



RTÉ

Annual Report & Group Financial Statements 2014

Raidió Teilifís Éireann Board

54th Annual Report and Group Financial Statements for the twelve months ended 31 December 2014, presented to the Minister for Communications, Energy and Natural Resources pursuant to section 109 and 110 of the *Broadcasting Act 2009*.

Is féidir leagan Gaeilge den Tuarascáil a íoslódáil ó

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RTE

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RTÉ'S DIRECTOR-GENERAL HAS SET RTÉ'S VISION, MISSION AND VALUES STATEMENT

Vision

RTÉ's vision is to enrich Irish life; to inform, entertain and challenge; to connect with the lives of all the people.

Mission

- Deliver the most trusted, independent, Irish news service, accurate and impartial, for the connected age
- Provide the broadest range of value for money, quality content and services for all ages, interests and communities
- Reflect Ireland's cultural and regional diversity and enable access to major events
- Support and nurture Irish production and Irish creative talent

Values

- Understand our audiences and put them at the heart of everything we do
- Be creative, innovative and resourceful
- Be open, collaborative and flexible
- Be responsible, respectful, honest and accountable to one another and to our audiences



News Business Sport Entertainment Life & Style RTÉ Player Television Radio Orchestras More

Break-even

RTÉ achieved financial break-even in 2014

RTÉ generated a pre-tax surplus of almost €1 million



Digital

RTÉ.ie was the number one media website in Ireland with in excess of five million unique browsers per month



News

The RTÉ Investigations Unit produced a series of important reports in 2014, many of which led to national debate and changes in public policy



Events

RTÉ supported ninety-eight separate local, regional and national arts events around the country in 2014, through the RTÉ Supporting the Arts scheme

Television

RTÉ2 overtook TV3 in 2014 as the second most-popular channel for 15–24s in Ireland



Radio

RTÉ Radio produced 18 of the top-twenty most-listened-to radio programmes in the country



Arts & Culture



Life & Style





The last year has been one of transition for RTÉ and for its Board. My predecessor, Tom Savage, departed as Chairman after five demanding years. I would like to thank him and the other members of the last Board, the first established under the *Broadcasting Act 2009*. They set a high standard of governance during some exceptionally difficult years. The new Board took over at a time of economic revival which offers new opportunities, but also new challenges, for RTÉ.

For the second year in a row RTÉ will break-even. Despite the €5 million reduction in public funding in the 2014 Budget, and with some growth in commercial revenue, RTÉ returned a modest surplus for a second year, in line with 2013. After the difficult restructuring in 2012, and with the challenge posed by an ever-growing number of competitors in the advertising market, this is noteworthy financial management, and I congratulate the Director-General and his team for it.

For the second year in a row RTÉ will break-even.

However, stabilising the finances of the organisation has been achieved at a cost. In this statement last year Tom Savage noted the impact of the reduction in public funding announced by the Government. Though there was no equivalent cut in the Budget statement last October, there is continuing uncertainty about the long-term funding of public service media. The challenge for the new Board is to build on this platform and, despite these financial pressures, to renew focus on the broader cultural and social purposes of RTÉ.

The household media charge, announced by Government for 2015, was postponed and it is not clear when it will now be introduced. This Board will lead the way in making the case for clarity of funding in the sector, an argument that I think is already compelling. As the introduction of a household media charge was very much part of the RTÉ Board's longer-term planning, a range of other options will now have to be considered. It should be noted that this is not merely a matter for RTÉ. The security and progress of the creative industry in Ireland will also be affected by this issue.

Recent external reviews of RTÉ's operations have found it to be efficient and to have clear policy goals. Although now a much more streamlined organisation, RTÉ continues to produce a wide range of programming on all platforms. There is, however, a need for investment in new content, and content formats, and for an increased level of capital investment. Short-term measures that might enable RTÉ to weather difficult economic times should not be allowed to become a permanent reduction in vision, or commitment to RTÉ's mission.

While achieving a secure funding basis is vital to RTÉ's future, this is not just an issue for RTÉ alone. RTÉ is a key part of the wider cultural sector in Ireland. The cutbacks and reductions in production that have been necessary in RTÉ have affected the whole of this sector. Yet, even during the recession, the creative industries have been growing in importance to the economy. A renewed ambition for RTÉ in developing new content and programming will directly benefit the Irish creative community generally. RTÉ is the largest direct employer in the sector; it is the largest employer of musicians in Ireland, and the largest commissioner of independent television productions. RTÉ's involvement in cultural events helps bring audiences to those events. RTÉ is aware of its responsibilities to lead development in this area, which is so important to Ireland's international image and reputation.

In all that RTÉ has done and continues to do, the audience remains at the centre. We must continue to build a relationship of trust with the people of Ireland and to connect with them. RTÉ continues to be available on 'traditional' platforms, but is also present on new platforms where, increasingly, the national conversation is taking place. One example is the joint initiative with the GAA called GAAGO, an exciting new development that allowed Irish people across the world to watch live matches during the GAA football and hurling championships. Understanding our audience is key to the ongoing success of RTÉ. The range of audience data now available will allow the Board to make more informed decisions.

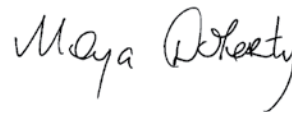
The new Board contains members of the highest calibre in their various fields. I look forward to working with them and to calling upon their talents to be used for the benefit of RTÉ, in both governance and advocacy roles. In 2014 RTÉ began work to prepare a new Public Service Statement and Statement of Strategy. These will provide a direction for RTÉ in 2015 and beyond, and an opportunity for the Board to consider the overall governance of the organisation.

The Board was very pleased that the Director-General Noel Curran, who has guided RTÉ through the last few years of restructure, agreed to an extension of his contract for an additional four years. In recognition of the demands placed on the Director-General and in the interests of good governance, the Board appointed the Managing Director of News and Current Affairs, Kevin Bakhurst, as Deputy Director-General.

The Board worked through the year in 2014, with a break in the autumn pending the appointment of new members, and the work of the new members will be built on a solid legacy from those who have now departed. The five sub-committees met a total of 14 times during 2014. A number of changes were introduced by the new Board in its internal arrangements. This reduced the number of committees to three, and in 2014 they began to focus on new challenges for the coming years.

The RTÉ Audience Council reached the end of its term and I wish to thank all of the members of the Council who gave so generously of their time; they contributed greatly to RTÉ's thinking about public service and its relationship with its audiences. In particular I would like to thank the Chair of the outgoing council, Pauric Dempsey. A priority in 2015 will be the appointment of a new body which will build on, and advance, many useful lessons learned from the work of the outgoing Council.

It is a great honour to have been given the responsibility of guiding as complex and important a body as RTÉ through a time of significant change. I look forward to the years ahead.



Moya Doherty
Chair

RTÉ is the **largest direct employer** in the sector; it is the **largest employer of musicians** in Ireland, and the **largest commissioner of independent television productions**.



Many times in my career in RTÉ, I have been fortunate enough to feel genuinely proud of the organisation, the work we all do and the impact it can have.


I certainly felt that during 2014. Not just because of the stand out programming, reporting and innovations RTÉ delivered across the year, but also because of the backdrop against which they were made.

RTÉ has come through one of the most difficult and turbulent periods in its history. Over the past three years RTÉ has met, head on, the multiple challenges of editorial mistakes, dramatic falls in revenue, new competition and disruptive technology.

Faced with these challenges, RTÉ has responded by developing a clear strategy to position the organisation for the long-term. We are now well on the way to evolving from a public service broadcaster to a public service media organisation relevant and essential to the increasingly digital lives of Irish people.

The five-year strategy that RTÉ published in 2013 has set in train a period of change and renewal in RTÉ that continued apace during 2014. Everywhere you look in the organisation there are changes underway to meet the challenges we face.

I can now say with confidence that our strategy is working. 2014 will be the second year running that RTÉ will achieve a small financial surplus,



I can now say with confidence that our strategy is working.

in the face of a further reduction in its public funding for the year. Central to our strategy was returning RTÉ to a more stable financial footing and while further funding is needed, we have achieved a firmer financial base. While very significant financial challenges remain, RTÉ is now in a much better place to meet them.

As a not-for-profit creative media organisation, however, all of our efforts to reduce costs and grow revenues would be for nothing if we didn't continue to deliver for audiences with our programming and services and continue innovating with new digital products and services.

Across the year there were many stand-out moments on air and on screen.

At the end of President Higgins' historic state visit to Britain, the *Celliúradh* concert in the Royal Albert Hall in April streamed live to the world on RTÉ Player and broadcast on RTÉ One and RTÉ Radio 1 was a special event and fitting end to an important week.

In May, for the first time in a European election, RTÉ, through a series of debates on *Prime Time*, offered every candidate the opportunity to discuss the issues and put forward their case for election on national television. Close to 1 million viewers watched RTÉ's dedicated Elections 2014 results programmes on RTÉ One, in addition to the detailed coverage across news bulletins and allied to RTÉ's comprehensive election coverage on Radio 1 and the 10 million page views for news content over the results weekend on RTÉ.ie and the RTÉ News Now app – no other media organisation in Ireland provides this level of coverage of national events across media and devices.

The RTÉ Investigations Unit produced a series of important reports during 2014, many of which provoked considerable national debate and changes in public policy. *Fatal Failures* reported on the deaths of four babies in the Midland Regional Hospital in Portlaoise; *The Torture Files* produced new evidence of the torture of 'the hooded men' by the British State during internment; *The Ambulance Service Uncovered* revealed excessively slow response times to life-threatening emergencies; and *Inside Bungalow 3* revealed the abuse of patients with disabilities at the Áras Attracta care home in Mayo.

We promised just a couple of years ago, following serious editorial mistakes, that we would not reduce our commitment to investigative journalism. We haven't – and we won't. Our investigative reporting and programming is now as strong as it has ever been.

September heralded a major advance for Irish-language news in RTÉ, with the advent of a comprehensive online news service in Irish for the first time and a restructured news service on radio, which saw bulletins 'as Gaeilge' delivered from RTÉ Raidió na Gaeltachta in Casla, Connemara. RTÉ Raidió na Gaeltachta in Casla is now the main production centre for national and international Irish-language news on radio, providing all thirty-two Irish-language bulletins across

Radio 1, lyric fm and 2fm, in addition to the station's own news service. In parallel, online and on mobile we launched a national, international and regional news service in Irish for the first time. These were important developments for RTÉ's provision of Irish language services that will be built upon as we begin to implement the recommendations in the Report of RTÉ's Irish Language Working Group published during the year.

Given the financial challenges, reducing RTÉ's sports rights costs, while also maintaining our major rights, was a key goal in our five year strategy. We have prioritised investment to deliver coverage of national teams, national games and major events. Within that context and in an increasingly competitive market, RTÉ retained its GAA television and radio rights, ensuring that coverage of Gaelic games is delivered free-to-air to Irish audiences until 2017. The 2014 season proved to be a big winner for audiences with huge numbers tuning to RTÉ's coverage and analysis.

In a new departure for both RTÉ and the GAA, in May together we launched an entirely new international digital service, GAAGO. This service enables fans outside of Ireland to watch the 2014 GAA Championship games (over forty-five games internationally) on any Internet-enabled device. Games were streamed in high-quality HD and included full commentary, scores and studio programming as broadcast to audiences in Ireland.

Within six months of launch, the service was being accessed by fans in 157 countries worldwide, with the highest number of streams coming from the United States, Great Britain, Australia and Canada. Building on the strong success of the first season, in December RTÉ and the GAA announced an expansion of the service with more than double the number of matches being offered to fans internationally in 2015.

That two organisations so central to Irish life have maintained such a strong relationship over so many years is very special. In recent years Liam O'Neill and Páraic Duffy have led the GAA through a key period of change and innovation. I am delighted that RTÉ has been a key partner in that journey and I very much look forward to seeing where it may bring both organisations in the years ahead.

The 2014 FIFA World Cup saw Irish audiences watch in record numbers across RTÉ2 television, RTÉ Player and RTÉ.ie. The fifty-six live games on RTÉ2 averaged over 335,000 per match – up 28% on 2010. The final peaked at over 1.2 million viewers and was the highest television audience for a World Cup Final since USA '94. 2014's final was also notable for being the final bow for broadcasting legend Bill O'Herlihy. At the centre of so many great sporting moments for Irish audiences, his contribution has been enormous. I wish him the very best in his retirement.

RTÉ also covered a remarkable year for Irish rugby, with just one loss across the full year with wins over both South Africa and Australia in the Autumn series. Close to 900,000 tuned in to watch Ireland's 6 Nations victory over France in Paris as Joe Schmidt's side clinched the 2014 title and the nation bid farewell to Brian O'Driscoll.

In such a competitive international market, where many sports events are now available across different channels to Irish audiences, it is remarkable that all of the top-twenty most-watched sports programmes of the year in Ireland were broadcast on RTÉ.

Our two new Channel Controllers in RTÉ television hit the ground running in 2014, bringing to life in our schedules the direction we set out for the channels in our five-year strategy.

Strong programming across RTÉ One paved the way for modest growth in commercial television revenue for the first time in four years. *The Late Late Toy Show* was one of the most successful programmes in RTÉ's history, attracting a record number of viewers with an average audience of close to 1.6 million. Drama on RTÉ One had a particularly strong year with *Amber* and *Love/Hate* proving appointment-to-view television for the whole country. While the longest running soap in the country, *Fair City*, celebrated its twenty-fifth birthday in September.

Allied to very strong news and current affairs programming RTÉ One's factual output had real impact with audiences across the year. *ROG – The Ronan O'Gara Documentary* gained an audience of 594,800, while documentaries such as *The Probation Services*, *Close to Evil* and *Women on the Inside* proved both critical and audience successes. David Brophy's two part *High Hopes* choir series was as uplifting as it was poignant as he respectfully engaged homeless people in both Dublin and Waterford on a musical and confidence-building journey.

A new look and new schedule of programmes aimed at younger viewers saw RTÉ2 become the second most-popular channel for 15–24s in Ireland, increasing its share of 15–34s by 13% over the year. In doing so it proved with programmes like *Bressie's Teenage Kicks*, *Damo and Ivor*, *Donal Walsh – My Story*, *Second Captains*, *Republic of Telly*, *Connected* and others that making public service television for and about younger Irish audiences can be entertaining, engaging and worthwhile.

The success of key programming across both RTÉ One and RTÉ2 clearly shows that linear television is being enhanced by the proliferation of social platforms which, far from being a threat, are becoming key points of connection.

RTÉ Radio 1 maintained its position as the nation's most-listened-to station in 2014, producing eighteen of the top-twenty most-listened-to programmes in the country. Following on from a year of change in 2013, new programmes like *Today with Sean O'Rourke* and *Sunday with Miriam* settled well into the schedule, delivering quality programming. The sharing of resources and people across the organisation allowed us to see presenters like Brian Dowling, Claire Byrne, Richard Crowley, Aine Lawlor, Audrey Carville and Keelin Shanley present significant tranches of programming on Radio 1.

Not content to stand still, towards the end of the year we announced that Ray D'Arcy would join the schedule as we continue to refresh the service. We are determined that Radio 1 will maintain its unique position in Irish society and we will all do all we can to ensure that is the case.

2014 has been a turnaround year for RTÉ 2fm. In line with the strategy set out for the station to engage 25–34-year-olds and recruit new listeners, we completely changed the schedule in the middle of March 2014, introducing a range of new voices such as Nicky Byrne, Eoin McDermott, Bernard O'Shea, Jennifer Maguire, Louise McSharry, Chris Greene and Ciara King, while retaining strong performers Ryan Tubridy, Rick O'Shea and Colm Hayes. With so much change, as expected we saw an initial drop in listeners but by year end both the profile and the size of the audience was growing. As was the stations commercial



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performance, with advertising revenues increasing by 15% year on year. With the alterations to the schedules on our competitor services a real opportunity, the future for 2fm, as a key connection point for younger audiences with RTÉ, looks very promising.

Across 2014 RTÉ continued to develop and enhance the quality of its online and mobile services across multiple devices, allowing audiences both nationally and internationally to discover, enjoy and engage with RTÉ content when, where and how they want to. In addition to launching the GAAGO service, we completely revamped the RTÉ News Now mobile news app and made key announcements on a new international subscription service to be launched in early 2015. Reflective of the key trend towards mobile, the RTÉ News Now app accounted for over 40% of RTÉ's digital traffic in 2014, with overall mobile traffic to all RTÉ's online services now exceeding 70% – a huge change in just a few years.

RTÉ Player remained the number one television on-demand service in Ireland in 2014 with 33% of adults having used the service, equivalent to over 1.3 million people. Delivering over fifty-one million streams to audiences both nationally and internationally the RTÉ Player is now a key access point for audiences for both live and catch-up programming.

RTÉ's digital services are now central to delivering on our public service remit. While 94% of Irish people use one or more of RTÉ's services in any given week, close to 50% now connect with RTÉ using our online and mobile digital services. The opportunities for public service media and RTÉ in the digital space are enormous and hugely exciting. We must continue to innovate by enhancing our existing digital services and developing new ones and I am confident we will.

Over the past three years we have made huge progress in reshaping the organisation for the future, not only by reducing costs but also by continuing to review and enhance everything we do.

During this period we have also come through a period of extensive independent external review. In addition to the annual performance reviews undertaken by the BAI and their consultants, in 2013 we underwent a much more in depth five-year review process. This was followed in 2014 by two further reviews; one on our efficiencies conducted by New Era and another on the Irish advertising market conducted by Indecon, both on behalf of the Department of Communications, Energy and Natural Resources.

The scope and nature of these reviews is reflective of how RTÉ is set up as a dual-funded public service broadcaster. On the one hand, the Government and the BAI must be satisfied that RTÉ's use of public funds is efficient, transparent and in fulfilment of its public service objects as set down in legislation. On the other, Government and regulators must be satisfied that, in exploiting the commercial opportunities that arise in pursuit of its public service objects (as required by legislation), RTÉ conducts itself appropriately.

All of these reviews are very lengthy complex processes. They have analysed, benchmarked and reviewed in detail almost every aspect of what we do. However a number of very clear conclusions and recommendations have emerged from this review period.

- Firstly, RTÉ has been judged to be efficiently run. This is particularly evident in the New Era report.
- Secondly, as concluded by Indecon, given the complex dynamics in the Irish media market, over the next four to six years, *'RTÉ is likely to continue to lose market share and its ability to secure a high premium on advertising rates will to some extent be eroded over time.'*
- And thirdly, in line with the recommendations in the BAI's last two reviews, New Era also recommends that consideration be given to increasing RTÉ's public funding.

When taken together these three very clear conclusions and recommendations require serious considerations from Government. Given the central role that RTÉ occupies at the centre of Ireland's creative economy, the implications of inaction will have consequence far beyond RTÉ itself.

While there is little the Government can do to alter the market dynamics affecting RTÉ and all domestic media organisations, the level of public funding RTÉ receives to fulfil its role is the responsibility of Government. Moreover the Government is accountable for the efficiency and effectiveness of the licence fee system to collect that public funding. There is little doubt now that the current television licence fee system is not fit for purpose. As media consumption continues to evolve and RTÉ continues to enhance and grow its digital services, the television licence fee will reflect less and less how people consume public service content.

Ireland has one of the lowest television licence fees anywhere in Western Europe. Unlike virtually every other public utility, it has not been protected from the effects of inflation with no increase since 2006. Ireland also has one of the highest licence fee evasion rates in Europe at over 15%. Evasion alone results in over €30 million in lost funding for public service broadcasting every year.

Reform of the television licence fee system has the potential to yield substantial additional revenue for investment in public service media, without increasing the burden on individuals or households.

Reform of the television licence fee system, by decoupling it from televisions, improving and consolidating the licence fee database and driving down the costs of collection, among other things, has the potential to yield substantial additional revenue for investment in public service media, without increasing the burden at all on individuals or on households.

Given RTÉ's stated commitment to increase investment in the independent production sector and the knock-on increases to BAI Sound and Vision Fund, successful reform would act as a significant stimulus to a sector that has suffered a collapse in investment over the past five years.

When so much public expenditure and every aspect of RTÉ activities has been rightly questioned, surely reform of the TV licence system itself must also be part of that thorough examination.

We all have to remember that almost 85% of households are already paying their licence fee. Those people who are compliant deserve better than to subsidise the viewing habits of those that do not. The Irish production sector, starved of investment as it is, also deserves more. The process of reforming how public funding for public service media is collected does not have to happen all at once. But the process urgently needs to start and I very much hope it does in 2015 and beyond.

Finally, I would like to pay a special thanks to Tom Savage for his support as Chairman over the past number of years. It has been a period marked by some very tough times but we have come through it together and I wish him, and the other members of the Board who finished their tenure in 2014, the very best for the future.

RTÉ is now a very different organisation to the one I joined as Director-General just five years ago. We have made huge changes in how we fulfil the obligations and responsibilities placed upon us. We are doing much more with less without losing our creativity or becoming afraid to take risks. We will have to keep changing and enhancing everything we do to remain relevant and essential to the everyday lives of Irish people. That will be our focus in the years ahead.



Noel Curran
Director-General

FINANCIAL REVIEW

Results and Operating Profit

Against a background of modest growth in commercial income and despite the 2014 Budget €5 million reduction in public funding, RTÉ returned a break-even result in 2014 for the second year, in line with 2013 results. RTÉ continued to generate a solid Operating Profit, i.e. EBITDA, in 2014 of €16.1 million and while it is down on 2013 levels of €20.7 million, it is the highest level of Operating Profit reported since 2007 i.e. seven years ago. RTÉ reported a Net Surplus Before Tax of €0.9 million, which, following a deferred tax charge of €0.7 million, results in an overall break-even result for the year.

Summary Financial Highlights

	2014	2013	Change	2014 v 2013	Change
	€m	€m	€m	Change	%
				€m	
Commercial Revenue	149.6	145.2	4.4		
Licence Fee Revenue	178.6	182.4	(3.8)		
Total Revenue	328.2	327.6	0.6		
Operating Costs *	(312.1)	(306.9)	(5.2)		
EBITDA **	16.1	20.7	(4.6)		
Depreciation & Amortisation	(13.6)	(15.3)	1.7		
Restructuring credit	0.2	0.4	(0.2)		
Net Finance Expense	(1.8)	(4.7)	2.9		
Surplus before Tax	0.9	1.1	(0.2)		
Tax	(0.7)	(0.4)	(0.3)		
Surplus for the Year	0.2	0.7	(0.5)		

* Operating Costs before Depreciation, Restructuring and other credits

**EBITDA: Earnings before Interest, Tax, Depreciation, Amortisation Restructuring and other credits

Commercial Revenue

Commercial revenue in 2014 of €149.6 million grew by 3% compared to 2013, which was driven by growth in Television and Digital advertising and sponsorship. Television advertising and sponsorship is the largest source of commercial income, accounting for 58% of all RTÉ commercial revenues. The 5% growth in Television advertising and sponsorship revenues reflected the general growth in the economy while a buoyant second half of 2014 following the World Cup was aided by strong scheduling and a number of successful sales initiatives. The media market in general expanded during this period and the number of UK opt out channels continued to grow. Digital revenues overall continued to grow by 5% with stronger increases in digital advertising and sponsorship benefiting from changes in viewing habits and consumption patterns and RTÉ's strong position on a number of digital platforms. A small decline overall in Radio revenues of 1% was driven primarily by general deflation in the radio market and steep discounting by competitors.

RTÉ returned a **break-even result** in 2014 for the second year, in line with 2013 results.

	2014 v 2013	Change
	Change	%
	€m	
Television Advertising & Sponsorship	4.1	5%
Radio Revenues	(0.2)	-1%
Digital Revenues	0.7	5%
Other Income	(0.2)	-1%
Year-on-Year Movement	4.4	3%
Commercial Revenue 2013	145.2	
Commercial Revenue 2014	149.6	

The growth in commercial revenue in 2014 is a welcome development and augurs well for 2015 but it should be noted that 2014 commercial revenue of €149.6 million is still in sharp contrast with, i.e. almost 40% below, 2008 levels of €240 million.

Television Licence Revenue

The Department of Communications, Energy and Natural Resources (DCENR) collects licence fee monies due, both from the Department of Social Protection (DSP) in respect of 'Free' television licences and from An Post (the agent for the sale of TV licences), and then makes a grant-in-aid to RTÉ. Of the €214 million licence fee collected in 2014, €179 million i.e. 84% was received directly by RTÉ. The section 'How Your TV Licence Fee Is Used' shows how the licence fee is used with 79% of total licence fee invested in RTÉ services and activities and the remaining 21% on non-RTÉ activities, including BAI Sound and Vision fund, TG4 deduction and support and An Post collection fees.

In 2014, RTÉ received €178.6 million in TV licence revenue, a reduction of €3.8 million (2%) compared to 2013 as a direct result of the €5 million reduction in the amount of public funding received by way of 'Free' television licences from the DSP included in Budget 2014. Taken in context, licence fee income received by RTÉ through public funding has declined by some €22 million, i.e. 11%, over the last 5 years since 2009, as a result of a number of deductions made from the available pool of funding. These include part-funding of TG4 directly from licence fee, the increase in funding to the BAI Sound and Vision Fund and the cap imposed on the amount of licence fee received by way of 'Free' television licences from the DSP including the most recent €5 million reduction in Budget 2014.

Evasion levels are calculated by the DCENR at 15% (2013) of chargeable domestic households and business premises and are high compared to other European countries. Evasion levels in Ireland are over three times higher than those experienced in the UK and Germany and collection costs are more than double compared to other European counterparts. An Post, DCENR and RTÉ continue to work collaboratively to reduce evasion levels and this is a key priority for 2015.

A further concern is the increase in the number of homes that do not have a television set which has been growing slowly but steadily over recent years per the Nielsen Establishment Survey, currently at 110,000 or 6.5% of all homes. As media consumption continues to evolve, the television licence fee will reflect less and less how people consume public service content and is the main reason the mechanism is being reviewed and changed in other countries such as Finland, Germany and Iceland.

Operating Costs

Total 2014 Operating Costs of €312.1 million increased by €5.2 million, i.e. 1.7%, compared to 2013.

	2014 v 2013 Change € m
Personnel Related Operating Costs	0.2
Non Personnel Related Operating Costs	5.0
Year-on-Year Movement	5.2
Operating Costs 2013	306.9
Operating Costs 2014	312.1

The increase in 2014 Operating Costs was driven predominantly by an increase in Television output including World Cup 2014. The modest increase in 2014 Operating Costs follows a sustained period of cost reduction in the organisation where 2014 Operating Costs are almost €130 million, i.e. 29%, lower compared to 2008 levels.

Increase in Programme Hours

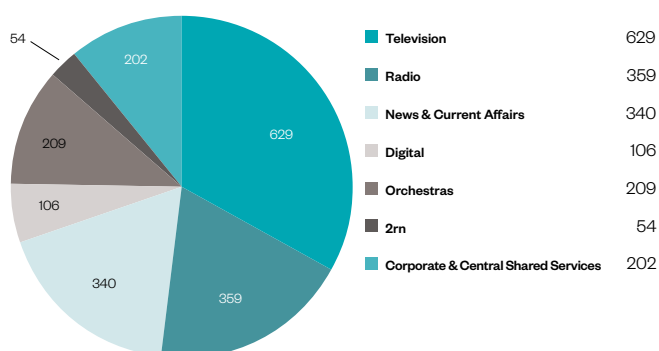
	2014 Hours	2014 v 2013
Television – All Time Indigenous Hours *	3,025	+4%
Radio – All Time Indigenous Hours *	30,367	+4%

* First Transmission

Employee Numbers

At 31 December 2014 there were 1,899 (2013: 1,856) employees of which 297 (2013: 260) were part-time/casual. The full-time equivalent headcount at 31 December 2014 was 1,745 (2013: 1,711). The chart below shows a breakdown of 31 December 2014 headcount by Integrated Business Division (IBD).

EMPLOYEE NUMBERS



Since 2008, RTÉ has reduced its annual operating cost base by almost €130 million or 29%.

Net Finance Expense

A net finance charge of €1.8 million arose in 2014 compared to a net finance charge of €4.7 million in 2013 comprised as follows:

Finance expense for 2014 amounted to €4.0 million (2013 €5.2 million) including interest payable, interest on restructuring costs and reclassification of cash flow hedge from reserves.

Finance income for 2014 was €2.2 million, compared to finance income in 2013 of €0.5 million, due to the following:

- Interest income on bank deposits of €0.3 million (2013: €0.5 million);
- A fair value gain arising on derivative FX forward contracts (US Dollar and Sterling) of €1.4 million (a loss of €0.2 million arose in 2013), due to movements in foreign exchange rates; and
- A net interest income of €0.4 million in respect of the IAS 19 (2011) defined benefit pension scheme (a cost of €1.5 million arose in 2013).

Taxation

There was a tax charge of €0.7 million which arose in 2014 as a result of a deferred tax charge (2013 tax charge of €0.4 million). This is a result of timing differences between capital allowances claimed and depreciation charged, and is expected to reverse over time.

Cash Flow and Borrowings

Total cash resources including liquid investments at 31 December 2014 amounted to €24.7 million (2013: €28.1 million). The movement in cash balances can be summarised for 2014 as follows:

Summary Cash Flow Statement	2014 €m	2013 €m
Surplus for the year	0	1
Movements in working capital and adjustments for non-cash items	3	4
Net cash flow from operating activities	3	5
Investing activities – capital	(6)	(9)
Financing cash flows:		
- Borrowings	(2)	(2)
- Movement in Sinking Fund Account	4	(1)
- Interest paid	(2)	(3)
	0	(6)
Net decrease in cash and liquid investments	(3)	(9)

Mindful of the economic pressures experienced from 2008 onwards, there has been an increased focus on cash management and funding. This remained a key financial management priority throughout 2014. RTÉ's banking arrangements and facilities are also very important to the organisation, together with managing the related covenants and reviewing adequacy of facilities. This focus on funding remains a key priority for 2015.

At 31 December 2014, RTÉ had bank borrowings of €49.4 million (€51.4 million as at 31 December 2013) composed of:

- RTÉNL (t/a 2rn), RTÉ's transmission subsidiary, entered into a project finance loan facility agreement with Barclays Bank in 2010 as part of the funding of the transmission and distribution infrastructure required for the Digital Terrestrial Television (DTT) project. This facility was refinanced during 2014 for €53 million, of which €40 million was drawn down in 2014 and is outstanding at 31 December 2014.
- The Bank of Ireland loan facility was drawn down on 31 July 2012 and is repayable over a five year period with €9.4 million outstanding at 31 December 2014.

Financial Risk Management

The Board of RTÉ sets the treasury policies of the Group, which include financial instruments, cash management, interest rate risk, foreign exchange risk, liquidity risk and counterparty credit risk. These are set out in Note 22 to the financial statements.

Capital Expenditure

RTÉ's total expenditure on capital projects in 2014 was €6 million with ongoing investment in High Definition studio equipment together with further expenditure on the roll out of file server technology, digital projects and infrastructure. A continued focus will be the ongoing investment in DTT broadcast infrastructure and network renewal projects.

Regulation

In July 2013 the Commission for Communications Regulation (ComReg), following extensive consultation, designated RTÉ and 2rn to have significant market power (SMP) in the markets for the provision of transmission and distribution services to radio broadcasters and the DTT multiplex operator, Market A, and the downstream supply of DTT multiplexed services to broadcasters, Market B, respectively. The decision placed certain obligations on both RTÉ and 2rn. These obligations cover Access, Non-Discrimination, Transparency, Accounting Separation and Price Control and Cost Orientation.

In December 2013, RTÉ and 2rn made pricing submissions to ComReg with regards to proposed tariffs. In January 2014, subject to a review of the Weighted Average Cost of Capital (WACC), ComReg saw no reason to intervene in the application of the proposed interim tariffs from 1 April 2014. ComReg completed the WACC review and issued an Information Notice on 16 January 2015 which stated that:

- the tariffs in place up to 31 March 2014 were regarded as finalised; and,
- after adjusting for the new cost of capital as advised following the WACC review, the tariffs from 1 April 2014 were also considered final.

The actuaries to the RTÉ Superannuation Scheme have carried out a long term actuarial funding valuation which reported a surplus of **€29.9 million** as at 1 January 2015.

Separated Accounts were prepared for the first time in 2014 and will be prepared for subsequent years. These comprise Regulated Accounts for each of Market A and Market B together with Primary Accounting Documentation. These are published in accordance with regulatory requirements.

Pensions

RTÉ operates three pension schemes for its employees: a Defined Benefit (DB), Defined Contribution (DC) and a Hybrid Scheme (elements of DB and DC).

RTÉ Superannuation Scheme (DB)

The RTÉ Superannuation Scheme is a funded, contributory, defined benefit scheme, established under legislation and sponsored by RTÉ. No new employees have been admitted to the scheme since 1989. As at 31 December 2014, RTÉ had 236 employees (245 at 31 December 2013) who were members of the RTÉ Superannuation Scheme.

As at 31 December 2014, the assets of the scheme had a market value of €981 million (2013: €864 million). As reported under IAS 19 Employee Benefits (2011), the excess or shortfall of the assets compared to the liabilities of the RTÉ Superannuation Scheme is reported as an asset or liability on RTÉ's balance sheet. The liabilities of the RTÉ Superannuation Scheme under IAS 19 (2011) as at 31 December 2014 were €1,000 million (2013: €855 million), giving a deficit of €19 million (2013 surplus: €8 million). The movement from a pension asset to a pension liability on RTÉ's balance sheet reflects the fact that the valuation of the scheme's liabilities has increased significantly due to a marked reduction in corporate bond yields during 2014.

The actuaries to the scheme have also considered the scheme's position with liabilities as measured under the Minimum Funding Standard Valuation Test (MFS). As at 31 December 2014, the actuaries estimate that there was an MFS surplus of €21.6 million (2013: €28.1 million). This is a positive result for the scheme and, as a result, no funding proposal will be required during 2015.

A long term actuarial funding valuation was also carried out by the scheme actuaries, which reported a surplus of €29.9 million as at 1 January 2015 (1 January 2014: €29.9 million).

RTÉ Defined Contribution (DC)

The RTÉ Defined Contribution Pension Scheme is a funded, contributory, defined contribution arrangement which has been open to new members since 1989. As at 31 December 2014, RTÉ had 1,167 employees (1,152 at 31 December 2013) who were members of the RTÉ Defined Contribution Pension Scheme.

RTÉ '50/50' Risk-Sharing Pension Scheme (Hybrid)

The RTÉ '50/50' Risk-Sharing Pension Scheme is a funded, contributory, hybrid scheme with DB and DC elements sponsored by RTÉ. This scheme commenced in September 2010 as an optional pension arrangement for eligible employees. As at 31 December 2014, RTÉ had 271 employees who were members of the RTÉ '50/50' Risk-Sharing Pension Scheme (264 at 31 December 2013).

As at 31 December 2014 the assets of the DB section of the scheme had a market value of €8.7 million (2013: €6.0 million). Under IAS 19 (2011) the liabilities of the DB section at the balance sheet date were €6.9 million (2013: €4.4 million), giving rise to a surplus of €1.8 million (2013 surplus: €1.6 million) which is reported as an asset on RTÉ's balance sheet. The DB section of the scheme has a surplus under MFS and therefore no funding proposal is required.

Insurance

Appropriate insurance cover is held for a range of material insurable risks, including sizable catastrophe risks, subject to relevant deductions and exclusions.

Legal Proceedings

RTÉ and its subsidiary companies are party to a range of legal proceedings, including ones in which claims have been asserted against RTÉ or its subsidiaries but the outcome of which currently remains uncertain. Based on the advice received, RTÉ believes that necessary steps have been taken to ensure the outcome of all of these proceedings will not, in aggregate, have a long-term significant adverse effect on RTÉ's financial condition, results or liquidity.

RTÉ's Impact on the Irish Economy

In early 2015, RTÉ commissioned PwC to update its independent report 'Economic Impact Survey' (EIS), which it prepared in previous years, outlining RTÉ's economic contribution to the Irish economy in respect of 2014. The key findings of the report were:

- Of RTÉ's 2014 total operating spend of €312 million, €262 million (84%) of this expenditure accrued to Irish personnel and Irish suppliers.
- RTÉ's Ireland-based expenditures in 2014 exceeded the licence fee income it received by €83 million.
- Excluding taxes, RTÉ's contribution to national output was €307 million and supported 3,100 full-time equivalent jobs across the Irish economy.
- Tax contributions made by RTÉ in 2014 amounted to €74 million or, placed in context, 41% of the licence fee income received by RTÉ in 2014 reverted directly to the State in taxes.
- For every €1 spent on the TV licence fee in 2014, RTÉ contributed €1.72 to the Irish economy, including taxes.

In 2014, RTÉ's contribution to national output was €307 million and supported 3,100 full-time equivalent jobs across the Irish economy.

Outlook

With the delivery of a break-even result for the second year running, RTÉ has returned to a more stable financial footing. Following the organisation-wide restructuring during 2012, which helped deliver a significantly reduced cost base which is now almost 30% lower than it was in 2008, RTÉ is a leaner and more efficient organisation as acknowledged by independent reports. However, there are other important factors which impact on RTÉ's financial stability over the coming years which need to be considered and managed closely during 2015 and over the medium term:

- While there are some encouraging signs of economic growth returning to the Irish economy, increasing competition, especially in the television advertising market including the arrival of UTV Ireland and more UK opt out channels each year, will increase the challenges for the generation of commercial revenues.
- The current television licence fee system is not fit for purpose. As media consumption continues to evolve and RTÉ continues to enhance and grow its digital services, the television licence fee will reflect less and less how people consume public service content. Ireland has one of the highest licence fee evasion rates in Europe and one of the highest collection costs. Evasion alone results in over €30 million in lost funding for public service broadcasting every year. Reform of the television licence fee system, by decoupling it from televisions, improving and consolidating databases and driving down the costs of collection, among other things, has the potential to yield substantial additional revenue for investment in public service media, without increasing the burden at all on individuals or on households.
- RTÉ's continuing need to renew and update its capital asset base in the digital era and the sourcing of available funding to enable this investment.

How Your TV Licence Fee Is Used

The utilisation of licence fee received by RTÉ to fund its public services is reported in note 1 to the Financial Statements. The basis on which the licence fee is attributed to channels and services is set out in note 1 (d).

In 2012, RTÉ completed a comprehensive strategic review of its activities. This root-and-branch review examined all output areas against a range of criteria to ensure the activities were fit for purpose in the changing media landscape. Following this review each RTÉ service now has a detailed service description which clearly defines how the channel or service contributes to the delivery of RTÉ's public service objects. In conjunction with the development of detailed service descriptions, it was deemed appropriate to adopt a more explicit linkage between the methodology applied in attributing public funding to individual services and the way in which each service contributes to the delivery of RTÉ's public service objects. RTÉ has moved to a model, in line with current common practice among Public Service Media Organisations across the EU, which attributes public funding to individual services in a way that is proportionate to net cost of the public service. Net cost of public service is determined by deducting the contribution from commercial activities from the gross cost of delivering the public service.

The following table shows the utilisation of an individual TV licence fee, bearing in mind that RTÉ is not the sole recipient of TV licence fee monies collected:

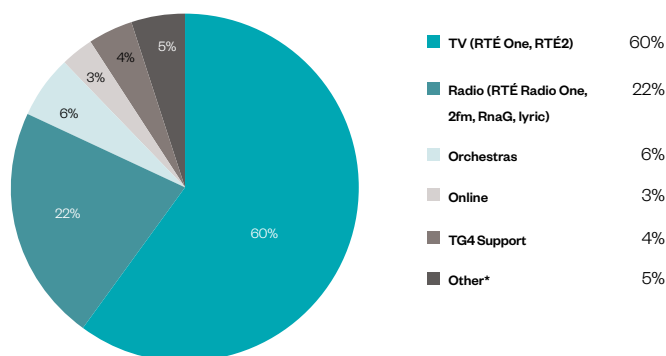
Utilisation of each TV licence fee collected

	2014 €	2013 €
RTÉ One	41.70	40.04
RTÉ2	37.23	35.62
Television	78.93	75.66
RTÉ Radio 1	12.80	13.28
RTÉ 2fm	4.15	4.49
RTÉ Raidió na Gaeltachta (RTÉ RnaG)	7.78	7.70
RTÉ lyric fm	4.02	4.13
Radio	28.75	29.60
RTÉ Orchestras	8.60	8.54
Governance and financing charges	3.77	5.16
DTT related	0.36	0.25
Online services	3.66	4.27
Other channels	2.96	3.26
RTÉ Activities	127.03	126.74
	79%	79%
RTÉ support for TG4	4.67	5.18
BAI levy	1.10	1.10
TG4 deduction	6.88	6.74
BAI Sound & Vision fund	10.52	10.52
An Post collection costs and related charges	9.80	9.72
Non-RTÉ Activities	32.97	33.26
	21%	21%
Cost of TV licence	€ 160	€ 160

The television licence fee cost per household is just **44 cent per day.**

The pie-chart below summarises the attribution of the TV licence fee revenues that are received by RTÉ to the public service elements of RTÉ's activities during 2014.

ATTRIBUTION OF LICENCE REVENUE RECEIVED BY RTÉ IN 2014



*Other includes governance and financing charges, DTT related and other channels.

RTÉ relies on a **dual funded PSB model** where commercial activities are needed to bridge the gap in public funding received.

Cost per Transmitted Hour

As part of its Annual Statement of Performance Commitments, RTÉ publishes the average cost per transmitted hour of programmes broadcast by channel. The table below provides this information for 2014, together with comparative figures for 2013.

