

Annual Report 2016

TG4



Annual Report 2016

Mission, Vision and Core Values	3
TG4's Commitments for 2016	5
Key TG4 Performance Highlights of 2016	9
The Board of Teilifís na Gaeilge and Other Information	19
Chairman's Report	20
Director General's Report	23
Corporate Governance	27
Finance Review 2016	28
Financial Statements	29-48



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 scored a surprise triumph with An Klondike, a cod western set among Irish emigrants during the 1890s Alaskan gold rush, which was so well realised it leapt free of pastiche.'

Liam Fay,
Sunday Times
3/1/16



Máire agus Peadar, Ros na Rún, léirithe ag Léiriúcháin RnaR Teo



TG4's Commitments for 2016

For 2016, TG4 presented 17 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

1. Strengthen TG4's reach with all audiences through our broadcast, Player, web and mobile services.
2. Continue to focus on attracting greater levels of younger audiences to TG4 with high quality, entertaining Irish language content and services.
3. Maintain the level of sub-titling on TG4, to ensure accessibility for audiences with physical, sensory or intellectual disabilities.

(ii) Content – high quality and distinctive

4. Continue to develop TG4's Irish language broadcast schedule to entertain and draw strong audience levels.
5. Deliver unique commemorative Irish language 1916 content to mark one of Ireland's most significant historical events, along with special programmes to celebrate 20 years of TG4 and comprehensive coverage of the General Election in 2016.
6. Further develop TG4's Player, online and mobile services to best meet changing audience needs.
7. Drive further innovation and creativity in TG4's content and services.
8. Continue the project to establish TG4's Digital Archive which will comprise the most extensive and significant bodies of digital Irish language audiovisual material ever created.

“Just love TG4 – well done, you give us so much pleasure with your wonderful programmes – no other tv channel will ever compare! Just watched that lovely programme on the Blasket Islands, fabulous!”

Email from Mayo viewer
11/1/16



Fís na Fúiseoige léirithe ag Counterpoint Films

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

9. Extend TG4's High Definition and Player services to other platforms subject to satisfactory commercial arrangements.
10. Deliver the first step in the creation of a "Learning

Irish Resource" to support the development of Irish linguistic skills for children, young and adult learners.

11. Continue to have a positive influence on the awareness and development of the Irish language and culture, reaching out to all those with an interest in these, both in Ireland and abroad.



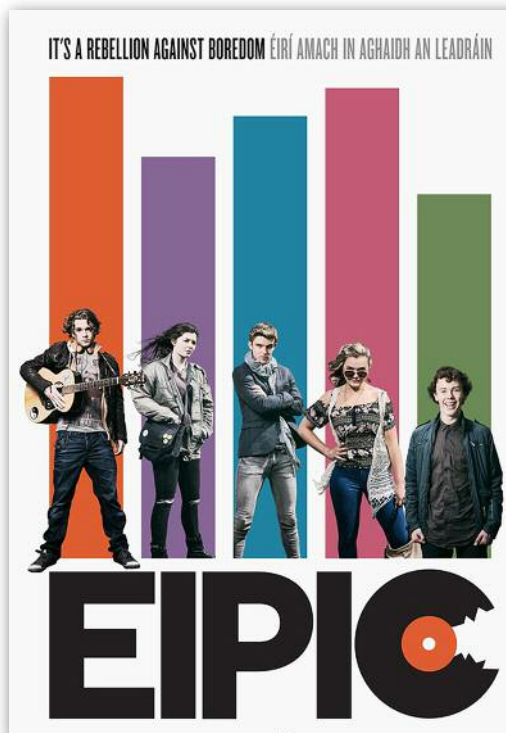
12. Maintain our support for the implementation of the Government's 20 Year Strategy for the Irish Language (2010-2030).
13. Sustain TG4's investment in the Irish language independent production sector both North and South, making a strong contribution to jobs and earnings in the Irish economy.

(iv) Transparency and efficiency

14. Continued efficiency and value-for-money, making the best use of our public funding.
15. Strive to maintain TG4's commercial revenues despite increased competition and less public funding.

(v) Trust and Good Governance

16. Maintain best-practice governance and reporting systems.
17. Deliver our public service and statutory requirements, complying with all relevant broadcasting codes and regulations and exceeding minimum standards wherever possible.



Eipic Léirithe ag Magamedia

“Where would we be without TG4”

Vinnie Brown,
Arts Show, Galway Bay FM
10/3/16

“Highly Entertaining”

Anton Savage,
Today FM
(in an interview with Peter
Coonan and Ruán Magan
(21/4/16) TX 23/4/16
Wrecking the Rising

“TG4 is probably the single most popular aspect of the Irish language in this country.”

Tuam Herald,
25/5/16



Hup! Martin Hayes agus Dennis Cahill, léirithe ag Red Shoe Productions



Key TG4 performance highlights of 2016

Performance against Targets

TG4 performed well in 2016. 14 of its 17 commitments for 2016 were fully achieved, 2 were almost fully achieved and 1 was substantially achieved. In addition, 4 of TG4's directly measurable audience and financial commitments exceeded target performance which was a positive result given the continued challenging operating environment.

i. Audiences: Impact and Reach

Broadcast Audiences:

- Ireland has a highly competitive television market with more than 50 national and international channels taking advertising revenues. Competition also exists from On Demand and online services. Over the past few years, TG4's reach and share with the national television audience, along with that of other Irish broadcasters, have been impacted by this competition. 2016 was the first year since 2009 that TG4's audience reach has stabilised and audience

share has increased and TG4 aims to build on this performance in the years ahead.

- Average weekly reach with Irish language audiences was 92% in 2016, exceeding target by 2.2%.
 - Average daily reach of 11% with all national television audiences was maintained – c.450k viewers tuning in daily.
 - Nielsen (TAM) data shows TG4 had a 35% average weekly reach.
 - Audience share increased from 1.7% in 2015 to 1.8% in 2016, an increase of almost 6%, exceeding target by c.6%.
- It is worth noting that 9 of the top 20 channels in Ireland had less than 1% audience share in 2016.
- TG4's highest share on any one day increased by 43% — from 7% to 10% in 2016.
 - This data excludes audiences on digital platforms, some deferred viewing, share in the North and in pubs/clubs in ROI.

“Tugann an spás a chruthaíonn TG4 tacaíocht dóibh siúd atá ag déanamh a ndícheall an teanga a úsáid agus a neartú, lá i ndiaidh lae. Chomh maith leis sin, tá TG4 mealltach dóibh siúd atá ar bheagán Gaeilge, atá as cleachtadh agus dóibh siúd ar iarr mé orthu ag an am an tarna seans a thabhairt don teanga.”

Uachtarán na hÉireann,
Micheál D. Ó hUiginn,
31/10/16



Peil na mBan urraithe ag TG4

“TG4XX Beo was a celebration of 20 years of TG4 on air and all it has achieved keeping the flame of Irish culture alight and allowing it to shine brighter and further afield.”

Galway independent,
2/11/16



Deoch an Dorais léirithe ag Magamedia



Láithreoirí TG4XX

- TG4 maintained 7th position in the most watched channels in Ireland in 2016, a strong performance given the number of channels available.
- Player hours watched (reflecting deferred viewing) increased by over 38% to 462k in 2016, exceeding target by almost 22%.
- Ofcom data reports that 7% of TV audiences in Northern Ireland view TG4 on a weekly basis¹. This was a decline on 2015 performance however, the BAI B&A Audience Tracking survey showed a 13% weekly reach for TG4 in NI. TG4 believes there are issues with the consistency of data and aims to work with Ofcom to establish a more robust measure of TG4's reach with TV audiences in NI.

Non-linear Content Audiences:

- Use of TG4's non-linear content increased significantly in 2016, exceeding targets:
 - Unique visitors to the website increased by 13% to 1.78m.
 - Page impressions increased by almost 54% to 15m in 2016.
 - TG4's website remained ranked at number 1 in terms of world rankings² of Irish language websites.
 - Player streams increased by c.37% to 2.08m in 2016.
 - App downloads continued to grow in 2016 with 154,000 downloads, a 36% increase.

¹Ofcom's Communications Market Report: Northern Ireland, August 2016.

²Alexa world rankings.

