



ÚDARÁS
CRAOLACHÁIN
NA hÉIREANN

BROADCASTING
AUTHORITY
OF IRELAND

ANNUAL REPORT 2014

TABLE OF
CONTENTS

About the BAI 5

Chairperson’s Statement 7

CEO Review 9

The Authority 11

Contract Awards Committee 12

Compliance Committee 13

Finance Audit & Risk Committee 14

Organisational Structure and Staff of the BAI 15

Ensuring Diversity 17

Ensuring Plurality 27

Influencing and Communicating 29

Strengthening the Transparency and Accountability of Broadcasters 35

Facilitating Learning and Development in the Broadcasting Sector 41

Promoting Responsible Broadcasting and Empowering Audiences 45

Governance and Organisational Development 49



Still from *An Bronntanas*

Produced by: ROSG and De Facto Films
Broadcast by: TG4

BAI MISSION

As Ireland's broadcasting regulator, the Broadcasting Authority of Ireland (BAI) is an independent statutory body, committed to serving Irish society by regulating, shaping and supporting the broadcasting environment, so that broadcasting reflects Ireland's diverse and democratic nature.

BAI VISION

The BAI is recognised as a strategic and professional regulator, serving the viewing and listening needs of the people of Ireland and respected by the broadcasting sector and other relevant stakeholders.

ABOUT THE BAI

The Broadcasting Authority of Ireland was established under the Broadcasting Act 2009 ("the 2009 Act") on 1st October 2009, to regulate content across all broadcasting. It assumed the roles previously held by the Broadcasting Commission of Ireland (BCI) and the Broadcasting Complaints Commission (BCC).

The 2009 Act sets out a range of general and specific objectives for the BAI and specifies that its constituent parts, in performing their functions, "shall endeavour to ensure:

- that the number and categories of broadcasting services made available in the State best serve the needs of the people of the island of Ireland, bearing in mind their languages and traditions and their religious, ethical and cultural diversity,
- that the democratic values enshrined in the Constitution, especially those relating to rightful liberty of expression, are upheld, and
- the provision of open and pluralistic broadcasting services."

The Act also sets out a range of other objectives for the Authority which include:

- stimulating the provision of high quality, diverse, and innovative programming
- facilitating public service broadcasters in the fulfilment of their public service objects
- promoting diversity of control in the commercial and community broadcasting sectors

- providing a regulatory environment that:
 - sustains independent and impartial journalism
 - sustains compliance with employment law
 - protects the interests of children
 - facilitates a broadcasting sector which is responsive to audience needs and accessible to people with disabilities
 - promotes and stimulates the development of Irish language programming and broadcasting services.

2014 marked the launch of the BAI's second Strategy Statement for the period 2014-2016. The changing character of the media landscape has raised challenging questions about what constitutes a viewer or a listener and about how the existing regulatory framework can relate and respond to the present and the emerging future. The implications of these changes have served to underscore the validity of the organisation's present priorities, specifically that the interests of the audience constitute a core concern. Consequently, the 2014 – 2016 Strategy Statement is a continuation of the developments and achievements of the BAI Strategy Statement covering 2011-2013.

The BAI Strategy contains seven themes which capture the organisation's competencies under the statute. The organisation's strategic goals are captured under these themes and, together, set out what the BAI aims to deliver for viewers and listeners in Ireland. It is an ambitious strategy that, while remaining grounded in statute, seeks to ensure that the reality of the changing environment is fully reflected within all our activities.

The BAI Annual Report 2014 uses the seven strategic themes outlined in the Strategy Statement as a framework to report on the activities undertaken and the progress made on its work plan for the year.

**“This instrument can teach,
it can illuminate; yes, and
it can even inspire. But it
can do so only to the extent
that humans are determined
to use it to those ends.
Otherwise it is only wires
and lights in a box.”**

Edward R Murrow

CHAIRPERSON’S STATEMENT

It is an honour for me as incoming chairman to present the annual report of the BAI for 2014. My first task is to acknowledge the sterling service of Bob Collins, Chairman, and the other members of the outgoing Authority. This report documents their endeavours during the year under review and provides ample evidence of cumulative achievement during their five-year term of office. New structures have been created and embedded and key policies and procedures developed and implemented. As the inaugural Authority appointed under the Broadcasting Act 2009, they have done much to protect, support and enhance the broadcasting environment in Ireland at a particularly difficult time.

These achievements were the product of a collaboration between the Authority, statutory committees, the full-time staff of the BAI and the wider stakeholders. I would like to record the appreciation of the Authority for the leadership of the CEO and Deputy CEO of the BAI and the whole-hearted engagement of the staff. Staff reductions and financial constraints required flexibility and creativity: both have been forthcoming in large measure.

2014 marked the first year of a new three-year strategic plan adopted by the Authority after extensive consultation. In reviewing some of the main developments over the past year, it may be useful if I look forward as well as back, reflecting on the strategic plan as a whole.

In October 1958, Edward R Murrow – the doyen of broadcast journalists – said in relation to television:

This instrument can teach, it can illuminate; yes, and it can even inspire. But it can do so only to the extent that humans are determined to use it to those ends. Otherwise it is only wires and lights in a box.

Murrow was speaking to radio and TV directors. His speech was a challenge to fulfil the potential of the broadcasting medium. That challenge remains as relevant today as it was sixty years ago. If anything, with dramatic social change in Ireland and the impact of globalisation and new technology, it is even more so. A healthy, vibrant democratic republic is dependant on a healthy, vibrant and diverse broadcasting sector.

The BAI has an important strategic as well as a regulatory function. The Strategic Plan for the years 2014–2016, which I enthusiastically endorse, focuses on serving the needs of Irish society and ensuring that viewers and listeners have access to a diverse range of broadcasting voices and services. The underlying core values include protection of the public interest; fairness and proportionality; independence and impartiality; professionalism and commitment to learning; accountability, transparency and cost-effectiveness; and cultural and linguistic diversity. The overall vision is that the BAI should be trusted by the public, broadcasters and legislators to service the viewing and listening needs of Irish society.

The main body of this report is structured in a transparent manner to highlight progress and development under the main themes of the Strategic Plan in its first year of operation. Inevitably there are and will be significant challenges in implementing this strategy. It is the function of the Authority to ensure that these are anticipated and successfully negotiated.

Structurally, the BAI comprises two statutory committees, Contract Awards and Compliance – each with its own remit prescribed by the Broadcasting Act. The statutory committees completed significant programmes of work during the year in an efficient and timely manner. Notable benchmarks included completion of the implementation of the current licensing plan, reviews of the performance of a number of broadcasters and processing of 152 complaints. Mindful of the

independence of these committees, it is my responsibility as Chair to ensure that the governance structure as a whole works together as a strong, cohesive organisation.

If the BAI is to be a trusted and informed voice on broadcasting and other media matters, it will need to engage more with the public and with other stakeholders. The incoming Authority intends to address this issue actively. In fulfilling its regulatory brief, the BAI will need to be adaptable and reduce unnecessary bureaucratic and administrative burdens, both on those who make programmes and those who view or listen to them. Following extensive consultation, the Authority developed a series of codes for the guidance of programme makers including the Code of Fairness, Impartiality and Objectivity in News and Current Affairs, the Code of Programme Standards and the BAI Access Rules. I welcome the Access Rules as they begin to address the needs of those who are deaf or have a hearing impairment, and those who are blind or partially sighted, with a view to enhancing their enjoyment of programmes. More work remains to be done in this area.

The finalisation of a new Code of Programme Standards to be observed by programme makers is a timely development. The code had been in existence since 2007. Developing a new code was a challenging task: on the one hand there is no universally shared sense of what standards are, while on the other, there is broad agreement that broadcasting should not be a “free for all”. There are lines which most people will agree should not be crossed. In ensuring that such rules and codes are fair and appropriate, the Authority has sought to ensure a balance between broadcasters, listeners and viewers and to protect the general public. The new code presents a framework without infringing reasonable editorial freedom and takes due cognizance of the wider global media market where lesser regulation may exist.

The organisation’s overall strategy is predicated on ensuring the strength of public, commercial and community broadcasting sectors in the face of a challenging financial environment and significant external competition. We are committed to maintaining a strong public service broadcaster while at the same time vindicating the requirement for accountability and transparency in the use of public funds.

The BAI will continue to encourage and support high quality programmes through the Sound & Vision scheme which is having a significant cumulative impact. More than €70 million was allocated under this scheme in the five years from 2009 – this at a time when investment from other sources was declining due to the financial collapse and budgetary cuts. Total budgets for projects funded over these years was €158 million meaning that BAI funding facilitated leveraging of over 50 percent of final cost. More than 3,000 applications were received in seventeen funding rounds and, in all, 1,110 radio and 336 TV projects were supported. Notable recent examples of programmes supported are *One Million Dubliners*, *Charlie*, *Red Rock*, *The Guarantee*, *Corp agus Anam* and *Song of the Sea*. The Authority will continue to support learning and development initiatives which build expertise locally and enhance the quality and diversity of programming.

The broadcasting environment is changing and challenging. The difficult economic context, diminishing advertising revenue, increased competition particularly from abroad, new technology and media have all inhibited development and fore-grounded issues of quality, sustainability, ownership and control. However the paradoxical pattern of ever increasing choice and diminishing quality is not inevitable. Ed Morrow threw down the gauntlet to broadcasters and regulators in his own day. He challenged them to ensure that TV and radio educated, illuminated and inspired. Otherwise, it was just wires and lights in a box. We should not hesitate to embrace Morrow’s challenge while reshaping it for an Irish context.

Professor Pauric Travers
Cathaoirleach

CEO REVIEW

2014 was the first year of the second BAI strategy, covering the years 2014-2016. It was also the final year of the term of the first board of the Authority and statutory committees. It therefore had an on-going sense of transition throughout the year. Much of the policy development work of the BAI had been completed over the course of the first strategy period (2011-2013) and the work programme for 2014 included some reflective pieces, such as the review of the functioning of the Authority and statutory committees, together with some initial work on longer-term strategic objectives. The year also saw the BAI reach the conclusion of a number of major projects such as the implementation of the Licensing Plan 2012/2013, which involved the relicensing of 24 local radio stations; the revision of the Code of Programme Standards and the development of a new Sound & Vision scheme which will be in existence until the end of 2019.

The Authority agreed the annual workplan and prioritised a number of key deliverables at the beginning of the year. Legislative developments were particularly to the fore earlier in the year. In this regard, the BAI had significant engagement with the Department of Communications, Energy and Natural Resources (“DCENR”) in respect of both the draft Competition and Consumer Protection Bill and the draft guidelines on media mergers which would be included in the new legislation. The Act became law in November and the BAI will have a number of key roles to play in this area in future. There was also ongoing dialogue with DCENR around potential broadcasting legislation which was envisaged in the context of the replacement of the television licence fee with a household broadcasting charge. While the broad piece of legislation was not subsequently proceeded with, we continue to engage with DCENR in respect of a more limited piece of legislation which may be enacted in 2015.

The Compliance Committee had a particularly busy year in respect of complaints and these are addressed in more detail in the body of the report. However, from a strategic perspective, significant work was undertaken on the development and subsequent launch of the Compliance and Enforcement Policy. Work had commenced on this in 2013 and the policy was launched at an industry workshop in November. It will form the basis for all compliance activity over the next number of years, with a strong emphasis on the adoption of a risk-based approach to compliance.

The Contract Awards Committee had probably their busiest year as they completed the competitive licensing processes for commercial radio. The processes included public oral presentations for three of the services – in the North Donegal, Sligo/North Leitrim/South Donegal franchise areas and a niche, music-driven service in Dublin – which resulted in huge interest by the public in each of the areas. It was a great achievement for the Committee that by the end of their term of office, a total of 24 commercial radio services had concluded contracts with the BAI for ten year periods.

The administration of the Broadcasting Funding Schemes – Sound & Vision II and Archiving – continued to be very resource intensive. Details of the schemes are included in the main body of the report but it is important to note that three rounds of Sound & Vision were administered, a total allocation of €10.36m made to 50 TV and 194 radio projects, with decisions on the third round due for announcement early in 2015. In addition, the proposed new Sound & Vision 3 scheme was submitted to the Minister for approval which was subsequently received for a five-year period until the end of 2019. Separately, one round of the Archiving Scheme was completed with an allocation of €2.25m made in respect of 10 projects. The BAI subsequently sought and received approval for the extension of the scheme for a further two-year period until the end of 2016.

Activities related to public service broadcasters were extensive during the year. In addition to the annual reviews of public funding and the provision of feedback on the annual statements of performance commitments of both RTÉ and TG4, there were a series of other activities. Firstly, the BAI was required to undertake a sectoral impact assessment and provide input into a public value test relating to a proposal from RTÉ to establish a paid, international video on demand service, focused on Irish content for the diaspora. Secondly, the BAI was requested to make a report to the Minister on the 5 year strategy addendum, prepared by TG4 and arising from the BAI five-year review of public funding.

At a European level, the BAI took an active role in the plenary and working group meetings of the European Regulators Group for Audiovisual Media Services (ERGA), which was established by the European Commission in 2013. In addition, the BAI’s Deputy CEO, Celene Craig was honoured to be elected Vice-Chairperson of the broader European Platform of Regulatory Authorities (EPRA) Group.

2014 also brought to a conclusion the development of a revised Code of Programme Standards following an extensive consultation process. The year also saw the undertaking of a consultation process leading to the development of revised Access Rules. Both the Code and Rules were launched by the new Chairperson in 2015. Operational activity remained significant in the Finance, Governance, Communications, Sectoral Development and HR and Organisational Development areas and these are detailed in the main body of the report.

A new priority for 2014 was the development of an integrated organisational knowledge strategy which includes IT, data and file management and strategic data use. This is a three-year project with IT being the primary focus in 2014. A second element of this work area was the scoping and undertaking of audience research to inform and support BAI work on matters such as the development of codes and policies. A framework for this research project was developed in 2014 and a research plan is now in place for 2015.

Appropriately, as we approached the end of the term of the first board and committees and prepared for the arrival of new members, we undertook a review of the functioning of the Authority and committees over the course of their terms of office. Arising from that review, we developed an induction plan which will be implemented once all new members are in place. This is anticipated for early 2015.

In conclusion, I would like to thank all of the BAI staff for their ongoing commitment to the delivery of the strategy and workplan. The BAI continues to deliver on the targets set for the organisation and this could not be done without the support of the staff.

It is also important and timely that I thank the outgoing members of the Authority, the Contract Awards, Compliance and Finance, Audit and Risk Committees for their dedication over their terms of office. Your contributions are very much appreciated and we look forward to working with the new members from 2015 onwards.

Michael O’Keefe
Chief Executive



The Authority has overall responsibility for the operation and functioning of the BAI, which includes setting the strategic direction of the organisation. The Authority has nine members, five of whom are appointed by the Government, on the nomination of the Minister, and four of whom are nominated via a selection process conducted by the Joint Oireachtas Committee.

A number of members’ terms of office ceased on 30th September 2014 and there were no meetings of the Authority after this date. Mr. John Waters resigned from the Authority on January 23rd and was replaced by Mr. Séamus Martin, who was appointed on January 28th.

The Authority met eight times in 2014, with attendance as follows:

NAME	MEETINGS ATTENDED	TERM OF OFFICE
Bob Collins (Chairperson)	8/8	30/09/2014
Larry Bass	4/8	15/02/2015
Paula Downey	8/8	30/09/2014
Professor Colum Kenny	6/8	15/02/2015
Michelle McShortall	7/8	15/02/2015
Dr Maria Moloney	6/8	30/09/2014
Michael Moriarty	6/8	30/09/2014
Siobhán Ní Ghadhra	6/8	15/02/2015
Séamus Martin	7/8	30/09/2014

The Minister for Communications, Energy and Natural Resources, Mr. Alex White T.D., made a number of new appointments to the Authority on 2nd December, as follows:

NAME	TERM OF OFFICE	
Professor Pauric Travers (Chairperson)	02/12/2014	01/12/2017
Alan McDonnell	02/12/2014	01/12/2019
Clare Duignan	02/12/2014	01/12/2019
Grace Smith	02/12/2014	01/12/2019

CONTRACT AWARDS COMMITTEE

The Contract Awards Committee is responsible for the operation of licence application processes for broadcasting services and multiplex operations. The Committee has eight members; four of whom are appointed by the Government on the nomination of the Minister, while the remaining four are appointed by the Authority comprising two members of the Authority and two members of the BAI Executive. Membership in 2014 was as follows:

Government Nominees:

Siobhán Bourke, Chairperson
David Barniville SC
Neil Leyden
Eimer McGovern

Authority Nominees:

Larry Bass
Seamus Martin

BAI Staff Nominees:

Celene Craig
Neil O'Brien

The Contract Awards Committee met eleven times during 2014, with attendance as follows:

NAME	MEETINGS ATTENDED
Siobhán Bourke	10/11
David Barniville	6/11
Larry Bass	8/11
Celene Craig	11/11
Neil Leyden	10/11
Eimer McGovern	11/11
Neil O'Brien	10/11
Seamus Martin	9/9

In accordance with its functions, the main activities of the Contract Awards Committee in 2014 included the following:

- Continuation and completion of licensing processes, as directed by the Authority, in accordance with the BAI Licensing Plan;
- Consideration of applications for temporary sound broadcasting contracts;
- Consideration of applications for content provision contracts.