2014	RTÉ One €'m	RTÉ2 €'m	RTÉ Radio 1 €'m	RTÉ 2fm €'m	RTÉ lyric fm €'m	RTÉ RnaG €'m
Costs						
Indigenous Programming	95.1	54.2	29.0	9.5	4.5	9.2
Acquired Programmes - Ireland	1.6	0.3	-	-	-	-
- Overseas	11.0	8.9	-	-	-	-
General Broadcast & Transmission Operations	10.5	9.4	1.6	0.6	0.4	0.3
Transmission & Power Charges	2.6	2.9	1.6	1.1	1.1	1.0
	120.8	75.8	32.2	11.1	6.0	10.5

Hours	Hours	Hours	Hours	Hours	Hours	Hours
Annual Transmission Hours (incl. simulcast)	8,760	8,760	8,882	8,760	8,760	8,760

Overall average cost per transmitted hour - 2014

	€	€	€	€	€	€
All Transmission Hours	13,800	8,600	3,600	1,300	700	1,200

2013	RTÉ One €'m	RTÉ2 €'m	RTÉ Radio 1 €'m	RTÉ 2fm €'m	RTÉ lyric fm €'m	RTÉ RnaG €'m
Costs						
Indigenous Programming	93.1	49.9	29.6	9.4	4.8	9.3
Acquired Programmes - Ireland	0.8	0.2	-	-	-	-
- Overseas	12.3	9.8	-	-	-	-
General Broadcast & Transmission Operations	10.6	9.9	2.4	0.5	0.4	0.2
Transmission & Power Charges	1.1	2.8	2.0	1.1	1.1	1.1
	117.9	72.5	34.1	11.1	6.3	10.6

Hours	Hours	Hours	Hours	Hours	Hours	Hours
Annual Transmission Hours (incl. simulcast)	8,760	8,760	8,858	8,760	8,760	8,760

Overall average cost per transmitted hour - 2013

	€	€	€	€	€	€
All Transmission Hours	13,500	8,300	3,800	1,300	700	1,200

Annual movement

% Change in Cost per Hour¹

All Transmission Hours	2.5%	4.5%	(5.8%)	0.4%	(6.4%)	(1.0%)
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¹ Costs per hour are rounded to nearest hundred euro. Percentage changes are calculated from the costs per hour before rounding.

Changes in average cost per transmitted hour result from a range of factors including increases and decreases in programme costs, changes in programme type and programme mix, levels of co-funding, the number of first transmission hours and repeat programming.

WHAT WE DO

RTÉ's programming is available and distributed across many different platforms (radio, television and digital) and supported by its high-quality journalism, entertainment and arts content. The organisation is also a major contributor to the arts through the operation of its live, broadcast and recorded music groups.

Television

RTÉ operates two core free-to-air television channels:

- RTÉ One HD – the most popular TV channel in Ireland, RTÉ One serves the wider population with high-impact programming, landmark drama, documentary, factual and entertainment programming, news and current affairs, bringing the country together for key national events.
- RTÉ2 HD – the home of sport and children & young people's daytime television, RTÉ2 provides distinctive and relevant programming for younger people through factual, entertainment, comedy, sport, documentary and acquired drama.

RTÉ operates three complementary television channels on the Saorview platform:

- RTÉjr – a dedicated daytime television service for children aged seven years and younger which is completely free of advertising. RTÉjr broadcasts preschool programming between 7 a.m. and 7 p.m. daily. With home-produced programming as its cornerstone, RTÉjr's schedule allows children to access original, entertaining and educational content, which reflects their lives and is made especially for them in a safe, commercial-free zone.
- RTÉ One +1 – on-air from 7 p.m. until late. This channel offers viewers another opportunity to experience the key offerings of RTÉ One, one hour later.
- RTÉ News Now – a rolling news channel with live news bulletins, live current affairs programmes, catch-up on recent news and current affairs, live coverage of special events, breaking news and continuous sport, business and weather updates throughout the day. RTÉ News Now is also available online and as a mobile service on iPhone, iPad and Android.

All RTÉ TV channels are available on Saorview.

Radio

RTÉ operates four primary national radio stations and five exclusively digital radio stations. Primary stations are available on FM, on digital radio, on Saorview and on the RTÉ Radio Player on mobile, tablet and desktop; digital stations are available on digital radio, on Saorview and on the RTÉ Radio Player on mobile, tablet and desktop. RTÉ Radio 1 is also available on Longwave 252.

Primary Stations

- RTÉ Radio 1 – news and current affairs; arts, drama and documentary strands; entertainment, sport, general and niche music
- RTÉ 2fm – innovative programming, popular and alternative music, sport and entertainment
- RTÉ lyric fm – a unique alternative listening choice for an audience of classical, world music and arts lovers
- RTÉ Raidió na Gaeltachta – a national Irish language service that connects listeners to a personalised, authentic Gaeltacht and Irish language world, with special attention paid to local news and traditional music from Gaeltacht communities

Digital Stations

- RTÉ 2XM – rock and pop for the student generation with an emphasis on new and Irish material
- RTÉ Radio 1 Extra – the best of international public radio and RTÉ feature archives while offering a catch-up and split-content service for RTÉ Radio 1

- RTÉjr Radio – the only children's radio station in Ireland; playing music and stories from 7 a.m. to 9 p.m.
- RTÉ Gold – uninterrupted popular music for the over-thirty-fives
- RTÉ Pulse – electronic dance music

RTÉ News and Current Affairs

RTÉ provides independent, accurate and impartial news and current affairs programming, in both languages, across all services, on radio, television, online and mobile. The RTÉ Investigations Unit produces high-quality investigative reports on television, radio and online.

2m

2m provides transmission and distribution services to the multiplex operator and to radio broadcasters. RTÉ provides carriage on the national DTT multiplex to television broadcasters. 2m also rents tower space on its masts to local radio stations and a range of telecommunications service providers and operators.

Digital

RTÉ operates four of Ireland's leading digital media services:

- RTÉ.ie – the most-popular media website in Ireland, delivering RTÉ content to both Irish and international audiences through a first-class user experience and multi-platform, multi-device availability
- RTÉ Player – Ireland's leading on-demand television service, giving audiences choice and control to enjoy RTÉ programmes wherever and whenever they choose, now available to international audiences
- RTÉ News Now – RTÉ's live/catch-up news service, online, on mobile and on Saorview
- RTÉ Aertel – the leading free-to-air teletext service

Orchestras, Quartet and Choirs

RTÉ is a major contributor to the arts in Ireland and operates five groups which offer music lovers in Ireland high-quality live, broadcast and recorded music:

- RTÉ National Symphony Orchestra
- RTÉ Concert Orchestra
- RTÉ Contempo Quartet
- RTÉ Philharmonic Choir
- RTÉ Cór na nÓg

Central Shared Services

As well as housing finance, HR, technology and other services, Central Shared Services looks after a range of activities, including policy, legal affairs, compliance and standards, internal audit, complaints, RTÉ Learning and Development, freedom of information, procurement, internal communications, RTÉ Outreach, RTÉ Supporting the Arts, central communications and public affairs.

RTÉ Guide

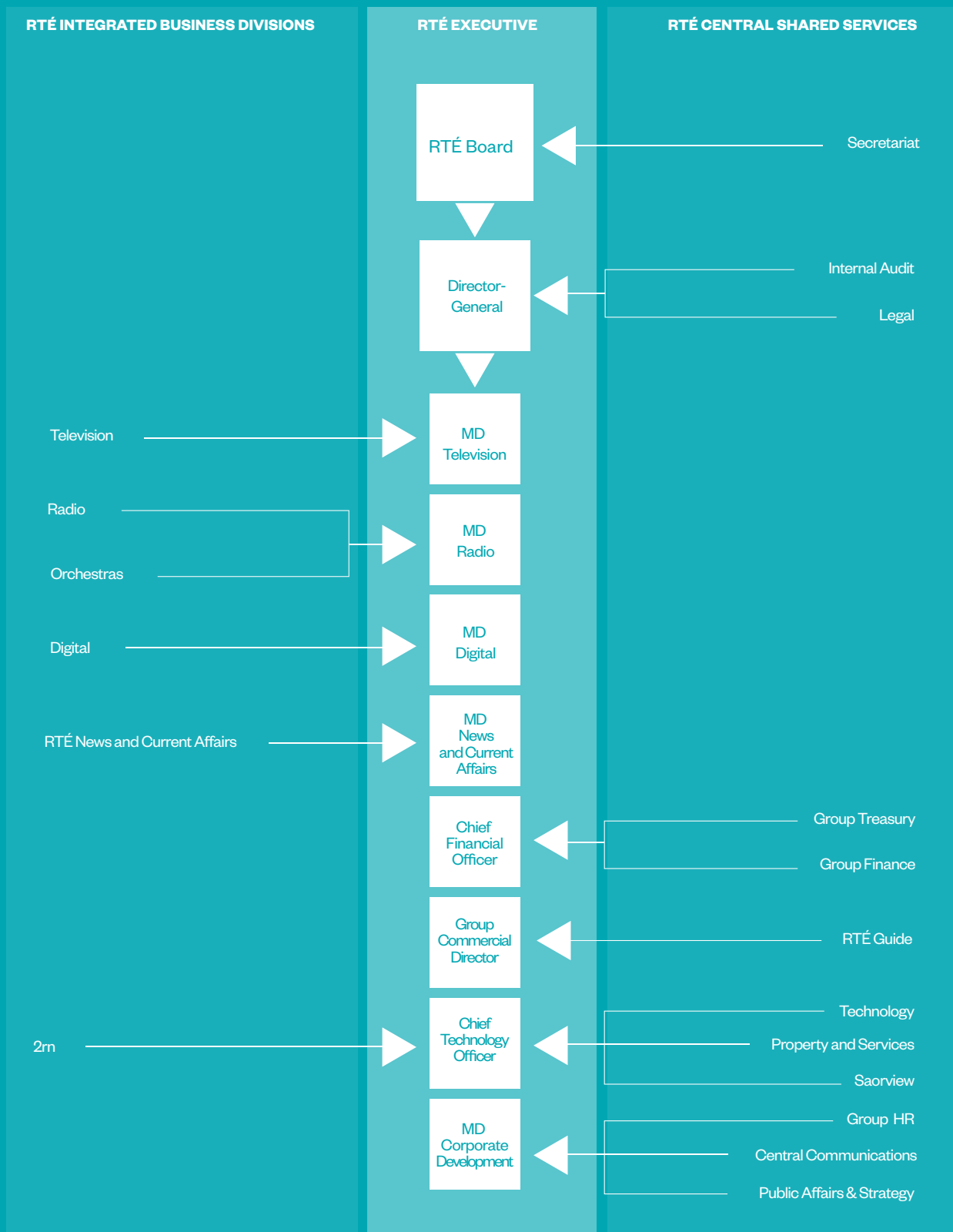
The *RTÉ Guide* is the best-selling Irish weekly listings and features magazine.

Saorview

Saorview is Ireland's free digital television service which provides access to RTÉ's television and radio channels, TG4, TV3 and UTV Ireland.

ORGANISATION STRUCTURE

The RTÉ Executive manages RTÉ's Integrated Business Divisions (IBDs) and the Group's Shared Services on a day-to-day basis. The Director-General is an ex officio member of the Board of RTÉ, which is charged by the Irish Government with overseeing the activities of the RTÉ Group.



A

TELEVISION







Landmark drama put RTÉ at the heart of the conversation in 2014, while a re-launched RTÉ2 made waves with its target audience.



The Fall

RTÉ broadcast **all of the top-twenty most-watched** programmes in Ireland in 2014.

RTÉ channels had a consolidated (national individuals 4+) peak-time television share of 35%* in 2014, and RTÉ One remained the most popular television service in Ireland. All twenty of the top-twenty most-watched programmes broadcast on any channel available in Ireland were on an RTÉ television service.

RTÉ One

Strong programming across RTÉ One helped to boost RTÉ's commercial position and paved the way for growth in commercial television revenue for the first time in four years. *The Late Late Toy Show* was one of the most successful programmes in RTÉ's history, attracting a record number of viewers with an average audience of 1,594,000. RTÉ One's home-produced Irish drama *Love/Hate* provided the second most-watched programme of the year, when 1,150,000 viewers watched the season finale. *The Fall*, which was produced in association with BBC Northern Ireland, proved popular with an average of 474,000 tuning in to RTÉ One per episode.

A clear channel strategy focused on a fresh slate of compelling drama, high-quality factual programming, comedy, entertainment and music programming, along with extensive coverage of national events.

*Consolidated, peak share of RTÉ One, RTÉ2, RTÉ One +1, RTÉjr, RTÉ News Now.

Over 4,830 hours of home-produced television programming were delivered by RTÉ in-house and in partnership with the independent sector in 2014.



The Late Late Toy Show



The Imelda May Show

Drama on RTÉ One had a particularly strong year, with *Amber*, *The Fall* and *Love/Hate*.

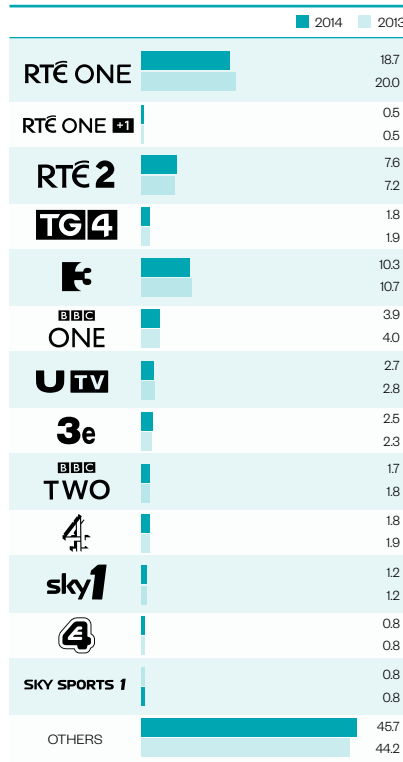
Drama on RTÉ One had a particularly strong year with *Amber* and *Love/Hate* proving appointment-to-view television for the whole country. In a departure from normal scheduling *Amber* was scheduled across four consecutive nights in February, with an average of 804,000 people watching the four-part drama. Meanwhile the longest running soap in the country, *Fair City*, celebrated its twenty-fifth birthday in September. The drama continues to draw in new younger viewers, attracting a 24% share of 15-34s. Season five of *Love/Hate* proved to be its most successful yet, with Nidge's demise in the final episode being watched by over 1,000,000 viewers. RTÉ One also continued to build partnerships to deliver Irish dramas to our audiences, with *Quirke* and *The Fall* produced in association with the BBC.

RTÉ One's factual programming also generated big audiences. *ROG – The Ronan O'Gara Documentary* gained an audience of 594,800, while *Somebody to Love*, *Her Body Our Babies*, *One Million Dubliners*, *Rough Rider*, *The Probation Services* and *Women on the Inside* proved both critical and audience successes.

Oliver Callan made the transition from radio to television with the successful *Callan's Kicks* summer series. RTÉ One continued to support Irish music with a brand new six-part series *The Imelda May Show*, with performances from legendary musicians and brand-new acts from Ireland and around the world. Created and developed by an in-house production team, the show was a successful tri-media series with exclusive content also created for RTÉ Player and RTÉ Radio 1.

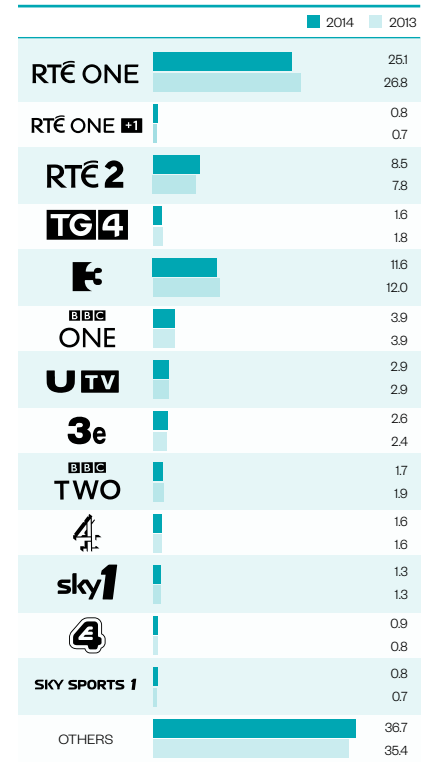
Engaging family entertainment was also a major focus for RTÉ One with the brand-new series *Whose Holiday Is It Anyway?* and *Shakedown the Town*, along with the return of *Ireland's Fittest Family* for a second series.

CONSOLIDATED NATIONAL INDIVIDUAL
4+ ALL DAY CHANNEL SHARES (%)



Source: TAM Ireland Limited/Nielsen TAM

CONSOLIDATED NATIONAL INDIVIDUAL
4+ PEAKTIME CHANNEL SHARES (%)



Source: TAM Ireland Limited/Nielsen TAM

OPERATIONAL REVIEW (CONTINUED)

TELEVISION

RTÉ One continued its commitment to covering national events with extensive coverage of the presidential visit to the UK. RTÉ One's live coverage of the state banquet attracted an average of 480,000 viewers, while the *Ceiliúradh (Celebration)* concert was broadcast live from the Royal Albert Hall in April on RTÉ One, RTÉ Player and RTÉ Radio 1. RTÉ One also took part in RTÉ's WW1 commemoration coverage with the two-part documentary *My Great War* and *John Bowman's The Forgotten War*.

Arts and culture programming included stand-alone documentaries, music programmes and drama. Returning series *The Works* remained in a prime-time Friday night slot. Other highlights from the year included a major three-part series *The Play Next Door*, featuring Fiona Looney, Pat McCabe and Deirdre Purcell. *Man on a Bridge*, *Dolores Keane – a Storm in the Heart*, *Outsider* and *Guth na Gael* explored a range of uniquely Irish themes.

Popular cláracha gaeilge such as *Scannal*, *Abhainn*, *Cloch le Carn*, *Fleadh Cheoil* and *Gliondar* featured alongside *Deirfiúracha na hEolaíochta*, which explored the stories of four pioneering Irish women who helped shape the world of science.

RTÉ One's natural history programmes received global recognition in 2014. *On a River in Ireland*, a film version of highly acclaimed RTÉ nature series *The Secret Life of the Shannon*, won three awards at the world's leading nature film festival, The Jackson Hole Wildlife Film Festival, including the Best of Festival Award, beating off competition from 540 films. The film version also took the WWF Golden Panda Award at the Wildscreen Film Festival – for best overall production along with the best script award and shared the Panasonic Cinematography Award. Hundreds of films from around the world are entered into the Panda Awards and receiving a Panda is one of the highest accolades for a filmmaker in the natural history filmmaking industry.



Dolores Keane

RTÉ2 overtook TV3 as the second most-popular channel for 15–24s in Ireland.



Donal Walsh

TOP 10 PROGRAMMES

1 January – 31 December 2014 All Channels – Consolidated National Individuals Aged 4+

Counter	Description	Channel	Day of week	Date	Time	TVR	000s	Share %
1	The Late Late Toy Show	RTÉ One	Fri	28/11/2014	21:36-23:57	38.59	1,593.5	72
2	Love/Hate	RTÉ One	Sun	09/11/2014	21:30-22:31	27.86	1,150.2	57
3	RBS Six Nations: France v Ireland	RTÉ2	Sat	15/03/2014	16:54-19:40	21.40	890.5	60
4	Amber	RTÉ One	Wed	22/01/2014	21:34-22:32	20.78	864.8	47
5	2014 FIFA World Cup: World Cup Final	RTÉ2	Sun	13/07/2014	19:00-23:21	20.72	859.0	55
6	Mrs Brown's Boys	RTÉ One	Wed	31/12/2014	22:16-22:52	20.29	837.7	50
7	All Ireland Senior Football Final	RTÉ2	Sun	21/09/2014	15:30-17:56	20.14	831.4	65
8	All Ireland Senior Hurling Final	RTÉ One	Sun	07/09/2014	15:30-17:27	19.28	796.1	66
9	Mrs Brown's Boys Christmas Special	RTÉ One	Thu	25/12/2014	21:59-22:33	19.09	788.3	40
10	RTÉ News: Nine O'Clock	RTÉ One	Sun	02/03/2014	21:00-21:20	17.50	728.0	40

Source: TAM Ireland Ltd/Nielsen TAM

Any Day Any Time – Best Episode. Ranked by TVR (note universe changes three times per year)

Minimum programme duration is 15 minutes

RTÉ One's *Secrets of the Irish Landscape*, presented by Derek Mooney, also received a number of prestigious awards, including a Rookie Award in the Best Science and Technology category at the Banff World Media Festival in Canada, the Gold Medal award at the New York Film and Television Festival and the special Jury Prize at the Houston Film Festival.

RTÉ2

2014 was a significant year for RTÉ2, and the service was re-launched in September. A new look and new schedule of programmes aimed for engagement with younger viewers and saw RTÉ2 overtake TV3 as the second most-popular channel for 15–24s in Ireland. RTÉ2 also increased its share of 15–34s in peak-time by 13%, to a share of almost 10%.

Underpinned by extensive research into the lives and lifestyles of younger viewers, the repositioning sought to create a distinctive, youthful and relevant public service channel for Ireland today, reinforcing the unique personality of RTÉ2 as the destination for under-35s. As part of this re-launch, RTÉ2 announced over twenty-four new home-produced shows and eighteen returning series along with exciting new acquisitions to entertain, educate and inform.

Highlights from the first six months of 2014 include programming such as the *Reality Bites* documentary strand, which has consistently reflected the lives of young people in Ireland today. *Donal Walsh – My Story* created national talking points about issues such as youth suicide and mental health; *What Kelly Did Next* showcased *Voice of Ireland* runner-up and proud traveller Kelly McDonagh; *The Notorious* charted the rise of Irish mixed martial arts superstar Conor McGregor and was later aired on the American FOX Sports network and released on DVD.

Championing new and emerging Irish talent, formats and innovation were key pillars of RTÉ2's programming and the channel continued to enhance its distinct youthful offering. Home-produced comedy remained a key part of RTÉ2's schedule, with highlights including *Republic of Telly*, *Next Week's News*, *The Savage Eye*, *The Fear* and *Damo and Ivor*. These programmes proved a big hit with younger audiences across television and online.

New Irish music was centre stage in programmes such as *Other Voices* and *Meteor Choice Music Awards*. The summer also saw RTÉ2, in association with RTÉ 2fm, provide extensive coverage of Ireland's largest music and arts festival, Electric Picnic, during a five-hour broadcast that featured some of Ireland's best emerging talent.

Factual and entertainment programming continued to play an important role in reaching younger audiences, with series such as *Connected* and *Meet the McDonaghs* receiving much critical acclaim and dealing with diverse characters and issues. *Connected* was an innovative commission with exclusive online webisodes running in tandem with the television broadcast.

Other programme highlights included new series *Bressie's Teenage Kicks*, *#Trending*, *Angela Scanlon Full Frontal*, *Nora's Traveller Academy* and returning series Maia Dunphy's *What Women Want* and *Second Captains*.



Republic of Telly



GAA Finals

The top-twenty most-watched sports programmes of the year in Ireland were broadcast on RTÉ, nineteen on RTÉ2 and one on RTÉ One.



Angela Scanlon, Full Frontal

OPERATIONAL REVIEW (CONTINUED)

TELEVISION

RTÉ Sport on RTÉ2 saw an emphasis on national teams, national games and major events. July saw RTÉ bring the 2014 FIFA World Cup, free-to-air, to the nation with extensive coverage and analysis and with added entertainment from *Après Match*. Nineteen of the twenty most-watched sports programmes of the year in Ireland were broadcast on RTÉ2. Additionally, seven of the top twenty in all genres across all channels were sport programmes on RTÉ2.

The 2014 FIFA World Cup saw Irish audiences watch in record numbers across RTÉ2 television, RTÉ Player and RTÉ.ie. The fifty-six live games on RTÉ2 averaged 335,300 per match – up 28% on 2010. The World Cup Final averaged 859,000 viewers with a 55% share – up 13% on 2010. The final peaked at 1,280,600 viewers and was the highest television audience for a World Cup Final since USA '94. 2014's final was also notable for being the final bow for broadcasting legend Bill O'Herlihy.

RTÉ2's live coverage of Ireland's 6 Nations victory over France in Paris saw 891,000 tuning in to see Joe Schmidt's side clinch the 2014 title. The All-Ireland Football Final between Kerry and Donegal, on RTÉ2's *Sunday Game Live*, was the third most-watched sports programme of 2014.

RTÉ2 also broadcast some of the best soccer action from the 2014 SSE Airtricity League Premier Division season as well as the Ford FAI Cup and highlights programme *Soccer Republic*. 2014 also saw live coverage of the European Athletics Championships from Zurich, the European Cross Country Championships from Bulgaria, as well as the National Indoor and Outdoor Athletics Championships.

TRTÉ is a strand of programming serving 7–15-year-olds. TRTÉ's magazine series *elev8* continued to offer a daily mix of sport, science and entertainment throughout 2014. Special pro-social events during the year included *Spring in Your Step*, in which two primary schools ran a revolutionary sports and fitness programme, designed by the kids themselves. The results were a clear success and were presented to the Minister for Education, Ruairi Quinn, in May.

Blue Zoo saw four Irish teenagers head to New South Wales to train as marine wildlife conservationists in a thirteen part co-production with ABC3 Australia. *Shakedown the Town* travelled to nine towns around Ireland to challenge children and their parents in this new treasure hunt gameshow format. In a returning series, Una Foden of *The Saturdays* made dreams come true for children all over Ireland in *Una's Dream Ticket*.

For the teenage and young adult audience, TRTÉ offered *Two Tube*, a magazine strand airing in short bulletins between 5.30 and 6.30 p.m. on weekdays. Stephen Byrne and Bláthnaid Treacy presented a wide range of content which this year included several reports about the Irish in Hollywood, a two-day schools adventure challenge during Fitness Week in April and continued participation in and support for several young film-making initiatives.

RTÉjr

RTÉjr celebrated its first birthday in April and continued to deliver commercial-free Irish children's programming for the under-sevens. The channel broadcast twelve hours of home-produced and acquired programming daily and emerged as the number one children's channel for 4–7s. RTÉjr was also the first-choice children's channel amongst Housekeepers with children aged 0–3.

INDIGENOUS HOURS BROADCAST ON RTÉ TELEVISION IN PEAK TIME BY GENRE

Genre	2014	2013
Drama	162	147
News, Current Affairs & Weather	603	608
Entertainment	447	420
Music	52	41
Young Peoples	24	24
Sport	337	315
Education	15	4
Religion	29	29
Arts	19	28
Factual	356	361

Source: RTÉ

The RTÉjr app had an average of **623,000** views per month in 2014.



Our Farm



Bug Hunters

In 2014 RTÉjr commissioned two observational documentary series: *Zara World*, which followed seven-year-old Zara and her family on her daily adventures around Dublin city centre, and *Our Farm*, in which farm life in Co. Mayo was explored through the eyes of children.

The joy of the outdoors was also a focus for 2014. *The Bug Hunters* sought out wild insects and *WooHoo! Splash* explored all kinds of water through play, activity and music. Challenge series included *Shutterbugs*, which gave children an opportunity to photograph wildlife in its natural habitat, and in *What's Your Game* rugby legend Donncha O'Callaghan introduced children to new sports.

New education series included *Babble*, which taught youngsters words in Irish, Polish and French, and in November RTÉjr launched its new daily magazine show for preschoolers, *Twigín*, which proved to be the most-watched show on the channel that month.

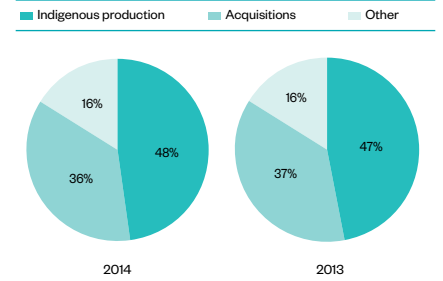
New Irish animation series on RTÉjr included a second series of *Punky*, the award-winning series which features life through the eyes of a child who has Down Syndrome, and *Wildernuts*, which explores the environment. *Punky* also won the Best Children's Film award at the international disability festival in Moscow.

Being aware that young audiences are digital natives, RTÉjr refreshed its digital online and mobile content daily. The RTÉjr app continued to attract downloads, and views, with an average of 623,000 views per month in 2014.



Punky

TELEVISION
PEAK-TIME CONTENT ANALYSIS



Source: RTÉ



OPERATIONAL REVIEW (CONTINUED)

TELEVISION

Commercial Activity and Performance

RTÉ's television advertising revenue grew by 5% in 2014. Contributory factors to this performance included a growing market and a strong programme offering that included the World Cup, *Love/Hate* and *The Late Late Toy Show*, many of which were sold as specials.

RTÉ's television sponsorship revenue also grew in 2014, by 10%, due to strong sports sponsorship, including World Cup, combined with sponsorship of landmark drama and *The Saturday Night Show*.

Total viewing to RTÉ declined in 2014 mainly due to decline in RTÉ One. However, in the summer RTÉ One had stiff competition from the World Cup on RTÉ2 and a number of other UK channels. RTÉ2, as a result, grew share in 2014. The share increase for RTÉ2 was not just as a result of the World Cup, however, as the channel had a very successful re-brand in 2014. In fact, RTÉ2 became the second most-popular channel (after RTÉ One) in 2014 for 15–24s.

RTÉ Global

RTÉ's international television programme sales and distribution division, RTÉ Global, continued to build on successes in the international market. *Love/Hate* was sold into five new European countries, while RTÉ's Format Farm, in collaboration with the independent sector, focused on the development of original television formats, both for Irish audiences and for international export.

RTÉ Global generated sales across all programme genres, selling directly to international broadcasters as well as working with international distributors and agents representing RTÉ in-house and RTÉ commissioned programming.

Launched in partnership with the independent sector in 2012, RTÉ's Format Farm has to date attracted some of the world's biggest production and distribution companies, including Warner Bros., Fremantle Media and Sony, to partner with RTÉ to co-finance, launch and provide a global platform for home-grown Irish creativity. The breakthrough format developed by RTÉ's Format Farm and produced by Coco TV, *Whose Holiday Is It Anyway?*, won best European TV format at the Eurovision Creative Days Forum in Berlin. Following the prestigious award, the format attracted widespread interest from around the world.

RTÉ's television advertising revenue grew by 5% in 2014.

SUBTITLING HOURS TELEVISION

	2014	2013
RTÉ One	5348	5457
RTÉ2	3815	3934
All RTÉ	9272	9282

Source: RTÉ



The Notorious



The Saturday Night Show





SERVING THE PUBLIC

Of RTÉ's 2014 total operating spend of €312 million, €262 million (84%) was to Irish based personnel and suppliers.

[Source: PwC EIS 2014]

RADIO

RTÉ
lyric fm

RTÉ
RADIO 1

RTÉ 
PHILHARMONIC
CHOIR

RTÉ
RAIDÍO
NA GAELTACHTA

RTÉ
GOLD 

RTÉ
2 > < M



RTÉ
2fm

RTÉ
CONCERT
ORCHESTRA

RTÉ



Cór na nÓg

RTÉ
pulse

RTÉ
RADIO 1
EXTRA

rté jr
RADIO





It was a year of stabilisation and growth for RTÉ's core radio services, reaping the rewards of some brave schedule changes on **RTÉ Radio 1 and 2fm**.

RTÉ Radio produced **eighteen of the top-twenty** most-listened-to programmes in the country.

RTÉ Radio 1

RTÉ Radio 1 maintained its position as the nation's most-listened-to station in 2014, with a 21.5% share.

Across the current affairs spectrum, a demanding year saw comprehensive coverage of the European and local elections, together with a number of bye-elections, as well as the landmark visit of President Higgins to the United Kingdom.

Following on a year of change in 2013, new programmes like *Today with Sean O'Rourke* and *Sunday with Miriam* settled well into the schedule, delivering quality programming. The sharing of resources and staff across the organisation allowed presenters Brian Dowling, Aine Lawlor, Audrey Carville and Keelin Shanley to present significant tranches of programming on Radio 1.

Central to factual and feature output were various initiatives to mark the centenary of the outbreak of World War 1. A special World War 1 roadshow at Trinity College, Dublin, was a significant success.

In the area of music and entertainment, successful cross-divisional initiatives included *Operation Transformation*, *The Imelda May Show*, a multi-platform series with Imelda May, and the migration of *Callan's Kicks* from radio to television.



Sunday with Miriam



Saturday Sport

The overall quality of Radio 1 output was recognised by **thirteen awards at the New York Festivals** in the United States and ten gold PPI awards at home.

The Independent Radio Production (IRP) unit continued to make a significant contribution to the Radio 1 schedule, with new series *The Book Show*, *Second Captains Championship* and *What's It All About?*, an hour-long science series.

On 15 December, RTÉ Radio 1 hosted *The Michael Littleton Memorial Lecture* in Studio 1 in the RTÉ Radio Centre. An annual public lecture for radio on topics of wide-ranging interest and concern, the lecture was recorded in front of a live audience and broadcast on RTÉ Radio 1. Delivered by Eavan Boland, the lecture 'Has Poetry a Future?' was followed by a short Q&A.

RTÉ and the Independent Broadcasters of Ireland (IBI) jointly hosted the Radiodays Europe conference in Dublin on Monday 24 March. This major event welcomed 1,300 delegates from sixty countries to Dublin. An Taoiseach, Enda Kenny, attended the conference and delivered the keynote speech, while the Radiodays Europe board were also welcomed by the Lord Mayor of Dublin, Oisín Quinn.

Radiodays Europe has become the largest and most important international radio conference in the world. RTÉ hosted over a hundred speakers in fifty-five sessions over three days.

RTÉ Sport on Radio 1 had a strong year. *Saturday Sport* increased its audience to 184,000 listeners, by far the largest audience in the country for any sports programme. *Sunday Sport* also saw increases in listenership, up to 174,000, and is now the second biggest sports programme in the country. Programming highlights included the exceptional commentary and reportage on the GAA championship season, the 6 Nations, coverage of the golfing successes of Rory Mollroy and the victorious autumn campaign of the Irish rugby squad.

All output benefited from new initiatives in social media and the recruitment of new panels of comment line operators and broadcast co-ordinators.

TOP 10 ALL-WEEK NATIONAL RADIO PROGRAMMES – ADULTS 15+

Timeblock Reach for National Commercial Stations January – December 2014

Counter	Description	Station	Time-slot	Period	Adults 15+ Prog Reach	No. Of Adults 15+ (000s)
1	Morning Ireland	RTÉ Radio 1	07:00-09:00	Mon-Fri	12%	426
2	Liveline with Joe Duffy	RTÉ Radio 1	13:45-16:00	Mon-Fri	11%	378
3	The Marian Finucane Show	RTÉ Radio 1	11:00-13:00	Sat	10%	366
4	The Marian Finucane Show	RTÉ Radio 1	11:00-13:00	Sun	10%	351
5	News at One	RTÉ Radio 1	13:00-13:45	Mon-Fri	9%	312
6	Today with Sean O'Rourke	RTÉ Radio 1	10:00-12:00	Mon-Fri	8%	298
7	The John Murray Show	RTÉ Radio 1	09:00-10:00	Mon-Fri	8%	295
8	The Business	RTÉ Radio 1	10:00-11:00	Sat	8%	278
9	Playback	RTÉ Radio 1	09:00-10:00	Sat	7%	259
10	Sunday with Miriam	RTÉ Radio 1	10:00-11:00	Sun	7%	239

Source: Joint National Listenership Research Surveys January–December 2014 (Ipsos MRBI)

OPERATIONAL REVIEW (CONTINUED)

RADIO

RTÉ 2fm

Since its inception RTÉ 2fm has always been at the forefront of introducing new music to Irish audiences. The station has also led the way in talent development, specifically people that have been either opinion formers or taste makers.

As a result RTÉ 2fm through public service broadcasting created an indigenous radio market for younger audiences in Ireland and a gateway to the full suite of RTÉ services. With the economic downturn and the passing of Gerry Ryan the station has recently suffered for the first time since its launch in 1979.

In 2014 a new plan was developed to address the audience and revenue decline. The challenge of reinvigorating RTÉ 2fm in 2014 had three main objectives.

The first was to create a programming strategy that would deliver high quality contemporary music, with an emphasis on Irish artists, and a dynamic schedule that would address the needs of audiences at different times of the day but with the same unified tone that we call stationality.

It was anticipated that the new programming plan would recover audiences quickly and there is clear evidence of this in both internal and external data. Due to the methodology of the JNLR any audience increase would not be apparent externally until mid to late 2015. Therefore the economic performance of the station had to be jump-started in advance.

The second objective was to address the advertising and sponsorship performance of RTÉ 2fm so that the station would quickly cover the direct operating costs of running the service.

The impact was a 15% increase in advertising revenues year on year. The success of both the programming and revenue plan would provide the platform to enhance RTÉ 2fm's commitment to public service broadcasting.

The third objective was to continue to fulfil RTÉ 2fm's clearly stated public service role by:

- Creating more distinctive programmes and brands to attract new audiences
- Developing new broadcasting talent who will migrate to the main schedule and on to other stations in the RTÉ portfolio
- Becoming the home of sport for RTÉ Radio Monday to Friday and championing elite women's sport
- Continuing to develop our music policy and support new Irish music
- Developing new comedy performers and writing to grow audience and build affinity with the station for younger listeners
- Growing audience engagement using social media and technology

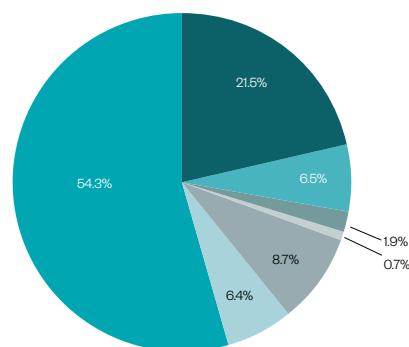
RTÉ 2fm increased advertising revenue by 15% year on year.



Jenny Greene and Nicky Byrne

NATIONAL SHARE OF RADIO LISTENING 2014 – WEEKDAY/PEAK TIME

RTÉ Radio 1	21.5%
RTÉ 2fm	6.5%
RTÉ lyric fm	1.9%
RTÉ Raidió na Gaeltachta	0.7%
Today FM	8.7%
Newstalk 106-108fm	6.4%
Regional/local stations	54.3%



Source: Joint National Listenership Research Surveys January–December 2014 (Ipsos MRBI)



2fm's exclusive Ed Sheeran gig



Cycle against Suicide campaign

WW1 and its influence on a generation of composers and musicians throughout Europe was the subject of a **four-part series by Ian Fox.**



Bernard Clarke

The programme schedule for RTÉ 2fm changed in the middle of March 2014, seeking to engage 25–34-year-olds in larger numbers and to recruit new listeners to the service. Fifteen hours of additional live output was introduced across the week, with an emphasis on new music and relevant talk programming. New breakfast show *Breakfast Republic* joined a new mid-morning show, presented by Nicky Byrne and Jenny Greene, while Colm Hayes moved to drive time.

At night Louise McSharry presented a two-hour new music and popular culture programme, while late night talk and entertainment was overseen by new arrivals Chris Greene and Ciara King.

A new more focused music policy was introduced, designed specifically for younger audiences with particular attention paid to new Irish music. A minimum of 15% of 2fm's primetime air play is dedicated to supporting Irish music and is regularly exceeded.

As anticipated, the new schedule had a temporary negative impact on the listenership survey; however the JNLR now indicates that RTÉ 2fm has stabilised and there is clear evidence that audiences are increasing.

For the third year running, *The Colm Hayes Show* on RTÉ 2fm led the Cycle against Suicide campaign. The cycle took place over fourteen days; a thousand cyclists departed RTÉ to travel around Ireland in order to raise awareness of the supports available for people battling depression or at risk of suicide. RTÉ Director-General Noel Curran launched the campaign.

RTÉ 2fm also supported the St Vincent de Paul Toy Appeal 2014. Targeting online or 'virtual toy' donations, RTÉ 2fm generated €56,000 in donations. 2fm was a lead supporter of the Electric Ireland Powering Kindness campaign, Red Bull Wings for Life and the Flora Women's Mini Marathon. 2fm also supported the Dublin Fringe Festival and sponsored the 2fm Chancers programme for breakthrough artists.

RTÉ 2fm was a major presence at a number of large music festivals across the country, including Sea Sessions, Electric Picnic, Longitude and Castlepalooza. The station held a number of live concerts in Studio 1 in the radio centre, including a major live event with singer Ed Sheeran.

RTÉ lyric fm

In 2014 RTÉ lyric fm's weekly listenership increased to 8% (289,000 listeners). In-house as well as other classical, jazz, traditional and world music programming featured alongside feature output from the Independent Radio Productions (IRP) unit and the BAI Sound & Vision scheme. Broadcasts by RTÉ Orchestras, Quartet and Choirs, coupled with additional activities which included EBU broadcasts of Irish festivals, outreach to educational institutions, commissioning Irish composers and publishing CDs on the only Irish-based classical music label, saw lyric fm continue to serve a niche audience with an appetite for quality programming.

OPERATIONAL REVIEW (CONTINUED)

RADIO

Limerick City of Culture

Limerick is the broadcast home of RTÉ lyric fm and the station marked Limerick's tenure as National City of Culture 2014 with many broadcasts and live events. Two concerts were recorded in Limerick during the year, as well as a series that reflected Limerick's unique character.

Benjamin Britten's children's opera, *Noye's Fludde*, was performed in March in St Mary's Cathedral, Limerick, and featured talented young singers and musicians from schools and workshops across Limerick and Clare. The Bill Whelan Gala Concert was broadcast live in June from University Concert Hall, Limerick, and featured the world premiere performance of *Linen and Lace*, Whelan's concerto for flute and symphony orchestra, commissioned by RTÉ lyric fm to mark Limerick City of Culture.

Limerick 2014: As It Lives & Breathes was a landmark twenty-four-part series that captured the character and personality of Limerick in 2014. The series was written and produced by Grey Heron Media and commissioned by RTÉ lyric fm in collaboration with Limerick's local radio station, Live 95FM, to mark Limerick's year as Ireland's first National City of Culture.

RTÉ lyric fm also broadcast a tribute to one of Limerick city's most famous sons, RTÉ broadcaster and music collector Ciarán Mac Mathúna, who passed away in December 2009.

On Culture Night, Friday 19 September, twenty artworks from the National Self-Portrait Collection of Ireland went on digital display in the RTÉ lyric fm windows on Robert Street, Limerick. This was a collaboration between RTÉ lyric fm and the University of Limerick.

RTÉ lyric fm released four CDs in 2014: *Hibernian Muse* (digital only), *Composers of Ireland 8* (Kevin Volans), *Composers of Ireland 9* (Donnacha Dennehy) and *Composers of Ireland 10* (Kevin O'Connell). Downloads, and the streaming of paid-for content from the RTÉ lyric fm CD label, were made more widely available in 2014.

