

Annual Report **2011**

TG4



TG4 Annual Report 2011

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

While TG4's vision and mission set out what the organisation will achieve and the strategies it will use to deliver on its public service objectives, TG4's values influence the way in which they will be achieved, the manner in which it works with its key stakeholders and overall reflect the principles which are the founding characteristics of the organisation. The culture of the TG4 organisation is built on these values. TG4 employees are expected to subscribe to these values and to use them as the guiding principles for their daily work.

TG4 Core Values

Connection:

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

Quality and Value-for-Money:

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

Creativity:

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

Proactive:

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

"TG4 has been arguably the finest Irish network since it started up. Hand on heart, I wrote negatively about it from the get-go and was quite comprehensively proved wrong."

*Irish Independent Review
13/08/2011*



Gradam
Ceoil **TG4**

Gradam
Ceoil **TG4**

TG4's commitments for 2011

For 2011, TG4 presented 45 commitments across six defined areas of performance:

- (i) Programming outputs
- (ii) Irish language and culture
- (iii) The Irish language independent production sector
- (iv) Strategic and operational development
- (v) The national economy
- (vi) Governance, risk and compliance management.

Programming Outputs

In 2011, TG4 will:

1. Commission and broadcast a minimum of 1544 hours of new high quality, innovative Irish language content across all programming genres, ensuring it has TG4's distinctive *súil eile* perspective.
2. Remain committed to delivering new high-quality, entertaining, interactive and educational children's and young people's Irish language content and through it, continue to encourage a positive attitude to the Irish language.
3. Provide independent and in-depth coverage and analysis of, and an alternative viewpoint on, news and current affairs throughout the island of Ireland and the world.
4. Continue to reflect the vital role that sport, particularly Irish sports, holds in Irish life and culture. We will broadcast a number of major and live sporting events and overall, sport will continue to play a key role in our 2011 programming schedule.
5. Continue to engage audiences (existing and new) with strong Irish language drama, documentary and entertainment/lifestyle programming including our flagship soap *Ros na Rún*.
6. Deliver programming which reflects the importance of music and the arts in Irish life and culture.
7. Feature programming which supports the learning and personal development of audiences, including religious and science and technology programming.
8. Deliver content mainly in the Irish language and strive to broadcast a minimum of



4.2 hours of original/new Irish language content every day.

9. Progress towards a 35 week core television programming schedule.
10. Continue to strengthen our services for audiences in Ireland and abroad through maintaining the on-going development of our TG4 BEO service (TG4 Player), continually improving content, picture quality and download speeds.
11. Provide sub-titling on TG4 programmes in accordance with Broadcasting Authority of Ireland Codes and Guidelines and take whatever measures we can to increase the accessibility of programming to audiences with physical, sensory or intellectual disability.
12. Leverage additional financial support for programme projects from external sources such as the Sound & Vision fund, the ILBF and Bord Scannán na hÉireann/the Irish Film Board, with the objective of further strengthening our programming quality and hours.
13. Maintain current programming per hour costs and ensure value-for-money.

"Look fair play to TG4. On limited resources, it does a magnificent job with its sports coverage."

—Corkman
10.11.2011

Promotion and Development of the Irish Language and Culture

In addition to broadcasting a minimum of 1544 hours of new and original Irish language content during the year, in 2011, TG4 will:

14. Deliver a high quality broadcast and content service that promotes and celebrates the Irish language and identity in an accessible and engaging manner.
15. Deliver programming primarily in the Irish language and provide a daily link for the Irish language to every household in the island of Ireland.
16. Deliver an Irish language service worldwide through our web and Player services, achieving 1.2m unique visitors and 7m page impressions online and 2.6m programme streams in 2011.
17. Ensure that our programming reflects the culture of the people of the island of Ireland and in particular, those of the Gaeltachtaí. We will also ensure that our services reflect the requirements of the Gaeltacht communities and households whose daily language is Irish.
18. Position ourselves at the core of the Government's 20 year Strategy for the Irish language (2010-2030).
19. Spend at least 70% of current funding on Irish language content, a further 15% on its broadcast and 15% on overheads. We will limit our use of our public funding to the achievement of our public service objects and duties.
20. Endeavour to make TG4's website the definitive Irish language website and source for Irish language content online and in particular, for children's Irish language content.
21. Continue to make TG4 available on an all-island basis, by ensuring our availability across all broadcast platforms in the North.
22. Develop an archive to best-in-class industry standards to support the Irish language, culture and heritage.





Development of the Irish Language Independent Production Sector

In 2011, TG4 will:

23. Commission from the Irish language independent production sector, a minimum of 495 hours of new/original Irish language content. In addition, commission over 200 hours of re-voiced material and 400 hours of subtitling.
24. Commit a share of Irish language programming spend to Gaeltacht-based companies.
25. Strengthen the Irish language production sector by ensuring that a minimum of €3m is secured by the sector from the BAI and £1.95m from the ILBF, for TG4 commissioned programming/content.
26. Play a pivotal role in supporting the Irish language independent production sector — in conjunction with other agencies, develop and implement initiatives to advance the talent and creative resources of the sector.
27. Work with the ILBF to further develop the Irish language production sector in the North by targeting a small number of companies for joint programming project development.

Strategic and Operational Performance

In 2011, TG4 will:

28. Maintain and if possible increase our national audience share taking account of all means of viewing the service across all digital platforms (traditional and deferred viewing, online etc.). In addition, we will endeavour to improve TG4 shares where possible, in key-targeted demographic sectors including children, young adults and adults.
29. Continue to embrace new content distribution technologies to extend and enhance TG4's presence across, not only broadcast and online platforms, but also mobile.
30. Continue to work on the rollout of Digital Terrestrial Television (DTT) and Digital Satellite Television (DST). In particular, we will work with RTÉNL on the delivery of TG4 on MUX 1 on the RoI DTT network and with the UK authorities for the launch of TG4 on MUX 7 in the North. We will also continue with the process of migrating towards High Definition TV (HDTV) by 2013.
31. Strengthen TG4 through delivery of strong marketing and branding campaigns.

"TG4 has long been serving up some of the best made documentaries on Irish television and are very good at what they do."

Clare Champion
Friday 08.07.2011



Corp agus Anam

32. Maximise commercial revenues in 2011.
33. Maintain a culture of continuous improvement through our on-going investment in talent and HR management/development.
34. Go live with our Digital Asset Management (DAM) system, commence the development of DAMs Phase 3 (the archive). We will also continue to upgrade critical broadcasting and administrative systems and related processes/work practices.
35. Continue to operate as cost effectively as possible.
36. Implement a number of major new service contracts specifically in dubbing and subtitling services, marketing services and catering.
37. Continue to proactively engage with the World Indigenous Television Broadcasters Network (WITBN) and with other indigenous broadcasters such as BBC Alba and S4C and on initiatives such as Circom and the Celtic Media Festival (CMF).

Impact on the National Economy

In 2011, TG4 will:

38. Provide some 100 jobs directly and support approximately 300 full-time jobs in the independent production sector, enhancing Ireland's capability in the knowledge-based creative sectors.
39. Build on the previous year's contribution to the national economy by adding approximately €58m to national earnings and having an associated employment impact of some 1000 additional jobs.

Excellence in Governance, Risk and Compliance Management

In 2011, TG4 will:

40. Deliver our all statutory requirements as reflected in our objects, broadcasting codes and regulations etc.

41. Work closely with our two key Stakeholders, DCENR and the BAI, to support broadcasting policy development and to deliver on all our governance and compliance requirements.
42. Engage in ongoing dialogue with key industry stakeholders, regulators, broadcasters, policy-makers other key bodies on all aspects of broadcasting operations, codes and regulations.
43. Work closely with the TG4

Board to comply with all relevant and binding codes and regulations under which we function.

44. Publish an updated Strategic Plan and as part of this, revise our funding plan to reflect the current economic realities. We will also continue to position the case with Government for longer-term increase in funding and a multi-annual funding approach.
45. Deliver two Internal Audits and a Risk Management review of TG4.

"One of the highlights of the week, the month and indeed the year was An Treaty 1921, it was a superb piece of television, brilliantly made."

Evening Herald
10.12.2011



Cúla 4



Key TG4 Performance Highlights of 2011

TG4 performed well in fulfilling its commitments in 2011 despite a very challenging economic and funding environment:

TG4 “fully achieved” 41 of its 45 commitments for 2011. Of these, 11 exceeded target performance.

Four commitments were “substantially achieved”. The reasons for this are varied:

- dependency on funding availability;
- the need to make reductions in expenditure;
- the increasingly competitive television market in Ireland; and
- overall economic performance.

They are described in detail in the report.

Programme Outputs

TG4’s total new/original Irish language programming output was 1615 hours in 2011. This represented an average of 4.42 hours per day. TG4’s targets for 2011 were a total of 1544 hours and an average of 4.2 hours per day which means that TG4 exceeded its targets for the year by 4.5%.

Irish language broadcast hours and peak broadcast hours etc.

Some of the programming highlights includ-

ed current affairs, documentary and drama programmes, sport and children’s/young people’s programmes. For example, TG4 delivered comprehensive coverage of the General Election including a three way leaders debate *Díospóireacht na gCeannairí* which drew an audience of 600,000. The Presidential Election also saw a very successful Presidential debate *Áras 2011*. TG4’s news service *Nuacht TG4* continued to provide a comprehensive Irish language news service with a strong emphasis on regional and Gaeltacht-based reports. The TG4 schedule featured many strong documentary, drama and entertainment programmes over the year such as *Bliain in Inis Oírr*, *Muintir na Mara*, *Ros na Rún*, *Corp agus Anam*, *An Jig Gig*, *Pitch Perfect* and *Bob Quinn @ 75*. Sports programmes were strong in 2011 and remained a cornerstone of the schedule. These included GAA coverage, Ladies Football, Rugby, Tour de France and Wimbledon. Other programming highlights included *Oireachtas na Gaeilge* and *Gradam Ceoil TG4* which was broadcast from the Wexford Opera House. TG4’s daily service for children and young people continued and

“TG4 offers political parties a chance to be a little more creative than normal, in common with the theme of the station.”

