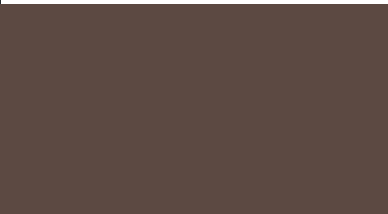
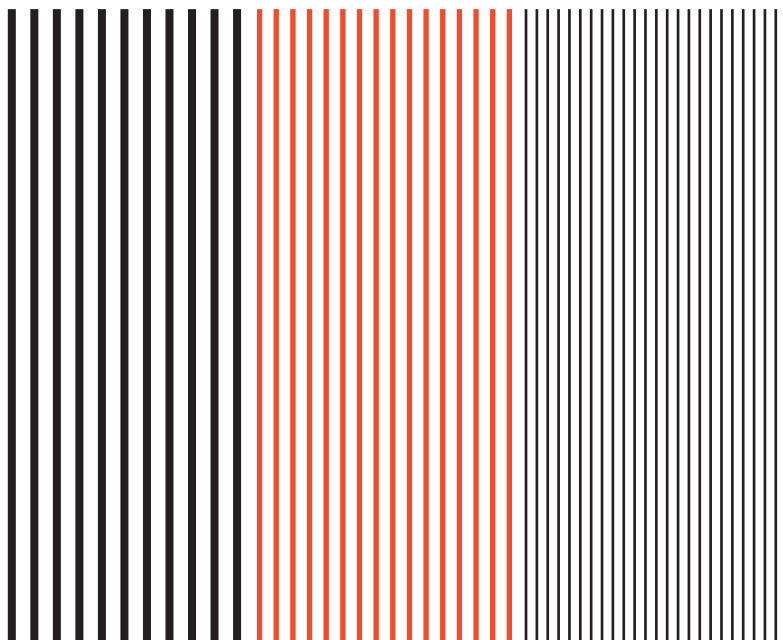


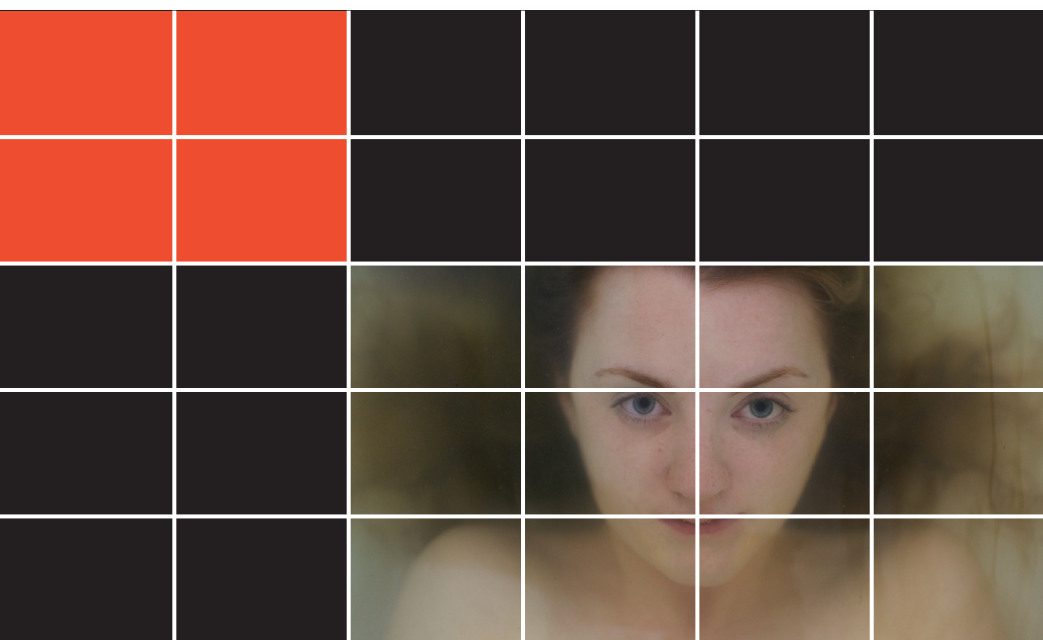
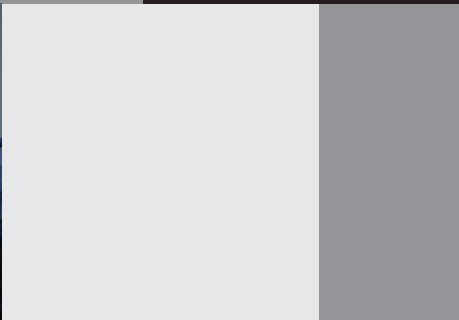


ANNUAL  
REPORT  
2015



ÚDARÁS  
CRAOLACHÁIN  
NA hÉIREANN

BROADCASTING  
AUTHORITY  
OF IRELAND



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# ABOUT THE BAI

The Broadcasting Authority of Ireland was established under the Broadcasting Act 2009 ("the 2009 Act") on 1st October 2009.

The 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 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.

Throughout 2015, the BAI continued to implement and support the goals captured in its Strategy Statement for the period 2014–2016. Cognisant of the evolving media landscape, the interests of the viewing and listening public remained a central focus for the BAI in its activities. Key goals, such as securing access for viewers and listeners to a diverse range of programming and views, in terms of both outlet and source, went unchanged. Being aware of the growing number of people accessing programming in a new way, the BAI reflected on how to position itself as a regulator in the new media environment and sought to explore new ways of supporting the broadcasting sector to serve audiences. Using the strategic themes of its current Strategy Statement as a framework, the BAI Annual Report details the organisation's activities, and the progress made in the implementation of its work plan during the year.

# CHAIRPERSON'S STATEMENT

I am honoured to present the annual report of the Broadcasting Authority of Ireland for 2015. The period under review coincides with the first year of the tenure of the new Board which in January 2015 replaced the inaugural Authority appointed under the Broadcasting Act, 2009. This report presents compelling evidence that the transition has been negotiated smoothly and successfully.

Following an extensive induction process, the new Authority set about its work. 2015 has been another successful year, thanks in no small measure to the energy and commitment of the members of the Board and the statutory committees, and the admirable professionalism of the staff. The constructive collaboration between board members, staff and stakeholders is a striking feature of the work of the BAI and one which contributes greatly to its effectiveness. I congratulate all concerned.

We live in an age of uncertainty. It is something of a cliché that broadcasting is undergoing a period of rapid change. No one can predict the outcome but the direction is clear: the future environment will be radically different from anything we are familiar with. It is timely then to take a bearing on some key issues in relation to where we have come from and where we would like to go. Coincidentally, the ongoing review of the BBC Charter has brought into renewed focus the vision of some of the early pioneers of broadcasting. It was John Reith, first Director General of the BBC, who coined the memorably concise mission statement for his fledgling service – to inform, to educate and to entertain. Reith has been rightly criticised for his paternalism but his motto continues to provide a relevant assessment yardstick for broadcasting services everywhere.

Looking at broadcasting today, Reith would probably be disappointed that one of his trio of imperatives – to entertain – has taken pole position and often crowds out the other two. Informing, educating and entertaining are not mutually exclusive: they are, or should be, complementary.

Edward R Murrow, another of the early pioneers, voiced the frustration of many in his profession when he complained that 'if we were to do the second coming of Christ in colour for a full hour, there would be a considerable number of stations which would decline to carry it on the grounds that a Western or a quiz show would be more profitable'. Irish broadcasters in all sectors are familiar with this commercial reality and the constraints that it imposes. These constraints have increased in recent years due to the recession, cutbacks in public funding and increased competition from abroad. While there were signs of a recovery in advertising revenue during 2015, its impact was dissipated to a considerable extent by opt-out advertising from abroad. Creative ways of addressing this problem need to be explored as a matter of urgency.

This year's funding reviews of the public service broadcasters, required under the Broadcasting Act, have again shown that they are doing more with less but that they would both benefit from increased funding. This is more likely to be forthcoming in the context of a revised funding mechanism. The existing TV licence no longer reflects the ways in which we receive and view TV programmes. This is confirmed by the Reuters Institute research which was funded by the BAI on how Irish people access news. A broadcasting charge would more accurately reflect this reality, while at the same time addressing the ongoing problem of evasion and generating additional income to support quality broadcasting.

The BAI is committed to fostering high quality, culturally relevant content across a range of genres. The Sound & Vision Scheme, funded from the licence fee, has had a significant impact in a difficult financial climate. Approximately €80 million has been allocated over the past six years to more than 1,500 separate projects. The new Sound & Vision 3 Scheme, launched in January, will see more than €24 million in funding made available through five rounds in 2015 and 2016.

The role of broadcasting in informing the public goes beyond merely reporting the news. It embraces plurality and diversity. The BAI has a particular role in promoting both and takes this responsibility seriously. We intend to revise the existing policy on ownership and control and to develop a new policy on plurality. During the year, public plurality events were held in DCU and in Cork and important BAI funded research on Hearing Women's Voices was launched. This and other planned research will be used to inform policy development.

The Competition and Consumer Protection Act, 2014 gave the Authority new responsibilities in this area. A review of the position in relation to ownership was completed during the year, with the assistance of Communications Chambers. This will provide an important benchmark in relation to any future changes. This year saw the entry of two major media companies into the Irish market, with changes in ownership of TV3 and UTV, which required the approval of the BAI. Both were considered at length and approved. The Authority is intent on ensuring that the changes will see no diminution in Irish content.

It is arguable that broadcasting has made least progress in relation to its mission to educate, certainly in Ireland. I believe that much remains to be done in this regard. Radio and TV have been superseded by the revolution in digital technologies which has transformed on-line education, synchronous and a-synchronous. Broadcasters still have a contribution to make, both generally in terms of being an 'educative force' and, more particularly, in relation to media literacy. Informing listeners and viewers, and providing a variety of voices and viewpoints, all demand an informed and discerning audience. Media literacy empowers people with the skills and knowledge to understand and critically evaluate media content. This is indispensable for active citizenship and a truly participatory democracy.

For our own part, the BAI's strategic objectives commit to supporting measures to build the competence of viewers and listeners to understand, interact and participate in the media environment. This will be a key area of focus for the Authority in 2016 and beyond, with the development and implementation of media literacy policy.

Harold Nicholson famously dismissed Lord Reith as 'autocratic, prudish and elitist'. Be that as it may, he did envisage radio and television being 'a cultural, moral and educative force' which would bring all classes of the population together and help in the creation of an informed and enlightened democracy. It was and remains a noble vision.

.....

**Professor Pauric Travers**  
*Cathaoirleach*

# CEO REVIEW

2015 was another exciting year for the BAI. It was our first full year under the direction of the current Board and statutory committees. It was also the middle year of our three year strategy covering the period 2014-2016. As will be evident from the main body of this report, the BAI is well on the way towards the achievement of the main goals and objectives of the strategy but there is still much more work to be done in 2016. The new Board, statutory committees and Finance, Audit and Risk Committee, have positively embraced the challenges placed before them and I would like to place on record my appreciation of the work undertaken by all of the members across the year. At executive level, we developed a continuous process of induction for new members which we believe added value to the contributions made under a range of activities. This was one of the key recommendations of the review undertaken towards the completion of the term of office of the first board.

There were a number of interesting developments in the broadcasting landscape during 2015. One of the priority areas identified by the BAI was under the plurality banner and we undertook a wide range of activities, in this regard. Firstly, as required under the Competition and Consumer Protection Act 2014, the BAI undertook a major piece of research on changes in media ownership in Ireland covering the period 2012-2014. This report was submitted to the Minister in November and will be repeated on a three yearly cycle, thereby tracking any significant changes over time. In addition, with the commissioning support of the BAI, Ireland was included in the international Reuters Digital News Report, which examines the changing environment around digital news consumption, across 26 countries. Arising from Ireland's inclusion in the survey, the BAI also entered into a partnership with DCU's Institute for Future Media and Journalism (FuJo) to conduct additional analysis of Irish data. Over time, this will provide important insights into developments and trends in Ireland.

