

RTÉ

**REGULATED ACCOUNTS
MARKET B**

**YEAR ENDED
31 DECEMBER 2025**

ACCOUNTING DOCUMENTATION

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Introduction

In its 2013 Broadcasting Transmission and Distribution Decision (2013 Decision), ComReg reviewed the Broadcasting Transmission and Distribution Markets in Ireland and found that those markets warranted ex ante/specific regulation. They were identified as Market A (a national wholesale market) where an upstream terrestrial transmission network provider supplies a transmission and distribution service via its towers/masts infrastructure and relevant associated facilities (including transmission and distribution equipment, buildings etc.) and Market B (a national wholesale market which is downstream from Market A) whereby a DTT Multiplex Operator using wholesale inputs (or self-supplied) in Market A, combined with carriage on its DTT multiplex, supplies a managed digital multiplex service. RTÉ was identified as having SMP (significant market power) in Market A in 2013 and since then RTÉ has been obliged to comply with a range of regulatory obligations as detailed in Decision Instrument Market B which formed part of the 2013 Decision.

ComReg conducted a market analysis of the Broadcasting Transmission and Distribution markets during 2020 having regard to market developments and relevant EC Recommendations. Overall, as a result of that market review, ComReg decided to maintain the same conclusions and regulatory obligations in both markets as were imposed in the 2013 Decision. RTÉ was found to have SMP in Market B with the same suite of regulatory obligations to continue to apply.

This was confirmed by ComReg in Decision No.02/21 (2021 Decision)¹ which followed its market analysis. Decision Instrument Market B, which forms part of the 2021 Decision sets out the relevant detail and manner in which RTÉ is required to comply with its regulatory obligations of accounting separation and cost accounting. These are similar as those which applied heretofore in the 2013 Decision.

Accordingly Market B Decision Instrument forming part of the 2021 Decision continues to require RTÉ's financial records and accounting systems to be sufficiently detailed and supported by sufficient data to ensure that (i) RTÉ is in a position to comply with the transparency, non-discrimination, accounting separation, price control and cost accounting obligations imposed on it and (ii) RTÉ is in a position to prepare Regulated Accounts which it is obliged to maintain for Market B and, where specified for services.

As specified at Section 3, Separated Accounts are required to be maintained by RTÉ in respect of Market B. This requires that Separated Accounts by RTÉ contain Regulated Accounts which consists of Historical Cost Accounts ("HCA"), Additional Financial Data and Accounting Documentation. The term "Market B Accounting Documentation" is further defined and detailed at Section 5 and outlines the regulatory principles used and the methodologies applied for the purposes of preparing the regulated accounts and the additional financial data. This document sets out the Regulated Accounts for Market B and should be read in conjunction with the Accounting Documentation which is under separate cover.

Regulated Accounts are required to be prepared for the following Market:

Market	Market description
Market B	Market for wholesale access to Digital Terrestrial Television Multiplexing Services

¹ ComReg document No.21/14 entitled "Market Review Broadcasting Transmission Services in Ireland" dated 26 February 2021.

Introduction (continued)

The Regulated Accounts are prepared in accordance with the Accounting Documentation. The Accounting Documentation set out the framework under which the Regulated Accounts have been prepared, which is set out in the Decision Notice, insofar as they apply to the year ended 31 December 2025.

The Accounting Documentation is made up of the following:

1. Information on sources of Financial data – describing the source of financial data as used in the preparation of Market B Regulated Accounts.
2. Details on the cost drivers used to allocate costs – describing the main cost drivers and processes used to allocate costs within Market B which are included in the regulatory accounting policies.
3. Details of Services offered and the associated capacity required on the Multiplex.

1. Business, activities and functions

RTÉ is a national public service broadcaster which is established and regulated by the Broadcasting Act, 2009 (the Act). Its powers and objects are defined at Section 114 of the Act. Section 130 of the Act imposed additional functions on RTÉ in relation to Digital Broadcasting and Analogue Switch Off.

Pursuant to Section 130 of the Act, RTÉ is statutorily obliged to establish maintain and operate a national television multiplex with an entitlement to a further national television multiplex licence. Accordingly RTÉ has been licensed by ComReg in respect of two national television multiplexes (the “PSB Multiplex Licences”). This has been defined as Market B in the Decision Instrument No. D02/21.

RTÉ has requested 2rn, a wholly owned subsidiary of RTÉ, to operate and maintain the two national television multiplexes on its behalf and RTÉ has contracted 2rn to install, commission, operate and maintain the infrastructure and associated facilities required to provide digital multiplexing services. Accordingly the costs associated with Market B are primarily recorded in the underlying books and records of 2rn. Costs incurred directly by RTÉ in the administration of Market B, provision of user support and promotion of the service are recorded in the underlying books and records of RTÉ.

