



TG4 Annual Report 2012

Mission, Vision and Core Values	3
TG4's Commitments for 2012	5
Key TG4 Performance Highlights of 2012	11
The Board of Teilifís na Gaeilge and Other Information	21
Chairman's Report	22
Director General's Report	24
Corporate Governance	28
Finance Review 2012	30



Mission, Vision and Core Values

TG4's mission is "to provide an attractive and innovative television and content service that celebrates Irish creativity and identity — language, culture, music and sport — and to connect to, and entertain, audiences in Ireland and worldwide".

TG4's vision is "to promote successfully Irish language and culture and ensure a central place for TG4 in Irish people's lives, both in Ireland and abroad".

TG4's vision and mission can be encapsulated in TG4's motto *súil eile* which recognises the need to stay mainstream with niche programming through the commissioning/acquisition and broadcasting of high quality programmes, capable of competing for, achieving and maintaining strong viewership levels.

TG4's values influence the way in which its strategy will be achieved, the style in which it operates and overall, reflect the principles which are the core characteristics of the organisation. It is expected that each TG4 employee will use these values as their guiding principles to direct their on-the-job behaviours.

TG4's 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.

"The pick of the indigenous crop again this year is from TG4"

Pat Howley
Tuam Herald





TG4's Commitments for 2012

For 2012, TG4 presented 50 commitments across six themes as follows:

- i Content provision
- ii Promotion and development of the Irish language and culture
- iii Service and technology development
- iv Use of public funds
- v Governance
- vi Responsive & trustworthy broadcasting

Content Provision

In 2012, TG4 will:

- 1 Commission and broadcast a minimum of 1709 hours of new and original, high quality, Irish language content across all programming genres, ensuring it has TG4's distinctive "súil eile" perspective.
- 2 Remain committed to delivering new, high-quality, entertaining, interactive and educational children's and young people's Irish language content and through it, continue to encourage a positive attitude to the Irish language.
- 3 Provide independent and in-depth coverage and analysis of, and an alternative viewpoint on, news and current affairs throughout the island of Ireland and across the world.
- 4 Reflect the important role that sport, particularly Irish sport, holds in Irish life and culture. We will broadcast a number of major and live sporting events and overall, Irish language sports coverage will be a key part of our 2012 programming schedule.
- 5 Continue to engage and entertain audiences (existing and new) with strong Irish language drama, documentary and entertainment/lifestyle programming including our soap *Ros na Rún*.
- 6 Deliver content which reflects the importance of music and the arts in Irish life and culture.
- 7 Feature content which supports the learning and personal development of audiences, including religious and science & technology programming.
- 8 Deliver content mainly in the Irish language and strive to broadcast a minimum of 4.68 hours of original/new Irish language content every day.
- 9 Continue to move towards a 35 week core television programming schedule.
- 10 Deliver initiatives which stimulate and promote creativity and innovation in our content.
- 11 Commission from the Irish language independent production sector, a minimum of 607 hours of new/original Irish language content. In addition, commission over 200 hours of re-voiced material and 400 hours of subtitling.
- 12 Maximise value-for-money in content creation by working closely with the World Indigenous Television Broadcasters Network (WITBN) and with other broadcasters and media groups etc. on co-production, programming exchange and other initiatives.
- 13 Maintain the on-going development of our TG4 Player service (www.tg4.tv) continually enhancing content and quality.

"Paddy Don Patricio ... TG4's exquisite documentary on a most extraordinary man"

Mary Hannigan
Irish Times Sport





- 14 Provide sub-titling on TG4 programmes and take whatever measures we can to increase the accessibility of programming to audiences with physical, sensory or intellectual disability.
- 15 Develop and implement a content strategy for leveraging our content to generate new sources of income.

- 21 Endeavour to make TG4's website the definitive Irish language website and source for Irish language content online and in particular, for children's Irish language content.

Promotion and Development of the Irish Language and Culture

In addition to broadcasting a minimum of 1709 hours of new and original Irish language content during the year, in 2012 TG4 will:

- 16 Deliver a high quality broadcast and content service that promotes and celebrates the Irish language and identity in an accessible and engaging manner.
- 17 Deliver programming primarily in the Irish language and provide a daily link for the Irish language to every television household in the island of Ireland and beyond.
- 18 Ensure that our programming reflects the culture of the people of the island of Ireland and in particular, those of the Gaeltachtaí. We will also ensure that our services reflect the requirements of the Gaeltacht communities and households whose daily language is Irish.
- 19 Support the government to revitalise the Irish language by working closely with it to deliver the 20 Year Strategy for the Irish language (2010-2030).
- 20 Deliver an Irish language service worldwide through our web and Player services, achieving 1.5m unique visitors and 9m page impressions online and 3m programme streams in 2012.



- 22 Develop an archive to best-in-class industry standards to support and celebrate the Irish language, culture and heritage.
- 23 Play a central role in supporting the Irish language independent production sector — in conjunction with other agencies, develop and implement initiatives to advance the talent and creative resources of the sector.
- 24 Help strengthen the Irish language independent production sector by supporting it to secure a minimum of €4.5m from the BAI and €2m from the ILBF for TG4 commissions in addition to funding for three projects from Bord Scannán na hÉireann/The Irish Film Board.
- 25 Commit a share of Irish language programming spend to Gaeltacht-based companies.
- 26 Work with the ILBF to further develop the Irish language production sector in the North by targeting a small number of companies for joint programming project development.

Service and Technology Development

In 2012, TG4 will:

- 27 Maintain and if possible increase our national audience share taking account of all means of viewing the service across all digital platforms (traditional and deferred viewing, online etc.). In addition, we will endeavour to improve TG4 shares where possible, in key demographic sectors such as children, young adults and adults.
- 28 Continue to extend and enhance TG4's presence across all content distribution platforms including online and mobile.
- 29 Complete the rollout of Digital Terrestrial Television (DTT) both North and South, working with RTÉNL on the delivery of TG4 on MUX 1 and with the UK authorities on the delivery of TG4 on MUX 7 in the North. In addition, TG4 will explore the possibility of a second TG4 channel on MUX 2 in the South.
- 30 Extend TG4's service on an all-island basis, by increasing our availability across all broadcast platforms in the North.
- 31 Implement the High Definition TV (HDTV) plan for 2012 with a view to having migrated to full HDTV capability by 2013.
- 32 Integrate the Digital Asset Management (DAM) system with other key TG4 systems and commence the development of DAMs Phase 3 (the archive). We will also continue to upgrade critical broadcasting and administrative systems and related processes/work practices.
- 33 Deliver initiatives which foster innovation and experimentation in our broadcasting services.

"You have to hand it to TG4 for their coverage of Gaelic Games"

Karl O'Kane
Irish Daily Star





- 34 Strengthen TG4 through delivery of innovative and effective marketing and branding campaigns.
- 35 Secure approximately €3m in commercial revenues in 2012.
- 36 Maintain a culture of continuous improvement through our on-going investment in talent and through implementing a strategic approach to skills development.

Use of Public Funds

In 2012, TG4 will:

- 37 Spend at least 70% of our public funding on Irish language content, a further 15% on its broadcast and 15% on overheads. We will limit our use of our public

funding to the achievement of our public service objects and duties.

- 38 Maintain current programming per hour costs and ensure value-for-money.
- 39 Continue to operate as cost effectively as possible and to deliver value-for-money in all that we do.
- 40 Provide some 100 jobs directly and support approximately 300 full-time jobs in the independent production sector, enhancing Ireland's capability in the knowledge-based creative sectors.
- 41 Build on the previous year's contribution to the national economy by adding circa €58m to national earnings and by having an associated employment impact of some 700 additional jobs.





Governance

In 2012, TG4 will:

- 42 Deliver all our statutory requirements as reflected in our objects, broadcasting codes and regulations etc.
- 43 Work closely with our two key Stakeholders, DCENR and the BAI, to support broadcasting policy development and to deliver on all our governance and compliance requirements.
- 44 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.
- 45 Work closely with the TG4 Board to comply with all relevant and binding codes and regulations under which we function.
- 46 Draft and publish an updated Statement of Strategy and continue to position the case with the Govern-

ment for an increase in funding and a multi-annual funding approach as reflected in the Broadcasting Act 2009.

- 47 Deliver three Internal Audits and a Risk Management review of TG4.

Responsive and Trustworthy Broadcasting

In 2012, TG4 will:

- 48 Deliver initiatives to ascertain views about TG4 content and services, to ensure we meet the needs of our audiences and that we cater for the expectations of the communities we serve.
- 49 TG4 will be independent, impartial and reliable in all that we do.
- 50 TG4 commits to fostering awareness and understanding of other cultures.

“Just how does TG4 keep turning out such fantastic documentaries?”

Pat Stacey
Evening Herald



**VOTE
PEOPLES
DEMOCRAC**

**JOBS FOR ALL
HOUSES FOR ALL
VOTES FOR ALL**

NOW

Key TG4 Performance Highlights

TG4 performed well in fulfilling its commitments in 2012 despite the continuation of a difficult financial environment:

- TG4 “fully achieved” 45 of its 50 commitments for 2012. Of these, 13 exceeded target performance.
- Two commitments were “almost fully achieved” and 3 were “substantially achieved”. This was due to a number of factors including: dependency on funding availability; the increasingly competitive television market in Ireland; a delay in the launch of the Archive funding scheme etc. They are described in detail in the report.

Irish Language Programme Outputs

TG4’s total new/original Irish language programming output was 1,669 hours in 2012, an average of 4.57 hours per day. TG4’s targets for 2012 were 1,709 hours and an average of 4.68 hours per day which means that TG4 was off its targets for the year by only a marginal amount of 2.3%. This was a solid performance in a challenging environment.

Total Irish language broadcast hours were 5,074 in 2012 — 58% of total broadcast hours. This compares positively to 56.6% in 2011.

Key Irish language programming highlights included the regular, trusted programmes such as *Ros na Rún*, *Geantraí*, *Comhrá* and *7 Lá* in addition to new programmes such as *Scéal na Gaeilge*, *Na Bóithre Iarainn*, *Jockey Eile*, *Jump Boys*, *Ceol ón gClann*, *Buail Cois*, *The West’s Awake* and *Séasúr Bhreandáin Feiritéar*. A special mention for *Corp & Anam* should also be made. It received two awards at the Celtic Media Festival, including the Spirit of the Festival award and an Irish Film & Television Award (IFTA). In addition, *Ó Tholg go Tolg* received the Celtic award in the category for young people’s programming. Sport remained strong on TG4 during 2012. Sport programmes including GAA, Ladies football, rugby, horse racing and tennis etc. were broadcast during the year and were extremely successful in driving audience for TG4. For example, TG4 reached an audience of 550,000 plus for the big sporting occasions such as Ladies Football Finals day and the rugby clash between Leinster and Munster. TG4’s daily service for children and young people continued and included *Cúla4 na nÓg* for pre-school children, *Cúla4* for older children and *Ponc* for teen audiences.

