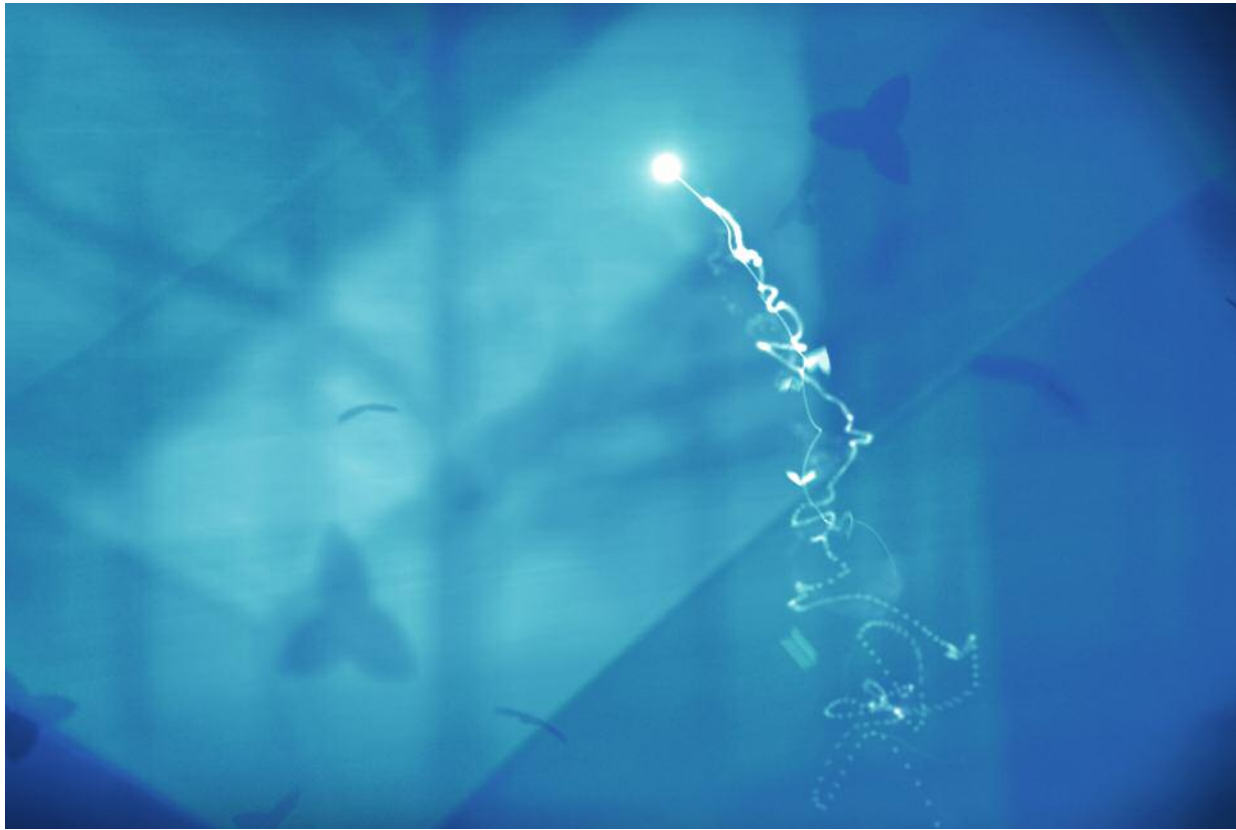


Annual Report 2015

TG4



Annual Report 2015

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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.

*"TG4 is to Irish
broadcasting
what BBC Radio 4
is to the UK"*

Dave O'Connell, Editor
Connacht Tribune





TG4's Commitments for 2015

For 2015, TG4 presented 16 commitments across 5 themes as follows:

- i Audiences — impact and reach
- ii Content — high quality and distinctive
- iii Promotion and development of the Irish language and culture
- iv Transparency and efficiency
- v Trust and good governance

(i) Audiences – impact and reach

In 2015, TG4 will:

1. Strengthen TG4's reach with all audiences.
2. Enhance our online content and services to deliver higher levels of audience connection with TG4 through our Player, web and mobile services.
3. Strengthen TG4's engagement with younger audiences — develop our schedule and content services further to attract a greater level of younger viewers to TG4.
4. Increase accessibility to TG4 for audiences with physical, sensory or intellectual disability.

(ii) Content – high quality and distinctive

In 2015, TG4 will:

5. Continue to extend the Irish language broadcast schedule, delivering strong “must see” content for all audiences.
6. Ensure the best of Irish creativity is delivered to TG4's audiences and take measures to ensure creativity and innovation underpin our services.
7. Invest in content technology and systems to enhance our services and to increase their availability to audiences in Ireland and around the world.

(iii) Promotion and development of the Irish language and culture

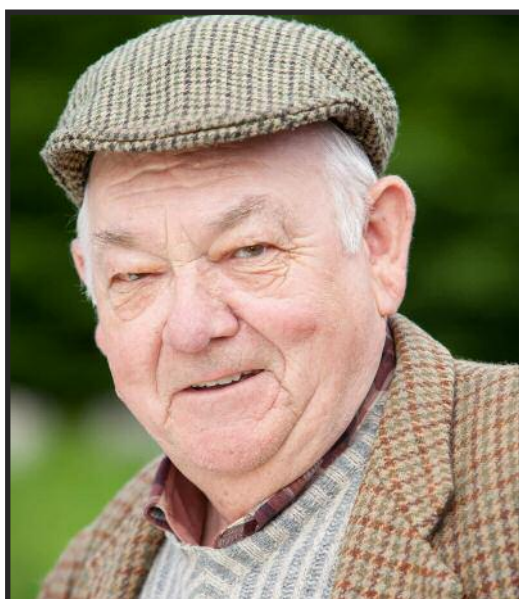
In 2015, TG4 will:

8. Further develop TG4's worldwide Irish language service to promote and celebrate the Irish language and identity.

“You just cannot imagine any other channel making it, which is why TG4 is so important.”

Pat Stacey,
The Herald



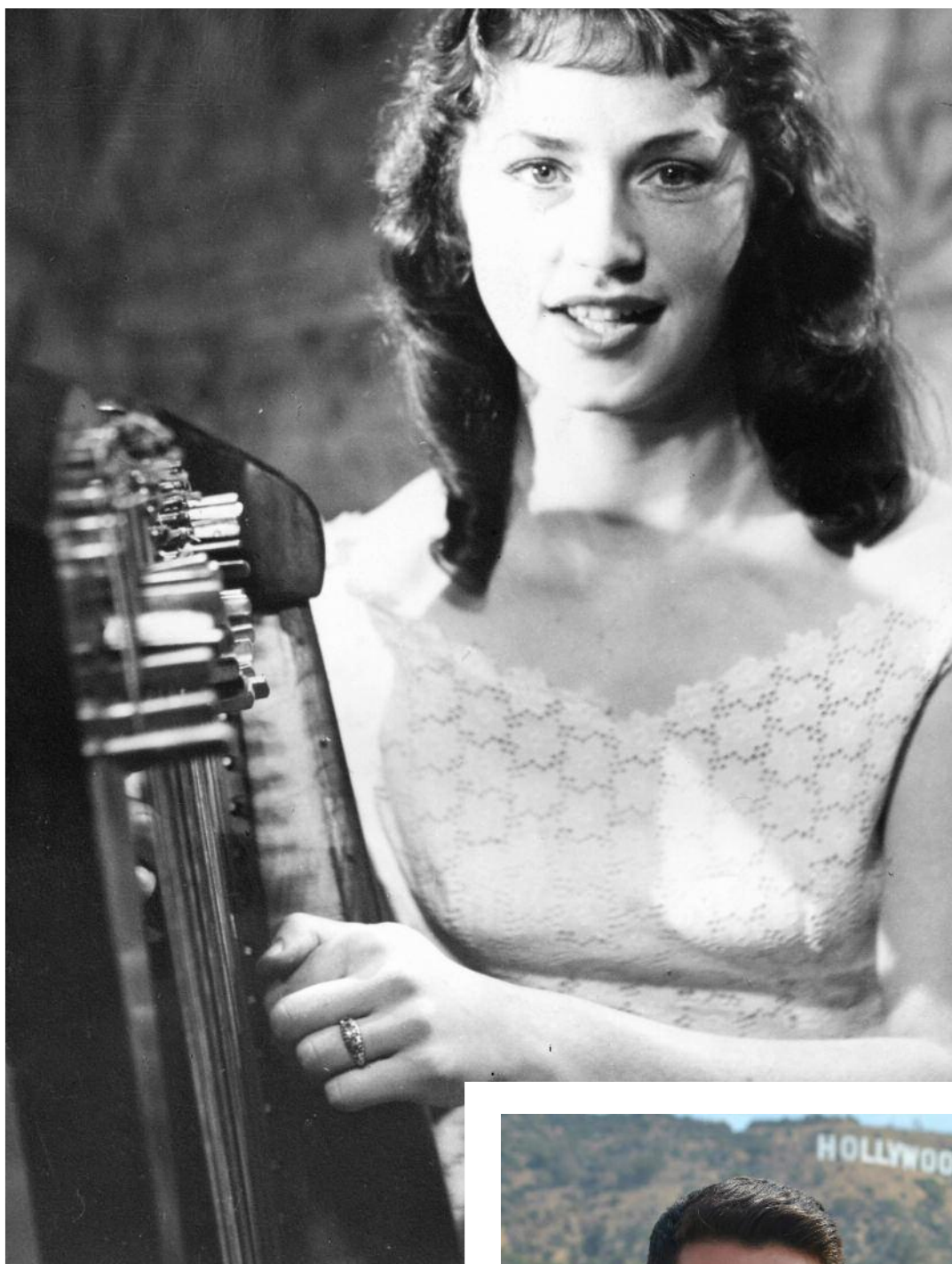


9. Continue to have a positive influence on the awareness and development of the Irish language and culture.
10. Deliver specific proposals to support the Government with successful delivery of the 20 Year Strategy for the Irish language (2010-2030).
11. Continue to grow TG4's investment in the Irish language independent production sector through our publisher broadcaster model. In doing so, enhance Ireland's capabilities in the knowledge-based creative sectors and make a strong contribution to jobs and earnings in the Irish economy.

(IV) Transparency and efficiency

In 2015, TG4 will:

12. Spend at least 70% of TG4's public funding on Irish language content and use our public funding for public service objects and duties only.



“TG4 has built a cracking repertoire of comedy over the years.”

Susan Griffin
& Darragh McManus
Irish Independent

- 13. Continued efficiency, maximising the value-for-money TG4 delivers.
- 14. Increase our commercial revenues and develop new commercial opportunities for TG4.

(V) Trust and Good Governance

In 2015, TG4 will:

- 15. Maintain best-practice governance and reporting systems.
- 16. Deliver our public service and statutory requirements, complying with all relevant broadcasting codes and regulations.





Key TG4 Performance Highlights of 2015

Performance against Targets

Despite the fact that TG4 continued to face significant strategic and operational challenges during 2015, 12 of its 16 commitments for 2015 were fully achieved, one was almost fully achieved and the remaining three commitments were substantially achieved. In addition, four of TG4's directly measurable audience and financial commitments exceeded target performance which was a positive result given the challenging operating environment.

