



**RTÉ**

## A Year in Review

Annual Report & Group  
Financial Statements 2016



# Today, Tomorrow, Together.

**RTÉ is Ireland's national public-service media organisation**  
– on television, radio, online and mobile.



# Vision

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

# Mission

**Deliver the most-trusted, independent, Irish news service, that is 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.ie had an average of 54,000,000 page views each month in 2016.**

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**More than 3,000,000 viewers tuned in to RTÉ's television services across the Easter weekend, reaching 75% of the viewing population.**

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**With a cast of more than 600 performers, *Centenary* told the stories of Ireland through multiple art forms.**

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**Over 1,000,000 people tuned into RTÉ Radio 1 every week.**

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**Live viewing on RTÉ Player was up by 74% on 2015.**

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**RTÉ Sport delivered 885 hours of original sport programming on television in 2016.**

# Chair's Statement

During 2016 the Irish creative sector, in which RTÉ is a key player, had a central role in our efforts as a nation to remember our history and respond to the lessons to be found there. It was both a joyous and thought-provoking year of commemoration and future planning. Much of RTÉ's programming around the national commemoration was in the cultural sphere, reflecting the impact of those events on the shape of contemporary society.

As the national public media service, we continue to provide a unique platform for a distinctive Irish voice in a globalised world. Crucially, RTÉ was both a participant and a witness to the most ambitious public history and cultural event ever staged in Ireland. We helped create and archive the unfolding drama, whether it was on O'Connell Street for the State Commemoration, at Collins Barracks for *A Nation's Voice*, the *Centenary* television event, *RTÉ Reflecting the Rising*, the massive public event held in Dublin city centre, or the *Every County has a Story* project, which was delivered on the RTÉ Player and other platforms.

Perhaps fittingly, 2016 was also a year of new beginnings. The General Election in the spring was the major political story for our programme-makers. The increasing diversity of political opinion, fragmentation of Government and opposition parties, and innovative approaches to Government formation made the task of providing fair and comprehensive coverage an exciting challenge. On all platforms, RTÉ provided balanced and exhaustive coverage of events as they unfolded.

For RTÉ, 2016 was also a year of renewal. Dee Forbes was appointed Director-General in July. Dee is the first external appointment to this crucial post for over 50 years and is the first woman to hold the position. She will lead the organisation into its next five-year strategy. Her term as Director-General will be dominated by the need for transformational change grounded in the emerging structures and demands of 21st century public-service broadcasting. The Board will give her every support in this task.

Dee's appointment was prompted by the departure of Noel Curran after many years of service to RTÉ. His experience and leadership will be missed and the Board is grateful for his sure judgement in several senior posts over a number of years and, in particular, for his work as Director-General in guiding RTÉ through a difficult time. I wish him well in his future career.

RTÉ had another demanding year financially. Some of this was due to the exceptional nature of the commitments placed on the organisation in 2016. A General Election and major sporting occasions, such as the Olympic Games and the UEFA European Championships, coincided with the national events surrounding the commemoration of the centenary of the Easter Rising.

These were planned events and the high costs associated with them meant that a deficit was always anticipated for the year.

External factors continued to have an impact on the work of RTÉ. The UK's decision to leave the European Union, 'Brexit' as it is known, significantly affected the economic climate for the worse. It greatly reduced commercial income for RTÉ, as for other media bodies, in the second half of the year. All these factors combined have led to a deficit of €19.7m in 2016. The Board has been working with management to address these issues and to take measures, both short-term and structural, to return to balance.

The Board is proceeding with a strategy to realise some of RTÉ's property holdings, including the sale of a portion of the lands at Donnybrook, which will release crucial resources for re-investment and allow a re-orientation of the site as part of a broader restructuring of RTÉ.

In a media environment which continues to be uncertain and fast-changing, The Board continues, in co-operation with others in the sector, to seek a new and sustainable funding base for public-service broadcasting. The transformation of the organisation over the next few years will be in the context of a changing regulatory and commercial environment for all media and RTÉ's funding model, like RTÉ itself, must continue to adapt to new challenges.

Naturally, while there is much change, there is also continuity. RTÉ renewed its relationship with the GAA for an additional five years, which

is very welcome. As well as extensive television coverage, we will also have exclusive national radio rights for that period. Radio 1 continued to be the strongest and clearest voice on the airwaves. Investigative journalism remains strong. A number of significant stories broadcast by RTÉ caused public debate, notably stories on the Console charity and a number of stories on care institutions.

The members of the RTÉ Audience Council, appointed in 2015, finished their term. They provided the Board with useful data and personal insights into a number of areas of our activity. The Council's work will be a helpful input into the organisational plan being developed in 2017.

Board committees continued their valuable work. They undertake key responsibilities, although their work is often unreported. I want to thank all those involved for their commitment and care while making important decisions. As part of this work, a new Commercial and Technology Committee was established and the Fair Trading Committee worked with management to develop a functional separation of RTÉ's commercial activities.

Padraig Ó Céidigh left the Board to join Seanad Éireann. He was replaced towards the end of the year by Eoin McVey. His contribution will be welcome as the Board deals with the challenges of the coming year.

Already 2017 has shown itself to be challenging – politically, economically and socially. In these times of uncertainty, it is essential that RTÉ continues to address complex domestic and international issues with the degree of objectivity, decency, fairness and balance for which it has come to be recognised. The Board will continue to work to ensure that this deserved reputation is both protected and maintained.



**Moya Doherty**  
Chair



# Director-General's Review

Few years have been marked by such defining moments of inflection, disruption and reflection as 2016. For Ireland, it was a special centenary milestone that allowed us to commemorate, celebrate and reflect on the events that shaped the birth of our independence. It was also an election year, which resulted in an entirely reshaped Dáil and an unlikely minority Government sustained by a confidence and supply arrangement with the largest opposition party. For Europe, it was a year when, following a highly divisive campaign, one of its biggest members decided to leave the Union. And for the United States, it was when the most unlikely of political outsiders, Donald Trump, defeated Hilary Clinton to win election to the White House.

Throughout the year, RTÉ brought it all and much more to Irish audiences across its radio, television, mobile and online services.

## RTÉ 1916

Few roles are more central to public-service media than significant national commemorations. As with most historical events, perspectives on the Rising are constantly shifting and have become more complex in the 50 years since 1966. RTÉ's approach to the commemorations embraced this complexity. From drama to documentary, and discussion programmes to cultural live public and broadcast events, RTÉ used all of its journalism and creativity to allow audiences engage, remember and understand the broad range of narratives surrounding the Rising and its aftermath.

The highlights of RTÉ's contributions to the commemorations were many. As the year unfolded, RTÉ One's drama *Rebellion* kicked off the commemorative programming. This was followed by an unprecedented breadth of factual, documentary and cultural programming, including the Liam Neeson-narrated *1916* and the bold *A Fanatic Heart – Geldof on Yeats*.

The Easter weekend itself proved to be both moving and celebratory. From the poignant and dignified State commemorations on Easter Sunday, as covered from the air and the street live by RTÉ News and Current Affairs; to *A Nation's Voice*, the live broadcast on RTÉ One that featured the RTÉ National Symphony Orchestra performing with a 1,000-strong choir at Collins Barracks; to Easter Monday's unprecedented street event, *RTÉ Reflecting the Rising*, conceived, organised and led by RTÉ, which was to be the largest civic event in the history of the state; through to the moving and challenging *Centenary* live cultural event from the Bord Gáis Energy Theatre on Easter Monday night – it was a very special few days.

At its best, public-service media ensures that there is a publicly owned space where we can come together, discuss and debate, remember together and celebrate together. During this very special commemorative year that was RTÉ's unique role.

It was a role that we could not have fulfilled without an unprecedented level of cooperation and support from a range of partners including the Arts Council, Dublin City Council, the Office of Public Works, the Broadcasting Authority of Ireland, Century Ireland and, most importantly, Ireland 2016.

## General Election 2016

General Election 2016 was RTÉ's most comprehensive and ambitious multimedia election. For the first time in RTÉ's history, a general election leaders' debate took place outside Dublin as *Claire Byrne Live* broadcast from the University of Limerick. The *Six-One News*, the *Nine O'Clock News* and *Prime Time* also hit the road during the campaign, co-presenting from different locations across the country and discussing issues affecting inner city, rural and urban communities. RTÉ Radio 1's *Morning Ireland* also went on the road with the party leaders, while *News at One* reported on and analysed each day's events.

RTÉ News' *Project 500* gave a voice to every candidate standing in the election through a ground-breaking mobile and online microsite. Using RTÉ's regional network, the one-minute, uncontested videos were personal political videos that allowed parliamentary democracy to play out in the public arena. Each candidate was given the opportunity to speak directly to the voters.

Drawing on political, journalistic and academic expertise, RTÉ's *Election 2016* digital hub was a one-stop shop for all RTÉ content across television, radio and digital. It combined output from current affairs programming, news bulletins, podcasts, and written features and analysis.

Following 24 days of campaigning, the General Election took place on 26 February. RTÉ's coverage of the election results was led by our News & Current Affairs Special Events team. With 32 count centres covering the 40 Dáil constituencies, the 17-hour *Election 2016 Results* programme marked a significant 'first' for Irish media as RTÉ broadcast live from every count centre in the country.

The General Election marked the advance of visualisation in radio. Studio cameras enhanced our programmes' profiles and provided valuable editorial content that was available across all platforms. Radio current affairs programmes set the agenda throughout the campaign, with extensive coverage and reportage from all 40 constituencies, culminating in 20 hours of continuous programming on the weekend of the count.

All RTÉ's broadcast output was augmented by detailed exit poll and count information by constituency, which was distributed live via RTÉ News Now and online to digital devices across the count weekend, with round-the-clock updates on @rtenews and @rte on Twitter, and across RTÉ's primary social accounts.

## Documentary Storytelling

Beyond the commemorative programming, 2016 was a year of stand-out factual public-service television. On RTÉ One, *Sugar Crash*, *My Homeless Family*, *Keeping Ireland Alive: The Health Service in a Day* and *The Crossing* addressed the pressing and diverse issues of sugar in Irish children's diet; the reality of homelessness; the daily experience of the Irish health service; and the daily tragedy of those struggling to cross the Mediterranean huddled in small rubber boats. Using innovative new techniques and strong storytelling, these documentaries gave audiences a compelling insight into areas of life not well understood or often seen on television.



## Director-General's Review (continued)

On RTÉ2, a number of thought-provoking documentaries explored themes and topics of particular relevance to young Irish adults in 2016. Travellers, immigrants and what it means to be Irish all featured in a new three-part documentary series on identity and Irishness, which aired in the spring. The series began with *I Am Traveller*, featuring John Connors. In this personal journey, John tackled head on the uncomfortable truths about racial stereotypes and Traveller identity in Ireland today. *The Only Gay in the Village* explored what it is like for a gay, lesbian or bi-sexual person growing up and coming out in our towns and villages.

On RTÉ Radio 1, the *Documentary on One* series has long been acclaimed as being the most decorated English-language radio documentary strand in the world. Once again 2016 brought many international awards. Frank Shouldice/Liam O'Brien's *The Case that Never Was*, Robert Mulhern/Sarah Blake's *Mick Meaney: Buried Alive* and Jason Murphy/Liam O'Brien's *An Open Verdict* all received international prizes and demonstrated the variety and quality of the strand.

RTÉ Investigates' shocking report on Console revealed the serious levels of deception and mismanagement at one of Ireland's leading charities. Through contact with whistleblowers and painstaking research of thousands of documents acquired under Freedom of Information laws, RTÉ Investigates pieced together a jigsaw that revealed how hundreds of thousands of euro from donations were misused. Within weeks of the broadcast, Console was closed, seven official investigations were launched and a key part of the *Charities Act 2009* – the power of the Charities Regulator to investigate – was enacted, changing the regulatory landscape in Ireland.

### Entertaining the Nation

*Cutting Edge* with Brendan O'Connor launched on RTÉ One in 2016. Three panellists gathered around the table each week to take a provocative and entertaining look at what had the nation talking. Live chat went from strength to strength with both *The Late Late Show* and

*The Ray D'Arcy Show* growing their audience numbers. *The Late Late Toy Show* garnered the affection of the nation once again and was the most watched programme of the year, registering an incredible 1.57 million viewers (consolidated).

The development of Irish comedy and talent remained a cornerstone of RTÉ2 in 2016. The IFTA award-winning *Bridget & Eamon*, the nation's favourite unhappily married '80s couple, returned with a new series. Irish scripted comedy drama proved a hit with audiences with *Can't Cope, Won't Cope*, a darkly comic drama by the young Irish writer and actor Stefanie Preissner.

While RTÉ has always broadcast from the major music festivals in Ireland, in 2016 for the first time RTÉ 2fm became a performer. Collaborating with the RTÉ Concert Orchestra and DJ Jenny Greene, 2fm took over the Rankin's Wood stage at Electric Picnic and played an hour of '90s dance music to more than 11,000 people. Festival organisers rated it as one of the top performances of the weekend. In November, 2fm with the RTÉ Concert Orchestra and Jenny Greene reprised the Electric Picnic set to a further 9,000 people in the 3Arena – again to critical acclaim.

### A Summer of Sport

Across the summer, RTÉ Sport was at the centre of Ireland's sporting life, delivering award-winning coverage accessible to all free-to-air.

RTÉ Sport produced 885 hours of television programming in 2016, peaking with a spectacular summer of sport that included 110 hours of Gaelic games, 116 hours of Euro Championships and 215 hours of Olympics coverage from Rio.

Sport on RTÉ produced 12 of the top 20 programmes on Irish television in 2016. Ireland's game against France in Euro 2016 was in the top 20 TV programmes over the past 20 years, averaging an audience of 1.2 million or 82.5% of the available audience on Sunday 26 June.

Olympic years are always special and RTÉ's television and digital coverage of the Olympic Games showed the dramatic highs and lows from an Irish perspective. The highest rating sports event at the Olympics was for Oliver Dingley's 8th-place finish in the men's 3m springboard final, with an average of close to 388,000 viewers on 16 August. The O'Donovan brothers, who became a national sensation through their rowing performances and engaging interviews, came a close second; their silver medal-winning performance in the lightweight double sculls averaged close to 350,000 viewers on the afternoon of 12 August.

Beyond live sporting events, the Rio Olympics was the stand-out event for RTÉ Sport's news coverage. A small sports team

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filled both ends of the news programmes almost every day for three weeks with headline news stories as well as all the sport. These ranged from doping bans, arrests and imprisonments to judging controversies and underperformances, as well as the stories that lifted the mood of the nation.

RTÉ Sport finished the radio year on a high; the latest listenership figures show the two flagship programmes, *Sunday Sport* and *Saturday Sport*, holding the top two places in the national radio sports-programmes lists by a long margin ahead of the competition. *Sunday Sport* has on average 173,000 listeners and *Saturday Sport* has 163,000.

### Delivering Public Value in a Digital World

Through its range of digital services, RTÉ is at the very heart of Ireland's expanding digital environment. RTÉ.ie underwent a significant re-design in 2016, offering users a more seamless, responsive experience across desktop, mobile and tablet. There was a significant rise in unique browsers and page views compared with 2015, averaging 54 million page views and 5.6 million unique browsers every month. Mobile traffic also rose from 49% in 2015 to 54% in 2016.

Alongside RTÉ.ie's extensive news and sports coverage, during 2016 we introduced new culture, lifestyle, food and living sections, and launched the RTÉ 1916 site, which acted as an interactive hub for our archive and RTÉ Reflecting the Rising activities. The entertainment and lifestyle sections also experienced strong growth and the new radio highlights section offered a unique editorial slant on RTÉ Radio 1's weekly output.

RTÉ Player delivered a record number of streams in 2016. During the year, RTÉ Player delivered an average of 4.2 million streams and 1.7 million unique browsers each month, with both figures up 30% on the previous year.

Reflecting changing viewing patterns, live viewing on RTÉ Player was up by 74% on 2015 volumes, with 20% of monthly streams being live in 2016 compared with 15% in 2015. RTÉ Sport dominated summer figures. RTÉ Player delivered more than 750 hours of live sports content to Irish audiences with streaming of Euro 2016, the Rio Olympics and the GAA Championships.

RTÉ News Now maintained its position as the number one Irish news app, offering on-the-go access to the latest news, sport and entertainment headlines. Total app downloads reached 1.63 million, with more than 165,000 new users in 2016. The General Election was a key driver of news traffic to the app.

In 2016, GAAGO – RTÉ's and the GAA's online streaming service for Gaelic games around the world – continued to expand its service offering, streaming more than 120 GAA events

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to fans in over 190 countries around the world. With a focus on enhancing fans' viewing experience and developing key markets, GAAGO launched a dedicated GAAGO channel on the Roku streaming platform, making Gaelic games available to millions of American households.

Saorview, Ireland's digital free-to-air TV service, continued to grow across 2016, maintaining its position as the largest TV platform in the country. During the year, Oireachtas TV launched on the platform at channel number 22. This brings the number of TV channels on Saorview up to 10, of which two (RTÉ One and RTÉ2) are in HD. In July, the Saorview app was launched for both iOS and Android mobile and tablets. The Saorview app features a seven-day listing guide, links to on-demand content and a recommendation service called Spotlight. The app is part of the proposition for Saorview Connect, the next-generation Saorview product due to be launched in 2017.

The Saorview app was also made available entirely through Irish. It automatically detects the language settings on your phone and presents itself in Irish or English depending on your phone preferences. The app complements the fully bilingual Saorview website.

It was a landmark year for nationwide events supported or hosted by RTÉ. In addition to over 100 arts events supported via the RTÉ Supporting the Arts scheme, and the epic *RTÉ Reflecting the Rising*, RTÉ was a significant presence at the BT Young Scientist and Technology Exhibition, Bloom, the RTÉ All-Ireland Drama Festival, the Rose of Tralee, the Cork Film Festival and the National Ploughing Championships. The second RTÉ Mojocon mobile journalism conference saw record numbers, while RTÉ's social media channels continued to innovate and grow.

### Financial Performance 2016

As outlined above, given the breadth of unique editorial commitments across 2016, it was always going to be a challenging financial year for RTÉ. In its five-year plan published in 2013, RTÉ signalled very clearly that 2016 was a year of exceptional commitments and, without additional public funding, would be very challenging. However, a planned deficit was

## Director-General's Review (continued)

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made worse by a number of external shocks, largely political, and their knock-on impact on commercial confidence and advertising spending.

As with other sectors of the Irish economy, Brexit has had a very significant negative impact on the media and advertising sector in Ireland and Britain. While 2016 began very brightly from a commercial perspective, with the first half of the year seeing good commercial growth across RTÉ's key commercial revenue streams, the market has contracted sharply since the June Brexit vote impacting negatively on the year's financial results which was an overall net deficit after tax of €19.7 million.

Public funding in 2016 remained broadly static with 2015 levels, with no improvements in TV licence collection performance. While some welcome progress was made in Budget 2017 in respect of RTÉ's funding, given the breadth of RTÉ's remit, the scale of the competition, the ongoing commercial challenges of Brexit and digital disruption, changing audience habits and need for increased investment in programming and content, RTÉ's overall funding position is becoming unsustainable.

Given that RTÉ is set up as a dual-funded public-service media with a broad range of statutory responsibilities, the level of public funding it receives to fulfil its role is crucial.

RTÉ cannot reform the TV licence system; that is a responsibility of Government.

With evasion at 14%, the number of 'no-TV homes' now at 9% and very high costs of collection, Ireland has one of the worst performing TV licence systems in Europe. In total, it is losing over €50 million a year in lost licence fee revenues.

Much is now at risk. The persistent failure to reform the TV licence system has and is costing jobs across the sector, is causing a stark reduction in Irish-made television programming, is threatening the provision of trusted news and current affairs and is having a stifling effect on the potential of the Irish broadcasting sector as a whole.

RTÉ can and will address what is within its control to prepare for the future. To this end, across 2016 RTÉ continued to consider strategies to realise value from its Donnybrook property holdings and thus release funds for long-term capital and digital investment and organisational restructuring, which is essential

if RTÉ is to continue to meet the changing needs of audiences in an increasingly digital world.

However, this will not address RTÉ's ongoing underfunding. As stated by my predecessor, Noel Curran, in this report last year, the lack of any political or administrative will to reform the TV licence system in Ireland represents the most significant risk to RTÉ's long-term sustainability.

Ultimately, the case for RTÉ rests on what RTÉ does; on its programmes, content and services, and on how relevant RTÉ remains in the everyday lives of everyone living in Ireland. I strongly believe that, during 2016, RTÉ comprehensively demonstrated the invaluable role it continues to play in Irish life. For that, in particular, I would like to thank Noel and all the staff in RTÉ who planned and contributed to an extraordinary year of programming and events.

It is easy, particularly for those who work in or believe in the value of public-service media, to take RTÉ for granted, to assume when considering the future that RTÉ will always be central to it, that it will continue to retain significant market share and be relevant. That is now under threat.

My primary focus over the coming years will be to galvanise broad public and political support for the very concept of public-service media. Building a much broader alliance for reform will be a priority. This will be essential if RTÉ is to maintain and, in some cases, renew its relevance with audiences and gain the resources it needs to thrive into the future.

I am fully aware that RTÉ needs to change and constantly earn the trust and support of the public in what it does every day. As we prepare RTÉ's new five-year strategy for 2018-2022, we will articulate clearly how we will evolve to meet the demands of the future.

I am also confident that in a world of 'fake news', diminishing trust in public institutions and where the media environment is increasingly dominated by international programming and content, RTÉ continues to have a unique and invaluable role and connection with the public.

That is worth defending, worth supporting and worth renewing.



**Dee Forbes**  
**Director-General, RTÉ**



# Financial Review

## Results and Operating Profit

As a result of low growth in revenue, combined with the cost of special events which were broadcast during the year, RTÉ returned an overall net deficit after tax for 2016 of €19.7 million (2015: deficit €2.8 million). Commercial revenue grew by 2% in the year, despite the negative impact of Brexit, which impacted on the second half of the year. Licence fee income was disappointingly flat compared to 2015. While underlying operating costs increased by 2%, 2016 was also a year of significant special events covered by RTÉ which gave rise to material incremental costs of over €16 million, associated with the broadcast of the General Election, 1916 Centenary, UEFA Euro 2016 and Summer Olympics.

## Summary Financial Highlights

	2016	2015	Change
	€ m	€ m	€ m
Commercial Revenue	158.2	155.4	2.8
Licence Fee Revenue	179.1	178.9	0.2
Total Revenue	337.3	334.3	3.0
Operating Costs (excluding Special Events)*	(327.3)	(320.3)	(7.0)
<b>EBITDA (before Special Events)</b>	<b>10.0</b>	<b>14.0</b>	<b>(4.0)</b>
Special Events Costs	(16.1)	-	(16.1)
<b>EBITDA **</b>	<b>(6.1)</b>	<b>14.0</b>	<b>(20.1)</b>
Depreciation & Amortisation	(13.6)	(14.2)	0.6
Gain on Disposal of Assets	0.1	0.6	(0.5)
Net Finance Income/(Expense)	0.2	(2.7)	2.9
<b>(Deficit) before Tax</b>	<b>(19.4)</b>	<b>(2.3)</b>	<b>(17.1)</b>
Tax	(0.3)	(0.5)	0.2
<b>(Deficit) for the Year</b>	<b>(19.7)</b>	<b>(2.8)</b>	<b>(16.9)</b>

\*Operating Costs before Depreciation & Amortisation and excluding the incremental costs of Special Events.

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

## Commercial Revenue 2016

RTÉ's commercial revenue grew by 2% in 2016 to reach €158.2 million, which was a good outturn in a difficult year. Revenue growth was largely attributable to a strong performance in TV in the first half of the year, as special event programming delivered incremental advertising revenue to RTÉ channels, while radio also performed well. The second half of the year saw advertisers reduce investment due to Brexit-induced uncertainty and the resulting currency changes.

TV advertising and sponsorship remains the largest source of commercial income, and comprised 58% of total RTÉ commercial revenues for the year. In 2016, the 3% growth in TV advertising and sponsorship revenue was achieved despite a marked downturn in the second half of the year, triggered by Brexit uncertainty and the consequent impact of weakened sterling. Radio revenues showed growth of 1% despite market declines. Changes in purchasing activity in digital advertising, and in particular the reduction in display investment following steep falls in prices, resulted in digital advertising and sponsorship revenues falling below expectation. RTÉ also experienced good growth in its distribution income for its channels and services.

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## “Evasion levels in Ireland are almost three times higher than those experienced in the UK and collection costs are more than double other European counterparts.”

	2016 v 2015 Change €m	Change %
Television Advertising & Sponsorship	2.8	+3%
Radio Advertising & Sponsorship	0.2	+1%
Digital Advertising & Sponsorship	(0.8)	-11%
Other Revenues including Digital Content	0.6	+2%
<b>Year-on-Year movement</b>	2.8	+2%
Commercial Revenue 2015	155.4	
<b>Commercial Revenue 2016</b>	<b>158.2</b>	

### Television Licence Revenue

As RTÉ is a dual-funded media service with a broad range of statutory responsibilities, the level of public funding it receives to fulfil its role is crucial. The Department of Communications, Climate Action and Environment (DCCAE) is responsible for the collection of licence fee monies due, both from An Post (the appointed agent for the sale of TV licences) and from the Department of Social Protection (DSP) in respect of ‘free’ television licences. DCCAE then makes a grant-in-aid to RTÉ out of licence fee monies collected.

Of the €214 million total licence fee collected in 2016, €179.1 million (i.e. 84%) was received directly by RTÉ. The remaining licence fee was used to pay An Post collection costs and related charges, to provide funding for the BAI Sound and Vision Fund and to part fund TG4. Licence fee income received in 2016 was €179.1 million, which was broadly consistent with 2015 levels of €178.9 million. Given the general overall improvement in economic conditions and the growth in net new household formations, this was a disappointing outcome.

Evasion levels are calculated by DCCAE at 14% (2015) of chargeable domestic households and business premises, which is high compared to other European countries. Evasion levels in Ireland are almost three times higher than in the UK and collection costs are more than double other European counterparts. An Post, DCCAE and RTÉ continue to work collaboratively to address evasion levels and this remains a key priority for 2017.

Ireland	14%
United Kingdom	5%
Germany	2%
Austria	4%
Denmark	9.9%
Switzerland	8.5%
Norway	6.8%

Source: EBU Report Licence Fee – Evasion Rates 2015

A growing concern is the increase in the number of homes that do not have a traditional television set. This has been growing steadily over recent years, as per the Nielsen Establishment Survey, and is now at 9% (January 2017). As media consumption patterns become more complex and continue to evolve, the television licence fee mechanism reflects less and less how people consume public-service content. It is for this

reason that the mechanism is being changed in other countries to a media charge or other methods rather than being device dependant.

Licence fee income received by RTÉ through public funding each year has declined by some €22 million (i.e. 11%), compared to 2008 levels, as a result of a number of deductions made from the available pool of funding. These include part-funding of TG4 directly from the licence fee, the increase in funding to the BAI Sound and Vision Fund, the cap imposed on the amount of licence fee received by way of ‘free licences’ from the DSP, and the €5 million reduction in National Budget 2014 in the amount of public funding received.

The BAI – as part of its annual review of funding for public-service broadcasters for 2013, 2014 and for 2015 – recommended each year that there should be an increase in RTÉ’s public funding to address the current inadequate levels which RTÉ receives in order to meet its objectives as a public-service broadcaster. RTÉ welcomes the additional €6 million in public funding announced in Budget 2017 as a partial reversal of cuts in earlier years.

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.

### Operating Costs

2016 was a year of significant special events for RTÉ giving rise to material incremental costs of €16.1 million associated with the broadcast of General Election coverage, 1916 Centenary celebrations, UEFA Euro 2016 and Summer Olympics and Paralympics. Overall, 2016 operating costs of €343.4 million increased by €23.1 million, i.e. 7%, compared to 2015 levels and by €7.0 million, i.e. 2%, excluding special events costs. Costs continue to be contained and 2016 operating costs are still some 22% lower than 2008 levels.

	2016 v 2015 Change € m
Increase in Personnel-Related Operating Costs	11.3
Increase in Non-Personnel-Related Operating Costs	11.8
Year-on-Year Increase (including Special Events)	23.1
Operating Costs 2015	320.3
<b>Operating Costs 2016</b>	<b>343.4</b>

The increase in 2016 operating costs was in both personnel-related operating costs (PROCs) and non-personnel-related operating costs (non-PROCs) as outlined in the above table. The increase in PROCs was driven by a number of factors, including an increased level of resources required during the year to support the production and broadcast of the special events. In addition, agreement was reached with staff and unions on the phased restoration of the voluntary staff pay cuts which were taken by staff in 2009 and had remained in place since then. It was agreed that the pay cuts would be restored on a phased basis between

# Financial Review

(continued)

December 2015 and December 2017, which gave rise to increased PROCs in 2016. The Government-imposed pension levy that had been in place between 2011 and 2015 was discontinued in 2016. The levy had been borne by pension scheme members which, in the case of the RTÉ Superannuation Scheme, resulted in a credit to PROCs of the order of €5 million in 2015 and prior years. No such credit arose in 2016.

The increase in non-PROCs in 2016 was a result of additional rights costs for special events, including UEFA Euro 2016 and Summer Olympics and Paralympics, and increased production costs relating to the special events, including outside broadcast costs and circuit costs.

## Employee Numbers

At 31 December 2016, there were 1,984 (2015: 1,978) employees of which 278 (2015: 285) were part-time/casual. The full-time equivalent headcount at 31 December 2016 was 1,834 (2015: 1,833). The chart opposite shows a breakdown of headcount as at 31 December 2016 by Integrated Business Division (IBD).

## Net Finance Expense

A net finance income of €0.2 million arose in 2016 compared to a net finance charge of €2.7 million in 2015, comprised as follows:

Finance income for 2016 was €1.8 million, compared to finance income in 2015 of €0.1 million, due to the following;

- Fair value gain on derivative foreign currency contracts of €0.6 million (2015 fair value loss of €1.0 million);
- Net interest income of €1.2 million in respect of IAS 19 (2011) defined benefit pension scheme (2015 net interest cost of €0.3 million);
- Interest income on deposits was negligible in the year (2015: €0.1 million).

Finance expense for 2016 amounts to €1.6 million, compared to an expense of €2.8 million in 2015. The expense of €1.6 million includes interest payable on borrowings, interest on restructuring costs and fair value loss on cash flow hedge transferred from equity (2015: €1.5 million).

## Taxation

There was a tax charge of €0.3 million in 2016 as a result of a deferred tax charge (2015 tax charge of €0.5 million) being timing differences between capital allowances claimed and depreciation charged.

## Cash Flow and Borrowings

As anticipated, the net deficit for the year had a negative impact on cash flow and borrowings resulting in increased net debt at 31 December 2016 of €40 million (2015: €25 million)

Total cash balances including liquid investments at 31 December 2016 amounted to €17.7 million (2015: €25.7 million). The movement in 2016 cash balances can be summarised as follows:

<b>Summary Cash Flow Statement</b>	<b>2016</b>	<b>2015</b>
	<b>€m</b>	<b>€m</b>
Net Deficit for the Year	<b>(20)</b>	(3)
Movements in Working Capital and Adjustments for Non-Cash Items	<b>15</b>	12
Net Cash (Absorbed) / Generated from Operating Activities	<b>(5)</b>	9
Investing Activities – Capital Net of Disposals	<b>(8)</b>	(7)
Financing Cash Flows:		
- Borrowings (Drawdown Less Repayments)	<b>7</b>	1
- Interest Paid	<b>(2)</b>	(2)
Net Financing Cash Flows	<b>5</b>	(1)
<b>Net (Decrease)/Increase in Cash and Liquid Investments</b>	<b>(8)</b>	1

Mindful of the financial pressures experienced from 2008 onwards, there has been an increased focus on cash management and funding. This remained a key financial management priority throughout 2016, with a view to ensuring that adequate cash flow and facilities continue to be available.

RTÉ's banking arrangements and facilities are very important to the organisation, together with reviewing the adequacy of facilities. This focus on funding remains a key priority for 2017.

At 31 December 2016, RTÉ had bank borrowings of €57.9 million (2015 €50.6 million) comprised of:

- 2rn, RTÉ's transmission subsidiary, has a €40 million project finance loan facility agreement with Barclays Bank as part of the funding for the transmission and distribution infrastructure required for the Digital Terrestrial Television (DTT) project. This facility is outstanding at 31 December 2016. An additional term loan facility for €13 million was also arranged in 2014, which was fully drawn down in 2016. Capital repayments on this loan will commence in 2017.
- The Bank of Ireland term loan facility drawn down in 2012 and repayable over a five-year period with €1.9 million outstanding at 31 December 2016. In January 2016 a new revolving credit facility for €15 million was also arranged, of which €3 million is drawn at 31 December 2016.

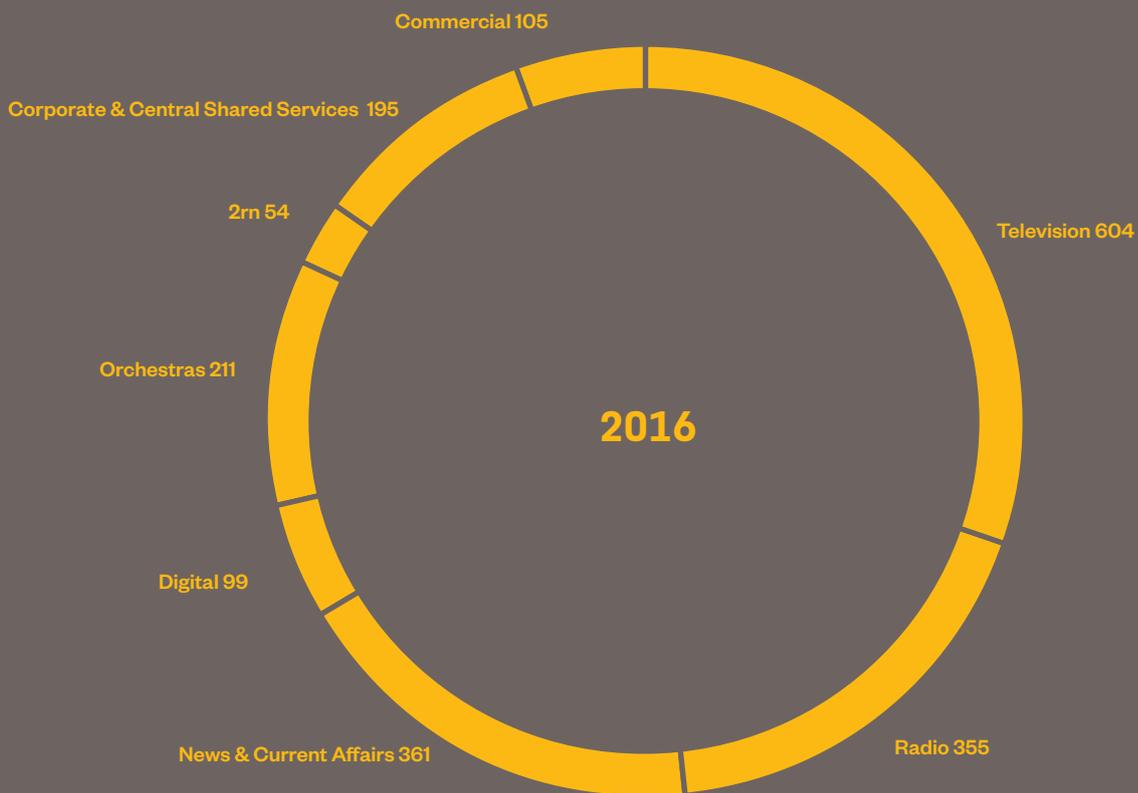
## Financial Risk Management

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.

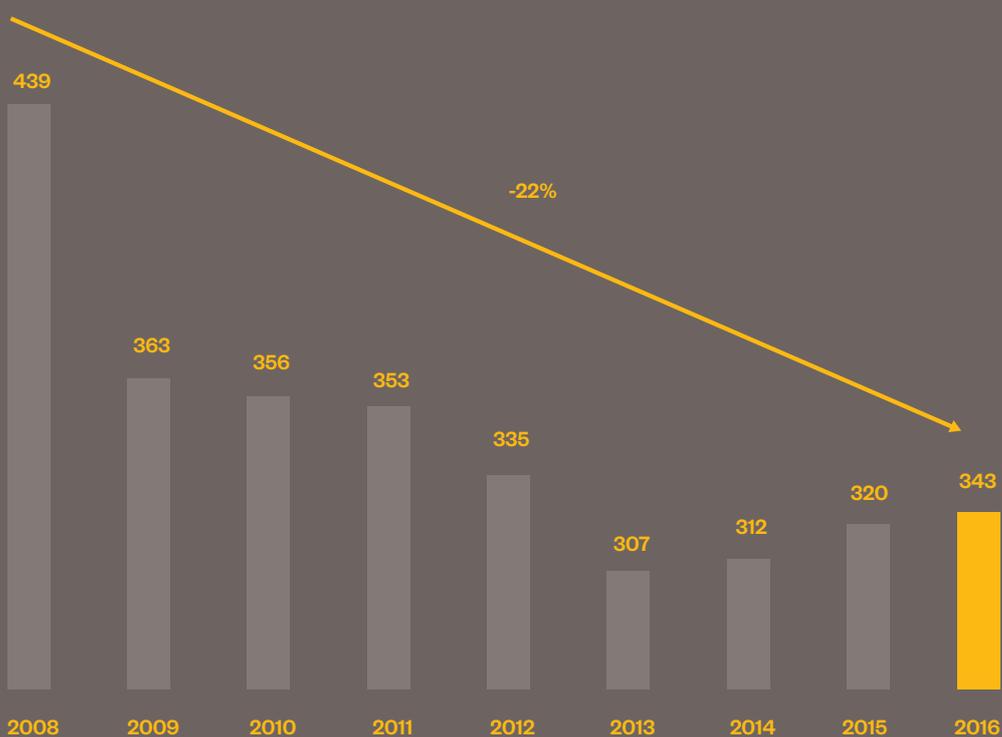
## Capital Expenditure

In 2016, capital expenditure was again constrained out of necessity in order to preserve liquidity. RTÉ's total expenditure on capital projects in 2016 was €7.6 million (2015: €8.3 million). This included investment in upgrading the Avid production environment, Saorview Connect, file server technology and digital projects and infrastructure. A continued focus has also been the ongoing investment in DTT broadcast infrastructure and network renewal projects. In preparation for the sale of a portion of underutilised land on the Donnybrook site, a number of capital infrastructure projects with related expenditures occurred in 2016, with expenditures incurred to date of €0.9 million.

## EMPLOYEE NUMBERS



## RTÉ OPERATING COSTS €M 2008 - 2016



# Financial Review

(continued)

## Asset Disposals

The RTÉ Board has continued to develop strategies for the realisation of value from the property holdings at Donnybrook and, as part of this, approved a decision to dispose of land at the western end of the holding. Following a public procurement process, Savills has been appointed to manage the sale. A significant amount of planning has occurred, including the engagement of third-party advisors to develop an overall RTÉ masterplan for the Donnybrook site and to assist with various planning permission applications. The planning of a series of infrastructural projects is underway, including the relocation of the RTÉ creche on site, developing a new site entrance and access junction from the Stillorgan Road (R138) to the RTÉ site and the relocation of both the RTÉ Sports and Social Club and *Fair City* lot. During 2016 RTÉ continued to consider strategies to realise value from its Donnybrook property holdings and thus release funds for long-term capital and digital investment and organisational restructuring, which is essential if RTÉ is to continue to meet the changing needs of audiences in an increasingly digital world. In late March 2017, 8.64 acres of land at Donnybrook were put on the market in an open public process, with the intention of concluding a sale in 2017.

## Regulation

Following consultation with the BAI as required by Government, RTÉ published its updated Fair Trading Policy and Procedures in February 2016. The updated policy and procedures set out a framework grounded on:

- Clear separation between commercial activities and public-services
- Fair trading in line with market principles
- Transparency and accountability

To provide greater transparency around the separation between commercial and public-service activities, RTÉ has reorganised its commercial activities, other than those already separated in 2rn, the provision of multiplexing services and archive library sales into a new commercial division with effect from 1 January 2016. To give further clarity to this separation there have been transfers of activities between RTÉ and its wholly owned commercial subsidiary RTÉ Commercial Enterprises DAC. The new classification of RTÉ Group activities by Business Division and legal entity is detailed in note 19 to the Financial Statements. To further strengthen oversight and accountability, RTÉ has established a subcommittee of the Board, The Fair Trading Committee, appointed a Fair Trading Officer and published a complaints procedure.

The Commission for Communications Regulation (ComReg), previously designated RTÉ and 2rn as having significant market power (SMP) in the markets for the provision of transmission and distribution services to radio broadcasters and the DTT multiplex operator and the downstream

supply of DTT multiplexed services to broadcasters. The decision placed certain obligations on both RTÉ (Market B) and 2rn (Market A). Separated accounts comprising regulated accounts for each of Market A and Market B together with primary accounting documentation are published in accordance with regulatory requirements.

## Pensions

RTÉ operates three pension schemes for its employees: a defined benefit (DB) scheme, a defined contribution (DC) scheme and a hybrid scheme (elements of DB and DC).

### RTÉ Superannuation Scheme (DB)

The RTÉ Superannuation Scheme is a funded, contributory DB scheme, established under legislation and sponsored by RTÉ. No new employees have been admitted to the scheme since 1989. As at 31 December 2016, RTÉ had 213 employees (229 as at 31 December 2015) who were members of the scheme.

As at 31 December 2016, the assets of the scheme had a market value of €1,043 million (2015: €995 million). At 31 December 2016, the liabilities of the scheme, as valued in accordance with IAS 19 Employee Benefits were €1,016 million (2015: €952 million). As required under IAS 19, the excess or shortfall of the assets compared to the liabilities of the scheme is reported as an asset or liability on RTÉ's statement of financial position. Therefore, as at 31 December 2016, there is a pension asset of €27 million reported in respect of the scheme (2015: €43 million). The main driver behind the reduction in pension asset was a decrease in the discount rate used to value the liabilities, reflecting the decrease in corporate bond yields over the year. The impact of this was mitigated by the investment return for 2016 being higher than the assumed rate.

In addition, the actuaries to the scheme have considered the scheme's position with liabilities measured under the Minimum Funding Standard (MFS). As at 31 December 2016, the actuaries estimated that there was an MFS surplus of €97 million (2015: €80 million). In addition, the scheme has also met the Funding Standard Reserve requirement at 1 January 2017. These are both very positive results and there is no requirement for a funding proposal in 2017.

### RTÉ Defined Contribution Scheme (DC)

The RTÉ Defined Contribution Scheme is a funded, contributory DC arrangement which has been open to new members since 1989. As at 31 December 2016, RTÉ had 1,272 employees (1,248 at 31 December 2015) who were members of the scheme.

### RTÉ "50/50" Risk-Sharing Pension Scheme

The RTÉ "50/50" Risk-Sharing Pension Scheme is a funded, contributory hybrid scheme with DB and DC elements sponsored by RTÉ. The scheme commenced in September 2010 as an optional pension arrangement for eligible employees. As at 31 December 2016, RTÉ had 332 employees who were members of the RTÉ "50/50" Risk-Sharing Pension scheme (300 at 31 December 2015).

**"In late March 2017, 8.64 acres of land at Donnybrook were put on the market in an open public process, with the intention of concluding a sale in 2017."**

As at 31 December 2016, the assets of the DB section of the scheme had a market value of €14 million. Under IAS 19, the liabilities of the DB section were €12.1 million, giving rise to a surplus of €1.9 million (2015 surplus €3.3 million). This is reported as an asset on RTÉ's statement of financial position.

The DB section of the scheme has a surplus under MFS and meets the solvency requirements under the risk reserves so no funding proposal is required for this scheme.

#### Insurance

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

#### Legal Proceedings

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

#### RTÉ's Impact on the Irish Economy

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 2016. The key findings of the report were:

- RTÉ's 2016 total operating spend was €343.4 million, of which RTÉ spent €297 million with Irish personnel and Irish suppliers. This was equivalent to 86% of total operating costs.
- RTÉ's Ireland-based expenditures in 2016 exceeded the licence fee income it received by €118 million.
- Excluding taxes, RTÉ's contribution to national output was approximately €315 million. This supported approximately 2,900 full-time equivalent jobs across the Irish economy, which was in addition to the 1,834 full-time equivalent jobs directly employed by RTÉ.
- Tax contributions made by RTÉ in 2016 amounted to €79 million or, placed in context, 44% of the licence fee income received by RTÉ in 2016 reverted directly to the State in taxes.
- For every €1 received in licence fee funding by RTÉ in 2016, RTÉ contributed €2.20 to the Irish economy, including taxes.

#### Outlook

The outlook for 2017 and beyond remains very challenging, with inadequate levels of funding from both licence fee and commercial revenue.

- While economic growth is returning to the Irish economy, increasing competition and audience fragmentation, especially in the television advertising market, increased UK opt-out channels each year, and the ongoing impact of Brexit will increase the challenges for the generation of commercial revenues.
- The current television licence fee system is not fit for purpose. As media consumption continues to evolve and RTÉ continues to enhance and grow its digital services, the television licence fee reflects less and less how people consume public-service content. Ireland also has one of the highest licence fee evasion rates in Europe and one of the highest collection costs. Reform of the television licence fee system, by decoupling it from televisions and redefining the TV device, improving and consolidating databases and driving down the costs of collection, among other things, has the potential to yield substantial additional revenue for investment in public-service media, without increasing the burden on individuals or on households.
- RTÉ welcomes, as a positive start to addressing public funding levels, the €6 million increase in licence fee funding which was announced in Budget 2017 and was the reversal of part of the €20 million cuts made since 2010.
- The expected proceeds from the land sale in 2017 will provide much-needed funds for long-term capital investment, digital investment and organisational restructuring. This will provide the funds to help reshape and reinvest in the organisation, enabling RTÉ to continue to meet the changing needs of audiences.
- RTÉ is currently preparing a five-year plan including a costed strategy for submission to the BAI, which is an important process.

**“As at 31 December 2016, the actuaries estimated that there was an MFS surplus of €97 million (2015: €80 million). In addition, the Scheme has also met the required Funding Standard Reserve requirement at 1 January 2017.”**

# Financial Review

(continued)

## How Your TV Licence Fee is Used

The utilisation of licence fee received by RTÉ to fund its public-services is reported in note 2 to the Financial Statements. The basis on which the licence fee is attributed to channels and services is set out in note 2(c).

RTÉ attributes public funding to individual services in a way that reflects the 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.

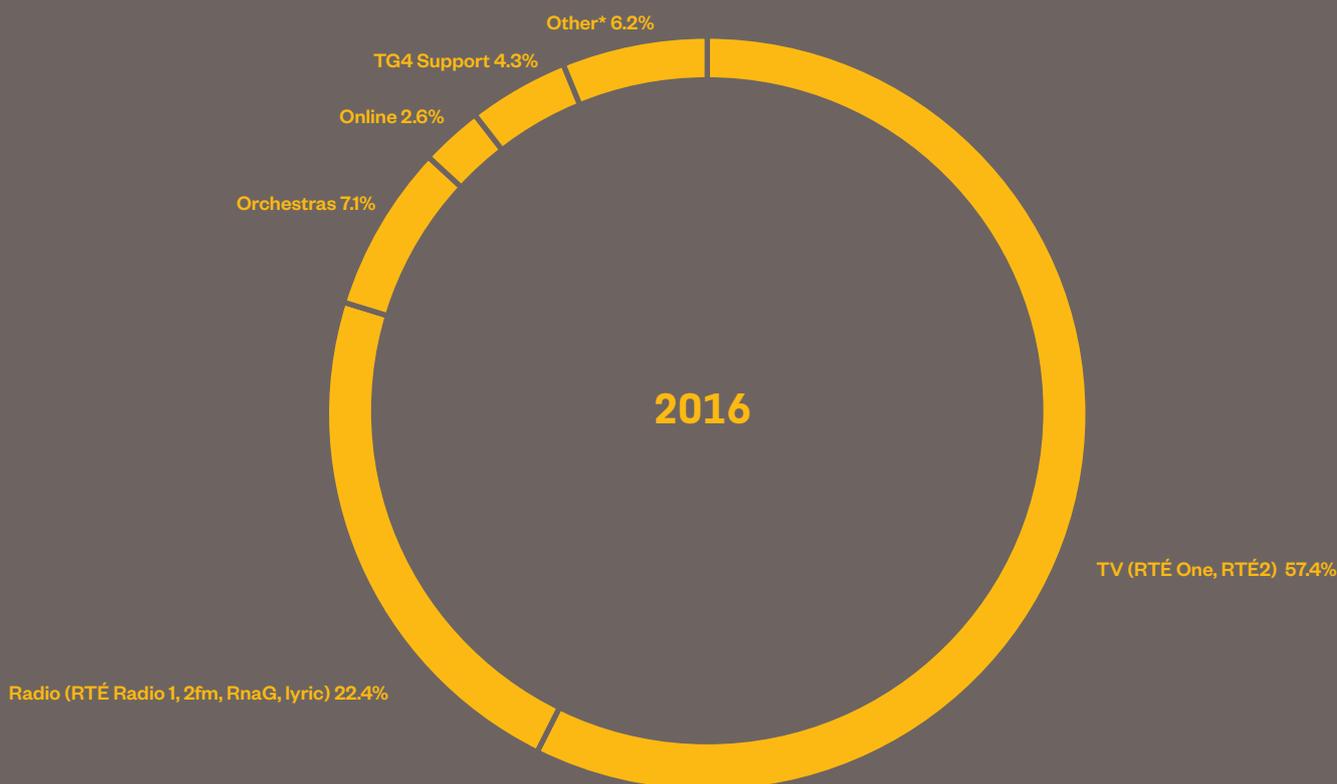
The following table seeks to represent the utilisation of an individual TV licence fee, bearing in mind that RTÉ is not the sole recipient of TV licence fee monies collected:

## Utilisation of Each TV Licence Fee Collected

	2016 €	2015 €
RTÉ One	46.23	42.69
RTÉ2	29.52	33.65
<b>RTÉ Television</b>	<b>75.75</b>	76.34
RTÉ Radio 1	12.83	13.66
RTÉ 2fm	3.74	3.91
RTÉ Raidió na Gaeltachta (RnaG)	8.55	8.35
RTÉ lyric fm	4.46	4.31
<b>RTÉ Radio</b>	<b>29.58</b>	30.23
RTÉ Orchestras	9.41	8.88
Governance and financing charges	4.54	4.19
DTT related	0.48	0.49
Online services	3.47	3.70
Other channels	3.14	2.93
<b>RTÉ Activities</b>	<b>126.37</b>	126.76
	<b>79%</b>	79%
RTÉ support for TG4	5.65	5.36
BAI levy	1.10	0.92
TG4 deduction	6.87	6.88
BAI Sound & Vision fund	10.53	10.54
An Post collection costs and related charges	9.48	9.54
<b>Non-RTÉ Activities</b>	<b>33.63</b>	33.24
	<b>21%</b>	21%
Cost of TV licence	€160	€160

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 2016.

