



Annual Report 2008

TG4



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MISSION, VISION AND CORE VALUES



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MISSION, VISION AND CORE VALUES

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



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

While TG4's vision and mission set-out what the organisation will achieve and the strategies it will use to deliver on its public service objects, TG4's values influence the way in which they will be achieved, the manner in which it works with its key stakeholders and overall, reflect the principles which are the founding characteristics of the organisation. The culture of the TG4 organisation is built on these values. It is expected that each TG4 employee "lives" these values day-to-day and uses them as their guiding principles to inform and direct their on-the-job behaviours.

TG4 Core Values

Connection:

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

Quality & 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 programs.

Proactive:

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

TG4'S COMMITMENTS FOR 2008



Seacht

TG4'S COMMITMENTS FOR 2008

TG4's corporate targets for 2008 are set out in its "Statement of Commitments" In that Statement, 26 targets were set down in the following seven areas:

- I. Corporate;
- II. Programming;
- III. Branding & Marketing;
- IV. Finance;
- V. Technology;
- VI. Human Resources / Staff Development; and,
- VII. Governance.

TG4's commitments for 2008 were based directly on its five-year strategy which has been recently updated to reflect the changing broadcast market and economic environment. This strategy is presented in its five-year Corporate Strategic Plan 2009 – 2013.

TG4'S COMMITMENTS FOR 2008

I. Corporate

- Adhere to and implement the key objectives and targets set down in the TG4 Corporate Strategy 2008 – 2012.
- Strive to achieve the incremental increase in Exchequer funding as set down in the TG4 Funding Plan 2008-2012 so as to achieve the target level of €57.5m current funding for 2012 and achieve the target of 6 hours per day of new Irish language programming in the TG4 programme schedule.
- Maintain TG4's key role as an accessible, attractive and entertaining daily point of contact with the Irish language for all.
- Serve all of our audience - those fluent in Irish, those with some Irish, those with little or no knowledge of the language and those with an interest in Irish culture, sport and heritage.

II. Programming

- TG4 will deliver on its public service by commissioning and broadcasting a wide range of original, high-quality and innovative Irish language programming to showcase the best in Irish culture – sport, music and storytelling.
- Invest in the creation of new Irish language programmes in 2008 across all the main programme strands and ensure a distinctive súil eile perspective in Irish television.
- Offer strong news, current affairs and factual programming strand with an emphasis on regional stories and issues not covered by other national media.
Place a major emphasis on a varied and attractive daily Irish language schedule for children and young people.
- Seek to maximise the audience at all times, attain a national annual share of 2.7% and where possible build on the much bigger share during peak-viewing seasons at Christmas, St Patrick's Day etc.
- Work in partnership with the sector and other state agencies to develop the independent production sector to ensure a vibrant and viable sector, particularly in Gaeltacht areas.
- In conjunction with other broadcasters and agencies, strive to identify and avail of appropriate and achievable coproduction projects, particularly with colleagues in Celtic and other lesser-used language nations and regions.

TG4'S COMMITMENTS FOR 2008

III. Branding & Marketing

- Maximise awareness of TG4 through innovative branding and publicity.
- Produce new generic promotional advertisements and idents for a major promotional campaign.

IV. Finance

- Strive to ensure that the Exchequer funding for TG4 is allocated to those programme projects that represent the best value for money.
- Maximise additional financial support for programme projects from external co- funding schemes.
- Develop other alliances and partnerships with agencies and fellow broadcasters which will allow us to develop and sustain an audio-visual industry capable of producing high standard Irish language television productions on the island of Ireland.
- Maximise commercial revenue from the audience and TVR's available.

V. Technology

- Ensure a smooth transition to the digital television era while maintaining the availability of universal free to air reception for TG4 throughout Ireland, in remote, mountainous, island and Gaeltacht areas.
- Continue to ensure that the world-wide audience for TG4 content can access our programmes via the Web and other platforms and Strive to meet our 2008 Web targets of 50 million hits for www.tg4.ie and 1.5 million streams.
- Progress the implementation of a new Digital Assets Management System.
- Continue to make the TG4 broadcast signal available throughout Northern Ireland in the digital television era and work closely with RTÉ in the establishment of the Diaspora TV service for the UK.
- Update, improve and integrate existing IT systems such as channel management, airtime sales, finance, security and HR.

VI. Human Resources / Staff Development

- TG4 recognises the value and impact delivered by a core staff of 80 people operating cutting edge technology and delivering best in class programmes.
- A new HR IT based payroll system will be commissioned in 2008.

VII. Governance

- As a statutory body funded by the Exchequer, TG4 will comply with all relevant and binding codes and regulations under which it functions.
- Engage in ongoing dialogue with stakeholders, regulators, colleague broadcasters and policy makers on all aspects of broadcasting operations, codes and regulations.

KEY "HEADLINES" REGARDING
TG4'S PERFORMANCE ARE:



Fíorscéal

KEY "HEADLINES" REGARDING TG4'S PERFORMANCE ARE:

- ***TG4 performed strongly in fulfilling its commitments in 2008, albeit two areas remain to be fully completed but are dependent on increased levels of funding. We fully achieved 24 of our 26 corporate targets and partially achieved the remaining two.***

- TG4 achieved an overall audience share of 2.5% in 2008. This did not meet our stated target of 2.7% for the year and TG4 is disappointed with this outcome. However, the Irish broadcasting market has become extremely competitive and while the 2.5% share was marginally down on TG4's 2007 national share of 2.7%, this was also a trend which was reflected in many other major channels' shares. The decline demonstrates the critical need to urgently progress the rollout of DTT, to secure additional funding to enable the channel commission and acquire attractive and entertaining content and to continue to maximise value-for-money across all activities.
- TG4 increased by 6.3%, its daily output of first-run Irish language content on the channel, from 1519 to 1615 hours (4.2 hours to 4.4 hours per day). The channel also spent the majority of its current Exchequer funding – 70% - on the production of Irish language content in addition to 15% on the broadcast of Irish language content. The remainder of its current funding (15%) was spent on overheads which include all publicity and marketing – including that of the channel and its programming.
- TG4 increased its expenditure on commissions from the independent production sector by almost 13% in 2008 – to €18.126m. In addition to the 86 people employed in the station, it is estimated that it sustains over 300 jobs directly in the production sector in addition to having a wider impact on the national economy by contributing €58m to national incomes with an associated impact of over 1400 jobs.

KEY “HEADLINES” REGARDING TG4’S PERFORMANCE ARE:

- In terms of income, TG4 secured an increase of 14.5% in its annual Current Exchequer Funding and also exceeded its target for commercial revenue by 18% – a unique achievement for an Irish television channel in 2008 given the current economic and competitive environment.
- TG4 continued to secure major increases in its website and web TV usage, growing web visitors by 23% and WebTV streams by 18% in 2008.
- TG4 progressed a wide range of service developments over 2008 including the transition to DTT, planning for the delivery of the Diaspora service with RTÉ and, leading the development of an All-island Irish language television service etc.
- As a channel, TG4 continues to maintain cost efficiency on commissioned programmes and in-house productions and to control its overhead costs to maintain a lean and cost effective structure.
- Over 2008, TG4 identified and delivered on the training needs of staff, identified and effected significant changes in new technology, completely re-designed its website and re-structured its broadband webcast offering.
- In 2008, TG4 won the highest ever number of awards and prizes (45 – up 96% over 2007 awards) for its creative output (programmes, series and personalities) and for its branding and promotion work. This included for the first time ever, a major European award.



Daithí ar
Route 61

THE BOARD OF TEILIFÍS NA GAEILGE AND OTHER INFORMATION

1. The Board of Teilifís na Gaeilge and other information

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

Its membership did not alter during the course of the year 2008. The Board met 9 times during the 12 months to 31 December 2008.

2. Board Members and C.E.O. at 31 December 2008



Peadar Ó Cuinn
(Chairman)



Seosamh
Ó Conghaile



Eilís
Ní Chonnaola



Pádraig
Mac Donncha



Bríd
Ní Neachtain



Feargal
Ó Sé



Regina
Uí Chollatáin



Méabh
Mhíc Ghairbheith



Méadhbh Nic
an Airchinnigh



Pól Ó Gallchóir
(Chief Executive Officer)

Company Secretary and Registered Office

Mary Uí Chadhain
TG4
Baile na hAbhann
Co na Gaillimhe

Secretary to the Board

Pádraic Ó Ciardha

THE BOARD OF TEILIFÍS NA GAELIGE AND OTHER INFORMATION

Sub-Committees of the Board

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

3. Audit Committee

Three members of the Board serve on the Audit Committee –

Regina Uí Chollatáin (Chair)
Pádraic Mac Donncha
Feargal Ó Sé.

The Committee meets at least 3 times a year. During the 12 months to 31st December 2008 they met on three occasions after which they reported to the Board.

The Internal Audit function reports directly to the Audit Committee.

4. Remuneration Committee

The Remuneration Committee comprises:

Peadar Ó Cuinn (Chair)
Eilís Ní Chonnaola,
Méabh Mhic Ghairbheith
Bríd Ní Neachtain

The committee meet at least twice a year. During the 12 months to 31 December 2008 they met twice.

5. Auditor

Comptroller and Auditor General
Treasury Block
Dublin Castle
Dublin 2

6. Solicitor

Landwell Solicitors
One Spencer Dock
North Wall Quay
Dublin 1

7. Bankers

AIB
Lynch's Castle
Galway

CHAIRMAN'S REPORT



Kings



CHAIRMAN'S REPORT

2008 was TG4's first full year of independence and it was both a successful and a significant one in the development of the service. TG4's mission as the Irish language public service television broadcaster is to provide a high-quality programme schedule which serves not only the Gaeltacht and Irish language community, but also creates a daily link with the Irish language for every household in the country and which celebrates with pride and vision the cultural, music and sports heritage of Ireland.

Over 2008, we continued to deliver on this role, serving audiences in Ireland and world-wide with a wide range of acclaimed Irish language content that celebrates and promotes the Irish language and culture in an accessible and engaging manner, with our recognisable *súil eile* perspective. To support this, we also advanced the implementation of our Strategic and Funding Plans and tackled with vigour and vision, the operational and competitive challenges that arose during the year.