RTÉ lyric fm's Education and Outreach project was pleased to offer free piano lessons at Electric Picnic again this year with the award-winning pianist and teacher Kevin Corcoran. RTÉ lyric presenter Bernard Clarke gave a talk to the students in Athlone IT about sound art, and lyric fm also ran its ever popular *Choirs for Christmas* competition.

Fourteen hours of features were made in-house, and fifteen hours of programmes were partnered by lyric fm from the independent sector with BAI funding. Five hour-long features commissioned via the IRP were also broadcast in 2014 and an additional eight hours of programmes were commissioned directly by the Lyric Feature. *Culture File*, the daily guide to creativity in the world around us, broadcast over thirty hours reflecting arts activities nationwide.

Music produced during WWI, with particular reference to Ireland and the UK, was explored in a two-part Myles Dungan series (a broadcast partnership with the BAI Sound & Vision Scheme).

The *RTÉ Summer Lunchtime Concerts* were live on RTÉ lyric fm from the National Concert Hall with soloists and the RTÉ National Symphony Orchestra (RTÉNSO)/RTÉ Concert Orchestra (RTÉCO) centre stage.

In March lyric fm's *Classic Drive* programme broadcast live with the RTÉNSO from RTÉ's Studio 1 in Dublin, highlighting young performers in front of an invited audience. In April, Liz Nolan presented *Classic Drive* from the new Tower Records store on Dawson Street, Dublin.



Cian O'Ciobhain

RADIO HOURS BY GENRE

	2014	2013
Arts	720	679
News, Current Affairs and Weather	6,293	6,605
Sport	1,571	1,539
Music	17,407	18,210
Factual	1,769	1,662
Entertainment	6,375	5,609
Other	1,028	842

Source: RTÉ

Note: Category 'Other' includes, Religion, Young Peoples, Education and Drama



Liz Nolan

September heralded a major advance for **Irish-language news** in RTÉ, with the advent of a comprehensive online news service in Irish.



New Irish-language website



Cormac O'hEadhra

RTÉ lyric fm had a major presence at the Bloom Festival, with five days of live music on the lyric bandstand. Other highlights of RTÉ lyric fm's live outside broadcasts this year included concerts from the West Cork Chamber Music Festival in Bantry, the National Ploughing Championships and three operas from the 63rd Wexford Festival Opera. In addition, Liz Nolan, Marty Whelan and Niall Carroll broadcast from Whites Hotel in Wexford with festival music and behind-the-scenes interviews. RTÉ lyric fm also presented a free lunchtime recital in Wexford town centre, in collaboration with the Dublin Flamenco Festival, with the award-winning flamenco guitarist CANO.

In March RTÉ lyric fm acted as a live conduit through which Karen Power composed and performed a new composition for radio called *hearSpace*. In June *The Lyric Concert* broadcast a week of special concerts celebrating 'Czech Year of Music', reflecting the truly international dimension of RTÉ lyric fm's output.

Bernard Clarke, presenter of *Nova* and *Opera Night* on RTÉ lyric fm, was awarded the Grand Prix at the 26th International URTI Radio Grand Prix for his programme *The Savage Bull*. Linda Buckley concluded her time as Composer-in-Residence with RTÉ lyric fm with the premiere of a new work, 'Beloved on this Earth', on Culture Night by the RTÉNSO and RTÉ Philharmonic Choir at the National Concert Hall, Dublin.

RTÉ Raidió na Gaeltachta

RTÉ Raidió na Gaeltachta provides a complete radio service to Gaeltacht and Irish-language communities throughout Ireland and the world.

September heralded a major advance for Irish-language news in RTÉ, with the advent of a comprehensive online news service in Irish for the first time and a restructured news service on radio, which saw bulletins 'as Gaeilge' delivered from RTÉ Raidió na Gaeltachta in Casla, Connemara.

The RTÉ.ie news website, and the RTÉ News Now app, launched a national, international and regional news service in Irish for the first time. This was a joint initiative between *Nuacht RTÉ* and the RTÉ Raidió na Gaeltachta newsrooms. RTÉ Raidió na Gaeltachta in Casla is now the main production centre for national and international Irish-language news on radio, providing all thirty-two Irish-language bulletins across Radio 1, lyric fm and 2fm, in addition to the station's own news service.

The station covered national events as well as events in the international arena. Sports coverage aimed to balance the local with the regional, national and international. Listeners, for example, were able to follow all competitions from the All-Ireland Finals of Comórtas Peile na Gaeltachta from Maigh Cuilinn, Co. Galway, over the June Bank Holiday weekend.

Although RTÉ Raidió na Gaeltachta is based, predominantly, on the west coast of Ireland, with headquarters in Connemara, the service was visible in the capital with live daily broadcasts from Leinster House. Special programmes were broadcast from An Dáil, on Lá na Gaeilge and on Budget day, while there was comprehensive coverage of campaigns for bye-elections and local and European elections.

OPERATIONAL REVIEW (CONTINUED)

RADIO

Special broadcasts included a live broadcast of Siansa from the National Concert Hall in Dublin. The competition for the Seán Ó Riada Gold Medal 2014 was presented to concertina player Cormac Ó Beaglaoich during a live broadcast from the Rochestown Park Hotel in Cork.

Awards presented to the service during 2014 included Cormac Ó hEadhra as Radio Presenter of the Year, an international award from the Celtic Media Festival. Helen Ní Shé was named Radio Presenter of the Year and her programme from Baile na nGall, *An Saol Ó Dheas*, received Radio Programme of the Year at the Oireachtas Media Awards. *An Taobh Tuathail*, presented by Cian Ó Ciobháin, received a Bronze Medal at the PPI Awards and got a special mention as Best Music Programme at the Celtic Media Festival. 2014 saw the iconic music series celebrate fifteen years on air and Cian presented six special programmes on RTÉ Pulse, each based on one of the *An Taobh Tuathail* compilations.

Neansaí Ní Choisdealbha, Music Editor at RTÉ Raidió na Gaeltachta, was presented with a Bardic Award at the Fleadh Cheoil in Sligo in recognition of her work to promote traditional Irish Music.

Digital Radio

In 2014, RTÉjr Radio commissioned and broadcast a range of educational programmes for young children, including *Let's Investigate*, based on the primary school science curriculum, and nature-related programmes *Stings*, *Wings and Crawly Things* and *Squirrel at the Zoo*. Two history series, *Time Traveller's Survival Guide* and *Little History of Ireland*, and a new drama series, *Schools Playtime*, aired alongside six individual plays devised and performed by national schools in Cork. Finally *Nora agus Dora*, a bilingual language series, was hugely successful and has been re-commissioned for 2015.

In November 2014, the first RTÉ Radio 1 Extra in-house production was launched. *Sunday Spirit* is presented by Michael Comyn and covers spiritual and religious affairs.

RTÉ Gold launched new programmes across its weekend schedule. Many well-known RTÉ names of the past and present have come on board and RTÉ Gold now delivers exciting programming across both Saturday and Sunday, including *Living in the 60s*, *Ireland's Biggest Jukebox*, *Aidan on Saturday*, *The 2fm Years* and *You Can't Beat the Intro*.

A collaborative relationship between RTÉ Pulse and sister station RTÉ 2fm developed throughout the year. The daily live afternoon show, *The Workstation with Alan McQuillan*, was repeated every morning on RTÉ 2fm. This strategic initiative, which has also seen RTÉ Pulse presenters transition to RTÉ 2fm as cover presenters, has strengthened the collaborative relationship between both stations; RTÉ Pulse benefits from the profile opportunities RTÉ 2fm can afford it, and RTÉ 2fm benefits from content designed and aimed at younger audiences.

RTÉ Pulse had a number of external collaborations throughout the year, including collaborative ventures with Dublin's most popular club Pygmalion, with Redbull at Longitude, Electric Picnic, the Redbull Weekender in Belfast and the Redbull Music Academy in Tokyo, and with Bacardi at the Casa Bacardi stage at Electric Picnic. St Patrick's Day 2014 saw the fifth birthday celebration of *Tom Lowe's Audio Sunshine Show*, RTÉ Pulse's most eclectic specialist music programme.

RTÉjr Radio
commissioned and
broadcast a range of
educational programmes
for young children.



Tom Lowe's Audio Sunshine Show



Nora agus Dora, RTÉjr



Christian Homan, RTÉ Pulse

RTÉ Radio 1 continues to be the **most-listened-to station** in Ireland.



Breakfast Republic

RTÉ 2XM continued its commitment to Irish music throughout 2014 with weekly features from bands and musicians from across Ireland. Live music was a consistent feature, with weekly live music recordings from around the world. RTÉ 2XM aired a number of syndicated programmes, including *The Selector*, an international showcase for the best new music in the UK. RTÉ 2XM teamed up with the programme for a cross-border partnership centred on Belfast Music Week.

Commercial Activity and Performance

Long term forecasting for radio advertising in 2014 continued to prove a challenge, with clients purchasing advertising on a week-by-week basis.

Behaviour in the radio advertising market in 2014 was very similar to that in 2013. While the early part of the year suggested that there would be a modest improvement in the radio market, the early summer and final months of the year saw fluctuating revenue patterns. The year ended marginally down compared to 2013.

RTÉ Radio 1 continues to be the most-listened-to station in Ireland, significantly bigger than any other operator in Ireland, and is the primary generator of revenue within our radio services.

Over the last couple of years there has been consolidation amongst the advertising agency groups which have created large buying power in their favour. In the meantime other radio operators have consolidated in to formal selling groups by aggregating their audiences with the effect of more aggressive pricing. The impact on a more consolidated environment is that RTÉ Radio has experienced costs pressures on certain target audiences which has a negative impact on RTÉ Radio 1. The station continues to deliver large urban and ABC1 audiences that are very valuable. No other station in Ireland can deliver coverage of so many adults and despite the price discounting of our competitors the commercial team continue to sell the benefits of RTÉ Radio 1.

The focus for RTÉ 2fm was to identify brands that would work well with the new station schedule and who were interested in reaching younger audiences cost effectively throughout Ireland. This worked well both in terms of airtime and sponsorship.

RTÉ 2fm recorded a year-on-year advertising revenue increase of 15% and a total airtime with sponsorship up 50% year on year.

2014 saw a larger appetite for sponsorship and promotion opportunities, and RTÉ Radio experienced a 30% increase in this category. However, airtime revenue was down in 2014.



TRUSTED BY THE PEOPLE

87% of people believe RTÉ provides trusted news and current affairs.

[Source: B&A, February – December 2014]

RTÉ NEWS AND CURRENT AFFAIRS







2014 saw a series of high-profile investigations from the RTÉ Investigations Unit, the continued development of the [RTÉ multimedia newsroom](#) and a new look for the television news bulletins.



News2day

2014 saw the revamp of the RTÉ News Now app, the completion of regional reorganisation, the appointment of a new Agriculture and Environment Correspondent and the appointment of a new London Correspondent.

The RTÉ Investigations Unit produced a series of important reports this year, many of which led to national debate and changes in public policy. *Fatal Failures* reported on the deaths of four babies in the Midland Regional Hospital in Portlaoise; *The Torture Files* produced new evidence of the torture of 'the hooded men' by the British State during internment; *The Ambulance Service Uncovered* revealed excessively slow response times to life-threatening emergencies; *Inside Bungalow 3* revealed the abuse of patients with disabilities at the Áras Attracta care home in Mayo.

RTÉ One's *Prime Time* broke many stories in 2014, including a number of developments in the Garda whistleblower story. The *Prime Time* debates ahead of the European elections invited all of the candidates to take part, followed by several days of coverage of the results of the European and local elections. The RTÉ Current Affairs Special Events team also produced a series of programmes on the historic visit of President Michael D. Higgins to the UK, and the coverage of the funeral of former Taoiseach Albert Reynolds in August was much praised.



Morning Ireland

Inside Bungalow 3 revealed the abuse of patients with disabilities at the Áras Attracta care home in Mayo.



Tony Connelly



Ukraine

On RTÉ Radio 1, *Morning Ireland* remained Ireland's most-listened-to radio programme and produced a number of notable editions. In a world first, the programme was presented from inside Windsor Castle on the first day of the visit of President Higgins to the UK. *Morning Ireland* was recognised with the PPI Radio Award for News Programme of the Year for the 2013 coverage of the death of Nelson Mandela. *This Week* enhanced its reputation as a programme which breaks stories, with a number of exclusives including stories on costs incurred by Irish Water, patient deaths in the mental health services, the Garda whistleblower controversy and questions surrounding the Sophie Toscan du Plantier murder investigation. RTÉ Radio 1's *News at One* was nominated for News Programme of the Year at the PPI Radio Awards 2014 for its coverage of the crisis in the justice system. The programme was also quick to react to breaking news with a specially extended programme on the announcement of the death of Ian Paisley.

RTÉ One's television news was revamped and given a brighter, more modern look. The staffing of the bulletins was changed to provide more resources to the *Six One News* and the *Nine O'Clock News* programmes, with production support to boost planning, production values and the ability to view more material pre-transmission. The bulletins were presented on location for major news stories such as the state visit to the UK, the Budget and the Homelessness Summit.

RTÉ's foreign bureaux saw changes to enhance coverage. Caitriona Perry took up her role as Washington Correspondent; Tony Connelly remained in Brussels as Europe Editor but with enhanced technology to deliver live coverage; and Fiona Mitchell was announced as the new London Correspondent based in the ITN building, also working with new technology and desk-top access to pictures. Over the year, RTÉ covered a series of major foreign stories, including the war in Gaza and the conflict in Ukraine, with vivid first-hand reporting from Paul Cunningham and Tony Connelly. RTÉ was given rare access to report from inside Iran and from Tibet, and our teams accompanied the President on visits to the UK, Ethiopia, Malawi, South Africa and China.

RTÉ News introduced changes to enhance its online and mobile offering. The next generation of the RTÉ News Now app was launched, designed to reflect the changing nature of news consumption. It featured enhanced use of pictures, video features and the use of push notifications and allowed much greater personalisation of content. Traffic to the news section of the app had a monthly average in excess of 25 million page impressions and 2.5 million unique users. The need to embrace social media and reflect the needs of the audience also saw the @rtenews account exceed 260,000 followers, making it the most-followed Twitter account from any media outlet on the island. Importantly, the news online team was also relocated to the heart of the newsroom, alongside the News Editor.

Over fifteen reporters had television reports filmed entirely on iPhone broadcast on the main television bulletins.

Tháinig forbairt ar Nuacht RTÉ i mbliana agus seirbhís nua idirlín agus soghluaiste curtha ar bun. Tá fáil ar Nuacht anois ar www.rte.ie agus ar aip News Now. Toradh ar pháirtnéireacht nua idir Nuacht agus Raidió na Gaeltachta í an seirbhís seo, atá lonnaithe i mBaile na hAbhann agus a bhfuil nuacht áitiúil ó RnaG mar chuid di.

OPERATIONAL REVIEW (CONTINUED)

RTÉ NEWS AND CURRENT AFFAIRS

Toradh eile ar an gcomhoibriú seo ab ea aistriú na bhfeasachán nuachta raidió do chainéil uile RTÉ ó Dhomhnach Broc go Casla. Léiríonn agus léann foireann RnaG na feasachán laethúla i gcomhar le foireann Nuacht RTÉ ar fud an oileáin. Baineadh seo amach gan aon chostas breise foirne.

Soláthraíonn Nuacht an tseirbhís laethúil teilifíse ar RTÉ agus ar TG4 araon, óna cheanncheathrú i mBaile na hAbhann, Conamara. Chomh maith le scoth na scéalta náisiúnta agus idirnáisiúnta, is cuid lárnach den tseirbhís an léargas a bhíonn ann ar chúrsaí Gaeltachta, Gaeilge agus na tuaithe. Léirigh Nuacht freisin an tsraith *Féilte: Slí an Atlantaigh* ar bhí ar cheann de na sraitheanna ba rathúla ar TG4 an samhradh seo.

RTÉ News Now covered every single count declaration in the European elections, while the channel also carried extensive live coverage of the Irish Water controversy, the penalty points controversy and the appearance of the Rehab group before the Public Accounts Committee. Commemoration ceremonies to mark World War 1, the Easter Rising and the *Asgard* were also broadcast live, as were the papal canonisation and the Nobel Peace Prize ceremony. The channel also extended its remit, carrying coverage of the Winter Olympics from Sochi and two matches from the Women's 6 Nations.

RTÉ's decision to end the morning television programme *Morning Edition* came in the face of ongoing financial pressure on resources. The programme had achieved very high levels of audience appreciation and was growing. However, the decision allowed RTÉ News to redirect some of its resources towards the news website and extra production on the television news bulletins.

It was a busy year for political news: the European and local elections were covered comprehensively across all platforms as were the early retirement of Garda Commissioner Martin Callinan, the wider Garda whistleblower stories, the GSOC stories, the resignation of Alan Shatter, the resignation of Eamon Gilmore, the election of Joan Burton as Labour leader, the Cabinet reshuffle, the Maria Cahill row with Sinn Féin, the introduction of the water charges and the large protests and the political talks in the North. RTÉ One's *The Week in Politics* team also broadcast a special European programme from Strasbourg with Ireland's outgoing MEPs.

As part of RTÉ's ongoing staff development plan, RTÉ News and Current Affairs also facilitated a number of training initiatives. The year saw the launch of the first bespoke investigative journalism training course and a masterclass in television packaging and storytelling by Channel 4 News Europe Editor Matt Frei.

RTÉ completed the move of a number of its regional bureaux to new premises, in partnership with Institutes of Technology. The Waterford, Athlone and Dundalk offices are now on the IT campuses; Galway, Cork and Sligo remain in their original premises. In the North, the Belfast office reduced its size to a single floor of the building. These moves, and the use of new technology in the regions, have resulted in a range of new efficiencies.



Slí an Atlantaigh, a TG4 and RTÉ production

The @rteneews Twitter account exceeded 260,000 followers in 2014.



Prime Time



RTÉ Athlone Offices



DIGITAL

on | RTÉ Digital

Imagining and



Discovering





2014 saw RTÉ deliver a range of new **digital products and innovations**, in addition to maintaining a leading market position for RTÉ’s suite of digital products and services.

RTÉ.ie was the number one media website in Ireland with in excess of **five million unique browsers** per month.

RTÉ continued to develop and enhance its breadth of online services across multiple devices, allowing audiences both nationally and internationally to discover, enjoy and engage with RTÉ content when, where and how they want to.

International users accounted for a significant proportion of RTÉ’s online products. In 2014 RTÉ formed a strategic partnership with the GAA to launch GAAGO, a new subscription-based online streaming service, offering live and on-demand GAA All-Ireland Senior Championship games to audiences internationally.

RTÉ also publicly announced that a new international RTÉ Player service, aimed at the international Irish community, would be available in early 2015, providing high-quality, diverse, distinctive Irish content for audiences abroad.

RTÉ.ie and mobile apps

Delivering an average of 51.6 million page impressions per month in 2014, RTÉ.ie (including m.rte.ie) saw Irish audiences, domestically and overseas, access extensive coverage of major national and international events, as well as information and content from and about RTÉ services. In line with industry trends, in 2014 usage increased on mobile and tablets. In total an average of 66.6 million impressions per month were via RTÉ’s mobile app services and the RTÉ News Now app. In addition

The total page impressions per month were on average **125.9 million** across RTÉ's digital services.

AVERAGE PAGE IMPRESSIONS PER MONTH ACROSS DIGITAL SERVICES (MILLIONS)

2014		125.9
2013		134.8
2012		135.7
2011		117.2
2010		85.4

Source: RTÉ

RTÉ's leading mobile apps had a combined reach of over **three million** downloads.

WEEKLY REACH OF RTÉ'S DIGITAL SERVICE

Any Digital service from RTÉ		48%
RTÉ.ie		30%
RTÉ Player		29%
RTÉ Digital Radio		14%
RTÉ Apps		11%
RTÉ Radio Player		10%
RTÉ Mobile Site		10%

Source: RTÉ Data, 2014, Adults 18+

digital services recorded an average of 7.7 million videos or audio streams per month.

President Higgins' state visit to the United Kingdom was covered extensively on RTÉ.ie. RTÉ.ie/news and the RTÉ News Now app received a total of just under 2 million page impressions and over 62,000 views of online news coverage around the state visit.

In May 2014, RTÉ.ie and RTÉ News Now delivered comprehensive coverage of the European and local elections. Both online and mobile services delivered 5.2 million page impressions and 31,000 streams of the news coverage on RTÉ Player over the election weekend. RTÉ.ie ran a live tracker covering all the latest results, analysis and opinions.

In September 2014, RTÉ News in conjunction with RTÉ Raidió na Gaeltachta launched a dedicated Irish online news service on RTÉ.ie/Nuacht. The new initiative provided an enhanced service to the Gaeltacht and Irish-language communities at home and abroad.

RTÉ.ie also provided online coverage and analysis of Budget 2015 in October, including full budget detail and reaction, with 2.9 million page impressions and 51,000 streams of the news coverage on RTÉ Player.

Other major news stories on RTÉ.ie during 2014 included coverage of adverse weather, water charges, the Garth Brooks concert cancellations, the Sydney siege, two major air crash incidents and two national bye-elections.

For the 2014 FIFA World Cup, RTÉ.ie had a dedicated mobile-focused website and an online journalist on the ground in Brazil, providing daily articles and videos from the host cities. Live in-game statistics were a new addition, with the website acting as a companion to the RTÉ2 broadcast and streamed output. The tournament saw over 4.7 million page impressions and 2.5 million streams online for the sixty-four games – eight of which were broadcast exclusively on RTÉ Player.

The GAA Senior Hurling and Football Championships remained the dominant sport event during the year, and RTÉ.ie had a reporter at all ninety-six football and hurling championship games. Of those, thirty-one games were live streamed via the RTÉ Player, with 850,000 streams recorded. In addition to live blogs on every game weekend, RTÉ.ie/sport launched a weekly GAA podcast via iTunes and SoundCloud and expanded its panel of dedicated columnists to include former players Martin Carney, Joe Dooley and Kevin McStay.

Ireland's victory in the 2014 RBS 6 Nations provided some of the most-viewed stories across RTÉ.ie/sport. Expanded rugby in 2014 saw the introduction of a weekly rugby podcast in addition to match reports and live blogs on each game.

The seventh series of *Operation Transformation*, which aired in 2014, received over 8.7 million page views between January and March 2014. The popular show also attracted over 444,000 streams on RTÉ Player.

RTÉ.ie hosted a dedicated online destination for St Patrick's Day, allowing audiences at home and internationally to discover and access all of RTÉ's programming across the festival. The hub received 60,000 streams of the parade programmes and an additional 45,000 streams of news coverage from the 17 March celebrations.

The 2014 FIFA World Cup received **4.7 million page impressions** throughout the championship with **52% of the page impressions** coming from a mobile or tablet device.



World War I on RTÉ

A special online and mobile site was developed for RTÉ's commemoration of World War 1. This bespoke web-based exhibition used photographs, text, video and audio to tell the story of Ireland's involvement in World War 1 and featured the recorded experiences of Irishmen, taken from the RTÉ Archives.

RTÉ Archives

The RTÉ Archives website continued to grow throughout 2014, with over 100,000 individual page views of archival content per month. Domestic audiences made up almost 60% of visitors to the site, with the UK and the USA featuring as second- and third-highest users.

In 2014, RTÉ Archives created thirteen new gallery-style online exhibitions and published 800 feature stories comprising television and radio clips as well as documents and photographs. The most popular stories were a young Ryan Tubridy book review, veteran Irish soldiers' memories of life in the trenches during World War 1 and the music of Luke Kelly. Exhibitions included World War 1, Seamus Heaney, Wood Quay and amateur filmmaker collections preserved by RTÉ. The RTÉ Archives, via @rtearchives, also continued to engage the public through social media in partnership with @rte.

Partnerships

RTÉ Archives continued to develop strategic partnerships throughout 2014. An exhibition on the Abbey Theatre featured 110 moments marking the theatre's 110th anniversary. An exhibition featuring the work of the artist and photographer Nevill Johnson saw the archives collaborating with University College Dublin in an exhibition of Johnson's work at Newman House.

RTÉ Archives continued to act as a key partner in supporting Century Ireland and contributed to Europe's audiovisual archives through its participation in the EU-funded programme EUScreen. In 2014, RTÉ Archives also completed year one of a two-year strategic research and innovation partnership towards richer discovery tools for archives with INSIGHT@NUIG, part of the Science Foundation Ireland Fund, national data research centre and the DRI (Digital Repository Ireland).

Preservation

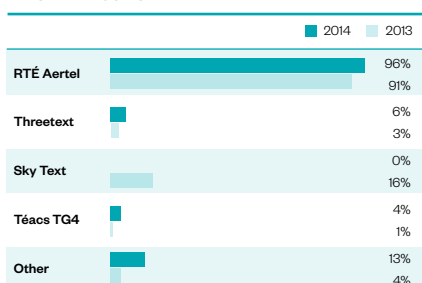
RTÉ Archives secured funding from the BAI under the Archive Funding Scheme for a project to digitise, document and make accessible a selection of 4,000 hours of television programming on obsolete video format from the 1980s, which will result in the eventual digitisation and publication of fourteen years of television news archive video (1985–1999) in addition to the most fragile, earliest archive recordings of broadcasting from circa 1937 to 1971.

On completion of the project, the collections will be documented for publication and made accessible to audiences in full, where rights permit, via RTÉ Archives' digital platform.

Conservation and Restoration

Conservation work in the audio, moving image and photographic archives continues with important selections of content earmarked for remedial and restoration work each year. In 2014 work focused on programming and archival recordings to enhance and open up the archives as part of the Decades of Anniversaries events.

TYPE OF TELETEXT USED IN ALL HOUSEHOLDS WHO MAKE USE OF TELETEXT



Source: TAM Ireland Ltd/Nielsen TAM Establishment Survey

RTÉ Aertel

According to TGI (2014) there were 335,000 daily users of the RTÉ Aertel service. Of the households who use teletext, a TAM Establishment Survey in September 2014 stated that 96% used Aertel.

GAAGO

In line with RTÉ's strategy to meet the demands of international audiences, as well as building new commercial opportunities, in 2014 RTÉ formed a strategic partnership with the GAA to develop an online streaming service to broadcast Gaelic games to international audiences. With the GAA providing the international rights to games for this initiative, RTÉ led the development and delivery of GAAGO.

Launched in May 2014, GAAGO enabled fans outside of Ireland to watch the 2014 GAA Championship games (over forty-five games internationally) on any Internet-enabled device. Games were streamed in high-quality HD and included full commentary, scores and studio programming as broadcast to audiences in Ireland.

Within six months of launch, the service was being accessed by fans in 157 countries worldwide, with the highest number of streams coming from the United States, Great Britain, Australia and Canada. Building on the strong success of the first season, in December RTÉ and the GAA announced an expansion of the service with more than double the number of matches being offered to fans internationally in 2015.

RTÉ Player

RTÉ Player remained the number one television on-demand service in Ireland in 2014 with 33% of adults having used the service, equivalent to over 1.3 million people (source: B&A research).

In 2014, RTÉ Player delivered over 51 million streams to audiences both nationally and internationally, with the most watched programmes including *The Late Late Show* (over 1 million streams), *Love/Hate* (over 900,000 streams), as well as *Fair City* (over 3 million streams). RTÉ News and Current Affairs also remained popular and RTÉ Sport once again proved to be a huge attraction, with over 2 million streams delivered for the 2014 FIFA World Cup.

RTÉ Player was the number one digital destination for major Irish events. *Ceiliúradh (Celebration)*, President Higgins' state visit to the UK, the St Patrick's Day Festival and the Rose of Tralee – which included an RTÉ Player-exclusive behind-the-scenes programme, *Live from the Red Room* – were all streamed for both national and international audiences.

In addition, *Trailblazery: We Need to Talk about Ireland* was broadcast worldwide on RTÉ Player on St Patrick's Day, and *Other Voices* was streamed live from Derry and Dingle. *Electric Picnic* was streamed for the first time on RTÉ Player and received 15,000 views.

All sixty-four 2014 FIFA World Cup games were also available live on RTÉ Player. A survey revealed that half of the audience (49%) watched a match on RTÉ Player at the same time as watching a different match on RTÉ2, and 31% watched on a mobile or tablet.

For the first time, key RTÉ television shows like *Connected*, *The Imelda May Show* and *Ireland's Fittest Family* had additional content and webisodes on RTÉ Player. To mark *Fair City*'s twenty-fifth anniversary, a behind-the-scenes special was created.



GAAGO



Love/Hate DVD



RTÉ Player app

OPERATIONAL REVIEW (CONTINUED)

DIGITAL

RTÉ's YouTube Channels

RTÉ's YouTube channels had a total of thirty-five million views in 2014. Top clips for the year included Fr Ray Kelly performing 'Hallelujah' on RTÉ One's *The Late Late Show* and the Conchita Wurst interview on *The Saturday Night Show*.

In September 2014, a bespoke channel was launched for *The Late Late Show* and by the end of 2014 had received 2.4 million views. The top clip, from *The Late Late Toy Show*, featured Ed Sheeran. The RTÉ Sport YouTube channel enjoyed 3.4 million views in 2014, and RTÉ2's clips were viewed 800,000 times.

RTÉ News Now

By the end of 2014, the News Now app had been downloaded 1.4 million times; over 17% of adults in Ireland have used it. On average the app delivered 53 million page impressions per month, and the 'next generation' app was launched in 2014. Available on Android and iPad, the service was upgraded to include new features and an expanded range of content, covering twenty-eight categories. Other features included personalisation, push notifications, sign-in, improved sports coverage, new live radio streams and access to exclusive audio and video content created by RTÉ News. The RTÉ News Now app accounts for over 40% of RTÉ's digital traffic.

Supporting Leadership in the Digital Economy

RTÉ continued to forge partnerships, both commercial and strategic, with a number of industry bodies and partners. During the year, RTÉ engaged with a number of key projects which concentrate on technology and education. EXCITED, Coder Dojo and the Digital Youth Council were a key focus in 2014, and RTÉ formed partnerships to support and amplify their key events throughout the year.

RTÉ was also the Global Media Partner at 2014's Web Summit, with RTÉ News and Current Affairs and RTÉ Radio 1 providing cross-platform reporting on the event to both national and international audiences.

RTÉ also continued to support the Irish chapter of Mobile Monday, the international app development movement.

Commercial Activity and Performance

Digital advertising and sponsorship income increased 20% year on year, driven by the continuing growth and promotion of award-winning new rich media formats across all platforms.

The year started far more strongly than the previous year and this increased level of activity continued throughout 2014, even across the summer months, with high demand across rich media, home page takeovers and RTÉ Player. One downside to the year was the further decline of advertising partners on Aertel.

Significant effort was placed on differentiating RTÉ's digital properties from international competitors in terms of trust, context and an engaging rich media experience. Business-to-business activity increased and included the rollout of a new monthly newsletter, the creation of a B2B media kit and PR awareness campaigns.



Come West along the Road box set



Ceiliúradh

RTÉ PLAYER STREAMS: 2010-2014 (MILLIONS)

2014	51
2013	46
2012	46
2011	32
2010	22

Source: RTÉ Data



Web Summit

Research underlined RTÉ's digital leadership strategy in the online marketplace. RTÉ Player maintained its position as the most popular on-demand service in Ireland (source: B&A research) and RTÉ.ie was Ireland's number one multimedia news site (source: TGI). RTÉ received one gold and two silver Appys awards for the RTÉ News Now app and won the Digital Media Award for Best Integrated Entertainment/News Service category for RTÉ Player. RTÉ Media Sales – Digital were also finalists for two All-Ireland Marketing awards.

Growth in advertising across mobile devices also increased with the introduction of new technology enablers. The next generation RTÉ News Now app allowed for larger advertising formats, which better facilitated advertisers. Video-on-demand advertising increased with the further roll-out of interactive formats which added distinction to the RTÉ digital offering.

Significant investment has been made in improved analytics which gave greater insight into audience patterns and segments which again allowed the sales team to differentiate RTÉ's digital properties from multinational competitors.

Programme Interaction and Competitions/Merchandising

RTÉ continued to develop and manage SMS and IVR services across television, radio and digital platforms, working across more than two hundred programmes and attracting more than nine million interactions in 2014.

RTÉ merchandise delivered a strong performance in 2014, driven by releases including *Love/Hate* and *The Fall*. This was achieved despite the decline in the value of the DVD sales market, with overall market revenue down by 3% (source: GFK Chart-Track 2014) compared to the previous year. *Love/Hate* Series 5 and *Love/Hate* Series 1-4 ranked as numbers one and two in the top-one-hundred TV DVD releases respectively in Ireland in 2014.

Additional successful RTÉ releases included *The Fall* Series 2, *The Fall* Series 1-2 box set, *Come West along the Road* Series 1-4 box set and *Notorious – A Conor McGregor Documentary*. Following on from successful original releases in 2013, *A Murray Christmas* 2 CD and *The Meaning of Life 2* book were also produced and released.





GOING MOBILE

Almost half of all adults now use RTÉ on mobile or online on a weekly or more frequent basis.

[Source: B&A, February – December 2014]

ORCHESTRAS, QUARTET AND CHOIRS







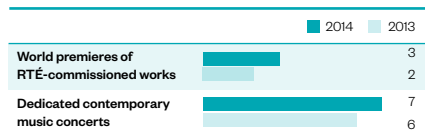
During 2014 RTÉ Orchestras, Quartet and Choirs performed to **more than 180,000 people**. There are five ensembles: the RTÉ National Symphony Orchestra, the RTÉ Concert Orchestra, the RTÉ Contempo Quartet, the RTÉ Philharmonic Choir and RTÉ Cór na nÓg.



John Wilson with the RTÉ Concert Orchestra

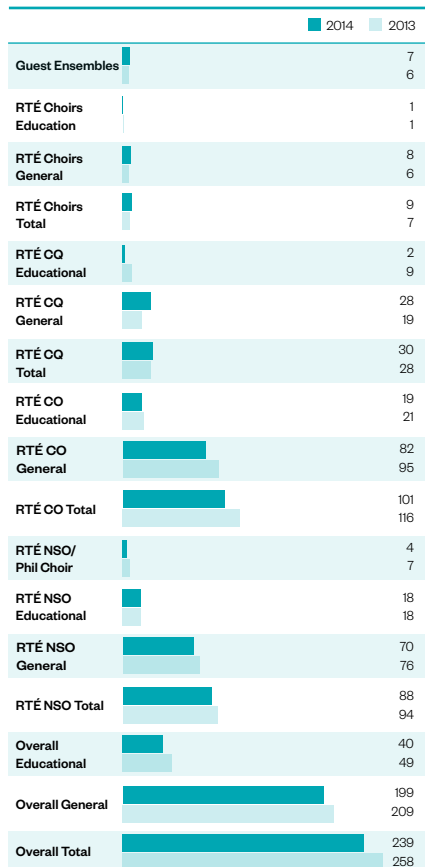
There are over 350 performers in RTÉ's music ensembles, of which 130 are full-time professional musicians. RTÉ is the single largest supporter of orchestral music in Ireland, presenting significant numbers of live music performances, many of which are also broadcast and available online. In addition, the impact of RTÉ's support for live music is seen in the significant number of freelance musicians engaged each year as specialist players, accompanists and internationally recognised soloists and conductors.

RTÉ ORCHESTRAS CONTEMPORARY MUSIC ACTIVITIES



Source: RTÉ

RTÉ ORCHESTRAS PERFORMANCES



Source: RTÉ



RTÉ National Symphony Orchestra

Output and Audiences

During 2014 RTÉ Orchestras, Quartet and Choirs performed to more than 180,000 people through 239 live performances and events. Many of these concerts were made available for broadcast on RTÉ lyric fm and RTÉ Radio 1 and internationally through the European Broadcasting Union. These performances were designed to serve the public through concert seasons, contemporary music concerts, opera and ballet productions, film music, jazz and contemporary popular music, family concerts and education activities. Concerts were supplemented with recordings for radio, television, commercial releases and soundtracks.

RTÉ National Symphony Orchestra

The RTÉ National Symphony Orchestra's (RTÉ NSO) artistic programme for 2014 presented programmes of enormous diversity, including the greatest works of the symphonic tradition, encompassing contemporary, popular classical, operatic, film and music inspired by the Irish tradition. The orchestra presented twenty-nine performances as part of its Subscription Seasons at the National Concert Hall. Performances under the dynamic leadership of principal conductor Alan Buribayev continued to showcase this conductor's natural affinity for the Russian repertoire, with major symphonies by Prokofiev and Rachmaninov. On the 150th anniversary of the great late-romantic Richard Strauss, Buribayev also launched a dedicated programme strand featuring some of Strauss's most ravishing songs and spectacular tone poems.

The RTÉ NSO worked with major Irish and international soloists, including cellist Daniel Müller-Schott, violinist and conductor Julian Rachlin, pianist Joanna MacGregor, trumpeter and conductor Håkan Hardenberger, pianists Barry Douglas and Michael McHale, sopranos Celine Byrne and Claudia Boyle, flautist James Galway and fiddle player Zoë Conway. In addition, the orchestra showcased a number of rising stars, young Irish musicians making international headlines, including mezzo-soprano Rachel Kelly, soprano Anna Devin and the Belfast-born New York Philharmonic Assistant Conductor Courtney Lewis.

The orchestra was also heard in Cork, Limerick, Waterford and Galway, the latter in partnership with Music for Galway and featuring Alan Buribayev with superstar German cellist Daniel Müller-Schott.

RTÉ Concert Orchestra

John Wilson made his début as Principal Conductor of the RTÉ Concert Orchestra (RTÉ CO) in January 2014 with *Hollywood Rhapsody*, a celebration of instrumental Hollywood film scores. Other notable events from his first year included a concert performance of Bizet's *Carmen*, headed by world-renowned Irish mezzo Patricia Bardon, and a celebration of the music of Jerry Herman. His Essential Classics series with the RTÉ CO continued to attract a new audience in 2014. Critical reaction to Wilson/RTÉ CO performances consistently acknowledges the high standards being achieved.

Exceptional performances of guest artists with the RTÉ CO included those of jazz guitarist John Scofield and conductor/arranger Vince Mendoza, traditional fiddle player Martin Hayes and guitarist Dennis Cahill, classical guitarist Miloš Karadaglić and singers Lesley Garrett, Hayley Westenra, Declan O'Rourke and Duke Special.

OPERATIONAL REVIEW (CONTINUED)

ORCHESTRAS, QUARTET AND CHOIRS

There were evenings specially dedicated to the music of composers Shaun Davey and Mícheál Ó Súilleabháin. David Puttnam joined the RTÉ CO and his son Sacha Puttnam for an evening of music and reminiscences from his film-producing career. In a celebration of his seventieth birthday, composer Karl Jenkins conducted the RTÉ CO and Goethe-Institut Choir in an evening of his music.

Film screenings with live score included the Irish premieres of *Gladiator Live* and *Pixar in Concert*. This year for the first time the RTÉ CO brought a film project to Cork, performing *Psycho Live* at Cork Opera House for Halloween.

The RTÉ CO joined Ballet Ireland for performances of *Swan Lake*, performed with Lyric Opera for Gilbert & Sullivan's *HMS Pinafore* and Puccini's *Tosca*, and recorded scores for *Things We Throw Away*, five short operas performed open-air in Dublin by Wide Open Opera. There were successful appearances at Galway International Arts Festival and at Clifden Arts Festival. The orchestra also participated in a special tribute in remembrance of the late Seamus Heaney in the National Concert Hall.

Recording work included the score to *The Price of Desire* by Golden Globe nominee and RTÉ CO Artist in Residence Brian Byrne, Stephen McKeon's score to *Ooops! Noah Is Gone* and Andy O'Callaghan's score to *Mrs Brown's Boys: D'Movie*.

RTÉ Contempo Quartet

Commencing in May 2014, the RTÉ Contempo Quartet began a three year engagement during which it will provide a range of chamber music services. The RTÉ Contempo Quartet gave around thirty concerts/ events and three educational workshops. These included performances in a number of regional locations including Listowel Writers' Week (May), the Oriel Centre (June – Dundalk Gaol), Farahy, Co. Cork (June), Yeats Summer School (July – Sligo), Clifden (September), Waterford (October), Letterkenny (November) and Cork (December).

Of particular note was 'Father & Sons', a new and ongoing series of concerts featuring the music of Haydn and a wide range of contemporary and non-classical music, presented in both Limerick City Library and the Hugh Lane Gallery Dublin. The quartet's commitment to performing contemporary music was also evident in their participation in a concert promoted by Irish Composers Collective at Project Arts Centre, Dublin, which premiered nine new works by Irish composers. Other Dublin appearances included Bloom Fest, the president's annual garden party in Áras an Uachtaráin and Culture Night.

RTÉ Philharmonic Choir

Under the direction of chorus master Mark Hindley, the circa 155-strong RTÉ Philharmonic Choir continued to enhance its reputation, giving critically acclaimed performances of Bach's *Easter Oratorio* and Brahms' *German Requiem* – both with the RTÉ NSO. In May, the choir's programme with the RTÉ NSO included the long delayed world premiere of Irish composer Stanford's *Song to the Soul* (almost a hundred years after it was composed) and Coleridge-Taylor's evocative *The Song of Hiawatha*. The choir also displayed considerable stylistic diversity in performing in an Opera Chorus Night with the RTÉ CO in the Helix, Dublin, and, as part of Culture Night, in premiering Linda Buckley's RTÉ lyric fm commission *Beloved on the Earth* as part of the RTÉ NSO's main season at the National Concert Hall (NCH).

RTÉ is the single largest supporter of orchestral music in Ireland.

