



BROADCASTING COMMISSION OF IRELAND
**ANNUAL REPORT
AND ACCOUNTS**
2008

PRESS RELEASE

FOR IMMEDIATE RELEASE

The Independent Radio and Television Commission are delighted to announce that they have today signed a Contract with Cn; Productions Limited for the provision of a Local Sound B; Service for the Dublin City and County franchise area.

The signing was performed at the Commission's offices by Henchy (Chairman) and Mr. Sean Connolly (Secretary) on the I.R.T.C. and by Mr. Jim Aiken (Chief Executive) and Hogan (Secretary) on behalf of Capital Radio Production

The I.R.T.C. expects to be in a position to sign more cc the immediate future.


IRTC
THE INDEPENDENT RADIO AND
TELEVISION COMMISSION
AN COIMISIÚN UM RAIDÍO AGUS
TELEFIS NEAMHSPEACH

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CHAIRPERSON'S STATEMENT

The BCI agenda for 2008 was dominated by the Digital Terrestrial Television (DTT) licensing process and the completion of major reviews on the Children's Advertising Code and 'Sound & Vision' the Broadcasting Funding Scheme.

It had been anticipated that the new broadcasting legislation would have been enacted during the year and a new broadcasting regulatory authority (the BAI) established. While the Bill was published in May, its passage through the Oireachtas was somewhat slower than anticipated and it had reached the conclusion of committee stage by the end of the year. One of the consequences arising was a request from the Minister that the current BCI Board would stay on for an interim period up to the enactment of the legislation and all Members expressed their willingness to do so.

As outlined above, DTT took up a lot of our time during the year with three applications received to operate all three multiplex contracts advertised. Following a very competitive process, the contracts were awarded to the Boxer consortium and it was anticipated that they would commence operations in mid-09. However, the economic downturn has subsequently cast some doubt on the prospects for the establishment of the service in 2009.

'Sound & Vision' continued to be a great success and programmes funded by the Scheme were rewarded at the Irish Film and Television Awards and other prestigious awards ceremonies. A further €10m was allocated to new radio and TV programmes during the year. The Commission conducted a review of the scheme in the second half of the year and the outcomes were extremely positive. EU approval for the continuation of the scheme is now being sought for the period beyond 2009.

A major review of the Children's Advertising Code was also undertaken during the year. The key issue – both here and in the Broadcasting Bill – remains the thorny question of food advertising to children and we will undertake further research and consultation in this area during 2009. The Access Rules, covering sub-titling, sign language and audio description, are also being reviewed at present and are likely to bring greater challenges for broadcasters in this less buoyant time economically.

Indeed, the rapid reduction in advertising revenue for both the radio and television sector, which occurred during the August – December period is likely to bring greater challenges for both the regulator and the industry over the coming years. As always, the role of the BCI will be to balance

the requirements of diversity of programming for viewers and listeners with sustainability issues arising for the broadcasting sector, while always being mindful of commitments given by broadcasters when licences were awarded.

Despite the downturn, it was good to see the two new regional radio youth services – iRadio North West and iRadio Midlands North East – commence broadcasting and these will be joined by the multi-city service, 4FM in early 2009. The signing of a renewed contract by TV3 for a further ten years was another highlight in September.

The autumn was a particularly busy period as we hosted two major conferences. The first was the BCI conference in Croke Park which placed strong emphasis on the imminent arrival of new digital media while we were greatly honoured to have hosted the 28th meeting of the European Platform of Regulatory Authorities (EPRA) in November. Over 150 delegates from forty-one regulatory authorities attended this event.

2008 has seen the current Board come to the end of its five year term. While we have accepted the Minister's invitation to stay on for an interim period, this is a good time to reflect on the overall achievement of our strategy for the 2004-08 period. We will undertake an independent review of the strategy in early 2009 which we are confident will demonstrate that the organisation has been successful in achieving its objectives during the period. Separately, the organisation is being well prepared for the transition from BCI to BAI and, in this regard, it is important to note the work undertaken at Executive level in bringing the 'change' project forward significantly during 2008.

Thanks once again to all my fellow Board Members for their contribution and support throughout the year. And a special word to the Executive and all of the staff for continuing with the quality delivery of the organisation's objectives in a very busy year.

Conor J. Maguire,
Chairperson

31st December, 2008

MISSION The BCI will stimulate the development of an excellent indigenous broadcast industry that meets the diverse entertainment, education and information needs of the people of Ireland, while making effective use of a national resource.

VISION 2013 Irish listeners and viewers will enjoy quality and choice in indigenous broadcast services through the BCI's exercising of its role as the single content regulator in Ireland. Irish people will choose to listen to and view Irish services because of their content, relevance and 'in-tuneness' with the Irish public's needs. The broadcasting sector will produce programming which will be relevant to the audiences that it serves and this relevance will be determined by geographical area, age, race, language, musical and other interest categories.

The broadcasting sector will be more compliant having adopted desired values and standards. The BCI will be recognised internationally as a leader in the area of broadcast standards. It will be recognised as the leading source of information and understanding on broadcasting in Ireland. It will balance regulating and developing the sector, recognising differing models of financial viability, diversity of programming and service supply e.g. public service, commercial and voluntary.

The Commission's staff will enjoy a challenging and developmental environment in which their talents are harnessed towards the goal of developing and regulating a unique and vibrant broadcast industry. The BCI and its staff will be seen to have played a key role in the development of a dynamic and successful broadcasting sector in Ireland.

VALUES

Openness & Transparency To establish and implement processes for all its activities which are clear, simple to understand and open to scrutiny by all stakeholders.

Fairness To be fair and reasonable in its practices, processes and procedures in its various roles as a regulator, as an employer and a representative of the public interest.

Consistency & Flexibility To be consistent in the application of its practices, to ensure a degree of certainty for listeners, viewers and broadcasters, to be flexible enough to respond to market conditions and the needs and interests of audiences.

People To value people within the organisation and their ability to deliver the best possible standards of service to our stakeholders.

Quality To ensure that quality is an integral part of the way the BCI works.

Innovation To have the hunger to try new things, new ways of doing old things and the willingness and courage to experiment.

Excellence To set high standards and aspire towards them.

Efficiency & Effectiveness To continue to do things right and to do the right thing.

Respect To be respected and to expect criticism of our role as being important.

Loyalty That the Board and staff of the BCI respect the organisation, its policies and objectives and the implementation of all decisions.

FUNCTIONS OF THE COMMISSION

The Broadcasting Commission of Ireland is responsible for a number of key areas of activity with regard to television and radio services in Ireland, further to the provisions of the *Radio and Television Act, 1988*, the *Broadcasting Act, 2001*, the *Broadcasting (Funding) Act, 2003* and the *Broadcasting Amendment Act, 2007*. They include:

Licensing The Commission licenses independent broadcasting services aiming to provide listener choice and diversity. This includes the licensing of a national free-to-air television service (TV3), a national radio service (Today FM), a quasi-national radio service (Newstalk) and a total of 59 multi-city, regional, local, community, community of interest and institutional radio services. There are an additional 15 television and radio services available on digital, cable-MMD and satellite. The Commission has also been given responsibility for the licensing of 3 commercial Digital Terrestrial Television (DTT) multiplex platforms, in advance of analogue TV switch-off.

Compliance The Commission monitors all of its licensed services to ensure that licence holders comply with their statutory obligations as well as the terms of their contracts. Compliance activity includes the assessment of: programme performance; ownership and control structures; financial and trading performance; human resource management practices; transmission and; studio facilities.

Codes & Rules The Commission is responsible for the development, implementation and monitoring of Codes and Rules in relation to programming and advertising standards. These Codes apply to all broadcasters, both public and private.

Development The Commission provides support for training and development initiatives, in order to promote a culture of excellence in the independent broadcasting sector.

Research The Commission undertakes, commissions and manages strategic research to assist the development of broadcast policy in Ireland. This work aims to ensure informed, evidence-based decision-making across all areas of work, to support policy development and to develop the Commission as a leading source of information and understanding of the broadcasting sector in Ireland.

Information The Commission disseminates information and responds to queries from those working in the industry, the media, other relevant stakeholder groups and the general public. The Commission also publishes information on its work and developments in the sector on a regular basis.

The Broadcasting Funding Scheme The Commission is responsible for the development and administration of *Sound & Vision*, the Broadcasting Funding Scheme, which supports new television and radio programmes in the areas of Irish culture, heritage and experience, adult literacy and such programmes in the Irish language. The Commission is also responsible for the introduction of a scheme towards the development of the archiving of programme material.

COMMISSION AND STAFF MEMBERS

The Commission is a statutory body with a board of ten members. The present board was appointed by the Minister for Communications, Marine and Natural Resources in December 2003. Members of the Commission meet on a monthly basis.

The Commission has a staff number of 42, which includes the provision of a secretariat to the Broadcasting Complaints Commission (BCC).



Conor J. Maguire



Mary Davis



Joe Griffin



Kay McGuinness



Vivienne Jupp



John Waters



Angela Kerins



Tom Collins



John O'Brennan



Bob Collins



Michael O'Keefe
Chief Executive



Celene Craig
Deputy Chief Executive

**BOARD
MEMBERS**

Conor J. Maguire:
Senior Counsel

Mary Davis:
Managing Director, Special Olympics Europe/Eurasia

Joe Griffin:
Educationalist

Kay McGuinness:
Director, Southern Advertising Agency

Vivienne Jupp:
Former Senior Partner, Accenture

John Waters:
Journalist, Novelist, Playwright

Angela Kerins:
*Chief Executive, Rehab Group;
Chairperson, National Disability Authority*

Tom Collins:
Professor, Education Department, NUI, Maynooth

John O'Brennan:
*Chairman, Dublin South Community Radio;
National President, Credit Union Managers' Institute*

Bob Collins:
*Chief Commissioner of the Equality Commission
for Northern Ireland*

**EXECUTIVE
MEMBERS**

Michael O'Keeffe:

Chief Executive

Celene Craig:

Deputy Chief Executive; Secretary to BCI Board

*Contract Awards
(including Licensing
and 'Sound & Vision')*

Stephanie Comey

Brian Furey, Máire Ní Dhonnchadha,

Philip Cooper, Elizabeth Farrelly

*Compliance &
Standards*

Ciarán Kissane

Diarmaid Breathnach, Declan McLoughlin, Niamh Ní Bhroin,

Andrew Robinson, Ruth-Blandina Quinn, Jill Caulfield,

Louise McLoughlin, Jessica Scott

Monitoring Staff

Aileen Barrett, Barry Casey, Simon Conneally, Andrea Leonard,

Deborah Molloy, Fionnuala Murphy, Jeanne Spillane, Annette Stone

*Communications &
Sectoral Development*

Aoife Clabby, Ita Kennelly,

Patricia Kelly

Engineering

Neil O'Brien

Roger Woods, Tim Flynn

*Finance,
Governance
& People*

Margaret Tumelty

Annemarie Gavin, Sally Kennedy

Gillian Collins, Sinéad Owens

Rachel Casey, Joanna Laskowska



POLICY AND LEGISLATIVE DEVELOPMENT

POLICY AND LEGISLATIVE DEVELOPMENT

2008 was a significant year for the BCI in terms of legislative developments with the publication of the Broadcasting Bill, which when enacted will have far-reaching implications for the future direction of the Irish broadcasting sector. The BCI carried out a number of activities in relation to the Bill, in addition to work on the Audio Visual Media Services (AVMS) Directive.

From a policy perspective, work on the BCI Ownership & Control Policy was deferred, while the DTT Multiplex Licensing Policy was published. Research support continued in various fields, including digital technology, media literacy, and cultural diversity. In addition, a BCI/NDA joint research project on the representation of disability in the media was completed in 2008.

The BCI is committed to maintaining and developing strategic links with media organisations and government bodies on a national and international level and work continued in this regard.

The main areas of activity within Policy and Legislative Development for 2008 were as follows:

Legislative Developments

Broadcasting Bill 2008

The Broadcasting Bill, published on 14th May 2008, will introduce significant changes to the broadcasting landscape in Ireland, consolidating legislation and repealing key statutes which date back as far as 1960. It is proposed that the BCI and the BCC (Broadcasting Complaints Commission) will be dissolved and that a new broadcasting content regulator, the Broadcasting Authority of Ireland (BAI), will be established to perform the existing functions of the BCI and the BCC, as well as undertaking additional new functions.