TG4 remains a unique channel, communicating with audiences in Irish despite competing directly with the many national and international English language channels now available in homes in Ireland. We continue to demonstrate the demand for Irish Language content and proved during the year, that when we enhance our schedule with new Irish language programming, the channel proves very popular, particularly during peak viewing times such as Christmas, St. Patrick's Day and Easter. For example, a share

CHAIRMAN'S REPORT

of 5.6% was achieved on Christmas Day - making TG4 the fifth most popular channel in Ireland – with 7.5% achieved on St. Stephen's Night. Overall, our audience share reflects TG4's role as a daily point of contact with the Irish language and while we experienced a minor decline (0.2%) in our national audience share for 2008, we performed well with a 2.5% share, given the highly competitive digital television landscape and the hundreds of channels on offer. Audience satisfaction and share is extremely important to the success of TG4 and we will continue to ensure that we serve all audiences as efficiently as possible (whether fluent in Irish, improving their Irish or who simply have an interest in Irish culture, traditions, sport and music) with high quality programming and services which are unique and which justify our Exchequer funding.

This high quality was reflected in the fact that in 2008, TG4 won the highest ever number of awards and prizes, with 45 awards secured for our creative output including programmes, TG4 personalities and our branding and promotion activities. This included for the first time ever, a major European award where TG4 competed with 5000 entries from more than 50 countries around the world.

Through our Web TV services, TG4 is no longer restricted to the Irish marketplace. We are in essence delivering a "world Irish language service" to thousands of viewers outside Ireland, providing our broadcast content on a world-wide

basis. We built on the work done on the website during the previous year and re-launched a fully re-designed site in September 2008. The purpose of this re-development was to further strengthen the relationship between the TG4 schedule and the website, to facilitate increased interactivity and improve site navigation and user experience. All of this has driven a significant increase in the use of TG4's web services which exceeded all web growth targets for 2008.

Despite the dramatic downturn in the economy in the latter half of 2008 which will continue for the next couple of years, TG4 exceeded its target for advertising and sponsorship income and the Board was pleased with this result. Looking ahead, economic performance over the next two to three years is expected to see advertising performance depressed across all media including television and this must be factored into TG4's strategic and commercial planning. TG4 will also take account of a reduction in television advertising demand arising from a move towards other media such as online.

The Board was also very pleased that TG4 secured an increase in its current Exchequer Funding from the Government for 2008. This increase, in line with the Funding Plan drafted and submitted to the Minister by the Board during the previous year, was a visible endorsement of TG4's mission and achievements to date. The economic environment and decline in Government finances will naturally have significant implications for TG4 as a Government-funded

CHAIRMAN'S REPORT

initiative that delivers across a wide range of important public policy priorities including the Irish language, the national economy, regional employment and decentralisation, the creative industry, public service broadcasting, technology and cultural diversity. TG4 must strive to retain its success in all of them which will present an exciting challenge for TG4 over the coming years.

In 2008, TG4 also continued the critical work of ensuring that the channel is an All-island service. TG4 is available on satellite, digital cable and terrestrial analogue service in the North and through lobbying and working closely with Ofcom, we have secured public support that we will be allocated carriage on the North's Multiplex for Public Service Broadcasters. The channel now delivers Irish language television to a high percentage of people living in the North of Ireland and we are regarded by UK policy makers as an all-island service with an important role to play in promoting Irish to a wide audience that spans both North and South.

The roll-out of Digital Terrestrial Television (DTT) is now imminent in Ireland. Ensuring universal free-to-air reception throughout Ireland during the transition to DTT, particularly in remote and Gaeltacht areas, was a key focus for TG4 in 2008. As a member of the Department of Communication's DTT Stakeholders' Group, we informed policy makers and DTT pilot contractors of the likely challenges facing DTT when rolled out nationally, particularly to the

mountainous areas on the West coast, in addition to the need to ensure DTT universal coverage for all such areas before analogue switch-off.

As a public service broadcaster, TG4 seeks to play an active role in any dialogue that informs the initiatives, policy decisions, legislative provisions and directives, at national and European levels, that govern and regulate broadcasting. Over 2008, TG4 continued this activity, particularly focusing on the Broadcasting Bill 2008 which has reached the ultimate stage in its passage through the Houses of the Oireachtas and which will be enacted in early 2009. The Board welcomes the imminent establishment of the Broadcasting Authority of Ireland (BAI) and intends to work closely with it as it charts a course for Irish Public Service Broadcasting through the challenging period ahead.

TG4 also aims to support the Government with its new 20-year plan for the development and promotion of the Irish language. As reflected in the 2006 Government statement on the Irish language, the State has affirmed its support for the development and preservation of the Irish language and the Gaeltacht and is building on this through its new 20-year plan. As the national Irish language public service broadcaster, the Board is committed to ensuring that TG4 becomes a pivotal player in this plan and looks forward to working closely with the Government to ensure we have a key role in the formulation of national policy on Irish language broadcasting.

CHAIRMAN'S REPORT

A second key aspect of TG4's mission is that we promote creativity and sustain employment and skills across a wide range of arts. Once again, TG4 performed well in this regard over 2008. We allocated 70% of our Exchequer current funding to the production of Irish language content (in addition to a further 15% on its broadcast) and we also increased our daily output levels of new Irish language content. In addition, in 2008, TG4 increased expenditure on programming from the independent production sector and commissioned a large number of new high-quality, innovative and award winning programmes which showcased the best of Irish culture and talent. The Board supports the TG4 policy of sourcing a significant portion of TG4 Irish language programming from Gaeltacht-based independent companies and commends the initiative of Údarás na Gaeltachta in supporting the Oifigeach Forbartha Léiriúcháin scheme, to foster the development of the independent production sector in conjunction with TG4. The tangible benefits of this scheme – the programmes produced and broadcast on TG4 during 2008 and the enhanced skills and experience of the people involved – give us every reason to be optimistic for the future development of the sector.

I would like to thank the Board for its dedication to TG4. In its first full calendar year in office, the Board worked well and completed a very full work programme, which began with the adoption of a comprehensive work

plan or "Statement of Commitments" for 2008, our Corporate strategy for the period 2008 – 2012 and a five-year Funding Plan. In all of this we aim to support TG4 properly by setting the strategic direction, the priorities and the budgets for the service and to ensure that it is clear about what is expected of it and that it is meeting this expectation, namely to deliver as efficiently as possible, a comprehensive range of unique programming primarily in the Irish language, that reflects the cultural diversity of the whole island of Ireland and that entertains, informs and educates and which justifies its funding.

The Board's Audit Committee met three times during 2008 and focused in particular on undertaking analysis of key processes within the business. This work was undertaken by TG4's internal auditors, DHKN, and covered the key areas of Risk Assessment, Treasury Control, Travel and Subsistence and Commissioning. The analysis confirmed that prudent and efficient practices and safeguards are in place in TG4 with all recommendations implemented with immediate effect by the management team. Overall, the Board is confident that TG4 is delivering well on its statutory remit with the corporate culture within TG4 clearly placing a strong emphasis on transparency and accountability particularly with respect to Exchequer funding. The Board is confident that TG4 continues to discharge its duties well and prudently.

CHAIRMAN'S REPORT

Looking ahead, TG4 faces many challenges for the service. It is important in an increasingly crowded digital television market, that the range, quality and depth of content in TG4's year-round programme schedule is maintained at a level that will continue to make it an inclusive, mainstream and high quality entertainment offering. Our national audience share demonstrates the critical need to progress urgently the rollout of DTT and to generate additional funding to enable TG4 to commission and acquire attractive and entertaining content in addition to maximising value-for-money across all activities. In the months ahead, we will continue to optimise this value-for-money and ensure that we are high in quality and distinctive from other television channels on offer. Achieving all this is essential for TG4 to remain the foundation of Irish language national public service broadcasting.

All that remains is for me to thank our key stakeholders. Firstly, I would like to thank Minister Eamon Ryan and his officials from the Department of Communications for their continued support throughout 2008.

I would also like to thank RTÉ for its ongoing support for TG4 in 2008, particularly in its annual statutory provision of 365 hours of Irish language content to the channel and its provision of transmission services but also for working closely with us during the transition to DTT and the establishment of the Diaspora service amongst other activities.

In conclusion I wish to thank most sincerely my fellow Board members for their enthusiasm and dedication to TG4, to the TG4 staff and management for their vision and vigour, the Company and Board Secretaries and particularly An Ceannasaí, Pól Ó Gallchóir for his energy, efficiency and professionalism.

Peadar Ó Cuinn
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT



Ros na Rún

While 2008 was a challenging year for the broadcast industry in Ireland with more competition and a deteriorating economy, particularly in the latter half of the year, it was the strongest year yet for TG4 in terms of the quality and advancement of our broadcast and content services and programming as reflected by the awards for many of our programmes, presenters and branding / publicity, in addition to our higher levels of original / new Irish language programme outputs, our strengthened core broadcast schedule and the continued tremendous growth in the use of our website and WebTV services.

It was also our first full year as an independent public service broadcaster and this important milestone was reflected in our stronger performance as an organisation and our growth overall.

The Broadcast Service

TG4 is the national Irish language public service broadcaster, established by statute and funded by Government to deliver a full range of high quality Irish language television content across all programme genres to

audiences at home and abroad. The basis for TG4's activities is reflected in its statutory mandate which is set-down in broadcast legislation, most recently in the Broadcasting Act 2001. Under this legislation, TG4 is required to deliver a free-to-air public service to the whole community on the island of Ireland for the purposes of promotion and development of the Irish language and culture.

TG4 broadcasts 24 hours a day and in 2008, we output an average of 4.4 hours of original or new Irish language

CHIEF EXECUTIVE OFFICER'S REPORT

programmes daily, compared to 4.2 hours in 2007. This increase is part of TG4's plan to increase original Irish language content to six hours per day by 2013. This output represented a total of 1615 hours of new Irish language content for the 2008 year, representing an increase of 6.3% over the 1519 hours in 2007. In 2008 also, TG4 moved further towards a 35 week core schedule as an interim step towards achieving our strategic target of 40 weeks by 2013. We increased a number of our programmes from 26 to 30 plus weeks and endeavoured to fill the 35 week Winter/Spring programming schedule.

Programming

The pivotal foundation of the TG4 service is the provision of a high quality, attractive and unique public service programme schedule. This continues to be critical to the competitive development of TG4 as a national channel and remains our key strategic focus and the driver of almost all of our activities. The composition of the schedule, the balance between Irish and non-Irish language content, the targeting of audience categories etc. all have a direct impact on the short and longer-term success of the channel.

Over 2008, TG4 delivered new Irish language programming and worked closely with the independent sector to ensure all programming – both current and new - delivered high quality and the TG4 súil eile perspective. Overall, we continued to strive to deliver an appealing and innovative programming schedule

and in this context, delivered a significant number of outstanding new programmes in addition to enhancing current programming strands. We achieved this with limited resources and continued to demonstrate the strong demand for Irish Language content.

In 2008, TG4 spent the majority of its current Exchequer funding – 70% - on the production of Irish language content in addition to 15% on the broadcast of Irish language content. The remainder of its current funding (15%) was spent on overheads which include all publicity and marketing – including that of the channel and its programming.

