

**RTE**

today, tomorrow, together >

Annual Report & Group Financial Statements

2

0

1

3





Raidió Teilifís Éireann Board  
53rd Annual Report and Group  
Financial Statements for the 12 months  
ended 31 December 2013, 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  
[www.rte.ie/about/ie/policies-and-reports/annual-reports/](http://www.rte.ie/about/ie/policies-and-reports/annual-reports/)

# CONTENTS

Vision, Mission and Values	2
Highlights	3
What we Do	4
Organisation Structure	5
Chairman's Statement	6
Director-General's Review	8
Financial Review	12
Operational Review	22
Board	68
Executive	70
Corporate Governance	72
Board Members' Report	77
Statement of Board Members' Responsibilities	78
Independent Auditor's Report	79
Financial Statements	80
Accounting Policies	87
Notes forming part of the Group Financial Statements	92
Other Reporting Requirements	127
Other Statistical Information	143
Financial History	144

# 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

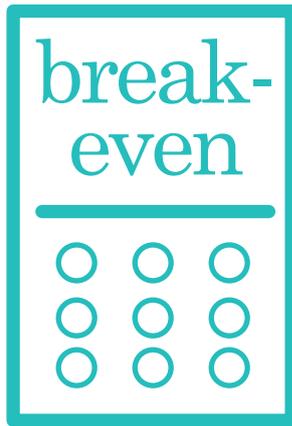
- DELIVER THE MOST TRUSTED, INDEPENDENT, IRISH NEWS SERVICE, ACCURATE AND IMPARTIAL, FOR THE CONNECTED AGE
- PROVIDE THE BROADEST RANGE OF VALUE FOR MONEY, QUALITY CONTENT AND SERVICES FOR ALL AGES, INTERESTS AND COMMUNITIES
- REFLECT IRELAND'S CULTURAL AND REGIONAL DIVERSITY AND ENABLE ACCESS TO MAJOR EVENTS
- SUPPORT AND NURTURE IRISH PRODUCTION AND IRISH CREATIVE TALENT



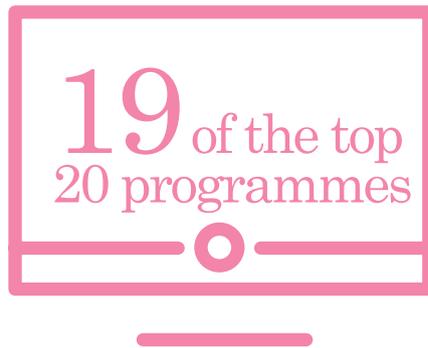
## VALUES

- 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

## HIGHLIGHTS



RTÉ ACHIEVED FINANCIAL BREAK-EVEN IN 2013 AND GENERATED A PRE-TAX SURPLUS OF OVER €1 MILLION



RTÉ TELEVISION BROADCAST 19 OF THE TOP 20 MOST WATCHED PROGRAMMES IN IRELAND IN 2013



LOVE/HATE PREMIERED IN THE UK ON CHANNEL 5 WITH A 5% SHARE. THE SERIES WAS BROADCAST IN ASIA, AUSTRALIA, BRAZIL, ISRAEL, NEW ZEALAND, UK AND USA (ON BOTH NETFLIX AND HULU)



DURING 2013 RTÉ ORCHESTRAS, QUARTET AND CHOIRS PERFORMED TO ALMOST 200,000 PEOPLE, PRESENTING A TOTAL OF 258 LIVE PERFORMANCES AND EVENTS



PRIME TIME SAW THE RETURN OF HIGH-PROFILE INVESTIGATIVE REPORTS FROM RTÉ'S NEW INVESTIGATIONS UNIT, INCLUDING ONE ON IRELAND'S CRÈCHES



RTÉ DIGITAL SERVICES HAD AN AVERAGE OF 135 MILLION UNIQUE PAGE IMPRESSIONS PER MONTH IN 2013

# WHAT WE DO

## RTÉ 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.
- RTÉ Two HD - the home of sport and children & young people's daytime television, RTÉ Two provides distinctive and relevant programming for younger people through factual, entertainment, comedy, sport, documentary and acquired drama.

RTÉ operates three complementary TV channels on the Saorview platform. Those channels are as follows:

- RTÉjr - a dedicated daytime television service for children aged under 7 years, which is completely free of advertising. RTÉjr broadcasts pre-school programming between 7.00am and 6.45pm daily. With home-produced programmes 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 7pm until late. This channel offers viewers another opportunity to experience 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.

## RTÉ RADIO

RTÉ Radio operates four primary national stations and seven exclusively digital 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.

### Primary Stations

- RTÉ Radio 1 - news and current affairs; arts, drama and documentary strands; entertainment, sport and 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 7am to 9pm.
- RTÉ Gold - uninterrupted popular music for the over-35s.
- 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.

RTÉ News and Current Affairs also includes the Investigations Unit which produces high-profile investigative reports.

## 2RN

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

## RTÉ DIGITAL

RTÉ Digital operates four of Ireland's leading 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.
- 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.

## RTÉ ORCHESTRAS, QUARTETS AND CHOIRS

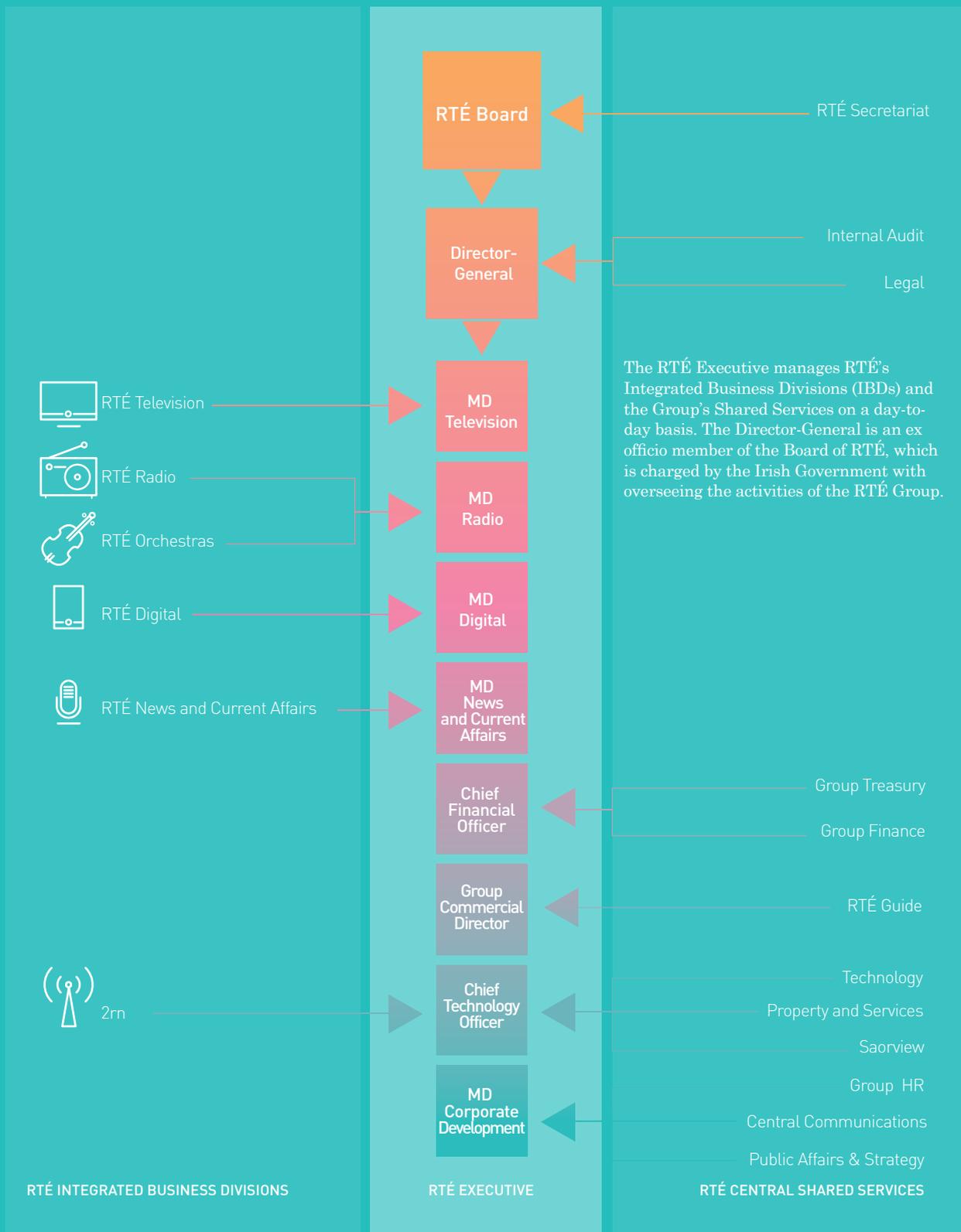
RTÉ is a major contributor to the arts in Ireland, and operates five performing groups which offer music lovers in Ireland high-quality live, broadcast and recorded music:

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

## RTÉ GUIDE

- The best-selling Irish weekly listings and features magazine.

# ORGANISATION STRUCTURE



# CHAIRMAN'S STATEMENT

CHANGE, CONTINUITY AND REBUILDING: THAT WAS 2013 FOR RTÉ. THE CHALLENGING LOSS OF A LARGE NUMBER OF STAFF, AND CONSEQUENTLY, THEIR KNOWLEDGE AND EXPERIENCE, TOOK PLACE ALONGSIDE AN ENERGETIC REORGANISATION OF DIVISIONS, WITH MANAGEMENT CHANGES IN TELEVISION AND RADIO, THE CREATION OF A NEW CHILDREN'S CHANNEL AND MULTI-MEDIA INITIATIVES IN NEWS.

After the difficult financial decisions and restructuring charges of the previous year, 2013 was a year of financial stabilisation for RTÉ. The commercial environment remained challenging, particularly in the early part of the year; however the organisation's overall finances improved. At the end of 2013, RTÉ reported an operating profit (EBITDA) of €20.7m, a substantial improvement on €2.2m in 2012. In 2013, despite further falls in commercial income (a challenge faced by the entire media industry in Ireland) RTÉ returned to break-even, reporting a pre-tax surplus of over €1m. This stabilisation is a credit to the rigorous financial management of the organisation.

Despite this encouraging return to a small surplus, RTÉ's economic outlook remains uncertain. Funding was further reduced by the Government's unexpected budget decision to withdraw an additional €5m from licence fee income, creating fresh financial challenges for the year ahead. An increasing number of media organisations are taking advertising from the Irish market and any significant recovery of that market is unlikely to generate income for RTÉ at the level seen in previous years. UTV Ireland's announcement that it will begin broadcasting in January next year will add an important new competitor to the Irish media landscape.

Public funding is a critical part of public service broadcasting. In July the Broadcasting Authority of Ireland (BAI) published its five year review of the funding of public broadcasting under Section 124(8) of the *Broadcasting Act*. This report recommended an increased level of funding for RTÉ over the five year period. It also recommended that part of such an increase should be spent in the independent production sector and should be linked to a commitment to additional programming.

The Government's positive response to the review represents a significant milestone for RTÉ. The importance of RTÉ's role in providing public service media was reaffirmed. A clear timetable for the introduction of a new Public Service Broadcasting Charge in 2015 was established, a charge to be applied to all 'eligible households and applicable businesses, regardless of device used'.

RTÉ then published the details of its five year strategy. *RTÉ Today, Tomorrow 2013-2017* shows clearly how the public funding attributed to RTÉ will be spent and how any additional funding made available would be used to enhance public service output.

The pressure on resources has made the rapid implementation of organisational change a priority, with restructuring occurring across the organisation, including News and Current Affairs, Television, Radio and RTÉ Orchestras, Quartet and Choirs. In addition, RTÉ's subsidiary RTÉNL, which runs Ireland's digital terrestrial television and radio broadcast networks, now trades as 2rn, and new chairman, Eoin McGettigan, was appointed from outside the organisation.

DESPITE A COMMERCIAL ENVIRONMENT THAT REMAINED CHALLENGING, PARTICULARLY IN THE EARLY PART OF THE YEAR, THE ORGANISATION'S OVERALL FINANCES IMPROVED.



2013 also saw the launch of RTÉjr, a new multi-platform, dedicated service for children that contains no advertising and is produced within existing resources. Through the development of this new service RTÉ is making the creation of content for children and young people a core public service priority.

A working group was established to prepare policy recommendations for Irish-language broadcasting across all of RTÉ's platforms and services.

A year ago RTÉ announced a new regional strategy that would engage RTÉ operations around the country in partnerships with local Institutes of Technology (IT), part of RTÉ's commitment to those communities which will also open the way to building strong content and training relationships with the ITs themselves.

The Board of RTÉ met throughout the year, augmented by the work of a number of Subcommittees: the Audit and Risk Committee, the Technology and Innovation Committee, the Remuneration and Management Development Committee and the Editorial and Creative Output Committee. The Board also established a new Finance Committee. There were 23 committee meetings in total during the year. All members of the Board and of its Committees gave generously of their time to sustain these activities and I would like to thank them for their dedication and support.

RTÉ's Audience Council appointed a new chairman during the course of the year. After some years of service Professor Gearóid Ó Tuathaigh was succeeded by Pauric Dempsey of the Royal Irish Academy. The Council held a number of meetings and started work on a series of papers on audience issues for the Board. The Council held a well-received public meeting in July, with keynote speaker Paula Kerger, Chief Executive of the Public Broadcasting Service (PBS) in the United States.

This will be the last report of my term as Chairman of the RTÉ Board. For RTÉ, as for many other bodies in Ireland, difficult and unpalatable decisions associated with the very survival of the organisation have competed with positive stories of new technologies and platforms allowing new ideas to reach an ever wider audience. The living, breathing cultural organisation that is RTÉ is built on the resource that is its staff. Those creative, dedicated people who work within the organisation have at all times tried to maintain the highest standards, producing high-quality programming and keeping the focus on public service and innovation. They have responded to difficult times with a flexibility and imagination that deserves our gratitude and provides confidence for the future. I thank them for that and I am proud to have been able to play a part. With its great people, with a solid funding base and with a clear sense of direction, RTÉ will maintain its place in the community, supporting Irish creative talent and reflecting the rich diversity of Irish life.

**TOM SAVAGE**  
CHAIRMAN

# DIRECTOR-GENERAL'S REVIEW

2013 WAS A SIGNIFICANT YEAR FOR RTÉ. WE SET A VERY CLEAR STRATEGY FOR THE ORGANISATION FOR THE NEXT FIVE YEARS, WE REPORTED A SMALL SURPLUS FOR THE FIRST TIME SINCE 2008 AND, MOST IMPORTANTLY, WE CONTINUED TO DELIVER FOR AUDIENCES ACROSS THE FULL RANGE OF RTÉ SERVICES.

2013 was the first year of RTÉ's new Five Year Strategy (*RTÉ Today, Tomorrow 2013-2017*). Created after a rigorous evaluation of all RTÉ services and activities, the strategy aims to ensure public service content and values remain central to the lives of Irish people as they change and adapt to new media technologies. Crucially it provides a very clear roadmap from which to sustain and protect distinctive, Irish public service programming and content at a time when so many public services have been diminished or cut.

By clearly setting out the strategic vision, target audiences and genre mix for each of its services, the strategy provides real clarity to government, regulators, programme-makers (both in-house and independent), the media market and, most importantly, our audience about how RTÉ plans to develop over the next five years. In the strategy RTÉ detailed what it can achieve within existing levels of funding and we also indicated how we would invest additional resources, should they become available.

In early 2013 as requested as part of the Section 124(8) statutory review process, RTÉ submitted its Five Year Strategy to the BAI. In July 2013, having concluded the review process, which included a detailed analysis of RTÉ's plans, the BAI recommended to the Minister that the level of public funding to RTÉ should be increased.

In July 2013, the Government, in its Response to the Section 124(8) (Five Year) Review, affirmed its ongoing support for the concept, purpose and practice of public service broadcasting in Ireland. It also welcomed the BAI Review and considered the Report

and Recommendations submitted as comprising an important step in ensuring that public service broadcasting continues to be sufficiently well funded and that these funds are used in a transparent way. The Government response was important for public service broadcasting in Ireland and for RTÉ. Significantly, there is also now a time frame for the introduction of the new Public Service Broadcasting Charge.

Central to RTÉ's medium-term strategy was returning the organisation to a more stable financial footing. RTÉ publicly committed to returning to break-even in 2013 and I am very pleased that we have managed to report an EBITDA of €20.7m and a pre-tax surplus of just over €1m.

Since 2008 RTÉ has reduced its operating cost base by €133 million or 30%. The scale of RTÉ's response has been almost unique across the Irish semi-state sector. The impact on the organisation has been very significant. Since 2008, almost 500 full-time staff (21% of the workforce) have departed, pay has been cut voluntarily at all levels, all performance-related pay has ceased and top presenting talent fees for 2014 stand close to 40% below 2008 levels.

As with any media organisation RTÉ is acutely conscious of the perceptions that the public have of what we do and how we do it. Every quarter, RTÉ conducts detailed survey analysis to track public perceptions and usage of our services. In 2013 RTÉ continued to reach 96% of adults (15+) on a weekly basis across the full range of its services. Importantly, use of our new digital services is growing

CENTRAL TO RTÉ'S MEDIUM-TERM STRATEGY IS RETURNING THE ORGANISATION TO A STABLE FINANCIAL FOOTING. RTÉ PUBLICLY COMMITTED TO RETURNING A BREAK-EVEN IN 2013 AND I AM VERY PLEASED THAT WE HAVE MANAGED TO RETURN TO PROFITABILITY.



quickly, particularly among younger people. Public trust in RTÉ is at 72%. Some 68% of Irish people believe RTÉ enriches their lives, while 78% say that RTÉ is an Irish brand they are proud of; 71% of people believe what we do is of high quality.

That each of these numbers has increased in the past year while we have been making very substantial cost reductions to return the organisation to financial stability is a real tribute to the efforts of all the staff in RTÉ. In terms of the future, in research conducted by the BAI as part of their Section 124(8) review, it was very heartening to see that nearly three-quarters of people surveyed want RTÉ to continue to be a wide-ranging operator that provides a broad range of services and programmes.

We made it very clear in our Five Year Strategy that RTÉ needs additional public funding to invest in programming, content and key technology if it is to retain its connection with and fully serve its audiences. Given the very significant adjustments we have made and the continuing vigilance we maintain on costs, I believe that additional investment in RTÉ now would yield significant benefits to audiences and the Irish creative economy, as well as helping to secure RTÉ's medium-term future.

#### DELIVERING FOR AUDIENCES

2013 was the first year implementing our new strategy and, notwithstanding the significant cuts we have had to make, much of this was evident on air.

In April RTÉ launched RTÉjr, a new dedicated digital children's channel on television, radio, online and mobile. The launch of RTÉjr reaffirmed children's and young people's content as a core public service priority for RTÉ. This dedicated children's service (free of advertising) allows children and young people to access, engage with,

participate in and interact with an indigenous, home-grown service built around the needs and lives of young people in Ireland. From a standing start the RTÉjr television service now has weekly reach of 10.9% among children aged 4-14.

With the launch of the new television schedule in August, the first since completing the new strategy, we saw a clear articulation of the new vision we now have for RTÉ One and RTÉ Two. To lead and drive the new vision, RTÉ Television underwent a substantial restructuring, with the appointment of new Channel Controller positions for RTÉ One, RTÉ Two and RTÉjr.

The new season on RTÉ One built on its reputation for delivering high-impact drama, documentaries and entertainment series along with news and current affairs programming, which seeks to bring people together to share in moments of national significance. Across different genres, quality programming on RTÉ One attracted huge audiences during the year. The acclaimed Irish drama series *Love/Hate*, stand-out factual programming such as *The Disappeared* and *Who's Buying Ireland*, the beautiful and award-winning natural history series *The Secret Life of the Shannon*, a rejuvenated *The Late Late Show*, the irreverent *Irish Pictorial Weekly*, and consistently strong news and current affairs programming, all this year contributed to the rich and varied RTÉ One schedule on what continues to be Ireland's most-popular television channel.

The return in 2013 of powerful investigative programming on RTÉ One was critical for re-establishing RTÉ's reputation for cutting-edge investigative journalism. *A Breach of Trust*, the documentary made by RTÉ's new Investigations Unit, explored issues relating to standards in childcare in Ireland.

THE RETURN IN 2013 OF POWERFUL INVESTIGATIVE PROGRAMMING IN PEAK TIME ON RTÉ ONE WAS CRITICAL FOR RE-ESTABLISHING RTÉ'S REPUTATION FOR CUTTING-EDGE INVESTIGATIVE JOURNALISM.

It became one of the biggest news stories of the year and made a very significant impact on the regulation of childcare provision in Ireland. Investigative journalism is absolutely central to RTÉ's core public purpose and our future strategy. Given the extraordinarily sensitive issues involved, I am proud that RTÉ got this programme to air in 2013.

Now focused on providing unrivalled coverage of our national games and national teams, at weekends RTÉ Two gained huge audiences across 2013 with all the big Irish rugby and soccer international matches and one of the best GAA Championship seasons in recent years.

On Monday nights Irish comedy became central to the peak-time schedule on RTÉ Two, with *Damo and Ivor*, *Republic of Telly*, *The Fear*, *The Mario Rosenstock Show* and *Foul Play* all doing well, particularly with the younger 15-34 audiences. So too did *Second Captains Live* on Wednesday nights, which brought a new approach to sport and comedy. RTÉ Two's new young people's factual programming on Thursday nights, such as *Maia Dunphy's What Women Want* and the *Reality Bites* documentary series, were fresh takes on modern Irish life.

Programme development and innovation was a key focus for RTÉ One and RTÉ Two this year. Through the year we saw the continuing development of the RTÉ Format Farm initiative, which was extended recently to include in-house format development. Five internal projects were selected for further development from over seventy projects submitted by RTÉ staff. Co-productions also formed a key part of our television programming in 2013, particularly important with reduced funding available. Examples include *The Disappeared*, *Hector Breaks for the Border*, *Danny Boy - The Ballad that Bewitched the World* and the hugely

successful crime drama *The Fall* - all co-productions with BBC Northern Ireland.

In July 2013 Pat Kenny left RTÉ after a long and distinguished career. I am very grateful for the contribution he made to RTÉ over many years. A fresh September schedule on RTÉ Radio 1 introduced a very strong line-up designed to ensure that it remains the national station of record. Sean O'Rourke has settled in very well and the knock-on changes have resulted in opportunities for a number of new and experienced journalists across key programmes on television and radio. Such change has been hugely positive for programmes and audiences alike. Beyond very strong news and current affairs programming, RTÉ Radio 1 has maintained its quality and diversity with award-winning documentary programming, arts and music programming and, with *Callan's Kicks* on Friday evenings, irreverent satirical comedy. All of which adds up to the unique service that is RTÉ Radio 1.

Central to RTÉ's future is creating distinctive events with programming and content delivered across multiple services. For the fourth year running, RTÉ Big Music Week celebrated the very best of home-grown musical talent by bringing live performance to audiences across Ireland and all over the world on RTÉ's radio, television, online and mobile services. This year, in partnership with Iarnród Éireann, the RTÉ Big Music Week train visited some of Ireland's best-loved venues and most-travelled train stations, capturing the magic each day and bringing it to audiences through broadcasts and streams, and featuring a wealth of live performances by renowned artists like Christy Moore, Kodaline, Paul Brady, Damien Dempsey, Lumiere, Julie Feeney, the RTÉ Concert Orchestra and many, many more.

RTÉ BIG MUSIC WEEK AND CENTURY IRELAND ARE THE TYPES OF PROJECTS THAT CREATE A UNIQUE CONNECTION WITH AUDIENCES AND THAT VERY FEW ORGANISATIONS IN IRELAND CAN DELIVER.

Century Ireland was another unique project undertaken by RTÉ in 2013. An online historical newspaper that tells the story of the events of Irish life a century ago, it is published on a fortnightly basis, beginning in May 2013, and is the main online portal for the Irish decade of commemorations, 1912-22. A collaborative partnership between the major cultural and educational institutions in Ireland, the Department of Arts, Heritage and the Gaeltacht and RTÉ, a range of rarely (or never) seen material was made available. Century Ireland will form the key digital backbone for much of RTÉ's coverage of the Decade of Anniversaries, which is a key content focus for RTÉ in its five year strategy.

RTÉ Big Music Week and Century Ireland are the types of projects that create a unique connection with audiences and that very few organisations in Ireland can deliver. We are all learning how to use new digital tools to create projects that offer all sorts of new connections with audiences. Such projects will increasingly demand that we work in new ways, restructure workflows, develop content in new ways and build and manage new kinds of partnerships. Given RTÉ's collective editorial, production and technical skills, I believe we can set the standard in Ireland for creating truly compelling multimedia content and services. Creating more innovative and compelling projects and services of this kind will be a focus for RTÉ over the coming years.

Notwithstanding budget restrictions we have continued to invest in technology and the evolution of our digital services during 2013. I am delighted to say that RTÉ One became a HD service in time for Christmas.

The future will continue to challenge us. Even while the recession is slowly lifting, the market is quickly becoming more competitive and fragmented. In just the television market, the number of UK television channels selling Irish advertising has grown by 33% over the last year, to a total of 36 channels in January 2014. In early 2014 Sky added Irish advertising to two new channels and the UK PSB, Channel 4 began selling Irish advertising for the first time. UTV will launch a new Irish TV channel here early 2015. As broadband speeds increase, digital services like Netflix will only grow in popularity. We are on a five year journey to transform from a public service broadcaster into a public service multimedia organisation. Much remains to be done, but we made a very good start during 2013.



NOEL CURRAN  
DIRECTOR-GENERAL

# FINANCIAL REVIEW

## RESULTS AND OPERATING PROFIT

RTÉ generated a strong Operating Profit, i.e. EBITDA, during 2013 of €20.7 million (2012 €2.2 million) which is the highest level of Operating Profit reported since 2007 i.e. six years ago. This improvement in operating performance occurred despite a continuing decline in commercial revenues in 2013 of €11 million compared to 2012. The significant improvement in Operating Profit was driven by further reductions in 2013 Operating Costs of €28 million compared to 2012, resulting in the 2013 Operating Costs being 30% lower than 2008 levels. This reduction in Operating Costs reflects the impact of the major restructuring of the organisation which was undertaken in 2012.

RTÉ reported a Net Surplus Before Tax of €1.1 million, achieving the break-even target it had set for the year (2012 Deficit €65.2 million).

## SUMMARY FINANCIAL HIGHLIGHTS

	2013 € m	2012 € m	Change € m
Commercial Revenue	145.2	156.3	(11.1)
Licence Fee Revenue	182.4	180.9	1.5
<b>Total Revenue</b>	<b>327.6</b>	<b>337.2</b>	<b>(9.6)</b>
Operating Costs *	(306.9)	(335.0)	28.1
<b>EBITDA ** before Restructuring credit / (charge)</b>	<b>20.7</b>	<b>2.2</b>	<b>18.5</b>
Depreciation & Amortisation	(15.3)	(17.5)	2.2
Restructuring credit / (charge)	0.4	(46.2)	46.6
Net Finance Expense	(4.7)	(3.7)	(1.0)
<b>Surplus / (Deficit) before Tax</b>	<b>1.1</b>	<b>(65.2)</b>	<b>66.3</b>
Tax	(0.4)	0.1	(0.5)
<b>Surplus / (Deficit) for the Year</b>	<b>0.7</b>	<b>(65.1)</b>	<b>65.8</b>

\* Operating Costs before Depreciation, Restructuring and other credits / (charges)

\*\*EBITDA: Earnings before Interest, Tax, Depreciation and Amortisation

## COMMERCIAL REVENUE

In 2013, total commercial revenues of €145.2 million reflected a further contraction of €11.1 million (-7%) year-on-year, notwithstanding growth in digital revenues. A number of factors occurred to create a difficult trading year. These included the overall impact of analogue switch off, an increase in UK based opt out channels offering advertising in the Irish market and declines in key trading audiences. Economic conditions remained very challenging while competition increased and marketing budgets were further reduced. The media market in general, and RTÉ revenue, contracted in the first half of 2013 with some recovery in the latter part of the year.

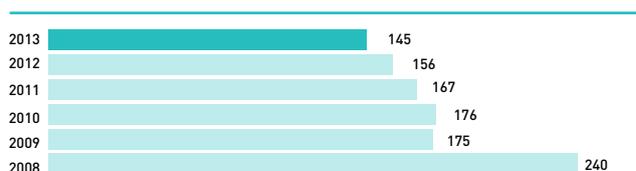
	2013 v 2012 Change €m	Change %
Television Advertising & Sponsorship	(7.9)	-9%
Radio Advertising & Sponsorship	(3.3)	-14%
Digital Advertising & Sponsorship	0.9	18%
Other areas	(0.8)	-2%
<b>Year-on-Year movement</b>	<b>(11.1)</b>	<b>-7%</b>
Commercial Revenue 2012	156.3	
<b>Commercial Revenue 2013</b>	<b>145.2</b>	

RTÉ Television advertising & sponsorship is the largest source of commercial income, accounting for 57% of all RTÉ commercial revenues, and it experienced declines of 9% in 2013.

Total commercial revenue first began to decline in mid 2008 as a direct result of the economic downturn, and over the past five years has reduced by €95 million, i.e. 40% from 2008 levels, while RTÉ Television advertising has reduced by over 48% from its peak in 2008.

At €145.2 million, RTÉ's 2013 commercial revenue has fallen below 2003 revenue levels (€155 million), some ten years ago.

## RTÉ Commercial Revenues €'m 2008-2013



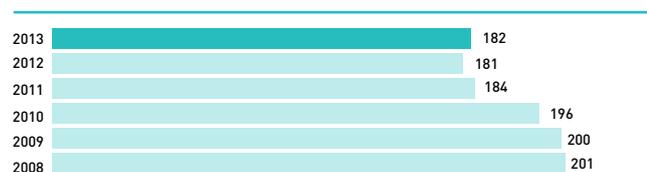
## TELEVISION LICENCE REVENUE

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 €219 million licence fee collected in 2013, €182 million i.e. 83% was received directly by RTÉ. The section 'How Your TV Licence Fee is Used' outlines 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 2013, RTÉ received €182 million in TV Licence revenue, an increase of €1.5 million compared to 2012 which experienced higher evasion levels caused by economic factors and Analogue Switch Off (ASO) in October 2012. However, 2013 licence fee income levels represent a decrease of €1.3 million compared to 2011. Evasion levels remain a concern together with further increases in the number of homes that do not have a television set. This number has been growing slowly but steadily over recent years per the Nielsen Establishment Survey. Evasion levels are calculated by the DCENR at 17% (2012) of chargeable domestic households and business premises and are high compared to other European countries. An Post, DCENR and RTÉ continue to work collaboratively to reduce evasion levels and this is a key priority for 2014.

While the licence fee income decrease over recent years has been relatively modest, taken in context, licence fee income received by RTÉ through public funding has declined by some €19 million, i.e. 9% over the last 5 years since 2008, 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 BAI Sound and Vision Fund and the cap imposed on the amount of licence fee received by way of 'free licences' from the DSP. The most recent national Budget 2014 included a further €5 million reduction in the amount of public funding received by way of 'free licences' from the DSP.

RTE Licence Fee Income €'m 2008-2013



## OPERATING COSTS

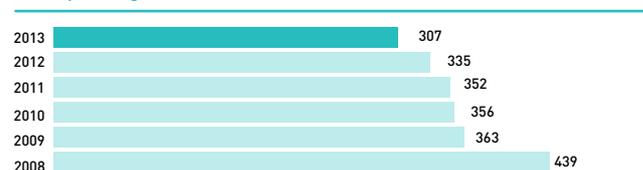
Total 2013 Operating Costs of €307 million reduced by €28.1 million, i.e. 8%, compared to 2012.

	€ m
Personnel Related Operating Costs	(10.5)
Non Personnel Related Operating Costs	(17.6)
Year-on-Year movement	<b>(28.1)</b>
Operating Costs 2012	335.0
<b>Operating Costs 2013</b>	<b>306.9</b>

The reduction in 2013 Operating Costs was driven by a reduction in both Personnel Related Operating Costs (PROC's) of €10.5 million and a reduction in Non Personnel Related Operating Costs (Non PROC's) of €17.6 million. The reduction in PROC's, i.e. predominantly staff costs, was largely a result of the major restructuring undertaken at RTÉ in 2011 and 2012, where over 350 staff voluntarily left RTÉ under Early Retirement or Voluntary Exit Schemes during the last two years. The Non Personnel Related Operating Costs for 2013 saw a reduction across acquired, commissioned and in-house programme costs, along with a reduction in the cost of sports output, as 2012 was a year of major sports events including Olympic Games and Euro 2012.

The reduction in 2013 Operating Costs is part of the sustained period of cost reduction in the organisation whereby 2013 Operating Costs are over €132 million i.e. 30% lower compared to 2008 levels.

RTE Operating Costs €'m 2008-2013 Actual



Despite this significant level of cost reduction of 30% over the last 5 years, RTÉ has endeavoured to protect output as much as possible with contained reductions in the number of television first-run programme hours and in fact modest increases in radio first-run programme hours.

Increase / Decrease in Programme Hours	2013 Hours	2013 v 2008
Television - All Time Indigenous Hours *	2,326	-10%
Radio - All Time Indigenous Hours *	29,197	4%

\* First Transmission and for TV excludes Sport

## FINANCIAL REVIEW (CONTINUED)

### EMPLOYEE NUMBERS

At 31 December 2013 there were 1,856 (2012: 1,858) employees of which 260 (2012: 267) were part-time/casual. The average headcount for 2013 was 1,853, which was a significant decrease on the average headcount for 2012 of 1,991.

In the past five years, RTÉ has reduced headcount by 495 people, i.e. 21%, from 2,351 as at 31 December 2008. At 1,856 employees, this means that direct employment by RTÉ has now been reduced to the level broadly prevailing at the end of 2002.

### FINANCE (EXPENSE) / INCOME

Total Finance expense for 2013 amounts to €5.2 million (2012 Finance expense: €4.9 million).

The expense in 2013 is due to three main factors:

- Interest payable of €3.5 million in 2013 (interest payable of €2.1 million arose in 2012), including interest on restructuring costs;
- A fair value loss arising on derivative FX forward contracts (US Dollar and Sterling) of €0.2 million (a loss of €1.4 million arose in 2012), due to movements in foreign exchange rates; and
- A net interest cost of €1.5 million in respect of the IAS 19 (2011) pension liability (a cost of €1.3 million arose in 2012), broadly in line year on year.

Finance income for 2013 was €0.5 million, compared to finance income in 2012 of €1.2 million.

### TAXATION

There was a tax charge of €0.4 million which arose in 2013 as a result of a deferred tax charge (2012 tax credit of €0.043 million).

### CASH FLOW AND BORROWINGS

Total cash resources including liquid investments at 31 December 2013 amounted to €28.1 million (2012: €37.1 million). The movement in cash balances can be summarised for 2013 as follows:

### SUMMARY CASH FLOW STATEMENT

	2013 €m	2012 €m
<b>Surplus / (deficit) for the year</b>	1	(65)
Movements in working capital and adjustments for non-cash items	4	43
Net cash flow from operating activities	5	(22)
Investing activities - capital & interest received	(9)	(14)
Financing cash flows		
- Borrowings	(2)	15
- Movement in Sinking Fund Account	(1)	(1)
- Interest paid	(3)	(2)
	(6)	12
<b>Net decrease in cash and liquid investments</b>	<b>(9)</b>	<b>(24)</b>

Mindful of the economic pressures experienced from 2008 onwards, there has been a particular increased focus on cash management and funding. This remained a key financial management priority in 2013, with a view to ensuring that adequate cash flow was available at all times. 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 2014.

At 31 December 2013, RTÉ had bank borrowings of €51.4 million (€53.25 million as at 31 December 2012) composed of:

- RTÉNL (t/a 2rn), RTÉ's transmission subsidiary, entered into a project finance loan facility agreement with Barclays Bank amounting to €38.25 million as part of the funding for the transmission and distribution infrastructure required for the Digital Terrestrial Television (DTT) project. This facility was drawn down in full at the end of 2011 and is outstanding at 31 December 2013.
- The Bank of Ireland loan facility of €15 million was drawn down on 31 July 2012 and is repayable over a five year period with €13.1 million outstanding at 31 December 2013.