The BCI made a submission to the Minister in response to the legislative proposals on 1st July 2008, placing particular emphasis on the following elements of the Bill:

- The structure of the BAI and the Statutory Committees and the objectives, functions and duties of the BAI (Part 2)
- Duties, codes and rules applying to broadcasters (Part 3)
- Redress (Part 4)
- Enforcement (Part 5)
- Commercial broadcasting contracts and content provision contracts (Part 6)

- Public service broadcasting (Part 7)
- Digital broadcasting and analogue switch-off (Part 8)
- Broadcasting Fund (Part 10)

Audio Visual Media Services (AVMS) Directive

In December 2007, the European Union adopted the Audio Visual Media Services (AVMS) Directive, which replaces the former Television Without Frontiers (TWF) Directive. There is a 2 year timeframe within which the new Directive must be incorporated into Irish law, and the Department of Communications, Energy and Natural Resources began work in this regard during 2008. The BCI contributed to the process by providing feedback to the Department on draft legislative provisions contained in the Broadcasting Bill 2008. The BCI also continued to avail of the opportunities provided to attend meetings of the EU Contact Committee of the TWF Directive.

Policy

BCI Ownership and Control Policy

The *BCI Ownership and Control Policy* provides guidelines in respect of the ownership and control of broadcasting services under the jurisdiction of the BCI. It undergoes regular review, reflecting best practice, legislative changes and developments in the broadcasting environment.

A review of the Policy was planned for 2009. However, the Commission decided to defer the proposed review until a more appropriate time, when there was certainty in respect of new broadcasting legislation. This would also provide an excellent opportunity for the new board of the BAI to shape the future direction of the Policy. In agreeing to the deferral, the Commission was mindful of the fact that the Policy had been amended in late 2007 / early 2008 to accommodate the provisions of the Broadcasting (Amendment) Act 2007 and the licensing of a DTT Multiplex contractor.

Digital Broadcasting

In 2008 the Commission published its *DTT Multiplex Licensing Policy* and advertised three DTT multiplex contracts, marking the conclusion of a significant development process which had commenced in 2007. Frequency planning work to facilitate the introduction of DTT continued throughout the year, involving ComReg, RTE, BCI and UK transmissions and spectrum management agencies. In the later half of 2008, some research was begun in relation to digital radio technologies. This work will continue in 2009.

**Future policy
development -
research initiatives**

Research is an important element of the Commission's work across all its functional areas, and is a key foundation stone for new areas of activity. This section provides an overview of research initiatives in 2008.

*Media Research
Funding Scheme*

The *BCI Media Research Funding Scheme*, which funds projects in the media and broadcasting fields, was launched in June 2007 with a total annual budget of €48k. The Scheme funds projects in the media and broadcasting fields with the aims of: providing up-to-date information on emerging trends in Ireland and abroad; assisting the Commission in anticipating change in the sector and; facilitating the monitoring and review of BCI practices and policies.

Work on the three projects awarded initial grants continued into 2008. The Media Literacy research project reached completion by year end and a publication date in quarter one of 2009 was anticipated. The other two research projects are expected to be completed in 2009. Both focus on cultural diversity in broadcasting; one from a legislative and international standards perspective; the other from the perspective of Irish programming and audiences.

A second round of the Scheme was launched in March 2008 and two new projects were awarded funding of €16k per annum each. Brian O'Neill and Athena Media have been funded to study the current position in relation to the development of Digital Radio in Ireland, while Kevin Rafter (IADT Dun Laoghaire) is reviewing the current position in relation to political advertising in the broadcast media and exploring if any changes should be considered. It is anticipated that both projects should be completed before the end of 2009.

*BCI/NDA
Research*

In 2007 the BCI and the NDA jointly commissioned three pieces of research on the nature and extent of the representation of people with disabilities in Irish broadcast media. The projects included: a content and discourse analysis of over 400 hours of Irish radio and television (DCU); an examination of the existing standards and guidelines in other jurisdictions (NUIG), and; a national attitudinal survey (Lansdowne Market Research). All three research projects were completed in 2008 and will be published in early 2009. The research undertaken will inform the development of voluntary guidelines addressing this issue.

Media Literacy The Broadcasting Authority of Ireland (BAI), when established, will have a role in raising public awareness and understanding of media literacy. This development reflects a greater focus at a European and international level on the importance of media literacy in the digital age. In anticipation of legislative developments, the BCI has been developing an internal knowledge base in this area and establishing relevant national and international links. Significant developments in 2008 included the completion of BCI-funded research on media literacy, and BCI participation in national and international fora. Work to date has indicated that there is a need to define more specifically what areas fall within the scope of media literacy and who the relevant stakeholders are. In this regard, the inclusion of a definition in the 2008 Bill is welcome, as it will provide some focus for the BAI in terms of future initiatives.

Strategic relationships As the regulator for the independent broadcasting sector, the Commission must maintain links with a wide range of bodies at national and international level. 2008 was an important year in this regard as we prepared for the transition to the Broadcasting Authority of Ireland (BAI), the introduction of Digital Terrestrial Television (DTT) in Ireland, and the hosting of an international meeting of broadcasting regulators.

Government Departments The BCI's key relationship is with the Department of Communications, Energy and Natural Resources (DCENR). Formal meetings take place on a quarterly basis, and additional dialogue is conducted when there are specific policy issues to hand, such as the new Broadcasting Bill, DTT, the AVMS Directive and the Broadcasting Funding Scheme.

The Chief Executive was invited by the Department of Enterprise, Trade and Employment to sit on an advisory body which examined media merger legislation contained in the 2002 Competition Act. Separately, the Department of Health nominated the Chief Executive to remain on the Alcohol Marketing and Communications Monitoring Body which meets on a quarterly basis. This body is responsible for overseeing adherence to voluntary codes in respect of alcohol advertising.

Other Regulators Our primary relationship in this area is with the Commission for Communications Regulation (ComReg). 2008 saw significant activity between ComReg and the BCI, specifically on the DTT process as well as on spectrum planning with our UK counterparts, where the BCI continues to form a central part of Ireland's negotiating team.

The BCI also engaged with the Competition Authority on ownership and control matters related to the DTT licensing process. The Commission has a Memorandum of Understanding agreement with the Competition Authority which facilitates co-operation between both agencies, in carrying out their respective regulatory functions.

*National
Bodies*

The Commission has ongoing links with industry groups such as the Independent Broadcasters of Ireland (IBI), Community Radio Association (CRAOL), Community Television Association (CTA), Screen Producers Ireland (SPI) and the newly formed Association of Independent Radio Producers of Ireland (AIRPI).

In association with Ofcom Northern Ireland, the Chief Executive facilitates meetings of the Television Broadcasters in Ireland Group (TBIG), involving senior personnel in RTÉ, TV3, TG4, BBC NI and UTV. In February 2008, UTV hosted a meeting of the group at their studios in Belfast.

The Commission continues to be represented on the Joint National Listenership Research (JNLR) survey committee and receives information on television viewership on a monthly basis from AGB Nielsen.

*International
Bodies*

Last November, the BCI proudly hosted a meeting of the European Platform of Regulatory Authorities (EPRA) in Dublin. Over 150 delegates, representing 41 different countries, attended the meeting and feedback from participants was uniformly positive. The Commission had itself attended an EPRA meeting held earlier in the year in Latvia. EPRA meetings discuss matters of mutual concern to broadcasting regulators throughout Europe such as advertising and programming codes, jurisdictional issues and the development of digital broadcasting.

The relationship between the Commission and our counterparts in the UK, Ofcom, was strengthened during the year. A meeting in July was held to discuss implementation issues regarding the AVMS Directive. In addition two meetings of the Digital Switchover Group were held, in conjunction with our respective Government Departments.



BROADCASTING FUNDING SCHEME

BROADCASTING FUNDING SCHEME

The BCI operates a number of funding schemes to support the development of new television and radio programming in the Irish broadcasting sector. Guidelines are laid down by the BCI, outlining the types of programming that can attract funding, and applications are invited from programme makers on a regular basis, as new funding rounds arise. There were four main areas of activity during 2008:

Sound & Vision

Sound & Vision is a grant scheme designed to support the production of new television and radio programmes in the areas of Irish culture, heritage and experience, and adult literacy. This year a total of just over €10m was allocated to new programming in television and radio.

Television

133 applications were received for television in 2008, and a total of €7.8m was awarded to 53 successful applicants over two funding rounds. The most popular submission type was historical documentary. Irish-language documentary also proved popular and included 'An Paistí Beo Bocht', a feature-length biographical documentary on the Irish writer Patrick MacGill.

Adult literacy continued to be an important part of the scheme and substantial funding went to a second series of 'Written Off', the highly successful adult literacy programme broadcast earlier in the year.

Other television highlights of 2008 included the children's literacy programme 'Funky Lingo' for DCTV; 'Out of Their Skin', a game-show series for RTÉ based on the core skills of hurling; and 'Roy', an innovative television series for RTÉ based on the 'life' of a cartoon-character baby born to a 'real' Dublin family.

TABLE 1 – FUNDING FOR TELEVISION

Television	Applications Received	Funding Sought	Successful Applications	Funding Awarded
Round 5	50	€10.7m	24	€3.86m
Round 6	83	€17.7m	29	€4m
Total	133	€28.4	53	€7.8m

Radio The radio industry continued to strongly engage with the scheme in 2008 submitting a total of 390 applications of which 186 were successful, receiving a total of €2.3m in funding support. Applications from commercial and community radio sectors constituted the largest number of applications. Documentaries accounted for 75% of the total projects funded but these varied greatly (arts, biography, culture, history, music etc.), and therefore added diversity and variety to radio schedules.

Examples of documentaries funded included 'The Place Where We Live', a documentary for Raidió Corca Baiscinn, recording the oral history of place names in South West Clare in conjunction with local primary school children; and 'The Wine Geese', for broadcast on RTÉ Lyric FM, a historical documentary examining the disproportionate influence of Irish people on the development of the wine industry from the Flight of the Earls to the present day.

Other radio highlights this year were an adult literacy programme for Castlebar Community Radio; new drama for Newstalk 106-108 and; some innovative Irish-language programmes.

TABLE 2 – FUNDING FOR RADIO				
Radio	Applications Received	Funding Sought	Successful Applications	Funding Awarded
Round 6	209	€4m	91	€1.1m
Round 7	181	€2.9m	95	€1.2m
Total	390	€6.9	186	€2.3m

Special Schemes Special Schemes funding is allocated outside of the regular *Sound & Vision* rounds and is aimed at encouraging the development of programming on particular themes or to mark major anniversaries or events of particular historical or cultural importance.

Two such schemes for television were approved in 2008:

'BRAT', a training and development initiative coordinated by TG4 and Gréasán na Meán, is a series of six half-hour Irish-language dramas for broadcast on TG4, developed by means of writer and director workshops through Irish. Both emerging and established high-profile writers took part, undergoing specialised, intensive training in the skills and structures of writing for television.

*'Cromwell: God's
Executioner'*
Tile Films



'Community in a Studio' was an initiative involving community television broadcasters and community groups in their respective franchise areas. A joint proposal from three different community television stations and one community training body received funding, marking the roll-out of the first community television channels in Ireland, and providing 12 community groups with the opportunity to explore what community television means to them and their organisations.

Broadcast Archiving

Work on the development of a Broadcast Archiving Scheme continued throughout 2008 and a draft scheme for the archiving of programme material was presented to the Department of Communications, Energy and Natural Resources at year's end.

In drafting the above Scheme, meetings and consultations took place with those considered to be most proximate to broadcast archiving in Ireland. Further consultation with international bodies and research into technological

developments in the field also took place. The principle objectives of the proposed scheme relate specifically to the development of an integrated approach to archiving, giving consideration also to storage of, and access to, material.

**Review
2008** When the Broadcasting Funding Scheme was initially established, a review of the Scheme after three years in operation was provided for, through legislation. The objective of such a review would be to assess the effectiveness and impact of the scheme.

Stage 1 of a 2-stage review was completed in 2008. The first stage of review activities included: a stakeholder survey; research on the Scheme's impact on the audiovisual industry; an operational review and; some viewership and listenership research. These activities were designed to capture quantitative and qualitative data on the programming output funded, in addition to gathering general views of applicants' experiences of the Scheme. The role of the Scheme in sustaining growth and development within the sector was also examined.

'Ceolchúairt'
Maga Media



'Kisses'
Fastnet Films



Survey results indicated that the vast majority of stakeholders believed the Scheme to have been successful in realising its objectives. Overall the Broadcasting Funding Scheme was seen to have increased the availability of programming on Irish culture, heritage and experience to audiences in the State.