Details of these activities are contained in the main body of the report.

COMPLIANCE COMMITTEE

The Compliance Committee is responsible for the monitoring and enforcement of compliance, the investigation of complaints and a number of statutory reporting functions. The Committee has eight members; four of whom are appointed by the Government on the nomination of the Minister, while the remaining four are appointed by the Authority, comprising two members of the Authority and two members of the BAI Executive. Membership in 2014 was as follows:

Government Nominees:

Prof. Chris Morash, Chairperson
Aidine O'Reilly
Edel Hackett
Paula Mullooly

Authority Nominees:

Paula Downey
Professor Colum Kenny

BAI Staff Nominees:

Ciarán Kissane
Stephanie Comey

The Compliance Committee met ten times during 2014, with attendance as follows:

NAME	MEETINGS ATTENDED
Professor Chris Morash	10/10
Stephanie Comey	9/10
Paula Downey	6/8
Edel Hackett	8/9
Professor Colum Kenny	9/10
Ciarán Kissane	10/10
Paula Mullooly	9/10
Aidine O'Reilly	9/9

In accordance with its functions, the Compliance Committee undertook a number of activities in 2014, including the following:

- Determining the outcomes of 152 complaints by members of the public against broadcasters relating to their adherence to broadcasting codes and standards.
- Reviewing the implementation of the Broadcasters' Code of Practice for Complaints Handling Process
- Reviewing performance by broadcasters against Access Rules requirements.

Details of the activities of the Compliance Committee are outlined in the main body of this report.

FINANCE AUDIT & RISK COMMITTEE

The Authority has one standing committee, the Finance Audit and Risk Committee, which was established as a Committee of the Authority in 2010. It has a range of responsibilities and duties, encompassing systems of internal financial control, external and internal audit, risk management and financial control. Under its terms of reference, which are reviewed on a yearly basis, the FAR Committee is required to brief the Authority not less than four times in any year in respect of its various duties.

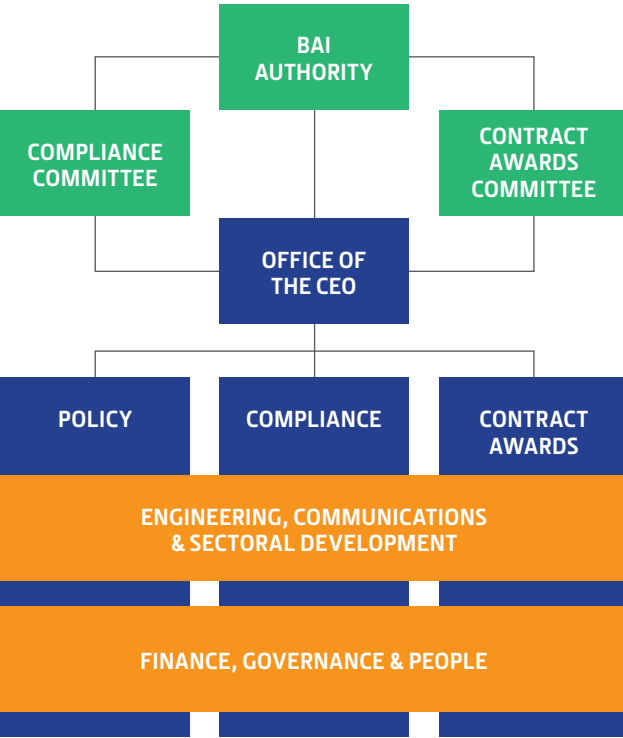
The FAR Committee met 6 times in 2014. Members of the Committee and meeting attendance in 2014 were as follows:

NAME	MEETINGS ATTENDED
Siobhán Ní Ghadhra (Chairperson)	2/6
Dr. Maria Moloney	6/6
Michael Moriarty	5/6
Michelle McShortall	6/6

Details of the activities of the FAR Committee are outlined in the main body of the report.

ORGANISATIONAL STRUCTURE AND STAFF OF THE BAI

The BAI’s work is guided by the Office of the Chief Executive and supported by a team of senior managers who also oversee the implementation of strategy and planning for the organisation as a whole. The BAI operates a matrix structure whereby staff work flexibly across all areas of activity according to business needs. This enables the effective and efficient deployment of resources where and when they are needed.



A list of all staff employed by the BAI on 31st December 2014 is outlined below:

Members of the Executive

Office of the CEO:

Chief Executive	Michael O’Keeffe
Deputy Chief Executive	Celene Craig

Senior Managers:

Stephanie Comey, Ciarán Kissane, Anne O’Brien, Neil O’Brien, Margaret Tumelty.

Managers:

Diarmaid Breathnach, Aoife Clabby, Brian Furey, Sally Kennedy, Niamh Ní Bhroin, Declan McLoughlin, Clare O’Sullivan, Andrew Robinson, Roger Woods.

Executive Officers:

Jill Caulfield, Gillian Collins, Philip Cooper, Elizabeth Farrelly, Tim Flynn, Teresa Kearns, Patricia Kelly, Louise McLoughlin, Marie Murphy, Sinéad Owens, Sarah Herron.

Clerical Officers:

Rachel Casey, Jessica Scott.

Monitoring Staff:

Andrea Leonard, Annette Stone, Jeanne Spillane, Fionnuala Murphy, Deborah Molloy, Barry Casey.

A key strategic goal for the BAI is to continue to secure access for viewers and listeners to a diversity of Irish programming from a range of Irish broadcasters across all relevant platforms.

ENSURING DIVERSITY

A key strategic goal for the BAI is to continue to secure access for viewers and listeners to a diversity of Irish programming from a range of Irish broadcasters across all relevant platforms. The BAI is focused on protecting and enhancing existing streams of Irish content, while also being alert to new opportunities for how further diversity of Irish content might be delivered. The year under review was marked by a number of achievements under this goal, in particular through the BAI's work in the areas of licensing and Sound & Vision.

Broadcasting Services Strategy

The Broadcasting Act requires the Authority to set out a formal strategy in relation to the broadcasting services that should be provided in the State.

The BAI's existing Broadcasting Services Strategy (BSS) was published in March 2012. The strategy sets out the BAI's regulatory policies and practices and is an important framework with regard to the licensing and regulation of services, and the development and implementation of regulatory policies and practices.

The Broadcasting Services Strategy has a number of specific objectives focused variously on audience need, high quality content and plurality of viewpoint, outlet and source within the Irish broadcasting sector.

The BAI is focused on protecting and enhancing existing streams of Irish content and ensuring that viewers and listeners in Ireland have access to high quality programming that reflects their concerns and experience, informs and enables their participation in a democratic society as global citizens and represents the full range of audience interests, presenting and involving all sections of society. This has been and will remain, implicitly and explicitly, an important part of the BAI's public policy position on broadcasting.

Range of Services

The BAI is responsible for the licensing of broadcasting services additional to those provided by RTÉ, TG4, the Houses of the Oireachtas Channel and the Irish Film Channel. The BSS identifies the range of services which can be licensed by the BAI. The BAI's licensing activities aim to achieve the objectives of serving audience needs and offering a variety of content to viewers and listeners. Contracts for the relevant broadcasting and content provision services are awarded using a combination of competitive and open licensing processes. The manner in which contracts for broadcast services are awarded is determined by the service type and the requirements set out in legislation regarding the licensing process for each service type. In 2014, the following activities were undertaken in relation to the licensing of services.

Licensing Plan-Commercial Radio

A significant feature of the Contract Awards Committee's work in 2014 was bringing the BAI's commercial radio licensing plan to completion. The plan had provided for the re-licensing of 24 commercial radio services and work on it was completed when the final batch of contract signings took place in September.

At the end of 2013, the fast-track processes for 12 services were completed and contracts had been signed. Work in 2014 was primarily focussed on the completion of the licensing processes for 7 services that were the subject of the fast-track process and 5 services that were the subject of a competitive process. The fast-track licensing process can be invoked by the Contract Awards Committee when, following a call for expressions of interest, only one expression of interest from the existing holder of the licence is received. A competitive licensing process is implemented when more than one expression of interest is received for the provision of a service. In addition to a written application, this process includes an oral presentation by each applicant to the Contract Awards Committee, based on the application submitted. Applicants also respond to any questions or

Fast-track

FRANCHISE AREA	STATION TYPE	STATION NAME	CONTRACT SIGNING DATE
Co. Mayo	Local Broad-format	Mid West Radio	15/07/13
Cos. Louth & Meath	Local Broad-format	LM FM	15/07/13
Galway City & County	Local Broad-format	Galway Bay FM	16/07/13
Co. Clare	Local Broad-format	Clare FM	16/07/13
Co. Tipperary	Local Broad-format	Tipp FM	16/07/13
Dublin City & County	Local Music-driven, 15 – 34 year olds	FM104	25/09/13
Co. Wexford	Local Broad-format	South East Radio	25/09/13
Co. Wicklow	Local Broad-format	East Coast FM	25/09/13
Dublin City & County	Local Music-driven, 25 – 44 year olds	98 FM	22/10/13
Cos. Cavan & Monaghan	Local Broad-format	Northern Sound Radio	13/11/13
Cos. Longford, Roscommon & South Leitrim	Local Broad-format	Shannonside 104FM	13/11/13
Co. Kildare	Local Broad-format	KFM	13/11/13
Dublin City & County	New Music-driven, 15 – 34 year olds	Spin 1038	11/02/14
Waterford City & County	Local Broad-format	WLR FM	11/02/14
Cork City & County	Music-driven, 15 – 34 year olds	Red FM	11/02/14
Cos. Carlow & Kildare	Local Broad-format	KCLR	15/04/14
Co. Kerry	Local Broad-format	Radio Kerry	19/05/14
Cork City & County	Local Broad-format	C103	04/09/14
Cork City & County	Music-driven, 25 – 44 year olds	Cork's 96 FM	04/09/14

clarifications that the Committee may have in relation to the application. Of the five competitive processes undertaken, three involved oral presentations, in the franchise areas of North Donegal, Dublin City and County and Sligo/North Leitrim/South Donegal. By September 2014, the Contract Awards Committee had completed its assessment of the applications, and made recommendations for the award of contract, for each of the five services. The recommendations of the Committee were ratified by the Authority and the applicants successfully concluded contract negotiations with the Authority.

Details of all the sound broadcasting contracts concluded in accordance with the plan are set out in the tables hereunder.

Competitive

FRANCHISE AREA	STATION TYPE	STATION NAME	CONTRACT SIGNING DATE
Cos. Laois, Offaly & Westmeath	Local Broad-format	Midlands 103	04/09/14
North Donegal	Local Broad-format	Highland Radio	04/09/14
Dublin City & County	Niche Music-driven	Sunshine 106.8	12/09/14
South East	Regional – Music-driven Youth	Beat FM	12/09/14
Sligo, North Leitrim & South Donegal	Local Broad-format	Ocean FM	12/09/14

Content Provision Contracts

Section 71 of the Broadcasting Act makes provision for the award of content contracts for television and radio. The contracts for such services are for content only and each applicant is required to separately arrange carriage on a suitable platform, whether cable, satellite or digital terrestrial. The services applied for may broadcast in the State or may be licensed by the BAI for transmission to other jurisdictions. The Contract Awards Committee assesses each application received in accordance with section 71 of the Act and with reference to the Guide to Applicants for Content Provision Contracts.

2014 marked the first year, since the establishment of the Act, that applications were received for the provision of new television services specifically aimed at Irish audiences. The BAI received two applications for television services aimed at Irish audiences, UTV Ireland and Irish TV; two applications for television services

licensed for retransmission abroad, Setanta Sports and Setanta Sports +; and one application for a radio service to be carried on a Digital Audio Broadcast (DAB) trial.

The application received from **UTV Ireland** was for a general entertainment channel, offering national news and current affairs programming and acquired documentary, drama and film content. In making the application, UTV Ireland also signalled its intention to develop further indigenous Irish content, as the channel grows.

In August, the BAI announced its intention to enter into contract negotiations with **Irish TV**, a new local and international channel, targeting the global Irish diaspora. Irish TV’s proposed schedule offers weekly half-hour programmes from all counties in Ireland, addressing the themes of sport, music, entertainment, business, lifestyle, education and agriculture.



Contract signing with Beat FM

Both UTV Ireland and Irish TV were scheduled to commence broadcasting in January 2015.

The applications received from **Setanta Sports** and **Setanta Sports +** were for 2 Russian language pay TV sports services for the Baltic and Eurasian regions, while the application received from **Zenith Classic Rock** was for the provision of a classic rock service, broadcasting to the south east and Dublin city and county, as part of a DAB trial.

Temporary Sound Broadcasting Services

Each year, the BAI receives a variety of applications for temporary sound broadcasting services. The majority of applications received are for services up to 30 days and encompass a wide variety of proposed uses. Many applications are from schools and colleges who wish to operate a student-run radio station for a particular event such as rag week, freshers' week or transition year projects. Others are associated with festivals, art installations and, more recently, drive-in movies.

A number of applications are also received each year for community sound broadcasting services (also called pilot community applications) where the applicant wishes to gain experience in operating a community radio service before considering whether to apply to the BAI for a full-time community sound broadcasting contract. The Broadcasting Act provides that the BAI may enter into a contract with such applicants for up to 100 days. Pilot community sound broadcasting applications require a greater level of internal scrutiny and are assessed with reference to the BAI's Policy on Community Radio Broadcasting.

During 2014, 28 applications for temporary services were received by the BAI, of which six were for pilot community services. Of these, 25 were recommended by the Contract Awards Committee to the Authority and 21 contracts signed during the period.

Notable successful applicants included **Beautiful Dreamers**, a live theatre production in Limerick City; **Christmas FM** which provided a multi-city service in the run-up to the festive season and raised awareness and funds for a selected charity; **Upbeat FM**, a week-long service to raise awareness of mental wellbeing during Mental Health Week; and, **NOTCHFM** which provided students of Bray Institute of Further Education with the opportunity to run a radio station and thereby gain valuable broadcasting experience.

Digital Terrestrial Television (DTT)

The Broadcasting Act, 2009 gives the BAI responsibility for licensing DTT multiplex operators. The aim is to ensure the continued availability of a diversity of services and programming content in a digital era.

A review which had been undertaken during the course of 2013 regarding the future prospects for the licensing of commercial DTT in Ireland was published in January 2014. The findings suggested that the market conditions for launching commercial DTT services had not improved and remained very challenging since the last unsuccessful licensing process was undertaken in 2008. After careful consideration of the issues involved, the Authority decided not to proceed with a licensing process at this juncture and communicated this decision to the Minister for Communications Energy and Natural Resources.

The Code of Practice for the Placement of Television Services on the Saorview Platform

Following a series of discussions in the first half of 2014, the Department of Communications, Energy and Natural Resources ("DCENR") formally requested the BAI to proceed with the development of a code of practice for the placement of additional channels on the public service multiplex platform ("Saorview"), as originally envisaged in 2012. It was agreed with DCENR that the Code would be applied in respect of all channels which are either currently carried on Saorview or which may be carried at a future date.

A consultation on the draft code of practice for the placement of television services on Saorview was undertaken by the BAI in October 2014 and the final code was published by year end.

The code is primarily concerned with the level of prominence to be afforded to certain public service channels and with ensuring fair, reasonable and non-discriminatory treatment for other channels seeking carriage on the Saorview platform. It further sets out the practices to be followed by RTÉ with regard to the placement of television services on the Saorview platform. It is intended that the regulation of the implementation of the Code will be undertaken by the BAI in accordance with additional statutory functions to be conferred on the Authority at a future point in time.



Contract Signing with Sunshine 106.8

Spectrum Management

Spectrum Management involves the identification of suitable frequency bands for radio devices and agreeing methods of allocation of specific frequencies within these bands for a particular use. Radio spectrum is used for many purposes and the frequencies used by broadcasting form a small subset of the overall spectrum that is available.

The BAI, ComReg and 2rn have worked collectively for many years to ensure that broadcast spectrum is used and licensed as efficiently and effectively as possible. In doing so, each organisation is mindful of its statutory and international obligations while also co-operating to ensure that the overall interests of Ireland are achieved and protected. Collectively, the three organisations are contributing to the 700 MHz re-plan in order to facilitate the potential release of further spectrum for mobile communications. Similarly, spectrum plans that could facilitate DAB developments in Ireland and the UK are being developed at bilateral and technical meetings between both countries. The BAI, along with ComReg and 2rn met with UK broadcasters and Ofcom on one occasion in 2014 regarding FM and DAB radio planning and co-ordination and four times regarding DTT re-planning for possible re-farming of 700 MHz spectrum.

In 2014, enhanced coverage was provided to a number of radio stations including Newstalk, Spirit Radio, FM104, 98FM, South East Radio, Clare FM and Liffey Sound FM. At the end of the year, 285 permanent FM radio transmitters were on air using 182 transmission sites. Frequency planning was also underway to provide enhanced coverage for Q102, Spin1038, Radio Nova, Sunshine, TXFM, 4FM, Newstalk, Spirit Radio, MWR and Galway Bay FM. The BAI worked with ComReg and in cooperation with 2rn to identify suitable frequencies for temporary, pilot community and community radio stations.