The challenges were many. There has been an increase in the number of broadcasters (both international and Irish) and content services with which TG4 must compete for audience. Online and mobile content platforms are now a fundamental part of all broadcasters' service portfolio and TG4 must operate a traditional linear broadcast service as well as on-demand, online and mobile services. Audiences are more fragmented and distinct, with a broader range and variety of services required to meet their needs. Competition for the rights to television programmes and major sporting events is increasing and TG4's purchasing power is falling. TG4's current funding has been reduced by almost €6m since 2009 and it was reduced again in 2015, by €510k, a 1%

reduction on 2014 levels. In addition, TG4 holds the unique role of serving Irish language audiences, with this specific statutory role in the Irish broadcast market not required of any other broadcaster in Ireland.

Audiences: Impact and Reach

TG4's reach with Irish language user audiences is measured using *Fios Físe*. This is an independent and transparent viewers' panel which measures and monitors TG4's performance with Irish language audiences throughout the island of Ireland¹. In 2015, TG4's weekly reach with Irish language audiences was 92%. This exceeded TG4's target for the year by 2.2% and compares well to the weekly reach with Irish language audiences of 93% in 2014. While a slight reduction of 1%, this reflects the "bedding down" of the new measurement system and natural attrition that would be expected to occur as the measurement system becomes regularised. *Fios Físe* also measures satisfaction ratings. In 2015, TG4 secured a satisfaction rating with Irish language user audiences of 7.9 out of 10. Its target for 2015 was 7.5 with 2015 performance exceeding this target by 5.3%.

The level of competition in the broadcasting market

"This is how you take a shoestring drama budget and spin it into gold thread."

Pat Stacey
The Herald



¹ Done in conjunction with the National University of Ireland Galway and the Acadamh na hOllscolaíochta Gaeilge. It is based on the Scottish model of the BBC Alba viewing panel which was established in 1993 and has been running for over 20 years.



today is exceptional. There are more than 60 national and international channels taking television advertising revenues in the Irish market. Despite this, TG4 moved up to 7th position in the most watched channels in Ireland in 2014 and remained there in 2015. 19 of the top 30 channels in the Irish market have less than 1% share — only 9 of the top 30 have >1% audience share including TG4. TG4's share is, along with that of other broadcasters, measured by TAM Ireland. TG4's linear audience share was 1.7% in 2015. This share measurement does not include the viewing of TG4 on other digital platforms (i.e. the TG4 Player) or some deferred viewing. It also does not include TG4's share in the North of Ireland or its share in pubs and clubs in the Republic. TG4's share performance also compares very well to other indigenous language television channels.

TG4 secured an average daily reach of 11% (almost 452k viewers tuning into the channel daily). Weekly reach was 36% with 1.46 million people tuning into TG4 on a weekly basis during the year. In an increasingly competitive market for audiences, this was a strong performance. However, it reflects a decline on 2014 reach levels. Daily reach declined by 8% and weekly reach by 2.7% due to more competition. The average daily reach of all the main channels in Ireland, declined apart from Setanta Ireland and Channel 4 Ireland. E.g., TV3's average daily reach declined by 13.3%, RTÉ2's by almost 9% and RTÉ One's by 2.5%. TG4's declined by



“TG4, the most innovative broadcaster in the State which has used its precarious financial position as a strength.”

Ian O'Doherty
Irish Independent

6.8%. This is a solid performance in an increasingly competitive market.

Reflecting viewing of TG4 on the Player service, in 2015, the number of TG4's Player hours watched by





audiences increased by 3.3% to 334,000. The Player service performed well with 1.526m programme streams, a 13.2% increase.

The number of unique visitors to the website fell by 13.5%, to 1.577m. The number of page impressions fell to 9.79m — an almost 30% decline. However, TG4's web

usage measurement system changed in 2014 with the new measurement system capturing different data and showing "lower" engagement levels. TG4 however, is putting video content at the centre of the new design and has amalgamated the Player and Website. While this has reduced page impressions initially (as reflected in 2015 results) ultimately, they should increase as users find it easier to access content. The results of this strategy were already beginning to be seen in late 2015 monthly audience data. TG4's website remains ranked number 1 in terms of world rankings² of Irish language websites.

Apps downloads performance was strong with 113,303 TG4 Apps downloaded in 2015.

Since digital switchover, TG4 is now available to approximately 94% of the population in Northern Ireland (via spill over and digital broadcast). Ofcom's *Communications Market Report: Northern Ireland*³ which was published in August 2015, reports that 3% of those surveyed in Northern Ireland view TG4 on a daily basis, 12% on at least a weekly basis and 6% at least on a monthly basis. This compares well to the previous year's figures of 3%, 8% and 8% respectively. The data does not include children's viewership levels of TG4 which are excluded from the Ofcom data.



² Alexa world rankings.

³ Ofcom *Communications Market Report: Northern Ireland*, August 2015.

High Quality and Distinctive Content

For 2015, TG4 committed to continuing to extend the Irish language broadcast schedule, delivering strong “must see” content for all audiences and all targets were achieved. TG4’s total new/original Irish language programming output was 1,751.5 hours — an average of 4.8 hours per day. This compares well to TG4’s target of an average of 4.61 hours per day and a total of 1,684 new Irish language hours for the year (exceeding targets by 4%). However, with the reduction in current funding in 2015, TG4’s new Irish language hours fell by 3.8% compared to 2014 hours. While TG4 has reduced costs in all areas of its operations, up to two years ago, it had not reduced the quality and range of award-winning content TG4 provides. However, for the first time in 2014 and again in 2015, lack of adequate financial resources required TG4 to reduce its hours of new Irish language programming and new Irish language programme commissions.

TG4’s Irish language broadcast hours (new and repeats) were 5,021 hours — 57.3% of total broadcast hours. Actual Irish language broadcast hours exceeded targets (5,021 Vs. target of 4,956). This was down on previous years when TG4 had achieved 59%, due to the reduction in funding and in new, original Irish language programming levels.

In addition to increasing the amount of new/original Irish language programmes, TG4’s objective is to invest in the core Irish language broadcast schedule and provide a 40 week core schedule in the longer-term. TG4 made significant developments in this in 2014, delivering an average of 5.3 hours per day of new Irish language output over a 34 week core schedule and an average of 4.4 hours per day of new Irish language output over the remainder of the year. In 2015, TG4’s 34 week core schedule was maintained but the average new/original Irish language hours during this core schedule fell from 5.3 hours per day to 5.25. This exceeded the target for 2015 which was 34 weeks with 5 hours per day. However, the 2015 reduction in the core Irish language schedule hours is not consistent with TG4’s strategy to increase average daily hours of new/original Irish language programming and to extend the core Irish language schedule and must be addressed if TG4 is deliver a strong Irish language broadcast schedule and maintain and grow its audience.

TG4’s broadcast schedule was strengthened by a large number of high quality, entertaining Irish language programmes. In 2015, the prestigious TG4 Gradam Ceoil Awards celebrated its 17th year of honouring the best in traditional music. The ceremony was broadcast live from the Cork Opera House. A number of quality dramas were produced and broadcast on TG4 during the year such as *An Klondike*, the first Western to be made in Ireland. TG4 continued the broadcast of its Irish language flagship soap, the 20th series of *Ros na Rún*. TG4 is particularly proud to have been an early supporter of the Irish language version of the Oscar nominated animation feature *Song of the Sea*, along with the Broadcasting

Authority of Ireland and the Irish Film Board. *Amhrán na Mara*, the Irish language version, was screened in selected cinemas throughout Ireland in Summer 2015 and will be broadcast on TG4 during 2016.

Sports continued to feature prominently in TG4’s 2015 broadcast schedule. In addition to GAA Beo (Club, League, Under 21, Minor and Peil na mBan), TG4 also broadcast *Rugbaí Pro 12*, *EPCR Rugby Highlights*, *Rásaí Lios Tuathail*, *Tour de France*, *Vuelta* and live boxing during the year, TG4 continued with *Seó Spóirt* the studio-based weekend sports preview covering Gaelic Games and rugby with analysis from well-known players, managers and pundits and exclusive interviews from around the country.

“For a small budget station, TG4 delivers more than its share of new series.”

Bernice Harrison
Irish Times



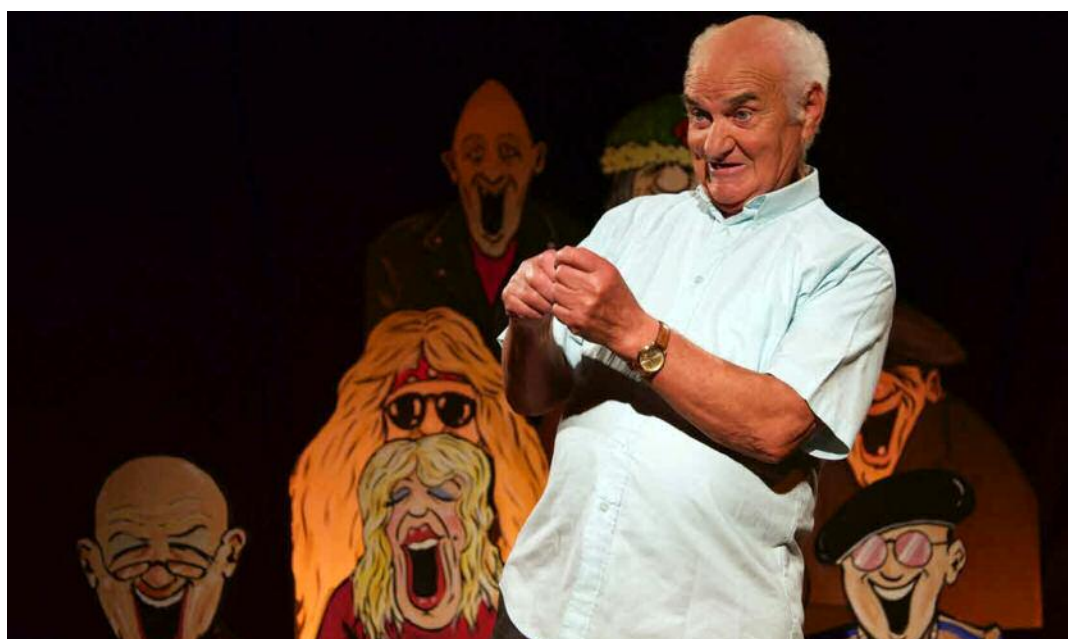


A wide range of Irish language documentaries enhanced TG4's broadcast schedule in 2015. One-off documentaries such as *Bliain in Acaill*, *An Náisiúin* and *GAA USA* were broadcast alongside our regular documentary series such as *Fíorscéal*, which brought a new season of high-quality, international documentaries on environmental, political and social issues. *Dúiche* was also broadcast with every episode of this entertaining magazine programme being a mixture of serious and informative stories from around the island of Ireland.

In terms of other programming, *Imeall*, TG4's flagship arts series also returned for its 7th season, chronicling cultural life and leading artists throughout Ireland. *Nuacht TG4*, the mid-evening news bulletin continued as

an anchor in the daily broadcast schedule. News analysis was complemented by more detailed discussion on the weekly *7Lá* current affairs programme. TG4 also continued to place an emphasis on the broadcast of a comprehensive children's Irish language television schedule and on innovation and choice for this audience segment, as described later.