Among the year's programming highlights were the superb "Kings", the first ever feature film in Irish, the new offerings in traditional music (Faoi Lán Cheoil), sport, documentary strands in history, culture and the arts, a new ninety minute morning block of Irish-language programmes which commenced in Autumn 2008, extended coverage from Oireachtas na Gaeilge including more live coverage of the prestigious dance and sean-nós singing competitions and the annual Gradam Ceoil Awards.

Drama and "story-telling" remained a key element in TG4's schedule over 2008 with the anchor series "Ros na Rún" continuing to be a central part of the programming schedule. This flagship soap is the largest professional creative industry project in the history of Irish language. In 2008, TG4 broadcast "Kings" which was written and directed by Tom

CHIEF EXECUTIVE OFFICER'S REPORT

Collins and starred Colm Meaney, Donal O'Kelly, Brendan Conroy, Donncha Crowley, Barry Barnes, Seán Ó Tarpaigh and Peadar Ó Treasaigh. Produced by Newgrange Films, it was shot in Belfast, London and Dublin. It tells the moving story of a group of young men, native speakers of Irish from Connemara who immigrated to England from the West of Ireland in the mid 1970s, filled with ambition for a better life in a place where they could be kings. Thirty years on, they meet for the funeral of the youngest of the group. This emotional reunion rekindles many memories, some of them sweet and others that revive old tensions. The feature length film, which premiered on TG4 on St. Stephen's Night 2008, was co-funded by TG4, The Irish Film Board, BCI, NIFTC, and the ILBF and also received Section 481 support. Two hundred and eighty five people were employed during the production and the total cost of the feature film was over €2m. "Kings" won five IFTA awards in 2008 - Best Actor in a Supporting Role (Brendan Conroy), Editing, Sound, Original Score and the Special Irish Language Award. It also won the top award at the Celtic Media Festival, the Spirit of the Festival, the highest accolade for a programme in a Celtic language. The Celtic Media Festival is one of the most prestigious and long established festivals in these islands and is held each year.

Other drama programmes included "Seacht", the ground-breaking teenage drama series set in third level college in Northern Ireland, "Cogar and Anamnocht" and "Aon Scéal", the first ever television panel show

format to demonstrate the wit and wordplay of Irish production. Work also began in 2008 on a major new drama soap "Rásaí na Gaillimhe".

In line with previous years, in 2008, TG4 continued to give priority to Irish sport and Gaelic games in particular. A major achievement during the year was the signing of a new three-year rights contract with the GAA which secures premium coverage for National Leagues, Club Championships and Under-21 competitions. The new contract allows TG4 to plan with confidence for this key area of its output. 2008 saw year-round, increased coverage of Gaelic games on TG4, from the provincial club competitions to the All-Ireland Club Finals in March and the National League Finals in April and May. The National Hurling League Final brought the highest sport viewership of TG4's year with 274,000 viewers for the Tipperary v Galway final. We continued with our sponsorship of "Cumann Peil na mBan" (Ladies Gaelic Football Association) and strengthened our partnership with it throughout the 2008 year. Once again, we increased the number of live games broadcast and covered in the TG4 Championships with 20 live matches and we were rewarded with a very high viewership for the All-Ireland Finals. TG4 continues to be recognised for its leading GAA coverage and has carved out a niche in the production of high quality sports coverage.

The year also saw the production of the channel's much awaited history of the GAA, "GAA@125 Bliain", which is

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to be shown in early 2009 as a key part of the Association's 125th anniversary. This major ten-part programme series was one of the biggest independent television productions in Ireland in 2008. TG4 also commissioned a new series of "Laochra Gael" (sporting legends) and extended its coverage of the Listowel Races to six days in addition to providing coverage of second and third level football and hurling competitions. As per previous years, TG4 also continued with its coverage of two major global sports events that have become associated with the channel in the summer namely, Wimbledon and the Tour de France in addition to adding coverage of the French Tennis Open in 2008.

In terms of young people's content in 2008, TG4 continued to place an emphasis on innovation, choice and interactivity. Children's programming is the most competitive area of the schedule with TG4 achieving a good performance in this genre. TG4 broadcast a comprehensive daily service for each of the constituent age-groups - from the breakfast time Cúla4 na nÓg for pre-school kids and the afternoon show Cúla4 for older children, to the engaging Síle zone for teenagers and third level students. Key programmes included "Skunk Fu" (which won a number of awards including a BAFTA nomination) and "Aifric" (which likewise won a number of major awards over the year as described later) amongst many others. Targeting this audience is a critical success factor for TG4 if it is to continue to encourage a positive attitude towards the Irish language and recruit our future audience base.

As a channel we must consider how best to service children and young people's content needs and how best to ensure that they will gravitate towards the Irish language from a very young age.

Another noteworthy aspect of TG4's schedule in 2008 was its music programming. The broadcast of "Gradam Ceoil TG4" (which President Mary Mc Aleese attended), the annual music awards, was a positive highlight of the schedule with other music programming including "Faoi Lán Cheoil", a new series of "Geantraí", extended Sean Nós coverage at Oireachtas na Gaeilge and "Mo Bhealach Fhéin" with Dónal Lunny.

The channel's continuing emphasis on regional and local stories and issues and the non-centrist perspective of its news and current affairs output in 2008 continued to draw a positive reaction from the audience and favourable comment from reviewers and commentators. This is a key element of the channel's Public Service Broadcasting ethos and the editorial remit of some programme strands has been specifically drafted to seek out and deliver a distinctive service by delivering stories not otherwise covered on national media or by providing a regional or súil eile illustration of major national or international stories and topics. This is particularly evident in the documentary and music schedules and in the daily news output of "Nuacht TG4", the weekly current affairs programme "7 Lá" and in the consumer affairs series "Luach Ár Linne".

CHIEF EXECUTIVE OFFICER'S REPORT

A major schedule development for TG4 over 2008 was the addition of a new Irish Language bloc in the morning for one and a half hours. This new bloc is broadcast between 11.30am and 1.00pm and aims to position Irish language programming in a central place in the mid-morning / lunchtime schedule. TG4 wanted to provide audiences who watch television during the day, an opportunity to see Irish language programmes which were broadcast the previous evening on TG4 in addition to providing access to archive Irish language programming.

In early 2008, TG4 appointed Lis Ní Dhálaigh to the senior management position of Director of Output and Acquisitions. Lis came into her new role on the back of her outstanding work on TG4's Children's and Young Peoples' output. Her position takes over the responsibilities previously held by the Director of Television, Alan Esslemont who left TG4 in January to return to his native Scotland to assist in the start up of BBC Alba, the new Scots Gaelic television service.

Our Audiences

TG4's national viewing share for 2008 was 2.5%. While this was marginally down on our 2007 viewing share of 2.7%, the Irish broadcasting industry has become extremely competitive and this was also a trend which was reflected in many other key channels' shares. These declines were at the expense of many new and growing international channels which have established themselves in the Irish market and which are mainly US-

oriented, youth-oriented and / or dedicated kid's channels. As such, TG4's share for 2008 demonstrates the channel's capacity to withstand competition from much bigger channels and an ability to compete against major channels with much larger programming budgets.

This is particularly reinforced by TG4's ability to secure strong audiences during the high-profile national holiday periods of St Patrick's Day, Easter and Christmas. While the channel continued with its policy of devising, commissioning and broadcasting the best possible programme schedule throughout the year, resources were strategically allocated to deliver a year-round service with audience peaks at high-intensity periods. The results of this again vindicated our policy of allocating additional resources to our programme schedule during these peak-viewing times in the belief that the audience has a strong affinity with the channel and returns to it for quality indigenous programming at these crucial periods of the year.

The additional investment into Irish Language Programming for peak audience viewing periods, where there has always been a substantial increase in audience share proved to be a very beneficial approach for TG4 in terms of its level of ratings during these peak-viewing periods. The channel was extremely popular during these viewing times over the 2008 year. For example, 3.1m (75% of the population) watched TG4 at some stage over the 2008 Christmas period. 1.35m people watched TG4 on

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Christmas Day alone and its share of viewing of 5.6% made TG4 the fifth most popular channel in Ireland on the day. St. Stephen's Day did even better with a share of 7.5% on St. Stephen's Night. TG4's aim is to invest more into high-quality Irish language programming to increase audience share year round.

Our share on Christmas day was also helped by two "specials" which we ran, namely, "Geantraí" and "Ros na Rún". These programmes have been broadcast on TG4 since the channel's establishment – over 12 years ago – and continue to attract loyal audiences. Both proved very successful during the day and attracted strong audience shares. The successful combination of this stalwart flagship programming with new and exciting programming such as "Kings" clearly demonstrates that our delivery of unique Irish language programming attracts audiences and strengthens our performance significantly in terms of audience shares.

Overall, over 800,000 viewers tuned into the channel every day in 2008 and we continued to have broad appeal and to cater for those of all age groups in the community whose preferred spoken language is Irish and / or who have an interest in Irish and in Irish culture and traditions, particularly sport and music. Our minor share decline does however demonstrate the critical need to sustain our position and audience share in order to enable us continue to deliver on our remit of successfully promoting and developing the Irish language, culture and traditions. As

such, we need to urgently progress the rollout of DTT and generate additional financial resources to enable the channel commission and acquire attractive and entertaining content.

Web Services

The importance of TG4 audiences outside Ireland was apparent from the growth in usage of our web services. In 2008, traffic to TG4's website and webcast services continued to grow and user feedback from both reaffirmed the growing importance of access to TG4 content and support material for thousands of users and learners of Irish throughout the world.

A complete redesign of the website (www.tg4.ie) to make it even more visually attractive, user-friendly and available in Irish and English in addition to an accompanying re-design and re-configuration of the broadband webcast service (www.tg4.tv), effected from September 2008, led to a significant increase in usage. The number of unique web visitors grew from 351k in 2007 to 430k in 2008, an increase of 22.5%, the number of page impressions increased from 4.4m in 2007 to 5.7m in 2008 – a growth of 30% and TG4's broadband webcast programme streams increased from almost 1.4m in 2007 to 1.6m in 2008 with growth of almost 18%.

These numbers demonstrate that TG4 is effectively delivering a world "Irish language" service to thousands of viewers outside Ireland and we believe there is more to come in terms of the service's development.

Other Services

TG4 has been directly involved in 2008 in the advanced planning for the new Diaspora channel (branded RTÉ International) that the Government has directed RTÉ to establish this service in the UK market initially. TG4 will provide three hours of Irish language content per week to this new service. RTÉ announced in late 2008 that it has deferred the launch of the new service.