Technical Audits

According to conditions laid down in their contracts, all licensed broadcasters are obliged to adhere to technical requirements. During 2014, 87 on-site visits took place and all, apart from three contractors, met required specifications. Overall there was a high degree of contractual compliance.

Broadcasting Fund

The BAI has been responsible for the administration of the Broadcasting Fund since its establishment under statute in 2003. The fund provides for a number of schemes, two of which are currently in operation, the Sound & Vision Scheme and the Broadcast Archiving Scheme. In addition to the administration of both schemes in 2014, the BAI launched a public consultation on the proposed Sound & Vision 3 Scheme, to replace Sound & Vision II, which had been in place since January 2010. The organisation also facilitated and participated in a range of events to promote and publicise Sound & Vision.

The Broadcast Fund's revenue is generated through 7% of the television licence fee, which is distributed to the Fund via the Exchequer. In 2014, the BAI received €14.156m from the Exchequer into the Fund, a decrease of €250k on the 2013 figure of €14.399m.

Sound & Vision II

The Sound & Vision Scheme was established to provide funding in support of high quality programmes on Irish culture, heritage and experience; programmes to improve adult and media literacy; and, programmes dealing with global issues impacting on the state and other countries.

Three rounds of the Sound & Vision II Scheme were run in 2014, two open rounds and one targeted round, on the under-represented formats of education and animation. A total of 678 applications were received across the three rounds. At year end, the assessment and allocation of funding in respect of the two open rounds had been completed, while the targeted round was scheduled for consideration and decision by the Authority in 2015. Arising from the assessment process, €10.36m in funding was allocated in support of 50 TV and 194 radio projects. 311 contracts were signed in 2014 with initial payments made. Of the other 413 payments made, 325 included final contract payments where all required completion documentation was submitted and approved. A total of €13.626m was paid out in grants for the year 2014.

Radio

Of the two rounds assessed in 2014, 425 applications were received for radio projects, seeking funding support from the scheme totalling €3.27m. As with previous years, the number of applications received and the amount requested greatly exceeded the capacity of the fund to support. 194 radio projects received funding support totalling €1.12m, with a wide diversity of audiences served both in terms of genres and channels. The most supported genres for radio included documentary and drama, while entertainment and education projects also featured in the funding allocations.

Funding and Broadcast Highlights

As with previous years, the range of programmes in receipt of support from the scheme continued to be extremely varied, across a wide variety of services. The programmes and series highlighted in the report give a flavour of the range of subjects and the quality of their treatment across public service, commercial and community broadcast services.

- Drama projects are increasingly a feature of radio applications received and 2014 was no exception in this regard. Projects of note included *Fairies only Wear Wings*, on Shannonside 104FM, which revisited the 20 year-old story of the life and mysterious death of Lizzie Lacey in the Irish midlands; *Voices from the River City*, a season of six different plays for broadcast on Limerick's Live 95FM to mark Limerick's City of Culture designation for 2014; an adaptation of Billy Roche's play *A Handful of Stars*, for broadcast on South East Radio; and a new play, *The Blood of Squirrels*, which was broadcast on Newstalk. Radio drama was also supported on community radio, with five community and community of interest services awarded funding for the production of eight different radio dramas, including *Cúirt an Mheán Oíche* on Cork Campus Radio, and *On the Shortest Day of Winter*, broadcast on Dublin City FM.
- Spin South West's *Coming out in the Kingdom*, supported by the LGBT group 'Ciarraí Amach', examined what it is like to be young and gay in a largely rural and conservative part of Ireland, dealing especially with the decision to 'come out' and how this was done.
- Documentary series were also a feature of funding allocation to community services in 2014 and included *Side Streets* on Tipperary MidWest Community; and, *Kilmallock Walled and Alive* on East Limerick Community Radio.

- *Arts on Air* on Connemara Community Radio Arts was also funded in 2014. This ambitious programming initiative delivered 22 hours of high quality, entertaining and vibrant live broadcasting from the Clifden Community Arts Festival.
- *The Appliance of Science* was a series of 15-30 minute programmes on Ocean FM which aimed to bring science to life and to make it accessible for any listener.
- Two Sound & Vision funded series by Athena Media won gold medals at the New York Radio Festival 2014. *Citizens: Lockout 1913* explored the stories, events and personalities behind the Dublin Lockout in 1913; looking at how it fore-shadowed the events of 1916 and helped shape modern Irish society. The eight-part radio feature *Herosongs* explored male and female heroes in the Irish song tradition.
- Learning Irish in east Belfast was the subject of the Newstalk documentary *Turas*. The programme was a bronze winner at the PPI Radio Awards 2014.



Still from *One Million Dubliners*
Produced by Underground Films. Broadcast on RTÉ 1.

Television

In common with radio, the number and value of applications received requesting funding support for television projects significantly exceeded the funds available. 163 applications were received over the two rounds, seeking funds totalling €32.97m. Whereas a high number of projects qualified through the panel assessment process, the relatively limited availability of funds meant that, inevitably, there were a number of high-quality projects that could not be supported. In this context, the next stage of assessment, the strategic phase, was critical in trying to ensure that the greatest mix of genres and formats was allocated funding support. The genre most impacted in the strategic assessment stage was documentary, as this was the most subscribed format in the round. Following completion of the assessment processes, 50 projects were successful in attaining funding support of €9.25m.

Funding and Broadcast Highlights

- 2014 saw the funding of *Red Rock*, broadcast on TV3. Billed as a ground-breaking new primetime Irish drama, *Red Rock* is set in a Dublin harbour town, and is an exploration of modern Irish society through the eyes of a coastal community and the Gardaí who police it.
- *Fir Bolg*, a 6-part drama black comedy that tells the story of the reunion of one of Ireland's most respected and revered traditional music groups. *Fir Bolg* is scheduled for completion in 2015 and will be broadcast on TG4.
- *The Parlour Sessions*, Dublin Community Television (DCTV)'s 12-part series, celebrates the 25th anniversary of Whelan's of Wexford Street, which plays a key role in Ireland's independent music scene. It will showcase Ireland's vibrant independent music community, by setting up a pop-up studio in the venue, featuring live performances by artists. The series is scheduled for broadcast in February 2015.
- The returning 26-part animated series *Wildernuts* is a quest-themed show, broadcast on RTÉjr, that aims to introduce young children to the wonders of Ireland's native habitats.
- *Get the Numbers, Write*, scheduled for broadcast on TV3 in early 2015, is a three-part adult literacy series which follows five people across a six-week course as they strive to improve their literacy skills.

- Broadcast on RTÉ One in 2014 and with a cinematic release also in that year, the feature documentary *One Million Dubliners* is set in Glasnevin Cemetery and tells the story of life and death in contemporary Ireland. *One Million Dubliners* was the joint winner of the Best Irish Feature Documentary at the Galway International Film Fleadh 2014 and also won the Irish Times Readers' award for Best Irish Film of the Year 2014.
- *Blood Fruit* documents the story of how the actions of Mary Manning and ten other Dunnes Stores workers from the Henry Street branch in Dublin ultimately impacted on the anti-apartheid movement internationally. Broadcast on TG4, *Blood Fruit* was the other joint winner of the Best Irish Feature Documentary at the Galway International Film Fleadh 2014.
- The Irish language thriller, *An Brontannas*, funded in an earlier round of Sound & Vision and broadcast on TG4 was the recipient of an IFTA nomination and received the jury's special award at the Boston Irish Film Festival.

Scheme Governance: Sound & Vision 3

Informed by the outcomes of the statutory review of Sound & Vision II, the BAI launched a public consultation on Sound & Vision 3, to replace the existing scheme. The Authority considered the outcomes of the public consultation in early 2014, and finalised the draft scheme which was submitted to the Minister shortly thereafter.

One of the underlying elements in the Authority's review and revision of the current scheme was to introduce greater flexibility for applicants, broadcasters and the BAI without diminishing the contribution the scheme makes to Irish broadcasting and audiences.

The Ministerial response received was generally supportive of the Authority's proposals and, subject to some minor amendments, the scheme was approved by the Minister in July and forwarded to the European Commission for its approval.

In anticipation of the launch of Sound & Vision 3, the Authority approved funding rounds for 2015 and 2016, which will see five funding rounds administered over a two-year period.

Awareness of the Sound & Vision Scheme

The BAI liaised with various stakeholders throughout 2014 as part of its ongoing work to ensure awareness of and engagement with the Broadcasting Fund. In late 2014 the BAI held industry briefing events on the new Sound & Vision 3 Scheme for both the TV and radio sectors, outlining the round plan for 2015 and 2016 and discussing the impact of the Section 481 tax credit changes for the BAI.

Across the year, the BAI represented the Broadcasting Fund at various events such as the CRAOL Training Féile and the HearSay Audio Arts Festival.

The BAI also participated in and supported events at the Jameson International Film Festival, the Galway Film Fleadh, the Cork Film Festival and the Guth Gafa documentary festival.

Archiving Scheme

The Archiving Scheme was developed through engagement with a wide range of broadcasters and expert groups. The aim of the scheme is to contribute to the preservation of Ireland's broadcasting heritage and provide the public with additional access to the very rich history and culture of broadcasting in Ireland. The scheme is financed through a percentage of the Broadcasting Fund, derived from the TV licence fee.

Following the allocation of €1.5m in funding Round 1 of the scheme, contract negotiations progressed with the 7 successful applicants in 2014.

Round 2 of the scheme was completed in 2014. A total of 18 applications were received, seeking funding of approximately €7m. 10 projects were allocated funding of approximately €2.26m. The initiatives funded included the archiving of music and documentaries on TG4; the archiving of news, current affairs and cultural content on TV3; the archiving of various types of content on Newstalk 106, Connemara Community Radio and RTÉ; the archiving of advertisements from the 1960s to the 1980s, held by the Irish Film Institute; and the support of a digital GAA games archives.

The Authority also sought and was granted an extension to the scheme from the Department of Communications, Energy and Natural Resources, to the end of April 2016. This extension will enable a further round of the scheme to be conducted in 2015, in advance of the required statutory review.



Jane McGrath & Patrick Ryan in *Red Rock*
Produced by Element Pictures and Company Pictures. Broadcast on TV3.

The BAI believes that the universal provision of well resourced news and current affairs and a culture of mature conversation, open debate and healthy dissent are essential safeguards of a democratic society.

ENSURING PLURALITY

The BAI's strategy in respect of plurality is to continue to ensure that the viewer and listener have access to a multiplicity of providers offering voices and viewpoints, in whose comprehensive range they can have confidence and trust. As a regulator, the BAI believes that the universal provision of well resourced news and current affairs and a culture of mature conversation, open debate and healthy dissent are essential safeguards of a democratic society.

The BAI sees plurality as central to sustaining democratic objectives and aims to safeguard plurality through its strategic review of broadcasting services; through its arrangements for licensing radio and television stations; and, by attending carefully to issues of ownership and control of broadcasting contractors. This work has particular significance when licences fall to be renewed but it is a permanent part of the BAI's responsibility.

From the perspective of organisational objectives, the BAI has committed to leading and contributing to an informed debate on plurality in Irish broadcasting. Furthermore, through the licensing of services, the BAI is committed to facilitating and maintaining a broadcasting environment that delivers a mix of service types and sources of viewpoint and news for the viewer and listener.

Consumer Protection and Competition Act 2014

The new Consumer Protection and Competition Act, which was enacted in late 2014, envisages particular roles for the BAI in respect of media merger provisions. Specifically, a key aspect from the BAI's perspective is the new set of provisions relating to media mergers, contained in Part 4 of the Act. Over the course of the year, the BAI was engaged in making submissions on the draft legislation prior to its enactment.

The new legislation has seen responsibility for approving media mergers move from the Minister for Jobs, Enterprise and Innovation to the Minister for Communications, Energy and Natural Resources. The Ministerial element of the process for considering media mergers is focussed on issues of plurality. In circumstances where a Minister is concerned that a media merger may be contrary to the public interest in protecting plurality of media in the state, the Minister can request the BAI to carry out an examination of the proposed merger under the new Act. Any report arising from the BAI's examination would ultimately be taken into account by the Minister in the course of his final determination as to whether the proposed merger can proceed.

The Consumer Protection and Competition Act also requires that the BAI publish information on media ownership and the impact of any recent media changes on plurality of the media. The first publication by the BAI is required within one year of the enactment of the legislation and every three years thereafter.

By year end, preparatory work had commenced on a number of strands of work relating to plurality research and the BAI's policy position more generally.

The BAI's strategic intent is to continue to be a trusted and informed voice in the media environment, accessible and available to the public, policy makers, broadcasters and Government.

INFLUENCING AND COMMUNICATING

The BAI's strategic intent is to continue to be a trusted and informed voice in the media environment, accessible and available to the public, policy makers, broadcasters and Government. Critical to this intent is an emphasis on evidence-based decision making, accompanied by a renewed emphasis on communication and engagement with the public, individuals and organisations relevant to the BAI's role.

In 2014, the BAI had inputs at both national and international fora in fulfilment of its objective of being a trusted and informed voice in the media. At the national level, much of the interaction was with the Minister and the Department of Communications, Energy and National Resources. At the international level, the themes of the BAI's work during 2014 reflected the organisation's core objectives of plurality and diversity and, concretely, reflected developments in train in respect of the review of European broadcasting legislation, principally the Audiovisual Media Services Directive.

The BAI's commitment to engage with the public, broadcasters and other stakeholders was achieved in a variety of ways in 2014. Central to the achievement of this commitment was the development of a Stakeholder Management Plan which was implemented over the course of the year. Towards year end, a survey of stakeholders was undertaken and it is intended that the outcomes would inform the BAI's approach to communications and stakeholder management in 2015.

Engagement

Guidance for Placement of Services on the Saorview EPG

At the request of the Minister for Communications, the BAI produced guidance for the placement of programme services on the Saorview Electronic Programme Guide (EPG). The BAI consulted with a range of relevant stakeholders in undertaking this work and the resulting guidance reflected not only the statutory provisions but also the experience of broadcasters to date in the operation of the Saorview Platform. The Guidance will facilitate not only the current complement of services but provides for a logical and systematic approach to the placement of any additional services that may come on stream on the platform in the future.

Framework for determining "Public Service Character" – Section 130, 2009 Act

The BAI also responded to a request from the Department to express a view on the Department's proposed framework for determining whether a programme service had the character of a public service, pursuant to the provisions of Section 130 of the 2009 Act. The Authority was broadly supportive of the comprehensive approach being proposed but also made a number of suggestions, subsequently adopted by the Department, for the enhancement of the framework that were consistent with the overarching objectives of current broadcasting legislation and policy.

Competition and Consumer Protection Act 2014

The BAI worked closely with the Department of Communications, Energy and Natural Resources in respect of the provisions of Part 4 of the Competition and Consumer Protection Act 2014, regarding media mergers, both before and after the enactment of the new legislation. The role envisaged for the BAI under the Act was a reflection of the organisation's involvement and experience over many years in making determinations in respect of the ownership and control

of broadcasting services in Ireland, as well as more generally in relation to plurality within the State.

National and European Broadcasting Policy and Legislation

In the course of 2014, the BAI communicated regularly with officials in the Department of Communications, Energy and Natural Resources on issues arising in current Irish and European broadcasting policy and legislation. This included a contribution to a consultation by the Council of the European Union on its Draft Paper on Audio Visual Policy in the Digital Era. Where appropriate, the Authority also advised on possible amendments to national legislation which would enhance the current statutory framework.

Participation

The BAI continued its active participation in a range of international and national fora on broadcasting regulation and related activities in the course of 2014. This participation included:

European Regulators' Group for Audiovisual Media Services (ERGA)

The BAI continued its participation in ERGA, in line with the work programme agreed in 2013, with an involvement in both plenary meetings and in working groups established to examine and review various aspects of the Directive.

European Platform of Regulatory Authorities (EPRA)

The BAI continued to be an active participant in the EPRA work programme during the year, the focus of which included:

- 1 Convergence and an examination of future models of media regulation and regulatory responses to the new media landscape and
- 2 Ensuring diversity and inclusion in the media and new challenges in relation to Hate Speech.

The BAI Deputy CEO, Celene Craig, was elected to the position of vice-chairperson in June 2014 and, in this capacity, represented EPRA at a seminar on freedom of expression organised as part of the UN Global Forum on Human Rights, held in Morocco in November 2014.

International Institute for Communications (IIC)

The BAI was represented by its Chief Executive at the annual global regulators' conference, organised by the IIC, held in Vienna in October 2014, where he chaired a session that debated the challenges and opportunities posed for both public service and commercial broadcasters in the connected television environment.

EC Contact Committee on the Audio Visual Media Services Directive

The BAI also participated in the Irish delegation at the 40th meeting of the European Commission's Contact Committee on the Audio Visual Media Services Directive, held in Brussels in November 2014.

Salford Media Festival

The BAI was represented at the 21st Salford International Media Festival which took place at the University of Salford in Manchester. The conference heard from speakers on a range of topics including public service broadcasting and the licence fee funding model; the role of co-production structure in the audio visual sector; funding for TV and film; and diversity in the UK cultural industries.