2. Regulatory Accounting System and underlying Principles

The structure of the Regulated Accounts required pursuant to Decision No. D022/21 and the relevant Decision Instrument, Market B, does not correspond to the way in which RTÉ is organised and operates and hence does not correspond to the way the statutory accounting records are structured and prepared. The Regulated Accounts are therefore produced by overlaying the requirements of the Decision Notice on the statutory accounting record structure of 2rn and supplementing them with certain balances from the RTÉ general ledger.

These Regulated Accounts are prepared by attributing the balances in 2rn's general ledger and other accounting records to the relevant Markets as required by the Decision Instrument.

Where transactions relevant to the administration of Market B, provision of user support and promotion of the service are accounted for in the records of RTÉ these transactions are reflected in the Regulated Accounts of Market B.

The purpose of Accounting Separation is to provide an analysis of information derived from the financial records of 2rn and RTÉ to reflect as closely as possible the performance of Market B as if it were operating as a separate business.

The Regulated Accounts have been prepared in accordance with the accounting policies as set out in the Statutory Financial Statements of RTÉ and 2rn ("the Statutory Financial Statements"), unless any specific deviation is required as a result of conforming to this documentation, together with the regulatory accounting principles and attribution methods as set out in this Accounting Documentation.

The Statutory Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations approved by the International Accounting Standards Board (IASB) as adopted by the European Union (EU) that are effective for the year ended 31 December 2025. Where a conflict arises between the regulatory and statutory requirements the regulatory requirements take precedence.

The following Regulatory Accounting Principles are applied in the preparation of the Regulated Accounts, in the application of the Attribution Principles, the Transfer Charging system, and the Regulatory Accounting Policies.

- **Causality:** Revenue (including transfer charges), costs (including transfer charges), assets and liabilities are attributed to markets in accordance with the activities which cause the revenues to be earned or costs to be incurred or the assets acquired or liabilities incurred. Where such a direct relationship does not exist, the attribution shall be such as to present fairly the revenues, costs, assets and liabilities in the Regulated Accounts for each Market.
- **Objectivity:** Attribution must not benefit the access provider, any access seeker, service or business. Attribution is based on verifiable information, with the use of management estimates to calculate costs being limited.
- **Transparency:** The Attribution Methods used should be transparent. Attributed items are traceable back to their source and the elements that contribute to the cost of the service are visible.

2. Regulatory Accounting System and underlying Principles *(continued)*

- **Consistency:** The Regulated accounts are prepared on a consistent basis from one year to the next to allow for meaningful year on year comparison. Where there are material changes to the Regulatory Accounting Principles, the Attribution Methods, or the Accounting Regulatory Policies that have a material effect on the information reported in the Markets within the Regulated Accounts, the parts of the previous year's Regulated Accounts affected by the changes shall be restated.

RTÉ's general approach to attribution is to identify revenue, costs, assets and liabilities which can be directly attributed to Markets. For all remaining items RTÉ identifies the appropriate driver for each item, and, insofar as possible, uses objective operational, engineering and/or financial data relevant to that driver to generate apportionment bases.

Apportionment bases are reviewed at least annually and methodologies regularly reviewed with enhancements introduced to reflect changes in the nature or structure of the Markets in which RTÉ operates.

3. Sources of financial data and cost drivers used to allocate costs

3.1 Revenue

External revenues comprise revenues of RTÉ derived from Market B downstream users of the PSB Multiplex.

Internal (Intra) revenue comprises revenue of RTÉ derived from RTÉ television and radio services as the broadcasters on the national DTT multiplex.

External and Internal (Intra) revenues arising in respect of wholesale supply of Digital Terrestrial Television Multiplexing Services to downstream broadcasters are separately identified in the accounting records and directly allocated to Market B.

As set out in Appendix B to the Wholesale Access Reference Offer dated February 2025 the Market B tariffs commencing 1st April 2024 are smoothed tariffs and revenue is charged based on certain assumptions including the projected mix of demand, possible new entrants and forecast operating costs covering a five year period. Tariffs charged to broadcast users of the Market B services reflect the cost of inputs, the number of broadcast services and the bandwidth consumed by each service. These elements vary from year to year. The Market B tariff seeks to ensure that the tariff per kbps (kilobits per second) charged for each service remains consistent over a five year period. Over the five year period it is anticipated that the return on capital employed will equate to the regulated Weighted Average Cost of Capital.

The treatment of Intra market costs for the supply of services between Markets A and B is outlined in section 4 below.