### 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 2013 was €6.1 million, with the most significant item being the final €1.2 million in respect of DTT infrastructure together with expenditure on the roll out of file server technology including project FAST. An ongoing focus for RTÉ will be to continue to renew and update its capital asset base in the digital era.

## DTT INFRASTRUCTURE AND SERVICE

The DTT service was formally and successfully launched in October 2012. Following on from this the final elements of the support infrastructure and test and monitoring systems were completed and commissioned in 2013. In addition those elements of the old analogue system, including sites, which are no longer required for broadcast or other purposes were decommissioned. The cost of capital works involved in the finalisation of the DTT system during 2013 was €1.2 million, bringing the total spend on DTT to just in excess of €61 million, making it the largest capital project in the history of RTÉ. The project was also completed on time and on budget.

## REGULATION

In July 2013 the Commission for Communications Regulation (ComReg), following extended 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.

RTÉ and 2rn welcome this development and look forward to working with ComReg and other stakeholders to continue to provide world class broadcasting services in Ireland. The immediate consequences of regulation are that certain obligations have been placed on both RTÉ and 2rn. These obligations cover Access, Non-Discrimination, Transparency, Accounting Separation and Price Control and Cost Accounting.

In order to comply with the obligations of Price Control and Accounting Separation, RTÉ and 2rn have engaged with ComReg to develop a pricing mechanism which meets best international practice and complies fully with generally accepted regulatory pricing principles.

Separated Accounts will be prepared for the first time in 2014 for the accounting year ended 31 December 2013. These will comprise Regulated Accounts for each of Market A and Market B together with Primary Accounting Documentation. These will be 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 2013, RTÉ had 245 employees (252 at 31 December 2012) who were members of the RTÉ Superannuation Scheme.

As at 31 December 2013, the assets of the Scheme had a market value of €863 million (2012: €833 million). As reported under IAS 19 *Employee Benefits* (2011), the excess of the assets over the liabilities of the RTÉ Superannuation Scheme is reported as an asset on RTÉ's balance sheet. The liabilities of the RTÉ Superannuation Scheme under IAS 19 (2011) as at 31 December 2013 were €855 million (2012: €880 million), giving a surplus of €8 million (2012 deficit: €47 million). The movement from a pension liability to a pension asset on RTÉ's balance sheet reflects the fact that the Scheme's assets have performed well over the year in addition to a reduction in IAS19 (2011) liabilities reflecting slightly higher bond yields.

In addition, the actuaries to the Scheme have considered the Scheme's position with liabilities as measured under the Minimum Funding Standard Valuation Test (MFS). As at 31 December 2013, the actuaries estimate that there was an MFS surplus of €28 million. This is a positive result for the Scheme and, as a result, no funding proposal will be required during 2014.

## 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 2013, RTÉ had 1,152 employees (1,152 at 31 December 2012) 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 2013, RTÉ had 264 employees who were members of the RTÉ '50/50' Risk-Sharing Pension Scheme (240 at 31 December 2012).

As at 31 December 2013 the assets of the DB section of the Scheme had a market value of €6.0 million. Under IAS 19 (2011) the liabilities of the DB section at the balance sheet date were €4.4 million, giving rise to a surplus of €1.6 million (2012 surplus: €0.7 million). 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.

### CORPORATE RESPONSIBILITY

During 2013, RTÉ published *The Green Broadcaster - Making Ireland's National Broadcaster among the Greenest in Europe*. The report reviews a broad range of environmental initiatives across RTÉ, from waste management to energy and water conservation, which have resulted in environmental related cost savings. The full report is available on the RTÉ website detailing the various initiatives. The Green Broadcaster Programme aims to systematically record, report and set environmental performance targets and contextualise RTÉ's performance in relation to other broadcasters and organisations.

### 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 2014, RTÉ commissioned PwC to update its independent report, which it prepared in previous years, outlining RTÉ's economic contribution to the Irish economy in respect of 2013. The key findings of the report were:

- Of RTÉ's 2013 total operating spend of €307 million, €263 million (86%) of this expenditure accrued to Irish personnel and Irish suppliers.
- RTÉ's Ireland-based expenditures in 2013 exceeded the licence fee income it received by €81 million.
- Excluding taxes, RTÉ's contribution to national output was approximately €311 million and supported approximately 3,000 full-time equivalent jobs across the Irish economy.
- Tax contributions made by RTÉ in 2013 amounted to €73 million or, placed in context, 40% of the licence fee income received by RTÉ in 2013, i.e. €182 million, reverted directly to the State in taxes.
- For every €1 spent on the TV licence fee in 2013, RTÉ contributed €1.70 to the Irish Economy, including taxes.

### OUTLOOK

RTÉ has delivered on its objective of returning to a break-even financial result for 2013, which is a significant milestone for the organisation. Following the organisation-wide restructuring during 2012, which helped deliver a significantly reduced cost base which is now 30% lower than it was in 2008, RTÉ is a leaner and more efficient organisation. 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 2014 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 more UK opt out channels each year, will increase the challenges for the generation of commercial revenues.
- The most recent national Budget 2014 included a €5 million reduction in public funding which poses significant challenges. It will be important to maintain licence fee income collections and reduce evasion levels. RTÉ continues to work closely with An Post and DCENR in this regard.
- The Government have indicated that they plan to introduce the Public Service Broadcasting Charge in 2015, which has the potential to yield more public funding for public service broadcasting than the current TV Licence system while importantly not increasing the burden on household budgets. We look forward to developments in this area over the coming months.
- 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 (a).

During 2012, RTÉ initiated 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 this 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.

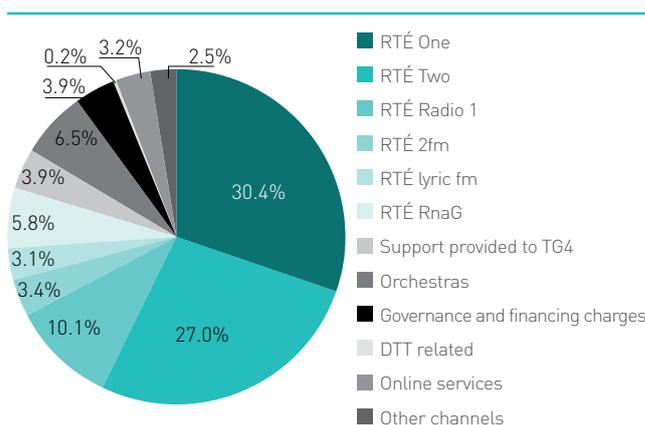
The following table seeks to represent the utilisation of an individual TV Licence Fee, bearing in mind that RTÉ is not the sole recipient of TV Licence Fee monies collected:

### UTILISATION OF EACH TV LICENCE FEE COLLECTED

	2013 €	2012 €
RTÉ One	40.04	41.21
RTÉ Two	35.62	39.25
<b>RTÉ Television</b>	<b>75.66</b>	<b>80.46</b>
RTÉ Radio 1	13.28	10.63
RTÉ 2fm	4.49	4.00
RTÉ Raidió na Gaeltachta (RTÉ RnaG)	7.70	7.85
RTÉ lyric fm	4.13	4.32
<b>RTÉ Radio</b>	<b>29.60</b>	<b>26.80</b>
RTÉ Orchestras	8.54	8.78
Governance and financing charges	5.16	4.34
DTT related	0.25	2.47
Online services	4.27	2.99
Other channels	3.26	1.29
<b>RTÉ Activities</b>	<b>126.74</b>	<b>127.13</b>
	<b>79%</b>	<b>79%</b>
RTÉ support for TG4	5.18	5.70
BAI levy	1.10	0.07
TG4 deduction	6.74	6.79
BAI Sound & Vision fund	10.52	10.52
An Post collection costs and related charges	9.72	9.79
<b>Non-RTÉ Activities</b>	<b>33.26</b>	<b>32.87</b>
	<b>21%</b>	<b>21%</b>
<b>Cost of TV Licence</b>	<b>€ 160</b>	<b>€ 160</b>

The pie-chart below summarises the attribution of the TV Licence Fee revenues that are received by RTÉ to the public service element of RTÉ's activities during 2013.

Attribution of Licence Revenue received by RTÉ in 2013



## FINANCIAL REVIEW (CONTINUED)

### COST PER TRANSMITTED HOUR

Since 2009, 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 2013, together with comparative figures for 2012.

2013	RTÉ One €'m	RTÉ Two €'m	RTÉ Radio 1 €'m	RTÉ 2fm €'m	RTÉ lyric fm €'m	RTÉ RnaG €'m
<b>COSTS</b>						
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
	<b>117.9</b>	<b>72.5</b>	<b>34.1</b>	<b>11.1</b>	<b>6.3</b>	<b>10.6</b>

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	€	€	€	€	€	€
	<b>13,500</b>	<b>8,300</b>	<b>3,800</b>	<b>1,300</b>	<b>700</b>	<b>1,200</b>

2012	RTÉ One €'m	RTÉ Two €'m	RTÉ Radio 1 €'m	RTÉ 2fm €'m	RTÉ lyric fm €'m	RTÉ RnaG €'m
<b>COSTS</b>						
Indigenous Programming	100.5	66.0	31.8	10.3	5.3	9.6
Acquired Programmes - Ireland	0.7	0.1	-	-	-	-
- Overseas	14.2	11.0	-	-	-	-
General Broadcast & Transmission Operations	11.4	10.1	1.6	0.5	0.4	0.2
Transmission & Power Charges	3.0	4.1	1.8	0.9	0.9	0.9
	<b>129.7</b>	<b>91.3</b>	<b>35.3</b>	<b>11.7</b>	<b>6.6</b>	<b>10.7</b>

HOURS	Hours	Hours	Hours	Hours	Hours	Hours
Annual Transmission Hours (incl. simulcast)	8,784	8,784	8,918	8,784	8,784	8,784

### OVERALL AVERAGE COST PER TRANSMITTED HOUR - 2012

All Transmission Hours	€	€	€	€	€	€
	<b>14,800</b>	<b>10,400</b>	<b>4,000</b>	<b>1,300</b>	<b>800</b>	<b>1,200</b>

### ANNUAL MOVEMENT

#### % Change in Cost per Hour<sup>1</sup>

All Transmission Hours	<b>(8.9%)</b>	<b>(20.4%)</b>	<b>(2.7%)</b>	<b>(5.1%)</b>	<b>(3.2%)</b>	<b>(0.4%)</b>
------------------------	---------------	----------------	---------------	---------------	---------------	---------------

<sup>1</sup> Costs per hour are rounded to nearest hundred Euro. Percentage changes are calculated from the costs per hour before rounding.

Reductions in average cost per transmitted hour are due to a reduction in programme costs which results from a range of factors including increased efficiencies, changes in programme type and programme mix, levels of co-funding, the number of first transmission hours and repeat programming.



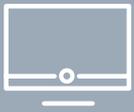




RTÉ'S 2013 TOTAL OPERATING  
SPEND OF €307 MILLION OF  
WHICH €263 MILLION, 86%, WAS  
TO IRISH BASED PERSONNEL  
AND SUPPLIERS.

[SOURCE PWC EIS 2013]

## OPERATIONAL REVIEW RTÉ TELEVISION



2013 WAS A SIGNIFICANT YEAR FOR RTÉ TELEVISION AS IT RESTRUCTURED TO ENABLE IT TO BETTER SERVE AUDIENCES AND POSITION ITSELF IN A DYNAMIC, CHALLENGING MEDIA ENVIRONMENT.





OPERATION TRANSFORMATION



REPUBLIC OF TELLY

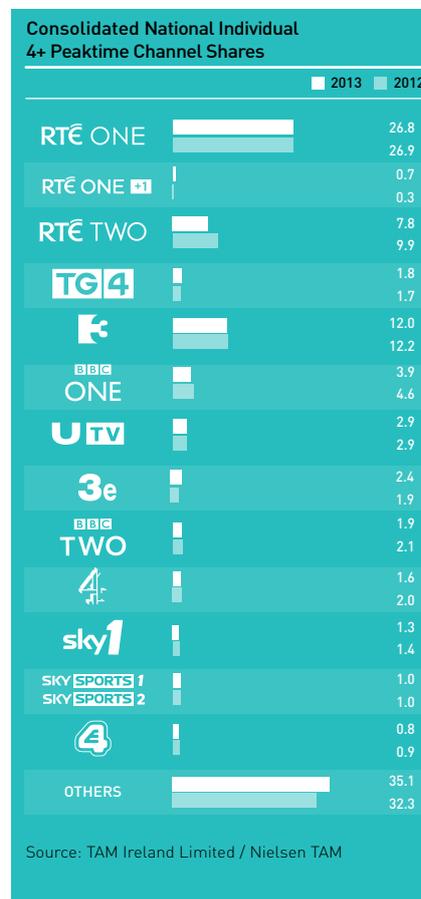
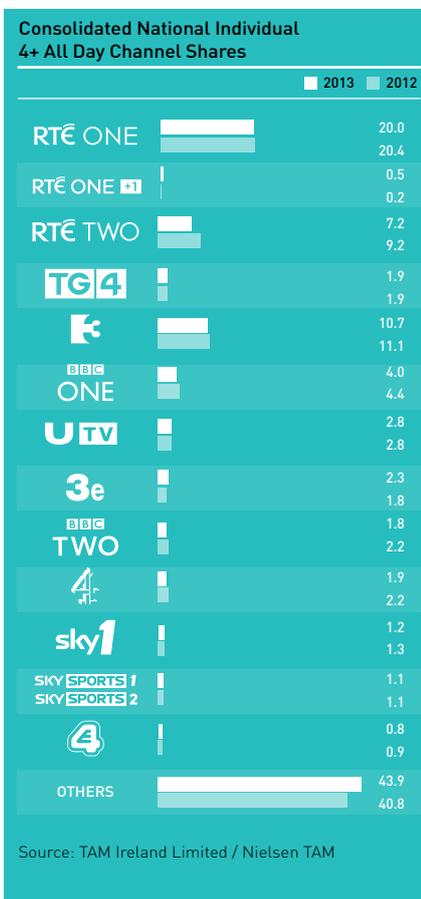
2013 was a significant year for RTÉ Television as it restructured to enable it to better serve audiences and position itself in a dynamic, challenging media environment.

Channel Controllers were appointed to its primary channels, RTÉ One and RTÉ Two, to deliver a more enhanced focus on each of the channels and to provide distinctive yet complementary services to the Irish public across the portfolio of television channels. Despite a challenging economic climate in which advertising revenue declined, RTÉjr, a new dedicated commercial-free TV channel for pre-school children,

was launched as part of a cross-platform service that also included RTÉjr Radio, RTÉjr website and the launch of an RTÉjr app. Underlining RTÉ's commitment to serving younger audiences, a Cross-Divisional Head of Young People's Programming was appointed to oversee all of RTÉ's young people's output and also as Channel Controller of RTÉjr. Since its launch in April 2013, RTÉjr has become the fastest growing children's television channel available to Irish audiences.

In 2013, RTÉ Television continued to deliver high-quality programming for Irish viewers across all channels and

SINCE ITS LAUNCH IN APRIL 2013, RTÉJR HAS BECOME THE FASTEST GROWING CHILDREN'S TELEVISION CHANNEL AVAILABLE TO IRISH AUDIENCES.



## OPERATIONAL REVIEW (CONTINUED)

### RTÉ TELEVISION



THE LATE LATE TOY SHOW



FAIR CITY



MRS BROWN'S BOYS

remained the most-popular television broadcaster in Ireland, delivering 19 of the Top 20 most-watched programmes broadcast on any channel available in Ireland and attracting a total consolidated (national individuals 4+) peak-time share of 35.25%.

*The Late Late Toy Show* retained its top spot with an average audience of 1,547,400 viewers, making it the most-popular programme of 2013 and most-watched *Late Late Toy Show* ever. RTÉ One's home-produced Irish drama *Love/Hate* provided the second most-watched programme of the year, when almost 1,117,000 viewers watched the season finale, while almost 1,030,000 viewers watched the finale of *Mrs Brown's Boys*, co-produced with the BBC. RTÉ Sport's quality coverage of Irish teams and Irish games also attracted huge audiences and placed RTÉ Two as the most-popular channel in Ireland for sport. Over 4,833 hours of home-produced programming were delivered by RTÉ Television in partnership with the independent sector in 2013.

RTÉ Television also focused on extending the reach and maximising

the value of content to better serve Irish audiences. RTÉ Television's international programme sales and distribution division was rebranded as RTÉ Global to build on successes in the international market, while the development of RTÉ Format Farm in collaboration with the independent sector focused on the development of original TV formats, both for Irish audiences and for international export.

RTÉ Television continued to work with a number of co-production partners to jointly fund and commission content and ensure that viewers were offered the best possible quality and range of programming.

RTÉ One HD was delivered at the end of 2013 to add to the portfolio of channels offered by RTÉ Television.

#### RTÉ ONE

RTÉ One retained its position as the most-popular channel in Ireland, providing programmes across a range of genres serving a wide range of audiences. From the *Prime Time* créche investigation, *A Breach of Trust*, to *Mrs Brown's Boys* to the dramatic conclusion of the fourth series

OVER 4,833 HOURS OF HOME-PRODUCED PROGRAMMING WERE DELIVERED BY RTÉ TELEVISION IN PARTNERSHIP WITH THE INDEPENDENT SECTOR IN 2013.

#### TOP 10 PROGRAMMES

1ST JANUARY - 31ST DECEMBER 2013 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	29-11-2013	21:36 - 23:43	37.24	1547.4	69.82
2	Love/Hate	RTÉ One	Sun	10-11-2013	21:30 - 22:30	26.88	1116.8	54.72
3	All-Ireland Senior Football Final	RTÉ Two	Sun	22-09-2013	15:26 - 17:41	25.61	1064.2	74.30
4	Mrs Brown's Boys	RTÉ One	Sat	02-02-2013	21:12 - 21:43	25.28	1029.7	52.46
5	Mrs Brown's Boys Christmas Special	RTÉ One	Wed	25-12-2013	21:26 - 21:59	21.98	913.1	44.27
6	All-Ireland Senior Hurling Final	RTÉ Two	Sun	08-09-2013	15:30 - 17:44	21.41	889.4	64.05
7	Eurovision Song Contest	RTÉ One	Sat	18-05-2013	20:00 - 23:29	19.86	809.5	48.92
8	RTÉ News: Nine O'Clock	RTÉ One	Sun	20-01-2013	21:03 - 21:21	18.75	763.8	39.91
9	The Voice of Ireland	RTÉ One	Sun	20-01-2013	18:33 - 19:59	18.65	759.7	42.34
10	RTÉ News: Six One	RTÉ One	Wed	13-03-2013	18:01 - 19:32	17.77	724.1	51.18

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



# OPERATIONAL REVIEW (CONTINUED)

## RTÉ TELEVISION



TOMMY BOWE'S BODYCHECK



THE SECRET LIFE OF THE SHANNON

of *Love/Hate*, the channel delivered high-quality programmes with broad appeal. *Operation Transformation* continued to inspire thousands across the country. A reinvigorated *The Late Late Show* culminated in this year's *Late Late Toy Show* being the most-popular programme on any channel in 2013. During the second half of the year a new programme strategy aimed at modernising and refreshing the schedule was implemented. Programming investment was targeted with an emphasis on developing innovative drama, comedy and documentary output.

Landmark factual programming was a cornerstone of RTÉ One with twenty five documentaries. Highlights included *The Disappeared*, a co-production with BBC Northern Ireland, in which reporter Darragh MacIntyre searched for evidence that shed new light on the fate of the people 'disappeared' by the IRA, while *Inside Irish Nationwide* charted the rise and fall of the building society. For the first time on Irish television *Life on the Inside* documented life inside Irish prisons, while observational documentary *No Time to Die* gave viewers unprecedented access to Laura Lynn House, Ireland's first and only children's hospice. *Ireland and the Iron Lady* told the definitive story of Ireland's turbulent relationship with Margaret Thatcher.

Quality drama was a hallmark of RTÉ One in 2013. The final episode of the fourth series of *Love/Hate* was watched by an average audience of 1,116,800 viewers and achieved an average share of 54.7%. It was the number one programme on the RTÉ Player in 2013. Average consolidated share across the series was 52.8% with an average 1,017,000 viewers per episode and a further 190,000 viewers watching the narrative repeat on RTÉ One and on RTÉ One+1. The fifth and final series of *Raw* was watched by an average of 641,000 viewers with an average share of 36.9%. *Fair City* delivered 100 hours of drama in 2013, underlining RTÉ's commitment to indigenous long-form serial drama, while *The Fall*, a

psychological thriller set in Belfast starring Gillian Anderson and Jamie Dornan, and produced for the BBC in association with RTÉ, was well received by audiences and critics alike.

Comedy was a winner with audiences in 2013. *Mrs Brown's Boys*, co-produced with the BBC, continued to draw huge audiences throughout its run and for its Christmas Day special, while *Irish Pictorial Weekly* and *Callan Kicks the Year* delivered mainstream satire to large audiences.

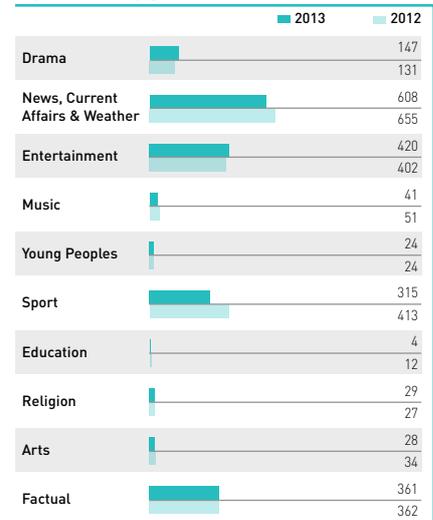
RTÉ's commitment to the arts was enhanced by a number of stand-out commissions including *See You at the Pictures*, which charted twentieth century Ireland through the prism of cinema and documentary. *From Hell's Kitchen to Hollywood* also formed part of a cross-platform season of programmes looking at the Irish and their relationship with the cinema. *John Sheahan - A Dubliner* delivered a revealing portrait of John Sheahan, featuring previously unseen archive footage of The Dubliners.

Popular cláracha gaeilge such as *Scannal*, *Abhainn* and *Cloch Le Carn* continued on RTÉ One with the addition of the world television premiere of renowned Irish director Pat Collins' feature-length film *Silence*, in conjunction with the BAI and IFB (Irish Film Board), and the co-production of two-part series *Wolfland* with BBC NI (Northern Ireland).

RTÉ Cork continued to increase its range of programming in 2013 with the daily broadcast of *Today* as well as the New York Film and Television festival nominated *Secrets of the Irish Landscape* and *Great Irish Journeys*. The highlights of RTÉ's regional, natural history and education output included the coordination of the first *RTÉ Goes Wild* cross-media event in May 2013. Among the highlights of this month-long radio and television celebration of Ireland's diverse wildlife was the award-winning series *The Secret Life of the Shannon*.

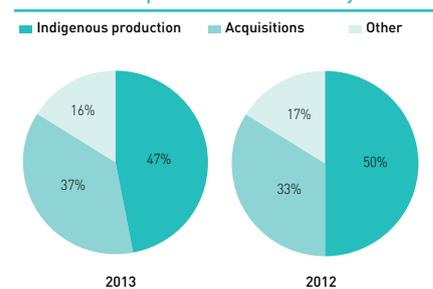
RTÉ ATTRACTED A TOTAL AUDIENCE PEAK-TIME SHARE OF 35.25% IN 2013.

### Indigenous hours broadcast on RTÉ Television in peak time by genre



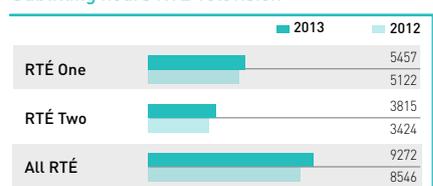
Source: RTÉ

### RTÉ Television peak-time content analysis

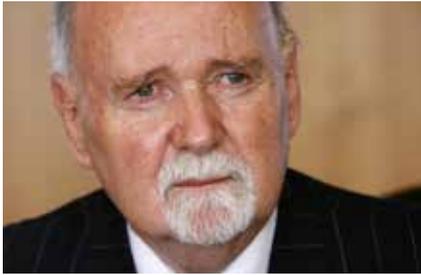


Source: RTÉ

### Subtitling hours RTÉ Television



Source: RTÉ



INSIDE IRISH NATIONWIDE

*The Scholarship*, a two-part series on students from disadvantaged backgrounds pursuing scholarships into Belvedere College, received excellent critical reviews and provoked debate. In the literacy series *The Family Project*, six well-known and inspirational people acted as mentors for six families to help them better manage family life and equip them with the tools they need to better assist their children with everyday learning. Sports-related documentaries resonated strongly with audiences in 2013, with *Tommy Bowe's Bodycheck* attracting a 31% share and powerful documentary *Joe Brolly - Perfect Match* resulting in an increase in awareness of organ donation.

### RTÉ TWO

RTÉ Two aims to bring high-quality public service content to younger audiences through a mixed genre schedule featuring the best of Irish entertainment and factual programming, unrivalled sports coverage and first-to-air international series.

RTÉ Two finished 2013 on a strong note, reporting a 16% increase in the 15-34 share figure year-on-year over the Christmas period during peak-time, following on from the strongest year-on-year performance from September to December for years. On Christmas Eve RTÉ Two was the number one channel for adults 15-34.

As a public service channel for younger audiences, RTÉ Two plays a key role in nurturing and supporting emerging home-grown talent, championing rising stars, new comedy, new music, new formats and new ideas. This was ever present in the 2013 schedule from the *RTÉ Two New Comedy Awards* to the highly regarded music series *Other Voices*. RTÉ Two programmes such as *Republic of Telly* have a key role in talent development and have spawned a large number of spinoff projects from *The Rubberbandits* to some of RTÉ Two's most popular programmes of 2013, including the hidden camera show *The Fear* and scripted comedy series *Damo & Ivor*.



DAMO & IVOR

The *RTÉ Two New Comedy Awards* was a competition to find Ireland's best new stand-up comedian of 2013 and brought to the public's attention 26 new comic acts, many of whom have already had an impact elsewhere in the RTÉ schedule, including the new host of *Republic of Telly*, Kevin McGahern, and other exciting new comedians such as Al Porter and Sean Nolan.

RTÉ Two also generated some of RTÉ's most impactful digital output: *Damo & Ivor* was the fifth most-viewed programme on the RTÉ Player in 2013, while *The Fear*'s 'Water Meter' sketch delivered 600,000 YouTube hits to date; *Republic of Telly* 'You Know You're Irish When...' is at 1.3 million hits and its 'Hidden Camera Orchestra' sketch is at 1.5 million hits.

2013 also saw an increased emphasis on youth-focused documentaries and factual entertainment programmes designed to challenge, provoke and reflect, including *Maia Dunphy's What Women Want* series and *Reality Bites* documentaries such as *Nightshift*, *The Gym*, *Oi! Ginger*, *The Gambling Gene*, *Gay Daddy*, *Like A Virgin*, *Vogue Does Home and Away* and *#missingyou*, featuring new and emerging talent such as Angela Scanlon, Darren Kennedy and Vogue McFadden.

2013 saw the second Format Farm initiative take place with new formats such as *My Best Shot* and *Away with a Stranger* being piloted for the first time, and the *Six in the City* format went to series.

Other programmes of note in 2013 included new series *Second Captains Live* and the hugely popular comedy sketch series *The Mario Rosenstock Show*, which delivered a 22% share of 15-34s for its Christmas special, *Totes Amazeballs 2013* hosted by Eoghan McDermott and the year finished with new comedy panel show *Next Year's News* with Neil Delamere and PJ Gallagher.



GAY DADDY

RTÉ TWO FINISHED 2013 ON A STRONG NOTE, REPORTING A 16% INCREASE IN 15-34s YEAR-ON-YEAR OVER THE CHRISTMAS PERIOD, DURING PEAK-TIME.

## OPERATIONAL REVIEW (CONTINUED)

### RTÉ TELEVISION



THE SUNDAY GAME LIVE



SECOND CAPTAINS LIVE



RBS 6 NATIONS

Being the home of sport, RTÉ Two continues to be the place that unites the nation, supporting Irish games and national teams in action. Once again in 2013, audiences in Ireland made RTÉ Two the most-popular channel for sports coverage, with 19 of the Top 20 most-watched sports programmes on any television channel available in Ireland. From a successful GAA Championships to the RBS 6 Nations and the Irish soccer team's World Cup campaign, Irish audiences turned to RTÉ Two for the big sporting moments of the year, ensuring that five of the Top 20 most-watched programmes of 2013 of any genre on any channel were sport on RTÉ Two.

The most-watched sports programme of the year on any TV channel was RTÉ Two's *The Sunday Game Live*'s coverage of the All-Ireland Senior Football Final between Dublin and Mayo, with an average of 1,064,000 viewers watching Dublin regain the Sam Maguire Cup, up over 89,000 viewers on 2012's All-Ireland Senior Football Final. In second place was *The Sunday Game Live* All-Ireland Hurling Final between Clare and Cork, as 889,400 viewers watched the Munster rivals battle it out for hurling supremacy. The All-Ireland Senior Football Semi-Final between Dublin and Kerry, again on RTÉ Two's *The Sunday Game Live*, was the third most-watched sports programme of 2013, with 828,400 viewers tuning in to see Dublin beat Kerry in what was widely regarded as one of the finest football matches in years.

Joining them in the Top 10 are Ireland's RBS 6 Nations defeat to England at the Aviva Stadium in February; the Republic of Ireland's home World Cup Qualifier against Austria in March; the replay of the drawn All-Ireland Hurling Final between Clare and Cork; the second All-Ireland Senior Football semi-final between Mayo and Tyrone; the Dublin

and Cork All-Ireland Senior Hurling semi-final; Ireland v France in the RBS 6 Nations; and the other All-Ireland Hurling semi-final between Limerick and Clare.

For the teen and young adult audience, RTÉ Young People's Programmes offered *Two Tube*, a daily magazine strand which runs during school term time. In addition RTÉ highlighted the lives of Irish teenagers in a special week of programming in November. *Two Tube* featured interviews and commissioned videos which explored life in Ireland today and the week ended with an evening on RTÉ Two punctuated by episodes from the successful user-generated project *Life's Like This*, which captured a day in the life of Irish teenagers through their own video contributions. This project also was compiled into a one-off documentary shown during the Christmas period.

*Elev8* on TRTÉ continued to provide a mix of science, entertainment, sports, quizzes, lifestyle, arts and much more. In addition, as part of the RTÉ Tots, Tweens and Teens week in April *elev8* created an exceptional opportunity for youngsters to spend a night in the Natural History Museum. New formats for the TRTÉ audience included *Music Inc*, a reality challenge series which saw teens act as tour managers in the music business; *Big Wave Bootcamp* saw a group of Irish teenagers travel to Hawaii to develop their surfing skills and the Christmas entertainment series *Una's Dream Ticket* saw Una Healy of The Saturdays make dreams come true for children all over Ireland. Four new documentaries from the EBU documentary exchange were broadcast, including stories from Netherlands, Czech Republic, Greece and Cyprus.

REBRANDED AS RTÉ GLOBAL, IN OCTOBER 2013, RTÉ TELEVISION'S INTERNATIONAL PROGRAMME SALES AND DISTRIBUTION DIVISION IS THE WORLD'S LEADING SUPPLIER OF IRISH CONTENT, ASSISTING IRELAND'S PRODUCERS TO FIND INTERNATIONAL AUDIENCES FOR THEIR CONTENT.



JOHN SHEAHAN – A DUBLINER



ALL-IRELAND SENIOR FOOTBALL FINAL

## RTÉJR

In April 2013 RTÉ launched its new digital channel suite, RTÉjr, a dedicated commercial-free channel for children under 7 years old, consolidating RTÉ's commitment to children and young people. The RTÉjr audience were offered a whole new range of programme strands and formats. Storytelling formats included *Tell Me A Story* featuring new work from emerging writers, read by RTÉ broadcasters; *Pic-A-Story*, in which pictures submitted by young artists provided the springboard for new stories; and *Storytime* featuring stories told by favourite RTÉjr presenters. In *The Beo Show*, established performers worked with youngsters to develop their talents; *Storybike* was a storytelling and art programme featuring folklore and tales from around Ireland. Further strands came from the worlds of science, art, natural history, performance, music and adventure.

## RTÉ GLOBAL

Rebranded as RTÉ Global in October 2013, RTÉ Television's international programme sales and distribution division is the world's leading supplier of Irish content, assisting Ireland's most creative producers to find international audiences for their content.

RTÉ Global generates TV 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. RTÉ's Format Farm was a creative incubator that aimed to help Irish production companies to develop and pilot original TV formats, both for Irish audiences and for international export. Launched in partnership with the independent sector in 2012, Format Farm 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.

2013 developments in programme and format sales:

- *Love/Hate* premiered in the UK on Channel 5 on 25 July at 22:00 to an average audience of 0.7 million and 5% share. The series was broadcast in Asia, Australia, Brazil, Israel, New Zealand, UK and USA (on both Netflix and Hulu)
- *Amber* licensed to a number of key territories (Australia, Benelux, Canada, Israel, Latin America, Scandinavia, Netflix USA and UK)
- *Secrets of the Irish Landscape* broadcast on SBS Australia and The History Channel Australia, Aer Lingus & TVO Canada
- *The Secret Millionaire* sold to Australia, New Zealand, UK and BBC Africa
- *Masterchef Ireland* broadcast in UK, Sweden, Poland, Netherlands and UAE
- *Love Never Dies*, *Bishop Undercover*, *Patrick: The Renegade Saint*, *A Farewell to Benedict*, *White Smoke*, *Lifers* and *Ifrah* all sold to ABC Australia for their religious slot Compass
- *Edna O'Brien: Life, Stories* and *Seamus Heaney: Out of the Marvellous* were sold to BBC Four

RTÉ Format Farm sales included:

- *The Hit* commissioned in several major international territories
- *The Takeover* piloted in two major European territories
- *Date with Fate* commissioned for its first series in Ukraine

## COMMERCIAL ACTIVITY AND PERFORMANCE

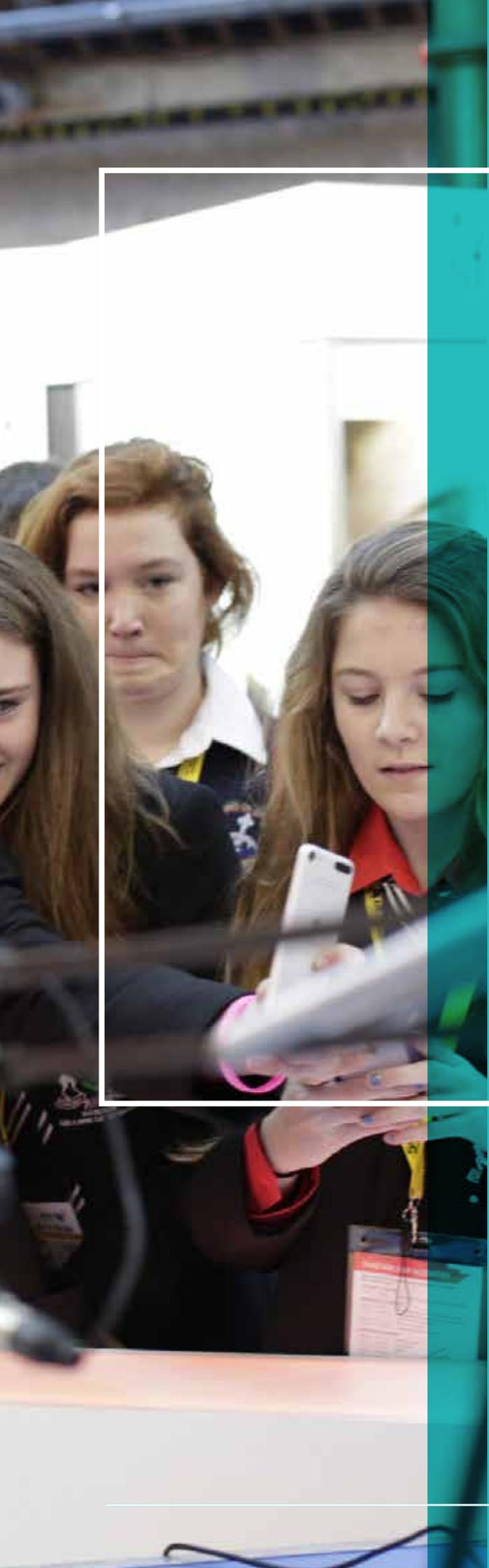
RTÉ Television's advertising revenue declined by 9% in 2013. There was a steep decline in the second quarter with some recovery in the latter half of the year as the market stabilised.