Celtic Media Festival

The BAI was also represented at the Celtic Media Festival, held in St. Ives, Cornwall. The aim of the festival is to promote and celebrate the languages and cultures of Celtic countries and regions through film, television, radio and digital media. As well as making a sponsorship contribution to the festival, the BAI held two events – a networking event for BAI-supported producers who were shortlisted for awards at the festival and a panel event, entitled 'Collaborate', which discussed the issues and opportunities that face minority language programme producers across the globe.

In support of the development of public service broadcasting in Morocco, the **European Audiovisual Observatory** hosted an event in December on the funding and economic aspects of public service broadcasting. At the invitation of the Observatory, the BAI Deputy CEO shared the BAI's regulatory work and experience in the funding of public service broadcasters in Ireland.



BAI Culture Night 2014

Communication and Support

Activities and Events

A comprehensive programme of communications activities was devised for 2014, linking into different areas of work across the organisation. These activities variously aimed to raise public awareness; support public and other consultations undertaken by the BAI; and, facilitate discussion and debate about the BAI's work and approach to regulation. Event highlights from the year included:

- The BAI's programme of public conversations continued and the focus of the conversation held in 2014 was **'Plurality in the Digital Age'**. The event was designed to explore and share views among broadcasters, the print media, representatives of new media and other interested parties, on the relevance of traditional approaches to safeguarding plurality in the media.
- A number of events were held during the year to support consultations being undertaken by the BAI and supplemental online consultations were undertaken for the review of the Access Rules, the Code of Programme Standards and the statutory review of Sound & Vision II.
- A seminar on the theme **'Education through TV: Learning from the Story of Adult Literacy'** was co-organised between the BAI and the National Adult Literacy Agency, and held in the IFI, as part of National Adult Literacy Awareness Week. The seminar showcased literacy content produced and explored new opportunities for collaboration.
- 2014 was the BAI's second year to participate in Culture Night. Over 250 visitors to the BAI's offices were treated to a listening lounge and the Sol Cinema, both featuring excerpts from quality radio and television projects funded through the Sound & Vision Scheme.
- The BAI hosted a number of screenings during the year, including the award-winning documentary *One Million Dubliners* and the films *Kings* and *The Guarantee*.

Media Relations

An important aspect of the BAI's communications function is to proactively engage with the media in a variety of ways. The BAI utilises its web-site and social media to provide information on its regulatory decisions and its activities more generally. The increased utilisation of social media by the BAI has not alone improved awareness of the organisation and its work, but has also facilitated greater interaction with the public and civil society.

60 press statements were issued over the course of the year addressing a range of issues. There was significant coverage of the BAI and its work in the media, with over 500 articles of relevance to the BAI's work and role appearing in the national and local media throughout the year. At national level, the topics garnering most coverage included decisions of the Compliance Committee in relation to complaints and the award of a television content contract to UTV Ireland, while at local level the various licensing processes continued to generate interest, as well as the promotion of various radio and television programmes funded through Sound & Vision.

Freedom of Information

The BAI is subject to the provisions of the Freedom of Information (FOI) Act 2014. The Act is an important tool in facilitating greater access by members of the public and interested parties to further detail in relation to decisions made by the organisation. Over the course of 2014, 18 requests for information were received by the organisation, of which 3 were granted, 8 were partially-granted and 2 were refused. A further 2 requests were dealt with outside of the FOI process, 1 request was withdrawn, and 2 requests were live at year end. The vast majority of requesters were journalists and the type of information sought under the Freedom of Information Act included documents pertaining to Sound & Vision funding round outcomes, contractual and licensing matters, minutes of meetings of the Authority and statutory committees, Digital Terrestrial Television and governance matters. Towards the end of the year, preparations were being made by the organisation to ensure its compliance with the provisions of the new Freedom of Information Act 2014. Further work in this regard was envisaged for 2015.

Sponsorship

The BAI's Sponsorship Scheme is undertaken on an annual basis, within the framework of its communications activity overall. Sponsorship by the BAI of various events is important in enabling the organisation to communicate to a range of stakeholder groups and, through sponsorship, to raise awareness

of the organisation's strategic objectives and activities. Through its sponsorship activity the BAI is contributing to the growth and continued development of the audiovisual industry in Ireland. In total, €110,000 of sponsorship funding was awarded to 17 various events and activities. These included the continued support of the PPI radio awards, the Galway Film Fleadh and the Celtic Media Festival. From an Irish language perspective, the BAI sponsored initiatives by Glór na nGael, Seachtain na Gaeilge and Gael Linn.

Research

In its Strategy Statement 2014-2016, the BAI places the audience at the core of its concerns and decision-making. Accordingly, in the BAI workplan 2014 – 2016, the BAI prioritised the scoping and undertaking of a number of significant pieces of audience research in 2015 and 2016 in order to support and inform work areas such as codes and rules, media literacy and communication. There were two associated key deliverables, specifically that an audience research framework would be commenced and completed and that a continuation plan would be developed and implemented for audience research activities to the end of 2016 and for the use and application of data arising from the research.

The BAI developed an Audience Research Framework in 2014. The framework sets out the overall approach to the commissioning and conducting of audience research which, in turn, supports the delivery of informed, evidence-based decision-making arising from the BAI's statutory functions. The framework also strives to ensure that the BAI gets the maximum value out of any information gathered now and in the future.

As part of its audience research activities for 2014/2015, the BAI committed to undertake at least one major piece of audience research. Following consultation with industry bodies and other regulators in 2014, the BAI agreed to commence tracker surveys in 2015. This is a new research activity for the BAI and the organisation expects to expand on the use of tracker surveys in the future. Tracker surveys are considered 'live' research activities and will enable the BAI to track, record and respond to trends in the broadcasting and general media environments over a period of time. Future surveys may look at the areas of broadcasting standards, media literacy and plurality and will provide important and up to date information on the listener and viewer by understanding their attitudes to media.



PPI Awards Launch 2014



Seachtain na Gaeilge 2014

The BAI's strategic intent is to continue to be a trusted and informed voice in the media environment, accessible and available to the public, policy makers, broadcasters and Government.

STRENGTHENING THE TRANSPARENCY & ACCOUNTABILITY OF BROADCASTERS

The goal of this regulatory activity is to make broadcasters accountable to the public and society. The objectives set by the BAI in relation to this strategic goal are also directed towards increasing public trust and confidence in Irish broadcasting, setting out what viewers and listeners can expect from broadcasters. Areas of activity pursued by the BAI in this area in 2014 related to reviewing the performance of the public service broadcasters, assessing requests for contract variations from a number of licensed services, the launch of the BAI Compliance and Enforcement Policy and the monitoring of certain services for compliance with the BAI Access Rules.

Public Service Regulatory Agenda

The BAI has a range of responsibilities under the Broadcasting Act 2009 regarding the regulation of public service broadcasting in Ireland. From a strategic perspective, the BAI is committed to ensuring that both RTÉ and TG4 demonstrate transparency and accountability in relation to their use of public funds, in accordance with the requirements of Irish and European law and that they continue to provide the level of service that the audience expects of them. There are a number of statutory elements that underpin the BAI's strategic aim and the progress made in 2014 under the relevant elements is outlined below.

Annual Statements of Performance Commitments 2014

As required by the Broadcasting Act 2009, RTÉ and TG4 submitted their Annual Statement of Performance Commitments (ASPC) setting out the targets and actions that they intend to deliver over the year. The process of making commitments is important in that it sets expectations for audiences as to what each PSB hopes to achieve over the course of the year, in addition to feeding into the regulatory process relating to the adequacy of public funds for each PSB to meet its objects.

A key element in relation to the ASPC of each broadcaster is the degree which it is aligned with the five-year plan, submitted to the BAI as part of the five-year review of public funding in 2012/2013. A further measure for the Authority is whether the commitments made fit with the ASPC framework agreed between the BAI and the PSBs and can be measured as part of the Annual Review of Public Funding in a subsequent year.

In relation to RTÉ, the Authority supported the new approach adopted by the broadcaster in relation to its ASPC and was satisfied that the alignment of the statement to both the RTÉ 5-year strategy and the mutually agreed reporting framework would facilitate the Authority in carrying out its regulatory responsibility.

With regard to the commitments themselves, the Authority noted that they were, in the main, of a stabilising nature. The Authority also noted the impact of the reduction in the public funding available in respect of the commitments made. The Authority was satisfied that the RTÉ had met its undertaking, given in the course of the five-year review of public funding in 2013, to provide an indication of the public funding that would be utilised by each of the services.

Regarding TG4, the Authority was satisfied with the overall progress which had been made by the service in preparing its ASPC 2014 and the alignment of the commitments with the BAI agreed APSC framework and TG4's multiannual strategy.

The Authority expressed its satisfaction that the information provided by both RTÉ and TG4 in their ASPCs was sufficient, in the context of the Authority's regulatory responsibilities.

Annual Review of Public Funding

The Annual Review of Public Funding undertaken in 2014 considered the degree to which commitments made by each PSB had been fulfilled in the previous year, in addition to considering the adequacy or otherwise of public funding to enable TG4 and RTÉ to meet their respective public service objects.

The 2014 review was undertaken with the support of Oliver and Ohlbaum Associates (O&O). Following completion of the process, the Authority made its recommendations to the Minister in September with regard to both public service broadcasters. The Authority also made recommendations on policy matters concerning PSB and the nature of the regulatory engagement with PSBs, as currently designed.

In conducting the reviews, O&O focused on five key areas which the Authority believed were central to the delivery of public service broadcasting specifically audience performance, including reach and share; the level and nature of output content produced; the value for money being delivered by each PSB; and, the contribution by each in relation to the vitality of the Irish language and culture in Ireland.

— Audience Performance, including Share and Reach

The Authority considered TG4's success in reaching wider audiences (the Irish diaspora in particular) through its online streams as a very positive development. Some concern was expressed regarding the service's viewership, in particular audience share and the age profile of viewers, particularly in the context of growing competition in the Irish television environment.

The Authority noted that RTÉ's services continued to attract substantial audiences and to engage successfully with audiences across age groupings. It was noted that more fully representing younger listeners across its radio services was a continuing challenge. The wide availability of RTÉ's services on the internet and their access by audiences abroad, was positively noted.

— Level and Nature of Programming

The Authority noted positively that programmes were generally well enjoyed by TG4's audience and that the broadcaster had increased its output of new Irish language hours.

The review found that RTÉ had also increased its television output, against a background of reduced expenditure.

— Value for Money being delivered

The Authority was satisfied that TG4 delivered good value for money relative to its funding levels.

While it was noted that RTÉ's commercial revenue continued to fall in 2013, the broadcaster's success in balancing income and expenditure for the first time in five years, and its increase in digital revenue was seen as a considerable achievement.

— Roles Played in Supporting Creativity in Ireland

The Authority found, through the review process that both RTÉ and TG4 continued to make a valuable contribution to supporting creativity in Ireland in a variety of ways.

— Contribution towards the vitality of the Irish language and culture in Ireland

The Authority concurred with O&O's find that both broadcasters continued to actively support and broadcast comprehensive ranges of programming in Irish, thus serving not only audiences in Ireland, but audiences throughout the world via the internet.

In its submission to the Minister, the Authority recommended that the funding of both TG4 and RTÉ be increased by the rate of inflation, in order to ensure that the capacity of both broadcasters to offer comprehensive services to the audience would not be further eroded. The Authority further strongly recommended that the public funding of RTÉ and TG4 would not be reduced from its existing levels in the context of the levels of service being delivered by both broadcasters.

More broadly, the Authority made a number of additional observations to the Minister, linked to the annual funding review process and addressing, among other things, the activities arising from the five-year funding review process; the impact of the economic downturn on the schedule of broadcasters; and, the legislative framework for setting commitments and undertaking funding reviews. The Authority also recognised that the acute financial difficulties faced by the government in the preceding years had resulted in difficult choices in respect of public funding.

Notwithstanding this, the Authority expressed the view that the effectiveness of the legislation relating to the adequacy of public funding for PSBs was impaired in circumstances where adjustments to public funding for the PSBs are made by direct government intervention rather than through the regulatory arrangements.

Sectoral Impact Assessment (SIA)

Part of the BAI's role in relation to the regulation of public service broadcasting is to provide advice to the Minister regarding the sectoral impact of proposals received from either PSB regarding new services or variations on existing services. In that regard the Minister requested the Authority to undertake an SIA in relation to a proposal by RTÉ to establish RTÉ International, a paid-for Irish video content service for audiences outside of Ireland. The Minister also sought the Authority's views in relation to the public value of the proposed service.

The Authority was generally supportive of the proposal and its potential to facilitate RTÉ in serving the diaspora. It advised that Ministerial approval should be given within certain parameters. These parameters related to the nature of content on the service and a proposed requirement for the service to be reviewed following a period of two years. With regard to the public value being created the Authority advised that the Minister may wish to seek greater clarity from RTÉ on the incremental public value it expected to create.

Compliance

Compliance and Enforcement Policy

The BAI's Compliance and Enforcement Policy was published in November 2014 and a briefing event was held with all relevant stakeholders to set out the new policy provisions.

The main purpose of the policy is to provide a framework for the BAI's approach to its compliance and enforcement activities with all broadcasters and contractors. The policy also sets out the BAI's approach to compliance and enforcement, with an emphasis on adopting a regulatory approach that is measured and proportionate; ensuring that regulatory arrangements are stable and predictable; and, endeavouring to ensure that unnecessary administrative burden does not exist with regard to the policy's implementation.

The policy also contains a number of key objectives, specifically to:

- facilitate effective planning and operation of BAI compliance and enforcement activities
- ensure relevant and accurate compliance information is gathered and reported
- encourage and promote a culture of compliance within the broadcasting sector
- assist broadcasters and contractors in understanding the BAI's approach in this area
- inform and support other areas of BAI's work
- give effect to a risk-based approach to BAI's work in this area



BAI Access Rules Launch

There are also a range of principles underpinning the implementation of the policy relating to certainty and transparency; promoting responsible broadcasting; serving and being accountable to Irish audiences; ensuring effectiveness and responsiveness in relation to matters of compliance and enforcement; and, adopting a risk-based approach in order to prioritise work activities.

A key task for the BAI in 2015 and beyond will be to plan and implement compliance activity, in line with the policy and having regard to the organisation’s workplan to the end of 2016.

Access Rules

The Broadcasting Act 2009 requires that broadcasters must take measures to ensure that people who are deaf, hard of hearing, partially sighted or blind have access to programmes transmitted on their service. The BAI’s Access Rules require that public service, commercial and community broadcasters meet targets for subtitling, consult with user groups and promote their access services. RTÉ 1 and RTÉ 2 also have additional requirements to meet targets for Irish Sign Language and audio description and the provision of subtitling and ISL for children’s programming. The legislation also requires that these rules are reviewed every two years and the BAI undertook this biennial review in 2014.

Access Rules Statutory Review Outcomes

Having undertaken a public consultation in 2014, revised Access Rules were approved by the Authority in September. A small number of changes to the rules were approved for introduction, including:

- An extension of the existing targets until 2018;
- The inclusion of subtitling targets for the new RTÉ digital channels – RTÉ One +1, RTÉ News Now and RTÉjr.
- The setting of Audio Description and Irish Sign Language targets for RTÉjr, as provision of these services for children was seen as particularly important by consultation respondents.

It was anticipated that the revised Access Rules would be introduced in the first quarter of 2015.

Access Rules Compliance Review 2014

On an annual basis, the BAI reviews the performance of broadcasters against targets set out in the Access Rules. The following is an overview of the performance of each service:

RTÉ

RTÉ met its targets for subtitling. In the main, subtitling of non-live programmes was very good, while it was found that live subtitling had improved. The targets for audio description were exceeded in 2014 with positive feedback received from the users of this service. The targets for Irish Sign Language were exceeded in the latter half of 2014. RTÉ also complied with the requirement to promote all access services and to meet and consult with user groups.

TG4

TG4 did not meet its target range for 2014, but did meet its obligation to promote its access services. TG4 plans to meet its subtitling target for 2015 and will also carry all subtitling on page 888 to ensure that any programme with English subtitles will have them available for the complete programme.

TV3

TV3 and 3e met their subtitling targets, but the review found that significant issues still exist with the quality and reliability of subtitles. TV3 installed new subtitling equipment in late 2014 and it was anticipated that this would improve the quality and reliability of subtitles in future.

Setanta Ireland

Setanta Ireland’s subtitling provision was slightly below its target range. However, through the review, the service committed to meeting its target range in 2015 and to improve the promotion of its subtitling service.

The community television services; DCTV in Dublin and CCTV in Cork, exceeded their subtitling targets in 2014.

More generally the review found that it is still proving difficult for some broadcasters to meet with user groups in their area. The BAI will work with the broadcasters to facilitate such meetings in 2015.

