money. The review also compares TG4's performance in 2010 to that of 2009 under the following 4 headings:

1. Income
2. Operating Expenditure
3. Cost Control and Efficiency In 2010
4. Irish Language Content Expenditure 2010

## 1. INCOME

As can be seen from Table 1 below, total income (exchequer current funding and commercial revenue) in 2010 was €35.7m (2009: €38.9m). Compared to the previous year TG4's total income decreased by 8% in 2010. Exchequer current funding was €32.25m (2009: €35.23m) of this and represented 90.3% of TG4's total income with the commercial income share representing 9.7% in 2010 at €3.48m (2009: €3.62m).

Exchequer current funding, which represents 90% of current funding, decreased by 8.5% over 2009 levels. This follows on from a €2.8m (7%) reduction during 2009. Therefore TG4's Exchequer current funding fell from €38.01m at the beginning of 2009 to €32.25m in 2010 - a 15% reduction and the lowest it has been since 2007.

Commercial income (advertising and sponsorship) declined by 12.5%. This continuation of the downward trend in commercial income is due in twofold to the decline in the television advertising market which, in turn, is directly linked to the overall performance of the economy and to growing competition in the television broadcasting industry in Ireland where an increasing number of channels are competing for share of audience and advertising revenue.

Table 1: TG4 Income 2010

Description	2010		2009	
	€000's	%	€000's	%
Grant-in-Aid	32,250	90.3%	35,233	90.7%
Commercial (advertising and sponsorship)	2,009	5.6%	2,297	5.9%
Other commercial	1,474	4.1%	1,320	3.4%
<b>Total Income</b>	<b>35,733</b>	<b>100%</b>	<b>38,850</b>	<b>100%</b>

## 2. OPERATING EXPENDITURE

TG4's budget for 2010 was originally set when the Government's Grant-in-Aid for the service was made known in the Government's 2010 Budget which was published in late 2009. This budget also took into account the channel's likely 2010 income from its other funding sources namely, commercial revenue from airtime sales and programme sponsorship and ancillary income.

In terms of annual operating expenditure, TG4 placed a continued emphasis on an operating model, which works as efficiently as possible and on cost management to ensure value-for-money across all activities. Total operating expenditure was €35.75m in 2010, an 8% decline on the €39.01m spent in 2009. See Table 2 below.

Table 2: TG4 Operating Expenditure 2010 Vs 2009

	€'000's		% Change 2010 Vs 2009
	2010	2009	
Cost of Sales	588	752	(21.8%)
Staff Costs	4,916	5,738	(14.3%)
Programme Expenditure	22,730	25,435	(10.6%)
Transmission Costs	3,697	3,802	(2.8%)
Marketing and Research	1,679	1,513	11.0%
Overheads	1,821	1,338	36.1%
Other (Depreciation, Board etc.)	1,027	1,347	(23.8%)
Amortisation of Grants	(704)	(912)	(22.8%)
<b>Total Operating Expenditure</b>	<b>35,754</b>	<b>39,013</b>	<b>(8%)</b>

## FINANCE REVIEW 2010

### 3. COST CONTROL AND EFFICIENCY

TG4 continued to operate efficiently, cost effectively and prudently in 2010. Savings were achieved across a wide range of cost centres and internal resources were further utilised to provide content at more cost effective rates. Programme commissioning, which forms the bulk of our content costs, delivered material at reduced rates as negotiated in 2009 and the Independent Production Sector continued to co-operate with TG4 in its endeavour to provide high quality material at competitive rates.

Staff costs were reduced further through a combination of rate and staff level reductions- the average number of full time equivalent employees fell from 83 to 81 over the course of the year. Overheads, with the exception of the BAI Levy, were controlled at below 2009 levels.

Overall, having regard to the significant funding decline of almost 9%, TG4 still managed to provide 1593 hours of original Irish Language content in 2010 from a target of 1495. This represented a drop of 4.7% from 2009

### 4. IRISH LANGUAGE CONTENT EXPENDITURE 2010

As reflected in its commitments for the year, TG4 spent at least 70% of its Exchequer current funding on the production of Irish language content in 2010 as shown in **Table 3** below and an additional 16% (2009: 16%) of its current funding on direct broadcasting costs. Overall, there was a slight reduction in TG4's daily output levels of new Irish language content from 4.58 to 4.36 hours per day.