## ALLOCATION OF LICENCE REVENUE RECEIVED BY RTÉ IN 2016



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

## Cost per Transmitted hour

As part of its Annual Statement of Performance Commitments, RTÉ publishes the average cost per transmitted hour of programmes broadcast by channel. The table below provides this information for 2016, together with comparative figures for 2015.

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

2016	RTÉ One	RTÉ2	RTÉ Radio 1	RTÉ 2fm	RTÉ lyric fm	RTÉ RnaG
	€'m	€'m	€'m	€'m	€'m	€'m
<b>Costs</b>						
Indigenous Programming	111.7	47.6	32.9	10.7	5.1	10.1
Acquired Programmes – Ireland	2.8	0.3	-	-	-	-
– Overseas	12.3	10.3	-	-	-	-
General Broadcast & Transmission Operations	13.1	11.5	1.8	0.5	0.3	0.3
Transmission & Power Charges	2.7	2.8	2.0	1.1	1.1	1.1
	142.6	72.5	36.7	12.3	6.5	11.5
<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>
Annual Transmission Hours (incl. simulcast)	8,784	8,784	8,949	8,784	8,784	8,784
<b>Overall average cost per transmitted hour – 2016</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b>All Transmission Hours</b>	<b>16,200</b>	<b>8,300</b>	<b>4,100</b>	<b>1,400</b>	<b>700</b>	<b>1,300</b>
<b>2015</b>	<b>RTÉ One</b>	<b>RTÉ2</b>	<b>RTÉ Radio 1</b>	<b>RTÉ 2fm</b>	<b>RTÉ lyric fm</b>	<b>RTÉ RnaG</b>
	€'m	€'m	€'m	€'m	€'m	€'m
<b>Costs</b>						
Indigenous Programming	98.8	46.5	32.2	10.6	4.9	10.0
Acquired Programmes – Ireland	1.8	0.3	0.0	0.0	0.0	0.0
– Overseas	12.3	11.7	0.0	0.0	0.0	0.0
General Broadcast & Transmission Operations	11.8	10.8	1.4	0.4	0.3	0.2
Transmission & Power Charges	2.8	2.9	1.8	1.1	1.1	1.1
	127.5	72.1	35.4	12.1	6.3	11.3
<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>	<b>Hours</b>
Annual Transmission Hours (incl. simulcast)	8,760	8,760	8,946	8,760	8,760	8,760
<b>Overall average cost per transmitted hour – 2015</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b>All Transmission Hours</b>	<b>14,600</b>	<b>8,200</b>	<b>4,000</b>	<b>1,400</b>	<b>700</b>	<b>1,300</b>
<b>Annual movement</b>						
<b>% Change in Cost per Hour<sup>1</sup></b>						
<b>All Transmission Hours</b>	<b>11.5%</b>	<b>0.3%</b>	<b>3.6%</b>	<b>1.4%</b>	<b>2.9%</b>	<b>1.6%</b>

1. Costs per hour are rounded to nearest hundred euro. Percentage changes are calculated from the costs per hour before rounding.

# Who We Are

## Television

RTÉ ONE

RTÉ ONE 

RTÉ 2



RTÉ News NOW

## Radio

RTÉ RADIO 1

RTÉ 2<sup>FM</sup>

RTÉ lyric fm

RTÉ RAIDIÓ NA GAELTACHTA

RTÉ 2><M

RTÉ pulse

RTÉ RADIO 1  


RTÉ GOLD 



RTÉ radioplayer 

## News and Current Affairs

RTÉ News & Current Affairs

RTÉ ten

## Sport

RTÉ Sport

## Digital

RTÉ.ie

RTÉ player 

RTÉ AERTEL

RTÉ Archives

RTÉ News NOW

## Orchestras, Quartet and Choirs

RTÉ NATIONAL SYMPHONY ORCHESTRA 

RTÉ CONCERT ORCHESTRA 

RTÉ CONTEMPO QUARTET 

RTÉ PHILHARMONIC CHOIR 

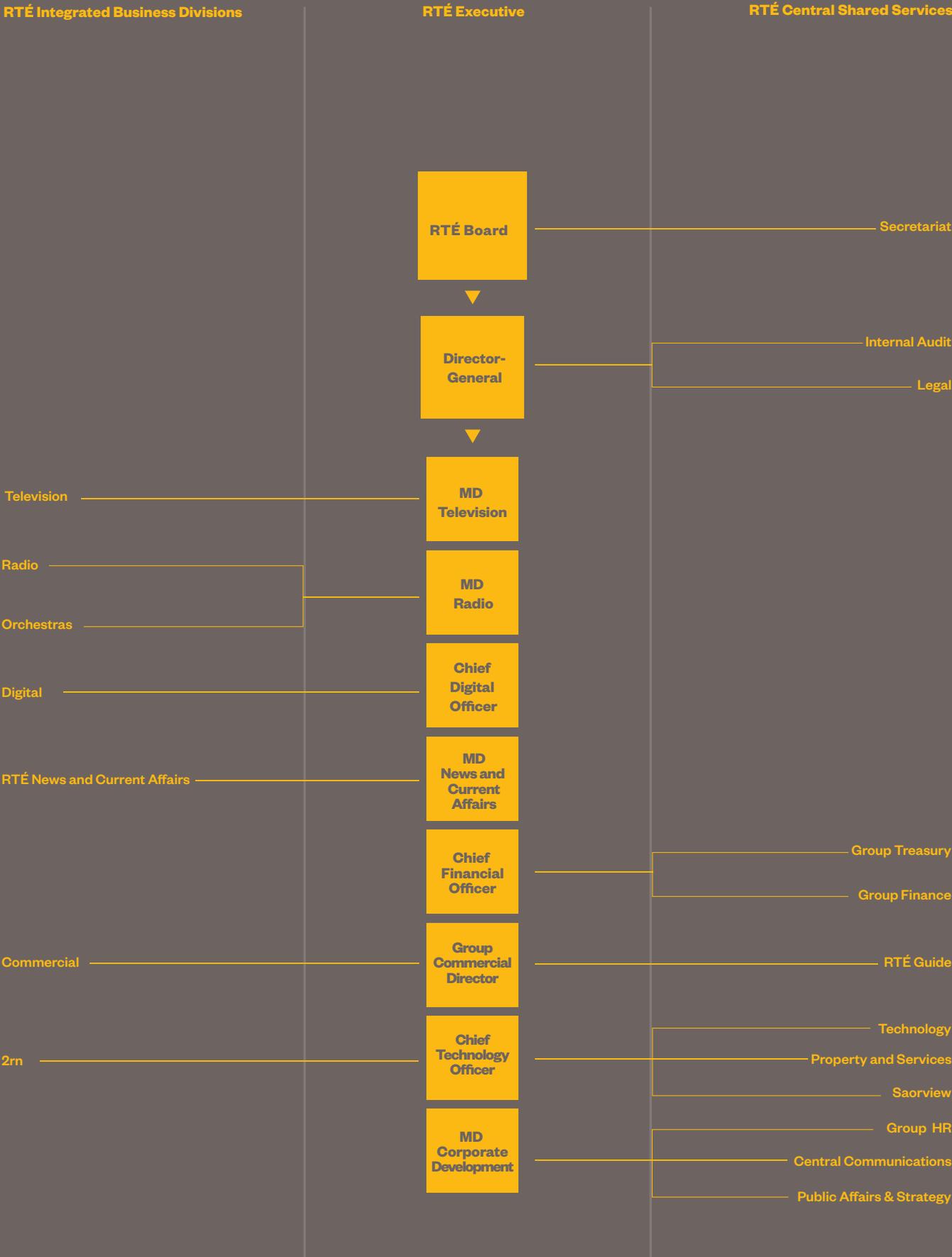
RTÉ Cór na nÓg 

RTÉ GUIDE

SAORVIEW

2r 

# Organisation Structure



**Operational Review  
A Year in Review –  
Television**



# The moments that make us

RTÉ is at the very heart of our national conversation.

5,027 hours of home-produced programming were transmitted in 2016, with 1,376 hours produced in partnership with the Irish independent sector.

## **About RTÉ's Television Services**

**RTÉ's television services offer distinctive public-service programming that entertains, challenges and informs audiences of all ages. We provide the broadest range of home-produced programming in Ireland across RTÉ One HD, RTÉ One +1, RTÉ2 HD, RTÉ News Now, RTÉjr and TRTÉ.**

**RTÉ television had an exceptional year in 2016. Despite increased competition from home and abroad, RTÉ One and RTÉ2 delivered all of the top 20 most watched programmes in Ireland. We gave audiences more choices across a range of emerging platforms, with 33.4%\* choosing to tune into RTÉ's channels for quality, trusted, home-produced programming and news.**

**RTÉ One and RTÉ2's unique schedules of public-service programming brought the nation together for the 1916 centenary commemorations; a massive summer of sport, from the Euros to the Olympics and the GAA Championships; quality documentaries; landmark new Irish drama; top-rating comedy; and family entertainment.**

\*Consolidated peak share of RTÉ One, RTÉ2, RTÉ One +1, RTÉjr, RTÉ News Now (national individuals 4+).

## RTÉ One is Number One

RTÉ One's varied and high-quality programming attracted record audiences in 2016. The channel was the most popular in Ireland for all audiences, with a consolidated national individuals 4+ peak-time share of 24.2%. The schedule was packed with compelling drama; high-quality documentaries; inspiring factual programmes; national events coverage; and comedy, arts, entertainment and music programming – in both languages – along with Ireland's leading and most trusted news and current affairs service.

## A Year of Celebration, Commemoration

RTÉ television marked the centenary of the Easter Rising with a multiplatform offering that had many different histories at its heart. Audiences were invited to understand this momentous event through an ever-switching set of lenses that took the form of landmark documentary series, provocative authored documentary, drama and archive programming, as well as original content feeding into existing programmes such as *Nationwide*. RTÉ television explored 1916 through the prism of sport, religion, politics, history and culture.

The schedule of programmes began with the drama series *Rebellion*. The tumultuous events that followed 1916 were seen through the eyes of a group of friends from Dublin, Belfast and London as they played vital and conflicting roles in the narrative of Ireland's independence.

The drama was followed by a season of documentaries that viewed the centenary from many different perspectives. In a landmark three-part documentary series narrated by Liam Neeson, *1916* told the story of the Easter Rising and the subsequent events that led to the establishment of an independent state. *Fanatic Heart* saw Bob Geldof look at the role of culture in the Easter Rising through an exploration of the life and work of WB

Yeats. In *Children of the Revolution*, Joe Duffy uncovered the tragic stories of the 40 children killed during the Rising. From every class and corner of Dublin life, and as young as two years old, they were more than just collateral damage.

*The Enemy Files*, presented by Michael Portillo, provided a contrary view. It was a challenging and controversial documentary that offered a valuable counterinterview of the Rising. *Seven Women*, presented by Fiona Shaw, revealed the incredible but forgotten stories of women's role in the Rising. In *Life Before the Rising*, historian Catriona Crowe explored what was happening in the ordinary lives of Irish people in the years leading up to Easter 1916, be it the growing Catholic middle-classes or tenement dwellers.

On Easter weekend, the commemorations came to a climax with *A Nation's Voice*, coverage of the State commemorations and the spectacular *Centenary*, which was broadcast live from Bord Gáis Energy Theatre and told the story of modern Ireland through music, dance and song.

## Under the Skin of Modern Ireland

Throughout the year, RTÉ One provided a host of provocative or insightful documentaries about modern Ireland. *Sugar Crash*, presented by Dr Eva Orsmond, investigated Ireland's consumption of sugar and explored the latest research on the associated health problems. The nation's mind was focused on the issue of homelessness with the broadcast of *My Homeless Family*, which provided three families with cameras to film their own experience of being homeless in temporary hotel accommodation.

New technologies and great storytelling came together in *The Collectors*, which told the story of six very diverse Irish people with one unusual thing in common – they are all dedicated collectors. *The Collectors* was the first feature-length documentary to be commissioned and shot in 4K (ultra high definition) on an iPhone by a broadcaster anywhere in Europe.

The health of the nation and the work of people within our health service was captured in *Keeping Ireland Alive: The Health Service in a Day*. Some 75 camera crews were sent to

“RTÉ television marked the centenary of the Easter Rising with a multiplatform offering that had many different histories at its heart.”

## Top 10 Programmes

1st January - 31st December 2016 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	02-12-2016	21:37 - 23:57	38.4	1572	76.18
2	UEFA Euro 2016: France v Republic of Ireland	RTÉ2	Sun	26-06-2016	14:01 - 15:52	30.8	1262	82.46
3	UEFA Euro 2016: Italy v Republic of Ireland	RTÉ2	Wed	22-06-2016	20:01 - 21:50	30.0	1231	71.88
4	UEFA Euro 2016: Republic of Ireland v Sweden	RTÉ2	Mon	13-06-2016	17:01 - 18:50	26.4	1083	70.72
5	All Ireland Senior Football Final	RTÉ One	Sun	18-09-2016	14:55 - 17:41	22.7	928	68.77
6	UEFA Euro 2016: Belgium v Republic of Ireland	RTÉ2	Sat	18-06-2016	14:01 - 15:49	22.5	925	77.94
7	All-Ireland Senior Football Final — Replay	RTÉ2	Sat	01-10-2016	16:59 - 19:19	20.6	844	62.57
8	All-Ireland Senior Hurling Final	RTÉ One	Sun	04-09-2016	14:54 - 17:43	19.2	786	65.44
9	UEFA Euro 2016 Final: Portugal v France	RTÉ2	Sun	10-07-2016	20:01 - 22:31	19.1	783	45.03
10	UEFA Euro 2016 Semi-Final: Portugal v Wales	RTÉ2	Wed	06-07-2016	20:00 - 21:48	17.7	725	47.93

Source: TAM Ireland/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

## A Year in Review – Television

(continued)

70 locations nationwide to cover the entire workings of the health service and the people who access it in one day.

The year ended with *The Crossing*, an outstanding documentary that told the story of one month of the LÉ Samuel Beckett's deployment in the southern Mediterranean Sea. It exposed the reality for both the crew and the migrants as their worlds meet in the middle of the sea, often in the most difficult circumstances.

### Wildlife and Science

Filmed over three years using the most up-to-date camera technologies, next-generation cameras, infrared 'night vision' and super slow motion, *Wild Cities* revealed an urban world teeming with wildlife in the most unexpected and unusual places. Presented by four new experts to RTÉ One – Rob Gandola, Dr Tara Shine, John Lusby and Simon Watt – each presenter brought us on a very personal journey through their city, exploring its wildest corners.

**“Filmed over three years using the most up-to-date camera technologies, next-generation cameras, infrared ‘night vision’ and super slow motion, *Wild Cities* revealed an urban world teeming with wildlife in the most unexpected and unusual places.”**

Science and wildlife came together in *Big Week on the Farm*, a week-long television event that came live from a purpose-built studio on a sheep farm on the shores of Derravaragh Lake in Co Westmeath. Presented by Áine Lawlor and Ella McSweeney in front of a live audience, with Helen Carroll and Darragh McCullough reporting live from satellite farms around the country, the show brought viewers right to the heart of the Irish countryside in spring.

RTÉ One broadcast two blue-chip documentaries to mark Science Week. *Hacked* looked at the growth of cyber-crime globally and *Cloud Control* explored the implications of big data in our day-to-day lives.

### Speaking Your Language

In 2016, we provided a wide range of high-quality Irish-language programming on RTÉ One. *Ar Son na Poblachta* looked at less obvious aspects of the 1916 Rising, *Comhrialtas* dealt with the history of coalition governments in Ireland and *Euros* took a retrospective

look at Ireland's experiences in the European Football Championships of 1988 and 2012. Journalist Harry McGee authored and presented *Polaitíocht: Power on the Box*, a four-part series on Irish politics in the television age.

### That's Entertainment

*Cutting Edge* with Brendan O'Connor launched in 2016, with three panellists gathered around the table each week to take a provocative and entertaining look at what had the nation talking. Live chat went from strength to strength with both *The Late Late Show* and *The Ray D'Arcy Show* growing their audience numbers. *The Late Late Toy Show* garnered the affection of the nation and registered an incredible average of 1.57 million viewers. *The Voice of Ireland* went out on a high and *Ireland's Fittest Family* proved a hit once again with Irish families.

### Getting Creative

It was a strong year for the arts on RTÉ television, from *Centenary* – which told Ireland's story out of a rich past of myth to a political and cultural awakening and a renewed sense of who we could be – to *A Fanatic Heart*. It also saw the nation getting creative with *Painting the Nation*, a five-part series that sought out Ireland's best amateur painter.

### Our Daily Lives

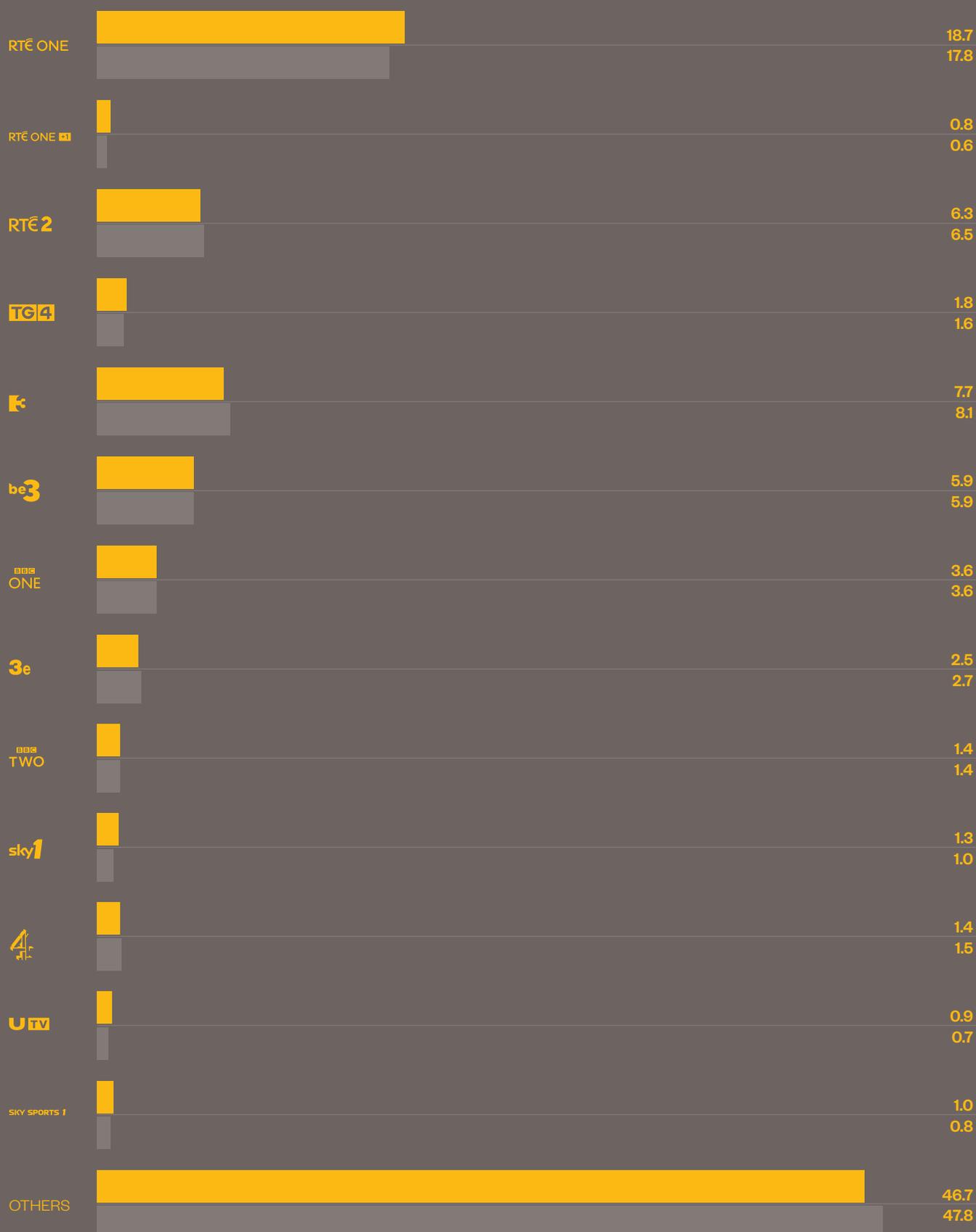
*What Are You Eating?* with Philip Boucher Hayes explored the food we consume on a daily basis. It examined the ingredients and processing involved in the production of some of our favourite foods. Championing individuality, flair and commitment to design, *Home of the Year* and *Celebrity Home of the Year* featured homeowners around Ireland who have done something extraordinary and individual to the place they call home. Architect Dermot Bannon returned with a new series of *Room to Improve*, which featured a diverse mix of renovations, rescues and extensions, and the creation of ergonomic and welcoming ultra-modern spaces. *Operation Transformation* continued to engage audiences across RTÉ's television, radio and digital services and encourage the nation to adopt healthier lifestyles, while *Celebrity Operation Transformation* saw well-known personalities take on the lifestyle challenge following the summer.

### Drama

Ireland's favourite soap opera, *Fair City*, continued to attract strong audience figures. Behind the scenes, the creative process was honed and improved to bring some fantastic storytelling to the fore, which led to a spread of dramatic highs. *Fair City* continued to bring new writers to television through its writer-training programme.

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

■ 2016 ■ 2015



Source: TAM Ireland/Nielsen TAM

# Operational Review

## A Year in Review –

### Television

(continued)

## “RTÉ One continued its commitment to covering national events with extensive coverage of The Rose of Tralee and the St Patrick’s Day Festival.”

### Comedy and Music

Country music’s newest superstar, Nathan Carter, hosted an hour-long Christmas special from Dublin’s Mansion House.

In comedy show *Senior Moments*, senior members of our society displayed their charm, warmth and wit, both out on the street pranking unsuspecting young folk and in the comfort of their own homes where they regaled us with jokes and anecdotes.

### National Events

RTÉ One continued its commitment to covering national events with extensive coverage of The Rose of Tralee and the St Patrick’s Day Festival. RTÉ One also covered Ireland’s biggest rural event, the National Ploughing Championships, on all platforms – television, radio, online and mobile – with a dedicated three-part live series, *The Ploughing – Live*.

### RTÉ2

RTÉ2 had a 9.1% consolidated peak-time share of viewers among its target audience of 15-34 year olds, making it the second-most popular channel with younger audiences after RTÉ One. The channel put contemporary Irish voices, stories, talent and culture at the very heart of its public-service mission, creating a diverse schedule for younger viewers – and those who ‘think young’.

Cupid’s arrow hit Irish shores this year when the new series of *First Dates Ireland* aired on RTÉ2 to audience and critical acclaim.

### Challenging Assumptions

RTÉ2 broadcast a number of thought-provoking documentaries that explored themes and topics of particular relevance to younger Irish adults in 2016. Travellers, immigrants and what it means to be Irish all featured in a new three-part documentary series on identity and Irishness, which

aired in spring. The series began with *I Am Traveller*, featuring John Connors. In this personal journey, John tackled head on the uncomfortable truths about racial stereotypes and Traveller identity in Ireland today.

The schedule also featured personal authored documentaries. In *Asking For It*, author Louise O’Neill forensically explored the issue of consent and the rise in sexual assault in Irish society today. *Finding Banni*, by filmmaker Colm Flynn, told the story of his personal journey to discover what happened to the boy who had been fostered into his family from Belarus, and why he was taken back and attempts at his adoption failed. *The Only Gay in the Village* explored what it is like for a gay, lesbian or bi-sexual person growing up and coming out in our towns and villages.

### The Funny Side

The development of Irish comedy and talent remained a cornerstone of RTÉ2 in 2016. The IFTA award-winning *Bridget & Eamon*, the nation’s favourite unhappily married ‘80s couple, returned with a new series to RTÉ2 as the first series aired in the UK on UKTV’s Gold. Scripted comedy drama proved a hit with audiences with *Can’t Cope, Won’t Cope*, a darkly comic drama detailing the unravelling of a friendship between two co-dependent young women as the hangover wears off and their lives and priorities begin to radically diverge.

### Mentoring the Next Generation

The next generation of Irish comedic voices were mentored in the *Comedy Bites* series. A collection of 16 comedy shorts went out exclusively on RTÉ Player, giving audiences the chance to sample the best young comics in fun-size vignettes.

### Partnerships and Co-productions

In 2016, RTÉ established significant partnerships with a range of organisations and fellow broadcasters, which contributed to the quality and range of programming across the year. Science Foundation Ireland renewed its partnership with RTÉ, which enabled RTÉ to broadcast *Big Week on the Farm* and to participate in Science Week. RTÉ also signed a memorandum of understanding with BBC Worldwide to co-develop new Irish comedies and to develop new on-screen comic talent. Several landmark programmes were co-funded, including dramas (*The Fall* and *My Mother and Other Strangers*) and documentaries (*A Fanatic Heart – Geldof on Yeats*, *The Enemy Files* and *Brendan O’Carroll: My Family at War*).

### Selling Ireland

RTÉ’s Programme Sales division licenses content to partners, platforms and broadcasters worldwide, across all genres, including drama, documentary, natural history, the arts and formats.

Selling directly to international broadcasters as well as working with international distributors and agents, RTÉ Programme Sales represents RTÉ in-house and RTÉ commissioned programming.

Highlights from 2016 include:

- RTÉ drama *Rebellion*, co-produced with the USA’s Sundance Channel, was licensed to Netflix worldwide.
- Landmark RTÉ documentary series *1916*, produced in association with Notre Dame, was licensed to multiple territories including the UK, Australia, France, Spain Canada, Argentina, Vietnam and Denmark. The three-part series, written and produced by historian Briona Nic Dhiarmada and narrated by Liam Neeson, was also licensed by 120 PBS stations in the US, as well as Aer Lingus.
- RTÉ comedy series *Bridget & Eamon*, which debuted on RTÉ2 in February, was acquired by UKTV. Under the deal, which marks the first time that an RTÉ fully funded comedy aired in the UK, the six-episode sitcom aired in autumn 2016 on Gold, UKTV’s 24-carat comedy channel.
- Nine Network Australia acquired *Garda Down Under*, which tells the story of life on the beat for Irish officers working in Western Australia, the largest police district in the world. This is the first time an RTÉ-produced programme has aired on a commercial network in Australia. This was just one of many titles licensed to Australia and broadcast on ABC, SBS, Foxtel and The Food Network in 2016.
- In another first, Discovery TLC in the UK licensed a series of RTÉ2’s Vogue Williams documentaries.

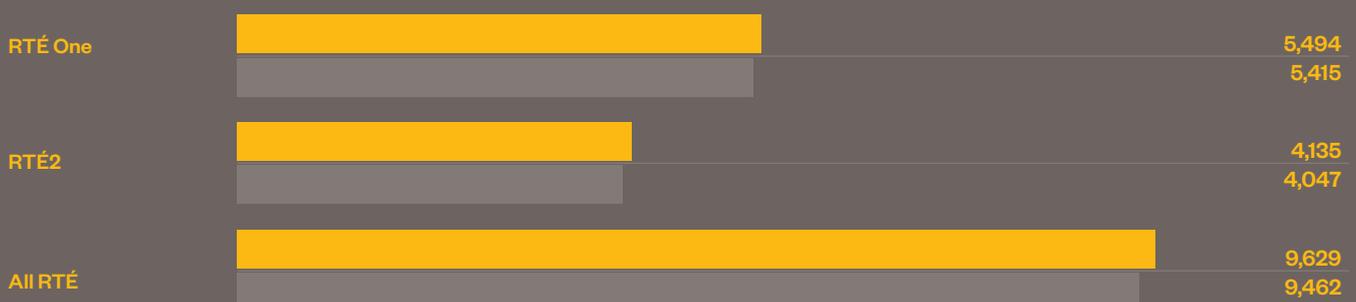
## INDIGENOUS HOURS BROADCAST ON RTÉ TELEVISION IN PEAK TIME BY GENRE

■ 2016 ■ 2015



Source: RTÉ

## SUBTITLING HOURS TELEVISION



Source: RTÉ

**Operational Review  
A Year in Review –  
Radio**

# The Number One

**RTÉ's nine FM and digital radio services serve all audiences, across all regions, in both languages.**

**More than 1,000,000 people tune into RTÉ Radio 1 every week.**



**Operational Review  
A Year in Review –  
Radio**  
(continued)

## **About RTÉ's Radio Services**

**RTÉ provides nine distinctive radio services, on FM and digital audio broadcast (DAB), online and on mobile. Serving all ages, in both languages, the suite of services provides audiences with a unique perspective on home, through news and documentary, entertainment and drama, sport and arts, and music in all genres.**

## RTÉ Radio 1

RTÉ Radio 1 experienced developments, changes, challenges and successes in 2016.

The coverage of the General Election and 1916 commemorations at home coupled with the European Football Championships in France and the Olympic Games/Paralympics in Rio were quite demanding on resources all across the service.

## History in the Making

On the political front, the General Election marked the advent of the visualisation project in radio. Studio cameras enhanced our programmes' profiles and provided valuable editorial content across all platforms. Current affairs programmes set the agenda throughout the campaign with extensive coverage and reportage from all 40 constituencies culminating in 20 hours of continuous programming on the weekend of the count.

Throughout the year Ireland 2016 was at the heart of RTÉ Radio 1's schedule and brought together the historical, cultural and political aspects of the remembrance. The production and delivery of *Reflecting the Rising* on Easter Monday was the biggest public event of the year and was attended by an estimated 750,000 in Dublin city centre.

## Out and About

The national obsession with sport was well reflected in unrivalled coverage of sport – both nationally and internationally. Throughout the summer, we broadcast hours of live coverage of the GAA championship season as well as global events in Rio and UEFA Euro 2016 from France.

RTÉ Radio 1 received international recognition in 2016. *The Dawn Chorus* – a collaboration with broadcasters from 15 other countries – won a *Rose D'Or* award, while *The Documentary on One* received a *Prix Europa* for the investigative documentary *The Case that Never Was*.

## New Voices

RTÉ Radio 1 welcomed new arrivals from the independent radio production sector with a number of well-received new series, including *The Book Show*, *Pantisocracy*, *Callan's Kicks* and *Inside Culture*. We also collaborated with the Broadcast Authority of Ireland (BAI) to produce *The Comedy Showhouse*, which delivered 18 new shows to the schedule.

Listenership grew to maintain RTÉ Radio 1's position as the nation's "most listened to" radio station. According to Joint National Listenership Research (JNLR) statistics, it broadcast 18 of the top 20 programmes for 2016, with a reach of 1.3 million listeners and a market share of 23.6%.

## RTÉ Raidió na Gaeltachta

RTÉ Raidió na Gaeltachta has grown its audience over recent years and in 2016 it maintained its listenership.

## Commemorating 1916

RTÉ Raidió na Gaeltachta placed particular emphasis on 1916 commemorations during the year, including:

- A competition for second-level schools – seven schools were selected to produce, with the assistance of a professional programme maker, a 30-minute radio programme based on a 1916 theme. This was organised with financial assistance from Éire 2016 – An Teanga Bheo. Coláiste Íde from An Daingean, Co Kerry, won the competition.
- A series of 12 lectures *Léachtaí i gCuimhne ar Phádraig Mac Piarais*, which was broadcast in conjunction with the Irish-language publishing company Cló Iar Chonnacht.
- Compiling and curating recordings from the Raidió na Gaeltachta archive relating to the historical period 1913-1923. This project has been available to the public since November 2016 and was prepared in partnership with the National University of Ireland Galway (NUIG), and the Royal Irish Academy (RIA). The project was supported by Éire 2016 – An Teanga Bheo.

**“RTÉ Raidió na Gaeltachta has grown its audience over recent years and in 2016 it maintained its listenership.”**

## Top 10 All-Week National Radio Programmes – Adults 15+

Timeblock Reach for National Commercial Stations January – December 2016

Counter	Description	Station	Time-slot	Period	Adults 15+ Prog Reach	No. Of Adults 15+ (000s)
1	Morning Ireland	RTÉ Radio 1	07:00-09:00	Mon-Fri	12%	448
2	Liveline	RTÉ Radio 1	13:45-15:00	Mon-Fri	11%	387
3	The Marian Finucane Show	RTÉ Radio 1	11:00-13:00	Sat	10%	372
4	Today with Sean O'Rourke	RTÉ Radio 1	10:00-12:00	Mon-Fri	9%	332
= 4	News at One	RTÉ Radio 1	13:00-13:45	Mon-Fri	9%	332
6	The Ryan Tubridy Show	RTÉ Radio 1	09:00-10:00	Mon-Fri	9%	323
7	The Marian Finucane Show	RTÉ Radio 1	11:00-13:00	Sun	8%	308
8	The Business	RTÉ Radio 1	10:00-11:00	Sat	8%	296
9	Playback	RTÉ Radio 1	09:00-10:00	Sat	8%	283
10	Sunday Miscellany	RTÉ Radio 1	09:00-10:00	Sun	7%	253

Source: JNLR / Ipsos MRBI 2016/4

# Operational Review

## A Year in Review – Radio

(continued)

**“As a result of international sporting events, RTÉ Raidió na Gaeltachta extended its sports coverage in 2016. ”**

### Increased Coverage

As a result of international sporting events, RTÉ Raidió na Gaeltachta extended its sports coverage in 2016. As well as comprehensive coverage of national sports, soccer matches in the European Championship were broadcast live from France and events involving Irish competitors in the Olympic Games were covered live from Rio de Janeiro.

Political and news stories were a significant part of our news and current affairs output. As well as covering domestic and Gaeltacht stories, special programmes covered national and international news. These included the General Election, Northern Ireland Assembly Elections and the Brexit Referendum. A reporter also travelled to the United States in November to cover the Presidential Election.

### Winning Team

Traditional music was promoted and fostered throughout the year with live broadcasts from major music festivals throughout the country. RTÉ Raidió na Gaeltachta staff received media awards from Phonographic Performance Ireland (PPI) and Gradam Chumarsáide an Oireachtais. Also, for the sixth successive year, the Celtic Media Festival's Radio Presenter of the Year was awarded to an RTÉ Raidió na Gaeltachta broadcaster.

The station was part of RTÉ's corporate image at national events, including the BT Young Scientist & Technology Exhibition and the National Ploughing Championships.

### RTÉ lyric fm

RTÉ lyric fm introduced a new schedule during 2016, which featured new shows and voices, and extended some established programmes.

### Composer in Residence

Sebastian Adams was RTÉ lyric fm's Composer in Residence for 2016. He arranged music for the *Writing the Rising* series and for RTÉ lyric fm's Outreach Quartet. He also arranged and recorded a new version of the lyric jingle. He composed a new Christmas carol, as well as a 12-minute four-part suite for the RTÉ Concert Orchestra, and is working on the soundscape for a lyric feature with Jools Gilson.

### Community Concerts

*Music for all Ages* is an engaging and entertaining programme of live music performances by the RTÉ lyric fm Quartet in education and community settings. The Outreach concerts are provided free as part of RTÉ's public-service commitment. During 2016, the RTÉ lyric fm Quartet visited the South East and North West regions as well as Louth/Meath and Cavan/Monaghan. RTÉ lyric fm will continue to promote music in the wider community through initiatives such as the annual *Choirs for Christmas* competition.

### A Century of Music

To mark the centenary year, RTÉ lyric fm recorded/broadcast all performances from the *Composing the Island* series at the National Concert Hall. Documentaries – both from the archives and new commissions – reflecting the works and lives of Irish composers were a feature of the lyric schedule throughout 2016. A double CD of *Composing the Island* concert recordings was issued on the lyric label in December. It was one of five CDs released on the RTÉ lyric fm label during the year.

We also released *Guglielmo Ratcliff*, a live recording from our first CD collaboration with Wexford Festival Opera at the 2015 festival.

### Outside Broadcasts

Programmes were broadcast live from Bloom and the National Ploughing Championships during 2016. The Lyric Concert offered 26 broadcasts to the European Broadcasting Union (EBU) via the EBU Music Exchange, including five from the West Cork Chamber Music festival in Bantry and one from the Wexford Festival Opera.

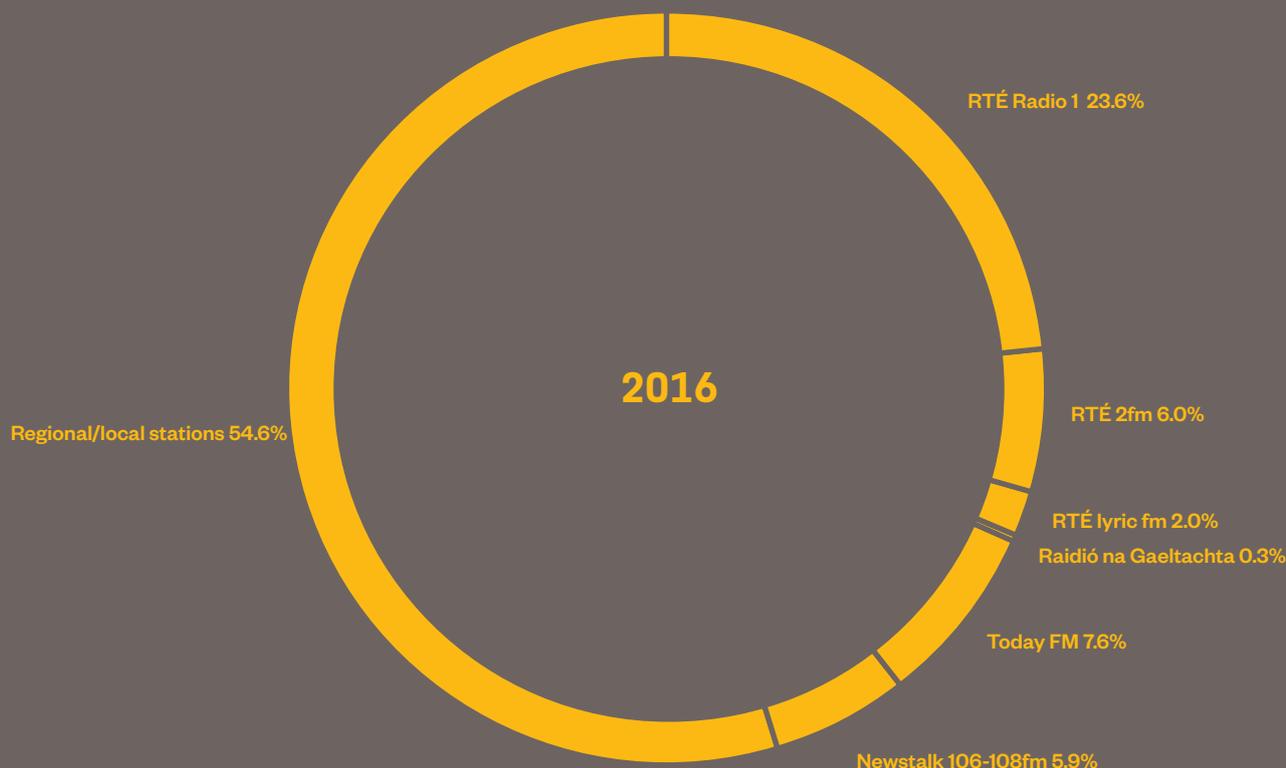
### RTÉ Radio 1 overnights

In September, the overnight format on RTÉ Radio 1 changed to include two new programming elements. The first consists of a one-hour roundup programme of the previous day's highlighted programming from RTÉ Radio 1. It is compiled by a team of studio coordinators within Broadcast Services and includes highlights from the main daytime schedule. It airs first at 7pm on RTÉ Radio 1 Extra, giving listeners an opportunity to catch up on the day's output from Radio 1 on its sister service while maintaining listenership within RTÉ Radio. It airs again each day at 2am, Tuesday through Saturday, on RTÉ Radio 1.

The second new programming element was the introduction of an overnight music-based format provided by RTÉ Gold. This airs each morning after RTÉ Radio 1 *Replay*.

We now offer our listeners a blend of music and speech throughout the night.

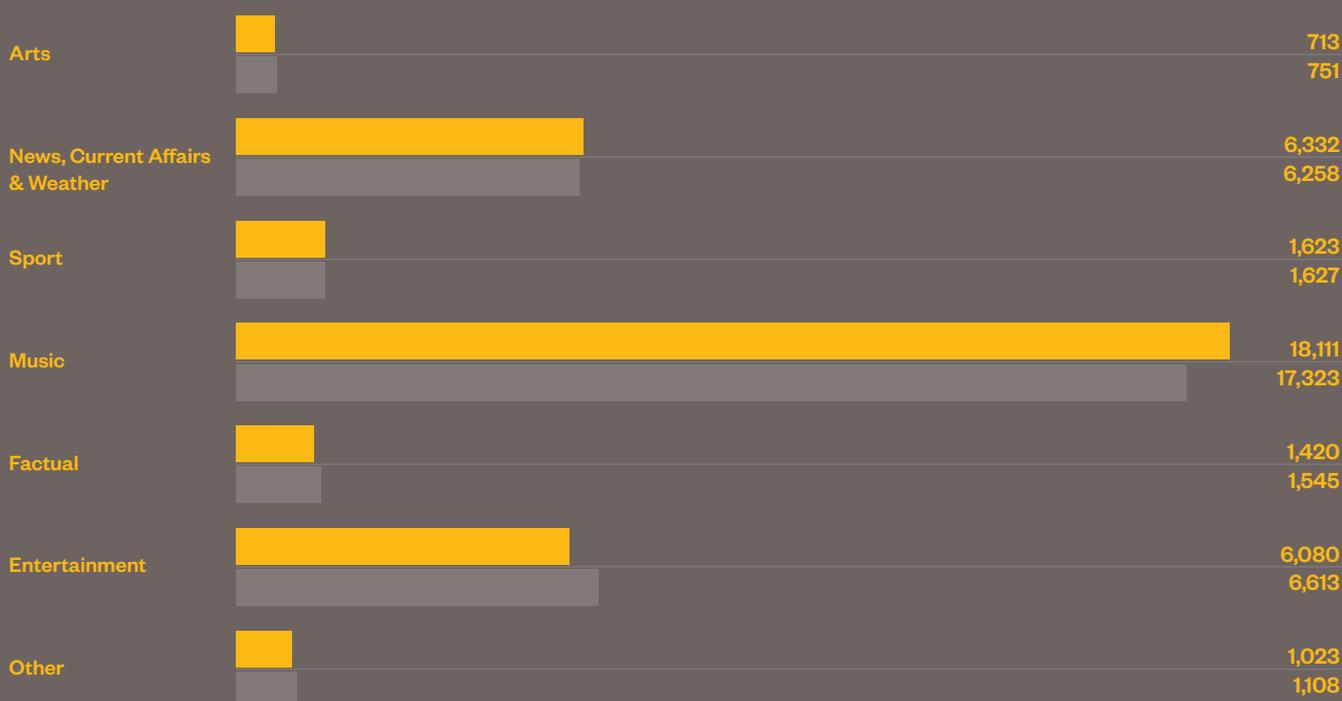
## NATIONAL SHARE OF RADIO LISTENING 2016 – WEEKDAY/PEAK TIME



Source: JNLR / Ipsos MRBI 2016/4

## RTÉ RADIO HOURS BY GENRE

■ 2016 ■ 2015



Source: RTÉ

Note: Category "Other" includes, Religion, Young People's, Education and Drama

# Operational Review A Year in Review – Radio (continued)

## RTÉ Radio 1 Highlights

In September, Broadcast Services Radio launched RTÉ Radio 1 Highlights, an online/mobile magazine based on RTÉ Radio 1's daytime output. It is aimed primarily at mobile/tablet users. The objectives of the project were to:

- Increase the digital reach of Radio 1
- Redirect mobile/tablet users to RTÉ Radio 1
- Contribute generally to RTÉ radio's digital footprint

A Broadcast Services team curates content from RTÉ Radio 1 on-air interviews, discussions and performances for a digital audience. RTÉ Radio 1 Highlights includes edited audio extracts (ranging from 45 seconds to three minutes) with written copy that give additional insight and analysis from the listeners' perspective. It is hosted on a specially designed webpage within RTÉ Radio 1's website. The project focuses on RTÉ Radio 1 programmes during weekday mornings and early afternoons. Key goals are to increase the volume of content from RTÉ Radio 1 that appears on RTÉ.ie and to appeal to the 35 to 44 age demographic for RTÉ Radio 1.

## The Irish Radioplayer App

In Q1 2016 An Seinnteoir Raidió, an Irish-language version of the Irish Radioplayer app, was launched. It prioritises Irish-language stations, including those that are not part of the original Irish Radioplayer platform, such as Raidió Ri-Rá, Raidió na Life and Raidió Fáilte. The Irish Radioplayer and An Seinnteoir Raidió are available from the iTunes App Store or Google Play Store and from radioplayer.ie.

## RTÉ Pulse/RTÉ 2XM

Talent acquisition, development and transition at RTÉ Pulse and 2XM successfully continued in 2016. A number of new key presenters, including Tara Stewart, Carl Mullan, Emma Power and Aifric O'Connell, were added to our schedules. Following training in the Pulse/2XM house style over a number of months, they have transitioned to regular on-air work on RTÉ 2fm. They add strong, credible music and entertainment credentials that resonate with young audiences.

Our integrated relationship with 2fm continued with RTÉ Pulse's flagship presenter Mo K, whose regular Friday night show on 2fm is very popular with music fans. A number of shows are also being simulcast across fm and digital. Louise McSharry and Cormac Battle's 2fm shows are simulcast on 2XM, which provides great synergy among the two station brands.

RTÉ Pulse DJs Mo K and Dave Treacy were also part of the biggest music events in 2fm's recent history – Jenny Greene & the RTÉ Concert Orchestra – at Electric Picnic and 3Arena, with both DJs performing live. RTÉ Pulse and 2XM station editor Adam Fogarty was also the live event producer of the hugely

successful Jenny Greene & the RTÉ Concert Orchestra performance at Electric Picnic.

A pre-cursor to Jenny Greene & the RTÉ Concert Orchestra was Fogarty's collaborative music venture with the RTÉ Concert Orchestra and world famous DJ Jeff Mills. This sold-out event at the Bord Gáis Energy Theatre in Dublin was simulcast on RTÉ Pulse and 2XM at Christmas.

RTÉ 2XM presenter Peter Dunne received a silver PPI award for *Diggin in the Orates* in the highly competitive specialist music event category.

## RTÉ Radio 1 Extra

RTÉ Radio 1 Extra's schedule was further developed to complement its sister service, RTÉ Radio 1. As well as broadcasting the best of RTÉ Radio 1 programming and eclectic programmes from English-language broadcasters around the globe, it also aired some original programmes.

In 2016, Radio 1 Extra broadcast a six-part series called *How to Be an Active Citizen*. This educational series was made with the support of the Think-tank for Action on Social Change (TASC) and the BAI. Presented by Mary Minihan, it was designed to help listeners understand how the Irish government works, how to gain access to decision makers, and how to find and use official information and data.

Radio 1 Extra also launched two ongoing series. Aidan McCullen presents *The Innovation Show*, a weekly look at themes from the world of innovation and transforming business models. We are also running *The Lifestyle Show*, a weekly half-hour programme presented by Taragh Loughrey-Grant that looks at food, fashion, parenting, health, fitness, motors and travel.

We began broadcasting *Sound Conversations*, a short documentary series showcasing the work and creative inspiration of 15 of Ireland's most exciting sound practitioners. It was made by independent radio producer Alan Meaney and funded by the BAI.

## RTÉjr Radio

RTÉjr Radio continued to share resources between television and radio. This led to more original home-produced content and an increase in the number of commissioned programmes. RTÉjr Radio provided a platform and opportunities for new, young broadcasters to establish a presence on-air as well as in programme production and development.

RTÉjr Radio was named Radio Station of the Year at the Celtic Media Festival in June. In addition, the station won a silver PPI award in the Full Service Station of the Year category.

*CAKE – Culture and Arts for Kids and Everyone*, a 10-part series about the arts, was shortlisted for several major awards, including the prestigious New York Festival's Best Children/Young Adult Programme and the PPI radio awards. The series featured well-known artists and musicians such as Julie Feeney and Rasher, and was founded on the belief that children have the same cultural rights as adults.

#### RTÉ Gold

RTÉ Gold recently joined with Radio 1 and forms part of the Radio 1 overnight schedule, which is simulcast on both networks seven nights a week. It provides 20 hours of presenter-driven music shows on RTÉ Radio 1.

#### Visual Radio

With its premiere outing for Election 2016 coverage, RTÉ radio has been building a solid visual offering to its audience. As part of an overall strategy to visualise radio content, the following projects and initiatives took place:

- Studio coordinators and broadcast coordinators were trained to shoot and cut short and medium-form video content.
- Fixed camera and switching facilities were installed in two Radio 1 studios and one 2fm studio.

Partnerships were formed with the relevant departments in News, TV and Digital.

Pictures place the audience between the interviewer and interviewee. This intimate access regularly forms part of the daily output for *Today with Sean O'Rourke*, *Late Debate*, *Liveline* and *The Ray D'Arcy Show* all use it to good effect, and the live output is permanently available to News.

The visuals are captivating and have influenced the imaginations of radio programme producers.

#### RTÉ 2fm

RTÉ 2fm had both a challenging and a rewarding 2016.

It was the first full year of the radio schedule that was introduced in September 2015. It was also the first time that 2fm did not have a talk show on air at 9am.

#### New Sound

The station underwent an extensive rebrand, which was launched on 10 January. The new on-air sound, tone and visual representation expresses the vision and goals for 2fm. The audio brand and new station sonic (station identity and brand) for 2fm won the coveted PPI Station Imaging award.

The tone of voice falls under the theme of nourishing entertainment. We want 2fm to be an unexpected form of entertainment and to be more than a radio station for our audience. We aspire to be a hub of connected life and performance.

**“We are very proud of *Revolution Radio*, a mini drama created by 2fm to commemorate the 1916 Rising. The idea came from reading the affidavits published by The National Archive of those who actively participated over Easter weekend.”**

We are a contemporary hit station – our music is a selection of the latest hits mixed with songs from the last six to 18 months.

Showcasing Irish music is central to our policy. Initiatives such as 2fm and Oxjam give new and emerging Irish acts peak audience exposure and re-enforces RTÉ's support of the local music industry.

#### Dramatic Radio

We are very proud of *Revolution Radio*, a mini drama created by 2fm to commemorate the 1916 Rising. The idea came from reading the affidavits published by The National Archive of those who actively participated over Easter weekend. Eleven three-minute pieces were written and produced from accounts of young people such as Mary McLoughlin who ran messages for James Connolly. The language, tone and music resonated and appealed to listeners of today's young Ireland. *Revolution Radio* was shortlisted for a PPI award in the drama category.

We continued our commitment to the Irish language through our support of Seachtain na Gaeilge, the promotion of *Ceol 2016* (an Irish-language music CD published by Conradh na Gaeilge) and our bi-lingual weekly top 40 show.