- As part of its new audience-focused strategy, TG4 is delivering a new strategy for non-linear content and social media to drive audience growth (national and international) even further.

ii. High Quality & Distinctive Content

- TG4's broadcast schedule was strengthened by a number of high quality, entertaining Irish language programmes. The special programme grant of

€900,000 enabled TG4 to commission strong 1916 commemorative programming which increased ratings. E.g. *Laochra* had a 49% reach with Irish language audiences. 250,000 people watched *Wrecking the Rising/Éiri Amach Amú* and it achieved a 36% reach with Irish language audiences. *Requiem 1916 Marbhna* had a 29% reach with Irish language audiences. These are solid results and show how this special funding positively affected audience levels.

"It's just the sort of inventive series RTÉ should be making – except RTÉ didn't make it. TG4 did."

Pat Stacey,
The Herald, 18/2/16



Bás nó Saoirse léirithe ag Tile Films



Eoghan Mac Néill léiríthe ag Doubleband Films



An Aimsir Láithreach le Caitlín

Caitlín Eile léiríthe ag TG4 agus ICAN

- TG4's sports coverage, including GAA and rugby, secured strong audience engagement throughout 2016. E.g. 943,000 people watched TG4 during the Allianz League Finals. The *Laochra 1916* celebratory concert which was broadcast from Croke Park immediately after the League Final also performed well with audiences (over 300,000) and TG4 had an audience share of 10% on the day. This was TG4's highest ever daily audience share since the station was established in 1996. The Guinness PRO 12 rugby tournament attracted strong audience viewership as did the Under 20 World Rugby Championship.
- In 2016, a number of quality dramas were produced and broadcast on TG4 during the year such as *EIPIC*, *Éirí Amach Amú*, *Fir Bolg* etc. and TG4 continued the broadcast of its Irish language flagship soap, the 21st series of *Ros na Rún* with 60% of Irish language audiences watching it on a weekly basis. Music and entertainment programmes also performed well for



I mBéal na Stoirme léirithe ag Scannán Lugh

TG4 with 670,000 people watching *Fleadh TV* (live coverage of *Fleadh Cheoil*). It achieved a 71% reach with core Irish language audiences. TG4's 20th birthday celebrations (TG4XX Beo) secured a 74% reach with Irish language audiences.

- Coverage of news and current affairs continued to perform strongly with TG4's Irish language audience. NuachtTG4 secured an average weekly reach of 80% during 2016 and 60% watched TG4's coverage of the General Election.
- Reflecting creativity and innovation, TG4 was awarded 84 awards and nominations during 2016 of which 69 were for TG4's programme and content (11 were for presenters and 4 were for marketing). Key awards and nominations included Irish Film & Television Academy (IFTA) Best Drama and Best Script awards for *An Klondike* (it secured 13 awards and nominations in 2016), a Circom Regional Best Documentary award for *I mBéal na Stoirme*, a Gradaim Chumarsáide an OireachtaisTV series of the year award for *1916: Seachtar Dearmadta* and a Spirit of the Festival Award at the Celtic Media Festival for *Cuimhní ón mBlascaod*, among many others. TG4's Snapchat account was awarded "Best Use of Snapchat In Ireland" at the 2016 Sockie Awards.
- In 2016, TG4 broadcast 5,111 Irish language hours (58.3% of total broadcast hours) — a 1.8% increase on 2015.

iii. Promotion & Development of the Irish Language & Culture

In addition to providing an Irish language broadcast and content service, TG4 delivered a wide range of other activities in 2016 to support the promotion and development of the Irish language and culture:



Fleadh TV léirithe ag Paul McKay Productions T/A Gifted Empire

"From live sports programming to watching *Spongebob* as *Gaeilge*, there has been a huge variety of programming on the station as it has looked to send the message that Irish is a living language."

Adrian Collins,
Newstalk.com, 31/10/16

"It's worth noting that *Wrecking the Rising* and *Eipic* were broadcast by TG4, which has been consistently flying the flag for quality Irish Drama at a time when RTÉ seems to have forgotten where the flag is even kept."

Pat Stacey,
The Herald, 30/6/16

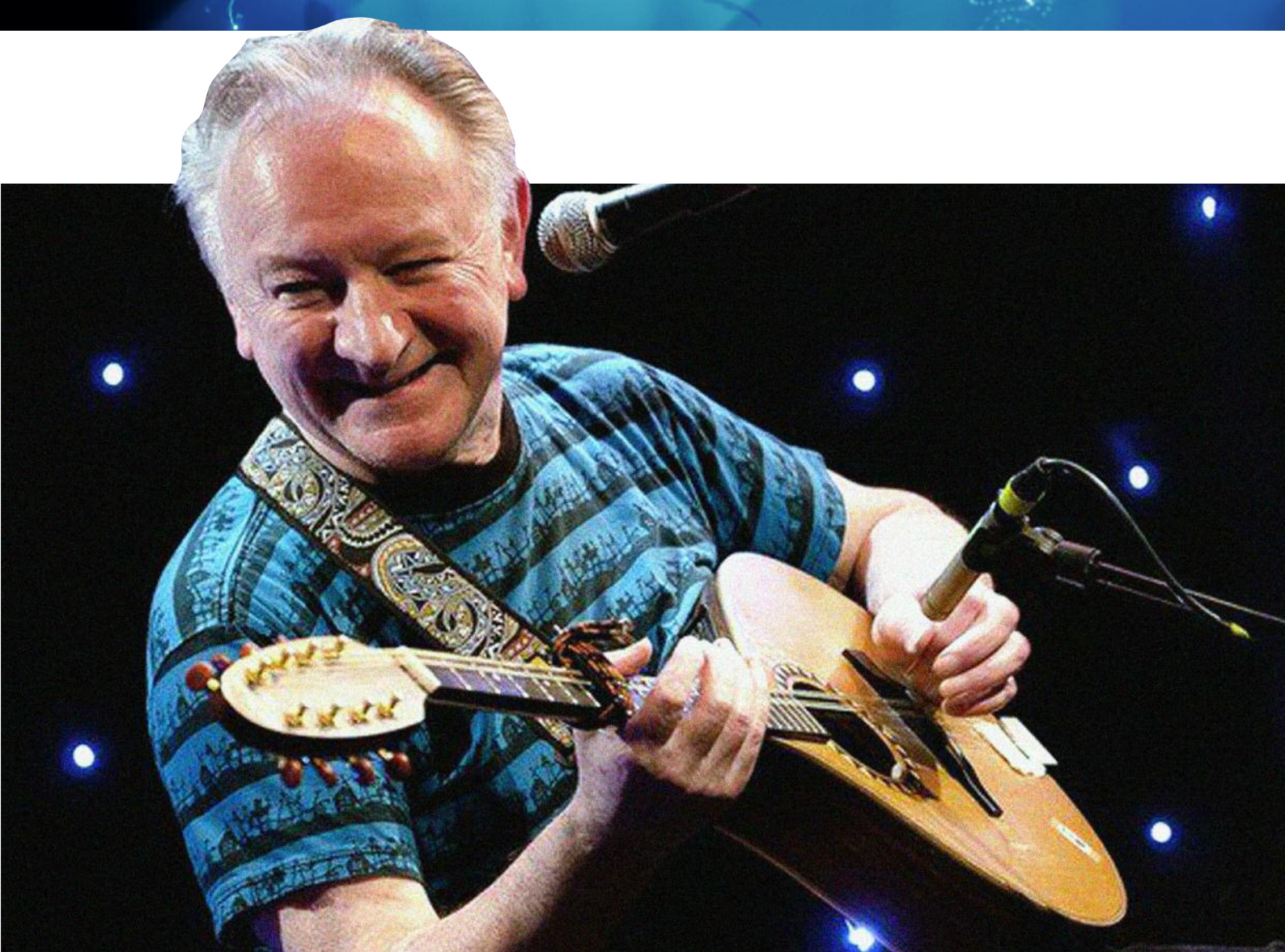


Wrecking The Rising Léirithe ag Tíle Films

- **Supporting the development of the Irish Language Independent Production Sector:** most of TG4's Irish language programmes are commissioned from Irish independent production companies and TG4 spent €22.5m in 2016 with the sector — c.90% of its programme budget. Expenditure with the sector increased 5.5% and the number of hours from the sector increased 4.6%. TG4 also helps to raise finance for the sector through helping it to secure BAI Sound & Vision and Irish Language Broadcast Fund (ILBF) funding. In 2016, TG4 productions obtained €3.3m from these funds and 24 projects were supported. TG4 also supported the development of talent and skills in the sector through training and mentoring.
- **Irish Language Learning Resource:** TG4 delivered an important Irish language resource in 2016. In association with NUIG, an educational portal, *Foghlaim.ie*, was developed. This is aimed at Leaving Cert Students studying for oral Irish exams. The website includes weekly content from the archive, customised lesson plans, newly created video representations of the prescribed poems and profiles of the poets and has been live since October 2016.
- **Irish Language Digital Archive:** TG4 is establishing an Irish language Digital Archive which will see the

main body of its video archive content being digitised, indexed and catalogued. In addition to preservation of this important body of content, it will enable TG4 to provide external users online access to some of the content. To date, 1,500 hours of Music & Documentary and 1,100 hours of News & Current Affairs material have been digitised, preserved and uploaded to the Archive. In 2016, TG4 developed an App to provide access to certain archive content for educational purposes. The App will be launched in mid-2017.