Table 3: Irish Language Content Expenditure

Description	2010		2009	
	€000's	%	€000's	%
Current Exchequer funding	32,250	100%	35,233	100%
Irish language programmes:				
Commissioned	17,034	52.8%	18,132	51.4%
Acquired/dubbed/subtitled	3,768	11.7%	4,912	13.9%
Production staff costs (including salaries)	1,820	5.6%	1,964	5.6%
<b>Total Irish Language Content Production Costs</b>	<b>22,622</b>	<b>70%</b>	<b>25,008</b>	<b>71%</b>



## TEILIFÍS NA GAEILGE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010

STATEMENT OF <b>BOARD MEMBERS'</b> RESPONSIBILITIES	<b>31</b>
STATEMENT ON INTERNAL FINANCIAL CONTROL	<b>32</b>
REPORT OF THE <b>COMPTROLLER AND AUDITOR GENERAL</b> FOR PRESENTATION TO THE <b>HOUSES OF THE OIREACHTAS</b>	<b>33</b>
STATEMENT OF <b>ACCOUNTING POLICIES</b>	<b>34</b>
INCOME AND <b>EXPENDITURE ACCOUNT</b>	<b>36</b>
STATEMENT OF <b>TOTAL RECOGNISED GAINS AND LOSSES</b>	<b>37</b>
<b>BALANCE SHEET</b>	<b>38</b>
<b>CASH FLOW STATEMENT</b>	<b>39</b>
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>40</b>



## FINANCIAL STATEMENTS

### STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

#### FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010

The Board is required by the Broadcasting Act, 2009 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of Teilifís na Gaeilge and of its income and expenditure for that year.

In preparing those statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Disclose and explain any material departures from applicable accounting standards and,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that Teilifís na Gaeilge will continue in existence.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Teilifís na Gaeilge and to enable the Board to ensure that the financial statements comply with the Act and with GAAP in Ireland.

The Board is also responsible for safeguarding the assets of Teilifís na Gaeilge and hence for taking reasonable steps for the prevention and the detection of fraud and other regularities. The Board's books of account are held in Teilifís na Gaeilge offices in Baile na hAbhann, Co. na Gaillimhe.

On behalf of the Board of Teilifís na Gaeilge:

**Peadar Ó Cuinn**  
**Chairman**

## 4

## FINANCIAL STATEMENTS

## STATEMENT ON INTERNAL FINANCIAL CONTROL

FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2010

On behalf of the Board of Directors of Teilifís na Gaeilge (TG4), I acknowledge our responsibility for ensuring that an effective system of internal financial control is maintained and operated.

The system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely manner.

The Board has taken steps to ensure an appropriate control environment exists by:

- Establishing procedures at management level to monitor the activities and safeguard the assets of the organisation;
- Clearly defining the organisational structure and management responsibilities and powers with corresponding accountability;
- Establishing procedures for reporting significant control failures and ensuring appropriate corrective action.

A process for the identification, evaluation, mitigation and management of business risks has been established which includes:

- Identifying the nature, extent and financial implication of risks facing TG4, including ranking all significant risks;
- Assessing the likelihood of the identified risks occurring and TG4's ability to manage and mitigate the risks that do occur;
- Monitoring and reporting on the risk management process.

The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular it includes:

- A comprehensive budgeting system with an annual budget, which is reviewed and approved by the Board of Directors;

- Regular reviews by the Board of Directors of monthly and annual financial reports which indicate activity and financial performance against forecasts;

- Setting targets to measure financial and other performances

- Procedures for the control of capital investment

- Project management disciplines.

TG4 has an outsourced internal audit function which operates in accordance with the Code of Practice for the Governance of State Bodies and which reports directly to the Audit Committee.

The annual internal audit plan is informed by the results of the risk management process and is designed to confirm that the internal controls relied upon continue to operate.

The analysis of risk and internal audit plan are endorsed by the Audit Committee, which meets on a regular basis, but not less than four times a year, to review reports prepared by the Internal Audit function. The Audit Committee reports regularly to the Board in relation to the matters it has considered.

The Board's monitoring and review of the effectiveness of the system of internal financial control is assisted and informed by the work of the Internal Auditor, the Board's own Audit Committee and the senior managers within TG4 who have responsibility for the development and maintenance of the financial control framework.

I confirm that in the year ended 31<sup>st</sup> December 2010 the Board conducted a review of the effectiveness of the system of internal financial control.

Signed on behalf of the Board

**Peadar Ó Cuinn**  
Chairman

## FINANCIAL STATEMENTS

### COMPTROLLER AND AUDITOR GENERAL

#### REPORT FOR PRESENTATION TO THE HOUSES OF THE OIREACHTAS

##### Teilifís na Gaeilge

I have audited the financial statements of Teilifís na Gaeilge for the year ended 31 December 2010 under the Broadcasting Act 2009. The financial statements, which have been prepared under the accounting policies set out therein, comprise the Accounting Policies, the Income and Expenditure Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Generally Accepted Accounting Practice in Ireland.