The Independent Production Sector

TG4 continued to play a key role in supporting the development of the independent production sector in 2008, commissioning original programmes produced in Irish and sourcing many of its programmes from production companies in the Gaeltacht areas.

In 2008, we commissioned new Irish language programmes from independent production companies in Ireland with a value approximately €18.1m. This represented an increase of almost 10% over the 2007 expenditure of €16.5m with the spend excluding acquired programming which is dubbed for broadcast.

In addition to the creative benefits of TG4's work with the independent production sector, it is estimated by IBEC's Audiovisual Federation that over 300 jobs in the independent

production sector were sustained by TG4 commissions alone, in 2007. It is believed that this will have increased over 2008 albeit formal analysis by IBEC in this regard has yet to be finalised. Many but not all of these jobs are located in Gaeltacht areas whose location had been considered a barrier to entering the international audiovisual content industry.

In addition we impact the wider national economy in a very significant way through our direct and indirect expenditure, with our analysis showing that we contributed an estimated €58m to national incomes with an associated impact of over 1400 jobs in 2008.

In addition to this significant expenditure, TG4 undertook a number of development initiatives with the Independent production sector over the 2008 year, deepening our commitment to promoting the strength and diversity of the Irish independent production sector by committing to work with these companies where emerging talent, energy and innovation can be found. In particular we completed the first year of the Oifigeach Forbartha Léiriúcháin (OFL) scheme in conjunction with Údarás na Gaeltachta. This innovative mentoring scheme resulted in direct assistance being provided to nine companies in various Gaeltacht areas. TG4 also commenced year two of the scheme with ten companies on board. 2008 also saw the first completed television programmes from the OFL scheme being broadcast on TG4. "Cailleach Chill Chainnigh", "Kennedy's Cadets", "An Fathach", "An Diabhal ag an

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"Damhsa" and "Sa Bhaile san Ind" were all well received and bear testimony to the quality of the scheme and the range of content and talent it helps to produce. The foresight of those involved in devising and delivering this pioneering scheme and the investment involved has been well rewarded and bodes well for the future quality of productions from Gaeltacht-based companies.

2008 was the final year for the "Oscailt" scheme which was supported by TG4 for development and production of Irish language programming in conjunction with the independent production sector. The final Oscailt programmes will be broadcast in 2009 with the scheme to be replaced by a new three-year development scheme, "Siol", which will run from 2009 – 2011. Over 2008, Oscailt supported the development of three programming projects.

Over 2008, TG4 secured BCI and ILBF production funds to work on programme projects with the independent production sector and deliver the production of programmes that would otherwise not have been made. We recognise the importance of these funds and what they add to the broadcast market.

We also undertook significant programming project development in conjunction with the Northern Ireland independent production companies, in recognition of our objective to see a flourishing all-island Irish language independent production sector. In this regard, the ILBF has been key to supporting this sector and to produce programmes about its people, issues

and culture. Over 2008, TG4 played a central role in informing policy makers about the sector's importance, achievements and the necessity to extend the ILBF fund. We were delighted to see the scheme being extended for a further two years from March 2009 and we intend to work to ensure it becomes a permanent fund. Over 2008, TG4 secured BCI and ILBF production funds of €4.28m to work on 28 programmes. In addition, we worked closely with BBC NI on a number of high-end programme projects to ensure complementarity and effective use of our funding.

Not only do we support the development of the independent production sector through development projects such as OFL and Oscailt, we also support it on an ongoing basis through working closely with our supplier companies during the commissioning process and through supporting them through the key creative and production stages of each project. In 2008, we ran two major commissioning rounds.

All-island Service Development

A critical strategic objective for TG4 is also to establish the channel as an all-island service and as such, we need to ensure that the TG4 broadcast signal is available throughout Northern Ireland following analogue switch-off in the UK and that TG4 will be available on every platform in the North including cable, satellite and DTT. During 2008, we further developed our close working relationship with Ofcom, the UK television regulator.

Two Ofcom sessions were undertaken in Belfast and TG4 participated fully in these. In addition to being invited by Ofcom to participate in the public and industry seminars on the future of public service broadcasting (PSB) in the UK, we also fed directly into written submissions made by Irish language and cultural organisations in Northern Ireland, into the ongoing Ofcom Consultation Review of PSB in the UK. These submissions all highlighted the key role already being played by TG4 and the need to recognise TG4 as the only provider of a comprehensive television service in Irish for the North. They also affirmed Ofcom's stated policy of allocating DTT space in NI for TG4 as part of the PSB Multiplex in that region.

The Transition to Digital Terrestrial Television

TG4 continued to work closely with RTÉ on the transition to DTT and it is envisaged that by the fourth quarter of 2009, there will be 85% rollout of the new network. Key TG4 activities in 2008 entailed detailed planning, technology and system investment and meetings with RTÉNL to plan and prepare for rollout. Ensuring universal free-to-air reception throughout Ireland during the transition to DTT, particularly in remote and Gaeltacht areas, is a key objective of TG4 and a significant emphasis was put on this by us to ensure this objective will be met over the coming four years as DTT rollout takes place. As a part of this, TG4 is a member of the Department of Communication's DTT Stakeholders' Group and is directly involved in the planning for Multiplex 1 which will be the free-to-air DTT platform that

will carry the PSB channels, including TG4. During 2008, we continued to emphasise the potential challenges facing DTT when rolled out nationally and the need to ensure DTT universal coverage for all such areas before analogue switch-off.

TG4 Awards

TG4 received its highest ever (since establishment) number of awards in 2008 with 45 awards secured. These were received across our programming, our channel's personalities and our marketing and included Irish Film & Television awards (IFTA), Celtic Awards, Sharks, CIAKs and one EPICA award.

Among the most prestigious awards were the five IFTA Awards for the highly acclaimed Irish language film "Kings" - which also took the top award at the Celtic Media Festival 2008. Other TG4 projects "Aifric", "The Running Mate" and "Skunk Fu" were also IFTA winners. The latter also received a BAFTA nomination later in the year.

TG4 also took three of the top prizes at the annual Oireachtas na Gaeilge Awards with the film "Cré na Cille" taking Programme of the Year, Síle Ní Bhraonáin selected as Personality of the Year and Macdara Ó Fátharta (star of "Ros na Rún" and "Cré na Cille") taking the Best Actor prize.

Other programme prizes included the Best Documentary Award at the Celtic Media Festival for "Pádraic Ó Conaire – An Fear" with "Aifric" also taking a Celtic Media Festival Award.

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The forthcoming generation of Irish-language programme makers also received a major boost as "An Rí", devised and produced by Coláiste Pobail Cholmille, Tory Island, the national winner in the Transition Year Film Competition, sponsored by TG4, also went on to take the CIAK European prize.

The channel's highly acclaimed creative branding in both print and broadcast formats also took major awards including four Sharks, (one Gold), four ICADS and one EPICA. This major European award was for the TG4 brand campaign "The More You Watch...The More You See" which gained international recognition in 2008, by achieving a bronze award at the EPICA advertising awards where it competed amongst 5000 entries from more than 50 countries around the world.

Financial Performance

TG4 is a public service broadcaster supported primarily by State funding. 2008 saw a substantial increase of 14.5% in the current Exchequer allocation to TG4, bringing our current funding to €35.5m. This increased allocation was in broad terms commensurate with the level of funding sought in our five-year Funding Plan as submitted to the Department by TG4 in 2007. The additional funds obtained for 2008 were required to cover TG4's increased transmission costs, sports rights fees and to fund additional commissioned Irish language content as outlined in our Funding Plan and Corporate Strategy .

Over 2008, TG4 also exceeded its commercial revenue targets for advertising and sponsorship which was a real achievement due to the economic downturn and the advertising market's decline, particularly in the latter half of the year.

In 2008, TG4 also successfully secured additional external funding towards programming commissions by working in partnership with production funds, particularly the BCI's Sound and Vision scheme and the Northern Ireland Irish Language Broadcast Fund (ILBF). In our response to the Broadcasting Bill 2008, TG4 expressed the view that 50% of funding from the Sound and Vision scheme should be committed to Irish language content. While it would appear that this proposal will not be implemented, the overall amount of money available to the scheme may increase as a result of changes proposed in the Bill. The ILBF was also a major supporter of TG4-commissioned projects in 2008 and continues as a key driver of the creation and development of a viable Irish language independent production sector in the North.

Over 2008, we maintained our focus on efficiency and value-for-money within the organisation. Stringent budgetary controls and regular monitoring of the established guidelines by both management and Audit Committee ensure best value for all monies expended. In addition to internal practice and oversight by Board and internal and external auditors, regular contact with colleague broadcasters in Ireland and

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in Celtic countries also helps ensure an on-going exchange of views on the best methodologies to maximise cost-effectiveness.

TG4's central role in the newly established World Indigenous Broadcasters Television Network (WIBTN), of which TG4 is a founding member has also proven a valuable resource for sharing knowledge about international best practice in cost-effective content creation.

TG4 Work on Broadcasting Policy & Legislation

As a public service broadcaster, TG4 participates fully in any dialogue that informs the policy, legislation and directives which govern and regulate broadcasting at both a national and European level. The Broadcasting Bill 2008, published in early Summer 2008, was a comprehensive piece of legislation that will consolidate, repeal and/or update all previous broadcasting legislation across the full range of broadcasting activities when it is enacted.

Having made pre-drafting submissions, TG4 prepared a considered response to the published Bill with proposed amendments. Many of these were reflected in subsequent amendments to the Bill tabled by the Minister during its passage through the Seanad. We closely monitored the Bill's progress through the Houses of the Oireachtas and it was heartening that the debate in both Houses, was marked by constant and all-party support for TG4, its mission and performance.

A visit to TG4 Headquarters in September 2008 by the Joint Oireachtas Committee on Communications, Energy and Natural Resources afforded a great opportunity to brief its members about TG4 and on the implications of the Broadcasting Bill for our operations and future. The Committee was also able to see the practicalities of a major TG4 production during its visit to an on-location shoot for the "Ros na Rún" drama series.

Over 2008, TG4 continued to meet regularly with the Department of Communications and to submit reports on our strategic and financial performance. TG4's Chairman and CEO also met with the Minister and senior Departmental officials during 2008 to discuss a wide range of issues, operational and policy, in addition to reporting on our performance against our public service objects.