BROADCASTER	2014 SUBTITLING TARGET	2014 SUBTITLING ACTUAL
RTÉ 1	82 – 87%	84%
RTÉ 2	60 – 66%	63%
TV3	43 – 47%	66%
TG4	44 – 50%	40%
3e	16 – 20%	22%
Setanta Ireland	8 – 10%	7.4%
DCTV	3%	8.6%
CCTV	3%	7.4%

BROADCASTER	2014 AUDIO DESCRIPTION TARGET	2014 AUDIO DESCRIPTION ACTUAL
RTÉ	1.5%	1.8%

BROADCASTER	2014 IRISH SIGN LANGUAGE TARGET	2014 IRISH SIGN LANGUAGE ACTUAL
RTÉ	1.5%	1.4%
RTÉjr	0.5%	ISL started in October 2014. The target was exceeded since this date.

Contractual Variations

Broadcasters licensed by the BAI, submit requests to the Authority throughout the year for modifications to their contracts. These vary from altering elements of a station’s programme policy to changes in staff and shareholder structure.

In 2014 there were in excess of 40 requests for contract variations received and processed. Eight contractual variation requests were considered by the Authority and the remainder were approved by the Executive. In addition, and in order to greater facilitate the contract variation process, a guide and form to assist contractors in making requests was devised and circulated.

The types of contractual variations considered and approved during the year included a proposal from Phantom FM to rebrand as TXFM and to forge closer administrative ties with Today FM; a number of CEO appointments; and, shareholding changes to RedFM.

The BAI is committed to supporting initiatives that identify and address development needs, with an emphasis on strategic alliances and networks in order to enhance capacity in this important area.

FACILITATING LEARNING AND DEVELOPMENT IN THE BROADCASTING SECTOR

The BAI's strategic goal is to work with people and organisations in order to enhance their capacity to meet Irish audience needs. The BAI is committed to supporting initiatives that identify and address development needs, with an emphasis on strategic alliances and networks, in order to enhance capacity in this important area. The BAI, together with the broadcasting sector, continually appraises both the development needs of the sector and the approaches to meeting those needs.

Sectoral Learning and Development

The BAI Sectoral Learning and Development Policy provides the framework to enable the BAI to plan, support, measure and evaluate from a strategic perspective, the continued growth of the sector, through a variety of training, learning and development activities and approaches.

The total budget approved in support of sectoral learning and development initiatives in 2014 was €337,200. €275k of this was specifically allocated to the support of 10 industry networks for learning and development activities. The remaining funding supported the Media Research Funding Scheme, the Community Broadcasting Support Scheme and a number of other smaller initiatives.

Industry Network Support

While the BAI does not deliver training and development activities itself, it has developed a sustainable approach which focuses on developing and supporting relevant industry networks that can, in turn, provide suitable and appropriate training and development initiatives for their members. This approach has enabled the BAI to build and support a culture of learning and development within the broadcasting sector, resulting in strong strategic alliances and the delivery of learning and development support based on the needs identified by the various networks. An overview of the main networks in receipt of funding in 2014 is provided here.

— **CRAOL (Community Radio Forum)**

The CRAOL co-operative represents 22 licensed community and community of interest services in the state, in addition to providing associate membership services to aspirant groups at various stages of development.

Activities supported by the BAI in 2014 included the weekend Training Féile, which took place in Youghal, an Irish language producers' weekend, skills training in the areas of governance and management for various stations, and support for a helpline providing on-going guidance and advice for all community and community of interest services.

— **Learning Waves Skillnet**

Learning Waves Skillnet is the leading provider of training for the independent commercial radio sector in Ireland. It is funded via Skillnets, the commercial radio sector and the BAI. BAI funded initiatives during the year included coaching and mentoring sessions for presenters, training and development courses for various types of programming, funding support for audience research and for an event to mark the 10th anniversary of the network.

- **Association of Independent Radio Producers (AIRPI)**
AIRPI focuses primarily on training and networking opportunities for radio producers, as well as various advocacy and representation initiatives. During 2014, the BAI supported a Sound & Vision ‘clinic’, drama workshops, listening sessions and development planning.

- **Community Television Association (CTA)**
Established in 2008, CTA represents the two community television services operating in Cork and Dublin. In 2014, CTA hosted a Community Television Festival which delivered seminars, practical workshops and screenings in order to provide a focus on the issues confronting community television in Ireland.

- **Screen Producers Ireland (SPI)**
SPI represents over 150 production companies in Ireland. BAI funding complements funding received through membership and a range of other industry bodies. In 2014, BAI supported a series of seminars and peer-to-peer meetings on a variety of topics relevant to SPI members, with a particular focus on new technologies and intellectual property rights.

Media Research Funding

Established in 2007, the Media Research Funding Scheme aims to develop and maintain links between the BAI, third level institutions and the broadcasting sector, through driving quality research initiatives in support of the broadcasting regulatory environment in which the BAI operates. The scheme has been successful in accessing important and high-quality findings on topics relevant to broadcasting policy-making and regulation.

There were two applicants to the scheme in 2014 and agreement was reached to combine their projects, given the similarity of the proposals received. The BAI signed a research contract with the National Woman’s Council of Ireland (NWCi) and Dublin City University (DCU) in June to undertake new research on the issue of representation of women on the Irish airwaves. It is anticipated that the research will be completed in Q2 2015.

Community Broadcasting Support Scheme

This scheme enables community radio and television broadcasters to apply for funding to conduct either internal or external evaluations. From an internal evaluation perspective, the focus tends to be on organisational development issues, while external evaluations are geared towards the station’s relationship with its targeted community. There were two funding rounds of the Community Broadcasting Support

Scheme in 2014, with six stations availing of funding. The evaluations supported by the BAI encompassed matters such as long-term strategic planning, audience measurement and evaluation, capacity building, outside broadcasting services and schedule reviews.

At year end, it was agreed that the scheme would be the subject of external review in 2015, with the aim of re-launching it in the autumn.

Archiving Scheme Development

Section 69 of the Broadcasting Act requires that every broadcasting contract entered into with the BAI may contain terms and conditions that the Authority thinks appropriate and specifies in any contract. This section of the Act also requires that every sound broadcasting contract should contain a term or condition requiring the contractor to archive categories of programme material. In this regard, the BAI is required to prescribe the format for archiving and the categories of programmes to be archived.

In order to develop an archiving scheme of this nature, the BAI undertook preparatory work in relation to existing archiving practices among the various radio stations. A survey was devised in consultation with a broadcast archivist to ascertain the level of archiving practices and activities in the radio sector. This will inform the approach the BAI takes to the development of an archiving policy. The majority of stations contacted had responded by year end and it was envisaged that the information would be collated and analysed in the first quarter of 2015.

Media Literacy

A number of media literacy activities were supported by the BAI in 2014, notably the provision of funding for a media literacy conference organised by CRAOL and the development of FETAC accredited modules on media literacy training.

The BAI, in partnership with the NDA, chaired a working group on the portrayal and representation of people with disabilities. Further work in partnership with the NDA includes the production of a language guide, while two databases on casting and expert interviewees are planned.



Still from *Get the Numbers, Write*
Produced by Screentime ShinAwil. Broadcast on TV3.



Film crew and former Dunnes strikers in Soweta during the making of *Blood Fruit*
Produced by Ferndale Films. Broadcast on TG4.

The BAI is committed to ensuring viewers and listeners have the tools to make informed decisions about how and what they watch and listen to.

PROMOTING RESPONSIBLE BROADCASTING AND EMPOWERING AUDIENCES

The thrust of the BAI's strategic goal in this area is to implement broadcasting codes and standards and to support Irish audiences in holding broadcasters to account. The process of implementation, development and review of codes and rules is underpinned by consultation and participation. The BAI is also committed to ensuring viewers and listeners have the tools to make informed decisions about how and what they watch and listen to.

Codes Review

The BAI has a range of codes governing standards and practices to be observed by broadcasters across programme content and commercial communications. The Broadcasting Act requires that these codes are periodically reviewed to consider their effect. The outcomes of any review undertaken by the BAI, together with a public consultation process proposing amendment of the statutory codes, feed into a revised code. During the course of 2014, work on reviewing and revising the Code of the Programme Standards was completed, while the process of reviewing the General Commercial Communications Code commenced.

Code of Programme Standards

Having undertaken a review of the effect of the Code of Programme Standards, which had been in operation since 2007, the BAI launched a public consultation on proposals for a revised draft code in July 2014.

In preparing the draft code, the BAI had regard to the outcomes of the review of the effect of the code, which suggested that while the content of the existing Code of Programme Standards remained relevant, the structure and wording of the code required revision. A further aim was to ensure a more user-friendly and understandable code. The draft code was informed by a jurisdictional review of regulation in other countries; attitudinal research to explore Irish people's attitudes to matters of harm and offence; and, Irish and European legislation. The resulting draft code prioritised a principles-based approach but also provided specific guidance to broadcasters as to how these principles might be fulfilled. It was intended that the re-design of the code and an emphasis on principles over rules would make it easier for members of the public to make complaints.

The outcomes of the consultation process were presented to the Authority at its September meeting. In general terms, there was broad support for the revised draft code with only minor amendments proposed through the consultation process. The revised Code of Programme Standards was finalised towards the end of the year and a launch and implementation date were envisaged for quarter one of 2015.

General Commercial Communication Code

The General Commercial Communications Code governs practices in relation to advertising, sponsorship, teleshopping and any other form of commercial communication used by broadcasting services. The existing code was updated in 2011 to incorporate the BAI's decision to permit paid product placement and again in 2013 to reflect new BAI rules on the promotion of foods high in fat, salt and sugar, arising from the review of the BAI Children's Commercial Communications Code.



BAI Code of Programme Standards Consultation Launch

In anticipation of the required statutory review of the code in 2015, the first phase of the review of the effect of the code was undertaken. The review was designed to incorporate the views of all stakeholders, in particular audiences, advertisers and broadcasters. By year end, a report on the stakeholder consultation, together with a review of practices in other jurisdictions had been completed. It was anticipated that the review would be presented to the Authority in early 2015 and submitted to the Minister, as required by legislation. The review will inform decisions relating to any revisions to the current code.

Guidelines on Elections & Referenda

Further to Rule 27 of the BAI Code of Fairness, Objectivity and Impartiality in News and Current Affairs, guidelines on elections and referenda coverage were drafted and approved by the Authority in February 2014. These were implemented in the context of the Local and European Elections held in May 2014.

The Right of Reply Scheme

The Right of Reply Scheme has been developed by the BAI to provide for the correction of incorrect facts or information that has been broadcast about a person, where the assertions of such incorrect facts or information have impugned that person's honour or reputation. No request for a right of reply was received under this scheme during 2014.

A framework for the review of the scheme was agreed with the Authority in 2014 and it is anticipated that a review will be undertaken in 2015.

Complaints Handling Process Review

The process for reviewing complaints handling was approved by the Compliance Committee in 2014. IpsosMRBI was appointed by the BAI to undertake research on the existing process. A key part of this research was feedback from individuals and organisations who had previously submitted complaints to the BAI. The review also included inputs from other stakeholders including broadcasters. The outcomes of the process review will be considered by the BAI and will feed into any recommendations for change to be considered by the Compliance Committee in 2015.

Complaints Process

During 2014 a total of 152 complaints were considered by the BAI through its Executive Complaints Forum and its statutory Compliance Committee. The majority, 93, concerned matters under the Code of Fairness, Objectivity and Impartiality in News and Current Affairs, with 46 complaints considered under the Code of Programme Standards. Of the 152 complaints received, 19 were carried over from 2013; 36 were dealt with by an adequate response from the broadcaster; 66 were resolved at either Compliance Committee or Executive Complaints Forum level, while 12 were upheld in full or in part by the Committee.

COMPLAINT PROCESSED IN 2014 BY CATEGORY	
Code of Fairness, Objectivity & Impartiality in News and Current Affairs	93
Code of Programme Standards	46
General Commercial Communications Code	6
Law & Order	3
Privacy of an Individual	4

COMPLAINT PROCESSED IN 2014 BY RESOLUTION	
Upheld by Compliance Committee	3
Upheld in Part by Compliance Committee	9
Rejected by Compliance Committee	47
Resolved at Executive Complaints Forum	21
Resolved (prior to consideration by ECF/CC)	36
Invalid	4
Withdrawn	2
Ongoing	30

19 COMPLAINTS CARRIED OVER FROM 2013	
Upheld by CC	1
Upheld in Part	1
Rejected	9
Resolved at ECF	3
Resolved	4
Withdrawn	1

The BAI's strategic commitment is to be a credible, effective and accountable organisation, committed to the highest standards of corporate governance and with a reputation for excellence.

GOVERNANCE AND ORGANISATIONAL DEVELOPMENT

The BAI's strategic commitment is to be a credible, effective and accountable organisation, committed to the highest standards of corporate governance and with a reputation for excellence. The achievement of this commitment requires organisational agility and flexibility, a cohesive, robust governance and resources framework, centred on the delivery of the BAI's strategy and a commitment to further evolving as a learning organisation in order to keep pace with changes in the environment within which the BAI operates.

Functioning of Authority and Statutory Committees

2014 marked a year of change for the Authority and the statutory committees with the completion of terms of office for a large number of the members. In anticipation of the appointment of new members to the Authority and committees over the course of 2014/2015, a review of the functioning of the Authority and committees was undertaken between July and September, involving a series of focus groups with Authority members, committee members and staff. The purpose of the review was two-fold; to review the approach to induction, governance and participation over the members' terms of office; and, to feed the outcomes of the review into the induction process for incoming members. The outcomes of the review were presented to the Authority and statutory committees prior to the completion of members' terms

of office. Prior to the new appointments being made, work was undertaken by the senior management team for the roll-out of an induction process for new members over the course of 2015.

The BAI also ensured that all statutory and Code of Practice obligations, including financial reporting and the submission of three year estimates to the Department, were undertaken within the required statutory timeframes.

Finance, Audit and Risk Committee (FAR)

The FAR committee has a range of responsibilities which encompass the areas of systems of internal control, external and internal audit, risk management and financial procedures. The FAR committee is required to brief the Authority not less than four times a year in respect of its various duties and its terms of reference are reviewed on a yearly basis to ensure that they remain current and relevant.

The committee met six times during 2014 and considered a range of matters.

- **Finance:** The FAR committee plays a central role in relation to the review of the organisation's monthly management accounts and general oversight of the financial affairs of the organisation. It also considers the unaudited and audited financial statements and the half-yearly statements of the Broadcasting Authority of Ireland and the Broadcasting Fund and presents and recommends their adoption to the Authority in each year. The FAR's role also extends to consideration of the organisation's three year estimates.

Internal financial controls were overseen by the FAR committee in the course of the year and the committee was in a position to provide a satisfactory report and recommendation to the Authority in this regard.



BAI Strategy Statement 2014–2016 Launch

- **Audit:** The C&AG and internal auditors separately audited the financial process, procedures and reporting in the BAI and expressed satisfaction with the structures in place. The Annual Report and Accounts 2013 for the BAI and the Broadcasting Fund were submitted to the Minister in September. Approval was also provided by the Minister for the publication of the three year budget estimates 2014-2017.
- **Risk:** The BAI's risk register is comprehensively reviewed on an annual basis and is a standing item on the agenda of the FAR Committee. In each year, risks associated with project or operational areas are identified as part of the work planning process and the risk register is revised accordingly. A revised Risk Register for 2014 was prepared and recommended for approval by FAR to the Authority.
- **Levy Review:** The inaugural meeting of the Levy Liaison Group was held in November 2014. The meeting was attended by representatives from the major broadcasters and representative groups, the BAI and PWC, the current administrator of the levy on behalf of the BAI. Terms of Reference were agreed and objectives set to review and address specific issues in relation to the operation of the broadcasting levy and to provide a forum for face-to-face engagement between BAI and broadcasters in relation to levy-related issues.

Official Languages Act

The BAI's Irish Language Scheme came into effect on 16th September 2013. The organisation is committed to providing language services to its stakeholders over the 3-year timeframe of the scheme. The aim is to achieve this by taking a strong, proactive approach and ensuring visibility for the language at all levels.

The BAI completed the first year of its Irish Language Scheme in September 2014. A report on compliance by the Oifig an Choimisinéara Teanga noted that the BAI has complied with all of its commitments under the scheme. In addition to building on the commitments made and achieved in year one, the focus for year two will be in the areas of customer service, website and computer systems, information provision and communications, promotion of, and presence at events and language resources.

Organisational Strategy and Work-Planning

- **Strategy Statement 2014–2016**
On February 24, in conjunction with the publication of the organisation's three-year workplan, the BAI's Strategy Statement was launched by the Minister for Communications, Energy and Natural Resources, Mr. Pat Rabbitte T.D. The three-year workplan is a key document for the BAI as it gives practical effect to the goals and objectives expressed in the strategy and it enables the BAI and stakeholders to track progress and to be held to account in terms of the programme of work delivered.
- **Workplan 2014**
2014 was the first year of implementation of the BAI's Strategy Statement 2014-2016. The 2014 workplan was marked by project and operational review, the commencement of work on longer-term strategic objectives and the completion of major projects such as the licensing plan, revisions to the Code of Programme Standards, and the development of a new Sound & Vision scheme. While at an early stage, it was felt that satisfactory progress had been made toward the achievement of the deliverables in the three-year strategy.