##### Responsibilities of the Board

Teilifís na Gaeilge is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of Teilifís na Gaeilge's affairs and of its income and expenditure, and for ensuring the regularity of transactions.

##### Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

##### Scope of Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to Teilifís na Gaeilge's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

##### Opinion on the Financial Statements

In my opinion, the financial statements, which have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland, give a true and fair view of the state of Teilifís na Gaeilge's affairs at 31 December 2010 and of its income and expenditure for the year then ended.

In my opinion, proper books of account have been kept by Teilifís na Gaeilge. The financial statements are in agreement with the books of account

##### Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where moneys have not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in Teilifís na Gaeilge's Annual Report for the year for which the financial statements are prepared is not consistent with the financial statements, or
- the Statement on Internal Financial Control does not reflect Teilifís na Gaeilge's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

**John Buckley**  
**Comptroller and Auditor General**

29 Aibreán 2011



## 4

## FINANCIAL STATEMENTS

## STATEMENT OF ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

## 1. Establishment of Teilifís na Gaeilge

Teilifís na Gaeilge is the Irish language broadcaster established under Statute and continues in being under the Broadcasting Act 2009.

## 2. Basis of accounting

The financial statements have been prepared on an accrual basis, under the historical cost convention and in accordance with generally accepted accounting principles. Financial reporting standards as issued by the Accounting Standards Board are adopted as they become applicable.

The financial statements are denominated in Euro.

## 3. Income recognition

## COMMERCIAL INCOME

Commercial income represents revenue from airtime sales, sponsorship and ancillary activities. Sales, which are shown net of VAT, are recognised in the Income and Expenditure Account when the service is provided.

Commission in relation to these sales is charged to the Income and Expenditure Account as incurred.

## 4. Expenditure

Expenditure comprises operational and capital expenditure.

Net operating expenditure comprises programming and administration expenditure, net of commercial revenue.

Programme expenditure is charged to the Income and Expenditure Account as incurred.

## 5. State grants

Net operating expenditure of Teilifís na Gaeilge is funded by way of a grant received from the Department of Communications, Energy and Natural Resources.

The grant is recognised in the Income and Expenditure Account in the year of receipt.

Capital expenditure is funded by the Department of Communications, Energy and Natural Resources by way of capital grants. These grants are amortised on the same basis as the related assets are depreciated.

## 6. Tangible fixed assets

Tangible fixed assets are shown at cost less accumulated depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, except land, at rates calculated to write off the original cost, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows;

	%
Buildings	2.5
Equipment	7.5 - 20
Fittings	10

Software development costs on major systems are capitalised and depreciated in line with the related equipment cost from the date of implementation.

## 7. Taxation

Corporation tax payable is provided on taxable profits at current rates.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between surplus as computed for tax purposes and surplus as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in difference years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

## 8. Foreign currency

Transactions denominated in foreign currencies are translated into Euro at the exchange rates ruling at the day of the transactions. Monetary assets and liabilities

## FINANCIAL STATEMENTS

denominated in foreign currencies are translated into Euro at the exchange rate ruling at the Balance Sheet date and resulting gains or losses are included in the Income and Expenditure Account for the year.

### 9. Pensions

Teilifís na Gaeilge makes contributions in respect of a defined contribution and a defined benefit scheme.

#### DEFINED CONTRIBUTION SCHEME

Teilifís na Gaeilge operates a defined contribution scheme for certain employees. Payments to the scheme are charged to the Income and Expenditure Account in the year to which they relate.

#### DEFINED BENEFIT SCHEME

Teilifís na Gaeilge operates a defined benefit scheme in respect of two of its officers, the Director General and the Deputy Chief Executive. The scheme is funded by contributions from Teilifís na Gaeilge and the officers concerned, and these are transferred to a separate trustee administered fund.

The pension charge in the Income and Expenditure Account comprises the current service cost plus the difference between the expected return on scheme assets and the interest cost of the scheme liabilities.

Actuarial gains and losses arising from changes in actuarial assumptions and from experienced surpluses and deficits are recognised in the Statement of Total Recognised Gains and Losses for the year in which they occur.

Pension scheme assets are measured at fair value. Pension scheme liabilities are measured on an actuarial basis using the projected units method. An

excess or deficit of scheme liabilities over assets is presented on the Balance Sheet as a liability or asset as the case may be.