3.2 Costs

3.2.1 Intra Market costs

The most significant element of cost relating to Market B is the intra market cost from the provision of Transmission and Distribution Services by the transmission network provider, (2rn). This accounts for 93% of total cost within Market B, see also section 4 below.

3.2.2 Other operating costs

Other operating costs include:

- costs incurred by 2rn which are recorded in the accounting records of 2rn and are allocated to Market B directly or using appropriate cost drivers
- costs incurred by RTÉ which are recorded in the accounting records of RTÉ and are allocated to Market B directly or using appropriate cost drivers

Multiplex Licences are specifically identified as a Market B cost and directly allocated to Market B.

Depreciation costs associated with Market B assets, Multiplexing equipment, are directly allocated to Market B.

Electricity costs associated with Market B equipment are directly allocated to Market B.

Other Costs of Market B are incurred by and recorded in the accounting records of 2rn and are allocated using appropriate cost drivers. Total costs in this category represent 2% of total Market B costs.

Market B Management and Administration, End User Support and Promotional Activities

For those cost types that are of a "direct" nature, such as:

- legal and technical consultancy fees
- point of sale material, creative costs, trade co-promotions and other promotion material
- help desk phone systems for end user support
- salary costs of personnel fully engaged in Market B activities

there is a system for recording actual costs to appropriate costpools within the RTÉ's general ledger.

Personnel engaged part time on Market B activities record the time spent on these activities. Costs including salaries and related employer contributions are apportioned to Market B activities in proportion to the time spent on those activities as a proportion of total workable time for each individual.

In order to comply with the provisions of the Broadcasting Act 2009 and applicable EU Transparency Regulations RTÉ maintains a cost allocation system to allocated shared support costs to activities on a full cost absorption basis using appropriate activity indicators. This system is used to allocate support costs to Market B activities.

3.3 Mean capital employed

Mean Capital employed is defined as the mean of assets and liabilities of RTÉ, and where appropriate 2rn, as defined below adjusted to amend for certain assets and liabilities which are excluded for regulatory purposes.

The exclusion covers items not relevant in assessing the rate of return (i.e. long term debt, associated derivative instruments, and restricted cash, non trading net intercompany receivables and taxation assets or liabilities) achieved in Market B.

3. Sources of financial data and cost drivers used to allocate costs *(continued)*

3.3.1 Fixed assets

The relevant extracts of the statutory fixed asset register of 2rn forms the basis of the regulatory fixed asset register and related depreciation as disclosed in the Market B regulated accounts. Market B fixed assets are carried at cost less accumulated depreciation.

The fixed assets allocated to Market B are multiplexing equipment.

Depreciation

Depreciation is provided on the multiplexing assets to write off the cost less estimated residual value, of each asset on a straight line basis over its regulated useful life of five years.

3.3.2 Trade, other receivables, prepayments

Trade and other receivables are analysed by type, based on information in the accounting records. The appropriate apportionment bases are then applied. Trade and other receivables include the following categories:

- Trade debtors, are directly allocated to Market B according to customer detail.
- Other debtors and prepayments are apportioned to Markets using bases appropriate to the particular debtor type or where applicable directly to a Market.

3.3.3 Cash and cash equivalents

Cash and cash equivalents are managed at a group level. Total group cash and cash equivalents, including marketable securities, are apportioned to RTÉ and subsidiaries, including 2rn, and to markets on the basis of operating costs and depreciation incurred in the year.

3.3.4 Intercompany balances

Year end non trading intercompany balances have been excluded from the statement of mean capital employed as these balances are not relevant in assessing the rate of return requirement of Market B.

3. Sources of financial data and cost drivers used to allocate costs *(continued)*

3.3.5 Current Liabilities

Current liabilities (including accruals) are analysed by type from the general ledger codes and the appropriate apportionment bases are then applied in the following categories:

- Trade creditors, including capital creditors, are apportioned directly to Markets, where applicable, or on the basis of operating and capital expenditure in the year, excluding payroll which are separately apportioned.
- Employee benefits including payroll creditors are apportioned to Markets in accordance with total payroll costs.
- VAT payable balance is apportioned to Markets on the basis of external turnover which is chargeable to VAT.
- Other creditors, including deferred income, are apportioned directly to markets or are apportioned to Markets using bases appropriate to the particular creditor type.