In terms of other stakeholder engagement, TG4 participated in regular meetings with the BCI on a wide range of issues of mutual interest, including the operation of the Sound and Vision Fund, and operation and review of Advertising, Access and Programming Standards Codes. The content and management of the statutory provision by RTÉ of 365 hours of Irish language content to TG4 was also the subject of regular review and discussion between the two broadcasters – amongst many other market development issues such as the BCI Review of Advertising and Access Codes and the Broadcasting Bill. TG4 also held regular meetings with Screen Producers Ireland (SPI), the representative body for independent

producers on a wide range of issues, including Terms of Trade and other matters such as TG4 funding and the impact of the new Broadcasting Bill. TG4 is a full member of the European Broadcasting Union (EBU) and attended all Council meetings. Over the year, we also input directly into the drafting of EBU policy documents for submission to the European Commission / Parliament. We also maintained our close relationship with Bord Scannán na hÉireann in 2008 and were happy to co-operate on a number of projects together.

TG4 was central to the decision to hold the highly prestigious annual Celtic Media Festival in Galway in April 2008. This was acknowledged as being a highly successful festival and TG4 was represented on both the permanent Central Executive Committee of the festival and was the Chair of the local Galway Festival. We played a key role in securing funding from local and national sponsors to bring the festival to Galway in addition to our participation on the Programming Committee that drafted topics and personnel to participate in the conference. TG4 presenters also co-hosted all festival sessions and gala prize-giving.

A TG4 representative is currently chair of IBEC's Audiovisual Federation (AVF), the umbrella group representing all sectors of creative industry in Ireland. This gives us a pivotal role in drafting AVF submissions to Government on a wide range of issues for the content creation sector including the Broadcasting Bill, taxation and other supports for film, television drama and animation production in Ireland.

Irish Language & Culture

The Government statement on the Irish language (2006) affirms its support for the development and preservation of the Irish language and the Gaeltacht, recognising that the Irish language is of particular importance for the people, society and culture of Ireland. It is now building on this Irish language statement and is developing a new 20-year plan for the development and promotion of the Irish language. As the sole national Irish language public service broadcaster, it is TG4's aim is to be established as a pivotal player in this plan. Over 2008, we continued to support the delivery of public policy on the promotion and development of the Irish language. While it is extremely difficult to measure this directly, the broad variety of Irish language, service development and policy-related activities with which we engaged and our continued positive impact on attitudes towards the Irish language most certainly attest to this fact.

2008 saw the final consultation stages in the new 20-year Irish language plan process. Over the year the Government invited submissions to aid the drafting of this plan and based on these, it is apparent that almost all public utterances on the topic have stressed the major positive impact that TG4 has had on the Irish language and culture and the need to maximise the channel's potential in this regard into the future. Indeed, all statements or commentary on the Irish language and culture from public representatives including Uachtarán na hÉireann and An Taoiseach

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consistently refer to TG4's pioneering role and considerable achievements in according the Irish language an accessible and contemporary image. During 2008, TG4 made our own submission on the drafting of the new plan in which we outlined our clear wish to participate fully in its implementation.

Daily feedback from audiences also commend TG4's output on an ongoing basis, with many seeking more programmes, more access to TG4's archive and customising of content for language-learning and other educational purposes, among others. There are in addition, regular enquiries from teachers of Irish, both in Ireland and abroad, for more projects and workbook type projects based on TG4's output.

Over 2008, we continued to strengthen our "partnerships" with Irish sporting bodies such as the GAA and the Ladies Gaelic football Association and with Irish language and cultural bodies such as Oireachtas na Gaeilge, Gael Linn and Foras na Gaeilge.

TG4 Operational Developments

Various measures and systems were implemented during 2008 to enhance TG4's organisation's performance. System developments were one element of TG4's capital programme which is reviewed and implemented on an annual basis and monitored on a monthly basis.

Key developments over 2008 included commencement of the implementation of a Digital Asset

Management system, enhancement of the Finance system, continued upgrading of the Air Time Sales system, further enhancement of the Channel Management system which was implemented in 2006, completion of a new HR System and the implementation and delivery of a range of other System initiatives including a full review of our IT infrastructure, the purchase of a new centralised web based email system, replacement of our "Uninterruptable Power Supply" and replacement of an ID-card building access system with a bio-metric access system.

The single biggest systems project was the planning, preparation, tendering and selection for the Digital Assets Management System (DAMS) project. Following on a Competitive Dialogue Tendering Process advertised in the EU Journal and nationally, the Sony Corporation was selected in October 2008 and the project is due to commence over the first half of 2009.

In terms of other developments, over 2008, we also updated our Corporate Strategic Plan to set-out a future vision for the period 2009 - 2013. The plan's objectives are that TG4 will address a number of fundamental opportunities and challenges ranging from making the transition to digital television and investing in the development of its programmes and schedules and in its operations and technology, to maintaining its share in an increasingly fragmented market and continuing to invest in Irish creative employment and the economy.

Looking Ahead

As a channel, TG4 has succeeded in securing its place in the hearts and minds of the Irish public for many reasons - as a provider of high-quality Irish language television content, as attributing a refreshing and positive image to the Irish language and as providing a unique súil eile perspective on Irish and national affairs, sport, music and culture.

Our vision is to successfully promote Irish language and culture using television and web content so as to ensure a central place for TG4 in people's lives, both in Ireland and abroad and we must strive continuously to achieve this. We must continue to deliver a high quality public service that promotes and celebrates the Irish language and culture and we must continue to promote and bring a sense of enjoyment to the language. It is critical that we help to ensure that Irish is part of daily life and that people are drawn to it through the entertaining content provided by TG4. Celebration of our language and culture is particularly important in a time where Europe is expanding so rapidly and where self-identity is vital.

The challenges facing us over the coming years are many – but so are the opportunities.

Of primary importance is that we continue to provide an entertaining and attractive central space for Irish in a competitive and fragmenting television market. An ability to sustain a high quality programming schedule

is key to this and continues to be the main priority for TG4 in 2009. Allied to this, growing our audience share is a challenge but also an exciting opportunity as we look for new ways to remain an attractive and distinctively Irish television service.

The economic downturn – which is effecting all organisations and businesses - presents a fresh challenge to TG4. We face ongoing pressures on our financial position which will intensify over the coming years. In a marketplace where the economic climate is severely weakened driven by the global downturn, there will be downward pressure on advertising and in addition to increased competition due to the emergence of new television channels, greater levels of Irish advertising opt-in for overseas services and alternative advertising media. This places pressure on TG4 to maintain its commercial income levels and to source new sources of commercial revenue. As a channel we will continue to also use our resources to build and support Irish language programme suppliers and to develop new talent in the Irish language production sector. The economic environment will naturally have real implications for TG4 but we must nevertheless endeavour to retain our success and our strong position.

From the outset, we have delivered our public remit by employing a relatively small number of staff to fulfil our responsibilities and by commissioning content from the market. We pursue an operating model which works as efficiently as possible and manage our costs

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to ensure maximum resources are devoted to content and work hard to ensure value-for-money in everything we do. TG4 has been audited as being an effective organisation and prudent in its approach to expenditure. Being an efficiently run organisation, being prudent and staying effective will remain critical priorities for TG4 as we move into the future. In the pursuit of an operating model which works as efficiently as possible, ongoing investment in more efficient processes and supporting technology is required. TG4 is moving to a tapeless operating environment and is implementing a three phased archive project which will ultimately see the introduction of a Digital Asset Management (DAM) system. The DAMS project will be the biggest internal undertaking for TG4 over 2009.

Ireland is making progress towards DTT and analogue switch-off by 2012 and TG4 must sustain its position in the competitive digital television market. The digital transformation will impact all TG4 business activities and there will be additional costs for TG4 to make the transition to DTT but it is vital that we remain fully committed to this important broadcasting development. TG4 is likewise committed to the development of the Irish Diaspora television channel and looks forward to working on its establishment over the coming year.

TG4 must continue to play a central role in the development of the independent production sector. It is vital, for the development of Irish creative production talent and for

the support of regional employment, that TG4 can continue to commission original programming content from this sector. Funding bodies enable TG4 to make programmes that would otherwise not have been produced, which has real "additionality" to the sector and to TG4's programming schedule and viewer enjoyment. Over 2009, TG4 aims to work to support the continued development of these funds.

It is clear that there are a broad range of challenges and opportunities facing TG4 over the coming years and we aim to ensure the channel successfully addresses these. In particular, we will focus on providing a strong and unique Irish language broadcast service which celebrates and promotes Irish language and culture in the digital age, in addition to providing a "showcase" for emerging talent and innovation.

Key to all of this is that TG4 continues to flourish under its independent status. Establishing TG4, as an independent body was central in the provision of a high quality Irish language broadcasting service and we must sustain our position as a distinctive, central player in the very competitive national television market in Ireland and keep ahead of technological and market trends. Overall, we aim to leverage our independence in order to grow to become a focus for Irish language users throughout the world and a "home" for the resurgence in interest and creativity for the most vibrant manifestations of Irish culture including music and sport etc.

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Our Gratitude

There are a number of people I would like to thank for their support over the year.

My thanks to the Minister and the Department for their unstinting encouragement and support over 2008. We are truly grateful to Minister Eamon Ryan and his officials for their full support for the continued development and success of TG4.

I also wish to thank the Chairman Peter Quinn and the Board for their commitment to TG4 and for the support and guidance they provided to the TG4 Executive over the year.

Our gratitude is also due to the Broadcasting Commission of Ireland, Bord Scannán na hÉireann, the Northern Ireland Irish Language Broadcast Fund, Údarás na Gaeltachta, the independent sector that provides TG4's wonderful Irish language output and not least, all organisations which support TG4 with advertising and sponsorship.