The pension reserve represents the funding surplus on the defined benefit pension scheme.

### 10. Leasing commitments

Tangible fixed assets acquired under finance leases are included in the Balance Sheet at their equivalent capital value and are depreciated over the lease term and their useful lives. The corresponding liabilities are recorded over the shorter of the lease term and their useful lives as a creditor and the interest element of the finance lease rentals is charged to the Income and Expenditure Account on an annuity basis. Operating lease rentals are charged to the Income and Expenditure Account on a straight line basis over the lease term.



## FINANCIAL STATEMENTS

Teilifis na Gaeilge

## Income and Expenditure Account for the year ended 31 December 2010

	Notes	2010 €'000	2009 €'000
<b>Sales</b>			
Commercial income	2	3,483	3,617
Cost of sales	2	(588)	(752)
<b>Net Sales</b>		2,895	2,865
<b>Expenditure</b>			
Staff costs	3	4,916	5,738
Board members' fees and expenses	4	167	147
Programme expenditure	5	22,730	25,435
Transmission costs		3,697	3,802
Marketing and research	6	1,679	1,513
Overheads	7	1,821	1,338
Depreciation	9	860	1,200
<b>Total Expenditure</b>		35,870	39,173
<b>Net operating expenditure for the year</b>		(32,975)	(36,308)
Interest receivable and similar income	8	58	81
Deficit on disposal of fixed assets		(6)	-
		(32,923)	(36,227)
State funding	11	32,954	36,145
<b>Surplus/(Deficit) on ordinary activities before taxation</b>		31	(82)
Taxation	12	(62)	(38)
<b>Retained deficit for the financial year</b>		<b>(31)</b>	<b>(120)</b>

The notes 1 - 28 form an integral part of the financial statements.

On behalf of the Board of Teilifis na Gaeilge:

Peadar Ó Cuinn  
Chairman

Pól Ó Gallchoir  
Director General



## FINANCIAL STATEMENTS

Teilifís na Gaeilge

## Statement of Total Recognised Gains and Losses for the year ended 31 December 2010

	Notes	2010 €'000	2009 €'000
<b>Retained deficit for the financial year</b>		(31)	(120)
Actuarial gain/(loss) on pension scheme assets	<b>20</b>	(43)	21
Total recognised losses for the year		(74)	(99)
<b>Movement in Pension Reserve</b>			
Balance as at 1 January	<b>17</b>	17	(4)
Actuarial gain/(loss) for the year		(43)	21
Pension reserve adjustment		97	-
<b>Balance as at 31 December</b>		<b>71</b>	<b>17</b>

The notes 1 - 28 form an integral part of the financial statements.

On behalf of the Board of Teilifís na Gaeilge:

Peadar Ó Cuinn  
Chairman

Pól Ó Gallchoir  
Director General



## FINANCIAL STATEMENTS

Teilifis na Gaeilge

## Balance Sheet as at 31 December 2010

	Notes	€'000	2010 €'000	2009 €'000
<b>Fixed Assets</b>				
Tangible assets	9		9,386	8,463
			<u>9,386</u>	<u>8,463</u>
<b>Current Assets</b>				
Debtors	13	1,522		1,369
Cash at bank and in hand	14	42		69
		<u>1,564</u>		<u>1,438</u>
<b>Current Liabilities</b>				
Creditors - falling due within 1 year	15	<u>(1,718)</u>		<u>(1,698)</u>
<b>Net Current Liabilities</b>			(154)	(260)
Creditors - falling due after 1 year	16		<u>-</u>	<u>(1)</u>
<b>Net Assets Excluding Pension Asset</b>			9,232	8,202
Pension asset	20		<u>71</u>	<u>79</u>
<b>Net Assets Including Pension Asset</b>			<u><b>9,303</b></u>	<u><b>8,281</b></u>
<b>Capital and Reserves</b>				
Capital grants	10		9,298	8,202
Pension reserves	17		71	17
Revenue reserves	17		<u>(66)</u>	<u>62</u>
			<u><b>9,303</b></u>	<u><b>8,281</b></u>

The notes 1 - 28 form an integral part of the financial statements.