2015 was another outstanding year for TG4 awards and nominations. In total, TG4 was awarded 89 awards and nominations during the year of which 65 were programme and content awards/nominations, 13 were for TG4 presenters/personalities and 11 were marketing awards/nominations (of these, 3 were for TG4 Irish language Apps). The awards and nominations continue to



reflect the quality of TG4's programming, its marketing/branding activities and its personalities. Key awards and nominations included *An Bronntanas* which received a total of 16 awards and nominations including a Gradam Cumarsáide award from Oireachtas na Gaeilge, an IFTA award, a Worldfest-Houston Remi Duplicate Award, three ICAD awards, a Screen Directors Guild of Ireland award and a nomination at the Chicago Irish Film Festival. *Song of the Sea* also received an Oscar nomination along with a best film award at the Irish Film & Television Academy awards.

The number of Irish language programmes which secure a reach of >70,000 and >100,000 is a good indicator of TG4's programming quality. TG4 compares well to the Welsh language broadcaster S4C. In 2014/2015, based on a 3+ minute reach, S4C provided 144 programmes whose reach exceeded 70,000 and 38 programmes which exceeded 100,000⁴. In comparison, TG4 provided 476 programmes in 2015 with a reach >70,000 and 296 with a reach >100,000 (based on TG4's standard reach measure of 1+ minutes, it was 965 programmes with reach >70,000 and 573 with reach >100,000).

TG4 now provides 11 Irish language Apps for pre-school children, making Irish more accessible and fun for young people worldwide. In addition, TG4 has developed a TV application that allows viewers to watch catch up programming on a wide range of Smart TVs, set-top boxes and Smart Blue Ray DVD devices. Current manufacturers include Samsung, LG, Sony, Panasonic, Philips as well as platforms such as Opera TV and Google TV. Currently this TG4 Application is available on approximately 800 different models of Smart devices.

Promotion and Development of the Irish Language and Culture

Through TG4's provision of high-quality Irish language television content, online and mobile services including Irish language Apps for learners, a monthly on-line newsletter and expansion of TG4's Sean Nós Archive, TG4 is promoting an interest in Irish language and culture and use of the Irish language.

As part of TG4's 2015 commitments, it sought to measure its influence on the awareness and development of the Irish language and culture. Measurement of this was undertaken for a second year in a row, through a survey undertaken by Ipsos MRBI (a nationally representative sample of 1,000 adults aged 15+). Survey feedback was very positive with: 82% of all respondents believing TG4 has a positive influence on the Irish language; 81% believing TG4 makes Irish more accessible than other media; 75% believing TG4 makes Irish more relevant to modern times; 81% believing watching TG4 brings the Irish language to life and 78% stating that watching TG4 makes them more aware of Irish culture.

TG4 delivered a wide range of activities over 2015 which supported the promotion and development of the Irish language and culture:

- **Support the Government with the 20-Year Strategy for the Irish language:** despite the ongoing challenge of limited resources to deliver the 20-Year Strategy for the Irish Language, TG4 continues to work with the Government and all key stakeholders in the delivery of the Strategy. Many initiatives were delivered including: active participation in the Implementation Oversight Committee for the Government's 20-Year

"If it wasn't for TG4, telly watchers would barely have known of the existence of women's Gaelic football over the years, so the channel is beyond reproach on that front."

Mary Hannigan
Irish Times



⁴S4C Annual Report & Statement of Accounts 31 March 2015 (latest available as at February 2016).



Strategy; working on the development of a Learning Irish resource; regular meetings with Oireachtas na Gaeilge, Gael Linn, Conradh na Gaeilge, GAA, LGFA which led to increased coverage of their activities on TG4 during the year; and, increased output of live coverage from Oireachtas na Gaeilge 2015 etc.

- **Promotion and development of the Irish language with children & young people:** TG4 continues to place an emphasis on the broadcast of a comprehensive children's Irish language television schedule and on innovation and choice for this audience segment. However, it is the most competitive area of the broadcast schedule. In addition to a broadcast service for children and young people, TG4 also invests in Irish language interactive content, online games and Apps etc. to target younger audiences. Full redesign of the TG4 website was done in 2015 and this included a new a Kids Channel Playlist which is available 24 hrs a day worldwide. It also launched new *Scéal an Lae* App — *An Cat Ceolmhar* and supported the launch of the *Saol faoi Shráid* App. This brings to 11 the total number of Apps available for kids. Children and Young People Web usage/Page Views increased 6.7% to 311,413 in 2015. Children's Player Service Streams increased 4.4% to 147,596.
- **Provision of a worldwide Irish language service:** TG4 online, Player and mobile services provide broadcast content on a worldwide basis which promote the Irish language and culture.
- **Supporting development of the Irish language independent production sector:** through commissioning activities and through individual support and

educational measures, TG4 supports the Irish language independent production sector, particularly companies which are based in the Gaeltacht. In 2015, TG4 commissioned 680 hours of new Irish language programming, 291 hours of re-voiced material and 410 hours of new subtitling. Expenditure with the independent production sector was €21.2m. TG4 also delivered a range of activities to support the Irish language independent production sector.

- **Supporting Irish Sport and Cultural Bodies:** TG4 deepened partnerships with a range of Irish language, cultural and sporting bodies. Regular meetings took place during 2015 with Oireachtas na Gaeilge, Gael Linn, Conradh na Gaeilge, GAA, LGFA as noted above. TG4 increased its output of live coverage from Oireachtas na Gaeilge 2015, offering live TV coverage from the event on three successive evenings as well as offering Webcasts of other events/competitions. TG4's coverage of Peil na mBan during 2015 was at an all-time high and ranged from the top élite inter-county competitions to club and colleges. The launch of the new dictionary Foclóir.ie (in both on-line and App formats) in late 2015 was a milestone for the language. TG4 continues to offer ongoing feedback and suggestions to the dictionary staff.
- **Support the Gaeltacht-based local economy:** in 2015, TG4 spent a significant share of its programme expenditure with production companies located in Gaeltacht areas. Over 300 full-time jobs in the independent production sector are directly sustained by TG4 commissions. Most of these are small medium enterprises and many but not all of these jobs are



located in Gaeltacht areas. The presence of TG4 itself also makes it an important part of the economic and social fabric of the Gaeltacht.

Irish Language Independent Production Sector

TG4, as a publisher broadcaster, sources a major share of its programming from the Irish language independent production sector. TG4 committed to doing this again in 2015 because of the benefits it delivers to both TG4 and the Irish economy including: helping to ensure that TG4's schedule is distinctive and reflects Irish cultural identity; supporting the preservation and development of the Irish language production sector; new and original programming in the Irish language provides a diversity of perspective and a fresh approach to entertainment; and at least 300 jobs in Ireland's independent production sector are supported by TG4 commissions.

Expenditure with independent production companies was €21.2m. While this was a 2.1% decrease on 2014 spend, it was a significant amount of spend with the sector. TG4 spent a major share of the total spend with the independent production sector, with companies which operate through the Irish language. Of TG4's total expenditure with the independent production sector, the spend on commissioned programmes alone represented 51% of its total operating expenditure in 2015 and almost 56.2% of its public funding monies. This is a large share and a strong performance in a year with a significant reduction in public funding.

In 2015, TG4 productions obtained €3.603m from the BAI Sound & Vision fund and €1.108m from the ILBF by working in partnership with the independent production

sector. This money goes directly to the independent production sector.

TG4 also undertook a number of other initiatives to support the development of the Irish language independent production sector talent and creativity during 2015. For example: continuing to develop new production talent in association with the ILBF, Lasair — Filmbase, Acadamh na hOllscoile, Gaillimh, WIT Higher Diploma in Television Production and other training bodies; co-operation with An Taibhdhearc on a competition and mentoring to develop dramatic writing skills; working with Údarás na Gaeltachta on a development initiative with particular emphasis on writing skills to rekindle the Donegal Gaeltacht production sector in the production of low cost comedy drama; and, the co-funding of a project with Film base

Economic Benefits

The direct, indirect and induced contribution to national earnings of TG4 was almost €66.4m in 2015 with an associated employment impact of 973⁵ jobs in total. This is an important metric because it indicates the level of expenditure by TG4 in Ireland and the level of expenditure on indigenous commissioned programming and services rather than on acquired content and services from international markets. It also continues to show that for every €1 invested by TG4 in the creative industries in Ireland, it was worth over €2 to the economy of Ireland in 2015. TG4 therefore has important financial, employment and creative benefits for the Irish economy overall.

⁵ Based on an analysis of TG4's 2015 actual expenditure (operating and capital including programme funding) in Ireland.

"The Irish broadcast market, aside from TG4, isn't interested in creating new sitcoms."

Colette Sexton
Sunday Business Post

Transparency and Efficiency

In keeping with previous years, TG4 endeavours to deliver value-for-money across all areas of operations. A key objective is to invest at least 70% of public funding into Irish language programming and content. In 2015, TG4 invested 75% of its public funding in the production of Irish language programming and content. The remaining 25% was spent on its broadcast and related activities. TG4 has continued to operate as cost effectively as possible and to deliver value-for-money in all that it does. For example, TG4 operating expenditure fell by 1.22% and cost-per-broadcast hour (Irish language hours only), cost-per-broadcast hour (all hours), cost-per-broadcast hour (commissioned and internal production hours) and cost-per-broadcast hour (for acquired Irish language programming) all remained at 2014 levels.

TG4's advertising and sponsorship and other commercial income declined slightly during the year compared to 2014 performance but was ahead of targets for 2015. Total commercial income was €3.3m in 2015, representing a 9.3% share of funding & income in 2015 compared to a 9.5% share in 2014. Advertising/sponsorship income fell by 3.6% in 2015 compared to 2014 levels and other commercial income declined by 1.25%. It is important for TG4 to reverse this decline in commercial income levels because all non-Irish language output is funded from commercial income and this content is seen as necessary to provide balance to the schedule and to attract audience ratings. This will however be challenging in the face of a declining share in TV advertising of the whole advertising market in Ireland. While TV advertising grew 5.1% in 2015, it fell from first to second place in terms of share of the RoI advertising market (after online).

Despite a recommendation from the BAI for an increase in public funding following the five-year review of funding for public service broadcasters (PSBs), TG4's current funding was reduced again in 2015, by €510k, a 1% reduction on 2014 levels. Public funding represented 90.7% of total TG4 income in 2015.

TG4 relies primarily on public funding as the resource from which it's daily and on-going needs are financed. As

a public service broadcaster, TG4 works hard to ensure that public funding is committed in the most cost-effective way to all activities and that it delivers value-for-money as a key priority. A key objective for TG4 is to maintain reasonable programming cost-per-hour levels and to ensure value-for-money in its programming costs as these represent the most significant share of total operating costs. As part of this, TG4's objective for 2015 was to ensure that its average cost-per-hour of commissioned programmes remained below or at the lower end of the range of those of the BBC, S4C and RTÉ. Overall, while it is difficult to make comparisons with the BBC, the majority of TG4's tariffs across all genres come in either below or at the lower end of the range of budgets for their equivalent genre at BBC. This would be expected given the scale of the BBC and the nature of the market in which it operates. S4C is a more realistic comparator given that it is a similar public service broadcaster to TG4, serving a smaller market focusing on an indigenous language and culture. TG4 compares well to S4C — overall, it would appear that TG4 pays more competitive per-hour commissioning rates. While recognising market differences, it provides evidence of TG4's focus on costs and value-for-money. The RTÉ information is limited. However, it again provides an indicator of TG4's lower average commissioning costs (per hour) and focus on securing value-for-money.