Evening Herald
21.02.2011



included *Cúla4 na nÓg* for pre-school children, *Cúla4* for older children and *Ponc* for teen audiences.

Awards/Nominations

75 awards and nominations were received by TG4 in 2011, reflecting the quality and distinctiveness of TG4's programming, marketing/branding activities and personalities. 45

awards were for programming and content, 20 were for marketing and branding and 10 were for TG4 personalities. TG4 received three Irish Film & Television Awards and three Celtic Media Festival Awards for *An Píopa*, *Na Cloigne* and *1916 Seachtar na Cásca*, the widely lauded series about the executed signatories of the 1916 Easter Rising Proclamation. TG4 won the top European award at



Rugbaí Beo

Circom for *An Píopa* and additionally won five Oireachtas na Gaeilge awards including a special award for Eimear Ní Chonaola who chaired *Díospóireacht na gCeannairí*. These prestigious awards/nominations reflect TG4's on-going ability to commission content with a distinctive *súil eile* perspective that is unique and entertaining and capable of impressing not just the core domestic audience but the highest standards of programming competition. In terms of marketing/branding awards and nominations, TG4 won the main ICAD and Print advertisement of the year.

Income, Expenditure, Efficiency and Value-for-Money

TG4's current funding increased from €32.25m in 2010 to €32.75m in 2011 — a 1.55% increase. Due to the severe reduction in advertising and sponsorship expenditure in the economy, TG4's commercial income declined by 10.35% from over €2m in 2010 to €1.8m in 2011. Other commercial income likewise declined by 11.2%. Total current income increased slightly compared to 2010, by 0.35%. In terms of income share, Grant-in-Aid represented over 91% of total income — an increase in share compared to 2010. Commercial income's share represented almost 9% in 2011.

Total operating expenditure was €35.88m in 2011, a slight increase of 0.36% compared to 2010. As is consistent with TG4's objectives, programming expenditure represented the largest component of operating expenditure at



"However, it was our own head of State who provided the best TV on the big day as Michael D; Rás go dtí an tÁras (TG4 Christmas Day) offered a skilfully arranged blend of biography and fly-on-the-wall documentary."

Irish Times Weekend Review
31.12.2011

64% (excludes internal programming costs). Staff costs were the second largest element, representing 14.4% (including wages and salaries, social welfare, pension costs, training and development, travel and subsistence and other staff costs). Transmission costs were the third largest aspect representing 9.5% of TG4's total operating expenditure with marketing and research representing 4.3% of the total for 2011. Overheads represented 5.5%.



Áras 2011



Reductions were made where possible in TG4's operating expenditure in 2011. However, it is increasingly difficult to extract further reductions in costs, which have already been reduced extensively in the previous two years. Non-direct programme costs (incl staff costs) fell by 5% in 2011.

In 2011, TG4 succeeded in spending 87% of its Exchequer current funding on Irish language content and broadcasting costs, an even higher percentage than originally estimated for that year. Consequently, the spend of 13% of our Exchequer current funding in 2011 on other indirect costs was a lower percentage than estimated.

In terms of efficiency specifically, TG4 continued to focus on maximising value-for-money in all areas of its business. A key concept in the measurement of value-for-money is expenditure efficiency. It is extremely difficult to accurately measure "efficiency" within TG4 because all outputs are not easy to measure. However, there are metrics, which provide an indication of how TG4 has endeavoured to ensure it operates as efficiently as possible as follows:

- Slight increase (0.36%) in TG4's operating expenditure in 2011. Reduction of 8.4% in 2010. These compare positively to Consumer Price Index (CPI) increase of 2.6% in 2011 and a fall of 1% in 2010. TG4's 2011

operating expenditure increase was 2.24 percentage points below CPI.

- Increase in staff costs of 2.1% in 2011, which was due to an upward adjustment in staff numbers (employees returning from extended leave) during the year. There was a reduction of almost 6% in 2010. This compares positively to CPI with staff costs increasing by less than CPI in 2011.
- Total Irish language programming expenditure per Irish language broadcast hour increased from €13k in 2010 to €13.5 in 2011 reflecting the higher average cost-per-hour as noted earlier.
- Average total staff cost increased marginally from €67.5k in 2010 to €68k in 2011 due, largely, to an increase in PRSI and Pension costs.

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

Share

TG4 achieved a national audience share of 2.06% in 2011. It maintained its position as the 8th most watched channel in Ireland in 2011 – a very positive achievement given the

hundreds of channels available to viewers. This share does not include the viewing of TG4 on other digital platforms (i.e. the TG4 Player service, www.tg4.tv) or deferred viewing (i.e. where TG4 programmes are recorded on personal video recorders (PVRs)). It also does not include TG4's share in the North of Ireland (currently not measured) or its share in pubs and clubs in the Republic. TG4's national share in 2011 of 2.06% was made up of 1.45% share in digital homes and 4.22% share in analogue homes. With digital penetration at almost 75% at the beginning of 2012, TG4 expects that it will be challenging to retain current audience share in the digital television market in the future. 2011 saw many of the established channels losing audience share. TG4's 2011 share represented a small decline of -1.44% vis-à-vis 2010's share which was positive given the competitive digital television market. However, it is TG4's aim to increase its share or at the very least, hold its audience share levels, in the years ahead.

Shares for adult audiences over 55 years, male audiences over 15 years and children/young people audience shares all increased vis-à-vis 2010 shares. Given that children and teen audiences are the most fragmented and competitive of all audience categories (there are over 140 channels targeting these segments), this is very positive. TG4 recognises the importance of delivering a strong share in children and young people's audiences as



they are the audience of the future. In addition, TG4 recognises the importance of targeting a greater share of female audiences given its performance with this audience segment in 2011. TG4's share of female audiences (15+) declined by 10.6% over 2011.

While TG4's national average share for the year may not have been as strong as TG4's target for the year, it should be highlighted that TG4 delivered very strong audience share performances during peak viewing periods. An 8.6% share was secured on St. Patrick's

"The standard of football is way up from where it was and thankfully TG4 is giving us that chance to see where football was and where it is," said the Kildare manager, referring to the TG4 Gold series of old championship games."

**—Irish Examiner
Special Supplement
16.04.2011**





Day (almost 37% up on 2010) and a 9.28% share on Easter Sunday in 2011 (over 62% up on 2010). TG4 also secured a 6.6% share on TG4 Ladies Football Finals day during the year. Christmas 2011 saw over 2.7 million people viewing TG4 with an average 3.2% share over the festive period and a 3.44%

share on Christmas Day itself. These very strong figures reflect the demand for high quality programming and a need for TG4 to retain its strong position in the Irish broadcasting landscape. However, it also clearly highlights the need for TG4 to secure additional funding to invest in strong Irish language programming to increase its share to these levels year round.

Website, Player and Mobile Applications

2011 was the strongest year yet for TG4 in terms of use of its website and Player services. The website performed strongly due to a number of factors. E.g. development of new and existing micro sites focusing on both content and interactivity. These developments particularly centred on children and young people's online services in order to support the broadcast schedule targeting these audience segments in addition to supporting the promotion of the Irish language with children, young people and their parents. The *Cúla4* micro site was also completely redesigned to make it more attractive for children and to contain more content and interactivity. This site will be re-launched in Spring 2012. TG4 unique web visitors reached the 1.5m mark in 2011 with page impressions reaching 14.8m. The 56% increase in unique website visitor numbers is a very strong result, representing 25% in excess of the target for the 2011 year.

Year-on-year, TG4 has developed its online and Player services to ensure that they become the definitive source for Irish language content online. TG4 has the added advantage of offering broadcast quality content which educates, entertains and informs in addition to interactive and entertaining content for children and young adults. Currently TG4's website is number 3 in terms of world rankings of Irish language websites. TG4 aims to become number 1 over the period to 2016.

The Player service (www.tg4.tv) service likewise performed well over the year with 2.8m Player programme streams achieved in 2011. Content was a factor and was strong particularly due to the Leaders and Presidential debates and the Heineken Cup, all of which saw the service reach 310,000 streams during each month on those occasions. Player service developments during the year included the creation of a *Cúla4* Player which allows visitors to the *Cúla4* micro site to access children's programmes on TG4.tv.

Programme streams in 2011 grew 6% vis-à-vis 2010 streams and were almost 8% above the target for 2011.

TG4 also engaged in Irish language mobile application development in 2011. *Cúla Caint*, an Irish language application was developed and launched in 2011. The application provides about 50 fun Irish language words with the vocabulary presented in four groups — weather, animals, vehicles, and parts of the body. It provides the written and the spoken version of each word accompanied by clear images of the word. To date, TG4 has had over 6000 downloads with an average of 1000 per month since its release. Seomra Ranga, the online resource website for primary schools, described the application as follows: “...given the lack of quality apps to support the learning of Gaeilge in the classroom, it’s great to see our Irish language TV station coming up with a good quality educational app”.