Another highlight for 2fm was the political debate moderated by Eoghan McDermott and broadcast live during the General Election. The debate included a live audience and a panel of young politicians.

#### Making Music

We always broadcast from the major music festivals in Ireland but in 2016 2fm became the artist. Collaborating with the RTÉ Concert Orchestra and DJ Jenny Greene, 2fm took over the Rankin's Wood Marquis at Electric Picnic and played an hour of 90s dance music,

featuring huge Irish tracks, to more than 11,000 people. Festival organisers rated it as one of the top two performances of the weekend. It was also a social media sensation.

In November, 2fm with the RTÉ Concert Orchestra and Jenny Greene played the Electric Picnic set to 9,000 people in the 3Arena – again to critical acclaim.

The year finished back at the 3Arena with the 2fm Christmas Ball in aid of the ISPCC. Kodaline and the RTÉ Concert Orchestra rocked 12,000 people and raised almost €500,000 for the charity. Athy-band, Picture This, also played and claim that their live performance on Eoghan McDermott's 2fm show broke the band.

# Operational Review A Year in Review – RTÉ 1916

RTÉ was at the heart of our national commemorations and celebrations of the 100th anniversary of the 1916 Rising.

It took 4,500 hours of painstaking preparation to deliver RTÉ's live commemorations coverage.



# Celebrate, commemorate



## About RTÉ 1916

More than three million viewers tuned in to RTÉ television across the Easter weekend, reaching 75% of the viewing population. And *RTÉ Reflecting the Rising*, in partnership with Ireland 2016, was the biggest public historical and cultural event ever staged in Ireland.

In recognition of RTÉ's unique responsibility as the national public media organisation and its role in the year of commemoration, we unveiled RTÉ 1916 in November 2015. This highly ambitious programme of content and events honoured the Rising; the cultural, political and historical context of the period; and its impact on generations to come. The range of programming – with a raft of content in Irish, for young people and the diaspora, and with a distinct digital emphasis – was unprecedented. In 2016, RTÉ owned its place at the heart of our national commemorations and celebrations of the 100th anniversary of the 1916 Rising.

### History at our Feet

On Easter Monday, the nation's capital was transformed by the biggest public cultural event in its history. RTÉ, in collaboration with Ireland 2016, created *RTÉ Reflecting the Rising*, a re-imagining of Ireland of the Rising.

A free and family friendly all-day event, the scale and variety offered by *RTÉ Reflecting the Rising* is without parallel. On the day, the public could take part in more than 300 historical talks and tours with leading commentators and family of the rebels. A cornucopia of on-street performances; live broadcasts and music; dance; film; and drama, with Dublin city as the stage, was thematically arranged across four zones, north and south of the Liffey.

A key tenet of this undertaking was the collaborative and supportive spirit with which the event was realised. Strong relationships were forged with Ireland 2016; the National Transport Authority; Dublin City Council; the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs; Century Ireland; Boston College; and more. The event was widely regarded to be of such magnitude that it would not have been possible without the close collaboration between RTÉ and its partners.

### Every County Found in Film

RTÉ, once more in partnership with Ireland 2016, committed to honouring the individual connections of each county to the important history of the 1916 Rising. We undertook a project that captured these narratives through film – one for every county in Ireland.

These 32 one-minute shorts explored the rich histories and collated an important repository, the significance of which will live on far beyond the centenary year. Filmed over six months by five Irish directors, the shorts centre around everyday people. They reflect on the Easter Rising and its part in their own personal histories, with subjects aged 104 to just five years old.

The specially commissioned films were broadcast over four months on RTÉ One and RTÉ2, and supported by RTÉ Player and RTÉ's YouTube channel. They were also shown in 71 cinemas throughout the Republic of Ireland during a three-week period. The accompanying social media campaign struck a chord with audiences online, where it was widely shared, and won the BOC Brilliance Award 2016 in the Best Social Media Campaign category.

### Commemoration through Expression

RTÉ 1916 was brought to fruition through successful partnerships within Ireland's vibrant creative and artistic sector.

With a cast of more than 600 performers, *Centenary* told the stories of Ireland through multiple art forms. It was broadcast live from

the Bord Gáis Energy Theatre and drew more than 491,000 viewers (35% of available audience). An additional almost 30,000 streams on RTÉ Player, of which 39% were international audiences, meant this one-off cultural celebration struck a chord with those at home and overseas. The artistic imagining won acclaim with audiences and critics. Strong positive sentiment on social media, where comparisons to Riverdance abounded, was echoed in the traditional press.

RTÉ 1916 also had a strong offering of content that told the story of the Rising through art and music. In partnership with the Arts Council, *A Nation's Voice* saw over 1,000 singers join together with the RTÉ National Symphony Orchestra for the world premiere of *One Hundred Years a Nation* by composer Shaun Davey. This free open-air performance on Easter Sunday was broadcast live on television and radio to almost a quarter of a million viewers, with an additional 8,100 streams. In September, *Composing the Island: A century of music in Ireland 1916–2016* launched with the RTÉ National Symphony Orchestra. It marked the beginning of a three-week programme of orchestral, choral, instrumental, song and chamber music concerts by Irish composers, written between 1916 and 2016. The series represented another valuable collaboration, this time with Bord na Móna.

Across television and radio schedules, bespoke content, such as *A Fanatic Heart*, a two-part co-production with the BBC, brought colour and context. Embedded arts programming such as *Arena* also drew on the theme throughout the commemorative period.

### In Hearts and on Devices

RTÉ's encyclopaedic catalogue of content for the 1916 commemoration had a distinct digital emphasis and accessibility on any device was key.

Following the success of *World War 1: A Hundred Years* and the *Road to the Rising* events, a mobile-friendly website allowed access to almost all of RTÉ's 1916 content and activities. It also provided interactive mapping of the events of the Rising and a curated

**“On Easter Monday, the nation's capital was transformed by the biggest public cultural event in its history. RTÉ, in collaboration with Ireland 2016, created RTÉ Reflecting the Rising, a re-imagining of Ireland of the Rising.”**

# Operational Review A Year in Review – RTÉ 1916 (continued)

collection of more than 100 eye-witness accounts from the people who experienced it. Working with Century Ireland, [rte.ie/1916](http://rte.ie/1916) brought unique content from the historical online newspaper and presented it with a fresh perspective.

The site also provided on-the-ground information for those visiting Dublin over the Easter weekend. It registered 651,000 page impressions in March alone and more than a quarter of a million page impressions across the Easter weekend. *Centenary*, broadcast to the diaspora worldwide via RTÉ Player International, was accompanied by a downloadable programme made available online in advance for a fuller experience.

Following the success of [rte.ie/1916](http://rte.ie/1916), in June RTÉ Archives co-hosted, with the Digital Repository of Ireland, Archiving Tomorrow 2016. This international conference saw RTÉ bring the experience and knowledge base garnered through the project to an international audience.

**“In launching RTÉ 1916, we made a commitment to present ground-breaking, fresh content on screens and on the airwaves that considered the rebellion itself as well as its impact.”**

## Continued Commemorative Coverage

In news reportage through the commemorative year, RTÉ strove to maximise public access to ceremonies and events while providing appropriate reporting for audiences at home and, importantly, abroad.

Live coverage of the official State commemoration ceremonies at the GPO in Dublin on Easter Sunday was watched by an average 336,900 viewers (50% of those watching television in Ireland during that time), while more than 1.1 million viewers tuned in at some point during the five-hour broadcast. An additional 186,000 people on average watched the compilation programme later that evening. State commemorative coverage generated almost 100,000 streams on RTÉ Player across the weekend, with almost half of those being international users. Live tracker feeds and an extensive picture gallery were also available from [rte.ie/news](http://rte.ie/news).

RTÉ served as the host broadcaster across the commemorative weekend, providing complimentary live feeds to Irish media and internationally including CNN, BBC, SKY

News, CCTV China, Russia Today, UTV Ireland and TV3. Online feeds were also given to the *Irish Independent*, *The Irish Times*, the *Irish Examiner*, *The Irish Post*, Journal.ie, Breakingnews.ie and Newstalk.

Coverage of the ceremonies and parades across the weekend of commemoration came from the Garden of Remembrance, the GPO, the city centre, Kilmainham Gaol and Áras an Uachtaráin, making this the biggest broadcast deployment of a State event since the visits of Queen Elizabeth and President Obama in 2011.

Extended *Six One* programmes on Easter Sunday and Monday featured additional regional reporting from across the country.

Beyond the commemorative weekend, coverage continued with a live broadcast of the interfaith service at the Remembrance Wall on 3 April.

In July, marking the 100th anniversary of the beginning of The Battle of the Somme, RTÉ brought live coverage of the international ceremony at Thiepval in France. Continued news reports across the week culminated in extensive coverage of the National Day of Commemoration on 10 July live from the Royal Hospital, Kilmainham. This was well-supported across the week by a host of programming on television and radio.

## Creative Content Captures a Nation

In launching RTÉ 1916, we made a commitment to present ground-breaking, fresh content on screens and on the airwaves that considered the rebellion itself as well as its impact. Among the on-screen highlights was *Rebellion*, a five-part series that charted the violent birth of modern Ireland. In *Children of the Revolution*, broadcaster Joe Duffy told the story of the Easter Rising from the perspective of the 40 children who lost their lives during the conflict. *Inside the GPO* brought the vibrant history of one of Ireland's most important institutions to life. *Ireland's Rising* followed contemporary people as they travelled back to their home place to delve into the history held there and their own connections to the rising.

RTÉ Radio 1's *Documentary on One* produced a four-part series that explored known and hidden histories of the Rising, and challenged long-held views of the rebellion. RTÉ Raidió na Gaeltachta highlights included a seven-part programme, *1916 – Ceisteanna, Tuairimí, Freagraí*, that was recorded before an audience in the Gaeltacht regions and presented themes for debate.



# Digital, everyday

Through its range of digital services, RTÉ is at the very heart of Ireland's expanding digital environment.

RTÉ.ie had an average of 54 million page views each month in 2016, while RTÉ Player had a record number of streams in 2016.



## **About RTÉ's Digital Services**

**RTÉ's digital division is an industry leader in the delivery of digital media services in Ireland. It is responsible for RTÉ's digital evolution and operates RTÉ, ie, RTÉ Player, RTÉ Player International and a wide range of mobile applications, including RTÉ News Now. It enables RTÉ to meet its diverse public-service objectives in a digital world, implements RTÉ's distribution strategy, drives innovation, accelerates the startup sector and advances the agenda for the digital education of young people in Ireland.**

### Leading Ireland's Digital Revolution.

RTÉ's digital division supports key events and organisations focused on RTÉ.ie, Ireland's leading media site.

RTÉ.ie underwent a significant re-design in 2016, offering users a more seamless, responsive experience across desktop, mobile and tablet. There was a significant rise in unique browsers and page views compared with 2015, averaging 54 million page views and 5.6 million unique browsers every month. Mobile traffic also rose from 49% in 2015 to 54% in 2016.

Top stories across the site in 2016 included the Irish General Election, the US Election, Michael Conlan's defeat at Rio, the Orlando nightclub shooting and Ireland's historic victory over New Zealand in Chicago.

Alongside our extensive news and sports coverage, we introduced a new Culture section and launched the 1916 site, which acted as an interactive hub for our archive and *Reflecting the Rising* activities. The Entertainment and Lifestyle sections also experienced strong growth and the new Radio Highlights section offered a unique editorial slant on RTÉ Radio 1's weekly output.

The Sport section experienced a record seven million page views and 1.8 million unique browsers for its coverage of the Rio Olympics. The top day was 17 August, when boxer Michael Conlan's defeat attracted 1.6 million page views and 550,000 unique browsers. Alongside the news coverage, RTÉ's digital production and operations team created an interactive game to see if online users could beat Russian boxer Vladimir Nikitin. Created within hours of the defeat, the game attracted more than 400,000 page views.

The Irish General Election coverage achieved 20.2 million page views and 1.1 million unique browsers on the weekend of the count when extensive live interactive information was available. Dwell time for RTÉ.ie's election site was also very high, with the average online browser spending over 15 minutes on the site.

*Operation Transformation* continued to engage audiences online, with 4.8 million page views. The celebrity version of the series in September achieved 1.1 million page views.

### RTÉ Player

RTÉ Player, Ireland's number one broadcast video-on-demand (VOD) service, delivered a record number of streams in 2016. With more than 50 million streams in 2016, this represented an additional 10 million streams or a 26% increase on 2015.

During the year, RTÉ Player delivered an average of 4.2 million streams and 1.7 million unique browsers each month, with both figures up 30% on the previous year.

Of significant note, live viewing on RTÉ Player was up by 74% on 2015 volumes, with 20% of monthly streams being live in 2016 compared with 15% in 2015. RTÉ Sport dominated summer figures. RTÉ Player delivered more than 750 hours of live sports content to Irish audiences with streaming of Euro 2016, Rio 2016 Olympics and the GAA Championships. The most popular live event was the Republic of Ireland's Euro 2016 opening game against Sweden. The day the O'Donovan brothers won a silver medal was the most popular day of streaming during the Olympic Games.

### Exclusive Offerings

RTÉ Player invested in more online exclusive and extra content in 2016. This includes the addition of new permanent content hubs, such as the Documentary Hub (75 titles), the Food Hub (130 recipes) and the Arts and Culture Hub (34 titles), that allow audiences to watch content for an extended period.

RTÉ Player also invested in up-and-coming talent, creating more short content to better serve mobile users and viewers on the move. New shows commissioned exclusively by RTÉ Player included *What Would Holly Do?*, a beauty series with Holly Carpenter; a pilot cooking show *Chef Adrian Eats Ireland*; a series of comedy shorts with comedian and snapchat star Pamela Joyce; and new *Food Bites* video recipes from Roz Purcell, Indy Power and Eva Lawes of Delicious Circle.

RTÉ Player also produced online exclusive content around the most popular RTÉ television series and events. These included behind-the-scenes interviews concerning key *Fair City* storylines, celebrity reactions to *First Dates Ireland*, an exclusive episode of *Bridget & Eamon*, as well as 1916 commemorations, The Eurovision Song Contest, The Rose of Tralee and classic *Late Late Show* collections.

Together the online exclusive extras and new shows to RTÉ Player attracted more than three million streams.

**“RTÉ.ie underwent a significant re-design in 2016, offering users a more seamless, responsive experience across desktop, mobile and tablet. There was a significant rise in unique browsers and page views compared with 2015, averaging 54 million page views and 5.6 million unique browsers every month. Mobile traffic also rose from 49% in 2015 to 54% in 2016.”**

# Operational Review A Year in Review – Digital (continued)

## Soap Staples

During the year, soaps remained the most popular shows on RTÉ Player. *Fair City* had 5.7 million streams, followed by *Home and Away* with 5.4 million streams and *EastEnders* with 4.7 million streams. Euro 2016 attracted more than two million streams, while the Olympic Games in Rio attracted 1.4 million streams.

RTÉ Player is available on 11 platforms, making it widely available for audiences to watch when and where they want to. In 2016, RTÉ Player launched on Sky set-top boxes and the Sky Go app, as well as on new LG and Samsung Tizen Smart TVs to ensure that the service is available and accessible to audiences on an ever-increasing range of devices and platforms.

## RTÉ News Now

RTÉ News Now maintained its position as the number one Irish news app, offering on-the-go access to the latest news, sport and entertainment headlines. Total app downloads reached 1.63 million, with 165,400 new users in 2016.

Overall, app traffic increased by 26% to a monthly average of 68 million page views, while monthly unique users averaged at 426,000, an 11% increase on 2015.

Reflecting the loyalty of RTÉ News Now users, on average app users opened the app 2.5 times a day and viewed 5.5 pages on each visit.

While news remained the main destination for app users, other sections saw substantial growth. Sport page views grew by 77% and its share in overall app traffic increased from 14% to 20%, Lifestyle grew 101% year on year, reaching almost one million monthly views, and Culture, which launched in late August, is delivering 280,000 views a month.

**“RTÉ News Now maintained its position as the number one Irish news app, offering on-the-go access to the latest news, sport and entertainment headlines.”**

## Serving Audiences Abroad

RTÉ's online and mobile services attract and serve a large swathe of international audiences. One-quarter of RTÉ.ie's traffic is from international audiences. In addition, 30% of traffic to RTÉ's radio apps was from international listeners in 2016.

In 2016, RTÉ Player International (across desktop, iOS and android) delivered an average of 460,000 streams each month to international viewers, an increase of 28% in average monthly streams from 2015. More than 2,500 hours of RTÉ programming – including *The Clinic*, *Room to Improve* and *Love/Hate* – were made available to RTÉ Player International audiences, enabling the Irish diaspora to watch some of RTÉ's best-loved programmes. *Fair City*, *Nine News*, *Six One News*, *The Late Late Show* and *Extras* were consistently the most popular programmes for audiences abroad.

## GAA Goes Global

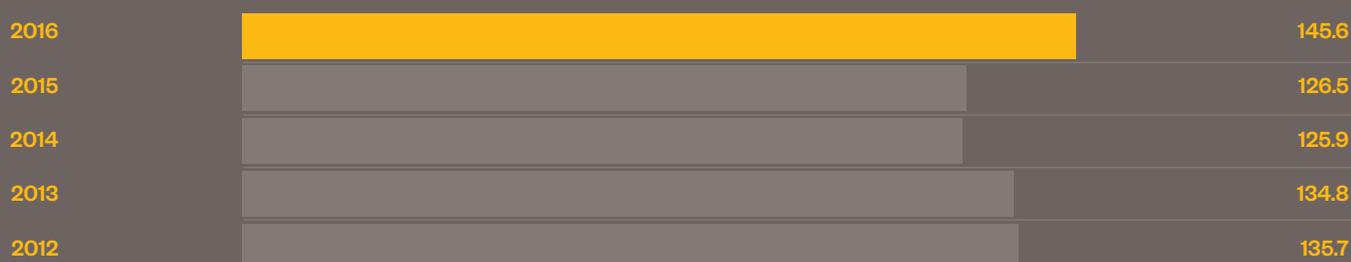
In 2016, GAAGO, RTÉ and the GAA's online streaming service for Gaelic games around the world, continued to expand its service offering, streaming more than 120 GAA events to fans in over 190 countries around the world. With a focus on enhancing fans' viewing experience and developing key markets, GAAGO launched a dedicated GAAGO channel on the Roku streaming platform, making Gaelic games available to millions of American households.

## Sharing in 1916

RTÉ's online and mobile services enabled international audiences to view RTÉ's programming to commemorate and celebrate the 1916 centenary.

RTÉ Player, RTÉ.ie, RTÉ News Now and RTÉ's radio apps allowed audiences around the world to engage with RTÉ's 1916 content. RTÉ Player's dedicated 1916 Hub was an immersive space for audiences to explore the wide range of 1916 TV content. Marketed to audiences worldwide, RTÉ Player's 1916 Hub attracted audiences in more than 120 countries. The official RTÉ 1916 website [www.rte.ie/1916](http://www.rte.ie/1916), designed and curated by RTÉ's digital division, showcased the breadth of content and events being delivered across the organisation. The website attracted nearly a quarter of a million unique users in 2016, with 20% of online traffic originating from outside of Ireland, with the largest audiences coming from the US, Canada, Australia and Germany.

## AVERAGE PAGE IMPRESSIONS PER MONTH ACROSS DIGITAL SERVICES (MILLIONS)

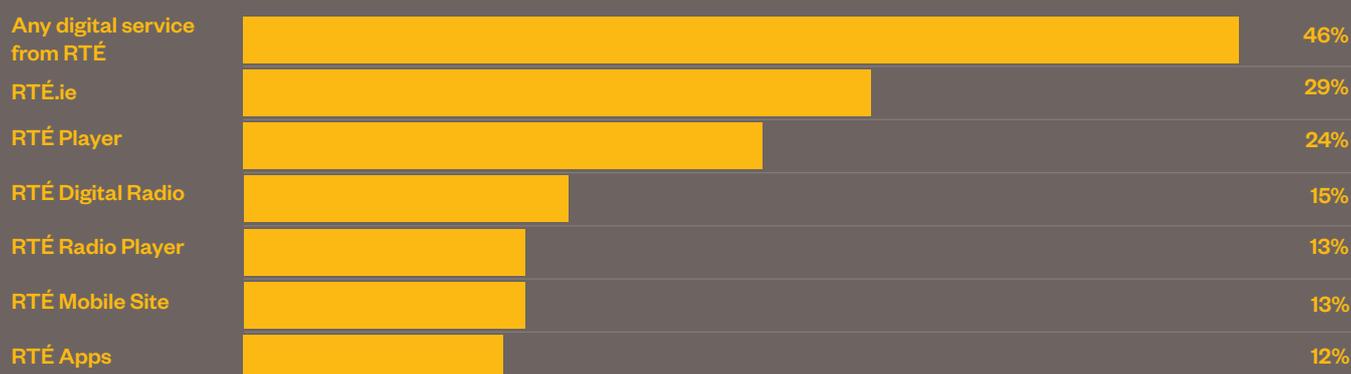


Source: RTÉ

**Footnote:**

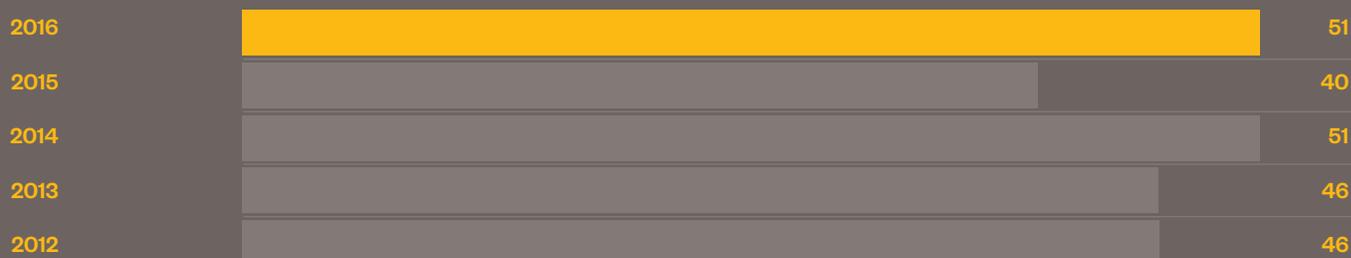
The increase in average page impressions reflects a number of major national and International events in 2016. There was strong consumption of digital content during Election 2016 (February), UEFA Euro 2016 (June to July) and Olympic Games 2016 (August) in particular. There were also significant boosts from the 1916 commemoration events, the Brexit vote and the US Election.

## WEEKLY REACH OF RTÉ'S DIGITAL SERVICES 2016



Source: RTÉ Data, 2016, Adults 18+

## RTÉ PLAYER STREAMS: 2012 - 2016 (MILLIONS)



Source: RTÉ

# Operational Review A Year in Review – Digital (continued)

## RTÉ Archives

The RTÉ Archives website [www.rte.ie/archives/](http://www.rte.ie/archives/) is an online exhibition from hundreds of thousands of hours of moving image and sound recordings in RTÉ Archives collection. It attracted a record number of online visitors and page views in 2016. Average unique browser numbers almost doubled to 128,000 each month in 2016, compared to 67,000 a month in 2015. Page views in 2016 exceeded 3.5 million, a 75% increase on the 2 million page views achieved in 2015. The RTÉ Archives Daily section publishes new content every day, which was a major factor in growing the traffic and page views. In 2016, Archives Daily published 1,267 new stories online.

The three most-viewed stories on RTÉ Archives throughout the year were Gabby Logan being interviewed as the Leeds Rose in 1991 and talking about her ambition to be a TV presenter; Bibi Baskin's 1994 interview with Mary Trump, mother of Donald Trump, at the Trump Taj Mahal Hotel in Atlantic City; and the Easter Rising collection, featuring personal accounts from those who took part in the Rising.

For the 1916 commemorations, RTÉ Archives created a major online exhibition and interactive map. Delivering a best-in-class example of digital storytelling, the exhibition presents 100 witness accounts of 1916 events from previously unseen and unheard audio and visual recordings. The preservation and restoration of *Insurrection*, RTÉ's original commemorative drama for the 50th anniversary and which was shown in its original format on RTÉ One, further demonstrates the intrinsic cultural value of the archives.

## Partnerships and Digital Innovation

Throughout the year, RTÉ's digital division continued to build on RTÉ's position as a leader in the digital media environment, digital economy and digital community. It delivered a programme of support for key events and organisations focused on driving innovation, accelerating the startup ecosystem and advancing the agenda for the digital education of young people in Ireland.

**“RTÉ supported the Schools Digital Champion Programme, which encourages secondary school students across Ireland to “think digital, use digital” by developing a project that demonstrates how their digital skills can be used to make a difference to their school.”**

With a focus on innovating for the future, RTÉ supported InspireFest, Europe's leading sci-tech and arts festival. RTÉ also supported the ARVR (Augmented Reality and Virtual Reality) Innovate Conference, which brought some of the world's leading augmented reality and virtual reality experts to Dublin for a one-day conference.

## Flying High

RTÉ has been collaborating with the Dublin Airport Authority (DAA) to integrate RTÉ's content in the Dublin Airport experience. As part of this, RTÉ, together with Dublin City University's (DCU's) Alpha Innovation Campus, supported Dublin Airport's #hackDub Hardware Hackathon, which brought entrepreneurs, innovators, engineers, designers and Dublin Airport customers together to combine ideas and skills to radically enhance the customer experience at Dublin Airport.

In December, RTÉ and the DAA launched DUBstream, a pilot entertainment service that offers free short-form RTÉ video content to visitors connected to Dublin Airport's free wi-fi service.

## Supporting Startups

Throughout the year, RTÉ actively supported key events that championed the startup community and the acceleration of Ireland's startup sector. RTÉ was a leading media partner for the Global Entrepreneurship Network (GEN) Startup Nations Summit and the Spike Island Bootcamp. Organised by Startup Ireland and Cork Innovates, the summit brought together leaders of national entrepreneurship initiatives from more than 80 countries, while hundreds of Irish and international startups attended Spike Island for what was described as a “gritty, two-day overnight bootcamp that challenged the way startups think”.

RTÉ also supported the Uprise Festival, which helps startups attract talent, investment and partnerships. RTÉ also collaborated with the Dublin Commissioner for Startups, commissioning a series of video interviews with Dublin-based startups innovating in the media space. The series of short, smart and informative video pieces, which will be published in January 2017, focused on innovation and innovators in the Dublin tech and startup scene and was designed to showcase Dublin as a European startup centre of excellence.

## Educating Youths

RTÉ also champions the digital education of young people. Throughout the year, RTÉ increased its support for a number of important initiatives including the CoderDojo Coolest Projects awards, which celebrates

**“RTÉ services were launched on a number of additional platforms and devices in 2016, building on its objective to extend the reach of its distinctive public-service channels and programming to the widest possible audience.”**

creativity within the CoderDojo community. It features gadgets, robots, blogs, games, apps and websites designed by 800 young coders aged from 7 to 17 from across Ireland and Europe. The event in 2016 also saw the addition of Launch'd, which aims to inspire and support the next generation of technology entrepreneurs.

RTÉ supported the Schools Digital Champion Programme, which encourages secondary school students across Ireland to “think digital, use digital” by developing a project that demonstrates how their digital skills can be used to make a difference to their school, a local business or the wider community. A Department of Communications, Climate Action & Environment and Department of Education & Skills initiative, RTÉ provided a range of supports, including mobile journalism (MoJo) training and a MoJo competition for the participating students. In addition, RTÉ hosted a group of the young ‘digital champions’ at RTÉ to experience new technologies and explore future digital possibilities for RTÉ.

Alongside this, RTÉ continued its support for the Excited Learning Festival, which champions the use of digital technologies across the education spectrum. RTÉ also supported the Digital Youth Council, which gives a voice to young people involved in technology in Ireland and provides them with a platform to influence the National Digital Strategy and the future of technology in education.

RTÉ plans to build on this broad programme of support in 2017.

#### **Distribution**

RTÉ services were launched on a number of additional platforms and devices in 2016, building on its objective to extend the reach of its distinctive public-service channels and programming to the widest possible audience.

RTÉ’s linear channels and catch-up programmes went live on Vodafone’s new TV service in January. RTÉ Player was made available to Sky customers via its set-top box and on Sky Go. RTÉ One, RTÉ2 and RTÉjr were launched on Sky Go, giving audiences the opportunity to watch RTÉ’s live channels out of their homes. In addition, RTÉ News Now went live on Sky.

As more people choose to watch video on the best available screen, in 2016 RTÉ launched more services for TV screens.

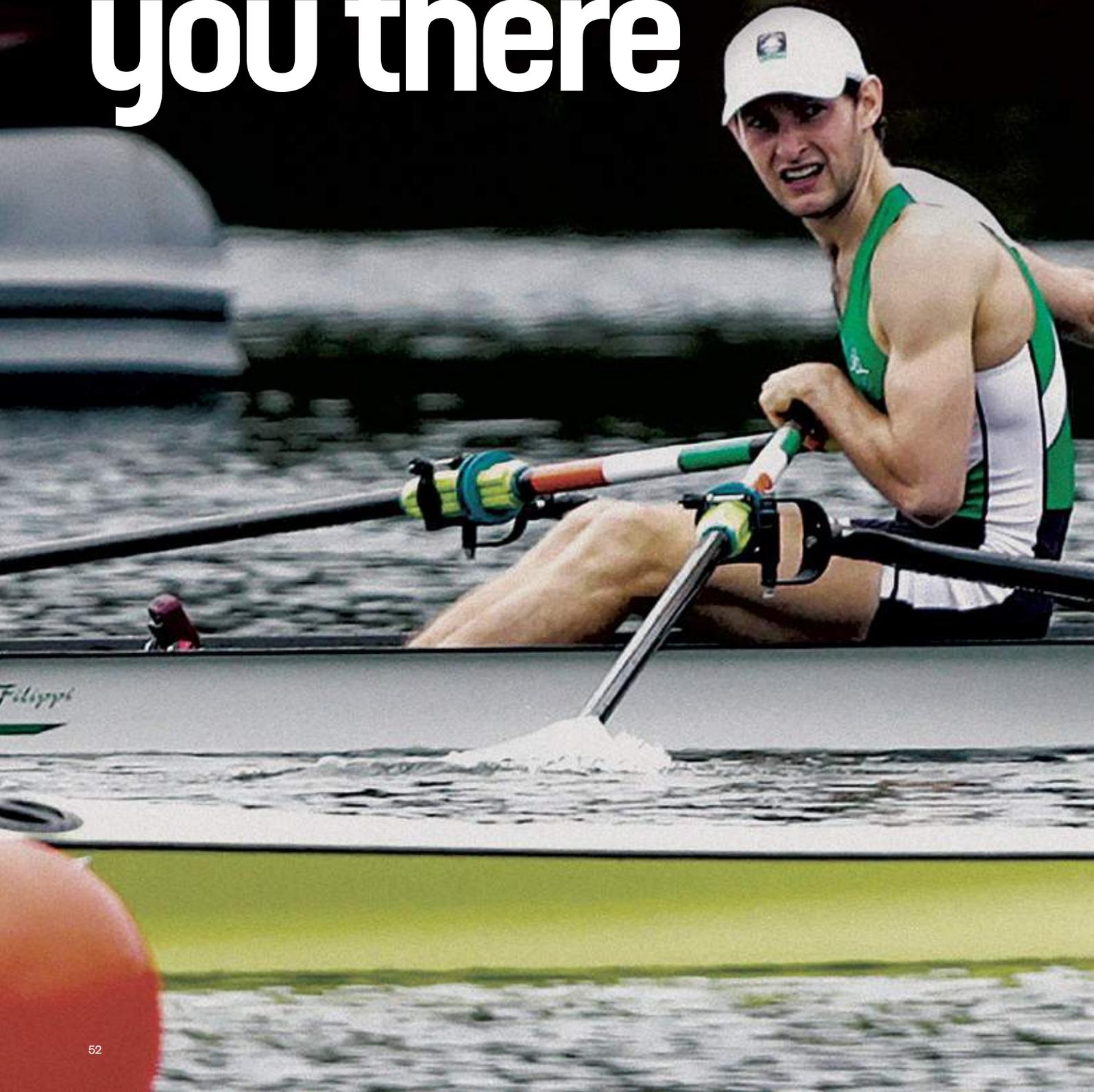
RTÉ Player launched on Samsung’s new operating system, Tizen, in March and on LG smart TVs in September. This is in addition to RTÉ Player, which features on Samsung’s and LG’s launcher menus, making it more accessible and easier to discover.

GAAGO was also made available on Roku in the US.

RTÉ collaborated with Facebook and Twitter during the General Election to reach a younger audience. A special election programme with Keelin Shanley was broadcast live on RTÉ2 from Facebook’s offices in Dublin.

Operational Review  
A Year in Review –  
RTÉ Sport

# We take you there



**RTÉ Sport is at the centre of Ireland's sporting life, delivering award-winning coverage to the nation, free-to-air.**

**885 hours of original sport programming in 2016.**



**Operational Review  
A Year in Review –  
RTÉ Sport**  
(continued)

## **About RTÉ Sport**

**RTÉ is the leading provider of broadcast and online sport content in Ireland. Across multiple and growing platforms, RTÉ Sport provides audiences in Ireland with free-to-air coverage and analysis of major and niche domestic sport and international fixtures and tournaments.**

### Television's Best Sporting Moments

RTÉ Sport produced 885 hours of television content in 2016, peaking with a spectacular summer of sport that included 110 hours of Gaelic games, 116 hours of Euro Championships and 215 hours of Olympics coverage from Rio. The GAA, our national games, remained at the core and heart of our coverage across all platforms in an extremely busy and engaging year.

RTÉ Sport produced 12 of the top 20 programmes on Irish television in 2016. Ireland's game against France in Euro 2016 was in the top 20 TV programmes over the past 20 years. It's in second place in 2016, averaging an audience of 1,262,000 or 82.5% of the available audience on Sunday 26 June.

Our television coverage of the Olympic Games showed the dramatic highs and lows from an Irish perspective. The highest rating sports event at the Olympics was for Oliver Dingley's eighth place finish in the men's 3m springboard final, with an average of 388,000 viewers (33.4% share) at 10:46pm on 16 August. The O'Donovan brothers came a close second; their silver medal-winning performance in the lightweight double sculls averaged 346,000 viewers (52.9% share) on the afternoon of 12 August. A notable feature of our coverage was the inclusion of David Gillick as presenter/reporter/commentator in Rio, as well as Kellie Harrington, Barry Murphy, Martin Irvine, Grainne Murphy and others as new analysts, which highlighted our focus on developing exciting new talent.

### Award-winning Coverage

RTÉ Sport won an award from Paralympics Ireland for its excellent television coverage of the games last September, which included an unprecedented 20 hours of live TV and highlights focusing on Irish athletes.

The European Athletics Championships also featured during the summer and, in addition to major events, television sport also brought the audience 156 hours of soccer, including coverage of the World Cup Qualifiers and domestic games, 75 hours of rugby, incorporating the men's and some women's 6 Nations games, as well as the Guinness series. It was also another bumper year of GAA coverage, culminating in 145 hours of output across all GAA content, which included the camogie semi-finals live for the first time.

Other highlights from our 2016 sports coverage include: 24 days of Irish horse racing; boxing from the Women's World Championship and the Men's European Championship; the Dubai Duty Free Irish Open; the Aga Khan from the RDS; the Irish Greyhound Derby semi-finals and final; and the RTÉ Sport awards in association with Sport Ireland.

**“RTÉ Sport won an award from Paralympics Ireland for its excellent television coverage of the games last September, which included an unprecedented 20 hours of live TV and highlights focusing on Irish athletes.”**

### Sport on the Radio

RTÉ Sport finished the radio year on a high; the latest listenership figures show the two flagship programmes, *Sunday Sport* and *Saturday Sport*, holding the top two places in the national radio sports-programmes lists by a long margin ahead of the competition. *Sunday Sport* has 173,000 listeners and *Saturday Sport* has 163,000. The solid audience for the weeknight show, *Game On*, means the Irish radio audience is served seven days a week by RTÉ Sport.

It was a busy year for RTÉ Sport on radio, with significant extra programming built around live commentaries from Euro 2016 and the Rio Olympics. We also maintained our full coverage of all the GAA national competitions, provincial and international rugby, and domestic and international soccer. We also continued to expand our coverage of women's sport in these areas.

The Olympics put a particular focus on 'minority' sports, both in the months before Rio and during our marathon broadcasts of up to 12 hours a day during the games. We also maintained 15 hours of regular programming and bulletins every week (as well as many more hours of live coverage throughout the year) in which we covered golf, horse racing and many other sports.

### RTÉ.ie/Sport

RTÉ.ie/sport experienced significant growth in 2016. Unique browsers in sport across all platforms (RTÉ.ie and RTÉ News Now) were up 11% year on year from an average of 1,660,000 each month in 2015 to 1,837,000 in 2016. Page views (as another measure of traffic) for sport were up considerably, rising 46% from 189 million in 2015 to 275 million in 2016. Activity on the app was up 77% year on year and it increased by 16% on the website.

Sport made some notable achievements in the overall RTÉ.ie output, with two of the top five stories in 2016 generated from Sport Online – Michael Conlan's travails in Rio (which was third in terms of traffic) and the match tracker from the Ireland/New Zealand rugby match in Chicago, which was fifth.

Outside of Election 2016, the busiest day for online traffic across RTÉ's news platforms was 17 August – 7.6 million page views were driven by the Conlan story and an Olympic-based game 'Can You Beat Nikitin?', which was devised by RTÉ's digital team and shared on RTÉ's sport and central social media channels.

Online traffic was busiest in June and August for the European Championships and the Olympics. However, throughout the year RTÉ Sport's online coverage of our national teams and national games drew big audiences. It also catered for those sports only occasionally in the limelight and had a strong focus on ladies' football and camogie, as well as motor sports and equestrian.

### In the News

The Rio Olympics was the stand-out event for RTÉ Sport's TV news coverage. A small team (sent to cover Olympic sport) filled both ends of the news programmes almost every day for three weeks with headline news stories as well as all the sport – ranging from doping bans, arrests and imprisonments, judging controversies and underperformances as well as the stories that lifted the mood of the nation.

RTÉ Sport's news reporting on the colour and excitement of the European Soccer Championships meant RTÉ Sport's news had its best year for some time in terms of headline news and impact.

Of course, the rest of the year's sports stories were covered as always, including all the issues, match reports and results from all the national major GAA competitions, as well as rugby, soccer, golf, horse-racing etc.

**Operational Review  
A Year in Review –  
RTÉ News &  
Current Affairs**

# **All the News, Now**



A night-time scene at a press event. In the foreground, several microphones are mounted on a stand, including a blue one with 'RTÉ Ireland' branding and a grey fuzzy one. In the background, a woman in a black coat and white scarf looks down at a smartphone, while a man in a dark jacket with a white collar looks to the right. A white metal crowd control barrier is visible. The scene is dimly lit with some blue light accents.

**When stories break, wherever they break, RTÉ News has the latest, in both languages, delivering to the nation and beyond.**

**Over 1,000,000 people stay up to date with RTÉ News on social media.**

## **About RTÉ News & Current Affairs**

**RTÉ is the biggest provider of broadcast and online news in Ireland. A comprehensive network of regional and international correspondents works tirelessly to bring audiences the news when they need it, where they need it, across multiple and ever-expanding platforms. Reporting, investigating and analysing, RTÉ News provides audiences in Ireland with a unique indigenous perspective in an increasingly globalised context.**

**Seismic change and major news stories, both internationally and at home, were witnessed in 2016. From the General Election, to Brexit to Trump, it was a year of political uncertainty and upheaval. However, with the 1916 centenary commemorations it was also a year of reflection and celebration. RTÉ News & Current Affairs offered breaking news, reports, major interviews and analysis of the stories that shaped 2016.**

## Elections 2016

As the country elected the 32nd Dáil in February, RTÉ broadcast live on the radio from more than 20 constituencies throughout the regions as part of its extensive election campaign coverage across television, radio, online and mobile.

For the first time in RTÉ's history, a general election leaders' debate took place outside Dublin as *Claire Byrne Live* broadcast from the University of Limerick. It was the largest general election television debate, featuring leaders from seven political parties and a live audience of 300 members of the public. Three days before polling, RTÉ broadcast a second major debate – Miriam O'Callaghan hosted a special *Prime Time Leaders' Debate* with the leaders of the four biggest political parties. Both debates were followed by a new live reaction programme, *The Spin Room*, hosted by David McCullagh.

The *Six One News*, *Nine O'Clock News* and *Prime Time* also hit the road during the campaign, co-presenting from different locations across the country and discussing issues affecting inner city, rural and urban communities. *Morning Ireland* also went on the road with the party leaders and featured probing major interviews while *News at One* reported on and analysed each day's events.

## Special Programming

Other special election programming included *Campaign Daily*, which was broadcast six days a week. It followed the ebb and flow of the campaign, with reports from policy launches, constituency profiles and panel discussions. David McCullagh presented *PT Extra*, a new late-night programme on RTÉ One, featuring election chat and examining whose election strategy was working. *The Week in Politics* with Áine Lawlor doubled its political coverage, keeping a sharp eye on the campaign as it unfolded with an additional programme every Wednesday night on RTÉ One television. Our children's news programme, *News2day*, featured the leaders of the four main parties answering some tough questions sent in by young viewers on issues ranging from education to homelessness to homework.

RTÉ News' ground-breaking online *Project 500*, gave a voice to every candidate standing in the election. Using RTÉ's regional network, the one-minute uncontested videos were personal political broadcasts allowing parliamentary democracy to play out in the public arena. Each candidate was given the opportunity to speak directly to the voters via RTÉ News' online platforms.

Drawing on political, journalistic and academic expertise, RTÉ News' online Election 2016 digital hub was a one-stop shop for all RTÉ content across television, radio and digital.

It combined output from current affairs programming, news bulletins, podcasts and written features.

## Covering All Bases

Following 24 days of campaigning, the General Election took place on 26 February. RTÉ's coverage of the election results was led by our News & Current Affairs Special Events team. With 32 count centres covering the 40 Dáil constituencies, the 17-hour *Election 2016 Results* programme marked a significant 'first' for Irish television as RTÉ broadcast live from every count centre in the country. *Election 2016* was also RTÉ's first HD general election results broadcast. It combined three separate TV studios with a purpose-built results centre and featured high-end innovation in TV graphics presentation.

For the 2016 General Election, RTÉ designed and built a dedicated results centre in one of its biggest TV studios. Here, count for count, individual constituency results were received and processed into RTÉ's own election computer results system and checked by a team of political scientists and producers. RTÉ also designed specialist software to deliver new touchscreen election graphics, unique to Ireland's proportional representation system, that showed the impact of transfer voting patterns and interactive constituency maps, along with information from RTÉ's exclusive exit poll.

*Election 2016* combined the work of more than 400 in-house RTÉ and contract staff across the count centres, the Donnybrook-based studios and the results centre. RTÉ's live TV results operation was unprecedented in scale, combining established outside broadcast technology with the latest innovations in broadband and information technology. RTÉ engineers built two separate broadcast 'hubs' on the Donnybrook campus, allowing

**“The *Six One News*, *Nine O'Clock News* and *Prime Time* also hit the road during the campaign, co-presenting from different locations across the country and discussing issues affecting inner city, rural and urban communities. *Morning Ireland* also went on the road with the party leaders and featured probing major interviews while *News at One* reported on and analysed each day's events.”**

# Operational Review A Year in Review – RTÉ News & Current Affairs (continued)

a team of senior producers to accurately and quickly filter results declarations and live contributions from the 40 constituencies. In the TV studio, custom-built presentation facilities gave presenters and guests immediate access to RTÉ's entire election computer results system. This enabled rapid and authoritative analysis of the latest results as the count unfolded across the day and into the night.

In May, RTÉ provided extended news coverage for the Northern Ireland Assembly Election with reporters in key count centres as all 108 seats were in contention. Internationally, our foreign correspondents covered the campaign, vote and fallout of both Brexit and the US Election in addition to our special programming.

## 1916 Commemoration

On Easter Sunday, 27 March, RTÉ mounted one of its biggest-ever outside broadcast operations. We delivered live coverage of the main State commemoration ceremony and parade in Dublin marking the centenary of the 1916 Rising. From early morning ceremonies at Glasnevin Cemetery and Kilmainham Gaol to the start of the parade at St Stephen's Green through to the formal commemoration ceremonies at the GPO, RTÉ's pictures were seen across Ireland and the world.

As Ireland's public-service media organisation, RTÉ was the host broadcaster for all the 1916 commemorations, maximising public access to the State events. The RTÉ live feed was delivered to international and domestic news media outlets, including CNN, BBC, SKY News, CCTV China, Russia Today, UTV Ireland and TV3, while our online feed was provided free to the Independent.ie, IrishTimes.com, Breakingnews.ie, The Irish Post, TheJournal.ie and Newstalk to carry live on their websites. RTÉ's pictures were also fed to large TV screens in various locations across Dublin city centre, where hundreds of thousands of people gathered to watch the commemorations.

## Unequalled Access

A core function of public-service media is to give a viewer 'the best seat in the house' at a major event, be it sports, entertainment or current affairs. During many hours of transmission, via expert studio and location presentation, RTÉ's 1916 commemoration coverage gave viewers live access at all levels: from street-level interviews to mid-level coverage from the best vantage points on the parade route (especially at the GPO) to aerial views from the skies across Dublin.

Across the host broadcast operation and RTÉ's own programming, RTÉ deployed 30 cameras in locations throughout Dublin. We delivered live and recorded feeds from TV units based at Áras an Uachtaráin, Glasnevin Cemetery, Kilmainham Gaol, St Stephen's Green, Dublin Castle and O'Connell Street, as well as studio coverage from Donnybrook and live aerial coverage of the parade and ceremonies. More than 120 editorial and

technical staff worked on the Easter Sunday coverage, which was the biggest TV broadcast deployment for a State event since the visits of Queen Elizabeth and President Obama in 2011.

RTÉ's public broadcast commitment to maximising access to the 1916 commemorations extended beyond the main Easter Sunday events to several other State ceremonies. We provided the host broadcast/TV core coverage at other events, including the Garden of Remembrance (26 March), Atheryn (28 March), Glasnevin Cemetery (3 April) and Arbour Hill (24 April).

## Unique Content

Across the year, News & Current Affairs programmes marked the centenary of the 1916 Rising with a vast number of special reports and programmes. These included a special *Prime Time* programme broadcast live from inside the GPO in Dublin, with a debate on the rights and wrongs of 1916, and a special series of *Nationwide* one-hour documentaries. Bryan Dobson told the story of "reluctant" Rising leader Michael Mallin, which featured a moving interview with his son, Fr Joseph Mallin, who, aged 102 years, is the only surviving child of the 1916 leaders. Anne Cassin examined the national anthem, the Irish tricolour and the proclamation of 1916, while Mary Kennedy looked at 1916 in 1966 and unveiled fascinating archive material. In December, *The Year of the Rising* documentary reflected on our year of commemoration, which saw the biggest ever public events in Ireland.

## RTÉ Investigates

During 2016, the RTÉ Investigations Unit worked tirelessly on a number of investigations of public interest.

RTÉ Investigates' shocking reports on Console revealed the serious levels of deception and mismanagement at one of Ireland's leading charities. Through contact with whistleblowers and painstaking research of thousands of documents acquired under Freedom of Information laws, RTÉ Investigates pieced together a jigsaw that revealed how hundreds of thousands of euro from donations were used to line the pockets of CEO Paul Kelly and his family.

Within weeks of the broadcast, Console was closed, seven official investigations were launched and a key part of the *Charities Act 2009* – the power of the Charities Regulator to investigate – was enacted, changing the regulatory landscape in Ireland.

Other investigations in 2016 included reports into the care system in Ireland and investigations into the motor industry on NCTs and write offs.

## Getting Results

Also, in 2016 the affects of previous investigations resulted in the criminal conviction of five people who worked at Áras

**“RTÉ Investigates won an award for Best Current Affairs Programme at the IFTAs and a Justice Media award for Best Television Documentary for RTÉ Investigates: Standards in Public Office. RTÉ Investigates: Inside Bungalow 3 was acclaimed internationally with a Celtic Media award for Best Current Affairs Programme and a silver medal at the New York Festival TV & Film awards.”**

Attracta care home and the repayment of almost €12 million to the State by Lloyds pharmacy chain following a report by the Investigations Unit of overcharging in 2015.

On radio, *This Week* reporter John Burke broke stories on the use of Irish-based shell companies by US criminals to launder money in the illegal sale of military goods to Russian companies, the treatment of Garda whistleblowers and the hacking of Garda IT systems. The programme also broke a number of stories on the cases of ‘Grace’ and ‘Mary’, young women left in care homes despite abuse allegations.

#### **Nuacht**

Nuacht continues to provide the daily TV Nuacht service to RTÉ One, RTÉ News Now and TG4 from Baile na hAbhann, offering national and international content along with a unique perspective on Gaeltacht, Irish-language and rural affairs.

RTÉ invested nearly €700,000 in the Avid News production upgrade for Nuacht in the Baile na hAbhann headquarters in Connemara, the biggest investment by RTÉ in the regions in 2016.

Across the year, Nuacht digital attracted nearly four million page visits and is now an established part of RTÉ’s digital offering. With an increasing emphasis on original regional, local and Gaeltacht stories, the service draws on material from both Nuacht and Raidió na Gaeltachta for online and social media content. On a daily basis, Nuacht contributes reports and other content to Raidió na Gaeltachta for Irish-language news bulletins on RTÉ Radio 1, 2fm and lyric fm.

#### **More than News**

The *Vóta 2016* programme on TG4 was a co-production between RTÉ and TG4 and provided 16 hours of live Irish General Election results coverage. Nuacht coverage of both Euro 2016 soccer championship and the US Elections was provided by a one-person VJ operation, with content provided in both Irish and English. The *Guth an Phobail* series of items in Nuacht TG4 also included one on 1916

produced by the pupils of Coláiste Chiaráin in Croom, Co Limerick, with which RTÉ has an educational partnership.

Nuacht also produced the series *Féilte: Slí an Atlantaigh*, which was among the most successful series on TG4 in the summer. A short music series for TG4’s Christmas schedule also proved popular with audiences, along with an archive series to mark the 20th year of Teilifís na Gaeilge.

#### **Recognition**

The work of RTÉ News & Current Affairs was recognised with a number of major award wins in 2016.

RTÉ Investigates won an award for Best Current Affairs Programme at the IFTAs and a Justice Media award for Best Television Documentary for *RTÉ Investigates: Standards in Public Office*. *RTÉ Investigates: Inside Bungalow 3* was acclaimed internationally with a Celtic Media award for Best Current Affairs Programme and a silver medal at the New York Festival TV & Film awards.

*Morning Ireland* got double Gold at the PPI radio awards, winning News Programme of the Year and the News Reporter award for Justin McCarthy.