Investment in Technology

To enhance the quality and distinctiveness of its programmes and content, TG4 invests in broadcasting and media technologies on an ongoing basis. It is imperative for TG4 to maintain a solid position on all delivery platforms and to ensure it is available on new content platforms as appropriate. For example, TG4's objective is to have its High Definition (HD) service available on all linear platforms including Eir, Vodafone, Sky and Saorview. TG4 offers an IOS player service and a Smart TV player. These, along with future platform and service developments require investment in content technology and systems such as video-on-demand (VOD) Modules, Digital Rights Management (DRM),





information and image management, other content and broadcast systems etc. If TG4 does not continue to invest in new systems, platforms and content formats, it is at risk of losing audience share and of not meeting audience needs for content on demand. TG4 undertook a range of developments in 2015 including:

- Construction of the archive facility was completed with archiving and cataloguing well underway. During 2015 also, TG4 applied for Archive funding from the BAI and was successful in securing funding towards the cost of delivering a News and Current Affairs Archive Project.
- Re-structuring of the broadcast and administration network to provide faster and more secure IT infrastructure.
- Completion of the upgrade of the TG4 Finance system with a new company-wide data reporting system commissioned.
- Enhancement of viewer experience by providing better access to video streams and extra content. This was enabled by digital rights management (DRM).
- Full redesign of the TG4 website.

Trust and Good Governance

TG4's governance performance was solid in 2015:

- TG4 maintained best practice governance and reporting systems.
- Three internal audits were carried out on programme procurement and selection, the Finance department policies and procedures, and commercial operations.
- An in-depth TG4 risk management review was undertaken with the risk review report presented to the Board in December 2015.
- All reporting requirements were fulfilled in 2015 including a Statement of Commitments for 2015, a detailed review of TG4's Performance in the previous year (2014) and an Annual Report on 2014.
- TG4 adhered to all Broadcasting Codes and Guidelines. No sanction was issued by the Regulator to TG4 on any Code or Guideline.
- TG4 endeavoured to deliver and maintain the highest standards of editorial integrity and to deliver a diverse range of high quality programming during 2015.
- No formal complaints were made about TG4's services to the BAI.



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 of 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 term of two Board members — Rónán Ó Coisdealbha and Concubhar Ó Liatháin — expired during 2015 and there were three new appointments to the Board, Diarmuid Ó Ruiséal, Bríd Ní Fhachtna and Frank Reidy.

The Board met 8 times during the 12 months to the 31st December 2015.



Siún Ní Raghallaigh
(Chairman)



Pól Ó Gallchóir
(Director General)



Seosamh
Ó Conghaile



Andréa
Ní Éalaithe



Des
Geraghty



Mairéad
Ní Cheóinín



Micheál
Seoighe



Mairéad
Ní Suibhne



Michelle
Ní Chróinín



Diarmuid
Ó Ruiséal



Bríd
Ní Fhachtna



Frank Reidy

Board Members and Director General at 31st December 2015:

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 (Chairman)
Micheál Seoighe
Michelle Ní Chróinín

During the 12 months to 31st December 2015, 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 Ní Suibhne

The Remuneration Committee met once in the year to 31st December 2015.

Digital Committee (Coiste Digiteach)

Mairéad Ní Cheóinín (Chairman)
Concubhar Ó Liatháin
Rónán Ó Coisdealbha
Diarmuid Ó Ruiséal

The Digital Committee met once in the year to 31st December 2015.

Auditor

Comptroller and Auditor General
Office of the Comptroller and Auditor General
3A Mayor Street, Spencer Dock, Dublin 1

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

Introduction

TG4 was established as a public service broadcaster to provide an entertaining Irish language television schedule, to help strengthen, promote and celebrate the Irish language, to increase its visibility in the daily life of citizens and to have special regard for the elements which distinguish that culture, in particular the Gaeltacht. We are encouraged to see that appreciation for the TG4 service remains high and that we are having a positive impact on the Irish language.

In 2015, TG4's weekly reach with Irish language audiences was 92%. This exceeded our target for the year, with this performance comparing very favourably to other international indigenous language television services. TG4 secured a satisfaction rating with Irish language user audiences of almost 80%. As part of TG4's commitments, we sought to measure our influence on the awareness and development of the Irish language and culture. This was undertaken through an Ipsos MRBI survey (a nationally representative sample of 1,000 adults aged 15+). Survey feedback was very positive with 82% of respondents believing that TG4 has a positive influence on the Irish language, 81% stating that TG4 makes Irish more accessible than other media, 75% believing that TG4 makes Irish more relevant to modern times and 81% believing that watching TG4 brings the Irish language to life. We are very pleased that the value of TG4 is being recognised amongst Irish language and all television audiences alike.

TG4 plays an important role in the establishment of a bilingual society in Ireland. Almost 1.5m people tune into TG4 on a weekly basis and this reflects our success in establishing an important place for Irish in people's lives. While Ireland faces many economic and societal challenges, the importance of the Irish language and culture, and TG4's role in helping to preserve and develop them should not be overlooked. Our objective as the national Irish language channel is to ensure Irish continues as a living language and remains a cornerstone of Ireland's culture and heritage.

Impact on the Economy

TG4's impact on the Irish economy is extensive. We operate as a publisher/broadcaster and source most of our Irish language programmes from Ireland's independent production sector, particularly from companies in the Gaeltacht areas. In 2015, TG4 spent €21.2m with the independent production sector in Ireland and one of our core objectives is to grow this expenditure and the level of original Irish language programming commissioned from the sector.

TG4 commissions Irish language programming and

content from over 100 independent production companies in Ireland with more than 300 full-time, creative jobs provided directly by these commissions. Most of the jobs are in small to medium sized enterprises and many are located in Gaeltacht and other regional areas. In 2015 alone, we estimate that TG4 supported 473 creative resources across a range of categories such as musicians, composers, directors and actors amongst others. TG4's production of *Ros na Rún* has a significant benefit for the local Gaeltacht economy in An Spidéal. The production supports 150 or more jobs on an annual basis. The high-skilled employment sustained by TG4 brings many social and cultural benefits to these rural communities.

TG4 has important financial, employment and creative benefits for the Irish economy overall. The direct and indirect contribution to national earnings of TG4 was almost €66.4m in 2015 with an associated employment impact of 973 jobs, including the jobs in the independent production sector. This shows that for every €1 invested





by TG4 in the creative industries in Ireland, it is worth over €2 to the Irish economy.

Financial Performance

On-going funding is a challenge for publicly funded organisations and TG4 is no exception. Despite a recommendation from the BAI for an increase in public funding following the five-year review of funding for public service broadcasters, TG4's current funding was reduced by a further €510k in 2015 bringing the overall reduction in funding to almost €6m since 2009. An increase of €300,000 in current funding for 2016 is welcome and is moving in the right direction towards correcting the overall reduction.

It has been challenging for TG4 as we face reduced budgets, to produce unique, compelling content in the Irish language which can entertain and draw strong audience levels — and compete with new home produced English language and international content from

other broadcasters and service providers. The BAI recommended additional funding to enable us to further develop new and compelling content that continues to have a positive impact on our audience growth and on the Irish language and culture. It will also enable TG4 to continue to sustain and grow jobs, drive innovation and growth in the creative economy and support the development of the Gaeltacht and regional areas.

Our Thanks

I would like to thank our Minister Alex White T.D., along with his Department officials.

I would like to extend my welcome to the new TG4 Board members and to thank my fellow Board members for their dedication and support to TG4. I would also like to thank the Audit, Digital and Remuneration sub-committees of the Board and the Board Secretaries. In addition, I thank the Audience Council for its important contribution to the development of TG4's services.

We are also grateful to the Broadcasting Authority of Ireland and the Irish Language Broadcast Fund for their continued support and to RTÉ for its annual statutory provision of 365 hours of Irish language content.

The vibrancy and diversity of TG4's schedule would not happen without the award winning programme supply from the independent production sector and I especially extend my thanks to them.

Finally, I would like to thank TG4's management and staff. In particular I would like to thank the Ardstiúrthóir,

Pól Ó Gallcháir. Despite another challenging year, Pól and the TG4 team have worked energetically to deliver positive results for the TG4 service.



Siún Ní Raghallaigh
Cathaoirleach

Director General's Report

Introduction

With the continuing difficult economic environment and the ongoing transformation and competition in broadcasting, TG4 faced many challenges in 2015. There has been an increase in the number of broadcasters (both international and Irish) and content services with which TG4 must compete for audience. TG4's special statutory role of serving Irish language audiences is made more complex because of this competition but also because of the influence of new technology. Online and mobile content platforms are now a fundamental part of our service portfolio and we provide a traditional broadcast service as well as on-demand, online and mobile services. Audiences are more fragmented and TG4 must serve older audiences who continue to expect a wide range of entertaining broadcast content as well as younger audiences who watch live television less frequently and who access content from a variety of sources. In addition to these challenges, TG4's current funding has been reduced by almost €6m since 2009 including a reduction of €510k in 2015.

Up to two years ago, TG4 had not reduced the quality and range of award-winning content we provide. However, for the first time in 2014 and again in 2015, lack of adequate financial resources required us to reduce our hours of new, original Irish language programming. This is disappointing for TG4 and we want to reverse this in the years ahead. Despite this, TG4 spent 75% of our public funding on Irish language programming and content which was a very positive outcome for 2015.

Audiences

A core strategic objective for TG4 is to provide an Irish language television service to promote and develop the Irish language and culture and to do this, we must strengthen our reach with all audiences.

TG4's reach with Irish language user audiences is measured using *Fios Físe*. This is an independent and transparent viewers' panel, established in conjunction with the National University of Ireland Galway and Acadamh na hOllscolaíochta Gaeilge. It measures and monitors TG4's performance with Irish language audience throughout the island of Ireland. In 2015, TG4's weekly reach with Irish language audiences was 92%. This exceeded TG4's target for the year and is a heartening result. Our performance compares extremely well to other indigenous language television channels such as BBC Alba and S4C. *Fios Físe* also measures satisfaction ratings. In 2015, TG4 secured a satisfaction rating with Irish language user audiences of almost 80%, again exceeding our target for the year. We are proud that appreciation for TG4 among Irish language audiences remains high.

The level of competition in the broadcasting market today is exceptional. Despite this, TG4 moved up to 7th position in the most watched channels in Ireland in 2014 and remained there in 2015. 19 of the top 30 channels in the Irish market have less than 1% share — only 9 of the top 30 have >1% audience share including TG4. TG4 secured an average daily reach of 11% in 2015. Over 450,000 viewers tuned into TG4 on a daily basis, with almost 1.5 million people tuning into TG4 on a weekly basis. In an increasingly competitive market for audiences, this was a strong performance.

The number of Irish language programmes which secure an audience reach of >70,000 and >100,000 is a good indicator of TG4's programming quality and performance. TG4 provided 965 programmes in 2015, whose reach exceeded 70,000 and 573 whose reach exceeded 100,000. Noteworthy programmes include *Fleadh Cheoil na hÉireann* in Sligo which reached an audience of 700,000 and the TG4-sponsored *Ladies Gaelic Football All-Ireland Finals* which had an audience reach of 530,000.