- **Promotion and development of the Irish language with children & young people:** TG4 has a strong children's service which ensures that Irish language content is accessible and fun. In 2016, TG4 launched a Cúla4 player App which gives access to over 200 kids programmes at any time. The Cúla4 YouTube channel was also launched.
- **TG4's influence on the Irish language & culture:** in 2016, the Irish language online newspaper, *Tuairisc.ie* undertook a survey on TG4 which was carried out by Kantar Millward Brown. The survey comprised 1,024 adults aged 15+ and found that 73% of survey respondents believe that TG4 is an important part of Irish life and 69% believe that the investment in TG4 is money well spent.



Dónal Lunny Gradam Saoil Gradam Ceoil TG4 léirithe ag TG4

iv. Transparency and efficiency

- TG4 is committed to investing the highest possible share of its public funding in Irish language content. For 2016, TG4 targeted a 70% share. In 2016, 75% of public funding was spent on Irish language programming and

content with the remaining 25% spent on its broadcast and related activities.

- Staff costs fell by 4.2% in 2016. Staff costs, excluding production staff costs, only represented 10.3% of TG4's total operating expenditure. Overheads accounted for



Am agus Áit GAA léirithe ag TG4



Peil na mBan urraithe ag TG4

just less than 6% of operating expenditure. This is very low in terms of the management and administration of TG4.

- TG4's cost-per-viewer hour fell 2% in 2016 (excluding the audience associated with RTÉ 365 hours) which was a good result for the year. This was due to the reduction in costs and the increase in audience share.

Economic Benefits

- The direct, indirect and induced contribution to

national earnings of TG4 was €61.6m in 2016 with an associated employment impact of 754³ jobs. This reflects 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 almost €2 to the economy of Ireland in 2016. TG4 therefore has important financial, employment and creative benefits for the Irish economy overall.



Is Eolaí Mé léirithe ag Meangadh Fíbín

³ Based on an analysis of TG4's 2016 annual expenditure (operating and capital including programme funding) in Ireland

v. Trust and Good Governance

TG4's 2016 governance performance was strong, in keeping with prior years:

- TG4 maintained best practice governance and reporting systems.
- Three internal audits were carried out on Purchase to pay cycle including procurement, Review of IT and Information Security.
- An in-depth risk management review was undertaken with the risk report presented to the Board in December 2016.
- All reporting requirements were fulfilled in 2016 including a Statement of Commitments, review of TG4's Performance in 2015 and an Annual Report on 2015.
- TG4 planned for the adoption and implementation of



the revised code of practice for the Governance of State bodies.

- TG4 adhered to all Broadcasting Codes and Guidelines and no sanction was issued by the Regulator to TG4 in 2016 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 2016.

"The station has always possessed a certain dynamism."

Kirsty Blake Knox
Irish Independent
1/11/16

"One of the channel's biggest successes over the past two decades has been its sports coverage."

Paul Fennessy,
The42.ie,
1/11/16

"Congratulations on showing the Irish U20 games and your amazing support for Irish Rugby (Pro 12)."

Owen Flynn,
TG4 viewer
16/6/16



Colm Mac Con Iomaire TG4XX Ceiliúradh Breithlá TG4



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 — Concubhar Ó Liatháin and Rónán Ó Coisdealbha — 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 2016.

Board Members and Director General at 31st December 2016



Siún Ní Raghallaigh
(Chairman)



Alan Esslemont
(Director General)



Seosamh
Ó Conghaile



Andréa
Ní Éalaithe



Des
Geraghty



Mairéad
Ní Cheóinín



Micheál
Seoighe



Michelle
Ní Chróinín



Diarmuid
Ó Ruiséal



Bríd
Ní Fhachtna



Frank
Reidy

Company Secretary and Registered Office

Mary Uí Chadhain
TG4
Baile na hAbhann
Co. na Gaillimhe

Secretary to the Board

Pádraic Ó Ciardha

Sub-Committees of the Board

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

Audit Committee

Des Geraghty (Chairman)
Micheál Seoighe
Michelle Ní Chróinín

During the 12 months to 31st December 2016, the Audit Committee met on 4 occasions after which they reported to the Board. The Internal Audit function reports directly to the Audit Committee.

Remuneration Committee

Siún Ní Raghallaigh (Chairman)
Andréa Ní Éalaithe
Mairéad Nic Suibhne (cessation date 09/05/2016)

The Remuneration Committee met once in the year to 31st December 2016.

Auditor

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

2016 was a year of both celebration and transition for TG4. The station celebrated its 20th birthday as Ireland's national Irish language public service broadcaster and now firmly occupies a central place in the broadcasting and creative landscape in Ireland.

TG4 has also transitioned to new leadership with, in the last quarter of 2016, a new Ardstiúrthóir appointed to continue the development of TG4 in these challenging times.

One of the challenges facing TG4 is growing audience reach and engagement both at home and abroad and this is a priority for us. Ireland has an exceptionally competitive broadcast and content market and over the past few years, while reach and share with the core Irish language audience have remained strong, reach and share with the wider national television audience have declined. This is in line with the experience of almost all broadcasters both in Ireland and internationally. However, we are pleased to report that in 2016, TG4's audience reach stabilised and audience share increased. It is important that these results be maintained and developed further in the years ahead.

Use of TG4's non-linear content also increased substantially over the year, affirming the changes taking place in viewer habits and media usage, in particular among the younger segments of the population. It is important for TG4 to continue to be at the centre of these changes by using digital platforms to extend the range and availability of its content and to engage more intensely with the younger generations.

A key objective of TG4 is to celebrate and normalise the Irish language at all age levels. With almost 1.5m people tuning into TG4 on a weekly basis, it continues to deliver on this goal and to play a pivotal role in the development of a bilingual society in Ireland.

Use of Public Funding

TG4 is committed to ensuring that it makes the best use of public funding and that the cost of TG4's overheads remains as low as possible. This includes investing the highest possible share of its public funding in Irish content. In 2016, we are very pleased to report that 75% of public funding was spent on Irish language programming and content with the remaining 25% spent on its broadcast and related activities.

TG4 continued to demonstrate efficiency throughout 2016. Staff costs, excluding production staff costs, represented only 10.3% of TG4's total operating

expenditure and overheads accounted for just less than 6%. This is very low in terms of the management and administration of the organisation. TG4's cost-per-viewer hour fell in 2016, by 2%, due to the reduction in costs and the increase in audience share.

Commemorative Year

2016 was a commemorative year for Ireland as we all celebrated the centenary of the 1916 Easter Rising and the Proclamation of Independence. TG4's broadcast schedule reflected this important year. We are thankful for the additional special programme grant of €900,000 for Irish language 1916 programming. This allowed TG4 to commission special commemorative programmes which not only entertained and educated our audiences, but which also resulted in increased audience ratings for TG4. Our main celebratory event, the *Laochra 1916* concert was broadcast from Croke Park immediately





after the Allianz League Finals and TG4 had an audience share of 10% on the day. This was a wonderful result for TG4 and was the highest ever daily audience share since TG4 was established in 1996.