RTÉ ORCHESTRAS EDUCATIONAL ACTIVITIES

	2014	2013
Pre-concert Talks	26	30
Workshops/Mentoring/ Open Rehearsals etc.	14	4
Educational Performances	40	49
Total Educational Activity	80	83

Source: RTÉ



RTÉ Contempo Quartet



Pixar Live

RTÉ ORCHESTRAS ATTENDANCES

	2014	2013
Guest Ensembles	2,974	1,047
RTÉ Choirs Education	200	250
RTÉ Choirs General	4,052	1,906
RTÉ Choirs Total	4,252	2,156
RTÉ Quartet Educational	150	954
RTÉ Quartet General	4,607	2,304
RTÉ Quartet Total	4,757	3,258
RTÉ CO Educational	13,024	18,659
RTÉ CO General	81,334	92,875
RTÉ CO Total	94,358	111,534
RTÉ NSO/Phil Choir	3,854	6,786
RTÉ NSO Educational	11,633	8,210
RTÉ NSO General	58,506	64,024
RTÉ NSO Total	70,138	72,234
Overall Educational	25,007	28,073
Overall General	155,126	168,942
Overall Total	180,133	197,015

Source: RTÉ

The RTÉ NSO and RTÉ Philharmonic Choir presented the world premiere of Irish composer Linda Buckley's *Beloved on the Earth*, an RTÉ lyric fm commission.



RTÉ Philharmonic Choir

The Choral Conductor-in-Training scheme, a partnership between the RTÉ Philharmonic Choir and the Irish Youth Choir, was offered for a second time. The recipient of the award was Niall Kinsella, who will assist and understudy the work of both RTÉ choirs over the forthcoming year.

RTÉ Cór na nÓg

Under the direction of Mary Amond O'Brien, the circa 65-strong children's choir, RTÉ Cór na nÓg, (comprising children aged 10+) provided a range of concert activity. In addition to its traditional St Patrick's Day concert, the choir performed with the RTÉ CO in a Howard Shore concert (April) and twice on Culture Night (September). Particular highlights in the year included the excellent concert (December) for the Fr Peter McVerry Trust in St Patrick's Cathedral, Dublin, and the choir's Christmas concert with the RTÉ Contempo Quartet in St Ann's, Dawson Street, Dublin.

Commissions and New Work

The RTÉ NSO's commitment to new music included its *Horizons* series featuring composers Rhona Clarke, Marion Ingoldsby, Brian Irvine and Seán Clancy. The series included world premieres of RTÉ-commissioned works by the featured composers together with the music of other Irish and international contemporary figures including Barry, Dusapin, Takemitsu, Skempton and Frank Zappa. Together with the RTÉ Philharmonic Choir, the RTÉ NSO presented the world premiere of Irish composer Linda Buckley's *Beloved on the Earth*, commissioned by RTÉ lyric fm.

The RTÉ NSO also presented two concerts as part of the New Music Dublin 2014 festival in March, in partnership with The Arts Council/An Chomhairle Ealaíon, The National Concert Hall and the Contemporary Music Centre. A highlight was Harrison Birtwistle's darkly energetic *Earth Dances* in the presence of the composer (in partnership with The Music Composition Centre, Trinity College Dublin), together with major works by Gerald Barry, Michael Gordon and Claude Vivier

Education

Both RTÉ orchestras were active in the area of music education. The long-running Music in the Classroom series of concerts for primary school children, in association with *The Irish Times*, continued with concerts at the National Concert Hall by the RTÉ NSO and a tour that brought the RTÉ CO to Drogheda, Limerick, Castlebar and Galway. The RTÉ NSO continued to partner with the National Concert Hall in presenting two bespoke events for Leaving Certificate students and their teachers and, at third level, in delivering its Mentoring Scheme for Advanced Young Musicians.

RTÉ CO entered into a new collaboration with ESB Feis Ceoil, establishing an orchestral conducting competition. The winner, Elaine Kelly, was subsequently engaged for an RTÉ CO summer lunchtime concert at the NCH. The same concert featured as soloist the winner of the Irish Freemasons Young Musician of the Year 2013, percussionist Alex Petcu-Colan. Other support for emerging talent was provided via continuation of the IMRO/RTÉ Scoring for Film Programme, which offers successful applicants a recording session in the RTÉ radio centre with the RTÉ CO.

OPERATIONAL REVIEW (CONTINUED)

ORCHESTRAS, QUARTET AND CHOIRS

Partnerships

The RTÉ NSO maintained its close working relationship with RTÉ lyric fm in 2014. This included ongoing broadcast of the RTÉ NSO's main season concerts on RTÉ lyric fm, the seven summer lunchtime concerts and a number of the seven summer evening concert programmes. A highlight was the Bill Whelan Gala, which included the world premiere of the RTÉ lyric fm commissioned *Linen and Lace*, a new flute concerto for Sir James Galway and symphony orchestra, which was performed to capacity audiences in Dublin and Limerick, the latter as a flagship event within the Limerick City of Culture celebrations. The RTÉ CO provided the second of RTÉ's two orchestral concerts for Limerick City of Culture when it performed in a concert in December featuring the music of Micheál Ó Súilleabháin and filmed for inclusion in a TG4 documentary, *Lumen i Luimneach*.

In other broadcast projects, the RTÉ CO took part in the RTÉ One *High Hopes* series; performed in Meeting House Square, Dublin, as part of a RTÉ Radio 1 *Arena* broadcast for Culture Night; played for RTÉ One's *Carols from Kilkenny Castle*; performed live for a special edition of *The John Murray Show* commemorating World War 1; gave two *Mooney Tunes* listeners' choice concerts and participated in *Sunday Miscellany Live at Christmas*.

A high-profile cross-border collaboration saw the RTÉ CO join the Ulster Orchestra to mark the centenary of World War 1 with a performance of Britten's *War Requiem* in Belfast. In another first, the RTÉ CO teamed up with the National Concert Hall to celebrate film composer Howard Shore with a concert in the composer's presence and performed in NCH-promoted concerts with Bryan Ferry and the outstanding tenor Juan Diego Floréz.

Both orchestras presented concerts of music intended for younger audiences. The RTÉ CO partnered with the NCH in the first presentation in Ireland of screenings with live score of *The Gruffalo* and *The Gruffalo's Child*, while, in collaboration with RTÉjr, the RTÉ NSO presented the first Irish performance of the full symphonic version of *Sir Scallywag and the Golden Underpants*, with pre-performance recital by the children of RTÉ Cór na nÓg.

The RTÉ NSO collaborated again with Wide Open Opera for the first Irish performances of one of the most renowned operas of our generation, John Adams' *Nixon in China*, given at the Bord Gáis Energy Theatre. It also collaborated with Pipeworks and the National Concert Hall in the presentation of a free organ series linked to the orchestra's main season at the National Concert Hall and with the Contemporary Music Centre in the presentation of pre-concert talks as part of the orchestra's free Horizons Contemporary Music Series.

The RTÉ CO entered into a new collaboration with ESB Feis Ceoil, establishing an **orchestral conducting competition**.



RTÉ Cór na nÓg



Nixon in China





THE NATIONAL BROADCASTER

94% of Irish people use one or more of RTÉ's services
in any given week.

[Source: B&A, February – December 2014]

BRAND AND EVENTS





HPRA
An t-Ard-Aisle Bialais Tuasgluaise
Health Products Regulatory Authority

HPRA

Hometown

HPRA
Pharmaceuticals
Food Additives

HPRA



RTÉ was out and about in 2014, **supporting events and forging partnerships** across the country.

By year-end 2014, @rte had over **120,000** followers on twitter.

Events

RTÉ attends a number of major regional and national events annually. The RTÉ stand at the BT Young Scientist & Technology Exhibition at the RDS in January saw RTÉ significantly enhance its presence at this important educational event for young people. The large-scale and state-of-the-art mobile RTÉ set featured live programming from RTÉ 2fm and RTÉ2, while students also had the opportunity to practise autocue and learn about blue-screen technology in the mobile RTÉ Weather studio.

RTÉ is the title sponsor of the RTÉ All-Ireland Drama Festival and RTÉ made a significant investment in the 2014 festival. A new logo and livery was developed and rolled out across the town, while the event was supported across RTÉ Radio 1 and RTÉ One.

RTÉ's presence at the National Ploughing Championships was its most ambitious to date. Over 100,000 visitors passed through the RTÉ exhibition area to watch live broadcasts on RTÉ Radio 1, 2fm, lyric fm and Raidió na Gaeltachta and live weather reports on RTÉ One. The *RTÉ Guide*, RTÉjr and RTÉ Player offered additional unique engagement opportunities at what has become one of Europe's largest outdoor events.

RTÉ was a major supporter of Culture Night, and supported the event with a three-hour live radio broadcast from Temple Bar's Meeting House Square, with additional live music events in St Stephen's Green (with RTÉ Cór na nÓg) and on Grafton Street.

RTÉ Supporting the Arts

The RTÉ Supporting the Arts scheme, which aims to promote attendance at arts events nationwide, was enhanced to allow for greater engagement with event organisers. New and improved application procedures, a progressive partnership with the Arts Council and a national television and radio campaign saw the scheme

Over 100,000 visitors passed through the RTÉ exhibition area at the National Ploughing Championships.



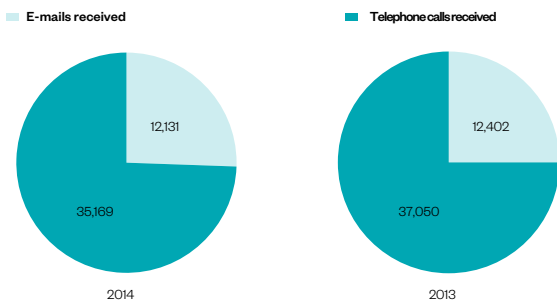
RTÉ Supporting the Arts



Switch on Christmas Campaign

The RTÉ Supporting the Arts scheme supported ninety-eight separate events around the country in 2014.

NUMBER OF AUDIENCE CONTACTS:
RTÉ INFORMATION UNIT AND SAORVIEW HELPLINE



support ninety-eight separate events around the country. The scheme supported the full range of genre, from dance to opera, visual arts to children's events, literary festivals, film and Irish-language events. The scheme was a primary supporter of Limerick City of Culture and Kilkenny Arts Festival.

RTÉ Outreach

RTÉ launched a new central outreach scheme in 2014. An open application system accepts submissions from interested schools, third levels and other organisations to visit the RTÉ campus in Donnybrook. Visitors can avail of a tailored behind-the-scenes tour of RTÉ's radio, television, news, digital and other facilities. RTÉ also runs a transition year programme which complements the scheme.

Cross-Platform Events

RTÉ marked the centenary of World War 1 with *World War 1 on RTÉ*, a major cross-platform season of events, radio and television programmes and inserts, looking at the history of World War 1 from an Irish perspective. A special website tied in with extensive on-air promotion so that all audiences could engage with this important remembrance.

Social

RTÉ launched a central curatorial Twitter account, @rte, in April 2013. By year-end 2014 the account had over 120,000 followers. The account aims to showcase the best of RTÉ across its twenty-five services and allows smaller, niche services a unique platform to attract new potential audiences. The account also allows RTÉ to demonstrate the breadth, range and diversity of its public-service output. RTÉ also launched a LinkedIn site in 2014, which posts regular industry and employment updates.

Partnerships

As well as associations with key event partners such as the National Ploughing Association and Culture Night, or sectoral associations with bodies like the Arts Council and the GAA, RTÉ engaged in a number of additional partnerships in 2014, including with the Business in the Community network. RTÉ was media partner at the 2014 Business in the Community conference. Details of other partnerships can be found in the radio, television and digital sections of the report.

Corporate Social Responsibility

Mindful of the unique responsibilities that align with being a public service broadcaster, RTÉ also delivered a broad-ranging corporate social responsibility programme in 2014. RTÉ was privileged to work with several of Ireland's leading charities and civic organisations to maximise public awareness on a range of important issues. Among the projects supported by RTÉ in 2014 were Irish Cancer Society's Daffodil Day appeal and Dress for Success International Women's Day campaign.

Cycle against Suicide, supported by RTÉ 2fm, sought to maximise public awareness on the important issue of suicide prevention. Later in the year 2fm and Omniplex Cinemas raised €23,000 for Pieta House from twenty-six simultaneous charity screenings of the film *Good Will Hunting*.

RTÉ Radio 1 also helped raise funds and awareness for mental health charity *Aware with A Murray Christmas 2*, in association with *The John Murray Show*. For the fifth consecutive year RTÉ was the media partner for the annual SVP Christmas Toy and Donation Appeal, which was also supported to a significant level by RTÉ staff.



BEST IN CLASS

RTÉ is one of Ireland's most-loved brands: 63% say it is 'for people like me'.

[Source: B&A, February – December 2014]

2RN







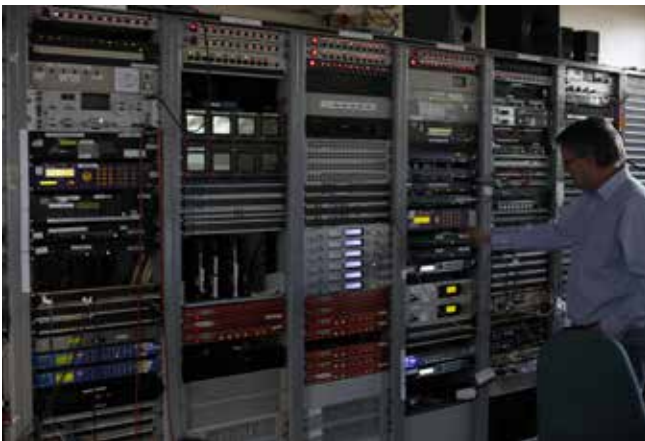
2014 was another **stable year** for 2rn, with revenues growing.

As well as revenue growth, the reliability of operational delivery was of the order of 99.9% availability across all services in the year. Towards the end of the year, all the necessary works were completed to facilitate the launch of the new UTV Ireland channel on 1 January 2015.

Throughout 2014 the Saorview and Saorsat services continued to make public service broadcast television and radio services available free-to-air in every home. Of the circa 1.6 million homes:

- some 607,000 have the services operational
- some 164,000 have the services as their only means of accessing television

607,000 homes have the Saorview and Saorsat services operational.



2rn's national broadcast transmission and distribution services are regulated by ComReg, and 2rn continued to work closely with ComReg and other stakeholders to ensure full and timely compliance with all regulatory obligations. A significant amount of work was undertaken to ensure a robust framework was in place to regulate 2rn's provision of transmission and distribution services, which now include services to the new Saorview platform. The final piece of the regulatory framework was put in place by ComReg towards the end of 2014.

Overall in 2014 2rn generated revenues of €28.8 million, an increase on 2013 levels. This reflects the full operation of the two multiplex Saorview systems for the full year and growth in the site hosting business.

There were no significant changes in the local and regional radio market, as available capacity in the FM band is now more or less fully utilised.

Achieving growth year-on-year in the telecommunication business has been challenging as the overall economic situation impacted many businesses. Consolidation of the networks of the mobile phone services during 2014 did not have a material impact on revenue in the year but it will start to impact in 2015.

Operations

Reliability of the transmission system was comparable with previous years. Overall availability for Saorview, Saorsat, FM services and RTÉ Radio 1 on Longwave 252 were again all in the order of 99.9% for 2014.

Overall availability for Saorview, Saorsat, FM services and RTÉ Radio 1 on Longwave 252 were again all in the order of **99.9%** for 2014.

RTÉ GUIDE & SAORVIEW







The *RTÉ Guide* remains Ireland's **number one paid-for listings magazine**, incorporating premium entertainment and lifestyle features.



RTÉ Guide Christmas cover

RTÉ Guide

The magazine continues to use the three editorial pillars of features, lifestyle and listings as the foundation on which to build readership and drive sales. Editorial changes during the year have contributed to increased readership among key younger demographics by as much as 25% (TGI 2014). The magazine continues to evolve its look and content to ensure it appeals to new readers while retaining more loyal older purchasers.

The magazine responded to readers' appetites for healthy living and lifestyle features by working closely with RTÉ's *Operation Transformation*, *Weightwatchers* and *Slimming World* to provide free magazines and extended features. In addition it delivered increased lifestyle elements with recipe booklets from renowned Irish chefs, while developing new ideas around fitness and food. Two new healthy eating/fitness magazine supplements, called *Eat!* and *Run!*, delivered increased sales and revenue.

In 2013, the *RTÉ Guide* launched its first ever stand-alone food magazine, *Taste Ireland*, which continued as a quarterly publication throughout 2014.

The *RTÉ Guide* received six nominations at the Magazine Ireland awards, and editor Catherine Lee was winner of the coveted Consumer Magazines Editor of the Year award. The judges commended her for introducing innovations that have attracted younger readers to the magazine.

Saorview ran a number of advertising campaigns throughout the year, **targeting the key consumer** buying periods.

A



Saorview New Year TV ad

97% of the most-watched programmes are available to watch for free on Saorview.

Saorview

Saorview was very active in the marketplace in 2014, focusing on key periods around Easter, the World Cup, Christmas and New Year. One of the key advertising messages was that 97% of the most-watched programmes are available to watch for free on Saorview. The response to the campaigns has been positive and a greater number of people are now aware of the benefits of Saorview.

In April, Saorview completed the migration to RTÉ One HD (which started in autumn 2013 with the switch-on of the second DTT multiplex) and towards the end of the year was making preparations for the launch of UTV Ireland. The addition of UTV Ireland gave rise to increased interest among viewers in making the switch to Saorview. Saorview developed and published a DTT Multiplex Channel Line-Up Policy for the allocation of channel numbers and introduced genre groupings for channels.

During the year, Saorview was active with trade. A number of retailer visits were undertaken across the country and the feedback showed an increasing interest among Irish consumers in the Saorview offer and the benefits of combining the service with free-to-air satellite and online services. Retailers and manufacturers have reported increased sales of Saorview and combi TV sets. In addition, retailers largely welcomed Saorview's marketing activity as contributing towards the recovery of retail sales in the electrical sector.

Retail activity was supported by in-store screen advertising, and increased activity on social media grew direct engagement with customers. By the end of 2014, Saorview's Twitter followers had grown six-fold.

In 2014, Saorview commenced the procurement process for a next-generation product called Saorview Connected. Saorview Connected will be a hybrid product, providing access to channels delivered over DTT as well as on-demand content delivered over broadband.



CONTRIBUTING

For every €1 licence fee income received by RTÉ in 2014, RTÉ contributed €1.72 to the Irish economy, including taxes.

[Source: PwC EIS 2014]

BOARD OF RTÉ AT 31 DECEMBER 2014



1. Moya Doherty, Chair

Term of office: 4 November 2014–3 November 2017

Moya Doherty's career includes theatre, radio and television production and presentation, both in Ireland and internationally. She fronted a number of arts, features and documentary programmes for RTÉ. As executive producer, Moya produced a number of charity telethons, the Eurovision Song Contest and the televising of the opening ceremony of the Special Olympics held in Ireland in 2003. Moya was the commissioning producer and originator of *Riverdance* for the Eurovision Song Contest of 1994.

She is a director of Tyrone Productions, one of Ireland's leading independent television production companies, whose output includes drama, documentary and entertainment programming. She was a founding director of the radio station Today FM.

Moya has sat on a number of arts-related boards, including seven years as chair of the Dublin International Theatre Festival, The Abbey Theatre, The Ark Children's Theatre in Dublin, Business to Arts and Walnut Hill Arts School in Massachusetts.

Moya has received numerous awards and accolades over the years, including the Veuve Clicquot Business Woman of the Year, the Ernst & Young Entrepreneur of the Year Award and honorary doctorates from the University of Ulster and from the National University of Ireland in recognition of her ongoing commitment to the world of the arts in Ireland.

2. Fergus Armstrong

Term of office: 24 February 2009–3 November 2017*

Fergus Armstrong is a mediator. He is a panel member of ONE-resolve, an interdisciplinary mediation grouping. His previous career was in law practice, first with the family firm now named Hegarty and Armstrong, Sligo, then as company solicitor with Aer Lingus. He later joined the firm of McCann FitzGerald, where he served as a partner in corporate law practice, then as managing partner and chairman. His mediation work encompasses disputes involving business and institutions, as well as conflict between individuals. He contributes occasional journal and newspaper articles and has an interest in philosophy, psychology and theology. He was educated at Castleknock College, University College Dublin and Harvard Law School.

* Reappointed for a second Board term on 4 November 2014.

3. Orlaith Carmody

Term of office: 16 February 2010–15 February 2015

Orlaith is a journalist and communications consultant. She was a staff reporter for RTÉ News throughout the nineties, leaving to raise her family and develop business interests in the areas of recruitment, management and training. She is a director of Mediatraining.ie, a communications skills consultancy, and is a regular speaker and commentator, contributing to a variety of radio and television programmes and publications on doing business in Ireland today, gender diversity at board level and in public life, entrepreneurship and education. She is a Director of HRM Recruit and Ablevision Ireland. A journalism graduate from DIT, she holds an MA in Film and Television from Dublin City University.

4. Noel Curran, Director-General

Noel was appointed Director-General of RTÉ with effect from 1 February 2011.

Noel is a graduate of Communication Studies from Dublin City University (DCU), where he undertook specific research work on broadcasting policy issues. After leaving DCU, he worked as a business journalist before being appointed News Editor of *Business and Finance* magazine.

In 1992 Noel left *Business and Finance* to join RTÉ's business and economics programme *Marketplace*. Having trained as a television producer, Noel was responsible for some of RTÉ's biggest live productions in the Entertainment and Current Affairs departments.

In 2000, he left RTÉ to become a director of an independent production company. He returned to take up the position of Editor of Current Affairs, where he was responsible for the launch of the *Prime Time Investigates* series. In 2003 Noel was appointed Managing Director of Television, the largest division in RTÉ, with responsibility for all television output on RTÉ One and RTÉ2 and for RTÉ Television's commercial income and sports rights negotiations. Noel remained as Managing Director of Television until May 2010.

5. Frank Hannigan

Term of office: 4 November 2014–3 November 2019

Frank Hannigan has worked in traditional media and software companies for thirty years. He started off in radio and print, until online media took off, and later worked in social media. He has previously worked at the *Sunday Tribune*, *Hot Press* and Examiner Publications.

As an entrepreneur he has successfully raised over €40 million investment for projects. He has worked as a founder, a mentor and an investor with some of the most exciting start-ups in Ireland. Frank is a visiting lecturer in Irish universities, speaking on topics from media to lean start-up.

6. Deborah Kelleher

Term of office: 4 November 2014–3 November 2017

Appointed director of the Royal Irish Academy of Music in October 2010 having worked for a number of years as head of musicianship, Deborah Kelleher has played an integral role in the establishment and development of outreach, distance and in particular academic courses in the academy over the last number of years, including the introduction of a specialised undergraduate degree in composition, the first music technology programme at the RIAM and numerous professional development courses for teachers throughout the country.

In the last year, RIAM has become an Associated College of Trinity College Dublin, and Deborah has overseen this significant transition.

Deborah studied music at Trinity College Dublin and was subsequently awarded master's degrees in musicology (UCD) and business administration (DCU). Recognised as one of Ireland's finest pianists of her generation, in recent years she has specialised in working with singers, counting Ailish Tynan, Mairéad Buicke, Tara Erraught and the late Bernadette Greevy amongst her recital partners. She is a member of the boards of the Dublin International Piano Competition, National Youth Orchestra of Ireland and Lyric Opera and has served on the Arts Council's Peer Review Panel.



Deborah is a member of the twelve-person council of the Association of European Conservatoires (AEC), the umbrella body for over 280 conservatoires in Europe.

7. Aengus Mac Grianna

Term of office: 4 November 2014–3 November 2019

Aengus was born in Raheny and educated solely through Irish. One of RTÉ's most popular newscasters, Aengus joined RTÉ in the mid-1980s, where he worked firstly as a runner in the newsroom. He later worked as a reporter on almost every desk in the newsroom before being appointed newscaster in 1999.

A regular face on television bulletins on the *Six One News* and *Nine O'Clock News* programmes, Aengus is also a familiar voice on RTÉ Radio 1 and RTÉ lyric fm. Following pay reductions Aengus became a union representative in RTÉ and represented the NUJ at TUG level for almost two years.

8. Dr P.J. Mathews

Term of office: 4 November 2014–3 November 2019

Dr P.J. Mathews is a senior lecturer in the School of English, Drama and Film at University College Dublin who specialises in Irish literature and culture. He is the author of *Revival*, a study of the Irish cultural revival period published by Field Day/Cork UP in 2003; editor of the *Cambridge Companion to J.M. Synge* (2009); and co-editor of *A Handbook of the Irish Revival* to be published by the Abbey Theatre in 2015. Dr Mathews is the founder and current director of academic podcasting for UCDscholarcast (www.ucd.ie/scholarcast).

He was director of the Parnell Summer School from 2002–5 and was appointed Naughton Fellow and Visiting Associate Professor of English at the University of Notre Dame for 2007–8. He is an external member of the Irish Studies group at Université Sorbonne Nouvelle-Paris 3 and co-convenor of the Irish Studies Doctoral Research Network.

9. Anne O'Leary

Term of office: 4 November 2014–3 November 2019

Anne O'Leary is an experienced business executive with a particular interest in and proven track record of helping companies develop new routes to market and leveraging the technologies available to quickly optimise the potential of their business. Anne has a very good understanding of corporate governance and compliance. As a member of the Institute of Directors she has an updated understanding of the requirements of both private and state boards.

She is a successful entrepreneur, building and selling a reputable world class technology business, with strong concentration on strategic partnerships, sales management, marketing, product development and internal-external relationship management.

Anne has a broad range of experience across a number of different business sectors with a demonstrated ability in diagnostics, strategic planning, facilitation of teams and individuals and sustainable revenue growth.

10. Aileen O'Meara

Term of office: 16 February 2010–15 February 2015

Aileen is an independent producer and journalist, living in Dublin. Born in Roscrea, Co. Tipperary, she grew up near Shinrone, in Co. Offaly. Educated at NUI Galway, she subsequently received a master's diploma in journalism in Dublin City University in 1986. She worked as a reporter in *Magill* magazine, the *Irish Press* and the *Sunday Tribune* before joining RTÉ as a reporter in 1991. During her thirteen years at RTÉ, she worked as a radio reporter, radio producer and TV news correspondent, receiving a number of awards for her broadcast news work. She is an independent radio producer and journalist with her production company Aileen O'Meara Media, based in Deansgrange, Co. Dublin.

11. Eunice O'Raw

Term of office: 16 February 2010–15 February 2015

Eunice is a graduate of University College Dublin, achieving a master's degree in economics, and later obtained a further master's degree in economics from Trinity College Dublin.

Eunice is a barrister by profession and was called to the bar in 1996. She was appointed as junior counsel to the tribunal of inquiry into Certain Planning Matters and Payments in July 1998. In March 2011, she was appointed director of Legal Affairs in the HSE.

Eunice is a former chairperson of the mental health tribunals of the Mental Health Commission and chairperson of the Garda Disciplinary Board.

Eunice lectured in Trinity College and the Kings Inns in Competition Law, in economics in University College Dublin, in financial mathematics and econometrics at the National College of Ireland and was visiting professor of Irish Constitutional Law for Quinnipiac University's summer school. She is an accredited mediator and has a special interest in conflict resolution processes.

12. Stuart Switzer

Term of office: 16 February 2010–15 February 2015

Stuart is a television producer and has been producing television programmes for the past twenty-five years across factual and entertainment for RTÉ, BBC and many other broadcasters. He is a founding director of Coco Television and managing director of Coco Television since 1998. Stuart is co-ordinator and producer or executive of numerous Coco productions. Stuart is the driving force behind Coco Television's interest in digital media, publishing and events. Stuart's background in finance was the reason Coco joined the group that created YMITV back in 2001, the first UK online financial channel.

He is a former board member of Screen Producers Ireland and has contributed to many media industry reports over the last ten years.

Stuart was principal of Switzer & Co., Financial Advisors and Management Consultants, for ten years prior to joining Coco Television.

BOARD OF RTÉ AT 31 DECEMBER 2014 (CONTINUED)

Board Attendance

There were nine meetings of the Board of RTÉ in 2014. The attendance of board members is outlined below:

The Board at 31 December 2014	Meetings Eligible to Attend	Meetings Attended
Moya Doherty	2	2
Fergus Armstrong	9	9
Orlaith Carmody	9	9
Noel Curran	9	7
Frank Hannigan	2	2
Deborah Kelleher	2	2
Aengus Mac Grianna	2	2
Dr P.J. Mathews	2	2
Anne O'Leary	2	2
Aileen O'Meara	9	9
Eunice O'Raw	9	9
Stuart Switzer	9	9
Board term of office ended on 31 August 2014		
Tom Savage	7	7
Alan Gilsenan	7	6
Karlin Lillington	7	7
Joe Little	7	7
Sean O'Sullivan	7	7
Patricia Quinn	7	7

Board Committees

Audit and Risk Committee

There were five meetings during 2014, attended as follows:

Committee at 31 December 2014	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Stuart Switzer (Chairman ¹)	5	5	25 February 2010
Frank Hannigan	1	1	27 November 2014
Anne O'Leary	1	1	27 November 2014
Eunice O'Raw	5	4	25 February 2010

The following committee members' Board term of office ended on 31 August 2014:

Karlin Lillington	4	3
Sean O'Sullivan ¹	4	4

¹ Sean O'Sullivan was Chairman of the Audit and Risk Committee until 31 August 2014.

Programme Committee

(formerly the Editorial and Creative Output Committee)

There were five meetings of the Editorial and Creative Output Committee in 2014, with attendance as follows:

	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Orlaith Carmody (Chair)	5	5	10 March 2009
Fergus Armstrong	5	5	10 March 2009
Aileen O'Meara	5	4	25 February 2010

Two new members were appointed to the committee with effect from 27 November 2014 – Deborah Kelleher and Dr P.J. Mathews. No meetings took place in the period following their appointment.

Remuneration and Management Development Committee

One meeting was held during 2014, with full attendance by the members of the committee: Tom Savage (Chairman), Fergus Armstrong and Sean O'Sullivan.

Finance Committee

As explained in the Corporate Governance Review, the Finance Committee merged with the Audit and Risk Committee in late 2014. As a result, the Finance Committee is not a sub-committee of the Board at 31 December 2014.

Two meetings of the Finance Committee took place during the year, with full attendance by the four committee members at each meeting. Sean O'Sullivan was Chairman of the Committee. The other committee members were Stuart Switzer, Orlaith Carmody and Tom Savage.

Technology and Innovation Committee

One meeting of the Committee was held during the year. Karlin Lillington (Chair) and Sean O'Sullivan attended the meeting. Aileen O'Meara was absent for the meeting.

Following a review of the composition of Board committees, the Technology and Innovation Committee is not a sub-committee of the Board at 31 December 2014. Refer to the Corporate Governance Review for further details.



B

1. Noel Curran Director-General

See biographical note on page 84.

2. Kevin Bakhurst

Managing Director, RTÉ News and Current Affairs;
Deputy Director-General

Kevin Bakhurst was appointed Managing Director of RTÉ News and Current Affairs in July 2012.

Kevin previously oversaw BBC News on television, radio and online. Formerly Controller of the BBC News Channel, he was also editor of the BBC *Ten O'Clock News*. He was a member of the BBC's London 2012 Olympics management team and the BBC Director-General's leadership group. He was born in Barnet in North London and studied Modern Languages at St John's College, Cambridge.

3. Brian Dalton

Managing Director, Corporate Development

Brian joined RTÉ as Managing Director of Corporate Development in March 2009. He holds a master's in Management from Trinity College Dublin.

Prior to joining RTÉ Brian held senior director positions in both operations and HR functions. He has worked primarily in multinational companies such as GE, Intel, Becton Dickinson and more recently in financial services primarily relating to change management in the context of mergers and acquisitions.

4. Jim Jennings

Managing Director, RTÉ Radio

Jim Jennings was appointed as Managing Director of RTÉ Radio in November 2013. In addition he oversees the RTÉ Orchestras, Quartet and Choirs. Previously, Jim was Head of RTÉ Radio 1.

Jim joined RTÉ Radio 1 in 1985, working first in features and current affairs on programmes such as *Today at Five* and *The Pat Kenny Show*. In 1989 he moved to RTÉ television, where he held a number of positions, including Executive Producer of *The Late Late Show*, *Election 2012* and the opening ceremony of the Special Olympics. He also worked as editor of *Leargas*.

5. Glen Killane

Managing Director, RTÉ Television

Glen joined the RTÉ Executive Board as Managing Director of Television in May 2010.

Glen was born in Dublin and attended Catholic University School and Trinity College Dublin before taking a master's in Journalism at Dublin City University. Glen first joined RTÉ Television in 1996 and has produced, edited and directed a wide range of programming since then.

From 1998 to 2000, he was editor of rugby output, after which he took on the role of editor of *The Sunday Game*. In 2001, he joined ITV's sports channel where he edited live football. In 2002 he re-joined RTÉ and edited international soccer and in 2003 he was Executive Producer for The Special Olympics World Games, the biggest sporting event of the year in Ireland.

Glen was appointed Head of Sport in RTÉ Television in 2004 where he was central to securing major rights contracts with the GAA, Champions League, FAI, 6 Nations, Magners League and UEFA.

6. Múirne Laffan

Managing Director, RTÉ Digital

Múirne Laffan was appointed Managing Director of the newly formed RTÉ Digital in October 2011.

Born in Dublin, Múirne is a graduate of the College of Marketing at Dublin Institute of Technology. She started her career in advertising in London before joining McCann-Erickson Worldwide (NY) in 1991. Múirne was part of the leadership team that created Universal McCann, where she held the position of SVP, Director of Worldwide Clients.

Múirne returned to Ireland in 2001 to join RTÉ, first as General Manager of RTÉ Commercial Enterprises Limited and then as Executive Director of RTÉ Publishing. Múirne led the team which created a successful portfolio including RTÉ News Now, RTÉ Player, RTÉ Ten and RTÉ Aertel Digital, amongst others. Múirne now has responsibility for driving the digital strategy across RTÉ and for the delivery of on-demand content to RTÉ audiences.

7. Breda O'Keeffe

Chief Financial Officer, RTÉ

Breda O'Keeffe was appointed Chief Financial Officer in 2013. A native of Kilkenny, she studied at Waterford Institute of Technology and is a fellow of the Institute of Chartered Accountants in Ireland.

Prior to joining RTÉ in 2002, she held senior finance positions within GPA, GE Capital Aviation Services, JetPhone, GE Insurance Services and Halifax Bank of Scotland and was instrumental in the set up of GE Insurance Services and Halifax Insurance Ireland in Shannon. In 2003 she was appointed Finance Director of RTÉ Television, where she was a member of the Television IBD Board and Television Programme Strategy Group.

8. Willie O'Reilly

Group Commercial Director, RTÉ

Willie O'Reilly joined RTÉ as Group Commercial Director in January 2012. A graduate of University College Dublin, he was the Executive Producer of *The Gerry Ryan Show* on RTÉ 2fm for over ten years.

Willie was Chief Executive of Today FM between 1999 and 2011, where he was responsible for delivering increases in audiences and revenue while establishing Today FM as a strong brand within the Irish media landscape. During his time there he managed changes of ownership from private individuals to Scottish Radio Holdings to Emap Plc and now Communicorp Ltd.

A former president of the Institute of Directors, he recently graduated as a Chartered Director. Willie was a board member of the Health Service Executive 2009/2010 and a member of that organisation's Audit Committee. He has also served as chairman of Independent Broadcasters of Ireland.

9. Richard Waghorn

Chief Technology Officer, RTÉ

Richard joined RTÉ as Chief Technology Officer in February 2012. During 2013, Richard was appointed as a director of RTÉ Transmission Network Limited. Richard holds an MBA from Henley Management College and is a graduate of the University of Leeds.

Between 2009 and 2011 Richard was Chief Technology Officer at the South African Broadcasting Corporation. Prior to that Richard was Controller of Distribution at the BBC for four years, leading the implementation of digital switchover. At the BBC he worked across a number of areas including strategy, new media, distribution and radio production. Richard was a board director of Freesat and project manager for the launch of Freeview in 2002 in the UK.



CORPORATE GOVERNANCE

FOR THE YEAR ENDED 31 DECEMBER 2014

Members of the Board of RTÉ are committed to maintaining the highest standards of corporate governance and business conduct. The *Broadcasting Act 2009* requires members to have experience of, or capacity in, matters relevant to the oversight of a public service broadcaster (Section 82). Each member of the Board must also perform his or her functions in such a manner as to ensure that the activities of RTÉ, in pursuance of its statutory objects, are performed efficiently and effectively (Section 87).

RTÉ complies with the *Code of Practice for the Governance of State Bodies*, published by the Government on 15 June 2009. The Code sets out principles of corporate governance which Boards of State Bodies are required to observe. This includes governance practices and procedures in a broad range of areas such as the Board and its remuneration; risk management, accountability and internal control; reporting arrangements, including annual report and accounts; and a range of other specific financial control procedures. Further information on these areas is set out in the remainder of this section of the Annual Report.

The Chair of the Board confirms annually to the Minister for Communications, Energy and Natural Resources that the governance practices and procedures in RTÉ are in compliance with the *Code of Practice for the Governance of State Bodies*.

In a number of areas RTÉ has extended its disclosures beyond the minimum required by the *Code of Practice for the Governance of State Bodies*. These additional disclosures are made in the interest of promoting transparency and good corporate governance.

RTÉ also complies with the corporate governance and other obligations imposed by the *Ethics in Public Office Act, 1995*, and the *Standards in Public Office Act, 2001*.

The Board of RTÉ

Composition

Members of the Board of RTÉ are appointed under Section 81 of the *Broadcasting Act 2009* for a period not exceeding five years. The Act provides for a twelve member Board, to be appointed by the Government as follows:

- Six members are appointed on the nomination of the Minister for Communications, Energy and Natural Resources;
- The Oireachtas Joint Committee on Communications, Energy and Natural Resources proposes four members to the Minister;
- The Director-General of RTÉ is an ex officio member; and
- One member of RTÉ staff is appointed following election.

The Government appoints one of the members to act as Chair. The *Broadcasting Act 2009* also provides for gender balance in the composition of the Board by requiring that its members include no fewer than five men and five women. At 31 December 2014, there are six women and six men on the Board of RTÉ.

There was a change in the membership of the Board of RTÉ during the year. The term of office of seven Board members, including the former Chairman, ended on 31 August 2014. The names of the members are listed in the Board attendance record on page 86. The Government subsequently appointed the following members to the Board, with effect from 4 November 2014:

- Moya Doherty (Chair)
- Fergus Armstrong (appointed for a second term)
- Frank Hannigan
- Deborah Kelleher
- Aengus Mac Grianna
- Dr P.J. Mathews
- Anne O'Leary

Biographical details of the twelve members of the Board in office at 31 December 2014, including details of their terms of office, are set out on pages 84–85.

Subsequent to the year-end, the Government appointed four new members to the Board of RTÉ, effective 17 February 2015. These appointments were made following proposals to the Minister for Communications, Energy and Natural Resources by the Joint Oireachtas Committee on Transport and Communications.

The new Board members are:

- Shane Naughton, Chief Financial Officer of The Economist Group
- Pádraig Ó Céidigh, founder of Aer Arann and Aer Lingus Regional. Adjunct professor of Entrepreneurship and Business in NUI Galway, Chair of the Business School Advisory Board and Chairman of Failte Ireland West
- Fionnuala Sheehan, former CEO of MEAS/drinkaware.ie and former Deputy Registrar at the University of Limerick
- Margaret E. Ward, an entrepreneur who worked as a financial journalist for twenty-five years. Founder and CEO of Clear Ink, a global brand communications agency.

Full biographies for the newly appointed members are available on the RTÉ.ie website.

These appointments followed the end of the term of office of four Board members on 15 February 2015 – see page 84–85 for further details.

Role

The duties of Board members are set out in Section 87 of the *Broadcasting Act 2009*. In summary, Board members guide the corporate direction and strategy of RTÉ and represent the interests of viewers and listeners, ensuring that RTÉ fulfils its statutory responsibilities in an efficient and effective manner.

Board members have varied backgrounds, skills and experience in a broad range of business areas relevant to the oversight of a public service broadcaster. The criteria for Board membership are set out in Section 82 of the *Broadcasting Act 2009*. The criteria include matters such as: media affairs, public service broadcasting, broadcast content production, digital media technologies, business or commercial affairs, legal or regulatory affairs and matters pertaining to the development of the Irish language. Each member brings independent judgement to bear by constructively challenging the Executive and by helping to develop RTÉ's strategic objectives.

There is a clear division of responsibilities between the position of Chair of the Board, who is non-executive, and the Director-General.

The Director-General, in conjunction with executive management, takes responsibility for RTÉ's day-to-day operations. The Chair's responsibilities include leading the Board, determining its agenda, ensuring its effectiveness and facilitating full participation by each Board member.

The Chair of the Board and executive management meet frequently with the Department of Communications, Energy and Natural Resources to discuss RTÉ's operating and financial performance.

Board Procedures

On appointment, all Board members are provided with briefing documents on RTÉ and its operations. The Board meets in accordance with a regular schedule of meetings and may also meet on other occasions as deemed necessary. All Board members have full and timely access to the information necessary to enable them to discharge their duties. Full Board papers are sent to each Board member in sufficient time before Board meetings and any further papers or information are readily available to all Board members on request.

Board members have access to advice and the services of the RTÉ Group Secretary who is responsible for ensuring the Board procedures are followed and that applicable rules and regulations are complied with. RTÉ's professional advisors are available for consultation with the Board, as required. Individual Board members may take independent professional advice and training, if necessary, at the expense of RTÉ. The Board has an insurance policy in place which indemnifies Board members in the event of legal actions taken against them in the course of their duties as Board Members.

There is a formal schedule of matters reserved to the Board for consideration and decision, which covers key areas of RTÉ's business:

- Reviewing financial and operational performance;
- Approval of strategic plans, the annual budget and the annual financial statements;
- Approval of major investments and capital projects;
- Treasury policy and risk management policies;
- Delegated authority levels;
- Reviewing the system of internal controls.

Certain other matters are delegated to Board committees, as set out in further detail below.

The Board papers sent to Board members prior to each Board meeting include the minutes of committee meetings which have been held since the previous Board meeting or, if minutes are not available at the time the papers are circulated, a verbal update is provided at the Board meeting.

The Chair of each committee is available to report and answer any questions on the committee's proceedings at Board meetings, as required.

Board Committees

At 31 December 2014, the Board has established three permanent sub-committees to assist in the execution of its responsibilities. These are the Audit and Risk Committee, the Remuneration and Management Development Committee and the Programme Committee.

In late 2014, following the appointment of new Board members, the Chair carried out a review of the number and composition of Board committees. As a result, two committees in operation during 2014 are no longer permanent sub-committees of the Board. These are the Technology and Innovation Committee and the Finance Committee.