The year had begun with an expectation of new broadcasting legislation which would explore mechanisms for improving the collection rate for the television license fee, thereby increasing the level of public funding which would be available to support the production of new Irish content. A number of modifications to the existing 2009 Broadcasting Act were also contemplated and we had ongoing contact with our colleagues in the Department of Communications in this regard. However, as the year drew to a close, it became apparent that the legislation would not proceed in advance of the anticipated General Election in early 2016. It is nonetheless important that the questions of funding and other legislative changes remain on the agenda of the new Government and the BAI will play an active role in ensuring that this is the case.

At a European level, the review of the current Audiovisual Media Services Directive was brought to a conclusion. This will pave the way for the introduction of proposals to revise the Directive during 2016. BAI representatives played a significant part in the dialogue taking place on the Directive through our participation in the European Regulators Groups for Audiovisual Media Services (ERGA) and our active participation in ERGA working groups, which variously discussed the independence of regulators, territorial jurisdiction and the protection of minors. Also on the European front, our Deputy CEO, Celene Craig, was honoured to be elected as Chairperson of the broader European Platform of Regulatory Authorities in May for a period of two years, and I wish her every success in this role.



Licensing continued to be a key area of activity for the organisation in the period, with a total of 19 community and commercial radio services scheduled for re-advertisement over the course of 2015 and 2016. With such a large number of services to be re-advertised, the emphasis in the compliance area this year has been on the undertaking of performance reviews for all of those services whose licenses will expire over the next number of years. These are resource intensive operational areas which are necessary to support the work of both the Compliance and Contract Awards Committees.

The BAI continues to play a key role in the regulation of public service broadcasters, RTÉ and TG4. In addition to the annual review of the performance commitments and the review of public funding, the BAI also provided guidance on the Public Service Statements of both broadcasters while also engaging with RTÉ on the development of their Fair Trading Policy, which came into effect at the end of the year. A welcome development was the meeting between the new boards of the Authority and RTÉ which set a positive tone for ongoing engagement between both bodies. Stakeholder engagement is of particular importance to the BAI and we will develop further plans to meet with the wider group of key stakeholders over the course of 2016.

The television sector saw a number of major developments across the year. Firstly, UTV Ireland was launched and had an impact from both a ratings and advertising perspective on existing broadcasters. Despite this, the service suffered significant losses and the BAI was requested later in the year to approve its sale to UK broadcaster ITV. Another ownership and control change of note involved the acquisition of TV3 by Virgin Media plc, the operator of the main cable platform in Ireland. It is noteworthy that these acquisitions have been from global organisations with interests across other communications and we will watch further developments with interest in 2016 and beyond.

The cycle of code reviews every four years ensures that there will be ongoing activity every year under this heading. At the beginning of the year, we launched the new Code of Programme Standards and revised Access Rules, both of which had been the subject of consultation in the previous year. The Right of Reply Scheme was also reviewed and work was advanced on the development of a revised General Commercial Communications Code. There will be much interest from the industry and other stakeholders in the revised draft which will be consulted on during 2016.

To support all of the activities of the BAI, there is a comprehensive range of activities undertaken in the finance, HR and organisational development areas. We are also at the midpoint of an integrated three-year strategy of organisational knowledge development which includes IT, data and file management and strategic data use. The furtherance of work in these areas will significantly contribute to the achievement of our strategic goal to be an agile, effective and relevant public service organisation.

In conclusion, I would like to extend my heartfelt thanks to all the staff of the BAI for their commitment and support. Without them, we would not achieve the objectives that the organisation has set for itself and for this I am extremely grateful for, and proud of, the work that you do.

.....  
**Michael O’Keeffe**  
*Chief Executive*

# THE AUTHORITY

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 were appointed by the Government on the nomination of the Minister for Communications, Energy and Natural Resources. The four remaining members are nominated via a selection process conducted by the Joint Oireachtas Committee.

The table opposite reflects the membership of the Authority and attendance for 2015. The beginning of the year marked a transitional period in membership with some former members' terms of office ceasing in February 2015, and other members being appointed.

	Meetings	Member Appointed
Professor Pauric Travers (Chairperson)	10/10	02/12/2014
Ms. Clare Duignan	9/10	02/12/2014
Mr. Alan McDonnell	10/10	02/12/2014
Ms. Grace Smith	9/10	02/12/2014
Mr. Séamus Martin	8/9	17/02/2015
Mr. Seán Ó Mórdha	9/9	17/02/2015
Mr. Denis Wolinski	9/9	17/02/2015
Dr. Rosemary Day	9/9	17/02/2015
Professor Maeve McDonagh	7/9	17/02/2015
		<b>Term of Office Ceased</b>
Mr. Michael Moriarty	1/1	16/02/2015
Ms. Siobhán Ní Ghadhra	1/1	16/02/2015
Professor Colum Kenny	1/1	16/02/2015
Mr. Larry Bass	1/1	16/02/2015
Ms. Michelle McShorthall	1/1	16/02/2015

# 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 8 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.

The terms of office of the previous Contract Awards Committee expired in 2014. The first meeting of the new Committee took place in May 2015 following Government appointments in March 2015. The table below reflects the membership of the Committee and attendance for the year.

In accordance with its functions, the main activities of the Contract Awards Committee in 2015 included the following:

- Continuation of licensing processes, as directed by the Authority;
- Consideration of applications for temporary sound broadcasting contracts;
- Consideration of applications for content provision contracts.

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

	Meetings	Member Appointed	Nominee
Mr. Ercus Stewart (Chairperson)	5/6	10 /03/2015	Minister
Mr. John Hogan	5/6	10 /03/2015	Minister
Dr. Anne O'Brien	6/6	10 /03/2015	Minister
Ms. Eimer McGovern	5/6	10 /03/2015 (reappointed)	Minister
Ms. Grace Smith	6/6	02/04/2015	Authority
Mr. Séamus Martin	6/6	02/04/2015	Authority
Mr. Neil O'Brien	6/6	02/04/2015	BAI Staff
Ms. Celene Craig	5/6	02/04/2015	BAI Staff

# COMPLIANCE COMMITTEE

The Compliance Committee is responsible for the monitoring and enforcement of compliance, the investigation of complaints and a number of reporting functions. The Committee has eight members; four of whom were 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.

The table below reflects the membership of the Committee and attendance for 2015. In common with the Authority, 2015 marked a transition in membership, with some terms of office ceasing in February 2015.

In accordance with its functions, the Compliance Committee undertook a number of activities in 2015, including the following:

- Determining the outcomes of complaints by members of the public against broadcasters, relating to their adherence to broadcasting codes and standards;
- Reviewing compliance by television broadcasters with their obligations under the BAI Access Rules for the 2014 period;
- Considering compliance by radio broadcasters in respect of transmission sites.

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

	Meetings	Member Appointed	Nominee
Mr. Patrick Gageby (Chairperson)	8/9	20/01/2015	Minister
Ms. Paula Mullooly	9/9	20/01/2015	Minister
Mr. Nigel Heneghan	6/8	17/02/2015	Minister
Mr. Brian O'Callaghan	7/8	17/02/2015	Minister
Dr. Rosemary Day	5/8	20/01/2015	Authority
Professor Maeve McDonagh	4/8	02/04/2015	Authority
Ms. Anne O'Brien	8/8	02/04/2015	BAI Staff
Mr. Ciarán Kissane	9/9	02/04/2015	BAI Staff
		<b>Term of Office Ceased</b>	
Mr. Colum Kenny	1/1	16/02/2015	
Ms. Stephanie Comey	1/1	01/04/2015	

# FINANCE, AUDIT AND RISK COMMITTEE

The Finance, Audit and Risk (FAR) Committee was established as a standing committee of the Authority in 2010. Its duties and responsibilities encompass systems of internal control, external and internal audit, risk management and financial control. The FAR Committee is required to brief the Authority not less than four times a year in respect of its various duties.

The Committee met 4 times in 2015. The Committee's membership comprises three members of the Authority and an independent, non-executive member. Attendance for 2015 is set out below.

Mr. Alan McDonnell (Chairperson)	4/4
Mr. Seán Ó Mórdha	4/4
Ms. Clare Duignan	4/4
Mr. Robert Kelly (Independent Non-Executive)	4/4

In accordance with its functions, the the Finance, Audit and Risk Committee undertook a number of activities in 2015, including:

- FAR Committee training and development;
- Liaison with external and internal auditors;
- Consideration and revision of the BAI Risk Management Framework;
- Treasury management;
- Sustainability;
- Performance assessment and review.

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

# BAI EXECUTIVE STAFF

The Executive staff supports the work of the Authority, its standing Finance, Audit and Risk Committee and the statutory Compliance and Contract Awards Committees.

The BAI's work is guided by the Office of the Chief Executive, which consists of the CEO and Deputy CEO, and supported by a team of senior managers who, in conjunction with the Office of the Chief Executive, 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 2015 is outlined opposite:

## MEMBERS OF THE EXECUTIVE

### Office of the CEO

<i>Chief Executive</i>	Michael O'Keeffe
<i>Deputy Chief Executive</i>	Celene Craig

### Senior Managers

Stephanie Comey, Ciarán Kissane, Anne O'Brien, Neil O'Brien, Margaret Tumelty, Aoife Clabby.

### Managers

Diarmaid Breathnach, Brian Furey, Sally Kennedy, Clare O'Sullivan, Declan McLoughlin, Andrew Robinson, Roger Woods, Louise McLoughlin, Elizabeth Farrelly, Nuala Dormer, Anne Louise O'Donovan.

### Executive Officers

Jill Caulfield, Gillian Collins, Philip Cooper, Tim Flynn, Teresa Kearns, Marie Murphy, Sinéad Owens, Sarah Herron, Jean Crampton, Deborah Molloy, Annette Stone.

### Clerical Officers

Rachel Casey, Andrea Leonard, Jessica Scott.

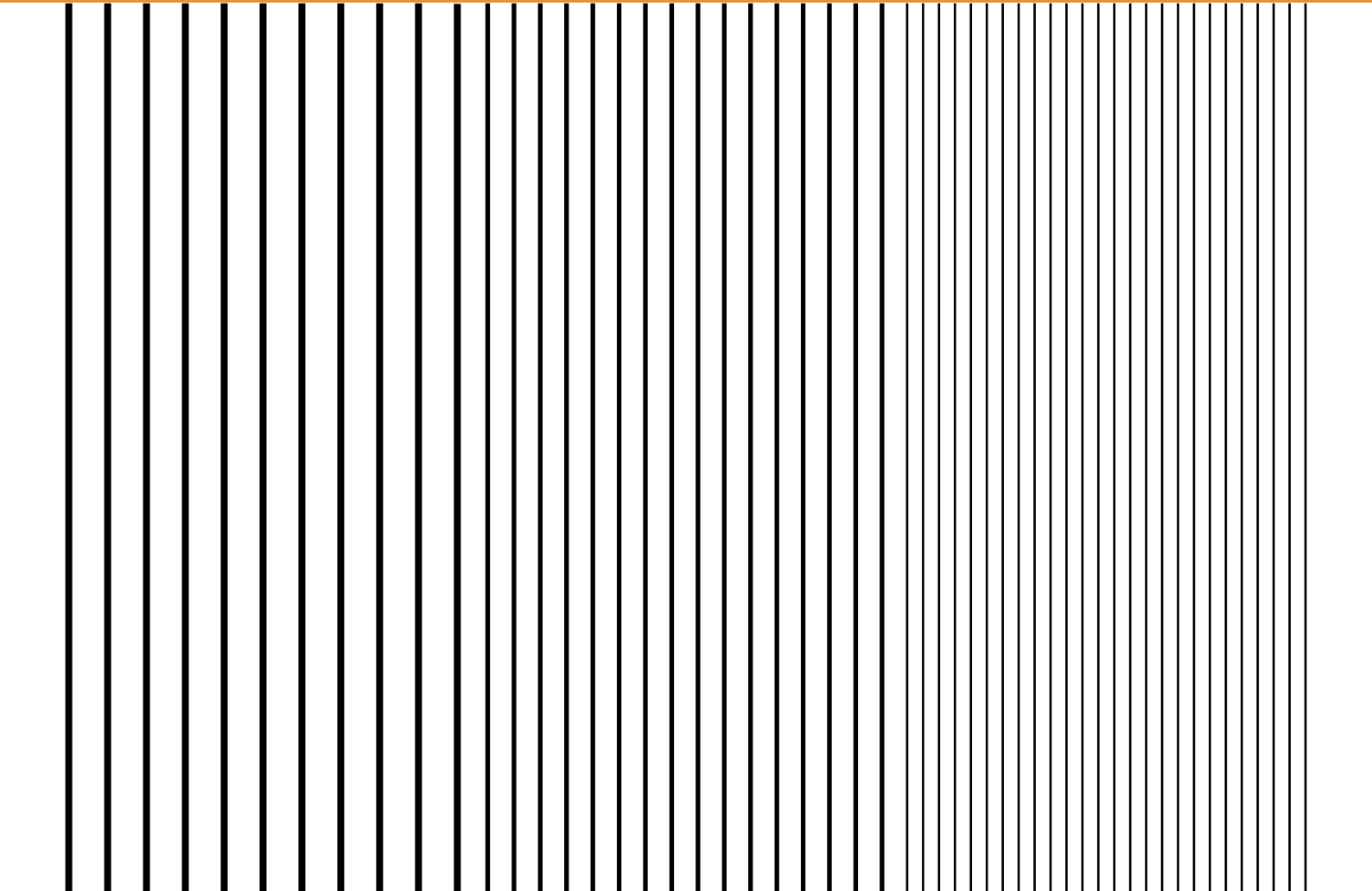
### Monitoring Staff

Jeanne Spillane, Barry Casey, Fionnuala Murphy.