Programme Quality

2012 saw the continuation of the strong number of awards and nominations for TG4. These awards and nominations reflect the quality and distinctiveness of TG4’s programming, marketing/branding activities and its personalities. In 2012, TG4 secured 72 awards and nominations during the year of which 35 were programme

awards/nominations and 9 were for TG4 personalities awards/nominations. Specifically, TG4 secured two Irish Film & Television Awards (IFTA) awards and ten nominations across a range of its programmes with the two awards going to *Bernadette – Notes on a Political Journey* and *Corp & Anam*. Ten Celtic Media Festival awards and nominations were secured including two awards for *Corp & Anam* and *Ó Tholg go Tolg*. The Spirit of the Festival was also awarded to *Corp & Anam*. TG4 won the Grand Prix Award for *An Píopa/The Pipe* at the Ile-de-France International Film Festival. TG4 won 13 awards and nominations at Gradaim Chumarsáide an Oireachtais. These included awards and nominations for nine of TG4’s personalities. Other awards of note included the Golden Documentary Award at the Prestige Film Awards, California for *Misinéirí Radacacha*. These prestigious awards and nominations continue to reflect TG4’s ability to commission content with a distinctive *súil eile* perspective that is unique and entertaining and capable of impressing not just the domestic audience but also, international programming competition.



Audiences

TG4 achieved an average daily audience reach of 14% in 2012 (577,000 viewers who tuned into the channel on a daily basis). It also secured an average share of circa 2%. TG4 maintained its position as the 8th most watched channel in Ireland in 2012 — a strong performance given the hundreds of channels available to viewers.

To date, without the resources necessary to compete strongly for viewers all year round, TG4 currently focuses

its resources into competing on peak viewing occasions such as Christmas, Easter and St Patrick's Day. At these times, TG4 demonstrates that it can compete at the highest level and deliver strong audience share perform-



ance on these most competitive of days. On two separate days in 2012 (April 15th and 29th), TG4 was the second most popular channel in Ireland, behind only RTÉ One. On those days, TG4 secured viewing shares between 7% and 8%. On St Patrick's Day in 2012, TG4 secured a 4.6% share. TG4 also had a really successful Christmas 2012. **Almost 1m viewers tuned into TG4 every day with a cumulative 2.5m viewers tuning into the channel over the festive period — the most competitive of all in the television calendar.** TG4's viewing share for the Christmas 2012 period was 3.3%, substantially higher than its usual share. Equally important, TG4 held its Christmas viewership compared to 2011 — a very strong performance during a time of major change and increased viewing options in the TV market in Ireland and during which, all the main TV channels had lower viewing compared to Christmas 2011. In addition to this, TG4 also attracted an additional 100,000 viewers on PVR devices and on the TG4 Player service over Christmas 2012. A key strategic aim of TG4 is to invest more into high-quality Irish language programming and a strong broadcast schedule in order to increase audience share to these levels year round.

It should be noted that this represents "traditional" viewing only. It does not reflect the audience viewing on other digital platforms (i.e. the TG4 Player service, www.tg4.tv) nor does it reflect some deferred viewing of TG4 (i.e. where TG4 programmes are recorded using Personal Video Recorder (PVR) technology such as Sky Plus and UPC+ for deferred viewing). Share and reach also do not include TG4's share and reach in the North or in pubs and clubs in the Republic. In addition to these gaps in the share measure, TG4 has been concerned for some time that current share and reach figures are not a true reflection of TG4's viewership performance in Ireland. As TG4 broadcasts in the Irish language, it is technically, broadcasting in a minority language. Nielsen's sampling (TAM Ireland) for its viewership measurement, does not reflect where the Irish language is spoken on a daily basis and is strongest. In 2012, TAM Ireland recognised TG4's concerns and appointed an independent assessor to examine the measurement methods and assess if it truly reflects TG4's actual viewership or not. This assessment will be undertaken in 2013.

In 2012, TG4 undertook its fifth audience survey (IPSOS MRBI) in ten years. Interviews were carried out amongst Irish users throughout the island of Ireland with the objective of exploring views on, and attitudes towards, different aspects of TG4 programmes, news and current affairs, the image of TG4, its website etc. The findings of the research were very positive and TG4 was very pleased with the feedback. For example, almost three quarters of respondents throughout the island of Ireland agreed that TG4's programmes are relevant to them. In addition, attributes associated with TG4 by Irish users were very positive, including qualities such as "educational", "cultural", "for people like me", "quality", "alternative" and "not afraid to be different".

Income, Expenditure, Efficiency and Value-for-Money

TG4's current funding remained at €32.75m in 2012 (including €9.25m allocated from the TV licence fee). Total current income increased compared to 2011, by almost 2%, from €3.11m to €3.17m in 2012. Due to the severe reduction in advertising expenditure in the economy, TG4's advertising and sponsorship income declined by just under 2.2% from €1.8m in 2011 to €1.76m in 2012. Other commercial income however, increased by 7.6% from €1.3m to €1.4m.

In terms of income share, Grant-in-Aid represented 91.2% of total income — a decline in share compared to 2011 (91.33%). Commercial income's share represented almost 8.8% in 2012 up from 8.7% in 2011.

Total operating expenditure was €35.93m in 2012, a minor increase of 0.13% compared to 2011. Consistent with TG4's objectives, programming expenditure represented the largest element of its operating expenditure, a 64% share of total operating expenditure. Staff costs were the second largest element, representing 14.6%. These include wages and salaries, social welfare, pension costs, training and development, travel and subsistence and other staff costs. Marketing and research represented 4.3% of total operating expenditure in 2012 and overheads represented 5.2%.

TG4 continued to focus on cost management and efficiency in addition to maximising value-for-money in all areas of its business. The following metrics represent good indicators of the efficiency and value-for-money of TG4's operations:

- % of Exchequer funding spent on Irish language content: a significantly increased proportion of public funding was spent on Irish language content —



71.4%. There was an increase in the number of new Irish language programme hours — from 1,615 in 2011 to 1,669 in 2012. The remaining 28.6% was spent on overheads such as transmission and promotion of the channel and its programmes. This exceeded TG4's target for the year (which was 70%).

Reductions were made where possible in TG4's operating expenditure in 2012. For example, TG4 reduced its Marketing & Research expenditure by 1.7% and also reduced gross staff costs and overheads. However, it is

“TG4 has proven itself a huge supporter of indigenous country talent.”

Michael Cummins
Irish Farmers Journal





increasingly difficult to extract further reductions in costs which have already been reduced extensively in the previous three years. For example, TG4 made extensive cost reductions in the business in the period between 2009 and 2012 as follows:

- Reduction in salaries and overheads of €1.35m between 2009-2012. (includes circa €250k vat)
- Reduction in external programme costs €1.77m. (includes circa €750k vat)
- Reduction in acquisitions expenditure €1.38m.
- Total reduction of almost €4.5m — on cost levels which were already very lean.

It is important to highlight that TG4 enhanced productivity in content production and other areas during 2012. Arising from the implementation of the Digital Asset Management (DAM) system, TG4 has been able to free up overhead labour and dedicate it to content provision/studio work. This is a positive development which will enable TG4 to deliver more content and Apps without a comparative increase in labour and overhead costs. It is estimated that approximately €642k of overhead labour costs are now dedicated to content development/studio work. With the implementation of the digital archive system, there will be no need to re-inject material for repeat broadcasts. In addition, streamlining of material availability for cross platform purposes will be possible and all programmes that reside on the archive can be copied and repurposed for distribution to all VoD or online platforms. Due to the implementation of DAMs, TG4 has been able to free up staff to focus on the development of the Irish language archive also. Approximately €111k of overhead staff costs will be dedicated to the Irish language archive,

representing a significant total efficiency saving from the implementation of the DAM system within the TG4 organisation.

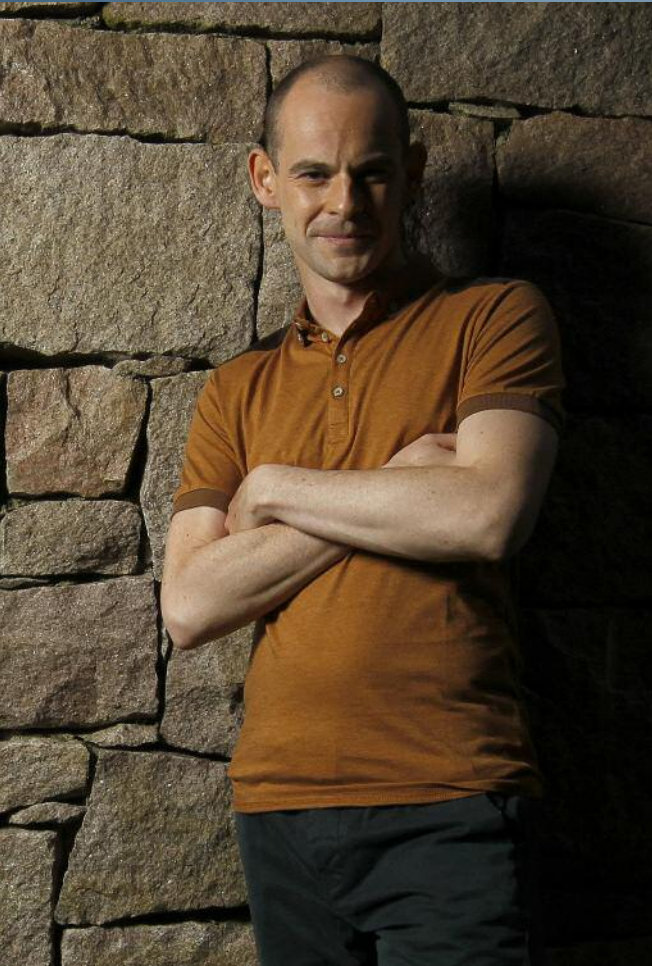
In terms of comparisons of TG4's costs-per-hour for commissioned programme, TG4's costs across key genres come in below those of both S4C and the BBC. While recognising market differences, it provides evidence of TG4's focus on costs and value-for-money.

Website, Player and Mobile Applications

TG4 delivers a worldwide Irish language service by providing broadcast content on a worldwide basis through its online and Player services (www.tg4.tv) which promote the Irish language and culture. The numbers of unique web visitors, page impressions and programme streams have all increased significantly over the past few years. In 2012, TG4 unique web visitors reached the 1.21m mark with page impressions reaching almost 11.5m. The Player service likewise performed well over the year with almost 1.6m programme streams achieved in 2012.

TG4's website is now ranked number 1 in terms of world rankings of Irish language websites. This is a noteworthy achievement as TG4's website held the number 3 position in 2011.