A framework for Stage 2 of the review, which is concerned with possible revisions to the Scheme, was formulated and will commence in early 2009.

'Ceolchuart'
Maga Media





RADIO

RADIO 2008 was a productive year for the BCI in the area of radio licensing. In commercial radio, three new licences were awarded to 4FM, Radio Nova and UCB, and contracts were signed with the national broadcaster, Today FM, and with the two new youth regional services, i102-104 and i105-107. From a community radio perspective, a number of contracts for community/community of interest services were signed, and expressions of interest were invited for new community services. 31 temporary sound broadcasting contracts were awarded in 2008, and two new 5-year contracts were signed with institutional radio services. The main areas of activity in 2008 were:

Commercial Radio (FM) In January, the Commission awarded the first ever Multi-City FM service to **4FM** for the provision of a new music-driven service aimed at listeners in the 45+ category. Contract negotiations are expected to conclude in February 2009 with the service commencing broadcasting soon after in the areas of Dublin City, County and commuter belt, Cork City and County, Limerick City and County, Co. Clare and Galway City and County.

In September the Commission awarded a 10-year licence to **Radio Nova** for the provision of a Classic Rock music service covering Dublin City, County and Commuter belt. Contract negotiations with the station were underway by year end.

In March, the Commission signed a 10-year contract with **Today FM** for the provision of a national radio service targeting the 20-44 age group on the FM Band. Today FM had previously held a 10-year licence in respect of this service.

In January, the Commission signed a 10-year contract with **i102-104 FM** for the provision of a regional youth service to the north-west of Ireland. Aimed at 15-34 year olds, the service covers Counties Galway, Mayo, Longford, Roscommon, Sligo, Leitrim and Donegal. The station commenced broadcasting in February.

The Commission also signed a 10-year contract with **i105-107 FM** for the provision of a new youth-based regional service for the midlands and north-east of Ireland. The service covers Counties Louth, Meath, Cavan, Monaghan, Kildare, Offaly, Westmeath and North-East Laois. The station commenced broadcasting in November.

In January the Commission approved an application from **United Christian Broadcasters Limited** for a Christian digital radio service on cable-MMD, and contract negotiations were ongoing at the end of the year. This group is

currently operating a similar service on satellite, having signed a 3-year contract with the Commission in July 2007.

Today FM Contract Signing



Community Radio

In January the Commission signed two new 10-year community sound broadcasting contracts with **Raidió Corca Baiscinn** (South West Clare Community Radio) and **Tipperary Mid West Radio**. Both of these stations had previously held 5-year contracts with the Commission. Tipperary Mid West Radio's new contract, however, saw the amalgamation of its franchise area with that of the former community service, Cashel Community Radio. The Commission also approved the re-licensing of four existing community radio services covering West Dublin, West Limerick, Roscommon town and environs and Dundalk town.

In March the Commission signed a 10-year community of interest sound broadcasting contract with **Life FM**. The station provides a music-driven service for the Christian community in Cork City, with the aim of reaching various groups, across different nationalities, cultures and Christian backgrounds.

In November, **Community Radio Youghal** came back on air, having signed a new 10-year contract with the Commission. The station's previous full-time licence had come to an end in October 2007. The station broadcasts to Youghal town and the surrounding area.

In November, the Commission announced its intention to seek applications for six new community and community of interest radio services during 2009, and to re-license four existing services whose contracts are due to expire during 2009/2010. The new services will include two for Donegal

(Inishowen and south-west Donegal), two in the mid-west (East Limerick and Shannon), one in Athlone, and one community of interest service for UCD.

Proposed Community and Community of Interest Radio Services:

GEOGRAPHICAL COMMUNITY RADIO	COMMUNITY OF INTEREST
<ol style="list-style-type: none"> 1. West Dublin (existing) 2. West Limerick (existing) 3. Roscommon town and environs (existing) 4. Dundalk town and environs (existing) 5. East Limerick 6. South West Donegal 7. Athlone Town and environs 8. Inishowen 9. Shannon town and environs 	<ol style="list-style-type: none"> 1. The student community in UCD.

Temporary / Institutional Services

Temporary Services

Temporary sound broadcasting contracts can be awarded to various institutions, allowing them to broadcast for up to 30 days in a 12-month period. These licences are usually awarded to educational, sporting and other groups for special event purposes. Temporary sound broadcasting contracts are also awarded on a pilot basis to community groups interested in establishing a full-time community station in the future. During the course of the year the BCI awarded 31 temporary contracts to groups throughout the country, including **Scouting Ireland**, for the 2008 jamboree, **South West Donegal Community Radio**, for a pilot community radio station, and **Christmas Radio Limited**, for a seasonal radio station broadcasting for charity purposes.

Institutional Services

Institutions such as colleges and hospitals can also apply for longer term sound broadcasting contracts. Both **Cork University Hospital** and **Mid-West Regional Hospital Limerick** entered into new 5-year contracts with the Commission in May. Three other hospitals currently operate institutional sound broadcasting services. These are St. Ita's Hospital, Co. Dublin, Mater Misericordiae University Hospital, Dublin and South Tipperary General Hospital, Clonmel.



TELEVISION

TELEVISION The Commission undertook a variety of work in relation to television licensing in 2008. In addition to signing a new ten year contract with TV3 Network Limited, the Commission entered into six content contracts for cable–MMD and satellite services, as provided for by the Broadcasting Act 2001. The Commission continued to make progress in relation to the licensing of ‘Electronic Programme Guides’ or EPGs. Within television licensing, the main areas of activity in 2008 were:

**Digital
Terrestrial
Television
(DTT)** Currently in Ireland, television services are received in one of four ways: by analogue signal, through a cable system, by MMD, or by satellite. Digital broadcasting services (through cable, MMD, satellite systems) have been widely available to the Irish public since the late 1990’s, on a subscription basis, from a number of service-providers.

*DTT Media
Briefing*



The most recent figures provided by the Commission for Communications Regulation (ComReg) state that 25% of Irish homes receive television on a free-to-air basis (by means of an analogue signal), while 75% access pay TV, either via cable, MMD or satellite systems.

(Source: Irish Communications Market, Quarterly Key Data Report, Q4, 2008. March 2009)

The European Union (EU) has agreed among its member states that the transmission of analogue television services will cease around 2015, and that European countries will have switched completely to the provision of television via digital means by this time. In Ireland, the national priority is to ensure that Digital Terrestrial Television (DTT) will be established as a further digital platform available to the public, and that those in Ireland who receive national terrestrial television services on a free-to-air, analogue basis will continue to have a non-pay option for receiving such services in the future.

A number of agencies are involved in the roll-out of DTT, including the Department of Communications, Energy and Natural Resources, RTÉ, ComReg and the BCI. The BCI has particular responsibility for licensing commercial DTT multiplex operators, thereby ensuring the continued availability of a diversity of services and programming content in a digital era. Separately, under legislation, RTÉ has been assigned a single television multiplex which it will establish and run independently of BCI-licensed services, in fulfilment of its public service remit.

Having undertaken significant work on policy development in 2007, the Commission launched its DTT Multiplex Licensing Policy in February 2008. The stated aim of the policy is 'to take all regulatory measures, within the Commission's remit, to enable, as far as possible, the establishment, maintenance and operation of a viable digital terrestrial television platform in the State, in advance of analogue switch-off'.

The licensing process for the three commercial multiplex contracts commenced in March. Contracts arising out of this process would facilitate the provision of a minimum of twenty-four new television services. Applications were received from three consortia for the commercial multiplex contracts: Boxer DTT Limited, Easy TV and One Vision. All three groups made a public presentation in May outlining their plans for the provision of DTT. Following detailed consideration of each application at the July meeting of the BCI board, the contracts were awarded to Boxer DTT Limited. The autumn months involved intensive contract negotiations between Boxer and the BCI and it was expected by year end that these negotiations would continue into the first quarter of 2009 before a contract could be signed.

Satellite and Cable-MMD Television

In March the Commission signed three new 5-year contracts with **ESPN**, for the provision of satellite content services to Ireland & the UK, Continental Europe and the Middle East. Previously two of these services - Ireland & the UK and Continental Europe - had been operated by NASN under a 3-year contract with the Commission. Following the takeover of NASN by ESPN Media Limited, an additional contract was entered into to make the service available in the Middle East.

In November the Commission entered into a 10-year contract with City Channel for the provision of a cable content service in Cork, Limerick and the wider Munster region. The new station, **Channel South**, brings to a total of four the number of cable content contracts the Commission has entered into with City Channel Limited.

In December the Commission entered into a 10-year contract with City Channel Eastern Europe Limited (affiliated to City Channel) to provide a cable content service, targeting the Eastern European audience living in Dublin. The new channel, **City 7**, will be available on the UPC digital platform and will offer niche-focused programming as a major part of its output, including areas such as health, music, motoring and lifestyle.

Contract signing UPC

Two further applications for new cable services were approved in 2008. One was a proposal from University College Cork for an educational television channel. The Commission approved this application in principle and contract negotiations are ongoing. An application was also received from EUCALL Ltd, for an Irish and cultural heritage television channel.



In October the Commission entered into a contract with **UPC** Communications Ireland Limited for the provision of a channel to promote products and services offered by UPC to its existing customers. Along with promoting UPC products and services the new channel provides information on how to use some of these products, for example the Digital Video Recorder (DVR).

Electronic Programme Guides

As the broadcasting environment continues to evolve and an increasing number of channels become available to the viewer, EPGs or Electronic Programme Guides are becoming more and more relevant. An Electronic Programme Guide (EPG) is an on-screen guide to scheduled programmes which allows a viewer to navigate, select and discover content by time, title, channel, genre, etc. At the close of 2007 the Commission published its licensing policy in respect of Electronic Programme Guides (*EPG Licensing Policy*) further to the requirements of the 2001 Broadcasting Act. This policy applies to all broadcast content available via EPGs, with the exception of digital radio broadcasts, and sets out the licensing approach to be undertaken when granting contracts to new and existing providers of EPGs in Ireland. During the course of the year the Commission carried out significant work with respect to the drawing up of a draft contract and guidelines for prospective applicants.

**National
Television**

In September the Commission signed a new contract with **TV3**. The station has been broadcasting since 1998 and the new contract will run until 2018 with a further five year renewal option, subject to certain conditions.

*Contract
signing TV3*





COMPLIANCE

COMPLIANCE The BCI is responsible for ensuring that Irish broadcasters comply with a range of statutory and contractual obligations. The *BCI Compliance Policy* sets out the framework, objectives and scope of the Commission's work in this regard. A compliance plan is drawn up annually which sets out the compliance activities that the BCI intends to carry out over the course of the year. Compliance activities are carried out by the staff of the Broadcasting and Engineering Divisions of the BCI, and work is conducted in a variety of ways. Mechanisms include:

Annual Performance Reviews Annual performance reviews provide information on ownership and control, staffing, resources, programming and technical compliance. The resulting reports provide an ongoing performance record of contractors, and are a useful source for tracking developments and trends in the broadcasting industry. A new self-reporting structure for Annual Performance Reviews was introduced in 2008. Overall, reports indicate that the broadcasting sector in Ireland remains generally compliant.

Phase 1 of a process to establish public files for all relevant broadcasters The BCI is currently engaged in a phased process to create a public file for each station, which will include information pertaining to all aspects of a station's compliance, apart from commercially sensitive or confidential material. Phase 1 of this process was implemented in 2008. Public files have been established for all commercial radio broadcasters. These files are available on request.

Reviews of Programme Content As part of the monitoring process, contractors are required to submit recordings of their broadcast output and other related matters to the BCI on request. In 2008, the Commission made some changes to the way in which it carries out reviews of programme content. The focus was broadened to examine station paperwork as well as recordings, and the overall scope of the review was increased from one day to one week. In this context, the number of hours monitored increased significantly from around 2,000 in 2007 to over 8,000 in 2008. The nature of the review process was adapted to allow the increased volume to be accommodated within existing resources. The revised approach facilitated greater flexibility in relation to acceptable recording formats. However, some broadcasters still encounter difficulties providing material as requested and one broadcaster was notified of a serious breach of contract for failing to submit recordings. This matter was satisfactorily resolved.

Compliance issues arising from the monitoring of recordings in 2008 can be summarised as follows:

*News and
Current Affairs*

News And Current Affairs requirements for broadcasters licensed under the Radio & Television Act (1988) include a minimum of two hours of news content between 7am and 7pm, and 20% across the total broadcast day. Broadcasters must also ensure that this coverage is provided in an objective, impartial, fair and balanced manner, and that it does not unreasonably encroach on the privacy of an individual. In 2008, the majority of stations operated in compliance with these requirements. Only one serious breach was issued, arising from complaints about the 'Your Call' programme on Newstalk.