Reflecting viewing of TG4 on our Player service in 2015, the number of TG4's Player hours watched by audiences increased by 3.3%. The Player service performed well with over 1.5m programme streams, a 13.2% increase. The number of unique visitors to the website fell by 13.5%, to just short of 1.6m and the number of page impressions also declined. However, TG4's web usage measurement system changed in 2014 with the new measurement system capturing different data, artificially showing declines in usage. TG4 is putting video content at the centre of the new design and has amalgamated the Player and website. While this has reduced page impressions initially, this trend will reverse as users find it easier to access content.

The results of this strategy were already beginning to be seen in late 2015 monthly audience data. TG4's website remains ranked number 1 in terms of world rankings⁶ of Irish language websites and TG4 Apps downloads performance was very strong with over 113k Apps downloaded in 2015.

Irish Language Content and Broadcast Schedule

For 2015, TG4 committed to continuing to extend the Irish language broadcast schedule, delivering strong "must see" content for all audiences and all targets were achieved. TG4's total new/original Irish language programming output was 1,751.5 hours — an average of 4.8 hours per day. This compares well to TG4's target of an average of 4.61 hours per day and a total of 1,684 new Irish language hours for the year (exceeding targets by 4%). However, with the reduction in current funding in 2015, TG4's new Irish language hours fell by 3.8%

⁶Alexa world rankings.

compared to 2014 hours. In addition to increasing the amount of new/original Irish language programmes, TG4's objective is to invest in the core Irish language broadcast schedule and provide a 40 week core schedule in the longer-term. TG4 made significant developments in this in 2014. In 2015, TG4's 34 week core schedule was maintained but the average new/original Irish language hours during this core schedule fell from 5.3 to 5.25 hours per day. This is not consistent with TG4's strategy to increase average daily hours of new/original Irish language programming and to extend the core Irish language schedule and must be addressed if TG4 is deliver a strong Irish language broadcast schedule and maintain and grow its audience.

Irish Language Programmes

TG4's broadcast schedule was strengthened by a large number of high quality, entertaining Irish language programmes. In 2015, the prestigious *TG4 Gradam Ceoil Awards* celebrated its 17th year of honouring the best in traditional music. The ceremony was broadcast live from the Cork Opera House with the Traditional Musician of the Year awarded to Galway accordion player Máirtín Ó Connor.

A number of quality dramas were produced and broadcast on TG4 during the year such as *An Klondike*, the first Western to be made in Ireland. This tells the story of the Connolly Brothers, three Irish emigrants who travel from Montana to the Yukon during the Klondike gold rush of the 1890s. TG4 continued the broadcast of its Irish language flagship soap, the 20th series of *Ros na Rún*. We were deeply saddened by the passing of actor Diarmuid Mac an Adhastair during the year. He has played Séamus Mhicil Tom since the start of the series. He is a huge loss to his wife and family, to the *Ros na Rún* family and also to his thousands of fans in Ireland and all over the world.

TG4 is particularly proud to have been an early supporter of the Irish language version of the Oscar nominated animation feature *Song of the Sea*, along with the Broadcasting Authority of Ireland and the Irish Film Board. *Amhrán na Mara*, the Irish language version, was screened in selected cinemas throughout Ireland in Summer 2015 and will be broadcast on TG4 during 2016.

Oireachtas na Gaeilge was held in City West in 2015 and included a special concert featuring Na Casadaigh.

Sports continued to feature prominently in TG4's 2015 broadcast schedule. Irish language sports programmes can reach viewers who are less fluent in the Irish language or who do not speak Irish at all. Our match and sporting features' commentary, studio discussions and interviews are, wherever possible, all in the Irish language and this helps to bring the language into more homes than would otherwise be the case. In addition to *GAA Beo* (Club, League, Under 21, Minor, Peil na mBan), TG4 also broadcast *Rugbaí Pro 12*, *EPCR Rugby Highlights*, *Rásaí*

Lios Tuathail, *Tour de France*, *Vuelta* and live boxing during the year. TG4 also continued with *Seó Spóirt* the studio-based weekend sports preview covering Gaelic Games and rugby with analysis from well-known players, managers and pundits and exclusive interviews from around the country. *Laochra Gael* also continued, the ever-popular series that chronicles the careers of the top Gaelic games players of bygone days.

Imeall, TG4's flagship arts series also returned for its 7th season, chronicling cultural life and leading artists throughout Ireland.

Nuacht TG4, our mid-evening news bulletin continued as an anchor in the daily broadcast schedule. News analysis was complemented by more detailed discussion on the weekly *7Lá* current affairs programme. This well-regarded and long running lively review of the week's major stories and current affairs provides insight and incisiveness from a panel of politicians and political analysts in studio and from locations worldwide, including the European Parliament. It covers the stories and topics that matter to people's lives in the Gaeltacht and in the Irish-speaking world, combined with location reports from around Ireland.

TG4 continues to provide and give priority to the broadcast of a comprehensive children's Irish language television schedule and on innovation and choice for this audience segment. However, it is the most competitive area of the broadcast schedule. In addition to a broadcast service for children and young people, TG4 also invests in Irish language interactive content, online games and Apps etc. to target younger audiences. Full redesign of the TG4 website was done in 2015 and this included a new a Kids Channel Playlist which is available 24 hours a day worldwide. TG4 now has 11 Apps available for kids. Children & Young People web usage/page views increased almost 7% and children's Player service streams increased 4.4% which was a good result for the year.

A wide range of Irish language documentaries enhanced TG4's broadcast schedule in 2015. One-off documentaries such as *Bliain in Acaill*, *An Náisiúin* and *GAA USA* were broadcast alongside our regular documentary series such as *Fíorscéal* which brought a new season of top-class international documentaries that shed a light on issues which affect us environmentally, socially, politically and globally. *Dúiche* was also broadcast with every episode of this entertaining roving magazine programme offering a mixture of serious and informative stories from around the island of Ireland. Interesting individuals, the communities in which they live and the groups or causes they represent took centre stage.

Awards & Nominations

2015 was another outstanding year for TG4 awards and



nominations. In total, TG4 was awarded 89 awards and nominations during the year of which 65 were programme and content awards/nominations, 13 were for TG4 presenters/personalities and 11 were marketing awards/nominations (of these, 3 were for TG4 Irish language Apps). The awards and nominations continue to reflect the quality of TG4's programming, its marketing/branding activities and its personalities. Key awards and nominations included *An Bronntanas* which received a total of 16 awards and nominations including a Gradam Cumarsáide award from Oireachtas na Gaeilge, an IFTA award, a Worldfest-Houston Remi Duplicate Award, three ICAD awards, a Screen Directors Guild of Ireland award and a nomination at the Chicago Irish Film Festival. *Song of the Sea* also received an Oscar nomination along with a best film award at the IFTAs.

Influence on the Irish Language

One of TG4's aims is to ensure that the Irish language holds a central place in Irish people's lives. Through our provision of high-quality Irish language television content, online and mobile services including Irish language Apps for learners, in addition to other services, TG4 is promoting an interest in Irish language and culture and use of the Irish language in every household on the island of Ireland and beyond.

As part of our 2015 commitments, we sought to measure TG4's influence on the awareness and development of the Irish language and culture. Measurement of this was undertaken for a second year in a row, through a survey undertaken by Ipsos MRBI (a nationally representative sample of 1,000 adults aged 15+). Survey feedback was very positive with: 82% of all respondents believing

TG4 has a positive influence on the Irish language; 81% believing TG4 makes Irish more accessible than other media; 75% believing TG4 makes Irish more relevant to modern times; 81% believing watching TG4 brings the Irish language to life and 78% stating that watching TG4 makes them more aware of Irish culture. We were delighted with these very positive results

Irish Language Independent Production Sector

TG4, as a publisher broadcaster, sources a major share of our programming from the Irish language independent production sector. Expenditure with independent production companies was €21.2m with the majority spent with companies which operate through the Irish language. Of TG4's total expenditure with the independent production sector, the spend on commissioned programmes alone represented 51% of its total operating expenditure in 2015 and over 56% of our public funding. This is a large share and a strong performance in a year with a reduction in public funding. The benefits of investing in original Irish language content with the independent production sector are many and include ensuring TG4's programmes remain distinctive, and supporting Irish language production sector jobs with at least 300 jobs directly supported by TG4 commissions.

Economic Impact

TG4's contribution to national earnings was almost €66.4m in 2015 with an associated employment impact of 973 jobs. This is an important metric because it indicates the level of expenditure by TG4 in Ireland and the level of expenditure on indigenous commissioned

programming and services rather than on acquired content and services from international markets. It also continues to show that for every €1 invested by TG4 in the creative industries in Ireland, it was worth over €2 to the economy of Ireland in 2015. TG4 therefore has important financial, employment and creative benefits for the Irish economy overall.

Funding and Income

TG4's current public funding for 2015 was €32.43m. Despite a recommendation from the BAI for an increase in public funding following the five-year review of funding for public service broadcasters, TG4's current funding was reduced by €510k in 2015, a 1% reduction on 2014 levels. Public funding represented 90.7% of total TG4 income in 2015. TG4's advertising and sponsorship and other commercial income declined slightly during the year compared to 2014 performance but was ahead of targets for 2015. It is important for TG4 to reverse this decline in commercial income levels because all non-Irish language output is funded from commercial income and this content is seen as necessary to provide balance to the schedule and to attract audience ratings.

Outlook for 2016

In 2016, TG4 will continue to face significant challenges in delivering on its strategic priorities. As such, we appreciate the increase of €300,000 in current funding and the special programme grant for Irish language 1916 commemorative programming as this will greatly help TG4 in addressing these challenges. TG4 will be able to target an increase in our hours of new original Irish language content for 2016 and will also be able to increase expenditure on original Irish language programming commissioned from the independent production sector. This is a positive development for TG4 in the face of increasing competition for audiences and for advertising income. It is also good news given that 2016 is a significant milestone year for TG4 as well as for Ireland. In 2016, TG4 will celebrate its 20th year of establishment as the national Irish language public service broadcaster. This coincides with the centenary of the 1916 Easter Rising and the Proclamation of Independence. These important milestones will be celebrated by TG4 with new entertaining Irish language

programming and content to commemorate both. In 2016, TG4's content commitments will incur an expenditure of almost €26.5m of which over 80% will be spent directly with the Irish language independent production sector here in Ireland. Irish language programming and content will represent almost 72% of TG4's public funding in 2016 which will be a significant investment.

Thanks

Every year, there are a number of people and organisations I would like to thank. They have all made important contributions to TG4 in a variety of ways.

Firstly, I would like to thank Minister Alex White T.D. We greatly appreciate his support and his recognition of the importance of the work TG4 does with the additional funding provided to TG4 for 2016.

I would like to formally welcome and thank the new Board members appointed in 2015 and to once again thank all TG4 Board members along with the Cathaoirleach Siún Ní Raghallaigh. We appreciate their continued dedication to, and support for, TG4 during the year.

TG4's appreciation is also extended to the Broadcasting Authority of Ireland, Bord Scannán na hÉireann, the Northern Ireland Irish Language Broadcast Fund and RTÉ. In particular, we appreciate RTÉ's support through its annual provision of 365 hours of Irish language content to the TG4 service. There are many other organisations with whom we work to develop the Irish language and culture, too many to mention individually. We are grateful to all of them and look forward to working with them again in 2016.