SECTION 1  
**ENSURING  
DIVERSITY**

*Facilitating the Provision of a  
Diverse Range of Broadcasting  
Services and Content.*





*The BAI is responsible for licensing a range of broadcasting services additional to those provided by RTÉ, TG4, the Houses of the Oireachtas Channel and the Irish Film Channel. In carrying out this responsibility, a key strategic goal for the BAI is to ensure that viewers and listeners in Ireland continue to have access to a diverse range of broadcasting services and high quality programming that reflects their concerns and experience, and mirrors the diversity of Irish society.*

This commitment to diversity is reflected in the BAI's Broadcasting Services Strategy (BSS) which sets out, further to the requirements of the Act, the BAI's approach to the licensing of broadcasting services in the State. As reflected in this strategy, the BAI awards broadcasting contracts using either open or competitive licensing processes, depending on the nature of the service being licensed and, in this context, differing legislative requirements.

The BAI's key activities in terms of progressing its diversity goal during 2015 are outlined below.

## **Licensing Plan 2015**

As part of its strategic goal to facilitate "the provision of a diverse range of content on Irish broadcasting services", the Authority developed a Licensing Plan for 2015. The Plan mainly focused on the licensing of commercial and community radio operators whose contracts were scheduled to expire in 2016.

The Authority directed the Contract Awards Committee to make arrangements for the licensing of these services. Under the Licensing Plan 2015, the Committee was charged with preparing for, and implementing, the licensing process for six sound broadcasting services, as follows:

Service Type	Franchise Area	Target Audience
Community	Kilkenny City & its Environs	Local community
Community	Lucan & its Environs	Local community
Community	Claremorris & its Environs	Local community
Community: Special Interest (Speech)	Dublin City	Local community
Commercial: News/Speech	Quasi-National	All Adults 25+
Commercial: Special Interest Music-driven (Alternative Rock)	Dublin City & County	15-34 year olds

Over the course of the second half of the year, the Committee devised and agreed the processes and associated documentation for five of the services listed on the plan. Applications were called for in relation to three of the community sound broadcasting services, with the closing dates to fall during February and March 2016. It was decided that the licensing activity for the community service for Claremorris & its Environs would be given due consideration in the first quarter 2016.

Regarding the two commercial sound broadcasting services, one expression of interest was received for the quasi-national speech/news national sound broadcasting service and two submissions for the music-driven (alternative rock aimed at 15-34 year olds) for Dublin. The Committee considered the submissions at its December meeting.

The Committee noted that the only submission for the quasi-national commercial sound broadcasting service, was made by the current contract holder, News 106 Limited. Deeming the Applicant to be the incumbent, the Committee agreed to invoke the fast-track procedure further to Section 67(2) of the Broadcasting Act 2009. With regard to the two expressions of interest submissions received for the music-driven sound broadcasting service, the Committee agreed that the licensing process for this service would be a competitive process. Accordingly, a notice was placed in a relevant local newspaper calling for applications for this service with a closing date set for 29th March 2016.



*Tea with the Dead.* Produced by Wiggleywoo Limited.  
Broadcast on TG4

## **Temporary Sound Broadcasting Applications**

Each year the BAI receives applications to operate temporary radio services. The majority of these applications, if successful, broadcast for a maximum of 30 days and serve a wide variety of purposes. For example, many of the services are operated by colleges or universities wishing to run a temporary, campus-based radio station during an event such as rag week. Alternatively, temporary broadcasts can cater to local festivals or are used to facilitate drive-in movie events.

In addition to the above, aspirant community radio groups also apply for temporary sound broadcasting services on a pilot basis. Such groups are afforded the option of broadcasting up to a maximum of 100 days during a 12-month period. Successful pilot groups use this option to gain experience in running a community station, build support and establish mechanisms for ensuring their service is representative of, and integrated into, the community it proposes to serve, in order to maximise the social benefit to those in the area.

During 2015, 34 temporary service applications were received, 6 of which were from aspirant pilot community groups. Following consideration, the Contracts Awards Committee recommended entering into temporary sound broadcasting contracts with 27 applicants. As with previous years, the application and contracting process for some services carried over into 2016. Among the temporary services operated during 2015 were the popular multi-city temporary service Christmas FM and the pilot community service for Tramore and its Environs.

## **Content Provision Contracts**

Section 71 of the Broadcasting Act 2009 makes provision for the award of content contracts for television and radio. These contracts are for content only, and successful applicants are required to arrange carriage separately on an appropriate platform, be it cable, satellite or digital terrestrial. Following consideration and recommendation by the Contract Awards Committee, successful applicants who enter into a contract with the BAI, may broadcast in the State or other jurisdictions specified. 2015 saw an increase in the number of applications received, and the Contract Awards Committee made recommendations to the Authority in respect of a total of 8 applications. Examples of the type of content provision contracts emerging from this process include the re-licensing of sports content channel, Setanta Ireland; a digital radio Irish language youth service, Raidió Rí Rá; and a TV music channel, QYouTV.

## **Spectrum Management and Planning**

Spectrum management refers to the overall process of regulating and administering access to, and use of, the radio frequency spectrum. A primary goal of spectrum management is to ensure optimal use of the radio spectrum, in social, economic and technical terms. During 2015, the BAI participated in national and international spectrum planning and broadcast technology fora to ensure a positive environment for the development of broadcasting services in Ireland.

In 2015 frequency planning continued in relation to migrating DTT stations to frequencies below 690MHz. Six meetings with Ofcom UK and ANFR (France) resulted in frequencies for the main sites being agreed and work on the relay and smaller sites commenced.

Together with ComReg and 2rn, the BAI is contributing to the 700 MHz re-plan in order to facilitate the potential release of further spectrum for mobile communications. It is hoped that this re-plan will be completed in 2016. Similarly, spectrum plans that could facilitate DAB developments in Ireland and the UK are being developed at bilateral and technical meetings between both countries.

Also in 2015, licence modifications and enhancements included improved coverage for Newstalk in the Wexford Town area, for Q102, Spin 103.8FM and Radio Nova in the Balbriggan/Skerries area; for Spirit FM in Kilkenny, Carlow and Athlone; and for Galway Bay FM in Spiddal/Rossaveel. There were also frequency changes for Newstalk in Achill, Dundalk FM in Dundalk and Galway Bay FM in Clifden.

The BAI also worked with ComReg and in cooperation with 2rn to identify suitable frequencies for temporary, pilot community and community radio stations.

## Broadcasting Fund

Since 2003 the BAI has been responsible for administering the Broadcasting Fund. The Fund's revenue is generated through 7% of the annual net receipts of the television licence fee. Two schemes are currently in operation under the Fund: Sound & Vision 3, which supports the funding of programming; and, the Broadcast Archiving Scheme, which funds the archiving of certain broadcast material.

The administration of the Fund is one of a number of ways in which the BAI achieves its goal to increase public access to high-quality television and sound broadcasting programmes in English and Irish which explore the themes of Irish culture, heritage and experience.

## Sound & Vision 3

Initially established in 2005, the Sound & Vision Scheme provides funding in support of high quality programmes relating to Irish culture, heritage and experience, adult and media literacy, and programmes dealing with global issues impacting the State and other countries.

The Scheme is operated on a competitive basis whereby applicants, including broadcasters, independent producers and individuals, apply for funding and if successful, sign a contract with the BAI to deliver the relevant radio or television programme.

The third iteration of the Scheme, **Sound & Vision 3**, was launched in February 2015. During this year, a total of 828 applications were received. 61 television projects were approved for funding to the value of €10.4m, while a total of €1.3m was approved to fund 201 radio projects. Contract negotiations are underway with many of these applicants, as well as previously successful applicants under the Scheme.

In 2015 approximately €10m in grant funding was distributed to successful contractors with 246 contracts being signed and 554 payments processed. Over the course of 2015 and 2016, it is estimated that, through Sound & Vision, approximately €24 million in funding will be made available to television and radio programmes.

## Funding and Broadcast Highlights & Awards

To ensure the enhancement of programme diversity for audiences, the range of programmes in receipt of support through the Sound & Vision Scheme continues to be extensive.

### Radio

While 2015 saw an increase in drama projects, documentary programmes continued to be popular among applicants to the Scheme. Notable radio projects funded or broadcast during the year include the following:

#### ■ Radio Drama

Radio drama again proved its popularity through the number of projects supported across commercial and community radio stations in particular.

Programmes and series funded included *'Reposing at Home'*, for broadcast on Newstalk 106FM, *'Clan'*, on community service Dundalk FM, *'The Tapping on the Glass'* on Dublin City FM, and *'The Gifford Girls – Love and Rebellion'* on Galway Bay FM.



*My Name Is Emily*. Produced by Newgrange Pictures and Kennedy Films. Featured in Discovery Section of Toronto International Film Festival

- Inspired by the challenges faced by many at the margins of Irish society, who are at risk of particular health problems due to their economic circumstances, Ocean FM's 10-part documentary series, *'Stir it Up'*, presented by well-known chef and former IMO President, Paula Gilvarry, brings ideas for wholesome, nutritious and affordable dishes to a new audience and encourages healthy eating options.
- The six-part documentary series *'Animals'*, scheduled for broadcast on RTÉ Radio One, heralds a new approach to educational natural history programming, as well as folk/rural & vernacular heritage. Each episode focuses on one native Irish species and delves into the natural and cultural world around it.
- The topic of grieving, scheduled for broadcast on Athlone Community Radio addresses death and coping with the loss of a loved one. *'Grieving'*, a six-part series, emphasises the importance of talking through loss and involves inputs from those who have been bereaved, as well as professionals working in the area.
- Funded in an earlier round of Sound & Vision and broadcast on RTÉ Lyric and Limerick's Live 95, *Limerick – As it Lives and Breathes* captured the character and personality of Limerick in 2014, the year in which the city became Ireland's first National City of Culture. The series offered a sonic portrait of a different aspect of life in Limerick today and achieved a Gold Medal at the prestigious New York Radio Festival Awards, 2015.
- Another gold medal winner at the New York Radio Festival Awards 2015, *William Melville and the Barber's Spies*, broadcast on Radio Kerry, centred on the Irish law enforcement officer and the first chief of the British Secret Service, William Melville. The programme retells the events that pitted this legendary detective, who hailed from Sneem, Co. Kerry, against the Kaiser's ruthless spymaster, Gustav Steinhauer. Melville succeeded in foiling a plot to destroy the gold reserves in the Bank of England.