RTÉ News reporter Ray Kennedy won the Television Justice Media award for *Five Days in March: The Battle for Gorsehill*, while Vivienne Traynor won the Justice Media award for Court Reporting Broadcast and Will Goodbody was the winner of the Justice Media award in the Digital/Online Features category. Science and Technology Correspondent Will Goodbody also won Specialist Business Reporter of the Year in the 2016 Business Journalist awards.

Other International successes include RTÉ *News2day*’s Nick Sheridan, who received the European 2016 Prix Circom Rising Star award; while *Tony O’Reilly: The Real Deal*, a special hour-long documentary by RTÉ’s Business Editor David Murphy, won a Bronze World Medal at the New York Festival TV & film awards.

Operational Review  
A Year in Review –  
Orchestras, Quartet  
and Choirs



**Love  
your  
orchestras**



**Ireland's national orchestras, quartet and choirs are maintained for the nation by RTÉ.**

**184,000 people attended RTÉ orchestral performances in 2016.**

**Operational Review  
A Year in Review –  
Orchestras, Quartet  
and Choirs**

(continued)

**About RTÉ Orchestras,  
Quartet and Choirs**

**There are more than 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, presenting live performances (many of which are also broadcast and available online), and commissioning and performing new music. In addition, RTÉ’s support for live music results in a significant number of additional freelance musicians being engaged each year as specialist players and accompanists, together with nationally and internationally recognised soloists and conductors.**

### Output and Audiences

During 2016, RTÉ's orchestras, quartet and choirs performed to more than 184,000 people. Performing a broad range of high-quality concerts, there were 200 live performances and events. Many of these concerts were broadcast on RTÉ lyric fm. Some were also heard on both RTÉ Radio 1 and 2fm as well as internationally through the EBU. RTÉ lyric fm complemented its audio broadcasts with a new online live video streaming service, featuring a number of concerts given by the RTÉ National Symphony Orchestra.

Our coordinated concert seasons featured a diverse range of musical genres and styles, including classical and contemporary classical music concerts, opera, film music, jazz and contemporary popular music, and family concerts. We broadened public engagement with the orchestras with initiatives that included an innovative concert format for popular music that was pioneered at the Electric Picnic Festival. Featuring a novel collaboration between the RTÉ Concert Orchestra and 2fm, the format was so successful it was revived at a packed 3Arena in Dublin. Public concerts were supplemented with studio recordings for radio, television appearances, commercial releases and documentary film soundtracks.

RTÉ Orchestras, Quartet and Choirs events included over 42 education-related performances, workshops and interviews with leading artists and commentators.

### Contribution to RTÉ 1916

Orchestras, Quartet and Choirs contributed significantly to major RTÉ 1916 events. *A Nation's Voice*, a live broadcast on RTÉ One as part of the State commemorative events on Easter Sunday, featured the RTÉ National Symphony Orchestra performing with a 1,000-strong choir at the National Museum, Collins Barracks. It was presented by the Arts Council and RTÉ, in association with the National Museum of Ireland, the Association of Irish Choirs and Music Generation as part of Ireland 2016. On Easter Monday, the RTÉ Concert Orchestra performed as part of RTÉ's *Centenary*, broadcast live on RTÉ One television. In September, all five of RTÉ's performing groups played a key role in *Composing the Island*, a festival of 28 concerts over three weeks that showcased music written by Irish composers from 1916 to 2016. It was sponsored by Bord na Móna and presented by RTÉ and the National Concert Hall as part of RTÉ 1916 and Ireland 2016. Every concert was recorded for posterity by RTÉ lyric fm.

### Special Events

Other special events included Stravinsky in Focus, a two-concert series featuring four of RTÉ's performing groups in a unique showcase of one of the most influential composers of the 20th century. The festival also featured a creative partnership with Chamber Choir Ireland and the Royal Irish Academy of Music.

### RTÉ National Symphony Orchestra

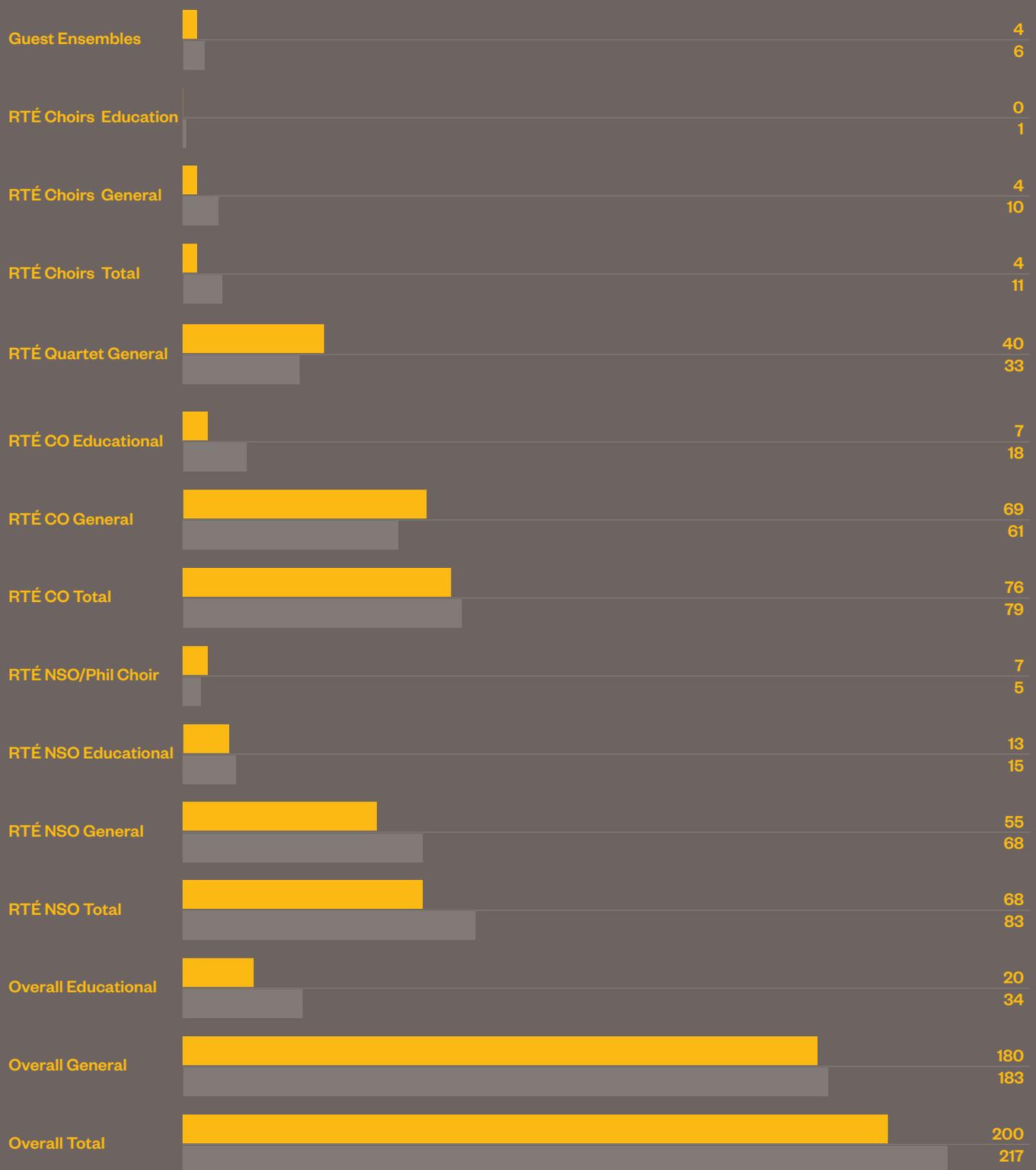
Highlights of the RTÉ National Symphony Orchestra's flagship subscription series of concerts included the conclusion of mini surveys of selected symphonies by Mahler and Shostakovich, conducted by outgoing Principal Conductor Alan Buribayev. Audiences heard key works by significant 20th century figures including Dutilleux, Lutoslawski and Vasks, alongside more familiar repertoire (such as symphonies and concertos by Bruckner and Rachmaninov). The orchestra continued to perform with acclaimed Irish and international soloists, including cellists Alban Gerhardt and Andreas Brantelid, violinists Alina Pogostkina and Elina Vahala, pianists David Fray, Finghin Collins and Stephen Hough, and singers Tara Erraught and Stéphane Degout. A number of highly talented conductors made notable Irish debuts, including Nathalie Stutzmann, Duncan Ward and Jaime Martin.

Beyond the main subscription season, the orchestra's performances included forays into other music genres including symphonic rock, movie classics with 2fm's Dave Fanning and new collaborations (such as with the award-winning singer and actress Camille O'Sullivan) and presenting video game soundtracks and classical music hits with conductor and composer Eimear Noone. The orchestra gave concerts in Wexford and Galway.

**“Highlights of the RTÉ National Symphony Orchestra's flagship subscription series of concerts included the conclusion of mini surveys of selected symphonies by Mahler and Shostakovich, conducted by outgoing Principal Conductor Alan Buribayev.”**

# RTÉ ORCHESTRAS PERFORMANCES

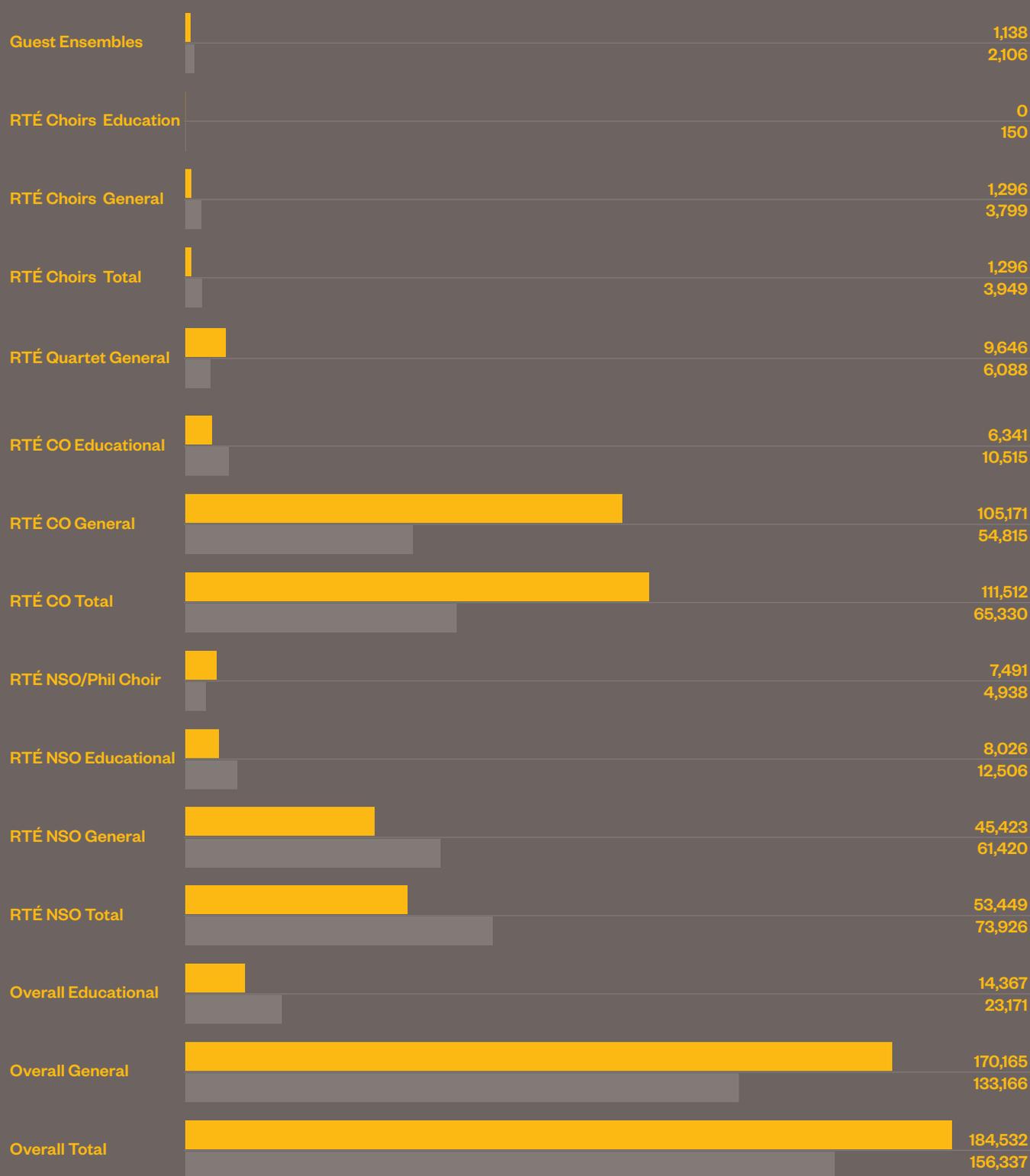
■ 2016 ■ 2015



Source: RTÉ

# RTÉ ORCHESTRAS ATTENDANCES

■ 2016 ■ 2015



Source: RTÉ

# Operational Review A Year in Review – Orchestras, Quartet and Choirs (continued)

## RTÉ Concert Orchestra

A characteristically diverse year saw the RTÉ Concert Orchestra (CO) perform across musical genres and extend its reach to new audiences. In the most high-profile event, the RTÉ CO teamed up with 2fm DJ Jenny Greene and vocalist Gemma Sugrue for a set of '90s dance classics at Electric Picnic in September. Following on from the success of this venture, they played an extended set to a sold-out 3Arena in November.

Contributions to 1916 commemorations included the premiere of *Mise Éire*, with live performance of Seán Ó Riada's score, in the presence of director George Morrison and President Michael D Higgins. The RTÉ CO also played Patrick Cassidy's score to a screening of *1916: The Irish Rebellion*, which was streamed live to Irish embassies worldwide. Over Easter weekend, the RTÉ CO performed Mozart's Requiem with Chamber Choir Ireland in the Capuchin Friary and took part in *Centenary* on RTÉ One. Michelle O'Rourke and the RTÉ CO also performed Simon O'Connor's new song cycle *Left Behind: Songs of the Widows of 1916*. RTÉ CO's *Composing the Island* programmes featured rare performances of Ina Boyle's Symphony No 1 *Glencree* and Frederick May's symphonic ballad.

**“Contributions to 1916 commemorations included the premiere of *Mise Éire*, with live performance of Seán Ó Riada's score, in the presence of director George Morrison and President Michael D Higgins.”**

Concerts with Principal Conductor John Wilson ranged from classical and opera to Bernstein, musicals and film music, and included performances with Patricia Bardon and Finghin Collins. Large-scale screenings with live scores included *Raiders of the Lost Ark*, *Aliens* and *Star Trek*. There were also performances with renowned vocal artists Plácido Domingo, Angela Gheorghiu, Curtis Stigers and John Grant.

Recordings included *Orchestrated*, with performances by Joe Dolan, and the score to the film *The Siege of Jadotville*. The RTÉ CO also features on *A Palace Among the Ruins*, the latest album by Howard Shore, the Academy, Grammy and Golden Globe-winning composer, as well as on the album *As Seen on The Late Late Show*, released by RTÉ and Universal Music Ireland in aid of St Vincent de Paul.

On RTÉ One television, the RTÉ Concert Orchestra also featured on *The Late Late Show*.

## Performances and Collaborations

The RTÉ CO was involved in many performances throughout 2016, including:

- A special Culture Night concert from Dublin Castle, which was broadcast live on *Arena* on RTÉ Radio 1
- A Christmas edition of *Sunday Miscellany* at the National Concert Hall
- TV performances on *The Late Late Show*, *Saturday Night with Miriam* and a special televised edition of *Christmas Carols from Cork* on RTÉ One
- Opera Theatre Company's *Don Giovanni*, translated by Roddy Doyle, with performances in Dublin and Cork
- *The Armed Man* by Karl Jenkins in Knock Basilica as part of The Mayo International Choral Festival
- Micheál Ó Súilleabhain's retirement gala concert in University of Limerick
- The ESB Feis Ceoil Conducting Competition
- The Freemasons Young Musician of the Year

## Recordings

During the year, the RTÉ CO recorded:

- *A Hidden Delight* by Michael Gallen, performed by the RTÉ CO and RTÉ Cór na nÓg as part of *The Lyric Feature – Wilde Stories*, RTÉ lyric fm
- A medley of soccer anthems to mark Euro 16 in collaboration with RTÉ Player
- A DVD with Declan O'Rourke live in Vicar Street

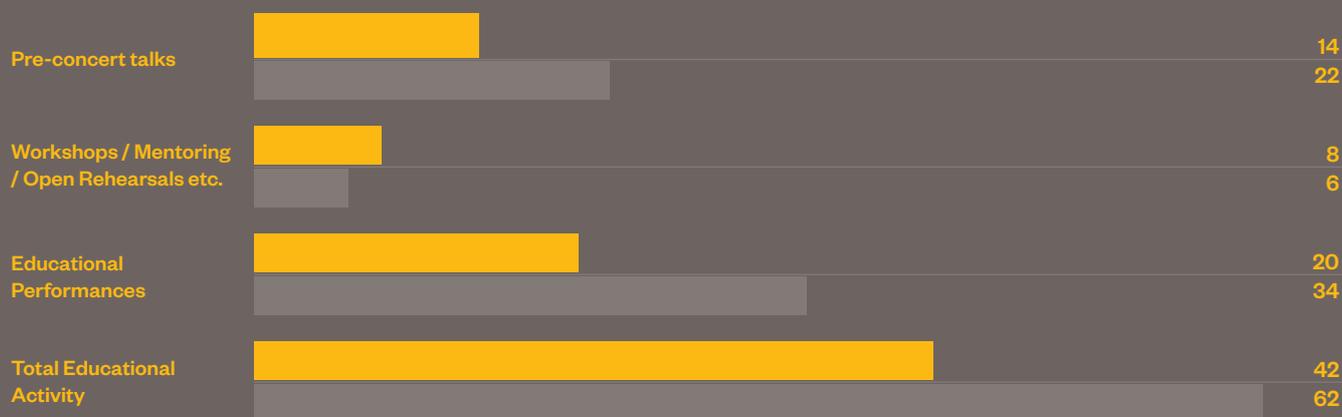
## RTÉ Contempo Quartet

The RTÉ Contempo Quartet presented 40 concerts or events, including seasons of concerts in venues in Cork, Dublin, Kilkenny and Limerick. The quartet completed the 20/20 Series and started The Bartók Project. This ambitious presentation of six concerts in four locations features seminal international works for string quartet alongside Irish music, with a number of specially commissioned new works.

The quartet also worked alongside the RTÉ orchestras, including late-night concerts that were part of programmes given by the RTÉ National Symphony Orchestra; a performance of Haydn as part of RTÉ's special concerts marking Good Friday; and participation alongside RTÉ CO and RTÉ National Symphony Orchestra in *Stravinsky in Focus*. The quartet gave two impressive concerts as part of *Composing the Island* in September and gave the premiere of an RTÉ commission by Gerald Barry at a special 1916 commemorative concert at the Wigmore Hall in London, which was co-hosted by the Irish Embassy in London.

## RTÉ ORCHESTRAS EDUCATIONAL ACTIVITIES

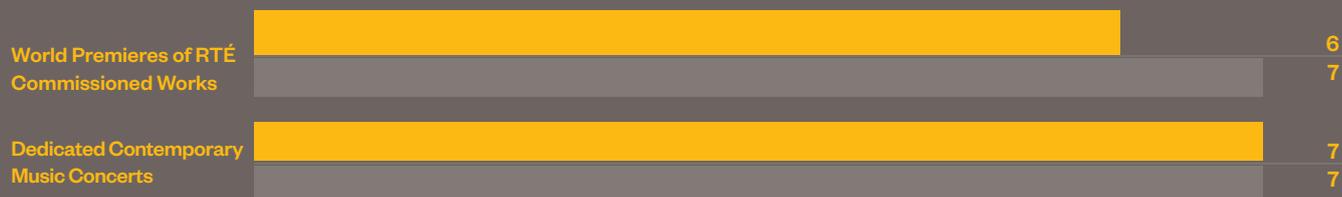
■ 2016 ■ 2015



Source: RTÉ

## RTÉ ORCHESTRAS CONTEMPORARY MUSIC ACTIVITIES

■ 2016 ■ 2015



Source: RTÉ

# Operational Review A Year in Review – Orchestras, Quartet and Choirs (continued)

## RTÉ Cór na nÓg

The choir (comprising 64 children aged 10 and upwards) delivered a number of concerts/events under Choral Director Mary Amond O'Brien. It began the year with an open-air performance at Dublin Castle on New Year's Day at an event marking the beginning of the State's 1916 commemorations. The choir closed 2016 with a memorable Christmas concert with Mairtín O'Connor and Gary O'Briain in St Ann's Church, which was recorded for broadcast as part of the EBU Christmas Music Day. During the year, performances included joining the RTÉ National Symphony Orchestra and the RTÉ Philharmonic Choir in a performance of Mahler's epic Symphony No 3. Other highlights were singing as part of an RTÉ One live broadcast of *A Nation's Voice* on Easter Sunday and a special concert of Irish music for children, as part of *Composing the Island* in September.

## RTÉ Philharmonic Choir

The RTÉ Philharmonic Choir performed major 20th century works by Stravinsky (*Symphony of Psalms*) and Prokofiev (*Alexander Nevsky*), conducted by Alexandr Markovic and Alan Buribayev respectively. It also performed a concert featuring two choral works by Arvo Part and conducted by his fellow Estonian, Tõnu Kaljuste. In addition to its eagerly anticipated Good Friday performance of Bach's *St John's Passion*, the choir played a key role in a concert with the RTÉ National Symphony Orchestra under choral director Mark Hindley. This concert drew *Composing the Island* to a conclusion and featured the revival of two fascinating but forgotten works from the 1920s by Irish composers Norman Hay and Rhoda Coghill.

## Commissions and New Work

The centre piece of *A Nation's Voice* was a newly commissioned work for narrator, massed choirs and orchestra by Shaun Davey, which also featured a commissioned text by Paul Muldoon. Other significant RTÉ commissions that were first performed in 2016 included orchestral works by Raymond Deane and Andrew Hamilton (RTÉ National Symphony Orchestra) and a string quartet by Sebastian Adams, commissioned by RTÉ lyric fm (RTÉ

Contempo Quartet). Other Irish composers whose works received first performances in 2016 included Michael Gallen (RTÉ Cór na nÓg).

The new *Music of Our Time* concert series featured recent work by a number of other Irish composers, including Kevin Volans, Linda Buckley and Enda Bates, alongside Finnish composer Kaija Saariaho. The series also featured a pilot initiative Composer Lab, which was developed in collaboration with the Contemporary Music Centre – composers Amanda Feery, Eric Skytterholm Egan and Scott McLaughlin had their works rehearsed by the RTÉ National Symphony Orchestra, under the watchful eye of mentor David Fennessy, before a public performance at the National Concert Hall.

Other recent Irish orchestral music performed by RTÉ groups included works by Gerald Barry, Seoirse Bodley, John Buckley, Seán Clancy, Siobhán Cleary, Donnacha Dennehy, David Fennessy, Stephen Gardner, Deirdre Gribbin, Brian Irvine, John Kinsella, Gráinne Mulvey, Kevin O'Connell and Bill Whelan.

## Education

The RTÉ National Symphony Orchestra, with facilitator Paul Rissmann, presented a series of four concerts attended by almost 4,000 Junior and Leaving Certificate students and teachers from all over Ireland. In November and December, the orchestra presented nine performances of Musical Adventures – tailor-made concert presentations for children aged 8 to 12 that feature a range of classical and seasonal repertoire.

The RTÉ Concert Orchestra's *Music in the Classroom* series continued with seven concerts attended by in excess of 6,000 children.

The RTÉ Contempo Quartet continued its series of public workshops, working with a number of children's quartets from the Royal Irish Academy of Music.

**“The centre piece of *A Nation's Voice* was a newly commissioned work for narrator, massed choirs and orchestra by Shaun Davey, which also featured a commissioned text by Paul Muldoon.”**



Operational Review  
A Year in Review –  
Irish Language

# Living the language

The Irish language continues to be embedded as part of a guiding ethos for RTÉ's 25 services.



**Operational Review  
A Year in Review –  
Irish Language**

(continued)

**About the Irish language  
and RTÉ**

**Irish is at the heart of RTÉ. When RTÉ launched its Meáin Ghaeilge Action Plan 2015-2019 in September 2015, it was a significant moment for the language and for RTÉ. With almost 100 actions, covering all areas of RTÉ, the initiative seeks to integrate the Irish language into everything we do. It aims to position RTÉ as the home of innovation in Irish-language media and to create a dynamic environment for Irish-language content creation, making the best use of the talent, skills and creativity of Irish-language capable staff.**

## Innovation at Centre

The first year of RTÉ's Meáin Ghaeilge Irish-Language Action Plan came to an end in September 2016. During that time, RTÉ saw a strong reaction regarding its new Gaeilge-related developments, particularly:

- The increased usage of Irish by television continuity announcers
- The use of the Irish version of Gaeltacht place names in news bulletins and other outlets
- The provision of dual-language sports commentary for GAA Championship and Euro 2016 matches
- The use of Irish on RTÉ 2fm
- The increased breadth and prominence of RTÉ's Seachtain na Gaeilge
- The use of Irish on RTÉ's main social media platforms and accounts
- The launch of *Ceol 2016* and Ed Sheeran's Irish version of *Thinking Out Loud*
- The release of Irish-language digital products such as the An Seinnteoir Raidió and Saorview apps

The impact of RTÉ's Irish-language TV output is also significant and regularly exceeds an audience share of 20% despite being scheduled against programmes such as *Coronation Street*. *Fleadhed* was the most-watched programme (other than news bulletins) in Ireland on the October Bank Holiday Monday, with viewing figures of more than 300,000.

## Digital Developments

RTÉ launched a number of new Irish-language digital products in 2016.

In March, as part of Seachtain na Gaeilge, RTÉ released the Seinnteoir Raidió app, which brings together all of Ireland's Irish-language radio services as well as all of the other radio stations found on the Irish Radioplayer app. An Seinnteoir Raidió's user interface is entirely through Irish. It was co-funded by the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs, and developed in conjunction with the Independent Broadcasters of Ireland (IBI).

## More Choice

The Saorview app was also made available entirely through Irish. It automatically detects the language settings on your phone and presents itself in Irish or English depending on your phone preferences. The app complements the fully bilingual Saorview website, the first of its kind for RTÉ.

Also during 2016, RTÉ.ie introduced articles as Gaeilge on a trial basis. The website interspersed Irish-language content among the

English content. This project will be rolled out further in 2017 with the appointment of a new Irish-language digital coordinator.

A new digital archiving project, reabhloid.ie, involving RTÉ Raidió na Gaeltachta (RnaG) in conjunction with NUIG, was launched as part of the 1916 commemorations. The website, which uses interviews, lectures and documentaries broadcast on RTÉ RnaG since the station's foundation in 1972, combines audio, text, maps and other material to create a valuable collection that is available to the general public, researchers and historians.

RTÉ continued to use Irish across its various social media platforms, expanding in 2016 to include the two main TV Twitter accounts. We tweeted approximately 10,000 Irish-language tweets during the first year of the Irish-language action plan.

## Television

RTÉ saw an increase of 1.5 hours across the year in terms of original output and also saw the shape and style of the department develop in line with RTÉ's Meáin Ghaeilge action plan objectives.

Under genre head Colm O'Callaghan, the in-house team produced several new series for RTÉ One's schedule: *Ar Son Na Poblachta* was a three-part series that looked at lateral stories from the 1916 Rising; *Comhrialtas* was a new two-part series that looked at the impact of coalition governments throughout the history of the State – it featured a tie-in, for the first time, between RTÉ One and RnaG; *Euros* was a two-part series that examined Ireland's colourful history at the European Football Championships in 1988 and 2012; and *Fleadhed* was a new umbrella strand that will continue to look at all aspects of music across Irish society.

**“A new digital archiving project, reabhloid.ie, involving RTÉ Raidió na Gaeltachta (RnaG) in conjunction with NUIG, was launched as part of the 1916 commemorations.”**

# Operational Review

## A Year in Review – Irish Language

(continued)

The long-running signature series *Scannal* and *Cloch Le Carn* also played prominently on RTÉ One.

In November and December, RTÉ One broadcast the four-part, BAI-backed series *Polaitíocht: Power on the Box*, authored and presented by Harry McGee. The series also featured a research and support tie-in with Acadamh na hOllscolaíochta Gaeilge of NUIG.

Continuing television's emphasis on varying Irish-language programming beyond traditional slots, *Scannal's* repeat timeslot of 6:30pm during the summer was successful, with an average audience share of 25%. *Fleadhed*, which played at 6:30pm on the October Bank Holiday weekend, delivered a share of 27.5%.

RTÉ has again attracted BAI support for fresh, dynamic proposals in the Irish language. Earlier this year and in line with the Irish-language action plan, the department commissioned a one-off documentary for broadcast in Autumn 2017.

### Language Options

RTÉ significantly expanded its dual-language sports commentary options in 2016. The All-Ireland hurling and football semi-finals and finals were commentated by Gary Mac Donncha and two former All-Ireland-winning captains, Dara Ó Cinnéide of Kerry and Pat Fleury of Offaly. The commentary option was also introduced for soccer matches in 2016, with all of Ireland's Euro 2016 matches available on RTÉ2 in Irish and English.

The use of Irish between programmes across RTÉ One and RTÉ2 increased in 2016. Continuity announcements were made in Irish on both services throughout the year – not only during the traditional Seachtain na Gaeilge slot.

**“RTÉ significantly expanded its dual-language sports commentary options in 2016. The All-Ireland hurling and football semi-finals and finals were commentated by Gary Mac Donncha and two former All-Ireland-winning captains, Dara Ó Cinnéide of Kerry and Pat Fleury of Offaly.”**

### Interviews as Gaeilge

*Two Tube* on RTÉ2 featured a series of interviews as Gaeilge, with Fair City's Daithí Mac Suibhne and RTÉ 2fm's Chris Greene, among others, talking about their relationship with the Irish language. There was also a special feature on the Ravelóid festival, with music and chat with the likes of Mundy and Hothouse Flowers.

RTÉjr continued its Irish-language and bilingual output in 2016. There was a new series of *Lily's Driftwood Bay* as Gaeilge and Irish versions of favourites such as *Lifeboat Luke*, *Inis Spraoi* and *Nelly & Nora*.

### RTÉ Raidió na Gaeltachta

RTÉ RnaG had a special year in 2016. The 1916 commemorations played a central role in the station's output. A competition for secondary school students, both north and south of the border, attracted a huge number of entries. Funded by Éire 2016 – An Teanga Bheo, pupils had to create 30-minute radio programmes based on the 1916 theme. The standard of entries was so high that seven schools were selected to produce a radio programme instead of the five originally planned. With the assistance of a professional producer, the programmes were broadcast across the Easter holidays on RTÉ RnaG.

The morning current affairs programme *Adhmhaidín* celebrated its 30th year on Easter Monday with a special edition from Teach an Phiarsaigh, Pearse's Cottage, in Ros Muc in Connemara.

### Keeping up with Affairs

The service continued to develop its news, current affairs and sport output. It produced a large number of special broadcasts and reports on events such as the General Election, Northern Ireland Assembly Elections, the Brexit referendum, the US Presidential Election, the European Soccer Championships and the Olympic Games, as well as domestic and Gaeltacht stories and events.

RTÉ RnaG continued to provide RTÉ Radio 1, RTÉ 2fm and RTÉ lyric fm with live Nuacht bulletins throughout the day, along with its own unique national, international and regional news service. Along with providing a daily Gaeltacht online news service, RTÉ RnaG also contributed to the online Nuacht service, in conjunction with RTÉ Nuacht.

### Recognition

For an unprecedented sixth year in a row, an RTÉ RnaG broadcaster won the prestigious Radio Presenter of the Year award at the International Celtic Media Festival. RTÉ RnaG staff also received other media awards and distinctions during 2016, including PPI radio awards and Gradaim Chumarsáide an Oireachtais.

Traditional music has always been an important ingredient of our schedule and

2016 was no exception. We broadcast live from Oireachtas na Gaeilge, Fleadh Ceoil na hÉireann, Siansa Ghael Linn, Bonn Óir Sheáin Uí Riada and many more, not to mention the recorded material that was also collected and broadcast. We also placed an emphasis on modern Irish-language music with broadcasts such as *Ravelóid* live from the Sugar Club, the recording of the Nós Music awards and the frequent use of this music throughout the schedule.

### RTÉ 2fm

RTÉ 2fm received considerable coverage worldwide with the release of the *Ceol 2016* album, which featured a song recorded in Irish by Ed Sheeran. Other notable artists with Irish versions of their songs included Kodaline, The Coronas and Seo Linn.

The long-standing Friday night *Chart Show* on RTÉ 2fm received a dramatic makeover for 2016. A new presenter, Bláthnaid Treacy, presented the show in Irish and English, to a very positive audience reaction. This added to an already strong Gaeilge flavour on RTÉ 2fm, with Eoghan McDermott's drive-time show interspersing Irish throughout the programme.

### RTÉ Radio 1

For the first time in RTÉ Radio 1's history, all Nuacht bulletins were moved to on-the-hour slots in 2016. The shift to the more prominent slots has given the service a stronger Irish-language identity, with Nuacht readers and Radio 1 presenters interacting regularly in Irish.

RTÉ Radio 1 continued to air the best of RTÉ RnaG in *An Scoth* and on Playback. Irish-language news and current affairs were covered across the Radio 1 schedule, along with a number of *Drama on One* productions. There was also a Gaeilge version of *The Book on One* for Seachtain na Gaeilge.

### Nuacht

RTÉ invested nearly €700,000 in the Avid News production upgrade for Nuacht in the Baile na hAbhann headquarters in Connemara, the biggest investment by RTÉ in the regions this year.

Nuacht had a very successful year on television, radio and digital, and for news coverage both at home and abroad.

Nuacht continues to provide the daily TV Nuacht service to RTÉ One, RTÉ News Now and TG4 from its Connemara base, offering national and international content along with a unique perspective on Gaeltacht, Irish-language and rural affairs. On a daily basis, it also contributes reports and other content to RnaG for radio Nuacht bulletins on RTÉ Radio 1, 2fm and lyric fm.

### Broad Reach

Across the year, Nuacht digital attracted nearly four million page visits and is now an

established part of RTÉ's digital offering. With an increasing emphasis on original regional, local and Gaeltacht stories, the service draws on material from both Nuacht and RnaG for online and social media content.

Nuacht produced extensive and well-received coverage of events at home and abroad, the 1916 commemorations, Brexit, the Nice attack, the US elections and, of course, the General Election and Government formation. *Vóta 2016* on TG4 was a co-production between RTÉ and TG4 and provided 16 hours of live results coverage. Nuacht coverage of both Euro 2016 and the US Elections was provided by a one-person video-journalist operation, with content in both Irish and English.

Nuacht also produced the series *Féilte: Slí an Atlantaigh*, which was one of the most successful series on TG4 in the summer.

A short music series for TG4's Christmas schedule also proved popular with audiences, along with an archive series to mark the 20th year of Teilifís na Gaeilge.

### Reaching Out

Some 20 transition-year students from Gaeltacht schools and Gaelscoileanna from around the country took part in a pilot week-long media training course in An Cheathrú Rua in the Connemara Gaeltacht. The course was held in conjunction with NUIG's Acadamh na hOllscolaíochta Gaeilge. As well as using the Acadamh's facilities to create content, the students visited RTÉ RnaG, RTÉ Nuacht, TG4 and independent media companies in the area. Each student created an audio or video project as part of the course, which also included online modules.

### Language Training

RTÉ continued to build upon its partnership with NUIG, with the creation of a bespoke language training course for RTÉ's Irish-language broadcasters. A series of language courses were also rolled out internally to give staff members an opportunity to learn or improve their Irish.

RTÉ also worked with the main Irish-language organisations to create events as Gaeilge for *RTÉ Reflecting the Rising*, held on Easter Monday as part of the 1916 commemorations.

### Seachtain na Gaeilge

RTÉ contributed significantly to Seachtain na Gaeilge in 2016. RTÉ Player and RTÉ Player International created a children's collection, dedicated to parents living abroad who wanted to introduce their children to the Irish language. RTÉ 2fm took on a new campaign to promote new Irish-language books and Eoghan McDermott was joined by actor Clíona Ní Chiosáin for a daily, bilingual blas to his show. The station's programming imaging also switched to Irish for Seachtain na Gaeilge.

Operational Review  
A Year in Review –  
Children &  
Young People

# Watch, Listen, Play

RTÉ is proud to provide Ireland's only dedicated, standalone national service for children, parents and educators.



## About RTÉ's Services for Young People

RTÉ aims to ensure that young people in Ireland can find a reflection of their lives across a range of dedicated young people's services on television, on radio, online and mobile. Digital support services provide information for parents, and activities and support material for children and educators. This unique public-service, in Irish and English, is at the very core of RTÉ's public-service commitment.

In 2016, RTÉ's youngest audiences were provided with a particularly broad range of programming styles, with an emphasis on science, nature, physical health, arts, music and drama.

RTÉjr's new weekend programming for the under sevens, *Pop Goes the Weekend*, and the daily strand *Twigín* (both in-house productions) covered arts and crafts, games, yoga, exercise, natural history, science and comedy.

### Exploring New Worlds

We commissioned more factual programming for the under sevens, with a focus on science, documentary, heritage, and arts and crafts. The new 10-part series *Rocketeers* (Crossing the Line Films), presented by Simon Watt, explored space and the universe. The series received some support from Science Foundation Ireland (SFI). *Wonder What?* (stop watch television) ventured into the world of technology and manufacturing processes in a 15-part series for four to six year olds. The excellent wildlife documentary series *Wild Things* (Crossing the Line Films) enjoyed a second series and featured Irish wild animals such as peregrine falcons, fallow deer, grey seals and kingfishers, to mention a few.

The documentary series *What Makes My Day* (Crossing the Line Films), broadcast on RTÉjr, explored difference and disability through the stories of 10 extraordinary children including: 7-year-old Alannah, who can't see like other children; 10-year-old Callum, who loves caring for his little brother Richard who has special needs; 9-year-old Seán, who shows us what it's like to live on an island; and 7-year-old Johnny Boy, who is a settled traveller.

*Circus World* (Fubar Films), a colourful observational documentary series, brought viewers into the world of the Gerbola children who spend 10 months of the year on the road with their family circus. *How to Do Everything* (Macalla Teo) took children on a magical make-and-do outdoors adventure to learn how to do fun stuff such as finding the north star, teaching a dog to fetch and building a dam to make puddles.

### Marking History

RTÉjr celebrated the 1916 centenary in *Kidspeak 1916* (an in-house production) through a series of dramatised interstitials, which portrayed life for young children around the time of the Rising. These took a look at life for children across the social divide in both urban and rural Ireland a hundred years ago. They gave young viewers a glimpse into the lives of children their own age in a historical period.

Two new music strands – *Do Re Mi* and *Sing-along with Clara* (both in-house productions) – brought old songs to new audiences.

*I Want a Pet* (an in-house production) identified a further 15 pets for children and families to consider, while *Magical Sites* (an in-house production) explored another string of national monuments. It explained the historical context of each monument via little drama scenarios featuring young children. *Makers* (an in-house production) continued its survey of Irish craftmakers, following the craft process from raw material to finished object.

**“RTÉjr celebrated the 1916 centenary in *Kidspeak 1916* (an in-house production) through a series of dramatised interstitials, which portrayed life for young children around the time of the Rising.”**

### Getting Animated

RTÉ's first animated shorts scheme was introduced. Shorts were commissioned from five Irish animation studios – Pink Kong Studios, Wiggleywoo, Studio Pow Wow, Whackala and Treehouse Republic – and were screened during the autumn mid-term break.

Irish animation had continued success on RTÉjr with new comedy series *Zig & Zag* (Double Z Enterprises, Flickerpix and Jam Media) in the spring; stem science entertainment series *Kiva Can Do!* (Kavaleer); and a new slapstick comedy shorts series, *Harry & Bip* (Ink and Light), featuring the exploits of two penguins. We also broadcast the second series of both *Puffin Rock* and *The Day Henry Met...*

Throughout the year, RTÉjr presenters participated in or led workshops at a diverse range of activities and events including: the BT Young Scientist & Technology Exhibition, RTÉ's *Reflecting the Rising* event on Easter Monday, Bloom garden festival in Dublin's Phoenix Park, the Irish Film Institute's Family Festival, the National Ploughing Championship and RTÉ CO's *Peter and the Wolf* in the National Concert Hall.

### Resources for Adults

RTÉjr for Grownups expanded its online offerings to include a parenting blog. It featured studio interviews with experts on a range of issues such as sleep, online safety, anger management, travelling and creativity.

RTÉjr's website also launched its first collection of programme-specific teaching resources, which provide educators with lesson plans and teacher's notes to accompany *Magical Sites* and *Makers*. RTÉjr's Book Club, in conjunction with Children's Books Ireland, continued to provide parents with a forum to discuss books for their kids.

# Operational Review A Year in Review – Children & Young People (continued)

RTÉjr ran two public campaigns. The first, fronted by broadcaster Claire Byrne, addressed issues around media literacy. It highlighted RTÉ's cross-platform content for children as a space in which youngsters can interact with digital content safely. The second highlighted RTÉjr's core values of joy and inclusivity. Through a social media callout, RTÉjr gathered hundreds of photos of children giggling, which were featured in five promos overlaid with children's voices saying "get giggly" in 17 different languages, including Russian, Swahili and Chinese. The promos ran across platforms including RTÉjr's TV channel, and online and social media offerings; RTÉ2; and RTÉ One.

In 2016, the RTÉjr app consolidated its success with more than a million page views each month. It provided the under sevens with live streams and on-demand video and audio content as well as a selection of games.

## RTÉjr Radio

RTÉ's rich schedule for young children was acknowledged in 2016 with a number of significant awards and nominations. RTÉjr Radio was awarded Radio Station of the Year at the Celtic Media Festival in April. In October, it also received a PPI silver award in the Full Service Station of the Year category and was shortlisted for the Digital Audio Category at the 2016 Prix Europa competition.

*CAKE – Culture and Arts for Kids and Everyone*, a 10-part series about the arts, was shortlisted for several major awards including the prestigious New York Festival's Best Children/Young Adult Programme and the PPI radio awards. The series, which featured well-known artists and musicians such as Julie Feeney and Rasher, is founded on the belief that children have the same cultural rights as adults.

## TRTÉ on RTÉ2 and Mobile

The main TRTÉ brand for primary school children, Swipe TV, started its second year with further innovation across platforms. The Swipe TV app gives children aged seven to 12 their own mini channel. They can engage with it at any time and can contribute their own content and opinions, which can influence the programme's content – all while staying in a safe, age-appropriate environment.

Swipe TV presenters Claire O'Reilly and Simon Mulcahy, with help from teenage puppet Mebs, oversaw a huge variety of content, from comedy and drama to books, games, science, nature, food and more. It also included a series of dynamic partnerships with other national bodies focused on children.

## Getting Involved

Early in 2016, the programme launched a nationwide drama competition in conjunction with the Abbey Theatre and the Department of Education and Skills. Children from around the country wrote plays based on the events of 1916 and uploaded excerpts to the app. Following a public online/mobile vote, three finalists performed their dramas on the stage of the national theatre in April.

Other partnerships included a national training initiative with the GAA. Children took part in skills programmes and uploaded their own videos for a chance to participate in an All-Stars mentoring event at Parnell Park in May. Fit for Life, with rugby legend Donncha O'Callaghan, helped a range of children not used to physical activity get fit, and build team and stamina skills. A nationwide competition – in partnership with Children's Books Ireland – saw hundreds of children upload images and videos about their favourite books. This successful campaign to get Irish schoolchildren reading gave children the opportunity to win a library worth €2,500 for their school. This was just one of Swipe TV's many reading initiatives. Others included a competition with author David O'Doherty and illustrator Chris Judge, who ran a workshop with the winning school from Tallaght in Dublin; and a Jacqueline Wilson special, in which readers of her books joined the author in the Swipe TV studio.

Dramas included *Miss Mogul*, a mystery series about an online video show broadcast from a school library, and a second series of *Spooky Stakeout*, where five young super-sleuths try to solve the case of a ghost in a creepy hotel. Both dramas were produced for Swipe TV by independent producer Tailored Films and were among the top videos on the Swipe TV app.

Another highlight of 2016 was *Pop-Up Popstars*, which saw kids work with ace choreographer AJ O'Neill to create new videos for their favourite songs. Filmed on location in ordinary neighbourhoods around the country, the series culminated in two special programmes broadcast during Christmas week.

## Out and About

As in previous years, Swipe TV contributed to a number of national events and cultural initiatives. It created a flash mob at the BT Young Scientist & Technology Exhibition, met students at Dublin Institute of Technology on Aungier St as part of RTÉ's *Reflecting the Rising* event on Easter Monday, was again present at CoderDojo's Coolest Projects awards and met with fans/viewers at the National Ploughing Championships in Co Offaly.

In a highly competitive environment, the Swipe TV app surpassed 20,000 downloads and has more than 10,000 registered users. The audience actively explored and interacted with content – 10% engaged with a video (compared to 3% on YouTube) and 5% commented on a video (compared to 0.1% on YouTube).

### Challenging Commissions

New commissions for the TRTÉ audience included *I've Got Your Back* (Adare Productions), a studio quiz show presented by Simon Delaney; *Bernard Dunne's Mythical Heroes* (Firebrand Productions/BAI), a six-part documentary series for eight to twelve year olds in which Bernard Dunne told the tales of Irish mythological heroes through animation, drama reconstruction and documentary; and *The 1916 Challenge* (Macalla Teo/Ireland 1916 2016), a one-off reality challenge, as part of the 1916 commemorations, in which six youngsters were plunged into 1916 living conditions for 24 hours to see how they coped.

A series of 30 drama shorts was aired as part of RTÉ's 1916 centenary programme (an in-house production). As well as those made specifically for the under sevens, RTÉ2 broadcast 15 highly crafted short films about life for older children in our country's past. These historical reconstructions were set around the time of the Rising and offered tantalising glimpses of the experiences of both well-off and less-well-off children in the cities and in the countryside just before the formation of the modern Irish state.

### Two Tube on RTÉ2

RTÉ's daily offering for teenagers, *Two Tube* (an in-house production), continued to connect with its audience on RTÉ2, online and through social media across a whole range of subjects from entertainment to mental health. The year began with presenters Bláthnaid Treacy and Stephen Byrne reporting from the BT Young Scientist & Technology Exhibition at the RDS. Soon afterwards, the show launched a very popular series of advisory videos by social media influencers to mark Safer Internet Day 2016. It collaborated with Coláiste Eoin in Finglas on an anti-bullying video, which culminated in a special mental health programme featuring the singer Bressie. It operated partnerships with a range of bodies, from Foróige and the Fresh Film Festival to *Hot Press*, whose schools' writing competition – Write Here, Write Now – instigated as part of the 1916 Centenary, was a programme highlight.

*Two Tube* continued to provide a platform for young people interested in entrepreneurial activity and careers in areas such as science, communications, agriculture and pro-social activity. It was present at several national events, including the National Ploughing Championships.

It continued to showcase a plethora of cutting-edge arts, entertainment and music with top Irish talent appearing live in studio or in the show's online platforms. The programme was in Los Angeles for the Oscars and was present at major cultural happenings, including Electric Picnic and Culture Night. Celebrity interviews covered a whole raft of Hollywood and other stars, and the show's online platforms buzzed with contributions from the likes of UK girl band Little Mix and Irish hip-hop act Hare Squead.

In a half-hour special to mark the 1916 commemorations and Proclamation Day in particular, *Project Proclamation* (Big Mountain Productions) invited youngsters to interpret their visions and hopes for Ireland through music, dance, recitation and poetry, and submit them by video to the project. The half-hour programme showcased this work.

**“RTÉ’s daily offering for teenagers, *Two Tube* (an in-house production), continued to connect with its audience on RTÉ2, online and through social media across a whole range of subjects from entertainment to mental health.”**

Operational Review  
A Year in Review –  
Brand, Events,  
and Communities

# Watch, Listen, Discover





**RTÉ serves communities across the island through major national events, always-on social media, a national arts support strategy and a comprehensive corporate social programme.**

**100 local and regional arts events supported annually.**

## **Partnership**

**RTÉ supported an even greater number of high-profile regional and national events in 2016.**

**In January, we gave the next generation of innovators a little taste of how RTÉ works at the BT Young Scientist & Technology Exhibition in the RDS. Our state-of-the-art RTÉ stand featured live programming from RTÉ 2fm and RTÉ2. Students were also invited to practise using autocue and learn about blue-screen technology in the mobile RTÉ weather studio.**

**RTÉ Mojocon 2016 attracted in excess of 600 delegates from all over the world. The rapid growth of this mobile content creation conference meant we needed to move venue to the Aviva Stadium.**

## Out in the Open

The RTÉ space at Bloom in the Phoenix Park was a standout success. A specially constructed set and garden hosted live music, radio programmes, children's programming and live weather transmissions on RTÉ One.

RTÉ is the title sponsor of the RTÉ All-Ireland Drama Festival. The partnership fosters and supports amateur drama at community level and gives it a national stage.

As part of the Rose of Tralee festival, RTÉ created an immersive space in the centre of the town park for a week in August. Throughout the festival, tens of thousands of visitors engaged with the area and RTÉ Player International spoke directly to its overseas audience.

Our presence at the National Ploughing Championships was the biggest to date, with a nightly half-hour live television show on RTÉ One. Almost 70,000 visitors passed through the RTÉ exhibition area to watch live broadcasts for RTÉ Radio 1, 2fm, lyric fm and RTÉ Raidió na Gaeltachta, as well as weather reports for RTÉ One. Interactive panel events, which were streamed live on RTÉ Player, were hosted by *The Sunday Game*, *Countrywide* and RTÉ Weather. The *RTÉ Guide*, RTÉjr and RTÉ Player also used the opportunity to engage with the public at Europe's largest outdoor event.

RTÉ partnered with Dublin City Council, the Office of Public Works and Ireland 2016 to create a much larger presence at Culture Night than we've had before. A large open-air concert with the RTÉ Concert Orchestra was staged in Dublin Castle's Upper Courtyard and broadcast on RTÉ Radio 1's *Arena* programme. The free concert attracted an audience of more than 10,000; hundreds more attended talks, workshops and smaller events curated by RTÉ throughout the castle. The RTÉ National Symphony Orchestra, RTÉ Cór na nÓg and RTÉ lyric fm took part in satellite Culture Night events around the country.

As proud principal partner of the Cork Film Festival, RTÉ screened a number of documentaries and hosted panel discussions across the festival, as well as supporting the event with a cross-platform marketing and communications campaign.

## Supporting the Arts, Supporting Communities

RTÉ Supporting the Arts assisted more than 100 events across the country in 2016. The scheme, which introduces grassroots cultural events to mass audiences, supported the arts in the broadest sense. The scheme benefited disciplines from music, dance, theatre and spoken word to street art, the Irish-language and emerging digital film technologies.