Contributory factors to this performance included a weaker market, combined with the effect of increased choice from opt-out channels in particular following analogue switch-off in October 2012. It should be noted that the number of channels selling advertising in the Irish market increased from 32 in January 2013 to 43 in January 2014. This trend is anticipated to continue. Strong programming, including the transmission of *Love/Hate*, lifted the performance in the fourth quarter. This series was sold to advertisers as a special, while landmark sports programmes refocused advertisers on RTÉ Television's strengths in reach and audience delivery.

RTÉ Television sponsorship revenue declined by 6% in 2013. This was primarily due to a lower level of sports sponsorship opportunities compared to the previous year (Olympic Games and others).

While total viewing to RTÉ Television declined in the year, RTÉ One share was static, reflecting the stabilisation of viewing patterns after analogue switch-off and the success of landmark viewing events as noted above. RTÉ Two peak-time performance with younger viewers grew in the autumn, following a dip due to the absence of sporting events in 2013 compared to the previous year (Euro 2012 and the Olympic Games).





€311 MILLION – RTÉ'S  
CONTRIBUTION TO NATIONAL  
OUTPUT IN 2013.

[SOURCE PWC EIS 2013]

## OPERATIONAL REVIEW RTÉ RADIO



2013 WAS A YEAR OF GROWTH, DEVELOPMENT AND CHANGE FOR RTÉ RADIO 1, IN WHICH IT MAINTAINED ITS POSITION AS THE NATION'S MOST-LISTENED-TO STATION, WITH A 23.5% SHARE, WHILE 18 OUT OF THE TOP 20 MOST-LISTENED-TO PROGRAMMES IN THE COUNTRY WERE ON THE STATION

[UNLR/IPSOS MRBI 2013/4].





RTÉ BIG MUSIC WEEK



RTÉ BIG MUSIC WEEK

THE DOCUMENTARY ON ONE PRODUCTION MESSAGE IN A BOTTLE WAS AWARDED A PRIX EUROPA AS BEST EUROPEAN DOCUMENTARY OF THE YEAR 2013.

### RTÉ RADIO 1

2013 was a year of growth, development and change for RTÉ Radio 1, in which it maintained its position as the nation's most-listened-to station, with a 23.5% share, while 18 out of the Top 20 most-listened-to programmes in the country were on the station (JNLR/Ipsos MRBI 2013/4).

There was particular international recognition when the *Documentary on One* production *Message in a Bottle* was awarded a Prix Europa as *Best European Documentary of the Year 2013*.

From an editorial viewpoint the station marked significant milestones at home and abroad. RTÉ Radio 1 was central to RTÉ's cross-platform output from Rome, reporting on the resignation of Pope Benedict XVI and the subsequent Papal Conclave, and similarly from South Africa for the farewell to Nelson Mandela. The importance of archive and the collective memory was key to a comprehensive and respectful celebration of the life and passing of Seamus Heaney.

Across the current-affairs spectrum, a demanding year saw comprehensive coverage of all key stories, including the Irish presidency of the E.U., the national debate on the *Protection of Life in Pregnancy Bill*, the autumn referendums and the country's exit from the financial bailout.

RTÉ Radio 1 once again hosted a very successful autumn media launch, which showcased the output of the station and the on-air presenters, reporters and contributors.

It was a year of change on-air, with Sean O'Rourke taking over the reins of the *Today* show; Miriam O'Callaghan anchored the 9am weekday show for six months and towards year-end returned to weekends with the new *Sunday with Miriam* show. In the evenings, arts magazine *Arena* moved to the earlier time of 7pm, followed by an extended *John Creedon Show*.

The sharing of resources and people across the organisation was reflected in the opportunity to hear presenters like Brian Dowling, Aine Lawlor and Keelin Shanley present significant volumes of programming

on RTÉ Radio 1. Meanwhile, the station continued its policy of taking programmes on the road, with approximately 450 outside broadcasts during 2013 from every county in Ireland.

The fourth RTÉ Big Music Week took to the train tracks of Ireland, carrying musicians from place to place, transporting creativity to every corner of the country, from train stations, town squares and village greens, with a comprehensive schedule of free events and active outreach engagements. Irish artists were given prominent access on RTÉ Radio's four main radio stations, on RTÉ.ie, RTÉ One and RTÉ Two, RTÉ on YouTube and RTÉ Player. The week ended with a live gala show in Vicar Street, Dublin, featuring over 20 different Irish musical acts. It was broadcast live on RTÉ Radio 1, and proceeds went to Barnardos children's charity.

Sport on RTÉ Radio 1 had a strong year. The weekday sports programme *Sport @ Seven* transferred to RTÉ 2fm, while weekend sport on Radio 1 went from strength to strength. *Saturday Sport* increased its audience to 185,000

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

Timeblock Reach for National Commercial Stations January - December 2013

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	13%	449
2	Liveline with Joe Duffy	RTÉ Radio 1	13:45-15:00	Mon-Fri	11%	399
3	The Marian Finucane Show	RTÉ Radio 1	11:00-13:00	Sat	10%	376
4	The Marian Finucane Show	RTÉ Radio 1	11:00-13:00	Sun	10%	353
5	News at One	RTÉ Radio 1	13:00-13:45	Mon-Fri	10%	349
6	Today with Sean O'Rourke	RTÉ Radio 1	10:00-12:00	Mon-Fri	9%	327
7	The John Murray Show	RTÉ Radio 1	09:00-10:00	Mon-Fri	9%	324
8	The Business	RTÉ Radio 1	10:00-11:00	Sat	9%	322
9	Playback	RTÉ Radio 1	09:00-10:00	Sat	8%	290
10	Sunday with Miriam	RTÉ Radio 1	10:00-11:00	Sun	7%	261

Source: Joint National Listenership Research Surveys Jan - Dec 2013 (Ipsos MRBI)

## OPERATIONAL REVIEW (CONTINUED)

### RTÉ RADIO



RTÉ 2FM TOY APPEAL



RTÉ LYRIC FM: HUGH TINNEY

listeners - up more than 40,000 across the year. By far the largest audience in the country for any sports programme, the programme re-entered the national (any day) Top 20 radio programmes for the first time in many years. *Sunday Sport* also saw dramatic increases in listenership, reaching audiences of 171,000, and is now the second biggest sports programme in the country.

Programming highlights and innovations included the first-ever live commentary on the Women's Rugby 6 Nations, including the Grand Slam decider live from Italy on *Sunday Sport*. Meanwhile, RTÉ Sport launched the GAA Championships live on *Sunday Sport* for the first time.

#### RTÉ 2FM

The competition for younger radio audiences continued to be as challenging as ever in 2013. Despite the competitive environment, however, RTÉ 2fm increased its peaktime market share from 7.2 % to 7.6%.

A new music policy was introduced in July, designed for 20-44 year olds and specifically for those aged between 25-34. The playlist excluded tracks from before 1990 with the purpose of giving the listeners a more contemporary listening experience. New music categories were also introduced to increase the rotation of new music and the most current tracks.

A further challenge for RTÉ 2fm was to recover audience in Dublin, while also growing listeners in the rest of Ireland. The final listenership figures for 2013 resulted in increased audiences in Dublin and among listeners under 35.

A major highlight of the year for the station was RTÉ 2fm's partnership with RTÉ One's *The Hit*. The programme was designed to find new Irish songwriters and turn their songs into hits. Over a six-week period RTÉ 2fm played the winning songs from each show and helped position five songs in the Irish top ten, which included one number five, two number

threes, and a number one. The RTÉ 2fm Toy Appeal for St Vincent de Paul was a major success, as was RTÉ 2fm's valued support for the Cycle Against Suicide.

RTÉ 2fm supported all the major music festivals, bringing live audio and video from each event, something no other music station undertook, as the station continued to deliver the best music, speech and entertainment content while delivering on its public service remit to engage younger audiences within the RTÉ portfolio.

#### RTÉ LYRIC FM

In 2013, RTÉ lyric fm broadcast fifty live evening and lunchtime concerts from the National Concert Hall in Dublin and partnered with Wexford Festival Opera and West Cork Chamber Music Festival for the 14th year in a row, broadcasting nationally and around Europe through RTÉ lyric fm's association with the European Broadcasting Union, Euroradio. RTÉ lyric fm broadcast seventy hours of commissioned and partnered productions from the independent sector in the daily and weekly feature strands programmes in 2013, with in-house productions mentoring four new series.

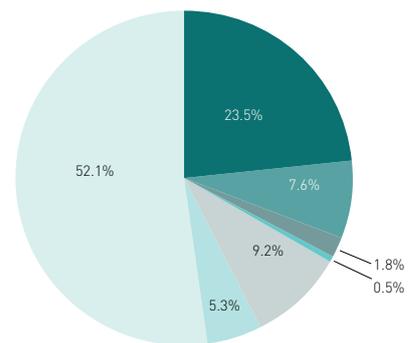
RTÉ lyric fm released three CDs in 2013: *Hugh Tinney - A Portrait*, *Finghin Collins - Mozart Piano Concertos* and *Stephen Gardner: Hallelujah*. The RTÉ lyric fm Outreach Team continued to bring its interactive project 'Making Radio' around Ireland, visiting 45 second-level schools, the National Ploughing Championships and the BT Young Scientist and Technology Exhibition. Also in a new initiative, the Outreach Team provided pop-up piano lessons at Electric Picnic.

The RTÉ lyric fm Composer-in-Residence scheme continued to give a platform to a composer in 2013, with Linda Buckley the featured composer, as well as on-going mentoring for two young composers in partnership with IMRO (Irish Music Rights

DESPITE THE COMPETITIVE ENVIRONMENT, RTÉ 2FM INCREASED ITS PEAKTIME MARKET SHARE FROM 7.2 % TO 7.6%.

National Share of Radio Listening 2013 - Weekday/Peak time

RTÉ Radio 1	23.5%
RTÉ 2fm	7.6%
RTÉ lyric fm	1.8%
RTÉ Raidió na Gaeltachta	0.5%
Today FM	9.2%
Newstalk 106-108fm	5.3%
Regional/local stations	52.1%



Source: Joint National Listenership Research Ipsos MRBI 2013/4



# OPERATIONAL REVIEW (CONTINUED)

## RTÉ RADIO



RTÉ LYRIC FM: FINGHIN COLLINS



SEAN O'ROURKE RTÉ RADIO 1

Organisation). RTÉ lyric fm's 15th *Choirs for Christmas*, Ireland's largest amateur choral competition, had over 100 entries from amateur choirs around the country, and 65 were selected for airplay on the station throughout December. RTÉ lyric fm's live broadcasts and performances during the year included the bandstand at the Bloom Garden Festival in June, the Lyric Hall of Fame Concert at the National Concert Hall in July and a lyric concert at the National Ploughing Championships. Strand and specialist programmes were broadcast live from the RTÉ Big Music Week train and a bespoke RTÉ lyric fm retail unit in Wexford town during the Wexford Festival Opera.

Finally, RTÉ lyric fm received a number of awards, including a bronze and two silver PPI awards and two silver awards at the New York Festivals, and was shortlisted for a Prix Europa music documentary award.

### RTÉ RAIDIÓ NA GAELTACHTA

RTÉ Raidió na Gaeltachta (RnaG) provides a complete radio service to Gaeltacht and Irish-language communities throughout the country, and the world. 2013 saw the service continue to provide a national media platform to the communities it serves, debating and discussing issues of core regional importance, and by extension, to the survival of Irish as a living language.

The station covered subjects of particular interest to the audience, and significant national events, as well as events in the international arena. Reporters covered the election of Pope Francis from Rome, as well as the election of Connemara descendant Marty Walsh as Mayor of Boston.

In a similar vein, RnaG appreciates the huge importance of club sport to any county. Sports coverage throughout the year aimed to balance the local with the regional, national and international.

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.

Music is an integral part of the schedule, with many special broadcasts, including a live broadcast from the National Concert Hall in Dublin, where the competition *Siansa* gave young people a platform whilst encouraging traditional music at the same time.

On social media and online, @rternag gained significant traction on Twitter and on Facebook.

### COMMERCIAL ACTIVITY AND PERFORMANCE

In 2013 the Irish advertising market underwent the most dramatic change since the first glimpse of the economic downturn in 2008. Despite positive forecasting from most of the major trading agencies, by the half year the Irish radio advertising market was down an estimated 20% year on year.

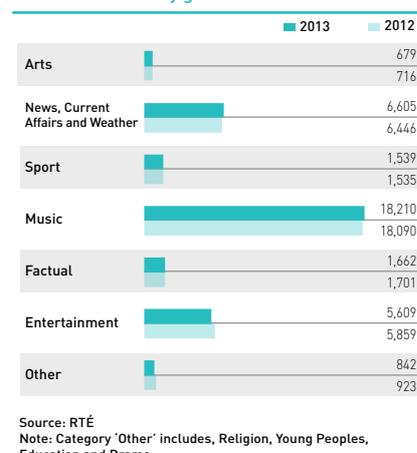
Audience remained solid for the RTÉ Radio services, but all experienced a significant downturn in revenue. Major sponsorship opportunities were also hard to execute, which further damaged overall revenue.

A new sales trading strategy was introduced in July. Ultimately this proved successful, with a better-performing second half of the year.

RTÉ Radio 1 maintained its share across primetime audiences. The station continues to generate the bulk of advertising sales for RTÉ Radio.

DESPITE POSITIVE FORECASTING FROM MOST OF THE MAJOR TRADING AGENCIES, BY THE HALF YEAR THE IRISH RADIO ADVERTISING MARKET WAS DOWN AN ESTIMATED 20% YEAR ON YEAR.

### RTÉ Radio hours by genre





RTÉJR



MO K SQUARE



DAN HEGARTY

### DIGITAL RADIO

RTÉ's digital radio stations continued to provide innovative and exciting programming to their growing audiences in 2013. The digital radio services in 2013 accounted for 9% of overall live streams served.

RTÉ Radio 1 Extra continued to provide material from the RTÉ Archives along with current international programming. A number of exclusives were broadcast during 2013. *Glaoch - The Presidents Call* was a celebration of Irishness and its reach across the world. The special programme featured President Higgins in conversation with iconic Irish figures such as Bono, Seamus Heaney and Christy Moore. During the summer of 2013 RTÉ Radio 1 Extra, in conjunction with RTÉ 2fm, provided live commentaries on the Lions tour of Australia. In September, as a tribute to Seamus Heaney, the station aired his complete works, read by the author himself in a special 12 hour broadcast. In December, in a simulcast with our partners at the BBC World Service, RTÉ Radio 1 Extra broadcast live coverage of the memorial service for Nelson Mandela.

RTÉ 2XM featured weekly live music recordings from around the world, including content produced by RTÉ and the EBU. *The Alternative* with Dan Hegarty continued to broadcast live on RTÉ 2XM each weekday morning, featuring indie/alternative music and a particular focus on new Irish bands. The programme was repeated nightly on RTÉ 2fm. 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 this programme for a cross-border partnership which centred around Belfast Music Week.

Following a period of restructuring and development RTÉjr Radio and TRTÉ Radio were launched in April 2013 as part of RTÉ's overall strategy for young people. RTÉjr Radio is designed specifically for children aged under 7, their families and guardians. Part of

the portfolio of cross-platform offerings by RTÉ for this age group, its schedule – 07:00-19:00, 365 days per year - is complemented by RTÉjr content on TV, mobile and online platforms. TRTÉ Radio is a two-hour block available, after RTÉjr, from 19:00-21:00. Its target audience is children aged 7-11. Together these stations provide a diverse schedule of programming for children.

With the launch of a new schedule at the beginning of 2013, RTÉ Pulse broadcast its first live breakfast show with DJ Mo K. RTÉ Pulse also signed four new high-profile international syndicated shows with Mark Knight, Adam Beyer, Carl Cox and Afrojack along with the best in local talent including Choice Cuts, Spectrum DnB and Not Your Girlfriend. As part of the new schedule RTÉ Pulse also launched its *Re-Live* programme, developed with the EBU, offering listeners an opportunity to re-live and re-listen to some of the best live music events from across Europe. RTÉ Pulse hosted internationally acclaimed DJ Ferry Corsten for an eight-hour broadcast of his radio show *Corsten's Countdown*. This is the first time that the Dutch trance legend has broadcast a show of this duration outside of the USA.

DIGITAL RADIO SERVICES IN 2013 ACCOUNTED FOR 9% OF OVERALL LIVE STREAMS SERVED.



SAMSUNG





3,000 FULL-TIME EQUIVALENT  
JOBS SUPPORTED BY RTÉ IN  
THE IRISH ECONOMY IN 2013.

[SOURCE PWC EIS 2013]



## OPERATIONAL REVIEW

### RTÉ NEWS AND CURRENT AFFAIRS



2013 SAW SIGNIFICANT  
CHANGES TO THE  
OUTPUT OF RTÉ  
NEWS AND CURRENT  
AFFAIRS, FOLLOWING A  
REORGANISATION IN 2012.





NEWS AT ONE - AINE LAWLOR



MICHELLE OBAMA VISIT

2013 saw significant changes to the output of RTÉ News and Current Affairs, following a reorganisation in 2012.

*Prime Time* was broadcast three nights a week and moved to a new studio; the new RTÉ Investigations Unit produced a series of high-profile investigations; and RTÉ launched a new two-hour programme, *Morning Edition*, with Keelin Shanley.

*Nuacht* launched a new 5pm bulletin on the RTÉ News Now service, while the weekday *One O'Clock News* on RTÉ One television was lengthened to around 30 minutes. *The Week in Politics* moved to broadcast live at midday, being repeated in the evening. The popular Claire Byrne joined RTÉ Radio 1's *Morning Ireland* team and Richard Crowley and Aine Lawlor moved to the *News at One*, also on RTÉ Radio 1. RTÉ News appointed a new Science and Technology Correspondent and two regional offices moved into new premises at local Institutes of Technology.

Editorially, 2013 was a busy year. The year saw the resignation of Pope Benedict XVI and the election of Pope Francis; the Irish Presidency of the EU; the discovery of horse DNA in beef products; a report into the Magdalene laundries; the liquidation of the IBRC; the controversy after the death of Savita Halappanavar; the crèches revelations; the use of chemical weapons in Syria; the G8 summit in Fermanagh and the visit of Michelle Obama to Ireland; the publication of the Anglo tapes; the Seanad Referendum; the Philippines typhoon; the Smithwick Tribunal report; the exit from the bail-out; the storms and flooding at the end of the year; and the death and funeral of Nelson Mandela.

RTÉ's flagship current affairs programme, *Prime Time*, was relaunched with a new presentation team of Miriam O'Callaghan, Claire Byrne and David McCullagh. The programme hosted debates on all the major issues of the year - often with live studio audiences - and produced a special debate on the future of the Seanad. *Prime Time* was also the home for a series of high-profile investigative reports from RTÉ's new Investigations Unit, including one on Ireland's crèches, unscrupulous charity clothes collections and the continued controversial use of the anti-malaria drug Lariam by Irish armed forces.

RTÉ News launched a new morning programme on weekdays, *Morning Edition*, presented by Keelin Shanley. The programme is shown on RTÉ One, RTÉ.ie and RTÉ News Now from 09:00-11:00 and provides news, sport, business and newspaper reviews along with topical interviews. Run by a small team, it has increased live programming from RTÉ News by around 400 hours a year. It was on-air to cover the unexpected resignation of Pope Benedict and the aftermath of the death of Nelson Mandela.

THE NEW RTÉ INVESTIGATIONS UNIT PRODUCED A SERIES OF HIGH-PROFILE INVESTIGATIONS.

## OPERATIONAL REVIEW (CONTINUED)

### RTÉ NEWS AND CURRENT AFFAIRS



NELSON MANDELA FUNERAL



STORMS IN DECEMBER

#### RTÉ NEWS NOW

There was increased focus on the RTÉ News Now online and television channel. The number of downloads of the RTÉ News Now app passed one million, as mobile consumption of news continued to grow. The number of Twitter followers to RTÉ News' Twitter account passed 170,000 - the largest Twitter news account in Ireland. Work began in 2013 to refresh the website and the RTÉ News Now app, which will be completed in early 2014, and it is planned to move the website team to the centre of the newsroom in 2014. The number of hours of live content on RTÉ News Now's television channel grew from 35% to around 55%, with the introduction of *Morning Edition* and new live bulletins at 5pm (in Irish) and during the afternoon.

#### TECHNOLOGY

The centralised news-desk was firmly established as the hub of the multi-media newsroom, producing material for the website, radio and television news. The major Avid upgrade was delivered for television news on-budget and on-time with no disruption to programming. 2013 saw the rollout of smart-phones to our teams in the field, along with mobile journalism training, to enable journalists and camera crews to shoot, edit and send video footage and stills of breaking stories. RTÉ News also trialled wireless cameras in Dublin and the use of an airborne remote-controlled 'news drone'.

#### REGIONS

2013 saw the rollout of the new plan for RTÉ's regional offices, which involves a move to the premises of Institute of Technology (IT) colleges as part of a wider partnership with the ITs. The first office to move was Dundalk, followed by Waterford. The Athlone office is due to move in the early part of 2014. The move has delivered considerable savings, which has enabled RTÉ to secure its presence in the regions whilst meeting financial savings targets.

#### TRAINING

The new Journalism Guidelines were provided to all members of staff. The new RTÉ Social Media Guidelines were published to be read and observed by journalists. Leading trainers were brought in for master-classes on television news packaging, social media use and investigative journalism.

#### NUAIGHT

Cuireadh breis agus 25 uair a chloig le haschur bliantúil na nuachta, nuair a thosaigh clár nua laethúil *Nuacht RTÉ* ar RTÉ News Now, á chraoladh as stiúideo Bhaile na hAbhann. Chlúdaigh Nuacht na mórscealta sa bhaile agus thar lear ar RTÉ agus ar TG4, idir shochraid Mandela agus nochtadh an drochúsáid ghnéasach a rinne Dónal Ó Lublaí ar pháistí. Tá na feasacháin nuachta ar RTÉ Radio 1, RTÉ 2fm agus RTÉ lyric fm ina míreanna sainiúla ar na cainéil sin i gcónaí, agus rinneadh obair mhór ag ullmhú don tseirbhís nuachta idirlín a chuirfear ar bun i rith 2014.

Cuid lárnach de sceideal TG4 é an clár laethúil *Nuacht TG4* a léiríonn foireann na nuachta i mBaile na hAbhann. Bhí glacadh an-mhaith freisin ag lucht féachana TG4 le *An Samhradh Linn*, sraith siamsaíochta don samhradh léirithe ag Nuacht do TG4, chomh maith leis an tsraith ghearr de chlár faisnéise um Nollag.

2013 SAW THE ROLLOUT OF THE NEW PLAN FOR RTÉ'S REGIONAL OFFICES, WHICH INVOLVES A MOVE TO THE PREMISES OF INSTITUTE OF TECHNOLOGY COLLEGES.





21 VIZ 2

Harvey Norman

VOLE LAPTOP

16GB RAM

ONLY €348

27 RTE 2

Welcome back. A reminder that later on in this programme Tony O'Donoghue will

00:01:20



TCR 19:38:01:10



23 BITC2

24 AUTOCUE

PSM



ZIMMEY 1



LO 2



TOM 3



ASPEED C



ASPEED D

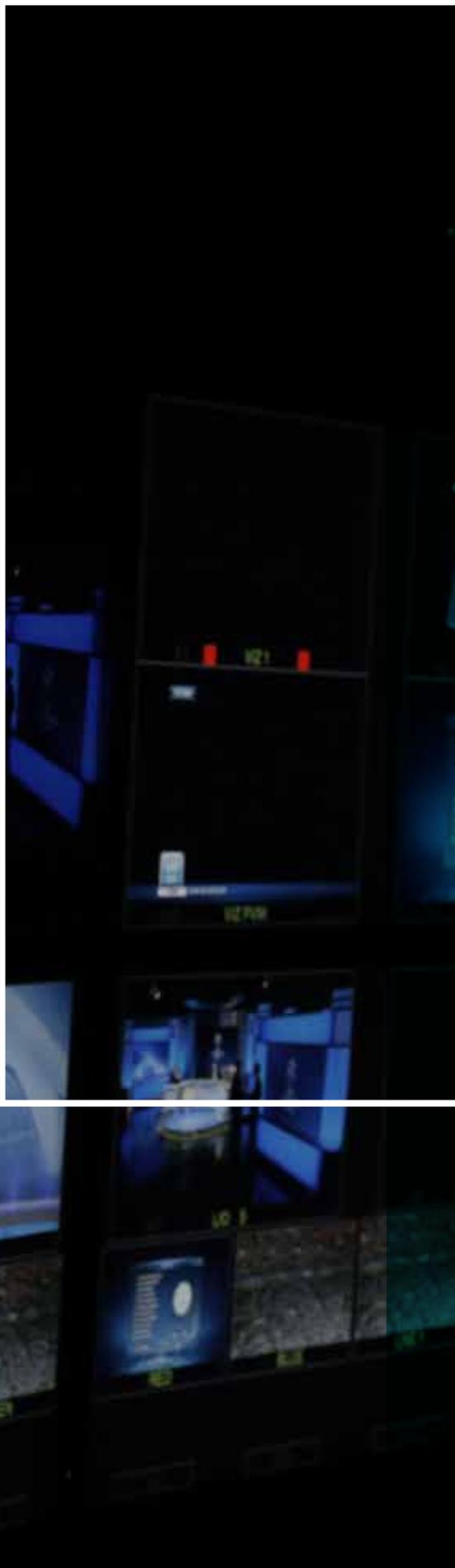


ASPEED A



ASPEED B

YELLOW



IN 2013, €263 MILLION OF  
RTÉ'S EXPENDITURE WAS  
TO IRISH PERSONNEL AND  
IRISH SUPPLIERS, EXCEEDING  
THE LICENCE FEE INCOME IT  
RECEIVED BY €81 MILLION.

[SOURCE PWC EIS 2013]

## OPERATIONAL REVIEW

2RN



THROUGHOUT 2013 THE NEW SAORVIEW AND SAORSAT SERVICES CONTINUED TO MAKE PUBLIC SERVICE BROADCAST TELEVISION AND RADIO SERVICES AVAILABLE FREE-TO-AIR IN EVERY HOME. THE SERVICES PROVED TO BE VERY RELIABLE AND DELIVERED HIGHER QUALITY VIDEO AND AUDIO, AS WELL AS SOME NEW SERVICES, TO IRISH HOMES.





During the year RTÉ NL was re-branded as 2rn and moved premises to a site in West Dublin. The Board of the company has been reconstituted to include independent directors, Eoin McGettigan (Chairman) and Mike Byrne, formerly a commissioner with ComReg.

In July 2013, following extensive consultation, ComReg designated 2rn as having significant market power in the broadcast transmission and distribution market. 2rn continues to work closely with ComReg and other stakeholders to ensure full and timely compliance with all regulatory obligations.

Following the initial launch of Digital Terrestrial Television in October 2012 the final phase of the DTT project including full commissioning of all DTT systems and decommissioning of analogue equipment was completed at a cost in 2013 of €1.2m. The DTT system has operated successfully throughout 2013.

Throughout 2013 the new Saorview and Saorsat services continued to make public service broadcast television and radio services available free-to-air in every home. The services proved to be very reliable and delivered higher quality video and audio, as well as some new services, to Irish homes.

Of those 1.6m homes:

- some 620,000 homes have the services operational in their homes
- some 160,000 homes have the services as their only means of accessing television services
- some 260,000 homes use the services combined with UK Free-To-Air overspill (Terrestrial Freeview and UK free-to-air satellite).

The introduction to the market of the first Saorview-approved Personal Video Recorder (PVR) and the implementation of the associated series link functionality in 2013 was an important development, as was RTÉ One's migration to high definition at the end of the year.

#### COMMERCIAL REVENUE

- Overall 2rn generated revenues of €26.3 million, a decrease on 2012 levels. This reflects analogue switch-off in October 2012. 2012 revenue included income from analogue television transmission for ten months of the year, which did not occur in 2013. The level of site hosting demonstrated a modest increase year-on-year.
- 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.
- The 2rn Digital Audio Broadcasting (DAB) radio test service operated in 2013 covering in excess of 50% of the population. In the absence of a national policy and licensing framework for commercial DAB services the development of the DAB platform beyond this test is unlikely to proceed to a higher level of penetration at this juncture.
- Following the period of change associated with the migration of television services from analogue to digital, as anticipated, 2rn's television revenue stabilised in 2013.

#### OPERATIONS

Reliability of the transmission system was comparable with previous years. Overall availability for Saorview, Saorsat, FM services and RTÉ Radio 1 on Long Wave (LW) were again all in the order of 99.9% for 2013.

OVERALL 2RN GENERATED REVENUES OF €26.3 MILLION, A DECREASE ON 2012 LEVELS. THIS REFLECTS ANALOGUE SWITCH-OFF IN OCTOBER 2012.





FOR EVERY €1 LICENCE FEE  
INCOME RECEIVED BY RTÉ  
IN 2013, RTÉ CONTRIBUTED  
€1.70 TO THE IRISH ECONOMY,  
INCLUDING TAXES.

[SOURCE PWC EIS 2013]

## OPERATIONAL REVIEW

### RTÉ DIGITAL



IN 2013, RTÉ DIGITAL CONTINUED TO PROVIDE IRELAND'S LEADING PORTFOLIO OF DIGITAL PRODUCTS AND SERVICES WITH A FOCUS ON QUALITY IRISH CONTENT FOR AUDIENCES AT HOME AND ABROAD WHILE EXPANDING AND ENHANCING ITS SERVICES TO ANTICIPATE AND DELIVER ON AUDIENCE NEEDS.



RTÉ PLAYER



RTÉ PLAYER

In 2013, RTÉ Digital continued to provide Ireland's leading portfolio of digital products and services with a focus on quality Irish content for audiences at home and abroad while expanding and enhancing its services to anticipate and deliver on audience needs.

RTÉ Digital services had an average of 135 million unique page impressions per month in 2013. Enhancements in 2013 included the introduction of the RTÉ Player app for Android devices available free-of-charge internationally, and its launch on Microsoft X-Box 360, all creating greater accessibility to Ireland's leading television on-demand service.

New developments included the delivery of a dedicated RTÉjr app and an online hub to support the launch of the RTÉjr cross-platform service. RTÉ Digital also continued to support leadership in the digital economy with a number of key commercial and strategic partnerships with public and private sector organisations including the Dublin Web Summit and Mobile Monday.

#### RTÉ.IE

RTÉ.ie averaged 60 million page views per month in 2013. Statistics from comScore reported an average of 1.08 million unique users per month, making it the number one media website in Ireland. In 2013 RTÉ.ie delivered access to extensive coverage of major national and international events on desktop and on mobile. Desktop usage declined in favour of mobile and tablets. April 2013 saw 63% of total page impressions delivered via mobile services - a new record. In total 82 million page impressions were delivered via mobile services (apps, m.rte.ie and lite.rte.ie) on average per month.

In February and March 2013 RTÉ.ie delivered access to extensive coverage of Pope Benedict XVI's resignation and the subsequent inauguration of Pope Francis. In April 2013, RTÉjr, a brand new multi-platform service created

for children under 7 years old, was launched and RTÉ.ie provided a central online hub for the new service.

In October 2013, analysis of the Seanad Abolition Referendum and the Court of Appeal Referendum was streamed live through RTÉ News Now with RTÉ.ie/news providing users with the latest links and live streaming.

An Taoiseach Enda Kenny delivered an address to the nation on 15 December 2013 to announce the end of Ireland's three-year bailout loan programme. Live coverage was provided online, on iPhone, on Android and on the iPad App. In December 2013 RTÉ.ie provided a central hub for articles, video, live news coverage and obituary content following the death of the former South African President Nelson Mandela.

#### RTÉ PLAYER

RTÉ Player remained the number one television on-demand service in Ireland in 2013 with 33% of adults having used the service, equivalent to over 1.1 million people. During 2013, RTÉ Player was made available on three new platforms, Android, UPC Horizon, and Xbox 360, offering audiences more choice and flexibility than ever before. The RTÉ Player app has now been downloaded over one million times, including 236,000 downloads outside of Ireland.

RTÉ Player delivered an average of 3.8 million streams per month in 2013. The RTÉ News Now stream, *Home and Away*, *Fair City*, *EastEnders* and *The Late Late Show* were the most-watched programmes, while the top individual programmes of 2013 included *Love/Hate*, *Prime Time* and *The Late Late Toy Show*.

RTÉ DIGITAL SERVICES HAD AN AVERAGE OF 135 MILLION UNIQUE PAGE IMPRESSIONS PER MONTH IN 2013.

## OPERATIONAL REVIEW (CONTINUED)

### RTÉ DIGITAL



RTÉ NEWS NOW



RTÉ NEWS NOW

On 12 August UPC officially launched its next-generation Horizon TV service, and RTÉ Player launched a 'new-look', higher-resolution on-demand service on the platform. RTÉ Player on UPC hosts a selection of flagship RTÉ programmes from the previous seven days to audiences in the Republic of Ireland only. In September an RTÉ Player app for Android devices made hundreds of hours of material available on nearly 2,000 Android devices. Later that month, RTÉ Digital announced a partnership with Microsoft, giving Xbox 360 users access to RTÉ Player. In October, RTÉ Player and RTÉ One won a prestigious 'Tweetie' award for the multi-platform, bespoke digital programme around the Rose of Tralee.

Key highlights for RTÉ Player during the year included worldwide coverage of *St Patrick's Day 2013*, *The Rose of Tralee 2013*, including a Player-exclusive behind-the-scenes programme that attracted three times as many viewers as in 2012, and *Love/Hate* series 1-3, which provided audiences with the opportunity to immerse themselves in the hit drama before series four began in October.

The popularity of *Love/Hate* series four resulted in RTÉ Player usage increasing by nearly one-third for the period September to October. *The Late Late Toy Show* was streamed live and on-demand internationally. On *New Years Eve Live - The Ultimate Gathering*, RTÉ Player webcast the launch of Limerick as the 2014 City of Culture with the full event made exclusively available through a live stream on RTÉ Player.

Another RTÉ Player first in 2013 was a special comedy season in December, when RTÉ Player hosted exclusive comedy box sets.

#### RTÉ RADIO PLAYER

In 2013, the RTÉ Radio Player had an average of 3.1 million streams a month across both desktop and mobile versions, with 54% now favouring mobile listening. Of this traffic, the average domestic use was 68% with the remainder being accessed internationally, mostly in the United Kingdom and United States. Users accessed the live service for an average of 71 minutes per session in 2013. The RTÉ Radio Player app had been downloaded over 425,000 times by the end of 2013.

#### RTÉ NEWS NOW APP

In October 2013, the RTÉ News Now app, launched in January 2010, reached its one millionth download milestone. Available free-of-charge on iPhone, iPod Touch, iPad, Android and Windows phones, it is the number one news app in Ireland with 13% of adults having used the app and users citing their appreciation of the trustworthy and Irish-focussed content. It is also available internationally and has been downloaded 241,000 times outside of Ireland.

#### RTÉJR APP

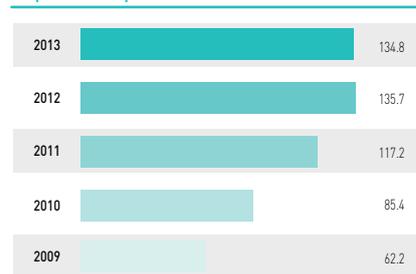
The RTÉjr app, launched in April 2013, was designed and developed by RTÉ Digital in partnership with Irish software developer Marino Software. A combination of television and radio material is available, as well as children's games. Aimed at the under 7-year-old age-group, the app has been downloaded 15,000 times and delivers 800,000 page impressions per month. The RTÉjr app is available free for iPad, iPhone and iPod Touch through the Apple App Store.

#### RTÉ AERTEL

According to TGI 2013, there were 955,000 weekly viewers of the Aertel TV Service, down from 1.2 million in 2012. The website attracts 100,000 monthly users (source: comScore).