TG4 redesigned and redeveloped the children's Cúla4 web presence over 2012. Interactivity and games for specific TG4 children's Irish language programmes were included. This, in addition to the release of Irish language smartphone Apps, means that the Irish language is more accessible and fun for children learning the Irish language both in Ireland and worldwide. Three new Irish language Apps for children were launched in 2012 and more than



eight new online games were re-versioned into the Irish language. This brings the total to four Irish language Apps which are available for pre-school children. In addition, CulaTV — a children's TV player service — was established on the TG4 website.

Development also commenced in 2012 on a TG4 Player App for iOS which is to be launched in 2013.



Digital Terrestrial Television (DTT) and High Definition (HD)

Analogue switch-off occurred on October 24th 2012 both North and South. TG4 is available on the RoI DTT service (Saorview) which is available to 98% of the population. TG4 is also broadcast on Freeview in North Ireland with circa 93% penetration. It is broadcast on channel position number 51, the most prominent of any RoI channels on that platform.

TG4 has continued to monitor coverage of Saorview in remote areas and participated fully in the awareness campaign leading up to analogue switch-off. In particular, TG4 paid special attention to Gaelteacht areas. In 2012, the number of digital transmitter sites were increased from the proposed 51 to 64 with some of these sites covering Gaelteacht areas including Dingle, Glencolmille and Glenties.

These developments completed the digital rollout and availability of TG4 throughout Ireland on all platforms: terrestrial (Saorview and Freeview); satellite (via Saorsat and Sky in RoI and NI) and cable (UPC in RoI and Virgin Media in Belfast). The introduction on UPC cable of a TG4 "catch up" service in 2012 further extended the reach of TG4 content to UPC's subscribed homes in the Republic.

TG4 has been transitioning to HD capability over a two year period (Q2 2011 to Q2 2013) and will be able to broadcast in HD from 2013 onwards. The upgrading of TG4 to HD was broken down into a number of stages over the 24 month period to allow a managed incremental approach. This significant two year project is on-time and on-budget and will be completed in Q2 2013. On the 7th of October 2012, TG4 achieved an important milestone and commenced HD broadcasting when it transmitted

"The brilliant Jump Boys documentary on TG4 answered just about every question on jump racing"

Philip Reid
Irish Times Sport

Peil na mBan Beo, the Ladies All Ireland Football finals in full HD resolution.

TG4 is proposing to establish a second channel online instead of on MUX 2 on Saorview (due to funding reasons but also due to the development of multi-platform content opportunities). TG4's objective is to enhance its Irish language children and young people's service in addition to supporting delivery of an Irish language learning resource. The aim is to create an attractive platform for learning Irish for children and young people in particular, which can be used as a fun, educational resource for Irish language linguistic skills.

Irish Language Production Sector

On an annual basis, TG4 commissions a significant amount of original programming and sources most of its programmes from, in particular, production companies in the Gaeltacht areas. In 2012, TG4 commissioned almost €17.8m in programming from the sector — an increase of 1.7% on 2011 expenditure.

In 2012, TG4 spent an additional €2.6m with the independent production sector in Ireland on dubbing and sub-titling services. As such, a total of €20.4m was spent with the sector in 2012. Through this mechanism, TG4 continues to channel a significant proportion (over 62%) of its public funding into commissioning original Irish language programming and into sourcing services from the independent production sector in Ireland.

Through the commissioning process, TG4 mentored

and supported Irish language independent production companies. In 2012, TG4 commissioned 673 hours of new Irish language programming in addition to producing 52 hours of new Irish language programming in-house (the majority in conjunction with the sector).

A strong slate of programme projects was also developed with the independent sector with a view to securing BAI Sound and Vision and ILBF funding. In 2012, 21 Sound & Vision and 29 ILBF programming projects were co-funded with the independent production sector. These included documentary, drama, music and entertainment programmes. €4.14m was secured by the independent production sector from the BAI Sound & Vision fund and €1.72m from the ILBF in 2012 by working in conjunction with TG4 on a number of programming commissions. TG4 continued to be the main supporter of ILBF-funded productions in Northern Ireland.

TG4 supported 290 jobs in the independent production sector directly.

Economic Benefits

Not only has TG4 continued to serve audience needs and to support the promotion and development of the Irish language and culture throughout 2012, it has also had significant financial, employment and creative benefits for the independent production sector in Ireland in addition to a noteworthy impact on the Irish economy more generally. Through a high-level application of impact multipliers, the direct, indirect and induced





“When it comes to taking a chance on topics that mightn’t have guaranteed mass appeal, TG4 continues to put its national counterpart to shame.”

Richard Forristal
Irish Independent

contribution to national earnings of TG4 labour and non-labour expenditures in addition to employee expenditures is estimated to be over €60m for 2012 with an associated total employment impact of 946 jobs (includes the independent production sector jobs).

Promotion and Development of the Irish Language and Culture

In addition to providing a universal free-to-air television service to promote the Irish language and culture, in 2012, TG4 undertook a number of other activities which supported the promotion and development of the Irish language and culture:

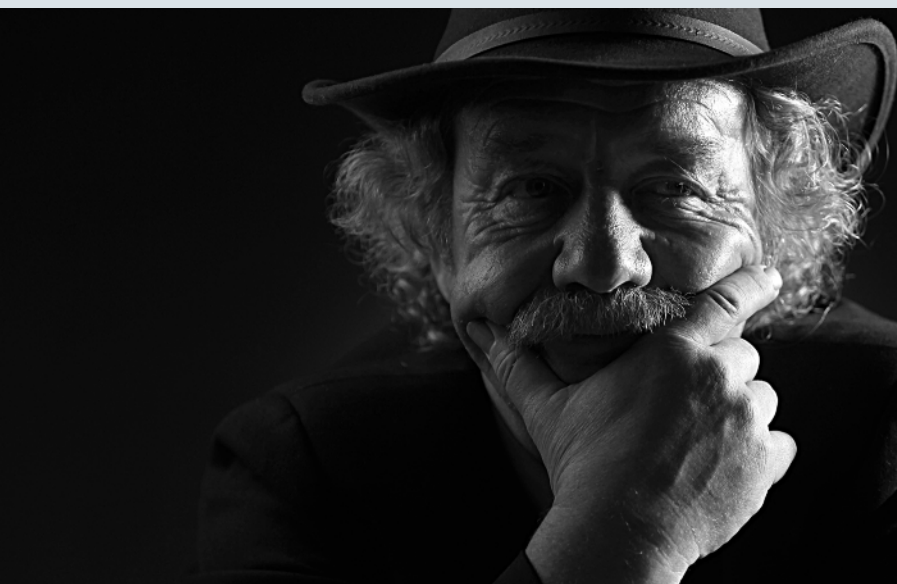
- **Supporting the implementation of the 20 Year Strategy for the Irish language:** a key development was that dialogue was established with the Department of Education’s Support Service for the Irish Language about the role TG4 can play in supporting the transition to an oral-skills approach in the new post-primary curriculum.
- **TV Service & Programmes to promote the Irish language & culture:** TG4’s all-island Irish language TV service continued to have a “must carry” and prominent position status on all broadcasting platforms in the State. 1,669 new Irish language hours were delivered in 2012 and 58% of all broadcast hours were in the Irish language. A broad variety of Irish language programmes were delivered across a range of genres including news and current affairs, entertainment, drama, sport, music and the arts, celebrating the Irish language, culture and identity
- **Promotion and development of the Irish language with children & young people:** >6 hours per day of

children and young people’s programming is provided. In 2012, online developments particularly centred on children and young people’s services. Three new Irish language Apps for children were launched in 2012 and more than eight new online games were re-versioned into the Irish language. This brings the total to four Irish language Apps which are available for pre-school children. In addition, CulaTV — a children’s TV player service — was established on the TG4 website.



- **Provision of a worldwide Irish language service:** TG4 online and Player services provide broadcast content on a worldwide basis which promote the Irish language and culture. TG4 is working towards ensuring that its website becomes the definitive source for Irish language content online.

- **Supporting development of the Irish language independent production sector:** through commissioning activities and through individual support and educational measures.
- **Supporting Irish Sport and Cultural Bodies:** TG4 strengthened its support for, and relations with, many Irish sport, language and cultural organisation. e.g. the GAA, the Ladies Gaelic football Association, the FAI, IRFU and HRI etc. Irish language and cultural bodies included Oireachtas na Gaeilge, Gael Linn and Foras na Gaeilge etc. In 2012, TG4 continued to work closely with bodies such as the Irish Film Board, the Arts Council, the Film Fleadh and Film Base etc. in the delivery of its services.
- **Support the Gaeltacht-based local economy:** in 2012, TG4 spent a significant percentage of its independent production sector expenditure with production companies in Gaeltacht-based areas. 290 full-time jobs in the production sector are directly sustained by TG4 commissions. Many but not all of these jobs are located in Gaeltacht areas. The presence of TG4 itself makes TG4 a vital part of the economic and social fabric of the Gaeltacht areas. In addition, it should be highlighted that “Ros na Rún” is in its 17th year of production with a significant amount of direct employment and contracted personnel in the local economy.



Marketing and Branding

TG4's marketing and branding activities continued to go from strength to strength. TG4 secured 28 marketing/branding awards and nominations in 2012. These included 3 National Newspapers of Ireland awards and nominations, 6 ICAD, 15 Shark and Love Radio awards and nominations including 6 Gold awards.

The key aspects of TG4's promotion and marketing were: advertising campaigns across multiple media platforms including press, radio, digital and billboards; sports sponsorship and promotion including Peil na

mBan (ladies football) for which TG4 is main sponsor of the championship; Gradam Ceoil (TG4 Traditional Music Awards); and individual programme and schedule launches etc. A number of programmes/ series and genres were selected by the TG4 Marketing Promotion Committee (MIP) for specific advertising campaigns.

TG4's Social Media presence was also further developed during 2012.

Operational/Systems Developments

Since go-live of the DAMS in November 2011, TG4 has continued to integrate the system and this was on-going in 2012. TG4 now has the ability to extract specific material from the DAM system, copy and re-format it and deliver it to UPC for its own video-on-demand service — all with minimal user intervention. The work to facilitate video production for Smart TVs and mobile device players also commenced in 2012 and will be completed in Q2 2013.

Training for staff on the DAM system and on the new editing systems continued throughout 2012. TG4 also achieved a number of work practice improvements driven by the DAM system. Library and Presentation staff now carry out new tasks including logging and compliance on programme material. A number of staff have also been trained up in the area of content re-purposing and distribution. Initially, this has been used for the UPC video-on-demand platform but it will be rolled-out to include all material for Smart TVs and mobile devices. The freeing up of overhead labour and dedication of it to content provision/studio work is a positive development which will enable TG4 to deliver more content and Apps without a comparative increase in labour and overhead costs as described earlier.