The activities of the Finance Committee now fall within the remit of the Audit and Risk Committee, as explained in further detail below. The Technology and Innovation Committee operated for four years, providing oversight of plans in the area of technology and innovation. Acknowledging that technology is now central to RTÉ's strategies as it meets the changing needs of the audience in a digital age, technology and innovation is therefore a consideration of the full Board.

The membership of each committee in operation during 2014, together with details of attendance at meetings held in 2014, is set out on page 86. The RTÉ Group Secretary acts as Secretary of each Committee.

Temporary committees are formed from time to time to deal with specific matters under defined terms of reference. The Board did not consider it necessary to establish any temporary committees during 2014.

Audit and Risk Committee

The Audit and Risk Committee comprises four Board members, all of whom are considered independent. Stuart Switzer was the Committee member with recent relevant financial experience up to the end of his term of office on 15 February 2015. Pádraig Ó Céidigh is now the committee member with recent financial experience. The Committee's terms of reference are available on the RTÉ website. The Chief Financial Officer and the Head of Internal Audit normally attend meetings of the Committee, while the external auditors attend as required. The terms of reference of the Committee provide that other Board members, executives and others may also be invited to attend all or part of any meeting(s). Both the Head of Internal Audit and the external auditors have full and unrestricted direct access to the Committee Chair at all times. In addition, the Audit and Risk Committee has a discussion with the external and internal auditors at least once a year, without executive management present, to ensure there are no outstanding issues of concern.

Until late 2014, the Finance Committee existed as a separate sub-committee of the Board to oversee strategy and policy on financial matters and to periodically review RTÉ's financial position. The review of the group annual financial budget was also within its remit. At 31 December 2014, the activities of the former Finance Committee fall within the remit of the Audit and Risk Committee. This follows a review of Board committees.

During 2014 the Audit and Risk Committee (and where indicated the former Finance Committee) reviewed the following:

- The risk management framework and initiatives to strengthen risk management processes;
- The Internal Audit Plan for 2014;
- Internal audit reports and progress in implementing actions identified in the reports. The Head of Internal Audit presents a report at each Audit and Risk Committee meeting, summarising work completed since the previous meeting and the findings, together with the areas of focus in the forthcoming period;

CORPORATE GOVERNANCE (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

- The external audit plan, the scope of the audit, as set out in the Engagement Letter, and the effectiveness of the audit process;
- The group's annual financial statements, prior to formal submission to the Board. The Committee's review focused, in particular, on accounting policies, judgemental areas, the clarity of disclosures and compliance with applicable accounting and legal standards;
- Report from the external auditor following its audit of the financial statements and discussion of matters arising;
- Corporate Governance compliance, to include compliance with the *Code of Practice for the Governance of State Bodies*;
- The Independent Productions annual report, prior to formal submission to the Board;
- The effectiveness of the system of internal control, including a review of the key risks impacting the business, and reporting the results to the Board;
- The RTÉ Group's annual budget, prior to formal submission to the Board;*
- Regular updates on the financial performance of the Group;* and
- The Committee's own terms of reference to ensure they remained up to date and encompass the activities formerly carried out by the Finance Committee.

* Denotes activities also carried out by the Finance Committee in 2014, while it existed as a separate sub-committee of the Board.

During 2014, the Audit and Risk Committee also received briefings on developments in the areas of corporate governance, risk management and accounting standards.

The Audit and Risk Committee has put in place safeguards to ensure that the independence and objectivity of the external audit function are not compromised. These safeguards are reviewed at regular intervals. In addition, the external auditors, KPMG, have confirmed to the Audit and Risk Committee that they continue to operate procedures to safeguard against the possibility that their objectivity and independence could be compromised.

The level of non-audit-related services provided by the external auditors, and the associated fees, is considered annually by the Audit and Risk Committee in the context of the external auditors' independence as part of the Committee's review of the adequacy and objectivity of the external audit process. Details of the nature of non-audit services during the year and the related fees are set out in note 4 to the financial statements.

Programme Committee

The *Programme Committee* (formerly the Editorial and Creative Output Committee) comprises four Board members, all of whom are considered independent. The Committee considers key developments and plans in respect of RTÉ Television and RTÉ Radio programmes and schedules. At each of its meetings, the Committee may meet with the Managing Directors of Television, Radio and News and Current Affairs and their senior management colleagues and with in-house and external independent programme-makers to review programme output and upcoming strategy and plans.

In the area of editorial risk, the Programme Committee and the Audit and Risk Committee align their respective programmes of work to ensure effective oversight and management of editorial risk. Editorial

risk is considered by the Board in the context of risk generally, as explained in further detail in the internal control and risk management section below.

Remuneration and Management Development Committee

During 2014 the *Remuneration and Management Development Committee* comprised three Board members, all of whom are considered independent. The Committee is assisted, as necessary, by a nominee from the Department of Communications, Energy and Natural Resources.

The Board term of office of two members of the Committee ended on 31 August 2014. The process of formally appointing two new members to the Remuneration and Management Development Committee was completed subsequent to the year-end when Moya Doherty (Committee Chair) and Anne O'Leary joined Fergus Armstrong as members of the committee.

The Committee's terms of reference are available on the RTÉ website. The Committee's role and responsibilities include:

- Considering the appointment, targets, performance and remuneration of the Director-General and making recommendations to the Board prior to seeking Government approval thereon. Such consideration takes place in the context of relevant Government policy. (The Committee's terms of reference also provide for consideration, as deemed necessary, of the role of the Director-General's deputy, or any person temporarily appointed to the position of Director-General in accordance with Section 89 (8) of the *Broadcasting Act 2009*);
- Consulting with the Director-General in relation to the remuneration package of executive management, having regard to Government policy in relation to remuneration of senior management of Commercial State Bodies;
- Consulting with the Director-General in relation to 'top talent' contractor contracts; and
- Considering the remuneration of any non-Government appointed members of Boards of RTÉ subsidiary companies.

The remuneration of Board members is determined by Government policy and, as such, is not a specific consideration of this Committee.

Independence of Members of the Board

Each Board member brings independent judgement, challenge and rigour to the Board's deliberations. The Board has completed an evaluation of the independence of its members using the independence criteria as set out in the *UK Corporate Governance Code*, the Corporate Governance code applicable to companies listed on the Irish Stock Exchange.

Having regard for the integrity, strength of character and objectivity of Board members, all members are considered independent under those criteria. However, Noel Curran and Aengus Mac Grianna are RTÉ employees and therefore cannot, for that reason alone, be considered as independent members of the Board at 31 December 2014 as per the criteria of the *UK Corporate Governance Code*.

As disclosed in further detail in Note 25 (Related Party Transactions), business transactions took place between RTÉ and certain Board members, or their close family members, in the normal course of business, during the year ended 31 December 2014. Notwithstanding

these transactions, the Board has determined that these Board members remain independent in character and judgement. In reaching that conclusion, the Board has considered the following.

In the case of three Board members, RTÉ commissioned a programme(s) from a production company owned/controlled by the Board member. In these cases, the Board took account of the existence of formal and transparent Commissioning Procedures and Guidelines, which are published on the RTÉ website and are applied consistently for all commissions. In addition, all decisions on individual commissions are the responsibility of executive management, assessed using clear evaluation criteria, with contracts awarded in line with normal commercial terms and conditions in all cases. Decisions on individual programme commissions are not a matter for consideration and decision by the Board. To demonstrate transparency, an independent review of specific commissioning procedures is also carried out on an annual basis and an Independent Productions Annual Report is submitted to the Minister for Communications, Energy and Natural Resources in accordance with Section 116 (9) of the *Broadcasting Act 2009*.

The Board also considered the matter of a Board member, or their close family members, being engaged by RTÉ under an Artist contract in respect of a programme contribution. The Board noted that none of the applicable engagements in the year ended 31 December 2014 were, individually or in aggregate, for a material contract value. The decision to engage a programme contributor or presenter is undertaken by editorial line management having due regard for the requirements of the programme and the skills and experience of the individual being engaged. The Board also noted that the contracts were entered into on normal commercial terms and in line with RTÉ's policy for engaging personnel.

Internal Control and Risk Management

The Board has overall responsibility for the Group's systems of internal control and for reviewing their effectiveness. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms that an ongoing process for identifying, evaluating and managing RTÉ's significant risks has operated throughout the year and up to the date of approval of the financial statements. This process is in accordance with the updated Turnbull guidance on Internal Control and is overseen by the Audit and Risk Committee.

The Audit and Risk Committee considers risk management to be an integral part of its agenda and is committed to successfully managing RTÉ's exposure to risk and minimising its impact on the achievement of business objectives.

During the year the Audit and Risk Committee approved a new risk management framework and structure. A Risk Officer oversees the risk management framework and a new organisation structure exists for the management of risk. The improvements are intended to strengthen the processes for the management and reporting of risk.

Throughout 2014, RTÉ operated a risk management process designed to identify the key risks facing the business and to report to the Audit and Risk Committee and the Board on how these risks are being

managed. The Board focuses primarily on those risks capable of undermining the RTÉ strategy, or which could adversely affect the long-term viability or reputation of RTÉ. As explained in further detail below, the risk management process comprises two phases – a detailed risk assessment exercise carried out by line management in the divisions and a strategic risk assessment undertaken by the Executive.

On at least an annual basis, the members of the RTÉ Executive hold a strategic risk workshop to identify the risks impacting the successful delivery of the RTÉ strategy. The risks designated as key risks are assigned an Executive Sponsor and Risk Owner and are subject to ongoing review and monitoring during the year. The Risk Owners track the drivers of each risk and document the controls in place to mitigate the risk. In addition, risk indicators are identified to assist in monitoring changes in the occurrence of a risk. This exercise is summarised in a consolidated strategic risks document. This work is overseen and reviewed by a newly established risk function and is linked to the broader strategic planning process. The strategic risks document is presented to the Audit and Risk Committee and to the Board as part of its review of the effectiveness of the system of internal control.

Aligned with the strategic risk assessment process explained above, each business division maintains a risk register which identifies its key risks, evaluates the probability of those risks occurring and assesses the likely impact should the risks materialise. The actions taken to manage each risk to a desired level are recorded on the risk register and risks are ranked and prioritised.

The risk registers are updated on at least an annual basis and reviewed by management. This process also facilitates the preparation of a consolidated Group risk register, listing the key common or interdependent risks. The strategic risks document is cross-checked to the Group risk register to ensure that the strategic risks remain valid and fully reflect the business risks identified by management locally. The risk registers are presented to the Audit and Risk Committee as part of its review of the effectiveness of the system of internal control.

In addition to the risk management process outlined above, a strong internal control framework is in place to provide effective internal control, including:

- A clearly defined organisation structure, with formally defined authority limits and reporting mechanisms to higher levels of management and to the Board;
- Codes of Business Conduct for Board members and employees, setting out the ethical standards expected in the conduct of business;
- Established procedures to identify, control and report on key risks impacting the business;
- Comprehensive budgeting systems, with annual financial budgets approved by the Board;
- Timely monthly reporting, with actual results reported against budget and considered by the Board on a monthly basis;
- A Good Faith Reporting (Whistleblowing) Policy is in place to provide staff with a confidential and, if required, anonymous means to report a matter of concern; and
- Comprehensive policies and procedures relating to operational and financial controls, including commitments and capital expenditure. Large capital projects require the approval of the Board.

CORPORATE GOVERNANCE (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

These controls are reviewed systematically by Internal Audit, on a risk based approach. The Board confirms that, through the Audit and Risk Committee, it has conducted a review of the effectiveness of the system of internal control up to and including the date of approval of the financial statements.

The process adopted by the Board to undertake the review of the effectiveness of the system of internal controls included:

- Consideration of the authority, resources and co-ordination of those involved in the identification, assessment and management of significant risks faced by RTÉ;
- Review and consideration of the output of the risk assessment and management process;
- Monitoring of risk reports from management;
- Review of the programme of internal audit and consideration of major findings; and
- Review of the report of the external auditors, who, as part of their normal procedures, test aspects of the systems of internal control and report any significant weaknesses to the Audit and Risk Committee.

Going Concern

After making enquiries, the members of the Board are satisfied that RTÉ has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Board Members' Fees¹

RTÉ complies with Government policy on the payment of fees to Chairs and Directors of State Bodies, as determined by the Minister for Public Expenditure and Reform and the Minister for Communications, Energy and Natural Resources.

	2014	2013
	€'000	€'000
Board members at 31 December 2014		
Moya Doherty	5	-
Fergus Armstrong	13	16
Orlaith Carmody	16	16
Noel Curran	-	-
Frank Hannigan	2	-
Deborah Kelleher	-	-
Aengus Mac Grainna ³	2	-
Dr P.J. Mathews	-	-
Anne O'Leary	2	-
Aileen O'Meara	16	16
Eunice O'Raw	-	-
Stuart Switzer	16	16

Payments to former Board members²

Tom Savage	21	31
Alan Gilsenan	11	16
Karlin Lillington	11	16
Joe Little ³	11	16
Sean O'Sullivan	11	16
Patricia Quinn	11	16
	148	175

1. All members of the Board are non-executive, with the exception of the Director-General, Noel Curran, serving in an ex officio capacity

2. The term of office of six Board members ended on 31 August 2014

3. In addition to Board fees, Aengus Mac Grainna and Joe Little were paid as employees of RTÉ

Where fees are applicable, the annual fee payable to Board members for their services as members of the Board of RTÉ remained unchanged between 2013 and 2014. Differences in fee levels arise due to the timing of the appointment, or reappointment, of Board members.

Expenses of Board members¹

In compliance with the *Code of Practice for the Governance of State Bodies*, the following disclosure is required of the expenses paid to Board members:

	2014	2013
	€'000	€'000
Travel - mileage	6	10
Subsistence allowances	20	17
	26	27

1. The expenses of Board members above relate to their Board services only and do not include expenses of members in their capacity as RTÉ employees.

Emoluments of Director-General

The remuneration of the Director-General, comprising an annual salary and a car allowance, conforms to Government policy for determining the remuneration of Chief Executive Officers of Commercial State Bodies, issued by the Department of Public Expenditure and Reform, and is approved by the Minister for Communications, Energy and Natural Resources.

	2014	2013
	€'000	€'000
Basic salary	250	250
Other Benefits		
- Pension contributions	63	63
- Other benefits	24	25
	337	338

Expenses amounting to €12,392 (2013: €8,837) were incurred by Noel Curran in the conduct of the duties of the post.

No performance-related pay was awarded or paid in respect of 2014 or 2013.

The amount paid by RTÉ to a Defined Contribution Pension Scheme on behalf of Noel Curran is set out in the table above.

BOARD MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The members of the Board of RTÉ present their annual report together with the audited Group financial statements for the year ended 31 December 2014.

Principal activities

RTÉ is Ireland's Public Service Broadcaster offering free-to-air television and radio services to its audience. RTÉ also publishes the *RTÉ Guide*, operates a teletext service and provides an extensive range of free web-based online services. Through its wholly owned subsidiary, RTÉ Transmission Network Limited (trading as 2m), RTÉ provides analogue and digital network transmission and tower facilities to broadcasters and other users. In addition RTÉ operates the RTÉ National Symphony Orchestra and the RTÉ Concert Orchestra, together with other performing groups.

Business review

Detailed reviews of the performance during 2014 and future developments are set out in the Operational review on pages 18 to 83 and in the Financial review on pages 10 to 15. These reviews encompass the principal risks and uncertainties faced by the Group and an analysis of its key performance indicators, financial and non-financial. RTÉ's performance in meeting its annual commitments to its viewers and listeners, as set out in its *Annual Statement of Performance Commitments 2014*, are reviewed on pages 149 to 156.

Results for year

The results of the Group for the year are set out in the Income Statement on page 98 and in the related notes.

Members of the Board

The names of the persons who served as members of the Board as at 31 December 2014 are set out on pages 84 to 85. Changes to the composition of the Board subsequent to the year-end are explained on page 90. The Government appointed four members to the Board, effective 17 February 2015.

Corporate governance

RTÉ's corporate governance arrangements are set out in the annual report as follows:

- Corporate governance pages 90 to 94
- Board members' profiles pages 84 to 85
- Statement of Board members' responsibilities page 96

On behalf of the Board

Moya Doherty
Chair

Anne O'Leary
Board Member
and Chair of
the Audit and Risk
Committee

Noel Curran
Director-General

23 April 2015

Books and records

The RTÉ Board members are responsible for ensuring that proper books and accounting records are maintained. The measures taken in this regard include the use of appropriate systems and procedures, the employment of professionally qualified accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The Group's books of account are kept at Donnybrook, Dublin 4.

Payment of accounts

The members of the Board acknowledge their responsibility for ensuring compliance in all material respects with the provisions of the *European Communities (Late Payment in Commercial Transactions) Regulations 2002* ('the Regulations'). Procedures have been implemented to identify the dates upon which invoices fall due for payment and to ensure that payments are made by such dates. Such procedures provide reasonable assurance against material non-compliance with the Regulations. The payment policy during the year under review was to comply with the requirements of the Regulations.

Group companies

Information relating to subsidiary and associated undertakings is included in note 11 to the financial statements.

Auditor

KPMG, Chartered Accountants, will continue in office in accordance with Section 160 (2) of the *Companies Act, 1963*.

Political donations

With reference to the *Electoral Act, 1997*, RTÉ does not make any political donations.

B

STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2014

The members of the Board of RTÉ are responsible for preparing the Annual Report and the Group and RTÉ financial statements in accordance with applicable laws and regulations.

Broadcasting legislation requires the RTÉ Board to prepare Group and RTÉ financial statements for each financial year. Under that legislation, the RTÉ Board members have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs), as adopted by the EU and as applied in accordance with the provisions of broadcasting legislation, and have elected to prepare the RTÉ financial statements on the same basis.

The Group and RTÉ financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and performance of the Group and RTÉ.

In preparing each of the Group and RTÉ financial statements, the RTÉ Board members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the EU and as applied in accordance with the provisions of broadcasting legislation; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and RTÉ will continue in business.

The RTÉ Board members are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Group and RTÉ and which enable them to ensure that the financial statements comply with the provisions of broadcasting legislation. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The RTÉ Board members are responsible for ensuring that the corporate governance statement on pages 90 to 94 reflects the Group's compliance with the *Code of Practice for the Governance of State Bodies*.

The RTÉ Board members are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Moya Doherty
Chair

Anne O'Leary
Board Member
and Chair of
the Audit and Risk
Committee

Noel Curran
Director-General

23 April 2015

INDEPENDENT AUDITOR'S REPORT TO THE MINISTER FOR COMMUNICATIONS, ENERGY AND NATURAL RESOURCES

As Auditors appointed by the Minister for Communications, Energy and Natural Resources, we have audited the RTÉ and Group financial statements ('the financial statements') for the year ended 31 December 2014 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the RTÉ and Group Balance Sheets, the RTÉ and Group Statements of Changes in Equity, the RTÉ and Group Cash Flow Statements, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

This report is made solely to the Minister for Communications, Energy and Natural Resources (the 'Minister') in accordance with broadcasting legislation. Our audit work has been undertaken so that we might state to the Minister those matters we are required to state to him in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than RTÉ and the Minister, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Members of the Board of RTÉ and auditors

As explained more fully in the Statement of Board Members' Responsibilities set out on page 96, the Board members are responsible for preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Ethical Standards for Auditors issued by the Financial Reporting Council.

Scope of the 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 the Group's and the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 31 December 2014 and of its surplus for the year then ended;
- the RTÉ financial statements give a true and fair view in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of broadcasting legislation, of the state of RTÉ's affairs as at 31 December 2014; and
- the Group financial statements have been properly prepared in accordance with broadcasting legislation.

Other Matters

We have obtained all the information and explanations we considered necessary for the purposes of our audit. In our opinion, proper books of account have been kept by RTÉ. RTÉ's balance sheet is in agreement with the books of account.

In our opinion, the information given in the Board members' report is consistent with the financial statements.

Matters on which we are required to report under our terms of engagement

We have nothing to report in respect of the following:

Under the *Code of Practice for the Governance of State Bodies* ('the Code') we are required to report to you if the statement regarding the system of internal financial control required under the Code as included in the Corporate Governance Statement on pages 90 to 94 does not reflect the Group's compliance with paragraph 13.1 (iii) of the Code or if it is not consistent with the information of which we are aware from our audit work on the financial statements and we report if it does not.



Ruaidhri Gibbons
for and on behalf of

KPMG
Chartered Accountants, Statutory Audit Firm

1 Stokes Place,
St. Stephen's Green,
Dublin 2

23 April 2015

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 €'000	2013 €'000
Continuing Operations			
Revenue	1	328,167	327,584
Operating costs (before depreciation, amortisation, restructuring and other credits)	2	(312,088)	(306,919)
EBITDA¹ before restructuring and other credits		16,079	20,665
Depreciation and amortisation	4	(13,600)	(15,255)
Restructuring and other credits	6	237	390
Profit from Operating Activities after restructuring and other credits		2,716	5,800
Finance income	3	2,189	474
Finance expense	3	(3,977)	(5,208)
Surplus Before Income Tax		928	1,066
Income tax expense	7	(711)	(408)
Surplus for the Year		217	658

¹EBITDA: Earnings (Operating Profit) before Interest, Tax, Depreciation and Amortisation

On behalf of the Board

Moya Doherty
Chair

Anne O'Leary
Board Member
and Chair of
the Audit and Risk
Committee

Noel Curran
Director-General

23 April 2015

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 €'000	2013 €'000
Surplus for the year		217	658
Other Comprehensive Income			
Items that will never be reclassified to profit or loss			
Re-measurement (loss)/gain of the defined benefit pension scheme	20	(32,013)	53,905
Re-measurement (loss)/gain of the '50/50' risk-sharing pension scheme	20	(90)	559
Related deferred tax on pension assets	21	1,006	(1,143)
		(31,097)	53,321
Items that are or maybe reclassified to profit or loss			
Effective portions of changes in fair value of cash flow hedge		(126)	101
Fair value gain reclassified to income	3	537	1,007
Fair value gain on cash flow hedge	23	411	1,108
Reclassification of cash flow hedge reserve to income statement	3	1,689	-
		2,100	1,108
Deferred tax on cash flow hedge	21	(262)	(139)
		(262)	(139)
Total other comprehensive (deficit)/surplus for the year		(29,259)	54,290
Total comprehensive (deficit)/surplus for the year		(29,042)	54,948

On behalf of the Board

Moya Doherty
Chair

Anne O'Leary
Board Member
and Chair of
the Audit and Risk
Committee

Noel Curran
Director-General

23 April 2015

GROUP BALANCE SHEET

AT 31 DECEMBER 2014

	Notes	2014 €'000	2013 €'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	8	81,440	88,522
Intangible assets	9	3,157	4,121
Restricted cash	10	-	4,000
Pension asset	20	1,837	9,899
Total Non-Current Assets		86,434	106,542
Current Assets			
Inventories	12	33,848	33,484
Trade and other receivables	13	38,413	35,807
Prepayments and accrued income		12,303	13,121
Liquid investments	14	6,045	9,101
Cash and cash equivalents	15	18,643	18,962
Derivative financial instruments	22	1,113	-
Total Current Assets		110,365	110,475
Total Assets		196,799	217,017
EQUITY			
Retained earnings		22,972	53,852
Cash flow hedge reserve	23	-	(1,838)
		22,972	52,014
LIABILITIES			
Non-Current Liabilities			
Interest-bearing loans and borrowings	16	45,625	47,625
Employee benefits	19	17,723	22,800
Trade and other payables	17	2,391	3,290
Pension liability	20	19,188	-
Deferred tax liabilities	21	1,245	1,278
Derivative financial instruments	22	-	1,020
Total Non-Current Liabilities		86,172	76,013
Current Liabilities			
Interest-bearing loans and borrowings	16	3,750	3,750
Trade and other payables	17	65,945	65,327
Taxation and social welfare	18	8,331	9,497
Employee benefits	19	8,443	9,025
Derivative financial instruments	22	1,186	1,391
Total Current Liabilities		87,655	88,990
Total Liabilities		173,827	165,003
Total Equity and Liabilities		196,799	217,017

On behalf of the Board

Moya Doherty
Chair

Anne O'Leary
Board Member
and Chair of
the Audit and Risk
Committee

Noel Curran
Director-General

23 April 2015

GROUP STATEMENT OF CHANGES IN EQUITY

AT 31 DECEMBER 2014

	Retained earnings €'000	Cash flow hedge reserve €'000	Total Equity €'000
		(Note 23)	
Balance at 1 January 2014	53,852	(1,838)	52,014
Surplus for the year	217	-	217
Other comprehensive (deficit)/surplus	(31,097)	1,838	(29,259)
Total comprehensive (deficit)/surplus	(30,880)	1,838	(29,042)
Balance at 31 December 2014	22,972	-	22,972
Balance at 1 January 2013	(127)	(2,807)	(2,934)
Surplus for the year	658	-	658
Other comprehensive surplus	53,321	969	54,290
Total comprehensive surplus	53,979	969	54,948
Balance at 31 December 2013	53,852	(1,838)	52,014

RTÉ STATEMENT OF CHANGES IN EQUITY

AT 31 DECEMBER 2014

	2014 €'000	2013 €'000
Retained earnings		
Balance at 1 January	(45,517)	(89,896)
Surplus/(deficit) for the year	8,979	(8,942)
Other comprehensive (deficit)/surplus	(31,097)	53,321
Total comprehensive (deficit)/surplus	(22,118)	44,379
Balance at 31 December	(67,635)	(45,517)

On behalf of the Board

Moya Doherty
Chair

Anne O'Leary
Board Member
and Chair of
the Audit and Risk Committee

Noel Curran
Director-General

23 April 2015

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 €'000	2013 €'000
Cash Flows from Operating Activities			
Surplus for the year		217	658
Adjustments for:			
Restructuring and other credits	6	(237)	(390)
Depreciation of property, plant and equipment	8	12,307	13,864
Amortisation of intangible assets	9	1,293	1,391
Gain on disposal of property, plant and equipment		(43)	(24)
Difference between pension credit and cash contributions		(4,414)	(3,485)
Net finance expense	3	1,788	4,734
Income tax expense	7	711	408
		11,622	17,156
Change in inventories and related inventory payables		3,550	(1,167)
Change in trade and other receivables		(2,606)	(318)
Change in prepayments		813	2,214
Change in trade and other payables		(2,918)	(3,170)
Change in taxation and social welfare		(1,166)	1,483
Change in employee benefits and restructuring and other costs		(6,849)	(11,122)
Net Cash generated from Operating Activities		2,446	5,076
Cash Flows from Investing Activities			
Interest received		371	521
Proceeds from sale of property, plant and equipment		216	32
Acquisition of property, plant and equipment		(4,699)	(7,860)
Acquisition of intangible assets		(809)	(1,352)
Net Cash used in Investing Activities		(4,921)	(8,659)
Cash Flows from Financing Activities			
(Repayments)/proceeds from borrowings	16	(2,000)	(1,875)
Interest paid		(2,900)	(2,595)
Restricted cash	15	4,000	(1,000)
Decrease in liquid investments	14	3,056	7,110
Net Cash from Financing Activities		2,156	1,640
Net decrease in cash and cash equivalents		(319)	(1,943)
Cash and cash equivalents at 1 January		18,962	20,905
Cash and Cash Equivalents at 31 December	15	18,643	18,962

On behalf of the Board

Moya Doherty
Chair

Anne O'Leary
Board Member
and Chair of
the Audit and Risk
Committee

Noel Curran
Director-General

23 April 2015

RTÉ BALANCE SHEET

AT 31 DECEMBER 2014

	Notes	2014 €'000	2013 €'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	8	20,651	23,367
Intangible assets	9	1,971	2,593
Investments in subsidiaries	11	65,827	65,827
Pension asset	20	1,837	9,899
Deferred tax assets	21	1,062	309
Total Non-Current Assets		91,348	101,995
Current Assets			
Inventories	12	33,763	33,425
Trade and other receivables	13	30,506	28,633
Prepayments and accrued income		9,768	11,088
Liquid investments	14	6,045	8,082
Cash and cash equivalents	15	14,869	16,674
Derivative financial instruments	22	1,113	-
Total Current Assets		96,064	97,902
Total Assets		187,412	199,897
EQUITY			
Retained earnings		(67,635)	(45,517)
LIABILITIES			
Non-Current Liabilities			
Interest-bearing loans and borrowings	16	5,625	9,375
Employee benefits	19	17,544	22,604
Trade and other payables	17	2,391	3,290
Pension liability	20	19,188	-
Total Non-Current Liabilities		44,748	35,269
Current Liabilities			
Interest-bearing loans and borrowings	16	3,750	3,750
Trade and other payables	17	191,382	189,140
Taxation and social welfare	18	7,032	8,147
Employee benefits	19	8,135	8,796
Derivative financial instruments	22	-	312
Total Current Liabilities		210,299	210,145
Total Liabilities		255,047	245,414
Total Equity and Liabilities		187,412	199,897

On behalf of the Board

Moya Doherty
Chair

Anne O'Leary
Board Member
and Chair of
the Audit and Risk
Committee

Noel Curran
Director-General

23 April 2015

RTÉ CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 €'000	2013 €'000
Cash Flows from Operating Activities			
Surplus/(Deficit) for the year after tax		8,979	(8,942)
Adjustments for:			
Restructuring and other credits	6	(237)	(390)
Depreciation of property, plant and equipment	8	6,420	7,858
Amortisation of intangible assets	9	757	800
Gain on disposal of property, plant and equipment		(57)	(7)
Difference between pension credit and cash contributions		(4,414)	(3,485)
Net finance (income)/expense		(1,485)	2,208
Income tax expense/(credit)		253	(109)
		10,216	(2,067)
Change in inventories and related inventory payables		3,576	(1,195)
Change in trade and other receivables		(1,873)	659
Change in prepayments		1,325	248
Change in provisions and trade and other payables		(2,164)	11,997
Change in taxation and social welfare		(1,115)	922
Change in employee benefits and restructuring and other costs		(6,912)	(11,167)
Net Cash from/(used in) Operating Activities		3,053	(603)
Cash Flows from Investing Activities			
Interest received		357	455
Proceeds from sale of property, plant and equipment		57	7
Acquisition of property, plant and equipment		(2,770)	(3,253)
Acquisition of intangible assets		(426)	(1,209)
Net Cash used in Investing Activities		(2,782)	(4,000)
Cash Flows from Financing Activities			
Repayment of borrowings	16	(3,750)	(1,875)
Interest paid		(363)	(480)
Decrease in liquid investments	14	2,037	5,028
Net Cash (used in)/from Financing Activities		(2,076)	2,673
Net decrease in cash and cash equivalents		(1,805)	(1,930)
Cash and cash equivalents at 1 January		16,674	18,604
Cash and Cash Equivalents at 31 December	15	14,869	16,674

On behalf of the Board

Moya Doherty

Chair

Anne O'Leary

Board Member
and Chair of
the Audit and Risk
Committee

Noel Curran

Director-General

23 April 2015

ACCOUNTING POLICIES

1. Basis of accounting

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group and RTÉ financial statements except for the new standards and amendments to standards outlined in section 14 below.

(a) Reporting entity

RTÉ is a statutory corporation established under the *Broadcasting Authority Act, 1960* and is domiciled in Ireland. The consolidated financial statements of RTÉ as at and for the year ended 31 December 2014 comprise the statutory corporation and all entities controlled by it (together referred to as the 'Group').

(b) Statement of compliance

The RTÉ and Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) that are effective for the year ended 31 December 2014 and are applied in accordance with the provisions of broadcasting legislation. The Group has also elected to present both its consolidated and RTÉ parent entity financial statements in accordance with the provisions of the Irish Companies Acts, 1963 to 2013 in so far as necessary to give a true and fair view. Accordingly RTÉ's parent balance sheet, statement of cash flows and statement of changes in equity have also been presented with the consolidated financial statements as would ordinarily be required by the Irish Companies Acts 1963 to 2013.

(c) Basis of preparation

The RTÉ and Group financial statements have been prepared on the historical cost basis as modified by the measurement at fair value of derivative financial instruments and retirement benefit obligations.

The Group financial statements are prepared in Euro, rounded to the nearest thousand (€000), which is the functional currency of all the Group entities.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The key areas involving significant judgement or complexity, or areas where assumptions and estimates are significant to the Group's financial statements, relate primarily to the valuation of the defined benefit pension scheme and financial instruments and are documented in the relevant accounting policies below and in the related notes. The accounting policies set out below have been applied consistently by group entities and by RTÉ, where applicable, to all periods presented in these consolidated and RTÉ financial statements except as noted in section 14 below.

2. Basis of consolidation

(a) Subsidiaries

The Group financial statements include the financial statements of RTÉ and all of its subsidiary entities drawn up to 31 December each year. Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies

of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(c) Interest in joint venture

The Group's interest in an equity accounted investee comprises interests in a joint venture. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement rather than rights to its assets and obligations for its liabilities.

Interest in the joint venture is accounted for using the equity method where material. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which joint control ceases.

3. Significant accounting policies

(a) Revenue recognition

Revenue, which excludes VAT and transactions between companies in the Group, comprises income arising from Licence Fees, advertising sales, sponsorship, the use of the Group's facilities and transmission network, circulation and events income, and content, merchandising and related income. Revenue is stated net of any settlement and volume discounts.

Revenue is recognised to the extent that recovery is probable, it is subject to reliable measurement, it is probable that economic benefits will flow to the Group and that the significant risks and rewards of ownership have transferred to the buyer.

(b) Licence Fee revenue

Licence Fee revenue payable by the Department of Social Protection (DSP) on behalf of individuals eligible for a 'free' Television Licence is paid by the DSP to the Department of Communications, Energy and Natural Resources (DCENR). All other Licence Fee revenue is collected by An Post and paid over to DCENR, net of collection costs.

DCENR makes a non-repayable 'grant-in-aid' to RTÉ from these Licence Fees collected, as provided in Section 123 of the *Broadcasting Act 2009* as amended by section 69 of the *Communications Regulation (Postal Services) Act 2012*. This equates to the amounts paid to it by DSP, together with the amounts collected by An Post, net of collection costs, a 7% levy to the Broadcasting Fund and amounts paid to TG4 as determined by the Minister for Communications, Energy and Natural Resources.

Licence Fee revenue payable by the DSP is recognised upon receipt. All other Licence Fee income is recognised upon notification by An Post.

(c) Advertising and sponsorship income

Television advertising income is recognised on delivery of a campaign. All other advertising income is recognised on transmission/publication. Advertising income is stated net of agency commissions. Sponsorship income is recognised evenly over the life of the sponsored programme, publication, etc.

(d) Transmission and facilities income

Transmission and facilities income arise from the use of and access to the Group's transmission, distribution and multiplexing network and studio facilities provided to third parties. Amounts are recognised as the facilities are made available to third parties.

(e) Circulation and events income

Circulation income arises from the publication and circulation of the *RTÉ Guide* and is stated net of fees due to the distributor and end-retailer. Revenue is recognised on the basis of the net copies sold at the end of the sales cut-off period for each issue.

Events income arises from public events organised by RTÉ Orchestras. It is recognised as the events are held and amounts fall due.

(f) Content, merchandising and related income

Content, merchandising and related income represents amounts generated from RTÉ content and services provided to third parties through a range of means, including the Group's Internet facilities, Aertel teletext, the external sale of RTÉ content and amounts earned through other commercial services provided by the Group. Revenue is recognised as the service is provided or upon delivery of goods to the third party.

4. Segment reporting

An operating segment is a distinguishable component of the Group that is engaged in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's components.

Arising from the Group's internal organisation structure and its system of internal financial reporting, the Group's primary reporting segment, under IFRS 8 *Operating Segments*, is by Integrated Business Division (IBD). Each IBD is a separate division organised and managed separately according to the nature of the services and products provided. All operating segments' operating results are reviewed regularly by the Director-General and the RTÉ Executive to make decisions about resources to be allocated to the segment and assess its performance and for which financial information is available.

5. Foreign currency transactions

Transactions denominated in foreign currencies are translated to the respective functional currencies of group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Income Statement.

6. Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment is shown at historical cost, net of accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the replaced item can be measured reliably. All other repairs and maintenance costs are charged to the Income Statement during the financial period in which they are incurred.

Stocks of minor spare parts are stated at the lower of cost and net realisable value and are included in Capital projects in progress.

(b) Depreciation

Depreciation is provided on all property, plant and equipment, except freehold land and spare parts, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life.

The principal rates used are as follows:

Buildings	2.5%	-	25%
Plant & equipment	7.5%	-	20%
Fixtures & fittings	10%	-	25%

Capital projects in progress represent the cost of purchasing and installing property, plant and equipment ahead of their commission into use. Depreciation is charged on assets from the date of commissioning.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment and depreciated accordingly.

(c) Impairment

In accordance with IAS 36 *Impairment of assets* the carrying amount of items of buildings and plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment and are subjected to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated.

(d) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

7. Intangible assets

(a) Recognition and measurement

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. The asset is deemed to be identifiable when it is separable or when it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the Group or from other rights and obligations.

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The Group's intangible assets are entirely software-related in nature.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(b) Amortisation

Intangible assets, with finite useful economic lives, are amortised to the income statement on a straight-line basis over their estimated useful lives from the date they are available for use. In the case of computer software, the useful economic lives are generally three to five years.

(c) Impairment

In accordance with IAS 36 *Impairment of assets* the carrying amount of intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment and are subjected to impairment testing when events or changes in circumstances indicate that the carrying values are not recoverable. If any such indication exists, then the assets recoverable amount is estimated.

8. Financial instruments

(a) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables (excluding prepayments), liquid investments, cash and cash equivalents, restricted cash, loans and borrowings, accrued income, employee benefits and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Investments in subsidiaries

RTÉ's investments in subsidiary companies in its balance sheet are recognised at cost, less impairment losses.

Trade and other receivables

Trade and other receivables are stated at amortised cost, which approximates to fair value given the short-dated nature of these assets. Trade receivables are carried at original invoice amount less any impairment for potentially unrecoverable amounts. Impairment is recognised if there is objective evidence after initial recognition that a balance may not be recoverable in full or in part.

Liquid investments

Liquid investments comprise short-term deposits which have a maturity date of greater than three months from the date of acquisition but less than twelve months from the balance sheet date. Given that the maturity of these investments falls outside the timeframe for classification as cash and cash equivalents under IAS 7 *Cash Flow Statements*, the related balances are treated as financial assets and are stated at fair value at inception and carried at amortised cost thereafter. Income on these assets is recognised on an effective interest rate basis.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances and call deposits which are readily convertible to known amounts of cash at or close to their carrying values and are subject to an insignificant risk of changes in value. Where call deposits are classified as cash equivalents, the related balances have a maturity of three months or less from the date of acquisition. Income on these assets is recognised on an effective interest rate basis.

Loans and borrowings

Interest-bearing loans and borrowings are initially recorded at fair value, being the fair value of the consideration received, net of attributable transaction costs. Subsequent to initial recognition, variable rate borrowings are measured at amortised cost, using the effective interest rate methodology.

Trade and other payables

Trade and other payables are stated at cost, which approximates to fair value given the short-dated nature of these assets.

(b) Derivative financial instruments

The Group is exposed to market risks relating to fluctuations in interest rates and currency exchange rates. The Group has entered an interest rate swap to manage the exposure to the interest rate fluctuations on its borrowings. Foreign currency forward contracts are used to manage the Group's exposure to fluctuations in US Dollar and Sterling for forecasted transactions. The Group does not enter into speculative derivative contracts.

The fair value of the interest rate swap is determined by discounting the projected cash flows on the swap arrangement to present value using an appropriate market rate of interest. The fair value of foreign currency forward contracts is determined based on the present value of the quoted forward price.

Derivative financial instruments are initially recognised at fair value and are subsequently re-measured to fair value at each reporting date. The Group categorises derivative financial instruments as financial assets or liabilities at fair value through surplus or deficit or as cash flow hedges. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Income Statement, except for the effective portion of cash flow hedges, which are recognised in the Statement of Comprehensive Income (as described below).

Cash flow hedges

At the inception of a cash flow hedge, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk-management objective and strategy for undertaking the hedge.

Where a derivative financial instrument is designated as a cash flow hedge of a recognised liability, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the Statement of Comprehensive Income. The ineffective part of any gain or loss is recognised in the Income Statement immediately. The amount accumulated in equity is reclassified to the Income Statement in the same period that the hedged item affects surplus or deficit.

If the hedging instrument no longer meets the criteria for hedge accounting or the designation is revoked, the hedge accounting is discontinued prospectively.

9. Inventories

(a) Programme inventories

Programme inventories are valued at the lower of cost and net realisable value.

Indigenous programme inventories are programmes produced in-house by RTÉ or programmes commissioned by RTÉ from independent producers. Costs for in-house programme stock include direct programme costs, including production facilities and programme labour costs. Costs for commissioned programme stocks are based on the contract price. Indigenous programme inventories are charged to the Income Statement in full on first transmission.

Acquired programme inventories are programmes and films purchased by RTÉ from third-party studios and broadcasters. Costs for acquired programme inventories are defined as the third-party licence contract price which RTÉ pays the studio or broadcaster. Acquired programme inventories are charged to the Income Statement based on the expected value of each transmission as follows:

Features:	75% on first transmission, 25% on second transmission
Series:	99% on first transmission, 1% on second transmission

Sports rights inventories are the rights to broadcast sporting events. Costs for sport rights inventories are defined as the contract price agreed by the Group with the relevant sports body or rights holder. Sports rights inventories are charged to the Income Statement as the sporting events relating to the rights are broadcast.

10. Employee benefits

(a) Retirement benefit obligations

The Group, through the RTÉ Superannuation Scheme, the RTÉ Defined Contribution Pension Scheme, the RTÉ '50/50' Risk-Sharing Pension Scheme (a hybrid scheme that has both defined benefit and defined contribution elements) and other defined contribution schemes, makes pension contributions for a substantial number of employees.

In relation to the defined contribution schemes and the defined contribution element of the RTÉ '50/50' Risk-Sharing Pension Scheme, contributions are accrued and recognised in the Income Statement in the period in which they are earned by the relevant employees.