*Advertising,
Sponsorship
and Commercial
Promotions*

Commercial broadcasters are permitted to broadcast a maximum of 10 minutes of advertising per hour, while the limit for community broadcasters is 6 minutes per hour. Broadcasters must also comply with a range of statutory provisions and codes in relation to advertising content. Compliance with maximum advertising time limits continued to be an issue in 2008. Eleven commercial radio contractors breached their maximum limit, and one cable television contractor was issued with a number of serious breaches of contract. Non-compliance with the General Advertising Code rather than overselling of spot advertising was a key factor in this regard. An issue arose in November in relation to sponsorship arrangements in place for 'The Apprentice' on TV3. Discussions on this matter were ongoing at the end of the year.

*General
Programming
Compliance*

Broadcasters licensed under the 1988 Act make a range of programming commitments which are captured in their broadcasting contracts. Compliance with general music policies and Irish music commitments was an issue for a number of commercial radio contractors in 2008. However, the relevant stations engaged positively with the Commission and agreed upon steps to address problematic areas. In general, there has been an increased level of compliance over the past year as a result of such positive engagement.

*Television Without
Frontiers (TWF)
Directive*

Article 4 of the TWF Directive requires Member States to ensure that broadcasters within their jurisdiction reserve the majority of transmission time (50%+) for European Works. Article 5 requires Member States to ensure that broadcasters devote at least 10% of their programming budget or 10% of their broadcasting time to independently produced European works.

TV3 and Channel 6 (now 3e) continue to be the only two services licensed by the Commission which must comply with Articles 4 and 5 of the TWF Directive. In 2008, monitoring indicated that TV3 provided 49% of European Works (excluding news, current affairs and sport) and 12% of Independent European Works. TV3's level of Irish produced programming accounted for 26.4% of the station's output. The figure for European Works for Channel 6 was 42%. The station has opted to comply with Article 5 of the TWF Directive based on programme budget. Its compliance will be assessed once the required financial information for the year is available.

On-site visits and inspections

All licensed broadcasters must adhere to the technical conditions laid down in their contracts and the Commission has devised a set of technical tests which it carries out on all licensed transmitters on a rolling schedule. In 2008, technical audits were carried out on 125 radio transmitter stations and 10 television transmitter stations. As a result of these inspections, seven breaches of contract were issued. Acceptance testing of the two iRadio regional transmission networks was also completed by the Engineering Division. Today FM, Newstalk, LMFm, Tipp FM and Midlands Radio 3 improved reception by introducing additional transmitter stations. At the end of 2008, a total of 256 transmitter stations were on-air. Frequency planning work for the 4FM service was finalised to enable the station to commence broadcasting in Feb 2009.

Assessment of proposals for contractual changes

During 2008, the BCI received a significant number of requests for contractual changes in the areas of Ownership and Control and Programme Policy Statements:

Ownership and Control

The main sales and acquisitions of 2008 included:

- The sale of Highland Radio to Orangold Limited
- The sale of Channel 6 (now 3e) to TV3
- The acquisition by TVC Holdings PLC of a substantial interest in UTV and hence the five radio contractors that are controlled by UTV (FM104, Limerick's Live 95, Q102, Cork 96FM/C103 and LMFm)

In some cases, the transactions also required the approval of the Competition Authority. All were approved by this body.

Programme Policy Statements (PPS)

The Commission now considers proposals for change with reference to three criteria: how the proposal might impact on overall PPS commitments; how it might impact on the diversity of services available in the area, and; how it might impact on the viability of the service, or other services, in the area.

The new monitoring procedures, introduced in 2008, highlighted compliance issues in relation to a number of radio contractors, some of which resulted in proposed changes to the PPS being submitted to the BCI. An example of this was the proposal submitted by Newstalk and Today FM in relation to some sharing of news resources. This was rejected in June by the Commission. A revised proposal was subsequently approved at the end of the year. However both stations were issued with serious breaches of contract for implementing this proposal without the prior approval of the Commission.

The Commission considered and approved changes to the following stations' programming commitments during 2008:

- Midlands Radio 3 (General Music Policy and Opt-out commitments)
- Beat FM (General and Irish Music commitments)
- Ocean FM (Irish language commitments)
- Today FM and Newstalk (News and Current Affairs commitments)
- Clare FM (Opt-out commitments)
- Tipp FM (Mobile broadcasting commitments)

Verification of information submitted by contractors

The Commission regularly receives and verifies information from contractors on changes to elements of the contract held, including areas such as programming and ownership and control. The process is important as it can highlight a requirement for stations to submit a formal proposal to the Commission, seeking approval for these changes.

Inspections

Inspections can focus on any relevant area of a contractor's activity, but this mechanism is only used where serious compliance issues or concerns arise. No inspections were carried out during the course of 2008.

**Decisions of the
Broadcasting
Complaints
Commission**

In 2008 the Broadcasting Complaints Commission upheld complaints against a number of BCI contractors which were subsequently notified by the BCI of breaches of contract. All decisions are published on the BCC website.



CODES AND STANDARDS

CODES AND STANDARDS

Following the introduction of new codes in 2007, the focus of Codes and Standards activities throughout 2008 moved to the implementation of these new codes and the review of established codes developed further to the Broadcasting Act of 2001. In addition, the Commission updated its Referendum Guidelines and implemented them in the context of the referendum on the Treaty of Lisbon. Finally, preparatory work began on the development of a Code of Fairness, Impartiality and Objectivity in News and Current Affairs programming. Key areas of activity in 2008 were:

BCI Children's Advertising Code

During the course of the year, the Commission undertook the first part of a two-stage review of the BCI Children's Advertising Code. First stage activities included a national public survey; a targeted consultation involving the general public (including children), broadcasters, advertisers and groups representing children; an analysis of advertising trends and; a review of statutory and non-statutory regulation of children's advertising since 2003. In addition, the Commission also examined compliance levels, BCC complaints and implementation issues.

The outcomes of the first stage of the review were considered by the Commission in May, and a report was submitted to the Minister for Communications, Energy and Natural Resources. Later in 2008, the Commission reached agreement on a methodology and timeframes for the second stage of the review. A Statement of Outcomes on the first stage of the review together with an outline of the approach to the second stage of the review will be issued publicly in 2009.

BCI General Advertising Code & the BCI Code of Programme Standards

The implementation of the BCI General Advertising Code and the BCI Code of Programme Standards (both introduced in 2007) was an ongoing activity in 2008. Advice and guidance was provided by the BCI in respect of both codes.

The overwhelming majority of queries addressed by the Commission related to the BCI General Advertising Code. In April, the Commission organised a workshop with broadcasters in order to provide an opportunity for them to outline implementation difficulties arising, following the introduction of the Advertising Code. The workshop also provided the BCI with an opportunity to gather views and to outline those areas of the Code where compliance was problematic. The outcomes of the workshop and advice provided on this Code will inform revised guidance notes that will be issued in 2009. Finally, implementation was also supported by the introduction of an e-learning tool focussing specifically on the BCI General Advertising Code.

BCI Access Rules

2008 marked the third year since the introduction of the BCI Access Rules. These rules place targets and timeframes on Irish television broadcasters to provide subtitling, audio description and Irish Sign Language in order to improve the understanding and enjoyment of television by those who have a sensory disability. In line with the Commission's commitment following the introduction of these rules, the Commission agreed a plan for the review of the BCI Access Rules. In summary, this review will entail the following activities:

- Pre-consultation/stakeholder meetings with broadcasters and groups representing television audience members who use access services
- Research examining: recent technological developments; economic and human resource issues; developments in the regulation of access services, and; an examination of the quality of access services
- A review of compliance

The review will take place in 2008 and 2009 and will entail further consultation in the event that the Commission decides that the Rules should be amended.

This year also saw the extension of the Rules to include Access requirements to two community television broadcasters, DCTV (Dublin City) and P5TV (Navan). As a result, the number of television broadcasters with obligations under the Access Rules rose to 12.

Finally, the Commission assessed compliance by broadcasters with the rules for the 2006-2007 period and this assessment highlighted broad compliance with the rules.

Referendum Guidelines

The BCI updated and issued guidance to broadcasters regarding coverage of the referendum on the Treaty of Lisbon and related constitutional amendments. The guidelines for this referendum were different from previous guidelines in a number of ways: the moratorium period was extended to include the entire day prior to the national poll; a less restrictive approach to news and current affairs coverage during the moratorium period was introduced, and; a prohibition on referendum-specific broadcasts by referendum interest groups was introduced.

In practice, no significant issues were encountered during the operation of the guidelines or during the moratorium. Where issues arose, these related to the prohibition on advertising directed towards a political end.

The guidelines were also the subject of discussion at the meetings of the Oireachtas Joint Committee on the Constitution. The focus of the Joint Committee was on the impact of broadcasting rules relating to coverage of opposing sides in the referendum. In this regard, the Commission addressed the mistaken view that its guidelines required broadcasters to provide equal airtime to opposing sides in a referendum. It was emphasised that the requirement was for fair and balanced coverage and not the provision of equal airtime. The Commission subsequently wrote to all its contractors to clarify this issue.

Code of Fairness, Objectivity and Impartiality

The Code of Fairness, Objectivity and Impartiality is one of a number of new codes that will be developed over the coming years. This Code will address the issue of fairness, objectivity and impartiality in news and current affairs programming on Irish radio and television. In preparation for the development of this Code, research was commissioned in 2008 which examined how laws, policies and practices in Europe, the US, Canada and Australia regulate news and current affairs programming. A public consultation will be undertaken prior to the introduction of this Code.



TRAINING AND DEVELOPMENT

TRAINING AND DEVELOPMENT

2008 was a year of consolidation in Training and Development. Existing processes were reviewed and built upon, resulting in the introduction of a number of new reporting procedures which now underpin all training and development activities. A total of **€545,870** was allocated for funding in 2008. A significant proportion of this figure was committed to industry networks. The BCI works in partnership with these networks to provide training and development initiatives across the broadcasting sector. The BCI also funded a number of schemes to help stations to develop their services. Other key development initiatives were undertaken during the year, including evaluation and research projects. Training and Development funding was allotted to these main areas:

Industry Networks

CRAOL ran a range of training events for members including the Féile volunteer weekend, a station manager training weekend and Irish language training. As well as this, CRAOL successfully implemented a mentoring programme and helpline service for stations. Recognising the talent and commitment of volunteers within the community radio sector, CRAOL held its first achievement awards ceremony during the year.

Learning Waves is a Skillnet training provider which is specifically geared to meet the development needs of the independent commercial radio sector. Subject areas include sales and marketing, programming, management, finance and administration. In 2008 Learning Waves provided training for over 600 people.

The **Community Television Association (CTA)** organised training seminars on topics such as production, gender equality, programme sharing and EU policy. Research work was also undertaken to assess the needs of the community television sector in relation to Access Rules, and the development of effective gender and equality policies.

The **Association of Independent Radio Producers Ireland (AIRPI)** ran a number of training events covering programme production, copyright and contract issues, podcasting and sound recording. Also AIRPI ran two master classes which were given by high profile speakers from international radio.

Screen Producers Ireland (SPI) organised a series of training activities over the course of 2008 including ventures with TV3 and RTÉ; a panel debate at the Dublin Film Festival; a documentary event which took place at the Celtic Film Festival and; a film funding seminar which was run in conjunction with the Arts Council.

The **Irish Hospital Radio Network (IHRN)** held an event at the end of last year which combined workshops with an awards ceremony recognising volunteer contribution.

As well as funding network activities in 2008, the BCI also provided support and funding to networks to help them develop and improve their governance procedures. A network information sharing seminar was held in February 2008 at which the BCI Network Good Practice Handbook was launched.

Funding Schemes

The BCI also provided a number of funding schemes to help the development of stations across the sector. These included:

Community Radio Support Scheme

This Scheme provided funding to community radio stations to help them improve their processes and engage further with their community. Six stations availed of the funding and completed their projects by the close of the year.

Station Innovation Scheme

Two projects were funded under the pilot Station Innovation Scheme in 2008. RTÉ Radio1 was supported in a project to develop skills in radio drama production and to increase the pool of radio drama producers. Dublin City FM was funded to undertake a combined evaluation and training programme as part of its drive to improve the quality of programming at the station.

New Adventures in Broadcasting Scheme

The New Adventures in Broadcasting Scheme, which was built upon to include development workshops for participants, held its final evaluation workshop to coincide with the awards ceremony in February 2008.