Public Service Agreement 2010–2014

The BAI made 11 commitments as part of the programme for the delivery of public service reform. These span a range of areas from the regulatory functions associated with PSBs, through to commitment in the areas of ICT, customer service, business process improvement and performance management and development. The BAI has continued to perform well against the commitments set and reported on progress at mid-year and year end. Commitments have been revised to reflect progress in the 11 areas. In addition, and in common with all public service agencies, the BAI is committed to detailing progress against commitments in its annual report.

- **eGovernment/ICTs**
The BAI continued to seek opportunities to expand its use of IT and to embrace new IT technologies to increase its efficiency, its accessibility to the public and its own understanding of the media it regulates. In its workplan for 2014-2016, the BAI committed to the development and implementation of an integrated three-year strategy of organisational knowledge, which includes IT Strategy, Data and File Management and Strategic Data Use.

In 2014, the BAI IT Strategy was updated to reflect the key IT priorities for the organisation. The IT Strategy focuses on improving business efficiencies, quality of service and value for money for the BAI and its stakeholders. The BAI developed a plan for support and upgrades over the next three years.

The baifuture.ie website, the main site used by the BAI for public consultations was used in the public consultations on the Access Rules and the Code of Programme Standards in 2014. At the end of 2014, the BAI commenced work on a new website which will be completed in 2015. The BAI also commenced work on new smart BAI data and compliance returns for broadcasters which will be IT enabled by 2016.

– Customer Service

The BAI is committed to the constant improvement of its points of access to information for the citizen and regulated entities. A key element for the BAI is the provision of information in multiple formats, including through the BAI website. Following on from the success of the first public conversation event in 2013, the BAI organised a second event of this nature, on the theme of “Plurality in the Digital Age”. The event was very well attended and was live streamed. A strategic approach to the use of social media has continued with increased use of media-rich footage to enhance social media messaging. A strategic communications plan for the year, based on the BAI Strategy has been devised and is being implemented, with a strong emphasis on engaging viewers and listeners through the provision of information in multiple formats.

– Shared Services

In line with the potential for strategic co-operation with ComReg, agreement was reached in relation to three work areas which would be the subject of a joint tendering process: IT, Internal Audit and Web development. Following the procurement process, a contract for IT (Operational Support) was awarded and signed with Hibernia Evros. The tendering process for Internal Audit resulted in the award and signing of a contract with Capita Consulting Limited, while the joint tender for web-hosting and development resulted in the award and signing of a contract with Isobar Dublin Limited.

– Business Process Improvement

The BAI has committed to undertaking a strategic review of internal data to identify information routinely requested of broadcasters, in addition to analysing industry and other data critical to the BAI’s regulatory functions. Arising from this, a number of initiatives have been developed in order to streamline access to data, to create certainty at industry level as to the BAI’s data requirements and to ensure the efficient retention and disposal of data necessary to the BAI’s functions.

– Property Management

The BAI commitment to this area of public service reform relates to the identification and rectification of areas of energy loss on the BAI’s premises. As part of the three-year energy initiative plan, a thermal imaging audit and report was undertaken to identify areas of significant energy loss in the building.

– Human Resources and Organisational Development

A key challenge for the BAI in 2014 was staffing and resourcing. The following four HR policies were developed and/or revised over the course of the year: Drugs and Alcohol Misuse, Sick Leave, Dignity at Work and the Working Time Policy. A HR Strategic Agenda for 2014 was also developed.

The BAI committed to strengthening its performance management and development (PMD) process, specifically the manner in which performance is addressed, rewarded and challenged. Considerable work has been undertaken to ensure that the policy and processes associated with PMD have been firmly embedded into the organisation.

Staff communication sessions have taken place on a monthly basis and have proven a valuable information sharing and exchange platform across the organisation. Learning and development has been a key focus in 2014 and the BAI has facilitated staff at all levels of the organisation to explore opportunities to develop their skills and knowledge in key strategic areas.

BROADCASTING AUTHORITY OF IRELAND FINANCIAL STATEMENTS FOR YEAR ENDED 31 DEC 2014

CONTENTS

Statement of Responsibilities 55

Statement on Internal Financial Control 56

Report of the Comptroller and Auditor General 58

Statement of Accounting Policies 59

Income and Expenditure Account 61

Statement of Total Recognised Gains and Losses 62

Balance Sheet 63

Cashflow Statement 64

Notes to the Financial Statements 65

STATEMENT
OF
RESPONSIBILITIES

Pursuant to the terms of the Broadcasting Act 2009 (the Act), the Broadcasting Authority of Ireland (BAI) is responsible for preparing financial statements for the year 1st January 2014 to 31st December 2014, so as to give a true and fair view of the state of affairs of the Broadcasting Authority of Ireland as at 31st December 2014 and of its income and expenditure for the year 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 Authority 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 Authority of Ireland is responsible for:

- Keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Authority and enabling it to ensure that the financial statements comply with section 37(2) of the Schedule to the Broadcasting Act 2009 and are in a form approved by the Minister for Communications, Energy and Natural Resources after consultation with the Minister for Public Expenditure and Reform.
- Safeguarding the assets of the Broadcasting Authority of Ireland and taking reasonable steps for the prevention and detection of fraud and other irregularities.



Professor Pauric Travers
Chairperson
Date 11/6/15



Alan McDonnell
Member of Authority
Date 11.6.15

STATEMENT ON INTERNAL FINANCIAL CONTROL

Responsibility for System of Internal Financial Control

On behalf of the Broadcasting Authority of Ireland, I acknowledge the Authority's responsibility for ensuring that an effective system of internal financial control is maintained and operated as required under the Code of Practice for the Governance of State Bodies.

The system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented or would be detected in a timely period.

Key Control Procedures

The Authority has 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 Authority has established processes to identify and evaluate business risks by:

- Identifying the nature, extent and financial implication of risks facing the body, including the extent and categories which it regards as acceptable
- Assessing the likelihood of identified risks occurring
- Assessing the Authority's ability to manage and mitigate the risks that do occur.

The system of internal financial control is 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 Authority
- Regular reviews by the Authority of periodic and annual financial reports, which indicated financial performance against forecasts
- Setting targets to measure financial and other performance
- Clearly defined capital investment control guidelines.

An internal audit function is operated, the work of which is informed by analysis of the risk to which the body is exposed. The annual audit plan is based on this analysis.

The Authority's monitoring and review of the effectiveness of the system of internal financial control was informed by the work of the internal auditor, the Finance, Audit & Risk Committee which oversaw the work of the internal auditor, the executive managers within the Broadcasting Authority 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.

The terms of office of the majority of the members of the Authority expired in September 2014. A new Chairperson and three new Authority members were appointed on 2nd December 2014. Following the completion of the terms of office of those members appointed in 2009, a further four members' terms of office expired on 16th February 2015. The five remaining vacancies on the Authority were filled on 17th February 2015. Consequently, no Authority meetings were held from 9th September 2014 to 22nd January 2015. There was no Finance Audit & Risk Committee from September 2014, however any finance, audit and risk related matters were dealt with directly by the Authority during this period.

Annual Review of Controls

I confirm that for the year ended 31st December 2014, the Authority conducted a review of the effectiveness of the system of internal financial control.

Signed on behalf of the Broadcasting Authority of Ireland.



Professor Pauric Travers

Chairperson

Date

11/6/15



Alan McDonnell

Member of Authority

Date

11.6.15

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL



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

Broadcasting Authority of Ireland

I have audited the financial statements of the Broadcasting Authority of Ireland for the year ended 31 December 2014 under 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 statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. The financial statements have been prepared in the form prescribed under Section 37 of the Act, and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the Authority

The Authority is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the state of the Broadcasting Authority of Ireland affairs and of its income and expenditure, and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Authority's circumstances, and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read the Authority's annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the state of the Authority's affairs at 31 December 2014 and of its income and expenditure for 2014

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

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in the Authority's annual report is not consistent with the related financial statements, or
- the statement on internal financial control does not reflect the Authority's compliance with the Code of Practice for the Governance of State Bodies, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.

Patricia Sheehan
For and on behalf of the
Comptroller and Auditor General
16 June 2015

STATEMENT OF ACCOUNTING POLICIES

Accounting Convention

The Financial Statements of the Authority, which are in the form approved by the Minister for Communications, Energy and Natural Resources with the consent of the Minister for Public Expenditure and Reform, have been prepared on an accruals basis, except as stated below, under the historical cost convention and in accordance with Generally Accepted Accounting Principles. Financial reporting standards recommended by the recognised accountancy bodies are adopted as they become applicable. The unit of currency in which the financial statements are denominated is the Euro.

Levy Income

The Authority's main source of income is generated from a levy raised on public service broadcasters and broadcasting contractors as required under Section 33(1) of the Broadcasting Act 2009. The levy is used to fund the expenses of the operation of the Authority and the statutory committees and is based on budgeted expenditure for a given financial year.

Under Section 33(5) of the Broadcasting Act 2009, any surplus of levy income over the expenses incurred by the Authority in the discharge of its functions relevant to that levy in a particular financial year shall either be retained by the Authority to be offset against levy obligations for the subsequent year, or be refunded proportionately to the providers of broadcasting services on whom the levy is imposed.

The basis of the calculation of the levy is detailed in the Broadcasting Act 2009 (Section 33) Levy Order 2010.

Licensing Fee Income

Further to the provisions of the Broadcasting Act 2009, the Authority is responsible for the awarding of contracts for television and radio services on a variety of platforms. In general, the Authority enters into two kinds of contracts with broadcasting operators as follows:

- Broadcasting Contracts
- Content Provision Contracts

Licensing fees may be payable by applicants for contracts and by contractors to the BAI pursuant to the statutory provisions. Such fees may vary from time to time in line with the Authority's policies and strategies.

Other Income

Other Income is brought to account over the period to which it relates.

Leasing

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

Fixed Assets & 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 installments 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 Authority’s offices at 2-5 Warrington Place as it is envisaged that the Authority 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 unamortised amount of income used to purchase fixed assets.

Pensions

The Broadcasting Authority of Ireland operates a defined benefit pension scheme. The Authority has an arrangement with the Department of Communications, Energy & Natural Resources (the DCENR) under which the Authority will be reimbursed all monies required to settle the pension obligations when they fall due. In return, the Authority is required to pay the DCENR an amount equal to employee contributions for the year plus an employer contribution at rates set by the Department of Finance.

Pension costs comprise the employer’s contribution in respect of the year.

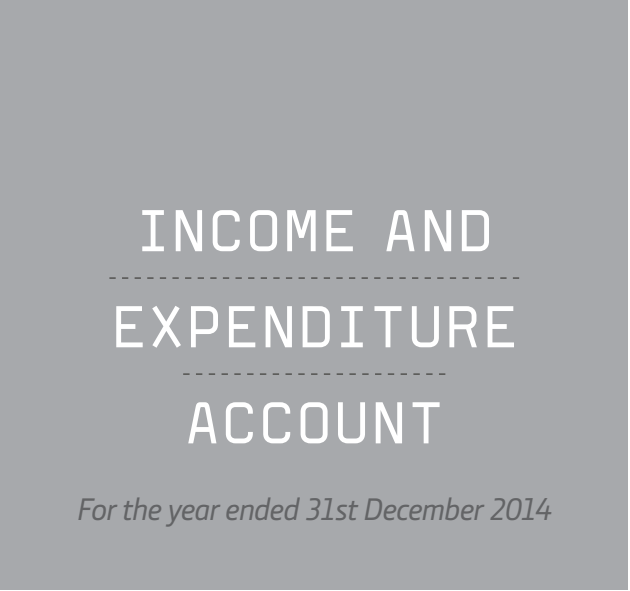
Pension liabilities represent the present value of future pension payments earned by staff to date. An asset, equal in amount to this liability and which represents the amounts to be reimbursed in future periods by the DCENR for pensions as they fall due for payment, is recognised based on the pension funding arrangement in place.

Pension scheme liabilities represented by the present value of future pension payments earned by Authority staff to date are measured on an actuarial basis using the projected unit method. Pension costs reflect pension benefits earned by Authority staff in the period and are shown net of employee pension contributions, which are retained by the DCENR. The amount to be included in the financial statements for the Deferred Exchequer Pension Funding amount is estimated at an equal amount to the estimate of the obligation for the pension scheme liabilities.

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 balance for Deferred Exchequer Pension Funding.

Taxation



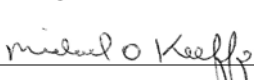
The Authority is not liable for Corporation Tax. Income raised by the Authority is subject to VAT.



	Note	2014 € '000	2013 € '000
Income			
Levy	1	4,684	4,885
Licensing Fees	2	14	22
Other Income	3	888	872
Gross Income		5,586	5,779
Transfer from Capital Account	14	17	54
		5,603	5,833
Expenditure			
Staff Costs	4	2,026	2,248
Pension Costs	18(c)	273	284
BAI Members Fees and Expenses	16	107	118
Consultancy Fees	5	426	595
Legal Expenses		71	145
Advertising		51	115
Administrative Expenses	6	446	391
Auditors’ Remuneration		10	12
Grant & Development Payments	7	385	386
Premises & Related Expenses	8	865	892
Depreciation		61	69
		4,721	5,255
Surplus Income over Expenditure		882	578
Refund of Levy	1	(857)	(542)
Surplus after refund of Levy		25	36
Balance at the beginning of the year		695	659
Balance at the end of the year		720	695

The Statement of Accounting Policies and Notes 1–21 form part of these Financial Statements.

The Financial Statements were approved by the Authority on the 11th June 2015 and signed on its behalf by:

 Professor Pauric Travers Chairperson Date 11/6/15	 Alan McDonnell Member of Authority Date 11.6.15	 Michael O'Keeffe Chief Executive Date 11/6/15
--	--	--


STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES


For the year ended 31st December 2014

	2014 € '000	2013 € '000
Surplus after Refund of Levy	25	36
Experience gains on pension scheme liabilities	786	147
Changes in assumptions	(586)	(830)
Adjustment to deferred Exchequer pension funding	(200)	683
Total Recognised gain for the year	25	36

The Statement of Accounting Policies and Notes 1–21 form part of these Financial Statements.

The Financial Statements were approved by the Authority on the 11th June 2015 and signed on its behalf by:


Professor Pauric Travers
 Chairperson
 Date 11/6/15


Alan McDonnell
 Member of Authority
 Date 11.6.15


Michael O'Keeffe
 Chief Executive
 Date 11/6/15

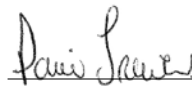
BALANCE SHEET


As at 31st December 2014

	Note	2014 € '000	2013 € '000
Fixed Assets			
Tangible Fixed Assets	9	70	87
Current Assets			
Debtors	10	1,265	859
Cash at Bank and on Hand		1,050	596
Short Term Deposits	11	278	277
		<u>2,593</u>	<u>1,732</u>
Current Liabilities			
Creditors (amounts falling due within one year)	12	1,573	1,037
Loan Facility	13	300	-
		<u>1,873</u>	<u>1,037</u>
Net Current Assets – Total Assets less Current Liabilities before Pensions		<u>720</u>	<u>695</u>
Deferred Pension Asset	18	7,020	6,566
Pension Liabilities	18	(7,020)	(6,566)
		<u>790</u>	<u>782</u>
Represented by:			
Income and Expenditure Account		720	695
Capital Account	14	70	87
		<u>790</u>	<u>782</u>

The Statement of Accounting Policies and Notes 1–21 form part of these Financial Statements.

The Financial Statements were approved by the Authority on the 11th June 2015 and signed on its behalf by:


Professor Pauric Travers
 Chairperson
 Date 11/6/15


Alan McDonnell
 Member of Authority
 Date 11.6.15


Michael O'Keeffe
 Chief Executive
 Date 11/6/15

CASHFLOW STATEMENT

For the year ended 31st December 2014

	2014 € '000	2013 € '000
Reconciliation of Operating Surplus to Net Cash flow from Operating Activities		
Surplus for the Year	25	36
Returns on Investments	(0)	(1)
Depreciation Charge	61	69
Transfer from Capital Account	(17)	(54)
(Increase)/Decrease in Debtors	(406)	944
(Increase)/Decrease in Creditors	536	(407)
Net Cash Inflow/(Outflow) from Operating Activities	199	587
Cashflow Statement		
Net Cash Inflow/(Outflow) from Operating Activities	199	587
Return on Investments		
Interest Received	0	1
Capital Expenditure		
Payments to Acquire Tangible Fixed Assets	(44)	(15)
Management of Liquid Resources		
Loan (Repayment)/Drawdown	300	(300)
(Invested)/withdrawn in Short-term Deposits	(1)	(1)
Increase in Cash Balances	454	272

The Statement of Accounting Policies and Notes 1–21 form part of these Financial Statements.

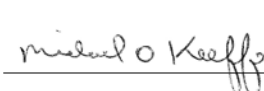
The Financial Statements were approved by the Authority on the 11th June 2015 and signed on its behalf by:



Professor Pauric Travers
Chairperson
Date 11/6/15



Alan McDonnell
Member of Authority
Date 11.6.15



Michael O'Keeffe
Chief Executive
Date 11/6/15

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2014

1 Levy

Section 33 of the Broadcasting Act 2009 requires the Authority to recoup the expenses properly incurred by the Authority and the statutory committees in the performance of their functions through the imposition of a levy or charge on public service broadcasters and broadcasting contractors. The terms of this Levy, including method of calculation, are set out in Statutory Instrument No.7 of 2010, Broadcasting Act 2009 (Section 33) Levy Order 2010 (the 'Levy Order').