As noted earlier also, TG4 achieved some significant milestones in 2012. The transition to digital terrestrial television is now complete with analogue switch-off occurring on 24th October both North and South. TG4's transition to High Definition (HD) is also complete following the move to HD broadcast in October 2012.

Governance and Policy Activities

TG4 worked closely with the Department of Communications, Energy and Natural Resources (DCENR) and the Broadcasting Authority of Ireland (BAI) to support broadcasting policy development and to deliver on all governance and compliance requirements. It also worked closely with its Board in 2012 to ensure the highest standards of corporate governance, risk management and compliance with all corporate and broadcasting codes, policies and standards. In addition to three internal audits, TG4 undertook a full risk review of the organisation in late 2012. The review involved all senior management and was facilitated by DHKN.

As a Public Service Broadcaster, TG4 engages in all broadcast/policy development activities that help to inform policy decisions, legislative provisions and directives at national and European levels and which



govern and regulate broadcasting. In 2012, TG4 worked closely with a range of stakeholders, primary amongst which were the DCENR, the BAI, other regulatory bodies and industry representative organisations. Key initiatives included: TG4 engagement with RTÉ on a range of issues including provision of 365 hours of content to TG4, rollout of DTT, Saorsat service and many other issues; TG4

engagement with IBEC's Audio Visual Federation, Circom, WITBN, the Celtic Media Festival (at Executive Board level) and the EBU (at General Assembly level), thus accessing a valuable international network of expertise and experience, across full range of PSB broadcasting and content provision including governance, policy, legal and technical areas.





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.

On the 31st of March 2012 the term of the Chairman and 8 Board members expired. On the 17th April 2012, the Minister of Communications, Energy and Natural Resources appointed a Chairman and 6 Board members and reappointed one Board member from the previous Board.

The Board met 7 times during the 12 months to the 31st December 2012.



Siún Ní Raghallaigh
(Chairman)



Pól Ó Gallchoir
(Director General)



Seosamh
Ó Conghaile



Rónán
Ó Coisdealbha



Concubhar
Ó Liatháin



Andréa
Ní Éalaithe



Des
Geraghty



Mairéad
Ní Cheoinín



Micheál
Seoighe



Mairéad
Nic Suibhne



Michelle
Ní Chróinín

Board Members and Director General at 31st December 2012

Company Secretary and Registered Office

Mary Uí Chadhain
TG4
Baile na hAbhann
Co. na Gaillimhe

Secretary to the Board

Pádhraic Ó Ciardha

Sub-Committees of the Board

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

Audit Committee

Des Geraghty (Chair)
Micheál Seoighe
Michelle Ní Chróinín

During the 12 months to 31st December 2012, the Audit Committee met on 4 occasions after which they reported to the Board. The Internal Audit function reports directly to the Audit Committee.

Remuneration Committee

Siún Ní Raghallaigh (Chairman)
Andréa Ní Éalaithe
Mairéad Nic Suibhne

The Remuneration Committee met once in the year to 31st December 2012.

Digital Committee

Mairéad Ní Cheoinín (Chair)
Concubhar Ó Liatháin
Rónán Ó Coisdealbha

The Digital Committee met once in the year to 31st December 2012.

Auditor

Comptroller and Auditor General
Treasury Block
Dublin Castle
Dublin 2

Solicitor

Landwell Solicitor
One Spencer Dock
North Wall Quay
Dublin 1

Bankers

AIB
Lynch's Castle
Shop Street
Galway

Actuary

Pricewaterhouse Coopers
One Spencer Dock
North Wall Quay
Dublin 1

Chairman's Report

I have the pleasure of presenting my first annual report as Chairperson of the new TG4 Board which was appointed in April 2012.

My first task is to thank all of the former Board members and Chairman Peadar Ó Cuinn for their service and commitment to TG4 and for the direction they provided to the TG4 management team during their tenure.

As the national Irish language television service, TG4 is funded to deliver high quality Irish language broadcast and content services to audiences both at home and abroad, for the purpose of celebrating and promoting the Irish language and culture. Over 2012, TG4 continued to do this and to have a positive impact on attitudes towards the Irish language. This success should not be lost in the present difficult economic times.

Not only has TG4 continued to serve audience needs and to support the promotion and development of the Irish language and culture throughout 2012, it has also had significant financial, employment and creative benefits for the independent production sector in Ireland and for the Irish economy as a whole.

TG4 channels its public funding into commissioning original Irish language programming and into sourcing programming services from the independent production sector in Ireland. Working with the sector is key to delivering on TG4's *súil eile* ethos. Through these activities, TG4 makes substantial payments to the sector. In 2012, TG4 spent in excess of €20m directly with the sector. This was an increase on 2011 expenditure, which is very positive in the present economic climate, and represented 62% of TG4's current funding for the year.

Not only has this expenditure helped to ensure TG4's broadcast schedule is unique and reflects Irish cultural identity, it also helps to ensure the preservation and strengthening of a vibrant Irish language production sector which can provide unique Irish language programming to TG4.

TG4's expenditures deliver real benefits to the Irish economy. IBEC's 2012 Audiovisual Federation review showed that TG4 directly supported 290 production sector jobs. In conjunction with the 80 full-time jobs in TG4, it means that TG4 supports almost 400 jobs in the production sector in Ireland. In addition, through multi-



plier analysis, the contribution to national earnings of TG4 expenditure is estimated to be over €60m for 2012 with an associated employment impact of an additional 550 jobs in the Irish economy.

TG4 is an integral part of the audiovisual industry and in keeping with the overall national drive to grow employment opportunities and attract foreign direct investment into Ireland, a skilled and vibrant production sector is necessary. TG4 contributes substantially to this and it is important that TG4 continues to be adequately funded so that these benefits to the Irish economy can be sustained and so that TG4 can continue to deliver on its core remit to provide entertaining Irish language content to its audience.

TG4 experienced pressure on commercial revenues during the year. Irish advertising revenues have been seriously impacted by the recession over the past five

years and the market remained flat in 2012. It is important for TG4 to grow commercial income levels and to do so, TG4 must continue to innovate and develop advertising platforms including online and mobile.

TG4 must remain innovative in its programming and content services. The acceleration in the adoption of digital media technologies and devices, in particular over the past year, means TG4 must deliver content to multiple platforms and devices, and engage with audiences across these. It is vital that TG4 builds on its excellent developments to date in online and interactive content and Apps, and on social media platforms, in order to remain relevant with younger audiences.

Our audiences remain at the heart of everything TG4 does and remaining relevant with all audiences is crucial. TG4's fifth audience survey (IPSOS MRBI) amongst Irish language users throughout the island of Ireland shows that TG4 and its programmes, do indeed remain relevant with audiences. The findings of the research were very encouraging and I was extremely pleased with the feedback.

Unique, vibrant and entertaining programming remains at the core of maintaining relevance with audiences. In partnership with the independent production sector, TG4 delivered a wide range of strong and original Irish language programmes, across all genres, in 2012. This was reflected in the number of awards and nominations during the year. In total, an impressive 72 awards and nominations were secured, reflecting the quality of TG4's programmes. These included two Irish Film & Television Awards (IFTA) and the Spirit of the Festival award at the Celtic Media Festival for *Corp & Anam*.

TG4 achieved some significant milestones in 2012. The transition to digital terrestrial television is now complete with analogue switch-off occurring on 24th October both North and South. TG4's transition to High Definition (HD) is also complete following the move to HD broadcast in October 2012. The year ahead will be a challenging and exciting one for TG4 in terms of consolidating its position on all digital broadcast platforms and in carving out a strong position on new platforms including Player services, Video On Demand, Smart-phones and SmartTVs, tablets and other mobile devices.

While I am confident that TG4 will continue to deliver a strong and entertaining programming schedule, sufficient funding remains a key requirement and the economic environment and financial situation will remain TG4's greatest challenge. TG4 will endeavour to proactively address the many opportunities and challenges facing the service. TG4 is proud to showcase and promote the Irish language and culture to its growing television and online audience. The many awards and prizes, the regular feedback from audience and the constant positive reviews of output during 2012 bear testament to this. The objective for 2013 is to continue to build on its success to date.

I would like to thank a number of individuals and organisations.

I thank my fellow Board members for their hard work and dedication to TG4. I also thank the committees of the Board, the Audit, Digital and Remuneration sub-committees, and the Board Secretaries.

My thanks also goes to the Audience Council for its important feedback on the TG4 service.

On behalf of my fellow Board members, I would like to thank Minister Pat Rabbitte and his officials from the Department of Communications, Energy and Natural Resources for their support and guidance throughout 2012.

I also extend my thanks to the Broadcasting Authority of Ireland, the Irish Language Broadcast Fund and Bord Scannán na hÉireann for their continued support.

Thanks also goes to RTÉ, particularly for its annual statutory provision of 365 hours of Irish language content.

Finally, I would like to give my thanks to TG4's management and staff under the strong and committed leadership of the Ardstiúrthóir, Pól Ó Gallchóir. Despite another challenging year, Pól and the TG4 team have ensured that a solid performance has been achieved by the service. The Board and I look forward to working successfully with them in the year ahead.

Siún Ní Raghallaigh
Cathaoirleach

Director General's Report

Introduction

2012 was the fifth in a row of challenging years for both the economy and TG4. Due to the severe reduction in advertising expenditure in the economy, TG4's advertising and sponsorship income declined again this year. We also faced stiff competition with a greater number of television channels competing for the same share of advertising and audiences in Ireland.

Despite these financial challenges, TG4 performed well and delivered another strong year of entertaining programming and new content services. This was in no doubt due to our focus on our key performance commitments for 2012. These included focusing on and developing a strong relationship with our audiences; the positive promotion of the Irish language and culture; the provision of an attractive and entertaining schedule of programmes and content for a diverse audience base; and the nurturing of a strong Irish language independent production sector. These commitments were underpinned by our ongoing prudent cost management and our focus on efficiency within TG4.

I am pleased to report that we achieved all the key targets we set for the year.

Our Programming and Content

In 2012, TG4 continued to provide a slate of entertaining and informative programming. Key Irish language programming highlights included the regular, trusted programmes such as *Ros na Rún*, *Geantraí*, *Comhrá* and *7 Lá* in addition to new programmes such as *Scéal na Gaeilge*, *Na Bóithre Iarainn*, *Jockey Eile*, *Jump Boys*, *Ceol ón gClann*, *Buail Cois*, *The West's Awake* and *Séasúr Bhreandáin Feiritéar*.

A special mention for *Corp & Anam* should be made. It received two awards at the Celtic Media Festival, including the supreme Spirit of the Festival award and an Irish Film & Television Award (IFTA). In addition, *Ó Tholgo Tolg* received the Celtic award in the category for young people's programming.

TG4's sports programming remained strong and continued to be a cornerstone of TG4's schedule during 2012. Our programmes included GAA, Ladies football, rugby, horse racing and tennis etc., all of which proved very popular and were extremely successful in attracting audiences for TG4. For example, we reached an audience of 550,000 plus for the big sporting occasions such as Ladies Football Finals day and the rugby clash between Leinster and Munster.