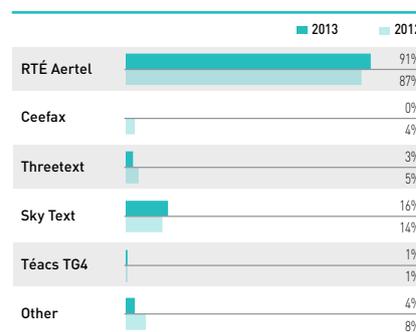
THE RTÉ RADIO PLAYER APP WAS DOWNLOADED OVER 425,000 TIMES BY THE END OF 2013.

#### RTÉ.ie average page impressions per month (millions)



Source: RTÉ

#### Type of teletext used in all households who make use of teletext



Source: TAM Ireland Ltd/Nielsen TAM Establishment Survey



## OPERATIONAL REVIEW (CONTINUED)

### RTÉ DIGITAL



JFK EXHIBITION



RTÉ ARCHIVES

#### RTÉ ARCHIVES

The RTÉ Archives are the central repository for all RTÉ broadcast (television and radio) and stills material collected and preserved by RTÉ for nearly a century. RTÉ's Libraries and Archives are a national resource and a hugely important and valuable strategic asset to RTÉ. The RTÉ Archives was awarded the prestigious 'Most Innovative use of Archives' award at the 2013 World Congress of the International Federation of Television for the 'School around the Corner' campaign. 2013 was a landmark year for the RTÉ Archives. Page impressions increased by 40% compared to 2012, and the growing popularity of the site can be attributed to the quality of the online exhibitions, such as the most popular exhibition of the year 'Before They Were Famous'. In addition new strategic partnerships were forged throughout the year, with the US Embassy, the National Library and via Century Ireland, a Boston College initiative in which RTÉ Archives are a key partner.

In 2013, RTÉ Archives created 11 new online exhibitions and published 554 feature stories. This content provided online public access to video, radio, photographs and documents from RTÉ Archives free of charge. Key exhibitions included 'JFK in Ireland', celebrating the 50th anniversary of President John F. Kennedy's visit.

#### RTÉ'S YOUTUBE CHANNEL

RTÉ's customised YouTube channel had 38.4 million views last year, up from 22 million the previous year. RTÉ YouTube videos from *Republic of Telly* 'You Know You're Irish When' and *Rose of Tralee 2013* 'New Orleans Proposal' featured third and tenth highest overall in the 2013 'Most Watched' YouTube videos in Ireland with a combined 1.7 million views.

The St. Patrick's Day Live special saw key programmes, including the St Patrick's Day Parade from Dublin and *Glaoch: The President's Call*, being made available on a live stream via the YouTube RTÉ channel. In total 89,200 live streams were requested across the day. This service was available worldwide and the majority (72%) of demand came from outside Ireland. The UK alone accounted for 62% of all stream requests.

#### SUPPORTING LEADERSHIP IN THE DIGITAL ECONOMY AND PARTNERSHIPS

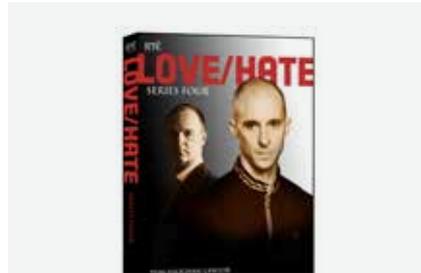
In line with RTÉ's stated objective to support Ireland's digital economy, in 2013 it continued to forge partnerships, both commercial and strategic, with a number of industry bodies and partners.

Through the Insight partnership, announced on the 25th February, RTÉ Digital forged an ambitious collaboration with the Digital Enterprise Research Institute (DERI) and the Digital Repository of Ireland (DRI) in the newly announced Science Foundation Ireland 'Big Data' Research Centre. The goal of this joint project is to develop a linked data-based content discovery platform to open up the treasures of the RTÉ Archives by developing tools to enhance digital preservation, discovery and access.

RTÉ FEATURED ON THE 'MOST WATCHED' YOUTUBE VIDEOS IN IRELAND IN 2013 WITH A COMBINED 1.7 MILLION VIEWS FOR THE TOP TWO PERFORMING VIDEOS.



RTÉJR JUNIOR PAD



LOVE/HATE DVD

RTÉ Digital also played a pivotal role at the Web Summit in 2013 and was a media partner, live streaming through a dedicated blog and capturing a wealth of key interviews with some of the biggest names in the digital world as well as participating in panels and judging at the event.

Another key partnership forged during 2013 was with Microsoft, which saw RTÉ Player content being available for the first time on the Xbox 360. Through a partnership with Mobile Monday (Ireland), RTÉ Digital organised a symposium of key speakers from Hailo, Facebook, comScore, NDRC and Coder Dojo to discuss the future of mobile with an audience comprising start-ups and seasoned entrepreneurs.

RTÉ Digital continues to champion the open source, volunteer-led global movement of free coding clubs for young people and played an active role in the CoderDojo global mentor conference held in 2013 in Slane Castle.

#### RTÉ DIGITAL OUT-OF-HOME (DOOH)

RTÉ continued to provide its Digital Out-of-Home (DOOH) service in 2013, displaying RTÉ stills, images and text content from RTÉ.ie in a number of locations including Pearse St, Heuston and Connolly train stations, as well as Busáras bus station. These locations have a fortnightly footfall of 1.7 million. The service is also available on the screens in the baggage hall of Terminal 1 in Dublin Airport. In addition, RTÉ News Now is available on 18 screens in Dublin Airport Terminal 1.

#### MERCHANDISING

The market decline in DVD sales continued in 2013, with overall market revenue down by more than 30% compared to the previous year (source: GFK Chart-Track Irish Annual Chart Report Music and Video 2013). In contrast, RTÉ Merchandising recorded significant revenue growth across the same period. RTÉ released a number of DVDs including *The Fall* (series 1), *Love/Hate* (series 4) and *Love/Hate Series 1-4 Box Set*. *Love/Hate* continued its strong performance, with titles ranking as the top three television DVDs for 2013. Distribution of programmes internationally into the digital arena continued, with *Paths to Freedom* made available on Hulu in the US.

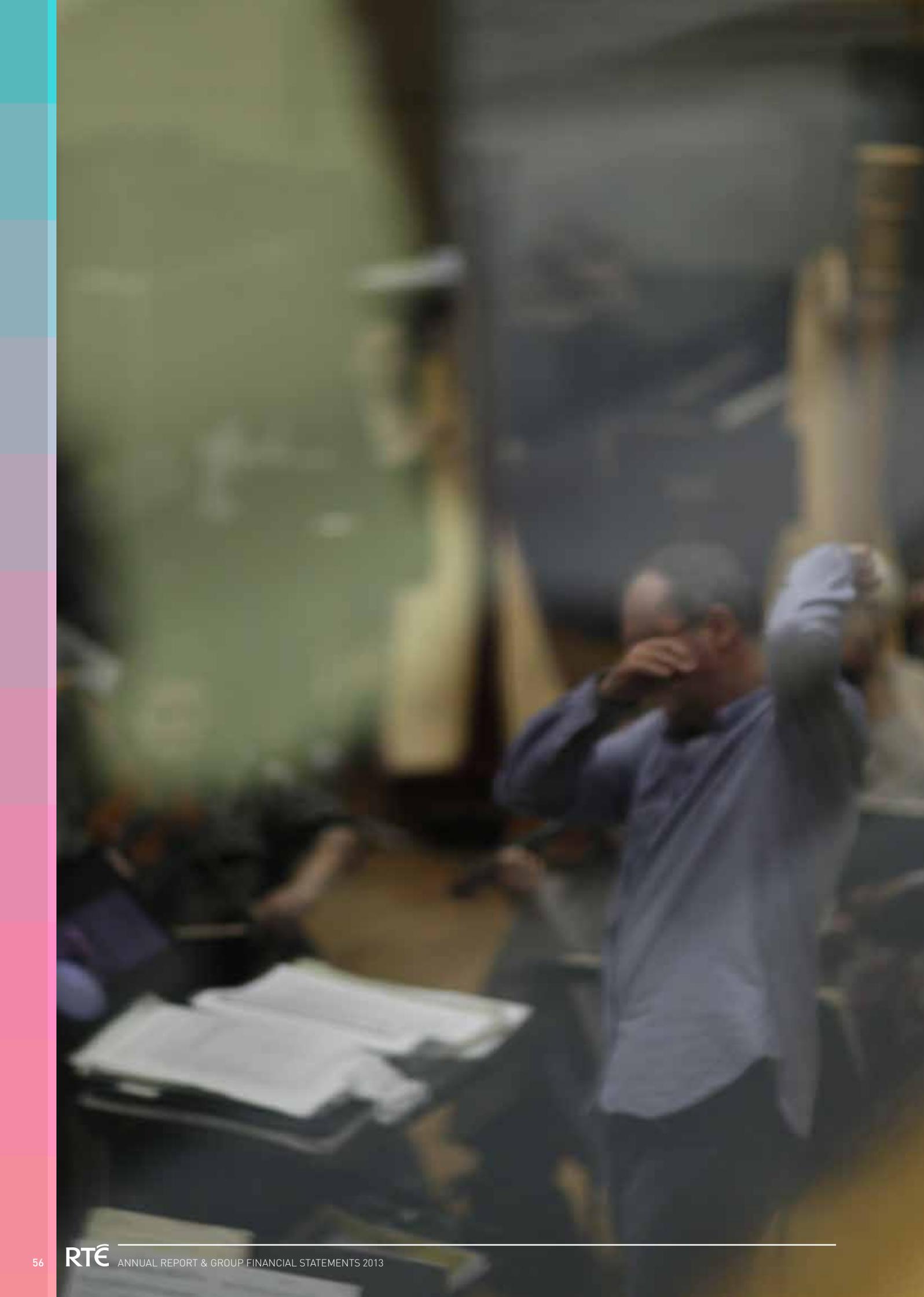
In November 2013, RTÉ Digital announced the launch of the limited edition RTÉjr Juniorpad, an Android tablet for under 7-year-olds offering over five hours of pre-loaded RTÉjr content combined with all the benefits of an Android 4.2 tablet. With pre-loaded parental controls, the RTÉjr Juniorpad ensures that children can enjoy quality Irish content and explore online in a safe environment.

#### PROGRAMME AND INTERACTIVE COMPETITIONS

The Programme Interaction and Competitions team continued to develop and manage SMS and IVR services that contained a premium rate charge across television, radio and digital platforms. Whilst the overall market continued to decline in 2013, impacted by a consolidation of service providers, new technology, emigration and other factors, RTÉ services continued to deliver a strong performance, attracting over 9.7 million interactions in 2013.

#### COMMERCIAL

Digital Commercial Income saw a significant increase year-on-year of 13%, which was driven by the continuing introduction of award-winning new rich media formats across all platforms, mobile, desktop and video-on-demand. An increasing amount of display budgets have been spent on direct response advertising via international ad networks, at significantly lower rates than domestic competitors. Whilst traffic to the RTÉ.ie website fell year-on-year, mobile and mobile video grew to counter the change in user patterns, and the launch of the RTÉ Player on Android devices aided in this. Mobile advertising revenue was up significantly year-on-year and, whilst it grew, the level of demand for mobile advertising campaigns was below expectations. The migration of Aertel to DTT platforms proved challenging in retaining clients and a number of key clients were lost in the year. Digital advertising experienced a tough trading environment at the start of the year; however, strong performances in the final quarter made up for lost ground.





RTÉ'S ACTIVITIES GENERATED  
TAX CONTRIBUTIONS FOR  
THE STATE OF €73 MILLION  
IN 2013, EQUIVALENT TO 40%  
OF THE LICENCE FEE INCOME  
RECEIVED BY RTÉ.

[SOURCE PWC EIS 2013]

## OPERATIONAL REVIEW

### RTÉ ORCHESTRAS, QUARTET AND CHOIRS



IN 2013 RTÉ ORCHESTRAS, QUARTET AND CHOIRS COMPRISED FIVE ENSEMBLES: THE RTÉ NATIONAL SYMPHONY ORCHESTRA (FOUNDED IN 1948); THE RTÉ CONCERT ORCHESTRA (FOUNDED IN 1948); RTÉ VANBRUGH QUARTET (RTÉ'S QUARTET WAS CREATED IN 1959); RTÉ PHILHARMONIC CHOIR (FOUNDED IN 1985); RTÉ CÓR NA NÓG (FOUNDED IN 1985).





RTÉ CONCERT ORCHESTRA SIGNATURE SERIES  
NICOLA BENEDETTI

In 2013 RTÉ Orchestras, Quartet and Choirs comprised five ensembles: The RTÉ National Symphony Orchestra (founded in 1948); The RTÉ Concert Orchestra (founded in 1948); RTÉ Vanbrugh Quartet (RTÉ's quartet was created in 1959); RTÉ Philharmonic Choir (founded in 1985); RTÉ Cór na nÓg (founded in 1985).

There are over 350 performers in RTÉ's music ensembles, of which 130 are full-time professional musicians. RTÉ is the single largest supporter and promoter of orchestral music in Ireland.

#### OUTPUT AND AUDIENCES

During 2013 RTÉ Orchestras, Quartet and Choirs performed to almost 200,000 people, presenting a total of 258 (249 in 2012) live performances and events, ranging from symphonic and popular classical repertoire, contemporary music, opera and ballet productions, film music, jazz and contemporary popular music, family concerts and education and outreach activities. Many of the concert performances were made available for broadcast on RTÉ lyric fm. Concert performance schedules were supplemented with recordings for radio, television appearances, commercial CD releases and film soundtracks.

RTÉ Orchestras, Quartet and Choirs presented 83 education-related performances, workshops and talks/interviews with leading artists and commentators. The Orchestras were heard regularly overseas through the services of the European Broadcasting Union.

#### RTÉ ORCHESTRAS: DIFFERENT ORCHESTRAS, DIFFERENT AUDIENCES

Both RTÉ orchestras consolidated their relationships with their respective artistic teams and many outstanding concerts were given in 2013.

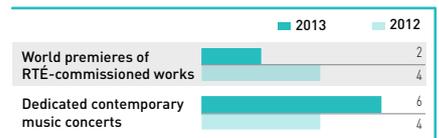
In the RTÉ National Symphony Orchestra's Main Season, Principal Conductor Alan Buribayev continued his survey of Prokofiev symphonies and major works by Brahms, Dvořák, Tchaikovsky, Rachmaninov,

Shostakovich and Stravinsky. The year marked the culmination of Finghin Collins' three year period as the RTÉ NSO's Associate Artist, in which he completed his survey of the 23 Mozart piano concerti and a Beethoven project featuring performances of all five piano concerti, the 'Triple' concerto, the Choral Fantasy and Beethoven's own transcription of his violin concerto. It also saw the culmination of Finnish conductor Hannu Lintu's three year period as Principal Guest Conductor. Hannu Lintu's final performance as Principal Guest Conductor featured a groundbreaking and acclaimed performance of the rarely heard *Kullervo* by Sibelius, featuring the highly regarded Polytech Choir of Finland. Key events included concerts marking Culture Night, RTÉ Big Music Week, the bicentenaries of the births of both Wagner and Verdi, a three-concert series marking the centenary of Benjamin Britten, one of the most iconic and distinctive composers of the 20th century, and the first ever collaboration with Ireland's national theatre, resulting in two performances of *Shakespeare in Music* with Abbey actors on the main stage of the Abbey Theatre.

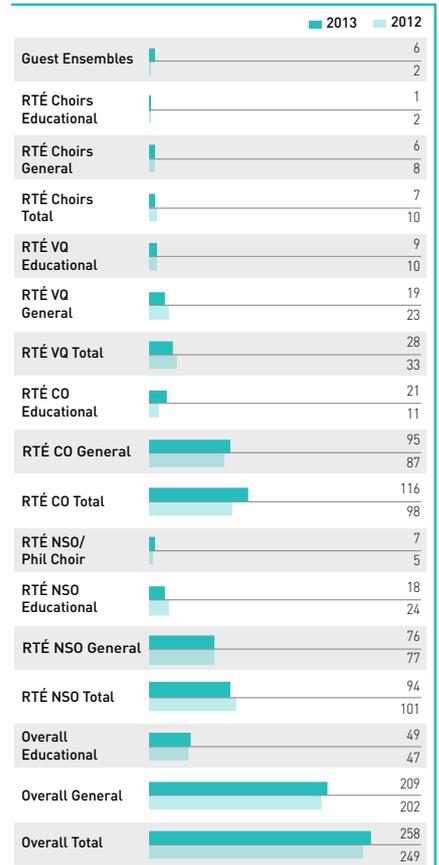
Additional RTÉ NSO Main Season highlights included acclaimed Mozart performances with violinist and director Julian Rachlin and performances with front rank international stars including John Mark Ainsley, Christian Arming, Barry Douglas, Alban Gerhardt, Baibe Skride, Torléif Thedeen, Antti Siirala and Pieter Wispelwey. Summer 2013 saw the first ever collaboration with The Chieftains and a concert presented in honour of the President of Ireland, Michael D. Higgins, showcasing outstanding Irish talent from the fields of classical, traditional and popular music and including Lisa Hannigan (singer), Zöe Conway (fiddle), Aoife Miskelly (soprano) and Alex Petcu-Colon (percussion).

DURING 2013 RTÉ ORCHESTRAS, QUARTET AND CHOIRS PERFORMED TO ALMOST 200,000 PEOPLE, PRESENTING A TOTAL OF 258 LIVE PERFORMANCES AND EVENTS.

#### RTÉ Orchestras contemporary music activities



#### RTÉ Orchestras performances



## OPERATIONAL REVIEW (CONTINUED) RTÉ ORCHESTRAS, QUARTET AND CHOIRS



RTÉ CONCERT ORCHESTRA MOVIE SCREENING THE LORD OF THE RINGS: THE RETURN OF THE KING

Exceptional solo performances with the RTÉ Concert Orchestra included those of Bryn Terfel, Nicola Benedetti, Kurt Elling, Ute Lemper, Danielle de Niese, Paul Brady and Julie Feeney.

David Brophy ended his term as RTÉ CO Principal Conductor with successful concerts that once again demonstrated both his and the orchestra's range, including performances of classical, popular and film music, collaborations with Irish artists and partnerships with RTÉ radio colleagues. Principal Guest Conductor John Wilson, who was announced as Brophy's successor as Principal Conductor from January 2014, continued to produce high-grade stylish performances, among them a Spanish-themed classical concert *Boléro*, his BBC Proms hit *The Broadway Sound*, evenings of *Essential Classics* and *Essential Opera* and *South Pacific*, with a cast including superstar Maria Ewing.

Golden Globe nominee Brian Byrne was announced as the RTÉ CO's first Artist-in-Residence. Having already recorded his first classical album, *Tales from the Walled City*, which was released on prestigious classical label Decca, Byrne and the RTÉ CO went on to record his soundtrack to the film *The Queen of Carthage*, his orchestral track for *Heartbeat of Home* and his new signature tune for RTÉ One's *Nationwide*. Byrne conducted the RTÉ CO in its performance at the IFTAs (Irish Film and Television Awards), broadcast on RTÉ TV.

Renowned film composer Michel Legrand, a five-time Grammy winner and triple Oscar winner, chose the RTÉ Concert Orchestra to record his latest album, due for release on Sony. An album the RTÉ CO recorded with leading Irish traditional group Lúnasa has won worldwide acclaim. Other recording work by the RTÉ CO in 2013 included music for Patrick Cassidy's score to *Calvary*.

The RTÉ CO made a highly successful first appearance at Galway Arts Festival, with an evening of film music in the Festival Big Top, and brought evenings of John Williams film music and disco music to Cork Opera House.

The RTÉ CO created strong public impact with a number of film screenings including the conclusion of the popular *Lord of the Rings* trilogy. The Irish première of *The Lord of the Rings: The Return of the King* with live orchestral accompaniment took place at the O2, Dublin. Other successful screenings included the Irish première of *Singin' in the Rain*, introduced by Patricia Ward Kelly, wife of the late screen legend Gene Kelly. Following popular presentations of *Psycho* in previous years, in 2013 the RTÉ CO marked Hallowe'en with a world première screening of *Vertigo* with live orchestra. John Wilson, who reconstructed the lost score of *The Wizard of Oz*, once again conducted the RTÉ CO for a screening in December.

### BROADCAST

Radio collaborations saw both orchestras work closely with RTÉ Radio 1 and RTÉ lyric fm.

RTÉ NSO highlights included the ongoing broadcast of the RTÉ NSO's September-May Main Season on RTÉ lyric fm and the broadcast of the 11-concert Summer Season of Friday evening and Tuesday lunchtime concerts, also on RTÉ lyric fm.

The RTÉ CO collaborations included the continuation of the popular *Mooney Tunes* listeners' choice concerts and *Sunday Miscellany Live at Christmas* in association with RTÉ Radio 1 and recording *Carols from the Castle* for RTÉ One.

PRINCIPAL GUEST CONDUCTOR JOHN WILSON WAS ANNOUNCED AS DAVID BROPHY'S SUCCESSOR AS RTÉ CO PRINCIPAL CONDUCTOR FROM JANUARY 2014.

### RTÉ Orchestras educational activities

	2013	2012
Pre-concert Talks	30	23
Workshops / Mentoring / Open Rehearsals etc.	4	7
Educational Performances	49	47
Total Educational Activity	83	77

### RTÉ Orchestras attendances

	2013	2012
Guest Ensembles	1,047	1,162
RTÉ Choirs Educational	250	1,000
RTÉ Choirs General <sup>2</sup>	1,906	3,927
RTÉ Choirs Total <sup>2</sup>	2,156	4,927
RTÉ VQ Educational	954	1,345
RTÉ VQ General	2,304	2,201
RTÉ VQ Total	3,258	3,546
RTÉ CO Educational	18,659	9,848
RTÉ CO General <sup>1</sup>	92,875	148,752
RTÉ CO Total <sup>1</sup>	111,534	158,600
RTÉ NSO/Phil Choir	6,786	4,479
RTÉ NSO Educational	8,210	17,938
RTÉ NSO General	64,024	72,098
RTÉ NSO Total	72,234	90,036
Overall Educational	28,073	30,131
Overall General	168,942	232,619
Overall Total	197,015	262,750

<sup>1</sup> The RTÉ CO performed at the Int. Eucharistic Congress in Croke Park (June 2012) with an audience attendance of circa. 70,000. While the number of performances has increased in 2013, this factor impacts the attendance figures year on year.

<sup>2</sup> RTÉ Cór na nÓg's performance with RTÉ NSO/RTÉ Phil. Choir in November '13 is included above as 'RTÉ NSO/Phil Choir' event only. RTÉ Cór na nÓg's performance at a fundraiser in Croke Park 2013 - attempt to break Guinness record for most carol singers under one roof - is not included as the choir was part of 11,000 singers and such inclusion would significantly distort Choir audience figures.



## OPERATIONAL REVIEW (CONTINUED) RTÉ ORCHESTRAS, QUARTET AND CHOIRS



RTÉ NSO FRANCIS MAGEE, TUBA, WITH STUDENTS FROM SCOIL CHAISTRIONA, BAGGOT STREET, DUBLIN AT A PERFORMANCE CELEBRATING THE LAUNCH OF RTÉJR.

### EDUCATION

The RTÉ NSO delivered a wide variety of educational and community activities. The mentoring programme for advanced young musicians, once again taking place as part of the orchestra's main season at the National Concert Hall, saw eleven advanced young students from third-level colleges in Dublin and Cork taking part following formal orchestral auditions. They performed with the RTÉ NSO and Principal Conductor Alan Buribayev on Friday 22 November as part of an all-Russian programme which included Tchaikovsky's Second Piano Concerto with Artur Pizarro as soloist.

At primary level, percussion, brass and string ensembles from the RTÉ National Symphony Orchestra performed in four Dublin primary schools to celebrate the launch of RTÉjr, RTÉ's new dedicated digital children's channel.

The RTÉ CO marked the launch of RTÉjr with a joint performance with St Agnes/Scoil Colm Primary School Orchestra to an invited audience of school children in Studio 1, RTÉ Radio Centre.

Music in the Classroom brings live orchestral music to generations of primary and junior secondary school children. The series is brought to you by *The Irish Times*, the RTÉ National Symphony Orchestra and the RTÉ Concert Orchestra.

### RTÉ QUARTET AND CHOIRS

In addition to 19 concert appearances, the RTÉ Vanbrugh Quartet gave 9 workshops to primary and secondary pupils in many parts of the country. A highlight of the Quartet's output this year was a performance with the Contempo Quartet of the youthful inspiration of a sixteen-year old Mendelssohn's Octet in E flat with Bruch's last work, his Octet in B

flat, coupled with the rarely heard Shostakovich Two Pieces for Double String Quartet. Both RTÉ choirs achieved significant successes in 2013 with Mark Hindley as Chorus Master of the RTÉ Philharmonic Choir and Mary Amond O'Brien as Choral Director of RTÉ Cór na nÓg. The RTÉ Philharmonic Choir gave a number of praised performances with the RTÉ National Symphony Orchestra. They included the Bach *St John Passion*, the Verdi *Requiem*, conducted by Kenneth Montgomery with soloists Miriam Murphy, Imelda Drumm, Bruce Sledge and Andrew Greenan, and, with RTÉ Cór na nÓg, Britten's *Saint Nicholas* with Matthew Halls conducting.

A Choral Conductor-in-Training scheme was instigated in 2012 as a partnership between the RTÉ Philharmonic Choir and the Irish Youth Choir. The first recipient of the award was Lindsey Callaghan and she is in her second and final season.

The future provision of chamber music services for the three-year period 2014-2016 was put out to tender and the process concluded in November 2013 with the decision to award the tender to Contempo Quartet. The RTÉ Contempo Quartet will replace the RTÉ Vanbrugh Quartet who held the position for the last 27 years.

### ANOTHER CHALLENGING YEAR

All areas of expenditure within RTÉ Orchestras, Quartet and Choirs have reduced costs since 2009. The impact of cuts has not been obvious to the public as we have striven to maintain the scale, range and volume of our promotions without any contraction in the numbers of contracted professional musicians in both orchestras.

THE RTÉ CONTEMPO QUARTET WILL REPLACE THE RTÉ VANBRUGH QUARTET IN 2014; THE VANBRUGH HELD THE POSITION FOR THE LAST 27 YEARS.

### COMMERCIAL ACTIVITY

Commercial revenue in RTÉ Orchestras, Quartet and Choirs was broadly in line with 2012.

### COMMISSIONS AND NEW WORK

The RTÉ NSO presented the world premiere of Raymond Deane's concert-staged opera *The Alma Fetish*, in collaboration with Wide Open Music, the Arts Council and the National Concert Hall. It also performed the world premieres of new works by Irish composers Ed Bennett, Linda Buckley, Ann Cleare and Jonathan Nangle, gave the second performance of John Kinsella's Symphony No. 10 and presented a 60th birthday celebration of the music of Raymond Deane.

As part of the first New Music Dublin Festival, a new partnership initiative of the Arts Council, the National Concert Hall, RTÉ Orchestras and the Contemporary Music Centre, the RTÉ NSO presented a performance of *Ocean Child* by Jan Sandström alongside the world premiere of *Kundraan and the Arctic Light* with Swedish virtuoso trombonist and director Christian Lindberg. The RTÉ CO also took part in New Music Dublin. The RTÉ CO's concert in the festival featured the Irish premieres of two major works, Arvo Pärt's 4th Symphony and Louis Andriessen's *De Staat*.

During 2013 the RTÉ CO, in partnership with the Arts Council, co-commissioned and with Iarla Ó Lionáird gave the world premieres of arrangements of traditional Irish sean-nós songs by Nico Muhly, David Lang, Mícheál Ó Súilleabháin, Donnacha Dennehy, Dan Trueman, Niall Vallely and Benedict Schlepper-Connolly. The RTÉ CO gave the world premiere of Stephen Gardner's *Fanfare for Culture*, commissioned for Culture Night.



RTÉ NSO – CHRISTIAN LINDBERG



RTÉ NSO – ALAN BURIBAYEV

### PARTNERSHIPS

Throughout 2013 RTÉ Orchestras reached significant audiences in special projects and partnerships.

In collaboration with Wide Open Music, with support from the Arts Council and local authorities, the RTÉ NSO performed Beethoven's Ninth Symphony with massed choirs from Carlow, Drogheda and Greystones in Carlow, Drogheda and Greystones in June. Also in collaboration with Wide Open Music, supported by the Arts Council, local authorities in Offaly, Kilkenny, Mayo and Meath and Music Generation Partnerships in Offaly/Westmeath and Mayo, performances of works by John Adams, Bruch, Márquez and Stravinsky took place in Tullamore, Kilkenny, Castlebar and Navan featuring star violinist Tasmin Little as soloist in the Bruch Violin Concerto.

In collaboration with Pipeworks and the National Concert Hall, the RTÉ NSO continued the series of free organ recitals linked to the orchestra's main season at the National Concert Hall. In collaboration with the Contemporary Music Centre, the RTÉ NSO continued the free pre-concert talk series as part of the orchestra's free Horizons Contemporary Music Series.

To celebrate the launch of the RTÉ NSO's 2013-2014 Season, the RTÉ NSO, in partnership with *The Sunday Business Post* and RTÉ lyric fm, released a specially recorded CD of the 2013-2014 Season in early September.

The RTÉ CO presented *Iomas - Intuition*, a landmark project part-funded by the Arts Council where an international range of composers produced arrangements of traditional Irish sean-nós songs for Iarla Ó Lionáird and the RTÉ Concert Orchestra, who performed them live in concert.

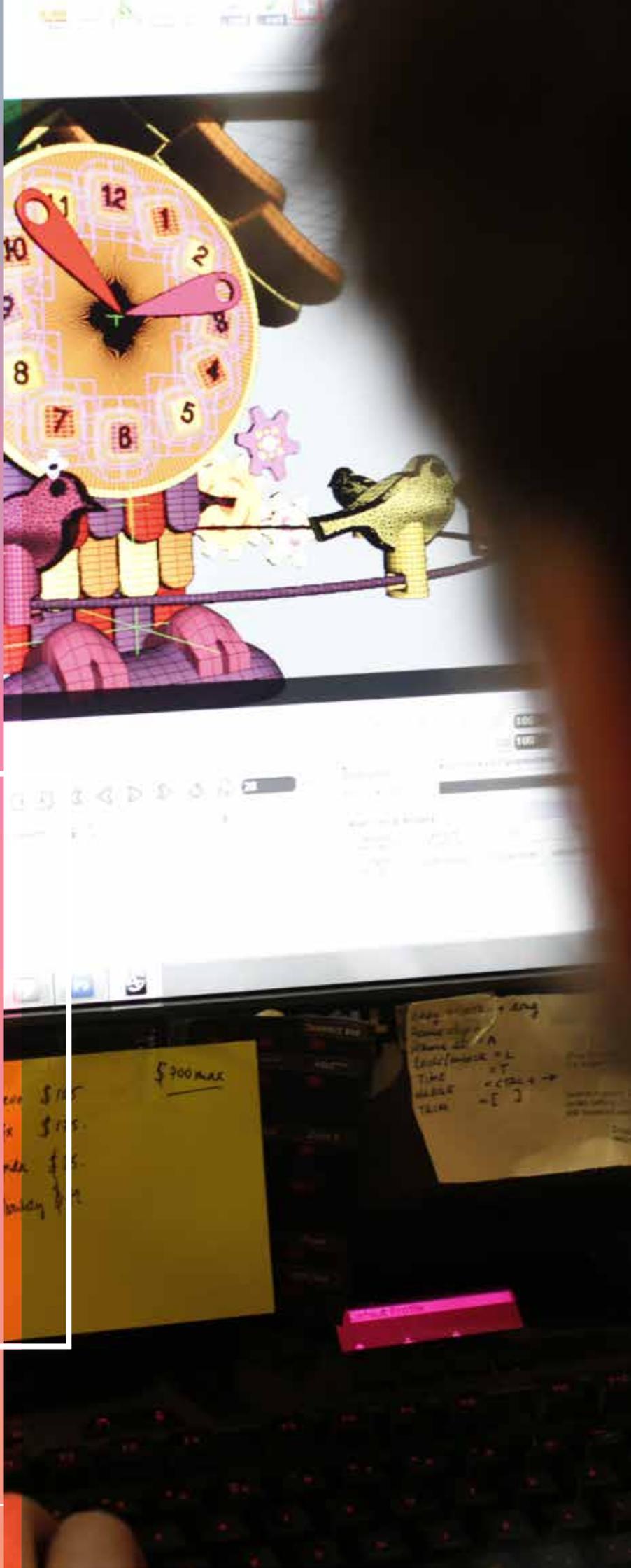
The RTÉ CO teamed up with Jameson Dublin International Film Festival and the National Concert Hall for a celebration of Oscar-winning film composer Dario Marianelli (*Pride and Prejudice*, *Anna Karenina*, *Atonement*), as part of Ireland's EU Presidency celebrations.

Another partnership saw the RTÉ CO mark Chinese New Year with a performance of Chinese and Irish music, presented by the RTÉ CO, the National Concert Hall and Shanghai East Radio Company in association with the Dublin Chinese New Year Festival.

For the first time, the RTÉ CO teamed up with Ballet Ireland to perform live for the performances of Tchaikovsky's *The Nutcracker*. Other collaborations included performing for Lyric Opera and at a gala concert to mark the centenary of the Rathmines & Rathgar Musical Society. The RTÉ CO teamed up with the National Concert Hall for *Wallace & Gromit's Musical Marvels* and performed with Sir James Galway as he received the National Concert Hall lifetime achievement award.

THE RTÉ CO MARKED CHINESE NEW YEAR WITH A PERFORMANCE OF CHINESE AND IRISH MUSIC, PRESENTED BY THE RTÉ CO, THE NATIONAL CONCERT HALL AND SHANGHAI EAST RADIO COMPANY.

OPERATIONAL REVIEW  
OTHER ACTIVITIES  
RTÉ GUIDE & SAORVIEW



THE RTÉ GUIDE IS IRELAND'S  
NUMBER ONE PAID-FOR  
LISTINGS MAGAZINE,  
INCORPORATING PREMIUM  
ENTERTAINMENT AND  
LIFESTYLE FEATURES

AN INTEGRATED TRADE AND CONSUMER MARKETING CAMPAIGN FOR SAORVIEW WAS PLANNED AND DELIVERED IN QUARTER FOUR 2013.



RTÉ GUIDE

### RTÉ GUIDE

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

2013 saw the roll-out of a new strategy based on improved readability, a subtle redesign and strengthening its core editorial content. This was supported by effective marketing in the second half of the year. While sales fell across the sector at the beginning of the year, there was considerable improvement in the months July to December as the new strategy gained traction.

A number of key promotional initiatives delivered increased sales and broadened the content. These included Weight Watchers magazines, recipe collections, children's educational booklets and the RTÉ Guide's annual RTÉ Weather Calendar. The year also saw the launch of *Taste Ireland*, a separate seasonal magazine promoting healthy, inspiring and affordable recipes.

The RTÉ Guide received three nominations at the annual Irish Magazine Awards. And the magazine made another productive journey to the National Ploughing Championships, where once again more than 5,000 event attendees had their photo taken and inserted on their very own RTÉ Guide commemorative cover.