Digital TV and High Definition

The Irish Digital Terrestrial television (DTT) service Saorview was rolled-out over 2011 in the Republic with the analogue television network to be closed on 24 October 2012. TG4 was launched on Saorview during the year, along with RTÉ and TV3. Over 2011, TG4 worked well with RTÉ Networks Limited in the continuing rollout of Saorview in addition to RTÉ’s satellite offering Saorsat. TG4 sat on the group that oversees the technical aspects of DTT in the Republic and continued to be a central player at all levels in the DTT project. In terms of TG4’s service in Northern Ireland, analogue switch-off is also impending in the UK in October 2012 and TG4 continued to work closely with all relevant agencies and Departments to ensure that the channel is extensively available in Northern Ireland. TG4 will be more widely available there when it is launched in 2012 on Freeview, the DTT multiplex (MUX 7) that is being allocated in Northern Ireland for Public Service Broadcasters from the Republic. Over 2011, TG4 was heavily involved in the establishment of the MUX 7 project which will see TG4 being made available terrestrially in the six counties. TG4 also worked over the 2011 year, with QSAT and Real digital on the establishment of two new Satellite based transmission platforms.

High Definition (HD) has become established as a norm in digital broadcasting with



Údar: An Seabhac

all broadcasters upgrading to HD and providing HD channels and services on their digital platforms. TG4 is migrating to HD over a two year period (Q2 2011 to Q2 2013). TG4 undertook a significant amount of work on HD over 2011. This included extensive research and development, the submission of a HD plan to the Department of Communications, Energy and Natural Resources (DCENR) in order to secure HD funding, the tender process to identify, shortlist and select HD system suppliers and the system design itself. A success for TG4 during 2011 was that following its submission to DCENR in June 2011, it was awarded a Supplementary Budget to cover the full financial requirement to deliver HD in TG4 (approximately €2.71m). This was very positive in a period of economic austerity and reductions in Government expenditure.

“This week alone I watched four TG4 programmes that were better than anything to be seen elsewhere. One of them, *Misinéirí Radacha*.”

—Irish Independent Review
01.10.2011

Irish Language Independent Production Sector

In 2011, TG4 continued to play a key role in the Irish language independent production sector in Ireland and to have a major impact on its development — both South and North. This involvement and impact included:

- expenditure in the independent production sector in Ireland;
- initiatives undertaken to support the development of the sector in both the ROI and the North; and,
- jobs supported and economic impact.



Ceol ar an Imeall

Overall, 76% of TG4's total programming expenditure was spent on commissioning content from independent production sector companies in 2011 (almost €17.5m). A major part of this is from Gaeltacht and Western Seaboard based companies. Commissioned programme expenditure increased in 2011 by 2.7% over that of 2010 — an indication of TG4's commitment to fostering the development of the skills and talent of the sector through sourcing as much as possible of its new/original Irish language programming from the sector.

While not part of TG4's income, the Sound & Vision scheme operated by the BAI, the Irish Language Broadcast Fund (ILBF) operated by Northern Ireland Screen and the Irish Film Board are important funders of Irish language content productions which are co-funded by TG4 and broadcast on the channel. In 2011, TG4 productions secured over €9.5m from the Sound & Vision fund and ILBF — the strongest year yet — by working in partnership with the independent production sector (this funding is received directly by the independent producers themselves). This represented a 103% increase on total 2010 funds from the two funding sources. In addition, TG4 secured funding to support the production of four programmes/series in 2011 from the Irish Film Board.

TG4 supported 279 jobs in the independent production sector directly.

TG4 worked on a number of initiatives during the 2011 year to support the development of the independent production in addition to commissioning programmes from the sector:

- *Scéal*: a new two year initiative in association with Eo Teilifís and the BAI was set up to develop writers in the Irish language;
- *Smidiríní*: 36 x 4' shorts of all genres were produced by new comers resulting in programmes which will be broadcast on TG4;
- *Ros na Rún* webisodes written and produced for the Ros na Rún website;
- Skillsnet ran acting courses in conjunction with *Ros na Rún* throughout the year which were availed of by a range of people from the sector;
- information courses/pitching sessions were availed of by the independents — the TG4 Commissioning Department contributed to all of these presentations and sessions;
- technical courses for DV Operators and

Sound Recording as well as research were recommended by TG4 and provided by Skillsnet and Screen Training Ireland and availed of by various independent production companies;

- TG4 re-voicing of acquired material in 2011 provided hours of production business; and,
- TG4's sub-titling services are tendered to three independent production companies, developing specific language-based skills.

Economic Benefits

In addition to the 83 people employed in TG4 in 2011, TG4 supported an additional 279 jobs in the independent production sector directly. On a national level, multiplier analysis shows that TG4 contributed €63m to national incomes in 2011 and had an associated impact of 938 jobs in the Irish economy.

Promotion and Development of the Irish Language and Culture

In addition to providing a universal free-to-air television service to promote the Irish language and culture, over 2011, TG4 engaged in a range of other activities which supported the promotion and development of the Irish language and culture:

- Supporting the implementation of the 20 Year Strategy for the Irish language: TG4



"In November, I thoroughly enjoyed the documentary series on the 1916 leaders from TG4, the best of the home-based channels."

—Tuam Herald
06.01.2011

continued to contribute at corporate and programming level to the implementation of the Strategy. TG4 was represented on both the Coiste Téarmaíochta (Terminology Committee) and the Coiste Athbhreithnithe an Chaighdeáin (review of the Standard Irish Grammar).





- A wide range of programmes reflect Irish culture, including that of the Gaeltachtaí and households whose daily language is Irish.
- Promotion and development of the Irish language with children and young people: over 6 hours per day of children and young people's programming is provided. In 2011, online developments particularly centred on children and young people's services. *Cúla Caint*, an Irish language application was developed and launched in 2011.
- Provision of a worldwide Irish language service: TG4 online and Player services provide broadcast content on a worldwide basis which promote the Irish language and culture. TG4 is working towards ensuring that its website becomes the definitive source for Irish language content online.
- Supporting development of the Irish language independent production sector: through commissioning activities and through individual support and educational measures.
- Supporting Irish Sport and Cultural Bodies: TG4 strengthened its support for, and relations with, many Irish sport, language and cultural organisation. E.g. the GAA, the Ladies Gaelic football Association, the FAI, IRFU and HRI etc. Irish language and cultural bodies included Oireachtas na Gaeilge, Gael Linn and Foras na Gaeilge etc. In 2011, TG4 continued to work closely

with bodies such as the Irish Film Board, the Arts Council, the Film Fleadh and Film Base etc. in the delivery of its services.

- Development of a national Irish language archive to support and celebrate the Irish language, culture and heritage: due to a delay in the BAI securing EU approval for its Archive Project Scheme, TG4's Archive project did not commence in 2011 as planned (2012 is target). The 2011 upgrade of the TG4 Player service however, provides a "35 day archive" through which global access to TG4 programming over the previous 35 days is provided. There is also a service dealing with inquiries regarding access to the archive for academia and the media.
- Support the Gaeltacht-based local economy: through local employment, commissioning content from Gaeltacht-based independent production companies etc.

Operational/Systems Developments

For 2011, TG4 committed to the delivery of a number of targets in the development of its systems and associated processes and procedures. A key development was that TG4 has now moved to a tapeless operating environment and in 2011, its Digital Asset Management (DAM) system went live. This has delivered a significant productivity impact for TG4 as it has enabled work practice improvements based on a tapeless broadcast workflow.

- E.g. a one-time only File Spot check;
- compliance and automatic storage; and,
- file-based transmission.

A key component of the DAM system is that of an archive. The archive can potentially provide external users (both the public and research institutions) web access to any material stored within TG4 (albeit recognising programme rights). The development of the archive was due to commence in 2011. However, due to the delay in the BAI secur-



ing European approval for its own Archive Project Scheme, TG4's archive project did not commence in 2011 as planned. It is envisaged that it will be Q2 2012 before the archive project commences.

Governance and Policy Activities

TG4 worked closely with the DCENR and BAI to support broadcasting policy development and to deliver on all governance and compliance requirements. It also worked closely with its Board in 2011 to ensure the highest standards of corporate governance, risk management and compliance with all corporate and broadcasting codes, policies and standards. In addition to three internal audits, TG4 undertook a full risk review of the organisation in late 2011. The review involved all senior management and was facilitated by DHKN.

As a Public Service Broadcaster, TG4 engages in all broadcast/policy development activities that help to inform policy decisions, legislative provisions and directives at national and European levels and which govern and regulate broadcasting. In 2011, TG4 worked closely with a range of stakeholders, primary amongst which were the DCENR, the BAI, other regulatory bodies and industry representative organisations. Key initiatives included:

- regular dialogue with the BAI, DCENR, ComReg and other bodies on all aspects of its broadcasting operations and to the BAI on compliance with broadcasting codes and regulations;
- support for the implementation of the 20 Year Strategy for the Irish Language;



- dialogue with Ofcom and other UK bodies on the broadcast of TG4 on DTT in the North and on the ILBF funding status;
- participation in the BAI review of TG4's Public Funding;
- engagement with the BAI on implementation of the Product Placement Code;
- engagement with RTÉ on a range of issues;
- engagement on an ongoing basis with The Broadcasters in Ireland Group (TBIG) and IBEC's Audio Visual Federation in addition to Circom, (World Indigenous Television Broadcasters Network (WITBN), the Celtic Media Festival (CMF) and the European Broadcasters Union (EBU).

"And it has to be asked – how does TG4 make such bloody (sorry) good documentaries, particularly when one considers its budget? Is there something in the water over there?"

–Sunday Independent Living
06.11.2011





The Board of Teilifís na Gaeilge and other information

1. Teilifís na Gaeilge Board and Other Information

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

The Board met eight times during the 12 months to the 31st December 2011.