## Television

The Scheme continues to fund a wide variety of genres and formats on television. 2015 saw an increase in drama projects. In common with radio, documentary programming remained popular among applicants. Notable television projects funded or broadcast during the year include the following;

- 1916: In anticipation of the centenary of the 1916 Rising, a number of applications dealing with the Rising and events surrounding it were received. Substantial funding was provided through the Scheme to three television drama series in particular. *“Rebellion”*, scheduled for broadcast on RTÉ 1, is a five-part drama serial, situating events in the three weeks leading up to the Rising in the context of world events and from the perspectives of ordinary people caught up in the events of Easter Week. Taking a ‘Súil Eile’ approach, funding was also provided for the production of *“Wrecking the Rising”*, for broadcast on TG4. The three-part series follows three accidental time travellers, whose presence in Dublin threatens to wreck the Rising before it has even begun. Finally, TV3 provided broadcaster support for *“Trial of the Century”*, a provocative three-part series which considered what might have happened had the leaders of the 1916 Rising been given the trial that they were never afforded in real life? Rooted in historical fact, the leaders are tasked with defending the actions which dramatically changed the course of Irish history.
- Following its 2014 success, *‘Red Rock’* received funding support for a second series of drama in 2015, following the fortunes of the Hennessy and Kiely families and weaving uncompromising stories about modern Ireland, in all its guises, through the eyes of the local Gardaí. *‘Red Rock’* was the winner of the IFTA People’s Choice and Best Soap awards in 2015.
- Drawing on the phenomenal popularity of country music in Ireland, funding support was also provided in 2015 for *‘Jive’*, a three-part series, scheduled for broadcast on TG4, about a woman who decides that, after 30 years of marriage, the only way her life can get better is if she can get rid of her husband, dead or alive. That’s where Danny, the local playboy and failed singer, gets drawn into her plan.
- Funded through the targeted education and animation round, outcomes for which were announced at the start of 2015, Cork Community TV’s *‘Miles of Stone’* uncovers the story behind Ireland’s dry stone walls. It follows one man’s journey to discover more about this unique part of Irish heritage as he travels to the Festival of Stone on Inis Oírr to take part in building a wall.
- Taking its inspiration from the mythological ‘selkies’ of Irish folklore, *Song of the Sea* is a beautiful, Oscar-nominated animated film, that tells the story of Ben and his little sister Saoirse, the last seal-child. Together they embark on a journey across a fading world of ancient legend and magic, in an attempt to return to their home by the sea.
- Featured in the Discovery Section of the Toronto International Film Festival 2015 and winner of a number of awards at the Galway Film Fleadh 2015, *My Name is Emily* tells the story of a young girl who, on her 16th birthday, escapes from her foster home with the help of Arden, a boy who loves her. Together they set out to find her father, a visionary writer locked up in a psychiatric hospital.
- Funded through an earlier round of the Sound & Vision Scheme, the hugely popular series *‘Lords & Ladles’* was broadcast in 2015. Featuring some of Ireland’s best-known chefs, the series explored six Irish stately homes and featured the recreation of a grand dinner from the house’s history. *‘Lords & Ladles’* was nominated for best factual programme at the 2015 IFTA Television Awards.

Other notable aspects of Sound & Vision 3 in 2015 include the following:

### — Ancillary Measures

2015 saw the introduction of the provision of funding for ancillary measures to facilitate programme development. Examples of its implementation in 2015 included a pilot project for developing education material and a conference focused on the potential for new education programmes on community radio and television. In addition, an interactive exhibition and workshop took place in which an animator from the Sound & Vision-funded *Song of the Sea* discussed the animation process and taught drawing to children.





*Lords and Ladles.* Produced by Mind the Gap Films Limited.  
Broadcast on RTÉ 1. IFTA winner, factual programming.

### — IFI Agreement

The BAI entered into a contractual agreement with the Irish Film Institute to provide storage in the Irish Film Archive for radio and television projects delivered under the Scheme, in addition to conducting compliance and quality assurance on television projects. The term of the contract is until 2020, covering the lifespan of the current Scheme, and ensuring the archiving of projects of cultural value.

### — Scheme Governance

The BAI is committed to good and efficient governance of the Scheme for the benefit of all stakeholders, and places particular emphasis on compliance practices to ensure the delivery of projects by successful contractors. In this regard internal audits, including reviews of final costs statements and programme material, take place on randomly selected projects. 14 projects were selected for audit in 2015 and approved by the BAI's Finance Audit and Risk Committee.

The BAI liaised with various stakeholders throughout 2015, as part of its ongoing work to raise awareness of, and engagement with, the Sound & Vision Scheme. Industry briefing sessions were held throughout the year, beginning with the formal launch of the newly revised Sound & Vision 3 Scheme in early 2015. During the year, the BAI also participated in and supported events including the Jameson International Film Festival, the Galway Film Fleadh and the Guth Gafa documentary festival.

The BAI also engaged with relevant stakeholders, including the Revenue Commissioners, regarding the Section 481 tax credit system and was accepted as an approving due diligence body with Revenue. It is hoped that this new development will assist production companies in accessing Section 481.



*Red Rock*. Produced by Element Pictures. Broadcast on TV3.  
IFTA Winner of People's Choice TV Show of the Year.

## **Archiving Funding Scheme**

The Broadcast Fund's Archiving Scheme is designed to provide funding support for the development of an archiving culture in the Irish broadcasting sector that contributes to the preservation of Ireland's broadcasting heritage. It is concerned with programme material broadcast in whole or in part, or recorded for broadcast, on radio and/or television, and includes programmes and advertisements.

Since its launch in 2012, the BAI has run three rounds of the Scheme and awarded funding totalling €5.12m to a range of successful applicants.

Similar to previous years, the 2015 round focussed primarily on the safeguarding of programme material threatened by fragile physical condition or soon to be obsolete formats. 14 applications were received from a broad mix of applicants including public, commercial and pilot community broadcasters, independent producers and cultural and representative organisations. 6 projects were awarded funding, collectively amounting to a maximum of €1.36 million.

Among the successful applications from 2015 was the Irish Film Institute's initiative to collaborate with an independent production company ('Loopline Productions') to preserve and safeguard a complete collection of programme material from the company. Other examples included TG4's initiative to digitise 1,500 hours of news and current affairs in the Irish language, and a proposal from the Radharc Trust sought to safeguard material from its production periods between 1964 and 1972.

The Scheme is due to expire on the 30th April 2016. Under the Broadcasting Act 2009, the BAI is required to undertake a review of the operation, effectiveness and impact of the Scheme, and the Authority agreed its approach to this review in November.

## SECTION 2 **ENSURING PLURALITY**

*“A culture of mature conversation,  
open debate and healthy  
dissent are essential safeguards  
of a democratic society”*





*In its regulation of broadcasting services, the BAI supports the principle of media plurality to ensure availability and access to diverse perspectives and viewpoints for audiences in Ireland. Plurality is central to ensuring that the Irish public has confidence and trust in the ownership, impartiality and objectivity of Irish broadcast news and information sources.*

The BAI considers safeguarding the plurality of broadcasting services as central to sustaining democratic objectives. As such, plurality considerations form part of much of its operational activity, for example in the context of its licensing plans and in the processing of requests for variations to the ownership and control of contractors.

Furthermore, the BAI is also committed to contributing to informed debate on plurality in the Irish broadcasting sector. In this regard 2015 proved to be a busy year for the BAI and details of the activities undertaken in this important area are now outlined.

## **Ownership and Control of Media Businesses in Ireland 2012–2014**

The Competition and Consumer Protection Act 2014 enhances the BAI's role in relation to advising the Minister, if requested, on media mergers in Ireland, in addition to compiling reports and conducting periodic research.

Section 28 M(1) of the Act requires that the BAI provides, every three years, a report on the ownership of media businesses in Ireland, "changes to the ownership and control arrangements", and "the effects of such changes on plurality of the media".

In order to address the requirements of the Act, the BAI commissioned a detailed investigation of ownership of Irish media businesses and also considered wider developments in the media market. The research, covering the period 2012–2014, was carried out by Communications Chambers, and a report was submitted to the Minister for Communications, Energy and Natural Resources in October 2015. The key findings from the report centred on trends in consumption and changes to ownership and control and some of the highlights from the report were as follows:

### **Trends in Consumption**

- TV remains the largest and most important source of news and current affairs by audiences, closely followed by the internet, then radio, with print media cited as the fourth most important source;
- Overall, RTÉ holds the largest cross-market share in TV, radio and online and holds the strongest position as a news source, due to the weight given by the research to TV as a provider of news and current affairs content. Communicorp and Independent News and Media (INM) emerge as important commercial players, with strong market share in radio, print and online;
- Growing consumption of online news indicates that it is closing in on television as a source of news for audiences. INM is a strong performer in this medium, with Journal.ie ranking fifth in the list of desktop sources of news;
- Radio remains a key source of news for audiences, especially for regional news, with local commercial radio playing a significant role in this regard;
- Print circulation has declined in the 2012–2014 period, with INM performing best among print media, and the Irish Times second;
- In an Irish context, there is a very strong presence of international news sources, with the BBC, in particular, featuring strongly;
- The report provided evidence of multi-sourcing of content, with the majority of consumers of a particular news source also using a different news source.



BAI/DCU Plurality Conference

### Ownership and Control Changes

- The report found that there had been three broad changes in ownership and control of media businesses in the 2012–2014 review period. However, the changes did not have a material impact on plurality.
- The report also addressed ownership and control changes made at Independent News and Media and found that the increase in shareholding of Mr. Denis O'Brien from 22% to 29.9% in the period under review did not constitute a relevant change, in the context of the Act or the *Guidelines on Media Mergers*.

In conclusion, the BAI's Report on Ownership and Control of Media Businesses in Ireland 2012–2014, found that the limited nature of the changes that took place between 2012 and 2014 did not have a material impact on plurality of media in the State.

### Reuters Digital News Report 2015

In addition to submitting its report on ownership and control to the Minister, the BAI was also mindful of its responsibility to conduct periodic methodological research on matters relating to plurality of the media, as required by section 28(M)(4) of the Competition and Consumer Protection Act.

To this end, the BAI commissioned Ireland's inclusion, for the first time, in the annual international survey on audience consumption of digital news, conducted each year by the Reuters Institute for the Study of Journalism. In addition, the BAI partnered with the new Institute for Future Media and Journalism (FuJo) in Dublin City University (DCU) in order to conduct a more in-depth analysis of the emerging data from Ireland. This report was launched in June and was the subject of a joint conference, hosted by the BAI and DCU. It is the first of three reports over the period 2015–2017 and, as such, provides an important benchmark for tracking key trends and identifying data points which will assist the BAI in its policy deliberations in respect of media plurality. Key findings to emerge from the report were as follows:

- Daily news consumption is high in Ireland across all demographics at 86%. While traditional news sources remain important, digital migration is significant at 43%;
- TV is the most highly valued news source, commanding the most trust due to its perceived accuracy and reliability; online is the most popular for breaking stories, offering a diversity of sources and a wide range of comment and analysis;
- Less than 46% of people trust the news in general;
- At 7%, Ireland has one of the lowest rates of paying for news of the 12 countries surveyed; 85% of Irish people surveyed said they would be unlikely to pay for news in the future;
- Social media is not as highly valued as other news sources in Ireland, with only 7% considering it to be reliable and accurate. However, 80% of Irish people surveyed said they were active users of social media, while levels of sharing news are comparably high at 25%;
- In terms of gateways to news, there is a growing reliance on search engines and social media for finding news. In Ireland, 44% of those surveyed went directly to a news brand as their starting point for news stories, 46% to a search engine, while 36% accessed news content via social media.

## **Plurality Policy Development**

The BAI initiated work on the development of a Plurality Policy by commissioning a report on current trends in plurality monitoring. Further work in this regard will be undertaken later in 2016, following the development of the BAI Strategy Statement 2017-2019.