On behalf of the Board of Teilifis na Gaeilge:

Peadar Ó Cuinn  
Chairman

Pól Ó Gallchóir  
Director General

## FINANCIAL STATEMENTS

Teilifis na Gaeilge

## Cash Flow Statement for the year ended 31 December 2010

	Notes	2010 €'000	2009 €'000
<b>Operating Activities - Net Cash (Outflow)/Inflow - (net of state grant)</b>	<b>18</b>	(22)	(248)
<b>Return on Investment and Servicing of Finance</b>			
Interest received		46	65
<b>Net Cash Inflow from Returns on Investment and Servicing of Finance</b>		46	65
<b>Taxation</b>			
Tax charge for the year	<b>12</b>	(62)	(38)
<b>Net Cash Outflow from Taxation</b>		(62)	(38)
<b>Capital Expenditure</b>			
Payments to acquire tangible fixed assets	<b>9</b>	(1,811)	(1,282)
Receipts from sale of fixed assets		22	-
State capital grants	<b>10</b>	1,800	1,200
<b>Net Cash Outflow from Capital Expenditure</b>		11	(82)
<b>Net Cash (Outflow)/Inflow</b>	<b>19</b>	(27)	(303)

The notes 1 - 28 form an integral part of the financial statements.

On behalf of the Board of Teilifis na Gaeilge:

Peadar Ó Cuinn

Chairman

Pól Ó Gallchoir

Director General



## 4

## NOTES TO THE FINANCIAL STATEMENTS

Notes		
<b>1. Principal Activity</b>		
Teilifis na Gaeilge's principal activity is the operation of the Irish language television channel TG4.		
<b>2. Net Sales</b>	<b>2010</b>	<b>2009</b>
	<b>€'000</b>	<b>€'000</b>
<b>Commercial Income</b>		
Airtime and sponsorship sales	2,009	2,297
Facilities charge-out	551	616
Sundry income	923	704
	<b>3,483</b>	<b>3,617</b>
<b>Cost of Sales</b>		
Commission on advertising and sponsorship sales	303	448
Direct Costs	285	304
	<b>588</b>	<b>752</b>
Net sales	<b>2,895</b>	<b>2,865</b>
Figures have been represented in the note to show the total facilities income and charges.		
<b>3. Staff Costs</b>		
The average number of full time employees employed by Teilifis na Gaeilge during the year was 81 (2009: 83). Employee costs during the year comprised:		
	<b>2010</b>	<b>2009</b>
	<b>€'000</b>	<b>€'000</b>
Wages and salaries	4,389	4,661
Social welfare costs	450	481
Pension costs	483	508
Travel and subsistence	93	104
Training	26	32
Other staff costs	28	29
	<b>5,469</b>	<b>5,815</b>
Staff costs capitalised	(553)	(77)
Total staff costs	<b>4,916</b>	<b>5,738</b>
<b>Emoluments of Director General</b>		
Basic salary	162	180
Employer's pension contributions	59	66
Other benefits	3	3
	<b>224</b>	<b>249</b>
Other Amounts Received:		
Board fees	13	6

## NOTES TO THE FINANCIAL STATEMENTS

Notes		2010 €'000	2009 €'000
<b>4. Board Costs</b>			
	Fees (note 21)	151	133
	Travel and subsistence	16	14
		<u>167</u>	<u>147</u>
<b>5. Programme Expenses</b>			
	Commissioned programmes	17,034	18,132
	Acquired programmes	3,297	4,217
	Dubbing and other costs	2,399	3,086
		<u>22,730</u>	<u>25,435</u>
<b>6. Marketing and Research</b>			
	Advertising and marketing	1,561	1,410
	Audience measurement and research	108	103
	Audience Council expenses	10	-
		<u>1,679</u>	<u>1,513</u>
<b>7. Overheads</b>			
	Office expenses	343	222
	Premises and equipment expenses	447	468
	General expenses	234	400
	Professional and financial expenses	192	128
	Industry levies paid	605	120
		<u>1,821</u>	<u>1,338</u>
<b>8. Interest Received</b>			
	Interest received on bank deposit accounts (gross)	58	81

## 4

## NOTES TO THE FINANCIAL STATEMENTS

Notes		Land and Buildings €'000	Equipment €'000	Assets Under Construction* €'000	Fixtures and Fittings €'000	Total €'000
<b>9. Tangible Fixed Assets</b>						
<b>Cost</b>						
At 1 January 2010		7,535	13,018	1,087	611	22,251
Disposals		-	(65)	-	-	(65)
Additions		3	384	1,421	3	1,811
<b>At 31 December 2010</b>		<b>7,538</b>	<b>13,337</b>	<b>2,508</b>	<b>614</b>	<b>23,997</b>
<b>Accumulated Depreciation</b>						
At 1 January 2010		2,052	11,228	-	508	13,788
Disposals		-	(37)	-	-	(37)
Charge for the year		195	641	-	24	860
<b>At 31 December 2010</b>		<b>2,247</b>	<b>11,832</b>	<b>-</b>	<b>532</b>	<b>14,611</b>
<b>Net Book Value</b>						
<b>At 31 December 2010</b>		<b>5,291</b>	<b>1,505</b>	<b>2,508</b>	<b>82</b>	<b>9,386</b>
<b>At 31 December 2009</b>		<b>5,483</b>	<b>1,790</b>	<b>1,087</b>	<b>103</b>	<b>8,463</b>