3.3.6 Market A Reconciliation

The return in respect of services supplied to RTÉ as Multiplex Operator included in the Market A Regulated Accounts Income Statement Reconciliation to the Statutory Financial Statements of 2rn for the year ended 31 December 2025 is nil. The reconciliation of this amount to the return in the Market B Regulated Accounts is analysed as follows:

	€'000's	€'000's
Return per Market A Regulated Accounts		0
Timing difference between Market B smoothed Tariff and Market A Tariff	(698)	
MUX promotional and end user support costs incurred by RTÉ	(178)	
MUX management and administration costs incurred by RTÉ	(21)	(887)
Return per Market B Regulated Accounts		(887)

3.3.7 Use of recorded non-financial data

Wherever costs cannot be directly allocated to Services or to Markets, an apportionment is required. Depending on the cost involved the appropriate basis of apportionment may be of a non-financial nature. In these instances the relevant data may be extracted from non-financial data sources, such as mast occupancy, usage of systems (see distribution use of systems below), or may be collected through activity reports.

Main types of non-financial data used in the preparation of Regulated Accounts include;

3.3.8 Activity reports

All operational staff of 2rn record details of time worked. Time is recorded against Markets by staff as they complete the activity sheets dependent on the work done. Categories included in activity sheets comprise all Customer Groups and common infrastructure.

Returns are submitted every two weeks to engineering or rigging supervisors and managers

as appropriate for validation.

All activity reports are then submitted centrally. Data is then consolidated and summarised to provide annual rolling totals of time spent by 2m operational staff by customer group. Activity analysis by customer group by site is then used as a basis for cost allocation.

RTÉ personnel other than those wholly engaged in work on Market B record their time spent on Market B work. The annual hours spent by such personnel on Market B work are then used as a basis for cost allocation.

3.4 Return on Capital Employed

It is intended that over the five year period commencing 1st April 2024 the Return on Mean Capital employed for Market B will equate to the return applicable as per ComReg Information Notice 21/14 and the updated Decision Notice 23/56 published on 23 June 2023. The WACC as determined by ComReg considered market specific risk. Consequently provisions arising from the assessment of market specific risks are not included in the Regulated Accounts.

4. Inter/intra transactions

Regulated Accounts are required to be prepared using Transfer Charges calculated in accordance with the following principles established by ComReg for inter/intra and external segment transactions:

- Transfer charges (revenues and costs) shall be attributed to Cost Components, for regulated and unregulated Services, and markets in accordance with the activities, which cause the revenues to be earned, or costs to be incurred.
- The attribution shall be objective and not intended to benefit any market (regulated or unregulated).
- There shall be consistency of treatment of transfer charges from period to period.
- The transfer charging methods used shall be transparent. There shall be a clear rationale for the transfer charges used and each charge shall be justifiable (with supporting calculations available).
- The charge for Inter/Intra usage shall be equivalent to the charge that is levied if the Service(s) were an External transaction rather than an Inter/Intra transaction. Where no equivalent charge exists the Nearest Equivalent Charge shall be charged and fully justified to ComReg by RTÉNL. Where no Nearest Equivalent Charge exists for the Inter/Intra transaction, a cost based charge shall be transferred and fully justified to ComReg by RTÉNL.

The Intra (transfer) charges between Markets A and B for 2025 are based upon the derivation of the consumption of services on a nearest equivalent basis to those available to 2rn's external customers. These transfer charges are directly linked to the external charges from Market A. The Market A external charges for the DTT services are inclusive of Transmission, Distribution services. An apportionment for multiplexing services is determined based on recovery of operating costs incurred in Market B and a return on the relevant asset base.

5. Material period on period changes

A revised Market B Wholesale Access Reference Offer was published in February 2025. A new tariff as set out in the Reference Offer came into effect on 1st May 2025.

6. Services offered and capacity required

During 2025 a range of television, radio and teletext services were offered on the DTT Multiplex.

Three high definition (HD) television services and twelve standard definition (SD) television services were broadcast.

The HD services comprised of HD Video, stereo sound, mono audio description, second mono sound (for a period) and subtitling, and consumed an average of 3.4 Mbps during the year.

Of the twelve SD TV channels:

- Two channels comprised of SD video, stereo sound, audio description, second mono sound (for a period) and subtitling, which consumed an average of 1.6Mbps during the year.
- Six channels comprised of SD video, stereo sound, audio description and subtitling, which consumed an average of 1.6Mbps during the year.
- Two news genre channels comprised of SD Video, stereo sound and subtitling consumed an average of 1.6Mbps during the year.
- Two day-part services, consisting of SD Video, stereo sound, audio description and subtitling, time-shared a single twenty-four-hour SD slot on the platform, and consumed an average of 1.6Mbps during the year.

UCB ceased broadcasting its radio service on the platform on 28th February 2025. The remaining ten radio services consumed an average bit rate of 128kbps each over the year.

There are two muxes on the platform.