2. Board Members and Director General at 31 December 2011



Peadar Ó Cuinn
(Chairman)



Pól Ó Gallchoir
(Director General)



Seosamh
Ó Conghaile



Éilís
Ní Chonnaola



Pádraic
Mac Donncha



Bríd
Ní Neachtain



Fergal
Ó Sé



Regina
Uí Chollatáin



Méabh
Mhic Gairbheith



Méadhbh
Ní an Airchinnigh



Rónán
Ó Coisdealbha



Concubhar
Ó Liatháin

Company Secretary and Registered Office

Mary Uí Chadhain
TG4
Baile na hAbhann
Co. na Gaillimhe

Secretary to the Board

Pádhraic Ó Ciardha

Sub-Committees of the Board

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

3. Audit Committee

Three members of the Board serve on The Audit Committee:

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

During the 12 months to 31 December 2011, they met on four occasions after which they reported to the Board. The Internal Audit function reports directly to the Audit Committee.

4. Remuneration Committee

The Remuneration Committee comprises:

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

During the 12 months to 31 December 2011 they met once.

5. Auditor

Comptroller and Auditor General
Treasury Block
Dublin Castle
Dublin 2

6. Solicitor

Landwell Solicitors
1 Spencer Dock
North Wall Quay
Dublin 1

7. Bankers

AIB
Lynch's Castle
Shop Street
Galway

8. Actuary

Pricewaterhouse Coopers
One Spencer Dock
North Wall Quay
Dublin 1

Chairman's Report 2011

I am delighted to present TG4's Annual Report for 2011.

TG4's vision remains the guiding framework for the organisation. It is "to continue to promote successfully, Irish language and culture using television and web content so as to ensure a central place in Irish people's lives, both in Ireland and abroad". Despite another difficult financial year, TG4 performed well in delivering this vision, with the quality and uniqueness of TG4's programming and content remaining at its core.

Ireland, along with the rest of Europe and many other nations worldwide, has continued to experience the most severe economic and financial downturn in decades. All industry sectors are feeling its impact — broadcast and media being no exception.

Against this background, TG4, along with all other broadcasters, has had to operate in an extremely tough environment. Not only is the continued deterioration in the economy driving down advertising, sponsorship and all forms of commercial revenue, competition also continues unabated in broadcasting and with other media platforms — computers, mobile and Internet enabled devices. These issues have presented real challenges for TG4. Competition requires the ability to commission and acquire strong, distinctive and entertaining content to retain and attract new audiences. However, declining commercial income and funding impacts this.

Despite the tough circumstances facing TG4, the organisation performed well and achieved much during the year. In early 2011, TG4 published its five-year Statement of

Strategy which set out demanding objectives for the organisation. The implementation of this strategy is ongoing and TG4 is making good progress in its delivery. A key priority in our strategy is the provision of a diverse range of entertaining and unique programming and it is pleasing to note that once again, TG4's broadcast schedule and content reflected this. Some of the programming highlights of 2011 include two major debates during the General and Presidential Elections and a number of major and live sporting events including International Rules from Australia.

Other key developments of note are:

- the strong performance of TG4's web and Player services;
- the rollout of Digital Terrestrial Television (DTT);
- implementation of our Digital Asset Management system (DAMS); and
- the transition to high definition television (HDTV).

TG4's web and Player services are provided to thousands of viewers both in and outside Ireland on a daily basis and as such, their importance cannot be overstated. This is particularly the case during these difficult economic times when so many of our people are emigrating. These services provide an invaluable link to the Irish language and culture for so many people who are not based in Ireland. Their performance was very strong in 2011 — unique web visitors grew almost 56% in 2011, page impressions grew almost 143% and Player programme streams by 6%.

2011 witnessed the rollout of Digital Terrestrial Television (DTT) in the Republic

and the ongoing work to provide DTT in Northern Ireland. The broadcast of TG4, along with RTÉ's channels and TV3, was launched on DTT during the year in the Republic. The DTT service Saorview is available to 98% of the population.

DAMS is TG4's biggest internal undertaking since the initial technical engineering project in the mid-1990s. An important aspect of this, the Irish language archive, whereby all our Irish language materials will be transferred from tape to disk, was initiated over the year and will be completed in 2012. In addition, the transition to HDTV also began in earnest for TG4 with the commencement of a major project to implement HD within the organisation. The HDTV project will be completed in 2013.

The outlook for TG4 is positive. While I am confident that TG4 will continue to deliver a strong attractive programming schedule, sufficient funding remains a key requirement and the economic environment and financial situation will remain TG4's greatest challenge. We will endeavour to address the challenges facing us expertly and successfully — TG4 has been extremely positive for the Irish language and we aim to continue building on its success.

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

I thank my fellow Board members for their continued hard work and support for TG4. I also thank the committees of the Board, in particular the Audit sub-committee and the Board Secretaries.

My thanks also goes to the Audience

Council for its valuable feedback on TG4's programming and services.

On behalf of my fellow Board members, I would like to thank Minister Pat Rabbitte and his officials from the Department of Communications, Energy and Natural Resources for their support and guidance in 2011.

Over 2011, we continued to work well with the BAI and the ILBF and I also thank them for their continued support and guidance.

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

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

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

In conclusion, I would like to highlight TG4's fifteen years of unique Irish language television which have celebrated the Irish language, culture and identity with a distinctive *súil eile* perspective. As the national Irish language Public Service Broadcaster, TG4 is funded to deliver high quality Irish language programming and content to audiences at home and abroad. This must be sustained so that TG4 can maintain its position as a vital player in the Irish television landscape and in doing so, continue to promote and bring a sense of enjoyment to the Irish language.

Director General's Report 2011

Introduction

TG4 performed well in what was another challenging year with a difficult economic and trading environment. The recession continued to have an impact on both our public funding levels and our commercial income.

In 2011, we developed a new five-year Statement of Strategy and we also set out our statement of performance commitments for the year. Our strategy reflects the exceptionally demanding period in the Irish and global economies. Our goals are to sustain our position as a distinctive, important player in the competitive television market in Ireland by maintaining a strong relationship with a growing audience base in addition to being a focus for Irish language users throughout the world and having a positive impact on the Irish language. While these goals remain our central priorities, our Strategy also focuses on continued prudent management, cost control and productivity within TG4 and content and service development through creativity and innovation.

I am pleased to report that we are making good progress on our Strategy and that we achieved key targets we set for the year.

2011 was a year of change politically in Ireland with the election of a new Government. TG4 was delighted with the appointment of the new Minister for Communications, Energy and Natural Resources, Pat Rabbitte, T.D. A particular highlight for us over the year was the visit to the TG4 headquarters in Baile na hAbhann in September by Minister Rabbitte during which he had the opportunity to see the daily operation of the service, meet staff at their workplace and exchange views with senior management. It was heartening for all to hear the Minister's praise for the ongoing work of TG4.

Programming

TG4 delivered even greater levels than planned of new, high-quality Irish language programming in 2011 and exceeded the target set for hours of new Irish language programming by 10%. This is a significant achievement given the decline in our overall funding.

A key factor in this was the close working relationship which TG4 continues to have with the Irish language independent production sector. This enabled us to work together

to address the financial challenges facing us all, while minimising the impact on our content quality and audience enjoyment.

In working with the independent sector on our programming, our aim was to produce quality programming for Irish audiences both at home and abroad while maximising content value-for-money. Our joint approach with this sector worked effectively in delivering on this and not only did we produce high quality and distinctive content, we also worked together on initiatives to advance the talent and creative resources of the sector. In 2011, TG4 commissioned over €17m in programming from the sector, consistent with our performance in the previous year.

In keeping with our programming schedule approach, we ensured that our Irish language programming was sourced across all programming genres with our objective being to reflect the cultural diversity of the whole island of Ireland and to entertain, inform and educate. Our programming highlights during 2011 were from across a range of genres.

We delivered comprehensive coverage of the General Election in February with the highlight of this being *Díospóireacht na gCeannairí* the three way leaders debate which drew an audience of 600,000, in addition to the results programme *Vóta 2011* with fifteen hours of live coverage.

The Presidential Election at the end of the year likewise saw a very successful Presidential debate *Áras 2011* which was chaired by Páidí Ó Lionaird.

Our schedule featured many strong documentary, drama and entertainment programmes over the year such as *Bliain in Inis Oírr*, *Muintir na Mara*, *Ros na Rún*, *Corp agus Anam*, *An Jig Gig*, *Pitch Perfect* and *Bob Quinn @ 75*.

Our sports programmes, both Irish and international sports, were strong in 2011 with sports remaining a cornerstone of the TG4 schedule. Our extensive range of sports output included comprehensive GAA coverage, Ladies Football, Rugby, Tour de France and Wimbledon. The achievement of Conor Niland advancing to the later stages of the Wimbledon tennis championship and his meeting with Roger Federer was broadcast live on TG4 and drew an excellent 15% audience share. Our

sporting schedule continued throughout 2011 and at the end of the year, we broadcast live coverage of the two International Rules Matches between Ireland and Australia from Melbourne and the Gold Coast. These saw Ireland take back the Cormac Mc Anallen trophy. Along with our regular live coverage of the Pro 12 RaboDirect Rugby League, TG4 secured the exclusive deferred rights for the Heineken and Amlin Rugby Cups.

Other programming highlights included *Oireachtas na Gaeilge* which was again held in Killarney in 2011 and *Gradam Ceoil TG4* which was broadcast from the Wexford Opera House.

Mention should also be made of our news service *Nuacht TG4* which continues to provide a comprehensive Irish language news service with a strong emphasis on regional and Gaeltacht-based reports.