\*Assets Under Construction comprise development expenditure, mainly software tailoring, hardware and some staff costs in respect of a Digital Asset Management System. Additions in the year include an estimation of staff costs which relate specifically to work completed on the DAMS project. The basis of the estimation is the employees annual salary and hours worked on the DAMS project.

#### Tangible Fixed Assets held under Finance Lease

Included in Tangible Fixed Assets are assets held under Finance Lease as follows:

	2010		2009	
	Net Book Value €'000	Depreciation Charge €'000	Net Book Value €'000	Depreciation Charge €'000
Equipment	14	4	18	4

<b>10. Capital Grants</b>	<b>2010</b>	<b>2009</b>
	<b>€'000</b>	<b>€'000</b>
<b>Capital grants - received and receivable</b>		
Opening balance	11,048	9,848
Grants received during the year (Note 11)	1,800	900
Grants received in prior year and applied in year	-	300
Closing balance	12,848	11,048
<b>Amortisation</b>		
Opening balance	2,846	1,934
Amortised during the year	704	912
Closing balance	3,550	2,846
<b>Net book value - capital grants</b>	<b>9,298</b>	<b>8,202</b>

Capital grants represent state funding received in relation to capital expenditure incurred by Teilifis na Gaeilge. Capital grants are amortised on the same basis as the related assets are depreciated.



## NOTES TO THE FINANCIAL STATEMENTS

Notes		
<b>11. State Funding</b>		
Grants received from the Department of Communications, Energy and Natural Resources represent state funding received in relation to current expenditure incurred by Teilifís na Gaeilge.		
<b>State funding credited to the Income and Expenditure Account in the year</b>	<b>2010</b>	<b>2009</b>
	<b>€'000</b>	<b>€'000</b>
Grant received in the year	32,250	35,233
Capital grant amortised ( <b>Note 10</b> )	704	912
	<b>32,954</b>	<b>36,145</b>
The total allocation for 2010 was €34.05m comprising of:		
Grants received for current expenditure	32,250	35,233
Grants applied for capital purposes	1,800	900
Total received	<b>34,050</b>	<b>36,133</b>
<b>12. Tax on Profit on Ordinary Activities</b>		
	<b>2010</b>	<b>2009</b>
	<b>€'000</b>	<b>€'000</b>
(a) Analysis of tax charge in year		
Corporation tax charge for year	33	38
Charge in respect of previous years	29	-
	<b>62</b>	<b>38</b>
(b) Factors affecting the tax charge for the year		
The effective rate of tax for the year is higher than the standard corporation tax in Ireland of 12.5%. The differences are explained below:		
	<b>2010</b>	<b>2009</b>
	<b>€'000</b>	<b>€'000</b>
Profit/(Loss) on ordinary activities before taxation	31	(82)
Profit/(Loss) on ordinary activities multiplied by the standard rate of corporation tax in Ireland of 12.5% (2009: 12.5%).	4	(10)
Effects of:		
Income taxable at a higher rate of taxation	15	10
Excess of capital grants amortised and capital allowances over depreciation	16	33
Non-deductible expenditure	(2)	5
	<b>33</b>	<b>38</b>