Independent Producers

As a publisher broadcaster, TG4 invests in Irish content produced by the independent production sector. Every year, about 90% of TG4's programme budget is spent with the sector here in Ireland. This is a sustained investment in Irish creative talent which supports highly-skilled jobs, encourages technological innovation and develops the creative sectors in communities far-removed from the main urban areas. In the years ahead, in addition to continued investment in content and services from the sector, TG4's objective is to introduce new measures to foster more development, and support internationalisation of the sector.

The Year Ahead

Looking ahead to 2017, TG4 looks forward to working with the Broadcasting Authority of Ireland (BAI) on its five year review of the adequacy of public funding for public service broadcasters. In support of this review, TG4 is developing a new five-year Statement of Strategy for the period 2018-2022.

In doing so, we must be mindful of the uncertainty in Ireland's economic outlook. While the Irish economy performed strongly in 2016, there are significant risks to its economic outlook including Brexit, the US, EU growth and growing wage pressures in the Irish public sector etc. If Ireland was to experience another recession, its impact would be severe and this would have an impact on public finances.

This creates considerable uncertainty for TG4 around its future funding levels which is not conducive for planning the long-term future development of the

service. While TG4 is grateful for the additional €250,000 in current funding for 2016, with that increase going in the right direction in addressing the reduction in TG4 funding which took place between 2008 and 2015, it is not sufficient. There is a clear requirement to, at a minimum, restore TG4's current funding to 2008 levels in order to enable TG4 to respond to the changing digital and media environment, to compete effectively for the long-term and to establish a stable funding base. There is also a clear requirement for certainty in future funding to enable TG4 to continue to support the revitalisation of the Irish language, ensuring it remains a pillar of Irish culture and to continue to encourage the development of a vibrant independent production sector.

Thanks

I would like to thank our Minister Denis Naughten, TD, along with his Department officials.

I would like to extend my thanks to my fellow Board members for their continued support for TG4. I would also like to thank the Audit and Remuneration sub-committees of the Board and the Board Secretaries.

Our thanks goes to the Audience Council for its important work in helping us to understand the views and needs of TG4 audiences.

We are also grateful to the BAI 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.

I especially extend my thanks to producers in Ireland's independent production sector. The quality and diversity of TG4's schedule would not happen without their programme supply.

Managing the transition to a new Ardstiúrthóir has been an important task for the Board during 2016. I would like to welcome the new Ardstiúrthóir, Alan Esslemont. I look forward to working with him as we chart the future for TG4 over the coming years.

I would like to thank the former Ardstiúrthóir, Pól Ó Gallcháoir. After 16 years as head of TG4, he stepped down in September 2016. The Board thanks him for his leadership over many years and wishes him well in his future endeavours.



Siún Ní Raghallaigh
Cathaoirleach

Director General's Report

2016 was a significant milestone year for TG4 and also for Ireland as a country. We celebrated our 20th birthday as Ireland's national Irish language public service broadcaster and the Irish people celebrated the centenary of the 1916 Easter Rising and the Proclamation of Independence.

As the new Ardstiúrthóir of TG4 since October 2016, I am excited by what TG4 has achieved so far and I look forward to deepening and broadening those achievements in the coming years. I am particularly heartened to see that TG4 is recognised as a unique cultural asset and that the strength of its influence on the Irish language and culture is clearly acknowledged. A national survey carried out towards the end of 2016 for example, found that 73% of respondents believe TG4 to be an important part of Irish life.

There are 200,000 people of all ages living in the Republic of Ireland who speak Irish on a daily or weekly basis outside of the school environment. As Uachtarán na hÉireann, Micheál D. Ó hUiginn re-affirmed to TG4 in his address on the occasion of our 20th birthday, TG4's most important task lies with this core audience of active Irish speakers. However he was also very clear about TG4's duty to help create a space where all of the citizens of Ireland can be exposed to the Irish language in an attractive, innovative and interesting context.

Since we first came on the air in 1996, TG4 has endeavoured to do this. In the same way as the Irish language belongs to all the people of Ireland, TG4 seeks to appeal to all television audiences in Ireland – at certain points of the day and week. Along with Irish language audiences, audiences with less fluent Irish or no Irish at all, also value TG4's programming very highly. The largest numbers of this national audience come to us for music, factual and sport programmes and content.

Audiences

Our audience figures show that 2016 was the first year since 2009 that TG4's audience share increased and we are very pleased with this outturn and aim to build on it in the years ahead. With a national share of almost 2%, it is worth noting that only 10 of the top 20 channels in Ireland had more than a 1% audience share in 2016. TG4's average weekly broadcast reach with our Irish language audience was 92%. We maintained the average daily reach of 11% with all national television audiences, with over 450,000 viewers tuning into TG4 on a daily basis and 1,435,000 every week.

The increase in our online/mobile viewing and engagement with audiences was also substantial in 2016 and exceeded all our targets for the year. Unique visitors to TG4's website increased to almost 1.8m, page impressions increased to 15m, Player streams increased

to over 2m and App downloads grew by 36%. TG4's website remained ranked at number 1⁴ in terms of world rankings of Irish language websites.

Content

This audience performance was due to our broadcast schedule in 2016 which was strengthened by a large number of high quality, entertaining Irish language programmes. TG4 is very grateful for special programme grant during the year which enabled us to commission strong 1916 commemorative programming, which in turn, contributed significantly to our broadcast schedule and increased ratings. Programmes such as *Laochra*, *Wrecking the Rising/Éirí Amach Amú*, *Requiem 1916 Marbhna* among many others had strong reach with Irish language audiences.

Our sports coverage including GAA, also performed very well with audiences throughout 2016. 943,000 people watched TG4 during the Allianz League Finals for example. The *Laochra* 1916 celebratory concert was broadcast from Croke Park immediately after the game. This resulted in an audience share of 10% for TG4 on the day which was our highest ever daily audience share since the station was established 20 years ago.

In addition to a number of high quality dramas, TG4 continued the broadcast of our Irish language soap, *Ros na Rún*, its 21st series. This, along with our Irish language news and current affairs, continued to perform strongly with Irish language audiences throughout 2016. Nuacht TG4 secured an average weekly reach of 80% for example. We also broadcast a strong slate of special celebratory programmes for our 20th birthday, running from our Autumn broadcast schedule through to Christmas 2016.

Our 20th birthday celebratory programme on Halloween night, *TG4XX Beo*, secured a 74% reach with Irish language audiences.

A New Strategy

2017 is the final year of TG4's Statement of Strategy 2013-2017. As the new Ardstiúrthóir of TG4, I look forward to the challenge of working with the Board, management and staff to define our new strategy for the period 2018-2022. We will define a vision and goals for TG4 along with a range of medium and longer-term strategic development initiatives through which we will deliver this vision. With the evolving digital non-linear environment, it is an appropriate time for TG4 to engage in this important process and we will explore and adopt new directions and strategies for the service.

These will include a new audience strategy which will seek to create even more satisfaction for our Irish language audience and to reach out to a larger share of

⁴ Alexa world rankings

the wider national television audience. They will also include strengthening our reach with audiences in Northern Ireland and with other Irish communities outside of the island of Ireland. We aim to deliver a new strategy for non-linear content and social media to drive audience growth further. We seek to strengthen our engagement with younger audiences through digital content and Apps that are visual, interactive, creative and which stimulate dialogue and create communities of interest around the content. It is critical for TG4 to drive strong audience connection and reach and to create value through content, services and brand recognition.

Overall, TG4's ambition is to deliver a broadcast and content service across all relevant platforms which strengthens the Irish language at all age levels, reflects the culture and diversity of Irish people and their communities, competes well with content available on other channels and services in Ireland in terms of originality and production quality, and grows the reach and engagement of TG4 with Irish audiences both at home and abroad.

TG4 and the Creative Economy

TG4 occupies a central place in the creative economy in Ireland. We operate as a publisher-broadcaster with the majority of our Irish-made programmes commissioned from independent production companies throughout Ireland. TG4 spent €22.5m with the sector in 2016 and we also supported the development of its talent and skills through training and mentoring. As a publisher/broadcaster, TG4 relies on a strong and vibrant production sector. Additional funding and stability are required in order to develop the sector and to nurture Irish creativity and talent. As part of our new strategy, we will seek to introduce new measures to promote the sector's stability and growth. This will be good for TG4, for the sector and for Ireland's national and regional economies in terms of income and provision of high skilled jobs.