### SAORVIEW

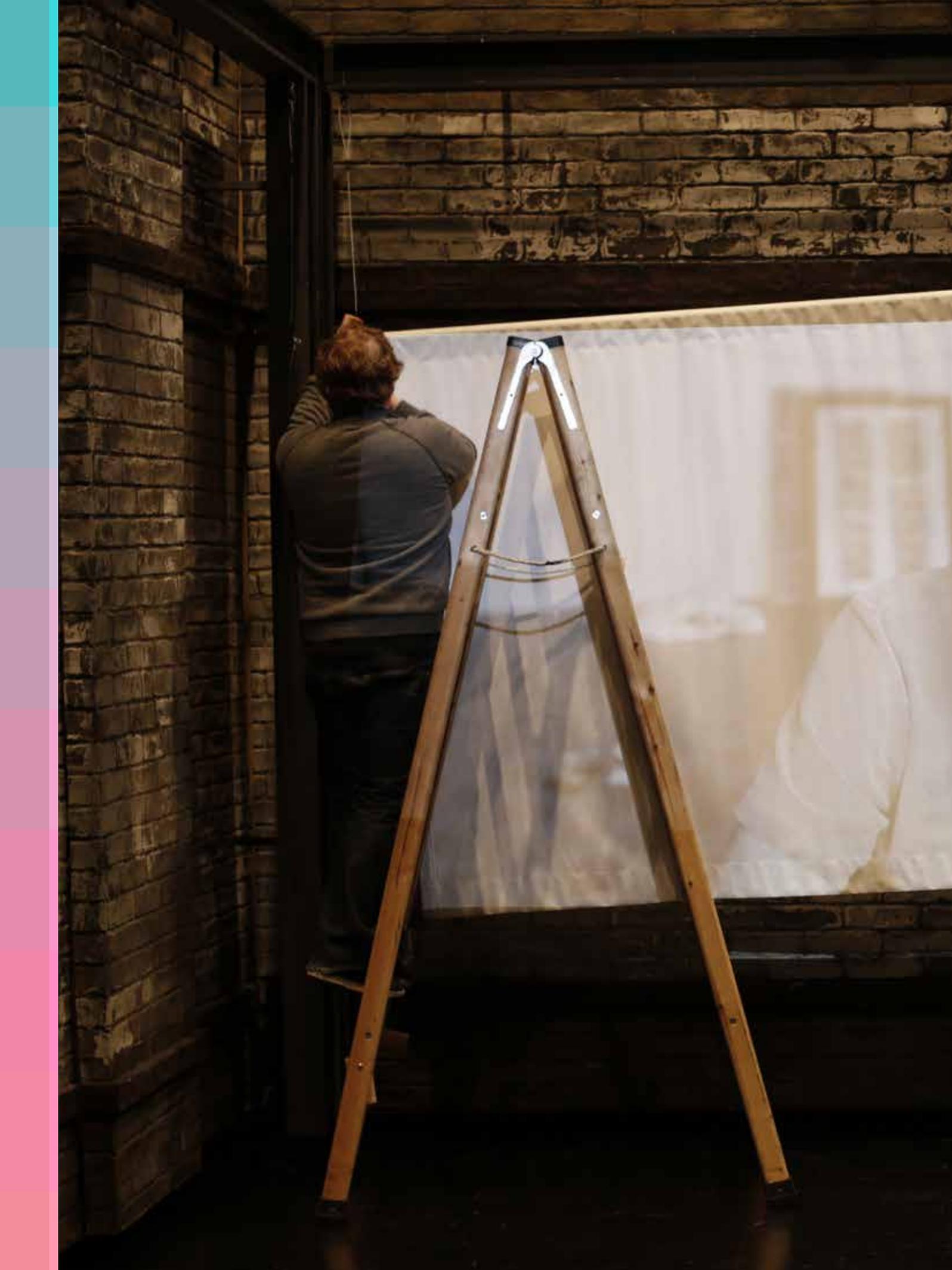
In 2013, the strategy was to consolidate and further develop Saorview brand awareness following the successful completion of digital switchover in October 2012, as well as to grow the number of Irish households that actively use Saorview.

Saorview has an in-house resource working with communications, marketing and technology to promote the platform across retail, trade and online channels and to protect the brand and its associated Saorview-Approved technical standard.

An integrated trade and consumer marketing campaign for Saorview was planned and delivered in quarter four 2013. The campaign featured a re-designed website, new advertising creative and refreshed messaging around the Saorview brand. The aim was to move beyond the mainly informational digital-switchover campaign messaging and to position Saorview as Ireland's free digital television service.

In October, 2rn switched on the second DTT multiplex in order to prepare for future service improvements, including the launch of RTÉ One HD in December. This led to the need for the first full national re-scan since switchover and featured communications via television, radio, online and trade channels. In addition, an external contact centre was engaged to deal with additional call volumes associated with the re-scan.

The presence of two channels in high definition, and the announcement by UTV of their interest in entering the Irish market, increased consumer and retailer interest in the Saorview brand. At the start of 2013, Nielsen reported 558,000 Irish DTT households and this increased through the year to 620,000 households (Nielsen, January 2014). As we move into 2014, we look forward to future technological and service developments from Saorview, and work on a connected proposition has started. Tenders for an outsourced contact centre and public relations services have been completed. Saorview is well positioned to maintain and grow its audience share within Ireland during the coming year.





## BOARD



### 1. TOM SAVAGE, CHAIRMAN

Term of office: 24 February 2009 – 31 August 2014

Directly after graduation from Queen's University, Belfast, Tom was appointed Head of Social Welfare for the Archdiocese of Armagh. He was then head-hunted to lecture in the Catholic Communications Centre, and on leaving the priesthood began a career in journalism and as a radio and TV presenter. For fifteen years a familiar voice on RTÉ's *What It Says in the Papers*, he was the first editor of *Morning Ireland*. He edited several publications, including the IPA's *Public Affairs*, and launched the IMO's *Irish Medical News* before joining Bunny Carr as Head of Training in Carr Communications. Inter alia he was involved in the training of Irish Civil Servants in Performance Management and Development Systems. He has advised the Northern Ireland Human Rights Commission, Save the Children (N.I.) and the Children's Law Centre in Belfast. He is the author of the book on negotiation entitled *How to Get What You Want*.

### 2. FERGUS ARMSTRONG

Term of office: 24 February 2009 – 31 August 2014

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.

### 3. ORLAITH CARMODY

Term of office: 16 February 2010 – 16 February 2015

Orlaith is a journalist and communications consultant. She was a staff reporter in the RTÉ Newsroom throughout the nineties, later developing business interests in the areas of recruitment, management and training. She is Managing Director of Mediatraining.ie, a communications skills consultancy, and is a regular speaker and commentator, contributing to a variety of radio and TV 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 also 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 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 RTÉ Two, and for RTÉ Television's commercial income and sports rights negotiations. Noel remained as Managing Director of Television until May 2010.

### 5. ALAN GILSENAN

Term of office: 24 February 2009 – 31 August 2014

Alan is a film-maker, writer and theatre director. He is a former Chairman of the Irish Film Institute and was a Board Member of the Irish Film Board/ Bord Scannán na hÉireann and the International Dance Festival Ireland. His many films include *The Road To God Knows Where*, *All Souls' Day*, *Zulu 9*, *The Green Fields of France*, *The Ghost of Roger Casement*, *Timbuktu* and *The Yellow Bittern* as well as the documentary series *The Asylum*, *The Hospice* and *I See A Darkness*.

### 6. KARLIN LILLINGTON

Term of office: 24 February 2009 – 31 August 2014

Karlin is a journalist and columnist with *The Irish Times* focusing on technology, with a special interest in the political, social, business and cultural aspects of information and communication technologies. She has been a contributor to a wide range of Irish and international publications. She has also worked as a consultant to U2 for the U2.com website, and is on the advisory panel for the Science Gallery at Trinity College. She holds a PhD from Trinity College.

### 7. JOE LITTLE

Term of office: 30 September 2009 – 31 August 2014

Joe has been a journalist since 1977, principally with RTÉ. Reared in Belfast and Limerick, his reporting from Northern Ireland helped RTÉ win an Emmy nomination. He has been honoured by the Republic's Law Society and the disability lobby Inclusion Ireland. Joe is RTÉ's Religious and Social Affairs Correspondent.

### 8. SEAN O'SULLIVAN

Term of office: 24 February 2009 – 31 August 2014

Sean is founder and Managing Director of Cork-based software consultancy firm Seabrook Research Limited. He is also Chairman of the Business Information Systems Advisory Board at University College Cork and a mentor of the Masters programme at the University. Formerly Vice Chairman of the Broadcasting Complaints Commission, Sean is also an investor in a number of technology start-up companies.

### 9. PATRICIA QUINN

Term of office: 24 February 2009 – 31 August 2014

Patricia Quinn is a specialist in nonprofit governance. She was the founder and CEO of Irish Nonprofits Knowledge Exchange, a data and web services company. A former public servant, she served as executive Director of the Arts Council and as a member of various public bodies including the Newspaper Commission and the Forum on Broadcasting.

### 10. AILEEN O'MEARA

Term of office: 16 February 2010 – 16 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 13 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 – 16 February 2015

Eunice is a graduate of University College Dublin, achieving a Masters Degree in Economics, and later obtained a further Masters 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 – 16 February 2015

Stuart is a television producer and has been producing television programmes for the past 25 years for the Irish and international market. He is a founding Director of Coco Television and Managing Director since 1998. Coco Television produce television, features and digital content for the Irish and international markets.

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

## BOARD ATTENDANCE

There were eleven meetings of the Board of RTÉ in 2013. The attendance of board members is outlined below:

	Meetings Eligible to Attend	Meetings Attended
Tom Savage	11	11
Fergus Armstrong	11	11
Orlaith Carmody	11	9
Noel Curran	11	10
Alan Gilsean	11	8
Karlín Lillington	11	9
Joe Little	11	11
Aileen O'Meara	11	10
Eunice O'Raw	11	10
Sean O'Sullivan	11	10
Patricia Quinn	11	10
Stuart Switzer	11	10

## BOARD COMMITTEES

### Audit and Risk Committee

There were eleven meetings during 2013, attended as follows:

	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Sean O'Sullivan (Chairman)	11	11	10 March 2009
Karlín Lillington	11	10	13 December 2010
Eunice O'Raw	11	10	25 February 2010
Stuart Switzer	11	9	25 February 2010

### Editorial and Creative Output Committee

There were five meetings of the Editorial and Creative Output Committee in 2013, with attendance as follows:

	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Alan Gilsean (Chairman)	5	4	10 March 2009
Fergus Armstrong	5	5	10 March 2009
Orlaith Carmody	5	5	25 February 2010
Aileen O'Meara	5	5	25 February 2010
Patricia Quinn	5	4	12 January 2010

### Finance Committee

Three meetings of the Finance Committee took place during the year, attended as follows:

	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Seán O'Sullivan (Chairman)	3	3	19 September 2013
Orlaith Carmody	3	3	19 September 2013
Tom Savage	3	1	19 September 2013
Stuart Switzer	3	3	19 September 2013

### Remuneration and Management Development Committee

Two meetings were held during 2013, with full attendance at each meeting:

	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Tom Savage (Chairman)	2	2	10 March 2009
Fergus Armstrong	2	2	10 March 2009
Sean O'Sullivan	2	2	10 March 2009

### Technology and Innovation Committee

Two meetings of the Technology and Innovation Committee were held during the year, attended as follows (full attendance):

	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Karlín Lillington (Chairman)	2	2	22 April 2010
Aileen O'Meara	2	2	20 May 2010
Sean O'Sullivan	2	2	22 April 2010

## EXECUTIVE



1



3



2



4

### 1. NOEL CURRAN, DIRECTOR-GENERAL

See biographical note on page 68.

### 2. KEVIN BAKHURST, MANAGING DIRECTOR, RTÉ NEWS AND CURRENT AFFAIRS

Kevin Bakhurst was appointed Managing Director of RTÉ News and Current Affairs in July 2012. Kevin previously oversaw BBC News on TV, 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 on 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 Masters 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 of 2013, after a period as Acting Managing Director. In addition he oversees the management of RTÉ Orchestras, Quartet and Choirs. Prior to this, Jim was Head of RTÉ Radio 1 for three years.

Jim joined RTÉ Radio 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 senior positions, including Executive Producer of *The Late Late Show*, *Election 2002* and the *Opening Ceremony of the Special Olympics*. He also worked as Editor of *Leargas* in Irish-language programmes. Until recently, he was a member of the RTÉ Editorial Standards Board.

### 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 Masters 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, 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, Six 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, after a period as Acting Chief Financial Officer. During 2013 Breda was appointed as a director of RTÉNL (trading as 2rn). 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 in 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 Breda 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 RTÉNL (trading as 2rn). 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 2013

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 Chairperson 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 Chairperson. 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. (There are currently five women and seven men on the Board of RTÉ.)

Biographical details of the twelve members of the Board in office at 31 December 2013, including details of their terms of office, are set out on pages 68-69.

#### 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 Chairperson 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 Chairperson's responsibilities include leading the Board, determining its agenda, ensuring its effectiveness and facilitating full participation by each Board member.

The Chairperson 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 – monthly, with the exception of August – 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 Chairman of each committee is available to report and answer any questions on the committee's proceedings at Board meetings, as required.

The Chairman continuously assesses the effectiveness of the Board and the participation of its members.

#### BOARD COMMITTEES

The Board has established five permanent sub-committees to assist in the execution of its responsibilities. These are the Audit and Risk Committee, the Remuneration and Management Development Committee, the Editorial and Creative Output Committee, the Technology and Innovation Committee and the newly established Finance Committee.

The membership of each committee, together with details of attendance at meetings held in 2013, is set out on page 69. The RTE 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 2013.

The *Audit and Risk Committee* comprises four Board members, all of whom are considered independent. Stuart Switzer is currently the Committee member with recent relevant financial experience. The Committee's terms of reference are available on the RTE 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 Chairman at all times. In addition, the Audit and Risk Committee has a discussion with external and internal auditors at least once a year, without executive management present, to ensure that there are no outstanding issues of concern.

In January of each year, the Audit and Risk Committee prepares a Work Plan setting out its key tasks and objectives for the year ahead. During 2013 the Audit and Risk

Committee reviewed the following:

- A presentation on a new risk management framework and risk structure. The Committee approved initiatives to strengthen processes in this area;
- The Internal Audit Plan for 2013;
- 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;
- The Internal Audit Charter, to ensure it remained up to date;
- The Committee's own terms of reference to ensure they remained up to date and reflect the scope of the Committee's work programme;
- The external audit plan, the scope of the audit, as set out in the Engagement Letter, and the effectiveness of the external auditors and 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, areas requiring a significant exercise of judgement, 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; and
- The scope of its remit and activities vis-à-vis the work programme of the newly established Finance Committee, in order to optimally align the activities of both committees.

During 2013, the 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 Audit and Risk 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.

## CORPORATE GOVERNANCE (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

The *Editorial and Creative Output Committee* comprises five 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 Editorial and Creative Output 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.

The *Remuneration and Management Development Committee* comprises 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 Committee has written terms of reference, which were revised during 2013. 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.

The *Technology and Innovation Committee* comprises three Board members, all of whom are considered independent. Acknowledging that innovation and technology are critical to RTÉ's future, the Board has a dedicated committee in order to have formal strategic oversight of plans and developments in the area of technology and innovation.

The Board established the *Finance Committee* in late 2013. It comprises four Board members, all of whom are considered independent. The Finance Committee oversees strategy and policy on financial matters and periodically reviews RTÉ's financial position. The committee also reviews, prior to formal submission to the Board, the RTÉ group annual financial budget. The Finance Committee assumed

responsibility for certain matters formerly within the remit of the Audit and Risk Committee in order to optimally align the activities of both committees.

In the period since its establishment in late 2013, the Finance Committee has considered the following matters:

- The Committee's terms of reference;
- The Committee's work-programme for 2014;
- The division of responsibility with regard to financial matters between the Audit and Risk Committee and the Finance Committee; and
- The RTÉ Group's annual budget, prior to formal submission to the Board.

#### 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 Joe Little are RTÉ employees and therefore cannot, for that reason alone, be considered as independent members of the Board at 31 December 2013 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 2013. 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 two Board members, RTÉ commissioned a programme(s) from a production company owned/controlled by the Board member. In both 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 2013 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.

In 2013, following a formal review of the RTÉ risk management process, the Audit and Risk Committee approved a new risk management framework and structure. The improvements are intended to strengthen the processes for the identification, assessment, management and reporting of risk. A dedicated Risk Officer is in place to oversee the risk management framework and the organisation structure for the management of risk is being realigned to better implement the Audit and Risk Committee's risk agenda.

RTÉ operated a risk management process throughout 2013. This process identifies the key risks facing the business and reports to the Board on how these risks are being managed. Each business division maintains a risk register which identifies its key risks, evaluates the probability of those risks occurring and 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. Key corporate support functions (Technology, Group HR, Property & Services, Legal Affairs and Finance) also maintain risk registers in a similar format. Each of the risk registers is reviewed by the Audit and Risk Committee.

On at least an annual basis, the risk registers of each division and corporate function are reviewed by management to highlight trends and to identify common or interdependent risks across the RTÉ Group. This process facilitates the preparation of a Group risk register, which is reviewed and

approved by the members of the RTÉ Executive. The Group risk register is also reviewed and approved by 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, further key procedures have been established and are designed 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 of the IBDs and key corporate support functions;
- 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.

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.

## CORPORATE GOVERNANCE (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2013

#### BOARD MEMBERS' FEES<sup>1</sup>

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

	2013	2012
	€'000	As restated €'000
Tom Savage	31	31
Fergus Armstrong	16	16
Orlaith Carmody	16	16
Noel Curran	-	-
Alan Gilsean	16	16
Karlin Lillington	16	16
Joe Little <sup>2,3</sup>	16	16
Aileen O'Meara	16	16
Eunice O'Raw	-	-
Sean O'Sullivan	16	16
Patricia Quinn	16	16
Stuart Switzer	16	16
	<b>175</b>	<b>175</b>

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

<sup>2</sup>Board fees of Joe Little reported as Nil in the prior year have been restated to include arrears of €15,707 paid in 2013 but relating to his Board service in the 2012 financial year. Arrears of €2,977 in respect of the 2011 financial year were also paid in 2013.

This restatement follows clarification provided by the Department of Public Expenditure and Reform to the Department of Communications, Energy and Natural Resources regarding the applicability of Board fees to Worker Directors in Semi-State Bodies.

<sup>3</sup>In addition to his Board fee, Joe Little was paid as an employee of RTÉ.

#### EXPENSES OF BOARD MEMBERS<sup>1</sup>

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:

	2013	2012
	€'000	€'000
Travel – mileage	10	7
Subsistence allowance	17	21
	<b>27</b>	<b>28</b>

<sup>1</sup>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.

	2013 <sup>1</sup>	2012
	€'000	€'000
- Basic salary	250	250
Other Benefits		
- Pension contributions	63	63
- Other benefits	25	25
	<b>338</b>	<b>338</b>

<sup>1</sup> Expenses amounting to €8,837 (2012: €7,857) 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 2013 or 2012.

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 2013

The members of the Board of RTÉ listed on pages 68 to 69 present their annual report together with the audited Group financial statements for the year ended 31 December 2013.

### 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 2rn), 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 2013 and future developments are set out in the Operational review on pages 22 to 65 and in the Financial review on pages 12 to 19. 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 2013*, are reviewed on pages 127 to 142.

### RESULTS FOR YEAR

The results of the Group for the year are set out in the Income Statement on page 80 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 2013 are set out on pages 68 to 69.

### CORPORATE GOVERNANCE

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

- Corporate governance pages 72 to 76
- Board members' profiles pages 68 to 69
- Statement of Board members' responsibilities page 78

### 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.

### ON BEHALF OF THE BOARD

Tom Savage  
Chairman

Sean O'Sullivan  
Board Member  
and Chairman of  
the Audit and Risk  
Committee

Noel Curran  
Director-General

17 April 2014

# STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2013

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 72 to 76 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

*Tom Savage*  
Chairman

*Sean O'Sullivan*  
Board Member  
and Chairman of  
the Audit and Risk  
Committee

*Noel Curran*  
Director-General

17 April 2014

# 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 2013 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 78, 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 company 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. 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 2013 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 2013; 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 72 to 76 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*

17 April 2014

# GROUP INCOME STATEMENT

## FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 €'000	2012 €'000
<b>Continuing Operations</b>			
Revenue	1	327,584	337,214
Operating costs (before depreciation, amortisation, restructuring and other credits / (charges))	2	(306,919)	(335,002)
<b>EBITDA<sup>1</sup> before restructuring and other credits / (charges)</b>		<b>20,665</b>	2,212
Depreciation and amortisation	4	(15,255)	(17,504)
Restructuring and other credits / (charges)	6	390	(46,161)
<b>Profit / (Loss) from Operating Activities after restructuring and other credits / (charges)</b>		<b>5,800</b>	(61,453)
Finance income	3	474	1,149
Finance expense	3	(5,208)	(4,886)
<b>Surplus / (Deficit) Before Income Tax</b>	4	<b>1,066</b>	(65,190)
Income tax (expense) / credit	7	(408)	43
<b>Surplus / (Deficit) for the Year</b>		<b>658</b>	(65,147)

<sup>1</sup>EBITDA: Earnings (Operating Profit / (Loss)) before Interest, Tax, Depreciation and Amortisation

### ON BEHALF OF THE BOARD

*Tom Savage*  
Chairman

*Sean O'Sullivan*  
Board Member  
and Chairman of  
the Audit and Risk  
Committee

*Noel Curran*  
Director-General

17 April 2014

# GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 €'000	2012 €'000
Surplus / (Deficit) for the year		658	(65,147)
<b>Other Comprehensive Income</b>			
<b>Items that will never be reclassified to profit or loss</b>			
Re-measurement gain / (loss) of the defined benefit pension scheme	20	53,905	(5,311)
Re-measurement gain / (loss) of the '50/50' risk-sharing pension scheme	20	559	(497)
Related deferred tax on pension assets	21	(1,143)	(10)
		<b>53,321</b>	<b>(5,818)</b>
<b>Items that are or maybe reclassified to profit or loss</b>			
Effective portions of changes in fair value of cash flow hedge		101	(1,423)
Fair value gain on capitalised interest		-	303
Fair value gain reclassified to income	3	1,007	584
Fair value gain / (loss) on cash flow hedge	23	1,108	(536)
Deferred tax on cash flow hedge	21	(139)	67
		<b>969</b>	<b>(469)</b>
<b>Total other comprehensive surplus / (deficit) for the year</b>		<b>54,290</b>	<b>(6,287)</b>
<b>Total comprehensive surplus / (deficit) for the year</b>		<b>54,948</b>	<b>(71,434)</b>

## ON BEHALF OF THE BOARD

*Tom Savage*  
Chairman

*Sean O'Sullivan*  
Board Member  
and Chairman of  
the Audit and Risk  
Committee

*Noel Curran*  
Director-General

17 April 2014

# GROUP BALANCE SHEET

AT 31 DECEMBER 2013

	Notes	2013 €'000	2012 As restated €'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	8	88,522	98,550
Intangible assets	9	4,121	4,348
Restricted cash	10	4,000	3,000
Other receivables	13	-	87
Pension asset	20	9,899	746
Deferred tax assets	21	-	400
<b>Total Non-Current Assets</b>		<b>106,542</b>	<b>107,131</b>
<b>Current Assets</b>			
Inventories	12	33,484	31,977
Trade and other receivables	13	35,807	35,402
Prepayments and accrued income		13,121	15,524
Liquid investments	14	9,101	16,211
Cash and cash equivalents	15	18,962	20,905
<b>Total Current Assets</b>		<b>110,475</b>	<b>120,019</b>
<b>Total Assets</b>		<b>217,017</b>	<b>227,150</b>
<b>EQUITY</b>			
Retained earnings		53,852	(127)
Cash flow hedge reserve	23	(1,838)	(2,807)
		<b>52,014</b>	<b>(2,934)</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Interest-bearing loans and borrowings	16	47,625	51,375
Employee benefits	19	22,800	29,044
Trade and other payables	17	3,290	3,734
Pension liability	20	-	47,086
Deferred tax liabilities	21	1,278	-
Derivative financial instruments	22	1,020	2,088
<b>Total Non-Current Liabilities</b>		<b>76,013</b>	<b>133,327</b>
<b>Current Liabilities</b>			
Interest-bearing loans and borrowings	16	3,750	1,875
Trade and other payables	17	65,327	72,512
Taxation and social welfare	18	9,497	8,002
Employee benefits	19	9,025	13,119
Derivative financial instruments	22	1,391	1,249
<b>Total Current Liabilities</b>		<b>88,990</b>	<b>96,757</b>
<b>Total Liabilities</b>		<b>165,003</b>	<b>230,084</b>
<b>Total Equity and Liabilities</b>		<b>217,017</b>	<b>227,150</b>

## ON BEHALF OF THE BOARD

Tom Savage  
Chairman

Sean O'Sullivan  
Board Member  
and Chairman of  
the Audit and Risk  
Committee

Noel Curran  
Director-General

17 April 2014

## GROUP STATEMENT OF CHANGES IN EQUITY

AT 31 DECEMBER 2013

	Retained earnings €'000	Cash flow hedge reserve €'000 (Note 23)	Total Equity €'000
<b>Balance at 1 January 2013</b>	<b>(127)</b>	<b>(2,807)</b>	<b>(2,934)</b>
<b>Total comprehensive surplus</b>	<b>53,979</b>	<b>969</b>	<b>54,948</b>
<b>Balance at 31 December 2013</b>	<b>53,852</b>	<b>(1,838)</b>	<b>52,014</b>
Balance at 1 January 2012	70,838	(2,338)	68,500
Total comprehensive deficit	(70,965)	(469)	(71,434)
Balance at 31 December 2012	(127)	(2,807)	(2,934)

## RTÉ STATEMENT OF CHANGES IN EQUITY

AT 31 DECEMBER 2013

	2013 €'000	2012 €'000
<b>Retained earnings</b>		
Balance at 1 January	(89,896)	(7,191)
Total comprehensive surplus / (deficit)	44,379	(82,705)
Balance at 31 December	(45,517)	(89,896)

### ON BEHALF OF THE BOARD

*Tom Savage*  
Chairman

*Sean O'Sullivan*  
Board Member  
and Chairman of  
the Audit and Risk  
Committee

*Noel Curran*  
Director-General

17 April 2014

# GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013	2012
		€'000	As restated €'000
<b>Cash Flows from Operating Activities</b>			
Surplus / (Deficit) for the year		658	(65,147)
Adjustments for:			
Restructuring and other (credits) / charges	6	(390)	46,161
Depreciation of property, plant and equipment	8	13,864	16,072
Amortisation of intangible assets	9	1,391	1,432
Gain on disposal of property, plant and equipment		(24)	(6)
Difference between pension credit and cash contributions		(3,485)	(4,821)
Net finance expense	3	4,734	3,737
Income tax expense / (credit)	7	408	(43)
		<b>17,156</b>	<b>(2,615)</b>
Change in inventories and related inventory payables		(1,167)	1,919
Change in trade and other receivables		(318)	2,482
Change in prepayments		2,214	420
Change in trade and other payables		(3,170)	3,284
Change in taxation and social welfare		1,483	(2,398)
Change in employee benefits and restructuring and other costs		(11,122)	(25,143)
<b>Net Cash generated / (used) in Operating Activities</b>		<b>5,076</b>	<b>(22,051)</b>
<b>Cash Flows from Investing Activities</b>			
Interest received		521	1,019
Proceeds from sale of property, plant and equipment		32	15
Acquisition of property, plant and equipment		(7,860)	(13,173)
Acquisition of intangible assets		(1,352)	(1,684)
<b>Net Cash used in Investing Activities</b>		<b>(8,659)</b>	<b>(13,823)</b>
<b>Cash Flows from Financing Activities</b>			
(Repayments) / proceeds from borrowings	16	(1,875)	15,000
Interest paid		(2,595)	(1,746)
Restricted cash	15	(1,000)	(1,000)
Decrease in liquid investments	14	7,110	6,990
<b>Net Cash from Financing Activities</b>		<b>1,640</b>	<b>19,244</b>
Net decrease in cash and cash equivalents		(1,943)	(16,630)
Cash and cash equivalents at 1 January		20,905	37,535
<b>Cash and Cash Equivalents at 31 December</b>	15	<b>18,962</b>	<b>20,905</b>

## ON BEHALF OF THE BOARD

Tom Savage  
Chairman

Sean O'Sullivan  
Board Member  
and Chairman of  
the Audit and Risk  
Committee

Noel Curran  
Director-General

17 April 2014

# RTÉ BALANCE SHEET

AT 31 DECEMBER 2013

	Notes	2013 €'000	2012 As restated €'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	8	23,367	29,400
Intangible assets	9	2,593	2,325
Investments in subsidiaries	11	65,827	65,827
Other receivables	13	-	87
Pension asset	20	9,899	746
Deferred tax assets	21	309	1,343
<b>Total Non-Current Assets</b>		<b>101,995</b>	<b>99,728</b>
<b>Current Assets</b>			
Inventories	12	33,425	31,890
Trade and other receivables	13	28,633	29,205
Prepayments and accrued income		11,088	11,502
Liquid investments	14	8,082	13,110
Cash and cash equivalents	15	16,674	18,604
<b>Total Current Assets</b>		<b>97,902</b>	<b>104,311</b>
<b>Total Assets</b>		<b>199,897</b>	<b>204,039</b>
<b>EQUITY</b>			
Retained earnings		(45,517)	(89,896)
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Interest-bearing loans and borrowings	16	9,375	13,125
Employee benefits	19	22,604	28,810
Trade and other payables	17	3,290	3,735
Pension liability	20	-	47,086
<b>Total Non-Current Liabilities</b>		<b>35,269</b>	<b>92,756</b>
<b>Current Liabilities</b>			
Interest-bearing loans and borrowings	16	3,750	1,875
Trade and other payables	17	189,140	178,976
Taxation and social welfare	18	8,147	7,225
Employee benefits	19	8,796	12,974
Derivative financial instruments	22	312	129
<b>Total Current Liabilities</b>		<b>210,145</b>	<b>201,179</b>
<b>Total Liabilities</b>		<b>245,414</b>	<b>293,935</b>
<b>Total Equity and Liabilities</b>		<b>199,897</b>	<b>204,039</b>

## ON BEHALF OF THE BOARD

Tom Savage  
Chairman

Sean O'Sullivan  
Board Member  
and Chairman of  
the Audit and Risk  
Committee

Noel Curran  
Director-General

17 April 2014

# RTÉ CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 €'000	2012 €'000
<b>Cash Flows from Operating Activities</b>			
Deficit for the year after tax		(8,942)	(76,887)
Adjustments for:			
Restructuring and other (credits) / charges	6	(390)	46,161
Depreciation of property, plant and equipment	8	7,858	9,710
Amortisation of intangible assets	9	800	1,087
Gain on disposal of property, plant and equipment		(7)	(11)
Difference between pension credit and cash contributions		(3,485)	(4,821)
Net finance expense		2,208	2,536
Income tax (credit) / expense		(109)	130
		<b>(2,067)</b>	<b>(22,095)</b>
Change in inventories and related inventory payables		(1,195)	1,877
Change in trade and other receivables		659	1,792
Change in prepayments		248	2,031
Change in provisions and trade and other payables		11,997	15,410
Change in taxation and social welfare		922	(2,557)
Change in employee benefits and restructuring and other costs		(11,167)	(25,109)
<b>Net Cash used in Operating Activities</b>		<b>(603)</b>	<b>(28,651)</b>
<b>Cash Flows from Investing Activities</b>			
Interest received		455	885
Proceeds from sale of property, plant and equipment		7	11
Acquisition of property, plant and equipment		(3,253)	(6,316)
Acquisition of intangible assets		(1,209)	(936)
<b>Net Cash used in Investing Activities</b>		<b>(4,000)</b>	<b>(6,356)</b>
<b>Cash Flows from Financing Activities</b>			
(Repayments) / proceeds from borrowings	16	(1,875)	15,000
Interest paid		(480)	(377)
Decrease in liquid investments	14	5,028	7,087
<b>Net Cash from Financing Activities</b>		<b>2,673</b>	<b>21,710</b>
Net decrease in cash and cash equivalents		(1,930)	(13,297)
Cash and cash equivalents at 1 January		18,604	31,901
<b>Cash and Cash Equivalents at 31 December</b>	15	<b>16,674</b>	<b>18,604</b>

### ON BEHALF OF THE BOARD

Tom Savage  
Chairman

Sean O'Sullivan  
Board Member  
and Chairman of  
the Audit and Risk  
Committee

Noel Curran  
Director-General

17 April 2014

# 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 13 below. In 2013 the Group has categorised certain Trade and Other Payables and Employee Benefits, previously reported as current liabilities, as non-current liabilities, as they are expected to be settled after more than one year. The balance sheet for Group and RTÉ has been restated for 2012 accordingly.

### (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 2013 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 2013 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 13 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) Joint Ventures

Joint venture undertakings (joint ventures) are those undertakings over which RTÉ exercises contractual control jointly with another party. Joint ventures are accounted for using the equity method of accounting. RTÉ's interests in the net assets or liabilities of joint ventures and its share of profits or losses after tax are not material for the purposes of equity accounting in the consolidated financial statements.

## 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.

## ACCOUNTING POLICIES (CONTINUED)

### (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) Network and facilities income

Network and facilities income arises from the use of and access to the Group's transmission 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 3 to 5 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*

RTE'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).

## ACCOUNTING POLICIES (CONTINUED)

### *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. NEW STANDARDS AND INTERPRETATIONS

### (a) Adopted during the year

There were a number of new requirements effective for the first time during 2013. The relevant standards are set out in detail below.

**IFRS 13 Fair Value Measurement.** IFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements. It replaces and expands the disclosure requirements under IFRS 7 *Financial Instruments*. Accordingly, the Group has included additional disclosures in this regard (see Note 22). In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively, and has not provided comparative information for the new disclosures. Notwithstanding the above, the change had no significant impact on the measurements of the Group's assets and liabilities.

**Presentation of Items of Other Comprehensive Income** (amendments to IAS 1). As a result of the amendments to IAS 1, the Group has modified the presentation of items of other comprehensive income in its group statement of comprehensive income, to present separately items that may be reclassified to profit or loss in the future from those that

would never be reclassified. The adoption of the Amendment to IAS 1 has no impact on the recognised assets, liabilities and comprehensive income of the Group.

**IAS 19 Employee Benefits (2011).** The Group's adoption of IAS 19 *Employee Benefits* (2011) changed its basis for determining the income or expense related to defined benefit plans. As a result of the change, the Group now determines the net interest expense (income) on the net defined liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset) at the beginning of the annual period. It then takes into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Under IAS 19 (2011) there is no change to the net defined benefit liability (asset) at the end of 2012 and consequently no restatement is required in the balance sheet. There is a net impact on the income statement for the year ended 31 December 2012, increasing the deficit for the year by €1.1 million, and a corresponding reduction in the deficit reported on the statement of comprehensive income. In the context of RTE's results for the year ended 31 December 2012 this adjustment was not considered material and accordingly the primary statements have not been restated, however the disclosures under IAS 19 (2011) have been given.

**IAS 16 Property, Plant and Equipment.** This revision requires that items such as spare parts are recognised as fixed assets where they are intended for use for more than one year. RTE's group balance sheet has been restated for 2012 on a consistent basis.

**Deferred Tax: Recovery of Underlying Assets** (Amendments to IAS 12) and **Disclosures – Offsetting Financial Assets and Financial Liabilities** (Amendments to IFRS 7) are also new requirements effective for the first time during 2013. 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 standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014 and have not been applied in preparing these consolidated financial statements. These include IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangement* and IFRS 12 *Disclosure of Interests in other Entities* which become mandatory for the Group's 2014 consolidated financial statements. IFRS 9 (2010) and (2009) *Financial Instruments* are effective for annual periods beginning on or after 1 January 2015, with early adoption permitted. Other amendments to standards and interpretations that have not been applied include *Offsetting Financial Assets and Financial Liabilities* (Amendments to IAS 32), *Investment Entities* (Amendments to IFRS 10, IFRS 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), *IFRIC 21 Levies, Defined Benefit Plans : Employee Contributions* (Amendments to IAS 19) and *Annual Improvements to IFRSs 2010-2012 Cycle and 2011-2013 Cycle*. 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 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 2013 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 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 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 2rn, 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, RTÉ Two, RTÉ Radio 1, RTÉ 2fm, RTÉ Online) 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, RTÉ Two, RTÉ Radio 1, RTÉ 2fm and RTÉ Online. No Licence Fee revenue is attributed to 2rn, the provision of multiplexing services by RTÉ or any costs incurred in the exploitation of commercial opportunities.