## 4

## NOTES TO THE FINANCIAL STATEMENTS

Notes			
<b>13. Debtors</b>		<b>2010</b>	<b>2009</b>
		<b>€'000</b>	<b>€'000</b>
Trade debtors		1,027	817
VAT repayable		300	317
Corporation tax repayable		12	-
Prepayments and accrued income		183	235
		<b>1,522</b>	<b>1,369</b>
All balances are deemed recoverable within one year.			
<b>14. Cash at Bank and in Hand</b>		<b>2010</b>	<b>2009</b>
		<b>€'000</b>	<b>€'000</b>
Cash in hand		1	1
Bank accounts		41	68
		<b>42</b>	<b>69</b>
<b>15. Creditors - falling due within 1 year</b>		<b>2010</b>	<b>2009</b>
		<b>€'000</b>	<b>€'000</b>
Trade creditors		713	343
Accruals and deferred income		938	1,273
Pension contributions creditor		66	66
Corporation tax payable		-	10
Hire purchase and lease agreements		1	6
		<b>1,718</b>	<b>1,698</b>
<b>16. Creditors - falling due after 1 year</b>		<b>2010</b>	<b>2009</b>
		<b>€'000</b>	<b>€'000</b>
Hire purchase and lease agreements		-	1
		<b>-</b>	<b>1</b>
<b>17. Reserves</b>		<b>Pension Reserve</b>	<b>Revenue Reserve</b>
		<b>€'000</b>	<b>€'000</b>
Opening balance as at 1 January 2010	17	62	79
Retained deficit for the year	-	(31)	(31)
Actuarial loss	(43)	-	(43)
Pension reserve adjustment	97	(97)	-
Closing balance as at 31 December 2010	<b>71</b>	<b>(66)</b>	<b>5</b>
An adjustment has been made to bring the pension reserve in line with the pension liability. The adjustment consists of the cumulative pension costs and funding of pensioners' pay since the adoption of FRS 17. As the adjustment does not affect prior year results, no restatement of figures is necessary.			

## NOTES TO THE FINANCIAL STATEMENTS

Notes		2010 €'000	2009 €'000
<b>18. Reconciliation of Surplus for the Year to Net Cash Flow from Operating Activities</b>			
Surplus/(Deficit) on ordinary activities before taxation		31	(82)
<b>Non-Operating Activities</b>			
Interest received (net)		(46)	(65)
Loss from sale of fixed assets		6	-
<b>Non-Cash Items</b>			
Depreciation		860	1,200
Amortisation of capital grants		(704)	(912)
Pension asset adjustment		(35)	(33)
(Increase)/decrease in debtors		(153)	726
(Decrease)/increase in creditors		19	(1,082)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(22)</b>	<b>(248)</b>
<b>19. Analysis of Changes in Net Funds</b>			
	<b>Opening balance €'000</b>	<b>Cash flows €'000</b>	<b>Closing balance €'000</b>
Cash at bank and in hand	51	(50)	1
Short term deposits	18	23	41
	<b>69</b>	<b>(27)</b>	<b>42</b>
<b>20. Pension</b>			
<b>a) Description of scheme</b>			
Teilifis na Gaeilge operates a defined benefit scheme and a defined contribution for its employees. The schemes are funded and the assets are held separately from those of Teilifis na Gaeilge.			
		<b>2010 €'000</b>	<b>2009 €'000</b>
The following pension costs were incurred in the year:			
Defined contribution scheme		388	432
Defined benefit scheme cost ( <b>Note 20 (g)</b> )		95	76
		<b>483</b>	<b>508</b>
Contributions are made to the defined benefit scheme at rates recommended by independent qualified actuaries.			
The latest full actuarial valuation was prepared as at 31 December 2010. The liabilities and cost calculations were carried out using membership data supplied by the scheme's administrators at the effective date. The liabilities and costs have been assessed using the projected unit method.			

## 4

## NOTES TO THE FINANCIAL STATEMENTS

Notes			
<b>20. Pension (continued)</b>			
<b>b) Financial assumptions</b>			
The principal actuarial assumptions used by the actuary as at 31 December 2010 used for FRS 17 purposes were as follows:			
	<b>2010</b>	<b>2009</b>	
	%	%	
Discount rate	5.20%	5.60%	
Increase in consumer price indexing	2.50%	2.50%	
Increase in pensionable earnings	4.00%	4.50%	
Increase in pension payment	4.00%	4.50%	
Bonds	4.30%	4.30%	
Other	0.75%	0.75%	
<b>c) Demographic assumptions</b>			
<u>Mortality</u>			
55% of PNML00 tables for males and 66% of PNFL00 tables for females with increases of 0.39% per annum compounded between 2008 and the year in which the normal pension falls.			
<b>d) Change in benefit obligation</b>			
	<b>2010</b>	<b>2009</b>	
	€'000	€'000	
Present value of scheme obligations at the beginning of the year	180	102	
Current service cost	87	95	
Interest cost	13	8	
Actuarial loss/(gain)	15	(25)	
Present value of scheme obligations at the end of the year	295	180	
<b>e) Change in scheme assets</b>			
	<b>2010</b>	<b>2009</b>	
	€'000	€'000	
Fair value of scheme assets at the beginning of the year	259	127	
Expected return on scheme assets	14	8	
Actuarial loss	(28)	(4)	
Employer contributions	101	109	
Member's contributions	19	19	
Fair value of scheme assets at the end of the year	365	259	