For more information on these schemes, visit the BCI website at: www.bci.ie/development/funding-initiatives.html

New Adventures in Broadcasting: Best Film, Innovation Category Winners



Development Initiatives

The BCI funded and oversaw an **Irish Language research project** to assess the needs of programme makers in relation to producing Irish language programmes. The project was commissioned at the end of 2008 and a report will be published in 2009.

The BCI funded an assessment for **Cork Community Television** as part of the licensing process of the station, to evaluate the needs of the community in this regard.

The **General Advertising Code Information Resource & E-Learning Tool** was launched mid-way through 2008 and received a positive initial response from broadcasters. It will be used as part of a training programme for stations in 2009, run in conjunction with Learning Waves.

To access the BCI General Advertising Code E-learning tool, visit the BCI website at: www.bci.ie/development/learning-resources.html

A Good Practice Handbook for Networks Launch





COMMUNICATIONS AND PROMOTION

COMMUNICATIONS AND PROMOTION

2008 was a busy and successful year for the BCI from a communications perspective. The BCI Communications Plan for the year highlighted four key areas of focus for communications activity: the Broadcasting Authority of Ireland; Codes and Compliance; Digital Terrestrial Television (DTT), and; *Sound & Vision*, the Broadcasting Funding Scheme. In addition to these areas, a range of other communications activities took place in support of work across the organisation. The BCI also refined its approach to sponsorship during the course of the year in recognition of the increased demand for support and the significant budget implications for the Commission. By December, the Commission had sought and granted sponsorship applications for 2009, measuring applications against the criteria set out in the new Sponsorship Policy. Communications and Promotion activity for the year is reviewed under the following headings:

Measuring Communications Success

The BCI's Communications Policy provided the basis for measuring the success of the plan for the year. With the exception of some communications work on the BCI Codes and the transition to the Broadcasting Authority of Ireland, all elements of the plan were successfully delivered.

Communications by its nature will demand proactive and reactive responses from any organisation. The BCI issued 46 press releases in 2008 dealing with all aspects of the BCI's remit. In terms of media coverage, a total of 447 articles appeared in the national, regional and trade press relating to the BCI's work during the course of the year. Numerous radio and television interviews were also undertaken by the Chief Executive in response to requests to contribute on a range of issues within the BCI's remit.

Areas of the Commission's work which generated the most media interest during the year included the DTT multiplex licensing process, the BCI conference and the Commission's decision with regard to the Veritas advertising campaign prior to Christmas.

As with any plan, external factors can impact on the delivery of objectives. While communications work had been planned with regard to the Broadcasting Authority of Ireland, delays in the progression of the legislation meant that this work was forwarded into the 2009 plan. Similarly the re-allocation of resources internally, to cope with work on DTT, meant that the public awareness elements relating to the BCI Codes did not happen by year end.

Broadening the Communications Framework

A key objective for 2008 was to broaden communications activity beyond the outcomes of board meetings and to successfully target a range of stakeholders. In support of this objective, the 2008 Communications Plan delivered on a wide range of communications mechanisms: from media and Joint Oireachtas Committee briefings on Digital Terrestrial Television, to industry network events on the General Advertising Code and Training and Development initiatives; from sponsorship support of events including the Irish Film and Television Awards, the Jameson Dublin International Film Festival, and the Galway Film Festival, to on-line developments for Training and Development, DTT and the BCI conference. In each instance the communications activity sought to appropriately target stakeholders including the general public, the broadcasting and independent production sectors, the business media and other industry partners.

EPRA Dublin was the venue for the **28th meeting of the European Platform of Regulatory Authorities (EPRA)**, held at the invitation of the Broadcasting Commission of Ireland. Topics discussed at the meeting included the ongoing transposition of the Audiovisual Media Services Directive; the role of regulators in the supervision of public service activities; political pluralism in the media and; regulatory approaches to digital television. With over 150 delegates from 41 regulatory authorities, EPRA meetings provide a valuable opportunity to engage with other regulators on an international basis, to learn from the experience of others, and to provide guidance in areas of particular expertise.

*EPRA Conference
Dublin 2008*



BCI Conference 2008

As a proactive communications mechanism, the BCI's Biennial Conference provides a unique opportunity for broadcasters and other interested stakeholders to meet and consider topics of relevance and interest. Themed 'Does the Medium Matter' and chaired by broadcaster Claire Byrne, the BCI's 2008 conference played host to over 200 delegates in Croke Park on September 17th and 18th. The event looked at the issue of content delivery across different media and included speakers from Ireland, the UK and the Netherlands. Topics on the day included: commercial digital terrestrial television in Ireland; the experience to date of digital switchover in the UK; scenarios for radio's digital future; developments in new media and its interface with traditional media at a national, European and international level; social media and consumer engagement. 2008 also marked the 20th anniversary of the Radio and Television Act. A select panel of contributors considered how the sector has developed in the intervening years and debated the implications for future development against the backdrop of a new regulatory system for broadcast media in Ireland.

*BCI Conference
2008*



Irish Language Promotion

The BCI continued to work with the Irish Language Development Committee, established in conjunction with Foras na Gaeilge, to support Irish language initiatives during the year. Sponsorship support totalling €30k was provided by the BCI for the following initiatives:

- The bilingual e-newsletter 'Cogar', available at www.cogar.ie, continued to be produced and distributed by Comhdháil Náisiúnta na Gaeilge. Based on positive feedback received, a small increase in funding for the newsletter was granted, to facilitate its re-design and the development of a promotional campaign to further increase circulation and use.

- The Committee continued to work with Gael Linn and the independent radio stations to promote a radio competition for secondary school students. Six prizes in total were allocated in 2008, with awards ceremonies organised in Dundalk FM and Raidió na Life.
- In 2008, the Committee provided funding to Seachtain na Gaeilge to coordinate a total of 11 workshops for secondary school students between the 3rd and the 17th of March. The workshops were hosted by a mix of community, commercial and public service stations and focused on an introduction to radio programme production.
- The Réalt DJ competition was reviewed during the year in line with the criteria of the BCI Sponsorship Policy. Given the significant drop in the number of applications received in 2008 relative to the cost of supporting the initiative, it was agreed not to proceed with Réalt DJ in 2009.
- The Committee also continued to provide sponsorship for a dedicated prize as part of the Glór na nGael awards ceremonies. Shannonside/Northern Sound and West Limerick 102 were awarded prizes for promoting the Irish language on-air during the year.

Freedom of Information

Freedom of Information (FOI) continues to be an important aspect of the BCI's public service remit in providing access to information which would not normally be made publicly available. There was a sharp decrease in the number of requests received in 2008, with fourteen received in total, eleven less than in 2007. Of this total, nine requests were from journalists, four were from students and one from the legal profession. The information requested related to licensing decisions, changes to ownership and control, annual performance reviews, funding allocations through *Sound & Vision* and decisions relating to the General Advertising Code. One request was fully granted, ten were part-granted, two were denied, and one request was handled outside FOI.



TRENDS

TRENDS Significant pieces of research are undertaken on an on-going basis in the broadcasting sector, which provide the ability to track growth and development. Listenership to radio is captured on a quarterly basis through the Joint National Listenership Research (JNLR) conducted by TNSmrbi. AGB Nielsen Media captures data on audience information for television. In addition, the BCI gathers data from its contractors in relation to employment, and also advertising and sponsorship revenue. This section of the Annual Review provides an overview of the trends in these areas for 2008, as follows:

JNLR The latest JNLR/TNS mrbi report into radio listenership was published on the 12th of February 2009. The report covers the 12-month period from January-December 2008. Results indicated that 85% of the adult population was listening daily to a mix of national, regional and local radio throughout the country.

The 2008 listenership figures, when compared against figures for January-December 2007, highlight the following trends:

National Listenership to any regional/local radio increased to 55% (+3), compared with the previous survey period. RTÉ Radio 1 achieved a reach of 24% (+1), while RTÉ 2FM's reach decreased by 1 to 16%. Today FM remained unchanged at 16%, while the quasi-national station Newstalk and RTÉ Lyric FM both increased their reach to 7% (+1) and 4% (+1) respectively.

With regard to market share, the figure for any regional/local station in the prime 7am-7pm period was 49.6%, a 2 per cent increase when compared with January-December 2007. RTÉ Radio 1's market share was 21.9% (+0.3), with RTÉ 2FM at 11.8% (-1). Today FM's market share decreased to 10.9% (-1.6), while Newstalk 106-108FM's share figure increased marginally to 3.5% (+0.1). Lyric FM remained unchanged at 1.7%.

National (excluding Dublin and Cork) - local stations At a local level the majority of stations recorded changes to both reach and market share for the January-December 2008 survey period. The top three most listened to stations in 2008 were Highland Radio (66%), Limerick's Live 95FM (55%) and Shannonside/Northern Sound and Mid-West radio, both with a reach of 50%. The strongest market share among the local stations lies with Highland Radio (60.3%), Mid West Radio (56.3%) and Shannonside/Northern Sound (51.3%).

*Regional
stations*

In the south-east region, Beat 102-103FM increased its weekday reach to 20% (+3) and maintained its market share in the region of 11.4%, when compared with 2007. 2008 was the first full year in operation for the south-west regional service Spin South West, whose reach was 16% (+2) with a market share of 8.8% (+0.6). By the end of the year, the newest of the regional services, 102-104, had been on the air in the north-west of the country for eleven months. The station achieved a weekday reach of 11% and a market share of 5.9% in its first year in operation.

*Dublin - local
stations*

In the Dublin market FM104 continues to be the most listened to local radio station, with a listened yesterday figure of 20% (+2) and a market share of 13.3% (+0.9).

Other Dublin stations to increase market share when compared with 2007 were Dublin's 98 at 11.9% (+1.2), Spin 1038 at 7% (+1.3), Q102 at 7% (+0.4) and Phantom 105.2 at 1.8% (+0.7).

*Cork - local
stations*

In the Cork franchise area, the combined services of Cork's 96FM/C103 achieved a reach figure of 50% (+5) and a market share of 47.8% (-4.4). Cork's Red FM increased its reach figure to 19% (+1) and its market share to 11.6% (+1).

**Employment
Trends**

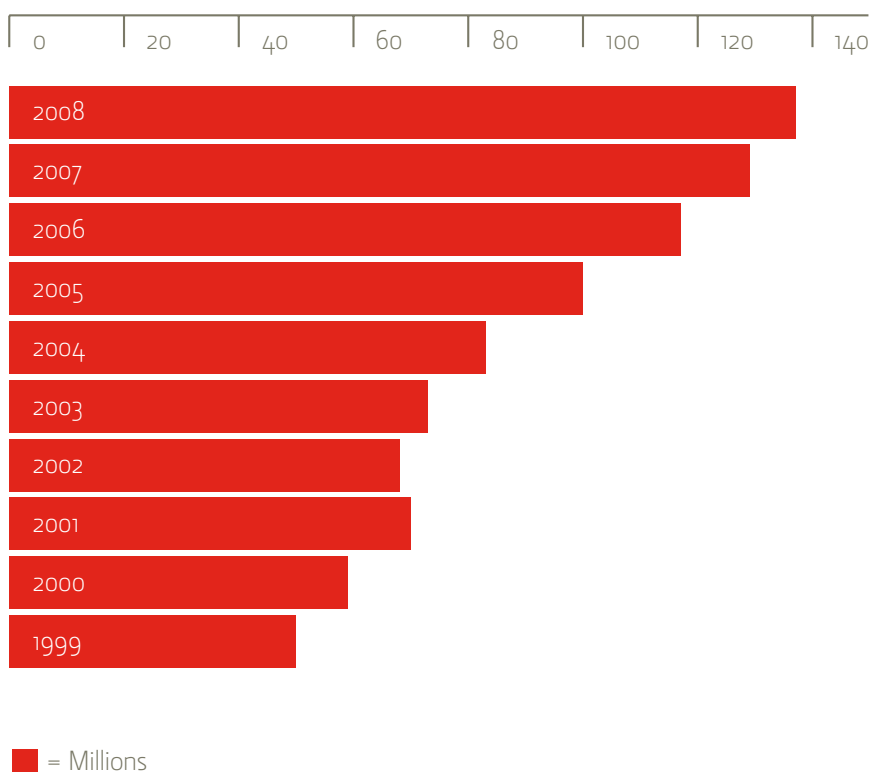
Employment trends in the independent broadcasting sector remained broadly similar, when compared with 2007 levels. The numbers employed fell slightly by 51 (-2.8%) to 1,751. Of this figure, 457 were employed on a part-time basis.