## **Media Pluralism Monitoring 2015**

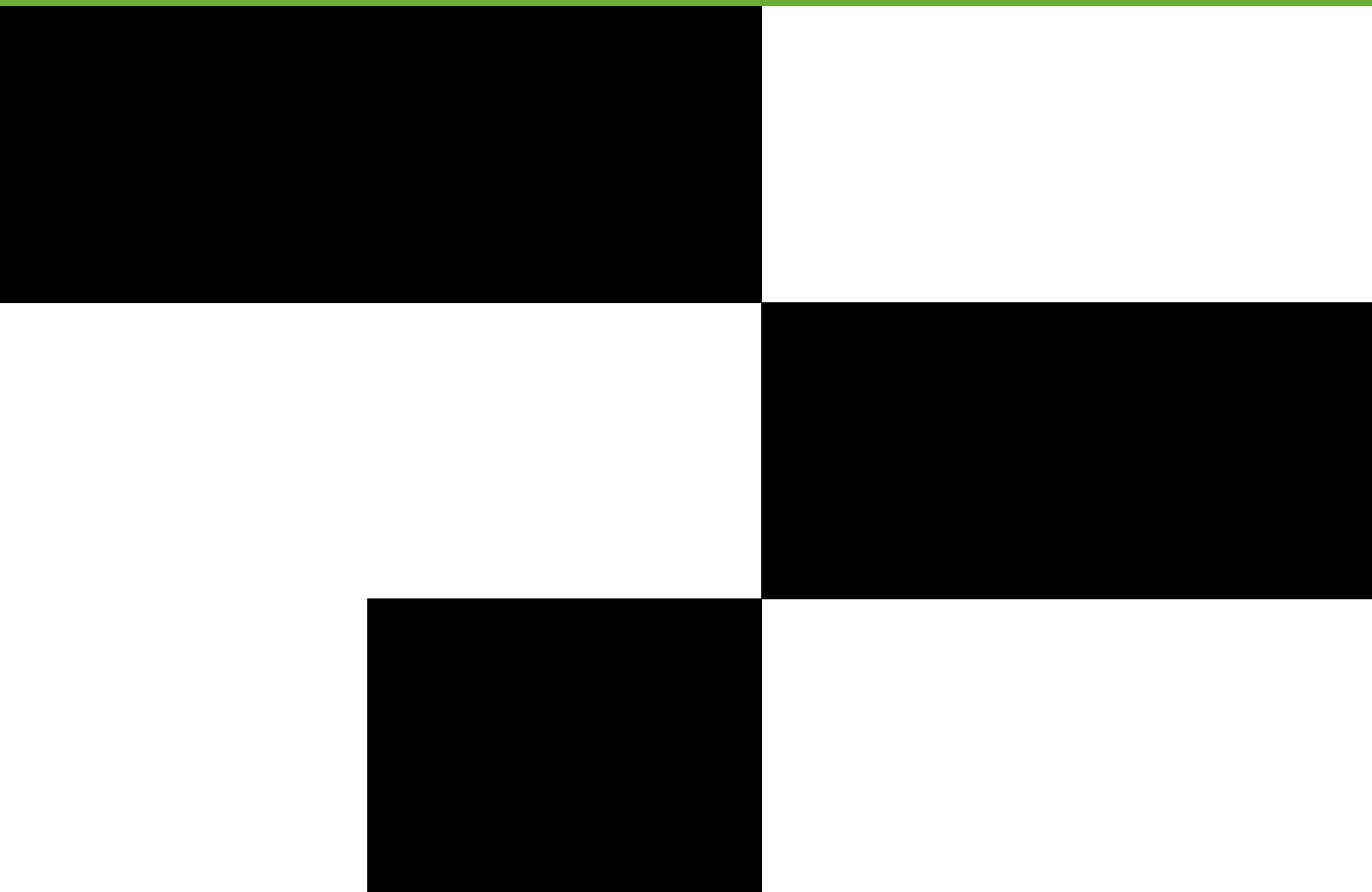
The Media Pluralism Monitor is a tool for assessing the risks to media pluralism in a given country. Its aim is to help policy makers, researchers and civil society understand the threats to media pluralism in different media systems through research, analysis and the provision of country data. The present Monitor, which was piloted in 2014, has been developed and tested by the Centre for Media Pluralism and Media Freedom (CMPF), at the European University Institute and has been funded by the European Union. Ireland was included among 19 member states to which the Media Pluralism Monitor was applied.

For its part, the BAI also acted as an expert reviewer of data, collected by Dublin City University, as part of this project and the executive staff participated in a meeting to review the results prior to the report being finalised and published. Further details on Monitoring Media Pluralism in Europe can be found on <http://monitor.cmpf.eui.eu/>.

# SECTION 3

## **INFLUENCING AND COMMUNICATING**

*"A Trusted and Informed Voice  
in Broadcasting"*



*Intent on being a trusted voice in broadcasting, the BAI is committed to evidence –based decision making, informed by experience, knowledge and data garnered through research. Likewise, understanding the value of communication, the BAI continues to consult and engage with the public and other groups relevant to its remit.*

Working towards this goal in 2015, the BAI engaged with stakeholders, representative groups and fellow regulators at both at a national and international level. Participation at international fora on audio-visual matters was also part of the BAI's activities during the year. In particular, the BAI contributed to a range of discussions at European level, examples of which are set out below.

### **European Regulators Group for Audio-visual Media Services (ERGA)**

The BAI executive actively participated in ERGA; a group established by the European Commission in 2014 to provide advice on a range of key audio-visual policy matters; ensure consistent implementation of the Audio-visual Media Services Directive in an increasingly converged media landscape; and, allow for an exchange of experience and good practice. During 2015 executive staff took part in two plenary ERGA meetings and three working groups covering a range of topics including the independence of regulatory authorities, territorial jurisdiction and the protection of minors

Under the theme "Adapting the EU Regulatory Instruments to a Convergent Audio-visual World", the working group for the Protection of Minors, focused on harmful audio-visual content and aimed to draw common conclusions on an adequate system for the protection of minors in a converged world.

Separately, the Independent Regulatory Authorities working group, collected and analysed valuable data and information concerning the different national institutional set-ups regarding the independence of National Regulatory Authorities.

Reports on each of these topics were completed and their outcomes and recommendations will feed into the review and planned revision of the Audio Visual Media Services Directive, scheduled to take place from mid- 2016.

### **EC Contact Committee on the Audio-visual Media Services Directive**

As part of an Irish delegation led by the Department of Communications, Energy and Natural Resources, the BAI attended two meetings of the EC Contact Committee to discuss potential revisions to the Audio-visual Media Services Directive and Ireland's approach or view of such proposals.

### **European Platform for Regulatory Affairs (EPRA)**

A broad group of 52 regulatory authorities from 46 countries, whose membership comprises most European countries and some further afield, EPRA is an important network for the exchange of information and perspectives on a range of topics. The BAI's role as a key participant in the network was enhanced in 2015 with BAI Deputy CEO, Celene Craig, being elected EPRA's Chairperson for a two-year term. In this capacity, Celene Craig chaired two plenary meetings and represented EPRA at a range of international conferences and meetings.

Examples of topics covered during the 2015 work programme included: the supply and financing of quality media content in Europe, public service broadcasting and commercial communications, with an emphasis on product placement. The BAI also produced content on media pluralism for the EPRA meetings, drawing on the research it had undertaken on this topic.



The Relevance and Future of Irish Content in the Broadcasting Media. BAI Public Conversation Event.

## Communications and Support

### Activities and Events

The BAI sees communication and engagement at a national level as being a key component in realising its goal of being a trusted and informed voice in broadcasting. As such, the BAI adopts a proactive approach to engaging with stakeholders, both by attending and organising events. In this way, it seeks to both support the broadcasting sector and foster communication on matters related to its work-plan for the year.

In 2015 the BAI maintained this proactive approach and engaged with a broad range of its stakeholders in a variety of ways to raise awareness and facilitate discussion on areas of focus for the year. Highlights from 2015 include:

#### — Public Conversation Event on ‘*The Relevance and Future of Irish Content in the Broadcasting Media*’

As part of the Cork Film Festival, the BAI held a public conversation in Cork City in November 2015 on the topic, ‘*The Relevance and Future of Irish Content in the Broadcasting Media*’. Moderated by broadcaster Claire Byrne, the event was attended by more than 100 people. Opening remarks to stimulate conversation were provided by Irish Times reviewer, Bernice Harrison and panellists from a range of Irish television and radio services, including commercial, community and public service broadcasters, contributed to the discussion. Along with focusing on the future for Irish content, and the value of promoting it, both in Ireland and abroad, the conversation explored the importance of Irish content to viewers and listeners.

#### — Culture Night 2015

As with previous years, the BAI was an enthusiastic participant in Culture Night 2015; the annual event that celebrates culture, creativity and the arts, with organisations of all shapes and sizes extending their opening hours to allow for increased access to the public.

The BAI showcased a wide variety of Sound & Vision funded film and television projects with *Sol Cinema*’s return to Warrington Place. Similarly, the BAI’s *Listening Lounge* proved popular with people wishing to listen to a selection of Sound & Vision-funded radio projects.

#### — PPI Hall of Fame

For the BAI, Culture Night 2015 also saw the unveiling of the newest inductees to the *PPI Hall of Fame*; RTÉ’s Des Cahill, Pat Balfe, Chief Technical Officer with the Communicorp Group, the late Gerry Anderson of BBC Radio Ulster, and the late Henry Condon, who had an extensive career in radio in the UK and Ireland. Housed in the BAI offices, the Hall of Fame recognises those who have made an exceptional contribution to radio in Ireland.

#### — Digital Biscuit and Technology Forum

The BAI successfully teamed up with the Digital Youth Council to explore the media consumption habits of young people in the digital age. This research involved interviewing young people from around the country about their daily media consumption habits and the impact of both social media and digital platforms. The findings of this research were presented at the BAI supported Digital Biscuit and Technology Forum, held in January 2015.

#### — *Song of the Sea* Screening

In July 2015 to celebrate the release of the Oscar nominated ‘*Song of the Sea*’, which was part funded through the Sound & Vision Scheme, the BAI held a special screening of the animated film at the Lighthouse Cinema in Dublin. Among those in attendance were President of Ireland Michael D. Higgins, his wife Sabina and the US Ambassador to Ireland, Kevin O’Malley.





PPI Hall of Fame Recipients 2015

## **Media Relations**

Another important element of the BAI's communication strategy is the provision of regular updates on its activities and decisions, as well as its work more generally. The BAI website acts as an important communication tool for this purpose, playing a significant role in informing the media and general public about its regulatory decisions and overall activities.

Over the course of 2015, the BAI issued to its website 57 press statements and updates on a range of issues relating to its work. Also, as in previous years, there was significant coverage of the BAI in the media with approximately 840 articles of relevance to the BAI appearing in print and online media during the year.

In addition to its website, the BAI has, in recent years, sought to utilise social media to develop its communications function. The BAI has enhanced its social media presence by using media - rich footage to increase awareness and knowledge of the BAI's work and role. 2015 saw the BAI increase its social media presence on Facebook and Twitter by 28% and 33% respectively, compared to the previous year.

## **Freedom of Information**

In order to ensure greater transparency, openness and accessibility, Section 8 of the Freedom of Information (FOI) Act 2014 requires FOI bodies such as the BAI to routinely prepare and publish a wide range of information outside of the FOI process, on condition that such publication or provision of access is not prohibited by law. In support of this requirement, the BAI is committed to making information available as part of normal business activities and has recently started making its FOI publications available online.

The BAI processed 15 freedom of information requests in 2015, 2 of which had been carried over from 2014. Similar to previous years, the majority of requests were from journalists and the type of information sought related to topics such as regulation of public service broadcasters and internal records on compliance of BAI contractors with BAI codes and policies. 1 request was granted in full while 12 requests were part granted and 1 refused. The remaining request was carried over into 2016.