# 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 2013

	REPORTABLE SEGMENTS						OTHER			Group Total
	News & Current						All Other Segments	DTT Related	Consolidation Adjustments*	
	Television	Radio	Affairs	Orchestras	Network	Digital				
	IBD	IBD	IBD	IBD	IBD	IBD	€'000	€'000	€'000	
€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000		
<b>Revenue</b>										
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
	<b>167,034</b>	<b>53,383</b>	<b>46,915</b>	<b>14,557</b>	<b>26,316</b>	<b>20,330</b>	<b>14,962</b>	<b>341</b>	<b>(16,254)</b>	<b>327,584</b>
<b>Costs by output category**</b>										
<b>Programmes costs - by source</b>										
In-house productions	(80,029)	(43,067)	(46,743)	-	-	-	-	-	650	(169,189)
Statutory commissions	(35,951)	(1,186)	-	-	-	-	-	-	-	(37,137)
Non-statutory commissions	(424)	-	-	(424)	-	-	-	-	-	(424)
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)
Other output related costs	(3,654)	(443)	-	(14,557)	-	(9,359)	(4,460)	(341)	199	(32,615)
	<b>(173,892)</b>	<b>(55,055)</b>	<b>(46,915)</b>	<b>(14,557)</b>	<b>(18,617)</b>	<b>(16,775)</b>	<b>(7,905)</b>	<b>(341)</b>	<b>16,824</b>	<b>(317,233)</b>
<b>Other revenues and costs</b>										
Corporate HQ	-	-	-	-	-	-	(5,084)	-	(40)	(5,124)
Interest payable	-	-	-	-	(2,118)	-	(1,361)	-	-	(3,479)
Interest receivable	-	-	-	-	42	-	432	-	-	474
<b>IBD Surplus / (Deficit)</b>	<b>(6,858)</b>	<b>(1,672)</b>	<b>-</b>	<b>-</b>	<b>5,623</b>	<b>3,555</b>	<b>1,044</b>	<b>-</b>	<b>530</b>	<b>2,222</b>
Net defined benefit pension related finance expense	-	-	-	-	-	-	(1,546)	-	-	(1,546)
Restructuring and other credits / (charges)	-	-	-	-	-	-	390	-	-	390
<b>Surplus / (Deficit) before income tax</b>	<b>(6,858)</b>	<b>(1,672)</b>	<b>-</b>	<b>-</b>	<b>5,623</b>	<b>3,555</b>	<b>(112)</b>	<b>-</b>	<b>530</b>	<b>1,066</b>
Income tax										(408)
<b>Surplus for the year</b>										<b>658</b>

\* 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	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)
--	---------	-------	-------	-------	------	------	---	---	---	---------

## 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 2012

	REPORTABLE SEGMENTS						OTHER			Group Total €'000
	News & Current						All Other Segments €'000	DTT Related €'000	Consolidation Adjustments* €'000	
	Television	Radio	Affairs	Orchestras	Network	Digital				
	IBD €'000	IBD €'000	IBD €'000	IBD €'000	IBD €'000	IBD €'000				
<b>Revenue</b>										
Advertising income	84,548	21,052	-	-	-	4,535	1,112	-	(270)	110,977
Sponsorship income	6,347	2,514	-	-	-	503	68	-	-	9,432
Facilities income	2,887	141	-	646	-	16	-	-	(171)	3,519
Circulation and event income	-	-	-	1,932	-	-	3,796	-	-	5,728
Transmission, mast and towers income	-	-	-	-	29,411	-	-	-	(15,961)	13,450
Content, merchandising and related sales	2,883	1,727	-	30	-	8,576	27	-	(2,245)	10,998
Other commercial revenue	299	-	-	-	15	-	1,957	-	(55)	2,216
Commercial revenue	96,964	25,434	-	2,608	29,426	13,630	6,960	-	(18,702)	156,320
Licence Fee revenue attribution	79,826	25,505	49,891	11,949	-	4,437	5,920	3,366	-	180,894
	<b>176,790</b>	<b>50,939</b>	<b>49,891</b>	<b>14,557</b>	<b>29,426</b>	<b>18,067</b>	<b>12,880</b>	<b>3,366</b>	<b>(18,702)</b>	<b>337,214</b>
<b>Costs by output category**</b>										
<b>Programmes costs - by source</b>										
In-house productions	(97,239)	(45,645)	(49,721)	-	-	-	-	-	605	(192,000)
Statutory commissions	(37,098)	(1,030)	-	-	-	-	-	-	-	(38,128)
Non-statutory commissions	(3,754)	-	-	-	-	-	-	-	-	(3,754)
Indigenous programming	(138,091)	(46,675)	(49,721)	-	-	-	-	-	605	(233,882)
Acquired programmes - Ireland	(834)	-	-	-	-	-	-	-	-	(834)
Acquired programmes - Overseas	(25,179)	-	-	-	-	-	-	-	-	(25,179)
	(164,104)	(46,675)	(49,721)	-	-	-	-	-	605	(259,895)
General broadcast and transmission costs	(18,375)	(1,884)	(170)	-	(21,259)	(3,849)	-	(190)	761	(44,966)
2rn transmission and power charges	(8,656)	(4,695)	-	-	-	-	(1,898)	(99)	15,348	-
Sales costs	(5,582)	(2,170)	-	-	-	(3,541)	(200)	-	2,509	(8,984)
Other output related costs	(2,763)	(459)	-	(14,557)	-	(10,268)	(4,180)	(3,077)	152	(35,152)
	<b>(199,480)</b>	<b>(55,883)</b>	<b>(49,891)</b>	<b>(14,557)</b>	<b>(21,259)</b>	<b>(17,658)</b>	<b>(6,278)</b>	<b>(3,366)</b>	<b>19,375</b>	<b>(348,997)</b>
<b>Other revenues and costs</b>										
Corporate HQ	-	-	-	-	-	-	(4,796)	-	(85)	(4,881)
Interest payable	-	-	-	-	(1,365)	-	(780)	-	-	(2,145)
Interest receivable	1	-	-	-	163	-	984	-	-	1,148
<b>IBD (Deficit) / Surplus</b>	<b>(22,689)</b>	<b>(4,944)</b>	<b>-</b>	<b>-</b>	<b>6,965</b>	<b>409</b>	<b>2,010</b>	<b>-</b>	<b>588</b>	<b>(17,661)</b>
Net defined benefit pension related finance expense	-	-	-	-	-	-	(1,368)	-	-	(1,368)
Restructuring and other charges	-	-	-	-	-	-	(46,161)	-	-	(46,161)
<b>(Deficit) / Surplus before income tax</b>	<b>(22,689)</b>	<b>(4,944)</b>	<b>-</b>	<b>-</b>	<b>6,965</b>	<b>409</b>	<b>(45,519)</b>	<b>-</b>	<b>588</b>	<b>(65,190)</b>
Income tax										43
<b>Deficit for the year</b>										<b>(65,147)</b>

\* 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	94,742	25,119	-	2,608	13,450	13,538	6,863	-	-	156,320
Revenue from other operating segments	2,222	315	-	-	15,976	92	97	-	(18,702)	-
	96,964	25,434	-	2,608	29,426	13,630	6,960	-	(18,702)	156,320

One Customer of the Television, Radio and Digital reporting segments represents €35 million of the Group's total revenue while one customer of all the reporting segments represents €188 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	(2,150)	(1,063)	(866)	(520)	(87)	(135)	-	-	-	(4,821)
--	---------	---------	-------	-------	------	-------	---	---	---	---------

# 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 2013:

	RTÉ One €'000	RTÉ Two €'000	RTÉ Radio 1 €'000	RTÉ 2fm €'000	RTÉ lyric fm €'000	RTÉ Rnaí8 €'000	RTÉ Support €'000	TG4 Orchestras €'000	Corporate HQ €'000	DTT related €'000	Online Services €'000	Other Channels €'000	Consolidation Other Adjustments €'000	Group Total €'000
<b>PUBLIC SERVICE ACTIVITIES</b>														
<b>Indigenous programme costs</b>														
In-house productions	(67,165)	(40,832)	(28,588)	(9,437)	(4,682)	(9,270)	(5,770)	-	-	-	(3,437)	(658)	650	(169,189)
Statutory commissions	(25,557)	(9,037)	(1,032)	-	(111)	(43)	(1,305)	-	-	-	-	(52)	-	(37,137)
Non-statutory commissions	(362)	-	-	-	-	-	-	-	-	-	(62)	-	-	(424)
	(93,084)	(49,869)	(29,620)	(9,437)	(4,793)	(9,313)	(7,075)	-	-	-	(3,499)	(710)	650	(206,750)
<b>Programme costs - by genre</b>														
Arts	(1,459)	-	(1,800)	-	(204)	-	-	-	-	-	-	-	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	(21,968)
Factual	(22,539)	(580)	(3,573)	-	(350)	(1,299)	-	-	-	-	(27)	-	90	(28,278)
Drama	(21,930)	(114)	(577)	-	-	(2)	(388)	-	-	-	-	-	-	(23,011)
Entertainment	(16,336)	(6,828)	(2,566)	(2,997)	(575)	(765)	(1,232)	-	-	-	(924)	-	46	(32,177)
Music	(642)	(108)	(618)	(4,199)	(3,360)	(1,587)	-	-	-	-	(35)	(278)	57	(16,338)
News, Current Affairs and Weather	(30,903)	(971)	(13,776)	(1,872)	(435)	(4,417)	(4,680)	-	-	-	(1,395)	-	431	(58,018)
Sport	(734)	(33,205)	(2,942)	(369)	-	(1,081)	(8)	-	-	-	(899)	-	18	(39,220)
Young Peoples	-	(8,063)	-	-	(73)	(162)	(767)	-	-	-	(219)	(432)	8	(9,708)
Indigenous Programming	(93,084)	(49,869)	(29,620)	(9,437)	(4,793)	(9,313)	(7,075)	-	-	(341)	(3,499)	(710)	650	(206,750)
Indigenous non-broadcast output costs	-	-	-	-	-	-	-	(14,557)	-	(341)	(6,736)	(15)	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)	(2,436)	(520)	(443)	(220)	(67)	-	-	-	(1,191)	-	137	(25,173)
2rn transmission and power charges	(1,123)	(2,807)	(2,036)	(1,096)	(1,108)	(1,095)	-	-	-	-	(2,508)	-	(40)	(11,773)
Corporate HQ	-	-	-	-	-	-	-	-	(5,084)	-	-	-	-	(5,124)
Net interest payable	-	-	-	-	-	-	-	-	(479)	-	-	-	-	(479)
Net defined benefit pension related finance expense	-	-	-	-	-	-	-	(1,546)	-	-	-	-	-	(1,546)
<b>Gross Cost of Public Service Activities</b>	<b>(117,879)</b>	<b>(72,479)</b>	<b>(34,092)</b>	<b>(11,053)</b>	<b>(6,344)</b>	<b>(10,628)</b>	<b>(7,142)</b>	<b>(14,557)</b>	<b>(7,109)</b>	<b>(341)</b>	<b>(10,235)</b>	<b>(4,486)</b>	<b>946</b>	<b>(295,399)</b>
<b>Surplus on Commercial Activities</b>	<b>57,718</b>	<b>20,381</b>	<b>14,370</b>	<b>4,411</b>	<b>639</b>	<b>-</b>	<b>-</b>	<b>2,856</b>	<b>40</b>	<b>-</b>	<b>3,974</b>	<b>-</b>	<b>9,733</b>	<b>113,705</b>
<b>Distribution of Non Channel Specific Contribution from Non-Public Service Activities</b>	<b>4,669</b>	<b>2,871</b>	<b>1,350</b>	<b>438</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>405</b>	<b>-</b>	<b>(9,733)</b>	<b>-</b>
<b>Net Cost of Public Service Activities Before Attribution of Public Funding</b>	<b>(55,492)</b>	<b>(49,227)</b>	<b>(18,372)</b>	<b>(6,204)</b>	<b>(5,705)</b>	<b>(10,628)</b>	<b>(7,142)</b>	<b>(11,701)</b>	<b>(7,069)</b>	<b>(341)</b>	<b>(5,856)</b>	<b>(4,486)</b>	<b>530</b>	<b>(181,694)</b>
<b>Public Funding</b>														
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 / (charges)	-	-	-	-	-	-	-	-	-	-	-	-	390	390
<b>Surplus / (Deficit) before income tax</b>	<b>60</b>	<b>54</b>	<b>19</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>390</b>	<b>1,066</b>
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	(408)	(408)
<b>Surplus / (Deficit) for the year</b>	<b>60</b>	<b>54</b>	<b>19</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>(18)</b>	<b>530</b>	<b>658</b>

External commercial revenue includes €1.3 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 2012

	RTÉ One €'000	RTÉ Two €'000	RTÉ Radio 1 €'000	RTÉ 2fm €'000	RTÉ lyric fm €'000	RTÉ Rna6 €'000	RTÉ Support €'000	Corporate HQ €'000	DTT related €'000	Online Services €'000	Other Channel €'000	Consolidation Adjustments €'000	Group Total €'000
<b>PUBLIC SERVICE ACTIVITIES</b>													
<b>Indigenous programme costs</b>													
In-house productions	(70,448)	(56,626)	(30,908)	(10,250)	(5,177)	(9,561)	(6,500)	-	-	(3,135)	-	605	(192,000)
Statutory commissions	(27,047)	(8,805)	(899)	(3)	(75)	(53)	(1,246)	-	-	-	-	-	(38,128)
Non-statutory commissions	(2,983)	(573)	-	-	-	-	-	-	-	(198)	-	-	(3,754)
	(100,478)	(66,004)	(31,807)	(10,253)	(5,252)	(9,614)	(7,746)	-	-	(3,333)	-	605	(233,882)
<b>Programme costs - by genre</b>													
Arts	(1,723)	-	(1,752)	-	(205)	(69)	-	-	-	-	-	2	(3,747)
Education	(1,275)	-	-	(6)	-	-	-	-	-	-	-	-	(1,281)
Religious	(2,427)	-	(509)	-	-	(107)	-	-	-	-	-	-	(3,043)
Other factual	(22,494)	(2,332)	(1,802)	-	(140)	(1,241)	-	-	-	(59)	-	81	(27,987)
Factual	(27,919)	(2,332)	(4,063)	(6)	(345)	(1,417)	-	-	-	(59)	-	83	(36,058)
Drama	(21,425)	(102)	(548)	-	(58)	(58)	(387)	-	-	(139)	-	-	(22,659)
Entertainment	(18,073)	(7,033)	(2,841)	(3,563)	(577)	(745)	(1,179)	-	-	(915)	-	19	(34,907)
Music	(1,311)	(255)	(6,029)	(4,252)	(3,724)	(1,468)	-	-	-	-	-	51	(16,988)
News, Current Affairs and Weather	(30,866)	(2,294)	(14,496)	(2,091)	(523)	(4,606)	(5,499)	-	-	(1,115)	-	426	(61,064)
Sport	(884)	(46,461)	(3,830)	(341)	-	(1,153)	-	-	-	(906)	-	18	(53,557)
Young Peoples	-	(7,527)	-	-	(83)	(167)	(681)	-	-	(199)	-	8	(8,649)
Indigenous Programming	(100,478)	(66,004)	(31,807)	(10,253)	(5,252)	(9,614)	(7,746)	-	(3,333)	(5,629)	-	605	(233,882)
Indigenous non-broadcast output costs	-	-	-	-	-	-	(14,557)	-	(3,077)	(5,629)	-	48	(23,215)
Acquired Programmes													
- Ireland	(714)	(120)	-	-	-	-	-	-	-	-	-	-	(834)
- Overseas	(14,183)	(10,996)	-	-	-	-	-	-	-	-	-	-	(25,179)
General broadcast and transmission costs	(11,357)	(10,108)	(1,620)	(547)	(429)	(195)	(18)	-	(190)	-	-	46	(24,418)
2rn transmission and power charges	(3,005)	(4,085)	(1,843)	(888)	(890)	(888)	-	-	(99)	-	(1,752)	-	(13,450)
Corporate HQ	-	-	-	-	-	-	-	(4,796)	-	-	-	(85)	(4,881)
Net interest receivable	-	-	-	-	-	-	-	204	-	-	-	-	204
Net defined benefit pension related finance expense	-	-	-	-	-	-	-	(1,368)	-	-	-	-	(1,368)
<b>Gross Cost of Public Service Activities</b>	<b>(129,737)</b>	<b>(91,313)</b>	<b>(35,270)</b>	<b>(11,688)</b>	<b>(6,571)</b>	<b>(10,697)</b>	<b>(7,764)</b>	<b>(14,557)</b>	<b>(3,366)</b>	<b>(8,962)</b>	<b>(1,752)</b>	<b>614</b>	<b>(327,023)</b>
<b>Surplus on Commercial Activities</b>	<b>59,550</b>	<b>25,924</b>	<b>17,096</b>	<b>4,929</b>	<b>700</b>	<b>-</b>	<b>2,608</b>	<b>40</b>	<b>-</b>	<b>3,894</b>	<b>-</b>	<b>12,385</b>	<b>127,100</b>
<b>Distribution of Non Channel Specific Contribution from Non-Public Service Activities</b>	<b>5,801</b>	<b>4,053</b>	<b>1,577</b>	<b>523</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>401</b>	<b>-</b>	<b>(12,385)</b>	<b>-</b>
<b>Net Cost of Public Service Activities Before Attribution of Public Funding</b>	<b>(64,386)</b>	<b>(61,306)</b>	<b>(16,597)</b>	<b>(6,236)</b>	<b>(5,871)</b>	<b>(10,697)</b>	<b>(7,764)</b>	<b>(11,949)</b>	<b>(3,366)</b>	<b>(4,667)</b>	<b>(1,752)</b>	<b>588</b>	<b>(199,923)</b>
<b>Public Funding</b>													
Licence Fee revenue attribution	56,139	53,456	14,472	5,439	5,871	10,697	7,764	11,949	3,366	4,069	1,752	-	180,894
Restructuring and other charges	-	-	-	-	-	-	-	-	-	-	-	(46,161)	(46,161)
<b>(Deficit) / Surplus before income tax</b>	<b>(8,247)</b>	<b>(7,850)</b>	<b>(2,125)</b>	<b>(797)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(598)</b>	<b>-</b>	<b>(46,161)</b>	<b>(65,190)</b>
Income tax	-	-	-	-	-	-	-	-	-	-	-	43	43
<b>(Deficit) / Surplus for the year</b>	<b>(8,247)</b>	<b>(7,850)</b>	<b>(2,125)</b>	<b>(797)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(598)</b>	<b>-</b>	<b>588</b>	<b>(65,147)</b>

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 <sup>1</sup> €'000	Group Total €'000
<b>Year ended 31 December 2013</b>								
Segment assets	83,526	8,116	4,656	79,606	11,309	749	-	187,962
Unallocated assets	-	-	-	-	-	-	29,055	29,055
<b>Total Assets</b>	<b>83,526</b>	<b>8,116</b>	<b>4,656</b>	<b>79,606</b>	<b>11,309</b>	<b>749</b>	<b>29,055</b>	<b>217,017</b>
Segment liabilities	(42,897)	(2,994)	(665)	(47,394)	(10,170)	(716)	-	(104,836)
Unallocated liabilities	-	-	-	-	-	-	(60,167)	(60,167)
<b>Total Liabilities</b>	<b>(42,897)</b>	<b>(2,994)</b>	<b>(665)</b>	<b>(47,394)</b>	<b>(10,170)</b>	<b>(716)</b>	<b>(60,167)</b>	<b>(165,003)</b>
<b>Capital expenditure</b>	<b>2,423</b>	<b>302</b>	<b>88</b>	<b>1,948</b>	<b>226</b>	<b>12</b>	<b>9</b>	<b>5,008</b>
<b>Depreciation of property, plant and equipment</b>	<b>4,240</b>	<b>1,468</b>	<b>1,971</b>	<b>6,114</b>	<b>410</b>	<b>134</b>	<b>(473)</b>	<b>13,864</b>
<b>Amortisation of intangible assets</b>	<b>564</b>	<b>165</b>	<b>47</b>	<b>96</b>	<b>496</b>	<b>3</b>	<b>20</b>	<b>1,391</b>
<b>Year ended 31 December 2012</b>								
Segment assets	84,556	9,675	5,938	86,672	8,909	830	-	196,580
Unallocated assets	-	-	-	-	-	-	30,570	30,570
<b>Total Assets</b>	<b>84,556</b>	<b>9,675</b>	<b>5,938</b>	<b>86,672</b>	<b>8,909</b>	<b>830</b>	<b>30,570</b>	<b>227,150</b>
Segment liabilities	(44,554)	(2,277)	(1,970)	(52,256)	(5,799)	(474)	-	(107,330)
Unallocated liabilities	-	-	-	-	-	-	(122,754)	(122,754)
<b>Total Liabilities</b>	<b>(44,554)</b>	<b>(2,277)</b>	<b>(1,970)</b>	<b>(52,256)</b>	<b>(5,799)</b>	<b>(474)</b>	<b>(122,754)</b>	<b>(230,084)</b>
<b>Capital expenditure</b>	<b>5,067</b>	<b>447</b>	<b>2,018</b>	<b>6,190</b>	<b>786</b>	<b>18</b>	<b>7</b>	<b>14,533</b>
<b>Depreciation of property, plant and equipment</b>	<b>5,164</b>	<b>2,414</b>	<b>1,946</b>	<b>6,611</b>	<b>325</b>	<b>171</b>	<b>(559)</b>	<b>16,072</b>
<b>Amortisation of intangible assets</b>	<b>757</b>	<b>219</b>	<b>78</b>	<b>84</b>	<b>260</b>	<b>10</b>	<b>24</b>	<b>1,432</b>

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

Total assets contain €0.2 million situated outside of the Republic of Ireland in 2013 (2012: €0.2 million).

(g) Analysis of network charges to all RTÉ Services

	2013 €'000	2012 €'000
RTÉ One	1,466	3,323
RTÉ Two	2,824	4,117
RTÉ Radio 1	2,091	1,899
RTÉ 2fm	1,112	904
RTÉ lyric fm	1,122	903
RTÉ Raidió na Gaeltachta	1,224	1,017
Other	2,508	1,752
	<b>12,347</b>	<b>13,915</b>

## 2. OPERATING COSTS (BEFORE DEPRECIATION, AMORTISATION, RESTRUCTURING AND OTHER CREDITS / (CHARGES))

	2013 €'000	2012 €'000
Employee costs (note 5)	132,707	141,017
Other personnel related costs (including contractors)	30,491	32,878
<b>Personnel Related Operating Costs</b>	<b>163,198</b>	<b>173,895</b>
Direct commissioned programme costs	34,673	38,727
Direct acquired programme costs	23,360	24,637
Sports and other copyrights	18,101	25,276
Outside broadcast contracts	5,666	6,001
Communication circuits	3,454	4,083
RTÉ Guide printing and related costs	1,556	1,666
Network electricity	2,438	2,848
Music licences	7,428	7,223
Insurance policies	1,467	1,460
Other third party costs	45,578	49,186
<b>Non Personnel Related Operating Costs before depreciation, amortisation, restructuring and other credits / (charges)</b>	<b>143,721</b>	<b>161,107</b>
<b>Total Operating Costs (before depreciation, amortisation, restructuring and other credits / (charges))</b>	<b>306,919</b>	<b>335,002</b>

## 3. FINANCE (INCOME) / EXPENSE

	2013 €'000	2012 €'000
Interest income on bank deposits	(474)	(1,149)
<b>Finance income recognised in income statement</b>	<b>(474)</b>	<b>(1,149)</b>
Interest and finance costs on borrowings	2,042	1,186
Fair value loss on interest rate swap reclassified from equity	1,007	584
Unwind of discount on restructuring costs (note 19)	430	375
Fair value losses on derivative financial instruments not designated as cash flow hedges	183	1,373
<b>Finance expense</b>	<b>3,662</b>	<b>3,518</b>
Interest income on scheme assets (note 20)	(28,685)	(37,896)
Interest cost on scheme liabilities (note 20)	30,231	39,264
<b>Net defined benefit pension related finance expense</b>	<b>1,546</b>	<b>1,368</b>
<b>Finance expense recognised in income statement</b>	<b>5,208</b>	<b>4,886</b>

## 4. SURPLUS / (DEFICIT) BEFORE INCOME TAX

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

	2013 €'000	2012 €'000
Depreciation and amortisation		
- Depreciation of property, plant and equipment	13,864	16,072
- Amortisation of intangible assets	1,391	1,432
	<b>15,255</b>	<b>17,504</b>
Operating costs		
- Gain on disposal of property, plant and equipment and intangible assets	(24)	(6)

## NOTES (CONTINUED)

### FORMING PART OF THE GROUP FINANCIAL STATEMENTS

#### 4. SURPLUS / (DEFICIT) BEFORE INCOME TAX

(b) Auditors' remuneration:

	2013	2012
	€'000	€'000
<b>Group</b>		
Audit	114	114
Other assurance services	96	96
Tax advisory services	253	138
Other non-audit services	186	300
	<b>649</b>	<b>648</b>

	2013	2012
	€'000	€'000
<b>RTÉ</b>		
Audit	90	90
Other assurance services	86	96
Tax advisory services	206	124
Other non-audit services	160	274
	<b>542</b>	<b>584</b>

(c) Directors' remuneration:

	2013	2012
	€'000	As restated €'000
Fees <sup>1</sup>	175	175
Other remuneration including pension contributions	338	338
	<b>513</b>	<b>513</b>

<sup>1</sup> In addition to his Board fees, Joe Little was paid as an employee 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:

	2013	2012
	€'000	€'000
Wages and salaries	114,897	123,531
Social welfare costs	9,741	10,258
Pension costs and life assurance	8,069	7,228
	<b>132,707</b>	<b>141,017</b>

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	
	2013	2012	2013	2012
RTÉ Group	<b>1,856</b>	1,858	<b>1,711</b>	1,718

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

	2013	2012
RTÉ Group	<b>1,853</b>	1,991

## 6. RESTRUCTURING AND OTHER (CREDITS) / CHARGES (GROUP AND RTÉ)

	2013 €'000	2012 €'000
Restructuring and other (credits) / charges	<b>(390)</b>	46,161

The 2013 restructuring credit of €0.4 million comprises a charge of €0.1 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 €0.5 million included in accruals.

## 7. INCOME TAX

	2013 €'000	2012 €'000
<b>Current Tax Expense / (Credit)</b>		
Current year	-	-
Prior period under / (over) provision	<b>12</b>	(48)
	<b>12</b>	(48)
<b>Deferred Tax Expense</b>		
Origination and reversal of temporary differences (note 21)	<b>396</b>	5
<b>Total Income Tax Expense / (Credit)</b>	<b>408</b>	(43)
<b>Reconciliation of Effective Tax Rate</b>		
	2013 €'000	2012 €'000
Surplus / (deficit) before income tax	<b>1,066</b>	(65,190)
Surplus / (deficit) before income tax multiplied by the standard rate of corporation tax in Ireland of 12.5% (2012: 12.5%)	<b>133</b>	(8,149)
Effects of:		
Income taxable at a higher rate of tax	<b>8</b>	-
Non-recognition of deferred tax on current year tax losses	<b>419</b>	8,969
Losses utilised	-	217
Non-taxable curtailment gain	-	(394)
Other differences	<b>(182)</b>	(675)
Disallowed expenses	<b>18</b>	37
Prior period under / (over) provision	<b>12</b>	(48)
<b>Total Income Tax Expense / (Credit)</b>	<b>408</b>	(43)
<b>Deferred Tax Recognised directly in Other Comprehensive Income</b>		
Relating to pension asset (note 21)	<b>1,143</b>	10
Relating to cash flow hedge (note 21)	<b>139</b>	(67)
	<b>1,282</b>	(57)

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 €614 million at 31 December 2013. Due to the uncertainty surrounding when these losses may ultimately be utilised, no deferred tax asset has been recognised.

## NOTES (CONTINUED)

### FORMING PART OF THE GROUP FINANCIAL STATEMENTS

#### 8. PROPERTY, PLANT AND EQUIPMENT

Group

	Land and buildings	Plant and equipment	Fixtures and fittings	Capital projects in progress As restated	Total As restated
	€'000	€'000	€'000	€'000	€'000
<b>Cost</b>					
Balance at 1 January 2012	68,938	174,536	1,684	23,978	269,136
Additions	-	-	-	12,434	12,434
Reclassifications	274	24,052	-	(24,326)	-
Disposals and retirements	(333)	(25,279)	(10)	-	(25,622)
<b>Balance at 31 December 2012</b>	<b>68,879</b>	<b>173,309</b>	<b>1,674</b>	<b>12,086</b>	<b>255,948</b>
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)
<b>Balance at 31 December 2013</b>	<b>69,356</b>	<b>182,641</b>	<b>1,969</b>	<b>4,796</b>	<b>258,762</b>
<b>Depreciation</b>					
Balance at 1 January 2012	51,396	114,252	1,291	-	166,939
Depreciation for the year	2,963	12,982	127	-	16,072
Disposals and retirements	(332)	(25,271)	(10)	-	(25,613)
<b>Balance at 31 December 2012</b>	<b>54,027</b>	<b>101,963</b>	<b>1,408</b>	<b>-</b>	<b>157,398</b>
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)
<b>Balance at 31 December 2013</b>	<b>55,889</b>	<b>112,808</b>	<b>1,543</b>	<b>-</b>	<b>170,240</b>
<b>Net Book Value</b>					
At 31 December 2012	14,852	71,346	266	12,086	98,550
<b>At 31 December 2013</b>	<b>13,467</b>	<b>69,833</b>	<b>426</b>	<b>4,796</b>	<b>88,522</b>

#### Capitalised borrowing costs

Over the past numbers of years RTÉ (through its subsidiary 2rn) had been progressively planning, constructing and installing the DTT infrastructure necessary to enable Analogue Switch-Off (ASO) at a total cost to 2rn of €61 million. ASO took place on 24 October 2012. The DTT project is the largest infrastructure project carried out by RTÉ since the launch of Television services in 1962 and was financed entirely by 2rn from a combination of its own resources and from bank borrowing. The amount of borrowing costs capitalised during the year ended 31 December 2013 was Nil (2012: €0.8 million).

## 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
<b>Cost</b>					
Balance at 1 January 2012	60,100	69,943	1,656	7,023	138,722
Additions	-	-	-	6,070	6,070
Reclassifications	81	5,849	-	(5,930)	-
Disposals and retirements	(71)	(2,164)	-	-	(2,235)
<b>Balance at 31 December 2012</b>	<b>60,110</b>	<b>73,628</b>	<b>1,656</b>	<b>7,163</b>	<b>142,557</b>
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)
<b>Balance at 31 December 2013</b>	<b>60,147</b>	<b>80,299</b>	<b>1,754</b>	<b>1,858</b>	<b>144,058</b>
<b>Depreciation</b>					
Balance at 1 January 2012	47,649	56,768	1,265	-	105,682
Depreciation for the year	2,617	6,967	126	-	9,710
Disposals and retirements	(71)	(2,164)	-	-	(2,235)
<b>Balance at 31 December 2012</b>	<b>50,195</b>	<b>61,571</b>	<b>1,391</b>	<b>-</b>	<b>113,157</b>
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)
<b>Balance at 31 December 2013</b>	<b>51,644</b>	<b>67,528</b>	<b>1,519</b>	<b>-</b>	<b>120,691</b>
<b>Net Book Value</b>					
At 31 December 2012	9,915	12,057	265	7,163	29,400
<b>At 31 December 2013</b>	<b>8,503</b>	<b>12,771</b>	<b>235</b>	<b>1,858</b>	<b>23,367</b>

## NOTES (CONTINUED)

### FORMING PART OF THE GROUP FINANCIAL STATEMENTS

#### 9. INTANGIBLE ASSETS

Group

	Software €'000	Software under construction €'000	Total €'000
<b>Cost</b>			
Balance at 1 January 2012	9,708	1,742	11,450
Additions	-	2,099	2,099
Reclassifications	2,411	(2,411)	-
<b>Balance at 31 December 2012</b>	<b>12,119</b>	<b>1,430</b>	<b>13,549</b>
Balance at 1 January 2013	12,119	1,430	13,549
Additions	-	1,164	1,164
Reclassifications	1,806	(1,806)	-
<b>Balance at 31 December 2013</b>	<b>13,925</b>	<b>788</b>	<b>14,713</b>
<b>Amortisation and impairment losses</b>			
Balance at 1 January 2012	7,769	-	7,769
Amortisation for the year	1,432	-	1,432
<b>Balance at 31 December 2012</b>	<b>9,201</b>	<b>-</b>	<b>9,201</b>
Balance at 1 January 2013	9,201	-	9,201
Amortisation for the year	1,391	-	1,391
<b>Balance at 31 December 2013</b>	<b>10,592</b>	<b>-</b>	<b>10,592</b>
<b>Net Book Value</b>			
At 31 December 2012	2,918	1,430	4,348
<b>At 31 December 2013</b>	<b>3,333</b>	<b>788</b>	<b>4,121</b>

## 9. INTANGIBLE ASSETS (CONTINUED)

RTÉ

	Software €'000	Software under construction €'000	Total €'000
<b>Cost</b>			
Balance at 1 January 2012	8,489	531	9,020
Additions	-	1,576	1,576
Reclassifications	1,097	(1,097)	-
<b>Balance at 31 December 2012</b>	<b>9,586</b>	<b>1,010</b>	<b>10,596</b>
Balance at 1 January 2013	9,586	1,010	10,596
Additions	-	1,068	1,068
Reclassifications	1,677	(1,677)	-
<b>Balance at 31 December 2013</b>	<b>11,263</b>	<b>401</b>	<b>11,664</b>
<b>Amortisation and impairment losses</b>			
Balance at 1 January 2012	7,184	-	7,184
Amortisation for the year	1,087	-	1,087
<b>Balance at 31 December 2012</b>	<b>8,271</b>	<b>-</b>	<b>8,271</b>
Balance at 1 January 2013	8,271	-	8,271
Amortisation for the year	800	-	800
<b>Balance at 31 December 2013</b>	<b>9,071</b>	<b>-</b>	<b>9,071</b>
<b>Net Book Value</b>			
At 31 December 2012	1,315	1,010	2,325
<b>At 31 December 2013</b>	<b>2,192</b>	<b>401</b>	<b>2,593</b>

## 10. RESTRICTED CASH

	Group 2013 €'000	Group 2012 €'000	RTÉ 2013 €'000	RTÉ 2012 €'000
Restricted cash	<b>4,000</b>	3,000	-	-

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.

## NOTES (CONTINUED)

### FORMING PART OF THE GROUP FINANCIAL STATEMENTS

#### 11. INVESTMENTS IN SUBSIDIARIES

RTÉ

	Total €'000
Balance at 1 January 2013	65,827
Additions	-
<b>Balance at 31 December 2013</b>	<b>65,827</b>

RTÉ had the following subsidiaries at 31 December 2013:

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 Theilifís na Gaeilge Teoranta	100%	Dormant

The Board has reviewed the carrying value of the Group's remaining investments and is satisfied that 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.

RTÉ had the following joint venture at 31 December 2013:

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.

## 11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

### Classification of RTÉ Group Activities by Integrated Business Division (IBD) and by Legal Entity

	RTÉ	RTÉ Commercial Enterprises Limited	RTÉ Music Limited	RTÉ Transmission Network Limited
<b>RTÉ TELEVISION IBD</b>				
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		•		
<b>RTÉ RADIO IBD</b>				
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	•			
<b>RTÉ NEWS AND CURRENT AFFAIRS IBD</b>				
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	•			
<b>NETWORK IBD</b>				
Provision of national analogue radio and television (2012) 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 2rn				•
<b>RTÉ DIGITAL IBD</b>				
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		•		
<b>RTÉ ORCHESTRAS, QUARTET &amp; CHOIRS IBD</b>				
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	•			
<b>CENTRALLY INCURRED SHARED SERVICES</b>				
Group Communications, Central HR, Group Legal, Group Treasury, Central IT Support, 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	•			
<b>CORPORATE HQ</b>				
Direction and overall operation of Public Service Broadcaster	•			
Holding of investments in broadcasting related activities	•			

## NOTES (CONTINUED)

### FORMING PART OF THE GROUP FINANCIAL STATEMENTS

#### 12. INVENTORIES

	Group		RTÉ	
	2013	2012	2013	2012
	€'000	As restated €'000	€'000	€'000
<b>Work in progress</b>				
In-house programmes	761	844	726	807
Commissioned programmes	14,408	11,012	14,408	11,012
<b>Finished programmes</b>				
Acquired programmes and films	15,176	16,226	15,176	16,226
In-house programmes	222	312	222	312
Commissioned programmes	2,893	3,533	2,893	3,533
Other inventories	24	51	-	-
	<b>33,484</b>	<b>31,977</b>	<b>33,425</b>	<b>31,890</b>

Inventories consumed during the year ended 31 December 2013 total €69.2 million (2012: €81.2 million).

Other inventories relate to printing paper held in respect of the RTÉ Guide.