Radio Advertising and Sponsorship

The advertising and sponsorship revenue for the commercial radio sector rose slightly, when compared to 2007, to €134,430,532 representing an annual increase of 3.5%. See table below for advertising and sponsorship trends over the past 10 years:

Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Millions	49.58	59.46	69.2	66.8	73.2	84.7	100.5	116.1	129.8	134.4

Radio Advertising and Sponsorship Revenue (€m)



TV Audience Information

The following table provides a breakdown of TV viewing during 2008 on a channel by channel basis. The data is based on research conducted by AGB Nielsen Media Research and the target audience is national all adults (15+). Information is included for all channels licensed in Ireland and channels licensed outside Ireland which have an audience share in excess of 1%.

Audience Share

This is the percentage of the total viewing audience that is watching a particular channel at a specific point in time i.e. of those people who are watching television, what proportion are viewing channel X.

PANEL TYPE National	AUDIENCE Adults 15+	VARIABLE Share
Day Part group	Mon-Sun 03:00-26:59	Mon-Sun 18:00-23:29
RTÉ One	26.8	32.8
RTÉ Two	11.0	11.8
TV3	12.3	12.9
TG4	2.7	2.3
3e	0.7	0.6
Setanta Ireland	0.7	0.7
BBC1	5.7	5.0
BBC2	3.2	3.1
UTV	4.7	4.8
Channel 4	3.9	3.6
Sky 1	2.1	2.0
Sky News	1.3	0.8
Sky Sports 1	1.1	0.8
Living	1.4	1.2
E4	1.3	1.1
Other Channels BCI	21.0	16.5
TOTAL	100	100



ORGANISATIONAL DEVELOPMENT

ORGANISATIONAL DEVELOPMENT

2008 was a significant year for Organisational Development as the Commission prepared for the transition of BCI and BCC to the Broadcasting Authority of Ireland. The development of an approach to change, and the subsequent mapping of a change process, was a major undertaking by the management team which involved all staff and the Partnership Forum. The BCI also underwent an organisational review which was completed by Pricewaterhousecoopers Pwc. In addition, important development activity was carried out with regard to organisational work processes. The BCI Partnership Forum was central to the work both in change and organisational development, and in considering and approving a range of policies during the course of the year. Organisational Development activities during 2008 can be summarised as follows:

Change Process and Transition to BAI

The approach to change began by articulating a range of principles which would become the foundation for the change process. Key principles included staff involvement and carefully phased planning. The BCI will provide the nucleus for the BAI, and the change process represents an opportunity to build on the positives within the organisation. Existing structures, work practices and the organisational culture have been examined and adapted to ensure that the BAI will be an effective, functioning organisation, with staff that demonstrate the necessary skills and behaviours to achieve strategic objectives.

Organisational Review

A key action within the change process has been identifying the best organisational structure and way of working for BAI, based on current BCI expertise in terms of industry knowledge, legislative duties, organisational culture and experience of existing work processes. Following a tender process, Pwc were awarded the contract to carry out the organisational review. This was an opportunity to identify, explore and benchmark a range of structural models for BAI rather than automatically replicating the present structure. A path was mapped forward, taking into account the current skill and competency base. The review involved all staff and the resulting report identified a matrix structure as being the most suitable framework for the BAI. This report, outlining the new structure and staffing requirements, has been submitted to the Department of Communications, Energy and Natural Resources.

Organisational Developments

During 2008, the Commission accommodated extra work created by the DTT licensing process through reprioritisation, flexibility and cross functional working, in the absence of additional staffing. The BCI launched its competency framework, and a review of performance management and development took place. In organisational training and development, a series of in-house briefings were held on particular areas of work, aimed to build knowledge-sharing among staff. Finally, a significant programme of management development was commenced for all managers within the organisation.

epora

DUBLIN
2008





FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31ST DECEMBER 2008

BROADCASTING COMMISSION OF IRELAND

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

I have audited the financial statements of the Broadcasting Commission of Ireland for the year ended 31 December 2008 under Section 178 of the Broadcasting Act 2009.

The financial statements, which have been prepared under the accounting policies set out therein, comprise the Statement of Accounting Policies, the Income and Expenditure Account, the Broadcasting Funding Scheme Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes.

Respective Responsibilities of the Authority and the Comptroller and Auditor General

The Broadcasting Authority of Ireland is responsible for preparing the financial statements in accordance with the Broadcasting Act 2009. The Broadcasting Commission of Ireland was responsible for ensuring the regularity of transactions. The Authority has prepared the financial statements in accordance with Generally Accepted Accounting Practice in Ireland. The accounting responsibilities of the Members of the Authority are set out in the Statement of Responsibilities of the Broadcasting Authority of Ireland.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report my opinion as to whether the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland. I also report whether in my opinion proper books of account have been kept. In addition, I state whether the financial statements are in agreement with the books of account.

I report any material instance where moneys have not been applied for the purposes intended or where the transactions do not conform to the authorities governing them.

I also report if I have not obtained all the information and explanations necessary for the purposes of my audit.

I review whether the Statement on Internal Financial Control reflects the Commission's compliance with the Code of Practice for the Governance of State Bodies and report any material instance where it does not do so, or if the statement is misleading or inconsistent with other information of which I am aware from my audit of the financial statements. I am not required to consider whether the Statement on Internal Financial Control covers all financial risks and controls, or to form an opinion on the effectiveness of the risk and control procedures.

I read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. I consider the implications for my report

if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Audit Opinion

In the exercise of my function as Comptroller and Auditor General, I conducted my audit of the financial statements in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and by reference to the special considerations which attach to State bodies in relation to their management and operation. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures and regularity of the financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Commission's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion, the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Commission's affairs at 31 December 2008 and of its income and expenditure for the year then ended.

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



Gerard Smyth
For and on behalf of the
Comptroller and Auditor General
22 December 2009

STATEMENT OF RESPONSIBILITIES OF THE BROADCASTING AUTHORITY OF IRELAND

The Broadcasting Commission of Ireland was dissolved with effect from 1 October 2009 under the terms of the the Broadcasting Act, 2009. The property rights, liabilities, and obligations of the Broadcasting Commission of Ireland were transferred to the Broadcasting Authority of Ireland under the terms of the Broadcasting Act, 2009.

Under the terms of the Broadcasting Act, 2009 the Broadcasting Authority of Ireland is responsible for preparing the financial statements for the Broadcasting Commission of Ireland (now dissolved) for the period 1 January 2008 to 31 December 2008 so as to give a true and fair view of the state of affairs of the Broadcasting Commission of Ireland as at 31 December 2008 and its income and expenditure for the period then ended.

In preparing those financial statements, the Authority is required to

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Commission will continue in operation;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Broadcasting Commission of Ireland was responsible for:

- keeping proper books of account which disclosed with reasonable accuracy at any time the financial position of the Commission and enabled it to ensure that the financial statements complied with paragraph 16(1) of the Schedule to the Radio and Television Act, 1988 and were in such form as was approved by the Minister for Communications, Energy and Natural Resources after consultation with the Minister for Finance.
- safeguarding the assets of the Broadcasting Commission of Ireland and taking reasonable steps for the prevention and detection of fraud and other irregularities.



Chairperson



Member of Authority

STATEMENT ON INTERNAL FINANCIAL CONTROL

Responsibility for System of Internal Financial Control

As required by the Code of Practice for the Governance of State Bodies, on behalf of the Broadcasting Authority of Ireland, I as Chairperson of the Broadcasting Authority of Ireland make the following statement based on information certified by the former Chief Executive Officer of the Broadcasting Commission of Ireland and having regard to the review carried out by the Comptroller and Auditor General in the course of his audit.

The Broadcasting Commission of Ireland was dissolved with effect from 1 October 2009 pursuant to the Broadcasting Act 2009. The property rights, liabilities, and obligations of the Broadcasting Commission of Ireland were transferred to the Broadcasting Authority of Ireland pursuant to the terms of the Broadcasting Act, 2009.

During 2008, the Board members of the Broadcasting Commission of Ireland were responsible for reviewing and ensuring the effectiveness of the organisation's system of internal financial control.

A system of internal financial control is designed to reduce rather than eliminate risk and such a system can only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected in a timely manner.

Key Control Procedures

The Commission had taken steps to ensure an appropriate control environment by:

- Clearly defining management responsibilities;
- Establishing formal procedures for reporting significant control failures and ensuring corrective action.

The Commission had established processes to identify and evaluate business risks by:

- Identifying the nature, extent and financial risks facing the body including the extent and categories which it regarded as acceptable;
- Assessing the likelihood of identified risks occurring;
- Assessing the Commission's ability to manage and mitigate the risks that occurred;
- Assessing the costs of operating particular controls relative to the benefit obtained.

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

- A comprehensive budgeting system with an annual budget which was reviewed and agreed by the Commission;
- Clearly defined capital investment control guidelines;
- Formal project management disciplines;
- Regular reviews by the Commission of periodic and annual financial reports, which indicated financial performance against forecasts;
- Setting targets to measure financial and other performance.

The Broadcasting Commission of Ireland engaged a firm of accountants to carry out its Internal Audit function. The Internal Audit function operated in accordance with the Framework Code of Best Practice set out in the Code of Practice on the Governance of State Bodies. The work of the internal audit was informed by analysis of the risk to which the body was exposed, and annual internal audit plans were based on this analysis. The analysis of risk and the internal audit plans were endorsed by the Audit Committee. At least annually, the internal auditor provided the Commission with a report of internal audit activity. The report included the Internal Auditor's opinion on the adequacy and effectiveness of the system of internal financial control.

The Commission's monitoring and review of the effectiveness of the system of internal financial control was informed by the work of the internal auditor, the Audit Committee which oversaw the work of the internal auditor, the executive managers within the Broadcasting Commission of Ireland who had responsibility for the development and maintenance of the financial control framework, and comments made by the Comptroller and Auditor General in his management letter or other reports.

**Annual Review
of Controls**

I confirm that for the year ended 31 December 2008, the Commission conducted a review of the effectiveness of the system of internal financial control.

Signed on behalf of the Broadcasting Authority of Ireland.



Chairperson

STATEMENT OF ACCOUNTING POLICIES

Basis of Accounting The financial statements have been prepared under the historical cost convention, under the accruals method of accounting, except as stated below and in accordance with generally accepted accounting practice. The statements are in the form approved by the Minister for Communications, Energy and Natural Resources.

**Going Concern –
Dissolution of BCI;
Establishment
of BAI** In July 2009, the Broadcasting Act 2009 (Number 18 of 2009) (“the 2009 Act”), was enacted by the Oireachtas. The Act provides for the establishment of a new broadcasting regulatory body, the Broadcasting Authority of Ireland (“the Authority”).

Pursuant to the provisions of the 2009 Act, the Authority was established on 1st October 2009. Accordingly, pursuant to section 174 of the 2009 Act, on the establishment day, the Broadcasting Commission of Ireland (“the BCI”) was dissolved and, pursuant to section 175 of the 2009 Act, the Broadcasting Complaints Commission (“the BCC”) was dissolved.

Part 12 of the 2009 Act and, more specifically, section 176 set out a range of transitional provisions. These include, inter alia, the vesting in the Authority of land which was vested in the BCI immediately before the establishment day. Similarly, it also provides that all property which immediately before the establishment day was the property of the BCI stands vested in the Authority. Rights and liabilities of the BCI, legal proceedings pending to which the BCI was a party, licences granted by the Commission for Communication Regulation to the BCI, contracts entered into by the BCI etc., immediately before the establishment day, were transferred to the Authority.

Section 177 of the 2009 Act contains similar transitional provisions in respect of the BCC, whose rights, liabilities, assets, etc. were transferred on the establishment day to the Authority.

Pursuant to section 178 of the 2009 Act, final accounts of the BCI shall be drawn up by the Authority as soon as may be after the establishment day. These shall be submitted for audit before presentation to the Minister.

The Authority will perform the existing functions of the BCI and the BCC, as well as undertaking a range of new regulatory functions.

Having regard to the fact that the assets, rights, obligations and liabilities of the Commission have vested in the Authority, these financial statements have been prepared on a going concern basis.

Income Exchequer funding, licence application fees and contract fees are taken as income when received. Fees received in the year in respect of Licence Application Fees are taken to income on the following basis:

- a proportion of the fee is retained from unsuccessful applicants;
- all of the fee is retained from successful applicants.

All other income is taken as income when earned.