Finally, I would like to thank my colleagues here in TG4. It has been another challenging year and I would like to thank them for their continued hard work and contribution to the success of TG4. Go raibh míle maith agaibh ar fad.

Pól Ó Gallchoir
Ardstúirthóir

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 2015. The Board accepted this and it was reported in the minutes of the Board meeting of the 21st December 2015.

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 2015. A risk assessment report was presented to the Board at its meeting held in December 2015. 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 2016 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 Chairpersons and Director of State Bodies, issued by Minister of Finance in July 1992. (See table below).

TG4 Board	Fees €'000	Expenses €'000	Number of Meetings Attended
Pól Ó Gallchóir (Director General)	–	–	8
Seosamh Ó Conghaile	12.6	1	6
Rónán Ó Coisdealbha (Cessation date 18/1/2015)	0.6	–	–
Concubhar Ó Liatháin (Cessation date 28/9/2015)	9.4	2	4
Siún Ní Raghallaigh (Chairman)	21.6	–	8
Andréa Ní Éalaithe	12.6	5	8
Des Geraghty	12.6	5	8
Mairéad Ní Cheoinín	12.6	2	8
Micheál Seoighe	12.6	1	8
Mairéad Nic Suibhne	–	3	3
Michelle Ní Chróinín	–	1	8
Diarmuid Ó Ruiséal	10.5	–	6
Bríd Ní Fhachtna (Date appointed 22/7/2015)	5.7	2	3
Frank Reidy (Date appointed 29/9/2015)	3.3	–	2
Secretarial and sundry expenses	–	3	
Board members fees and expenses	114.1	26	

At the 31st December 2015 there were 11 non-executive members and one executive member, being the Director General, on the Board.

Finance Review 2015

Income and Expenditure Reviews

This report reviews TG4's income and expenditure performance in 2015 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 2015 to that of 2014 under the following 4 headings:

1. **Income**
2. **Operating Expenditure**
3. **Cost Control and Efficiency in 2015**
4. **Irish Language Content Expenditure 2015**

1. Income

As can be seen from Table 1 below, total income (exchequer current funding and commercial revenue) in 2015 was €35.6m (2014: €36.1m). Compared to the previous year TG4's total income decreased marginally by 1.7%. Exchequer current funding was €32.24m (2014: €32.75m) of this and represented 90.7% (2014: 90.6%) of TG4's total income with the commercial income share representing 9.3% in 2015 at €3.3m (2014: €3.4m).

Commercial income decreased by 3%. This was a solid performance in a challenging environment.

Description	2015		2014	
	€'000	%	€'000	%
Grant-in-aid	32,240	90.7%	32,750	90.6%
Commercial (advertising and sponsorship)	1,893	5.3%	1,964	5.4%
Other commercial	1,417	4%	1,435	4%
Total income	35,550	100%	36,149	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 €35.77m in 2015, a 1.32% decrease on the €36.24m spent in 2014. See Table 2 below.

	€'000		% Change 2015 vs 2014
	2015	2014	
Cost of Sales	668	716	(6.7%)
Staff Costs	5,621	5,507**	2.07%
Programme Expenditure	24,065	24,386	(1.32%)
Other Expenditure (Overheads, Transmission & Marketing costs included)	5,414	5,638	(3.97%)
Total Operating Expenditure	35,768	36,247	(1.32%)

**As restated

3. Cost Control and Efficiency

TG4 continued to operate efficiently, cost effectively and prudently in 2015. 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 1752 hours of original Irish Language content in 2015 from a target of 1684.

4. Irish Language Content Expenditure 2015

As reflected in its commitments for the year, TG4 committed to spend at least 70% of its Exchequer current funding on the production of Irish language content. As shown in Table 3 below, the actual spend was 75% of Exchequer funding. Transmission, broadcast and promotion of schedule and general overheads accounted for the remaining 25% of Exchequer funding in 2015.

Overall, there was a slight decrease in TG4's daily output levels of new Irish language content from 4.99 to 4.8 hours per day.

Description	2015		2014	
	€'000	%	€'000	%
Current Exchequer funding	32,240	100%	32,750	100%
Irish language programmes: Commissioned	18,699	58%	18,846	57.5%
Acquired/dubbed/subtitled	3,712	11.5%	4,410	13.5%
Production staff costs (including salaries)	1,768	5.5%	1,761	5.4%
Total Irish Language Content Production Costs	24,179	75%	25,017	76%

Financial Statements

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Financial Statements

Statement of Board Members' Responsibilities

For the year ended 31st December 2015

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 irregularities. 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
Cathaoirleach

9 May 2016

Financial Statements

Statement on Internal Financial Control

For the year ended 31st December 2015

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

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

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

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

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

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

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 2015 the Board conducted a review of the effectiveness of the system of internal financial control.

Signed on behalf of the Board



Siún Ní Raghallaigh
Cathaoirleach

9 May 2016

Financial Statements

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

For the year ended 31st December 2015



Ard-Reachtair Cuntas agus Ciste

Tuarascáil le cur faoi bhráid Thithe an Oireachtais

Teilifis na Gaeilge

Rinne mé iniúchadh ar ráitis airgeadais Theilifis na Gaeilge don bhliain dar chríoch 31 Nollaig 2015 faoin Acht Craolacháin 2009. Tá na ráitis airgeadais comhdhéanta de ráiteas ar ioncam agus caiteachas agus ar chúlchisti ioncaim coinnithe, ráiteas ar ioncam cuimsitheach, ráiteas ar an staid airgeadais, ráiteas ar athruithe ghnáthscaireanna, ráiteas ar shreabhadh airgid agus na nótaí gaolmhara. Ullmháid na ráitis airgeadais ar an mbealach a fhorordaítear faoi alt 109 den Acht Craolacháin 2009 agus de réir chleachtais cuntasaióchta a nglactar leo go ginearálta.

Freagrachtaí Chomhaltai an Bhoird

Tá an Bord freagrach as na ráitis airgeadais a ullmhú, as a chinntiú go dtugann siad léargas fíor agus cothrom agus as rialtacht na n-idirbheart a chinntiú.

Freagrachtaí an Ard-Reachtair Cuntas agus Ciste

Is é mo fhreagrachta ná na ráitis airgeadais a iniúchadh agus tuairisc a thabhairt orthu de réir dlí infheidhme.

Déanaim m'iniúchadh trí thagairt a dhéanamh do bhreithnithe speisialta a ghabhann le comhlachtaí Stáit maidir lena mbainistíocht agus lena n-oibriocht.

Déanaim m'iniúchadh de réir na gCaighdeán Idirnáisiúnta maidir le hIniúchadh (An Ríocht Aontaithe agus Éire) agus ag cloí le Caighdeán Eiticúla d'Iniúcháirí de chuid an Bhoird Chleachtais Iniúchta.

Scóip iniúchta na ráiteas airgeadais

I rith iniúchta, ní mór fianaise a fháil faoi na méideanna agus na nochtai sna ráitis airgeadais, fianaise leordhóthanach a thabharfadh deimhniú réasúnta go bhfuil na ráitis airgeadais saor ó mhiráiteas ábhartha, cibé ar calaiois nó earráid is cúis leo. Áirítear air sin measúnú ar na nithe seo a leanas:

- an bhfuil nó nach bhfuil na beartais chuntasaióchta oiriúnach do chúinsí Theilifis na Gaeilge, agus ar cuireadh i bhfeidhm go comhsheasmhach agus ar nochtadh ar shlí leordhóthanach iad
- réasúntacht na meastachán cuntasaióchta suntasach a dhéantar agus na ráitis airgeadais á n-ullmhú, agus
- cur i láthair foriomlán na ráiteas airgeadais.

Lorgaim fianaise chomh maith faoi rialtacht na n-idirbheart airgeadais le linn an iniúchta.

Chomh maith leis sin, léim tuarascáil bhliantúil Theilifis na Gaeilge chun aon neamhréireachtaí ábhartha leis na ráitis airgeadais iniúchta a aithint agus chun aon eolas is cosúil atá mícheart go hábhartha bunaithe ar an eolas a fuair mé le linn an t-iniúchadh seo a chur i gcrích, nó aon eolas nach bhfuil ag teacht go hábhartha leis an eolas sin, a aithint. Má

thugaim aon mhiráiteas nó neamhréireachtaí ábhartha dealraitheacha faoi deara, breithním na tionchair a bheidh acu sin ar mo thuarascáil.

Tuairim ar na ráitis airgeadais

Is é mo thuairim maidir leis na ráitis airgeadais:

- go dtugann siad léargas fíor agus cothrom ar shócmhainní, dliteanais agus staid airgeadais Theilifis na Gaeilge amháin an 31 Nollaig 2015 agus ar a ioncam agus ar a chaiteachas do 2015; agus
- gur ullmháid go cuí iad de réir chleachtais cuntasaióchta a nglactar leo go ginearálta.

Is é mo thuairim go raibh taifid chuntasaióchta Theilifis na Gaeilge leordhóthanach chun iniúchadh ceart a dhéanamh go héasca ar na ráitis airgeadais. Tá na ráitis airgeadais ag teacht leis na taifid chuntasaióchta.

Ábhair lena dtuairiscim trí eisceacht

Tuairiscim trí eisceacht mura bhfuair mé fhaisnéis agus na mínithe go léir a theastaigh uaim chun m'iniúchadh a dhéanamh, nó

- má thug m'iniúchadh aon chás ábhartha nár feidhmíodh suimeanna airgid chun na gcríoch a bhí beartaithe ar aird, nó sa chás nach mbíonn na hidirbhearta ag cloí leis na húdaráis a dhéanann rialú orthu, nó
- mura bhfuil an fhaisnéis a thugtar i dTuarascáil Bhliantúil Theilifis na Gaeilge ag teacht leis na ráitis airgeadais ghaolmhara nó leis an eolas a fuair mé le linn dom an t-iniúchadh a chur i gcrích, nó
- mura léiríonn an ráiteas ar rialú airgeadais inmheánach gur chomhlíon Theilifis na Gaeilge an Cód Cleachtais do Rialachas Chomhlachtaí Stáit, nó
- má tá nithe ábhartha eile ann a bhaineann leis an tsli ar cuireadh gnó poiblí i gcrích.

Conradh fostaíochta an Ard-Stiúthóra

Leagtar amach i nota 5 gur chríochnaigh conradh fostaíochta an Ard-Stiúthóra i leith an treimhse 2010-2014 ar an 31 Márta 2014. Tá idirbheartaíocht ag leanúint maidir lena thionacht.