As Ireland's national Irish language public service broadcaster, focusing on promotion of the Irish language and Ireland's culture will continue to be a central focus of everything TG4 does. As part of this, TG4 aims to reinvigorate our support for the implementation of the Government's 20 Year Strategy for the Irish Language (2010-2030). This will encompass promoting and normalising the Irish language and delivering new Irish language learning resources and content.

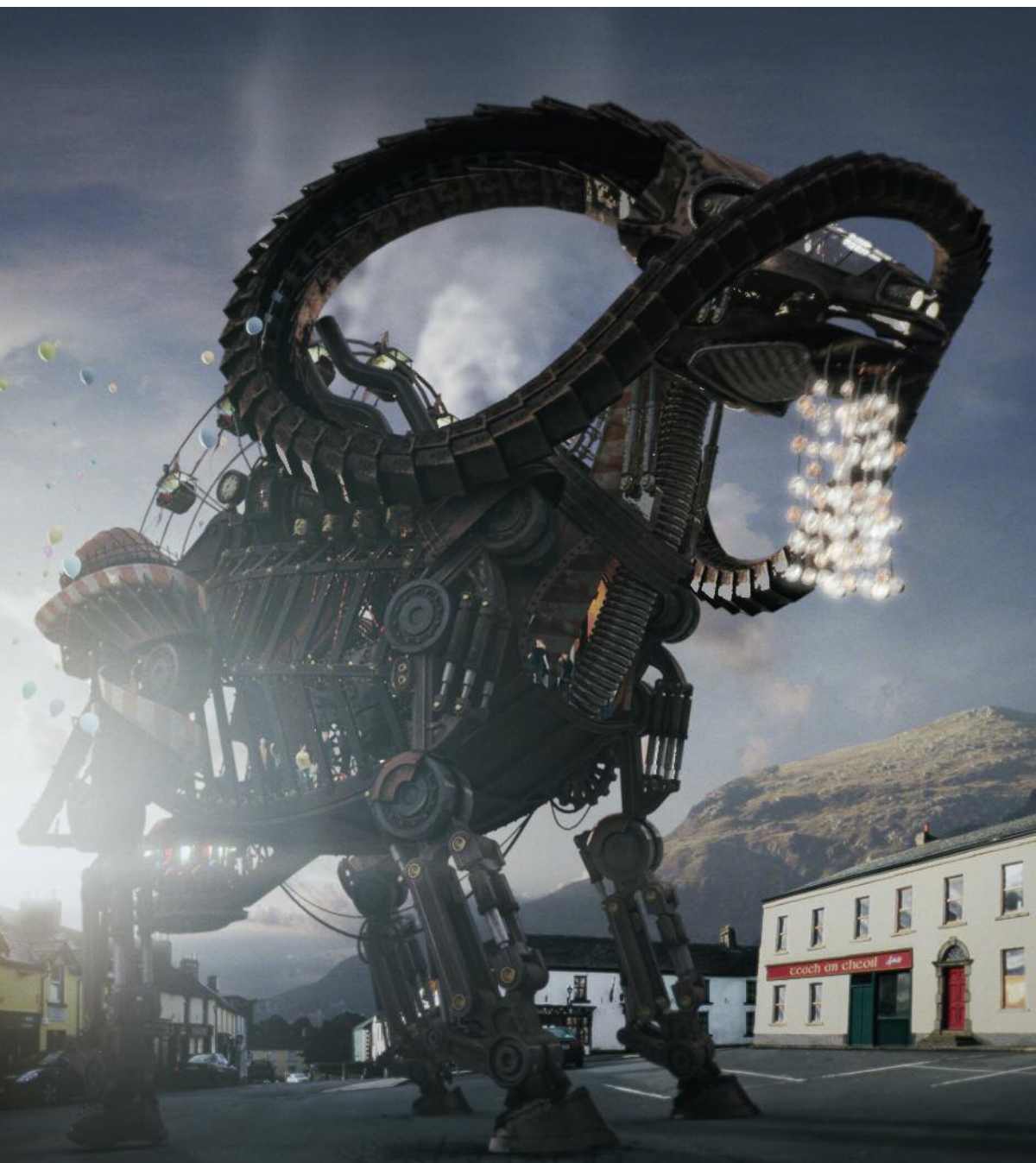
We also welcome and aim to engage fully with the Government's important Creative Ireland initiative.

The Future

While there are many challenges facing TG4 now and into the future, we are very ambitious for TG4. We believe that being ambitious for TG4 is being ambitious for the Irish



language and for Ireland's culture. The funding of TG4 is an important part of how that ambition can be enabled. There is clear evidence that TG4 cannot sustain further cuts to funding. Sustainability is required in TG4's baseline content funding which is at present, far below that of S4C the Welsh-language channel and risks, under the new BBC Charter, falling below that of BBC ALBA the Scots Gaelic channel. While TG4 is grateful for the additional funding we received in 2016, it only allows us to hold our current position. There is a need for additional current



and capital investment to enable TG4 to respond to the evolving digital environment, to make content available across a wide range of platforms and to increase our reach with national television audiences.

Thanks

Despite only a short time as Ardstiúrthóir of TG4, there are many people and organisations I need to thank.

Firstly, I would like to thank Minister Denis Naughten, TD. We greatly appreciate his support and his recognition

of the importance of TG4. It has been a pleasure for me to meet with Secretary General, Mark Griffin, and we thank him and all his team at the Department of Communications, Climate Action & Environment for their support and advice.

I would like to thank all of TG4's Board members along with the Cathaoirleach Siún Ní Raghallaigh. We appreciate their continued dedication and contribution to TG4.

The innovation and creativity of the independent production sector lies at the heart of TG4's success and I

send my heart-felt thanks to all those companies and individuals for the way they have collaborated with TG4 to serve audiences over the last 20 years. Our strong partnership with RTÉ and our growing relationship with BBC give all three broadcasters the opportunity to avoid duplication and fragmentation in our Irish language services and together work to achieve scale, findability and quality.

TG4's appreciation is also extended to the Broadcasting Authority of Ireland, Bord Scannán na hÉireann, the Northern Ireland Irish Language Broadcast Fund and all the other organisations with whom we work to develop the Irish language and Ireland's culture, too many

to mention individually. We are grateful to all of them and look forward to working with them again in 2017 and beyond.

Finally, I would like to thank my colleagues here in TG4. I am personally grateful to them for their support as I take on the new and exciting challenge of leading TG4 successfully into the future.



Alan Esslemont
Ardstiúrthóir

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 2016. The Board accepted this and it was reported in the minutes of the Board meeting of the 19th December 2016.

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 2016. A risk assessment report was presented to the Board at its meeting held in December 2016. 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 2017 and presented to the Board in due course.

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

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

The role and responsibilities of the Audit Committee include:

- 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).

Bord TG4	Fees €'000	Expenses €'000	Number of meetings attended
Alan Esslemont (Director General — appointment date 14/10/2016)	—	—	2
Pól Ó Gallchóir (Director General — cessation date 30/09/2016)	—	—	5
Seosamh Ó Conghaile	12.6	1	6
Siún Ní Raghallaigh (Chairman)	21.6	—	8
Andréa Ní Éalaithe	12.6	2	8
Des Geraghty	12.6	4	7
Mairéad Ní Cheóinín	12.6	1	7
Micheál Seoighe	12.6	1	8
Mairéad Nic Suíbhne (cessation date 09/05/2016)	—	—	0
Michelle Ní Chróinín	—	1	5
Diarmuid Ó Ruiséal	12.6	—	7
Bríd Ní Fhachtna	12.6	3	7
Frank Reidy	12.6	—	7
Secretarial and sundry expenses	—	1	
Board members fees and expenses	122.4	14	

At the 31st December 2016 there were 10 non-executive members and one executive member, being the Director General, on the Board.

Finance Review 2016

Income and Expenditure Reviews

This report reviews TG4's income and expenditure performance in 2016 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 2016 to that of 2015 under the following 4 headings:

1. **Income**
2. **Operating Expenditure**
3. **Cost Control & Efficiency in 2016**
4. **Irish Language Content Expenditure 2016**

1. Income

As can be seen from Table 1 below, total income (exchequer current funding and commercial revenue) in 2016 was €37m (2015: €35.6m). Compared to the previous year TG4's total income increased marginally by 4.2%. Exchequer current funding was €32.54m (2015: €32.24m) of this and represented 87.8% (2015: 90.7%) of TG4's total income with the commercial income share representing 10% in 2016 at €3.6m (2015: €3.3m). An additional special programme grant of €900,000 for Irish language 1916 programming was available this year.