On 22nd January 2010, in exercise of the powers conferred on it by Section 33 of the Broadcasting Act 2009, the Authority published the Levy Order. The Levy Order came into operation on the 17th January 2010.

The amount levied on broadcasters in 2014 was €4,684,565 which included interest of €10,434. The net amount was based on the Authority's budgeted expenditure for levy purposes for 2014 and broadcasters' qualifying income for 2013. Each year the Authority conducts a levy reconciliation to compare the amount levied on broadcasters against the actual levy charge. This reconciliation is carried out when the 2014 Authority expenditure for levy purposes has been approved and broadcasters have provided their actual qualifying income for 2013. Broadcasters are subsequently issued with an invoice or a credit note for this adjustment.

The levy reconciliation process for 2013 was carried out during 2014; the total levy refunded to broadcasters was €542,000. This amount was recognised in the 2013 Financial Statements. A refund of €857,000 is due to broadcasters in respect of the 2014 levy year and has been recognised in the 2014 financial statements.

2 Licensing Fees

	2014 € '000	2013 € '000
Television	14	21
Other	0	1
	14	22

3 Other Income

	2014 € '000	2013 € '000
Deposit Interest Income	1	1
Rental Income	79	79
Other Income	808	792
	888	872

Other income of €888,000 includes a total of €807,583 which relates to expenditure incurred by Broadcasting Authority of Ireland and which is recharged to the Broadcasting Fund. This includes salaries of €489,030, general overheads of €203,710, BFS sponsorship contribution of €55,000, IT licence fees and IT support fees of €49,843 and investment advice €10,000.

4 Staff Costs

	2014 € '000	2013 € '000
Wages and Salaries	1,898	2,117
Social Welfare Costs	128	131
	2,026	2,248

Pension related deductions (PRD) of €102,046 (2013: €107,788) were made from staff salaries during the year and were submitted to the Department of Communications, Energy and Natural Resources (DCENR).

In 2014 Staff costs include €489,030 (2013: €494,905) which is recharged to the Broadcasting Fund and is recognised in Other Income.

Six persons (2013:7) working in the BAI are employed by agencies. The gross cost to the BAI in respect of the agency personnel in 2014 was €297,913 (2013:€464,476).

The average number of persons employed by the Authority (excluding 6 Agency personnel) during the year was as follows:

	2014	2013
Senior Management	7	7
Other Staff	29	29
	36	36
Actual Full Time Equivalent	30.19	30.19
Employment Control Framework (ECF)	32	34

5 Consultancy Fees

	2014 € '000	2013 € '000
Auditing & Monitoring	41	52
Policy, Codes and Rules	248	400
General Consultancy	137	143
	426	595

6 Administrative Expenses

	2014 € '000	2013 € '000
Travel & Subsistence	48	41
Human Resources	59	52
Telephone & Postage	33	38
Office Expenses	168	160
Professional Affiliations & Subscriptions	19	14
Bad Debt write off	-	7
Oral Hearings	19	-
Information Technology	100	79
	446	391

In 2014, foreign travel of €29,076 (2013: €21,803) is included in travel & subsistence costs. Staff-related costs of €11,915 (2013: €12,536) relating mainly to catering costs for staff are included in Office Expenses. In 2013 the Authority wrote off bad debt amounts in relation to the Levy due by Broadcasters but not recoverable from them.

7 Grant & Development Payments

	2014 € '000	2013 € '000
Network Funding	275	279
Sponsorship	110	107
	385	386

8 Premises & Related Expenses

	2014 € '000	2013 € '000
Rent, Rates, Service Charges & Building Maintenance	757	781
Security & Cleaning	86	86
Light & Heat	22	25
	865	892

Rental expenditure included above relates to lease payments on two buildings. Details are set out in Note 17.

9 Tangible Fixed Assets

	Total	Computer Equipment	Office Equipment	Fixtures & Fittings	Leasehold Improvements	Technical Equipment	Motor Vehicle
Cost	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
At 31.12.2013	3,975	383	92	681	2,597	162	60
Additions	44	17	2	2	5	18	-
Disposals	-	-	-	-	-	-	-
At 31.12.2014	4,019	400	94	683	2,602	180	60
Depreciation							
At 31.12.2013	3,888	378	80	646	2,565	159	60
Charge for Year	61	8	7	14	25	7	-
Disposals	-	-	-	-	-	-	-
At 31.12.2014	3,949	386	87	660	2,590	166	60
Net Book Value							
At 31.12.2014	70	14	7	23	12	14	-
At 31.12.2013	87	5	12	35	32	3	-

10 Debtors

	2014 € '000	2013 € '000
Debtors	850	380
Prepayments	225	207
Broadcasting Fund	176	256
Others	14	16
	1,265	859

11 Short Term Deposits

	2014 € '000	2013 € '000
Balance at 1st January	277	276
Additions	1	1
Withdrawals	-	-
Balance as at 31st December	278	277

12 Creditors (amounts falling due within one year)

	2014 € '000	2013 € '000
Trade Creditors	34	79
Levy Refundable to Broadcasters	857	542
Superannuation Contributions repayable to DCENR	172	100
Accruals	153	210
Revenue Commissioners	277	85
Others	80	21
	1,573	1,037

13 Loan Facility

In 2013, pursuant to Section 35 of the Broadcasting Act 2009, the Authority obtained sanction for a loan facility of €1 million with the National Treasury Management Agency in order to allow the Authority to manage its cash flow requirements arising as a result of differences in the timing of receipt of levy income (which is invoiced quarterly in arrears) and its costs which fall due for payment throughout the year. An amount of €300,000, drawn down in December 2014 which was outstanding on 31st December 2014, was repaid to the National Treasury Management Agency in January 2015.

14 Capital Account

	2014 € '000	2013 € '000
Balance as at 1st January	87	141
Transfer (to)/from Income and Expenditure Account:		
Funding of Asset Additions	44	15
Amortisation in line with Asset Depreciation	(61)	(69)
Transfer to Income and Expenditure Account	(17)	(54)
Balance as at 31st December	70	87

15 Chief Executive's Remuneration

By letter of 13th October 2009, the Minister for Communications, Energy and Natural Resources appointed the Chief Executive of the BCI, Mr. Michael O'Keeffe, to the position of Interim Chief Executive of the Broadcasting Authority of Ireland, pursuant to Section 14(7) of the Broadcasting Act 2009. The appointment was for a period of one year, commencing on 1st October 2009 and ending on 30th September 2010. A contract of employment covering this period was entered into by the Interim Chief Executive and the Broadcasting Authority of Ireland on 15th February 2010.

By letter dated 30th September 2010, the Minister for Communications, Energy and Natural Resources, approved in principle the appointment of the Interim Chief Executive to the position of Chief Executive with the Broadcasting Authority of Ireland, pursuant to Section 14(12) of the Broadcasting Act 2009. The approval in principle was for a period of 2.5 years, commencing on 1st October 2010. The approval was subject to the Minister's approval of the terms and conditions of a new contract of employment for Mr. O'Keeffe, which approval would also be subject to the consent of the Minister for Finance, pursuant to Section 14(5) of the 2009 Act. The matter of a contract of employment between the Chief Executive and the Broadcasting Authority of Ireland has not, as yet, been concluded.

In 2013, legal fees paid on behalf of the Chief Executive regarding his contract were €8,975. BIK on these costs were included in staff costs. The BAI incurred legal fees of €9,127 in relation to this matter in 2013. Total fees incurred to the end of 2013 by the BAI were €9,796. There were no further legal fees incurred in relation to this matter in 2014.

15 Chief Executive’s Remuneration (continued)

The Chief Executive was employed at a rate of €113,511 per annum (2013: €121,208). The total value of remuneration of the Chief Executive in the year ended 31st December 2014 was €113,119 (2013: €116,955) and an employer’s superannuation contribution was made of €22,432 (2013: €19,493). The Chief Executive’s pension entitlements do not extend beyond those standard entitlements of the Public Sector Model Scheme. No bonus was paid to the Chief Executive this year.

The total travel and subsistence costs paid to or on behalf of the Chief Executive in the year ended 31st December 2014 was €7,660 (2013: €7,995).

16 Corporate Governance

The Authority was established pursuant to the provisions of the Broadcasting Act 2009. It is a body corporate with perpetual succession and a seal and the power to sue and be sued in its corporate name and to acquire hold and dispose of land and other property.

The Authority is a non-commercial semi-state body.

The Members of the Authority are committed to the highest standards of corporate governance. The Authority has developed a corporate governance policy referred to as the ‘BAI Code of Business Conduct’, which is based on the 2009 Code of Practice for the Governance of State Bodies published by the Department of Finance.

The Members of the Authority are appointed by Government on the nomination of the Minister for Communications, Energy and Natural Resources under Section 8 of the Broadcasting Act 2009, and hold office for such terms as the Minister specifies when making the appointment. The Minister determines the level of remuneration for the Authority Members. Such remuneration is not linked to performance and is disclosed in this note.

The Authority is accountable to the Minister for Communications, Energy and Natural Resources for good corporate governance.

BAI Members

The Authority paid fees and expenses to or on behalf of its Authority Members and to Members of the Compliance Committee and Contracts Awards Committee in accordance with Department of Finance regulations and circulars. The Authority applied the decision of the Government of 20th June 2006 in respect of fees for members of State bodies. The following are the fees and expenses paid to or on behalf of the Authority Members, Members of the Compliance Committee, Members of the Contracts Awards Committee and to the Members of the Finance Audit & Risk Committee. In addition, Members’ attendance at meetings is set out below.

	Fees	Expenses	Attendance
Authority Members	€	€	
Bob Collins	6,734	3,425	8/8
John Waters*	333	411	0/0
Paula Downey	4,489	-	8/8
Dr. Maria Moloney	4,489	5,106	6/8
Michelle McShortall	4,489	-	7/8
Michael Moriarty	5,985	496	6/8
Siobhán Ní Ghadhra	5,985	1,131	6/8
Prof. Colum Kenny	5,985	-	6/8
Larry Bass	5,985	-	4/8
Seamus Martin	4,039	283	7/8

* John Waters resigned from the Authority in January 2014. The first meeting of the Authority in 2014 took place in February.

16 Corporate Governance (continued)

	Fees	Expenses	Attendance
Compliance Committee	€	€	
Prof. Chris Morash	7,906	383	10/10
Aidine O’Reilly	4,939	-	9/9
Edel Hackett	4,939	756	8/9
Paula Mullooly	5,985	-	9/10
Paula Downey	-	-	6/8
Prof. Colum Kenny	-	-	9/10
Ciarán Kissane	-	-	10/10
Stephanie Comey	-	-	9/10

	Fees	Expenses	Attendance
Contracts Awards Committee	€	€	
Siobhán Bourke	7,409	117	10/11
David Barniville SC	4,939	-	6/11
Eimear McGovern	4,939	94	11/11
Neil Leyden	4,939	-	10/11
Larry Bass	-	-	8/11
John Waters	-	-	0/1
Seamus Martin	-	-	9/9
Celene Craig	-	-	11/11
Neil O’Brien	-	-	10/11

	Fees	Expenses	Attendance
Finance, Audit and Risk Committee	€	€	
Siobhán Ní Ghadhra	-	-	2/6
Michelle McShortall	-	-	6/6
Dr. Maria Moloney	-	-	6/6
Michael Moriarty	-	-	5/6

Total	94,508	12,202
-------	--------	--------

Total expenses relating to the functioning of the Authority and Statutory Committees in 2014 was €21,066 (2013:€18,733).

A number of Authority Members’ terms of office came to an end during the year and these members were not therefore eligible to attend all meetings in 2014.

One Person One Salary

In October 2011, the BAI was informed of changes by the Department of Public Expenditure and Reform to the “One Person One Salary” arrangements. At that time, it was considered that the revised arrangements might have an impact on a number of members of the Authority and the Statutory Committees. The BAI sought guidance and clarification from the Department of Communications, Energy and Natural Resources, in relation to implementation of the revised arrangements. A response was received in September 2013, which stated that the Authority should ensure that the revised arrangements are implemented as soon as possible. Subsequently, the Authority referred a number of queries in relation to the implementation of the provisions for legal advice.

16 Corporate Governance (continued)

At its meeting in March 2014, having had regard to legal advice received and the provisions of the Broadcasting Act 2009, the Authority decided that it had no power pursuant to that statute to determine the remuneration of the Members of the Authority and the Statutory Committees and, accordingly, is not in a position to implement the One Person One Salary arrangements, as requested by the Department of Communications, Energy and Natural Resources. The Authority’s decision was formally conveyed to the Department on 10th April 2014 and the Department’s response in the matter is awaited.

During 2014 legal costs of circa €3,000 (ex. VAT) were incurred in this matter.

Disclosure of Transactions

In the normal course of business, the BAI may approve the award of contracts and grants to undertakings in which Authority and/or Committee Members are employed or otherwise interested.

The Authority has adopted procedures in accordance with the provisions of the Broadcasting Act 2009 and the guidelines issued by the Department of Finance in relation to the disclosure of interests by Authority and/or Committee Members and those procedures were adhered to by the Authority during the year.

In the year ended 31st December 2014, there were no conflicts of interests declared in respect of the award of grants.

In 2014, the following Authority and/or Committee members declared a conflict of interest in the following matters:

- Siobhán Bourke, Chairperson, Contracts Awards Committee:
 - » CK Broadcasting Limited, t/a KCLR – assessment of fast-track proposal for a local sound broadcasting contract.
- Larry Bass, Member, Authority, and Member, Contract Awards Committee:
 - » Easy FM Limited t/a Country FM – Applicant for a sound broadcasting contract for the provision of a niche, music-driven format service in Dublin City and County.
- Neil O’Brien, Member, Contract Awards Committee:
 - » Easy FM Limited t/a Country FM – Applicant for a sound broadcasting contract for the provision of a niche, music-driven format service in Dublin City and County.
- Edel Hackett, Member, Compliance Committee:
 - » RTÉ One – 6.01 News – 21st May 2014 complaint
 - » RTÉ One – The Saturday Night Show complaints.
- Aidine O’Reilly, Member, Compliance Committee:
 - » Today FM – The Last Word complaints.

The BAI complied with the provisions of the Broadcasting Act 2009 and the Department of Finance guidelines covering situations where interests are declared. In each case, the Member did not receive documentation on a licence application or complaint, nor did the Member participate in or attend decisions on the matter, once the Member became aware of a conflict and/or had declared an interest in the matter.

17 Operating Leases

The Authority occupies premises at 2–5 Warrington Place, Dublin 2, on which it holds a lease entered into in 2001 for 20 years. A five-year rent review was carried out in 2006 for the period commencing 8th December 2006. Under this lease, rent payments amounting to €477,000 were made in 2014 (2013: €477,000).

The Authority also holds a lease on 2nd Floor, Marine House, Clanwilliam Court, Dublin 2. This lease was entered into in 1989 for 35 years. A five-year rent review was carried out in May 2010 for the period commencing 1st November 2009. Under this lease, rent payments and associated costs amounting to €162,029 were made in 2014 (2013: €163,175).

The premises in Marine House were not occupied by the Authority during 2013 or 2014. A sub-let agreement was completed in 2012 and the premises were occupied from 4th September 2012. The sub-let agreement is for a period of five years, with a break option after year three. The tenant is responsible for a proportion of the rent and service charges

17 Operating Leases (continued)

and the full cost of rates and operational costs. The annual sub-let rent is €61,228 per annum. The net cost to the Authority in 2014 was €100,741 (2013: €101,947).

The total amount charged in respect of the operating leases and associated costs in the Income and Expenditure Account is €717,388 (2013:€716,808). The income from the sub rent and service charges amount to €78,671 (2013:€78,671) and is shown in other income.

	2014	2013
Lease Commitments	€	€
Under 1 Year	614,250	614,250
Between 2-5 Years	2,457,000	2,457,000
Over 5 Years	1,471,636	2,085,886
	<u>4,542,886</u>	<u>5,157,136</u>

18 Superannuation

(a) Pension Scheme

The Broadcasting Authority of Ireland is a statutory body, established under the Broadcasting Act 2009. Section 16 of the Act provides that the Authority shall make a scheme or schemes for granting of superannuation benefits to and in respect of its staff members subject to Ministerial approval. The Broadcasting Authority of Ireland’s Superannuation Scheme and Spouses & Children’s Pension Scheme (compulsory with membership of the main scheme) are being operated on an administrative basis pending formal sanction by the Minister for Communications, Energy & Natural Resources with the consent of the Minister for Finance. The former scheme provides retirement benefits (lump sum and pension) to staff members, and death gratuity benefits in respect of death in service. The latter scheme provides pension benefits for the surviving spouses and dependent children of deceased members. Both schemes are unfunded defined benefit superannuation schemes.

As described in the accounting policy, the Broadcasting Authority of Ireland makes an annual contribution to DCENR which has undertaken to provide funding to the Authority to pay pensions as they fall due. The Authority has adapted the treatment and disclosures required by the accounting standard, Financial Reporting Standard 17 (Retirement Benefits) to reflect the arrangements in operation.