In keeping with previous years, 2011 saw the broadcast of our daily service for children and young people which includes *Cúla4 na nÓg* for pre-school children, the popular afternoon show *Cúla4* for older children and *Ponc* for teen audiences. As part of our commitment to children and young adult's Irish language programming, TG4 re-voiced over 200 hours of entertaining and educational programming for these audiences.

Driven by the cut in our public funding, TG4 had to make some reductions in our programming expenditure over the year. However, it must be said that we delivered strong and unique programming and avoided major impacts on our programming output and quality. This was made possible, not just by the positive working relations with the independent production sector, but also due to a very dedicated and loyal internal production staff. Management and staff overall, must be praised for their unstinting efforts in the face of continuous financial challenges.

To maximise value-for-money in the creation of our programming, we also worked closely during 2011, with the World Indigenous Television Broadcasters Network (WITBN) and with other broadcasters and media groups on co-production, programming exchange and other initiatives. For example, TG4 received 28 hours of new documentary, human interest, news and current affairs programming from

WITBN in exchange for four hours of our own programmes.

Awards

Reflecting the quality and distinctiveness of our programming and related activities, TG4 received 74 awards and nominations during the year. We received three Irish Film & Television Awards and three.

Celtic Media Festival Awards for *An Píopa*, *Na Cloigne* and *1916 Seachtar na Cásca*, the widely lauded series about the executed signatories of the 1916 Easter Rising Proclamation. We were also delighted to win the top European award at Circom for *An Píopa* along with the main ICAD and Print advertisement of the year. TG4 additionally won five Oireachtas na Gaeilge awards including a special award for Eimear Ní Chonaola who chaired *Díospóireacht na gCeannairí*.

Audiences

TG4 achieved a national audience share of almost 2.1% in 2011. This share does not include the viewing of TG4 on other digital platforms (i.e. the TG4 Player service, www.tg4.tv) or deferred viewing (where TG4 programmes are recorded on personal video recorders (PVRs) for deferred viewing). It also does not include our share in the North of Ireland or our share in pubs and clubs in the Republic. This is a solid performance in the context of an extremely competitive and changing broadcast landscape. Digital television now accounts for 75% of Irish television households with hundreds of channels available. Recent trends have been for established terrestrial channels to lose share at the expense of the many new international channels in the Irish market due to an ever-growing percentage of homes in Ireland now having access to digital reception. While we accept the challenges of a more competitive television market, it is also TG4's objective to grow its audience share further over the coming years. Our viewing share should be considered in the context of "total audience across all digital platforms" (online, PVR and Player services) and in this regard, TG4 continues to perform strongly. For example, programme streams reached their highest ever levels at 2.8m in 2011.

It should be highlighted that we make additional investment into Irish language programming for strong audience viewing periods such as Christmas, St Patrick's Day and Easter where there has always been a substantial increase in audience share for TG4. For example, we achieved a 8.6% share on St. Patrick's Day and a 9.28% share on Easter Sunday in 2011. We also secured a 6.6% share on TG4 Ladies Football Finals day during the year. Christmas 2011 saw over 2.7 million people viewing TG4 with an average 3.2% share over the festive period. A key strategic aim of TG4 is to invest more into high-quality Irish language programming to increase audience share to these levels year round.

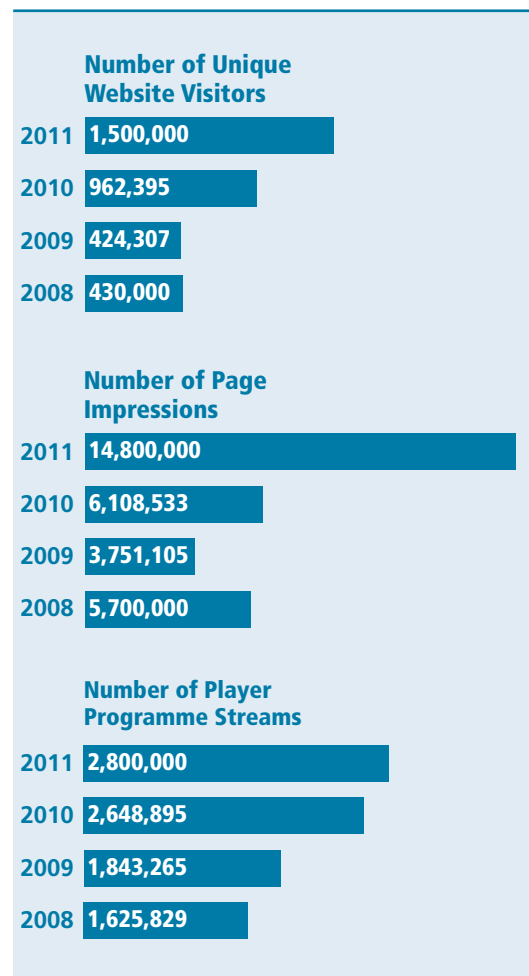
Web Services

2011 was the strongest year yet for TG4 for use of its website and Player service with the website in particular performing exceptionally well. The tg4.tv service performed well over the year also and content was strong with the Leaders and Presidential debates and the Heineken Cup seeing the service exceed 300,000 streams during the month on those occasions.

20 Year Strategy for the Irish Language

Since the publication of the 20 Year Strategy for the Irish Language (2010-2030), one of TG4's commitments has been to support the Government to revitalise the Irish language by working closely with it on the strategy's implementation. While the strategy is currently being reviewed by the Government, TG4 believes that it is critical for promoting Irish and for making the Irish language accessible for all age groups in Ireland and abroad. It is also of vital importance to provide an attractive, entertaining and wide-ranging context for Irish in people's lives.

TG4's innovative approach and our unique achievement in making the Irish language attractive and accessible to all has been widely acknowledged and regularly welcomed by public representatives and media commentators. We aim to continue to support the Government, through our involvement with the Strategy, to promote and develop Irish as a language and culture, and to entertain, inform and educate audiences through the medium of Irish. This is vitally important for



the future of the language, particularly among young people and parents.

Digital and HDTV

The Irish Digital Terrestrial television (DTT) service Saorview was rolled-out over 2011 with the existing analogue television network to be closed on 24th October 2012. TG4 was launched on this service during the year, along with RTÉ and TV3. It is vital that the DTT service provides good quality coverage throughout Ireland. It is recognised however that a small number of households will not receive DTT reception and an alternative Saorsat service is to be rolled out at a later stage.

Analogue switch-off is also impending in the UK in October 2012 and we continued to work closely with all relevant agencies and Departments to ensure that TG4 is extensively available in Northern Ireland. TG4 will be more widely available there when it is launched in 2012 on the DDT multiplex that is being

allocated in Northern Ireland for Public Service Broadcasters from the Republic.

In terms of internal broadcast developments, a new Digital Asset Management System (DAMS) was commissioned during 2011 in TG4. This was a significant investment for the organisation and represents a new advanced technology for us which will significantly enhance our production, broadcast and archiving processes. Investment was also made into the move to High Definition television (HDTV). TG4's objective is to have migrated to full HDTV capability by 2013.

Not only has our technology advanced during 2011, the quality of our people continues to be a strength for TG4 and I am pleased that we further enhanced our capabilities in many parts of our organisation including technical, production and broadcast skills and talent.

Our Work with our Stakeholders

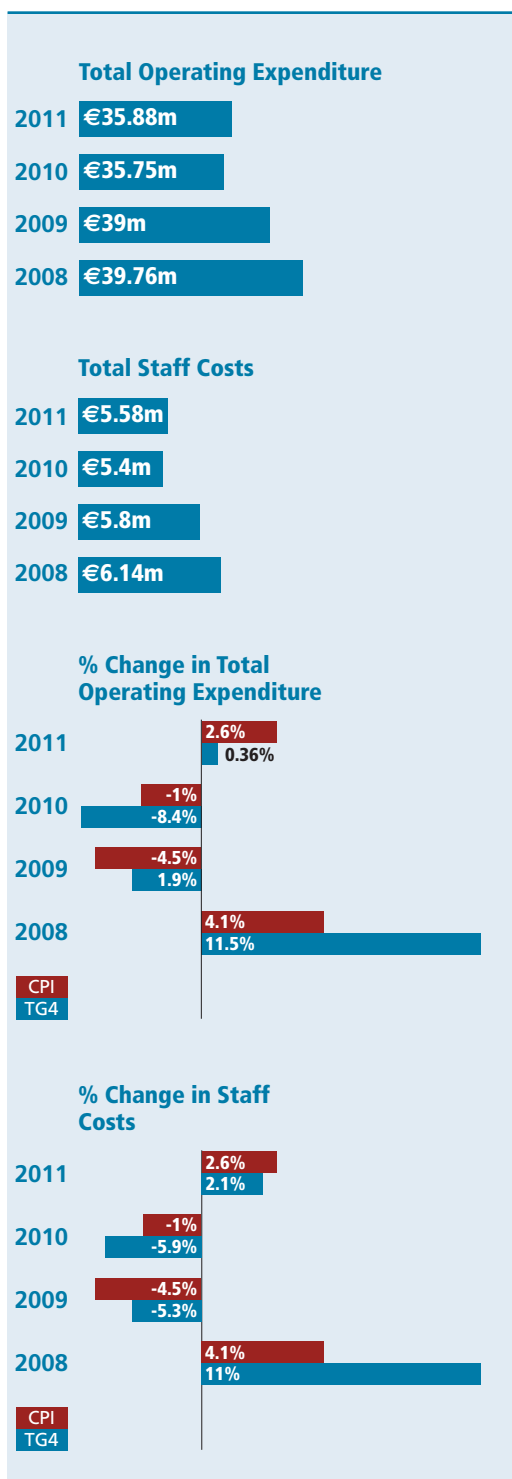
TG4's commitment to high standards of governance is a key priority for our organisation. In 2011, we continued to work closely with the DCENR and BAI over the year to support broadcasting policy development and to ensure the highest standards of compliance with all corporate and broadcasting codes, policies and standards. We also made a number of enhancements to our practices in this regard including the development of new codes/policies.