Special screening of *Song of the Sea*, attended by President Michael D Higgins, his wife, Sabina Higgins and the American Ambassador to Ireland, Kevin O'Malley. Funded through Sound & Vision, *Song of the Sea* received an Oscar nomination in 2015.

## Sponsorship

Sponsorship activities form an important part of the BAI's approach to communication and engagement, serving to raise awareness of the regulator's strategic objectives while also highlighting the organisation's contribution to the growth and continued development of the audio-visual industry in Ireland.

The BAI received a total of 28 applications for support under its Sponsorship Scheme in 2015. 18 applications proved successful, securing sponsorship funding collectively amounting to €114,000, for a range of events. Examples of BAI sponsored events for 2015 include the following:

PPI Awards	Seachtain na Gaeilge
Galway Film Fleadh	Glór na nGael
Jameson Dublin International Film Festival	Irish Film and Television Awards
Celtic Media Festival	Mary Rafferty Journalism Fund

## Audience Research

Following the development of an Audience Research Framework in 2014, the BAI prioritised the scoping and undertaking of a number of 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.

In this context the BAI conducted a tender process and, in late 2015, appointed a research company to establish and operate an audience tracker survey. The aim of the survey is to provide information on public opinion and perception of public service broadcasting in Ireland, in terms of public value and importance. In particular, the survey will aim to track public opinion on how the public service broadcasters are delivering on their principal objects, as set out in legislation.

The results of the survey will inform the BAI's activities and decision-making processes when undertaking its regulatory functions in respect of public service broadcasters, particularly its 5-year review of public funding.

It is intended the survey will initially operate for a three-year period. The value of a tracker survey is that it is considered a 'live' research activity and will enable the BAI to track, record and respond to trends over a period of time.

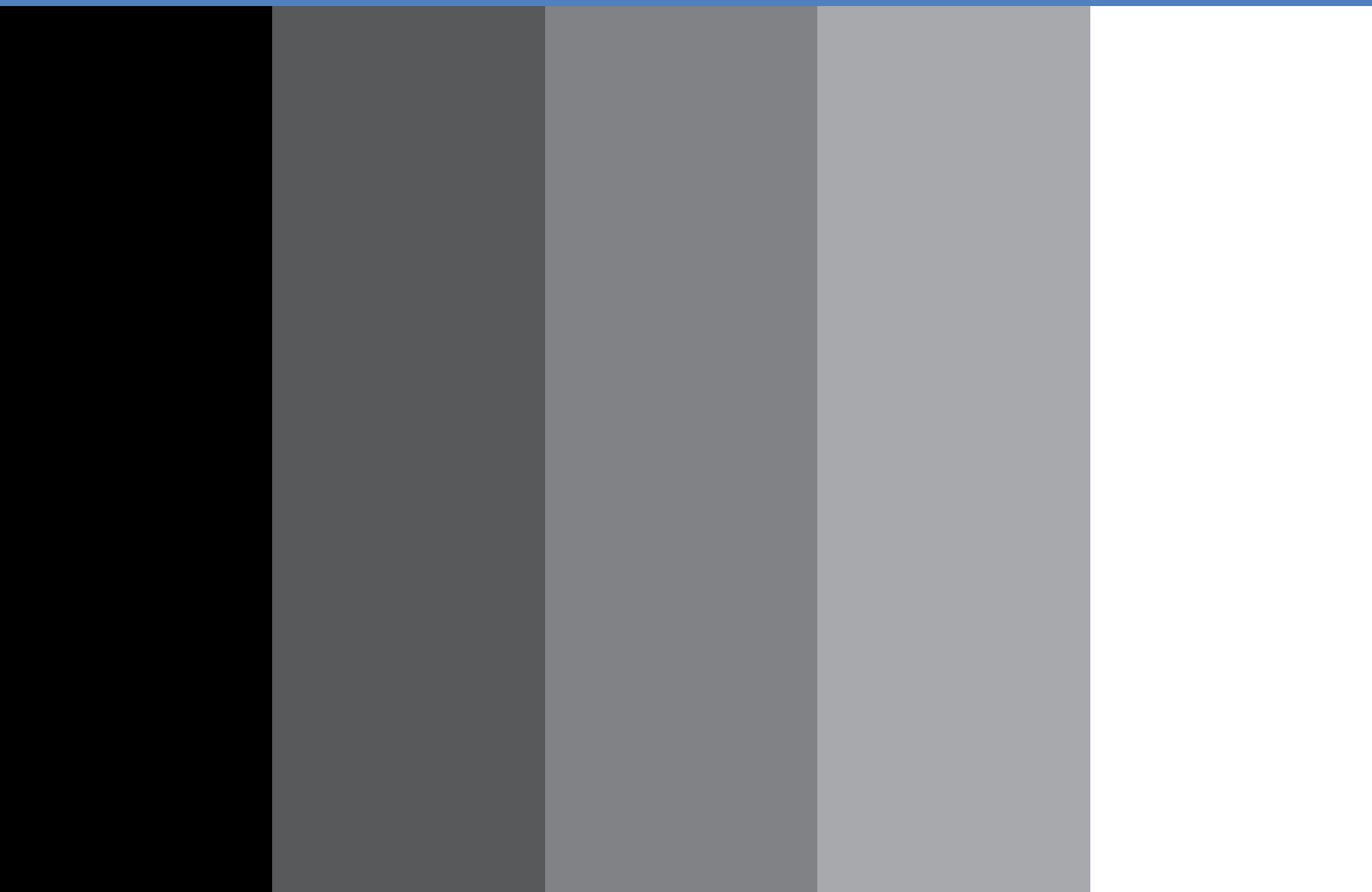




## SECTION 4

# **STRENGTHENING THE TRANSPARENCY AND ACCOUNTABILITY OF BROADCASTERS**

*“Increasing public trust and  
confidence in Irish broadcasting”*



*A key responsibility of the BAI is to ensure that broadcasters are accountable to the Irish public. The BAI views the transparency and accountability of broadcasters as being essential to maintaining and increasing public trust and confidence in Irish broadcasting. As such, a significant level of its regulatory activity is directed towards this aim. The BAI engages with broadcasters with respect to statutory and contractual requirements, so as to set clear and reliable expectations for viewers and listeners.*

In undertaking such work, the BAI itself operates in a transparent manner, applying clear and accessible compliance and enforcement procedures that are fair, proportionate and considerate of audience and listener needs. Areas of work in 2015 focused on the pursuit of a public service regulatory agenda and the fulfilment of a range of compliance activities to ensure broadcaster accountability to the public. Details below provide a flavour of the work carried out during the year.

### **Public Service Regulatory Agenda**

Over the course of 2015, the BAI continued its engagement with the public service broadcasters (PSBs), RTÉ and TG4, on a range of matters, as part of its regulatory agenda. In so doing, the BAI was mindful of its responsibilities under the Broadcasting Act 2009 and its strategic commitment to ensure that RTÉ and TG4 demonstrate transparency and accountability in relation to their use of public funds. Likewise, through its regulatory role, the BAI seeks to provide independent advice to the Minister on a range of PSBs matters, including, among other things, the adequacy of funding available to PSBs to deliver on their public service objects.

Furthering this agenda over the course of 2015, the BAI engaged with PSBs both at senior management and board level. In particular, the Authority and RTÉ board met in May 2015 to discuss the ongoing relationship between regulator and broadcaster, and how the regulatory framework can further RTÉ's role in serving audiences. The meeting acknowledged the distinct and yet complementary roles of the BAI and RTÉ, and shared perspectives on a range of issues such as public funding reviews and recommendations, accountability, compliance, and audio-visual regulation at European level.

### **Annual Statements of Performance Commitments 2015**

Each year public service broadcasters engage with BAI, setting out their commitments with regard to performance. This process results in the issuing of Annual Statements of Performance Commitments (ASPC) for RTÉ and TG4, which set delivery objectives for each broadcaster and consequently, measurable expectations for the audience. Furthermore, the setting of ASPCs feeds into the regulatory process relating to the adequacy of public funds for each PSB to meet its objects. Both RTÉ and TG4, as required under legislation, submitted their ASPC to the BAI, setting out the targets and actions that they intended to deliver over 2015.

#### **— RTÉ's Annual Statement of Performance Commitments**

The Authority was broadly satisfied that RTÉ's 2015 commitments were sufficient, appropriate and in line with the objectives of RTÉ's strategic plan. The Authority welcomed the assurances contained within the Statement that key aspects of the multi-year strategy would continue to be delivered, and also the setting up of a new Diversity Working Group for the broadcaster to examine the breakdown of audiences across diverse groups in Irish society.

#### **— TG4's Annual Statement of Performance Commitments**

The Authority was satisfied that TG4's Statement was aligned with the agreed framework and TG4's multiannual strategy. The reduced number of commitments in 2015 compared to previous years was welcomed, as was TG4's focus on what would be achieved, and the provision of appropriate evaluation measures.

## Annual Review of Public Funding

The annual review of public funding undertaken in 2015 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). In conducting the reviews, O&O focused on key areas which the Authority believed were central to the delivery of public service broadcasting, specifically: audience performance; level and nature of output content; value for money being delivered; and, Irish language and culture.

The Authority was satisfied to concur with the findings of O&O in respect of the performance by TG4 and RTÉ, against the commitments made in the previous year and in the context of the broader parameters of the five-year review of public funding. While not fulfilling all commitments, as set out in their annual statements of performance commitments, both PSBs performed well against the commitments set. The Authority also noted the challenges experienced by RTÉ and TG4 in achieving targets in the remaining period of their respective strategies. In this regard, the BAI committed to examining this issue in more detail in 2016.

The Authority endorsed the recommendations made by O&O in respect of funding modifications for both PSBs. In particular:

- An adjustment in public funding to address the current inadequate level of funding required for RTÉ and TG4 to meet their respective objectives;
- Compensation for the lack of an increase in funding in line with inflation in the last two years;
- Compensation for the reduction in funding from the Department of Social and Family Affairs, to the value of €0.2m in the case of TG4 and €1.2m in the case of RTÉ;
- An increase in funding for both RTÉ and TG4 of 0.5% in line with inflation.

In submitting the report and recommendations to the Minister 2015, the Authority expressed its concern with regard to the non-implementation of the recommendations arising from the reviews conducted in 2013 and 2014.

## RTÉ's Fair Trading Policy

In 2015 the Authority considered RTÉ's Fair Trading Policy ('Policy'), which the broadcaster noted, was intended to set out the principles which would underpin its approach to fair trading and transparency in its commercial activities and transactions. The BAI requested consultants Oliver & Ohlbaum to undertake an independent review of the Policy. Following this review, the Authority was broadly satisfied with the Policy. Noting there was no statutory obligation for RTÉ to seek BAI approval for the Policy, the Authority requested that RTÉ reflect on the feedback and recommendations arising from the review.

## Public Service Statements

Further to Section 101 of the Act, RTÉ and TG4 each prepared and submitted to the Minister a Public Service Statement (PSS) setting out the principles to be observed and the activities to be undertaken by each broadcaster to fulfil its public service objects. The Minister, in turn, requested the Authority to consider each PSS. Following a review of each PSS, the Authority concluded that both RTÉ and TG4 had fulfilled their requirements with regard to their statutory obligations.

## Compliance

In addition to its public service regulatory agenda, the BAI engages with, and monitors, its contractors to ensure these radio and television services are operating in accordance with statutory and contractual requirements. An overview of compliance activity undertaken in 2015 is set out below.



10\_An Klondike\_Seán T. Ó Meallaigh\_Owen McDonnell\_  
Dara Devaney

### Contractual Variations

Contractual variation requests form a key part of the BAI's operational activities. Throughout the year, broadcasters licensed by the BAI submit requests seeking approval to modify elements of their contracts. These requests vary from altering elements of a station's programming commitments, to changes in staff, shareholding structure and potentially the ownership and control of a contractor. The BAI considers requests submitted in the context of its strategy and, as appropriate, commercial or community licensing policy. Consideration and decision takes place at either Executive or Authority level, depending on the nature and the significance of a request.