For the RTÉ Superannuation Scheme, a funded contributory defined benefit scheme and the defined benefit element of the RTÉ '50/50' Risk-Sharing Pension Scheme, the difference between the market value of the scheme's assets and the actuarially assessed present value of the scheme's liabilities, calculated using the projected unit credit method, is disclosed as an asset/liability in the balance sheet, net of deferred tax (to the extent that it is recoverable). The amount charged to the Income Statement is the actuarially determined cost of pension benefits promised to employees earned during the year plus any benefit improvements granted to members during the year.

The Group determines the net interest expense (income) by applying the discount rate used to measure the defined benefit obligation at the beginning of the period, on the net defined benefit liability (asset) at the start of the period, taking into account changes during the period as a result of contributions and benefit payments. The net interest expense (income) is shown as a financing item in the Income Statement. Remeasurements of the net defined benefit liability, returns on plan assets and the effect of the asset ceiling are recognised immediately in the statement of comprehensive income.

When the benefits of a plan are changed, the resulting change in the benefit that relates to past service is recognised immediately in the income statement.

(b) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, if it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(c) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

11. Income tax

(a) Recognition

Income tax comprises current and deferred tax. Income tax expense is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

(b) Current tax

Current tax is the expected tax payable on the taxable income for the year, using the tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Group's taxable income is liable to Irish corporation tax. The Group's Licence Fee revenue earned prior to 31 December 2006 was exempt from corporation tax.

(c) Deferred Tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that are anticipated to apply in the period in which the asset is realised or the liability is settled based on the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences with the exception of the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither the accounting profit nor taxable profit or loss at the time of the transaction.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

12. Finance income and expenses

Finance income comprises interest income on cash and liquid investments and fair value movements on derivative financial instruments that are recognised through the Income Statement.

Finance expenses comprise interest on borrowings, unwinding of the discount on restructuring costs and fair value movements on derivative financial instruments that are recognised through the Income Statement.

13. Dividend income

Dividends paid and received from group companies are included in the company financial statements in the period in which the related dividends are declared and approved.

14. New standards and interpretations

(a) Adopted during the year

There were a number of new requirements effective for the first time during 2014. The relevant standards are set out in detail below.

IFRS 10 *Consolidated Financial Statements* establishes a new control-based model for consolidation that replaces the existing requirements of both IAS 27 and SIC-12 *Consolidation – Special Purpose Entities*. Under the new requirements an investor controls an investee when (i) it has exposure to variable returns from that investee (ii) it has the power over relevant activities of the investee that affect those returns and (iii) there is a link between that power and those variable returns. The change had no impact on the measurements of the Group's assets and liabilities.

IFRS 11 *Joint Arrangements* replaces IAS 31 *Interests in joint ventures* and SIC-13 *Jointly-controlled entities – nonmonetary contributions*

by venturers. IFRS 11 classifies joint arrangements as either joint operations or joint ventures and focuses on the nature of the rights and obligations of the arrangement. IFRS 11 may result in some of these jointly-controlled entities now being seen as joint operations which will be subject to a requirement for the party to directly account for its own assets and liabilities, when additional factors (other than legal form) are taken into account. All investee entities determined under the new criteria to be 'joint ventures' will be equity accounted for, with the option for the investor to proportionately consolidate being removed from the new standard. This change had no impact on the measurements of the Group's assets and liabilities.

IFRS 12 *Disclosure of Interests in Other Entities* sets out more comprehensive disclosures relating to the nature, risks and financial effects of interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. Interests are widely defined as contractual and non-contractual involvement that exposes an entity to variability of returns from the performance of the other entity or operation.

IAS 27 *Separate Financial Statements (2011)*, IAS 28 *Investments in Associates and Joint Ventures (2011)*, *Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)*, *Investment Entities (Amendments to IFRS 10, 12 and IAS 27)*, *Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)*, *Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)* and IFRIC 21 *Levies* are also new requirements effective for the first time during 2014. The changes in accounting policies arising from these new requirements did not materially impact the Group.

(b) New standards and interpretations not yet adopted

A number of new EU endorsed amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, with early adoption permitted and they have not been applied in preparing these consolidated financial statements. These include *Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)* – the amendment is to simplify the accounting for contributions from employees or third parties to benefits plans that are independent of the number of years of employee service. Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle. The topics covered in these revisions are IFRS 2 *Share-based Payment*: definition of a vesting condition. IFRS 3 *Business Combinations*: accounting for contingent consideration in a business combination and scope exceptions for joint ventures. IFRS 8 *Operating Segments*: (i) aggregation of operating segments and (ii) reconciliation of the total of the reportable segments' assets to the entity's assets. IFRS 13 *Fair Value Measurement*: short-term receivables and payables and scope of paragraph 52 (portfolio exception). IAS 16 *Property, Plant and Equipment*: revaluation method – proportionate restatement of accumulated depreciation. IAS 24 *Related Party Disclosures*: key management personnel services. IAS 38 *Intangible Assets*: revaluation method; proportionate restatement of accumulated amortisation. IFRS 1 *First-time adoption of IFRS*: meaning of 'effective IFRSs'. IAS 40 *Investment Property*: clarifying the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. The extent of the impact of these standards on the consolidated financial statements of the Group has not yet been determined.

NOTES

FORMING PART OF THE GROUP FINANCIAL STATEMENTS

1. Principal activities and segmental information

(a) Principal activities

RTÉ is a not-for-profit organisation. Its principal public service activity is the broadcast of a comprehensive range of free-to-air television and radio channels. RTÉ provides opportunities to access content from these services via its free online services. The key online services are set out in the Digital Operational Review. Further opportunities to access RTÉ's public service content are provided via the RTÉ+1 and RTÉjr channels and through the RTÉ News Now online service. These services serve all demographic categories in Irish society with a wide variety of output and genres, irrespective of commercial audience attraction, and with specific emphasis on indigenously produced programmes. RTÉ's other public service activities include RTÉ Orchestras, as described in the Orchestras operational review.

The cost of RTÉ's public service activities is substantially in excess of the amount of public funding received in the form of Licence Fee revenue. Accordingly RTÉ also engages in ancillary commercial activities to support its public service activities. These include the sale of advertising and sponsorship, publication of the *RTÉ Guide* and other broadcast related commercial activities.

As required by legislation RTÉ provides DTT multiplexing services which it makes available to national broadcasters, including RTÉ's own services, in accordance with published regulated market tariffs. The management of this multiplexing service is separated within RTÉ from the management of the broadcast Integrated Business Divisions (IBDs). RTÉ Transmission Network Limited (trading as 2rn), a subsidiary of RTÉ, supplies transmission and distribution services to multiplex operators (including RTÉ) and national and quasi national sound broadcasters, including RTÉ. 2rn also makes the transmission network available to local broadcasters and also rents surplus tower/mast space to a variety of third party non-broadcast users.

During 2014 RTÉ's operations and management were organised into six IBDs: Television, Radio, News and Current Affairs, Digital, Orchestras and Network. Network IBD is entirely located within 2rn. For each IBD, the Director-General and the RTÉ Executive review internal management reports on a monthly basis. A detailed list of RTÉ's activities by IBD and legal entity is set out in note 11 to these financial statements.

In addition to the six IBDs, RTÉ operates Corporate HQ and Central Shared Services. Corporate HQ consists of general administrative and other activities that arise at the entity level relating to the governance of RTÉ as a Public Service Broadcaster. Central Shared Services encompass activities which are carried out centrally on behalf of the IBDs. Costs of Central Shared Services activities provided to the IBDs are allocated in accordance with the cost allocation principles set out below. The cost of the Corporate HQ is not allocated to IBDs and is reported as an 'other' segment between the cost of reportable segments and the total cost.

(b) Segmental information

Segmental analysis, prepared in accordance with IFRS 8 *Operating Segments* is set out in schedules 1(d) and 1(f). RTÉ's primary reporting segments are its IBDs. Other segmental analysis as required by the *Broadcasting Act 2009* is set out in schedule 1(e).

In the schedules set out at 1(d), commercial revenues are reported in the IBD where they are earned. With the exception of the News and Current Affairs IBD, the reporting of Licence Fee revenue within each IBD is a function of the attribution of it to each individual channel and service (see (d) below). In the case of the News and Current Affairs IBD, all of the costs are covered by attributed Licence Fee revenue.

Costs directly incurred by and for an IBD are reported within that IBD. An appropriate full-cost absorption/usage allocation basis is used to apply a fair and reasonable cost to inter-divisional and central shared services consumed by those IBDs. The allocations are based upon consistently applied and objectively justifiable cost accounting principles.

Costs of production, commissioning and acquisition of television and radio programmes are incurred for the purpose of providing RTÉ's free-to-air television and radio channels. These costs are charged to the Television, Radio and News and Current Affairs IBDs as appropriate. In order to fairly reflect the true cost of providing RTÉ's free-to-air television and radio channels, these costs are not apportioned to the online services where further opportunities to access the content are provided. Where direct costs are incurred in the acquisition of online rights or the repurposing of content, these are charged to online services. Where content is sourced both for inclusion in broadcast programmes and used directly in online services, the cost of sourcing such content is allocated in line with the cost allocation principles set out above.

Broadcast and transmission services including multiplex services are charged to all IBDs on the basis of published tariffs. 2rn invoices RTÉ the published regulated tariff for supply of transmission and distribution services as a multiplex operator and as a sound broadcaster. Costs incurred in support of RTÉ's Television and RTÉ's Radio channels are charged to those channels on the basis of the published regulated tariffs. Other elements of the tariff are reported as a reconciling item between the cost of reportable segments and the total cost. Other 2rn services are invoiced at appropriate market rates.

Transactions between activities in pursuit of RTÉ's public service objects and activities to exploit commercial opportunities are effected at market rates.

In 1(f) below, assets and liabilities by IBD are stated after the elimination of inter-company assets and liabilities and any inter-company profit resulting from internal transfers.

(c) Other analysis

Note 1(e) provides an analysis of gross/net cost of public service activities and (deficit)/surplus by channel and service. In addition, gross costs of indigenous content by broadcasting genre are also provided. The analysis between public service and non-public service activities is reported in a manner that is consistent with the principles used to report IBD revenues and costs set out above.

News and Current Affairs IBD costs are fully allocated to the relevant Television and Radio channels in accordance with the cost allocation principles outlined above.

The residual non-channel and non-service activities are aggregated together under the category 'Other' and include 2m, provision of multiplexing services, *RTÉ Guide* and non-channel activities within RTÉ Television and RTÉ Radio IBDs.

(d) Licence Fee attribution

Each RTÉ service has a detailed service description which clearly defines how the channel or service contributes to the delivery of RTÉ's public service objects.

In line with common practice among Public Service Media Organisations (PSMs) across the EU, RTÉ attributes public funding to individual services proportionate to the net cost of the public service. Net cost of public service is the gross cost of delivering the public service after deducting the contribution from commercial activities.

The Gross Public Service Cost of each of RTÉ's channels and services includes all costs incurred in the production and delivery of the service. It does not include any costs incurred in the exploitation of commercial opportunities arising from the provision of the service. These costs are allocated against the commercial revenue to which they relate, to calculate the commercial contribution. Surpluses on commercial activities not directly linked to channels or services are attributed to those public service activities which have significant revenue generating potential (RTÉ One, RTÉ2, RTÉ Radio 1, RTÉ 2fm, Online services) in proportion to the gross cost of public services.

Licence Fee revenue is firstly attributed to those public service channels and services that have a limited capacity to generate commercial revenue in their own right and therefore are, of necessity, primarily funded by Licence Fee revenue in order to facilitate continued delivery of the public service. The services at issue comprise RTÉ Orchestras, RTÉ Raidió na Gaeltachta, RTÉ lyric fm, statutory provision of programming to TG4, supplementary DTT and DAB channels ('other channels'), Corporate HQ and financing costs.

The remaining Licence Fee is attributed between services with significant commercial revenue potential in proportion to the net cost of the public services. These services include: RTÉ One, RTÉ2, RTÉ Radio 1, RTÉ 2fm and Online services. No Licence Fee revenue is attributed to 2m, the provision of multiplexing services by RTÉ or any costs incurred in the exploitation of commercial opportunities.

C

NOTES (CONTINUED)

FORMING PART OF THE GROUP FINANCIAL STATEMENTS

1. Principal activities and segmental information (continued)

(d) Revenues, costs and surplus/(deficit) by IBD (continuing operations), in line with RTÉ's organisation structure, year ended 31 December 2014

	REPORTABLE SEGMENTS						OTHER			Group Total
	News & Current						All			
	Television	Radio	Affairs	Orchestras	Network	Digital	Other	DTT	Consolidation	
	IBD	IBD	IBD	IBD	IBD	IBD	Segments	Related	Adjustments*	
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	
Revenue										
Advertising income	80,507	17,757	-	-	-	6,832	995	-	(689)	105,402
Sponsorship income	6,576	2,438	-	40	-	219	39	-	-	9,312
Facilities income	2,270	142	-	524	-	-	-	-	(150)	2,786
Circulation and event income	-	-	-	2,271	-	-	3,518	-	-	5,789
Transmission, mast and towers income	-	-	-	-	28,829	-	-	-	(17,738)	11,091
Content, merchandising and related sales	1,057	1,437	-	50	-	9,076	32	-	(11)	11,641
Other commercial revenue	300	-	-	-	-	-	3,324	-	(40)	3,584
Commercial revenue	90,710	21,774	-	2,885	28,829	16,127	7,908	-	(18,628)	149,605
Licence Fee revenue attribution	82,152	29,412	46,343	11,556	-	3,558	5,057	484	-	178,562
	172,862	51,186	46,343	14,441	28,829	19,685	12,965	484	(18,628)	328,167
Costs by output category**										
Programmes costs - by source										
In-house productions	(84,644)	(41,674)	(46,151)	-	-	-	-	-	691	(171,778)
Commissioned programming	(38,213)	(1,210)	-	-	-	-	-	-	-	(39,423)
Indigenous programming	(122,857)	(42,884)	(46,151)	-	-	-	-	-	691	(211,201)
Acquired programmes - Ireland	(1,908)	-	-	-	-	-	-	-	-	(1,908)
Acquired programmes - Overseas	(19,934)	-	-	-	-	-	-	-	-	(19,934)
General broadcast and transmission costs	(144,699)	(42,884)	(46,151)	-	-	-	-	-	691	(233,043)
2m transmission and power charges	(18,319)	(2,193)	(192)	-	(18,755)	(2,765)	(285)	-	1,056	(41,453)
Sales costs	(5,420)	(2,284)	-	-	-	(3,679)	(337)	-	98	(11,622)
Other output related costs	(2,990)	(300)	-	(14,441)	-	(10,912)	(4,026)	(484)	251	(32,902)
	(179,453)	(52,720)	(46,343)	(14,441)	(18,755)	(17,356)	(8,604)	(484)	19,136	(319,020)
Other revenues and costs										
Corporate HQ	-	-	-	-	-	-	(5,197)	-	(45)	(5,242)
Interest payable	-	-	-	-	(3,730)	-	(247)	-	-	(3,977)
Interest receivable	-	-	-	-	8	-	316	-	-	324
IBD Surplus/(Deficit)	(6,591)	(1,534)	-	-	6,352	2,329	(767)	-	463	252
Net defined benefit pension related finance income	-	-	-	-	-	-	439	-	-	439
Restructuring and other credits	-	-	-	-	-	-	237	-	-	237
Surplus/(Deficit) before income tax	(6,591)	(1,534)	-	-	6,352	2,329	(91)	-	463	928
Income tax										(711)
Surplus for the year										217

* Elimination of intra-group revenue and costs at arm's length.

** Costs by output category include applicable depreciation, amortisation, net finance (expense)/income and exclude operating costs of Corporate HQ.

Additional Segmental Disclosures

Commercial revenue of:										
External customers	89,995	21,652	-	2,885	11,091	16,114	7,868	-	-	149,605
Revenue from other operating segments	715	122	-	-	17,738	13	40	-	(18,628)	-
	90,710	21,774	-	2,885	28,829	16,127	7,908	-	(18,628)	149,605

One customer of all the reporting segments represents €184 million of the Group's total revenue.

Material non-cash items included in the reportable segment costs include:

Difference between pension charge and cash contributions	(2,031)	(974)	(758)	(454)	(66)	(131)	-	-	-	(4,414)
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1. Principal activities and segmental information (continued)

(d) Revenues, costs and (deficit)/surplus by IBD (continuing operations), in line with RTÉ's organisation structure, year ended 31 December 2013

	REPORTABLE SEGMENTS						OTHER			Group Total
	News & Current						All			
	Television	Radio	Affairs	Orchestras	Network	Digital	Other	DTT	Consolidation	
	IBD	IBD	IBD	IBD	IBD	IBD	Segments	Related	Adjustments*	
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Revenue										
Advertising income	77,017	18,363	-	-	-	5,597	1,015	-	(362)	101,630
Sponsorship income	5,963	1,861	-	-	-	303	20	-	-	8,147
Facilities income	2,933	137	-	531	-	-	-	-	(148)	3,453
Circulation and event income	-	-	-	2,286	-	-	3,562	-	-	5,848
Transmission, mast and towers income	-	-	-	-	26,316	-	-	-	(15,670)	10,646
Content, merchandising and related sales	731	1,645	-	39	-	9,523	28	-	(34)	11,932
Other commercial revenue	328	2	-	-	-	-	3,268	-	(40)	3,558
Commercial revenue	86,972	22,008	-	2,856	26,316	15,423	7,893	-	(16,254)	145,214
Licence Fee revenue attribution	80,062	31,375	46,915	11,701	-	4,907	7,069	341	-	182,370
	167,034	53,383	46,915	14,557	26,316	20,330	14,962	341	(16,254)	327,584
Costs by output category**										
Programmes costs - by source										
In-house productions	(80,029)	(43,067)	(46,743)	-	-	-	-	-	650	(169,189)
Commissioned programming	(36,375)	(1,186)	-	-	-	-	-	-	-	(37,561)
Indigenous programming	(116,404)	(44,253)	(46,743)	-	-	-	-	-	650	(206,750)
Acquired programmes - Ireland	(1,021)	-	-	-	-	-	-	-	-	(1,021)
Acquired programmes - Overseas	(22,083)	-	-	-	-	-	-	-	-	(22,083)
General broadcast and transmission costs	(139,508)	(44,253)	(46,743)	-	-	-	-	-	650	(229,854)
2rn transmission and power charges	(19,373)	(2,616)	(172)	-	(18,617)	(3,145)	-	-	657	(43,266)
Sales costs	(6,151)	(5,623)	-	-	-	-	(3,240)	-	15,014	-
Other output related costs	(5,206)	(2,120)	-	-	-	(4,271)	(205)	-	304	(11,498)
	(3,654)	(443)	-	(14,557)	-	(9,359)	(4,460)	(341)	199	(32,615)
	(173,892)	(55,055)	(46,915)	(14,557)	(18,617)	(16,775)	(7,905)	(341)	16,824	(317,233)
Other revenues and costs										
Corporate HQ	-	-	-	-	-	-	(5,084)	-	(40)	(5,124)
Interest payable	-	-	-	-	(2,118)	-	(1,361)	-	-	(3,479)
Interest receivable	-	-	-	-	42	-	432	-	-	474
IBD Surplus/(Deficit)	(6,858)	(1,672)	-	-	5,623	3,555	1,044	-	530	2,222
Net defined benefit pension	-	-	-	-	-	-	-	-	-	-
related finance expense	-	-	-	-	-	-	(1,546)	-	-	(1,546)
Restructuring and other credits	-	-	-	-	-	-	390	-	-	390
Surplus/(Deficit) before income tax	(6,858)	(1,672)	-	-	5,623	3,555	(112)	-	530	1,066
Income tax										(408)
Surplus for the year										658

* Elimination of intra-group revenue and costs at arm's length.

** Costs by output category include applicable depreciation, amortisation, net finance (expense)/income and exclude operating costs of Corporate HQ.

Additional Segmental Disclosures:

Commercial revenue consists of:

External customers	86,637	21,879	-	2,856	10,646	15,366	7,830	-	-	145,214
Revenue from other operating segments	335	129	-	-	15,670	57	63	-	(16,254)	-
	86,972	22,008	-	2,856	26,316	15,423	7,893	-	(16,254)	145,214

One customer of the Television, Radio and Digital reporting segments represents €34 million of the Group's total revenue while one customer of all the reporting segments represents €187 million of the Group's total revenue.

Material non-cash items included in the reportable segment costs include:

Difference between pension charge and cash contributions	(1,617)	(789)	(572)	(361)	(49)	(97)	-	-	-	(3,485)
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NOTES (CONTINUED)

FORMING PART OF THE GROUP FINANCIAL STATEMENTS

1. Principal activities and segmental information (continued)

(e) Analysis of revenues, costs and surplus/(deficit) by channel, service and broadcasting genre and between public service and non-public service activities, year ended 31 December 2014

	RTE One	RTE2	Radio1	RTE	RTE 2fm	RTE	RTE lyric fm	RTE	RTE	RTE	RTE	RTE	Corporate HQ	DTT Related	Online Services	Other Channels	Consolidation	Group Total		
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000		
PUBLIC-SERVICE ACTIVITIES																				
Indigenous programme costs																				
In-house productions	(69,266)	(43,172)	(27,911)	(9,482)	(4,447)	(4,157)	(5,161)	-	-	(3,482)	(391)	-	-	-	(3,482)	(391)	-	691	(71,778)	
Commissioned programming	(25,832)	(11,025)	(1,083)	-	(83)	(46)	(1,121)	-	-	(196)	(48)	-	-	-	(196)	(48)	-	-	(39,423)	
	(95,098)	(54,197)	(28,994)	(9,482)	(4,530)	(9,202)	(6,282)	-	-	(3,668)	(439)	-	-	-	(3,668)	(439)	-	691	(211,201)	
Programme costs - by genre																				
Arts	(1,945)	-	(1,821)	-	(187)	-	-	-	-	-	-	-	-	-	-	-	-	3	(3,950)	
Education	(803)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(803)	
Religious	(2,766)	-	(267)	-	-	(105)	-	-	-	-	-	-	-	-	-	-	-	1	(3,137)	
Other factual	(19,089)	(1,478)	(1,450)	-	(123)	(114)	-	-	-	(47)	-	-	-	-	(47)	-	-	92	(23,236)	
Factual	(24,603)	(1,478)	(3,538)	-	(310)	(1,246)	-	-	-	(47)	-	-	-	-	(47)	-	-	96	(31,126)	
Drama	(19,380)	(368)	(522)	(3,984)	(639)	(702)	(1,014)	-	-	(99)	-	-	-	-	(99)	-	-	6	(20,806)	
Entertainment	(18,457)	(7,877)	(2,945)	(3,984)	(3,204)	(1,570)	(1,014)	-	-	(976)	-	-	-	-	(976)	-	-	25	(36,069)	
Music	(119)	(464)	(5,854)	(3,204)	(3,168)	(1,570)	(4,321)	-	-	-	-	-	-	-	-	-	-	73	(15,368)	
News, Current Affairs and Weather	(30,540)	(9,68)	(18,558)	(1,859)	(443)	(4,406)	(4,321)	-	-	(1,478)	-	-	-	-	(1,478)	-	-	455	(67,108)	
Sport	(840)	(36,347)	(2,976)	(435)	(70)	(1,064)	(568)	-	-	(851)	-	-	-	-	(851)	-	-	26	(42,487)	
Young Peoples	(87)	(6,720)	-	-	(70)	(156)	-	-	-	(217)	(439)	-	-	-	(217)	(439)	-	10	(8,237)	
Indigenous programming	(95,098)	(54,197)	(28,993)	(9,482)	(4,530)	(9,203)	(6,282)	-	-	(3,668)	(439)	-	-	-	(3,668)	(439)	-	691	(211,201)	
Indigenous non-broadcast output costs	-	-	-	-	-	-	-	(14,441)	-	(484)	(6,932)	(11)	-	-	-	(11)	-	261	(21,617)	
Acquired programmes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Ireland	(1,597)	(311)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,908)	
- Overseas	(11,040)	(8,894)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(19,934)	
General broadcast and transmission costs	(10,512)	(9,437)	(1,594)	(560)	(856)	(273)	(59)	-	-	-	(738)	-	-	-	-	(738)	-	501	(23,028)	
2m transmission and power charges	(2,585)	(2,937)	(1,624)	(1,053)	(1,050)	(1,042)	-	-	-	-	(2,794)	-	-	-	-	(2,794)	-	(45)	(13,085)	
Corporate HQ	-	-	-	-	-	-	-	-	-	-	-	-	(5,197)	-	-	-	-	(45)	(5,242)	
Net interest payable	-	-	-	-	-	-	-	-	-	-	-	-	(380)	-	-	-	-	-	(380)	
Net defined benefit/pension related finance expense	-	-	-	-	-	-	-	-	-	-	-	-	439	-	-	-	-	-	439	
Gross Cost of Public Service Activities	(120,832)	(75,776)	(32,211)	(11,095)	(5,936)	(10,518)	(6,341)	(14,441)	(5,138)	(484)	(10,600)	(3,982)	-	-	(3,982)	(3,982)	-	1,398	(295,956)	
Surplus on Commercial Activities	59,508	22,456	13,582	5,030	490	-	-	2,885	81	-	5,277	-	9,711	-	9,711	(935)	-	115,085		
Distribution of Non-Channel Specific Contribution from Non-Public Service Activities	4,684	2,937	1,249	430	-	-	-	-	-	-	411	-	-	-	(9,711)	-	-	-		
Net Cost of Public Service Activities Before Attribution of Public Funding	(56,640)	(50,383)	(17,380)	(5,635)	(5,446)	(10,518)	(6,341)	(11,556)	(5,057)	(484)	(4,912)	(3,982)	-	-	(3,982)	-	463	(177,871)		
Public Funding																				
Licence Fee revenue attribution	56,737	50,466	17,412	5,643	5,446	10,518	6,341	11,556	5,057	484	4,920	3,982	-	-	-	-	-	-	178,562	
Restructuring and other credits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	237	-	-	237	
Surplus before income tax	97	83	32	8	-	-	-	-	-	-	8	-	-	-	237	-	-	463	928	
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(711)	-	
Surplus/(Deficit) for the year	97	83	32	8	-	-	-	-	-	-	8	-	-	-	(474)	-	-	463	217	

External commercial revenue includes €2.2 million from sales outside of the Republic of Ireland, primarily generated in the UK.

1. Principal activities and segmental information (continued)

(e) Analysis of revenues, costs and (deficit)/surplus by channel, service and broadcasting genre and between public service and non-public service activities, year ended 31 December 2013

	RTE One	RTE2	Radio1	RTE	RTE	RTE	RTE	RTE	RTE	RTE	RTE	Corporate	DTT	Online	Other	Consolidation	Group	
	€'000	€'000	€'000	2fm	Lyric fm	RnaG	Support	Orchestras	HQ	Related	Services	Channel	Other Adjustments	€'000	€'000	€'000		
Indigenous programme costs																		
In-house productions	(67,665)	(40,832)	(28,588)	(9,437)	(4,682)	(9,270)	(57,770)	-	-	-	(3,437)	(658)	-	650	-	650	(169,189)	
Commissioned programming	(25,919)	(9,037)	(1,032)	-	(111)	(43)	(130,561)	-	-	-	(62)	(52)	-	-	-	-	-	(37,561)
	(93,084)	(49,869)	(29,620)	(9,437)	(4,793)	(9,313)	(70,715)	-	-	-	(3,499)	(710)	-	650	-	650	(206,750)	
Programme costs - by genre																		
Arts	(1,459)	-	(1,800)	-	(204)	-	-	-	-	-	-	-	-	2	-	2	(3,461)	
Education	(299)	-	-	-	-	(4)	-	-	-	-	-	-	-	-	-	-	(303)	
Religious	(2,152)	-	(291)	-	-	(103)	-	-	-	-	-	-	-	-	-	-	(2,546)	
Other factual	(18,629)	(580)	(1,482)	-	(146)	(1,192)	-	-	-	-	(27)	-	-	88	-	88	(21,968)	
Factual	(22,539)	(580)	(3,573)	-	(350)	(1,299)	-	-	-	-	(27)	-	-	90	-	90	(28,278)	
Drama	(21,930)	(114)	(577)	-	(2)	(2)	(388)	-	-	-	-	-	-	(23,011)	-	(23,011)		
Entertainment	(16,336)	(8,228)	(2,566)	(2,997)	(675)	(765)	(1,232)	-	-	-	(924)	-	-	46	-	46	(32,177)	
Music	(642)	(108)	(4,199)	(4,199)	(3,360)	(1,587)	-	-	-	-	(36)	(278)	-	57	-	57	(16,338)	
News, Current Affairs and Weather	(30,903)	(971)	(137,761)	(1,872)	(435)	(4,417)	(4,690)	-	-	-	(1,395)	-	-	431	-	431	(58,018)	
Sport	(734)	(33,205)	(2,942)	(369)	-	(1,081)	(8)	-	-	-	(899)	-	-	18	-	18	(39,220)	
Young Peoples	-	(80,633)	-	-	(73)	(162)	(767)	-	-	-	(219)	(432)	-	8	-	8	(97,081)	
Indigenous programming	(93,084)	(49,869)	(29,620)	(9,437)	(4,793)	(9,313)	(70,715)	-	-	-	(3,499)	(710)	-	650	-	650	(206,750)	
Indigenous non-broadcast output costs	-	-	-	-	-	-	-	(14,557)	-	-	(341)	(15)	-	199	-	199	(21,450)	
Acquired programmes																		
- Ireland	(848)	(173)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,021)	
- Overseas	(12,260)	(9,761)	-	-	-	-	-	-	-	-	-	(62)	-	-	-	-	(22,083)	
General broadcast and transmission costs	(10,564)	(9,869)	(24,361)	(520)	(443)	(220)	(67)	-	-	-	-	(1,191)	-	137	-	137	(25,173)	
2m transmission and power charges	(1123)	(2,807)	(2,036)	(10,966)	(1,108)	(10,956)	-	-	-	-	-	(2,508)	-	-	-	-	(11,773)	
Corporate HQ	-	-	-	-	-	-	-	-	(5,084)	-	-	-	-	(40)	-	(40)	(5,124)	
Net interest payable	-	-	-	-	-	-	-	-	(479)	-	-	-	-	-	-	-	(479)	
Net defined benefit pension related finance expense	-	-	-	-	-	-	-	-	(1,546)	-	-	-	-	-	-	-	(1,546)	
Gross Cost of Public Service Activities	(117,879)	(72,479)	(34,092)	(11,053)	(6,344)	(10,628)	(71,442)	(14,557)	(7,009)	(341)	(10,235)	(4,486)	-	946	(295,399)	946	(295,399)	
Surplus on Commercial Activities	57,718	20,381	14,370	4,411	639	-	-	2,856	40	-	3,974	-	9,733	(416)	9,733	(416)	113,705	
Distribution of Non-Channel Specific Contribution from Non-Public Service Activities	4,669	2,871	1,350	438	-	-	-	-	-	-	405	-	(9,733)	-	-	-	-	
Net Cost of Public Service Activities Before Attribution of Public Funding	(55,492)	(49,227)	(18,372)	(6,204)	(5,705)	(10,628)	(71,442)	(11,701)	(7,069)	(341)	(5,856)	(4,486)	-	530	(181,694)	530	(181,694)	
Public Funding																		
Licence Fee revenue attribution	55,552	49,281	18,391	6,212	5,705	10,628	7,142	11,701	7,069	341	5,862	4,486	-	-	-	-	182,370	
Restructuring and other credits	-	-	-	-	-	-	-	-	-	-	-	-	390	-	-	-	390	
Surplus before income tax	60	54	19	8	-	-	-	-	-	-	6	-	390	530	1,066	530	1,066	
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	(408)	-	-	(408)	-	
Surplus/(Deficit) for the year	60	54	19	8	-	-	-	-	-	-	6	-	(18)	530	658	530	658	

External commercial revenue includes €1.3 million from sales outside of the Republic of Ireland, primarily generated in the UK.

NOTES (CONTINUED)

FORMING PART OF THE GROUP FINANCIAL STATEMENTS

1. Principal activities and segmental information (continued)

(f) Assets, liabilities and other information by IBD (continuing operations), in line with RTÉ's organisational structure

	Television IBD €'000	Radio IBD €'000	News and Current Affairs IBD €'000	Network IBD €'000	Digital IBD €'000	Orchestras IBD €'000	Unallocated ¹ €'000	Group Total €'000
Year ended 31 December 2014								
Segment assets	81,443	8,235	4,952	70,373	6,906	641	-	172,550
Unallocated assets	-	-	-	-	-	-	24,249	24,249
Total Assets	81,443	8,235	4,952	70,373	6,906	641	24,249	196,799
Segment liabilities	(40,244)	(1,886)	(638)	(44,704)	(7,633)	(591)	-	(95,696)
Unallocated liabilities	-	-	-	-	-	-	(78,131)	(78,131)
Total Liabilities	(40,244)	(1,886)	(638)	(44,704)	(7,633)	(591)	(78,131)	(173,827)
Capital expenditure	1,973	789	857	1,492	507	98	11	5,727
Depreciation of property, plant and equipment	3,762	1,108	1,371	6,106	288	125	(453)	12,307
Amortisation of intangible assets	628	75	32	105	448	3	2	1,293
Year ended 31 December 2013								
Segment assets	83,526	8,116	4,656	79,606	11,309	749	-	187,962
Unallocated assets	-	-	-	-	-	-	29,055	29,055
Total Assets	83,526	8,116	4,656	79,606	11,309	749	29,055	217,017
Segment liabilities	(42,897)	(2,994)	(665)	(47,394)	(10,170)	(716)	-	(104,836)
Unallocated liabilities	-	-	-	-	-	-	(60,167)	(60,167)
Total Liabilities	(42,897)	(2,994)	(665)	(47,394)	(10,170)	(716)	(60,167)	(165,003)
Capital expenditure	2,423	302	88	1,948	226	12	9	5,008
Depreciation of property, plant and equipment	4,240	1,468	1,971	6,114	410	134	(473)	13,864
Amortisation of intangible assets	564	165	47	96	496	3	20	1,391

¹ Unallocated assets principally comprise cash and liquid investments. Unallocated liabilities principally comprise pension, tax and other financial liabilities together with employee benefits.

Total non-current assets contain €0.2 million situated outside of the Republic of Ireland in 2014 (2013: €0.2 million).

(g) Analysis of network charges to all RTÉ Services

	2014 €'000	2013 €'000
RTÉ One	2,933	1,466
RTÉ2	2,952	2,824
RTÉ Radio 1	1,678	2,091
RTÉ 2fm	1,069	1,112
RTÉ lyric fm	1,064	1,122
RTÉ Raidió na Gaeltachta	1,170	1,224
Other	2,794	2,508
	13,660	12,347

2. Operating Costs (before depreciation, amortisation, restructuring and other credits)

	2014 €'000	2013 €'000
Employee costs (note 5)	132,801	132,707
Other personnel related costs (including contractors)	30,610	30,491
Personnel Related Operating Costs	163,411	163,198
Direct commissioned programme costs	37,384	34,673
Direct acquired programme costs	22,047	23,360
Sports and other copyrights	20,247	18,101
Outside broadcast contracts	5,156	5,666
Communication circuits	3,517	3,454
RTÉ Guide printing and related costs	1,592	1,556
Network electricity	2,541	2,438
Music licences	7,388	7,428
Insurance policies	1,379	1,467
Other third party costs	47,426	45,578
Non-Personnel Related Operating Costs before depreciation, amortisation, restructuring and other credits	148,677	143,721
Total Operating Costs (before depreciation, amortisation, restructuring and other credits)	312,088	306,919

3. Finance (Income)/Expense

	2014 €'000	2013 €'000
Interest income on bank deposits	(324)	(474)
Fair value gains on derivative financial instruments not designated as cash flow hedges	(1,426)	-
Finance Income	(1,750)	(474)
Interest income on scheme assets (note 20)	(31,101)	-
Interest cost on scheme liabilities (note 20)	30,662	-
Net defined benefit pension related finance income	(439)	-
Finance income recognised in income statement	(2,189)	(474)
Interest and finance costs on borrowings	1,418	2,042
Fair value loss on interest rate swap reclassified from equity	537	1,007
Reclassification of cash flow hedge reserve to income statement	1,689	-
Unwind of discount on restructuring costs (note 19)	333	430
Fair value losses on derivative financial instruments not designated as cash flow hedges	-	183
Finance expense	3,977	3,662
Interest income on scheme assets (note 20)	-	(28,685)
Interest cost on scheme liabilities (note 20)	-	30,231
Net defined benefit pension related finance expense	-	1,546
Finance expense recognised in income statement	3,977	5,208

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

4. Surplus Before Income Tax

(a) The Surplus Before Income Tax includes the following amounts:

	2014 €'000	2013 €'000
Depreciation and amortisation		
- Depreciation of property, plant and equipment	12,307	13,864
- Amortisation of intangible assets	1,293	1,391
	13,600	15,255
Operating costs		
- Gain on disposal of property, plant and equipment and intangible assets	(43)	(24)

(b) Auditors' remuneration:

	2014 €'000	2013 €'000
Group		
Audit	114	114
Other assurance services	186	96
Tax advisory services	193	253
Other non-audit services	88	186
	581	649

	2014 €'000	2013 €'000
RTÉ		
Audit	90	90
Other assurance services	102	86
Tax advisory services	170	206
Other non-audit services	58	160
	420	542

(c) Directors' remuneration:

	2014 €'000	2013 €'000
Fees ¹	148	175
Other remuneration including pension contributions	337	338
	485	513

¹ In addition to Board fees, Joe Little and Aengus Mac Grianna were paid as employees of RTÉ.

Further details on Board fees can be found in the Corporate Governance section.

5. Employee Information

Group staff costs during the year amounted to:

	2014	2013
	€'000	€'000
Wages and salaries	115,519	114,897
Social welfare costs	10,086	9,741
Pension costs and life assurance	7,196	8,069
	132,801	132,707

The total number of full-time, part-time and casual employees of the Group at 31 December, and their full-time equivalent (FTE) were:

	No. of employees		Full-time equivalents	
	2014	2013	2014	2013
RTÉ Group	1,899	1,856	1,745	1,711

The average annual number of full-time, part-time and casual employees during the year was:

	2014	2013
RTÉ Group	1,870	1,853

6. Restructuring and other (credits) (Group and RTÉ)

	2014	2013
	€'000	€'000
Restructuring and other (credits)	(237)	(390)

The 2014 restructuring credit of €0.2 million comprises a charge of €0.5 million in respect of employee related restructuring costs (note 19(b)) arising from the Early Retirement & Redundancy/Voluntary Severance Facilities (ERRF/VSF) and a release of an accrual for other reorganisation related costs of €0.7 million included in accruals.

C

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

7. Income Tax

	2014	2013
	€'000	€'000
Current Tax Expense		
Current year	-	-
Prior period under provision	-	12
	-	12
Deferred Tax Expense		
Origination and reversal of temporary differences (note 21)	711	396
Total Income Tax Expense	711	408
Reconciliation of Effective Tax Rate		
	2014	2013
	€'000	€'000
Surplus before income tax	928	1,066
Surplus before income tax multiplied by the standard rate of corporation tax in Ireland of 12.5% (2013: 12.5%)	116	133
Effects of:		
Income taxable at a higher rate of tax	2	8
Non-recognition of deferred tax on current year tax losses	943	419
Capital allowances in excess of depreciation	240	(107)
Pension timing differences	(604)	(241)
Other differences	(17)	166
Disallowed expenses	31	18
Prior period under provision	-	12
Total Income Tax Expense	711	408
Deferred Tax Recognised directly in Other Comprehensive Income		
Relating to pension asset (note 21)	(1,006)	1,143
Relating to cash flow hedge (note 21)	262	139
	(744)	1,282

Television Licence Fee income that RTÉ receives by way of 'grant-in-aid' is subject to corporation tax with effect from 1 January 2007. The Group has trading losses forward for tax purposes of €622 million at 31 December 2014. Due to the uncertainty surrounding when these losses may ultimately be utilised, no deferred tax asset has been recognised.

In addition, a deferred tax asset of €2.4 million has not been recognised in respect of the pension liability on the RTÉ Superannuation scheme (note 21) given the uncertainty as to when the asset would be utilised.