The FRS17 pension liability at 31st December 2014 is €7,020,000. Under the arrangement in place, DCENR will reimburse in full the pension liability of the Authority as and when those liabilities fall due for payment. The Authority recognises its right to the reimbursement as a separate asset.

The results are set out below on an actuarial valuation of the pension liabilities in respect of Authority staff as at 31st December 2014. This valuation was carried out by a qualified independent actuary for the purposes of FRS17.

(b) Financial Assumptions

The principal actuarial assumptions were as follows:

	2014	2013
Rate of increase in salaries	2.25%	3.3%
Rate of increase in pensions in payment	1.5%	3.3%
Discount Rate	2.2%	4.0%
Inflation Rate	1.25%	2.0%

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 overleaf shows the weighted average life expectancy for members used to determine benefit obligations.

18 Superannuation (continued)

Year of attaining age 65	2014	2013
Life expectancy – male	20.8	23.3
Life expectancy – female	23.4	25.5

The mortality basis adopted in 2013 assumed life expectations on retirement at age 60.

Year of attaining age 65	2014	2013
Life expectancy – male	28.4	30.9
Life expectancy – female	29.8	32.0

(c) Pension Costs

Charges to the Income and Expenditure Account in respect of pension costs consist of the following:

	2014	2013
	€ '000	€ '000
Employer Contribution paid to DCENR	273	284
Current Service Cost	374	322
Interest on Pension Scheme Liabilities	280	255
Adjustment to Deferred Pension Funding	(654)	(577)
	273	284

(d) Movement in Pension Liability

	2014	2013
	€ '000	€ '000
Opening Balance	6,566	5,306
Current Service Cost	374	322
Interest on Pension Scheme Liabilities	280	255
Actuarial Loss/(Gain)	(200)	683
	7,020	6,566

(e) History of scheme liabilities and experience (gains)/losses

	Financial year ending in				
	2014	2013	2012	2011	2010
	€ '000	€ '000	€ '000	€ '000	€ '000
Defined benefit obligation	7,020	6,566	5,306	5,165	4,251
Deficit	7,020	6,566	5,306	5,165	4,251
Experience gains on plan liabilities	(786)	(147)	(622)	(98)	(233)
Experience gains as percentage of plan liabilities	(11.2%)	(2.2%)	(11.7%)	(1.89%)	(5.49%)

19 Cashflow Statement

(a) Analysis of Changes in Net Funds

	At 01/01/2014	Cash Flows	At 31/12/2014
	€ '000	€ '000	€ '000
Cash at Bank and at Hand	596	454	1,050
Short Term Deposits	277	1	278
	873	455	1,328

(b) Reconciliation of Net Cash Flow to Movement in Net Funds

	2014	2013
	€ '000	€ '000
Increase/(decrease) in cash during the year	454	272
Cash lodged to/(withdrawn from) deposits	1	1
Change in Net Funds	455	273
Opening Net Funds	873	600
Closing Net Funds	1,328	873

20 Capital Commitments

There were no capital commitments at 31 December 2014.

21 Approval of financial statements

The financial statements were approved by the Authority at its meeting on 11th June 2015.

THE
BROADCASTING
FUND
FINANCIAL
STATEMENTS
FOR YEAR ENDED
31 DEC 2014

CONTENTS

Statement of Responsibilities	78
Report of the Comptroller and Auditor General	79
Statement of Accounting Policies	80
Income and Expenditure Account	81
Balance Sheet	82
Cashflow Statement	83
Notes to the Financial Statements	84

STATEMENT OF RESPONSIBILITIES

Pursuant to the terms of the Broadcasting Act 2009, the Broadcasting Authority of Ireland (BAI) is responsible for the management and control of the Fund. It is also responsible for preparing financial statements of the Fund for the year 1st January 2014 to 31st December 2014, so as to give a true and fair view of the state of affairs of the Fund as at 31st December 2014 and of its income and expenditure for the year 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 Fund 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 Authority of Ireland is responsible for:

- Keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Fund and enabling it to ensure that the financial statements comply with section 157(8) of the Schedule to the Broadcasting Act 2009 and are in a form approved by the Minister for Communications, Energy and Natural Resources after consultation with the Minister for Public Expenditure and Reform.
- Safeguarding the assets of the Fund and taking reasonable steps for the prevention and detection of fraud and other irregularities.



Professor Pairc Travers

Chairperson

Date 11/6/15



Alan McDonnell

Member of Authority

Date 11.6.15

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL



Comptroller and Auditor General

Report for presentation to the Houses of the Oireachtas

Broadcasting Fund

I have audited the financial statements of the Broadcasting Fund for the year ended 31 December 2014 under 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 balance sheet, the cash flow statement and the related notes. The financial reporting statements have been prepared in the form prescribed under Section 157 of the Act, and in accordance with generally accepted accounting practice in Ireland.

Responsibilities of the Broadcasting Authority of Ireland

The Broadcasting Authority of Ireland is responsible for the preparation of the financial statements, for ensuring that they give a true and fair view of the transactions of the Fund and of the state of its affairs and for ensuring the regularity of transactions.

Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and report on them in accordance with applicable law.

My audit is conducted by reference to the special considerations which attach to State bodies in relation to their management and operation.

My audit is carried out in accordance with the International Standards on Auditing (UK and Ireland) and in compliance with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements, sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate and have been consistently applied and adequately disclosed
- the reasonableness of significant accounting estimates made in the preparation of the financial statements, and
- the overall presentation of the financial statements.

I also seek to obtain evidence about the regularity of financial transactions in the course of audit.

In addition, I read the Broadcasting Authority of Ireland's annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Opinion on the financial statements

In my opinion, the financial statements, which have been properly prepared in accordance with generally accepted accounting practice in Ireland, give a true and fair view of the transactions of the Fund for the year ended 31 December 2014 and of the state of its affairs at that date.

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

Matters on which I report by exception

I report by exception if

- I have not received all the information and explanations I required for my audit, or
- my audit noted any material instance where money has not been applied for the purposes intended or where the transactions did not conform to the authorities governing them, or
- the information given in the Broadcasting Authority of Ireland's annual report is not consistent with the related financial statements, or
- I find there are other material matters relating to the manner in which public business has been conducted.

I have nothing to report in regard to those matters upon which reporting is by exception.



Patricia Sheehan
For and on behalf of the
Comptroller and Auditor General
16 June 2015

STATEMENT OF ACCOUNTING POLICIES

Accounting Convention

The Financial Statements for the Broadcasting Fund, which are in the form approved by the Minister for Communications, Energy and Natural Resources with the consent of the Minister for Public Expenditure and Reform, have been prepared on an accruals basis, except as stated below, under the historical cost convention and in accordance with Generally Accepted Accounting Practice. Financial reporting standards recommended by the recognised accountancy bodies are adopted as they become applicable. The unit of currency in which the financial statements are denominated is the Euro.

Income

Pursuant to Section 156 of the Broadcasting Act 2009, the Minister for Communications, Energy and Natural Resources, with the approval of the Minister for Finance, may pay to the Authority out of monies provided by the Oireachtas for the purposes of grants under a scheme and any administration of, or reasonable expenses relating to, a scheme, in respect of each financial year, an amount being equal to 7 per cent of net receipts in that year in respect of television licence fees.

Net receipts, in relation to the receipt of television licence fees, means the total receipts less any expenses in respect of those receipts certified by the Minister as having been incurred by him or her in that year in relation to the collection of the fees.

This income is accounted for on a cash receipts basis.

Grants

Grants under the Broadcasting Funding Scheme are charged to the Broadcasting Fund 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.

Previous Arrangements

The Broadcasting Fund was originally established under the Broadcasting Funding Act 2003 and was managed by the Broadcasting Commission of Ireland. The Broadcasting Act 2009 transferred the management of the Fund to the Broadcasting Authority of Ireland.

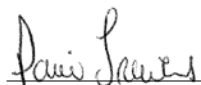
INCOME AND EXPENDITURE ACCOUNT


For the year ended 31st December 2014

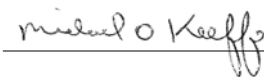
	Note	2014 € '000	2013 € '000
Income			
Oireachtas Grant	1(a)	14,156	14,399
Interest Receivable		136	283
Total		14,292	14,682
Expenditure			
Grants and Awards	1	13,844	16,429
Staff Costs	2	489	500
Legal Fees		3	19
Administrative Costs	3	382	379
Audit Fee		6	5
Assessment Costs		75	90
Consultancy Costs		51	116
Total		14,850	17,538
Deficit of Income over Expenditure		(558)	(2,856)
Balance at beginning of year		18,563	21,419
Balance at end of year		18,005	18,563

The Statement of Accounting Policies and Notes 1–9 form part of these Financial Statements.

The Financial Statements were approved by the Authority on the 11th June 2015 and signed on its behalf by:


 Professor Paucic Travers
 Chairperson
 Date 11/6/15


 Alan McDonnell
 Member of Authority
 Date 11.6.15


 Michael O'Keeffe
 Chief Executive
 Date 11/6/15

BALANCE SHEET

As at 31st December 2014

	Note	2014 € '000	2013 € '000
Current Assets			
Debtors	4	39	97
Cash at Bank and on Hand		1,066	742
Short Term Deposits	5	17,076	18,067
		18,181	18,906
Current Liabilities			
Creditors (amounts due within one year)	6	(176)	(343)
Net Assets		18,005	18,563
Represented by:			
Broadcasting Fund		18,005	18,563
		18,005	18,563

The Statement of Accounting Policies and Notes 1–9 form part of these Financial Statements.

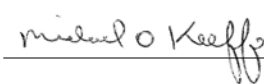
The Financial Statements were approved by the Authority on the 11th June 2015 and signed on its behalf by:



Professor Pauric Travers
Chairperson
Date 11/6/15



Alan McDonnell
Member of Authority
Date 11.6.15



Michael O'Keeffe
Chief Executive
Date 11/6/15

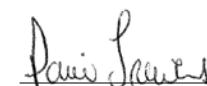
CASHFLOW STATEMENT

For the year ended 31st December 2014

	2014 € '000	2013 € '000
Reconciliation of Operating Deficit to Net Cash Outflow from Operating Activities		
Deficit for Year	(558)	(2,856)
Returns on Investments	(136)	(283)
Decrease in Debtors	58	117
(Decrease)/Increase in Creditors	(167)	138
Net Cash Outflow from Operating Activities	(803)	(2,884)
Cashflow Statement		
Net Cash Outflow from Operating Activities	(803)	(2,884)
Return on Investments		
Interest Received	136	283
Management of Liquid Resources		
Invested in Short-term Deposits	991	2,722
Increase in Cash Balances	324	121

The Statement of Accounting Policies and Notes 1–9 form part of these Financial Statements.

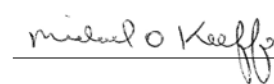
The Financial Statements were approved by the Authority on the 11th June 2015 and signed on its behalf by:



Professor Pauric Travers
Chairperson
Date 11/6/15



Alan McDonnell
Member of Authority
Date 11.6.15



Michael O'Keeffe
Chief Executive
Date 11/6/15

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2014

1 Broadcasting Funding Scheme

(a) Under the Broadcasting Act 2009, the Authority is required to prepare a scheme or schemes for the payment of grants to support, inter alia, certain television and radio programmes and the development of archiving of programme material produced in the State. These grants are funded out of an amount of 7% of net receipts of television licence fees.

(b) The BAI currently operates two approved Schemes.

The first of these is the **Sound & Vision II** Scheme. The European Commission originally approved the Sound & Vision Scheme in 2005 until the end of 2009 under the Broadcasting Commission of Ireland. The European Commission has approved Sound & Vision II under Article 107(3)(d) of the EFEU (Treaty on the Functioning of the European Union) until the end of 2014, having considered that it constitutes State aid compatible with the internal market for a five-year period ending on 31st December 2014.

Section 158 of the Broadcasting Act 2009 requires the Authority to review the operation, effectiveness and impact of a scheme not later than 3 years from the passing of the Act and every three years thereafter or at such other times as may be requested by the Minister. A review of the Sound & Vision II Scheme commenced in 2012 and a report was presented to the Minister for Communications, Energy and Natural Resources in August 2013. The report was laid before the Houses of the Oireachtas on 18th November 2013 and was published subsequently on the website of the Department of Communications, Energy and Natural Resources, in line with the statutory provisions. A new programme funding scheme was submitted to the Minister in March 2014. In January 2015 the Minister approved this scheme, Sound & Vision 3, for a period of 5 years (2015-2019)

The second scheme operated by the BAI is the **Funding Scheme for the Archiving of Programme Material** ("the Archiving Scheme"). It is designed to provide funding support for the development of an archiving culture in the Irish broadcasting sector which contributes to the preservation of Ireland's broadcasting heritage. It is concerned only with television and radio programme material prepared for broadcast. The Scheme commenced in 2013 and a second funding round was run in 2014. The BAI requested approval from the Minister in 2014 to operate the BAI Archiving Scheme for two further years. In February 2015 approval for an extension of the Scheme was granted and the Scheme is now set to expire in April 2016.

1 Broadcasting Funding Scheme (continued)

(c) Broadcasting Fund Commitments

Sound & Vision Scheme

	2014 € '000	2013 € '000
Opening Commitment Figure	12,816	16,123
Awards made	10,360	13,348
Grants paid *	(13,626)	(16,410)
Grants repaid *	2	37
Grants to be paid at year end *	-	(56)
Grants de-committed	(233)	(226)
Closing Commitment Figure	9,319	12,816

Archiving Scheme

	2014 € '000	2013 € '000
Opening Commitment Figure	1,512	-
Awards made	2,259	1,512
Grants paid*	(220)	-
Grants de-committed	(175)	-
Closing Commitment Figure	3,376	1,512

Total Closing Commitment Figure	12,695	14,328
--	---------------	---------------

* Grants Paid €13,846,000 - Grants Repaid €2,000 = Grants And Awards €13,844,000

2 Staff Costs

	2014 € '000	2013 € '000
Wages and Salaries	384	399
Social Welfare Costs	41	35
Pension Costs	64	66
	489	500

There are no employees directly employed by the Broadcasting Fund. A number of employees employed by the Broadcasting Authority of Ireland do, however, spend a proportion of their time working on Fund-related matters. In 2014, this equates to 23.19% (2013: 23.19%) of full-time equivalents.

3 Administration Costs

	2014 € '000	2013 € '000
Overheads:		
<i>Rent & Rates</i>	124	124
<i>Premises costs</i>	39	45
<i>Office expenses</i>	27	36
<i>Staff training</i>	14	12
Subtotal overhead costs	204	217
Sponsorship	55	53
Direct costs:		
<i>Sound&Vision Scheme Archiving</i>	36	38
<i>Professional fees</i>	10	14
<i>Public Awareness</i>	21	39
<i>IT licence and support costs</i>	50	-
<i>Translation</i>	4	12
<i>Other</i>	1	5
<i>Bank charges</i>	1	1
Subtotal direct costs	123	109
Total Administration Costs	382	379

The overhead costs charged to the Fund are based on the full-time equivalent of staff numbers working on the Fund as a percentage (in 2014, 23.19%; in 2013, 23.19%) of the total staff complement of the BAI in the period. Sponsorship costs of €110,000 (2013:€106,500) are shared equally between the BAI and the Fund.

4 Debtors

	2014 € '000	2013 € '000
Accrued Interest	39	97
	39	97

5 Short-term Deposits

	2014 € '000	2013 € '000
Balance as at 1st January	18,067	20,789
Additions	-	-
Withdrawals	(991)	(2,722)
Balance as at 31st December	17,076	18,067

5 Short-term Deposits (continued)

As required under Section 157(4) and (6) of the Broadcasting Act 2009, monies standing to the credit of the current account and not required to meet current liabilities shall be paid into the investment account of the Fund.

Monies in the investment account of the Fund that are not required to meet current and prospective liabilities of that account shall be invested and the investments shall be realised or varied from time to time as occasion requires and the proceeds of any such realisation, and any income received in respect of monies invested, shall be paid into the investment account of the Fund.

In the period of account, the Authority retained the surplus funds on deposit with commercial banks.

6 Creditors (Amounts falling due within one year)

	2014 € '000	2013 € '000
Broadcasting Authority of Ireland	176	256
DIRT Payable	-	31
Grants payable	-	56
	176	343

7 Cashflow Statement

(a) Cash and Cash Equivalents

	Balance as at 31/12/2014 € '000	Balance as at 01/01/2014 € '000	Cash Flows € '000
Cash at Bank and on Hand	1,066	742	324
Deposits	17,076	18,067	(991)
Total	18,142	18,809	(667)

(b) Reconciliation of Net Cash Flow to Movement in Net Funds

	2014 € '000	2013 € '000
Increase in cash during the year	324	121
Cash (withdrawn from)/lodged to deposits	(991)	(2,722)
Change in Net Funds	(667)	(2,601)
Opening Net Funds	18,809	21,410
Closing Net Funds	18,142	18,809

8 Capital Commitments

There were no capital commitments at 31 December 2014.

9 Approval of financial statements

The financial statements were approved by the Authority at its meeting on 11th June 2015.