RTÉ's support for this initiative through airtime across TV, radio, online and social platforms elevated these events to a national stage. The scheme also offered bespoke in-house ad production services and marketing activations to the beneficiaries.

In September, RTÉ received the 25th anniversary special award from Allianz Business to Arts in recognition of its long-term contribution to the development, support and promotion of the arts during the awards' 25-year history.

## Reaching Out

RTÉ's central outreach scheme, RTÉ Outreach, hosted 42 public-access tours in 2016. The tours included secondary school students; third-level drama, media and communications students; active retirees; groups from inner-city social projects; members of the travelling community; and visitors from overseas.

RTÉ commissioned a fly-on-the-wall video to promote the scheme. Anyone can apply to visit the RTÉ campus in Donnybrook. Visitors get a tailored, behind-the-scenes tour of RTÉ's radio, television, news, digital and other facilities. RTÉ also runs a transition-year programme, which complements the scheme.

## Social Followers

RTÉ's curatorial Twitter account, @rte, reached 400,000 followers by year-end, up from 250,000 at the same time in 2015. RTÉ One's Facebook account achieved rapid growth in the short time since its launch, boasting almost 1,300,000 followers by the end of 2016.

The central LinkedIn account connected RTÉ with the wider media community, educational institutions and other stakeholders. In 2016, more than 29 RTÉ staff members from a range of departments were interviewed about their roles through our new 'Ten minutes with...' campaign.

RTÉ's social accounts – which publish both English and Irish-language content – allow RTÉ to connect audiences with its broad range of public-service programming.

## Brand

Through the 'We were there. You were there' campaign, RTÉ turned the camera around and asked behind-the-scenes staff to relay their experiences of working on iconic events. The campaign prompted significant internal engagement and 20 staff members starred in the campaign, which was rolled out across TV, radio, online, social media and cinema.

Results indicate that the campaign increased brand sentiment, relevance and authenticity. An end-of-year 60-second satellite promo acknowledged the significance of this historic year by looking back on the major events of 2016.

The Switch on Christmas social media campaign promoted festive content across all platforms. The Christmas Eve video message, featuring Olympic silver medallists the O'Donovan brothers, achieved more than 350,000 views.

## Corporate Communications

RTÉ used an extensive media service to inform all its audiences about its radio, television, digital and orchestral offerings. It communicated with audiences directly on Twitter (on @rte) and Facebook, and with daily updates posted to the 'About' section of RTÉ.ie. More than 25 regular stakeholder bulletins (Your RTÉ Update) were issued to key stakeholders across the year.

## Our RTÉ

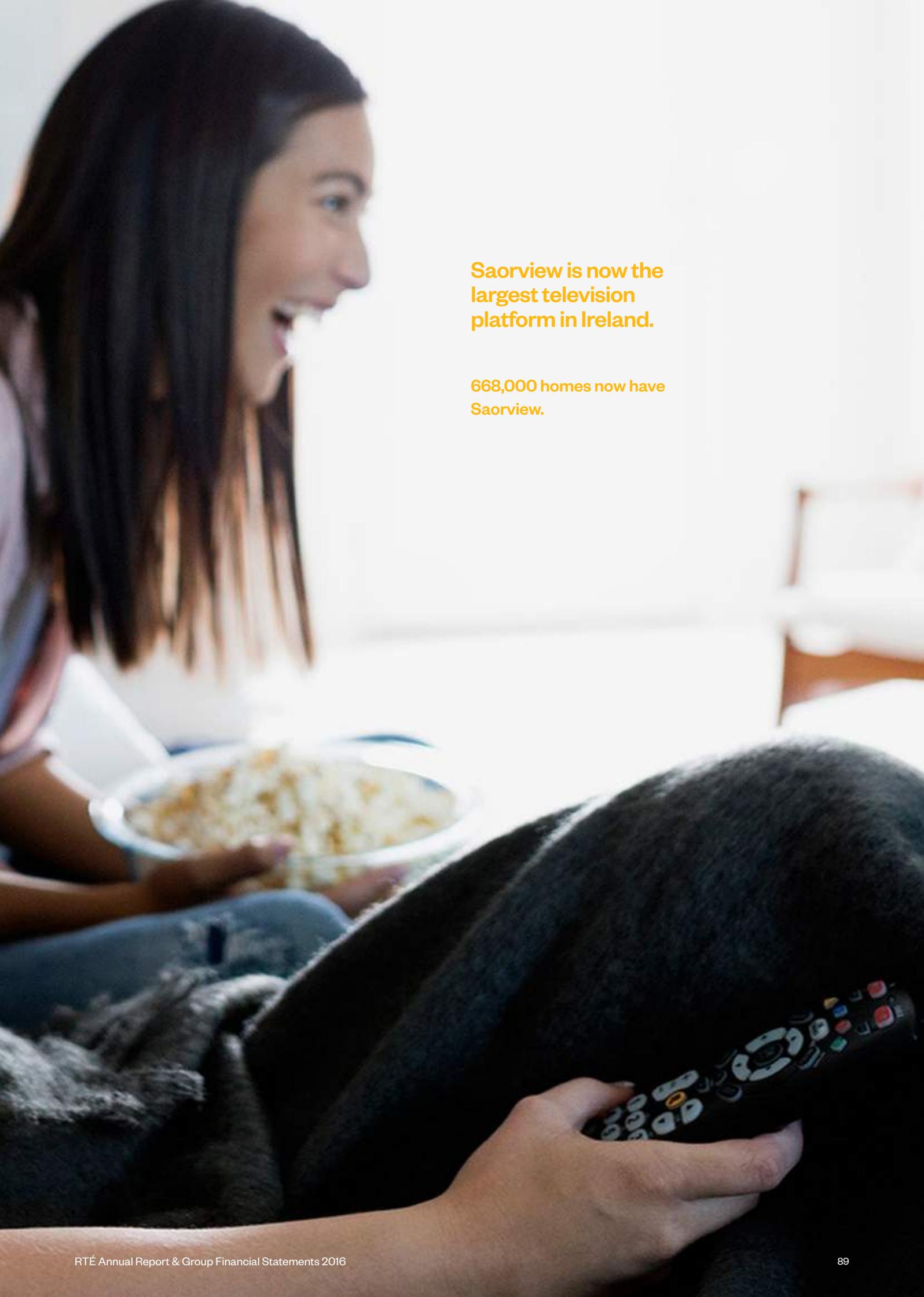
RTÉ's internal communications system, the RTÉ Hub, published almost 850 stories in 2016, representing an increase of approximately 25% on 2015. The site is an essential platform for important publications, such as the *RTÉ Journalism Guidelines*, RTÉ's digital strategy and RTÉ's Irish-language action plan.

The RTÉ Learning and Development Unit continued to help staff and management meet audience needs. Hundreds of staff from all levels in the organisation benefited from a wide range of learning and development opportunities. That is part of our overall commitment to improving the organisation's culture to embrace collaboration, creativity, multiskilling and excellence.

**“RTÉ Supporting the Arts assisted more than 100 events across the country in 2016. The scheme, which introduces grassroots cultural events to mass audiences, supported the arts in the broadest sense.”**

Operational Review  
A Year in Review –  
Saorview

# Free the TV



**Saorview is now the largest television platform in Ireland.**

**668,000 homes now have Saorview.**

## About Saorview

**Saorview is Ireland's largest television platform. It provides free-to-air access to Ireland's domestic television services, including RTÉ, TV3, TG4 and Be3.**

### **Ireland's Biggest Television Platform**

Throughout 2016, Saorview maintained its position as the largest TV platform in Ireland. Some 668,000\* homes have Saorview, of which 191,000 have Saorview only – an increase of 5,000 over the year. Overall, the number of free-TV homes increased at a greater rate compared with pay-TV homes.

During the year, Oireachtas TV launched on the platform at channel number 22. This brings the number of TV channels on Saorview up to 10, of which two (RTÉ One and RTÉ2) are in HD.

### **Marketing Campaigns**

A number of marketing campaigns used the fresh new look that was introduced at the end of 2015. An extended TV campaign ran over the summer with the launch of the Saorview app. In the autumn, based on feedback from retailers, a TV campaign focused on needing an aerial to receive Saorview. Both campaigns generated good levels of interest from consumers and contributed to an increased understanding of Saorview.

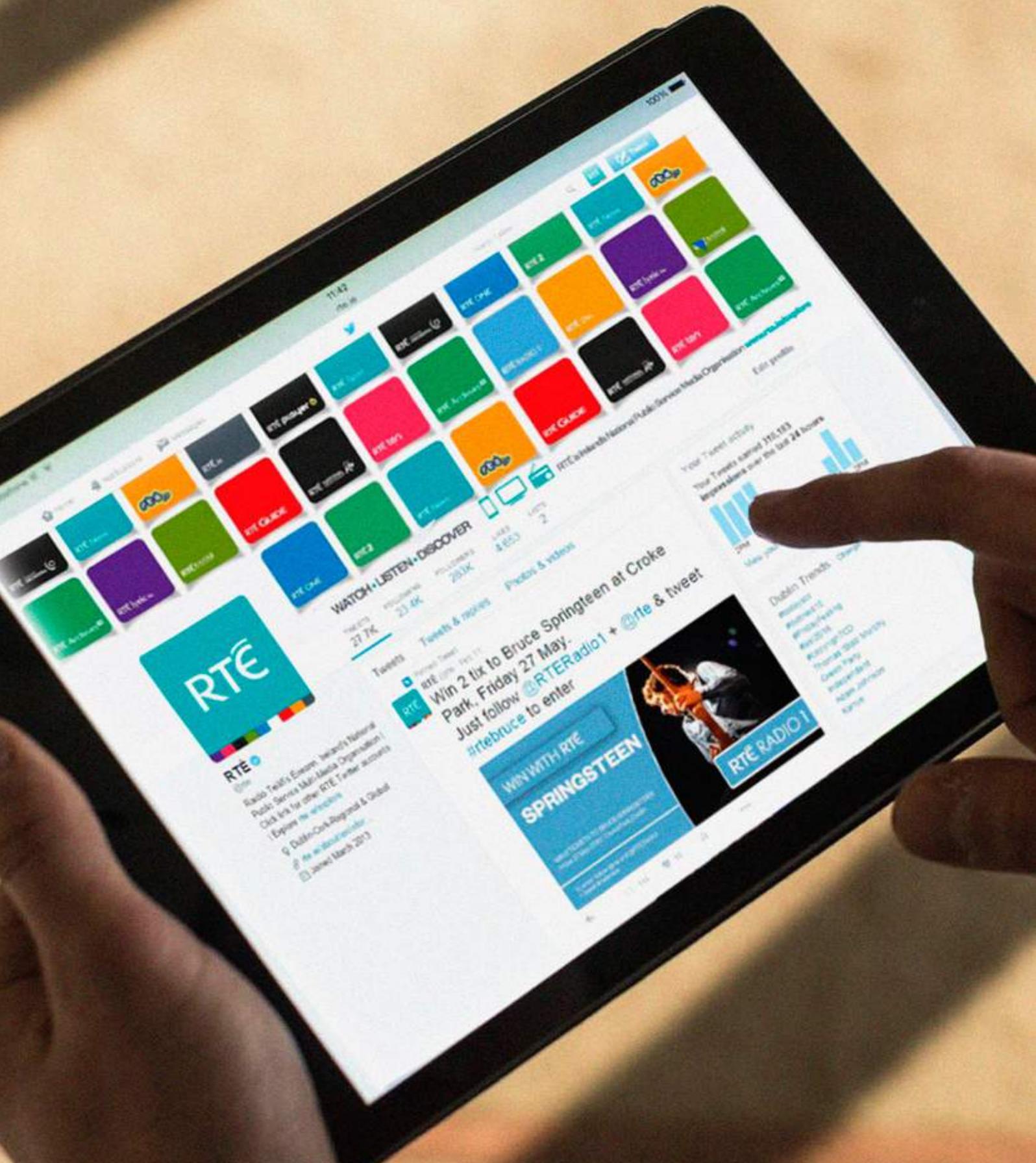
At the end of the year, we ran two further campaigns – one in the run-up to Christmas and one over new year. They focused on the value offered by Saorview and encouraged consumers to 'free the TV'. Campaigns were supported at various points throughout the year by social media competitions together with regular email updates to consumers and trade contacts.

### **App Launch**

In July, the Saorview app was launched for both iOS and Android, mobile and tablets. The Saorview app features a seven-day listing guide, links to on-demand content and a recommendation service called Spotlight. The app is part of the proposition for Saorview Connect, the next-generation product for Saorview that will have on-demand content and feature a new intuitive user interface.

Good progress has been made on building the first Saorview Connect boxes. The project team has been working closely with Freesat (the service provider) and the manufacturer. There have been some delays against the original project plan, but these have been managed to ensure that the product will be made available at the earliest opportunity. There is a high level of interest from the market and it is expected that the first Saorview Connect boxes will be for sale in 2017.

\*Source: Tam Ireland/Nielsen TAM, reception type



**RTE**  
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 Win 2 tickets to see Bruce Springsteen at Croke  
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 Just follow @RTERadio1 + @rte & tweet  
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Operational Review  
A Year in Review –  
2rn





# Serving you, serving industry

**As custodians of Ireland's national broadcast transmission network, 2rn makes sure the nation is always switched on.**

**99.9% of the population access services provided by 2rn.**

## About 2rn

**2rn, a wholly owned subsidiary of RTÉ, maintains, manages and develops Ireland’s broadcast transmission network for all broadcasters on the island.**

### **Serving Every Home in the State**

The national broadcast transmission and distribution services supplied by 2rn are regulated by ComReg. In 2016, 2rn continued to work closely with ComReg and other stakeholders to ensure full compliance with all regulatory obligations.

The Saorview and Saorsat services continued to make public-service television and radio services available free-to-air to every home in the state, offering high-quality video and audio. Of the 1.57 million television viewing homes in Ireland, 668,000 homes had Saorview at the end of 2016. In 191,000 homes, Saorview was their only means of watching broadcast television.

In 2016, the Oireachtas TV service joined the Saorview and Saorsat platforms. Newstalk radio service increased its FM coverage but there were no new radio services during the year.

### **Revenue**

We delivered 99.9% availability across all services in 2016. Overall, 2rn generated revenue of €28.7 million, a small decrease on 2015. This reflects the stabilisation of the broadcast market and a solid performance of the mast and tower rental market.

There were no significant changes in the local and regional radio market, as available spectrum capacity in the FM band is almost fully utilised. Consolidation of the mobile phone networks did affect revenue and achieving year-on-year revenue stability in the telecommunication business remained challenging.



# Best Seller



**Sunday  
December 23**

**Evan Almighty (2007)**  
9.00pm TV3 \*\*\*\*\*

How do you make a sequel to Bruce Almighty without Jim Carrey? Simple: you bump up Steve Carrell's role from the first film and create the story around him. In this case, the story involves Steve turning into a Noah-like figure, as he is commanded by God (Morgan Freeman again) to build an ark. It's not as good as the original, but it's good fun and the strong supporting cast includes Lauren Graham, John Goodman and Jonah Hill.

**In Bruges (2008)**  
11.00pm Channel 4 \*\*\*\*\*

"We shall strike a balance between culture and fun."  
Acclaimed playwright Martin McDonagh scooped an Oscar for his debut short, Six Shooter. His debut feature, *In Bruges*, is no less impressive. Colin Farrell and Brendan Gleeson (who starred in that short) are both on

**Grumpy Old Men (1993)**  
12.15am BBC One \*\*\*\*\*

"Do me a favour: put your lip over your head... and swallow."  
This enjoyable comedy reunited the immortal screen pairing of Jack Lemmon and Walter Matthau as the

**Avatar**  
**Happy Feet**  
**Tangled**  
**Red Eye**

RTÉ's commercial revenue grew by 2% in 2016 to reach €158.2 million, which represents 47% of RTÉ's total revenue.

The RTÉ Guide maintains a unique position in Irish homes, selling 300,000 copies of the Christmas double-edition in 2016.

## Operational Review A Year in Review – Commercial (continued)

## Advertising and Sponsorship

RTÉ's commercial revenue grew by 2% despite operating in a highly competitive and challenging environment. The growth in the first half of 2016 was led by TV and supported by the strong audience figures for special event programming. However, the Brexit vote negatively impacted the advertising market in the second half of the year.

### RTÉ Media Sales

RTÉ's television advertising revenue grew by 2% in 2016, which was a good result in a difficult market. Following the very strong first half of the year, when major events contributed to a double-digit increase, the impact of the currency depreciation following the mid-year Brexit vote resulted in a significant decline in the second half of the year.

Growth in the year was attributable to very strong revenue around major events, such as UEFA Euro 2016. Television sponsorship revenue growth was due to an increase in programme production support.

Advertisers are able to access radio audiences quickly due to its 'always on' nature and because of the low cost of producing an audio advertisement – a unique feature of radio as a medium. Now radio shares this space with social channels that also offer low-cost short-term opportunities and there is now more competition for these campaigns. This and the uncertainty caused by Brexit impacted radio spend and the market was down 5% by year end. RTÉ radio advertising and sponsorship grew by 1% in 2016, a good outcome given the overall market.

Radio Sponsorship was up significantly on the previous year, reflecting the increased appetite for content partnerships across the industry.

Digital advertising and sponsorship income came under significant pressure in 2016 and, as a result of falling prices in display advertising, fell below expectation for the year. As programmatic advertising, where software is used to buy digital advertising, took hold in the Irish market, display advertising came under pressure from cheaper, non-Irish alternatives. However, the commercial team grew programmatic revenues from domestic and international agencies. Revenue from

VoD formats also increased in 2016. With the ongoing redevelopment of the RTÉ website to a mobile responsive design, the commercial team introduced responsive format advertising towards year end, an innovation first that improves efficiencies for advertisers as one creative format can automatically change size depending on screen size.

As well as delivering new formats, RTÉ Media Sales – Digital introduced the RTÉ Create service focusing on branded-content partnerships, which is a key growth area. A Branded Content Manager role was also developed, which was very positively received by the industry.

### RTÉ Guide

The *RTÉ Guide* is Ireland's bestselling weekly television listings magazine and a profitably entity. Good cost management and revenue enhancements have ensured that the publication remains a contributor to RTÉ's bottom line. The Christmas edition was a notable success in 2016 with copy sales stable year on year. By working with various partners, such as Weightwatchers and *Operation Transformation*, we provide free magazines and extended features. The *RTÉ Guide* has also created its own range of brand-extension mini magazines – *FASHION*, *DIG!* and *EAT!* – based on our lifestyle genres, which have all generated increased sales and revenue.

The *RTÉ Guide* team received five nominations at the Magazine Ireland awards and, for the second year in a row, won the sought-after Consumer Cover of the Year category for 2015's Christmas cover.

### Facilities Income

RTÉ TV Facilities provide broadcast studios to external independent production companies. 2016 was a successful year with growth in revenue achieved from in-studio activity across entertainment, comedy, music and sports shows. There was strong retention of business combined with growth from Irish companies producing TV for overseas broadcasters. The introduction of a bespoke green screen facility in 2016 was welcomed by the industry.

### International Programme sales

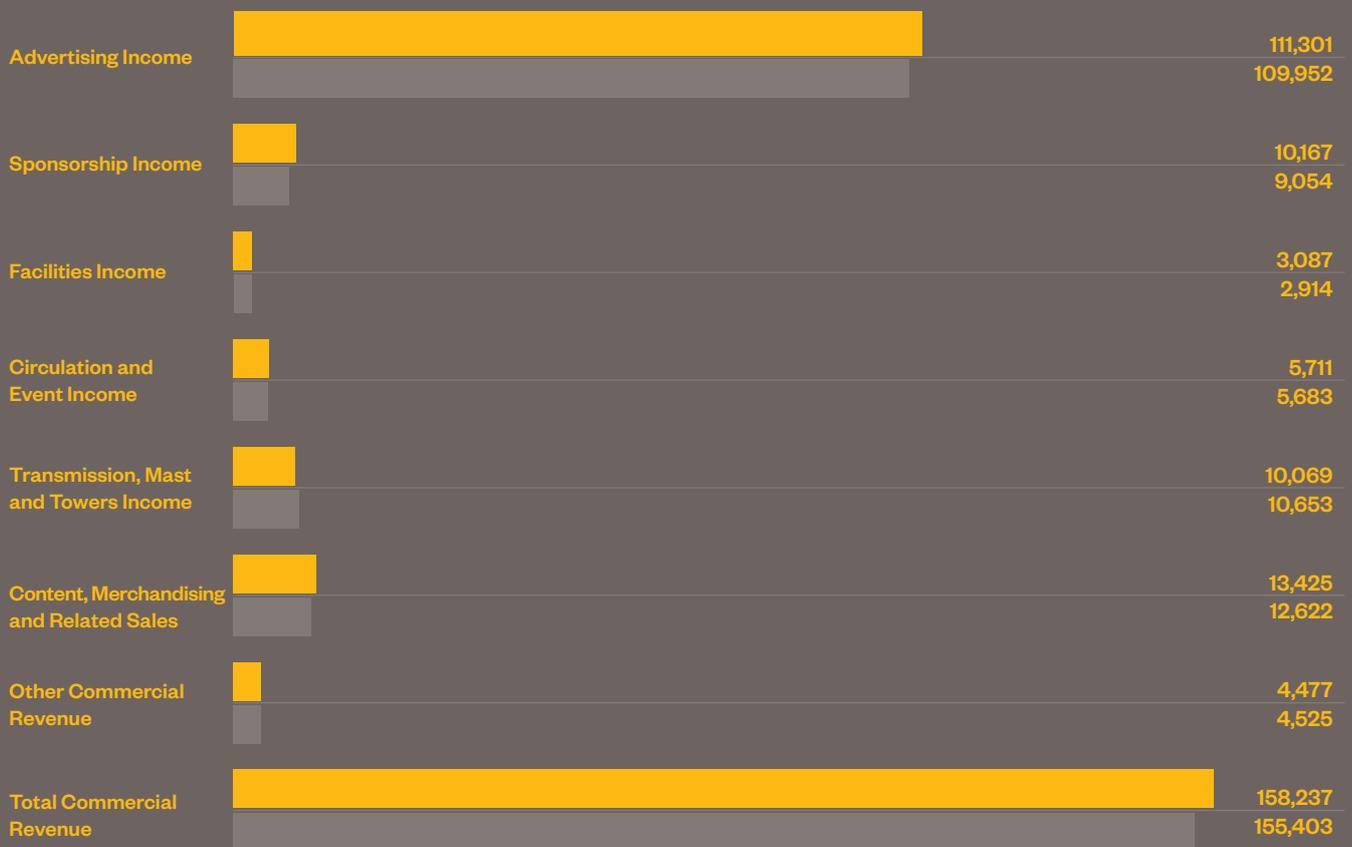
RTÉ's international programme sales department continued to maximise the sale of Irish content in the international market, with the majority of revenue generated from English-speaking markets, primarily the UK and Australia. Although revenue declined year on year, success was achieved with the sale of 1916 programming, *Bridget & Eamon*, *Vogue Williams – On the edge*, and other drama and lifestyle series.

### RTÉ Merchandising

In recent years the merchandising market has suffered from changes in consumer habits, with sales moving away from CD/DVD purchases, and a reduction in distribution channels. This has necessitated a complete re-evaluation of the activity, with business activity limited to managing existing stock and exploring licensing deals.

# COMMERCIAL REVENUE

■ 2016 ■ 2015



# Board of RTÉ



## **Moya Doherty, Chair**

**Term of office: 4 November 2014 – 3 November 2017**

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

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

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

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



## **Fergus Armstrong**

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

Fergus Armstrong is a mediator. He is a panel member of ONE-resolve, an interdisciplinary mediation group. 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 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 (UCD) and Harvard Law School.

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



## **Dee Forbes, Director-General**

**Dee was appointed Director-General of RTÉ with effect from 11 July 2016.**

Prior to taking up her role at RTÉ, Dee was based in London for over 27 years, working for broadcasters and advertising agency Young and Rubicam. Most recently she was President & Managing Director of Discovery Networks Northern Europe. Dee joined Discovery in 2010 as Head of the UK/Ireland operation and progressively grew her responsibilities. She eventually led the Northern Europe region, which included 18 markets and territories and 27 channels, both free-to-air and subscription, which broadcast to over 276 million households across Northern Europe each month.

Before joining Discovery, Dee led Turner Broadcasting's business in the UK and Ireland, which consisted of seven entertainment channels, including Cartoon Network, Boomerang and TCM. She spent several years working at Turner in a variety of commercial roles including General Manager for the Nordic/Central and Eastern Europe and EMEA regions and Head of Advertising Sales for Europe.

Dee is a former non-executive director of the board of The Irish Times and currently sits on the board of Munster Rugby. A native of Drimoleague in west Cork, Dee is a graduate of UCD where she studied history and politics.



## **Frank Hannigan**

**Term of office: 4 November 2014 – 3 November 2019**

Frank Hannigan has worked in traditional media and software companies for 30 years. He started in radio and print, until online media took off, and later worked in social media. He has previously worked at the *Sunday Tribune*, *Hot Press* and *Examiner Publications*.

As an entrepreneur, he has raised more than €40 million investment for projects. He has worked as a founder, a mentor and an investor with some of the most exciting startups in Ireland.

Frank is a visiting lecturer in Irish universities, speaking on topics from media to lean startup.



### **Deborah Kelleher**

**Term of office: 4 November 2014 – 3 November 2019**

Appointed Director of the Royal Irish Academy of Music (RIAM) in October 2010, Deborah Kelleher has played an integral role in setting up and developing outreach, distance and academic courses in the RIAM over the last number of years.

She played a key part in the introduction of a specialised undergraduate degree in composition, the first music technology programme at the RIAM, and numerous professional development courses for teachers throughout the country. In 2013 RIAM became an Associated College of Trinity College Dublin (TCD). Deborah oversaw this significant transition.

She studied music at TCD and was awarded Master's degrees in musicology (UCD) and business administration (Dublin City University). She was recognised as one of Ireland's finest pianists of her generation and worked for many years as Head of Musicianship at the RIAM.

In recent years, she has specialised in working with singers, counting Ailish Tynan, Mairéad Buicke, Tara Erraught and the late Bernadette Greevy among her recital partners. She is a Board member of the Dublin International Piano Competition, the National Youth Orchestra of Ireland and Lyric Opera. She has also served on the Arts Council's Peer Review Panel.

Deborah is a member of the 12-person council of the Association of European Conservatoires (AEC), the umbrella body for more than 280 conservatoires in Europe.



### **Aengus Mac Grianna**

**Term of office: 4 November 2014 – 3 November 2019**

One of RTÉ's most popular newscasters, Aengus Mac Grianna joined RTÉ in the mid-1980s, where he worked as a runner in the newsroom. He later worked as a reporter on almost every desk in the newsroom, including Nuacht RTÉ, before being appointed newscaster in 1999.

A regular face on television bulletins on the *Six-One News* and *Nine O'Clock News* programmes, Aengus is also a familiar voice on RTÉ Radio 1 and RTÉ lyric fm. In 2009, Aengus became Father of the NUJ chapel in the newsroom and was involved in negotiations on revised pay scales and structures in the newsroom. He also represented the NUJ at Trade Union Group (TUG) level for almost two years. In 2014, staff elected Aengus to the RTÉ Board.



### **Dr P.J. Mathews**

**Term of office: 4 November 2014 – 3 November 2019**

Dr P.J. Mathews is an associate professor in the School of English, Drama and Film at UCD and specialises in Irish literature and culture. He is the author of *Revival* (published by Field Day/Cork UP in 2003), a study of the Irish cultural revival period; editor of the *Cambridge Companion to J.M. Synge* (2009); and co-editor of *A Handbook of the Irish Revival* (published by the Abbey Theatre in 2015).

Dr Mathews is the founder and director of academic podcasting for UCDscholarcast ([www.ucd.ie/scholarcast](http://www.ucd.ie/scholarcast)).

He was director of the Parnell Summer School from 2002 to 2005 and was appointed Naughton Fellow and Visiting Associate Professor of English at the University of Notre Dame for 2007-8. He is an external member of the Irish Studies group at Université Sorbonne Nouvelle-Paris 3 and co-convenor of the Irish Studies Doctoral Research Network.



### **Eoin McVey**

**Term of Office: 20 December 2016 – 16 February 2020**

Eoin McVey is a journalist. He trained in accountancy with the Dublin practice of Coopers & Lybrand (now PWC) and then joined *The Irish Times* as a financial journalist.

Further appointments included Business Editor, Assistant Editor and Managing Editor. He served as a Director of The Irish Times Ltd and of Irish Times Publications Ltd. He was a founding director of the Press Council of Ireland and served for six years on its board.

Eoin is a member of the Board of Management of the RDS and of its governing council. He is also a director of the National Library of Ireland. He chairs the Audit & Risk committees in both organisations.

# Board of RTÉ

(continued)



## Shane Naughton

**Term of office: 17 February 2015 – 16 February 2020**

Shane Naughton is Chief Financial Officer of the Economist Group, a leading source of independent analysis on international business and world affairs. It includes *The Economist* newspaper among its businesses.

Previously, he was global Chief Financial Officer of EMI Music, the international music business containing the Capitol, Virgin, Blue Note and Parlophone labels, and with artists ranging from the Beatles and the Beach Boys to Coldplay and Katy Perry.

Before that, as CEO of the UBM plc's Connect division, he managed a portfolio of business magazines. He gained extensive television and broadcasting experience during his time with Sky. He also worked at Coca-Cola and Dell Computers in a variety of finance roles.

He qualified as a chartered accountant with KPMG and holds a law degree from UCD.



## Anne O'Leary

**Term of office: 4 November 2014 – 3 November 2019**

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

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

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



## Fionnuala Sheehan

**Term of office: 17 February 2015 – 16 February 2020**

Fionnuala Sheehan's career spans the civil service (Department of Finance and Commission on Taxation), the public-service (Funding Manager for the newly created Telecom Éireann and its capital investment company, Irish Telecommunications Investments Limited), the commercial sector (Group Treasurer of GPA Limited and its joint venture companies), higher education (Deputy Registrar, University of Limerick) and the not-for-profit sector (Chief Executive of MEAS – Mature Enjoyment of Alcohol in Society).

During her career, Fionnuala has led many innovation and change-management initiatives.

A native of Limerick city, she graduated from NUIG with double first-class honours. She has an MA, a Diploma in Applied Finance, and a Certificate and Diploma in Company Direction (awarded by the Institute of Directors). She has served as a Governor of the University of Limerick and a Director of Daghda Dance Company.



## Margaret E. Ward

**Term of office: 17 February 2015 – 16 February 2020**

An entrepreneur who worked as a financial journalist for 25 years, Margaret E. Ward is CEO of Clear Ink, a global brand communications agency based in Dublin. She worked as a business columnist and investigative journalist with *The Irish Times*. She was *The Sunday Times'* first Money Editor in Ireland, presented business programmes on Newstalk and was a regular contributor to RTÉ radio.

She has won the Law Society of Ireland's Justice Media award for social and campaigning journalism. She was also awarded an ICS science journalism award for an article in *The Irish Times* on antibiotic-resistant superbugs.

In 2010, she founded Women on Air, a not-for-profit networking group that provides expert women with the skills and confidence they need to go on the airwaves. She has an MA in Journalism from DCU.

Margaret was born in New York City to Irish parents. She moved to Dublin in 1995.

## Board Attendance

There were ten meetings of the Board of RTÉ in 2016. The attendance of board members is outlined below:

	Meetings Eligible to Attend	Meetings Attended
<b>The Board at 31 December 2016</b>		
Moya Doherty	10	10
Fergus Armstrong	10	10
Dee Forbes	5	5
Frank Hannigan	10	10
Deborah Kelleher	10	7
Aengus Mac Grianna	10	10
Dr P.J. Mathews	10	9
Eoin McVey	-	-
Shane Naughton	10	10
Anne O'Leary	10	10
Fionnuala Sheehan	10	10
Margaret E Ward	10	9
<b>Ceased to be Board members during 2016</b>		
Noel Curran	4	3
Pádraig Ó Céidigh	1	1

Refer to the Corporate Governance report on page 106 for further details of the changes in the composition of the Board during 2016.

## Board Committees

### Audit and Risk Committee

There were seven meetings during 2016, attended as follows:

Committee Members	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Anne O'Leary (Chair)	7	7	27 November 2014
Moya Doherty	4	3	21 April 2016
Frank Hannigan	7	6	27 November 2014
Shane Naughton	7	7	23 July 2015

Pádraig Ó Céidigh was eligible to attend, and attended, one meeting of the Audit and Risk Committee. He ceased to be a member of the Board during 2016, as explained in the Corporate Governance report.

### Programme Committee

There were six meetings of the Programme Committee during 2016, with full attendance at each meeting:

Committee Members	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Dr P.J. Mathews (Chair)	6	6	27 November 2014
Deborah Kelleher	6	6	27 November 2014
Aengus Mac Grianna	6	6	19 February 2015
Margaret E Ward	6	6	19 February 2015

### Remuneration and Management Development Committee

There were four meetings of the Committee during 2016, with full attendance at each meeting:

Committee Members	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Moya Doherty (Chair)	4	4	22 January 2015
Fergus Armstrong	4	4	10 March 2009
Shane Naughton	4	4	4 November 2015
Anne O'Leary	4	4	22 January 2015

### Fair Trading Committee

There were four meetings during 2016, attended as follows:

Committee Members	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Fionnuala Sheehan (Chair)	4	4	24 September 2015
Fergus Armstrong	4	3	24 September 2015
Deborah Kelleher	4	4	24 September 2015

### Commercial and Technology Committee

The newly established Commercial and Technology Committee met twice during 2016:

Committee Members	Meetings Eligible to Attend	Meetings Attended	Appointed to the Committee
Frank Hannigan (Chair)	2	2	28 January 2016
Aengus Mac Grianna	2	2	28 January 2016
Fionnuala Sheehan	2	2	28 January 2016

### Attendance at Subsidiary Board Meetings

The attendance disclosures above refer to attendance by Board members at meetings of the RTÉ Board and its five sub-committees. In addition, Moya Doherty, Aengus Mac Grianna and Fionnuala Sheehan also serve on the Boards of subsidiary companies, with additional scheduled attendance at subsidiary Board meetings.

# Executive



## **Dee Forbes, Director-General**

See biographical note on page 100.



## **Brian Dalton**

### **Managing Director, Corporate Development**

Brian Dalton joined RTÉ as Managing Director of Corporate Development in March 2009. He holds a Master's degree 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.



## **Dermot Horan**

### **Acting Managing Director, and Director of Production and Acquisitions, Television**

In addition to his role as Director of Production and Acquisitions for RTÉ's television division, where he is responsible for acquiring all international programming, as well as the delivery of all domestic Irish programming, Dermot Horan was appointed Acting MD Television in July 2016. He was previously Head of Young People's Programming. Dermot represents the Television Division in its dealings with the BAI (Broadcast Authority of Ireland), SPI (Screen Producers Ireland) and the Irish Film Board. He leads RTÉ Television's strategy for international co-productions. He is also a member of TBIG, the Television Broadcasters in Ireland Group, members of which include all the Irish television broadcasters in Ireland, north and south. He is former chairman and currently a member of TIF Broadcasting and Content Distribution Industry of IBEC, the Irish employers' federation. He is a board member of the St. Patrick's Festival.



## **Jim Jennings**

### **Managing Director, Radio**

Jim Jennings was appointed Managing Director of RTÉ Radio in November 2013. He also oversees the RTÉ Orchestras, Quartet and Choirs. Previously, Jim was Head of RTÉ Radio 1. He joined RTÉ Radio 1 in 1985, working first in features and current affairs on programmes such as *Today at Five* and *The Pat Kenny Show*. In 1989, he moved to RTÉ Television, where he held a number of positions, including Executive Producer of *The Late Late Show*, *Election 2012* and the opening ceremony of the Special Olympics. He also worked as editor of *Léargas*.

## **Múirne Laffan**

### **Chief Digital Officer**

Múirne Laffan was appointed Managing Director of the newly formed RTÉ Digital in October 2011. During 2015, the role was repositioned to Chief Digital Officer. Born in Dublin, Múirne is a graduate of the College of Marketing at the 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. She returned to Ireland in 2001 to join RTÉ, first as General Manager of RTÉ Commercial Enterprises DAC and then as Executive Director of RTÉ Publishing. She led the team that created a successful portfolio, including RTÉ News Now, RTÉ Player, RTÉ Ten and RTÉ Aertel Digital, among others. Múirne now has responsibility for digital strategy and for delivering on-demand content to RTÉ audiences.



### **Breda O’Keeffe**

#### **Chief Financial Officer**

Breda O’Keeffe was appointed Chief Financial Officer in 2013. A native of Kilkenny, she studied at Waterford Institute of Technology and is a fellow of the Institute of Chartered Accountants in Ireland. Before joining RTÉ, she held senior finance positions in GPA, GE Capital Aviation Services, JetPhone, GE Insurance Services and Halifax Bank of Scotland. She was instrumental in setting up GE Insurance Services and Halifax Insurance Ireland in Shannon. Breda joined RTÉ in 2002. In 2003, she was appointed Finance Director of RTÉ Television and was also a member of the Television Programme Strategy Group. During 2012, Breda was appointed a director of RTÉ Commercial Enterprises DAC and in 2013 she was appointed as a director of RTÉ Transmission Network DAC.

### **Willie O’Reilly**

#### **Group Commercial Director**

Willie O’Reilly joined RTÉ as Group Commercial Director in January 2012. A graduate of UCD, he was the Executive Producer of *The Gerry Ryan Show* on RTÉ 2fm for more than 10 years. Willie was Chief Executive of Today FM between 1999 and 2011, where he was responsible for increased audiences and revenue. He helped to establish 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. 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.

### **Richard Waghorn**

#### **Chief Technology Officer**

Richard Waghorn joined RTÉ as Chief Technology Officer in February 2012. During 2013, he was appointed as a director of RTÉ Transmission Network DAC. 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. Before that, he was Controller of Distribution at the BBC for four years, leading the implementation of digital switchover. At the BBC, he worked in a number of areas including strategy, new media, distribution and radio production. Richard was a board director of Freesat and project manager for the 2002 launch of Freeview in the UK.

### **Jon Williams**

#### **Managing Director, RTÉ News and Current Affairs**

Jon Williams joined RTÉ in January 2017. He was previously Managing Editor, International News, at ABC News in New York, where he shaped the organisation’s international news coverage and strategy. He led ABC’s reporting of the war in Ukraine, the European refugee crisis, and the coverage of the ISIS terrorist attacks in Europe, as well as driving innovation, including the use of 360 and virtual reality video. Jon was the BBC’s UK News Editor during the 2005 general election and 7/7 terror attacks on the London transport network, coverage of which was recognised with a BAFTA award. From 2000 to 2003, Jon was the Deputy Editor of the BBC’s *Six O’Clock News*, the UK’s most-watched news programme. Most recently he was the BBC’s World News Editor, managing a staff of 200 people in 30 countries. Before leaving the BBC, he oversaw the reporting of the civil war in Syria, which earned him a second Emmy, and was honoured with the 2013 International Prize by the Royal Television Society.



# Corporate Governance

For the year ended 31 December 2016

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

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

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

The Minister for Public Expenditure and Reform published an updated version of the *Code of Practice for the Governance of State Bodies* on 17 August 2016, applicable for financial reporting periods beginning on or after 1 September 2016. RTÉ will report on its compliance with the updated Code in its next published Annual Report.

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 12-member Board, to be appointed by the Government as follows:

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

The Government appoints one of the members to act as Chair. The *Broadcasting Act 2009* also provides for gender balance in the composition of the Board by requiring that its members include no fewer than five men and five women. At 31 December 2016, there are six women and six men on the Board of RTÉ.

The membership of the Board of RTÉ changed during 2016 and two new members joined the Board to fill vacancies which arose during the year.

Dee Forbes became a member of the Board on 11 July 2016, upon assuming the post of Director-General of RTÉ. In late 2015 Noel Curran announced his decision to stand down from his role as Director-General of RTÉ; he ceased to be a member of the Board on 19 June 2016, upon his departure from RTÉ.

Pádraig Ó Céidigh ceased to be a member of the Board on 3 March 2016. This was in accordance with Section 86 of the *Broadcasting Act 2009*, following his nomination as a candidate to contest the Seanad Éireann Election in the NUI constituency.

The Government appointed Eoin McVey to the Board, effective 20 December 2016. This appointment was made following proposals

to the Minister for Communications, Climate Action and Environment by the Joint Committee on Communications, Climate Action and Environment.

Biographical details of the twelve members of the Board in office at 31 December 2016, including details of their terms of office, are set out on pages 100–102.

### 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. Each member brings independent judgment to bear by constructively challenging the Executive and by helping to develop RTÉ's strategic objectives.

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.

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

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

The Chair of the Board and executive management meet frequently with the Department of Communications, Climate Action and Environment to discuss RTÉ's operating and financial performance.

## Board Procedures

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

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

There is a formal schedule of matters, which covers key areas of RTÉ's business, reserved consideration and decision by the Board. They are:

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

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

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

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

## Board Committees

At 31 December 2016, 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 Programme Committee, the Fair Trading Committee and the newly established Commercial and Technology Committee.

The membership of each committee, together with details of attendance at meetings held in 2016, is set out on page 103. The RTÉ Group Secretary acts as Secretary of each Committee.

Temporary committees may be 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 2016.

## Audit and Risk Committee

The Audit and Risk Committee comprises four Board members, all of whom are considered independent. Shane Naughton is the committee member with recent financial experience. The Committee's terms of reference are available on the RTÉ website.

The Chief Financial Officer and the Head of Internal Audit normally attend meetings of the Committee, while the external auditors attend as required. The terms of reference of the Committee provide that other Board members, executives and others may also be invited to attend all or part of any meeting(s). Both the Head of Internal Audit and the external auditors have full and unrestricted direct access to the Committee Chair at all times. In addition, the Audit and Risk Committee has a discussion with the external and internal auditors at least once a year, without executive management present, to ensure there are no outstanding issues of concern.

During 2016, the Audit and Risk Committee reviewed the following:

- Quarterly risk reports and considered movements in the key corporate risks during the year;
- Risk briefings from the Executive Sponsors of a selection of the key corporate risks;
- The Internal Audit Plan for 2016;
- 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 external audit plan, the scope of the audit, as set out in the Engagement Letter, and the effectiveness of the audit process;
- The group's annual financial statements, prior to formal submission to the Board. The Committee's review focused, in particular, on accounting policies, judgemental areas, the clarity of disclosures and compliance with applicable accounting and legal standards;
- Report from the external auditor following its audit of the financial statements and discussion of matters arising;
- Corporate governance compliance, to include reviewing 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 and reporting the results to the Board;
- The RTÉ Group's annual budget, prior to formal submission to the Board;
- Regular updates on the financial performance of the Group, including pensions and the risk management of movements in foreign exchange rates;
- RTÉ's banking arrangements and facilities;
- Updated terms of reference for the Committee;
- An amended RTÉ Good Faith Reporting Policy; and
- Updated Codes of Business Conduct for RTÉ employees and Board members.

# Corporate Governance

## For the year ended 31 December 2016 (continued)

During 2016, the Audit and Risk Committee also received briefings on developments in the areas of corporate governance, risk-management and accounting standards.

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

The level of non-audit-related services provided by the external auditors, and the associated fees, is considered annually by the Audit and Risk Committee in the context of the external auditors' independence as part of the Committee's review of the adequacy and objectivity of the external audit process. Details of the nature of non-audit services during the year and the related fees are set out in note 5 to the financial statements.

### Programme Committee

The Programme Committee comprises four Board members, three 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. The Committee also oversees Digital plans.

In the area of editorial risk, the Programme Committee and the Audit and Risk Committee align their respective programmes of work to ensure effective oversight and management of editorial risk. Editorial risk is considered by the Board in the context of risk generally, as explained in further detail in the internal control and risk-management section below.

### Remuneration and Management Development Committee

The Remuneration and Management Development Committee comprises four Board members, all of whom are considered independent. The Committee's terms of reference are available on the RTÉ website. The Committee's role and responsibilities include:

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

The Committee is assisted, as necessary, by a nominee from the Department of Communications, Climate Action and Environment. The remuneration of Board members is determined by Government policy and, as such, is not a specific consideration of this Committee.

### Fair Trading Committee

The Fair Trading Committee is responsible for the oversight of RTÉ's Fair Trading Policy. The Committee comprises three Board members, all of whom are considered independent. Its functions are to:

- Review reports from the Fair Trading Officer;
- Oversee and, where necessary, review internal practices and procedures including complaints procedure; and
- Commission periodic reviews of RTÉ Fair Trading practice.

RTÉ published its updated Fair Trading Policy and Procedures and its Fair Trading Complaints Procedure in February 2016. During the year the Fair Trading Committee was responsible for oversight of the policy. In compliance with the policy, the Committee has approved a report on Fair Trading Policy and implementation which is on page 178.

### Commercial and Technology Committee

In January 2016, the Board established a Commercial and Technology Committee. The Committee comprises three Board members, two of whom are considered independent. Its functions are to:

- Review and support the performance of the Commercial division and submit recommendations to the Board, focusing particularly on existing and new (non-traditional) revenue lines and platforms; and
- Review and support the performance of the Chief Technology Officer and his team and submit recommendations to the Board, focusing particularly on existing use of technologies and potential new technologies.

### 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, Dee Forbes and Aengus Mac Grianna are RTÉ employees and therefore cannot, for that reason alone, be considered as independent members of the Board at 31 December 2016 as per the criteria of the *UK Corporate Governance Code*.

As disclosed in further detail in note 24 (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 2016. 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 one Board member, RTÉ commissioned programmes from a production company owned/controlled by the Board member. In these cases, the Board took account of the existence of formal and transparent Commissioning Procedures and Guidelines, which are published on the RTÉ website and are applied consistently for all commissions. In addition, all decisions on individual commissions are the responsibility of executive management, assessed using clear evaluation criteria, with contracts awarded in line with normal commercial terms and conditions in all cases. Decisions on individual programme commissions are not a matter for consideration and decision by the Board. To demonstrate transparency, an independent review of specific commissioning procedures is also carried out on an annual basis and an Independent Productions Annual Report is submitted to the Minister for Communications, Climate Action and Environment 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 2016 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 Financial Reporting Council's *Guidance on Risk Management, Internal Control and Related Financial and Business Reporting* (updated Turnbull guidance) 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.

### **Risk Management Framework**

RTÉ has established a risk-management framework which consists of structures; the assignment of risk responsibilities; procedures and systems for risk identification, assessment and reporting; and monitoring of the effectiveness of mitigation actions. The risk-management framework is overseen by the Managing Director, Corporate Development.

Throughout the year, RTÉ operated a risk-management process designed to identify the key risks facing the business and to report to the Audit and Risk Committee and the Board on how these risks are being managed. The Board focuses primarily on those risks capable of undermining the RTÉ strategy, or risks which could adversely affect the long-term viability or reputation of RTÉ. As explained in further detail below, the risk-management process comprises two phases – a strategic risk assessment undertaken by the Executive and a detailed risk assessment exercise carried out by line management in the divisions.

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

of internal control. During the year, the Audit and Risk Committee also receives quarterly updates on the status of risks, changes in risk indicators and updates on mitigating actions.

Aligned with the strategic-risk assessment process explained above, each business division maintains a risk register that identifies its key risks, evaluates the probability of those risks occurring and assesses the likely impact should the risks materialise. The actions taken to manage each risk to a desired level are recorded on the risk register and risks are ranked and prioritised. The risk registers are managed locally, in the divisions. The risk registers act as a cross-check against the strategic risks identified by the RTÉ Executive and form part of the Audit and Risk Committee's broader review of the effectiveness of the system of internal control.

### **Principal Risks and Uncertainties**

As part of the risk identification process explained above, the principal areas of risk that could materially adversely affect the Group's business, financial condition or results have been identified. A summary of these risks and the mitigation actions are set out below. This is not intended to be an exhaustive analysis of all the risks that may arise in the ordinary course of business. These key risks are assessed on a continuous basis and management report significant changes in the risks identified, or the materiality of risks, to the Audit and Risk Committee.