Monies received under the Broadcasting (Funding) Act, 2003, are taken to the fund on a cash received basis.

Accounting Policy
– Pensions The Broadcasting Commission of Ireland operated a defined benefit pension scheme which was funded annually on a pay-as-you-go basis from monies available to it, including monies provided by the Department of Communications, Energy and Natural Resources and from contributions deducted from staff salaries and from employer contributions. The scheme was based on the Department of Finance Model Public Sector Scheme and was operated on an administrative basis pending formal approval from the Minister for Communications, Energy and Natural Resources.

Pension Scheme liabilities are measured on an actuarial basis using the projected unit method.

Pension costs reflect pension benefits earned by employees in the period and are shown net of staff pension contributions which are paid over to the Department. An amount corresponding to the pension charge is recognised as income to the extent that it is recoverable, and offset by grants received in the year to discharge pension payments.

Actuarial gains or losses arising from changes in Actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Total Recognised Gains and Losses for the year in which they occur and a corresponding adjustment is recognised in the amount recoverable from the Department.

Pension liabilities represent the present value of future pension payments earned by staff to date. Deferred pension funding represents the corresponding asset to be recovered in future periods from the Department.

Depreciation Depreciation is provided in respect of all tangible fixed assets and is calculated to write down the cost of each asset to its estimated residual value over its estimated useful life by equal annual instalments as follows:

• Computer Equipment	33%
• Office Equipment	20%
• Fixtures and Fittings	10%
• Leasehold Improvements	10%
• Audio/Technical Equipment	33%
• Motor Vehicles	25%

A rate of 10% has been provided for in respect of improvements carried out to the Commission's offices at 2-5 Warrington Place as it is envisaged that the Commission will retain its tenure on these offices without the need for significant improvement for at least 10 years. The lease on these premises expires in 2021.

Capital Account The Capital Account represents the amount of unamortised income used for capital purposes.

Bad and Doubtful Debts Bad debts are written off as they arise and provision is made for those debts considered to be doubtful.

Leasing Rental payments under operating leases are dealt with in the Income and Expenditure account as incurred.

Grants Grants under the Broadcasting Funding Scheme are charged to the Broadcasting Funding Scheme Account when the grantee fulfils all conditions attached to the grant. Grant commitments represent funding approvals where the grantee has yet to fulfil the conditions attached to the grant.

INCOME AND EXPENDITURE ACCOUNT*for the year ended 31st December 2008*

	Notes	2008 €	2007 €
Income	2	15,574,713	14,047,715
Net Deferred Pension Funding	16c	<u>403,000</u>	<u>456,000</u>
Total Income		15,977,713	14,503,715
Transfer to Broadcasting Fund		(10,477,706)	(10,254,654)
Less Expenditure	3	<u>(6,357,545)</u>	<u>(5,744,853)</u>
Surplus (Deficit) of income over expenditure		(857,538)	(1,495,792)
Transfer from Capital Account	12	<u>345,118</u>	<u>262,884</u>
Surplus/(Deficit) for the year		(512,420)	(1,232,908)
Balance at the beginning of the year		<u>943,047</u>	<u>2,175,955</u>
Balance at the end of the year		<u><u>430,627</u></u>	<u><u>943,047</u></u>

The Statement of Accounting Policies and Notes 1 – 17 form part of these Financial Statements. The Financial Statements were approved by the Authority on 14th December 2009 and signed on its behalf by::



Chairperson



Member



Chief Executive

BROADCASTING FUNDING SCHEME ACCOUNT*for the year ended 31st December 2008*

	2008 €	2007 €
Broadcasting Income		
Funding Scheme		
Broadcasting Fund Income	10,477,706	10,254,654
Interest Received	671,479	676,824
Total	11,149,185	10,931,478
Expenditure		
Grants and Awards	14,313,439	15,755,361
Staff Remuneration	529,022	478,075
Legal Fees	120,041	179,881
PR Costs	19,774	19,432
Administrative Costs	25,818	1,029
Assessment Costs	106,939	137,777
Advertising Costs	52,181	36,435
Research Costs	42,834	15,575
Development Cost	6,678	2,615
Total	15,216,726	16,626,180
Surplus (Deficit) of income over expenditure	(4,067,541)	(5,694,702)
Balance at 1st January	19,507,935	25,202,637
Balance at 31st December	15,440,394	19,507,935

The Statement of Accounting Policies and Notes 1 – 17 form part of these Financial Statements. The Financial Statements were approved by the Authority on 14th December 2009 and signed on its behalf by:



Chairperson



Member



Chief Executive

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES*for the year ended 31st December 2008*

	Notes	2008 €	2007 €
Surplus for the year		(512,420)	(1,232,908)
Experience (losses) / gains on pension scheme liabilities		(85,000)	(18,000)
Changes in assumptions underlying the present value of pension scheme liabilities		50,000	811,000
Actuarial Gain/(Loss)		<u>(35,000)</u>	<u>793,000</u>
Adjustment to Deferred Pension Funding		<u>35,000</u>	<u>(793,000)</u>
Total Recognised Gain/(Loss)		<u><u>(512,420)</u></u>	<u><u>(1,232,908)</u></u>

The Statement of Accounting Policies and Notes 1 – 17 form part of these Financial Statements. The Financial Statements were approved by the Authority on 14th December 2009 and signed on its behalf by:



Chairperson



Member



Chief Executive

BALANCE SHEET*as at 31st December 2008*

	Notes	2008 €	2007 €
Fixed Assets			
Tangible Assets	8	1,452,660	1,797,778
Current Assets			
Debtors	9	589,718	408,353
Cash at Bank and on Hand		58,488	1,388,462
Short Term Deposits	11	16,222,951	19,717,546
		<u>16,871,157</u>	<u>21,514,361</u>
Current Liabilities			
Creditors (amounts due within one year)	10	(1,000,136)	(1,063,379)
Bank Overdraft		<u>-</u>	<u>-</u>
Net Current Assets		<u>15,871,021</u>	<u>20,450,982</u>
Broadcasting Fund		(15,440,394)	(19,507,935)
Deferred Pension Funding	16c	3,435,000	2,997,000
Pension Liabilities	16b	(3,435,000)	(2,997,000)
Net Assets		<u><u>1,883,287</u></u>	<u><u>2,740,825</u></u>
Represented by			
Income and Expenditure Account		430,627	943,047
Capital Account	12	<u>1,452,660</u>	<u>1,797,778</u>
		<u>1,883,287</u>	<u>2,740,825</u>

The Statement of Accounting Policies and Notes 1 – 17 form part of these Financial Statements. The Financial Statements were approved by the Authority on 14th December 2009 and signed on its behalf by:



Chairperson



Member



Chief Executive

CASHFLOW STATEMENT*for the year ended 31st December 2008*

	Notes	2008 €	2007 €
Reconciliation of Operating Surplus to Net Cash Inflow/(Outflow) from Operating Activities			
Deficit for Year		(512,420)	(1,232,908)
Deficit for Year Broadcasting Fund		(4,067,541)	(5,694,702)
Returns on Investments		(713,556)	(716,102)
Depreciation Charge		387,245	439,685
(Profit)/Loss on Sale of Tangible Fixed Assets		0	3,757
Transfer to (from) Capital Account	12	(345,118)	(262,884)
(Increase)/Decrease in Debtors		600	(27,939)
Increase/(Decrease) in Creditors		(63,243)	200,660
Net Cash Inflow from Operating Activities	17(a)	<u>(5,314,033)</u>	<u>(7,290,433)</u>

Cashflow Statement

Net Cash Inflow/(Outflow) from Operating Activities	(5,314,033)	(7,290,433)
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Return on Investments

Interest Received	531,591	740,407
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Capital Expenditure

Payments to Acquire Tangible Fixed Assets	8	(42,127)	(182,404)
Sale of Tangible Fixed Assets		0	1,847

Management of Liquid Resources

Invested in Short-term Deposits	<u>3,494,595</u>	<u>5,560,269</u>
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Increase/(Decrease) in Cash Balances	17(b)	<u>(1,329,974)</u>	<u>(1,170,314)</u>
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The Statement of Accounting Policies and Notes 1 – 17 form part of these Financial Statements. The Financial Statements were approved by the Authority on 14th December 2009 and signed on its behalf by:



Chairperson



Member



Chief Executive



NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31ST DECEMBER 2008

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 2008

1. Broadcasting Funding Scheme

- (a) Under the Broadcasting (Funding) Act, 2003 the Commission is required to prepare a scheme or schemes for the payment of grants to support certain television and radio programmes and projects out of an amount of 5% of the net proceeds of television licence fee income.

The Scheme "Sound & Vision" was approved by the Minister for Communications, Energy and Natural Resources in October 2005.

Section 6 of this Act provides for the inclusion of a special account of the fund in the annual accounts of the Commission. The Broadcasting Funding Scheme Account shows the Income and Expenditure of the Fund together with the fund balances.

(b)	Euro
Opening Commitment Figure (31st December 2007)	15,799,726
Awards Made in 2008	9,919,627
Grants De-Committed in 2008	(551,739)
Grants Paid in 2008	14,313,439
Closing Commitment Figure (31st December 2008)	<u>10,854,175</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 2008

	Notes	2008 €	2007 €
2. Income			
Oireachtas Grant		5,000,000	3,809,665
Less Superannuation contributions repayable*	10	<u>(420,776)</u>	<u>(413,848)</u>
Net Oireachtas Grant		4,579,224	3,395,817
Broadcasting Fund Income		10,477,706	10,254,654
Deposit Interest		42,077	30,102
Bank Interest Received		0	9,179
Licence Application Fees		21,450	68,150
Contract Fees		251,250	110,900
Rental Income		156,104	170,153
Sundry Income		<u>46,902</u>	<u>8,760</u>
		<u>15,574,713</u>	<u>14,047,715</u>

*By agreement with the Department of Communications, Energy and Natural Resources this amount is refundable in respect of employee and employer pension contributions

3. Expenditure			
Staff Remuneration		1,772,925	1,698,973
Pension Costs	16(a)	319,260	369,254
BCI Commission Members' Fees		73,500	72,232
Broadcasting Complaints Commission Members' Fees		56,000	63,000
Administration Expenses	4	1,152,684	1,032,130
Property Expenses	5	1,184,578	1,207,351
Broadcasting Activity Expenses	6	1,578,635	1,159,238
Broadcasting Complaints Commission Expenses	7	<u>219,963</u>	<u>142,675</u>
		<u>6,357,545</u>	<u>5,744,853</u>

NOTES TO THE FINANCIAL STATEMENTS*for the year ended 31st December 2008*

	2008	2007
	€	€
4. Administration Expenses		
Publications	17,174	7,877
Post and Stationery	57,002	81,892
Telecommunications	38,359	31,627
Equipment Maintenance	13,125	30,590
Entertainment	27,075	25,066
Libel and Slander Insurance	7,122	17,564
Staff Training, Conference Fees and Professional Affiliations	150,736	112,658
HR and Partnership costs	1,780	0
Staff Travel and Subsistence	62,796	69,822
BCI Board Travel and Subsistence	7,955	13,098
PR Consultancy Fees	107,487	102,852
Financial Consultancy Fees	17,634	25,682
BAI - BCI Transition Costs	157,941	0
Other Consultancy	114,935	148,073
IT Support	22,813	0
Advertising and Promotions	87,354	34,638
BCI Publications	44,188	38,796
Sundry Expenses	7,296	10,124
Recruitment Expenses	42,900	55,264
BCI Expenses	3,109	6,845
Vehicle Maintenance	3,520	5,816
General Equipment and Consumables	4,605	7,038
(Profit)/Loss on Disposal of Fixed Assets	0	3,757
Audit Fees	24,450	17,800
Bank Charges	3,855	5,337
Revenue Interest & Penalties	0	0
Depreciation	127,473	179,914
	<u>1,152,684</u>	<u>1,032,130</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 2008

	Notes	2008 €	2007 €
5. Property			
Rent	15	614,600	617,301
Rates		77,772	39,333
Maintenance Costs		126,726	188,179
Cleaning		67,221	58,356
Insurance		13,471	18,818
Light and Heat		25,017	25,593
Depreciation: Leasehold Improvements		259,771	259,771
		<u>1,184,578</u>	<u>1,207,351</u>
6. Broadcasting Activity Expenses			
Radio Licence Advertising and Hearing Expenses		27,238	85,262
Television Licensing		347	14,611
Station Development Activities		160,073	164,177
New Adventures in Broadcasting		51,150	121,965
Community Radio		163,042	148,995
Community Television		67,436	39,427
Broadcasting Conference		220,438	-
Research		86,255	207,302
Digital Terrestrial Television Licensing		275,259	0
Legal Fees		246,118	225,319
Legal Fees Digital Terrestrial Television		194,653	0
Codes Development		75,696	118,624
Compliance Costs		424	431
Irish Language Initiatives		10,506	33,125
		<u>1,578,635</u>	<u>1,159,238</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 2008