8. Property, Plant and Equipment

Group

	Land and buildings €'000	Plant and equipment €'000	Fixtures and fittings €'000	Capital projects in progress €'000	Total €'000
Cost					
Balance at 1 January 2013	68,879	173,309	1,674	12,086	255,948
Additions	-	-	-	3,844	3,844
Reclassifications	477	10,362	295	(11,134)	-
Disposals and retirements	-	(1,030)	-	-	(1,030)
Balance at 31 December 2013	69,356	182,641	1,969	4,796	258,762
Balance at 1 January 2014	69,356	182,641	1,969	4,796	258,762
Additions	-	-	-	5,398	5,398
Reclassifications	1,076	2,437	80	(3,593)	-
Disposals and retirements	(315)	(1,355)	(8)	-	(1,678)
Balance at 31 December 2014	70,117	183,723	2,041	6,601	262,482
Depreciation					
Balance at 1 January 2013	54,027	101,963	1,408	-	157,398
Depreciation for the year	1,862	11,867	135	-	13,864
Disposals and retirements	-	(1,022)	-	-	(1,022)
Balance at 31 December 2013	55,889	112,808	1,543	-	170,240
Balance at 1 January 2014	55,889	112,808	1,543	-	170,240
Depreciation for the year	1,866	10,266	175	-	12,307
Disposals and retirements	(314)	(1,183)	(8)	-	(1,505)
Balance at 31 December 2014	57,441	121,891	1,710	-	181,042
Net Book Value					
At 31 December 2013	13,467	69,833	426	4,796	88,522
At 31 December 2014	12,676	61,832	331	6,601	81,440

NOTES (CONTINUED)

FORMING PART OF THE GROUP FINANCIAL STATEMENTS

8. Property, Plant and Equipment (continued)

RTÉ

	Land and buildings €'000	Plant and equipment €'000	Fixtures and fittings €'000	Capital projects in progress €'000	Total €'000
Cost					
Balance at 1 January 2013	60,110	73,628	1,656	7,163	142,557
Additions	-	-	-	1,825	1,825
Reclassifications	37	6,995	98	(7,130)	-
Disposals and retirements	-	(324)	-	-	(324)
Balance at 31 December 2013	60,147	80,299	1,754	1,858	144,058
Balance at 1 January 2014	60,147	80,299	1,754	1,858	144,058
Additions	-	-	-	3,704	3,704
Reclassifications	282	892	80	(1,254)	-
Disposals and retirements	-	(193)	-	-	(193)
Balance at 31 December 2014	60,429	80,998	1,834	4,308	147,569
Depreciation					
Balance at 1 January 2013	50,195	61,571	1,391	-	113,157
Depreciation for the year	1,449	6,281	128	-	7,858
Disposals and retirements	-	(324)	-	-	(324)
Balance at 31 December 2013	51,644	67,528	1,519	-	120,691
Balance at 1 January 2014	51,644	67,528	1,519	-	120,691
Depreciation for the year	1,452	4,813	155	-	6,420
Disposals and retirements	-	(193)	-	-	(193)
Balance at 31 December 2014	53,096	72,148	1,674	-	126,918
Net Book Value					
At 31 December 2013	8,503	12,771	235	1,858	23,367
At 31 December 2014	7,333	8,850	160	4,308	20,651

9. Intangible Assets

Group

	Software €'000	Software projects in progress €'000	Total €'000
Cost			
Balance at 1 January 2013	12,119	1,430	13,549
Additions	-	1,164	1,164
Reclassifications	1,806	(1,806)	-
Balance at 31 December 2013	13,925	788	14,713
Balance at 1 January 2014	13,925	788	14,713
Additions	-	329	329
Reclassifications	636	(636)	-
Balance at 31 December 2014	14,561	481	15,042
Amortisation and impairment losses			
Balance at 1 January 2013	9,201	-	9,201
Amortisation for the year	1,391	-	1,391
Balance at 31 December 2013	10,592	-	10,592
Balance at 1 January 2014	10,592	-	10,592
Amortisation for the year	1,293	-	1,293
Balance at 31 December 2014	11,885	-	11,885
Net Book Value			
At 31 December 2013	3,333	788	4,121
At 31 December 2014	2,676	481	3,157

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

9. Intangible Assets (continued)

RTÉ

	Software €'000	Software projects in progress €'000	Total €'000
Cost			
Balance at 1 January 2013	9,586	1,010	10,596
Additions	-	1,068	1,068
Reclassifications	1,677	(1,677)	-
Balance at 31 December 2013	11,263	401	11,664
Balance at 1 January 2014	11,263	401	11,664
Additions	-	135	135
Reclassifications	314	(314)	-
Balance at 31 December 2014	11,577	222	11,799
Amortisation and impairment losses			
Balance at 1 January 2013	8,271	-	8,271
Amortisation for the year	800	-	800
Balance at 31 December 2013	9,071	-	9,071
Balance at 1 January 2014	9,071	-	9,071
Amortisation for the year	757	-	757
Balance at 31 December 2014	9,828	-	9,828
Net Book Value			
At 31 December 2013	2,192	401	2,593
At 31 December 2014	1,749	222	1,971

10. Restricted Cash

	Group 2014 €'000	Group 2013 €'000	RTÉ 2014 €'000	RTÉ 2013 €'000
Restricted cash	-	4,000	-	-

In accordance with the project loan facility entered into on 22 December 2010 (note 16), the Group was obliged to pay €4 million into a restricted cash account as at 31 December 2013. On 18 June 2014 the facility was amended and the requirement for restricted cash was removed.

11. Investments in Subsidiaries

RTÉ

	Total €'000
Balance at 1 January 2014	65,827
Additions	-
Balance at 31 December 2014	65,827

RTÉ had the following subsidiaries at 31 December 2014:

Subsidiary companies	Share capital held	Class of business
RTÉ Commercial Enterprises Limited	100%	Publications, various commercial activities & other
RTÉ Music Limited	100%	Music publishing
RTÉ Transmission Network Limited (trading as 2rn)	100%	Management of transmission network assets
RTÉ Licence Collections Limited	100%	Dormant
DTT Network Company	100%	Dormant
Seirbhísí Theilifis na Gaeilge Teoranta	100%	Dormant

The Board has reviewed the carrying value of the Group's investments and is satisfied that there are no impairment indicators and the values are fairly stated.

All subsidiaries operate in Ireland and have their registered offices at RTÉ, Donnybrook, Dublin 4. RTÉ Music Limited is a wholly owned subsidiary of RTÉ Commercial Enterprises Limited.

In December 2014, 2rn declared a €20 million dividend to RTÉ. This is recognised in income of RTÉ company.

RTÉ had the following joint venture at 31 December 2014:

Joint venture company	Share capital held	Class of business
Multiplex Broadcasting Services NI Limited	66.6%	Transmission of free-to-air digital television services in Northern Ireland and related multiplex services

The registered office of Multiplex Broadcasting Services NI Limited is at Murray House, Murray St, Belfast.

NOTES (CONTINUED)

FORMING PART OF THE GROUP FINANCIAL STATEMENTS

11. Investments in Subsidiaries (continued)

Classification of RTÉ Group Activities by Integrated Business Division (IBD) and by Legal Entity as at 31 December 2014

	RTÉ	RTÉ Commercial Enterprises Limited	RTÉ Music Limited	RTÉ Transmission Network Limited
TELEVISION IBD				
Free-to-air broadcast of public service television schedules and channels	•			
Commissioning and production of indigenous television programmes	•			
Statutory commissioning of programme content from independent EU producers	•			
Acquisition of domestic/non-domestic television programmes	•			
Statutory provision of non-news and current affairs programming to TG4	•			
Provision of content for RTÉ's free-to-access online services	•			
Television advertising and sponsorship sales	•			
Hire of television production facilities to third parties	•			
Provision of broadcast circuits and technical facilities to third parties	•			
Administration of RTÉ Television IBD	•			
Television programme sales		•		
Studio production of television advertisements for third parties		•		
Non-broadcasting advertising revenue share		•		
RADIO IBD				
Free-to-air broadcast of public service radio schedules/channels	•			
Commissioning and production of indigenous radio programmes	•			
Acquisition of domestic/non-domestic radio programmes	•			
Radio advertising and sponsorship sales	•			
Provision of content for RTÉ's free-to-access online services	•			
Administration of RTÉ Radio IBD	•			
Hire of radio production facilities to third parties		•		
Roadcaster mobile studio and promotional sales		•		
Studio production of radio advertisements		•		
Non-broadcasting advertising revenue share		•		
Statutory commissioning of programme content from independent EU producers	•			
RTÉ NEWS AND CURRENT AFFAIRS IBD				
Provision of a national and international news gathering service	•			
Production and coverage of television and radio news bulletins, events and programmes	•			
Commissioning and production of current affairs programmes	•			
Statutory provision of news and current affairs programming to TG4	•			
Administration of RTÉ News and Current Affairs IBD	•			
Provision of news and current affairs content to RTÉ's free web-based public service online services	•			

	RTÉ	RTÉ Commercial Enterprises Limited	RTÉ Music Limited	RTÉ Transmission Network Limited
NETWORK IBD				
Provision of national analogue radio broadcast transmission services				•
Provision of national digital radio transmission services				•
Provision of multiplexing, transmission and distribution services to multiplex operators				•
Hire of ancillary mast and tower facilities				•
Administration of 2m				•
DIGITAL IBD				
Sale of music copyright			•	
Maintenance of Television channel archives and news library	•			
Sale of library and archive material		•		
Maintenance of Radio channel archive and library	•			
Provision of RTÉ Aertel teletext services		•		
Provision of a range of free to public, public service web-based online services		•		
Operation of the RTÉ Player to domestic and international audiences		•		
Sale of online banner advertising and sponsorship		•		
Sale of teletext advertising and sponsorship		•		
Commercial Telecoms revenue		•		
Incubation and development of new media technologies		•		
Administration of RTÉ Digital IBD		•		
Provision of additional opportunities to access RTÉ's public service news content via RTÉ News Now Online		•		
Programme merchandising sales		•		
Listing sales		•		
Provision of international paid-for video on demand services		•		
ORCHESTRAS, QUARTET & CHOIRS IBD				
Orchestral and choir performances	•			
Commission, production, performance and recording of orchestral and choir music	•			
Hire of RTÉ National Symphony and Concert Orchestras	•			
Administration of RTÉ Orchestras, Quartet & Choirs IBD	•			
CENTRAL SHARED SERVICES				
Group Communications, Central HR, Group Legal, Group Treasury, Central Technology, Donnybrook Site Services, Group Insurance and Group Pensions	•			
Production and publication of the RTÉ Guide magazine		•		
RTÉ Guide Advertising Sales		•		
Provision of DTT multiplexing services to broadcasters (SAORVIEW)	•			
CORPORATE HQ				
Direction and overall operation of Public Service Broadcaster	•			
Holding of investments in broadcasting related activities	•			

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NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

12. Inventories

	Group		RTÉ	
	2014	2013	2014	2013
	€'000	€'000	€'000	€'000
Work in progress				
In-house programmes	1,775	761	1,741	726
Commissioned programmes	13,773	14,408	13,773	14,408
Finished programmes				
Acquired programmes and films	14,811	15,176	14,811	15,176
In-house programmes	409	222	409	222
Commissioned programmes	3,029	2,893	3,029	2,893
Other inventories	51	24	-	-
	33,848	33,484	33,763	33,425

Inventories consumed during the year ended 31 December 2014 total €73.8 million (2013: €69.2 million).

Other inventories relate to printing paper held in respect of the *RTÉ Guide*.

13. Trade and Other Receivables

	Group		RTÉ	
	2014	2013	2014	2013
	€'000	€'000	€'000	€'000
Current Assets				
Trade receivables	38,410	35,705	30,503	28,543
Other receivables	3	102	3	90
	38,413	35,807	30,506	28,633

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 22.

14. Liquid Investments

	Group		RTÉ	
	2014	2013	2014	2013
	€'000	€'000	€'000	€'000
Liquid Investments - Term Deposits	6,045	9,101	6,045	8,082
Weighted average interest rate on term deposits	1.88%	2.24%	1.88%	2.43%

The Group's exposure to interest rate risk, credit risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 22.

15. Cash and Cash Equivalents

	Group		RTÉ	
	2014 €'000	2013 €'000	2014 €'000	2013 €'000
Current Assets				
Bank balances	5,143	5,950	1,862	4,156
Call deposits	13,500	13,012	13,007	12,518
Cash and cash equivalents	18,643	18,962	14,869	16,674
Non-Current Assets				
Restricted cash (note 10)	-	4,000	-	-
Total cash and cash equivalents and restricted cash	18,643	22,962	14,869	16,674
Weighted average interest rate	0.22%	0.73%	0.22%	0.73%

Bank balances include €3.57 million (2013: €2.39 million) in respect of amounts held in the Independent Programmes account in accordance with Section 116 of the *Broadcasting Act 2009*.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 22.

16. Interest-bearing loans and borrowings

	Interest rate	Maturity	Group		RTÉ	
			2014 €'000	2013 €'000	2014 €'000	2013 €'000
	%					
	Lender cost of funds plus margin					
Amortising Term Loan Facility		28 May 2017	9,375	13,125	9,375	13,125
Project Loan Facility	EURIBOR plus margin	18 June 2019	40,000	38,250	-	-
			49,375	51,375	9,375	13,125
Analysed as follows:						
Non-Current			45,625	47,625	5,625	9,375
Current			3,750	3,750	3,750	3,750
			49,375	51,375	9,375	13,125

On 28 May 2012, RTÉ entered into a five year amortising term loan facility with Bank of Ireland amounting to €15 million for working capital purposes. The term loan was drawn down in full as at 31 July 2012. RTÉ was in full compliance with the financial covenants at the balance sheet date.

On 18 June 2014, 2m refinanced its project loan facility agreement amounting to €40 million, plus an additional €13 million which remains undrawn at the balance sheet date. Arising from this refinancing the project loan facility agreement was considered to be substantially modified and in accordance with the Company's accounting policy, the original facility was extinguished. In addition, as the original project loan facility and the related derivative hedging instrument no longer meets the criteria for hedge accounting, the designation is revoked and hedge accounting is discontinued prospectively from 18 June 2014.

2m was in full compliance with the financial covenants at the balance sheet date. 2m is not aware of any stated events of default as defined in the Agreements.

NOTES (CONTINUED)

FORMING PART OF THE GROUP FINANCIAL STATEMENTS

16. Interest-bearing loans and borrowings (continued)

Lender Security – Project Loan Facility

It was one of the conditions to the availability of the project loan facility that 2m execute a security deed agreement and provide the lender security as follows:

- Lands of 13 main DTT transmission sites;
- All 2m present and future fixtures and fittings on the DTT transmission sites;
- All 2m rental income and occupational leases;
- Rights and benefits of 2m insurance policies;
- The insurance proceeds account; and
- Deeds of Assignment creating security assignments in respect of certain commercial contracts and DTT Construction Contracts.

RTÉ has entered an undertaking to pay to 2m by way of a loan an amount equal to any interest and/or fees falling due under the loan facility agreement should 2m not have sufficient funds to do so. The undertaking is subject to specific terms and conditions which determine when this obligation arises.

17. Trade and Other Payables

	Group		RTÉ	
	2014 €'000	2013 €'000	2014 €'000	2013 €'000
Trade payables	4,452	5,502	3,316	4,308
Amounts owed to subsidiary entities	-	-	138,961	136,407
Accruals	56,781	56,889	48,737	49,357
Deferred income	7,103	6,226	2,759	2,358
	68,336	68,617	193,773	192,430
Analysed as follows:				
Non-Current Liabilities	2,391	3,290	2,391	3,290
Current Liabilities	65,945	65,327	191,382	189,140
	68,336	68,617	193,773	192,430

The Group's exposure to currency risk related to trade and other payables is disclosed in note 22.

18. Taxation and Social Welfare

	Group		RTÉ	
	2014 €'000	2013 €'000	2014 €'000	2013 €'000
VAT	4,382	5,670	3,146	4,378
Payroll	3,949	3,827	3,886	3,769
	8,331	9,497	7,032	8,147

19. Employee Benefits

(a) Total Employee Benefits

	Group		RTÉ	
	2014 €'000	2013 €'000	2014 €'000	2013 €'000
Restructuring costs (b)	19,903	25,278	19,903	25,278
Other payroll related accruals (c)	6,263	6,547	5,776	6,122
Total employee benefits	26,166	31,825	25,679	31,400
Analysed as follows:				
Non-Current Liabilities	17,723	22,800	17,544	22,604
Current Liabilities	8,443	9,025	8,135	8,796
	26,166	31,825	25,679	31,400

(b) Restructuring Costs

Group and RTÉ	2014 €'000	2013 €'000
Balance at beginning of year	25,278	34,610
Charged during the year (note 6)	463	127
Utilised during the year	(6,171)	(9,889)
Interest charge (note 3)	333	430
Balance at end of year	19,903	25,278
Analysed as follows:		
Non-Current	14,173	18,956
Current	5,730	6,322

The restructuring costs at 31 December 2014 represent the discounted value of future payments required in respect of the Group's remaining obligations, which will be paid until 2022, under the various restructuring schemes.

(c) Other Employee Related Accruals

Other employee related accruals consist of employee benefits such as employee remuneration and holiday leave provided for in accordance with IAS 19 *Employee Benefits* (2011).

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

20. Pension arrangements (Group and RTÉ)

The Group is the principal sponsoring employer of

- (a) the RTÉ Superannuation Scheme (a funded, contributory, final salary defined benefit pension scheme to which no new employees have been admitted since 1989)
- (b) the RTÉ '50/50' Risk-Sharing Pension Scheme (a funded, contributory pension scheme with a core defined benefit (DB) promise based on a capped salary level with a defined contribution (DC) arrangement for earnings above the cap), and
- (c) the RTÉ Defined Contribution Pension Scheme (a funded, contributory DC scheme) and also makes contributions to a number of other smaller defined contribution pension schemes on behalf of employees.

The schemes above are established as separate trust funds, each managed by a board of trustees who have responsibility for overseeing the schemes' operations, including the investment of the schemes' assets.

(i) Pension Charge

The employer pension charge in respect of each year for the various schemes was:

	2014 €'000	2013 €'000
RTÉ Superannuation Scheme		
- current service cost	(2,874)	(3,180)
- past service credit ¹	5,720	4,738
RTÉ '50/50' Risk-Sharing Pension Scheme (DB Section)		
- current service cost	(847)	(804)
	1,999	754
RTÉ '50/50' Risk-Sharing Pension Scheme (DC Section)	(260)	(244)
RTÉ Defined Contribution Pension Scheme	(8,306)	(8,171)
Other schemes	(11)	(14)

¹In the case of the RTÉ Superannuation Scheme a past service credit arises in 2013 and 2014 as a result of Trustee decisions in 2013 and 2014 to reduce the accrued benefits of members to reflect the 2012 and 2013 Pension Levies.

(ii) Defined Benefit Arrangements

RTÉ Superannuation Scheme:

As is required by the *Pensions Act, 1990*, independent actuarial valuation reports based on actuarially determined long-term funding assumptions are regularly carried out in respect of the RTÉ Superannuation Scheme. The most recent actuarial funding valuation report is dated 1 January 2015 and was completed subsequent to the year end by the actuaries, Mercer, who are neither officers nor employees of the Group. This actuarial funding valuation, which uses the 'attained age' method of valuation to derive the future service cost, discloses the scheme to have a surplus of €29.9 million (1 January 2014: surplus €29.9 million), with allowance being made in the liabilities for relevant related post retirement increases. The actuarial funding valuation report is not available for public inspection; however, the results of valuations are advised to members.

The actuaries have also carried out a valuation in accordance with the Minimum Funding Standard (MFS) as at 1 January 2015 and have reported a surplus on this basis of €21.6 million (1 January 2014: surplus of €28.1 million). An Actuarial Funding Certificate has been submitted on this basis.

As required by the accounting standard IAS 19 (2011), the actuaries, Mercer, also prepare a report setting out the position of the RTÉ Superannuation Scheme using the accounting valuation methodology specified in IAS 19 (2011). The IAS 19 (2011) approach to defined benefit fund accounting valuation and reporting uses the projected unit credit method to derive annual future pension charges, values assets at current fair market value and discounts future liabilities (using high grade corporate bond rates of approximate duration to the estimated life of the liabilities of the scheme) to arrive at a net present value of the liabilities of the scheme. The difference between the asset and liability valuations at 31 December 2014 amounts to a liability of €19.2 million.

The Group expects to pay €1.3 million in contributions to the RTÉ Superannuation Scheme in 2015.

20. Pension arrangements (Group and RTÉ) (continued)

RTÉ '50/50' Risk-Sharing Pension Scheme:

The most recent actuarial funding valuation in respect of the RTÉ '50/50' Risk-Sharing Pension Scheme was carried out as at 1 January 2015 and was completed subsequent to the year end by the Scheme actuary, Mercer. This actuarial funding valuation, which uses the 'attained age' method of valuation to derive the future service cost, discloses the scheme to have a surplus of €2.5 million (1 January 2014: surplus €1.8 million). The actuarial funding valuation report is not available for public inspection; however, the results of valuations are advised to members.

The employer contribution rate to the Defined Benefit Section of the RTÉ '50/50' Risk-Sharing Pension Scheme for the year ended 31 December 2014 was 8.5% of employee members' remuneration (defined as pensionable salary and allowances up to the cap, currently €48,000 p.a.). The actuaries have also carried out a valuation in accordance with the MFS provisions of the *Pensions Act, 1990* and have reported a surplus on this basis of €5.9 million (1 January 2014: surplus €3.9 million).

As for the RTÉ Superannuation scheme Mercer prepare a report setting out the position of the RTÉ '50/50' Risk-Sharing Pension Scheme using the accounting valuation methodology specified in IAS 19 (2011). For this scheme the difference between the asset and liability valuation at 31 December 2014 amounts to an asset of €1.8 million.

The Group expects to pay €1.1 million in contributions to the RTÉ '50/50' Risk-Sharing Pension Scheme in 2015.

Both schemes carry the normal investment and funding risks associated with defined benefit schemes, and short-term volatility in their financial position can be expected. The regulatory risk is, however, limited, as there is no statutory requirement in Ireland for employers to maintain defined benefit plans in existence or to meet any funding shortfalls should they wind up in deficit.

(iii) Net Defined Benefit Asset/(Liability)

At the balance sheet date the net defined benefit asset/(liability) in relation to the two defined benefit arrangements is as follows:

Group and RTÉ	2014 €'000	2013 €'000
Net pension (liability)/asset in RTÉ Superannuation Scheme	(19,188)	8,312
Net pension asset in RTÉ '50/50' Risk-Sharing Pension Scheme	1,837	1,587
	(17,351)	9,899

Movement in net defined benefit (liability)/asset RTÉ Superannuation Scheme

	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit (liability)/asset	
	2014 €'000	2013 €'000	2014 €'000	2013 €'000	2014 €'000	2013 €'000
Balance at 1 January	(855,373)	(880,399)	863,685	833,313	8,312	(47,086)
Included in Income Statement						
Current service cost	(2,874)	(3,180)	-	-	(2,874)	(3,180)
Past service credit	5,720	4,738	-	-	5,720	4,738
Interest (cost)/income	(30,501)	(30,124)	30,851	28,525	350	(1,599)
	(27,655)	(28,566)	30,851	28,525	3,196	(41)
Included in OCI						
Remeasurements (loss)/gain						
Actuarial (loss)/gain arising from:						
Financial assumptions	(151,141)	17,217	-	-	(151,141)	17,217
Experience	(4,493)	(1,800)	-	-	(4,493)	(1,800)
Return on plan assets excluding interest income	-	-	123,621	38,488	123,621	38,488
	(155,634)	15,417	123,621	38,488	(32,013)	53,905
Other						
Employer contributions	-	-	1,317	1,534	1,317	1,534
Employee contributions	(1,203)	(1,231)	1,203	1,231	-	-
Benefits paid	39,444	39,406	(39,444)	(39,406)	-	-
	38,241	38,175	(36,924)	(36,641)	1,317	1,534
Balance at 31 December	(1,000,421)	(855,373)	981,233	863,685	(19,188)	8,312

NOTES (CONTINUED)

FORMING PART OF THE GROUP FINANCIAL STATEMENTS

20. Pension arrangements (Group and RTÉ) (continued)

RTÉ '50/50' Risk-Sharing Pension Scheme

	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit asset	
	2014	2013	2014	2013	2014	2013
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January	(4,416)	(3,050)	6,003	3,796	1,587	746
Included in Income Statement						
Current service cost	(847)	(804)	-	-	(847)	(804)
Interest (cost)/income	(161)	(107)	250	160	89	53
	(1,008)	(911)	250	160	(758)	(751)
Included in OCI						
Remeasurements (loss)/gain						
Actuarial (loss)/gain arising from:						
Financial assumptions	(724)	209	-	-	(724)	209
Experience	(184)	(149)	-	-	(184)	(149)
Return on plan assets excluding interest income	-	-	818	499	818	499
	(908)	60	818	499	(90)	559
Other						
Employer contributions	-	-	1,098	1,033	1,098	1,033
Employee contributions	(602)	(562)	602	562	-	-
Benefits paid	1	13	(1)	(13)	-	-
Insurance premium	28	34	(28)	(34)	-	-
	(573)	(515)	1,671	1,548	1,098	1,033
Balance at 31 December	(6,905)	(4,416)	8,742	6,003	1,837	1,587

(iv) Scheme Assets

The fair value of the assets at the balance sheet date was:

	RTÉ Superannuation Scheme		RTÉ '50/50' Risk-Sharing Pension Scheme	
	2014	2013	2014	2013
	Fair value €'000	Fair value €'000	Fair value €'000	Fair value €'000
Equity instruments	391,757	365,533	6,655	4,660
Debt instruments (Bonds)	455,839	367,017	1,414	828
Property	60,561	49,627	368	169
Fund of Hedge Funds	52,253	48,451	-	-
Cash	2,516	11,012	288	340
Other	18,307	22,045	17	6
Total fair value of assets	981,233	863,685	8,742	6,003

Equity and debt instruments are held as funds with underlying assets quoted in an active market.

20. Pension arrangements (Group and RTÉ) (continued)

(v) Defined Benefit Obligation

(i) Actuarial Assumptions

Below are the major assumptions used for the purposes of the IAS 19 (2011) based accounting valuation of the pension schemes.

	RTÉ Superannuation Scheme		RTÉ '50/50' Risk-Sharing Pension Scheme	
	2014	2013	2014	2013
Average projected rate of increase in salaries:*				
Over the next two years	0.75%	0.00%	0.75%	0.00%
Over the following two years	2.00%	1.50%	2.00%	1.50%
Thereafter	1.25%	2.00%	1.25%	2.00%
Average projected rate of increase in pensions in payment:				
Over the next two years	0.00%	0.00%	1.25%	2.00%
Over the following four years	1.37%	0.75%	1.25%	2.00%
Thereafter	1.25%	2.00%	1.25%	2.00%
Discount rate	2.00%	3.65%	2.40%	3.65%
Inflation assumption	1.25%	2.00%	1.25%	2.00%
Mortality	Years	Years	Years	Years
Life Expectancy Future Retirees				
Male of age 65 (born 1960)	25.0	25.0	25.0	25.0
Female of age 65 (born 1960)	26.2	26.2	26.2	26.2
Life Expectancy Existing Pensioners				
Male of age 65 (Born 1950)	23.7	23.7	23.7	23.7
Female of age 65 (Born 1950)	25.0	25.0	25.0	25.0

* In the case of the '50/50' Risk-Sharing Pension Scheme the Salary Cap is also expected to increase in line with these rates.

At 31 December 2014, the weighted average duration of the defined benefit obligations were:

RTÉ Superannuation Scheme: 14.4 years

RTÉ '50/50' Risk-Sharing Pension Scheme: 35.0 years

(ii) Sensitivity Analysis

Consideration has been given to the impact on the defined benefit obligation of changes in the key underlying actuarial assumptions. The impact shown is as at the reporting date and in each case it is assumed that all other assumptions remain unchanged.

	RTÉ Superannuation Scheme Benefit Obligation		RTÉ '50/50' Risk-Sharing Pension Scheme Benefit Obligation	
	Assumption	€000s	Assumption	€000s
Discount Rate				
Current Rate	2.00%	1,000,421	2.40%	6,905
-0.25%	1.75%	1,036,461	2.15%	7,508
+0.25%	2.25%	966,314	2.65%	6,358
Salary & Pension Increases				
Current Assumption (long term)	1.25%	1,000,421	1.25%	6,905
0.25% lower increases	1.00%	972,964	1.00%	6,414
0.25% higher increases	1.50%	1,029,211	1.50%	7,440
Mortality				
Current Assumption (offset from Standard table)	-1 year	1,000,421	-1 year	6,905
No offset	0 years	968,679	0 years	6,750
Two years offset	-2 years	1,032,329	-2 years	7,058

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

21. Deferred Tax

Group

Recognised Deferred Tax Assets and Liabilities

	Assets		(Liabilities)	
	Gross		Gross	
	2014	2013	2014	2013
	€'000	€'000	€'000	€'000
Property, plant and equipment	-	-	(1,015)	(304)
Pension asset	-	-	(230)	(1,236)
Derivatives – cash flow hedge	-	262	-	-
Gross Tax Assets/(Liabilities)	-	262	(1,245)	(1,540)

Movement in Temporary Differences during 2014

	Opening Balance Net	Recognised in Income	Recognised in Other Comprehensive Income	Closing Balance Net
Property, plant and equipment	(304)	(711)	-	(1,015)
Pension asset	(1,236)	-	1,006	(230)
Derivatives – cash flow hedge	262	-	(262)	-
Net Tax Assets/(Liabilities)	(1,278)	(711)	744	(1,245)

Movement in Temporary Differences during 2013

	Opening Balance Net	Recognised in Income	Recognised in Other Comprehensive Income	Closing Balance Net
Property, plant and equipment	92	(396)	-	(304)
Pension asset	(93)	-	(1,143)	(1,236)
Derivatives – cash flow hedge	401	-	(139)	262
Net Tax Assets/(Liabilities)	400	(396)	(1,282)	(1,278)

21. Deferred Tax (continued)

RTÉ

Recognised Deferred Tax Assets and Liabilities

	Assets Gross		(Liabilities) Gross	
	2014 €'000	2013 €'000	2014 €'000	2013 €'000
Property, plant and equipment	1,292	1,545	-	-
Pension asset	-	-	(230)	(1,236)
Gross Tax Assets/(Liabilities)	1,292	1,545	(230)	(1,236)

Movement in Temporary Differences during 2014

	Opening Balance Net	Recognised in Income	Recognised in Other Comprehensive Income	Closing Balance Net
Property, plant and equipment	1,545	(253)	-	1,292
Pension asset	(1,236)	-	1,006	(230)
Net Tax Assets/(Liabilities)	309	(253)	1,006	1,062

Movement in Temporary Differences during 2013

	Opening Balance Net	Recognised in Income	Recognised in Other Comprehensive Income	Closing Balance Net
Property, plant and equipment	1,436	109	-	1,545
Pension asset	(93)	-	(1,143)	(1,236)
Net Tax Assets/(Liabilities)	1,343	109	(1,143)	309

Unrecognised Deferred Tax Assets (Group and RTÉ)

Television Licence Fee income that RTÉ receives by way of 'grant-in-aid' is subject to corporation tax with effect from 1 January 2007. The Group has trading losses forward for tax purposes of €622 million at 31 December 2014. Due to the uncertainty surrounding when the losses may ultimately be utilised, no deferred tax asset has been recognised.

In addition, a deferred tax asset of €2.4 million has not been recognised in respect of the pension liability on the RTÉ Superannuation scheme (note 20) given the uncertainty as to when the asset would be utilised.

NOTES (CONTINUED)
FORMING PART OF THE GROUP FINANCIAL STATEMENTS

22. Financial Instruments and financial risk management (Group and RTÉ)

(a) Overview of Financial Risk Management

(i) Risk environment

The Group has exposure to the financial risks relating to credit, liquidity, foreign exchange, interest rate and operational risk.

The Board of RTÉ has overall responsibility for the establishment and oversight of the Group's risk management framework and has approved policies for the main areas of financial risk faced by the Group. Group Treasury is responsible for managing all treasury activities, in accordance with the treasury policies, including cash management, interest rate risk, liquidity risk, foreign exchange risk and counterparty credit risk.

The majority of RTÉ's business is transacted in Ireland. Consequently, operating and investing cash flows are substantially denominated in Euro. Foreign currency exposures arise primarily from payments for acquired programmes in US dollar and Sterling. RTÉ's policy is to have the majority of its committed principal foreign currency exposures commercially hedged at the beginning of each financial year by entering into US dollar and Sterling forward contracts. All foreign currency forward contracts have a maturity date of less than 18 months from the balance sheet date. These foreign currency forward contracts are not specifically designated into hedge relationships from an accounting perspective, but are nevertheless valid economic hedges.

2m obtained variable rate borrowings and entered a derivative contract in order to hedge exposures arising from fluctuations in the interest rate in 2011. In 2014 the Group has derecognised the derivative contracts as a cash flow hedge pursuant to IAS 39 *Financial Instruments: Recognition and Measurement* due to amendments to the existing facility.

Financial instruments are derecognised on settlement or sale.

(ii) Financial instruments classification

All financial assets and liabilities, excluding provisions and employee related liabilities, are financial instruments carried at amortised cost, with the exception of the derivative assets/(liabilities), which are categorised as follows:

GROUP	Derivative financial instruments at fair value through Income Statement		Derivative financial instruments with hedging relationship		Assets/(liabilities) held at amortised cost		Total	
	2014 €'000	2013 €'000	2014 €'000	2013 €'000	2014 €'000	2013 €'000	2014 €'000	2013 €'000
Non-Current Financial Assets								
Restricted cash	-	-	-	-	-	4,000	-	4,000
Total Non-Current Financial Assets	-	-	-	-	-	4,000	-	4,000
Current Financial Assets								
Trade and other receivables	-	-	-	-	38,413	35,807	38,413	35,807
Accrued income	-	-	-	-	2,426	1,788	2,426	1,788
Liquid investments	-	-	-	-	6,045	9,101	6,045	9,101
Cash and cash equivalents	-	-	-	-	18,643	18,962	18,643	18,962
Derivative financial instruments	1,113	-	-	-	-	-	1,113	-
Total Current Financial Assets	1,113	-	-	-	65,527	65,658	66,640	65,658
Total Financial Assets	1,113	-	-	-	65,527	69,658	66,640	69,658
Non-Current Financial Liabilities								
Interest-bearing loans and borrowings	-	-	-	-	(45,625)	(47,625)	(45,625)	(47,625)
Employee benefits	-	-	-	-	(17,723)	(22,800)	(17,723)	(22,800)
Trade and other payables	-	-	-	-	(2,391)	(3,290)	(2,391)	(3,290)
Derivative financial instruments	-	-	-	(1,020)	-	-	-	(1,020)
Total Non-Current Financial Liabilities	-	-	-	(1,020)	(65,739)	(73,715)	(65,739)	(74,735)
Current Financial Liabilities								
Trade and other payables	-	-	-	-	(65,945)	(65,327)	(65,945)	(65,327)
Interest-bearing loans and borrowings	-	-	-	-	(3,750)	(3,750)	(3,750)	(3,750)
Employee benefits	-	-	-	-	(8,443)	(9,025)	(8,443)	(9,025)
Derivative financial instruments	(1,186)	(312)	-	(1,079)	-	-	(1,186)	(1,391)
Total Current Financial Liabilities	(1,186)	(312)	-	(1,079)	(78,138)	(78,102)	(79,324)	(79,493)
Total Financial Liabilities	(1,186)	(312)	-	(2,099)	(143,877)	(151,817)	(145,063)	(154,228)

22. Financial Instruments and financial risk management (Group and RTÉ) (continued)

RTÉ	Derivative financial instruments at fair value through Income Statement		Derivative financial instruments with hedging relationship		Assets/(liabilities) held at amortised cost		Total	
	2014 €'000	2013 €'000	2014 €'000	2013 €'000	2014 €'000	2013 €'000	2014 €'000	2013 €'000
Current Financial Assets								
Trade and other receivables	-	-	-	-	30,506	28,633	30,506	28,633
Accrued income	-	-	-	-	326	92	326	92
Liquid investments	-	-	-	-	6,045	8,082	6,045	8,082
Cash and cash equivalents	-	-	-	-	14,869	16,674	14,869	16,674
Derivative financial instruments	1,113	-	-	-	-	-	1,113	-
Total Current Financial Assets	1,113	-	-	-	51,746	53,481	52,859	53,481
Total Financial Assets	1,113	-	-	-	51,746	53,481	52,859	53,481
Non-Current Financial Liabilities								
Interest-bearing loans and borrowings	-	-	-	-	(5,625)	(9,375)	(5,625)	(9,375)
Employee benefits	-	-	-	-	(17,544)	(22,604)	(17,544)	(22,604)
Trade and other payables	-	-	-	-	(2,391)	(3,290)	(2,391)	(3,290)
Total Non-Current Financial Liabilities	-	-	-	-	(25,560)	(35,269)	(25,560)	(35,269)
Current Financial Liabilities								
Trade and other payables	-	-	-	-	(191,382)	(189,140)	(191,382)	(189,140)
Interest-bearing loans and borrowings	-	-	-	-	(3,750)	(3,750)	(3,750)	(3,750)
Employee benefits	-	-	-	-	(8,135)	(8,796)	(8,135)	(8,796)
Derivative financial instruments	-	(312)	-	-	-	-	-	(312)
Total Current Financial Liabilities	-	(312)	-	-	(203,267)	(201,686)	(203,267)	(201,998)
Total Financial Liabilities	-	(312)	-	-	(228,827)	(236,955)	(228,827)	(237,267)

The foreign exchange forward contracts and the interest rate swap are financial instruments at fair value through the surplus or deficit.

C

NOTES (CONTINUED)

FORMING PART OF THE GROUP FINANCIAL STATEMENTS

22. Financial Instruments and financial risk management (Group and RTÉ) (continued)

(b) Credit risk

Overview

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Notes	Group carrying amount		RTÉ carrying amount	
		2014	2013	2014	2013
		€'000	€'000	€'000	€'000
Restricted cash	10	-	4,000	-	-
Trade receivables	13	38,410	35,705	30,503	28,543
Liquid investments	14	6,045	9,101	6,045	8,082
Cash and cash equivalents	15	18,643	18,962	14,869	16,674
Accrued income and other receivables		2,429	1,890	329	183
		65,527	69,658	51,746	53,482

The Group has detailed procedures for monitoring and managing the credit risk related to its financial assets as outlined below.

Treasury related credit risk

The Group is exposed to credit risk from the counterparties with whom it holds its bank accounts and transacts with in the financial markets. Liquid investments, cash and cash equivalents, restricted cash and derivative financial instruments are all held by financial counterparties which have a minimum credit rating of BB+ under the Standard & Poor's rating.

Liquid investments and cash and cash equivalents are primarily funds invested with Irish financial institutions with limits on amounts held with individual banks or institutions at any one time. Derivative financial instruments are held with Irish and UK financial institutions and the Group has not experienced any losses due to failure of such counterparties to deliver on their obligations.

Customer credit risk

The Group has credit insurance and sets credit limits for all customers. Given the nature of the advertising and other markets within which RTÉ operates, RTÉ had significant exposures to individual advertising agencies and other customers throughout the year. RTÉ's policy is to assign limits to the aggregate amount of exposure to each individual customer. These exposures and the related limits are subject to ongoing review and monitoring.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

		Group carrying amount		RTÉ carrying amount	
		2014	2013	2014	2013
		€'000	€'000	€'000	€'000
Ireland		36,825	34,201	29,610	27,663
United Kingdom		1,474	1,386	869	838
Other Regions		111	118	24	42
Trade Receivables		38,410	35,705	30,503	28,543

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

		Group carrying amount		RTÉ carrying amount	
		2014	2013	2014	2013
		€'000	€'000	€'000	€'000
Non-agency debtors		11,125	10,557	5,543	5,373
Other debtors – agency		27,285	25,148	24,960	23,170
Trade Receivables		38,410	35,705	30,503	28,543

An agency debtor represents an advertising agent or agency, being a person, firm or company which selects or books advertising space on behalf of the advertiser.

The Group's most significant debtor, an Irish company, accounts for €4.2 million (11%) of the trade receivables carrying amount at 31 December 2014 (2013: €3.3 million).

22. Financial Instruments and financial risk management (Group and RTÉ) (continued)

The aging of trade receivables at the reporting date was:

	Group			RTÉ		
	Gross	Impairment	Net	Gross	Impairment	Net
	2014	2014	2014	2014	2014	2014
	€'000	€'000	€'000	€'000	€'000	€'000
Not past due	18,896	-	18,896	14,777	-	14,777
Past due 0–30 days	19,184	(523)	18,661	15,057	(137)	14,920
Past due 31–120 days	874	(197)	677	709	(93)	616
Greater than 120 days	1,568	(1,392)	176	1,199	(1,009)	190
	40,522	(2,112)	38,410	31,742	(1,239)	30,503

	Group			RTÉ		
	Gross	Impairment	Net	Gross	Impairment	Net
	2013	2013	2013	2013	2013	2013
	€'000	€'000	€'000	€'000	€'000	€'000
Not past due	19,461	(148)	19,313	15,131	(148)	14,983
Past due 0–30 days	16,286	(756)	15,530	13,273	(156)	13,117
Past due 31–120 days	687	(116)	571	221	(34)	187
Greater than 120 days	1,653	(1,362)	291	1,350	(1,094)	256
	38,087	(2,382)	35,705	29,975	(1,432)	28,543

The movement in the allowance for impairment in respect of trade receivables during the year was:

	Group		RTÉ	
	2014	2013	2014	2013
	€'000	€'000	€'000	€'000
Balance at 1 January	2,382	2,073	1,432	1,024
Bad debts written off in the year	(270)	(268)	(204)	(190)
Provided during the year	-	577	11	598
Balance at 31 December	2,112	2,382	1,239	1,432

No credit exposure is perceived in relation to prepayments. Accrued income consists of unbilled receivables from a small number of customers. The Group has not experienced losses due to the failure of any of these customers to deliver on their obligations.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. RTÉ's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following tables set out the contractual maturities of financial liabilities, including interest payments associated with borrowings and the undiscounted net cash flows attributable to derivative financial instruments.

NOTES (CONTINUED)

FORMING PART OF THE GROUP FINANCIAL STATEMENTS

22. Financial Instruments and financial risk management (Group and RTÉ) (continued)

The following are the contractual maturities of financial liabilities:

31-Dec-14 Group	Carrying amount €'000	Contractual cash flows €'000	Within 1 year €'000	1-2 years €'000	2-5 years €'000	More than 5 years €'000
Interest-bearing loans and borrowings	49,375	55,773	6,105	4,787	44,881	-
Derivative financial instruments	1,186	1,186	1,186	-	-	-
Trade and other payables	68,336	68,336	65,945	2,391	-	-
Employee benefits	26,166	26,936	8,485	4,365	7,898	6,188
	145,063	152,231	81,721	11,543	52,779	6,188
31-Dec-13 Group	Carrying amount €'000	Contractual cash flows €'000	Within 1 year €'000	1-2 years €'000	2-5 years €'000	More than 5 years €'000
Interest-bearing loans and borrowings	51,375	56,508	6,274	44,416	5,818	-
Derivative financial instruments	2,411	2,411	1,391	1,020	-	-
Trade and other payables	68,617	68,617	65,327	3,290	-	-
Employee benefits	31,825	32,777	9,072	5,052	10,390	8,263
	154,228	160,313	82,064	53,778	16,208	8,263

The following are the contractual maturities of financial liabilities (excluding intercompany liabilities):

31-Dec-14 RTÉ	Carrying amount €'000	Contractual cash flows €'000	Within 1 year €'000	1-2 years €'000	2-5 years €'000	More than 5 years €'000
Interest-bearing loans and borrowings	9,375	9,798	4,030	3,872	1,896	-
Trade and other payables	54,812	54,812	52,421	2,391	-	-
Derivative financial instruments	-	-	-	-	-	-
Employee benefits	25,679	26,448	8,176	4,365	7,898	6,009
	89,866	91,058	64,627	10,628	9,794	6,009
31-Dec-13 RTÉ	Carrying amount €'000	Contractual cash flows €'000	Within 1 year €'000	1-2 years €'000	2-5 years €'000	More than 5 years €'000
Interest-bearing loans and borrowings	13,125	14,016	4,153	4,045	5,818	-
Trade and other payables	56,023	56,023	52,733	3,290	-	-
Derivative financial instruments	312	312	312	-	-	-
Employee benefits	31,400	32,352	8,843	5,052	10,390	8,067
	100,860	102,703	66,041	12,387	16,208	8,067

As disclosed in note 16 the Group has a term loan facility and a project loan facility. Both of these facilities have loan covenants which if breached in the future may require the Group, or company, to repay the loans earlier than indicated in the above tables. The interest payments in the tables above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. Except for the interest-bearing loans and borrowings, it is not expected that the cash flows included in the maturity analysis above could occur significantly earlier, or at significantly different amounts.