# Corporate Governance

For the year ended 31 December 2016 (continued)

Description of Risk	Mitigation Actions
<b>Compliance</b>	
<p><b>Reputation</b> Damage to reputation arising from a serious failure to comply with editorial standards and obligations to fairness, impartiality and privacy, or non-compliance with other legal / regulatory requirements.</p>	<ul style="list-style-type: none"> <li>• Unified set of three guidelines documents: RTÉ Journalism Guidelines; RTÉ Programme Content Standards Guidelines and RTÉ's Social Media Guidelines</li> <li>• Defined editorial management chain and editorial structures</li> <li>• Corporate Clearance Committees for commercial activity</li> <li>• Training for staff</li> <li>• Access to legal advice as necessary</li> <li>• Statutory Complaints Process</li> </ul>
<b>Finance</b>	
<p><b>Financial Resources</b> The management and prioritisation of financial resources in order to maximise investment in indigenous programme content and services for the audience; provide adequate finance for capital investment; control operating costs and deliver ongoing value for money across all of our services. This also includes the ongoing management of cash reserves and bank funding to provide adequate financing for ongoing operational cash needs.</p>	<ul style="list-style-type: none"> <li>• Annual budgeting process in place. Ongoing monthly management accounts and forecasting, which includes the monitoring of revenues and costs against budget</li> <li>• Capital budgeting process and a dedicated Capital Committee</li> <li>• Cash management and treasury function which operate within an approved treasury policy</li> <li>• Multi-year medium-term financial projections</li> </ul>
<p><b>Commercial Income</b> Competition from global media providers, increased opt-out advertising and further audience fragmentation impacting commercial revenue. Developments in the Irish, Eurozone and global economic situation impact the advertising market and the businesses of clients.</p>	<ul style="list-style-type: none"> <li>• Audience measurement and tracking</li> <li>• Monitoring of revenue performance and three-month rolling revenue forecasting: RTÉ Executive monitors fortnightly revenue reports, including market and economic commentary</li> <li>• Timely, responsive sales and cross-media initiatives and actions to address any revenue decline, including the introduction of integrated trading in 2016</li> <li>• Implementation of RTÉ's Fair Trading Policy and Procedures in 2016, which includes the introduction of functional separation of the commercial and public-service activities</li> </ul>
<b>Strategic</b>	
<p><b>Public Funding</b> Inadequate levels of public funding limiting RTÉ's capacity to deliver its public-service objects as set down in legislation.</p>	<ul style="list-style-type: none"> <li>• Meet and present to key decision makers</li> <li>• Secure economic and legal advice, or commission reports / benchmarking analysis, as required</li> <li>• Monitoring of the licence fee collection targets, household statistics and evasion rates</li> </ul>
<p><b>Commercial Regulation</b> Legislative or regulatory changes impacting advertising, sponsorship or other commercial revenue streams.</p>	<ul style="list-style-type: none"> <li>• Meet and present to key decision makers</li> <li>• Submissions made to relevant bodies making RTÉ's case on the effect of legislative and regulatory changes</li> <li>• Submissions to consultation processes</li> <li>• Collaboration and joint actions with other media organisations</li> <li>• Secure economic and legal advice, or commission reports / benchmarking analysis, as required</li> </ul>
<p><b>Distribution</b> Failure to deliver access to content on relevant platforms or to invest in the next trends in technology and content consumption, could threaten RTÉ's connection with the audience and the achievement of audience targets.</p>	<ul style="list-style-type: none"> <li>• Ongoing monitoring and analysis of technological developments and audience behaviour in the marketplace</li> <li>• Distribution and content rights strategy in place</li> <li>• Meet and present to key decision makers</li> </ul>

Description of Risk	Mitigation Actions
<p><b>Operational</b></p> <p><b>Content</b> Failure to provide relevant output in all genres, limiting RTÉ's ability to meet audience needs and expectations in an ever more competitive marketplace.</p>	<ul style="list-style-type: none"> <li>• Audience measurement and tracking</li> <li>• Creative Development Unit</li> <li>• Examine co-funding opportunities and other sources of funding which leverage RTÉ's investment and achieve a greater impact for a lower investment</li> <li>• Strong Independent Production sector</li> </ul>
<p><b>Technology and Business Interruption</b> A significant failure in critical technology or other infrastructure, disrupting business continuity and broadcasting output.</p>	<ul style="list-style-type: none"> <li>• Business continuity plans</li> <li>• Resilience and redundancy built into business processes: IT back-up procedures; mirrored servers; redundancy in national broadcast transmission system; etc.</li> <li>• Training</li> </ul>
<p><b>Organisation and People</b> Delays in evolving the organisation structures could limit the organisation's ability to respond to challenges and deliver strategic priorities. The risk includes the ability to attract, retain and develop staff members.</p>	<ul style="list-style-type: none"> <li>• Five-year strategy planning including integral HR strategy</li> <li>• Review of and changes on an ongoing basis to the organisation structure</li> <li>• Diversity action plan to encourage staff diversity and retention</li> <li>• Succession planning</li> <li>• Business Working Responsibly Mark applied for to promote employer brand</li> <li>• Organisational learning and development strategy</li> <li>• Changes made to work practices in order to promote improved teamwork, flexibility, mobility and efficiency</li> </ul>

### Internal Control

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

- A clearly defined organisation structure, with formally defined authority limits and reporting mechanisms to higher levels of management and to the Board;
- A statement of decisions reserved to the Board for consideration and decision;
- Codes of Business Conduct for Board members and employees, setting out the ethical standards expected in the conduct of business;
- Established procedures to identify, control and report on key risks impacting the business;
- Comprehensive budgeting systems, with annual financial budgets approved by the Board;
- A planning process for each division, with long-term strategic plans approved by the Board;
- Timely financial reporting systems, 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 coordination 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

For the year ended 31 December 2016 (continued)

## Board Members' Fees<sup>1</sup>

RTÉ complies with Government policy on the payment of fees to chairs and directors of State Bodies, as determined by the Minister for Public Expenditure and Reform and the Minister for Communications, Climate Action and Environment.

	2016	2015
	€'000	€'000
<b>Board members at 31 December 2016</b>		
Moya Doherty	31	31
Fergus Armstrong	16	16
Dee Forbes	-	-
Frank Hannigan	16	16
Deborah Kelleher	-	-
Aengus Mac Grianna <sup>2</sup>	16	16
Dr P.J. Mathews	-	-
Eoin McVey	1	-
Shane Naughton	16	14
Anne O'Leary	16	16
Fionnuala Sheehan	16	14
Margaret E Ward	16	14
<b>Payments to former Board members<sup>3</sup></b>		
Noel Curran	-	-
Pádraig Ó Céidigh	2	14
Payments to other former Board members <sup>4</sup>	-	6
	<b>146</b>	<b>157</b>

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

2. In addition to Board fees, Aengus Mac Grianna was paid as an employee of RTÉ

3. Refer to page 106 for further details of changes to the composition of the Board of RTÉ during 2016

4. The term of office of a number of Board members ended on 15 February 2015. Payments, during 2015, to these Board members were: €2,064 to each of Orlaith Carmody, Aileen O'Meara and Stuart Switzer.

The annual fee payable to Board members for their services as members of the Board of RTÉ remained unchanged between 2015 and 2016. Differences in fee levels arise due to the timing of the appointment, or reappointment, of Board members.

## 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:

	2016	2015
	€'000	€'000
Travel – mileage	26	22
Subsistence allowances	15	9
	<b>41</b>	<b>31</b>

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

## Remuneration of Director-General<sup>1</sup>

The remuneration of the Director-General 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, Climate Action and Environment. In compliance with the disclosure requirement in the *Code of Practice for the Governance of State Bodies* and in Section 305 of the *Companies Act 2014*, the remuneration of the Director-General comprises:

	Dee Forbes	Noel Curran	2016	2015
	€'000	€'000	€'000	€'000
Emoluments:				
– Basic salary	137	150	250	
– Car allowance	12	11	24	
Total Emoluments	149	161	274	
Retirement Benefit Contributions <sup>2</sup>	29	29	63	
	<b>178</b>	<b>190</b>	<b>337</b>	

1. As explained earlier in this report, Dee Forbes assumed the post of Director-General of RTÉ on 11 July 2016, replacing Noel Curran who departed RTÉ with effect from 19 June 2016.

2. The amount paid by RTÉ to a defined contribution pension scheme.

Expenses amounting to €49,652 (2015: not applicable) were incurred by Dee Forbes in the conduct of the duties of the post of Director-General following her appointment and including relocation expenses. Noel Curran incurred expenses amounting to €1,924 in 2016 (2015: €10,181) in the conduct of the duties of the post.

No performance-related pay was awarded or paid in respect of 2016 or 2015.

# Board Members' Report

For the year ended 31 December 2016

The members of the Board of RTÉ present their annual report together with the audited Group financial statements for the year ended 31 December 2016.

## 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 DAC (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 2016 and future developments are set out in the Operational Review on pages 22 to 99 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 2016*, are reviewed on pages 169 to 177.

## Results for the Year

The results of the Group for the year are set out in the Income Statement on page 116 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 2016 are set out on pages 100 to 102.

## On behalf of the Board

### Moya Doherty

Chair

### Anne O'Leary

Board Member  
and Chair of  
the Audit and Risk  
Committee

### Dee Forbes

Director-General

20 April 2017

## Corporate Governance

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

- Corporate governance pages 106 to 112
- Board members' profiles pages 100 to 102
- Statement of Board members' responsibilities page 114

## Directors' Compliance

The *Companies Act 2014*, which applies to RTÉ subsidiary companies, introduces a new requirement for Directors to secure a company's compliance with its relevant obligations (as defined in Section 225(1) of the Act), if the company meets specific size criteria specified in the Act.

RTÉ has implemented actions to ensure that, where applicable, its subsidiaries comply with the *Companies Act 2014* requirements for Directors' Compliance Statements.

## Accounting Records

The RTÉ Board members are responsible for ensuring that adequate 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 accounting records 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 2012* ('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 19 to the financial statements.

## Financial Instruments

The Group has exposure to financial risks relating to credit, liquidity, foreign exchange, interest rate and operational risk. The Group has detailed procedures for monitoring and managing these risks which are set out in note 22 to the financial statements.

## Auditor

KPMG, Chartered Accountants, will continue in office in accordance with Section 383 (2) of the *Companies Act 2014*.

## Political Donations

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

## Relevant Audit Information

The Board members believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Group's statutory auditors are unaware.

## Subsequent Events

Details of important events affecting the Group which have taken place since the end of the financial year are given in note 25 to the financial statements.

# Statement of Board Members' Responsibilities

For the year ended 31 December 2016

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

The *Broadcasting Act 2009* ("broadcasting legislation") requires the RTÉ Board to prepare Group and RTÉ financial statements for each financial year. Under that legislation, the RTÉ Board has elected to prepare the Group and RTÉ financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and as applied in accordance with the provisions of the broadcasting legislation and the relevant provisions of the *Companies Act 2014*.

Under the relevant provisions of the *Companies Act 2014*, the RTÉ Board must not approve the Group and RTÉ financial statements unless it is satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and RTÉ and of the Group's profit or loss for that year. In preparing each of the Group and RTÉ financial statements, the RTÉ Board is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the financial statements have been prepared in accordance with IFRS as adopted by the EU and as applied in accordance with the provisions of the broadcasting legislation and the relevant provisions of the *Companies Act 2014*; 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 is responsible for keeping adequate accounting records which disclose

with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Group and RTÉ and which enable them to ensure that the financial statements of the Group and RTÉ are prepared in accordance with applicable IFRS, as adopted by the EU and comply with the provisions of the broadcasting legislation and the relevant provisions of the *Companies Act 2014*. The RTÉ Board have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and RTÉ and to prevent and detect fraud and other irregularities. The RTÉ Board is also responsible for preparing a Board Members' Report that complies with the relevant provisions of the *Companies Act 2014*.

The RTÉ Board members are responsible for ensuring that the corporate governance statement on pages 106 to 112 reflects the Group's compliance with the *Code of Practice for the Governance of State Bodies*.

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

## On behalf of the Board

**Moya Doherty**  
Chair

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

**Dee Forbes**  
Director-General

20 April 2017

# Independent Auditor's Report to the Members of the Board of RTÉ

We have audited the RTÉ and Group financial statements ("financial statements") for the year ended 31 December 2016 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the RTÉ and Group Statements of Financial Position, the RTÉ and Group Statements of Changes in Equity, the RTÉ and Group Cash Flow Statements and the related notes. The financial reporting framework that has been applied in their preparation is the *Broadcasting Act 2009* (the "broadcasting legislation") and the relevant provisions of the *Companies Act 2014* and International Financial Reporting Standards (IFRS) as adopted by the European Union. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

## Opinions and Conclusions Arising from our Audit

### 1 Our opinion on the financial statements is unmodified

In our opinion:

- The Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2016 and of its loss for the year then ended;
- The RTÉ statement of financial position gives a true and fair view of the assets, liabilities and financial position of RTÉ as at 31 December 2016;
- The Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- The RTÉ financial statements have been properly prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the broadcasting legislation and relevant provisions of the *Companies Act 2014*; and
- The Group financial statements and Company financial statements have been properly prepared in accordance with the relevant provisions of the *Companies Act 2014*.

### 2 Our conclusions on other matters on which we are required to report under the terms of our engagement letter are set out below

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of RTÉ were sufficient to permit the financial statements to be readily and properly audited

and the financial statements are in agreement with the accounting records.

In our opinion the information given in the Board Members' Report is consistent with the financial statements.

### 3 We have nothing to report in respect of matters on which we are required to report by exception

International Standards on Auditing (ISAs) (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

The *Code of Practice for the Governance of State Bodies* ("the Code") requires that we 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 106 to 112, 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.

### Basis of our Report, Responsibilities and Restrictions on use

As explained more fully in the Statement of Board Members' Responsibilities set out on page 114, the Board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with broadcasting legislation and relevant provisions of the *Companies Act 2014*. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group and RTÉ's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant

accounting estimates made by the Board Members; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions, it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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



**Ruaidhri Gibbons**  
for and on behalf of

**KPMG**  
Chartered Accountants, Statutory Audit Firm

1 Stokes Place,  
St. Stephen's Green,  
Dublin 2  
20 April 2017

# Group Income Statement

## for the year ended 31 December 2016

	Notes	2016 €'000	2015 €'000
<b>Continuing Operations</b>			
Revenue	2	<b>337,318</b>	334,312
Operating costs (before depreciation, amortisation and gain on disposal of assets)	3	<b>(343,448)</b>	(320,262)
<b>EBITDA<sup>1</sup></b>		<b>(6,130)</b>	14,050
Depreciation and amortisation	5	<b>(13,562)</b>	(14,240)
Gain on disposal of assets	5	<b>119</b>	569
<b>(Loss)/Profit from Operating Activities</b>		<b>(19,573)</b>	379
Finance income	4	<b>1,781</b>	122
Finance expense	4	<b>(1,564)</b>	(2,772)
<b>Deficit Before Income Tax</b>	5	<b>(19,356)</b>	(2,271)
Income tax expense	7	<b>(297)</b>	(482)
<b>Deficit for the Year</b>		<b>(19,653)</b>	(2,753)

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

# Group Statement of Comprehensive Income

for the year ended 31 December 2016

	Notes	2016 €'000	2015 €'000
Deficit for the year		<b>(19,653)</b>	(2,753)
<b>Other Comprehensive Income</b>			
<b>Items that will never be reclassified to profit or loss</b>			
Re-measurement (loss)/gain of the defined benefit pension scheme	20	<b>(15,521)</b>	59,453
Re-measurement (loss)/gain of the '50/50' risk-sharing pension scheme	20	<b>(1,812)</b>	1,381
Related deferred tax on pension assets	21	<b>2,211</b>	(5,614)
		<b>(15,122)</b>	55,220
<b>Items that are or may be reclassified to profit or loss</b>			
Cash flow hedge – effective portion of changes in fair value		<b>(350)</b>	(304)
Cash flow hedge – reclassified to income statement	4	<b>187</b>	-
Fair value loss on cash flow hedge	18	<b>(163)</b>	(304)
Deferred tax on cash flow hedge	21	<b>20</b>	38
		<b>(143)</b>	(266)
<b>Total other comprehensive (deficit)/surplus for the year</b>		<b>(15,265)</b>	54,954
<b>Total comprehensive (deficit)/surplus for the year</b>		<b>(34,918)</b>	52,201

# Group Statement of Financial Position

at 31 December 2016

	Notes	2016 €'000	2015 €'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	8	<b>70,137</b>	76,319
Intangible assets	9	<b>2,020</b>	2,155
Pension asset	20	<b>29,064</b>	46,749
Derivative financial instruments	22	<b>164</b>	-
<b>Total Non-Current Assets</b>		<b>101,385</b>	125,223
<b>Current Assets</b>			
Inventories	10	<b>35,427</b>	32,139
Trade and other receivables	11	<b>40,340</b>	38,813
Prepayments and accrued income		<b>12,716</b>	17,676
Liquid investments	12	<b>1,000</b>	-
Cash and cash equivalents	13	<b>16,698</b>	25,703
Derivative financial instruments	22	<b>486</b>	75
<b>Total Current Assets</b>		<b>106,667</b>	114,406
<b>Total Assets</b>		<b>208,052</b>	239,629
<b>EQUITY</b>			
Retained earnings		<b>40,664</b>	75,439
Cash flow hedge reserve	18	<b>(409)</b>	(266)
		<b>40,255</b>	75,173
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Interest-bearing loans and borrowings	14	<b>52,500</b>	46,875
Employee benefits	17	<b>10,173</b>	13,597
Trade and other payables	15	<b>2,515</b>	2,631
Deferred tax liabilities	21	<b>5,369</b>	7,303
Derivative financial instruments	22	<b>258</b>	150
<b>Total Non-Current Liabilities</b>		<b>70,815</b>	70,556
<b>Current Liabilities</b>			
Interest-bearing loans and borrowings	14	<b>5,375</b>	3,750
Trade and other payables	15	<b>72,437</b>	71,677
Taxation and social welfare	16	<b>9,772</b>	10,252
Employee benefits	17	<b>9,189</b>	8,067
Derivative financial instruments	22	<b>209</b>	154
<b>Total Current Liabilities</b>		<b>96,982</b>	93,900
<b>Total Liabilities</b>		<b>167,797</b>	164,456
<b>Total Equity and Liabilities</b>		<b>208,052</b>	239,629

## On behalf of the Board

**Moya Doherty**  
Chair

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

**Dee Forbes**  
Director-General

20 April 2017

# Group Statement of Changes in Equity

at 31 December 2016

	Retained earnings	Cash flow hedge reserve	Total Equity
	€'000	€'000 (Note 18)	€'000
<b>Balance at 1 January 2016</b>	<b>75,439</b>	<b>(266)</b>	<b>75,173</b>
Deficit for the year	(19,653)	-	(19,653)
Other comprehensive deficit	(15,122)	(143)	(15,265)
<b>Total comprehensive deficit</b>	<b>(34,775)</b>	<b>(143)</b>	<b>(34,918)</b>
<b>Balance at 31 December 2016</b>	<b>40,664</b>	<b>(409)</b>	<b>40,255</b>
Balance at 1 January 2015	22,972	-	22,972
Deficit for the year	(2,753)	-	(2,753)
Other comprehensive surplus/(deficit)	55,220	(266)	54,954
Total comprehensive surplus/(deficit)	52,467	(266)	52,201
Balance at 31 December 2015	75,439	(266)	75,173

# RTÉ Statement of Changes in Equity

at 31 December 2016

	2016	2015
	€'000	€'000
<b>Retained earnings</b>		
Balance at 1 January	<b>(29,115)</b>	(67,635)
Deficit for the year	<b>(16,236)</b>	(16,700)
Other comprehensive (deficit)/surplus	<b>(15,122)</b>	55,220
Total comprehensive (deficit)/surplus	<b>(31,358)</b>	38,520
Balance at 31 December	<b>(60,473)</b>	(29,115)

# Group Cash Flow Statement

for the year ended 31 December 2016

	Notes	2016 €'000	2015 €'000
<b>Cash Flows from Operating Activities</b>			
Deficit for the year		<b>(19,653)</b>	(2,753)
Adjustments for:			
Depreciation of property, plant and equipment	8	<b>12,332</b>	12,807
Amortisation of intangible assets	9	<b>1,230</b>	1,433
Gain on disposal of property, plant and equipment		<b>(119)</b>	(569)
Difference between pension credit and cash contributions		<b>1,545</b>	(3,561)
Net finance expense	4	<b>(217)</b>	2,650
Income tax expense	7	<b>297</b>	482
		<b>(4,585)</b>	10,489
Change in inventories and related inventory payables		<b>(5,386)</b>	4,853
Change in trade and other receivables		<b>(1,525)</b>	(400)
Change in prepayments		<b>5,045</b>	(5,438)
Change in trade and other payables		<b>4,152</b>	2,582
Change in taxation and social welfare		<b>(480)</b>	1,921
Change in employee benefits and restructuring and other costs		<b>(2,623)</b>	(4,899)
<b>Net Cash (absorbed)/generated from Operating Activities</b>		<b>(5,402)</b>	9,108
<b>Cash Flows from Investing Activities</b>			
Interest received		<b>13</b>	168
Proceeds from sale of property, plant and equipment		<b>127</b>	592
Acquisition of property, plant and equipment		<b>(7,551)</b>	(7,102)
Acquisition of intangible assets		<b>(987)</b>	(602)
<b>Net Cash used in Investing Activities</b>		<b>(8,398)</b>	(6,944)
<b>Cash Flows from Financing Activities</b>			
Proceeds from borrowings	14	<b>7,250</b>	1,250
Interest paid		<b>(1,455)</b>	(2,399)
(Increase)/Decrease in liquid investments	12	<b>(1,000)</b>	6,045
<b>Net Cash from Financing Activities</b>		<b>4,795</b>	4,896
Net (decrease)/increase in cash and cash equivalents		<b>(9,005)</b>	7,060
Cash and cash equivalents at 1 January		<b>25,703</b>	18,643
<b>Cash and Cash Equivalents at 31 December</b>	13	<b>16,698</b>	25,703

## On behalf of the Board

**Moya Doherty**  
Chair

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

**Dee Forbes**  
Director-General

20 April 2017

# RTÉ Statement of Financial Position

at 31 December 2016

	Notes	2016 €'000	2015 €'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	8	<b>17,952</b>	20,055
Intangible assets	9	<b>1,881</b>	1,534
Investments in subsidiaries	19	<b>65,827</b>	65,827
Pension asset	20	<b>29,064</b>	46,749
Derivative financial instruments	22	<b>164</b>	-
<b>Total Non-Current Assets</b>		<b>114,888</b>	134,165
<b>Current Assets</b>			
Inventories	10	<b>35,340</b>	32,024
Trade and other receivables	11	<b>34,081</b>	32,297
Prepayments and accrued income		<b>9,217</b>	14,727
Liquid investments	12	<b>1,000</b>	-
Cash and cash equivalents	13	<b>13,198</b>	22,746
Derivative financial instruments	22	<b>486</b>	75
<b>Total Current Assets</b>		<b>93,322</b>	101,869
<b>Total Assets</b>		<b>208,210</b>	236,064
<b>EQUITY</b>			
Retained earnings		<b>(60,473)</b>	(29,115)
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Interest-bearing loans and borrowings	14	<b>3,000</b>	1,875
Employee benefits	17	<b>10,027</b>	13,368
Trade and other payables	15	<b>2,515</b>	2,631
Deferred tax liabilities	21	<b>2,358</b>	4,650
<b>Total Non-Current Liabilities</b>		<b>17,900</b>	22,524
<b>Current Liabilities</b>			
Interest-bearing loans and borrowings	14	<b>1,875</b>	3,750
Trade and other payables	15	<b>230,949</b>	222,047
Taxation and social welfare	16	<b>8,900</b>	9,088
Employee benefits	17	<b>9,059</b>	7,740
<b>Total Current Liabilities</b>		<b>250,783</b>	242,625
<b>Total Liabilities</b>		<b>268,683</b>	265,149
<b>Total Equity and Liabilities</b>		<b>208,210</b>	236,034

## On behalf of the Board

**Moya Doherty**  
Chair

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

**Dee Forbes**  
Director-General

20 April 2017

# RTÉ Cash Flow Statement

for the year ended 31 December 2016

	Notes	2016 €'000	2015 €'000
<b>Cash Flows from Operating Activities</b>			
Deficit for the year after tax		<b>(16,236)</b>	(16,699)
Adjustments for:			
Depreciation of property, plant and equipment	8	<b>6,747</b>	6,894
Amortisation of intangible assets	9	<b>1,126</b>	662
Gain on disposal of property, plant and equipment		<b>(110)</b>	(558)
Difference between pension credit and cash contributions		<b>1,545</b>	(3,561)
Net finance expense/(income)		<b>(1,368)</b>	1,686
Income tax expense		<b>(81)</b>	98
		<b>(8,377)</b>	(11,478)
Change in inventories and related inventory payables		<b>(5,414)</b>	4,883
Change in trade and other receivables		<b>(1,784)</b>	(1,791)
Change in prepayments		<b>5,582</b>	(5,050)
Change in provisions and trade and other payables		<b>11,013</b>	27,824
Change in taxation and social welfare		<b>(188)</b>	2,057
Change in employee benefits and restructuring and other costs		<b>(2,342)</b>	(4,968)
<b>Net Cash (absorbed)/generated from Operating Activities</b>		<b>(1,510)</b>	11,477
<b>Cash Flows from Investing Activities</b>			
Interest received		<b>13</b>	168
Proceeds from sale of property, plant and equipment		<b>112</b>	537
Acquisition of property, plant and equipment		<b>(5,164)</b>	(5,956)
Acquisition of intangible assets		<b>(960)</b>	(419)
<b>Net Cash used in Investing Activities</b>		<b>(5,999)</b>	(5,670)
<b>Cash Flows from Financing Activities</b>			
Repayment of borrowings	14	<b>(750)</b>	(3,750)
Interest paid		<b>(289)</b>	(225)
(Increase)/Decrease in liquid investments	12	<b>(1,000)</b>	6,045
<b>Net Cash (used in)/from Financing Activities</b>		<b>(2,039)</b>	2,070
Net (decrease)/increase in cash and cash equivalents		<b>(9,548)</b>	7,877
Cash and cash equivalents at 1 January		<b>22,746</b>	14,869
<b>Cash and Cash Equivalents at 31 December</b>	13	<b>13,198</b>	22,746

## On behalf of the Board

**Moya Doherty**  
Chair

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

**Dee Forbes**  
Director-General

20 April 2017

# Notes forming part of the Group Financial Statements

## 1. Summary of Significant Accounting Policies

### (a) Basis of accounting

Below we set out our key accounting policies. A full list of accounting policies can be found in the appendix to the Group Financial Statements on pages 164-168. The 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 the appendix to the Group Financial Statements.

### (i) 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 2016 comprise the statutory corporation and all entities controlled by it (together referred to as the 'Group').

### (ii) 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 2016 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 *Companies Act 2014* in so far as necessary to give a true and fair view. Accordingly, RTÉ's parent statement of financial position, 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 *Companies Act 2014*. RTÉ's group income statement has been adapted as permitted by *Companies Act 2014*, Schedule 3 Part II, Section A4(5).

### (iii) 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 subsidiaries in the Group.

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 and in the related notes.

### (iv) Adoption of new and revised standards

In preparing the Group financial statements for the current year, the Group has adopted a number of new IFRSs, none of which have had a significant effect on the results or net assets of the Group. A list is provided in an appendix to the Annual Report.

### (v) Standards in issue but not yet effective

A complete list of standards that are in issue but not yet effective is included within our full accounting policies in an appendix to the Annual Report.

### (vi) Key accounting policies

Below we set out our key accounting policies. A complete list of our accounting policies is included in the Annual Report as an appendix on pages 164 to 168.

## Key Accounting Policies

### (b) 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 benefit will flow to the Group and that the significant risks and rewards of ownership have transferred to the buyer.

# Notes forming part of the Group Financial Statements

## (continued)

### 1. Summary of Significant Accounting Policies (continued)

#### (i) Licence fee revenue

The Department of Communications, Climate Action and Environment (DCCAE) has nominated An Post to be the collection agent for the TV licence fee. Licence fee revenue is collected by An Post and paid over to the DCCAE, net of collection costs. In addition, licence fee revenue is payable by the Department of Social Protection (DSP) on behalf of individuals eligible for a 'free' television licence. This revenue has been subject to a cap since 2011 and is paid monthly by the DSP to the DCCAE.

The DCCAE 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 2011*. This equates to the amounts paid to it by the 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, Climate Action and Environment.

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

#### (ii) 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.

#### (iii) Transmission and facilities income

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

#### (iv) 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.

#### (v) Content, merchandising and related income

Content, merchandising and related income represents amounts generated from RTÉ content and services provided to third parties. Revenue is recognised as the service is provided or upon delivery of goods to the third party.

#### (c) Segment reporting

Segmental analysis, prepared in accordance with IFRS 8 *Operating Segments* is set out in note 2(d) and 2(f). RTÉ's primary reporting segments are its IBDs. Other segmental analysis as required by the *Broadcasting Act 2009* is set out in note 2(e).

In note 2(d), commercial revenues are mainly reported in the Commercial IBD. 2rn revenues are reported in Network IBD. Archive and library sales revenues are reported in Digital IBD. Revenues from the provision of multiplexing services and some other minor revenues are reported under other segments. With the exception of the News and Current Affairs IBD, the reporting of licence fee revenue within each IBD is a function of the licence fee attributed to each individual channel and service. In the case of the News and Current Affairs IBD, all of the costs are covered by attributed licence fee revenue.

The Commercial IBD was established with effect from 1st January 2016 and the segment reports for 2015 have been restated to reflect the new organisational structure.

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, the repurposing of content, or the creation of content primarily for online, 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.

In note 2(f), 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.

**(d) 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. Where RTÉ sublicences sports rights to third parties, the associated income and costs are reflected on a net basis in the Income Statement. Sports rights inventories are charged to the Income Statement as the sporting events relating to the rights are broadcast.

# Notes forming part of the Group Financial Statements

## (continued)

### 2. 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 One+1 and RTÉjr channels and through the RTÉ News Now online service. These services serve all demographic categories in Irish society with a wide variety of output and genres, irrespective of commercial audience attraction, and with specific emphasis on indigenously produced programmes. RTÉ's other public-service activities include RTÉ Orchestras, as described in the Orchestras Operational Review.

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

As required by legislation, RTÉ provides DTT multiplexing services which it makes available to national broadcasters, including RTÉ's own services, in accordance with published regulated market tariffs. The management of this multiplexing service is separated within RTÉ from the management of the broadcast Integrated Business Divisions (IBDs). RTÉ Transmission Network DAC (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 2016, the management of RTÉ's public-service output was organised into seven IBDs: Commercial, Television, Radio, News and Current Affairs, Digital, Orchestras and Network. Network IBD, entirely located within 2rn, managed the transmission, distribution and related activities as described above. With effect from 1st January 2016, RTÉ established a new Commercial IBD to manage all commercial activities other than: those carried on by 2rn, the provision of multiplexing services (see above) and sales of archive and library services managed by the Digital IBD. The new IBD was established further to the publication of RTÉ's updated Fair Trading Policy and Procedures to more clearly demonstrate the separation of RTÉ's public-service and commercial activities. 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 19 to these financial statements.

In addition to the seven 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 that 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 in note 1(c). 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 and Other analysis

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

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

The segmental information in note 2(d) and note 2(f) presents information for the seven IBDs above. Other segmental analysis as required by the *Broadcasting Act 2009* is set out in note 2(e).

The 2015 segmental information in note 2(d) and note 2(f) has been restated to present the 2015 information on a basis consistent with 2016.

Note 2(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 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 in note 1(c).

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.

### **(c) 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 based on the net cost of the public-service. Net cost of public-service is the gross cost of delivering the public-service after deducting the contribution from commercial activities.

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

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

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

# Notes forming part of the Group Financial Statements (continued)

## 2. 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 2016

	REPORTABLE SEGMENTS							OTHER			Group Total €'000
	Commercial IBD €'000	Television IBD €'000	Radio IBD €'000	News & Current			Digital IBD €'000	All Other Segments €'000	DTT Related €'000	Consolidation Adjustments* €'000	
				Affairs IBD €'000	Orchestras IBD €'000	Network IBD €'000					
<b>Revenue</b>											
Advertising income	111,891	-	-	-	-	-	-	-	-	(590)	111,301
Sponsorship income	9,969	-	-	-	-	-	-	198	-	-	10,167
Facilities income	3,162	-	-	-	-	-	-	22	-	(97)	3,087
Circulation and event income	5,711	-	-	-	-	-	-	-	-	-	5,711
Transmission, mast and towers income	-	-	-	-	-	28,693	-	-	-	(18,624)	10,069
Content, merchandising and related sales	13,024	-	-	-	-	-	401	-	-	-	13,425
Other commercial revenue	281	-	-	-	-	-	-	4,236	-	(40)	4,477
Commercial revenue	144,038	-	-	-	-	28,693	401	4,456	-	(19,351)	158,237
Licence fee revenue attribution	-	72,393	29,600	54,956	12,666	-	2,721	6,112	633	-	179,081
	<b>144,038</b>	<b>72,393</b>	<b>29,600</b>	<b>54,956</b>	<b>12,666</b>	<b>28,693</b>	<b>3,122</b>	<b>10,568</b>	<b>633</b>	<b>(19,351)</b>	<b>337,318</b>
<b>Costs by output category**</b>											
<i>Programme costs - by source</i>											
In-house productions	-	(90,574)	(47,256)	(54,716)	-	-	-	-	-	511	(192,035)
Commissioned programming	-	(36,636)	(1,191)	-	-	-	-	-	-	-	(37,827)
Indigenous programming	-	(127,210)	(48,447)	(54,716)	-	-	-	-	-	511	(229,862)
Acquired programmes - Ireland	-	(3,033)	-	-	-	-	-	-	-	-	(3,033)
Acquired programmes - Overseas	-	(22,668)	-	-	-	-	-	-	-	-	(22,668)
General broadcast and transmission costs	-	(152,911)	(48,447)	(54,716)	-	-	-	-	-	511	(255,563)
2m transmission and power charges	-	(22,602)	(2,388)	(240)	-	(18,556)	(3,109)	(302)	-	679	(46,518)
Sales costs	(11,803)	-	-	-	-	-	-	(10)	-	72	(11,741)
Other output-related costs	(11,510)	(157)	-	-	(15,615)	-	(7,990)	(12)	(633)	520	(35,397)
	<b>(23,313)</b>	<b>(184,070)</b>	<b>(56,533)</b>	<b>(54,956)</b>	<b>(15,615)</b>	<b>(18,556)</b>	<b>(11,099)</b>	<b>(4,355)</b>	<b>(633)</b>	<b>19,911</b>	<b>(349,219)</b>
<b>Other revenues and costs</b>											
Corporate HQ	-	-	-	-	-	-	-	(7,166)	-	(50)	(7,216)
Interest payable	-	-	-	-	-	(1,152)	-	(412)	-	-	(1,564)
Interest receivable	-	-	-	-	-	-	-	13	-	-	13
Disposal of Assets	-	53	6	-	4	9	-	47	-	-	119
<b>IBD (Deficit)/Surplus</b>	<b>120,725</b>	<b>(111,624)</b>	<b>(26,927)</b>	<b>-</b>	<b>(2,945)</b>	<b>8,994</b>	<b>(7,977)</b>	<b>(1,305)</b>	<b>-</b>	<b>510</b>	<b>(20,549)</b>
Net defined benefit pension related finance expense	-	-	-	-	-	-	-	1,193	-	-	1,193
<b>(Deficit)/Surplus before income tax</b>	<b>120,725</b>	<b>(111,624)</b>	<b>(26,927)</b>	<b>-</b>	<b>(2,945)</b>	<b>8,994</b>	<b>(7,977)</b>	<b>(112)</b>	<b>-</b>	<b>510</b>	<b>(19,356)</b>
Income tax											(297)
<b>Deficit for the year</b>											<b>(19,653)</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	143,351	-	-	-	-	10,069	401	4,416	-	-	158,237
Revenue from other operating segments	687	-	-	-	-	18,624	-	40	-	(19,351)	-
	144,038	-	-	-	-	28,693	401	4,456	-	(19,351)	158,237

One customer of the Commercial reporting segment represents €39 million of the Group's total revenue while one customer of all the reporting segments represents €183 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	25	698	316	291	158	25	33	-	-	-	1,545
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## 2. 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 2015

	REPORTABLE SEGMENTS RESTATED***							OTHER RESTATED***			Group Total €'000
	Commercial IBD €'000	Television IBD €'000	Radio IBD €'000	News & Current			Digital IBD €'000	All Other Segments €'000	DTT Related €'000	Consolidation Adjustments* €'000	
				Affairs IBD €'000	Orchestras IBD €'000	Network IBD €'000					
<b>Revenue</b>											
Advertising income	110,547	-	-	-	-	-	-	-	-	(595)	109,952
Sponsorship income	9,054	-	-	-	-	-	-	-	-	-	9,054
Facilities income	3,097	-	-	-	-	-	-	17	-	(200)	2,914
Circulation and event income	5,683	-	-	-	-	-	-	-	-	-	5,683
Transmission, mast and towers income	-	-	-	-	-	28,893	-	-	-	(18,240)	10,653
Content, merchandising and related sales	12,144	-	-	-	-	-	500	-	-	(22)	12,622
Other commercial revenue	269	-	-	-	-	-	-	4,296	-	(40)	4,525
Commercial revenue	140,794	-	-	-	-	28,893	500	4,313	-	(19,097)	155,403
Licence fee revenue attribution	-	76,738	30,563	50,048	11,940	-	3,325	5,633	662	-	178,909
	<b>140,794</b>	<b>76,738</b>	<b>30,563</b>	<b>50,048</b>	<b>11,940</b>	<b>28,893</b>	<b>3,825</b>	<b>9,946</b>	<b>662</b>	<b>(19,097)</b>	<b>334,312</b>
<b>Costs by output category**</b>											
<i>Programme costs - by source</i>											
In-house productions	-	(78,791)	(46,226)	(49,746)	-	-	-	-	-	603	(174,160)
Commissioned programming	-	(38,701)	(1,373)	(155)	-	-	-	-	-	-	(40,229)
Indigenous programming	-	(117,492)	(47,599)	(49,901)	-	-	-	-	-	603	(214,389)
Acquired programmes - Ireland	-	(2,109)	-	-	-	-	-	-	-	-	(2,109)
Acquired programmes - Overseas	-	(23,949)	-	-	-	-	-	-	-	-	(23,949)
	-	(143,550)	(47,599)	(49,901)	-	-	-	-	-	603	(240,447)
General broadcast and transmission costs	-	(20,892)	(1,848)	(156)	-	(18,623)	(2,959)	(348)	-	683	(44,143)
2m transmission and power charges	-	(8,185)	(5,262)	-	-	-	-	(4,185)	-	17,632	-
Sales costs	(12,254)	-	-	-	-	-	(847)	(34)	-	107	(13,028)
Other output-related costs	(9,960)	(43)	-	-	(14,498)	-	(8,343)	(8)	(662)	702	(32,812)
	<b>(22,214)</b>	<b>(172,670)</b>	<b>(54,709)</b>	<b>(50,057)</b>	<b>(14,498)</b>	<b>(18,623)</b>	<b>(12,149)</b>	<b>(4,575)</b>	<b>(662)</b>	<b>19,727</b>	<b>(330,430)</b>
<b>Other revenues and costs</b>											
Corporate HQ	-	-	-	-	-	-	-	(5,063)	-	(47)	(5,110)
Interest payable	-	-	-	-	-	(964)	-	(475)	-	-	(1,439)
Interest receivable	-	-	-	-	-	-	-	122	-	-	122
Disposal of Assets	-	2	1	9	-	11	-	546	-	-	569
<b>IBD (Deficit)/Surplus</b>	<b>118,580</b>	<b>(95,930)</b>	<b>(24,145)</b>	<b>-</b>	<b>(2,558)</b>	<b>9,317</b>	<b>(8,324)</b>	<b>501</b>	<b>-</b>	<b>583</b>	<b>(1,976)</b>
Net defined benefit pension related finance expense	-	-	-	-	-	-	-	(295)	-	-	(295)
<b>(Deficit)/Surplus before income tax</b>	<b>118,580</b>	<b>(95,930)</b>	<b>(24,145)</b>	<b>-</b>	<b>(2,558)</b>	<b>9,317</b>	<b>(8,324)</b>	<b>206</b>	<b>-</b>	<b>583</b>	<b>(2,271)</b>
Income tax											(482)
<b>Deficit for the year</b>											<b>(2,753)</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.

\*\*\* The segmental information has been restated to present the 2015 information on a basis consistent with 2016.

#### Additional Segmental Disclosures

Commercial revenue of:

External customers	139,999	-	-	-	-	10,653	478	4,273	-	-	155,403
Revenue from other operating segments	795	-	-	-	-	18,240	22	40	-	(19,097)	-
	140,794	-	-	-	-	28,893	500	4,313	-	(19,097)	155,403

One customer of all the reporting segments represents €183 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	(54)	(1,610)	(724)	(651)	(362)	(53)	(107)	-	-	-	(3,561)
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# Notes forming part of the Group Financial Statements

(continued)

## 2. 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 2016

	RTÉ One €'000	RTÉ2 €'000	RTÉ Radio 1 €'000	RTÉ 2fm €'000	RTÉ lyric fm €'000	RTÉ RnaG €'000	RTÉ Support €'000	TG4 Support €'000	RTÉ Orchestras €'000	Corporate HQ €'000	DTT Related €'000	Online Services €'000	Other Channels €'000	Other Adjustments €'000	Consolidation Adjustments €'000	Group Total €'000
<b>PUBLIC-SERVICE ACTIVITIES</b>																
Indigenous programme costs																
In-house productions	(85,890)	(38,317)	(31,893)	(10,619)	(5,025)	(10,077)	(6,229)					(4,360)	(135)		511	(192,034)
Commissioned programming	(25,860)	(9,312)	(976)	(46)	(91)	(79)	(1,366)					(98)				(37,828)
	(111,750)	(47,629)	(32,869)	(10,666)	(5,116)	(10,156)	(7,596)					(4,458)	(135)		511	(229,862)
<b>Programme costs - by genre</b>																
Arts	(1,750)	-	(1,957)	-	(243)	(1)										(3,951)
Education	(96)					(9)										(106)
Religious	(2,086)	(61)	(168)			(112)										(2,427)
Other factual	(22,159)	(3,372)	(2,105)		(144)	(1,310)						(91)			61	(29,120)
Factual	(26,091)	(3,433)	(4,230)		(387)	(1,432)						(91)			61	(35,603)
Drama	(21,123)	(124)	(691)			(2)	(388)					(29)				(22,257)
Entertainment	(18,402)	(4,827)	(3,555)	(4,185)	(628)	(880)	(1,161)					(1,146)			11	(34,673)
Music	(972)	(414)	(6,754)	(4,035)	(3,635)	(1,795)									43	(16,562)
News, Current Affairs and Weather	(36,332)	(479)	(14,951)	(1,947)	(621)	(4,648)	(5,236)					(1,803)			364	(65,553)
Sport	(8,830)	(32,656)	(3,788)	(498)		(1,214)	(7)					(1,134)			30	(48,097)
Young Peoples	-	(5,696)	-	-	(46)	(185)	(803)					(255)	(135)		2	(7,117)
Indigenous programming	(111,750)	(47,629)	(32,869)	(10,666)	(5,116)	(10,156)	(7,596)					(4,458)	(135)		511	(229,862)
Indigenous non-broadcast output costs									(15,615)			(633)	(12)		365	(23,361)
Acquired programmes																
- Ireland																
- Overseas	(2,774)	(259)														(3,033)
General broadcast and transmission costs	(12,269)	(10,302)											(97)			(22,668)
2m transmission and power charges	(13,063)	(11,462)	(1,803)	(528)	(333)	(305)	(61)						(799)		23	(28,321)
Corporate HQ	(2,723)	(2,858)	(2,049)	(1,088)	(1,096)	(1,082)							(3,200)			(14,096)
Net interest payable										(7,166)						(7,216)
Net defined benefit, pension related finance expense										(398)						(398)
										1,193						1,193
<b>Gross Cost of Public-Service Activities</b>	<b>(142,579)</b>	<b>(72,500)</b>	<b>(36,721)</b>	<b>(12,281)</b>	<b>(6,545)</b>	<b>(11,543)</b>	<b>(7,656)</b>	<b>(7,656)</b>	<b>(15,615)</b>	<b>(6,372)</b>	<b>(633)</b>	<b>(11,924)</b>	<b>(4,243)</b>	<b>-</b>	<b>849</b>	<b>(327,763)</b>
<b>Surplus on Commercial Activities</b>	<b>63,288</b>	<b>22,835</b>	<b>14,843</b>	<b>5,826</b>	<b>508</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,949</b>	<b>260</b>	<b>-</b>	<b>5,965</b>	<b>-</b>	<b>13,191</b>	<b>(339)</b>	<b>129,326</b>
<b>Distribution of Non-Channel Specific Contribution from Non-Public-Service Activities</b>	<b>6,820</b>	<b>3,469</b>	<b>1,754</b>	<b>580</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>568</b>	<b>-</b>	<b>(13,191)</b>	<b>-</b>	<b>-</b>
<b>Net Cost of Public-Service Activities Before Attribution of Public Funding</b>	<b>(72,471)</b>	<b>(46,196)</b>	<b>(20,124)</b>	<b>(5,875)</b>	<b>(6,037)</b>	<b>(11,543)</b>	<b>(7,656)</b>	<b>(7,656)</b>	<b>(12,666)</b>	<b>(6,112)</b>	<b>(633)</b>	<b>(5,391)</b>	<b>(4,243)</b>	<b>-</b>	<b>510</b>	<b>(198,437)</b>
<b>Public Funding</b>																
Licence fee revenue attribution	62,877	40,090	17,460	5,097	6,037	11,543	7,656	12,666	6,112		633	4,677	4,243			179,081
<b>Deficit before income tax</b>	<b>(9,594)</b>	<b>(6,116)</b>	<b>(2,664)</b>	<b>(778)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(714)</b>	<b>-</b>	<b>-</b>	<b>510</b>	<b>(19,356)</b>
Income tax														(297)		(297)
<b>Deficit for the year</b>	<b>(9,594)</b>	<b>(6,116)</b>	<b>(2,664)</b>	<b>(778)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(714)</b>	<b>-</b>	<b>(297)</b>	<b>510</b>	<b>(19,653)</b>

External commercial revenue includes €30 million from sales outside of the Republic of Ireland, primarily generated in the UK.

## 2. 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 2015

#### PUBLIC-SERVICE ACTIVITIES

Indigenous programme costs

	RTÉ One €'000	RTÉ2 €'000	RTÉ Radio 1 €'000	RTÉ 2fm €'000	RTÉ lyric fm €'000	RTÉ RnaG €'000	TG4 Support €'000	RTÉ Orchestras €'000	Corporate HQ €'000	DTT Related €'000	Online Services €'000	Other Channels €'000	Consolidation Adjustments €'000	Other €'000	Group Total €'000
In-house productions	(72,601)	(35,367)	(30,942)	(10,558)	(4,859)	(9,988)	(5,988)	-	-	-	(4,200)	(260)	-	603	(174,160)
Commissioned programming	(26,209)	(11,098)	(1,295)	-	(77)	-	(1,211)	-	-	-	(241)	(86)	-	-	(40,229)
	(98,810)	(46,465)	(32,237)	(10,558)	(4,936)	(9,988)	(7,199)	-	-	-	(4,441)	(358)	-	603	(214,389)
<b>Programme costs - by genre</b>															
Arts	(1,525)	-	(2,119)	-	(198)	(1)	-	-	-	-	-	-	-	-	(3,842)
Education	-	-	-	-	-	(8)	-	-	-	-	-	-	-	-	(8)
Religious	(2,381)	(200)	(231)	-	-	(110)	-	-	-	-	-	-	-	1	(2,921)
Other factual	(20,904)	(3,335)	(2,750)	-	(128)	(1,277)	-	-	-	-	(54)	-	-	81	(28,367)
Factual	(24,810)	(3,535)	(5,100)	-	(326)	(1,396)	-	-	-	-	(64)	-	-	83	(35,138)
Drama	(20,651)	(125)	(562)	-	-	(2)	(389)	-	-	-	(185)	-	-	4	(21,910)
Entertainment	(18,941)	(6,336)	(3,206)	(4,365)	(579)	(808)	(1,062)	-	-	-	(1,186)	-	-	17	(36,466)
Music	(1,194)	(564)	(5,915)	(3,805)	(3,454)	(1,788)	-	-	-	-	-	-	-	53	(16,667)
News, Current Affairs and Weather	(32,326)	(623)	(14,115)	(1,945)	(495)	(4,620)	(5,070)	-	-	-	(1,719)	-	-	422	(60,491)
Sport	(888)	(27,402)	(3,339)	(443)	-	(1,191)	(8)	-	-	-	(1,052)	-	-	20	(34,303)
Young Peoples	-	(7,880)	-	-	(82)	(183)	(670)	-	-	-	(245)	(358)	-	4	(9,414)
Indigenous programming	(98,810)	(46,465)	(32,237)	(10,558)	(4,936)	(9,988)	(7,199)	-	-	(662)	(6,614)	(358)	-	603	(214,389)
Indigenous non-broadcast output costs	-	-	-	-	-	-	-	(14,498)	-	-	-	(9)	-	519	(21,264)
Acquired programmes															
- Ireland	(1,773)	(336)	-	-	-	-	-	-	-	-	-	-	-	-	(2,109)
- Overseas	(12,288)	(11,661)	-	-	-	-	-	-	-	-	-	-	-	-	(23,949)
General broadcast and transmission costs	(11,812)	(10,814)	(1,427)	(440)	(298)	(234)	(47)	-	-	-	-	(784)	-	67	(25,739)
2m transmission and power charges	(2,848)	(2,865)	(1,762)	(1,057)	(1,062)	(1,051)	-	-	-	-	-	(2,802)	-	-	(13,447)
Corporate HQ	-	-	-	-	-	-	-	-	(5,063)	-	-	-	-	(47)	(5,110)
Net interest payable	-	-	-	-	-	-	-	-	(353)	-	-	-	-	-	(353)
Net defined benefit/pension related finance expense	-	-	-	-	-	-	-	-	(295)	-	-	-	-	-	(295)
<b>Gross Cost of Public-Service Activities</b>	<b>(127,531)</b>	<b>(72,141)</b>	<b>(35,426)</b>	<b>(12,055)</b>	<b>(6,296)</b>	<b>(11,273)</b>	<b>(7,246)</b>	<b>(14,498)</b>	<b>(5,711)</b>	<b>(662)</b>	<b>(11,055)</b>	<b>(3,953)</b>	-	<b>1,142</b>	<b>(306,705)</b>
<b>Surplus on Commercial Activities</b>	<b>61,803</b>	<b>21,889</b>	<b>14,704</b>	<b>6,017</b>	<b>478</b>	-	-	<b>2,558</b>	<b>79</b>	-	<b>5,406</b>	-	<b>13,150</b>	<b>(559)</b>	<b>125,525</b>
<b>Distribution of Non-Channel Specific Contribution from Non-Public-Service Activities</b>	<b>6,495</b>	<b>3,674</b>	<b>1,804</b>	<b>614</b>	-	-	-	-	-	-	<b>563</b>	-	<b>(13,150)</b>	-	-
<b>Net Cost of Public-Service Activities Before Attribution of Public Funding</b>	<b>(59,233)</b>	<b>(46,578)</b>	<b>(18,918)</b>	<b>(5,424)</b>	<b>(5,818)</b>	<b>(11,273)</b>	<b>(7,246)</b>	<b>(11,940)</b>	<b>(5,632)</b>	<b>(662)</b>	<b>(5,086)</b>	<b>(3,953)</b>	-	<b>583</b>	<b>(181,180)</b>
<b>Public Funding</b>															
Licence fee revenue attribution	57,981	45,596	18,519	5,310	5,818	11,273	7,246	11,940	5,632	662	4,979	3,953	-	-	178,909
<b>Deficit before income tax</b>	<b>(1,252)</b>	<b>(982)</b>	<b>(395)</b>	<b>(114)</b>	-	-	-	-	-	-	<b>(107)</b>	-	-	<b>583</b>	<b>(2,271)</b>
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	-	(482)	(482)
<b>Deficit for the year</b>	<b>(1,252)</b>	<b>(982)</b>	<b>(395)</b>	<b>(114)</b>	-	-	-	-	-	-	<b>(107)</b>	-	-	<b>583</b>	<b>(2,753)</b>

External commercial revenue includes €2.8 million from sales outside of the Republic of Ireland, primarily generated in the UK.