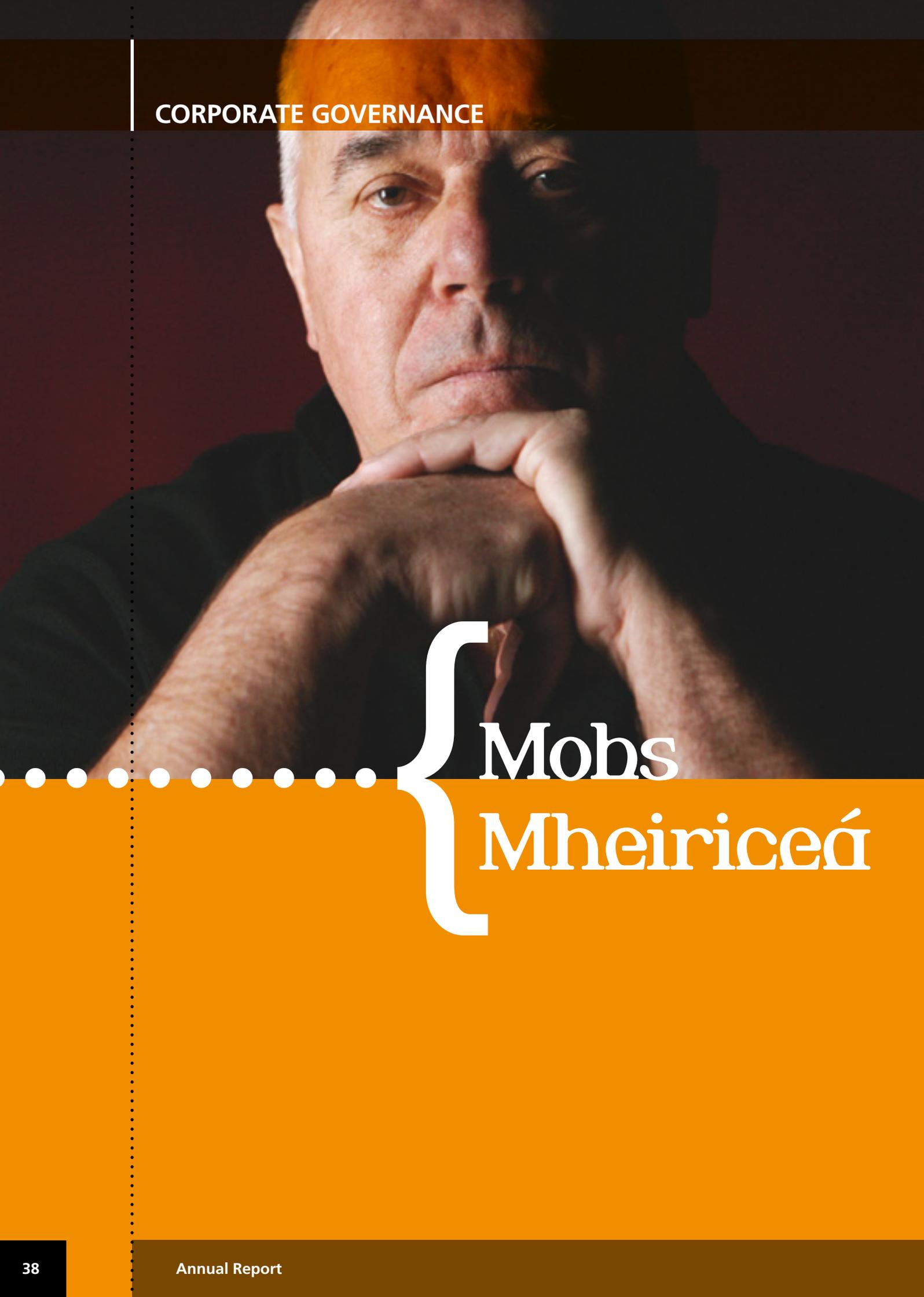
I would also like to thank RTÉ for the provision of programmes and their continued cooperation.

Thanks are also due to the many representative bodies with whom we work to advance broadcasting and the Irish language and culture in Ireland. These include the Broadcasters in Ireland Group (TBIG), IBEC's Audio Visual Federation, the many Irish sporting bodies such as the GAA and the Ladies Gaelic football Association and the Irish language and cultural

bodies such as Oireachtas na Gaeilge, Gael Linn and Foras na Gaeilge.

Finally, I would like to thank my colleagues, the management and staff of TG4, for their continued dedication and commitment to, and belief in, the continued success of the channel. I look forward to the next year of working with them on addressing the significant challenges and delivering on the many opportunities for TG4.

Pól Ó Gallchóir



Mobs
Mheiriceá

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

The Board formally adopted the Code of Practice for the Governance of State Bodies, as issued by the Department of Finance in October 2001, at its meeting held in May 2007.

The Audit Committee affirmed that it had carried out a review of the internal financial controls of Teilifís na Gaeilge in 2008. The Board accepted this and it was reported in the minutes of the Board meeting of the 15th of December 2008.

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 the 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 2008. A risk assessment report was presented to the Board at its meeting held in December 2008. The potential risks and risk mitigation strategies, as outlined in the report, were accepted by the Board at that meeting.

It was further agreed that this is an on-going process. Therefore the risk register will be updated during 2009 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 are listed in page 6 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.

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- 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 Chief Executive 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 the Minister of Finance in July 1992.

TG4 Board	Fees	Expenses
	€'000	€'000
<i>Peadar Ó Cuinn</i>	24	5.6
<i>Pádraic Mac Donncha</i>	14	2.7
<i>Regina Uí Chollatáin</i>	14	2.5
<i>Bríd Ní Neachtain</i>	14	2.2
<i>Seosamh Ó Conghaile</i>	14	.3
<i>Feargal Ó Sé</i>	14	3.8
<i>Méabh Mhic Ghairbheith</i>	14	4.5
<i>Eilís Ní Chonnaola</i>	14	.5
<i>Méadhbh Mhic an Airchinnigh</i>	14	1.0
<i>Arrears from 2007</i>	1	
<i>Miscellaneous Board costs</i>		7.9
Board members' fees and expenses	137	31

*All members of the Board are non-executive
All members were appointed on 1st April 2007*

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

2008 was the first full year of operation for Teilifís na Gaeilge, trading as TG4, since its establishment as a Statutory Body on 1st April 2007.

Income & Expenditure Reviews

In 2008, in terms of the key sources and use of income and our principal cost drivers, the channel's overall focus was on efficiency and value-for-money.

3.3.1 Income

As can be seen from Table 1, total income in 2008 was €39.5m. As 2008 was the first full year in which TG4 operated as an Independent Statutory Body, there are no exact comparisons with previous accounting years available, however, compared to the previous 12 months TG4's total income increased by 11.4% in 2008. Exchequer current funding was almost €35.5m of this and represented almost 90% of TG4's total income with commercial income's share representing 10.2% in 2008, at €4.033m.

While Exchequer current funding increased by 14.5% over 2007 levels, commercial income (advertising and sponsorship) declined by 19.9%. This reduction was due to a very challenging economic and competitive advertising market particularly in the latter half of 2008. However, it should be noted that TG4 set itself a target income of €3.05m for 2008 based on a target national audience share of 2.7% for the year and it generated €3.6m on a national audience share of only 2.5% in 2008. So while this is a decrease compared to the income generated in 2007, it exceeded TG4's targets for the 2008 year by over 18% and was a real achievement due to the advertising market's decline. The reduction has however resulted in a shift in the balance of total income between Exchequer funding and commercial income. The share of total income from Exchequer funding increased from 87% in 2007 to almost 90% in 2008 with commercial income's share declining from almost 13% to just over 9%. This is particularly important in the context of all non-Irish language output being funded from commercial income, with this content being necessary to provide balance to the schedule and to attract audience ratings. As such, any continued decline in this regard may impact TG4's purchasing power for non-Irish language content.

Table 1: TG4 Income 2008

Income 2008	€'000	% Share
Grant-in-Aid	35,473	89.8%
Commercial (advertising & sponsorship)	3,592	9.1%
Other Commercial	438	1.1%
Total Income	39,503	100%

3.3.2 Operating Expenditure

In terms of annual operating expenditure, TG4 performed as budgeted in 2008 with a continued emphasis during the year on an operating model which works as efficiently as possible and on cost management to ensure value-for-money across all activities.

Table 2 presents TG4's operating expenditures for 2008. As can be seen from the table, and as is consistent with the channel's objectives, programming expenditure represented the largest component of its operating expenditure at almost 63%. This included external commissions from the independent production sector and internal productions. Staff costs were the second largest element, representing 15% in 2008. These included wages and salaries, social welfare, pension costs, training & development, travel and subsistence and other staff costs relating to production, operational and administration functions. Transmission costs were the third largest aspect representing 9% of TG4's total operating expenditure with marketing & research representing just under 5% of the total for 2008. Overheads represented almost 3% during the year.

Table 2: TG4 Operating Expenditure 2008

Indicator	€'000	% Share
	2008	
Cost of Sales on Commercial Income	648	1.6%
Staff Costs	6,109	14.9%
Programme Expenditure	25,701	63.1%
Marketing & Research	1,865	4.6%
Transmission Costs	3,598	8.8%
Overheads	1,375	3.4%
Other (Depreciation, Board etc.)	1,452	3.6%
Total Operating Expenditure	40,748	100%

As 2008 was the first full year in which TG4 operated as an Independent Statutory Body, there are no exact comparisons with previous accounting years available, however, compared to the previous 12 months TG4's total operating expenditure increased by 11.7% in 2008.

FINANCIAL REVIEW 2008

As reflected in its commitments for the year, TG4 spent 70% of its Exchequer current funding on the production of Irish language content in 2008 as shown in Table 3 below and an additional 15% of its current funding on direct broadcasting costs. Overall, TG4 increased its daily output levels of new Irish language content – from 4.2 to 4.4 hours per day.

Table 3 : Irish Language Content Expenditure for 2008

Indicator	€'000	% Share
	2008	
Current Exchequer Funding	35,473	100%
Irish Language Programmes		
Commissioned	18,126	51.1%
Acquired/Dubbed/subtitled	5,099	14.4%
Production Staff Costs (including salaries)	1,561	4.4%
Total Irish Language content production costs	24,786	70%

In terms of operating expenditure versus income, TG4 retained a financial deficit in 2008. Our deficit before tax was €118k and after tax was €150k as shown in Table 4 below.

Table 4 : TG4 Deficit Retained for 2008

Indicator	€'000
	2008
Net Operating Expenditure for the Year	(36,718)
Interest Receivable & Similar Income	106
Surplus on disposal of fixed assets	6
State Funding –Grant in aid	35,473
Amortisation of Capital Grants	1,015
Surplus / (Deficit) on ordinary activities before taxation	(118)
Taxation	(32)
Surplus / (Deficit) on ordinary activities after taxation	(150)

Securing ongoing cost efficiencies are critical for TG4 and are pivotal to our provision of value-for-money. As such, in 2008, as per other years, we operated a robust approach to cost control within the organisation. For example, a rigorous approach is applied to budgeting whereby the annual budget is prepared and then approved by Board. This budgeting process entails the preparation of detailed Departmental budgets (for seven departments) and the preparation of sub-Departmental budgets (for 18 sub-Departments). In terms of monitoring and reporting, a monthly report is prepared for the Board which shows actual versus budget income and expenditure in addition to variance analysis.