At 31 December 2014, RTÉ had an undrawn overdraft facility of €10 million in place.

22. Financial Instruments and financial risk management (Group and RTÉ) (continued)

(d) Currency risk

The functional currency of all Group entities is Euro. Due to the nature of certain aspects of its business, in particular acquired television programmes and rights from overseas, RTÉ is exposed to the effects of fluctuations in foreign currency exchange rates. The currencies that give rise to this risk are US Dollar and Sterling.

The Group and RTÉ primarily uses foreign currency forward contracts to economically hedge its currency risk. Changes in the fair value of foreign currency forward contracts are recognised in the income statement. At 31 December 2014 the fair value of the associated derivative asset was €1,113,000 (2013: liability of €312,000).

The Group and RTÉ hedge a minimum of 60% of its budgeted foreign currency exposure in respect of acquired television programmes and rights from overseas.

The Group and Company did not have any material foreign currency denominated monetary assets at 31 December 2014 or 2013.

RTÉ had no financial liabilities denominated in foreign currencies except for those outlined in the following tables.

Breakdown of Trade Payables by Currency

	2014 €'000	2013 €'000
Group		
Euro	4,307	5,268
GBP	105	147
USD	12	40
Other	28	47
	4,452	5,502

Breakdown of Trade Payables by Currency

	2014 €'000	2013 €'000
RTÉ		
Euro	3,197	4,116
GBP	79	131
USD	12	14
Other	28	47
	3,316	4,308

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2014 Euro	2013 Euro	2014 Euro	2013 Euro
USD 1	1.3285	1.3281	1.2141	1.3791
GBP 1	0.8061	0.8493	0.7789	0.8337

In managing currency risks, the Group aims to reduce the impact of short term fluctuations on the Group's earnings. Foreign currency forward purchase contracts are used by the Group to reduce volatility arising from these foreign currency exposures. As a result the Group mitigates significant risk of movements in foreign exchange rates.

Group

A plus or minus change of 10% in relevant foreign currency exchange rates, based on outstanding foreign currency-denominated financial liabilities at 31 December 2014, would impact the Group's Income Statement positively or negatively by up to €16,091 (31 December 2013 €25,908).

RTÉ

A plus or minus change of 10% in relevant foreign currency exchange rates, based on outstanding foreign currency-denominated financial liabilities at 31 December 2014, would impact RTÉ's Income Statement positively or negatively by up to €12,307 (31 December 2013 €24,200).

22. Financial Instruments and financial risk management (Group and RTÉ) (continued)

(e) Interest rate risk

At 31 December 2014 the Group had total borrowings of €49.38 million (2013: €51.38 million).

On 28 May 2012, RTÉ entered into a five year amortising term loan facility with Bank of Ireland amounting to €15 million for working capital purposes. The term loan was drawn down in full as at 31 July 2012. The borrowing is a variable rate term loan facility with a maturity in 2017.

On 22 December 2010, 2m entered into a five year project loan facility agreement amounting to €38.25 million. On 18 June this facility was replaced with a new facility for €53 million of which €40 million was drawn down in 2014. The borrowing is a variable rate project loan with a maturity in 2019. The Group entered an interest rate swap in 2011 to fix the rate on the original borrowings until 22 December 2015; consequently any changes in the interest rate would have an equal and opposite income statement effect for both the interest rate swap and the debt for the period.

A 1% movement in the interest rate would have a positive or negative effect of €0.5 million on the Income Statement.

At the reporting date the interest rate profile of RTÉ's interest-bearing financial assets was:

Group	Carrying amount	
	2014	2013
	€'000	€'000
Fixed Rate Instruments		
Financial assets	19,545	22,113
Variable Rate Instruments		
Financial assets	5,143	5,950
<hr/>		
RTÉ	Carrying amount	
	2014	2013
	€'000	€'000
Fixed Rate Instruments		
Financial assets	19,052	20,600
Variable Rate Instruments		
Financial assets	1,862	4,156

A 1% movement in the interest rate on RTÉ's interest-bearing financial assets would have a positive or negative effect on the Income Statement of €0.2 million (net of tax).

22. Financial Instruments and financial risk management (Group and RTÉ) (continued)

(f) Fair Values

The following table shows the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount 2014 €'million	Fair Value Level 2 2014 €'million	Carrying Amount 2013 €'million	Fair Value Level 2 2013 €'million
Group^(a)				
Financial assets measured at fair value				
Forward exchange contracts	1.1	1.1	-	-
Financial liabilities measured at fair value				
Interest rate swap	(1.2)	(1.2)	(2.1)	(2.1)
Forward exchange contracts	-	-	(0.3)	(0.3)
Financial liabilities not measured at fair value				
Interest bearing loans and borrowings	49.4	49.8	51.4	53.8
RTÉ^(a)				
Financial assets measured at fair value				
Forward exchange contracts	1.1	1.1	-	-
Financial liabilities measured at fair value				
Forward exchange contracts	-	-	(0.3)	(0.3)
Financial liabilities not measured at fair value				
Interest bearing loans and borrowings	9.4	9.8	13.1	14.0

^(a) The group and RTÉ has not disclosed the fair values for financial instruments such as trade receivables, payables and employee benefits as their carrying amounts disclosed on page 142 are a reasonable approximation of fair values.

The fair value of derivative financial instruments was based on the fair value hierarchy. The fair value for foreign exchange forward contracts and the interest rate swap were calculated using the following valuation method:

Level 2: inputs, other than unadjusted quoted prices in active markets for identical assets and liabilities, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The Level 2 valuation method and instruments valued using the method has not changed during this or the previous reporting period. There has been no transfer between levels in the fair value hierarchy.

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative financial instruments	Market comparison technique: the fair values are based on quotes for similar contracts traded in an active market.	Not applicable	Not applicable

Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Interest-bearing loans and borrowings	Discounted cash flows based on borrower quoted interest rates.	Not applicable

NOTES (CONTINUED)

FORMING PART OF THE GROUP FINANCIAL STATEMENTS

22. Financial Instruments and financial risk management (Group and RTÉ) (continued)

(g) Derivative financial instruments

The contractual cash flows associated with the derivative financial instruments are outlined below:

31-Dec-14	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years
	€'000	€'000	€'000	€'000	€'000

Group

Derivative assets/(liabilities)

Interest rate swap	(1,186)	(1,186)	(1,186)	-	-
Foreign exchange forward contracts (outflows)	1,113	1,113	1,113	-	-

31-Dec-14	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years
	€'000	€'000	€'000	€'000	€'000

RTÉ

Derivative assets

Foreign exchange forward contracts (outflows)	1,113	1,113	1,113	-	-
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31-Dec-13	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years
	€'000	€'000	€'000	€'000	€'000

Group

Derivative assets/(liabilities)

Interest rate swap	(2,099)	(2,099)	(1,079)	(1,020)	-
Foreign exchange forward contracts (outflows)	(312)	(312)	(312)	-	-
	(2,411)	(2,411)	(1,391)	(1,020)	-

31-Dec-13	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years
	€'000	€'000	€'000	€'000	€'000

RTÉ

Derivative assets/(liabilities)

Foreign exchange forward contracts (outflows)	(312)	(312)	(312)	-	-
	(312)	(312)	(312)	-	-

Any gains or losses arising from changes in the fair value of foreign exchange forward contracts are taken directly to the Income Statement.

At 31 December 2014 the Group had total borrowings of €49.38 million (2013: €51.38 million). The Group entered an interest rate swap amounting to €38.25 million to fix the variable rate on the 2011 borrowings until maturity. At the inception of the hedge, the Group formally designated the hedge relationship and consequently the effective part of any gain or loss on the derivative financial instrument is recognised directly in the Statement of Comprehensive Income. On 18 June 2014 this facility was replaced with a new facility for €53 million of which €40 million was drawn down in 2014; the hedge relationship has ceased.

23. Cash flow hedge reserve

	Note	2014 €'000	2013 €'000
Balance at 1 January		(1,838)	(2,807)
Effective portion of cash flow hedge		411	1,108
Reclassification of cash flow hedge reserve to income statement		1,689	-
Reverse deferred tax on cash flow hedge		(262)	-
Deferred tax on cash flow hedge	21	-	(139)
Balance at 31 December		-	(1,838)

The cash flow hedge reserve comprised the effective portion of the cumulative net change in the fair value of the interest rate swap related to the Barclay's project loan facility.

24. Financial Commitments, Contingencies and Guarantees

(a) Capital Commitments

	Group		RTÉ	
	2014 €'000	2013 €'000	2014 €'000	2013 €'000
Contracted but not provided for	-	-	-	-
Authorised but not contracted for	-	415	-	26
	-	415	-	26

(b) Programme/Rights Purchase Commitments

	Group		RTÉ	
	2014 €'000	2013 €'000	2014 €'000	2013 €'000
Contracted but not provided for	107,800	66,161	107,800	66,161

(c) Contingent Liabilities

Due to the nature of its operations, the Group is involved in various legal actions with third parties which have arisen in the normal course of the business. While it is not practicable to quantify accurately the potential liability under the various actions, the Board are satisfied that they have made reasonable provision for the likely outcome of these actions.

(d) Guarantees

At 31 December 2014, RTÉ had entered into a guarantee facility amounting to €1.3 million which expires on 30 June 2015.

(e) Digital Television Services Northern Ireland

RTÉ has entered into a joint venture with TG4 for the provision of Digital television services in Northern Ireland and under this agreement RTÉ has a funding commitment which expires in October 2024. The remaining commitment at 31 December 2014 is €5.8 million.

25. Related Party Transactions

(a) Transactions with related parties excluding key management personnel

RTÉ is a statutory corporation, established as a Public Service Broadcasting Corporation under the *Broadcasting Act 2009*. The members of the RTÉ Board are appointed by the Government. The Government is deemed to have control over the Group and is recognised as a related party as defined by the accounting standards. The Group has applied the exemption in IAS 24 *Related Party Disclosures* that exempts an entity from the related party disclosure requirements in respect of the Government and Government related entities unless transactions are individually significant or collectively significant.

In the normal course of business the Group has entered into transactions with the Government and Government related entities involving the provision of advertising and other similar services, together with purchases of goods and services to/from Government departments and to entities controlled by the Irish Government. An Post collects the Television Licence Fee on behalf of the Department of Communications, Energy and Natural Resources.

At 31 December 2014, the total payables to RTÉ subsidiary undertakings was €139.0 million (2013: €136.4 million).

(b) Transactions with key management personnel¹

For the purposes of the disclosure requirements of IAS 24 *Related Party Disclosures* the term 'key management personnel' (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the company) comprises the RTÉ Board, the Director-General, the RTÉ Executive and the corporate functions reporting directly to the Director-General. The total amount of compensation paid to key management personnel in 2014 was €3.6 million (2013: €3.9 million), comprising salaries and other short term employee benefits €3.1 million (2013: €3.1 million), post-employment pension benefits €0.5 million (2013: €0.6 million) and termination benefits nil (2013: €0.2 million, which were in accordance with the terms of the ERRF/VSF programmes).

Purchases by RTÉ from a company owned/controlled by Board members, other key management personnel and/or their close family members in 2014 amounted to €3.6 million (2013: €3.3 million) primarily in respect of commissioned programmes. Sales by RTÉ to a company owned/controlled by Board members, other key management personnel and/or their close family members in 2014 amounted to €0.4 million (2013: €0.08 million). Outstanding contractual commitments from a company owned/controlled by Board members, other key management personnel and/or their close family members in 2014 amounted to €2.2 million (2013: €1.1 million). There were no material amounts outstanding at either year end.

Programme contributions paid by RTÉ to Board members, other key management personnel and their close family members in 2014 amounted to €2,235 (2013: €2,810).

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions.

¹ Related parties include key management personnel, their immediate families and external entities controlled by them.

26. Subsequent events

There have been no significant events impacting the Group financial statements since the year end.

27. Board Approval

The Board of RTÉ approved the financial statements on pages 98 to 148 in respect of the year ended 31 December 2014 on 23 April 2015.

OTHER REPORTING REQUIREMENTS

NOT FORMING PART OF THE GROUP FINANCIAL STATEMENTS

Audience Council

Section 96 of the *Broadcasting Act 2009* established the RTÉ Audience Council on a statutory basis. It provides a voice for the viewers and listeners with regard to RTÉ's output and delivery on its public remit. The term of office of the members of the Audience Council ended on 31 December 2014. In total, nine meetings of the Audience Council took place in 2014, including a joint meeting with the Board of RTÉ as provided for in the Act.

The members are selected by the members of the RTÉ Board taking into account the requirements of the *Broadcasting Act 2009*. The RTÉ Board appoints one of its members as an ex officio member of the Council. The members serve in a voluntary capacity, but may receive such out-of-pocket expenses as may be reasonably incurred in the performance of their functions. Further information on the Audience Council, its members and a summary of the meetings held during the year is available at <http://www.rte.ie/about/en/how-rte-is-run/2012/0330/315626-audience-council/>

RTÉ Annual Statement of Performance Commitments 2014 (ASPC 2014)

Introduction

Under the provisions of the *Broadcasting Act 2009* RTÉ is obliged to fulfil three reporting requirements: preparation of a statement of strategy (s99); preparation of a public service statement (s101), following a public consultation; and preparation of annual statements of performance commitments (s102). In fulfilment of statutory requirements, RTÉ's Statement of Strategy and Public Service Statement were submitted to the Minister in 2010 and are published on RTÉ.ie

A new and improved approach for RTÉ's Commitments was introduced in 2014. RTÉ and the BAI constructively engaged to develop and significantly evolve this process over recent years, and in particular, following the Government Response to s124 5-year public funding review. Changes introduced in 2014 further aligned RTÉ's commitments with the RTÉ Strategy 2013-2017, prepared as part of the s124 5-year review, and these commitments demonstrate how RTÉ intended to fulfil Year-2 of that plan. Changes are also intended to increase the value of RTÉ's *ASPC 2014* for the BAI, and to enable better monitoring of delivery on RTÉ's strategic plan for both RTÉ and the BAI.

Pursuant to section 102(3) of the Act RTÉ's *APSC 2014* was submitted to the BAI and the Minister in February 2014 and a version of same was subsequently published on RTÉ.ie.

This performance summary is presented in fulfilment of section 102(5) of the Act and in compliance with section 102(4) of the Act; a separate and more detailed report on fulfilment or otherwise of commitments was submitted to the BAI and the Minister by 31 March 2015.

2014 Performance Commitments with Measures (Year 2)

AUDIENCE – REACH AND IMPACT

1. RTÉ to provide a comprehensive portfolio of media services, which together reach across the spectrum of audience age groups to serve multiple needs

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
<i>RTÉ One: Modernise the schedule, broadening the appeal for family audiences and 35-54 year olds</i>	Stabilise peak TVRs among 35-54s at >8	Commitment achieved
	Stabilise weekly reach among Individuals at >67%	Commitment largely achieved. Weekly reach was 2-points below target at 65%. A key contributing factor is the increasingly competitive and fragmented media environment in which RTÉ Television operates. In addition, some traditional television viewing has moved to RTÉ's own digital services and fewer homes now have an actual television set.
	Maintain adult 15+ peak time share at >28%	Commitment largely achieved. Peak time share was 1-point below target at 27%. See above result commentary.

Note: All RTÉ One targets refer to combined data for RTÉ One and RTÉ One +1

OTHER REPORTING REQUIREMENTS (CONTINUED)

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPO Measure	2014 Result
<i>RTÉ2: Rebalance the schedule to target young people in Ireland</i>	Increase peak TVRs among 15–34s to >2.5	Commitment largely achieved. RTÉ2's peak TVR among 15–34s was marginally behind target at 2.4. While up on 2013, TVRs did not increase to the extent envisaged during 2014. See result commentary below.
	Stabilise weekly reach among Individuals at >52%	Commitment largely achieved. Weekly reach was 2-points behind target at 50%. A key contributing factor is the increasingly competitive and fragmented media environment in which RTÉ Television operates. In addition, RTÉ2's target demographic are more likely than average to view content, television programmes, and indeed RTÉ2's own programmes, on other devices and platforms, including RTÉ's digital services.
	Grow 15–34s peak time share to >9%	Commitment achieved
<i>RTÉjr: Meet the needs of young children through a diverse schedule</i>	Grow weekly reach among 4–7s to >15%	Commitment achieved
<i>RTÉ Radio 1: Grow the 35–54 year old audience by adjusting the tone and genre mix</i>	Stabilise listened yesterday reach among 35–54s at >23%	Commitment largely achieved. Listened yesterday reach for 35–54s was 1-point behind target at 22%. There was some erosion to the RTÉ Radio 1 audience in 2014, in part due to increased competition in the national radio market. The station aims to stabilise and rebuild its audience throughout 2015 and beyond.
	Maintain increased weekly reach among Adults 15+ at >37%	Commitment largely achieved. Weekly reach was 1-point behind target at 36%. See above result commentary.
	Maintain adult 15+ peak 7-7 share at >23%	Commitment not achieved. Peak time share was 1.5-points behind target at 21.5%. See above result commentary.
<i>RTÉ 2fm: Grow the audience by creating relevant content for 20–44s</i>	Build on listened yesterday reach among 20–44s to >15%	Commitment not achieved. Listened yesterday reach for 20–44s was 1-point behind target at 14%. Significant changes were introduced to the schedule in 2014 with the expectation of initial churn and subsequent growth. RTÉ 2fm anticipates it will begin to see audience gains in 2015.
	Stabilise weekly reach among all Adults 15+ at >23%	Commitment largely achieved. Weekly reach was 1-point behind target at 22%. See above result commentary.
	Grow 20–44-year-old peak 7-7 share to 13%	Commitment not achieved. Peak time share among 20–44s was almost 3-points behind target at 10.1%. See above result commentary.
<i>RTÉ lyric fm: Achieve a wider, more diverse listenership by reaching out to listeners under 50</i>	Maintain increased listened yesterday reach among 35–54s at >4%	Commitment achieved
	Maintain increased weekly reach among Adults 15+ at >8%	Commitment achieved
	Maintain increased adult 15+ peak 7-7 share at >1.8%	Commitment achieved

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
<i>RTÉ Raidió na Gaeltachta: Grow its audience by reaching out to new audiences outside of the Gaeltachtaí and abroad</i>	Grow listened yesterday reach among 35–54s to >1%	Commitment achieved
	Maintain increased weekly reach among Adults 15+ at >2%	Commitment achieved
<i>RTÉ.ie: Deliver quality RTÉ content to both Irish and international audiences</i>	Grow RTÉ.ie average weekly reach to >25%	Commitment achieved
	Grow RTÉ.ie average monthly Unique International Browsers to >1.5m	Commitment achieved
<i>RTÉ Player: Become the leading Irish on-demand television service</i>	Grow RTÉ Player average weekly reach to >20%	Commitment achieved
<i>RTÉ News Now (RNN): Evolve Ireland's only multimedia news service to meet audience needs</i>	Grow RNN's television weekly reach among Adults 15+ to >20%	Commitment not achieved. Weekly reach was 1-point behind target at 19%. While this represented an increase on 2013, reach did not grow as envisaged in 2014. A key contributing factor was the resources available to invest in the service.
	Grow number of unique browsers, from the RTÉ news site and RNN mobile app to >2.2m	Commitment achieved
	Grow number of Twitter followers of RTÉ News to 225k	Commitment achieved
<i>RTÉ Aertel: Provide Ireland's leading information service</i>	Monitor RTÉ Aertel usage and stabilise weekly reach at >15%	Commitment achieved
<i>RTÉ Archives: Develop and open up RTÉ Archives</i>	Increase numbers ever using RTÉ Archives to >14%	Commitment achieved
<i>Grow mobile and online consumption of RTÉ's programming and content</i>	Grow RTÉ apps average weekly to >13%	Commitment not achieved. Weekly reach for RTÉ apps was 2-points behind target at 11%. While up on 2013's reach, this figure did not grow as envisaged during 2014. RTÉ's weekly reach via mobile and online combined however increased to 48% and further analysis specifically on app usage is required.
	Grow RTÉ's average weekly reach via mobile and online to >37%	Commitment achieved
	Grow RTÉ's average monthly streams via mobile to 7.5m	Commitment achieved
<i>RTÉ Orchestras, Quartet & Choirs: Offer Irish music lovers the highest quality live music experiences</i>	Maintain audience at >190,000	Commitment not achieved. Live audience attendances however continued to be strong and exceeded 180,000. Despite adverse trading conditions, and a fluctuation in the number of commercial opportunities to provide the orchestras as hire facilities, RTÉ Orchestras, Quartet & Choirs succeeded in attracting high levels of public interest in its concerts.

OTHER REPORTING REQUIREMENTS (CONTINUED)

2. RTÉ aims to connect with the lives of Irish people, to be trusted by them and accountable to them

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
<i>RTÉ Overall: To connect with audiences through its full portfolio of services</i>	Maintain average weekly reach for all RTÉ Services among adults 15+ at >90%	Commitment achieved
	Maintain average weekly reach for all RTÉ Services among 15-34s at >90%	Commitment achieved
	Maintain average weekly reach for all RTÉ Services among 35-54s at >90%	Commitment achieved
	Maintain average weekly reach for all RTÉ Services among 55+ at >90%	Commitment achieved
<i>RTÉ Overall: To be an important part of Irish life and maintain audience trust</i>	Maintain public perception that RTÉ is an <i>Important part of Irish life</i> at >67%	Commitment achieved
	Maintain public perception that RTÉ is <i>trustworthy</i> at >70%	Commitment largely achieved. 68% of people agreed RTÉ is <i>trustworthy</i> , 2-points behind target. This score is monitored very closely and RTÉ noted recovery to >70% for the second half of 2014. RTÉ continues to target >70% for 2015.

CONTENT – DISTINCTIVE AND QUALITY

3. RTÉ to reshape its Television media services so as to best meet the changing needs of audiences with compelling content

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
<i>RTÉ One: Modernise the schedule, broadening the appeal for family audiences and 35-54-year-olds</i>	Deliver genre mix within projected % range	Commitment achieved
	Maintain audience perception of Quality at >80	Commitment achieved
<i>RTÉ2: Rebalance the schedule by increasing home produced content and innovate in programming and production targeted at young people in Ireland</i>	Deliver schedule mix within % range	Commitment achieved
	Maintain audience perception of Quality at >80	Commitment achieved

4. RTÉ to reshape its Radio media services so as to best meet the changing needs of audiences with compelling content

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
<i>RTÉ Radio 1: Widen the appeal of the station to 35-54s and remain the national flagship radio station through a mixed-genre speech-and-music schedule</i>	Deliver diverse genre mix within projected % range	Commitment achieved
	Maintain audience perception of Quality at >80	Commitment achieved
<i>RTÉ 2fm: Grow the target audience by creating relevant and targeted content. 2fm will refine its position in the Irish radio market as a key music and entertainment service</i>	Deliver genre mix within projected % range	Commitment achieved
	Maintain audience perception of Quality at >80	Commitment largely achieved. RTÉ 2fm's Quality score was 1-point behind target at 79. Significant changes were introduced to the schedule in 2014 with the expectation of initial churn and subsequent growth. RTÉ 2fm anticipates it will restore its Quality score levels in 2015.
<i>RTÉ lyric fm: Provide a unique alternative listening choice for an audience of classical, world music and arts lovers and the station reflect the interests of listeners throughout the schedule</i>	Deliver genre mix within projected % range	Commitment achieved
	Maintain audience perception of Quality at >80	Commitment achieved

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
<i>RTÉ Raidió na Gaeltachta: Provide innovative content which will connect listeners to a personalised authentic Gaeltacht and Irish-language world</i>	Deliver genre mix within projected % range	Commitment achieved
	Maintain audience perception of Quality at >80	Commitment largely achieved. RTÉ RnaG's Quality score was 1-point behind target at 79. Station reach increased again in 2014 and potentially newer listeners have given marginally lower Quality scores. RnaG continues to target >80 in 2015.

5. RTÉ to develop its Digital media services so as to best meet the changing needs of audiences with compelling content

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
<i>RTÉ Player: Become the leading Irish on-demand television service, giving audiences choice and control to enjoy RTÉ programmes wherever and whenever they choose</i>	Maintain score for audience perception of Satisfaction with RTÉ Player at >80%	Commitment achieved
<i>RTÉ.ie: Deliver RTÉ content to both Irish and international audiences through a first-class user-experience and multi-platform, multi-device availability</i>	Maintain score for audience perception of Satisfaction with RTÉ.ie at >80%	Commitment largely achieved. RTÉ.ie's satisfaction score was 3-points behind target at 77%. RTÉ.ie is operating in a rapidly changing market, and competing for audience attention with global media outlets and other Irish publishers has resulted in a higher level of audience expectation of online and mobile services. A new RTÉ.ie strategy is underway to more effectively meet audience needs, improve the user experience and consequently grow audience satisfaction. RTÉ continues to target >80% for 2015.

6. RTÉ to continue to be a trusted and strong modern Irish source of domestic and global News and Current Affairs, providing news coverage that is relevant to all, in both the English and Irish languages

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
<i>RTÉ News: Provide a trusted and strong modern Irish source of domestic and global N&CA</i> <i>See Commitment 20 for perceptions of Fairness and Impartiality</i>	Deliver N&CA hours within % range on RTÉ One, RTÉ Radio 1 and RTÉ News Now	Commitment achieved
	Maintain public perception that RTÉ provides trusted N&CA at >72%	Commitment achieved
<i>RTÉ News Now: Evolve Ireland's only multimedia news service, RTÉ News Now, to meet audience needs, online, on mobile and on television</i>	Deliver schedule mix within % range	Commitment achieved

7. RTÉ will continue to offer quality Irish content for children that explores and reflects their world via a multimedia offering across radio, television, online and mobile

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
<i>RTÉ Overall: Continue to offer quality Irish cross-platform content for children</i> <i>See also RTÉjr in Commitment 1</i>	Maintain public perception that RTÉ offers a broad range of content and services for children at >37%	Commitment achieved

8. RTÉ strives to reach out to all Irish language speakers at home and abroad in its provision of Irish language programming and services

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
<i>RTÉ Overall: Strive to reach out to all Irish language speakers at home and abroad</i> <i>See Commitment 4 regarding RTÉ Raidió na Gaeltachta</i>	Grow public perception that RTÉ provides a comprehensive service for Irish speakers to >40%	Commitment achieved

OTHER REPORTING REQUIREMENTS (CONTINUED)

CONTENT – CREATIVITY AND INNOVATION

9. Continue to deliver the big national events that bring the country together – whether they be the big entertainment events, news and political events or the big sporting occasions

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
<i>RTÉ Overall: Continue to deliver the big national events that bring the country together</i>	Grow public perception that <i>enables me to connect with national events</i> to >61%	Commitment achieved

10. RTÉ will utilise digital technology to enhance the quality of its services and to make its content accessible to the widest possible audience

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
<i>RTÉ Overall: Make RTÉ content accessible to the widest possible audience across different devices and platforms</i>	Grow public perception that <i>RTÉ programmes and services are easily accessible on a range of devices</i> to >72%	Commitment achieved
<i>RTÉ Television: Enhance the broadcast quality of RTÉ Television content through HD</i>	Hours target met	Commitment achieved

11. RTÉ aims to support and promote innovation and creativity both internally and among both the Independent Production sector and wider creative community

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
<i>RTÉ Overall: Support and promote innovation and creativity</i>	Grow public perception that <i>RTÉ is a creative organisation</i> to >44%	Commitment achieved
<i>RTÉ Radio: Maintain a high proportion of first-run home-production on RTÉ Radio</i>	>80% of output on RTÉ Radio's FM services will be first-run indigenous content	Commitment achieved
<i>RTÉ Television: Ensure a high proportion of home-production during peak on RTÉ One</i>	Indigenous hours as 70% of total peaktime hours on RTÉ One	Commitment achieved
<i>RTÉ Television: Support the Irish Independent production sector through RTÉ Format Farm 2014</i>	Broadcast format pilots on RTÉ Television	Commitment achieved

12. RTÉ aims to deliver bigger, more ambitious and more inclusive Arts and Culture content

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
<i>RTÉ Overall: Support arts activities in Ireland</i>	Grow public perception that <i>RTÉ supports arts activities in Ireland</i> to >56%	Commitment achieved
<i>RTÉ Overall: Finalise a strategy for RTÉ and the Arts that will consolidate and grow the arts across all RTÉ platforms</i>	Strategy approved and implementation in progress	Commitment achieved

USE OF PUBLIC FUNDS

13. RTÉ is committed to meeting budgetary targets as set out in RTÉ's Interim Budget 2014, including targeting positive Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
<i>Meet Interim Budget target for 2014</i>	Achieve agreed budget out-turn for the year	Commitment achieved

14. Deliver a value for money service by ensuring that best value is achieved in all areas of the business and by continuing to make best use of the Licence Fee income

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
Deliver the RTÉ Portfolio of services within the operating cost target	Operating Cost budget and delivery of specified service targets achieved	Commitment achieved
Ensure the public funding for each service is within the specified thresholds	Threshold ranges of Public Funding Utilisation for 2014	Commitment achieved
Maintain public perception score that RTÉ is good value for money	Maintain score at >58%	Commitment achieved
Ensure Radio and Television independent commissioning meets statutory spending requirements, fulfilling obligations under S.116 of the Broadcasting Act 2009	Statutory spend requirement met	Commitment achieved
Achieve PROC* target for 2014 Budget - % of Total Operating Costs (before depreciation and amortisation)	PROC target achieved	Commitment achieved

* Personnel Related Operating Costs

15. Optimise funding sources, by maximising the exploitation of all revenue streams both traditional and new

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
Commercial Revenue targets for TV, Radio, Networks and Digital	Commercial Revenue targets achieved	Commitment achieved

OPEN, ACCOUNTABLE AND COLLABORATIVE

16. RTÉ aims to be more open, to share its publically funded resources with other Irish media, by sharing news coverage with other media outlets

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
Share more of RTÉ's content by providing content to other Irish media providers	Audiovisual online content sharing in place	Commitment achieved

17. Develop key strategic and creative partnerships in order for RTÉ to continue to innovate in terms of programming, content & technology and to develop its capabilities and work practices

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
Progress RTÉ's relationship with at least 5 key organisations/stakeholders covering the areas of the Arts, Culture, Business, Education and other media, as identified by the RTÉ Partnerships Group	Report on development of 5+ key partnerships projects in 2014	Commitment achieved

18. RTÉ aims to understand Irish audiences through research initiatives that assess their needs, expectations and views of RTÉ content and services

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
Conduct research to provide RTÉ with audience perception of its content and services	On-going research surveys in place	Commitment achieved

19. Demonstrate leadership in access services by exceeding minimum standards and providing new/innovative services, where possible, to facilitate access to TV for those with sensory disabilities

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPC Measure	2014 Result
Ensure compliance with BAI access rules	All BAI targets met	Commitment largely achieved. RTÉ fulfilled all of its subtitling and Irish Sign Language targets. Audio Description (AD) was introduced on RTÉ One in July and RTÉ was therefore compliant with the new AD requirements from August to December 2014. RTÉ was not however compliant with the new AD targets for the first part of 2014.

OTHER REPORTING REQUIREMENTS (CONTINUED)

20. Implement the highest editorial standards, reviewing editorial guidelines in the context of legislation and codes of practice and minimising legal/regulatory corrective actions

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPO Measure	2014 Result
Ensure compliance with BAI editorial codes	Code of Programme Standards	Commitment largely achieved. One complaint was upheld, and another was partly upheld.
	Code of Fairness, Impartiality and Objectivity in News and Current Affairs	Commitment largely achieved. Two complaints were upheld, and three others were partly upheld.
Maintain public confidence in the impartiality and objectivity of key output such as News and Current affairs and build audience trust	Maintain Audience perceptions of 'fairness and impartiality' of <i>RTÉ News: Nine O'Clock</i>	Commitment achieved
	Maintain Audience perceptions of 'fairness and impartiality' of <i>Morning Ireland</i>	Commitment achieved
All BAI complaints dealt with within mandatory timeframes	100%	Commitment achieved

21. Fulfil all legislative and regulatory requirements and maintain best practice governance and reporting systems

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPO Measure	2014 Result
Ensure compliance with Financial Reporting and Corporate Governance Codes and Acts	Maintain the high standard of the <i>RTÉ Annual Report and Group Financial Statements</i> (Annual Report) and publish in accordance with s.110 of the <i>Broadcasting Act 2009</i>	Commitment achieved
	Comply with <i>Code of Practice for Governance of State Bodies</i> and report to Audit and Risk Committee	Commitment achieved
Ensure compliance with Commercial Communications Codes and Acts	Any commercial activities in accordance with s.108 of the <i>Broadcasting Act 2009</i>	Commitment achieved
	Comply with BAI, ComReg, ODAS and ASAI Commercial Communications Codes	Commitment achieved
Ensure compliance with Freedom of Information Acts	Compliance and quarterly FOI stats to DCENR/Dept of Finance	Commitment achieved
Promote best-practice in Enterprise Risk Management (ERM)	Build on enhancements introduced in 2013 that strengthen RTÉ's risk management	Commitment achieved

RTÉ conducts its operations in compliance with all applicable legal requirements. The selection in *Commitment 21* above, and other legislative and regulatory requirements highlighted in this document, focuses on areas that link to broadcast activity.

22. Demonstrate on-going and enhanced transparency and accountability in RTÉ's use of public funds

Key Measure/Initiative 2013-2017	2014 (Year 2) ASPO Measure	2014 Result
Continue to publish Cost Per Transmitted Hour (CPTH)	CPTH published in Annual Report 2013	Commitment achieved
Report on Utilisation of Public Funding in accordance with the financial transparency model adopted in 2013	Utilisation of Public Funding published in Annual Report 2013	Commitment achieved
Publish annual RTÉ Statement of Performance Commitments	Report on fulfilment or otherwise of RTÉ 2013 Commitments in Annual Report	Commitment achieved
	Publish RTÉ 2014 Commitments	Commitment achieved
Publish Fair Trading policy	Publish RTÉ policy in respect of transactions between activities in pursuit of RTÉ's public service objectives and activities in pursuit of the objective of commercial exploitation	Commitment largely achieved. RTÉ's existing Fair Trading policy remains publicly available on RTÉ.ie. While an updated policy has not been published, a draft, informed by best-practice, has been prepared. This is with the BAI for their consideration and RTÉ awaits comment.

Gender Equality and Diversity

Both as an employer and a broadcaster, RTÉ takes steps to actively promote gender equality.

As an employer, RTÉ recognises that the encouragement of diversity and the provision of equality of opportunity are essential for the efficiency and effectiveness of its work and for good relations among staff. Staff members are valued for their diverse contributions and supported to realise their full potential. In that regard, RTÉ has a Diversity Policy which forms part of the *RTÉ Staff Manual*. The policy is communicated to all staff members and addresses the issue of gender equality.

The Diversity Policy is supported by a diversity programme to promote best practice in areas such as recruitment and selection, training and development, working arrangements and dignity and respect at work. As an example, RTÉ job vacancies are recruited, selected and promoted on the basis of merit and suitability to fulfil the requirements of advertised posts. Furthermore, the composition of all interview boards reflects an equitable balance of women and men.

At 31 December 2014, 52.9% of the RTÉ workforce was male and 47.1% female. At Board level, the *Broadcasting Act 2009* provides for gender balance in the composition of the Board by requiring that its members include no fewer than five men and five women. At 31 December 2014, there were six women and six men on the Board of RTÉ. Please refer to the Corporate Governance section (page 90) for details of changes to Board membership subsequent to the year-end.

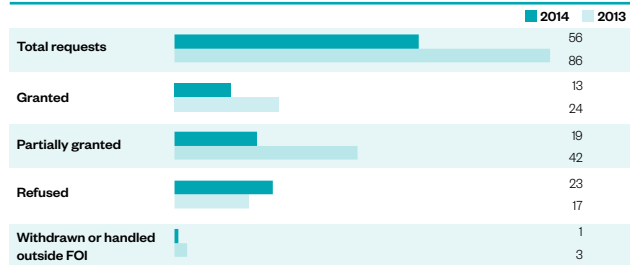
As a public service broadcaster, RTÉ is aware of the media's unique position of influence in promoting gender equality. The *RTÉ Programme Content Standards Guidelines* and the *RTÉ Journalism Guidelines* set out the editorial policies of RTÉ. These policies include specific provisions to promote diversity and gender equality and address important areas such as managing the risk of programming bias or gender stereotyping and promoting the importance of the use of gender inclusive terms.

To ensure that RTÉ is fully connected to its audiences, it is critical that staff, presenters and contributors represent the diversity of culture, demographics and opinion of the audience. RTÉ's Five-Year Strategy *RTÉ Today, Tomorrow 2013–2017*, published in 2013 and available on the RTÉ.ie website, recognises this point and highlights the importance of diversity of output and staff. As part of the RTÉ strategic commitment of being 'open, accountable and collaborative', Section 5.6 of the RTÉ Strategy document addresses the area of on-air diversity and sets out a series of planned diversity related initiatives.

As part of these initiatives, the Director-General established a Diversity Working Group in late 2014. The Diversity Working Group is tasked with reviewing relevant RTÉ policies and data and will conduct a diversity audit with a representative sample of staff and key stakeholders, to include focus group interviews. Benchmarking of RTÉ's standards and approach will take place against a number of similar broadcasters and a selection of Irish companies and organisations. The findings of this research will help inform a report and a set of recommendations. The Diversity Working Group is one of a range of projects taking place in RTÉ which will allow RTÉ to better reflect the audiences and also meet their needs.

OTHER STATISTICAL INFORMATION

FREEDOM OF INFORMATION REQUESTS TO RTÉ



COMPLAINTS TO BROADCASTING AUTHORITY OF IRELAND (BAI) ABOUT RTÉ OUTPUT



¹ In 2014 the BAI Compliance Committee fully upheld three complaints against RTÉ output. One was in respect of an edition of *Liveline* (RTÉ Radio 1, 14 August 2013); a second related to an edition of *Mooney* (RTÉ Radio 1, 20 January 2014). A third complaint was upheld against an edition of *The Business* (RTÉ Radio 1, 1 February 2014).

The Committee also upheld in part three complaints about *The Nine O'Clock News* (RTÉ One, 3 May 2014) and one complaint about *The Voice of Ireland* (RTÉ One, 23 March 2014).

At 31 December 2014, BAI decisions are outstanding on 12 of the complaints made about RTÉ broadcasts in 2014.

FINANCIAL HISTORY

	IFRS 2014	IFRS 2013	IFRS 2012 As restated	IFRS 2011	IFRS 2010	IFRS 2009	IFRS 2008
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
INCOME STATEMENT							
Television Licence revenue	178,562	182,370	180,894	183,623	195,968	200,217	200,852
Commercial revenue	149,605	145,214	156,320	167,257	175,699	174,704	239,908
Total revenue	328,167	327,584	337,214	350,880	371,667	374,921	440,760
Operating costs (before depreciation, amortisation and restructuring and other charges)	(312,088)	(306,919)	(335,002)	(353,411)	(356,197)	(363,368)	(439,488)
EBITDA before restructuring and other charges	16,079	20,665	2,212	(2,531)	15,470	11,553	1,272
Depreciation and amortisation	(13,600)	(15,255)	(17,504)	(16,110)	(20,400)	(26,025)	(21,022)
Restructuring and other charges	237	390	(46,161)	-	-	(11,341)	-
Profit/(loss) from operating activities after restructuring and other charges	2,716	5,800	(61,453)	(18,641)	(4,930)	(25,813)	(19,750)
Net finance (expense)/income	(1,788)	(4,734)	(3,737)	2,442	1,118	(1,649)	10,324
Tax	(711)	(408)	43	(561)	(850)	(339)	9,459
Surplus/(Deficit) for the year	217	658	(65,147)	(16,760)	(4,662)	(27,801)	33
BALANCE SHEET							
Non-current and current assets							
Property, plant and equipment	81,440	88,522	98,550	100,248	92,115	98,286	108,931
Intangible assets	3,157	4,121	4,348	3,681	3,329	4,711	4,973
Pension asset	1,837	9,899	746	664	3,861	9,208	-
Inventories	33,848	33,484	31,977	37,044	35,663	37,156	41,314
Other assets	76,517	80,991	91,529	118,077	118,527	112,625	134,418
Total assets	196,799	217,017	227,150	259,714	253,495	261,986	289,636
Non-current and current liabilities							
Employee benefits – restructuring	19,903	25,278	34,610	12,505	19,708	24,150	16,343
Pension liability	19,188	-	47,086	47,797	-	-	86,617
Other liabilities	154,736	137,625	145,180	128,240	96,488	92,401	112,413
Total liabilities	193,827	162,903	226,876	188,542	116,196	116,551	215,373
Equity	2,972	54,114	274	71,172	137,299	145,435	74,263
Total equity and liabilities	196,799	217,017	227,150	259,714	253,495	261,986	289,636
CASH FLOW							
Net cash generated from/(used in) operating activities	2,447	5,076	(22,051)	(17,665)	14,481	9,323	18,437
Net cash outflow from acquisition of property, plant, equipment and intangible assets	(5,508)	(9,212)	(14,857)	(23,128)	(11,732)	(20,506)	(45,907)
EMPLOYEE HEADCOUNT							
Total at 31 December	1,899	1,856	1,858	2,093	2,151	2,214	2,351

NOTES



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