Commercial income increased by 9%. This is a solid performance in a very competitive advertising and television advertising market in Ireland.

Table 1: Income TG4 2016

Description	2016		2015	
	€'000	%	€'000	%
Grant-in-aid	32,540	87.8%	32,240	90.7%
Commercial (advertising and sponsorship)	2,133	5.8%	1,893	5.3%
Other commercial	1,475	4.0%	1,417	4.0%
Special programme grant	900	2.4%	0	0%
Total income	37,048	100%	35,550	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 €37.1m in 2016, a 3.71% increase on the €35.77m spent in 2015. See Table 2 below.

Table 2: Operating Expenditure TG4 2016 Vs 2015

Description	€'000		%Change 2016 Vs 2015
	2016	2015	
Cost of Sales	812	668	21.56%
Staff Costs	5,386	5,621	(4.18%)
Programme Expenditure	25,364	24,065	5.40%
Other Expenditure (Overheads, Transmission and Marketing costs included)	5,534	5,414	2.22%
Total Operating Expenditure	37,096	35,768	3.71%

3. Cost Control and Efficiency

TG4 continued to operate efficiently, cost effectively and prudently in 2016. 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 1,660 hours of original Irish Language content in 2016 from a target of 1,710.

4. Irish Language Content Expenditure 2016

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 76% of Exchequer funding. Transmission, broadcast and promotion of schedule and general overheads accounted for the remaining 24% of Exchequer funding in 2016.

Overall, there was a slight decrease in TG4's daily output levels of new Irish language content from 4.8 to 4.55 hours per day.

Table 3: Irish Language Content Expenditure

Description	2016		2015	
	€'000	%	€'000	%
Current Exchequer funding & Special Grant (1916)	33,440	100%	32,240	100%
Irish language programmes:				
Commissioned	19,600	59%	18,699	58%
Acquired/dubbed/subtitled	3,179	10%	3,712	11.50%
Production staff costs (including salaries)	1,631	4.88%	1,768	5.50%
Irish language 1916 programming	900	2.69%	0	0%
Total Irish Language Content Production Costs	25,310	76%	24,179	75%

Financial Statements

Contents

Statement of Board Members' Responsibilities	30
Statement of Internal Financial Control	31
Report of the Comptroller and Auditor General for presentation to the Houses of The Oireachtas	32
Statement of Income and Expenditure and Retained Revenue Reserves	33
Statement of Comprehensive Income	34
Statement of Financial Position	35
Statement of Changes in Equity	36
Statement of Cash Flows	37
Notes to the Financial Statements	38-48

Financial Statements

Statement of Board Members' Responsibilities

For the year ended 31st December 2016

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:



Des Geraghty
Board Member
18 May 2017

Financial Statements

Statement of Internal Financial Control

For the year ended 31st December 2016

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 2016 the Board conducted a review of the effectiveness of the system of internal financial control.

Signed on behalf of the Board:

Des Geraghty
Board Member

18 May 2017

Financial Statements

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

Don bhliain dar chríoch an 31 Nollaig 2016



Ard-Reachtair Cuntas agus Ciste

Tuascáil le cur faoi bhráid Thithe an Oireachtais

Teilifis na Gaeilge

Rinne mé iniúchadh ar ráitis airgeadais Theilifís na Gaeilge don bhliain dar chríoch 31 Nollaig 2016 faoin Acht Craolacháin 2009. Tá na ráitis airgeadais comhdhéanta de ráiteas ar ioncam agus caiteachas agus ar chúchistí 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 cuntasalochta 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 a 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-oibríocht.

Déanaim m'iniúchadh de réir na gCaighdeán Idirnáisiúnta maidir le hiniúchadh (An Ríocht Aontaithe agus Éire) agus ag cloí le Caighdeán Eiticiúla 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 mhiráitís ábhartha, cibé ar calaois nó earráid is cúis leo. Áirítear air sin measúnú ar na nithe seo a leanas:

- an bhfuil nó nach bhfuil na bearta chuntasalochta oiriúnach do chúinsí Theilifís na Gaeilge, agus ar cuireadh i bhfeidhm go comhsheasmhach agus ar nochtadh ar shlí leordhóthanach iad
- réasúntacht na meastachán cuntasalochta 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 tuascáil bhliantúil Theilifís 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 thuascáil.

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 Theilifís na Gaeilge amhail an 31 Nollaig 2016 agus ar a ioncam agus ar a chaiteachas do 2016; agus
- gur ullmháid go cuí iad de réir chleachtais cuntasalochta a nglactar leo go ginearálta.

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

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 dTuascáil Bhliantúil Theilifís 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
- nuair nach léiríonn an ráiteas um rialú inmheánach airgeadais géilliúlacht an Údaráis don Chód Cleachtais um Rialú Comhlachtaí Stáit, nó
- má tá nithe ábhartha eile ann a bhaineann leis an tsli i gcuireadh gnó poiblí i gcrích.

Níl aon rud le tuairisciú agam maidir leis na cúrsaí sin faoina ndéantar tuairisc le heisceacht.

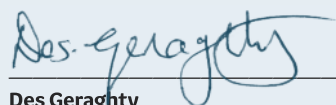
Seamus Mac Carthaigh
Ard-Reachtair Cuntas agus Ciste
26 Bealtaine 2017

Financial Statements

<div> <div>Teilifís na Gaeilge</div> <div>Statement of Income and Expenditure and Retained Revenue Reserves for the year ended 31 December 2016</div> </div>			
	Notes	2016 €'000	2015 €'000
Sales			
Commercial income	3	3,608	3,310
Cost of sales	3	(812)	(668)
Net Sales		2,796	2,642
Expenditure			
Staff costs	4	5,386	5,621
Board members' fees and expenses	5	137	140
Programme expenditure	6	25,364	24,065
Transmission costs		1,607	1,629
Marketing and research	7	1,748	1,693
Overheads	8	2,179	1,923
Depreciation	9	1,278	2,345
Total Expenditure		37,699	37,416
Net operating expenditure for the year		(34,903)	(34,774)
Interest receivable and similar income		-	-
Surplus/(deficit) on disposal of fixed assets		-	-
		(34,903)	(34,774)
State funding	11	34,905	34,745
Surplus/(deficit) on ordinary activities before taxation		2	(29)
Taxation	12	(3)	(2)
Retained surplus/(deficit) for the financial year		(1)	(31)

The notes 1-26 form an integral part of the financial statements.

On behalf of the Board of Teilifís na Gaeilge:



Des Geraghty
Comhalta
Bord TG4



Alan Esslemont
Ardstiúrthóir

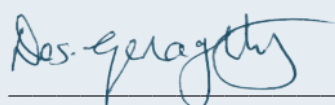
18 May 2017

Financial Statements

Teilifís na Gaeilge Statement of Comprehensive Income for the year ended 31 December 2016			
	Notes	2016 €'000	2015 €'000
Retained deficit for the financial year		(1)	(31)
Actuarial (loss)/gain on pension scheme assets	18	(82)	60
Total recognised (losses)/gains for the year		(83)	29

The notes 1-26 form an integral part of the financial statements.

On behalf of the Board of Teilifís na Gaeilge:



Des Geraghty
Comhalta
Bord TG4



Alan Esslemont
Ardstiúrthóir

18 May 2017

Financial Statements

Teilifís na Gaeilge Statement of Financial Position as at 31 December 2016					
	Notes	€'000	2016 €'000	€'000	2015 €'000
Fixed Assets					
Tangible assets	9		7,720		7,117
Financial assets	21		—		—
			<u>7,720</u>		<u>7,117</u>
Current Assets					
Debtors	13	1,594		1,064	
Cash at bank and in hand	14	272		53	
		<u>1,866</u>		<u>1,117</u>	
Current Liabilities					
Creditors — falling due within 1 year	15	(2,299)		(1,737)	
Net Current Liabilities			(433)		(620)
Net Assets Excluding Pension Asset			<u>7,287</u>		<u>6,497</u>
Pension asset	18		—		81
Net Assets Including Pension Asset			<u><u>7,287</u></u>		<u><u>6,578</u></u>
Capital and Reserves					
Capital grants	10		7,656		6,864
Pension reserves	16		—		81
Revenue reserves	16		(369)		(367)
			<u><u>7,287</u></u>		<u><u>6,578</u></u>

The notes 1-26 form an integral part of the financial statements.