Through our news service *Nuacht TG4*, we continued to provide a comprehensive Irish language news service with a strong emphasis on regional and Gaeltacht-based reports. In 2012, *Nuacht TG4* continued to capture the issues in Ireland and around the world in addition to the Irish experience at home and internationally.

TG4 continues to prioritise children and young people's programming and to emphasise its place in the TG4 broadcast schedule. Children and young people represent the most competitive area of the broadcast schedule and TG4 provided a comprehensive service broadcasting over six hours of children's and young people's programming every day. TG4's 2012 broadcast schedule continued to include our daily service for children and young people which includes *Cúla4 na nÓg* for pre-school children, the popular afternoon show *Cúla4* for older children and *Ponc* for teen audiences. As part of our commitment to children and young adult's Irish language programming, TG4 re-voiced almost 300 hours of entertaining and educational programming for these young audiences.

Now more than ever, TG4 recognises the need to target this younger and more computer literate audience with new multi-platform content and to place an emphasis on innovation, choice and interactivity for this audience. In 2012, TG4 redesigned and redeveloped the children's *Cúla4* web presence. Interactivity and games for specific TG4 children's programmes were included. This, in addition to the release of the *CúlaCaint* Smartphone App has ensured that the Irish language can be more accessible and fun for children learning the Irish language both in Ireland and worldwide. Three new Irish language Apps were launched in 2012 and more than 8 new online games were re-versioned into the Irish language. This brings the total to four, the number of Irish language Apps which are available for pre-school children. In addition, TG4 also established *CúlaTV* — a children's TV Player service — on the TG4 website. All of these developments provide an extensive and fun Irish language learning resource for young children of all ages.

In 2012, TG4 continued to develop the website and Player services to ensure that they become the definitive source for Irish language content online. We are also pleased to say that TG4 has moved from being number three (in 2011) to number one (in 2012) in terms of world rankings of Irish language websites. Our online Irish language content has the added advantage of offering broadcast quality content which educates, entertains and informs in addition to interactive and entertaining content for children and young adults.

2012 also saw many other cross-platform developments. For example, work also commenced in 2012 on a TG4 Player App for iOS which is to be launched in 2013.

Irish Language Independent Production Sector

A key element of delivering our diverse range of creative and entertaining Irish language programming is working with the Irish language independent sector to develop strong, creative programme ideas.

TG4 continued to have a close working relationship

with the Irish language independent production sector throughout 2012. This enabled us to work together to address the financial challenges facing us, but also to minimise the impact of the financial challenges on our content quality and audience enjoyment.

In partnership with the Irish language independent production sector, we delivered unique, high-quality programming for Irish audiences both at home and abroad. In 2012, TG4 commissioned almost €18m worth of programming from the sector. This was more than our expenditure in 2011 — a positive achievement given the financial challenges facing us all.

In 2012, we also continued to work closely with other agencies at a national and EU level to support the development of the Irish language independent production sector's creativity and ideas.

Awards

2012 was another year of a great number of awards and nominations for TG4. These awards and nominations reflect the quality and distinctiveness of TG4's programming, marketing/branding activities and of TG4's personalities. In 2012, TG4 secured 72 awards and nominations during the year. Specifically, TG4 secured two Irish Film & Television Awards (IFTA) awards and ten nominations across a range of its programmes with the two awards going to *Bernadette – Notes on a Political Journey* and *Corp & Anam*.

Ten Celtic Media Festival awards and nominations were secured including two winner's awards for *Corp & Anam* and *Ó Tholg go Tolg*. The Spirit of the Festival was also awarded to *Corp & Anam*. TG4 won the Grand Prix Award for *An Píopa/The Pipe* at the Ile-de-France International Film Festival. We also won 13 awards and nominations at the Gradaim Chumarsáide an Oireachtais. Other awards of note included the Golden Documentary Award at the Prestige Film Awards, California for *Misinéirí Radacacha*.

These prestigious awards and nominations continue to reflect TG4's ability to commission content with a distinctive *súil eile* perspective that is unique and entertaining and capable of impressing not just the domestic audience but also, international programming competition and critics and industry professionals worldwide.

Audiences

TG4 achieved an average daily audience reach of 14% in 2012 (577,000 viewers who tuned into the channel on a daily basis). We also maintained our position as the 8th most watched channel in Ireland in 2012 — a strong performance given the hundreds of channels available to viewers.

During 2012, TG4 continued to demonstrate that we can compete at the highest level and deliver strong audience share performance on peak viewing occasions such as Christmas, Easter and St. Patrick's Day etc. On two separate days in 2012, TG4 was the second most popular channel in Ireland. On St. Patrick's Day in 2012, TG4

secured a 4.6% share. TG4 also had a really successful Christmas 2012. Almost 1m viewers tuned into TG4 every day with a cumulative 2.5m viewers tuning into the channel over the festive period — the most competitive of all in the television calendar. TG4's viewing share for the Christmas 2012 period was 3.3%. Equally important, TG4 held its Christmas viewership compared to 2011 — a very strong performance during a time of major change and increased viewing options in the TV market in Ireland and during which, all the main TV channels had lower viewing compared to Christmas 2011.

It is essential that audience share measurement is addressed overall in the broadcast market. Audience share and reach measurement at present represent only "traditional" TV viewing and excludes audience viewing on other digital platforms (e.g. Player services, Apps). Nor does it reflect some deferred viewing (e.g. where programmes are recorded using Personal Video Recorder (PVR) technology). In addition, there must be a fair representation from a geographical and linguistic perspective in TG4's audience measurement panel. These are issues which TG4 will continue to address over 2013.

In 2012, TG4 undertook its fifth audience survey (IPSOS MRBI) in ten years. Interviews were carried out amongst Irish users throughout the island of Ireland with the objective of exploring views on, and attitudes towards, different aspects of TG4 programmes, news and current affairs, the image of TG4, its website etc. The findings of the research were very positive and TG4 was delighted with the feedback.

For example, almost three quarters of respondents throughout the island of Ireland agreed that TG4's programmes are relevant to them. Attributes associated with TG4 by Irish users were very positive, including qualities such as "educational", "cultural", "for people like me", "quality", "alternative" and "not afraid to be different".

20 Year Strategy for the Irish Language

Since the publication of the 20 Year Strategy for the Irish Language (2010-2030), TG4 has committed to supporting the Government to revitalise the Irish language by working closely with it on the strategy's implementation. We believe that the Strategy is vital for promoting the Irish language and culture and for making the Irish language more accessible both in Ireland and abroad.

2012 saw the publication of the Irish 2011 Census statistics on the usage of the Irish language. The results of the Census were very positive. There has clearly been a resurgence of interest in the Irish language throughout the island of Ireland. The 2011 census recorded a 7.1% increase in the number of self-declared Irish users (aged 3 and over) in the Republic of Ireland. Some 1.77m people said they use Irish compared to the 1.66m persons who used Irish in the 2006 census. The Northern Ireland census of 2011 reported almost 185k having some ability in Irish — an increase of 12% over the decade since 2001.

TG4's approach in making the Irish language attractive and accessible to all has been acknowledged and welcomed. We aim to continue to support efforts, through our involvement with the Strategy, to promote and develop Irish as a language and to entertain, inform and educate audiences through the medium of Irish.

DTT and High Definition (HD)

Having a prominent position on all terrestrial, cable and satellite platforms, both North and South, is an important part of TG4's provision of a universal free-to-air Irish language service. We are continuing to develop our position as a platform neutral broadcaster and to broaden our base island-wide.

Analogue switch-off occurred on October 24th 2012 both North and South. TG4 is available on Saorview which is available to 98% of the population. We are also available on Freeview in Northern Ireland with circa 93% overall penetration on digital terrestrial television in the North. In 2012, TG4 continued to monitor coverage of Saorview in remote areas and we participated fully in the awareness campaign leading up to analogue switch-off. In particular, TG4 paid special attention to Gaelteacht areas and in 2012, the number of digital transmitter sites were increased from the proposed 51 to 64 with some of these sites covering Gaelteacht areas.

TG4 has been transitioning to HD capability over a two year period. On the 7th of October 2012, TG4 achieved an important milestone and commenced HD broadcasting when we transmitted *Peil na mBan Beo*, the Ladies All Ireland Football finals in full HD resolution.

TG4 Value for Money

Over 2012, TG4 remained committed to delivering value-for-money. Our commitments and strategy continue to prioritise cost control and productivity. In 2012, we ensured that almost 90% of public funding went directly into the production and broadcasting costs of Irish language programming and content and we reduced costs wherever possible.

Over 2012, TG4 confined the use of public funding to the achievement of public service objects and duties. We believe we have continued to operate as cost effectively as possible and to deliver value-for-money in all that we do.

Outlook for 2013

We expect that the trading environment in 2013 will continue to be challenging. However, TG4 is hoping for some economic recovery — with positive signs

beginning to appear that this long process has already started. In addition, we anticipate some improvement in the advertising sector and in our commercial revenues.

Our funding and revenues are vital for the ongoing sustainment and development of TG4's service. Any further decline could have a negative impact, not just on our audiences, but also on the promotion of the Irish language and culture and on employment in the independent production sector and the economy in general.

Over 2013, TG4's aim is to maintain the development of the TG4 service across a range of areas including our Irish language broadcast schedule and our Irish language content services on platforms including online, mobile and Smart TVs. We will also continue to work closely with the independent Irish language production sector, to help strengthen it and to develop new programmes which engage and entertain our audiences.

Thanks

There are a number of individuals and organisations to whom TG4 wishes to extend its thanks.

Firstly, I would like to thank Minister Pat Rabbitte T.D. and his Department officials for their support for TG4 in 2012. I would also like to thank the Broadcast Authority of Ireland for its support throughout the year.

A new Board was appointed for TG4 in 2012. In this regard, I wish to thank the former Board members and Chairman Peadar Ó Cuinn for their dedication to TG4 and for the guidance they provided to the TG4 Executive.