# Notes forming part of the Group Financial Statements (continued)

## 2. Principal activities and segmental information (continued)

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

	Commercial IBD €'000	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 2016</b>									
Segment assets	37,088	61,245	2,345	3,167	61,564	1,744	744	-	167,897
Unallocated assets	-	-	-	-	-	-	-	40,155	40,155
<b>Total Assets</b>	<b>37,088</b>	<b>61,245</b>	<b>2,345</b>	<b>3,167</b>	<b>61,564</b>	<b>1,744</b>	<b>744</b>	<b>40,155</b>	<b>208,052</b>
Segment liabilities	(18,944)	(32,492)	(1,569)	(2,269)	(55,914)	(4,516)	(518)	-	(116,222)
Unallocated liabilities	-	-	-	-	-	-	-	(51,755)	(51,755)
<b>Total Liabilities</b>	<b>(18,944)</b>	<b>(32,492)</b>	<b>(1,569)</b>	<b>(2,269)</b>	<b>(55,914)</b>	<b>(4,516)</b>	<b>(518)</b>	<b>(51,755)</b>	<b>(167,797)</b>
<b>Capital expenditure</b>	<b>195</b>	<b>3,124</b>	<b>822</b>	<b>1,016</b>	<b>1,878</b>	<b>160</b>	<b>29</b>	<b>29</b>	<b>7,253</b>
<b>Depreciation of property, plant and equipment</b>	<b>132</b>	<b>4,110</b>	<b>595</b>	<b>1,515</b>	<b>6,064</b>	<b>360</b>	<b>106</b>	<b>(550)</b>	<b>12,332</b>
<b>Amortisation of intangible assets</b>	<b>44</b>	<b>749</b>	<b>41</b>	<b>43</b>	<b>107</b>	<b>245</b>	<b>1</b>	<b>-</b>	<b>1,230</b>
<b>Year ended 31 December 2015 (restated)*</b>									
Segment assets	35,959	66,422	2,266	3,989	65,975	1,621	482	-	176,714
Unallocated assets	-	-	-	-	-	-	-	62,915	62,915
<b>Total Assets</b>	<b>35,959</b>	<b>66,422</b>	<b>2,266</b>	<b>3,989</b>	<b>65,975</b>	<b>1,621</b>	<b>482</b>	<b>62,915</b>	<b>239,629</b>
Segment liabilities	(19,461)	(34,625)	(790)	(1,103)	(50,989)	(5,923)	(608)	-	(113,499)
Unallocated liabilities	-	-	-	-	-	-	-	(50,957)	(50,957)
<b>Total Liabilities</b>	<b>(19,461)</b>	<b>(34,625)</b>	<b>(790)</b>	<b>(1,103)</b>	<b>(50,989)</b>	<b>(5,923)</b>	<b>(608)</b>	<b>(50,957)</b>	<b>(164,456)</b>
Capital expenditure	52	4,592	656	914	1,536	304	68	17	8,139
Depreciation of property, plant and equipment	154	4,248	700	1,521	6,106	461	121	(506)	12,807
Amortisation of intangible assets	14	568	31	33	92	694	1	-	1,433

<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.

\* The segmental information has been restated to present the 2015 information on a basis consistent with 2016.

Total non-current assets contain €0.1 million situated outside of the Republic of Ireland in 2016 (2015: €0.2 million).

### (g) Analysis of network charges to all RTÉ services

	2016 €'000	2015 €'000
RTÉ One	<b>2,988</b>	3,171
RTÉ2	<b>2,866</b>	2,877
RTÉ Radio 1	<b>2,097</b>	1,814
RTÉ 2fm	<b>1,100</b>	1,070
RTÉ lyric fm	<b>1,107</b>	1,075
RTÉ Raidió na Gaeltachta	<b>1,190</b>	1,174
Other	<b>3,200</b>	2,802
	<b>14,548</b>	13,983

### 3. Operating Costs (before depreciation, amortisation and gain on disposal of assets)

	2016 €'000	2015 €'000
Employee costs (note 6)	<b>153,223</b>	141,585
Other personnel-related costs (including contractors)	<b>32,558</b>	32,862
<b>Personnel-Related Operating Costs</b>	<b>185,781</b>	174,447
Direct commissioned programme costs	<b>35,810</b>	38,160
Direct acquired programme costs	<b>25,779</b>	23,599
Sports and other copyrights	<b>21,594</b>	14,539
Outside broadcast contracts	<b>5,892</b>	5,246
Communication circuits	<b>3,713</b>	3,706
RTÉ Guide printing and related costs	<b>1,493</b>	1,535
Network electricity	<b>2,261</b>	2,421
Music licences	<b>8,013</b>	8,040
Insurance policies	<b>1,376</b>	1,394
Other third-party costs	<b>51,736</b>	47,175
Non-Personnel-Related Operating Costs before depreciation and amortisation	<b>157,667</b>	145,815
<b>Total Operating Costs (before depreciation and amortisation)</b>	<b>343,448</b>	320,262

### 4. Finance (Income)/Expense

	2016 €'000	2015 €'000
Interest income on bank deposits	<b>(13)</b>	(122)
Fair value gains on derivative financial instruments not designated as cash flow hedges	<b>(575)</b>	-
Finance Income	<b>(588)</b>	(122)
Interest income on scheme assets (note 20)	<b>(23,752)</b>	-
Interest cost on scheme liabilities (note 20)	<b>22,559</b>	-
Net defined benefit pension related finance income	<b>(1,193)</b>	-
<b>Finance income recognised in income statement</b>	<b>(1,781)</b>	(122)
Interest and finance costs on borrowings	<b>1,186</b>	1,189
Cash flow hedge – reclassified from OCI	<b>187</b>	-
Unwind of discount on restructuring costs	<b>191</b>	250
Fair value losses on derivative financial instruments not designated as cash flow hedges	<b>-</b>	1,038
Finance expense	<b>1,564</b>	2,477
Interest income on scheme assets (note 20)	<b>-</b>	(19,487)
Interest cost on scheme liabilities (note 20)	<b>-</b>	19,782
Net defined benefit pension related finance expense	<b>-</b>	295
<b>Finance expense recognised in income statement</b>	<b>1,564</b>	2,772

# Notes forming part of the Group Financial Statements (continued)

## 5. Deficit Before Income Tax

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

	2016 €'000	2015 €'000
Depreciation and amortisation		
- Depreciation of property, plant and equipment	<b>12,332</b>	12,807
- Amortisation of intangible assets	<b>1,230</b>	1,433
	<b>13,562</b>	14,240
Operating costs		
- Gain on disposal of property, plant and equipment and intangible assets	<b>(119)</b>	(569)

### (b) Auditors' remuneration:

	2016 €'000	2015 €'000
Group		
Audit of the financial statements (including expenses)	<b>114</b>	114
Other assurance services	<b>108</b>	113
Tax advisory services	<b>181</b>	86
Other non-audit services	<b>105</b>	210
	<b>508</b>	523

	2016 €'000	2015 €'000
RTÉ		
Audit of the financial statements (including expenses)	<b>90</b>	90
Other assurance services	<b>78</b>	78
Tax advisory services	<b>96</b>	74
Other non-audit services	<b>102</b>	176
	<b>366</b>	418

### (c) Directors' remuneration:

	2016 €'000	2015 €'000
Fees <sup>1</sup>	<b>146</b>	157
Other remuneration including retirement benefit contributions	<b>368</b>	337
	<b>514</b>	494

<sup>1</sup> In addition to Board fees, Aengus Mac Grianna was paid as an employee of RTÉ.

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

## 6. Employee Information

Group staff costs during the year amounted to:

	2016 €'000	2015 €'000
Wages and salaries	<b>127,590</b>	122,429
Social welfare costs	<b>11,148</b>	10,569
Pension costs and life assurance	<b>14,485</b>	8,587
	<b>153,223</b>	141,585

## 6. Employee Information (continued)

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	
	2016	2015	2016	2015
RTÉ Group	<b>1,984</b>	1,978	<b>1,834</b>	1,833

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

	2016	2015
Average full-time employees	<b>1,706</b>	1,643
Average part-time employees	<b>137</b>	144
Average casual employees	<b>145</b>	147
RTÉ Group	<b>1,988</b>	1,934

## 7. Income Tax

	2016	2015
	€'000	€'000
<b>Current Tax Expense</b>		
Current year	-	-
<b>Deferred Tax Expense</b>		
Origination and reversal of temporary differences (note 21)	<b>297</b>	482
<b>Total Income Tax Expense</b>	<b>297</b>	482

	2016	2015
	€'000	€'000
<b>Reconciliation of Effective Tax Rate</b>		
Deficit before income tax	<b>(19,356)</b>	(2,271)
Deficit before income tax multiplied by the standard rate of corporation tax in Ireland of 12.5% (2015: 12.5%)	<b>(2,420)</b>	(284)
Effects of:		
Income taxable at a higher rate of tax	<b>4</b>	31
Non-recognition of deferred tax on current year tax losses	<b>2,477</b>	742
Prior period under provision	-	185
Pension timing differences	<b>51</b>	(404)
Other differences	<b>138</b>	180
Disallowed expenses	<b>47</b>	32
<b>Total Income Tax Expense</b>	<b>297</b>	482
<b>Deferred Tax Recognised directly in Other Comprehensive Income</b>		
Relating to pension asset (note 21)	<b>(2,211)</b>	5,614
Relating to cash flow hedge (note 21)	<b>(20)</b>	(38)
	<b>(2,231)</b>	5,576

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 €648 million at 31 December 2016. Due to the uncertainty surrounding when these losses may ultimately be utilised, no deferred tax asset has been recognised.

# Notes forming part of the Group Financial Statements

(continued)

## 8. Property, Plant and Equipment Group

	Land and buildings €'000	Plant and equipment €'000	Fixtures and fittings €'000	Capital projects in progress €'000	Total €'000
<b>Cost</b>					
Balance at 1 January 2015	70,117	183,723	2,041	6,601	262,482
Additions	-	-	-	7,708	7,708
Reclassifications	238	6,253	56	(6,547)	-
Disposals and retirements	(48)	(2,099)	-	-	(2,147)
Balance at 31 December 2015	70,307	187,877	2,097	7,762	268,043
Balance at 1 January 2016	70,307	187,877	2,097	7,762	268,043
Additions	-	-	-	6,158	6,158
Reclassifications	1,299	7,198	39	(8,536)	-
Disposals and retirements	(71)	(2,299)	-	-	(2,370)
<b>Balance at 31 December 2016</b>	<b>71,535</b>	<b>192,776</b>	<b>2,136</b>	<b>5,384</b>	<b>271,831</b>
<b>Depreciation</b>					
Balance at 1 January 2015	57,441	121,891	1,710	-	181,042
Depreciation for the year	1,849	10,846	112	-	12,807
Disposals and retirements	(28)	(2,097)	-	-	(2,125)
Balance at 31 December 2015	59,262	130,640	1,822	-	191,724
Balance at 1 January 2016	59,262	130,640	1,822	-	191,724
Depreciation for the year	1,291	10,937	104	-	12,332
Disposals and retirements	(71)	(2,291)	-	-	(2,362)
<b>Balance at 31 December 2016</b>	<b>60,482</b>	<b>139,286</b>	<b>1,926</b>	<b>-</b>	<b>201,694</b>
<b>Net Book Value</b>					
At 31 December 2015	11,045	57,237	275	7,762	76,319
<b>At 31 December 2016</b>	<b>11,053</b>	<b>53,490</b>	<b>210</b>	<b>5,384</b>	<b>70,137</b>

## 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 2015	60,429	80,998	1,834	4,308	147,569
Additions	-	-	-	6,277	6,277
Reclassifications	8	5,583	56	(5,647)	-
Disposals and retirements	(20)	(326)	-	-	(346)
Transfers between entities	41	-	-	-	41
<b>Balance at 31 December 2015</b>	<b>60,458</b>	<b>86,255</b>	<b>1,890</b>	<b>4,938</b>	<b>153,541</b>
Balance at 1 January 2016	60,458	86,255	1,890	4,938	153,541
Additions	-	-	-	4,298	4,298
Reclassifications	224	5,610	39	(5,873)	-
Disposals and retirements	(19)	(460)	-	-	(479)
Transfers between entities	-	702	-	105	807
<b>Balance at 31 December 2016</b>	<b>60,663</b>	<b>92,107</b>	<b>1,929</b>	<b>3,468</b>	<b>158,167</b>
<b>Depreciation</b>					
Balance at 1 January 2015	53,096	72,148	1,674	-	126,918
Depreciation for the year	1,444	5,358	92	-	6,894
Disposals and retirements	-	(326)	-	-	(326)
<b>Balance at 31 December 2015</b>	<b>54,540</b>	<b>77,180</b>	<b>1,766</b>	<b>-</b>	<b>133,486</b>
Balance at 1 January 2016	54,540	77,180	1,766	-	133,486
Depreciation for the year	885	5,778	84	-	6,747
Disposals and retirements	(19)	(457)	-	-	(476)
Transfers between entities	-	458	-	-	458
<b>Balance at 31 December 2016</b>	<b>55,406</b>	<b>82,959</b>	<b>1,850</b>	<b>-</b>	<b>140,215</b>
<b>Net Book Value</b>					
At 31 December 2015	5,918	9,075	124	4,938	20,055
<b>At 31 December 2016</b>	<b>5,257</b>	<b>9,148</b>	<b>79</b>	<b>3,468</b>	<b>17,952</b>

# Notes forming part of the Group Financial Statements

(continued)

## 9. Intangible Assets

### Group

	Software €'000	Software projects in progress €'000	Total €'000
<b>Cost</b>			
Balance at 1 January 2015	14,561	481	15,042
Additions	-	431	431
Reclassifications	576	(576)	-
Disposals and retirements	(45)	-	(45)
Balance at 31 December 2015	15,092	336	15,428
Balance at 1 January 2016	15,092	336	15,428
Additions	-	1,095	1,095
Reclassifications	757	(757)	-
Disposals and retirements	-	-	-
<b>Balance at 31 December 2016</b>	<b>15,849</b>	<b>674</b>	<b>16,523</b>
<b>Amortisation and impairment losses</b>			
Balance at 1 January 2015	11,885	-	11,885
Amortisation for the year	1,433	-	1,433
Disposals and retirements	(45)	-	(45)
Balance at 31 December 2015	13,273	-	13,273
Balance at 1 January 2016	13,273	-	13,273
Amortisation for the year	1,230	-	1,230
Disposals and retirements	-	-	-
<b>Balance at 31 December 2016</b>	<b>14,503</b>	<b>-</b>	<b>14,503</b>
<b>Net Book Value</b>			
At 31 December 2015	1,819	336	2,155
<b>At 31 December 2016</b>	<b>1,346</b>	<b>674</b>	<b>2,020</b>

## 9. Intangible Assets (continued)

### RTÉ

	Software €'000	Software projects in progress €'000	Total €'000
<b>Cost</b>			
Balance at 1 January 2015	11,577	222	11,799
Additions	-	225	225
Reclassifications	249	(249)	-
Disposals and retirements	(45)	-	(45)
Balance at 31 December 2015	11,781	198	11,979
Balance at 1 January 2016	11,781	198	11,979
Additions	-	1,095	1,095
Reclassifications	757	(757)	-
Disposals and retirements	-	-	-
Transfers between entities	920	68	988
<b>Balance at 31 December 2016</b>	<b>13,458</b>	<b>604</b>	<b>14,062</b>
<b>Amortisation and impairment losses</b>			
Balance at 1 January 2015	9,828	-	9,828
Amortisation for the year	662	-	662
Disposals and retirements	(45)	-	(45)
Balance at 31 December 2015	10,445	-	10,445
Balance at 1 January 2016	10,445	-	10,445
Amortisation for the year	1,126	-	1,126
Disposals and retirements	-	-	-
Transfers between entities	610	-	610
<b>Balance at 31 December 2016</b>	<b>12,181</b>	<b>-</b>	<b>12,181</b>
<b>Net Book Value</b>			
At 31 December 2015	1,336	198	1,534
<b>At 31 December 2016</b>	<b>1,277</b>	<b>604</b>	<b>1,881</b>

# Notes forming part of the Group Financial Statements (continued)

## 10. Inventories

	Group		RTÉ	
	2016 €'000	2015 €'000	2016 €'000	2015 €'000
<b>Work in progress</b>				
In-house programmes	<b>1,048</b>	1,714	<b>1,017</b>	1,681
Commissioned programmes	<b>16,382</b>	12,776	<b>16,382</b>	12,776
<b>Finished programmes</b>				
Acquired programmes and films	<b>14,606</b>	12,945	<b>14,606</b>	12,945
In-house programmes	<b>228</b>	281	<b>228</b>	281
Commissioned programmes	<b>3,107</b>	4,341	<b>3,107</b>	4,341
Other inventories	<b>56</b>	82	-	-
	<b>35,427</b>	32,139	<b>35,340</b>	32,024

Inventories consumed during the year ended 31 December 2016 total €77.4 million (2015: €70.7 million).

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

## 11. Trade and Other Receivables

	Group		RTÉ	
	2016 €'000	2015 €'000	2016 €'000	2015 €'000
<b>Current Assets</b>				
Trade receivables	<b>40,310</b>	38,805	<b>34,053</b>	32,291
Other receivables	<b>30</b>	8	<b>28</b>	6
	<b>40,340</b>	38,813	<b>34,081</b>	32,297

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables are disclosed in note 22.

## 12. Liquid Investments

	Group		RTÉ	
	2016 €'000	2015 €'000	2016 €'000	2015 €'000
Liquid Investments - Term Deposits	<b>1,000</b>	-	<b>1,000</b>	-
Weighted average interest rate on term deposits	<b>0.03%</b>	-	<b>0.03%</b>	-

The Group's exposure to interest rate risk, credit risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 22.

### 13. Cash and Cash Equivalents

	Group		RTÉ	
	2016 €'000	2015 €'000	2016 €'000	2015 €'000
<b>Current Assets</b>				
Bank balances	<b>10,205</b>	9,653	<b>7,197</b>	7,191
Call deposits	<b>6,493</b>	16,050	<b>6,001</b>	15,555
Total cash and cash equivalents	<b>16,698</b>	25,703	<b>13,198</b>	22,746
Weighted average interest rate	<b>0.03%</b>	0.04%	<b>0.03%</b>	0.04%

Bank balances include €5.10 million (2015: €7.61 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.

### 14. Interest-bearing loans and borrowings

	Interest rate %	Maturity	Group		RTÉ	
			2016 €'000	2015 €'000	2016 €'000	2015 €'000
Amortising Term Loan Facility	Lender cost of funds plus margin	29 June 2017	<b>1,875</b>	5,625	<b>1,875</b>	5,625
Revolving Credit Facility	Lender cost of funds plus margin	28 January 2021	<b>3,000</b>	-	<b>3,000</b>	-
Project Loan and Term Loan Facility	EURIBOR plus margin	18 June 2019	<b>53,000</b>	45,000	-	-
			<b>57,875</b>	50,625	<b>4,875</b>	5,625
<b>Analysed as follows:</b>						
Non-Current			<b>52,500</b>	46,875	<b>3,000</b>	1,875
Current			<b>5,375</b>	3,750	<b>1,875</b>	3,750
			<b>57,875</b>	50,625	<b>4,875</b>	5,625

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.

On 28 January 2016, RTÉ entered into a Revolving Credit Facility with Bank of Ireland amounting to €15 million for working capital purposes. At 31 December 2016 €3 million has been drawn down.

The Group has a project loan facility agreement, through its subsidiary 2rn, with Barclays Bank Ireland PLC amounting to €53 million in aggregate, representing a facility of €40 million which is fully drawn and €13 million which is fully drawn down at 31 December 2016. During 2015, an interest rate swap was entered into in respect of the €40 million project loan facility, until the maturity of the facility in June 2019. This derivative financial instrument was designated as a cash flow hedge and, in accordance with the accounting policies, hedge accounting has been applied.

#### 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;
- 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.

# Notes forming part of the Group Financial Statements (continued)

## 15. Trade and Other Payables

	Group		RTÉ	
	2016 €'000	2015 €'000	2016 €'000	2015 €'000
Trade payables	<b>6,906</b>	4,744	<b>5,789</b>	3,772
Amounts owed to subsidiary entities	-	-	<b>167,612</b>	165,011
Accruals	<b>60,775</b>	60,740	<b>56,617</b>	52,965
Deferred income	<b>7,271</b>	8,824	<b>3,446</b>	2,930
	<b>74,952</b>	74,308	<b>233,464</b>	224,678
<b>Analysed as follows:</b>				
Non-Current Liabilities	<b>2,515</b>	2,631	<b>2,515</b>	2,631
Current Liabilities	<b>72,437</b>	71,677	<b>230,949</b>	222,047
	<b>74,952</b>	74,308	<b>233,464</b>	224,678

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

## 16. Taxation and Social Welfare

	Group		RTÉ	
	2016 €'000	2015 €'000	2016 €'000	2015 €'000
VAT	<b>5,695</b>	6,139	<b>4,893</b>	5,033
Payroll	<b>4,076</b>	4,113	<b>4,007</b>	4,055
Other taxes	<b>1</b>	-	-	-
	<b>9,772</b>	10,252	<b>8,900</b>	9,088

## 17. Employee Benefits

### (a) Total Employee Benefits

	Group		RTÉ	
	2016 €'000	2015 €'000	2016 €'000	2015 €'000
Restructuring costs (b)	<b>12,895</b>	15,399	<b>12,895</b>	15,399
Other payroll related accruals (c)	<b>6,467</b>	6,265	<b>6,191</b>	5,709
Total employee benefits	<b>19,362</b>	21,664	<b>19,086</b>	21,108
<b>Analysed as follows:</b>				
Non-Current Liabilities	<b>10,173</b>	13,597	<b>10,027</b>	13,368
Current Liabilities	<b>9,189</b>	8,067	<b>9,059</b>	7,740
	<b>19,362</b>	21,664	<b>19,086</b>	21,108

## 17. Employee Benefits (continued)

### (b) Restructuring Costs

	2016	2015
	€'000	€'000
<b>Group and RTÉ</b>		
Balance at beginning of year	<b>15,399</b>	19,903
Charged during the year	<b>1,731</b>	502
Utilised during the year	<b>(4,426)</b>	(5,256)
Interest charge (note 4)	<b>191</b>	250
Balance at end of year	<b>12,895</b>	15,399
<b>Analysed as follows:</b>		
Non-Current	<b>6,940</b>	10,100
Current	<b>5,955</b>	5,299
Balance at end of year	<b>12,895</b>	15,399

The restructuring costs at 31 December 2016 represent the discounted value of future payments required in respect of the Group's remaining obligations, which will be paid until 2022, under the various restructuring schemes.

### (c) Other Employee-Related Accruals

Other employee-related accruals consist of employee benefits such as employee remuneration and holiday leave provided for in accordance with IAS 19 *Employee Benefits* (2011).

## 18. Cash flow hedge reserve

		2016	2015
	Note	€'000	€'000
<b>Group</b>			
Balance at 1 January		<b>(266)</b>	-
Effective portion of cash flow hedge		<b>(350)</b>	(304)
Reclassification of cash flow hedge reserve to income statement		<b>187</b>	-
Deferred tax on cash flow hedge	21	<b>20</b>	38
Balance at 31 December		<b>(409)</b>	(266)

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.

# Notes forming part of the Group Financial Statements

## (continued)

### 19. Investments in Subsidiaries

#### RTÉ

	Total €'000
Balance at 1 January 2016	65,827
Additions	-
<b>Balance at 31 December 2016</b>	<b>65,827</b>

RTÉ had the following subsidiaries at 31 December 2016:

Subsidiary companies	Share capital held	Class of business
RTÉ Commercial Enterprises DAC	100%	Publications, various commercial activities & other
RTÉ Music DAC	100%	Music publishing
RTÉ Transmission Network DAC (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 investments and is satisfied that there are no impairment indicators and the values are fairly stated.

All subsidiaries operate in Ireland and have their registered offices at RTÉ, Donnybrook, Dublin 4. RTÉ Music DAC is a wholly owned subsidiary of RTÉ Commercial Enterprises DAC.

In December 2016, 2rn paid a €20 million dividend to RTÉ. This is recognised as income by RTÉ company.

RTÉ had the following joint venture at 31 December 2016:

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.

## 19. Investments in Subsidiaries (continued)

Classification of RTÉ Group activities by Integrated Business Division (IBD) and by legal entity as at 31 December 2016

	RTÉ	RTÉ Commercial Enterprises DAC	RTÉ Music DAC	RTÉ Transmission Network DAC
<b>COMMERCIAL IBD</b>				
Television advertising and sponsorship sales	•			
Radio advertising and sponsorship sales	•			
Sale of online banner advertising and sponsorship	•			
Sale of Aertel teletext advertising and sponsorship	•			
Hire of television production facilities to third parties		•		
Commercial telecoms revenue		•		
Programme merchandising sales		•		
Listing sales		•		
Provision of broadcast circuits and technical facilities to third parties		•		
Television programme sales		•		
Studio production of television advertisements for third parties		•		
Hire of radio production facilities to third parties		•		
Roadcaster mobile studio and promotional sales		•		
Studio production of radio advertisements		•		
Sale of music copyright			•	
Provision of international paid-for video-on-demand services		•		
Generation of revenue from Orchestra performances	•			
Production and publication of the <i>RTÉ Guide</i> magazine		•		
<i>RTÉ Guide</i> advertising sales		•		
Administration of Commercial IBD	•			
<b>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 public-service online services	•			
Administration of Television IBD	•			
<b>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	•			
Provision of content for RTÉ's free-to-access public-service online services	•			
Administration of Radio IBD	•			
Statutory commissioning of programme content from independent EU producers	•			

# Notes forming part of the Group Financial Statements (continued)

## 19. Investments in Subsidiaries (continued)

	RTÉ	RTÉ Commercial Enterprises DAC	RTÉ Music DAC	RTÉ Transmission Network DAC
<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-to-access public-service online services	•			
<b>NETWORK IBD</b>				
Provision of national analogue radio broadcast transmission services				•
Provision of national digital radio transmission services				•
Provision of multiplexing, transmission and distribution services to multiplex operators				•
Hire of ancillary mast and tower facilities				•
Administration of 2rn				•
<b>DIGITAL IBD</b>				
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	•			
Incubation and development of new media technologies	•			
Administration of Digital IBD	•			
Provision of additional opportunities to access RTÉ's public-service news content via RTÉ News Now Online	•			
<b>ORCHESTRAS, QUARTET &amp; CHOIRS IBD</b>				
Orchestral and choir performances	•			
Commission, production, performance and recording of orchestral and choir music	•			
Administration of Orchestras, Quartet & Choirs IBD	•			
<b>CENTRAL SHARED SERVICES</b>				
Group Communications, Central HR, Group Legal, Group Treasury, Central Technology, Donnybrook Site Services, Group Insurance and Group Pensions	•			
Provision of DTT multiplexing services to broadcasters (Saorview)	•			
<b>CORPORATE HQ</b>				
Direction and overall operation of public-service broadcaster	•			
Holding of investments in broadcasting-related activities	•			

## 20. Retirement benefit obligations (Group and RTÉ)

The Group is the principal sponsoring employer of:

- the RTÉ Superannuation Scheme (a funded, contributory, final salary defined benefit pension scheme to which no new employees have been admitted since 1989);
- 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
- 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:

	2016 €'000	2015 €'000
RTÉ Superannuation Scheme		
- current service cost	<b>(3,072)</b>	(3,481)
- past service credit <sup>1</sup>	-	5,711
RTÉ '50/50' Risk-Sharing Pension Scheme (DB section)		
- current service cost	<b>(966)</b>	(1,085)
	<b>(4,038)</b>	1,145
RTÉ '50/50' Risk-Sharing Pension Scheme (DC section)	<b>(336)</b>	(274)
RTÉ Defined Contribution Pension Scheme	<b>(9,362)</b>	(8,786)
Other schemes	<b>(20)</b>	(22)

<sup>1</sup> In the case of the RTÉ Superannuation Scheme, a past service credit arose in 2015 as a result of the Trustees' decision in 2015 to reduce the accrued benefits of members to reflect the 2014 Pension Levy.

### (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 2017 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 €36.1 million (1 January 2016: surplus €42.4 million), with allowance being made in the liabilities for relevant related post-retirement increases. The actuarial funding valuation report is not available for public inspection, however, the results of valuations are advised to members.

The actuaries have also carried out a valuation in accordance with the Minimum Funding Standard (MFS) as at 1 January 2017 and have reported a surplus on this basis of €97.3 million (1 January 2016: surplus of €79.6 million). An Actuarial Funding Certificate has been submitted on this basis. The scheme also met the Funding Standard Reserve at 1 January 2017 and a certificate confirming this outcome has been submitted to the Pension Authority.

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 2016 amounts to an asset of €27.1 million.

The Group expects to pay €0.9 million in contributions to the RTÉ Superannuation Scheme in 2017.

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 2017 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 €3.5 million (1 January 2016: surplus €3.4 million). The actuarial funding valuation report is not available for public inspection, however, the results of valuations are advised to members.

# Notes forming part of the Group Financial Statements

## (continued)

### 20. Retirement benefit obligations (Group and RTÉ) (continued)

The employer contribution rate to the defined benefit section of the RTÉ '50/50' Risk-Sharing Pension Scheme for the year ended 31 December 2016 was 8.75% 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 €9.3 million (1 January 2016: surplus €7.4 million).

As for the RTÉ Superannuation Scheme, Mercer prepare a report setting out the position of the RTÉ '50/50' Risk-Sharing Pension Scheme using the accounting valuation methodology specified in IAS 19 (2011). For this scheme, the difference between the asset and liability valuation at 31 December 2016 amounts to an asset of €2.0 million.

The Group expects to pay €1.3 million in contributions to the RTÉ '50/50' Risk-Sharing Pension Scheme (DB section) in 2017.

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 31 December 2016, the net defined benefit asset/(liability) in relation to the two defined benefit arrangements is as follows:

	2016	2015
	€'000	€'000
<b>Group and RTÉ</b>		
Net pension asset/(liability) in RTÉ Superannuation Scheme	<b>27,113</b>	43,402
Net pension asset in RTÉ '50/50' Risk-Sharing Pension Scheme	<b>1,951</b>	3,347
	<b>29,064</b>	46,749

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

	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset/ (liability)	
	2016	2015	2016	2015	2016	2015
	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 1 January	<b>(951,710)</b>	(1,000,421)	<b>995,112</b>	981,233	<b>43,402</b>	(19,188)
<b>Included in Income Statement</b>						
Current service cost	<b>(3,072)</b>	(3,481)	-	-	<b>(3,072)</b>	(3,481)
Past service credit	-	5,711	-	-	-	5,711
Interest (cost)/income	<b>(22,333)</b>	(19,616)	<b>23,402</b>	19,256	<b>1,069</b>	(360)
	<b>(25,405)</b>	(17,386)	<b>23,402</b>	19,256	<b>(2,003)</b>	1,870
<b>Included in OCI</b>						
Remeasurements gain/(loss)						
Actuarial gain/(loss) arising from:						
Demographic assumptions	-	(2,020)	-	-	-	(2,020)
Financial assumptions	<b>(82,233)</b>	33,842	-	-	<b>(82,233)</b>	33,842
Experience	<b>3,821</b>	(3,843)	-	-	<b>3,821</b>	(3,843)
Return on plan assets excluding interest income	-	-	<b>62,891</b>	31,474	<b>62,891</b>	31,474
	<b>(78,412)</b>	27,979	<b>62,891</b>	31,474	<b>(15,521)</b>	59,453
<b>Other</b>						
Employer contributions	-	-	<b>1,235</b>	1,267	<b>1,235</b>	1,267
Employee contributions	<b>(1,073)</b>	(1,120)	<b>1,073</b>	1,120	-	-
Benefits paid	<b>40,254</b>	39,238	<b>(40,254)</b>	(39,238)	-	-
	<b>39,181</b>	38,118	<b>(37,946)</b>	(36,851)	<b>1,235</b>	1,267
<b>Balance at 31 December</b>	<b>(1,016,346)</b>	(951,710)	<b>1,043,459</b>	995,112	<b>27,113</b>	43,402

## 20. Retirement benefit obligations (Group and RTÉ) (continued)

### RTÉ '50/50' Risk-Sharing Pension Scheme

	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset	
	2016	2015	2016	2015	2016	2015
	€'000	€'000	€'000	€'000	€'000	€'000
<b>Balance at 1 January</b>	<b>(7,781)</b>	(6,905)	<b>11,128</b>	8,742	<b>3,347</b>	1,837
Included in Income Statement						
Current service cost	<b>(966)</b>	(1,085)	-	-	<b>(966)</b>	(1,085)
Interest (cost)/income	<b>(226)</b>	(166)	<b>350</b>	231	<b>124</b>	65
	<b>(1,192)</b>	(1,251)	<b>350</b>	231	<b>(842)</b>	(1,020)
<b>Included in OCI</b>						
Remeasurements gain/(loss)						
Actuarial gain/(loss) arising from:						
Demographic assumptions	-	19	-	-	-	19
Financial assumptions	<b>(2,479)</b>	1,100	-	-	<b>(2,479)</b>	1,100
Experience	<b>(16)</b>	(160)	-	-	<b>(16)</b>	(160)
Return on plan assets excluding interest income	-	-	<b>683</b>	422	<b>683</b>	422
	<b>(2,495)</b>	959	<b>683</b>	422	<b>(1,812)</b>	1,381
<b>Other</b>						
Employer contributions	-	-	<b>1,258</b>	1,149	<b>1,258</b>	1,149
Employee contributions	<b>(688)</b>	(624)	<b>688</b>	624	-	-
Benefits paid	<b>4</b>	10	<b>(4)</b>	(10)	-	-
Insurance premium	<b>30</b>	30	<b>(30)</b>	(30)	-	-
	<b>(654)</b>	(584)	<b>1,912</b>	1,733	<b>1,258</b>	1,149
<b>Balance at 31 December</b>	<b>(12,122)</b>	(7,781)	<b>14,073</b>	11,128	<b>1,951</b>	3,347

#### (iv) Scheme assets

The fair value of the assets at 31 December was:

	RTÉ Superannuation Scheme		RTÉ '50/50' Risk-Sharing Pension Scheme	
	2016	2015	2016	2015
	Fair value €'000	Fair value €'000	Fair value €'000	Fair value €'000
Debt instruments:				
Government bonds	<b>427,726</b>	394,274	-	-
Corporate bonds	<b>55,072</b>	54,061	-	-
<b>Total debt instruments</b>	<b>482,798</b>	448,335	-	-
<b>Derivatives</b>	<b>(132)</b>	116	-	-
Investment funds:				
Equity	<b>408,487</b>	390,742	<b>8,490</b>	6,454
Bonds	-	-	<b>5,428</b>	4,237
Property	<b>51,385</b>	62,703	-	299
Hedge funds	<b>53,434</b>	52,682	-	-
Private equity	<b>35,572</b>	31,083	-	-
<b>Total investment funds</b>	<b>548,878</b>	537,210	<b>13,918</b>	10,990
Cash and cash equivalents:				
Cash	<b>7,745</b>	6,454	<b>155</b>	138
Other investment balances	<b>4,170</b>	2,997	-	-
<b>Total cash and cash equivalents</b>	<b>11,915</b>	9,451	<b>155</b>	138
<b>Total fair value of assets</b>	<b>1,043,459</b>	995,112	<b>14,073</b>	11,128

Equities are held as funds with underlying assets quoted in an active market. Debt instruments are held on a segregated basis (RTÉ Superannuation Scheme).

# Notes forming part of the Group Financial Statements (continued)

## 20. Retirement benefit obligations (Group and RTÉ) (continued)

### (v) Defined benefit obligation

#### (i) Actuarial assumptions

Below are the major assumptions used for the purposes of the IAS 19 (2011) based accounting valuation of the pension schemes.

	RTÉ Superannuation Scheme		RTÉ '50/50' Risk-Sharing Pension Scheme	
	2016	2015	2016	2015
Average projected rate of increase in salaries:				
Over the next two years	<b>2.0%</b>	2.50%	<b>2.0%</b>	2.50%
Over the following two years	<b>1.3%</b>	1.45%	<b>1.3%</b>	1.45%
Thereafter	<b>1.3%</b>	1.40%	<b>1.3%</b>	1.40%
Average projected rate of increase in pensions:				
Over the next two years	<b>1.0%</b>	0.00%	<b>1.3%</b>	1.40%
Over the following four years	<b>1.6%</b>	1.85%	<b>1.3%</b>	1.40%
Thereafter	<b>1.3%</b>	1.40%	<b>1.3%</b>	1.40%
Discount rate	<b>1.7%</b>	2.40%	<b>2.1%</b>	2.90%
Inflation assumption	<b>1.3%</b>	1.40%	<b>1.3%</b>	1.40%
Mortality	<b>Years</b>	<b>Years</b>	<b>Years</b>	<b>Years</b>
Life expectancy future retirees				
Male of age 65 (born 1962)	<b>25.0</b>	24.9	<b>25.0</b>	24.9
Female of age 65 (born 1962)	<b>27.1</b>	27.0	<b>27.1</b>	27.0
Life expectancy existing pensioners				
Male of age 65 (Born 1952)	<b>23.8</b>	23.7	<b>23.8</b>	23.7
Female of age 65 (Born 1952)	<b>25.9</b>	25.8	<b>25.9</b>	25.8

At 31 December 2016, the weighted average duration of the defined benefit obligations were:

RTÉ Superannuation Scheme: 14 years

RTÉ '50/50' Risk-Sharing Pension Scheme: 34 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>1.7%</b>	<b>1,016,346</b>	<b>2.1%</b>	<b>12,122</b>
-0.25%	1.45%	1,052,104	1.85%	13,167
+0.25%	1.95%	982,484	2.35%	11,174
Salary & pension increases				
<b>Current assumption (long term)</b>	<b>1.3%</b>	<b>1,016,346</b>	<b>1.3%</b>	<b>12,122</b>
0.25% lower increases	1.05%	985,004	1.05%	11,146
0.25% higher increases	1.55%	1,047,689	1.55%	13,182
Mortality				
<b>Current assumption (offset from standard table)</b>	<b>-1 year</b>	<b>1,016,346</b>	<b>-1 year</b>	<b>12,122</b>
No offset	0 years	980,335	0 years	11,809
Two years offset	-2 years	1,052,358	-2 years	12,444

## 21. Deferred Tax

### Group

#### Recognised deferred tax assets and liabilities

	Assets		(Liabilities)	
	Gross		Gross	
	2016	2015	2016	2015
	€'000	€'000	€'000	€'000
Property, plant and equipment	-	-	<b>(1,794)</b>	(1,497)
Pension asset	-	-	<b>(3,633)</b>	(5,844)
Derivatives – cash flow hedge	<b>58</b>	38	-	-
Gross Tax Assets/(Liabilities)	<b>58</b>	38	<b>(5,427)</b>	(7,341)

#### Movement in temporary differences during 2016

	Opening Balance Net	Recognised in Income	Recognised in Other Comprehensive Income	Closing Balance Net
Property, plant and equipment	(1,497)	(297)	-	<b>(1,794)</b>
Pension asset	(5,844)	-	2,211	<b>(3,633)</b>
Derivatives – cash flow hedge	38	-	20	<b>58</b>
Net Tax Assets/(Liabilities)	(7,303)	(297)	2,231	<b>(5,369)</b>

#### Movement in temporary differences during 2015

	Opening Balance Net	Recognised in Income	Recognised in Other Comprehensive Income	Closing Balance Net
Property, plant and equipment	(1,015)	(482)	-	(1,497)
Pension asset	(230)	-	(5,614)	(5,844)
Derivatives – cash flow hedge	-	-	38	38
Net Tax Assets/(Liabilities)	(1,245)	(482)	(5,576)	(7,303)

### RTÉ

#### Recognised deferred tax assets and liabilities

	Assets		(Liabilities)	
	Gross		Gross	
	2016	2015	2016	2015
	€'000	€'000	€'000	€'000
Property, plant and equipment	<b>1,275</b>	1,194	-	-
Pension asset	-	-	<b>(3,633)</b>	(5,844)
Gross Tax Assets/(Liabilities)	<b>1,275</b>	1,194	<b>(3,633)</b>	(5,844)

#### Movement in temporary differences during 2016

	Opening Balance Net	Recognised in Income	Recognised in Other Comprehensive Income	Closing Balance Net
Property, plant and equipment	1,194	81	-	<b>1,275</b>
Pension asset	(5,844)	-	2,211	<b>(3,633)</b>
Net Tax Assets/(Liabilities)	(4,650)	81	2,211	<b>(2,358)</b>

# Notes forming part of the Group Financial Statements (continued)

## 21. Deferred Tax (continued)

### Movement in temporary differences during 2015

	Opening Balance Net	Recognised in Income	Recognised in Other Comprehensive Income	Closing Balance Net
Property, plant and equipment	1,292	(98)	-	1,194
Pension asset	(230)	-	(5,614)	(5,844)
Net Tax Assets/(Liabilities)	1,062	(98)	(5,614)	(4,650)

### 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 €648 million at 31 December 2016. Due to the uncertainty surrounding when the losses may ultimately be utilised, no deferred tax asset has been recognised.

## 22. Financial Instruments and financial risk management (Group and RTÉ)

### (a) Overview of Financial Risk Management

#### (i) Risk environment

The Group has exposure to the financial risks relating to credit, liquidity, foreign exchange, interest rate and operational risk.

The Board of RTÉ has overall responsibility for the establishment and oversight of the Group's risk-management framework and has approved policies for the main areas of financial risk faced by the Group. Group Treasury is responsible for managing all treasury activities, in accordance with the treasury policies, including cash management, interest rate risk, liquidity risk, foreign exchange risk and counterparty credit risk.

The majority of RTÉ's business is transacted in Ireland. Consequently, operating and investing cash flows are substantially denominated in euro. Foreign currency exposures arise primarily from payments for acquired programmes in US dollar and sterling. RTÉ's policy is to have the majority of its committed principal foreign currency exposures commercially hedged at the beginning of each financial year by entering into US dollar and sterling forward contracts. All foreign currency forward contracts have a maturity date of less than 18 months from the 31 December 2016. These foreign currency forward contracts are not specifically designated into hedge relationships from an accounting perspective, but are nevertheless valid economic hedges.

2m refinanced variable rate borrowings in 2014 and entered a derivative contract in order to hedge exposures arising from fluctuations in the interest rate in 2016. 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.

## 22. Financial Instruments and financial risk management (Group and RTÉ) (continued)

### (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	
	2016 €'000	2015 €'000	2016 €'000	2015 €'000	2016 €'000	2015 €'000	2016 €'000	2015 €'000
<b>Non-Current Financial Assets</b>								
Derivative financial instruments	164	-	-	-	-	-	164	-
<b>Total Non-Current Financial Assets</b>	<b>164</b>	-	-	-	-	-	<b>164</b>	-
<b>Current Financial Assets</b>								
Trade and other receivables	-	-	-	-	40,340	38,813	40,340	38,813
Accrued income	-	-	-	-	3,530	2,967	3,530	2,967
Liquid investments	-	-	-	-	1,000	-	1,000	-
Cash and cash equivalents	-	-	-	-	16,698	25,703	16,698	25,703
Derivative financial instruments	486	75	-	-	-	-	486	75
<b>Total Current Financial Assets</b>	<b>486</b>	<b>75</b>	-	-	<b>61,568</b>	<b>67,483</b>	<b>62,054</b>	<b>67,558</b>
<b>Total Financial Assets</b>	<b>650</b>	<b>75</b>	-	-	<b>61,568</b>	<b>67,483</b>	<b>62,218</b>	<b>67,558</b>
<b>Non-Current Financial Liabilities</b>								
Interest-bearing loans and borrowings	-	-	-	-	(52,500)	(46,875)	(52,500)	(46,875)
Employee benefits	-	-	-	-	(10,173)	(13,597)	(10,173)	(13,597)
Trade and other payables	-	-	-	-	(2,515)	(2,631)	(2,515)	(2,631)
Derivative financial instruments	-	-	(258)	(150)	-	-	(258)	(150)
<b>Total Non-Current Financial Liabilities</b>	-	-	<b>(258)</b>	<b>(150)</b>	<b>(65,188)</b>	<b>(63,103)</b>	<b>(65,446)</b>	<b>(63,253)</b>
<b>Current Financial Liabilities</b>								
Trade and other payables	-	-	-	-	(72,437)	(71,677)	(72,437)	(71,677)
Interest-bearing loans and borrowings	-	-	-	-	(5,375)	(3,750)	(5,375)	(3,750)
Employee benefits	-	-	-	-	(9,189)	(8,067)	(9,189)	(8,067)
Derivative financial instruments	-	-	(209)	(154)	-	-	(209)	(154)
<b>Total Current Financial Liabilities</b>	-	-	<b>(209)</b>	<b>(154)</b>	<b>(87,001)</b>	<b>(83,494)</b>	<b>(87,210)</b>	<b>(83,648)</b>
<b>Total Financial Liabilities</b>	-	-	<b>(467)</b>	<b>(304)</b>	<b>(152,189)</b>	<b>(146,597)</b>	<b>(152,656)</b>	<b>(146,901)</b>

# Notes forming part of the Group Financial Statements (continued)

## 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	
	2016 €'000	2015 €'000	2016 €'000	2015 €'000	2016 €'000	2015 €'000	2016 €'000	2015 €'000
<b>Non-Current Financial Assets</b>								
Derivative financial instruments	164	-	-	-	-	-	164	-
<b>Total Non-Current Financial Assets</b>	<b>164</b>	-	-	-	-	-	<b>164</b>	-
<b>Current Financial Assets</b>								
Trade and other receivables	-	-	-	-	34,081	32,297	34,081	32,297
Accrued income	-	-	-	-	402	349	402	349
Liquid investments	-	-	-	-	1,000	-	1,000	-
Cash and cash equivalents	-	-	-	-	13,198	22,746	13,198	22,746
Derivative financial instruments	486	75	-	-	-	-	486	75
<b>Total Current Financial Assets</b>	<b>486</b>	<b>75</b>	-	-	<b>48,681</b>	<b>55,392</b>	<b>49,167</b>	<b>55,467</b>
<b>Total Financial Assets</b>	<b>650</b>	<b>75</b>	-	-	<b>48,681</b>	<b>55,392</b>	<b>49,331</b>	<b>55,467</b>
<b>Non-Current Financial Liabilities</b>								
Interest-bearing loans and borrowings	-	-	-	-	(3,000)	(1,875)	(3,000)	(1,875)
Employee benefits	-	-	-	-	(10,027)	(13,368)	(10,027)	(13,368)
Trade and other payables	-	-	-	-	(2,515)	(2,631)	(2,515)	(2,631)
<b>Total Non-Current Financial Liabilities</b>	-	-	-	-	<b>(15,542)</b>	<b>(17,874)</b>	<b>(15,542)</b>	<b>(17,874)</b>
<b>Current Financial Liabilities</b>								
Trade and other payables	-	-	-	-	(230,949)	(222,047)	(230,949)	(222,047)
Interest-bearing loans and borrowings	-	-	-	-	(1,875)	(3,750)	(1,875)	(3,750)
Employee benefits	-	-	-	-	(9,059)	(7,740)	(9,059)	(7,740)
Derivative financial instruments	-	-	-	-	-	-	-	-
<b>Total Current Financial Liabilities</b>	-	-	-	-	<b>(241,883)</b>	<b>(233,537)</b>	<b>(241,883)</b>	<b>(233,537)</b>
<b>Total Financial Liabilities</b>	-	-	-	-	<b>(257,425)</b>	<b>(251,411)</b>	<b>(257,425)</b>	<b>(251,411)</b>

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

### (b) Credit risk

#### Overview

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Notes	Group carrying amount		RTÉ carrying amount	
		2016 €'000	2015 €'000	2016 €'000	2015 €'000
Trade receivables	11	40,310	38,805	34,053	32,291
Liquid investments	12	1,000	-	1,000	-
Cash and cash equivalents	13	16,698	25,703	13,198	22,746
Accrued income		3,530	2,967	402	349
Derivative financial instruments		650	75	650	75
		<b>62,188</b>	<b>67,550</b>	<b>49,303</b>	<b>55,461</b>

The Group has detailed procedures for monitoring and managing the credit risk related to its financial assets as outlined below.

## 22. Financial Instruments and financial risk management (Group and RTÉ) (continued)

### 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, and derivative financial instruments are all held by financial counterparties which have a minimum credit rating of BBB- under the Standard & Poor's rating.

Liquid investments and cash and cash equivalents are primarily funds invested with Irish financial institutions with limits on amounts held with individual banks or institutions at any one time. Derivative financial instruments are held with Irish and UK financial institutions and the Group has not experienced any losses due to failure of such counterparties to deliver on their obligations.

### Customer credit risk

The Group has credit insurance and sets credit limits for all customers. Given the nature of the advertising and other markets within which RTÉ operates, RTÉ had significant exposures to individual advertising agencies and other customers throughout the year. RTÉ's policy is to assign limits to the aggregate amount of exposure to each individual customer. These exposures and the related limits are subject to ongoing review and monitoring.

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Group carrying amount		RTÉ carrying amount	
	2016	2015	2016	2015
	€'000	€'000	€'000	€'000
Ireland	<b>37,773</b>	37,847	<b>32,775</b>	31,585
United Kingdom	<b>2,452</b>	903	<b>1,194</b>	699
Other regions	<b>85</b>	55	<b>84</b>	7
Trade Receivables	<b>40,310</b>	38,805	<b>34,053</b>	32,291

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

	Group carrying amount		RTÉ carrying amount	
	2016	2015	2016	2015
	€'000	€'000	€'000	€'000
Non-agency debtors	<b>10,718</b>	9,492	<b>5,649</b>	5,573
Other debtors – agency	<b>29,592</b>	29,313	<b>28,404</b>	26,718
Trade receivables	<b>40,310</b>	38,805	<b>34,053</b>	32,291

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 (8%) of the trade receivables carrying amount at 31 December 2016 (2015: €3.5 million).

# Notes forming part of the Group Financial Statements (continued)

## 22. Financial Instruments and financial risk management (Group and RTÉ) (continued)

The ageing of trade receivables at the reporting date was:

	Group			RTÉ		
	Gross	Impairment	Net	Gross	Impairment	Net
	2016	2016	2016	2016	2016	2016
	€'000	€'000	€'000	€'000	€'000	€'000
Not past due	<b>20,865</b>	-	<b>20,865</b>	<b>17,959</b>	-	<b>17,959</b>
Past due 0–30 days	<b>18,359</b>	<b>(282)</b>	<b>18,077</b>	<b>15,353</b>	<b>(62)</b>	<b>15,291</b>
Past due 31–120 days	<b>1,264</b>	<b>(326)</b>	<b>938</b>	<b>888</b>	<b>(102)</b>	<b>786</b>
Greater than 120 days	<b>1,042</b>	<b>(612)</b>	<b>430</b>	<b>154</b>	<b>(137)</b>	<b>17</b>
	<b>41,530</b>	<b>(1,220)</b>	<b>40,310</b>	<b>34,354</b>	<b>(301)</b>	<b>34,053</b>

	Group			RTÉ		
	Gross	Impairment	Net	Gross	Impairment	Net
	2015	2015	2015	2015	2015	2015
	€'000	€'000	€'000	€'000	€'000	€'000
Not past due	19,901	(30)	19,871	16,811	-	16,811
Past due 0–30 days	18,969	(416)	18,553	15,396	(117)	15,279
Past due 31–120 days	365	(199)	166	210	(80)	130
Greater than 120 days	883	(668)	215	152	(81)	71
	40,118	(1,313)	38,805	32,569	(278)	32,291

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

	Group		RTÉ	
	2016	2015	2016	2015
	€'000	€'000	€'000	€'000
Balance at 1 January	<b>1,313</b>	2,112	<b>278</b>	1,239
(Released)/provided during the year	<b>(95)</b>	(646)	<b>(10)</b>	(808)
Bad debts written off in the year	<b>2</b>	(153)	<b>33</b>	(153)
Balance at 31 December	<b>1,220</b>	1,313	<b>301</b>	278

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.