On behalf of the Board of Teilifís na Gaeilge:



Des Geraghty
Comhalta
Bord TG4



Alan Esslemont
Ardstiúrthóir

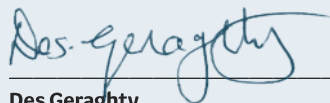
18 May 2017

Financial Statements

Teilifís na Gaeilge Statement of Changes in Equity for the year ended 31 December 2016			
	Pension Reserve €'000	Revenue Reserve €'000	Total Equity €'000
Balance at 1 January 2015	42	(357)	(315)
Profit/(loss) for the year	–	(31)	(31)
Actuarial gain / (loss)	60	–	60
Pension reserve adjustment	(21)	21	–
Balance at 31 December 2015	81	(367)	(286)
Balance at 1 January 2016	81	(367)	(286)
Profit/(loss) for the year	–	(1)	(1)
Actuarial gain / (loss)	(82)	–	(82)
Pension reserve	1	(1)	–
Balance at 31 December 2016	–	(369)	(369)

The notes 1–26 form an integral part of the financial statements.

On behalf of the Board of Teilifís na Gaeilge:



Des Geraghty
Comhalta
Bord TG4



Alan Esslemont
Ardstiúrthóir

18 May 2017

Financial Statements

Teilifís na Gaeilge			
Statement of Cash Flows for the year ended 31 December 2016			
	Notes	2016 €'000	2015 €'000
Surplus / (deficit) on ordinary activities before taxation		2	(29)
Depreciation		1,278	2,345
Amortisation of capital grants		(2,146)	(2,316)
Pension asset adjustment		(1)	21
(Increase) / decrease in debtors		(530)	559
Increase) / (decrease) in creditors		562	(491)
Taxation		(3)	(2)
Interest received		—	—
Cash from operations		(838)	87
Interest paid		—	—
Net cash generated from activities		(838)	87
Cash flows from investing activities			
Purchases of property, plant and equipment	9	(1,881)	(1,048)
Proceeds from sale of fixed assets		—	—
State capital grants	10	2,938	965
Net cash flow from investing activities		1,057	(83)
Cash flows from financing activities			
Bank interest received		—	—
Net cash flow from financing activities		—	—
Net increase / (decrease) in cash and cash equivalents	17	219	4

The notes 1–26 form an integral part of the financial statements.

On behalf of the Board of Teilifís na Gaeilge:



Des Geraghty
Comhalta
Bord TG4



Alan Esslemont
Ardstiúrthóir

18 May 2017

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 2016 have been prepared in accordance with the 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.</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>Depreciation 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 operated a Defined benefit scheme 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 Statement of Income and Expenditure and Retained Revenue Reserves when the service is provided. Commission in relation to these sales is charged to the Statement of Income and Expenditure and Retained Revenue Reserves 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. Programme expenditure is charged to the Statement of Income and Expenditure and Retained Revenue Reserves 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, Climate Action and Environment, 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 Statement of Income and Expenditure and Retained Revenue Reserves Account in the year in which the grant is received or receivable. Capital expenditure is funded by the Department of Communications, Climate Action and Environment 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 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.

Notes to the Financial Statements

Notes

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 Statement of Income and Expenditure and Retained Revenue Reserves Account for the year.

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 Statement of Income and Expenditure and Retained Revenue Reserves Account in the year to which they relate.

Defined Benefit Scheme

Teilifís na Gaeilge operated a defined benefit scheme in respect of two of its officers, the Director General and the Deputy Chief Executive.

The scheme was funded by contributions from Teilifís na Gaeilge and the officers concerned, and these were transferred to a separate trustee administered fund.

The pension charge in the Statement of Income and Expenditure and Retained Revenue Reserves Account comprised 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 were recognised in the Statement of Comprehensive Income for the year in which they occur.

Pension scheme assets were measured at fair value. Pension scheme liabilities were measured on an actuarial basis using the projected unit method.

An excess or deficit of scheme liabilities over assets was 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.

The scheme was wound up on 5 December 2016

2.

Principal Activity

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

3.

Net Sales

Commercial Income

Airtime and sponsorship sales

Facilities charge-out

Sundry income

Cost of Sales

Commission on advertising and sponsorship sales

Direct costs

Net sales

2016 2015

2,133 1,893

576 579

899 838

3,608 3,310

526 379

286 289

812 668

2,796 2,642

Notes to the Financial Statements

Notes

4.

Staff Costs

The average number of employees employed by Teilifís na Gaeilge during the year was 83 (2015: 85). Employee costs during the year comprised:

	2016 €'000	2015 €'000
Wages and salaries	4,811	4,612
Social welfare costs	514	513
Pension costs	159	553
Travel and subsistence	115	136
Training	53	55
Other staff costs	41	49
	5,693	5,918
Staff costs capitalised	(180)	(180)
Staff costs allocated to archive project	(127)	(117)
Total staff costs	5,386	5,621

Other staff costs include a charge of €26,250 (2015: €26,250) in respect of payments to staff arising from a Labour Relations Commission ruling.

The defined benefit scheme was wound up in 2016. As a result there was a surplus on the pension fund of €360,815. This is included in the Pension costs above.

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, Climate Action and Environment is not complying with this requirement. Salary band information is provided to the Department of Communications, Climate Action and Environment in the Chairman's annual statement to the Minister.

Emoluments of Director General – Pól Ó Gallchóir

	2016 €'000	2015 €'000
Basic salary	145	175
Employer's pension contributions	53	64
Other benefits	3	4
	201	243

Emoluments of Director General – Alan Esslemont

	2016 €'000	2015 €'000
Basic salary	22	–
Employer's pension contributions	3	–
Other benefits	–	–
	25	–

Pól Ó Gallchóir ceased employment with Teilifís na Gaeilge on the 30/9/2016.

Alan Esslemont commenced employment with Teilifís na Gaeilge on the 14/10/2016. The Director Generals' annual salary is €140,000. The Director General is a member of the TG4's defined contribution scheme and TG4 contributes 15.29% of the Director General's salary to that scheme on his behalf.

Notes to the Financial Statements

Notes				
5.	Board Costs		2016 €'000	2015 €'000
	Fees (Note 19)		123	114
	Travel and subsistence and other expenses		14	26
			137	140
	Board members are reimbursed for travel and subsistence costs. The tax payable by Teilifís na Gaeilge in relation to such expenses amounted to €4,000 (2015:€8,000)			
6.	Programme Expenses		2016 €'000	2015 €'000
	Commissioned programmes		20,501	18,699
	Acquired programmes		2,571	2,681
	Dubbing and other costs		2,292	2,685
			25,364	24,065
7.	Marketing and Research		2016 €'000	2015 €'000
	Advertising and marketing		1,608	1,564
	Audience measurement and research		136	125
	Audience Council expenses		4	4
			1,748	1,693
8.	Overheads		2016 €'000	2015 €'000
	Premises and equipment expenses		807	653
	Professional and financial expenses		272	235
	Industry levies paid		564	551
	General and office expenses		536	484
			2,179	1,923
9.	Tangible Fixed Assets			
		Land and Buildings €'000	Equipment €'000	Fixtures and fittings €'000
	Cost			Total €'000
	At 1 January 2016	7,720	23,646	670
	Additions	847	1,027	7
	Disposals	(3)	(2,030)	–
	At 31 December 2016	8,564	22,643	677
	Accumulated Depreciation			
	At 1 January 2016	3,183	21,118	618
	Charge for the year	207	1,057	14
	Disposals	(3)	(2,030)	–
	At 31 December 2016	3,387	20,145	632
	Net Book Value			
	At 31 December 2016	5,177	2,498	45
	At 31 December 2015	4,537	2,528	52