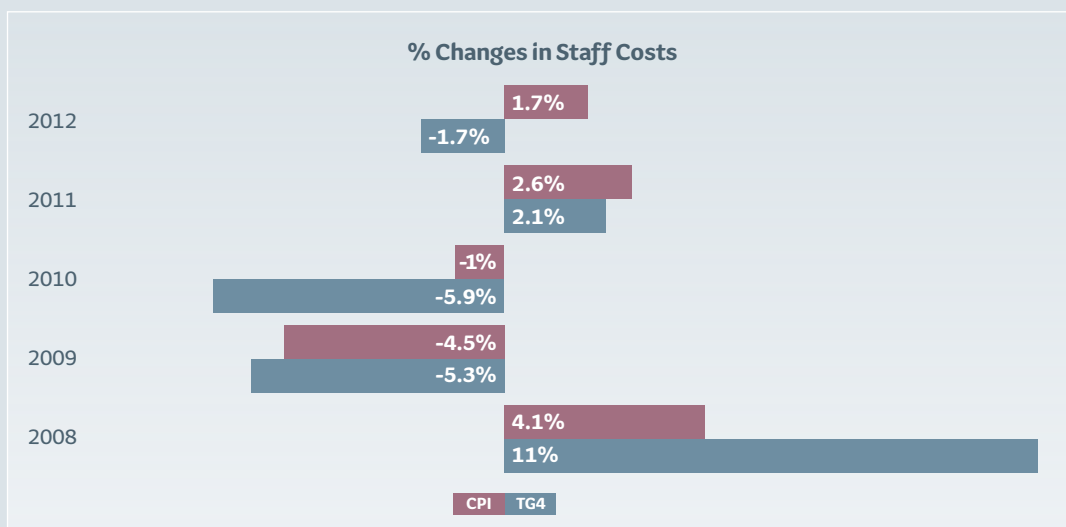
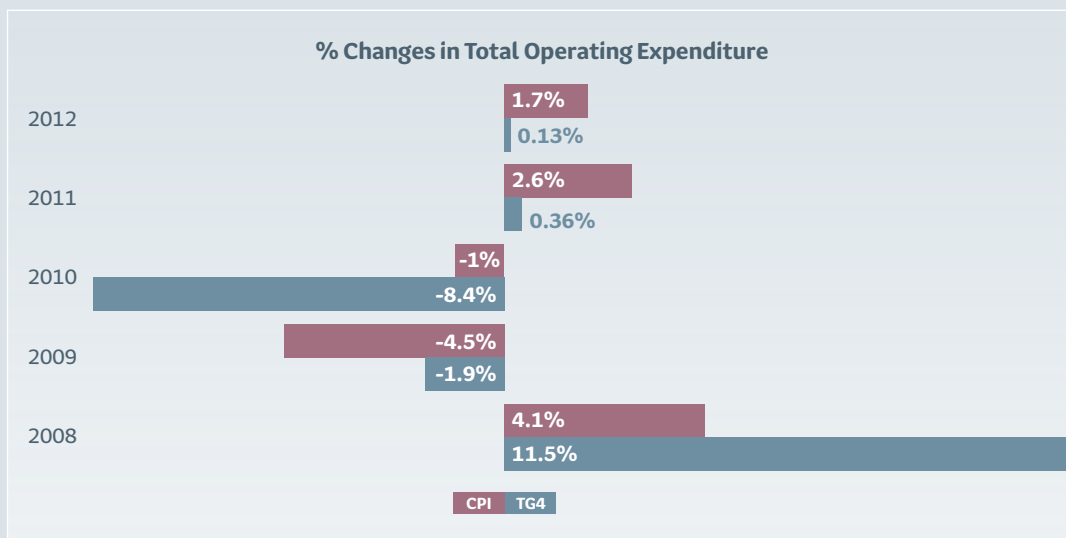
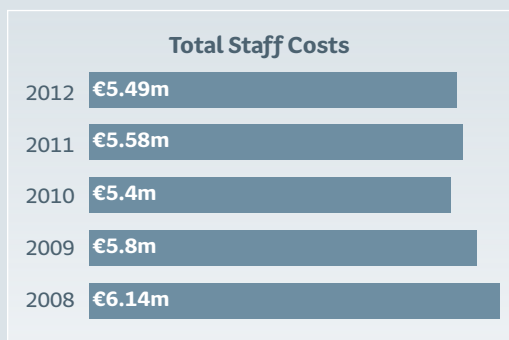
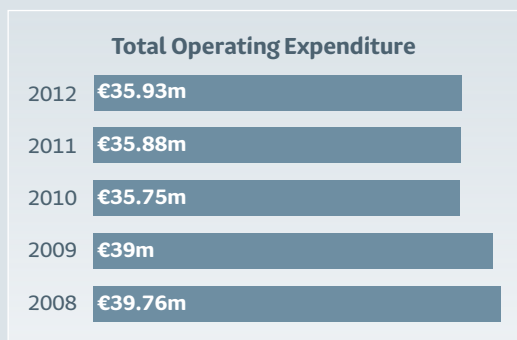
My thanks also goes to the new TG4 Board and to the new Chairperson Siún Ní Raghallaigh. We look forward to working with them over the years ahead.

Our gratitude also goes to Bord Scannán na hÉireann, the Northern Ireland Irish Language Broadcast Fund, Údarás na Gaeltachta and not least, the independent production sector which provides the Irish language programming which so greatly enhances TG4's broadcast schedule.

I would also like to thank RTÉ and its Director General Noel Curran for its support for TG4 and its annual provision of 365 hours of Irish language content to the TG4 service.

Thanks are also due to many other 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 again in 2013.

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 would like to express my appreciation for their hard work and commitment to TG4.



Corporate Governance

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

The Board formally adopted the revised Code of Practice for the Governance of State Bodies, as issued by the Department of Finance in May 2010, at its meeting held in July 2010.

The new Board, at its induction meeting in May 2012, was briefed on and noted the terms of the 2010 code.

The Audit Committee affirmed that it had carried out a review of the internal financial controls of Teilifís na Gaeilge in 2012. The Board accepted this and it was reported in the minutes of the Board meeting of the 17th December 2012.

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 2012. A risk assessment report was presented to the Board at its meeting held in December 2012. 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 on-going process. Therefore the risk register will be updated during 2013 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, the Remuneration Committee and the digital 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:

- 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.

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 and other members of the executive management.
- 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 Chairperson and Directors of State Bodies, issued by Minister of Finance in July 1992. (See table on following page).

TG4 Board	Date Appointed (if applicable)	Fees €'000	Expenses €'000	Number of meetings
Peadar Ó Cuinn (<i>Chairman – Cessation date 31/3/2012</i>)	–	5.4	1	2
Pól Ó Gallchóir (<i>Director General</i>)	–	3.4	2	7
Pádraic Mac Donncha (<i>Cessation date 31/3/2012</i>)	–	3.2	1	2
Regina Uí Chollatáin (<i>Cessation date 31/3/2012</i>)	–	3.2	1	1
Bríd Ní Neachtain (<i>Cessation date 31/3/2012</i>)	–	3.2	–	2
Fergal Ó Sé (<i>Cessation date 31/3/2012</i>)	–	3.2	1	2
Méabh Mhic Gairbheith (<i>Cessation date 31/3/2012</i>)	–	3.2	1	2
Eilís Ní Chonnaola (<i>Cessation date 31/3/2012</i>)	–	3.2	–	2
Méadhbh Nic an Airchinnigh (<i>Cessation date 31/3/2012</i>)	–	3.2	–	2
Seosamh Ó Conghaile (<i>Cessation date 31/3/2012</i>)	17 April 2012	12.1	–	7
Rónán Ó Coisdealbha	–	12.6	–	7
Concubhar Ó Liatháin	–	12.6	2	6
Siún Ní Raghallaigh (<i>Chairman</i>)	17 April 2012	15.4	–	5
Andréa Ní Éalaithe	17 April 2012	9.0	1	5
Des Geraghty	17 April 2012	9.0	2	5
Mairéad Ní Cheoinín	17 April 2012	9.0	2	5
Micheál Seoighe	17 April 2012	9.0	–	4
Mairéad Nic Suibhne	17 April 2012	–	2	5
Michelle Ní Chróinín	17 April 2012	–	–	4
Training for the Board			5	
Board members fees and expenses		119.9	21	

At the 31st December 2012 there were 10 non-executive members and one executive member, being the Director General, on the Board.

Finance Review 2012

Income and Expenditure Reviews

This report reviews TG4's income and expenditure performance in 2012 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 2012 to that of 2011 under the following 4 headings:

1. **Income**
2. **Operating Expenditure**
3. **Cost Control and Efficiency in 2012**
4. **Irish Language Content Expenditure 2012**

1. Income

As can be seen from Table 1 below, total income (exchequer current funding and commercial revenue) in 2012 was €35.92m (2011: €35.86m). Compared to the previous year TG4's total income increased marginally by 0.2%. Exchequer current funding was €32.75m (2011: €32.75m) of this and represented 91.2% (2011: 91.3%) of TG4's total income with the commercial income share representing 8.8% in 2012 at €3.17m (2011: €3.11m).

Commercial income increased by 2% despite the challenging economic and competitive advertising market in Ireland.

Table 1: Income TG4 2012

Description	2012		2011	
	€'000	%	€'000	%
Grant-in-aid	32,750	91.2%	32,750	91.3%
Commercial advertising and sponsorship)	1,762	4.9%	1,801	5.0%
Other commercial	1,409	3.9%	1,309	3.7%
Total income	35,921	100%	35,860	100%

2. Operating Expenditure

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 €35.93m in 2012, a 0.15% increase on the €35.88m spent in 2011. See **Table 2** below.

Table 2: Operating Expenditure TG4 2012 Vs 2011

	€'000		% change 2012 vs 2011
	2012	2011	
Cost of Sales	565	553	2%
Staff Costs	5,260	5,166	2%
Programme Expenditure	22,981	22,999	(0.08%)
Other Expenditure (Overheads, Transmission and Marketing Costs included)	7,124	7,157	(0.5%)
Total Operating Expenditure	35,930	35,875	0.15%

3. Cost Control and Efficiency

TG4 continued to operate efficiently, cost effectively and prudently in 2012. Savings were achieved across a wide range of cost centres and internal resources were further utilised to provide content at more cost effective rates.

Overall, TG4 provided 1669 hours of original Irish Language content in 2012 from a target of 1709. This represented an increase of 3.34% from 2011.

4. Irish Language Content Expenditure 2012

As reflected in its commitments for the year, TG4 spent at least 71% of its Exchequer current funding on the production of Irish language content in 2012 as shown in Table 3 below and an additional 16% (2011: 15%) of its current funding on direct broadcasting costs. Overall, there was a slight increase in TG4's daily output levels of new Irish language content from 4.42 to 4.57 hours per day.

Table 3: Irish Language Content Expenditure

Description	2012		2011	
	€'000	%	€'000	%
Current Exchequer funding	32,750	100%	32,750	100%
Irish language programmes:				
Commissioned	17,785	54.3%	17,541	53.6%
Acquired/dubbed/subtitled	3,851	11.8%	4,201	12.8%
Production staff costs (including salaries)	1,758	5.4%	1,759	5.4%
Total Irish Language Content Production Costs	23,394	72%	23,501	72%

Financial Statements

Contents:

Statement of Board Members' Responsibilities	32
Statement of Internal Financial Control	33
Report of the Comptroller and Auditor General for Presentation to the Houses of The Oireachtas	34
Statement of Accounting Policies	35
Income and Expenditure Account	37
Statement of Total Recognised Gains and Losses	38
Balance Sheet	39
Cashflow Statement	40
Notes to the Financial Statements	41-50

Financial Statements

Statement of Board Members' Responsibilities

For the year ended 31st December 2012

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 Generally Accepted Accounting Principles in Ireland.