We worked closely with the BAI on the Sound & Vision programming fund applications and we recognise the significance of the contribution this makes to our programming outputs. We also worked well during the year with the Irish Language Broadcast Fund, with the objective of establishing and maintaining a strong independent Irish language sector in the North and to produce programming about Northern Ireland's people and places.

During 2011, we also continued with our proactive participation in industry organisations such as the Broadcasters in Ireland Group (TBIG), IBEC's Audio Visual Federation, the European Broadcasting Union (EBU) and WIBTN. Despite our size and resources, we continue to play a leading role in these bodies.

TG4 Value for Money

Over 2011, TG4 remained committed to



delivering value-for-money. Our strategy emphasises cost control and productivity along with content and service development. While we continued to reduce operational costs to maintain minimum levels of overhead costs, we believe that in the future, it will not be possible to deliver further savings

without impacting on the quality and quantity of our programming. In 2011 however, we ensured that 87% of public funding went directly into the production and broadcast of Irish language programming and content. We understand clearly that we have a duty to deliver value-for-money and that we are accountable for spending public money. We have confined the use of our public funding to the achievement of our public service objects and duties. We believe we have continued to operate as cost effectively as possible and to deliver value-for-money in all that we do.

Outlook — The Year Ahead

TG4 is well positioned for 2012 although our current expectation is that the trading environment will continue to be a difficult one.

Adequate and multi-annual funding will remain key priorities for TG4. A continued decline in our funding would impact the development of TG4's service which in turn would have a negative knock-on impact on the promotion of the Irish language and culture and on employment in the independent production sector and the wider national economy. We appreciate that additional funding to support TG4 over the coming years will not be easy to secure however. Over 2012, we will continue to develop TG4 across a range of areas including our broadcast schedule, online and Player services. We will also continue to work closely with the independent Irish language production sector to develop new programmes to engage, entertain and excite our audiences.

On a very sad note, one of our colleagues

Úna Bairéad passed away during the year after a very short illness. She was a very loyal and dedicated TG4 staff member since 1997. She will be a huge loss to us and to her husband Tom and their three small children. Ar dheis Dé go raibh a h-anam uasal.

Our Thanks

There are a number of people I would like to thank for their support over the year. Firstly, my thanks go to Minister Pat Rabbitte T.D. and his Department officials for their support for TG4 in 2011. I also wish to thank the Chairman Peadar Ó Guinn and the Board for their steadfast commitment to TG4 and for the guidance they provided to the TG4 Executive over the year.

Our gratitude is also due to the BAI, Bord Scannán na hÉireann, the Northern Ireland Irish Language Broadcast Fund, Údarás na Gaeltachta and the independent sector which provides TG4's wonderful Irish programming. I would also like to thank RTÉ and its new Director General Noel Curran for its support for TG4 and its annual provision of 365 hours of Irish language content to the TG4 service.

Thanks are also due to many other organisations with which we work to develop the Irish language and culture. We are grateful to them all and look forward to working with them in 2012.

Finally, I would like to express my gratitude to my colleagues, the management and staff of TG4. It has been a difficult year and I wish to express my appreciation for their dedication.

Corporate Governance

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

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

The Audit Committee affirmed that it had carried out a review of the internal financial controls of Teilifís na Gaeilge in 2011. The Board accepted this and it was reported in the minutes of the Board meeting of the 19th December 2011.

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

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

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

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

Risk Management

Recognising the importance of risk management, the Board undertook a full risk review of the organisation in 2011. A risk assessment report was presented to the Board at its meeting held in December 2011. The Board at the meeting, as outlined in the report, accepted the potential risks and risk mitigation strategies.

It was further agreed that this is an on-going process. Therefore the risk register will be updated during 2012 and presented to the Board in due course.

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

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

The role and responsibilities of the Audit Committee include:

- Agreeing the internal audit plan for the forthcoming year.
- Reviewing reports from internal audit on the effectiveness of systems of internal control and monitoring progress and implementation of recommendations.
- Monitoring and reviewing the effectiveness of the company's internal audit function in the context of the company's overall risk management system.

The role and responsibilities of the Remuneration Committee include:

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

Emoluments to Directors

TG4 has complied with the guidelines covering the payment of fees to the Chairpersons and Director of State Bodies, issued by Minister of Finance in July 1992. (See table on following page).

TG4 Board	Fees €'000	Expenses €'000	Number of meetings attended
Peadar Ó Cuinn	21.6	5	8
Pádraic Mac Donncha	12.6	2	7
Regina Uí Chollatáin	12.6	2	6
Bríd Ní Neachtain	12.6	1	5
Seosamh Ó Conghaile	12.6	–	8
Fergal Ó Sé	12.6	4	8
Méabh Mhic Gairbheith	12.6	4	8
Eilís Ní Chonnaola	12.6	–	5
Méadhbh Ní an Airchinnigh	12.6	–	8
Rónán Ó Coisdealbha	12.6	–	8
Concubhar Ó Liatháin	12.6	3	6
Pól Ó Gallchóir	12.6	–	8
Táillí agus costais chomhaltai an Bhoird	160.2	21	

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

Finance Review 2011

Income and Expenditure Reviews

This report reviews TG4's income and expenditure performance in 2011 in terms of the key sources and use of income, the channel's principal cost drivers and its overall focus on efficiency and value-for-money. The review also compares TG4's performance in 2011 to that of 2010 under the following 4 headings:

1. Income
2. Operating Expenditure
3. Cost Control and Efficiency In 2011
4. Irish Language Content Expenditure 2011

1. Income

As can be seen from Table 1 below, total income (exchequer current funding and commercial revenue) in 2011 was €35.9m (2010: €35.7m). Compared to the previous year TG4's total income increased by 0.4%. Exchequer current funding was €32.75m (2010: €32.25m) of this and represented 91.3% (2010: 90.3%) of TG4's total income with the commercial income share representing 8.7% in 2011 at €3.11m (2010: €3.48m).

Exchequer current funding which represents 91% of current funding, increased by 1.6% over 2010 levels.

Commercial income fell by 10.7% due to the continuation of the challenging economic and competitive advertising market in Ireland.

Table 1: Income TG4 2011

Description	2011		2010	
	€'000	%	€'000	%
Grant-in-aid	32,750	91.3%	32,250	90.3%
Commercial tráchtála (advertising and sponsorship)	1,801	5.0%	2,009	5.6%
Other commercial	1,309	3.7%	1,474	4.1%
Total income	35,860	100%	35,733	100%

2. Operating Expenditure

In terms of annual operating expenditure, TG4 placed a continued emphasis on an

operating model, which works as efficiently as possible and on cost management to ensure value-for-money across all activities. Total operating expenditure was €35.88m in 2011, a .3% increase on the €35.75m spent in 2010. See Table 2 below.

3. Cost Control and Efficiency

TG4 continued to operate efficiently, cost effectively and prudently in 2011. Savings were achieved across a wide range of cost centres and internal resources were further utilised to provide content at more cost effective rates.

Staff costs increased by 5% due to a 3% reduction in capitalised labour and an increase in full-time equivalent employee numbers of 2%.

Overall, TG4 provided 1615 hours of original Irish language content in 2011 from a target of 1544. This represented an increase of 1.4% from 2010.

Table 2: Operating Expenditure TG4 2011 Vs 2010

	€'000 2011	2010	% Change 2011 vs 2010
Cost of Sales	553	588	(6%)
Staff costs	5,166	4,916	5.1%
Programme Expenditure	22,999	22,730	1.2%
Other expenditure (Overheads, depreciation and Marketing costs included)	7,157	7,520	(4.8%)
Total Operating Expenditure	35,875	35,754	0.3%

4. Irish Language Content Expenditure 2011

As reflected in its commitments for the year, TG4 spent at least 72% of its Exchequer current funding on the production of Irish language content in 2011 as shown in Table 3 below and an additional 15% (2010: 16%) of its current funding on direct broadcasting costs. Overall, there was a slight increase in TG4's daily output levels of new Irish language content from 4.36 to 4.42 hours per day. (See table on following page).

Table 3: Irish Language Content Expenditure

Description	2011		2010	
	€'000	%	€'000	%
Current Exchequer funding	32,750	100%	32,250	100%
Irish language programmes:				
Commissioned	17,541	53.6%	17,037	52.8%
Acquired/dubbed/subtitled	4,201	12.8%	3,768	11.7%
Production staff costs (including salaries)	1,759	5.4%	1,820	5.6%
Total Irish Language Content Production Costs	23,501	72%	22,622	70%

Financial Statements

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Financial Statements

Statement of Board Members' Responsibilities

For the year ended 31 December 2011

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

In preparing those statements, the Board is required to:

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

The Board is responsible for keeping proper accounting records which disclose with

reasonable accuracy at any time the financial position of Teilifís na Gaeilge and to enable the Board to ensure that the financial statements comply with the Act and with GAAP in Ireland.

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

On behalf of the Board of Teilifís na Gaeilge:

Peadar Ó Cuinn
Chairman

Financial Statements

Statement on Internal Financial Control

For the year ended 31 December 2011

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

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

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

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

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

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

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

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

indicate activity and financial performance against forecasts;

- Setting targets to measure financial and other performances
- Procedures for the control of capital investment
- Project management disciplines.

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

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

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

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

I confirm that in the year ended 31st December 2011 the Board conducted a review of the effectiveness of the system of internal financial control.