Notes to the Financial Statements

Notes				
10.	Capital Grants		2016 €'000	2015 €'000
	Capital grants – received and receivable			
	Opening balance		20,611	19,646
	Grants received during the year (Note 11)		2,938	965
	Closing balance		23,549	20,611
	Amortisation			
	Opening balance		13,747	11,431
	Amortised during the year		2,146	2,316
	Closing balance		15,893	13,747
	Net book value – capital grants		7,656	6,864
	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.			
11.	State Funding			
	Grants received from the Department of Communications, Climate Action and Environment represent state funding received in relation to current expenditure incurred by Teilifís na Gaeilge.			
	State funding credited to the Statement of Income and Expenditure and Retained Revenue Reserves Account in the year		2016 €'000	2015 €'000
	Grant received in the year		32,759	32,429
	Capital grant amortised (Note 10)		2,146	2,316
			34,905	34,745
	The total allocation for 2016 was €35.697m comprising of:			
	Grants received for current expenditure from DCCAE (Vote 29 – Subhead B5)		32,540	32,240
	Grants received for current expenditure from BAI Sound & Vision Fund		219	189
	Grants applied for capital purposes from DCCAE (Vote 29 – Subhead B5)		2,820	920
	Grants applied for capital purposes from BAI Sound & Vision Fund		118	45
	Total received		35,697	33,394
12.	Tax on Profit on Ordinary Activities		2016 €'000	2015 €'000
a)	<i>Analysis of tax charge in year</i>			
	Corporation tax charge for year		3	2
	Charge in respect of previous years		–	–
			3	2
b)	<i>Factors affecting the tax charge for the year</i>			
	The effective rate of tax for the year is higher than the standard corporation tax in Ireland of 12.5%. The differences are explained below:			
	Profit/(Loss) on ordinary activities before taxation		2	(29)
	Profit/(Loss) on ordinary activities multiplied by the standard rate of corporation tax in Ireland of 12.5% (2015: 12.5%).			
			–	(4)
	Effects of:			
	Income taxable at a higher rate of taxation		8	8
	Excess of capital grants amortised and capital allowances over depreciation		(1)	(2)
	Non-deductible expenditure		(4)	–
			3	2

Notes to the Financial Statements

Notes 13.	Debtors	2016 €'000	2015 €'000	
	Trade debtors	1,249	752	
	VAT repayable	122	100	
	Corporation tax repayable	–	–	
	Prepayments and accrued income	223	212	
		1,594	1,064	
All balances are deemed recoverable within one year.				
14.	Cash at Bank and in Hand	2016 €'000	2015 €'000	
	Cash in hand	5	1	
	Bank	267	52	
		272	53	
15.	Creditors – falling due within 1 year	2016 €'000	2015 €'000	
	Trade creditors	718	221	
	Accruals and deferred income	1,509	1,441	
	Pension contributions creditor	70	73	
	Corporation tax payable	2	2	
		2,299	1,737	
16.	Reserves	Pension Reserve €'000	Revenue Reserve €'000	Total €'000
	Balance at 1 January 2016	81	(367)	(286)
	Deficit for the year	–	(1)	(1)
	Actuarial (loss)/gain	(82)	–	(82)
	Pension reserve adjustment	1	(1)	–
	Closing balance as at 31 December 2016	–	(369)	(369)
17.	Analysis of Changes in Net Funds	Opening balance €'000	Cash flows €'000	Closing balance €'000
	Cash at bank and in hand	1	4	5
	Short term deposits	52	215	267
		53	219	272

Notes to the Financial Statements

Notes		
18.	Pension	
a)	Description of schemes	
	Telifís na Gaeilge operated 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 Telifís na Gaeilge.	
	The following pension costs were incurred in the year:	
	Defined contribution scheme	429
	Defined benefit scheme cost (Note 18 (g))	(270)
		159
		553
	Contributions were made to the defined benefit scheme at rates recommended by independent qualified actuaries.	
	The latest full actuarial valuation was prepared as at 30 September 2016.	
	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)	Defined Benefit Scheme Financial Assumptions	
	The principal actuarial assumptions used by the actuary as at 30 September 2016 were as follows:	
	Discount rate	1.30%
	Increase in consumer price indexing	2.25%
	Increase in pensionable earnings	3.75%
	Increase in pension payment	3.75%
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 2016 and 2015.	
	Life expectancy – male	86.8
	Life expectancy – female	88.5
d)	Change in benefit obligation	
	Present value of scheme obligations at the beginning of the year	1,230
	Current service cost	115
	Interest cost	20
	Actuarial (gain)/loss	219
	Liability extinguished on settlement	(1,584)
	Present value of scheme obligations at the end of the year	–

Notes to the Financial Statements

Notes Pension (cont'd) e)	Change in scheme assets	2016 €'000	2015 €'000
	Fair value of scheme assets at the beginning of the year	1,311	1,172
	Expected return on scheme assets	21	22
	Actuarial gain/(loss)	137	(8)
	Employer contributions	92	106
	Member's contributions	16	19
	Assets distributed to members on settlement	(1,190)	–
	Expenses associated with settlement	(26)	–
	Refund to employer	(361)	–
	Fair value of scheme assets at the end of the year	–	1,311
f)	Amounts recognised in the Statement of Financial Position	2016 €'000	2015 €'000
	Present value of funded obligations	–	(1,230)
	Fair value of scheme assets	–	1,311
	Net asset	–	81
g)	Pension costs	2016 €'000	2015 €'000
	Current service cost	115	145
	Interest cost	20	23
	Expected return on scheme assets	(21)	(22)
	Member's contributions	(16)	(19)
	Net losses/(gains) on settlements and curtailments	(368)	–
	Total	(270)	127
h)	The net actuarial loss recognised in the Statement of Total Recognised Gains and Losses for the year ended 31 December 2016 amounted to €82,000 (2015: €60,000 gain).		
i)	Contributions		
	As the scheme has been wound up, the company no longer expects to contribute to the scheme.		

Notes to the Financial Statements

Notes

19. Directors and Secretary and their Interests'

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

Director/Secretary

Alan Esslemont (Director General – appointment date 14/10/2016)

Pól Ó Gallchóir (Director General – cessation date 30/09/2016)

Seosamh Ó Conghaile

Rónán Ó Coisdealbha (cessation date 18/01/2015)

Concubhar Ó Liatháin (cessation date 28/09/2015)

Siún Ní Raghallaigh (Chairman)

Andréa Ní Éalaithe

Des Geraghty

Mairéad Ní Cheóinín

Micheál Seoighe

Mairéad Nic Suibhne (cessation date 09/05/2016)

Michelle Ní Chróinín

Diarmuid Ó Ruiséal

Bríd Ní Fhachtna

Frank Reidy

Pádraic Ó Ciardha (Secretary to the Board)

Mary Uí Chadhain (Company Secretary)

2016 €'000	2015 €'000
–	–
–	–
12.6	12.6
–	0.6
–	9.4
21.6	21.6
12.6	12.6
12.6	12.6
12.6	12.6
–	–
–	–
12.6	10.5
12.6	5.7
12.6	3.3
–	–
–	–
122.4	114.1

Board members' expenses in 2016 were €14,000 (2015: €26,000), of which: domestic travel accounted for €10,000 (2015: €17,000), subsistence €3,000 (2015: €6,000) and other expenses (including secretarial, entertainment and training) €1,000 (2015: €3,000). 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.

20. 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. Negotiations for a one year extension for the Dublin office are currently ongoing.

21. 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.

22. Programme/Rights Purchase Commitments

Teilifís na Gaeilge has programme/rights commitments as follows:

Contracted for but not provided for at the year end

2016 €'000	2015 €'000
27,407	18,541

Notes to the Financial Statements

Notes		2016 €'000	2015 €'000
23.	Commitments Teilifís na Gaeilge has capital commitments as follows; Contracted for but not provided for at the year end	72	148
24.	RTÉ Transactions Teilifís na Gaeilge received 365 hours (2015: 365 hours) of Irish language programming free of charge from RTÉ in the year ended 31 December 2016.		
25.	Foreign Currency Exposure Foreign currency exposures arise primarily from payments for acquired programmes. Teilifís na Gaeilge hedges its foreign currency exposures by entering into US Dollar forward contracts when it deems it appropriate. The total value of such contracts in 2016 was \$0 (2015: \$800,000). There were no contracts outstanding at the year end (2015: \$0).		
26.	Approval of the Financial Statements The Board of Directors' approved the financial statements on the 18 May 2017.		

26.