	2008	2007
	€	€
7. Broadcasting		
Operating Costs	2,491	12,426
Complaints		
Administrative Costs	2,866	20,453
Commission		
Legal Costs	86,381	8,937
Expenses		
Advertising Costs	91,092	64,118
PR Costs	26,873	26,335
Board Travel and Subsistence	10,260	10,406
	<u>219,963</u>	<u>142,675</u>

8. Tangible Fixed Assets

Cost

At 01.01.2008	<u>4,163,114</u>	<u>439,459</u>	<u>100,720</u>	<u>698,419</u>	<u>2,673,267</u>	<u>191,357</u>	<u>59,892</u>
Additions	42,127	29,840	4,204	6,809	0	1,274	0
Disposals	0	0	0	0	0	0	0
At 31.12.2008	<u>4,205,241</u>	<u>469,299</u>	<u>104,924</u>	<u>705,228</u>	<u>2,673,267</u>	<u>192,631</u>	<u>59,892</u>

Depreciation

At 01.01.2008	<u>2,365,336</u>	<u>354,739</u>	<u>53,738</u>	<u>315,591</u>	<u>1,395,949</u>	<u>185,427</u>	<u>59,892</u>
Charge for Year	387,245	48,926	6,456	68,268	259,771	3,824	0
Disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At 31.12.2008	<u>2,752,581</u>	<u>403,665</u>	<u>60,194</u>	<u>383,859</u>	<u>1,655,720</u>	<u>189,251</u>	<u>59,892</u>

Net Book Value

At 31.12.2008	<u>1,452,660</u>	<u>65,634</u>	<u>44,730</u>	<u>321,369</u>	<u>1,017,547</u>	<u>3,380</u>	<u>0</u>
At 31.12.2007	<u>1,797,778</u>	<u>84,720</u>	<u>46,982</u>	<u>382,828</u>	<u>1,277,318</u>	<u>5,930</u>	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 2008

	Notes	2008 €	2007 €
9. Debtors			
Debtors		61,134	44,390
Prepayments		152,558	172,798
Others		3,272	374
Accrued Income		372,754	190,791
		<u>589,718</u>	<u>408,353</u>
		Trade Creditors	289,656
		Superannuation contributions repayable to Department	420,776
10. Creditors	2		
<i>(Amounts falling due within one year)</i>			
Accruals		154,195	178,839
VAT/PAYE/PRSI/Withholding Tax		135,509	127,946
		<u>1,000,136</u>	<u>1,063,379</u>
		Balance at 1st January	19,717,546
		Additions	25,277,815
11. Short Term Deposits			
Withdrawals		<u>(3,494,595)</u>	<u>(5,560,269)</u>
Investments are represented by bank deposits		<u>16,222,951</u>	<u>19,717,546</u>
		Balance at 1st January	1,797,778
			2,060,662
12. Capital Account			
Transfer to/(from) Income and Expenditure Account:			
Funding of Asset Additions		42,127	182,404
Amortisation in line with Asset Depreciation		(387,245)	(439,684)
Amounts Released on Asset Disposals		0	(5,604)
		<u>(345,118)</u>	<u>(262,884)</u>
Balance at 31st December		1,452,660	1,797,778

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 2008

13. Employees and Remuneration

The average number of persons employed by the Commission during the period was as follows:-

	2008	2007
Management	22	21
Administration	<u>20</u>	<u>23</u>
	42	44

Chief Executive's Remuneration

The Chief Executive of the Commission entered into a contract of employment with the Commission on 26th January 2004. This contract was approved by the Department of Finance for a period of 5 years. The contract was extended by the BCI board on 29th January 2009 for 5 years or until the start of the BAI on 1st October 2009.

The Chief Executive is employed at the first point of the Civil Service Assistant Secretary Grade at a rate of €131,743 per annum. Increases in remuneration for the Chief Executive falling within Circulars issued by the Department of Finance are approved by the Chairperson of the Commission in accordance with a decision of the Commission on 12th June 2000.

The total value of remuneration of the Chief Executive in 2008 was €154,523.89 and an employer's superannuation contribution was made of €24,912.86.

The contract of employment for the Chief Executive provides for the implementation of a Performance Related Award Scheme. The Commission established a Remuneration Sub-Committee in December 2004 to develop a Scheme. The Scheme for 2008 was approved in January 2008.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 2008

14. Board **Payment of Fees and Expenses**

Members The Commission pays fees and expenses to its Board members and to members of the Broadcasting Complaints Commission in accordance with Department of Finance regulations and circulars. The Commission applies the decision of the Government of 20 June 2006 in respect of fees for members of State bodies. The following are the fees and expenses paid to Board members and members of the Broadcasting Complaints Commission.

Broadcasting Commission of Ireland	Fees	Expenses
Conor J Maguire	€10,500	€4,273
Tom Collins	€7,000	Nil
Mary Davis	€7,000	Nil
Joe Griffin	€7,000	Nil
Vivienne Jupp	€7,000	€120
Angela Kerins	€7,000	Nil
Kay McGuinness	€7,000	€1,373
John O'Brennan	€7,000	€203
John Waters	€7,000	Nil
Bob Collins	€7,000	Nil
 Broadcasting Complaints Commission		
Michael McGrath	€10,500	€326
Joseph Brady	€3,500	€1,280
Eucharía Meehan	€7,000	Nil
Susan Nolan	€7,000	Nil
Miriam O'Callaghan	€7,000	€374
Sean O'Sullivan	€7,000	€5,084
David Tighe	€7,000	€2,088
John Donohoe	€7,000	€564

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 2008

14. Board **Disclosure of Transactions**

Members In the normal course of business, the BCI approved the award of contracts and grants to undertakings in which BCI Board Members were employed or otherwise interested.

cont'd

The BCI adopted procedures in accordance with the provisions of the Radio and Television Act 1988 and the guidelines issued by the Department of Finance in relation to the disclosure of interests by Commission Members and those procedures have been adhered to by the BCI during the year.

In 2008, grants totalling €17,400 were awarded to a company in which a BCI Board Member had declared an interest:

Mr. John O'Brennan, Dublin South FM

Independent production companies were awarded contracts under the BCI's *Sound & Vision Scheme* from time to time. In some instances, broadcasters in which BCI Board Members had declared an interest were indirect beneficiaries in respect of the content produced. In 2008, these included:

Mr. John O'Brennan, Dublin South FM

Mr. John Waters, Newstalk 106-108

In 2008, BCI Board Members declared interests in the following companies which were applicants for sound broadcasting contracts under the Radio and Television Act 1988:

Communicorp Ltd. – Ms. Mary Davis

Communicorp Ltd. – Mr. John Waters

The BCI complied with the provisions of the Radio and Television Act 1988 and the Department of Finance guidelines covering situations where interests are declared. In each case, the Commission Member did not receive Board documentation on a proposed transaction or licence application, nor did the Member participate in or attend Board decisions on the matter when the Member became aware of and declared an interest.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 2008

- 15. Operating Leases** The Commission holds leases on two premises, 2nd Floor, Marine House, Clanwilliam Place, Dublin 2 and 2-5 Warrington Place, Dublin 2.

The Commission took a lease on 2nd Floor, Marine House, Clanwilliam Place, Dublin 2 on 24th February 1989 for 35 years. A five yearly rent review was carried out in 2004 for the period commencing 1st November 2004.

The offices in Marine House were not occupied by the Commission during the year and a sub-let agreement covering the period 15 March 2006 to 14 December 2010 was signed on May 31st 2006. Under this agreement the Lessor is responsible for all rent, rates and operational costs associated with the Marine House premises for the duration of the lease. Therefore no net payments in respect of Marine House are due in 2008.

The Commission took a lease on 2-5 Warrington Place, Dublin 2 on 14th December 2001 for 20 years. A five-yearly rent review was carried out in 2006 for the period commencing 8th December 2006. Under this lease, rent payments amounting to €477,000 are due to be made in 2009.

The total amount charged in respect of the operating leases in the Income and Expenditure Account is €614,600.

16. Superannuation (a) Analysis of total pension costs charged to expenditure

	2008	2007
	€000s	€000s
Current Service Cost	233	292
Interest on Pension Scheme Liabilities	170	164
Employee Contributions	(84)	(87)
	<u>319</u>	<u>369</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 2008

16. Superannuation (b) Movement in Net Pension Liability during the Financial Year: cont'd

	2008	2007
	€000s	€000s
Net pension liability at 1st January	(2,997)	(3,334)
Current service cost	(233)	(292)
Interest Costs	(170)	(164)
Actuarial gain/ (loss)	<u>(35)</u>	<u>793</u>
Net pension liability at 31st December	(3,435)	(2,997)

(c) Deferred Funding for Pensions

The Broadcasting Commission of Ireland recognises these amounts as an asset corresponding to the unfunded deferred liability for pensions on the basis of the set of Assumptions described above and a number of past events.

These events include the statutory basis for the establishment of the pension scheme, and the policy and practice currently in place in relation to funding public service pensions including contributions by employees and the annual estimates process. The Commission has no evidence that this funding policy will not continue to meet such sums in accordance with current practice.

The Net Deferred Funding for Pensions recognised in the Income and Expenditure Account represents the funding recoverable in respect of current year pension costs.

The Deferred Funding Asset for Pensions as at 31 December 2008 amounted to €3,435,000 (2007: €2,997,000)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 2008

16. Superannuation (d) History of Defined Benefit Obligations

cont'd

	2008	2007	2006	2005
	€'000	€'000	€'000	€'000
Defined Benefit Obligation	€3,435	€2,997	€3,334	€3,487
Experience (gains)/losses on scheme liabilities	(85)	(18)	484	(197)
% of present value of Scheme liabilities	(2.5%)	(0.06%)	14.5%	(5.7%)

The cumulative actuarial gain recognised in the Statement of Total Recognised Gains and Losses amounts to €9,000.

(e) General Description of the Scheme

The pension scheme is a defined benefit final salary pension arrangement with benefits and contributions defined by reference to one current "model" public sector scheme regulations. The scheme provides a pension (eightieths per year of service), a gratuity or lump sum (one eightieth per year of service) and spouse's and children's pensions. Normal Retirement Age is a member's 65th birthday, and pre 2004 members have an entitlement to retire without actuarial reduction from age 60. Pensions in payment (and deferment) normally increase in line with general public sector salary inflation.

The valuation used for FRS17 (Revised) disclosures has been based on a full actuarial valuation on 6th January 2009 by a qualified independent actuary taking account of the requirements of the FRS in order to assess the scheme liabilities at 31 December 2008.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 2008

16. Superannuation The principal actuarial assumptions were as follows:

cont'd

	2008	2007
Rate of increase in salaries	4%	4%
Rate of increase in pensions in payment	4%	4%
Discount Rate	5.7%	5.4%
Inflation Rate	2.25%	2.25%

The mortality basis adopted allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65.) The table below shows the weighted average life expectancy for members used to determine benefit obligations.

	2008	2007
Member age 65 (current expectancy)	20.7	19
Member age 40 (life expectancy at age 65)	21.8	20.2

(f) Revised FRS 17 Disclosures

The information on pensions has been presented in line with new disclosure requirements required from 2008 under an amendment to FRS 17.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31st December 2008

17. Cashflow Analysis of Changes in Net Funds

Cashflow Statement

	At 01/01/2008	Cash Flows	At 31/12/2008
Cash in Hand/Bank	1,388,462	(1,329,974)	58,488
Deposits	<u>19,717,546</u>	<u>(3,494,595)</u>	<u>16,222,951</u>
Total	<u>21,106,008</u>	<u>(4,824,569)</u>	<u>16,281,439</u>

Reconciliation of Net Cash Flow to Movement in Net Funds

	2008	2007
Increase/(Decrease) in cash during the year	(1,329,974)	(1,170,314)
Cash lodged in Deposits	<u>(3,494,595)</u>	<u>(5,560,269)</u>
Change in Net Funds	<u>(4,824,569)</u>	<u>(6,730,583)</u>
Opening Net Funds	<u>21,106,008</u>	<u>27,836,591</u>
Closing Net Funds	<u>16,281,439</u>	<u>21,106,008</u>