FINANCIAL REVIEW 2008

In terms of control of staff costs, a monthly and year to date headcount report on actual versus forecasts is prepared and in addition, there are a number of staffing level controls. These include the fact that any staff additions (including temporary) must be approved by the CEO and HR. Overtime must be pre-approved and kept to a minimum. Travel and subsistence claims are signed-off by each Department Manager and then checked by accounts. Air travel requests must be approved by CEO. There is an emphasis on cost savings on all travel and accommodation etc. In terms of control of non-staff overheads, all purchase orders must be signed by managers with purchase orders over €10k counter signed by the Finance Director and CEO. Any deviations from order values must be approved



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FINANCIAL STATEMENTS

Teilifís na Gaeilge

Financial Statements the for year ended 31 December 2008

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Statement of Board Members' Responsibilities

Year ended 31st December 2008

The Board is required by the Broadcasting Act, 2001 to prepare financial statements for each financial year in such form as may be approved by the Minister for Communications, Energy and Natural Resources with the concurrence of the Minister for Finance which give a true and fair view of the state of affairs of Teilifís na Gaeilge and of its income and expenditure for that period.

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 financial reporting standards of the Accounting Standards Board as promulgated by the Institute of Chartered Accountants in Ireland.

The Board is also responsible for safeguarding the assets of Teilifís na Gaeilge and hence for taking reasonable steps for the prevention and the detection of fraud and other 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:

Peadar Ó Cuinn
Cathaoirleach.

Teilifís na Gaeilge – Annual Report and Accounts 2008

Financial Statements – Statement on Internal Financial Control

For the year ended 31st December 2008.

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 period.

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.

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The system of internal financial control is based on a framework of regular management information, administrative procedures including 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 the internal audit plan are endorsed by the Audit Committee, which meets on a regular basis, but not less than three 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 that 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 2008; the Board conducted a review of the effectiveness of the system of internal financial control.

Signed on behalf of the Board

Peadar Ó Cuinn
Cathaoirleach

FINANCIAL STATEMENTS

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

I have audited the financial statements of Teilifis na Gaeilge for the year ended 31 December 2008 under the Broadcasting Act 2001.

The financial statements, which have been prepared under the accounting policies set out therein, comprise the Statement of Accounting Policies, the Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes.

Respective Responsibilities of the Members of the Board and the Comptroller and Auditor General

Teilifis na Gaeilge is responsible for preparing the financial statements in accordance with the Broadcasting Act 2001, and for ensuring the regularity of transactions. Teilifis na Gaeilge prepares the financial statements in accordance with Generally Accepted Accounting Practice in Ireland. The accounting responsibilities of the Members of the Board are set out in the Statement of the Board Members' Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland. I also report whether in my opinion proper books of account have been kept. In addition, I state whether the financial statements are in agreement with the books of account.

I report any material instance where moneys have not been applied for the purposes intended or where the transactions do not conform to the authorities governing them.

I also report if I have not obtained all the information and explanations necessary for the purposes of my audit.

I review whether the Statement on Internal Financial Control reflects Teilifis na Gaeilge's compliance with the Code of Practice for the Governance of State Bodies and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements. I am not required to consider whether the Statement on Internal Financial Control covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

FINANCIAL STATEMENTS

I read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Audit Opinion

In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures and regularity of the financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to Teilifis na Gaeilge's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of Teilifis na Gaeilge's affairs at 31 December 2008 and of its income and expenditure for the year then ended.

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

John Buckley
Comptroller and Auditor General

May 2009

FINANCIAL STATEMENTS

Statement of accounting policies

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

1. Establishment of Teilifís na Gaeilge.

Pursuant to the 2001 Broadcasting Act and 2007 Ministerial Order, Teilifís na Gaeilge was established as a Statutory Body on 1st April 2007.

Prior to that date Seirbhísí Theilifís na Gaeilge Teo, a wholly owned subsidiary of RTÉ and trading as TG4, operated as a public service broadcaster, broadcasting primarily in the Irish Language.

On establishment date 1st April 2007, the assets and trade of Seirbhísí Theilifís na Gaeilge Teo. transferred to the new entity Teilifís na Gaeilge, pursuant to Section 52 of the 2001 act.

2. Basis of accounting

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

The financial statements are denominated in Euro.

3. Income Recognition

Commercial Income

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

Commission in relation to sales is charged to income and expenditure account as incurred.

4. Expenditure.

Expenditure comprises operational and capital expenditure

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

Programme expenditure is charged to the income and expenditure account as incurred

FINANCIAL STATEMENTS

5. State Grants

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

The grant is recognised in income and expenditure account in year of receipt.

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

6. Tangible Fixed Assets

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

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

	%
Buildings	2.5
Plant and equipment	7.5-20
Fixture and fittings	10

7. Foreign currency

Transactions denominated in foreign currencies are translated into euro at the exchange rates ruling at the day of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into euro at the exchange rate ruling at the balance sheet date and resulting gains and losses are included in the income and expenditure account for the period.

8. Pensions

Teilifís na Gaeilge makes contributions in respect of a Defined Contribution Scheme and a Defined Benefit Scheme.

Defined Contribution Scheme

Teilifís na Gaeilge operates a defined contribution scheme for certain of its employees.

Payments to the scheme are charged to the income and expenditure account in the period to which they relate.

Teilifís na Gaeilge Superannuation Scheme

Teilifís na Gaeilge operates a defined benefit scheme for two of its officers, the CEO and Deputy CEO. This scheme is operational from 3rd December 2007. The scheme is funded by contributions from TG4 and employees, which 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 scheme liabilities.

Actuarial gains and losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the statement of total recognised gains and losses for the year in which they occur.

Pension scheme assets are measured at fair value. Pension scheme liabilities are measured on an actuarial basis using the projected units method. An excess of scheme assets over scheme liabilities is presented on the Balance Sheet as an asset.

9. Taxation

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

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

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

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

FINANCIAL STATEMENTS

Teilifís na Gaeilge

Income and Expenditure Account for the year ended 31 December 2008

	Notes	Year ended 31 Nollaig 08 €'000	9 months ended 31 Nollaig 07 €'000
Commercial Income	2	4,030	3,596
Cost of Sales	2	648	541
Net Sales		<u>3,382</u>	<u>3,055</u>
Expenditure			
Staff costs	3	6,109	4,350
Board members' fees and expenses	4	168	131
Programme expenditure	5	25,701	17,716
Transmission costs		3,598	2,540
Marketing and research	6	1,865	1,272
Overheads	7	1,375	953
Depreciation	8	1,284	1,119
Total Expenditure		<u>40,100</u>	<u>28,081</u>
Net operating expenditure for year		<u>(36,718)</u>	<u>(25,026)</u>
Interest receivable and similar income	10	106	78
Surplus on disposal of fixed assets		6	-
		<u>(36,606)</u>	<u>(24,948)</u>
State funding	11	<u>36,488</u>	<u>24,914</u>
Surplus/(Deficit) on ordinary activities before taxation		(118)	(34)
Taxation	12	(32)	(33)
Surplus/(Deficit) for financial year		<u>(150)</u>	<u>(67)</u>

The Accounting Policies and Notes 1 to 25 form part of these financial statements.

On behalf of the Board of Teilifís na Gaeilge:

Peadar Ó Cuinn
Chairman

Pól Ó Gallchóir
Chief Executive Officer

FINANCIAL STATEMENTS

Teilifís na Gaeilge

Statement of Total Recognised Gains and Losses for the year ended 31 December 2008

	Year ended 31 Nollaig 08	9 months ended 31 Nollaig 07
	€'000	€'000
Surplus/(Deficit) for financial year retained	(150)	(67)
Actuarial (loss)/gain on pension scheme assets	<u>(4)</u>	<u>-</u>
Total Recognised gains/(losses) for the year	<u>(154)</u>	<u>(67)</u>
Movement in Pension Reserve		
Balance at 1 January	-	-
Actuarial loss for the year	<u>(4)</u>	<u>-</u>
Balance at 31 December	<u>(4)</u>	<u>-</u>

The Accounting Policies and Notes 1 to 25 form part of these financial statements.

On behalf of the Board of Teilifís na Gaeilge:

Peadar Ó Cuinn
Chairman

Pól Ó Gallchóir
Chief Executive Officer

FINANCIAL STATEMENTS

Teilifís na Gaeilge

Balance Sheet at 31 December 2008

	Notes	2008	2007
		€'000	€'000
Fixed Assets			
Tangible assets	8	8,381	8,994
Total non-current assets		<u>8,381</u>	<u>8,994</u>
Current Assets			
Debtors	13	2,095	2,254
Cash at bank and in hand	14	372	36
		<u>2,467</u>	<u>2,290</u>
Current Liabilities			
Creditors amounts falling due within one year	15	<u>2,774</u>	<u>2,640</u>
Net current liabilities		<u>(307)</u>	<u>(350)</u>
Creditors amounts falling due after one year	16	7	-
Net assets excluding pension asset		<u>8,067</u>	<u>8,644</u>
Pension Asset	20	25	-
Net assets including pension asset		<u>8,092</u>	<u>8,644</u>
Financed by			
Capital Grants	9	7,914	8,312
Pension Reserve	20	(4)	
Revenue Reserves	17	<u>182</u>	<u>332</u>
		<u>8,092</u>	<u>8,644</u>

The Accounting Policies and Notes 1 to 25 form part of these financial statements.

Thar ceann Bhord Teilifís na Gaeilge:

Peadar Ó Cuinn
Chairman

Pól Ó Gallchóir
Chief Executive Officer

FINANCIAL STATEMENTS

Teilifís na Gaeilge

Cash Flow Statement for the year ended 31 December 2008

	Notes	Year ended 31 Nollaig 08 €'000	9 months ended 31 Nollaig 07 €'000
Operating activities- net cash inflow/outflow (Net of state grant)	18	299	(3,579)
Return on Investment and Servicing of Finance			
Interest Received		85	62
Interest Paid			-
Net Cash Inflow from Returns on Investments and Servicing of Finance		<u>85</u>	<u>62</u>
Capital Expenditure			
Payments to acquire tangible fixed assets	8	(671)	(822)
Receipts from sale of fixed assets		6	-
State capital grants		617	807
Net Cash Outflow from Capital Expenditure		<u>(48)</u>	<u>(15)</u>
Net cash/inflow (outflow)	19	<u>336</u>	<u>(3,532)</u>

The Accounting Policies and Notes 1 to 25 form part of these financial statements.