Signed on behalf of the Board

Peadar Ó Cuinn
Chairman

Financial Statements

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



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Teilifis na Gaeilge

I have audited the financial statements of Teilifis na Gaeilge for the year ended 31 December 2011 under the Broadcasting Act 2009. The financial statements, which have been prepared under the accounting policies set out therein, comprise the Statement of Accounting Policies, Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Generally Accepted Accounting Practice in Ireland.

Responsibilities of the Members of the Board

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

Responsibilities of the Comptroller and Auditor General

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

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

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

Scope of Audit of the Financial Statements

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

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

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

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

Opinion on the Financial Statements

In my opinion, the financial statements, which have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland, give a true and fair view of the state of Teilifis na Gaeilge's affairs at 31 December 2011 and of its income and expenditure for the year then ended.

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

Matters on which I Report by Exception

I report by exception if

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

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

Gerard Smyth

**For and on behalf of the
Comptroller and Auditor General**

March 2012

Financial Statements

Statement of Accounting Policies

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

1. Establishment of Teilifís na Gaeilge

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

2. Basis of accounting

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

The financial statements are denominated in Euro.

3. Income recognition

Commercial income

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

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

4. Expenditure

Expenditure comprises operational and capital expenditure.

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

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

5. State grants

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

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

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

6. Tangible fixed assets

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

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

	%
Buildings	2.5
Equipment	7.5–20
Fittings	10

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

7. Taxation

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

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

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

Deferred tax is measured at the tax rates that

Financial Statements

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

8. Foreign currency

Transactions denominated in foreign currencies are translated into Euro at the exchange rates ruling at the day of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the exchange rate ruling at the Balance Sheet date and resulting gains or losses are included in the Income and Expenditure Account for the year.

9. Pensions

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

Defined Contribution Scheme

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

Defined Benefit Scheme

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

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

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

Pension scheme assets are measured at fair value. Pension scheme liabilities are measured on an actuarial basis using the projected unit method. An excess or deficit of scheme liabilities over assets is presented on the Balance Sheet as a liability or asset as the case may be.

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

10. Leasing Commitments

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

Financial Statements

Teilifís na Gaeilge			
Income and Expenditure Account for the year ended 31 December 2011			
	Notes	2011 €'000	2010 €'000
Sales			
Commercial income	2	3,110	3,483
Cost of sales	2	(553)	(588)
Net Sales		2,557	2,895
Expenditure			
Staff costs	3	5,166	4,916
Board members' fees and expenses	4	185	167
Programme expenditure	5	22,999	22,730
Transmission costs		3,404	3,697
Marketing and research	6	1,554	1,679
Overheads	7	1,985	1,821
Depreciation	9	1,302	860
Total Expenditure		36,595	35,870
Net operating expenditure for the year		(34,038)	(32,975)
Interest receivable and similar income	8	2	58
Deficit on disposal of fixed assets		(7)	(6)
		(34,043)	(32,923)
State funding	11	34,023	32,954
Surplus/(Deficit) on ordinary activities before taxation		(20)	31
Taxation	12	(5)	(62)
Retained deficit for the financial year		(25)	(31)

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

On behalf of the Board of Teilifís na Gaeilge:

Peadar Ó Cuinn
Chairman

Pól Ó Gallchoir
Director General

Financial Statements

Teilifís na Gaeilge Statement of Total Recognised Gains and Losses for the year ended 31 December 2011			
	Notes	2011 €'000	2010 €'000
Retained deficit for the financial year		(25)	(31)
Actuarial gain/(loss) on pension scheme assets	19	5	(43)
Total recognised losses for the year		(20)	(74)
Movement in Pension Reserve			
Balance as at 1 January		71	17
Actuarial gain/(loss) for the year		5	(43)
Pension reserve adjustment		33	97
Balance as at 31 December		109	71

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

On behalf of the Board of Teilifís na Gaeilge:

Peadar Ó Cuinn
Chairman

Pól Ó Gallchóir
Director General

Financial Statements

Teilifís na Gaeilge					
Balance Sheet as at 31 December 2011					
	Notes	€'000	2011 €'000	€'000	2010 €'000
Fixed Assets					
Tangible assets	9		11,619		9,386
			<u>11,619</u>		<u>9,386</u>
Current Assets					
Debtors	13	1,553		1,522	
Cash at bank and in hand	14	81		42	
			<u>1,634</u>	<u>1,564</u>	
Current Liabilities					
Creditors – falling due within 1 year	15	(1,842)		(1,718)	
Net Current Liabilities			(208)		(154)
Net Assets Excluding Pension Asset			<u>11,411</u>		<u>9,232</u>
Pension asset	19		109		71
Net Assets Including Pension Asset			<u>11,520</u>		<u>9,303</u>
Capital and Reserves					
Capital grants	10		11,535		9,298
Pension reserves	16		109		71
Revenue reserves	16		(124)		(66)
			<u>11,520</u>		<u>9,303</u>

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

On behalf of the Board of Teilifís na Gaeilge:

Peadar Ó Cuinn

Chairman

Pól Ó Gallchóir

Director General

Financial Statements

Teilifís na Gaeilge Cash Flow Statement for the year ended 31 December 2011			
	Notes	2011 €'000	2010 €'000
Operating Activities – Net Cash (Outflow)/Inflow – (net of state grant)	17	74	(22)
Return on Investment and Servicing of Finance			
Interest received		2	46
Net Cash Inflow from Returns on Investment and Servicing of Finance		2	46
Taxation			
Tax charge for the year	12	(5)	(62)
Net Cash Outflow from Taxation		(5)	(62)
Capital Expenditure			
Payments to acquire tangible fixed assets	9	(3,542)	(1,811)
Receipts from sale of fixed assets		–	22
State capital grants	10	3,510	1,800
Net Cash Outflow from Capital Expenditure		(32)	11
Net Cash (Outflow)/Inflow	18	39	(27)

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

On behalf of the Board of Teilifís na Gaeilge:

Peadar Ó Cuinn
Chairman

Pól Ó Gallchoir
Director General

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	2011	2010
		€'000	€'000
	Commercial Income		
	Airtime and sponsorship sales	1,801	2,009
	Facilities charge-out	562	551
	Sundry income	747	923
		3,110	3,483
	Cost of Sales		
	Commission on advertising and sponsorship sales	261	303
	Direct Costs	292	285
		553	588
	Net sales	2,557	2,895
	Figures have been represented in the note to show the total facilities income and charges.		
3.	Staff Costs The average number of full time employees employed by Teilifís na Gaeilge during the year was 83 (2010: 81). Employee costs during the year comprised:	2011	2010
		€'000	€'000
	Wages and salaries	4,423	4,389
	Social welfare costs	476	450
	Pension costs	496	483
	Travel and subsistence	109	93
	Training	34	26
	Other staff costs	46	28
		5,584	5,469
	Staff costs capitalised	(418)	(553)
	Total staff costs	5,166	4,916
	Emoluments of Director General		
	Basic salary	162	162
	Employer's pension contributions	59	59
	Other benefits	3	3
		224	224
	Other Amounts Received:		
	Board fees	13	13

CEO's contract approval and signature by the Department of Communications, Energy and Natural Resources is in process.

Notes to the Financial Statements

Notes		2011 €'000	2010 €'000
4.	Board Costs		
	Fees (note 20)	160	151
	Travel and subsistence	25	16
		185	167
5.	Programme Expenses		
	Commissioned programmes	17,541	17,034
	Acquired programmes	2,959	3,297
	Dubbing and other costs	2,499	2,399
		22,999	22,730
6.	Marketing and Research		
	Advertising and marketing	1,428	1,561
	Audience measurement and research	119	108
	Audience Council expenses	7	10
		1,554	1,679
7.	Overheads		
	Premises and equipment expenses	564	447
	Professional and financial expenses	839	797
	General and office expenses	582	577
		1,985	1,821
8.	Interest Received		
	Interest received on bank deposit accounts (gross)	2	58

Notes to the Financial Statements

Notes	9. Tangible Fixed Assets	Land and Buildings	**Equipment	*Assets under Construction	Fixtures and Fittings	Total
		€'000	€'000	€'000	€'000	€'000
	Cost					
	At 1 January 2011	7,538	13,337	2,508	614	23,997
	Transfer	–	2,508	(2,508)	–	–
	Disposals	–	(11)	–	(3)	(14)
	Additions	2	866	2,667	7	3,542
	At 31 December	7,540	16,700	2,667	618	27,525
	Accumulated Depreciation					
	At 1 January 2011	2,247	11,832	–	532	14,611
	Disposals	–	(4)	–	(3)	(7)
	Charge for the year	169	1,112	–	21	1,302
	At 31 December 2011	2,416	12,940	–	550	15,906
	Net Book Value					
	At 31 December 2011	5,124	3,760	2,667	68	11,619
	At 31 December 2010	5,291	1,505	2,508	82	9,386
<p>*Assets Under Construction comprise development expenditure, mainly hardware and some staff costs in respect of a High Definition Transition Project ('HD'). Additions in the year include an estimation of staff costs which relate specifically to work completed on the HD project. The basis of the estimation is the employees annual salary and hours worked on the HD project.</p> <p>**An amount of €2.5m was transferred from Assets under Construction to Equipment in respect of a Digital Assets Management system which was commissioned in the year. In addition, a further amount of €604k was expended in 2011 and is included in Equipment additions.</p>						
10.	Capital Grants			2011	2010	
				€'000	€'000	
	Capital grants – received and receivable					
	Opening balance			12,848	11,048	
	Grants received during the year (Note 11)			3,510	1,800	
	Grants received in prior year and applied in year			–	–	
	Closing balance			16,358	12,848	
	Amortisation					
	Opening balance			3,550	2,846	
	Amortised during the year			1,273	704	
	Closing balance			4,823	3,550	
	Net book value – capital grants			11,535	9,298	