In 2015 the BAI received and processed 47 contractual variation requests. Some of these requests reflected changes concerning media ownership in Ireland as well as technological convergence in the media market.

The types of contractual variations considered and approved during the year included:

- The consideration, and approval, by the Authority, of the proposed acquisition of TV3 by Virgin Media Limited, a subsidiary of Liberty Global plc, which operates the main cable network in Ireland, Virgin Media.
- The consideration and approval of the sale of the recent entrant to the market, UTV Ireland Limited, to the major UK broadcaster, ITV Broadcasting Limited.
- Other contractual variations requests regarding CEO appointments to Highland Radio and Newstalk were also approved, as were revisions to the programming commitments for some community radio stations.

### Technical Audits

According to conditions laid down in their contracts, all licensed broadcasters are obliged to adhere to technical requirements. During 2015, 144 on-site visits took place and all, apart from two contractors, met required specifications. Overall there was a high degree of contractual compliance.



*Song Of The Sea*

### **Compliance and Enforcement Strategy**

The Compliance and Enforcement Policy document was published in November 2014 and sets out the BAI's general approach to dealing with compliance by, and enforcement against, all broadcasters and contractors licensed in the State.

The focus of compliance activity in 2015 was on undertaking performance reviews of a range of community services whose licenses were scheduled to expire. By year end, performance reviews had been conducted with 11 community sound broadcasting services, including a number of station visits.

The BAI also undertakes proactive monitoring in areas where compliance with regulations may be of concern. In 2015 the areas of sponsorship and product placement were examined and compliance issues identified in respect of television broadcasts. Discussions were held with RTÉ and TV3 in relation to their approach to these issues.

### **Access Rules**

Further to the requirements of the Broadcasting Act 2009 the BAI has developed Access Rules that require public service, commercial and community broadcasters to meet targets for subtitling, consult with user groups, and promote access to their services for people who are deaf, hard of hearing, partially sighted or blind. Following a review carried out in 2014, revised Access Rules were launched in January 2015 and came into effect on the 1st March 2015.

As in previous years the BAI carried out a number of activities in 2015 to assess compliance with these requirements including, monitoring of broadcaster output and meeting user consultative panels to elicit their views on the quality and reliability of subtitles, audio description and Irish Sign Language.

## Access Rules Compliance Review 2015

Details of the 2015 performance review of broadcasters is set out in the table below.

Broadcaster	2015 Subtitling Target	2015 Subtitling Actual
RTÉ 1	84–89%	86%
RTÉ 2	63–69%	65%
TV3	45–49%	50%
TG4	47–53%	45%
3e	19–23%	27%
Setanta Ireland	9–11%	10.3%
RTÉ plus One	84–89%	88%
RTÉ News Now	15–18%	No information supplied
RTÉjr	36–40%	42%
DCTV	5%	10%
CCTV	5%	20%

Broadcaster	2015 Audio Description Target	2015 Audio Description Actual
RTÉ	1.75%	3.2%
RTÉjr	2%	None

Broadcaster	2015 Irish Sign Language Target	2015 Irish Sign Language Actual
RTÉ	1.75%	2%
RTÉjr	0.75%	1.1%

In general, 2015 saw a good level of compliance from broadcasters in terms of targets set, with most broadcasters achieving or exceeding the target ranges. TG4 was slightly below the target, while TV3 had some issues with the quality of subtitles, albeit there had been some improvement from the previous year.

Difficulties identified by users included quality and reliability of subtitles and reception difficulties relating to technical issues such as different set-top boxes and platform providers. The BAI is committed to working with the broadcasters and platform providers to try and address these issues in 2016.

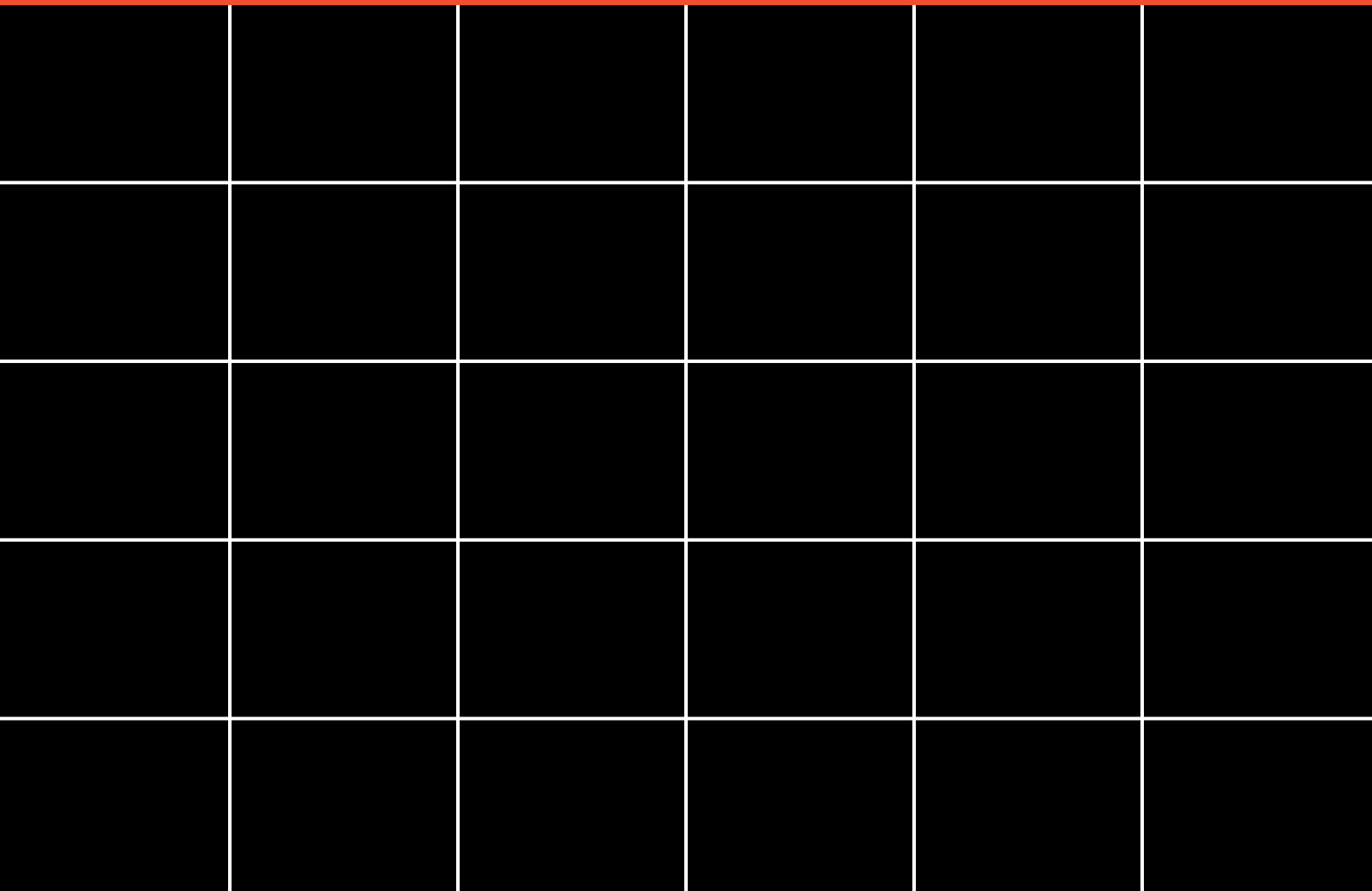
## Targets for new Broadcasters

In 2015 the Authority also considered the setting of access provision targets for new broadcasters licensed by the BAI. In this context, subtitling targets were set for UTV Ireland, Irish TV and Oireachtas TV. Targets for the provision of Irish Sign Language were also set for Oireachtas TV. These new targets will come into effect in 2016.

# SECTION 5

## **FACILITATING LEARNING AND DEVELOPMENT IN THE BROADCASTING SECTOR**

*“Challenging and supporting the  
Irish broadcasting sector to remain  
relevant, essential and to deliver  
for the audience”*







The launch of a work placement programme on *Red Rock*

*The BAI appreciates the strategic value to be gained from working with the broadcasting sector in order to enhance the sector's ability to meet listener and viewer needs. The BAI is therefore committed to providing strategic and developmental support for the sector.*

Together with broadcasters, representative groups and other organisations, the BAI continually reappraises both the evolving needs of the sector and how such needs can be met. As evidenced below, 2015 saw a broad range of activities undertaken to facilitate learning and development in the sector.

## **Sectoral Learning and Development**

Under an established Sectoral Learning and Development Policy the BAI offers assistance to the industry in a variety of ways, such as promotion of research, collection and distribution of information on skills requirements and support for training in areas of skills shortages.

At the start of 2015, a budget of €376,200 was allocated to Sectoral Learning and Development initiatives. Just over two-thirds of this funding was distributed to industry networks to deliver training and development activities. The remaining funds were allocated to support other development initiatives.

## **Industry Network Support**

The BAI offers funding support to industry networks formed to represent specific areas or interests in broadcasting. These networks span a range of stakeholders in the field of broadcasting, including representative and training groups for community and commercial broadcasters, screen producers, directors, journalists and animators.

The manner in which the BAI provides funding to the various networks allows the organisation to adopt a strategic approach and establish alliances in its goal to meet the needs of the broadcasting sector and in turn the Irish audience it serves. It also helps to maximise the impact of the support provided; assist in promoting collaboration within various areas in the overall broadcasting industry; and, help build a sustained approach to learning and development.

In 2015, a total of €248,000 was allocated to 10 industry networks to support various learning and development activities; such as hosting or attending seminars, conferences, or workshops, and developing training materials, and conducting reviews. Some of the specific networks and initiatives funded in the year are highlighted below.

#### ■ **CRAOL (Community Radio Forum)**

An established network for the community radio sector in Ireland, CRAOL represents community and community of interest radio services under contract with the BAI. Activities supported in 2015 included a *National Community Radio Day* where stations across the country shared programming and show-cased community broadcasting, and a *National Community Campus Stations Day* to facilitate student stations recruit new volunteers from their student-base.

#### ■ **Learning Waves Skillnet**

A leading provider of training for the independent commercial radio sector, Learning Waves Skillnet, is partially funded by the BAI to assist in its activities. Among the initiatives funded in 2015 were 2 training workshops; "Effective Producers", and "Storytelling and Original Journalism", delivered by the BBC Academy.

#### ■ **The Community Television Association**

Funding was also provided to the Community Television Association to host a successful Community Television Festival in Cork and organise programme production and transmission training for volunteers.

#### ■ **Screen Producers of Ireland (SPI)**

SPI is the representative body for the indigenous TV, film and animation sector in Ireland and promotes the growth of the independent production sector. BAI support in 2015 assisted in the provision of seminars and training days for SPI members, focusing on new technologies, new formats and intellectual property.

#### ■ **Creative Europe Desk Ireland**

In association with the media office of Creative Europe Desk Ireland, the BAI provided funding support for an animation master-class, with an emphasis on pitching and opportunities for funding animation projects.

### **Supporting Developmental Needs**

In addition to supporting networks, 2015 saw the BAI work to address developmental needs within the broadcasting sector by way of funding both new and established schemes. A flavour of the Schemes funded during the year is set out below.

#### ■ **Big Stories on the Small Screen**

2015 saw the introduction of *Big Stories on the Small Screen*, a new training initiative focusing on developing Irish skills in quality, long-form screen drama. This innovative project, funded by the BAI and Screen Training Ireland, aims to support Irish-resident screenwriters, producers and directors wishing to develop the essential skills necessary to craft a successful drama series for the international market. Divided into two distinct modules, the first element consisted of a conference on successful drama series, held in Dublin in November 2015. Further funding support for *Big Stories* has been approved for 2016 in support of the second, workshop-based module of the initiative.