Thar ceann Bhord Teilifís na Gaeilge:

Peadar Ó Cuinn
Chairman

Pól Ó Gallchóir
Chief Executive Officer

FINANCIAL STATEMENTS

Notes to the financial statements

Notes

1. Principal activity

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

2. Net Sales

	Year ended 31 Dec 08	Period ended 31 Dec 07
	€'000	€'000
Commercial Income		
Airtime sales	3,225	3,198
Sponsorship sales	215	274
Programme sales	11	-
Facilities charge-out	438	
Sundry income	141	124
	<u>4,030</u>	<u>3,596</u>
Cost of Sales		
Commission on advertising and sponsorship sales	648	541
	<u>648</u>	<u>541</u>
Net sales	<u>3,382</u>	<u>3,055</u>

3. Staff costs

The average number of full time employees employed by Teilifís na Gaeilge during the period was 86. Employee costs during the period comprised:

	€'000	€'000
Wages and Salaries	4,825	3,510
Social welfare costs	505	352
Pension Costs	449	267
Travel & subsistence	206	127
Training	60	39
Other staff costs	64	55
Total staff costs	<u>6,109</u>	<u>4,350</u>

Emoluments of CEO

	€'000	€'000
Basic Salary	189	115
Performance related pay (arrears)	3	15
Performance related pay		31
Employer's Pension Contribution	63	9
Other Benefits	3	2
	<u>258</u>	<u>172</u>

4. Board costs

	€'000	€'000
Fees	137	103
Travel/Subsistence etc	31	28
Total	<u>168</u>	<u>131</u>

FINANCIAL STATEMENTS

Notes to the financial statements

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5. Programme expenses

	Year ended 31 Dec 08	Period ended 31 Dec 07
	€'000	€'000
Commissioned programmes	18,126	11,963
Acquired programmes	4,082	3,338
Dubbing costs	2,077	1,368
Other costs	1,416	1,047
	<u>25,701</u>	<u>17,716</u>

6. Marketing & Research

	€'000	€'000
Advertising and marketing	1,702	1,093
Design		163
Audience measurement and research	163	16
	<u>1,865</u>	<u>1,272</u>

7. Overheads

	€'000	€'000
Equipment maintenance	371	234
Insurances	95	70
Library Costs	94	57
Consultancy	137	96
Wardrobe & Make Up	24	24
Electricity	152	103
Rent & Rates	40	28
Set Up Costs		169
Cleaning	44	34
Postage & Stationary	32	30
Telephone	29	32
Security	82	55
Canteen	91	64
Audit	16	16
Vehicles' Expenses	8	17
Pension administration cost	42	30
Miscellaneous	118	96
Facilities Charge Out		(202)
	<u>1,375</u>	<u>953</u>

FINANCIAL STATEMENTS

Notes to the financial statements

Notes

8. Tangible fixed assets

	Buildings	Equipment	Fittings	Total
	€'000	€'000	€'000	€'000
Cost				
at 31 December 2007	7,510	12,369	628	20,507
Additions	27	590	54	671
Disposals	(3)	(135)	(71)	(209)
At 31 December 2008	7,534	12,824	611	20,969
Accumulated Depreciation				
at 31 December 2007	1,664	9,341	508	11,513
Charge for period	196	1,046	42	1,284
Disposals	(3)	(135)	(71)	(209)
At 31 December 2008	1,857	10,252	479	12,588
Net Book Value				
At 1 January 2008	5,846	3,028	120	8,994
At 31 December 2008	5,677	2,572	132	8,381

9. Capital grants and prepaid grants-in-aid

	31 Dec	31 Dec
	2008	2007
	€'000	€'000
(a) Capital grants - received and receivable		
Opening Balance	9,231	8,424
Grants received during the period	617	807
Closing Balance	9,848	9,231
Amortisation		
Opening Balance	919	
Amortised during the period	1,015	919
Closing Balance	1,934	919
Net book value - Capital grants	7,914	8,312
(b) Prepaid grants-in-aid received		
Opening Balance		1,033
Closing Balance		1,033
Amortisation		
Amortised during the period		1,033
Closing Balance		1,033
Net book value - Grants-in-aid		-
Total capital grants & prepaid grants-in-aid	7,914	8,312

FINANCIAL STATEMENTS

Notes to the financial statements

Notes

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.

	31 Dec 2008	31 Dec 2007
10. Interest Received	€'000	€'000
Interest on bank deposit accounts (gross)	106	78

11. State Funding

Grants received from the Department of Communications, Energy and Natural Resources represent state funding received in relation to current expenditure incurred by Teilifís na Gaeilge.

State funding credited to Income and Expenditure Account in period

	€'000	€'000
Grant received in period of accounts	35,473	22,962
Capital grant amortised (note 9)	1,015	919
Prepaid grant-in-aid amortised (note 9)		1,033
	<u>36,488</u>	<u>24,914</u>

The total allocation for 2008 was €36.39m comprising:

Grants received for current expenditure	35,473	24,914
Grants applied for Capital Purposes	617	919
Grants applied for Capital purposes but unspent at year end (note 15)	300	
	<u>36,390</u>	<u>25,833</u>

	31 Dec 2008	31 Dec 2007
12. Taxation	€'000	€'000
Profit/(Loss) on ordinary activities before tax	(118)	(34)
Loss on ordinary activities before tax multiplied by the standard rate of corporation tax in Ireland of 12.5%	(15)	(4)
Effects of:		
Income taxable at higher rate of tax	13	10
Excess/(shortfall) of capital grants amortised and capital allowances over depreciation	30	25
Non-deductible expenditure	4	2
Current tax charge for the year	<u>32</u>	<u>33</u>

13. Debtors

Trade debtors	1,213	1,786
Value added tax	731	417
Prepayments	151	51
	<u>2,095</u>	<u>2,254</u>

FINANCIAL STATEMENTS

Notes to the financial statements

	31 Dec 2008	31 Dec 2007	
	€'000	€'000	
14. Cash			
Cash	1	1	
Bank accounts	371	35	
	<u>372</u>	<u>36</u>	
15. Creditors Falling due within 1 year	€'000	€'000	
Trade creditors	257	373	
Accruals and deferred income	2,126	1,958	
Pension Contributions	75	65	
Corporation Tax	11	17	
Lease creditor	5		
Deferred Capital Grant	300		
PAYE/PRSI		227	
	<u>2,774</u>	<u>2,640</u>	
16. Creditors Falling due after 1 year	€'000	€'000	
Lease creditor	7	-	
	<u>7</u>	<u>-</u>	
17. Revenue Reserves	€'000	€'000	
Balance at 31 December 2007	332	399	
Deficit for the financial period retained	(150)	(67)	
Balance at 31 December 2008	<u>182</u>	<u>332</u>	
18. Reconciliation of Surplus for the year to net cash flow from operating activities			
	€'000	€'000	
Deficit for the year	(150)	(67)	
Non Operating Activities			
Interest received (net)	(85)	(62)	
Surplus from sale of fixed assets	(6)	-	
Non Cash Items			
Depreciation	1,284	1,119	
Amortisation capital grants	(1,015)	(919)	
Amortisation grant in aid		(1,033)	
Pension asset adjustment	(29)		
(Increase)/decrease in debtors	159	1,841	
Increase/(decrease) in creditors	141	(4,458)	
Net cash outflow from operating activities	<u>299</u>	<u>(3,579)</u>	
19. Analysis of changes in net funds	Ag 31 Dec	Cash	Ag 31 Dec
	2007	Flow	2008
	€'000	€'000	€'000
Cash at bank and in hand	25	258	283
Short term deposits	11	78	89
	<u>36</u>	<u>336</u>	<u>372</u>

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Notes to the financial statements

20. Pension

a) Description of Scheme

Teilfis na Gaeilge operates a defined benefit scheme and a defined contribution for its employees. The schemes are funded and the assets are held separately from those of Teilfis na Gaeilge.

The following pension costs were incurred in the year:

	€
Defined Contribution Scheme	369,308
Defined Benefit Scheme Cost (note 20g)	80,000
	449,308

Contributions are made to the defined benefit scheme at rates recommended by Independent qualified actuaries. The company made payments to the defined benefit scheme for the first time during the year ended 31 December 2008.

The latest full actuarial valuation prepared as at 31 December 2008. 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 as at 31 December 2008 used for FRS 17 purposes were as follows:

	2008
	%
Discount rate	5.60
Increase in consumer price index ¹	2.50
Increase in pensionable earnings	4.50
Increase in pension payment	4.50
Return on investments - Bonds	4.30
Return on investments - Other	2.25

The following amounts were measured in accordance with the requirements of FRS 17.

c) Demographic Assumptions

Mortality

62% of PNML00 tables for males and 70% of PNFL tables for females with increases of .39% per annum compound between 2008 and the year in which normal pension falls.

d) Change in benefit obligation

	2008
	€
Present Value of Scheme Obligations at beginning of year	0
Current Service Cost	94,000
Past Service Cost	5,000
Interest Cost	3,000
Present Value of Scheme Obligations at end of year	102,000

e) Change in Scheme assets

	2008
	€
Fair Value of Scheme Assets at beginning of year	0
Expected return on Scheme Assets	3,000
Actuarial Gain/(Loss)	-4,000
Employer Contributions	109,000
Members' Contributions	19,000
Fair Value of Scheme Assets at end of year	127,000

FINANCIAL STATEMENTS

f) Amounts recognised in the balance sheet

Present Value of Funded obligations	102,000
Fair value of Scheme Assets	127,000
Net Asset	25,000
Amounts in the balance sheet	
Liabilities	0
Assets	25,000
Net Asset	25,000

g) Pension Costs

Current service cost	94,000
Interest cost	3,000
Expected return on Scheme Assets	-3,000
Past service cost	5,000
Members contributions	-19,000
Total	80,000

h) The net cumulative actuarial loss recognised in the STRGL for the year ended 31 December 2008 amounted to €4,000.

i) Scheme Assets

The asset allocations at the year end were as follows:

	Exp Return	2008
Bonds	4.30%	100%
Other	2.25%	0%
		100%

The overall expected return of the scheme's assets has been derived as the weighted average of the expected returns on the categories of assets held by the scheme at the opening balance sheet date.

2008
€

j) History of defined benefit obligations, assets and experience gains and losses

Defined benefit obligations	102,000
Fair value of Scheme Assets	127,000
Surplus for funded Scheme	25,000

k) Contributions

The company expects to contribute €96,000 to its pension scheme in 2009.

l) FRS 17

The information on pensions has been presented in line with new disclosure requirements required from 2008 under an amendment to FRS 17.

21. Programme / rights purchase commitments

Teilifis na Gaeilge has programme / rights purchase commitments contracted but not provided for at 31 December 2008 of €21,335,665

22. Commitments

Teilifis na Gaeilge has capital commitments contracted but not provided for at 31 December 2008 of €290,000

23. RTE Transactions

Teilifis na Gaeilge receives 365 hours of Irish language programming annually from RTÉ free of charge

FINANCIAL STATEMENTS

24. Board Members Interests'

The Board adopted procedures in accordance with guidelines issued by the Department of Finance in relation to the disclosure of interests by Board Members and these procedures have been adhered to in the year.

There were no transactions in the period in relation to the Board's activities in which the Board Members had any beneficial interest.

25. Approval of financial statements

The board of directors approved the financial statements on the 8th of May 2009.



Peil na mBan