The Board is also responsible for safeguarding the assets of Teilifís na Gaeilge and 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:

Siún Ní Raghallaigh
Chairman

Date: 8 June 2013

Financial Statements

Statement on Internal Financial Control

For the year ended 31st December 2012

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 regularities 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.

TG4 has in place a contingency plan which will ensure continuity of all essential services in the event of any interruptions to existing supplies of such services.

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, and 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 31st December 2012 the Board conducted a review of the effectiveness of the system of internal financial control.

Signed on behalf of the Board

Siún Ní Raghallaigh
Chairman

Date: 8 June 2013

Financial Statements

Report of the Comptroller and Auditor General for Presentation to the Houses of the Oireachtas

For the year ended 31st December 2012



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Teilifis na Gaeilge

I have audited the financial statements of Teilifis na Gaeilge for the year ended 31 December 2012, as provided for in Section 37 of the Broadcasting Act 2009. The financial statements, which have been prepared under the accounting policies set out therein, comprise the statement of accounting policies, income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. The financial statements have been prepared in the form prescribed under Section 37 of the Act, and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the Board

The Board of Teilifis 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 Teilifis 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 Teilifis 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 Teilifis na Gaeilge's annual report to identify if there are any 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 Teilifis na Gaeilge's affairs at 31 December 2012 and of its income and expenditure for the year then ended.

In my opinion, proper books of account have been kept by Teilifis 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 Teilifis na Gaeilge's Annual Report is not consistent with the related financial statements, or
- the Statement on Internal Financial Control does not reflect Teilifis 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.

Seamus McCarthy
Comptroller and Auditor General

June 2013

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. Financial assets – investment in MBSN

Teilifís na Gaeilge accounts for its investment in MBSN at cost. Fixed Assets includes an amount of €1 in respect of its investment in the ordinary shares of that company.

The company was established as a not for profit organisation with costs being funded by RTÉ and the UK Department of Culture, Media and Sport. As a result, Teilifís na Gaeilge financial statements do not reflect any revenues or costs in respect of the joint venture.

8. 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 different 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.

9. 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 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.

10. Pensions

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

Financial Statements

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 unit 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 scheme.

11. 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.

Teilifís na Gaeilge			
Income and Expenditure Account for the year ended 31 December 2012			
	Notes	2012 €'000	2011 €'000
Sales			
Commercial income	2	3,171	3,110
Cost of sales	2	(565)	(553)
Net Sales		2,606	2,557
Expenditure			
Staff costs	3	5,260	5,166
Board members' fees and expenses	4	142	185
Programme expenditure	5	22,981	22,999
Transmission costs		3,557	3,404
Marketing and research	6	1,528	1,554
Overheads	7	1,868	1,985
Depreciation	9	1,753	1,302
Total Expenditure		37,089	36,595
Net operating expenditure for the year		(34,483)	(34,038)
Interest receivable and similar income	8	7	2
Surplus/(Deficit) on disposal of fixed assets		2	(7)
		(34,474)	(34,043)
State funding	11	34,474	34,023
Surplus/(Deficit) on ordinary activities before taxation		–	(20)
Taxation	12	(3)	(5)
Retained deficit for the financial year		(3)	(25)

The notes 1 - 27 form an integral part of the financial statements.

On behalf of the Board of Teilifís na Gaeilge:

Siún Ní Raghallaigh

Cathaoirleach

Pól Ó Gallchoir

Ardstiúrthóir

Date: 8 June 2013

Financial Statements

Teilifís na Gaeilge Statement of Total Recognised Gains and Losses for the year ended 31 December 2012			
	Notes	2012 €'000	2011 €'000
Retained deficit for the financial year		(3)	(25)
Actuarial gain/(loss) on pension scheme assets	19	(56)	5
Total recognised losses for the year		(59)	(20)

The notes 1 - 27 form an integral part of the financial statements.

On behalf of the Board of Teilifís na Gaeilge:

Siún Ní Raghallaigh

Cathaoirleach

Pól Ó Gallchoir

Ardstiúrthóir

Date: 8 June 2013

Financial Statements

Teilifís na Gaeilge					
Balance Sheet as at 31 December 2012					
	Notes	€'000	2012 €'000	€'000	2011 €'000
Fixed Assets					
Tangible assets	9		10,902		11,619
Financial assets	22		–		–
			<u>10,902</u>		<u>11,619</u>
Current Assets					
Debtors	13	1,599		1,553	
Cash at bank and in hand	14	124		81	
			<u>1,723</u>	<u>1,634</u>	
Current Liabilities					
Creditors – falling due within 1 year	15	(2,132)		(1,842)	
Net Current Liabilities			<u>(409)</u>	<u>(208)</u>	
Net Assets Excluding Pension Asset			<u>10,493</u>	<u>11,411</u>	
Pension asset	19		<u>79</u>	<u>109</u>	
Net Assets Including Pension Asset			<u>10,572</u>	<u>11,520</u>	
Capital and Reserves					
Capital grants	10	10,646		11,535	
Pension reserves	16	79		109	
Revenue reserves	16	(153)		(124)	
			<u>10,572</u>	<u>11,520</u>	

The notes 1 - 27 form an integral part of the financial statements.

On behalf of the Board of Teilifís na Gaeilge:

Siún Ní Raghallaigh

Cathaoirleach

Pól Ó Gallchoír

Ardstiúrthóir

Date: 8 June 2013

Financial Statements

Teilifís na Gaeilge Cash Flow Statement for the year ended 31 December 2012			
	Notes	2012 €'000	2011 €'000
Operating Activities – Net Cash (Outflow)/Inflow – (net of state grant)	17	241	74
Return on Investment and Servicing of Finance			
Interest received		5	2
Net Cash Inflow from Returns on Investment and Servicing of Finance		5	2
Taxation			
Tax charge for the year	12	(3)	(5)
Net Cash Outflow from Taxation		(3)	(5)
Capital Expenditure			
Payments to acquire tangible fixed assets	9	(1,060)	(3,542)
Receipts from sale of fixed assets		25	–
State capital grants	10	835	3,510
Net Cash Outflow from Capital Expenditure		(200)	(32)
Net Cash (Outflow)/Inflow	18	43	39

The notes 1 - 27 form an integral part of the financial statements.

On behalf of the Board of Teilifís na Gaeilge:

Siún Ní Raghallaigh

Cathaoirleach

Pól Ó Gallchoir

Ardstiúrthóir

Date: 8 June 2013

Notes to the Financial Statements

Notes			
1.	Principal Activity Teilifís na Gaeilge's principal activity is the operation of the Irish language television channel TG4.		
2.	Net Sales	2012 €'000	2011 €'000
	Commercial Income		
	Airtime and sponsorship sales	1,762	1,801
	Facilities charge-out	575	562
	Sundry income	834	747
		3,171	3,110
	Cost of Sales		
	Commission on advertising and sponsorship sales	277	261
	Direct Costs	288	292
		565	553
	Net sales	2,606	2,557
3.	Staff Costs The average number of employees employed by Teilifís na Gaeilge during the year was 84 (2011: 88). Employee costs during the year comprised:	2012 €'000	2011 €'000
	Wages and salaries	4,406	4,423
	Social welfare costs	488	476
	Pension costs	430	496
	Travel and subsistence	106	109
	Training	32	34
	Other staff costs	26	46
		5,488	5,584
	Staff costs capitalised	(228)	(418)
	Total staff costs	5,260	5,166
	Emoluments of Director General		
	Basic salary	171	162
	Employer's pension contributions	62	59
	Other benefits	3	3
	Board fees	3	13
	(No Board Fees paid to the Director General post April 2012)		
		239	237

Notes to the Financial Statements

Notes		2012 €'000	2011 €'000
4.	Board Costs		
	Fees (note 20)	120	160
	Travel and subsistence	22	25
		142	185
5.	Programme Expenses		
	Commissioned programmes	17,784	17,541
	Acquired programmes	2,601	2,959
	Dubbing and other costs	2,596	2,499
		22,981	22,999
6.	Marketing and Research		
	Advertising and marketing	1,361	1,428
	Audience measurement and research	162	119
	Audience Council expenses	5	7
		1,528	1,554
7.	Overheads		
	Premises and equipment expenses	684	564
	Professional and financial expenses	220	168
	Industry levies paid	421	671
	General and office expenses	543	582
		1,868	1,985
	Included in general and office expenses is €2,000, being interest and penalties relating to a VAT settlement of €16,000 concluded with the Revenue Commissioners in 2012, of which €8,000 related to transmission costs, €3,000 related to other income and €4,000 related to fixed assets. This was a voluntary settlement with the Revenue Commissioners.		
8.	Interest Received		
	Interest received on bank deposit accounts (gross)	7	2

Notes to the Financial Statements

Notes	9.	Tangible Fixed Assets	Land and Buildings	Equipment	Assets under Construction*	Fixtures & Fittings	Total
			€'000	€'000	€'000	€'000	€'000
		Cost					
		At 1 January 2012	7,540	16,700	2,667	618	27,525
		Transfer	–	969	(969)	–	–
		Disposals	–	(51)	–	–	(51)
		Additions	68	545	437	10	1,060
		At 31 December 2012	7,608	18,163	2,135	628	28,534
		Accumulated Depreciation					
		At 1 January 2012	2,416	12,940	–	550	15,906
		Disposals	–	(27)	–	–	(27)
		Charge for the year	192	1,540	–	21	1,753
		At 31 December 2012	2,608	14,453	–	571	17,632
		Net Book Value					
		At 31 December 2012	5,000	3,710	2,135	57	10,902
		At 31 December 2011	5,124	3,760	2,667	68	11,619
		*Assets Under Construction relate to the development of a High Definition Transition project. Expenditure in the year related to staff costs €228,000 (estimated based on the employees annual salary and the time spent on the project during 2012) and expenditure on hardware related to the project. In 2012, the HD system was partially commissioned and as a result, an amount of €969,000 was transferred to equipment.					
		Tangible Fixed Assets held under Finance Lease					
		Included in Tangible Fixed Assets are assets held under Finance Lease as follows:					
			2012		2011		
			Net Book Value €'000	Depreciation Charge €'000	Net Book Value €'000	Depreciation Charge €'000	
		Equipment	6	4	10	4	
	10.	Capital Grants			2012 €'000	2011 €'000	
		Capital grants – received and receivable					
		Opening balance			16,358	12,848	
		Grants received during the year (Note 11)			835	3,510	
		Closing balance			17,193	16,358	
		Amortisation					
		Opening balance			4,823	3,550	
		Amortised during the year			1,724	1,273	
		Closing balance			6,547	4,823	
		Net book value – capital grants			10,646	11,535	