#### 13. TRADE AND OTHER RECEIVABLES

	Group		RTÉ	
	2013	2012	2013	2012
	€'000	€'000	€'000	€'000
<b>Current Assets</b>				
Trade receivables	35,705	34,714	28,543	28,517
Other receivables	102	688	90	688
	<b>35,807</b>	<b>35,402</b>	<b>28,633</b>	<b>29,205</b>
<b>Non-Current Assets</b>				
Other receivables	-	87	-	87
	<b>35,807</b>	<b>35,489</b>	<b>28,633</b>	<b>29,292</b>

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	
	2013	2012	2013	2012
	€'000	€'000	€'000	€'000
Liquid Investments - Term Deposits	9,101	16,211	8,082	13,110
Weighted average interest rate on term deposits	2.24%	2.11%	2.43%	2.15%

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	
	2013 €'000	2012 €'000	2013 €'000	2012 €'000
<b>Current Assets</b>				
Bank balances	5,950	1,568	4,156	1,135
Call deposits	13,012	19,337	12,518	17,469
Cash and cash equivalents	18,962	20,905	16,674	18,604
<b>Non-Current Assets</b>				
Restricted cash (note 10)	4,000	3,000	-	-
Total cash and cash equivalents and restricted cash	22,962	23,905	16,674	18,604
Weighted average interest rate	0.73%	0.77%	0.73%	0.76%

Bank balances include €2.39 million (2012: €1.93 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	
			2013 €'000	2012 €'000	2013 €'000	2012 €'000
Amortising Term Loan Facility	Lender cost of funds plus margin	28 May 2017 22	13,125	15,000	13,125	15,000
Project Loan Facility	EURIBOR plus margin	December 2015	38,250	38,250	-	-
			51,375	53,250	13,125	15,000
<b>Analysed as follows:</b>						
Non-Current			47,625	51,375	9,375	13,125
Current			3,750	1,875	3,750	1,875
			51,375	53,250	13,125	15,000

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 22 December 2010, 2rn entered into a five year project loan facility agreement amounting to €38.25 million. 2rn entered an interest rate swap to convert floating rate debt to fixed rate debt for the entire value and duration of the borrowing facility. 2rn was in full compliance with the financial covenants at the balance sheet date. 2rn 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 2rn execute a security deed agreement and provide the lender security as follows:

- Lands of 13 main DTT transmission sites;
- All 2rn present and future fixtures and fittings on the DTT transmission sites;
- All 2rn rental income and occupational leases;
- Rights and benefits of 2rn insurance policies;
- Certain bank accounts of 2rn relating to the DTT project (i.e. the Restricted Cash and 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 2rn by way of a loan an amount equal to any interest and/or fees falling due under the loan facility agreement should 2rn 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	
	2013	2012	2013	2012
	€'000	As restated €'000	€'000	As restated €'000
Trade payables	5,502	5,420	4,308	4,230
Amounts owed to subsidiary entities	-	-	136,407	120,990
Accruals	56,889	63,492	49,357	54,239
Deferred income	6,226	7,334	2,358	3,252
	<b>68,617</b>	<b>76,246</b>	<b>192,430</b>	<b>182,711</b>
<b>Analysed as follows:</b>				
Non-Current Liabilities	3,290	3,735	3,290	3,735
Current Liabilities	65,327	72,511	189,140	178,976
	<b>68,617</b>	<b>76,246</b>	<b>192,430</b>	<b>182,711</b>

The Group's exposure to currency risk related to trade and other payables is disclosed in note 22.

As disclosed in the Accounting Policies the Group and RTÉ have reclassified an amount of €3.735 million in Trade and other payables at 31 December 2012 as non-current liabilities. Previously the Group reported Trade and other payables of €76.246 million as current liabilities and RTÉ reported €182.711 million as current liabilities.

#### 18. TAXATION AND SOCIAL WELFARE

	Group		RTÉ	
	2013	2012	2013	2012
	€'000	€'000	€'000	€'000
VAT	5,670	4,132	4,378	3,415
Payroll	3,827	3,870	3,769	3,810
	<b>9,497</b>	<b>8,002</b>	<b>8,147</b>	<b>7,225</b>

## 19. EMPLOYEE BENEFITS

### (a) Total Employee Benefits

	Group		RTÉ	
	2013 €'000	2012 As restated €'000	2013 €'000	2012 As restated €'000
Restructuring costs (b)	25,278	34,610	25,278	34,610
Other payroll related accruals (c)	6,547	7,553	6,122	7,174
<b>Total employee benefits</b>	<b>31,825</b>	<b>42,163</b>	<b>31,400</b>	<b>41,784</b>
<b>Analysed as follows:</b>				
Non-Current Liabilities	22,800	29,044	22,604	28,810
Current Liabilities	9,025	13,119	8,796	12,974
	<b>31,825</b>	<b>42,163</b>	<b>31,400</b>	<b>41,784</b>

As disclosed in the Accounting Policies the Group has reclassified an amount of €4.313 million in employee benefits at 31 December 2012 as non-current liabilities. Previously the Group reported employee benefits of €17.432 million as current liabilities and €24.731 million as non-current liabilities.

RTÉ has reclassified an amount of €4.079 million in employee benefits at 31 December 2012 as non-current liabilities. Previously RTÉ reported employee benefits of €17.053 million as current liabilities and €24.731 million as non-current liabilities.

### (b) Restructuring Costs

Group and RTÉ	2013 €'000	2012 €'000
Balance at beginning of year	34,610	12,505
Charged during the year (note 6)	127	45,964
Utilised during the year	(9,889)	(24,234)
Interest charge (note 3)	430	375
<b>Balance at end of year</b>	<b>25,278</b>	<b>34,610</b>
<b>Analysed as follows:</b>		
Non-Current	18,956	24,731
Current	6,322	9,879

The restructuring costs at 31 December 2013 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.

A wide ranging strategic review was undertaken in late 2011/early 2012 which encompassed all aspects of RTÉ's activities. A key element of the RTÉ restructuring programme was the 2011 and 2012 ERRF and VSF under which 350 people voluntarily left RTÉ.

### (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:

	2013 €'000	2012 €'000
RTÉ Superannuation Scheme		
- current service cost	<b>(3,180)</b>	(3,375)
- past service credit <sup>1</sup>	<b>4,738</b>	8,641
RTÉ '50/50' Risk-Sharing Pension Scheme (DB Section)		
- current service cost	<b>(804)</b>	(456)
	<b>754</b>	4,810
RTÉ '50/50' Risk-Sharing Pension Scheme (DC Section)	<b>(244)</b>	(221)
RTÉ Defined Contribution Pension Scheme	<b>(8,171)</b>	(8,179)
Other schemes	<b>(14)</b>	(21)

<sup>1</sup> In the case of the RTÉ Superannuation Scheme a past service credit arises in 2012 and 2013 as a result of Trustee decisions in 2012 and 2013 to reduce the accrued benefits of members to reflect the 2011 and 2012 Pension Levies.

As set out in the Accounting Policies on page 87, RTÉ adopted IAS 19 *Employee Benefits* (2011) for the first time in 2013. Under IAS 19 (2011) there is no change to the net defined benefit liability/asset at the end of 2012 and consequently no restatement is required.

There is a net impact on the income statement for the year ended 31 December 2012 increasing the net interest cost in the income statement and decreasing the remeasurements included in other comprehensive income by €1.1 million. In the context of the Group's results for the year ended 31 December 2012 this adjustment is not considered material and accordingly the accounts have not been restated.

##### (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 2014 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 2013: surplus €47.3 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 carried out a valuation in accordance with the Minimum Funding Standard (MFS) provisions of the *Pensions Act, 1990* as at 1 June 2013 at which time the Scheme met the MFS. An Actuarial Funding Certificate was submitted on this basis. The actuaries have also carried out a valuation in accordance with the MFS as at 1 January 2014 and have reported a surplus on this basis of €28.1 million (1 January 2013: deficit of €55.4 million).

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 2013 amounts to an asset of €8.3 million.

The Group expects to pay €1.3 million in contributions to the RTÉ Superannuation Scheme in 2014.

## 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 2014 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 €1.8 million (1 January 2013: surplus €1.4 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 2013 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 €3.9 million (1 January 2013: surplus €2.4 million).

The Group expects to pay €1.1 million in contributions to the RTÉ '50/50' Risk-Sharing Pension Scheme in 2014.

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:

<b>Group and RTÉ</b>	<b>2013</b>	<b>2012</b>
	<b>€'000</b>	<b>€'000</b>
Net pension asset / (liability) in RTÉ Superannuation Scheme	<b>8,312</b>	(47,086)
Net pension asset in RTÉ '50/50' Risk-Sharing Pension Scheme	<b>1,587</b>	746
	<b>9,899</b>	(46,340)

### Movement in net defined benefit asset / (liability) RTÉ Superannuation Scheme

	Defined Benefit Obligation		Fair value of plan assets		Net defined benefit asset / (liability)	
	2013	2012	2013	2012	2013	2012
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January	<b>(880,399)</b>	(823,487)	<b>833,313</b>	775,690	<b>(47,086)</b>	(47,797)
<b>Included in Income Statement</b>						
Current service cost	<b>(3,180)</b>	(3,375)	-	-	<b>(3,180)</b>	(3,375)
Past service credit	<b>4,738</b>	8,641	-	-	<b>4,738</b>	8,641
Interest (cost) / income	<b>(30,124)</b>	(39,155)	<b>28,525</b>	37,742	<b>(1,599)</b>	(1,413)
	<b>(28,566)</b>	(33,889)	<b>28,525</b>	37,742	<b>(41)</b>	3,853
<b>Included in OCI</b>						
Remeasurements (loss) / gain						
Actuarial (loss) / gain arising from:						
Financial assumptions	<b>17,217</b>	(60,550)	-	-	<b>17,217</b>	(60,550)
Experience	<b>(1,800)</b>	(3,312)	-	-	<b>(1,800)</b>	(3,312)
Return on plan assets excluding interest income	-	-	<b>38,488</b>	58,551	<b>38,488</b>	58,551
	<b>15,417</b>	(63,862)	<b>38,488</b>	58,551	<b>53,905</b>	(5,311)
<b>Other</b>						
Employer contributions	-	-	<b>1,534</b>	2,169	<b>1,534</b>	2,169
Employee contributions	<b>(1,231)</b>	(1,784)	<b>1,231</b>	1,784	-	-
Benefits paid	<b>39,406</b>	42,623	<b>(39,406)</b>	(42,623)	-	-
	<b>38,175</b>	40,839	<b>(36,641)</b>	(38,670)	<b>1,534</b>	2,169
Balance at 31 December	<b>(855,373)</b>	(880,399)	<b>863,685</b>	833,313	<b>8,312</b>	(47,086)

## 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 (liability) asset	
	2013 €'000	2012 €'000	2013 €'000	2012 €'000	2013 €'000	2012 €'000
Balance at 1 January	<b>(3,050)</b>	(1,291)	<b>3,796</b>	1,955	<b>746</b>	664
<b>Included in Income Statement</b>						
Current service cost	<b>(804)</b>	(456)	-	-	<b>(804)</b>	(456)
Interest (cost) / income	<b>(107)</b>	(109)	<b>160</b>	154	<b>53</b>	45
	<b>(911)</b>	(565)	<b>160</b>	154	<b>(751)</b>	(411)
<b>Included in OCI</b>						
Remeasurements (loss) / gain						
Actuarial (loss) / gain arising from:						
Financial assumptions	<b>209</b>	(611)	-	-	<b>209</b>	(611)
Experience	<b>(149)</b>	(78)	-	-	<b>(149)</b>	(78)
Return on plan assets excluding interest income	-	-	<b>499</b>	192	<b>499</b>	192
	<b>60</b>	(689)	<b>499</b>	192	<b>559</b>	(497)
<b>Other</b>						
Employer Contributions	-	-	<b>1,033</b>	990	<b>1,033</b>	990
Employee Contributions	<b>(562)</b>	(540)	<b>562</b>	540	-	-
Benefits Paid	<b>13</b>	5	<b>(13)</b>	(5)	-	-
Insurance Premium	<b>34</b>	30	<b>(34)</b>	(30)	-	-
	<b>(515)</b>	(505)	<b>1,548</b>	1,495	<b>1,033</b>	990
Balance at 31 December	<b>(4,416)</b>	(3,050)	<b>6,003</b>	3,796	<b>1,587</b>	746

##### (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	
	2013 Fair value €'000	2012 Fair value €'000	2013 Fair value €'000	2012 Fair value €'000
Equity instruments	<b>365,533</b>	338,391	<b>4,660</b>	2,878
Debt instruments (Bonds)	<b>367,017</b>	374,010	<b>828</b>	617
Property	<b>49,627</b>	46,138	<b>169</b>	106
Fund of Hedge Funds	<b>48,451</b>	44,257	-	-
Cash	<b>11,012</b>	7,295	<b>340</b>	181
Other	<b>22,045</b>	23,222	<b>6</b>	14
Total fair value of assets	<b>863,685</b>	833,313	<b>6,003</b>	3,796

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. Apart from the discount rate, the assumptions used at 31 December 2013 are unchanged from those used at 31 December 2012.

	RTÉ Superannuation Scheme		RTÉ '50/50' Risk-Sharing Pension Scheme	
	2013	2012	2013	2012
Average projected rate of increase in salaries*:				
Over the next two years	0%	0%	0%	0%
Over the following two years	1.5%	0.5%	1.5%	0.5%
Thereafter	2.0%	2.0%	2.0%	2.0%
Average projected rate of increase in pensions in payment:				
Over the next two years	0%	0%	2.0%	2.0%
Over the following four years	0.75%	0.25%	2.0%	2.0%
Thereafter	2.0%	2.0%	2.0%	2.0%
Discount rate	3.65%	3.5%	3.65%	3.5%
Inflation assumption	2.0%	2.0%	2.0%	2.0%
Mortality	Years	Years	Years	Years
Life Expectancy Future Retirees				
Male of age 65 (55 today)	24.9	24.9	24.9	24.9
Female of age 65 (55 today)	26.0	26.0	26.0	26.0
Life Expectancy Existing Pensioners				
Male of age 65 (Born 1949)	23.5	23.5	23.5	23.5
Female of age 65 (Born 1949)	24.9	24.9	24.9	24.9

\* 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 2013, the weighted average duration of the defined benefit obligations were:

RTÉ Superannuation Scheme: 13.6 years

RTÉ '50/50' Risk-Sharing Pension Scheme: 32.0 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		RTÉ '50/50' Risk-Sharing Pension Scheme	
	Assumption	Benefit Obligation €000s	Assumption	Benefit Obligation €000s
Discount Rate				
<b>Current Rate</b>	<b>3.65%</b>	<b>855,373</b>	<b>3.65%</b>	<b>4,416</b>
-0.25%	3.40%	884,378	3.40%	4,771
+0.25%	3.90%	827,868	3.90%	4,093
Salary & Pension Increases				
<b>Current Assumption (long term)</b>	<b>2.0%</b>	<b>855,373</b>	<b>2.0%</b>	<b>4,416</b>
0.25% lower increases	1.75%	834,941	1.75%	4,124
0.25% higher increases	2.25%	876,746	2.25%	4,734
Mortality				
<b>Current Assumption (offset from Standard table)</b>	<b>-1 year</b>	<b>855,373</b>	<b>-1 year</b>	<b>4,416</b>
No offset	0 years	831,334	0 years	4,325
Two years offset	-2 years	879,383	-2 years	4,506

## NOTES (CONTINUED)

### FORMING PART OF THE GROUP FINANCIAL STATEMENTS

#### 21. DEFERRED TAX

Group

#### Recognised Deferred Tax Assets and Liabilities

	Assets Gross		[Liabilities] Gross	
	2013 €'000	2012 €'000	2013 €'000	2012 €'000
Property, plant and equipment	-	92	<b>(304)</b>	-
Pension asset	-	-	<b>(1,236)</b>	(93)
Derivatives – cash flow hedge	<b>262</b>	401	-	-
Gross Tax Assets / (Liabilities)	<b>262</b>	493	<b>(1,540)</b>	(93)

#### 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)	-	<b>(304)</b>
Pension asset	(93)	-	(1,143)	<b>(1,236)</b>
Derivatives – cash flow hedge	401	-	(139)	<b>262</b>
Net Tax Assets / (Liabilities)	400	(396)	(1,282)	<b>(1,278)</b>

#### Movement in Temporary Differences during 2012

	Opening Balance Net	Recognised in Income	Recognised in Other Comprehensive Income	Closing Balance Net
Property, plant and equipment	97	(5)	-	92
Pension asset	(83)	-	(10)	(93)
Inventories	75	(75)	-	-
Derivatives – cash flow hedge	334	-	67	401
Others	(75)	75	-	-
Net Tax Assets / (Liabilities)	348	(5)	57	400

## 21. DEFERRED TAX (CONTINUED)

RTÉ

### Recognised Deferred Tax Assets and Liabilities

	Assets Gross		(Liabilities) Gross	
	2013 €'000	2012 €'000	2013 €'000	2012 €'000
Property, plant and equipment	1,545	1,436	-	-
Pension asset	-	-	(1,236)	(93)
Gross Tax Assets / (Liabilities)	1,545	1,436	(1,236)	(93)

### 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

### Movement in Temporary Differences during 2012

	Opening Balance Net	Recognised in Income	Recognised in Other Comprehensive Income	Closing Balance Net
Property, plant and equipment	1,566	(130)	-	1,436
Pension asset	(83)	-	(10)	(93)
Net Tax Assets / (Liabilities)	1,483	(130)	(10)	1,343

### 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 €614 million at 31 December 2013. Due to the uncertainty surrounding when the losses may ultimately be utilised, no deferred tax asset has been recognised.

## 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 and sports rights 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.

2rn obtained variable rate borrowings in 2011 and entered a derivative contract in order to hedge exposures arising from fluctuations in the interest rate. The Group designated the financial instrument as a cash flow hedge pursuant to IAS 39 *Financial Instruments: Recognition and Measurement*.

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	
	2013	2012	2013	2012	2013	2012	2013	2012
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Non-Current Financial Assets</b>								
Restricted cash	-	-	-	-	4,000	3,000	4,000	3,000
Other receivables	-	-	-	-	-	87	-	87
<b>Total Non-Current Financial Assets</b>	-	-	-	-	4,000	3,087	4,000	3,087
<b>Current Financial Assets</b>								
Trade and other receivables	-	-	-	-	35,807	35,402	35,807	35,402
Accrued income	-	-	-	-	1,788	4,282	1,788	4,282
Liquid investments	-	-	-	-	9,101	16,211	9,101	16,211
Cash and cash equivalents	-	-	-	-	18,962	20,905	18,962	20,905
<b>Total Current Financial Assets</b>	-	-	-	-	65,658	76,800	65,658	76,800
<b>Total Financial Assets</b>	-	-	-	-	69,658	79,887	69,658	79,887
<b>Non-Current Financial Liabilities</b>								
Interest-bearing loans and borrowings	-	-	-	-	(47,625)	(51,375)	(47,625)	(51,375)
Employee benefits	-	-	-	-	(22,800)	(29,044)	(22,800)	(29,044)
Trade and other payables	-	-	-	-	(3,290)	(3,735)	(3,290)	(3,735)
Derivative financial instruments	-	-	(1,020)	(2,088)	-	-	(1,020)	(2,088)
<b>Total Non-Current Financial Liabilities</b>	-	-	(1,020)	(2,088)	(73,715)	(84,154)	(74,735)	(86,242)
<b>Current Financial Liabilities</b>								
Trade and other payables	-	-	-	-	(65,327)	(72,512)	(65,327)	(72,512)
Interest-bearing loans and borrowings	-	-	-	-	(3,750)	(1,875)	(3,750)	(1,875)
Employee benefits	-	-	-	-	(9,025)	(13,119)	(9,025)	(13,119)
Derivative financial instruments	(312)	(129)	(1,079)	(1,120)	-	-	(1,391)	(1,249)
<b>Total Current Financial Liabilities</b>	(312)	(129)	(1,079)	(1,120)	(78,102)	(87,506)	(79,493)	(88,755)
<b>Total Financial Liabilities</b>	(312)	(129)	(2,099)	(3,208)	(151,817)	(171,660)	(154,228)	(174,997)

## 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	
	2013	2012	2013	2012	2013	2012 As restated	2013	2012 As restated
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
<b>Non-Current Financial Assets</b>								
Other receivables	-	-	-	-	-	87	-	87
<b>Total Non-Current Financial Assets</b>	-	-	-	-	-	87	-	87
<b>Current Financial Assets</b>								
Trade and other receivables	-	-	-	-	28,633	29,205	28,633	29,205
Accrued income	-	-	-	-	92	721	92	721
Liquid investments	-	-	-	-	8,082	13,110	8,082	13,110
Cash and cash equivalents	-	-	-	-	16,674	18,604	16,674	18,604
<b>Total Current Financial Assets</b>	-	-	-	-	53,481	61,640	53,481	61,640
<b>Total Financial Assets</b>	-	-	-	-	53,481	61,727	53,481	61,727
<b>Non-Current Financial Liabilities</b>								
Interest-bearing loans and borrowings	-	-	-	-	(9,375)	(13,125)	(9,375)	(13,125)
Employee benefits	-	-	-	-	(22,604)	(28,810)	(22,604)	(28,810)
Trade and other payables	-	-	-	-	(3,290)	(3,735)	(3,290)	(3,735)
<b>Total Non-Current Financial Liabilities</b>	-	-	-	-	(35,269)	(45,670)	(35,269)	(45,670)
<b>Current Financial Liabilities</b>								
Trade and other payables	-	-	-	-	(189,140)	(178,976)	(189,140)	(178,976)
Interest-bearing loans and borrowings	-	-	-	-	(3,750)	(1,875)	(3,750)	(1,875)
Employee benefits	-	-	-	-	(8,796)	(12,974)	(8,796)	(12,974)
Derivative financial instruments	(312)	(129)	-	-	-	-	(312)	(129)
<b>Total Current Financial Liabilities</b>	(312)	(129)	-	-	(201,686)	(193,825)	(201,998)	(193,954)
<b>Total Financial Liabilities</b>	(312)	(129)	-	-	(236,955)	(239,495)	(237,267)	(239,624)

The foreign exchange forward contracts are financial instruments at fair value through the surplus or deficit. The interest rate swap is a derivative designated as a cash flow hedge.

## 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 Group has detailed procedures for monitoring and managing the credit risk related to its financial assets.

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	
		2013	2012	2013	2012
		€'000	€'000	€'000	€'000
Restricted cash	10	4,000	3,000	-	-
Trade receivables	13	35,705	34,714	28,543	28,517
Liquid investments	14	9,101	16,211	8,082	13,110
Cash and cash equivalents	15	18,962	20,905	16,674	18,604
Accrued income and other receivables		1,890	5,058	183	1,497
		<b>69,658</b>	<b>79,888</b>	<b>53,482</b>	<b>61,728</b>

##### 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. Restricted cash, in accordance with the project loan facility entered into on 22 December 2010, is held with Barclays Bank PLC. 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	
	2013	2012	2013	2012
	€'000	€'000	€'000	€'000
Ireland	34,201	33,450	27,663	27,434
United Kingdom	1,386	1,246	838	1,062
Other Regions	118	18	42	21
Trade Receivables	<b>35,705</b>	<b>34,714</b>	<b>28,543</b>	<b>28,517</b>

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Group carrying amount		RTÉ carrying amount	
	2013	2012	2013	2012
	€'000	€'000	€'000	€'000
Non-agency debtors	10,557	9,821	5,373	5,359
Other debtors - agency	25,148	24,893	23,170	23,158
Trade Receivables	<b>35,705</b>	<b>34,714</b>	<b>28,543</b>	<b>28,517</b>

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 €3.3 million (9%) of the trade receivables carrying amount at 31 December 2013 (2012: €3.5 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
	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
	<b>38,087</b>	<b>(2,382)</b>	<b>35,705</b>	<b>29,975</b>	<b>(1,432)</b>	<b>28,543</b>

	Group			RTÉ		
	Gross	Impairment	Net	Gross	Impairment	Net
	2012	2012	2012	2012	2012	2012
	€'000	€'000	€'000	€'000	€'000	€'000
Not past due	17,453	(634)	16,819	13,713	-	13,713
Past due 0-30 days	16,510	(512)	15,998	14,099	(379)	13,720
Past due 31-120 days	2,209	(539)	1,670	1,419	(439)	980
Greater than 120 days	615	(388)	227	310	(206)	104
	<b>36,787</b>	<b>(2,073)</b>	<b>34,714</b>	<b>29,541</b>	<b>(1,024)</b>	<b>28,517</b>

The movement in the allowance for impairment in respect of trade receivables during the year was:

	Group		RTÉ	
	2013	2012	2013	2012
	€'000	€'000	€'000	€'000
Balance at 1 January	2,073	2,142	1,024	1,082
Bad debts written off in the year	(268)	(69)	(190)	(58)
Provided during the year	577	-	598	-
Balance at 31 December	<b>2,382</b>	<b>2,073</b>	<b>1,432</b>	<b>1,024</b>

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-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	68,617	-	-	-
Employee benefits	31,825	32,777	9,072	5,052	10,390	8,263
	<b>154,228</b>	<b>160,313</b>	<b>85,354</b>	<b>50,488</b>	<b>16,208</b>	<b>8,263</b>

31-Dec-12 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	53,250	61,727	4,801	6,494	50,432	-
Derivative financial instruments	3,337	3,337	1,249	1,063	1,025	-
Trade and other payables	76,246	76,246	76,246	-	-	-
Employee benefits	42,163	43,503	17,590	5,881	13,264	6,769
	<b>174,996</b>	<b>184,813</b>	<b>99,886</b>	<b>13,438</b>	<b>64,721</b>	<b>6,769</b>

The following are the contractual maturities of financial liabilities (excluding intercompany liabilities):

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	56,023	-	-	-
Derivative financial instruments	312	312	312	-	-	-
Employee benefits	31,400	32,352	8,843	5,052	10,390	8,067
	<b>100,860</b>	<b>102,703</b>	<b>69,331</b>	<b>9,097</b>	<b>16,208</b>	<b>8,067</b>

31-Dec-12 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	15,000	17,114	2,680	4,373	10,061	-
Trade and other payables	61,721	61,721	61,721	-	-	-
Derivative financial instruments	129	129	129	-	-	-
Employee benefits	41,784	43,124	17,211	5,881	13,264	6,769
	<b>118,634</b>	<b>122,088</b>	<b>81,741</b>	<b>10,254</b>	<b>23,325</b>	<b>6,769</b>

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 2013, RTÉ had an undrawn overdraft facility of €10 million in place.

#### (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 2013 the fair value of the associated derivative liability was €312,000 (2012: liability of €129,000).

The Group and RTÉ hedge a minimum of 80% 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 2013 or 2012.

## 22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (GROUP AND RTÉ) (CONTINUED)

RTÉ had no financial liabilities denominated in foreign currencies except for those outlined in the following tables.

### Breakdown of Trade Payables by Currency

	2013 €'000	2012 €'000
<b>Group</b>		
Euro	5,268	5,280
GBP	147	110
USD	40	1
Other	47	29
	<b>5,502</b>	<b>5,420</b>

### Breakdown of Trade Payables by Currency

	2013 €'000	2012 €'000
<b>RTÉ</b>		
Euro	4,116	4,110
GBP	131	91
USD	14	1
Other	47	28
	<b>4,308</b>	<b>4,230</b>

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2013 Euro	2012 Euro	2013 Euro	2012 Euro
USD 1	1.3281	1.2848	1.3791	1.3194
GBP 1	0.8493	0.8109	0.8337	0.8161

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 2013, would impact the Group's Income Statement positively or negatively by up to €25,908 (31 December 2012 €15,456).

#### 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 2013, would impact RTÉ's Income Statement positively or negatively by up to €24,200 (31 December 2012 €13,379).

#### (e) Interest rate risk

At 31 December 2013 the Group had total borrowings of €51.38 million (2012: €53.25 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, 2rn entered into a five year project loan facility agreement amounting to €38.25 million. The borrowing is a variable rate project loan with a maturity in 2015. The Group entered an interest rate swap to fix the rate on these borrowings until maturity – 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.

A 1% movement in the interest rate would have a positive or negative effect on equity of €1.0 million and €0.1 million on the Income Statement.

At the reporting date the interest rate profile of RTÉ's interest-bearing financial assets was:

<b>Group</b>	Carrying amount	
	2013 €'000	2012 €'000
<b>Fixed Rate Instruments</b>		
Financial assets	22,113	35,548
<b>Variable Rate Instruments</b>		
Financial assets	5,950	1,568

## NOTES (CONTINUED)

### FORMING PART OF THE GROUP FINANCIAL STATEMENTS

#### 22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (GROUP AND RTÉ) (CONTINUED)

RTÉ	Carrying amount	
	2013	2012
	€'000	€'000
<b>Fixed Rate Instruments</b>		
Financial assets	20,600	30,579
<b>Variable Rate Instruments</b>		
Financial assets	4,156	1,135

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 €0.3 million (net of tax).

#### (f) Fair Values

The fair value of a financial instrument is the amount it could be exchanged for in an arm's length transaction between informed and willing parties, other than in a forced or liquidation sale. Fair value analysis, other than for derivative financial instruments, was based on discounted cash flow analysis using an appropriate discount rate.

The carrying value of the Group's interest-bearing loans and borrowings at 31 December 2013 was €51.4 million and the fair value was €53.8 million.

The carrying value of RTÉ's interest-bearing loans and borrowings at 31 December 2013 was €13.1 million and the fair value was €14.0 million. The fair value analysis of interest-bearing loans and borrowings was based on a Level 2 valuation method as described below.

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 Group determined that the fair value for all other financial instruments at 31 December 2013 and 2012 were materially in line with their carrying values.

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

#### (g) Derivative financial instruments

The contractual cash flows associated with the derivative financial instruments are outlined below:

31-Dec-13	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years
	€'000	€'000	€'000	€'000	€'000
<b>Group</b>					
<b>Derivative liabilities</b>					
Interest rate swap	(2,099)	(2,099)	(1,079)	(1,020)	-
Foreign exchange forward contracts (outflows)	(312)	(312)	(312)	-	-
	<b>(2,411)</b>	<b>(2,411)</b>	<b>(1,391)</b>	<b>(1,020)</b>	-

## 22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (GROUP AND RTÉ) (CONTINUED)

31-Dec-13	Carrying amount €'000	Contractual cash flows €'000	Within 1 year €'000	1-2 years €'000	2-5 years €'000
<b>RTÉ</b>					
<b>Derivative liabilities</b>					
Foreign exchange forward contracts (outflows)	(312)	(312)	(312)	-	-
	<b>(312)</b>	<b>(312)</b>	<b>(312)</b>	-	-
<b>31-Dec-12</b>					
	Carrying amount €'000	Contractual cash flows €'000	Within 1 year €'000	1-2 years €'000	2-5 years €'000
<b>Group</b>					
<b>Derivative assets / (liabilities)</b>					
Interest rate swap	(3,208)	(3,208)	(1,120)	(1,063)	(1,025)
Foreign exchange forward contracts (outflows)	(129)	(129)	(129)	-	-
	<b>(3,337)</b>	<b>(3,337)</b>	<b>(1,249)</b>	<b>(1,063)</b>	<b>(1,025)</b>
<b>31-Dec-12</b>					
	Carrying amount €'000	Contractual cash flows €'000	Within 1 year €'000	1-2 years €'000	2-5 years €'000
<b>RTÉ</b>					
<b>Derivative assets / (liabilities)</b>					
Foreign exchange forward contracts (outflows)	(129)	(129)	(129)	-	-
	<b>(129)</b>	<b>(129)</b>	<b>(129)</b>	-	-

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 2013 the Group had total borrowings of €51.38 million (2012: €53.25 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.

## 23. CASH FLOW HEDGE RESERVE

	Note	2013 €'000	2012 €'000
Balance at 1 January		<b>(2,807)</b>	(2,338)
Effective portion of cash flow hedge		<b>1,108</b>	(536)
Deferred tax on cash flow hedge	21	<b>(139)</b>	67
<b>Balance at 31 December</b>		<b>(1,838)</b>	(2,807)

The cash flow hedge reserve comprises 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	
	2013 €'000	2012 €'000	2013 €'000	2012 €'000
Contracted but not provided for	-	1,742	-	784
Authorised but not contracted for	<b>415</b>	3,832	<b>26</b>	881
	<b>415</b>	5,574	<b>26</b>	1,665

### (b) Programme/Rights Purchase Commitments

	Group		RTÉ	
	2013 €'000	2012 €'000	2013 €'000	2012 €'000
Contracted but not provided for	<b>66,161</b>	72,306	<b>66,161</b>	72,306

## NOTES (CONTINUED)

### FORMING PART OF THE GROUP FINANCIAL STATEMENTS

#### 24. FINANCIAL COMMITMENTS, CONTINGENCIES AND GUARANTEES (CONTINUED)

##### (c) Contingent Liabilities

A regulatory authority is conducting ongoing reviews in relation to aspects of RTÉ's activities. At this juncture, it is not possible to determine the extent, if any, of financial exposure which might arise as a consequence.

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 2013, RTÉ had entered into a guarantee facility amounting to €4.2 million which expires on 30 June 2015.

##### (e) Digital Television Services Northern Ireland

RTÉ has entered into a joint venture with Multiplex Broadcasting Services NI Limited 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 2013 is €6.7 million.

#### 25. RELATED PARTY TRANSACTIONS

##### (a) Transactions with related parties excluding key management personnel

RTÉ is a statutory corporation, originally established as a commercial semi-state body under the *Broadcasting Authority Act, 1960*. 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 2013, the total payables to RTÉ subsidiary undertakings was €136.4 million (2012: €120.9 million).

##### (b) Transactions with key management personnel<sup>1</sup>

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 2013 was €3.9 million (2012: €5.0 million), comprising salaries and other short term employee benefits €3.1 million (2012: €3.4 million), post-employment pension benefits €0.6 million (2012: €0.7 million) and termination benefits €0.2 million (2012: €0.9 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 2013 amounted to €3.3 million (2012: €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 2013 amounted to €0.08 million (2012: €0.01 million). Outstanding contractual commitments from a company owned/controlled by Board members, other key management personnel and/or their close family members in 2013 amounted to €1.1 million (2012: €1.3 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 2013 amounted to €2,810 (2012: €18,309).

##### *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.

<sup>1</sup> 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 80 to 126 in respect of the year ended 31 December 2013 on 17 April 2014.

# 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 current Audience Council will serve until 31 December 2014. Pauric Dempsey was appointed as the new chairman of the Council during 2013, in succession to Professor Gearóid Ó Tuathaigh. In total, 6 meetings of the Audience Council took place in 2013, in addition to the 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 2013 (ASPC 2013)

#### Introduction

Under the provisions of the *Broadcasting Act 2009* (the Act) 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.

As part of the recent (s124) 5-year review of funding for Public Service Broadcasters RTÉ prepared and submitted to DCENR and BAI its detailed costed strategy *RTÉ Today, Tomorrow 2013-2017*. This plan, also published on RTÉ.ie, demonstrates how RTÉ will fulfil its public service remit during that five-year period and sets the organisation's high level strategic objectives. RTÉ's 2013 commitments are based on, and align directly with this strategy and show how the organisation intended to progress its strategic objectives during the year. RTÉ aimed to meet and exceed its targets in all cases.

Pursuant to section 102(3) of the Act, RTÉ's *ASPC 2013* was submitted to the BAI and the Minister on 30 April 2013. Subsequently, and in response to BAI's feedback on RTÉ's 2013 commitments, a reformatted *ASPC 2013* was submitted on 19 September 2013 and is 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 2014.