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

Notes to the Financial Statements

Notes			
11.	State Funding		
	Grants received from the Department of Communications, Energy and Natural Resources represent state funding received in relation to current expenditure incurred by Teilifis na Gaeilge.		
	State funding credited to the Income and Expenditure Account in the year	2011	2010
		€'000	€'000
	Grant received in the year	32,750	32,250
	Capital grant amortised (Note 10)	1,273	704
		34,023	32,954
	The total allocation for 2011 was €36.26m comprising of:		
	Grants received for current expenditure	32,750	32,250
	Grants applied for capital purposes	3,510	1,800
	Total received	36,260	34,050
12.	Tax on Profit on Ordinary Activities	2011	2010
		€'000	€'000
(a)	Analysis of tax charge in year		
	Corporation tax charge for year	5	33
	Charge in respect of previous years	–	29
		5	62
(b)	Factors affecting the tax charge for the year		
	The effective rate of tax for the year is higher than the standard corporation tax in Ireland of 12.5%. The differences are explained below:		
		2011	2010
		€'000	€'000
	Profit/(Loss) on ordinary activities before taxation	(20)	31
	Profit/(Loss) on ordinary activities multiplied by the standard rate of corporation tax in Ireland of 12.5% (2010: 12.5%).	(3)	4
	Effects of:		
	Income taxable at a higher rate of taxation	9	15
	Excess of capital grants amortised and capital allowances over depreciation	(1)	16
	Non-deductible expenditure	(–)	(2)
		5	33

Notes to the Financial Statements

Notes			
13.	Debtors	2011 €'000	2010 €'000
	Trade debtors	804	1,027
	VAT repayable	537	300
	Corporation tax repayable	14	12
	Prepayments and accrued income	198	183
		1,553	1,522
	All balances are deemed recoverable within one year.		
14.	Cash at Bank and in Hand	2011 €'000	2010 €'000
	Cash in hand	1	1
	Bank accounts	80	41
		81	42
15.	Creditors – falling due within 1 year	2011 €'000	2010 €'000
	Trade creditors	945	713
	Accruals	832	938
	Pension contributions creditor	65	66
	Corporation tax payable	–	–
	Hire purchase and lease agreements	–	1
		1,842	1,718
16.	Reserves	Pension Reserve €'000	Revenue Reserve €'000
			Total €'000
	Opening balance as at 1 January 2011	71	(66)
	Retained deficit for the year	–	(25)
	Actuarial loss/(gain)	5	–
	Pension reserve adjustment	33	(33)
	Closing balance as at 31 December 2011	109	(124)

Notes to the Financial Statements

Notes				
	17.	Reconciliation of Surplus for the Year to Net Cash Flow from Operating Activities	2011 €'000	2010 €'000
		Deficit on ordinary activities before taxation	(20)	31
		Non-Operating Activities		
		Interest received (net)	(2)	(46)
		Loss from sale of fixed assets	7	6
		Non-Cash Items		
		Depreciation	1,302	860
		Amortisation of capital grants	(1,273)	(704)
		Pension asset adjustment	(33)	(35)
		(Increase)/decrease in debtors	(31)	(153)
		(Decrease)/increase in creditors	124	19
		Net cash (outflow)/inflow from operating activities	74	(22)
18.	Analysis of Changes in Net Funds	Opening balance €'000	Cash flows €'000	Closing balance €'000
		Cash at bank and in hand	1	1
		Short term deposits	41	80
			42	81
19.	Pension			
a)	Description of scheme			
	Teilifís 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 Teilifís na Gaeilge.			
		2011 €'000	2010 €'000	
	The following pension costs were incurred in the year:			
	Defined contribution scheme and PHI and Life cover	429	417	
	Defined benefit scheme cost (Note 19 (g))	67	66	
		496	483	
	Contributions are made to the defined benefit scheme at rates recommended by independent qualified actuaries.			
	The latest full actuarial valuation was prepared as at 31 December 2011. The liabilities and cost calculations were carried out using membership data supplied by the scheme's administrators at the effective date. The liabilities and costs have been assessed using the projected unit method.			

Notes to the Financial Statements

Notes			
19.	Pension (continued)		
b)	Financial assumptions		
	The principal actuarial assumptions used by the actuary as at 31 December 2011 used for FRS 17 purposes were as follows:		
		2011	2010
		%	%
	Discount rate	4.80%	5.20%
	Increase in consumer price indexing	2.50%	2.50%
	Increase in pensionable earnings	4.00%	4.00%
	Increase in pension payment	4.00%	4.00%
	Bonds	4.10%	4.30%
	Other	0.75%	0.75%
c)	Demographic assumptions		
	Mortality		
	62% of PNML00 tables for males and 70% of PNFL00 tables for females with increases of 0.39% per annum compounded between 2008 and the year in which the normal pension falls.		
d)	Change in benefit obligation	2011	2010
		€'000	€'000
	Present value of scheme obligations at the beginning of the year	295	180
	Current service cost	85	87
	Interest cost	18	13
	Actuarial loss/(gain)	(9)	15
	Present value of scheme obligations at the end of the year	389	295
e)	Change in scheme assets	2011	2010
		€'000	€'000
	Fair value of scheme assets at the beginning of the year	365	259
	Expected return on scheme assets	18	14
	Actuarial loss	(4)	(28)
	Employer contributions	101	101
	Member's contributions	18	19
	Fair value of scheme assets at the end of the year	498	365

Notes to the Financial Statements

Notes			
		2011	2010
19.	Pension (continued)		
f)	Amounts recognised in the balance sheet	2011 €'000	2010 €'000
	Present value of funded obligations	(388)	(294)
	Fair value of scheme assets	497	365
	Net asset	109	71
g)	Pension costs	2011 €'000	2010 €'000
	Current service cost	85	86
	Interest cost	18	13
	Expected return on scheme assets	(18)	(14)
	Member's contributions	(18)	(19)
	Total	67	66
h)	The net actuarial gain recognised in the Statement of Total Recognised Gains and Losses for the year ended 31 December 2011 amounted to €5,000 (2010: (€43,000)).		
i)	Scheme assets	Expected Return	Expected Return
	The asset allocations at the year end were as follows:		
	Bonds	4.15%	4.3%
	Other	0.75%	0.75%
	The overall expected return of the scheme's assets has been derived as the weighted average of the expected return on the categories of assets held by the scheme at the opening balance sheet date.		
j)	History of defined benefit obligations, assets and experienced gains and losses	2011 €'000	2010 €'000
	Difference between expected and actual return on plan assets;		
	Amount	3	29
	Percentage of plan assets	0.60%	7.9%
	Experience gains and losses on plan liabilities;		
	Amount	34	6
	Percentage of plan liabilities	8.9%	2.0%
k)	Contributions		

The company expects to contribute €101,000 to its pension scheme in 2012.

(Certain comparative figures have been restated in note 19(a) and 19(g))

Notes to the Financial Statements

Notes 20.

Directors and Secretary and their Interests'

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

Director/Secretary	Date of Appointment During Year (if applicable)	2011 €'000	2010 €'000
Peadar Ó Cuinn (Chairman)	n/a	21.6	21.7
Pól Ó Gallchóir (Director General)	n/a	12.6	12.6
Pádraic Mac Donncha	n/a	12.6	12.6
Regina Uí Chollatáin	n/a	12.6	12.6
Bríd Ní Neachtaín	n/a	12.6	12.6
Seosamh Ó Conghaile	n/a	12.6	12.6
Fergal Ó Sé	n/a	12.6	12.6
Méabh Mhic Gairbheith	n/a	12.6	12.6
Eilís Ní Chonnaola	n/a	12.6	12.6
Méadhbh Nic an Airchinnigh	n/a	12.6	12.6
Rónán Ó Coisdealbha	n/a	12.6	12.1
Concubhar Ó Liatháin	n/a	12.6	3.3
Mary Uí Chadhain (Secretary)	n/a	–	–
		160.2	150.5

Board members' expenses in 2011 were €25k (2010: €16k), of which: Domestic travel accounted for €19k (2010: €13k), Subsistence €4k (2010: €2k), Entertainment €2k (2010: €1k).

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

21. Premises

Teilifís na Gaeilge operates from premises located in Baile na hAbhann, Co na Gaillimhe. TG4 owns the freehold to the premises and also rents offices in Dublin for which it holds a lease of 4 years and 9 months duration. The current lease expires in 2012 and an annual rental charge of €19.9k applies.

22. Programme/rights purchase commitments

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

	2011 €'000	2010 €'000
Contracted for but not provided for at the year end	26,146	11,428

23. Commitments

Teilifís na Gaeilge has capital commitments as follows;

	2011 €'000	2010 €'000
Contracted for but not provided for at the year end	555	780

24. RTÉ Transactions

Teilifís na Gaeilge received 365 hours (2010: 365 hours) of Irish language programming free of charge from RTÉ in the year ended 31 December 2011.

Notes to the Financial Statements

Notes

25. Foreign Currency Exposure

Foreign currency exposures arise primarily from payments for acquired programmes. Teilifis na Gaeilge hedges its foreign currency exposures by entering into US Dollar forward contracts when it deems it appropriate. The total value of such contracts in 2011 was \$1,250,000 (2010: \$2,997,000). There were no contracts outstanding at the year end (2010: \$500,000)

26. Approval of the Financial Statements

The Board of Directors' approved the financial statements on the 26 March 2012