Seamus Mac Cárthaigh
Ard-Reachtair Cuntas agus Ciste
20 Bealtaine 2016

Financial Statements

Teilifís na Gaeilge Statement of Income and Expenditure and Retained Revenue Reserves for the year ended 31 December 2015			
	Notes	2015 €'000	2014 as restated €'000
Sales			
Commercial income	4	3,310	3,399
Cost of sales	4	(668)	(716)
Net Sales		2,642	2,683
Expenditure			
Staff costs	5	5,621	5,507
Board members' fees and expenses	6	140	121
Programme expenditure	7	24,065	24,386
Transmission costs		1,629	1,732
Marketing and research	8	1,693	1,689
Overheads	9	1,923	2,067
Depreciation	11	2,345	2,251
Total Expenditure		37,416	37,753
Net operating expenditure for the year		(34,774)	(35,070)
Interest receivable and similar income	10	–	17
Surplus/(deficit) on disposal of fixed assets		–	–
		(34,774)	(35,053)
State funding	13	34,745	34,972
Surplus/(deficit) on ordinary activities before taxation		(29)	(81)
Taxation	14	(2)	(3)
Retained surplus/(deficit) for the financial year		(31)	(84)

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

On behalf of the Board of Teilifís na Gaeilge:



Siún Ní Raghallaigh
Cathaoirleach



Pól Ó Gallchóir
Ardstiúrthóir

9 May 2016

Financial Statements

Teilifís na Gaeilge Statement of Comprehensive Income for the year ended 31 December 2015			
	Notes	2015 €'000	2014 as restated €'000
Retained deficit for the financial year		(31)	(84)
Actuarial gain on pension scheme assets	20	60	3
Total recognised gains/(losses) for the year		29	(81)

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

On behalf of the Board of Teilifís na Gaeilge:



Siún Ní Raghallaigh
Cathaoirleach



Pól Ó Gallchoíir
Ardstiúrthóir


9 May 2016

Financial Statements

Teilifís na Gaeilge					
Statement of Financial Position as at 31 December 2015					
	Notes	2015		2014 as restated	
		€'000	€'000	€'000	€'000
Fixed Assets					
Tangible assets	11		7,117		8,414
Financial assets	23		–		–
			<u>7,117</u>		<u>8,414</u>
Current Assets					
Debtors	15	1,064		1,623	
Cash at bank and in hand	16	53		49	
		<u>1,117</u>		<u>1,672</u>	
Current Liabilities					
Creditors – falling due within 1 year	17	(1,737)		(2,228)	
Net Current Liabilities			<u>(620)</u>		<u>(556)</u>
Net Assets Excluding Pension Asset			<u>6,497</u>		<u>7,858</u>
Pension asset	20		81		42
Net Assets Including Pension Asset			<u><u>6,578</u></u>		<u><u>7,900</u></u>
Capital and Reserves					
Capital grants	12		6,864		8,215
Pension reserves	18		81		42
Revenue reserves	18		(367)		(357)
			<u><u>6,578</u></u>		<u><u>7,900</u></u>

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

On behalf of the Board of Teilifís na Gaeilge:



Siún Ní Raghallaigh
Cathaoirleach



Pól Ó Gallchoíir
Ardstiúrthóir

9 May 2016

Financial Statements

Teilifís na Gaeilge Statement of Changes in Equity for the year ended 31 December 2015			
2014 (restated)	Pension Reserve €'000	Revenue Reserve €'000	Total Equity €'000
Balance at 1 January 2014	45	(279)	(234)
Profit/(loss) for the year	–	(84)	(84)
Actuarial gain/(loss)	–	3	3
Pension reserve	(3)	3	–
Movement in Capital	–	–	–
Balance at 31 December 2014	42	(357)	(315)
Balance at 1 January 2015	42	(357)	(315)
Profit/(loss) for the year	–	(31)	(31)
Actuarial gain/(loss)	60	–	60
Pension reserve	(21)	21	–
Balance at 31 December 2015	81	(367)	(286)

The notes 1 – 28 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

9 May 2016

Financial Statements

Teilifís na Gaeilge			
Statement of Cash Flows for the year ended 31 December 2015			
	Notes	2015 €'000	2014 as restated €'000
Surplus/(deficit) on ordinary activities before taxation		(29)	(81)
Depreciation		2,345	2,251
Amortisation of capital grants		(2,316)	(2,222)
Pension asset adjustment		21	6
Decrease/(increase) in debtors		559	(296)
(Decrease)/increase in creditors		(491)	318
Taxation		(2)	(3)
Interest received		–	(10)
Cash from operations		87	(37)
Interest paid		–	–
Net cash generated from activities		87	(37)
Cash flows from investing activities			
Purchases of property, plant and equipment	11	(1,048)	(1,507)
Proceeds from sale of fixed assets		–	–
State capital grants	12	965	1,533
Net cash flow from investing activities		(83)	26
Cash flows from financing activities			
Bank interest received		–	10
Net cash flow from financing activities		–	10
Net increase/(decrease) in cash and cash equivalents	19	4	(1)

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

On behalf of the Board of Teilifís na Gaeilge:



Siún Ní Raghallaigh
Cathaoirleach



Pól Ó Gallchoíir
Ardstiúrthóir

9 May 2016

Notes to the Financial Statements

Notes	
1.	<p>Accounting Policies</p> <p>The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.</p>
a)	<p>Establishment of Teilifís na Gaeilge</p> <p>Teilifís na Gaeilge is the Irish language broadcaster established under Statute and continues in being under the Broadcasting Act 2009.</p>
b)	<p>Statement of Compliance</p> <p>The financial statements of Teilifís na Gaeilge for the year ended 31 December 2015 have been prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland. These are Teilifís na Gaeilge's first set of financial statements prepared in accordance with FRS 102. The date of transition to FRS 102 is 1 January 2014. The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. The result of this adoption can be seen in Note 3.</p>
c)	<p>Significant accounting judgements and key sources of estimation uncertainty</p> <p>The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenue and expenses during the year. However, the nature of estimation means that the actual outcomes could differ from these estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements:</p> <p>Impairment of Property, Plant and Equipment: Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.</p> <p>Depreciaton and Residual Values: Management have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic lives and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.</p> <p>Pensions: Teilifís na Gaeilge operates a Defined benefit for two of its employees. The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, and mortality rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post retirement plans.</p> <p>Foreign Currency Exposure: Teilifís na Gaeilge enters into contractual arrangements for payments to suppliers in currencies other than the euro. Teilifís na Gaeilge generally accounts for these transactions at currency rates applicable at the payment date. Forward contracts are entered into to hedge against currency fluctuations. Reasons for entering into such contracts are based on best estimates of future exchange rates and professional advice sought.</p>
d)	<p>Income Recognition</p> <p><i>Commercial income</i></p> <p>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.</p>

Notes to the Financial Statements

Notes

e)

Expenditure

Expenditure comprises operational and capital expenditure. Net operating expenditure comprises programming and administration expenditure, net of commercial revenue. Programming expenditure is charged to the Income and Expenditure Account as incurred.

f)

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, as well as grants received from time to time for specific projects from the Broadcasting Authority of Ireland under their Sound and Vision Programme. The grants are recognised in the Income and Expenditure Account in the year in which the grant is received or receivable. Capital expenditure is funded by the Department of Communications, Energy and Natural Resources by way of capital grants, as well as grants received from time to time for specific projects from the Broadcasting Authority of Ireland under their Sound and Vision Programme. These grants are amortised on the same basis as the related assets are depreciated.

g)

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	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.

h)

Financial assets — investment in Multiplex Broadcasting Services Northern Ireland Limited

Teilifís na Gaeilge accounts for its investment in Multiplex Broadcasting Services Northern Ireland Limited 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's financial statements do not reflect any revenues or costs in respect of the joint venture.

i)

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 Statement of Financial Position 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 Statement of Financial Position 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 Statement of Financial Position date. Deferred tax is not discounted.

j)

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 Statement of Financial Position date and resulting gains or losses are included in the Income and Expenditure Account for the year.

Notes to the Financial Statements

Notes

k)

Pensions

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

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

Defined Benefit Scheme: Teilifís na Gaeilge operates a defined benefit scheme in respect of two of its officers, the Director General and the Deputy Chief Executive. The scheme is funded by contributions from Teilifís na Gaeilge and the officers concerned, and these are transferred to a separate trustee administered fund. The pension charge in the Income and Expenditure Account comprises the current service cost plus the difference between the expected return on scheme assets and the interest cost of the scheme liabilities.

Actuarial gains and losses arising from changes in actuarial assumptions and from experienced surpluses and deficits are recognised in the Statement of Comprehensive Income 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 Statement of Financial Position as a liability or asset as the case may be. The pension reserve represents the funding surplus on the defined benefit scheme.

Notes to the Financial Statements

Notes

2. Principal Activity

Teilifís na Gaeilge's principal activity is the operation of the Irish language television channel TG4.

3. Transition to FRS 102

Reconciliation of Capital and Reserves

	Note	As at 1 January 2014			
		Pension Reserve €'000	Revenue Reserve €'000	Capital €'000	Total €'000
Capital and Reserves as previously stated					
1 January 2014					
Holiday pay accrual	3(a)	45	(160)	8,904	8,789
Capital and Reserves (as restated) 1 January 2014		–	(119)		(119)
		45	(279)	8,904	8,670

	Note	As at 31 December 2014			
		Pension Reserve €'000	Revenue Reserve €'000	Capital €'000	Total €'000
Capital and Reserves as previously stated					
31 December 2014					
Holiday pay accrual	3(a)	42	(194)	8,215	8,063
Capital and Reserves (as restated) 31 December 2014		–	(163)		(163)
		42	(357)	8,215	7,900

Reconciliation of Surplus/(Deficit) for the Year

	Note	Year ended 31 December 2014 €'000
Deficit for the year (as previously stated)		(47)
Holiday pay accrual	3(a)	(44)
Defined Benefit pension scheme	3(b)	7
Deficit for the year (restated)		(84)

Reconciliation of Comprehensive Income for the Year

	Note	Year ended 31 December 2014 €'000
Deficit for the year (as previously stated)		(47)
Adjustments to deficit	3(a)(b)	(37)
Actuarial gain as previously stated		10
Defined Benefit pension scheme	3(b)	(7)
Other Comprehensive Income for the year (restated)		(81)

Adjusting Items

(a) Holiday pay accrual

Adjusting Items

TG4 had previously not accrued for holiday pay earned by employees but not availed of at the reporting date. Under FRS 102 the financial statements must recognise such accruals. The impact of this change is an increase in accruals of €119,000 at transition date (1/1/2014) and €163,000 at 31 December 2014.

The deficit for the year is increased by €119,000 in the year ended 31 December 2013 and €44,000 in the year ended 2014

(b) Defined benefit pension scheme

Under previous Irish GAAP TG4 recognised an expected return on defined benefit plan assets in the Income and Expenditure Account. Under FRS 102 a net interest expense is recognised in the Statement of Income and Expenditure. There has been no change to the defined pension asset at either 1 January 2014 or 31 December 2014. The effect of the change is to increase the deficit for the year by €7,000 and increase the credit to the Statement of Comprehensive Income by an equivalent amount.