### 2013 PERFORMANCE COMMITMENTS WITH MEASURES (YEAR 1)

#### RANGE OF ACTIVITIES

#### 1. RTÉ to operate a comprehensive portfolio of core and complementary media services, which together reach across the spectrum of audience age groups to serve multiple needs and deliver high quality content

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>RTÉ One: To grow the 35-54 audience by reinvigorating entertainment and lifestyle strands and refreshing popular existing brands, while also serving the wider population with landmark drama, documentary, factual and entertainment programming, News and Current Affairs and bringing the country together for national events.</i>	Stabilise peak TVRs among 35-54s at >8	Commitment achieved
	Stabilise weekly reach among Individuals at >67%	Commitment achieved
	Maintain adult 15+ peak time share at >28%	Commitment achieved
	Maintain target score for audience perception of Quality at >80	Commitment achieved

## OTHER REPORTING REQUIREMENTS (CONTINUED)

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>RTÉ Two: To increase home-produced content and rebalance the schedule in order to appeal more to 15-34 year olds, providing distinctive and relevant factual, entertainment, comedy sports, documentary and acquired drama programming for Irish Young people</i>	Stabilise peak TVRs among 15-34s at >2.3	Commitment achieved
	Stabilise weekly reach among Individuals at >53%	Commitment achieved
	Stabilise adult 15+ peak time share at >7.5%	Commitment achieved
	Maintain target score for audience perception of Quality at >80	Commitment achieved
<i>RTÉ Radio 1: To grow the 35-54 year old audience by adjusting the tone and genre mix</i>	Stabilise listened yesterday % reach among 35-54s at >24%	Commitment largely achieved. Radio 1's weekday reach was 23%, 1-point below target. Despite this drop, listenership remains strong for the station, notably on weekends.
	Stabilise 24hr weekly reach among all Adults 15+ at >36%	Commitment achieved
	Maintain adult 15+ peak 7-7 share at 23%	Commitment achieved.
	Maintain score for audience perception of Quality at >80	Commitment achieved
<i>RTÉ 2fm: To grow the audience, by improving quality, strengthening the schedule and creating relevant content for listeners (particularly 20-44s)</i>	Stabilise listened yesterday % reach among 20-44s at >14%	Commitment achieved
	Stabilise 24hr weekly reach among all Adults 15+ at >23%	Commitment largely achieved. The station had a 22% weekly reach for adults 15+, 1-point below target. Audience churn is a potential consequence of re-focusing the station to better attract its target of adults aged 20-44.
	Grow adult 15+ peak 7-7 share to 8%	Commitment largely achieved. RTÉ 2fm's peak time share was 7.6%, which is a marginal increase on 2012's result however just behind target. The station continues to target share growth in 2014.
	Increase score for audience perception of Quality at > 80	Commitment largely achieved. RTÉ 2fm's Quality score was 77.1, which is down slightly on 2012's result and below target. The station changed its music policy mid-way through 2013, in order to attract its target demographic. Transitional periods can see fluctuations in audience perception scores while the listenership adjusts and churns in reaction to the new offering.

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>RTÉ Digital: Provide even more distinctive, high quality content that meets online users' changing needs both at home and internationally</i>	Grow RTÉ.ie average weekly reach to >20%	Commitment achieved
	Maintain score for audience perception of Satisfaction with RTÉ.ie at >80%	Commitment achieved
	Grow RTÉ.ie average monthly Unique International Browsers to >2m	Commitment largely achieved. The monthly average was 1.9m Unique International Browsers, which is level with 2012's figure and just short of the target figure for 2013.
	Grow RTÉ Player average weekly to >20%	Commitment not achieved. Average weekly reach dropped from 19% in 2012 to 17% in 2013. RTÉ is conducting further analysis to understand the driver behind this decrease.
	Grow RTÉ Apps average weekly to >9%	Commitment achieved
	Grow RTÉ Digital Services average weekly reach to >32%	Commitment achieved
	Grow RTÉ Digital Services average monthly streams to 7.5m	Commitment largely achieved. RTÉ's digital services averaged 7.2m streams per month, which is up on 2012 but behind the target.
<i>RTÉ News Now: Evolve Ireland's only multimedia news service to meet audience needs, with a significantly increased proportion of live content</i>	Grow weekly reach among Adults 15+ to >15%	Commitment achieved
<i>RTÉ lyric fm: Achieve a wider, more diverse listenership by reaching out to listeners under 50 through new features, documentaries and voices on-air</i>	Maintain listened yesterday % reach among 35-54s at >3%	Commitment achieved
	Maintain weekly reach among Adults 15+ at >7%	Commitment achieved
	Maintain adult 15+ peak 7-7 share at >1.6%	Commitment achieved
	Increase score for audience perception of Quality to >80	Commitment achieved
<i>RTÉ Raidió na Gaeltachta: To 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
	Grow weekly reach among Adults 15+ to >1%	Commitment achieved
	Maintain score for audience perception of Quality at >80	Commitment achieved
<i>RTÉjr: Meet the needs of young children by delivering a diverse schedule of original Irish content and acquired programming</i>	Grow weekly reach among 4-14s to >10%	Commitment achieved

## OTHER REPORTING REQUIREMENTS (CONTINUED)

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>RTÉ Orchestras and Choirs: To offer Irish music lovers the highest quality live music experiences and help new music lovers to find the RTÉ Orchestras and Choirs through live and quality broadcast music</i>	Maintain audience at >190,000	Commitment achieved
	Continue to deliver >180 performances	Commitment achieved
<i>RTÉ Aertel: Develop the audience experience to enhance RTÉ Aertel</i>	Monitor RTÉ Aertel usage and stabilise weekly reach at >15%	Commitment achieved
<i>RTÉ Archives: To develop and open up RTÉ Archives</i>	Television: 5500-6500 Hours Accessioned/Catalogued	Commitment achieved
	Radio: 10,000-12,000 Hours Accessioned/Catalogued	Commitment achieved
<i>RTÉ Total: Retain existing and attract new audiences to all RTÉ 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 35+ at >90%	Commitment achieved

### CONTENT PROVISION

#### 2. RTÉ to reshape its core Television media services so as to best meet the changing needs of audiences with compelling content

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Refresh the RTÉ One schedule, to widen the appeal to 35-54s by refocusing entertainment and lifestyle strands including maximising pre-watershed Weekend Family Entertainment, while increasing News and Current Affairs and National Events coverage</i>	Reformat key returning and deliver new Lifestyle/Entertainment series	Commitment achieved
	Increase News and Current Affairs in schedule	See Commitment 6 for details
	Be the primary outlet for all major events	See Commitment 8 for details
<i>Rebalance the RTÉ Two schedule by increasing home produced content and innovate in programming and production targeted at younger audiences, including Comedy, Factual, Music and Movies</i>	New factual documentaries for young Irish adults	Commitment achieved
	Develop full series from 2012 Format Farm and deliver other new programme formats	Commitment achieved
	Deliver a Two Tube pilot compilation for RTÉ Player	Commitment not achieved. Due to financial constraints, and priority of focus on launching RTÉjr, there were insufficient resources to complete this project.

### 3. RTÉ to reshape its core Radio media services so as to best meet the changing needs of audiences with compelling content

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Widen the appeal of RTÉ Radio 1 to 35-54s through content, presenters and contributors that are contemporary; introducing younger and more diverse voices on air and continuing the development and introduction of new on-air talent</i>	Introduce a range of new, diverse voices to peak weekday & weekend programmes	Commitment achieved
	Introduce new content to key peak weekday & weekend programmes	Commitment achieved
	Refocus the music policy	Commitment achieved
<i>Strengthen the RTÉ Radio 1 schedule by placing a renewed emphasis on Comedy and innovation in the area of Factual programme making; maintaining the reputation as the station of record and developing new programme strands</i>	Develop new Comedy and Factual content	Commitment achieved
	Work with the independent sector to develop new Factual series	Commitment achieved
	Ensure coverage of all major National & Sports events	See Commitment 8 for details
	Develop new Investigative Journalism programming	See Commitment 5 for details
	Increase Audience Appreciation Index for Music to >82	Commitment largely achieved. RTÉ 2fm achieved an Audience Appreciation Index of 81.1, just below its target. Also see Commitment 1: RTÉ 2fm's Quality score.
<i>Revitalise RTÉ 2fm's music policy, featuring more music from Irish Artists</i>	Increase the coverage of Music Festivals	Commitment achieved
	Deliver new Sport series	Commitment achieved
<i>Strengthen the RTÉ 2fm schedule and create relevant content for 20-44s, increasing sports coverage and enhancing current entertainment provision by increasing commitment to Comedy</i>	Increase Comedy output at peak time	Commitment not achieved. The new RTÉ 2fm schedule was designed to include a greater amount of Comedy overall. This new schedule was launched in February 2014 and therefore the commitment to increase Comedy was delayed accordingly.
	Trial new on-air voices	Commitment achieved
<i>Develop RTÉ 2fm on-air and editorial talent</i>	Provide opportunities for development of production staff	Commitment achieved

## OTHER REPORTING REQUIREMENTS (CONTINUED)

### 4. RTÉ to develop new integrated multimedia programming and content, across all platforms, in particular for RTÉ News and Current Affairs and children and young people

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Evolve Ireland's only multimedia news service, RTÉ News Now, to meet audience needs, online, on mobile and on television.</i>	Planned enhancements in place	Commitment largely achieved. A range of enhancements were delivered, however some were postponed to 2014 due to financial and resource constraints.
<i>Launch new RTÉjr channel/services</i>	Launch RTÉjr as a standalone TV channel	Commitment achieved
	Launch enhanced RTÉjr and TRTÉ radio services	Commitment achieved
<i>Newly commissioned RTÉjr content will include new dance shows, science, educational, outdoors, adventure, animation and art series and the RTÉjr Radio service (RTÉjr and TRTÉ) will be enhanced to complement the TV offer</i>	Deliver new television series	Commitment achieved
	Deliver a new digital radio series of programmes	Commitment achieved
<i>Integrate RTÉjr outputs into an application incorporating audio, video and interactive content</i>	Launch an RTÉ junior app	Commitment achieved
<i>Deliver RTÉ Tots, Tweens and Teens week on RTÉjr</i>	Week delivered as per plans	Commitment achieved

### 5. Reinvent RTÉ's approach to investigative journalism and become a centre of excellence for investigative journalism in Ireland, through the establishment of a new RTÉ Investigations Unit

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Establish a new multimedia RTÉ Investigations Unit to provide quality investigative output for existing news and current affairs programmes on television and radio, supported by an online resource.</i>	New multimedia RTÉ Investigations Unit in place	Commitment achieved
<i>In year one the Investigations Unit will deliver a number of full programme documentaries and short reports into Prime Time.</i>	Delivery of full programme documentaries and short reports into Prime Time	Commitment achieved
<i>Develop investigative journalism on RTÉ Radio 1</i>	Develop new investigative programme segments for current strands	Commitment achieved

**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 – links to Responsible and Trustworthy**

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Target Hours from RTÉ News and Current Affairs on RTÉ Television (News and Current Affairs hrs) and RTÉ Radio (News only hrs)</i>	TV: 1,549  Radio: 1,676	Commitment achieved  Commitment achieved
<i>Target cumulative reach for RTÉ News: Six One and Nine O'Clock (average weekly 5+ minute reach of live viewing)</i>	33%	Commitment largely achieved. Cumulative reach was 32%.
<i>Target audience share for Prime Time (of live viewing)</i>	25%	Commitment achieved
<i>Maintain reach for Morning Ireland</i>	12%	Commitment achieved
<i>Maintain audience perception of Fairness &amp; Impartiality of RTÉ News</i>	See Commitment 16	See Commitment 16
<i>Increase News and Current Affairs in the RTÉ One schedule</i>	News and Current Affairs hours increased as planned	Commitment achieved
<i>Enhance the main RTÉ Television bulletins by enhancing use of the studio and modernising production techniques</i>	Planned enhancements in place	Commitment not achieved due to financial and resource constraints. Much of the preparatory work is completed for roll-out in 2014.
<i>Enhance the RTÉ Current Affairs offering by merging Prime Time and Frontline into one new, strong Prime Time strand, with changed presentation team and a dedicated studio</i>	Planned enhancements in place	Commitment achieved
<i>Maintain and enhance foreign coverage where possible to deliver an Irish perspective on international events, within resources</i>	Coverage of key international events	Commitment achieved
<i>Deliver a comprehensive new online Nuacht service, as Gaeilge</i>	Re-vamped website to include a designated Nuacht page	Commitment not achieved. This has been delayed due to financial constraints and restructuring.

**7. Grow Science and Technology output across RTÉ services through the development of innovative partnerships and the appointment of a new Science and Technology Correspondent within RTÉ News and Current Affairs**

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Appoint a new Science and Technology correspondent to drive an explicit focus on Science and Technology and ensure increased coverage on RTÉ News across TV, radio and digital</i>	Appointment of new Science and Technology correspondent reporting into main news programmes	Commitment achieved
<i>Commission Science and/or Technology based formats on RTÉ One</i>	Deliver new series/docs to RTÉ One	Commitment achieved
<i>Increase coverage of education, science or technology projects in partnership with other organisations.</i>	New cross-platform event - <i>RTÉ Goes Wild</i> , RTÉ's series of TV, Digital and Radio programmes that bring you closer to nature, in addition to coverage on the RTÉ Player, RTÉ YouTube, TRTÉ and RTÉjr.	Commitment achieved

## OTHER REPORTING REQUIREMENTS (CONTINUED)

### 8. 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 – RTÉ will deliver integrated coverage across its television, radio and online services

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>RTÉ One to be the primary outlet for all major events and take part where possible. Ploughing, GAA, European Presidency, Elections &amp; Budgets</i>	Support for <i>The Gathering</i> including <i>Glaoch</i> from the Áras	Commitment achieved
	Coverage of European Presidency	Commitment achieved
	Coverage of the 1913 Lockout anniversary on <i>Nationwide</i>	Commitment achieved
<i>RTÉ Two will be the primary outlet for major sporting events</i>	Ongoing commitment to GAA, Irish Soccer and Rugby	Commitment achieved
	Coverage of the Confederations Cup	Commitment achieved
<i>RTÉ Radio 1 to ensure coverage of all major National Events.</i>	Launch Decade of Anniversaries website	Commitment achieved
	Deliver series on the Lockout and the Decade of Anniversaries	Commitment achieved
<i>RTÉ Radio 1 to be the home of our national sports through live coverage of major national sporting events</i>	Provide coverage of GAA & Rugby fixtures	Commitment achieved
<i>RTÉ RnaG to broadcast the national sports for which it has exclusive rights</i>	Coverage of GAA matches not covered on RTÉ Radio 1	Commitment achieved
<i>RTÉ lyric fm to broadcast live and/or specially recorded output from festivals, events and venues</i>	Coverage of major music festivals and National Concert Hall Friday Concerts	Commitment achieved

## 9. RTÉ aims to deliver bigger, more ambitious and more inclusive Arts and Culture content

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Aggregate the very best arts and culture content from across RTÉ for Irish and international audiences, partnering with Arts organisations and other individuals</i>	Arts and Culture content aggregated as planned	Commitment not achieved. This project did not go ahead in 2013 due to financial constraints.
<i>RTÉ Radio 1 will continue to develop and encourage Irish writing, delivering coverage of arts programmes in daytime radio programmes</i>	Deliver coverage of The Francis McManus Short Story Awards and P.J. O'Connor Awards	Commitment achieved
<i>RTÉ Radio 1 and RTÉ One will produce drama that has real impact in Ireland and can be a shop window for the Irish creative sector abroad</i>	Deliver new drama series on RTÉ Radio 1	Commitment achieved
	Deliver new series of <i>Raw</i> and <i>Fair City</i> on RTÉ One	Commitment achieved
<i>RTÉ lyric fm to introduce a new series of features and documentaries, launch the new RTÉ lyric fm website and publish CDs to promote Irish music</i>	Deliver Irish-themed features and Spoken Word Concert features	Commitment achieved
	Launch new website	Commitment achieved
	Publish CDs	Commitment achieved
<i>RTÉ lyric fm will celebrate (on-air and online) major world-renowned composers with programming to attract a younger age cohort</i>	Deliver new programming, including Britten, Wagner and Verdi	Commitment achieved
<i>RTÉ One will create documentary and factual programming, including history, which reflects modern Ireland and demonstrates a continued commitment to the Irish language</i>	Deliver new factual doc and return key Irish language series	Commitment achieved
<i>RTÉ Orchestras and Choirs to foster creativity, new ideas and cultural expression by investing in new commissions, supporting Irish Artists as soloists and conductors and developing new collaborative partnerships</i>	Commission new music and premier new works	Commitment achieved
	Support Irish Artists	Commitment achieved
	Work in partnerships with organisations/individuals	Commitment achieved
	Deliver educational/outreach initiatives	Commitment achieved

## OTHER REPORTING REQUIREMENTS (CONTINUED)

### 10. 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	2013 (Year 1) ASPC Measure	2013 Result
<i>RTÉ RnaG aims to grow its audience by reaching out to new audiences outside the Gaeltachtaí and abroad, developing new content as a focus for non-domestic listenership and strengthening the online offering</i>	Launch a new series aimed at Irish speakers outside the Gaeltacht and abroad	Commitment achieved
	Launch new website	Commitment achieved
	Provide an Irish language online news service	Commitment not achieved. This has been delayed due to financial constraints and restructuring.
<i>RTÉ RnaG aims to refocus the schedule to create content that appeals to younger listeners</i>	Deliver Irish Exam related programming	Commitment achieved
	Deliver a series to mark RTÉ Tots, Tweens and Teens week	Commitment achieved
	Deliver content for third level institutions during <i>Seachtain na Gaeilge</i>	Commitment achieved
	In partnership with Raidió na Life, rebroadcast young people's content	Commitment achieved
	Develop new talent through competition and internships	Commitment achieved

### USE OF PUBLIC FUNDING

### 11. RTÉ is committed to breaking even in 2013, including targeting positive Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Meet budgetary target to achieve break-even for 2013</i>	Achieve agreed budget out-turn for the year	Commitment achieved

### 12. Implement cost control and cost curtailment initiatives and deliver identified cost efficiencies in 2013

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Implement cost control and cost curtailment initiatives</i>	Operating costs within budget	Commitment achieved
<i>Achieve PROC* target for 2013 Budget - % of Total Operating Costs (before depreciation and amortisation)</i> <i>*Personnel related operating costs</i>	PROC target achieved	Commitment achieved

**13. Deliver a value for money service by ensuring that best value is achieved in all areas of the business, by continuing to make best use of the Licence Fee income and enhance audience perceptions of ‘value for money’ of licence fee – links to *Responsible & Trustworthy***

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Increase RTE’s financial transparency by introducing a new funding attribution model that shows prospectively how public funding will be utilised</i>	With effect from the Annual Report 2012	Commitment achieved
<i>Deliver the RTE Portfolio of services within the operating cost target</i>	Operating Cost budget and delivery of specified service targets achieved	Commitment achieved
<i>Ensure the public funding for each service is within the agreed thresholds</i>	Threshold ranges of Public Funding Utilisation 2013	Commitment was achieved in almost all cases and in no case did the amount of public funding that was either in excess of or below a threshold account for more than 1% of total public funding.
<i>Ensure Radio and Television independent commissioning meets statutory spending requirements, fulfilling obligations under s116 of the Broadcasting Act 2009</i>	Statutory spend (€39.3m)	Commitment achieved
<i>Maintain audience perception score that RTE is good value for money</i>	>58%	Commitment achieved
<i>Publish cost per transmitted hour</i>	Published in Annual Report	Commitment achieved
<i>Maintain studio utilisation target in TV* and Radio</i>	>65% in TV 80% in Radio	Commitment achieved Commitment achieved

\*Due to expected reductions in TV output (particularly in relation to sports) the target for 2013 is lower than the 2012 target.

**14. Optimise funding sources by maximising the exploitation of all revenue streams both traditional and new**

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>TV Commercial Revenue Targets for RTE Television, RTE Radio, RTE Networks and RTE Digital</i>	Commercial Revenue Targets achieved	Commitment not achieved. Commercial revenue declined by €11 million (-7%) when compared to 2012. A number of factors contrived to create a difficult trading year. These included the impact of analogue switch off, an increase in UK-based opt-out TV channels and declines in key trading audiences. Despite the growth in Digital revenue, the sharp decline in the TV and Radio advertising market experienced in Q2/Q3 led to an overall decline in RTE’s commercial revenue year-on-year.

## OTHER REPORTING REQUIREMENTS (CONTINUED)

### RESPONSIBLE AND TRUSTWORTHY (OPEN, ACCOUNTABLE AND COLLABORATIVE)

#### 15. 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 - links to *Technology*

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Subtitling, on both channels (&gt;90% in peak on RTÉ One and &gt;75% in peak on RTÉ Two), with continued commitment to cover all peak-time programmes and all news and current affairs, including special national and international events, and more subtitles on children's programmes</i>	>8,500 hours on RTÉ Television	Commitment achieved
<i>RTÉ will provide subtitles for the new RTÉjr service</i>	50% Monday-Friday	Commitment not achieved. 41% of RTÉjr's weekday output was subtitled. The target was set as an approximation for the new channel and having reviewed the schedule mix, RTÉ concludes the 2013 target was unachievable within current resources. Despite there being no statutory or regulatory requirement to provide subtitles on RTÉjr, RTÉ is committed to continuing this access service. RTÉ's subtitling obligations were exceeded across RTÉ One and RTÉ Two.
	40% Weekends	Commitment not achieved. 36% of RTÉjr's weekend output was subtitled. See above for details.
<i>RTÉ will introduce 'audio description' in 2013</i>	Launch audio-described programming	Commitment not achieved. Audio Description did not commence in 2013 as planned due to a combination of financial and resource limitations.
<i>RTÉ will continue to be the only Irish broadcaster to provide Irish Sign-Language</i>	A daily news service and a weekly weather forecast	Commitment achieved
	10.5 hours of programming commissioned by RTÉ and produced by the deaf community	Commitment achieved
<i>Provide greater access to content for the hard of hearing online community</i>	Provisions of subtitles on RTÉ Player	Commitment not achieved. This project has been delayed due to technical issues.

#### 16. Maintain public confidence in the impartiality and objectivity of key output such as News and Current affairs and build audience trust – links to 17 and *Content Provision*

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Maintain Audience perceptions of 'fairness and impartiality' of RTÉ News: Nine O'Clock</i>	>95%	Commitment achieved
<i>Maintain Audience perceptions of 'fairness and impartiality' of Morning Ireland</i>	>93%	Commitment achieved

**17. Implement the highest editorial standards, reviewing editorial guidelines in the context of legislation and codes of practice and minimising legal/regulatory corrective actions – links to 16 and Content Provision**

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Draft and publish new 2013 Contents Standards Guidelines</i>	Guidelines published by year-end	Commitment Achieved
<i>Ensure compliance with BAI editorial codes</i>	Code of Programme Standards	Commitment not achieved. During 2013 three complaints were fully upheld against RTÉ Radio and one was upheld in part against RTÉ Television.
	Code of Fairness, Impartiality and Objectivity in RTÉ News and Current Affairs	Commitment Achieved
<i>All BAI complaints dealt with within mandatory timeframes</i>	100%	Commitment Achieved

**18. Deliver research initiatives to assess the needs and expectations of Irish audiences and their views of RTÉ content and services**

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Progress the new Audience Reaction Panel Tender process</i>	Tender progressed as planned	Commitment achieved
<i>Progress the new Corporate Tracking Survey Tender process</i>	Tender progressed as planned	Commitment achieved

**19. RTÉ aims to be more open and share (its publically funded resources) with other Irish media, by sharing unbranded news coverage with other media outlets.**

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Share more of RTÉ's content by providing unbranded clean feeds of content to other Irish media providers</i>	Content sharing arrangements progressed as planned	Commitment achieved

**20. Develop key strategic and creative partnerships in order for RTÉ to continue to innovate in terms of programming, content and technology and to develop its capabilities and work practices**

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>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</i>	Report on development of 5+ key partnerships projects in 2013	Commitment achieved

**21. RTÉ aims to establish a Public Value Framework (PVF), which will holistically assess the performance and quantify the creation of public value**

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Pilot the metrics consistent with the ASPC and implementation of the 5-year strategy.</i>	Piloted by year-end	Commitment achieved

**TECHNOLOGY AND ENSURING ACCESS FOR A CONNECTED AUDIENCE**

**22. Make critical investment in technology to facilitate the transition to HD (High Definition) in order to increase the amount of content that will be offered in HD over the period 2013-2017**

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Increase capacity for HD streaming</i>	Capacity increased	Commitment achieved
<i>Complete go live of FAST project which supports playout of file based HD content</i>	FAST live	Commitment achieved
<i>Launch HD playout for RTÉ One and distribute RTÉ One HD on Saorview</i>	RTÉ One HD available on Saorview	Commitment achieved
<i>HD transmission hours target</i>	Hours target met	Commitment achieved

## OTHER REPORTING REQUIREMENTS (CONTINUED)

### 23. Make critical investments in work practice reform, to support new ways of working

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Revise mobile device policy and issue a Bring Your Own Device (BYOD) policy</i>	Project progressed/completed as planned	Commitment achieved
<i>Roll out Adobe Story for Fair City</i>	Project progressed/completed as planned	Commitment achieved
<i>Deployment of pilot for a new suite of collaboration tools</i>	Project progressed/completed as planned	Commitment achieved
<i>New news production system fully deployed in Dublin and at news bureaux</i>	Project progressed/completed as planned	Commitment achieved
<i>E-commissioning project deployed and operational</i>	Project progressed/completed as planned	Commitment largely achieved. Due to financial constraints the system is not yet operational. Requirements have been fully scoped to reflect new structures in RTÉ Television and the system vendor has progressed to design stage.
<i>New workflow system for HR fully operational</i>	Project progressed/completed as planned	Commitment achieved
<i>Implement new analytics tool in Digital to gather data on users</i>	Project progressed/completed as planned	Commitment achieved
<i>Begin the rationalisation of the technology environment with the roll-out of Landmark to radio</i>	Project progressed/completed as planned	Commitment achieved

### 24. RTÉ Digital aims to deliver RTÉ content to both Irish and international audiences to create a first-class user experience that is multi-platform and multi-device

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Innovate in our production models and processes to improve the audience experience of RTÉ.ie</i>	Project progressed/completed as planned	Commitment not achieved. Rollout of a customisation project was rescheduled to 2014 due to internal reprioritisations and a dependency on the successful implementation of ComScore, an analytics platform for digital services measurement.
<i>Meet audience needs on new devices and platforms by extending platform roadmap and leveraging distributions opportunities with partners</i>	Project progressed/completed as planned	Commitment achieved
<i>Meet the needs of the Irish abroad by providing distinctive, high quality content to meet online users' needs internationally</i>	Coverage of national events provided on rte.ie, ensuring that the Irish abroad can stay connected to Irish news and events	Commitment achieved
<i>Improve the user experience and functionality of radio websites</i>	Redesign and relaunch RTÉ 2fm, RTÉ lyric fm and RTÉ RnaG websites	Commitment achieved
<i>Open up and make accessible the RTÉ Archives through the planning and implementation of a state of the art digital archiving solution</i>	Upgrade of Media Archives/Library databases	Commitment largely achieved. Significant progress was made in 2013 to upgrade and enhance the database, which was fully tested and upgraded in Q1 2014.
	Major archive exhibitions published per quarter with use of Twitter and Vine video sharing	Commitment achieved

## GOVERNANCE

### 25. Fulfil all legislative and regulatory requirements and maintain best practice governance and reporting systems

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Ensure compliance with Financial Reporting and Corporate Governance Codes and Acts</i>	Maintain the high standard of the RTÉ Annual Report and Group Financial Statements (Annual Report) and publish in accordance with s110 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
<i>Ensure compliance with Commercial Communications Codes and Acts</i>	Commercial Activities as set out in s108 of the <i>Broadcasting Act 2009</i>	Commitment achieved
	Comply with BAI, ComReg, ODAS and ASAI Commercial Communications Codes	Commitment achieved
<i>Ensure compliance with Freedom of Information Acts (FOI)</i>	Compliance and quarterly FOI stats to DCENR/Dept of Finance	Commitment achieved
<i>Promote best-practice in Enterprise Risk Management (ERM)</i>	Formalise a Group Risk Policy for approval by the RTÉ Board	Commitment not achieved. A formal Group Risk Policy was not adopted in 2013 and was delayed pending the findings of an external review and comparisons to leading best practice in this area.
	Implement enhancements to the RTÉ risk management framework in order to strengthen the risk management controls and to deliver the Audit and Risk Committee's risk agenda for 2013	Commitment achieved

### 26. RTÉ plans to invest in people by inspiring creativity, developing flexibility, multi-skilling and collaborative team working across all areas of the business

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>An investment in Editorial, Producer and Journalistic Training to optimise training and development in a symbiotic and cost efficient manner</i>	Project progressed/completed as planned	Commitment achieved
<i>An investment in New Technology and Multi-Media Training</i>	Project progressed/completed as planned	Commitment achieved
<i>New Management Development Initiatives to support the focus on teamwork, collaboration, knowledge sharing and continuous improvement</i>	Project progressed/completed as planned	Commitment achieved
<i>Agree and implement new work practice agreement 2013-2017</i>	Agreed and implemented	Commitment achieved
<i>The creation of a knowledge organisation that continually strives to improve and enhance output quality, professionalism and creativity</i>	Project progressed/completed as planned	Commitment achieved
<i>An investment in new On-Line Training and Development systems to support the Cultural Transformation towards becoming a leading Public Service Media Organisation</i>	Project progressed/completed as planned	Commitment achieved

## OTHER REPORTING REQUIREMENTS (CONTINUED)

### 27. Make key changes to organisational structure that support the creation and delivery of high quality multimedia content and services

Key Measure/Initiative 2013-2017	2013 (Year 1) ASPC Measure	2013 Result
<i>Move from an IBD structure to a hybrid structure</i>	Hybrid structure in both Young Peoples and Technology	Commitment achieved
<i>Build a multimedia newsroom where our journalists can deliver content across all platforms</i>	Centralised News Desk to be operational as planned	Commitment largely achieved. The CND is operational, however due to financial and resource constraints daily operational hours were lower than originally planned.
<i>Streamline internal structures to improve the planning and implementation of Digital projects</i>	Agree and implement a new Production and Operating model for RTÉ Digital	Commitment achieved

### GENDER EQUALITY

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 in place 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 2013, 52.6% of the RTÉ workforce was male and 47.4% 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. There are currently five women and seven men on the Board.

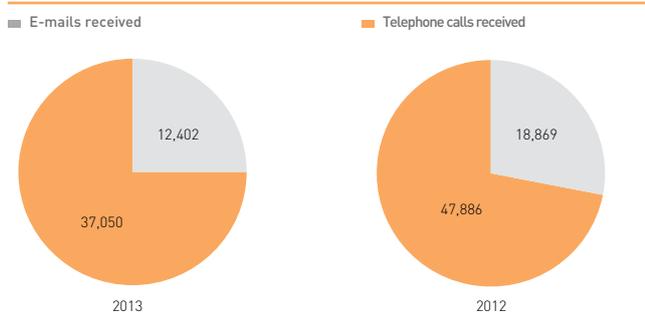
As a public service broadcaster, RTÉ is aware of the media's unique position of influence in promoting gender equality. The *RTÉ Programme Standards and Guidelines* and the *RTÉ Journalism Guidelines* set-out the editorial policies of RTÉ. These policies include specific provisions to promote diversity 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.

As outlined elsewhere in this report, during 2013 RTÉ published its Five-Year Strategy *RTÉ Today, Tomorrow 2013-2017*. 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. This objective is reflected in the Strategy and, as part of the RTÉ strategic commitment of being 'open, accountable and collaborative', Section 5.6 of the Strategy document addresses the area of on-air diversity and sets out a series of diversity related initiatives. The Strategy document is available on the RTÉ.ie website.

In addition to the policies outlined above, RTÉ engages in a range of other initiatives, from time to time, to promote gender equality. As an example, in mid 2013, RTÉ held Ireland's first-ever industry-hosted training and networking for female area experts willing to become more active in broadcast representation. 'Bring on the Women', a free training programme, was organised by RTÉ and conducted on-site in conjunction with the voluntary networking group Women on Air.

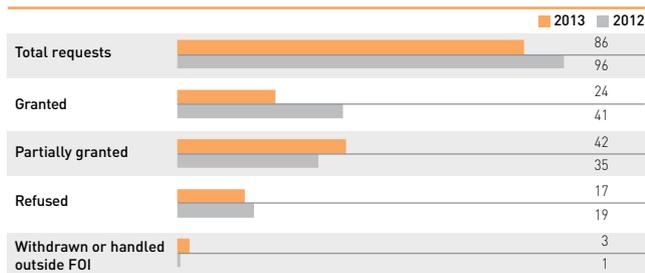
# OTHER STATISTICAL INFORMATION

## Number of Audience Contacts: RTÉ Information Unit and Saorview Helpline



Note: Analogue switch off (ASO) took place in 2012, reflecting the higher number of contacts in 2012, as compared to 2013. In advance of ASO, RTÉ launched a major public information campaign and dealt with queries from members of the public. This campaign continued up to ASO in October 2012 and in the time period immediately afterwards.

## Freedom of Information Requests to RTÉ



## Complaints to Broadcasting Authority of Ireland (BAI) about RTÉ Output



<sup>1</sup>In 2013 the BAI Compliance Committee fully upheld three complaints against RTÉ output, all three relating to an edition of *Liveline* broadcast on 5 March 2013. The Committee also upheld in part a complaint about *Morning Edition* of 12 June 2013. At 31 December 2013, BAI decisions were outstanding on 14 of the 78 complaints made about RTÉ broadcasts in 2013.

# FINANCIAL HISTORY

	IFRS 2013	IFRS 2012 As restated	IFRS 2011	IFRS 2010	IFRS 2009	IFRS 2008
	€'000	€'000	€'000	€'000	€'000	€'000
<b>INCOME STATEMENT</b>						
Television Licence revenue	182,370	180,894	183,623	195,968	200,217	200,852
Commercial revenue	145,214	156,320	167,257	175,699	174,704	239,908
<b>Total revenue</b>	<b>327,584</b>	<b>337,214</b>	<b>350,880</b>	<b>371,667</b>	<b>374,921</b>	<b>440,760</b>
Operating costs (before depreciation, amortisation and restructuring and other charges)	(306,919)	(335,002)	(353,411)	(356,197)	(363,368)	(439,488)
<b>EBITDA before restructuring and other credits / (charges)</b>	<b>20,665</b>	<b>2,212</b>	<b>(2,531)</b>	<b>15,470</b>	<b>11,553</b>	<b>1,272</b>
Depreciation and amortisation	(15,255)	(17,504)	(16,110)	(20,400)	(26,025)	(21,022)
Restructuring and other credits / (charges)	390	(46,161)	-	-	(11,341)	-
<b>Profit / (loss) from operating activities after restructuring and other credits / (charges)</b>	<b>5,800</b>	<b>(61,453)</b>	<b>(18,641)</b>	<b>(4,930)</b>	<b>(25,813)</b>	<b>(19,750)</b>
Net finance (expense) / income	(4,734)	(3,737)	2,442	1,118	(1,649)	10,324
Tax	(408)	43	(561)	(850)	(339)	9,459
<b>Surplus / (Deficit) for the year</b>	<b>658</b>	<b>(65,147)</b>	<b>(16,760)</b>	<b>(4,662)</b>	<b>(27,801)</b>	<b>33</b>
<b>BALANCE SHEET</b>						
<b>Non-current and current assets</b>						
Property, plant and equipment	88,522	98,550	100,248	92,115	98,286	108,931
Intangible assets	4,121	4,348	3,681	3,329	4,711	4,973
Pension asset	9,899	746	664	3,861	9,208	-
Inventories	33,484	31,977	37,044	35,663	37,156	41,314
Other assets	80,991	91,529	118,077	118,527	112,625	134,418
<b>Total assets</b>	<b>217,017</b>	<b>227,150</b>	<b>259,714</b>	<b>253,495</b>	<b>261,986</b>	<b>289,636</b>
<b>Non-current and current liabilities</b>						
Employee benefits - restructuring	25,278	34,610	12,505	19,708	24,150	16,343
Pension liability	-	47,086	47,797	-	-	86,617
Other liabilities	137,625	145,180	128,240	96,488	92,401	112,413
Total liabilities	162,903	226,876	188,542	116,196	116,551	215,373
Equity	54,114	274	71,172	137,299	145,435	74,263
<b>Total equity and liabilities</b>	<b>217,017</b>	<b>227,150</b>	<b>259,714</b>	<b>253,495</b>	<b>261,986</b>	<b>289,636</b>
<b>CASH FLOW</b>						
Net cash generated / (used in) generated from operating activities	5,076	(22,051)	(17,665)	14,481	9,323	18,437
Net cash outflow from acquisition of property, plant, equipment and intangible assets	(9,212)	(14,857)	(23,128)	(11,732)	(20,506)	(45,907)
<b>EMPLOYEE HEADCOUNT</b>						
<b>Total at 31 December</b>	<b>1,856</b>	<b>1,858</b>	<b>2,093</b>	<b>2,151</b>	<b>2,214</b>	<b>2,351</b>





**RTE**

Raidió Teilifís Éireann  
Donnybrook  
Dublin 4

T: 01 208 3111  
F: 01 208 3080

[www.rte.ie](http://www.rte.ie)