## 22. Financial Instruments and financial risk management (Group and RTÉ) (continued)

### (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.

The following are the contractual maturities of financial liabilities:

<b>31-Dec-16 Group</b>	<b>Carrying amount €'000</b>	<b>Contractual cash flows €'000</b>	<b>Within 1 year €'000</b>	<b>1-2 years €'000</b>	<b>2-5 years €'000</b>	<b>More than 5 years €'000</b>
Interest-bearing loans and borrowings	57,875	60,271	6,399	8,417	45,455	-
Derivative financial instruments	467	467	209	185	73	-
Trade and other payables	74,952	74,952	72,437	2,515	-	-
Employee benefits	19,362	19,642	9,189	2,558	3,873	4,022
	<b>152,656</b>	<b>155,332</b>	<b>88,234</b>	<b>13,675</b>	<b>49,401</b>	<b>4,022</b>

<b>31-Dec-15 Group</b>	<b>Carrying amount €'000</b>	<b>Contractual cash flows €'000</b>	<b>Within 1 year €'000</b>	<b>1-2 years €'000</b>	<b>2-5 years €'000</b>	<b>More than 5 years €'000</b>
Interest-bearing loans and borrowings	50,625	53,947	4,724	6,286	42,937	-
Derivative financial instruments	304	304	154	139	11	-
Trade and other payables	74,308	74,308	71,677	2,631	-	-
Employee benefits	21,664	22,173	8,099	3,403	5,785	4,886
	146,901	150,732	84,654	12,459	48,733	4,886

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

<b>31-Dec-16 RTÉ</b>	<b>Carrying amount €'000</b>	<b>Contractual cash flows €'000</b>	<b>Within 1 year €'000</b>	<b>1-2 years €'000</b>	<b>2-5 years €'000</b>	<b>More than 5 years €'000</b>
Interest-bearing loans and borrowings	4,875	4,955	1,944	3,011	-	-
Derivative financial instruments	-	-	-	-	-	-
Trade and other payables	65,852	65,852	63,337	2,515	-	-
Employee benefits	19,086	19,367	9,059	2,558	3,873	3,877
	<b>89,813</b>	<b>90,174</b>	<b>74,340</b>	<b>8,084</b>	<b>3,873</b>	<b>3,877</b>

<b>31-Dec-15 RTÉ</b>	<b>Carrying amount €'000</b>	<b>Contractual cash flows €'000</b>	<b>Within 1 year €'000</b>	<b>1-2 years €'000</b>	<b>2-5 years €'000</b>	<b>More than 5 years €'000</b>
Interest-bearing loans and borrowings	5,625	5,762	3,868	1,894	-	-
Derivative financial instruments	-	-	-	-	-	-
Trade and other payables	59,667	59,667	57,036	2,631	-	-
Employee benefits	21,108	21,616	7,772	3,403	5,785	4,656
	86,400	87,045	68,676	7,928	5,785	4,656

As disclosed in note 14, the Group has a term loan facility and revolving credit facility with Bank of Ireland and a project loan and term loan facility with Barclays Bank PLC. 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 2016, RTÉ had an undrawn overdraft facility of €10 million in place and an undrawn revolving credit facility of €12 million.

# Notes forming part of the Group Financial Statements (continued)

## 22. Financial Instruments and financial risk management (Group and RTÉ) (continued)

### (d) Currency risk

The functional currency of all Group entities is euro. Due to the nature of certain aspects of its business, in particular acquired television programmes and rights from overseas, RTÉ is exposed to the effects of fluctuations in foreign currency exchange rates. The currencies that give rise to this risk are US dollar and sterling.

The Group and RTÉ primarily use 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 2016, the fair value of the associated derivative asset was €650,000 (2015: asset of €75,000).

The Group and RTÉ hedge a minimum of 60% of its budgeted foreign currency exposure in respect of acquired television programmes and rights from overseas.

The Group and Company did not have any material foreign currency denominated monetary assets at 31 December 2016 or 2015.

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

#### Breakdown of Trade Payables by Currency

	2016 €'000	2015 €'000
<b>Group</b>		
Euro	<b>5,699</b>	4,318
GBP	<b>1,168</b>	341
USD	<b>38</b>	53
Other	<b>1</b>	32
	<b>6,906</b>	4,744

#### Breakdown of Trade Payables by Currency

	2016 €'000	2015 €'000
<b>RTÉ</b>		
Euro	<b>4,596</b>	3,637
GBP	<b>1,167</b>	53
USD	<b>25</b>	50
Other	<b>1</b>	32
	<b>5,789</b>	3,772

The following significant exchange rates applied during the year:

	Average rate		Reporting date spot rate	
	2016	2015	2016	2015
EUR €1 = USD \$	<b>1.1069</b>	1.1095	<b>1.0541</b>	1.0887
EUR €1 = GBP £	<b>0.8195</b>	0.7258	<b>0.8562</b>	0.7339

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.

## 22. Financial Instruments and financial risk management (Group and RTÉ) (continued)

### 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 2016, would impact the Group's Income Statement positively or negatively by up to €134,214 (31 December 2015 €47,373).

### 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 2016, would impact RTÉ's Income Statement positively or negatively by up to €132,622 (31 December 2015 €15,018).

### (e) Interest rate risk

At 31 December 2016, the Group had total borrowings of €57.88 million (2015: €50.63 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 28 January 2016, RTÉ entered into a Revolving Credit Facility with Bank of Ireland amounting to €15 million for working capital purposes. At 31 December 2016 €3 million has been drawn down. The borrowing is a variable rate facility with a maturity in 2021.

On 18 June 2014, 2rn refinanced its project loan facility with Barclays amounting to €40 million, plus an additional term loan facility of €13 million. During 2015, an interest rate swap was entered into in respect of the €40 million project loan facility until the maturity of the facility in June 2019. This derivative financial instrument was designated as a cash flow hedge; consequently, any changes in the interest rate would have an equal and opposite income statement effect for both the interest rate swap and the debt for the period.

A 1% movement in the interest rate would have a positive or negative effect on equity of €0.9 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:

Group	Carrying amount	
	2016 €'000	2015 €'000
<b>Fixed Rate Instruments</b>		
Financial assets	<b>7,493</b>	16,050
<b>Variable Rate Instruments</b>		
Financial assets	<b>10,205</b>	9,653
<b>RTÉ</b>		
<b>Fixed Rate Instruments</b>		
Financial assets	<b>7,001</b>	15,555
<b>Variable Rate Instruments</b>		
Financial assets	<b>7,197</b>	7,191

A 1% movement in the interest rate on RTÉ's interest-bearing financial assets would have a positive or negative effect on the Income Statement of €0.2 million (net of tax).

# Notes forming part of the Group Financial Statements (continued)

## 22. Financial Instruments and financial risk management (Group and RTÉ) (continued)

### (f) Fair Values

The following table shows the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group <sup>(a)</sup>	Carrying amount	Fair Value	Carrying amount	Fair Value
	2016	Level 2	2015	Level 2
	€'million	€'million	€'million	€'million
<b>Financial assets measured at fair value</b>				
Forward exchange contracts	0.7	0.7	0.1	0.1
<b>Financial liabilities measured at fair value</b>				
Interest rate swap	(0.5)	(0.5)	(0.3)	(0.3)
Forward exchange contracts	-	-	-	-
<b>Financial liabilities not measured at fair value</b>				
Interest bearing loans and borrowings	57.9	60.3	50.6	53.0
RTÉ <sup>(a)</sup>	Carrying amount	Fair Value	Carrying amount	Fair Value
	2016	Level 2	2015	Level 2
	€'million	€'million	€'million	€'million
<b>Financial assets measured at fair value</b>				
Forward exchange contracts	0.7	0.7	0.1	0.1
<b>Financial liabilities measured at fair value</b>				
Forward exchange contracts	-	-	-	-
<b>Financial liabilities not measured at fair value</b>				
Interest bearing loans and borrowings	4.9	5.0	5.6	5.7

(a) The group and RTÉ has not disclosed the fair values for financial instruments such as trade receivables, payables and employee benefits as their carrying amounts disclosed on page 153 and 154 are a reasonable approximation of fair values.

The fair value of derivative financial instruments was based on the fair value hierarchy. The fair value for foreign exchange forward contracts and the interest rate swap were calculated using the following valuation method:

Level 2: inputs, other than unadjusted quoted prices in active markets for identical assets and liabilities, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The Level 2 valuation method and instruments valued using the method has not changed during this or the previous reporting period. There has been no transfer between levels in the fair value hierarchy.

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

### Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative financial instruments	Market comparison technique: the fair values are based on quotes for similar contracts traded in an active market.	Not applicable	Not applicable

### Financial instruments not measured at fair value

Type	Valuation technique	Significant unobservable inputs
Interest-bearing loans and borrowings	Discounted cash flows based on borrower quoted interest rates.	Not applicable

## 22. Financial Instruments and financial risk management (Group and RTÉ) (continued)

### (g) Derivative financial instruments

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

31-Dec-16	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years
	€'000	€'000	€'000	€'000	€'000
<b>Group</b>					
<b>Derivative assets/(liabilities)</b>					
Interest rate swap	(467)	(467)	(209)	(185)	(73)
Foreign exchange forward contracts (outflows)	650	650	486	164	-
	<b>183</b>	<b>183</b>	<b>277</b>	<b>(21)</b>	<b>(73)</b>

31-Dec-16	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years
	€'000	€'000	€'000	€'000	€'000
<b>RTÉ</b>					
<b>Derivative assets</b>					
Foreign exchange forward contracts (outflows)	650	650	486	164	-

31-Dec-15	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years
	€'000	€'000	€'000	€'000	€'000
<b>Group</b>					
<b>Derivative assets/(liabilities)</b>					
Interest rate swap	(304)	(304)	(154)	(139)	(11)
Foreign exchange forward contracts (outflows)	75	75	75	-	-
	(229)	(229)	(79)	(139)	(11)

31-Dec-15	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years
	€'000	€'000	€'000	€'000	€'000
<b>RTÉ</b>					
<b>Derivative assets/(liabilities)</b>					
Foreign exchange forward contracts (outflows)	75	75	75	-	-

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 2016, the Group had total borrowings of €57.88 million (2015: €50.63 million). The Group entered an interest rate swap on a €40 million facility to fix the variable rate on the 2014 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.

# Notes forming part of the Group Financial Statements (continued)

## 23. Financial Commitments, Contingencies and Guarantees

### (a) Capital Commitments

	Group		RTÉ	
	2016 €'000	2015 €'000	2016 €'000	2015 €'000
Contracted but not provided for	<b>387</b>	810	<b>193</b>	543
Authorised but not contracted for	<b>3,817</b>	155	<b>3,817</b>	155
	<b>4,204</b>	965	<b>4,010</b>	698

### (b) Programme/Rights Purchase Commitments

	Group		RTÉ	
	2016 €'000	2015 €'000	2016 €'000	2015 €'000
Contracted but not provided for	<b>94,187</b>	92,681	<b>94,187</b>	92,681

### (c) Contingent Liabilities

Due to the nature of its operations, the Group is involved in various legal actions with third parties which have arisen in the normal course of the business. While it is not practicable to quantify accurately the potential liability under the various actions, the Board is satisfied that it has made reasonable provision for the likely outcome of these actions.

### (d) Guarantees

At 31 December 2016, RTÉ had entered into a guarantee facility amounting to €4.5 million which expires on 30 January 2018.

### (e) Digital Television Services Northern Ireland

RTÉ has entered into a joint venture with TG4 for the provision of digital television services in Northern Ireland and, under this agreement, RTÉ has a funding commitment that expires in October 2024. The remaining commitment at 31 December 2016 is €4.3 million.

## 24. Related Party Transactions

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

RTÉ is a statutory corporation, established as a public-service broadcasting corporation under the *Broadcasting 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, Climate Action and Environment.

At 31 December 2016, the total payable to RTÉ subsidiary undertakings was €167.6 million (2015: €165.0 million).

## **24. Related Party Transactions (continued)**

### **(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 2016 was €3.9 million (2015: €3.6 million), comprising salaries and other short-term employee benefits of €3.4 million (2015: €3.1 million) and post-employment pension benefits of €0.5 million (2015: €0.5 million).

Purchases by RTÉ from a company owned/controlled by Board members, other key management personnel and/or their close family members in 2016 amounted to €1.3 million (2015: €1.2 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 2016 amounted to €0.1 million (2015: €0.1 million). Outstanding contractual commitments from a company owned/controlled by Board members, other key management personnel and/or their close family members in 2016 amounted to €0.03 million (2015: €0.6 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 2016 amounted to €28,100 (2015: €9,515).

### ***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.

## **25. Subsequent events**

In January 2017 RTÉ disposed of an intangible asset, realising a gain of €5 million for the Group.

In March 2017 RTÉ announced its intention to sell a portion of its Donnybrook property holdings (8.64 acres). The funds from the disposal will be used to fund capital investment and organisational restructuring.

## **26. Board Approval**

The Board of RTÉ approved the financial statements on pages 116 to 163 in respect of the year ended 31 December 2016 on 20 April 2017.

# Appendix to the Group Financial Statements – Accounting Policies

## 1. Basis of accounting

Below we set out the full list of our accounting policies. The accounting policies have been applied consistently in dealing with items that are considered material in relation to the Group and RTÉ financial statements except for the new standards and amendments to standards outlined below.

### (a) Reporting entity

RTÉ is a statutory corporation established under the *Broadcasting Authority Act, 1960* and is domiciled in Ireland. The consolidated financial statements of RTÉ as at and for the year ended 31 December 2016 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 2016 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 *Companies Act 2014* in so far as necessary to give a true and fair view. Accordingly RTÉ's parent statement of financial position, 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 *Companies Act 2014*. RTÉ's group income statement has been adapted as permitted by *Companies Act 2014*, Schedule 3 Part II, Section A4(5).

### (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 and in the related notes.

### (d) Adoption of new and revised standards

There were a number of new requirements effective for the first time during 2016. The relevant standards are set out in detail below:

- Amendments to IFRS 11: Accounting for acquisitions of interests in Joint Operations;
- Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation;
- Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Bearer Plants*;
- Amendments to IAS 27: Equity method in Separate Financial Statements;
- Amendments to IAS 1: Disclosure Initiative, Annual Improvements to IFRSs 2012-2014 Cycle; and
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment entities – exception to consolidation.

The changes in accounting policies arising from these new requirements did not materially impact the Group.

### (e) Standards in issue but not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective and therefore have not been applied in preparing these financial statements. The Group does not plan to adopt these standards early; instead it will apply them from their effective dates as determined by their dates of EU endorsement. These include:

- IFRS 15 *Revenue from contracts with customers*; and
  - IFRS 9 *Financial Instruments*.
- The Group is still reviewing the impact of the upcoming standards.

## 2. 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.

### (a) Licence Fee revenue

The Department of Communications, Climate Action and Environment (DCCAE) has nominated An Post to be the collection agent for the TV licence fee. Licence fee revenue is collected by An Post and paid over to DCCAE, net of collection costs. In addition, licence fee revenue is payable by the Department of Social Protection (DSP) on behalf of individuals eligible for a 'free' television licence. This revenue has been subject to a cap since 2011 and is paid monthly by DSP to DCCAE.

DCCAE 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 2011*. 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, Climate Action and Environment.

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

### (b) 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.

### (c) Transmission and facilities income

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

### (d) 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.

### (e) Content, merchandising and related income

Content, merchandising and related income represents amounts generated from RTÉ content and services provided to third parties. Revenue is recognised as the service is provided or upon delivery of goods to the third party.

### 3. Segment reporting

Segmental analysis, prepared in accordance with IFRS 8 *Operating Segments* is set out in note 2(d) and 2(f). RTÉ's primary reporting segments are its IBDs. Other segmental analysis as required by the *Broadcasting Act 2009* is set out in note 2(e).

In note 2(d), commercial revenues are mainly reported in the Commercial IBD. 2rn revenues are reported in Network IBD. Archive and library sales revenues are reported in Digital IBD. Revenues from the provision of multiplexing services and some other minor revenues are reported under other segments. With the exception of the News and Current Affairs IBD, the reporting of licence fee revenue within each IBD is a function of the licence

fee attributed to each individual channel and service. In the case of the News and Current Affairs IBD, all of the costs are covered by attributed licence fee revenue.

The Commercial Division was established with effect from 1st January 2016 and the segment reports for 2015 have been restated to reflect the new organisational structure.

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, the repurposing of content, or the creation of content primarily for online, 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.

In note 2(f), 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.

### 4. 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 sports rights inventories are defined as the contract price agreed by the Group with the relevant sports body or rights holder. Where RTÉ sublicences sports rights to third parties, the associated income and costs are reflected on a net basis in the Income Statement. Sports rights inventories are charged to the Income Statement as the sporting events relating to the rights are broadcast.

### 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.

# Appendix to the Group Financial Statements – Accounting Policies

## (continued)

### 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 year end date to determine whether there is any indication of impairment and are subjected to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated.

#### (d) Borrowing costs

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

### 7. Intangible assets

#### (a) Recognition and measurement

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

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

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

#### (b) Amortisation

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

#### (c) Impairment

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

### 8. Financial instruments

#### (a) Non-derivative financial instruments

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

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

#### *Investments in subsidiaries*

RTÉ's investments in subsidiary companies in its statement of financial position 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 12 months from the year end 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 amortised cost, which approximates to fair value given the short-dated nature of these assets.

### **(b) Derivative financial instruments**

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

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

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

the Statement of Comprehensive Income (as described below).

### **Cash flow hedges**

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

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

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

## **9. 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 statement of financial position, 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.

# Appendix to the Group Financial Statements – Accounting Policies

## (continued)

### 10. 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 year end 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.

### 11. 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.

### 12. Dividend income

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

# 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. It advises the RTÉ Board on specific issues relating to RTÉ's public-service remit and audience needs.

The members represent a diverse range of interests and backgrounds and are appointed by the Board of RTÉ, taking into account the requirements of the *Broadcasting Act 2009*. In 2015 RTÉ invited members of the public to submit expressions of interest in joining its Audience Council, which was publicised on RTÉ services. A number of further nominations came directly from members of the RTÉ Board. Following a formal selection process, the Board of RTÉ selected members to join the RTÉ Audience 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. The RTÉ Board appoints one of its members as an ex officio member of the Council.

Six meetings of the Audience Council took place in 2016, including a joint meeting with the Board of RTÉ, as provided for in the Act. Margaret E. Ward, a member of the RTÉ Board, is Chair of the Audience Council.

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/2015/0518/701954-audience-council/>

In late 2016 RTÉ commenced a process, accompanied by a public advertising campaign, to find new members of the Audience Council, given the expiry of its term of office at the end of 2016. Subsequent to the year-end, the Board of RTÉ appointed Aengus MacGrianna, an RTÉ Board member, as new Chair of the Audience Council.

### RTÉ Annual Statement of Performance Commitments 2016 (ASPC 2016)

#### Introduction

Under the provisions of the *Broadcasting Act 2009*, RTÉ is obliged to fulfil three reporting requirements: preparation of a statement of strategy (s99); preparation of a public-service statement (s101) following a public consultation; and preparation of annual statements of performance commitments (s102). In fulfilment of statutory requirements, RTÉ's Statement of Strategy and Public-Service Statement, the second of such Statements under the Act, were submitted to the Minister in 2015 and are published on RTÉ.ie.

Pursuant to section 102(3) of the Act, RTÉ's *APSC 2016* was submitted to the BAI and the Minister in March 2016 and a version of same was subsequently published on RTÉ.ie.

This performance summary is presented in fulfilment of section 102(5) of the Act and in compliance with section 102(4) of the Act, a separate and more detailed report on fulfilment or otherwise of commitments was submitted to the BAI and the Minister by 31 March 2017.

## 2016 Performance Commitments with Measures (Year 4)

### AUDIENCE – REACH AND IMPACT

#### 1. RTÉ to provide a comprehensive portfolio of media services, which together reach across the spectrum of audience age groups to serve multiple needs

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
<i>RTÉ One: Modernise the schedule, broadening the appeal for family audiences and 35-54 year-olds</i>	Stabilise peak TVRs among 35-54s at >7.1	Commitment achieved
	Maintain weekly reach among individuals at >66%	Commitment largely achieved. RTÉ One had a weekly reach of 65%, one point below target primarily due to the decline in TV viewing in 2016. However, % share exceeded target and all qualitative targets were achieved – see commitment 3.
	Stabilise adult 15+ peak-time share at >25%	Commitment achieved

*Note: All RTÉ One targets refer to combined data for RTÉ One and RTÉ One +1*

# Other Reporting Requirements

(continued)

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
<i>RTÉ2: Rebalance the schedule to target young people in Ireland</i>	Stabilise peak TVRs among 15-34s at >2.2	Commitment not achieved. RTÉ2's peak TVR among 15-34s was just below target at 2. 15-34s watched less TV in 2016 vs. 2015, with average minutes viewed declining by 12%. However, % share was maintained and all qualitative targets were achieved – see commitment 3.
	Stabilise weekly reach among individuals at >51%	Commitment not achieved. RTÉ2's weekly reach was 47%. This is reflective of a declining TV universe and less TV viewing per person.
	Stabilise 15-34s peak time share at >9.2%	Commitment achieved
<i>RTÉjr: Meet the needs of young children through a diverse schedule</i>	Grow weekly reach among 4-7s to >13%	Commitment achieved.
<i>RTÉ Radio 1: Grow the 35-54 year-old audience by adjusting the tone and genre mix</i>	Grow 'listened yesterday' reach among 35-54s to >24%	Commitment not achieved. Radio 1's reach among 35-54s was 2 points below target at 22% vs 24% in 2015 and 22% in 2014. This is in line with a year-on-year drop in Any Radio listening, from 85% to 83%. The station aims to rebuild its audience in 2017. All qualitative targets were however achieved – see commitment 4.
	Grow weekly reach among adults 15+ to >38%	Commitment largely achieved. Radio 1's weekly reach was 37.3%, less than 1 point below target. See result commentary above.
	Grow adult 15+ peak 7-7 share to >23%	Commitment achieved
<i>RTÉ 2fm: Grow the audience by creating relevant content for 20-44s</i>	Grow 'listened yesterday' reach among 20-44s to >15%	Commitment not achieved. 2fm's reach among 20-44s was 14.2%, less than 1 point below target. The changes to 2fm's music & speech policies in 2016 were designed to appeal to a younger audience, with the expectation of churn among older audiences. While the gains among under 35s in 2016 were not as strong as expected to offset the losses among over 35s, we anticipate growth in 2017. All qualitative targets were however achieved – see commitment 4.
	Grow weekly reach among all adults 15+ to >22%	Commitment not achieved. 2fm's weekly reach was 2 points below target at 20%. See result commentary above.
	Rebuild 20-44 year-old peak 7-7 share to 12%	Commitment not achieved. 2fm's peak share among 20-44s was 11%. 1 point below target. See result commentary above.
<i>RTÉ lyric fm: Achieve a wider, more diverse listenership by reaching out to listeners under 50</i>	Maintain 'listened yesterday' reach among 35-54s at >4%	Commitment achieved
	Maintain weekly reach among adults 15+ at >8%	Commitment achieved
	Maintain adult 15+ peak 7-7 share at >2%	Commitment achieved
<i>RTÉ Raidió na Gaeltachta: Grow its audience by reaching out to new audiences outside of the Gaeltachtaí and abroad</i>	Grow 'listened yesterday' reach among 35-54s to >1%	Commitment achieved
	Maintain weekly reach among adults 15+ at >3%	Commitment achieved
<i>RTÉ.ie: Deliver quality RTÉ content to both Irish and international audiences</i>	Grow RTÉ.ie average weekly reach to >30%	Commitment largely achieved. 29% of adults claimed to use RTÉ.ie each week. Actual usage remains steady and building at 5.6m Unique Browsers per month, up from 5.5m per month in 2015.

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
<i>RTÉ Player: Become the leading Irish on-demand television service</i>	Rebuild RTÉ Player average weekly reach to >28%	Commitment not achieved. RTÉ Player has a claimed usage of 24% of adults each week. Actual usage is however trending upward with 1.7m unique browsers per month, up from 1.3m per month in 2015. RTÉ Player is being fully redeveloped in 2017 to become the leading online television service in Ireland.
<i>RTÉ News Now (RNN): Evolve Ireland's only multimedia news service to meet audience needs</i>	Grow RNN's television weekly reach among adults 15+ to >20%	Commitment largely achieved. Reach was 19.6%, which RTÉ considers to be in line with target.
	Grow number of unique browsers, from the RTÉ news site and RNN mobile app to >3m	Commitment largely achieved. RTÉ news site and RNN mobile app achieved an average of 2.9m monthly unique browsers, which is on par with performance in 2015.
	Grow number of Twitter followers of RTÉ News to >450k	Commitment achieved
<i>RTÉ on mobile and online: Grow mobile and online consumption of RTÉ's programming and content</i>	Grow RTÉ apps average weekly reach to >11%	Commitment achieved
	Rebuild RTÉ's average weekly reach via mobile and online to >48%	Commitment largely achieved. 46% of adults claimed to access RTÉ online or on mobile each week. Actual usage data show a continued upward trend with 6.8m unique browsers per month, up from 6.4m per month in 2015. 2016 was a year of record traffic to RTÉ's digital services.
	Grow RTÉ's average monthly streams via mobile and online to 6.5m	Commitment achieved
	Grow RTÉ's average monthly unique international browsers to >2.4m	Commitment not achieved. RTÉ had targeted growth, however UIBs were just behind 2014 and 2015 levels at 2.1m per month. RTÉ aims to reach a target of 2.2m in 2017.
<i>RTÉ Aertel: Provide Ireland's leading information service</i>	Monitor RTÉ Aertel usage and stabilise weekly reach at >20%	Commitment not achieved. 18% of adults claim to use RTÉ Aertel each week. RTÉ considers its online and mobile information services provide a better quality and more contemporary user-experience to the public.
<i>RTÉ Archives: Develop and open up RTÉ Archives</i>	Increase numbers 'ever using' RTÉ Archives to >22%	Commitment not achieved. 19% of adults claimed to ever use Archives. Online usage of archives is now at 128,000 unique browsers per month, a 91% growth year on year, and new content from RTÉ Archives is published and made available every day on this platform. Much of the output from RTÉ Archives is consumed as part of other RTÉ services, and by other broadcasters. RTÉ Archives is not solely an audience-facing brand.
<i>RTÉ Orchestras, Quartet &amp; Choirs: Offer Irish music lovers the highest quality live music experiences</i>	Maintain audience at >164,000	Commitment achieved

# Other Reporting Requirements

(continued)

## 2. RTÉ aims to connect with the lives of Irish people, to be trusted by them and accountable to them

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
<i>RTÉ Overall: To connect with audiences through its full portfolio of services</i>	Maintain average weekly reach for all RTÉ services among adults 18+ at >90%	Commitment achieved
	Maintain average weekly reach for all RTÉ services among 18-34s at >90%	Commitment largely achieved. RTÉ reached a weekly average of 87% of 18-34s.
	Maintain average weekly reach for all RTÉ services among 35-54s at >90%	Commitment achieved
	Maintain average weekly reach for all RTÉ services among 55+ at >90%	Commitment achieved
<i>RTÉ Overall: To be an important part of Irish life and maintain audience trust</i>	Maintain public perception that RTÉ is an important part of Irish life at >80%	Commitment achieved
	Maintain public perception that RTÉ is trustworthy at >65%	Commitment achieved
<i>RTÉ Overall: To represent the diversity of the people of Ireland</i>	Publish RTÉ diversity strategy and action plan	Commitment not achieved. RTÉ developed a diversity strategy in 2016, however due to financial constraints the decision was made to postpone implementation until 2017.

## CONTENT – DISTINCTIVE AND QUALITY

### 3. RTÉ to reshape its television media services to best meet the changing needs of audiences with compelling content

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
<i>RTÉ One: Modernise the schedule, broadening the appeal for family audiences and 35-54 year-olds</i>	Deliver genre mix within projected % range	Commitment achieved
	Maintain audience perception of quality at >80	Commitment achieved
<i>RTÉ2: Rebalance the schedule by increasing home-produced content and innovate in programming and production targeted at young people in Ireland</i>	Deliver schedule mix within % range	Commitment achieved
	Maintain audience perception of quality at >80	Commitment achieved

### 4. RTÉ to reshape its radio media services to best meet the changing needs of audiences with compelling content

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
<i>RTÉ Radio 1: Widen the appeal of the station to 35-54s and remain the national flagship radio station through a mixed-genre speech-and-music schedule</i>	Deliver diverse genre mix within projected % range	Commitment achieved
	Maintain audience perception of quality at >80	Commitment achieved
<i>RTÉ 2fm: Grow the target audience by creating relevant and targeted content. 2fm will refine its position in the Irish radio market as a key music and entertainment service</i>	Deliver genre mix within projected % range	Commitment achieved
	Maintain audience perception of quality at >80	Commitment achieved
<i>RTÉ lyric fm: Provide a unique alternative listening choice for an audience of classical, world music and arts lovers and reflect the interests of listeners throughout the schedule</i>	Deliver genre mix within projected % range	Commitment achieved
	Maintain audience perception of quality at >80	Commitment achieved
<i>RTÉ Raidió na Gaeltachta: Provide innovative content to connect listeners to a personalised authentic Gaeltacht and Irish-language world</i>	Deliver genre mix within projected % range	Commitment achieved

## 5. RTÉ to develop its digital media services to best meet the changing needs of audiences with compelling content

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
<i>RTÉ Player: Become the leading Irish on-demand television service, giving audiences choice and control to enjoy RTÉ programmes wherever and whenever they choose</i>	Maintain score for audience perception of satisfaction with RTÉ Player at >80%	Commitment largely achieved. Satisfaction was at 79%, which RTÉ considers to be high and in line with target.
<i>RTÉ.ie: Deliver RTÉ content to both Irish and international audiences through first-class user-experience and multi-platform, multi-device availability</i>	Maintain score for audience perception of satisfaction with RTÉ.ie at >80%	Commitment not achieved. Satisfaction was at 71%. Following a re-design in late 2016, RTÉ.ie will position itself in 2017 as a "single point of contact" for all RTÉ content that will allow our diverse audience discover more.

## 6. RTÉ to continue to be a trusted and strong modern Irish source of domestic and global news and current affairs (N&CA), providing news coverage that is relevant to all, in both the English and Irish languages

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
<i>RTÉ News: Provide a trusted and strong modern Irish source of domestic and global N&amp;CA</i> <i>See Commitment 20 for perceptions of Fairness and Impartiality</i>	Deliver N&CA hours within % range on RTÉ One, RTÉ Radio 1 and RTÉ News Now	Commitment achieved
	Maintain public perception that RTÉ provides trusted N&CA at >80%	Commitment achieved
<i>RTÉ News Now: Evolve Ireland's only multimedia news service, RTÉ News Now, to meet audience needs, online, on mobile and on television</i>	Deliver schedule mix within % range	Commitment achieved

## 7. RTÉ will continue to offer quality Irish content for children that explores and reflects their world via a multimedia offering across radio, television, online and mobile

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
<i>RTÉ Overall: Continue to offer quality Irish cross-platform content for children</i> <i>See also RTÉjr in Commitment 1</i>	Maintain public perception that RTÉ offers a broad range of content and services for children at >50%	Commitment achieved

## 8. RTÉ strives to reach out to all Irish-language speakers at home and abroad in its provision of Irish-language programming and services

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
<i>RTÉ Overall: Strive to reach out to all Irish-language speakers at home and abroad</i> <i>See Commitment 4 regarding RTÉ Raidió na Gaeltachta</i>	Maintain public perception that RTÉ provides a comprehensive service for Irish speakers to >50%	Commitment achieved

# Other Reporting Requirements

(continued)

## CONTENT – CREATIVITY AND INNOVATION

### 9. Continue to deliver the big national events that bring the country together – whether they be the big entertainment events, news and political events or the big sporting occasions

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
<i>RTÉ Overall: Continue to deliver the big national events that bring the country together</i>	Maintain public perception that RTÉ enables me to connect with national events to >80%	Commitment achieved

### 10. RTÉ will utilise digital technology to enhance the quality of its services and to make its content accessible to the widest possible audience

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
<i>RTÉ Overall: Make RTÉ content accessible to the widest possible audience across different devices and platforms</i>	Maintain public perception that RTÉ programmes and services are easily accessible on a range of devices to >80%	Commitment achieved
<i>RTÉ Television: Enhance the broadcast quality of RTÉ Television content through HD</i>	Target hours met	Commitment achieved

### 11. RTÉ aims to support and promote innovation and creativity both internally and among both the Independent Production sector and wider creative community

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
<i>RTÉ Overall: Support and promote innovation and creativity</i>	Maintain public perception that RTÉ is a creative organisation to >60%	Commitment largely achieved. Public perception of RTÉ as a creative organisation was at 59%.
	Broadcast five pilots on RTÉ television	Commitment achieved
<i>RTÉ Radio: Maintain a high proportion of first-run home-production on RTÉ Radio</i>	>80% of output on RTÉ Radio's FM services will be first-run indigenous content	Commitment achieved
<i>RTÉ Television: Ensure a high proportion of home-production during peak time on RTÉ One</i>	Indigenous hours as 70% of total peak time hours on RTÉ One	Commitment achieved
<i>Ensure Radio and Television independent commissioning meets statutory spending requirements, fulfilling obligations under S.116 of the Broadcasting Act 2009</i>	Statutory spend requirement met	Commitment achieved

### 12. RTÉ aims to deliver bigger, more ambitious and more inclusive arts and culture content

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
<i>RTÉ Overall: Support arts activities in Ireland</i>	Maintain public perception that RTÉ supports arts activities in Ireland to >70%	Commitment achieved

## USE OF PUBLIC FUNDS

### 13. RTÉ is committed to meeting budgetary targets as set out in RTÉ's Interim Budget 2016, including targeting a breakeven/small surplus before the cost of special events

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
Meet Interim Budget target for 2016	Achieve agreed budget out-turn for the year	Commitment not achieved. RTÉ planned for a budget deficit in 2016, due to special events. A weakened commercial market, post-Brexit, gave rise to revenue shortfall, which was partly compensated by cost curtailment initiatives.

### 14. Deliver a value-for-money service by ensuring that best value is achieved in all areas of the business and by continuing to make best use of the licence fee income

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
Deliver the RTÉ portfolio of services within the operating cost target	Achieve operating cost budget and delivery of specified service targets	Commitment achieved
Ensure the public funding for each service is within the specified thresholds	Stay within threshold ranges of public funding utilisation for 2016	Commitment largely achieved. Nine services were within the projected range, two were below the lower threshold and one was above the higher threshold.
Maintain public perception score that RTÉ is good value for money	Maintain score at >56%	Commitment not achieved. This score was three points below target at 53%.
Achieve PROC* target for 2016 Budget – % of total operating costs (before depreciation and amortisation)	Achieve PROC target	Commitment achieved

\* Personnel-Related Operating Costs

### 15. Operate RTÉ's commercial activities efficiently to maximise the net return for RTÉ's public-service activities

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
RTÉ Commercial Division to achieve group commercial revenue target	Achieve group commercial revenue target	Commitment largely achieved. Commercial revenue was below target due to a weakened commercial market, post-Brexit.

# Other Reporting Requirements

(continued)

## OPEN, ACCOUNTABLE AND COLLABORATIVE

### 16. RTÉ aims to be more open, to share its publically funded resources with other Irish media, by sharing news coverage with other media outlets

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
Share more of RTÉ's content by providing content to other Irish media providers	Put in place audiovisual online content sharing	Commitment achieved

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

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
Progress RTÉ's relationship with at least five key organisations/stakeholders covering the areas of the arts, culture, business, education and other media, as identified by the RTÉ Partnerships Group	Report on development of 5+ key partnerships projects in 2016	Commitment achieved

### 18. RTÉ aims to understand Irish audiences through research initiatives that assess their needs, expectations and views of RTÉ content and services

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
Conduct research to provide RTÉ with audience perception of its content and services	Put in place on-going research surveys	Commitment achieved

### 19. Demonstrate leadership in access services by exceeding minimum standards and providing new/innovative services, where possible, to facilitate access to TV for those with sensory disabilities

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
Ensure compliance with BAI access rules	Meet all BAI targets	Commitment not achieved. RTÉ was slightly behind on a number of its access targets.

### 20. Implement the highest editorial standards, reviewing editorial guidelines in the context of legislation and codes of practice and minimising legal/regulatory corrective actions

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
Ensure compliance with BAI editorial codes	Code of Programme Standards	Commitment achieved
	Code of Fairness, Impartiality and Objectivity in News and Current Affairs	Commitment largely achieved. Two complaints were upheld in full in 2016.
Maintain public confidence in the impartiality and objectivity of key output such as news and current affairs and build audience trust	Maintain audience perceptions of 'fairness and impartiality' of RTÉ News: Nine O'Clock	Commitment achieved
	Maintain audience perceptions of 'fairness and impartiality' of Morning Ireland	Commitment achieved
All BAI complaints dealt with within mandatory timeframes	Deal with BAI complaints within mandatory timeframes	Commitment achieved.

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

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
Ensure compliance with Financial Reporting and Corporate Governance Codes and Acts	Maintain the high standard of the RTÉ Annual Report and Group Financial Statements (Annual Report) and publish in accordance with s.110 of the <i>Broadcasting Act 2009</i>	Commitment achieved
	Comply with <i>Code of Practice for Governance of State Bodies</i> and report to Audit and Risk Committee	Commitment achieved
Ensure compliance with Commercial Communications Codes and Acts	Commercial activities to comply with s.108 of the <i>Broadcasting Act 2009</i>	Commitment achieved
	Comply with BAI, ComReg, ODAS and ASAI Commercial Communications Codes	Commitment largely achieved. One complaint was upheld against Section 9 of the General Commercial Communication Code (BAI ref 27/16).
Ensure compliance with Freedom of Information Acts	Compliance and quarterly FOI stats to DCCA/E/Dept of Finance	Commitment achieved
Promote best-practice in enterprise risk management (ERM)	Refine the RTÉ's risk management process, including the development of key risk measures and reporting formats.	Commitment achieved

RTÉ conducts its operations in compliance with all applicable legal requirements. The selection in *Commitment 21* above, and other legislative and regulatory requirements highlighted in this document, focus on areas that link to broadcast activity.

## 22. Demonstrate ongoing and enhanced transparency and accountability in RTÉ's use of public funds

Key Measure/Initiative 2013-2017	2016 (Year 4) ASPC Measure	2016 Result
Continue to publish Cost Per Transmitted Hour (CPTH)	Publish CPTH in Annual Report 2015	Commitment achieved
Report on Utilisation of Public Funding in accordance with the financial transparency model adopted in 2013	Publish utilisation of Public Funding in Annual Report 2015	Commitment achieved
Publish annual RTÉ Statement of Performance Commitments	Report on fulfilment or otherwise of RTÉ 2015 Commitments in Annual Report	Commitment achieved
	Publish RTÉ 2016 ASPC	Commitment achieved
Compliance with RTÉ's updated Fair Trading policy	Functionally separate RTÉ's public-service and commercial activities	Commitment achieved
	Appoint a Fair Trading Officer	Commitment achieved

# Other Reporting Requirements

(continued)

## RTÉ Fair Trading Report 2016

RTÉ is committed to ensuring that its trading activities adhere to the principles of fair competition and are operated within the framework of EU and national legislation aimed at ensuring that the common principles of fair trading are practiced by member states' public-service broadcasters. To further demonstrate this commitment, the updated *RTÉ Fair Trading Policy and Procedures* was published on the RTÉ website on 29 February 2016.

The Fair Trading Committee is a sub-committee of the RTÉ Board. The members of the sub-committee are Fionnuala Sheehan (Chair), Fergus Armstrong and Deborah Kelleher. This sub-committee is responsible for the independent oversight of the fair trading policy with regard to its implementation, with the ability to conduct periodic reviews of the policy as well as a review of the complaints procedure. The Fair Trading Officer reports directly to the sub-committee. The sub-committee met four times in 2016.

In accordance with its policy and procedures and in the interests of achieving further transparency between its commercial trading activities and its public-service activities, RTÉ established a commercial division. The commercial division is managed separately from the Integrated Business Divisions which manage the delivery of RTÉ's public-service activities. The commercial division is responsible for the management of all of RTÉ's commercial activities, with the exception of transmission, distribution and related services provided by RTÉ's wholly owned subsidiary 2rn; the DTT multiplexing services provided by RTÉ are also excluded, as are charging for access to archive and library material.

The Fair Trading Officer has conducted briefing sessions for managers across RTÉ and provided advice on fair trading matters during 2016.

The complaints procedure was published at the end of February 2016. A public information campaign on radio, online and on social media during November/December 2016 drew attention to the *Fair Trading Policy and Procedures* and included specific reference to the complaints procedure. No complaints were received in 2016.

## Equality and Diversity

RTÉ's report in accordance with the Council of Europe *Recommendation (CM/Rec(2013)1) of the Committee of Ministers to member states on gender equality and media* (adopted by the Committee of Ministers on 10 July 2013):

Both as an employer and a broadcaster, RTÉ takes steps to actively promote equality and diversity.

As an employer, RTÉ recognises that the encouragement of diversity and the provision of equality of opportunity are essential for the efficiency and effectiveness of its work and for good relations among staff. Staff members are valued for their diverse contributions and supported to realise their full potential. In that regard, RTÉ has a Diversity Policy which forms part of the *RTÉ Staff Manual*.

In terms of gender equality among its workforce, at 31 December 2016, 52% of the RTÉ workforce was male and 48% female. At Board level, the *Broadcasting Act 2009* provides for gender balance in the composition of the Board by requiring that its members include no fewer than five men and five women. At 31 December 2016, there were six women and six men on the Board of RTÉ.

As a public-service broadcaster, RTÉ is aware of the media's unique position of influence in promoting equality. The *RTÉ Programme Content Standards Guidelines* and the *RTÉ Journalism Guidelines* set out the editorial policies of RTÉ. These policies include specific provisions to promote diversity and gender equality and address important areas such as managing the risk of programming bias or gender stereotyping and promoting the importance of the use of gender-inclusive terms.

To ensure that RTÉ is fully connected to its audiences, it is critical that staff, presenters and contributors represent the diversity of culture, demographics and opinion of the audience. RTÉ continues to remain vigilant as to its obligations in this regard, and to explore ways of connecting with audience and reflecting Irish life and society.

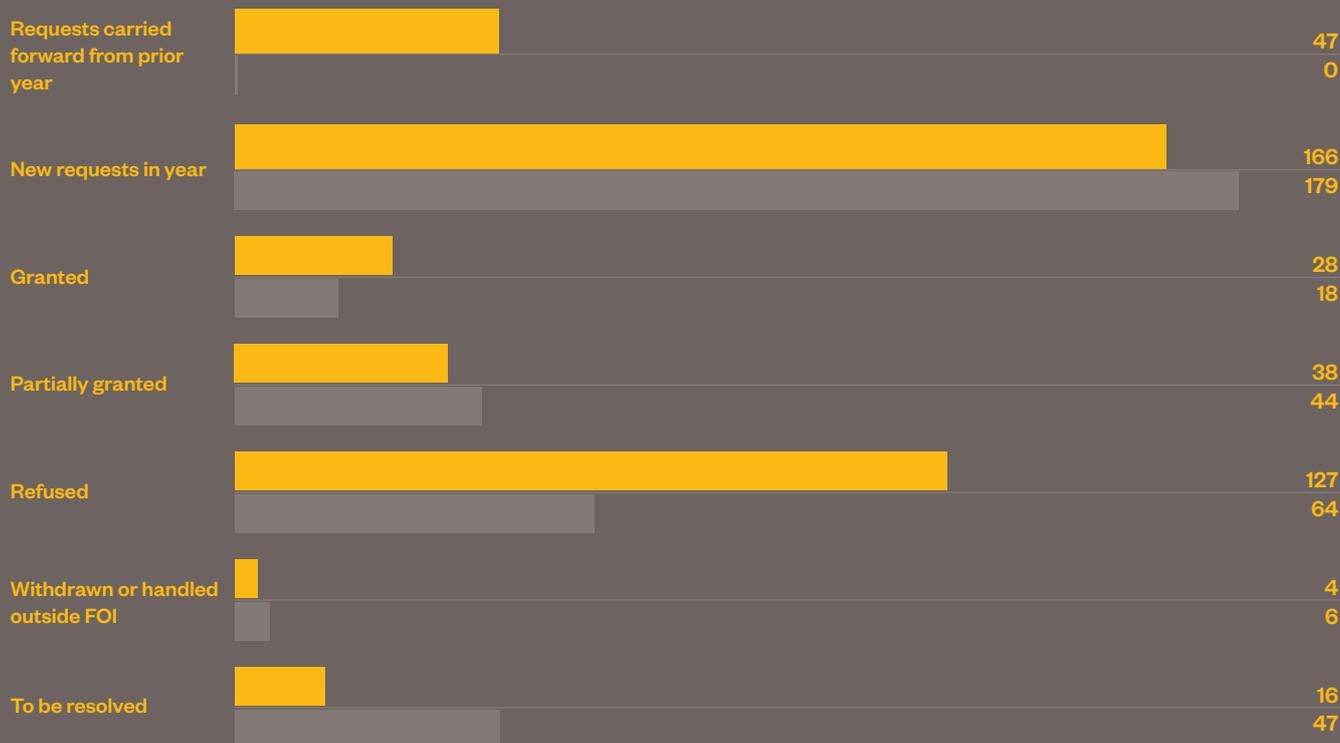
## Report under Section 22 of the Protected Disclosures Act 2014

Section 22 of the *Protected Disclosures Act 2014* requires RTÉ to publish an annual report relating to protected disclosures made under the *Protected Disclosures Act 2014*. In accordance with this requirement, RTÉ confirms that one protected disclosure was made during the year ending 31 December 2016.

## Other Statistical Information

### FREEDOM OF INFORMATION REQUESTS TO RTÉ

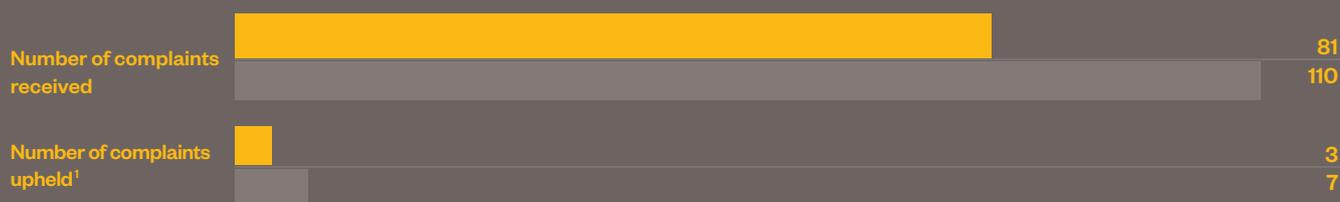
■ 2016 ■ 2015



Source: RTÉ

### COMPLAINTS TO BROADCASTING AUTHORITY OF IRELAND ABOUT RTÉ OUTPUT

■ 2016 ■ 2015



Source: RTÉ Data

1. In 2016 the BAI Compliance Committee fully upheld three complaints against RTÉ output. One was in respect of an advertisement on RTÉ One and two in respect of *The Ray D'Arcy Show* (RTÉ Radio 1, 9 June 2016).

At 31 December 2016, BAI decisions are outstanding on 18 complaints made about RTÉ Broadcasts in 2016.

# Financial History

	IFRS 2016	IFRS 2015	IFRS 2014	IFRS 2013	IFRS 2012
	€'000	€'000	€'000	€'000	€'000
<b>INCOME STATEMENT</b>					
Television licence revenue	179,081	178,909	178,562	182,370	180,894
Commercial revenue	158,237	155,403	149,605	145,214	156,320
<b>Total revenue</b>	<b>337,318</b>	<b>334,312</b>	<b>328,167</b>	<b>327,584</b>	<b>337,214</b>
Operating costs (before depreciation, amortisation and restructuring and other charges)	(343,448)	(320,262)	(311,894)	(306,919)	(335,002)
<b>EBITDA before restructuring and other charges</b>	<b>(6,130)</b>	<b>14,050</b>	<b>16,273</b>	<b>20,665</b>	<b>2,212</b>
Depreciation and amortisation	(13,562)	(14,240)	(13,600)	(15,255)	(17,504)
Gain on disposal of assets	119	569	43	-	-
Restructuring and other charges	-	-	-	390	(46,161)
<b>(Loss)/profit from operating activities after restructuring and other charges</b>	<b>(19,573)</b>	<b>379</b>	<b>2,716</b>	<b>5,800</b>	<b>(61,453)</b>
Net finance income/(expense)	217	(2,650)	(1,788)	(4,734)	(3,737)
Tax	(297)	(482)	(711)	(408)	43
<b>(Deficit)/surplus for the year</b>	<b>(19,653)</b>	<b>(2,753)</b>	<b>217</b>	<b>658</b>	<b>(65,147)</b>
<b>BALANCE SHEET</b>					
<b>Non-current and current assets</b>					
Property, plant and equipment	70,137	76,319	81,440	88,522	98,550
Intangible assets	2,020	2,155	3,157	4,121	4,348
Pension asset	29,064	46,749	1,837	9,899	746
Inventories	35,427	32,139	33,848	33,484	31,977
Other assets	71,404	82,267	76,517	80,991	91,529
<b>Total assets</b>	<b>208,052</b>	<b>239,629</b>	<b>196,799</b>	<b>217,017</b>	<b>227,150</b>
<b>Non-current and current liabilities</b>					
Employee benefits – restructuring	12,895	15,399	19,903	25,278	34,610
Retirement benefit obligation	-	-	19,188	-	47,086
Other liabilities	154,902	149,057	134,736	139,724	148,388
Total liabilities	167,797	164,456	173,827	165,002	230,084
Equity	40,255	75,173	22,972	52,015	(2,934)
<b>Total equity and liabilities</b>	<b>208,052</b>	<b>239,629</b>	<b>196,799</b>	<b>217,017</b>	<b>227,150</b>
<b>CASH FLOW</b>					
Net cash (absorbed)/generated from operating activities	(5,402)	9,108	2,447	5,076	(22,051)
Net cash outflow from acquisition of property, plant, equipment and intangible assets	(8,538)	(7,704)	(5,508)	(9,212)	(14,857)
<b>EMPLOYEE HEADCOUNT</b>					
<b>Total at 31 December</b>	<b>1,984</b>	<b>1,978</b>	<b>1,899</b>	<b>1,856</b>	<b>1,858</b>





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