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

Notes to the Financial Statements

Notes			
11.	State Funding		
	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.		
	State funding credited to the Income and Expenditure Account in the year	2012 €'000	2011 €'000
	Grant received in the year	32,750	32,750
	Capital grant amortised (Note 10)	1,724	1,273
		34,474	34,023
	The total allocation for 2012 was €33.59m comprising of:		
	Grants received for current expenditure	32,750	32,750
	Grants applied for capital purposes	835	3,510
	Total received	33,585	36,260
12.	Tax on Profit on Ordinary Activities	2012 €'000	2011 €'000
(a)	<i>Analysis of tax charge in year</i>		
	Corporation tax charge for year	3	5
	Charge in respect of previous years	–	–
		3	5
(b)	<i>Factors affecting the tax charge for the year</i>		
	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:		
		2012 €'000	2011 €'000
	Profit/(Loss) on ordinary activities before taxation	–	(20)
	Profit/(Loss) on ordinary activities multiplied by the standard rate of corporation tax in Ireland of 12.5% (2011: 12.5%).	–	(3)
	Effects of:		
	Income taxable at a higher rate of taxation	11	9
	Excess of capital grants amortised and capital allowances over depreciation	–	(1)
	Non-deductible expenditure	(8)	–
		3	5

Notes to the Financial Statements

Notes			
		2012	2011
13.	Debtors	€'000	€'000
	Trade debtors	750	804
	VAT repayable	300	537
	Corporation tax repayable	9	14
	Prepayments and accrued income	540	198
		1,599	1,553
	All balances are deemed recoverable within one year.		
14.	Cash at Bank and in Hand	2012 €'000	2011 €'000
	Cash in hand	1	1
	Bank accounts	123	80
		124	81
15.	Creditors – falling due within 1 year	2012 €'000	2011 €'000
	Trade creditors	722	945
	Accruals and deferred income	1,342	832
	Pension contributions creditor	68	65
		2,132	1,842
16.	Reserves	Pension Reserve €'000	Revenue Reserve €'000
			Total €'000
	Opening balance as at 1 January 2012	109	(124)
	Retained deficit for the year	–	(3)
	Actuarial loss/(gain)	(56)	–
	Pension reserve adjustment	26	(26)
	Closing balance as at 31 December 2012	79	(153)

Notes to the Financial Statements

Notes 17.	Reconciliation of Surplus for the Year to Net Cash Flow from Operating Activities		2012 €'000	2011 €'000
	Deficit on ordinary activities before taxation		–	(20)
	Non-Operating Activities			
	Interest received (net)		(5)	(2)
	(Profit)/Loss from sale of fixed assets		(2)	7
	Non-Cash Items			
	Depreciation		1,753	1,302
	Amortisation of capital grants		(1,724)	(1,273)
	Pension asset adjustment		(26)	(33)
	(Increase)/decrease in debtors		(46)	(31)
	(Decrease)/increase in creditors		291	124
	Net cash (outflow)/inflow from operating activities		241	74
18.	Analysis of Changes in Net Funds	Opening balance €'000	Cash flows €'000	Closing balance €'000
	Cash at bank and in hand	1	–	1
	Short term deposits	80	43	123
		81	43	124
19.	Pension			
	a) Description of scheme			
	Teilifís na Gaeilge operates a defined benefit scheme and a defined contribution scheme for its employees. The schemes are funded and the assets are held separately from those of Teilifís na Gaeilge.			
			2012 €'000	2011 €'000
	The following pension costs were incurred in the year:			
	Defined contribution scheme		354	429
	Defined benefit scheme cost (Note 19 (g))		76	67
			430	496
	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 2012. 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.			

Notes to the Financial Statements

Notes			
19.	Pension (continued)		
b)	Financial assumptions		
	The principal actuarial assumptions used by the actuary as at 31 December 2012 used for FRS 17 purposes were as follows:		
		2012 %	2011 %
	Discount rate	3.70%	4.80%
	Increase in consumer price indexing	2.50%	2.50%
	Increase in pensionable earnings	4.00%	4.00%
	Increase in pension payment	4.00%	4.00%
	Bonds	3.10%	4.15%
	Other	0.50%	0.50%
	Overall Expected Return	2.50%	3.55%
	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.		
	(Comparative figures for 'Bonds' and 'Other' have been restated in note 19(b)).		
c)	Demographic assumptions		
	The mortality basis adopted allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 60). The table shows the life expectancy for members attaining age 60 in 2012 and 2032.		
	Year of attaining age 60	2012	2032
	Life expectancy – male	86.3	89.1
	Life expectancy – female	88.1	90.3
d)	Change in benefit obligation	2012 €'000	2011 €'000
	Present value of scheme obligations at the beginning of the year	388	294
	Current service cost	95	85
	Interest cost	21	18
	Actuarial loss/(gain)	115	(9)
	Present value of scheme obligations at the end of the year	619	388
e)	Change in scheme assets	2012 €'000	2011 €'000
	Fair value of scheme assets at the beginning of the year	497	364
	Expected return on scheme assets	20	18
	Actuarial loss	59	(4)
	Employer contributions	102	101
	Member's contributions	20	18
	Fair value of scheme assets at the end of the year	698	497

Notes to the Financial Statements

Notes			
19.	Pension (continued)		
f)	Amounts recognised in the balance sheet	2012 €'000	2011 €'000
	Present value of funded obligations	(619)	(388)
	Fair value of scheme assets	698	497
	Net asset	79	109
g)	Pension costs	2012 €'000	2011 €'000
	Current service cost	95	85
	Interest cost	21	18
	Expected return on scheme assets	(20)	(18)
	Member's contributions	(20)	(18)
	Total	76	67
h)	The net actuarial loss recognised in the Statement of Total Recognised Gains and Losses for the year ended 31 December 2012 amounted to €56,000 (2011: €5,000 gain).		
i)	History of defined benefit obligations, assets and experienced gains and losses	2012 €'000	2011 €'000
	Difference between expected and actual return on plan assets; Amount	59	(4)
	Percentage of plan assets	8.5%	(0.7%)
	Experience gains and losses on plan liabilities; Amount	(5)	34
	Percentage of plan liabilities	(0.8%)	8.9%
	(Comparative figures for 'difference between expected and actual return on plan assets' have been restated in note 19(i)).		
j)	Contributions		
	The company expects to contribute €105,000 to its pension scheme in 2013.		
k)	Actuarial gain/(loss) on pension scheme assets	2012 €'000	2011 €'000
	Actual less expected return on pension scheme assets	59	(4)
	Experience gains and losses arising on the liabilities	(5)	34
	Changes in assumptions underlying the present value of liabilities	(110)	(25)
	Actuarial gain/(loss) on pension scheme assets	(56)	5

Notes to the Financial Statements

Notes
20.

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)	2012 €'000	2011 €'000
Peadar Ó Cuinn (Chairman – Cessation date 31 March 2012)	n/a	5.4	21.6
Pól Ó Gallchóir (Director General)	n/a	3.4	12.6
Pádraic Mac Donncha (Cessation date 31 March 2012)	n/a	3.2	12.6
Regina Uí Chollatáin (Cessation date 31 March 2012)	n/a	3.2	12.6
Bríd Ní Neachtain (Cessation date 31 March 2012)	n/a	3.2	12.6
Fergal Ó Sé (Cessation date 31 March 2012)	n/a	3.2	12.6
Méabh Mhic Gairbheith (Cessation date 31 March 2012)	n/a	3.2	12.6
Éilís Ní Chonnaola (Cessation date 31 March 2012)	n/a	3.2	12.6
Méadhbh Nic an Airchinnigh (Cessation date 31 March 2012)	n/a	3.2	12.6
Seosamh Ó Conghaile (Cessation date 31 March 2012)	Reappointed 17th April 2012	12.1	12.6
Rónán Ó Coisdealbha	n/a	12.6	12.6
Concubhar Ó Liatháin	n/a	12.6	12.6
Siún Ní Raghallaigh (Chairman)	17th April 2012	15.4	–
Andréa Ní Éalaithe	17th April 2012	9.0	–
Des Geraghty	17th April 2012	9.0	–
Mairéad Ní Cheoinín	17th April 2012	9.0	–
Micheál Seoighe	17th April 2012	9.0	–
Mairéad Nic Suibhne	17th April 2012	–	–
Michelle Ní Chróinín	17th April 2012	–	–
Pádraic Ó Ciardha (Secretary to the Board)	n/a	–	–
Mary Uí Chadhain (Company Secretary)	n/a	–	–
		119.9	160.2

Board members' expenses in 2012 were €23,000 (2011: €25,000), of which: Domestic travel accounted for €13,000 (2011: €19,000), Subsistence €3,000 (2011: €4,000), Entertainment €2,000 (2011: €2,000), Training €5,000 (2011: €0). 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.

21. Premises

Teilifís na Gaeilge operates from premises located in Baile na hAbhann, Co na Gaillimhe. Teilifís na Gaeilge owns the freehold to the premises and also rents offices in Dublin. The lease of 4 years and 9 months duration expired in 2012. Negotiations are ongoing in relation to an extension. An annual rental charge of €19.9k applies.

22. Financial Assets

Multiplex Broadcasting Services Northern Ireland Limited (MBSN) was established as a not for profit joint venture company by TG4 and RTÉ in October 2012. The joint venture was set up to facilitate the transmission of free to air digital television services in Northern Ireland in relation to RTÉ1, RTÉ2 and TG4. The company's share capital comprises three ordinary shares, two owned by RTÉ and one owned by TG4. MBSN concluded an agreement with RTÉ and the UK Department of Culture, Media and Sport which provided for transmission costs incurred by MBSN to be funded by RTÉ (two thirds) and the UK Department of Culture, Media and Sport (one third). Other costs such as pre incorporation expenses and on-going administration costs are funded in the same proportion by RTÉ and the UK Department of Culture, Media and Sport.

Notes to the Financial Statements

Notes 23.	Programme/Rights Purchase Commitments		
	Teilifís na Gaeilge has programme/rights purchase commitments as follows;	2012 €'000	2011 €'000
	Contracted for but not provided for at the year end	17,813	26,146
24.	Commitments		
	Teilifís na Gaeilge has capital commitments as follows;	2012 €'000	2011 €'000
	Contracted for but not provided for at the year end	597	555
25.	RTÉ Transactions		
	Teilifís na Gaeilge received 365 hours (2011: 365 hours) of Irish language programming free of charge from RTÉ in the year ended 31 December 2012.		
26.	Foreign Currency Exposure		
	Foreign currency exposures arise primarily from payments for acquired programmes. Teilifís 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 2012 was \$300,000 (2011: \$1,250,000). There were no contracts outstanding at the year end (2011: \$0).		
27.	Approval of the Financial Statements		
	The Board of Directors' approved the financial statements on the 22 April 2013.		