## NOTES TO THE FINANCIAL STATEMENTS

Notes			
<b>20. Pension (continued)</b>			
<b>f) Amounts recognised in the balance sheet</b>		<b>2010</b>	<b>2009</b>
		<b>€'000</b>	<b>€'000</b>
Present value of funded obligations	(294)		(180)
Fair value of scheme assets	365		259
Net asset	71		79
<b>g) Pension costs</b>		<b>2010</b>	<b>2009</b>
		<b>€'000</b>	<b>€'000</b>
Current service cost	87		95
Interest cost	13		8
Expected return on scheme assets	14		(8)
Member's contributions	(19)		(19)
Total	95		76
<b>h)</b>	The net actuarial loss recognised in the Statement of Total Recognised Gains and Losses for the year ended 31 December 2010 amounted to €43,000.		
<b>i) Scheme assets</b>		<b>Expected Return</b>	<b>Expected Return</b>
The asset allocations at the year end were as follows:			
Bonds	4.3%		4.3%
Other	0.75%		0.75%
The overall expected return of the scheme's assets has been derived as the weighted average of the expected return on the categories of assets held by the scheme at the opening balance sheet date.			
<b>j) History of defined benefit obligations, assets and experienced gains and losses</b>		<b>2010</b>	<b>2009</b>
		<b>€'000</b>	<b>€'000</b>
<u>Difference between expected and actual return on plan assets:</u>			
Amount	29		4
Percentage of plan assets	7.9%		1.5%
<u>Experience gains and losses on plan liabilities</u>			
Amount	6		25
Percentage of plan liabilities	2.0%		13.9%
<b>k) Contributions</b>			
The company expects to contribute €101,000 to its pension scheme in 2011.			

## 4

## NOTES TO THE FINANCIAL STATEMENTS

## Notes

**21. Directors and Secretary and their Interests'**

The Directors and Secretary who served during the year are as stated below:

Director/Secretary	Date of Appointment During Year (if applicable)	Fees	
		2010 €'000	2009 €'000
Peadar Ó Cuinn (Chairman)	n/a	21.7	22.8
Pól Ó Gallchóir (Director General)	n/a	12.6	5.8
Pádraic Mac Donncha	n/a	12.6	13.0
Regina Uí Chollatáin	n/a	12.6	13.0
Bríd Ní Neachtain	n/a	12.6	13.0
Seosamh Ó Conghaile	n/a	12.6	13.0
Fergal Ó Sé	n/a	12.6	13.0
Méabh Mhic Gairbheith	n/a	12.6	13.0
Eilís Ní Chonnaola	n/a	12.6	13.0
Méadhbh Nic an Airchinnigh	n/a	12.6	13.0
Rónán Ó Coisdealbha	19th January 2010	12.1	-
Concubhar Ó Liatháin	29th September 2010	3.3	-
Mary Uí Chadhain (Secretary)	n/a	-	-
		150.5	132.6

The Board adopted procedures in accordance with the requirements of the Broadcasting Act 2009 in relation to the disclosure of interests by Board members and these procedures have been adhered to in the year.

**22. Premises**

Teilifís na Gaeilge operates from a premises located in Baile na hAbhann, Co na Gaillimhe. Teilifís na Gaeilge owns the freehold to the premises located in Baile na hAbhann, Co. na Gaillimhe.

**23. Programme/Rights Purchase Commitments**

Teilifís na Gaeilge has programme/rights purchase commitments as follows;

	2010 €'000	2009 €'000
Contracted for but not provided for at the year end	11,428	14,773

**24. Commitments**

Teilifís na Gaeilge has capital commitments as follows;

	2010 €'000	2009 €'000
Contracted for but not provided for at the year end	780	1,566

**25. RTÉ Transactions**

Teilifís na Gaeilge received 365 hours (2009: 365 hours) of Irish language programming free of charge from RTÉ in the year ended 31 December 2010.

## NOTES TO THE FINANCIAL STATEMENTS

### Notes

#### 26. Foreign Currency Exposure

Foreign currency exposures arise primarily from payments for acquired programmes. Teilifis na Gaeilge hedges its foreign currency exposures by entering into US Dollar forward contracts when it deems it appropriate. The total value of such contracts in 2010 was \$2,997,000 (2009: \$750,000). There was one contract outstanding at the year end for a value of \$500,000.

#### 27. Comparative Amounts

Certain comparative figures have been regrouped and restated on the same basis as those for the current year

#### 28. Approval of the Financial Statements

The Board of Directors' approved the financial statements on the 18<sup>th</sup> April 2011.