Notes to the Financial Statements

Notes			
4.	Net Sales		
	Commercial Income	2015	2014
		€'000	€'000
	Airtime and sponsorship sales	1,893	1,964
	Facilities charge-out	579	581
	Sundry income	838	854
		3,310	3,399
	Cost of Sales		
	Commission on advertising and sponsorship sales	379	388
	Direct costs	289	328
		668	716
	Net Sales	2,642	2,683
5.	Staff Costs		
	The average number of employees employed by Teilifís na Gaeilge during the year was 80 (2014: 83). Employee costs during the year comprised:		
		2015	2014
		€'000	as restated €'000
	Wages and salaries	4,612	4,542
	Social welfare costs	513	502
	Pension costs	553	524
	Travel and subsistence	136	105
	Training	55	39
	Other staff costs	49	36
		5,918	5,748
	Staff costs capitalised	(180)	(241)
	Staff costs allocated to archive project (included in dubbing and other costs - note 7)	(117)	–
	Total staff costs	5,621	5,507
	Other staff costs include a charge of €26,250 (2014: €24,750) in respect of payments to staff arising from a Labour Relations Commission ruling.		
	Circular 13/2014 issued by the Department of Public Expenditure and Reform requires disclosure of the number of employees whose total employee benefits (excluding employer pension costs) for the reporting period fell within each band of €10,000, from €60,000 upwards and an overall figure for total employer pension contributions. Because of the commercial sensitivity of this information, clarification has been sought from the Department of Public Expenditure and Reform in relation to the requirement for TG4 to make disclosure in the accounts.		
	Pending receipt of this clarification, the Board of TG4, with the consent of the Department of Communications, Energy and Natural Resources, is not complying with this requirement. Salary band information is provided to the Department of Communications, Energy and Natural Resources in the Chairman's annual statement to the Minister.		
	Emoluments of Director General		
	Basic salary	175	175
	Employer's pension contributions	64	64
	Other benefits	4	3
		243	242

The Director General's contract of employment for the period 2010-2014 expired on 31 March 2014. Negotiations are ongoing between the Board, the Department of Communications, Energy and Natural Resources and the Director General in relation to his tenure.

Notes to the Financial Statements

Notes					
6.	Board Costs	2015 €'000	2014 €'000		
	Fees (note 21)	114	110		
	Travel and subsistence and other expenses	26	11		
		140	121		
	Board members are reimbursed for travel and subsistence costs. The tax payable by Teilifís na Gaeilge in relation to such expenses amounted to €8,000.				
7.	Programme Expenses	2015 €'000	2014 €'000		
	Commissioned programmes	18,699	18,846		
	Acquired programmes	2,681	2,725		
	Dubbing and other costs	2,685	2,815		
		24,065	24,386		
8.	Marketing and Research	2015 €'000	2014 €'000		
	Advertising and marketing	1,564	1,550		
	Audience measurement and research	125	135		
	Audience Council expenses	4	4		
		1,693	1,689		
9.	Overheads	2015 €'000	2014 €'000		
	Premises and equipment expenses	653	672		
	Professional and financial expenses	235	308		
	Industry levies paid	551	564		
	General and office expenses	484	523		
		1,923	2,067		
10.	Interest Received	2015 €'000	2014 €'000		
	Interest received on bank deposit accounts (gross)	–	17		
11.	Tangible Fixed Assets				
		Land & Buildings €'000	Equipment €'000	Fixtures and fittings €'000	Total €'000
	Cost				
	At 1 January 2015	7,717	22,617	654	30,988
	Additions	3	1,029	16	1,048
	At 31 December 2015	7,720	23,646	670	32,036
	Accumulated Depreciation				
	At 1 January 2015	2,991	18,981	602	22,574
	Charge for the year	192	2,137	16	2,345
	At 31 December 2015	3,183	21,118	618	24,919
	Net Book Value				
	At December 2015	4,537	2,528	52	7,117
	At December 2014	4,726	3,636	52	8,414

Notes to the Financial Statements

Notes		2015 €'000	2014 €'000
12.	Capital Grants		
	Capital grants – received and receivable		
	Opening balance	19,646	18,113
	Grants received during the year (Note 13)	965	1,533
	Closing balance	20,611	19,646
	Amortisation		
	Opening balance	11,431	9,209
	Amortised during the year	2,316	2,222
	Closing balance	13,747	11,431
	Net book value – capital grants	6,864	8,215
	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.		
13.	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	2015 €'000	2014 €'000
	Grant received in the year	32,429	32,750
	Capital grant amortised (Note 12)	2,316	2,222
		34,745	34,972
	The total allocation for 2015 was €33.394m comprising of:	2015 €'000	2014 €'000
	Grants received and receivable for current expenditure from DCENR (Vote 29 – Subhead B5)	32,240	32,750
	Grants received and receivable for current expenditure from BAI Sound & Vision Fund	189	–
	Grants applied for capital purposes from DCENR (Vote 29 – Subhead B5)	920	1,533
	Grants applied for capital purposes from BAI Sound & Vision Fund	45	–
	Total received	33,394	34,283
14.	Tax on Profit on Ordinary Activities	2015 €'000	2014 €'000
(a)	<i>Analysis of tax charge in year</i>		
	Corporation tax charge for year	2	3
	Charge in respect of previous years	–	–
		2	3
(b)	<i>Factors affecting the tax charge for the year</i>	2015 €'000	2014 €'000
	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:		
	Profit/(Loss) on ordinary activities before taxation	(29)	(44)
	Profit/(Loss) on ordinary activities multiplied by the standard rate of corporation tax in Ireland of 12.5% (2014: 12.5%)	(4)	(6)
	Effects of:		
	Income taxable at a higher rate of taxation	8	10
	Excess of capital grants amortised and capital allowances over depreciation	(2)	(1)
	Non-deductible expenditure	–	–
		2	3

Notes to the Financial Statements

Notes		2015	2014
		€'000	€'000
15.	Debtors		
	Trade debtors	752	1,146
	VAT repayable	100	292
	Corporation tax repayable	–	4
	Prepayments and accrued income	212	181
		1,064	1,623
	All balances are deemed recoverable within one year.		
16.	Cash at Bank and in Hand	2015 €'000	2014 €'000
	Cash in hand	1	2
	Bank accounts	52	47
		53	49
17.	Creditors – falling due within 1 year	2015 €'000	2014 as restated €'000
	Trade creditors	221	649
	Accruals and deferred income	1,441	1,509
	Pension contributions creditor	73	70
	Corporation tax payable	2	–
		1,737	2,228
18.	Reserves (as restated)	Pension Reserve €'000	Revenue Reserve €'000
	Balance at 1 January 2014	45	(279)
	Retained deficit for the year	–	(84)
	Actuarial (loss)/gain	3	–
	Pension reserve adjustment	(6)	6
	Balance at 31 December 2014	42	(357)
	Balance at 1 January 2015	42	(357)
	Retained deficit for the year	–	(31)
	Actuarial (loss)/gain	60	–
	Pension reserve adjustment	(21)	21
	Closing balance as at 31 December 2015	81	(367)
19.	Analysis of Changes in Net Funds	Opening balance €'000	Cash flows €'000
	Cash at bank and in hand	2	(1)
	Short term deposits	47	5
		49	4
			53

Notes to the Financial Statements

Notes 20.			
	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.		
		2015	2014
		€'000	€'000
	The following pension costs were incurred in the year:		
	Defined contribution scheme	426	413
	Defined benefit scheme cost (Note 20 (g))	127	111
		553	524
	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 2015. 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.		
b)	Financial assumptions		
	The principal actuarial assumptions used by the actuary as at 31 December 2015 were as follows:		
	Discount rate	2015	2014
		2.10%	1.80%
	Increase in consumer price indexing	2.25%	2.25%
	Increase in pensionable earnings	3.75%	3.75%
	Increase in pension payment	3.75%	3.75%
	The overall expected return of the scheme's assets has been derived as the weighted average of the expected return on the categories of assets held by the scheme at the opening Statement of Financial Position date.		
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 below shows the life expectancy for members attaining age 60 in 2015 and 2014.		
		2015	2014
	Life expectancy – male	86.7	86.6
	Life expectancy – female	88.4	88.3

Notes to the Financial Statements

Notes		2015 €'000	2014 €'000
d)	Change in benefit obligation		
	Present value of scheme obligations at the beginning of the year	1,130	783
	Current service cost	145	131
	Interest cost	23	29
	Actuarial (gain)/loss	(68)	187
	Present value of scheme obligations at the end of the year	1,230	1,130
e)	Change in scheme assets		
	Fair value of scheme assets at the beginning of the year	1,172	828
	Expected return on scheme assets	22	30
	Actuarial gain/(loss)	(8)	190
	Employer contributions	106	105
	Member's contributions	19	19
	Fair value of scheme assets at the end of the year	1,311	1,172
f)	Amounts recognised in the Statement of Financial Position		
	Present value of funded obligations	(1,230)	(1,130)
	Fair value of scheme assets	1,311	1,172
	Net asset	81	42
g)	Pension costs		
	Current service cost	145	124
	Interest cost	23	29
	Expected return on scheme assets	(22)	(23)
	Member's contributions	(19)	(19)
	Total	127	111
h)	The net actuarial gain recognised in the Statement of Comprehensive Income for the year ended 31 December 2015 amounted to €60,000 (2014: €3,000)		
i)	Contributions The company expects to contribute €108,000 to its pension scheme in 2016.		

Notes to the Financial Statements

Notes 21.

Directors and Secretary and their Interests'

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

Director/Secretary	2015 €'000	2014 €'000
Pól Ó Gallchóir (Director General)	–	–
Seosamh Ó Conghaile	12.6	12.6
Rónán Ó Coisdealbha	0.6	12.6
Concubhar Ó Liatháin	9.4	12.6
Siún Ní Raghallaigh (Chairman)	21.6	21.6
Andréa Ní Éalaithe	12.6	12.6
Des Geraghty	12.6	12.6
Mairéad Ní Cheóinín	12.6	12.6
Micheál Seoighe	12.6	12.6
Mairéad Nic Suibhne	–	–
Michelle Ní Chróinín	–	–
Diarmuid Ó Ruiséal	10.5	–
Bríd Ní Fhachtna	5.7	–
Frank Reidy	3.3	–
Pádhraic Ó Ciardha (Secretary to the Board)	–	–
Mary Uí Chadhain (Company Secretary)	–	–
	114.1	109.8

Board members' expenses in 2015 were €26,000 (2014: €11,000), of which: domestic travel accounted for €17,000 (2014: €7,000), subsistence €6,000 (2014: €2,000) and other expenses (including secretarial, entertainment and training) €3,000 (2014: €2,000) The Board adopted procedures in accordance with the requirements of the Broadcasting Act 2009 in relation to the disclosure of interests by Board members and these procedures have been adhered to in the year.

22. Premises

Teilifís na Gaeilge operates from premises located in Baile na hAbhann, Co na Gaillimhe. Teilifís na Gaeilge owns the freehold to the premises and also rents offices in Dublin under licence for a term of three years commencing on the 24th November 2013 at an annual rental charge of €23.5k.

23. 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			
24.	Programme/Rights Purchase Commitments Teilifis na Gaeilge has programme/rights commitments as follows:	2015	2014
		€'000	€'000
	Contracted for but not provided for at the year end.	18,541	25,203
25.	Commitments Teilifis na Gaeilge has capital commitments as follows:	2015	2014
		€'000	€'000
	Contracted for but not provided for at the year end.	148	167
26.	RTÉ Transactions Teilifis na Gaeilge received 365 hours (2014: 365 hours) of Irish language programming free of charge from RTÉ in the year ended 31 December 2015.		
27.	Foreign Currency Exposure Foreign currency exposures arise primarily from payments for acquired programmes. Teilifis na Gaeilge hedges its foreign currency exposures by entering into US Dollar forward contracts when it deems it appropriate. The total value of such contracts in 2015 was \$800,000 (2014: \$0). There were no contracts outstanding at the year end (2014: \$0).		
28.	Approval of the Financial Statements The Board of Directors approved the financial statements on the 9 May 2016.		