*Big Stories on the Small Screen*, supported by the BAI, in partnership with Screen Training Ireland

#### ■ **Red Rock Scheme**

The BAI, Screen Training Ireland and the TV3 drama series, *Red Rock*, supported the introduction of a work placement programme in 2015. The initiative aimed to offer a select number of 6-week placement opportunities on the set, with the aim of introducing participants to essential skills in a number of key production departments, such as Locations, Wardrobe, Hair/Make-Up, Art Department, Continuity, and Post Production. In September 2015, over 150 people attended an open day to raise awareness of the Scheme, with many applying for the 6-week paid work placements, which commenced in late 2015.

#### ■ **Community Broadcasting Support Scheme 2015**

This Scheme enables community broadcasters to undertake research and reviews about their services and the communities they serve. The 2015 Scheme was launched in August and a total of €20,350 in grant funding was offered to seven stations. A range of initiatives were funded, including, an internal organisational review; a study to facilitate transition from a completely voluntary service to a service run by a mix of paid staff and volunteers; an external evaluation to inform the development of a five-year strategic plan; two projects addressing listenership and stakeholder research; an evaluation of current affairs programming; and, a review of interactions with groups in the community.

#### ■ **Media Research Funding Scheme**

The Media Research Funding Scheme is a key method by which the BAI develops and maintains links between third-level institutions and the broadcasting sector. Helping to drive quality research initiatives in support of the broadcasting regulatory environment, the Scheme facilitated a range of work in 2015.

Among these was a study delivered by Dublin City University (DCU) and the National Women's Council of Ireland entitled "*Hearing Women's Voices?*" This study explored the extent and nature of the under-representation of women in current affairs radio programming. The research analysed programming from RTÉ Radio 1, Today FM and Newstalk and was conducted over a three-week period in 2014.

Completed in 2015, a key finding of the study was that the overall breakdown of voices in news and current affairs on Irish radio was 28% female and 72% male across the three radio stations examined. Like-wise, the study also found that women tended to get shorter air time and the majority of guests and experts were male across all stations.

## **Media Literacy**

In 2015 the BAI carried out a review of its Complaints Handling Process as part of its media literacy work-plan. The objective of the review was to understand the barriers and challenges faced by organisations and members of the general public when making a complaint and to establish how the process can be improved.

The BAI also participated in a steering committee with the National Disability Authority, working to improve the portrayal of people with disabilities in the media as well as the promotion of Sound & Vision media literacy work.

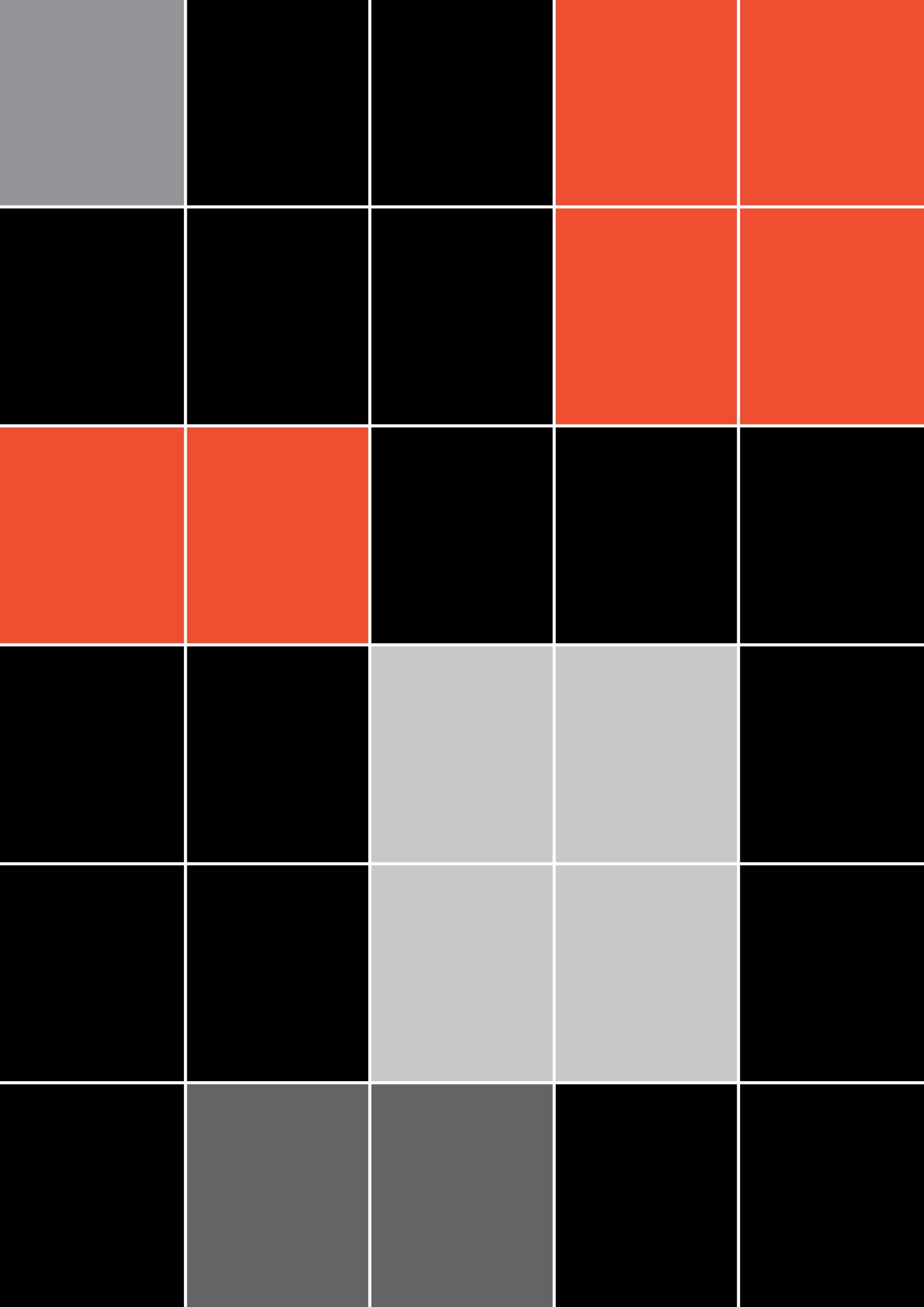
## **Skills Strategy for the Audio-visual Sector**

2015 saw the allocation of €30,000 funding for research to assist the development of a Strategy for Skills Development in the audio-visual industry. The BAI is working in partnership with Bord Scannán na hÉireann/Irish Film Board to map the industry's current and future learning and development needs, through an extensive consultation process with the sector. It is intended that this strategy will provide an important policy framework for further growth and capacity expansion within the audio-visual industries. It is anticipated the Strategy will be completed in 2016.

## **Archiving Scheme Development**

Section 69 of the Broadcasting Act requires every sound broadcasting contract to contain a term or condition requiring the contractor to archive certain categories of programme material. The Act also gives the BAI responsibility for prescribing the format for archiving, and categories of programmes to be archived. In 2015 the BAI continued to further develop its policy in this area.

Having carried out a station survey on the existing archiving practices among various radio stations in late 2014, the BAI collated and analysed the responses received in 2015. These survey responses served to inform the BAI's next steps in the development of the Scheme. It was agreed to publish a request for tender to acquire expertise in the area of audio archiving, to ensure the development of an integrated and workable policy for the implementation of the archiving requirements under the Act.



SECTION 6  
**PROMOTING  
RESPONSIBLE  
BROADCASTING  
AND EMPOWERING  
AUDIENCES**

*“Ensuring that viewers and  
listeners have the tools to make  
informed decisions”*



*The BAI views responsible broadcasting as being a shared goal of broadcasters and the regulator. To that end, the organisation implements broadcasting codes and standards to act as an accountability measure for industry and to support Irish audiences. To ensure their effectiveness, the BAI also understands the importance of keeping these various codes and standards under review.*

Significant work was undertaken in this area over the course of 2015. The BAI engaged with relevant stakeholders to undertake reviews of codes and election guidelines in a consultative and participative manner. A key aim of the review process was to measure the impact and effectiveness of these codes and guidelines and to ensure that any revisions can be readily understood and interpreted by both broadcasters and the general public.

### **Code of Programme Standards**

The key aims of the Code of Programme Standards are to promote responsible broadcasting and to ensure that access to information, entertainment and education as well as a range of views is enhanced, and undue offence and harm are reduced.

Following the completion of a review process, the Code was revised to make it more user-friendly and understandable and to both advise viewers on standards they can expect from broadcasters, while, at the same time facilitate in holding broadcasters to account. The new version of the Code also aimed to acknowledge the diversity of tastes and interests that exist in contemporary Irish society and to encourage and facilitate broadcasting that caters for such diversity.

The Code is underpinned by seven guiding principles which are:

- Respect for Community Standards
- Importance of Context
- Protection from Harm
- Protection of Children
- Respect for Persons and Groups in Society
- Protection of the Public Interest
- Respect for Privacy

Each principle is accompanied by a list of non-exhaustive requirements that broadcasters must comply with. The revised Code was launched in January 2015 and came into effect on 1st March 2015.

### **General Commercial Communications Code**

The General Commercial Communications Code deals with advertising, sponsorship, product placement and other forms of commercial promotion. Setting out rules in relation to the broadcasting of such commercial communications, the Code not only details the requirements of broadcasters in this area but also shows the standards the audience can expect.

Under the Act the BAI is required to review the effectiveness of the Code every four years. To this end the BAI carried out a review of the current Code in 2014. The review was submitted to the Minister in June 2015. The review outcomes found that the existing Code was broadly effective and had achieved its objectives. While a number of issues emerged during the course of the review, the report concluded that stakeholders were aware of, and acknowledged, the role of the Code in protecting audiences and maintaining confidence and standards in commercial communications. It was therefore felt that a number of amendments to the Code would be the most appropriate course of action, rather than any radical restructuring.

Informed by the outcomes of the review, work subsequently commenced on the development of a revised draft Code. In developing the draft Code, the BAI adopted a consultative approach, engaging with external stakeholders including Department of Communications, Energy and Natural Resources, the Department of Health and industry representatives. Areas such as sponsorship, product placement, alcohol and other specific rules were to the fore. The revised draft Code was approved by the Authority in December 2015 and it was anticipated that consultation on the draft Code would be undertaken in 2016.

## **The Right of Reply Scheme**

In effect since 2011, the Right of Reply Scheme provides for the correction of incorrect facts or information which have been broadcast about a person, where the assertions of such incorrect facts or information have impugned that person's honour or reputation.

In line with the legislative requirements, the BAI carried out a statutory review of the Scheme in 2015. This involved a targeted consultation process with key stakeholders. The outcomes of this review process, along with recommendations, were presented to, and approved by, the Authority in December.

The Authority noted that a key concern arising from the consultation process related to the timeframe for a broadcaster to determine whether to grant or refuse a Right of Reply request. While acknowledging the challenge this presented, the Authority was mindful of the need not only for a speedy redress but also of the legislative base for the timeframes set. Noting the lack of utilisation of the Scheme, the Authority supported the recommendation to address this matter through closer alignment of the Scheme with the BAI's complaints process. A report of the results of the review will be submitted to the Minister in 2016.

## **Complaints Process**

As part of its work in regulating and maintaining broadcasting standards, the BAI has a complaints process for viewers and listeners who are not satisfied with broadcasting content, be it relating to programming, advertising or sponsorship.

During 2015, a total of 159 complaints were considered. The majority of these complaints, 119, concerned matters under the Code of Fairness, Objectivity and Impartiality, while a further 35 complaints concerned the Code of Programme Standards.

Of the total complaints received and processed, 26 were dealt with by way of an adequate response from the broadcaster. The remaining complaints were processed in line with established procedure, with decisions being published on the BAI website. 104 complaints were rejected by the Executive Complaints Forum or the Compliance Committee. The Committee upheld a further 9 complaints, in full or in part. During the year, 2 complaints were deemed invalid while the processing of 18 complaints remained ongoing at the end of 2015. In addition, 1 Right of Reply request received during the year, was not upheld.

Complaint category	Complaint total
Code of Fairness, objectivity & impartiality in news and current affairs	119
General Commercial Communications Code	3
On Demand Audiovisual Media Services (ODAS)	1
Privacy of an Individual	1
Code of Programme Standards	35

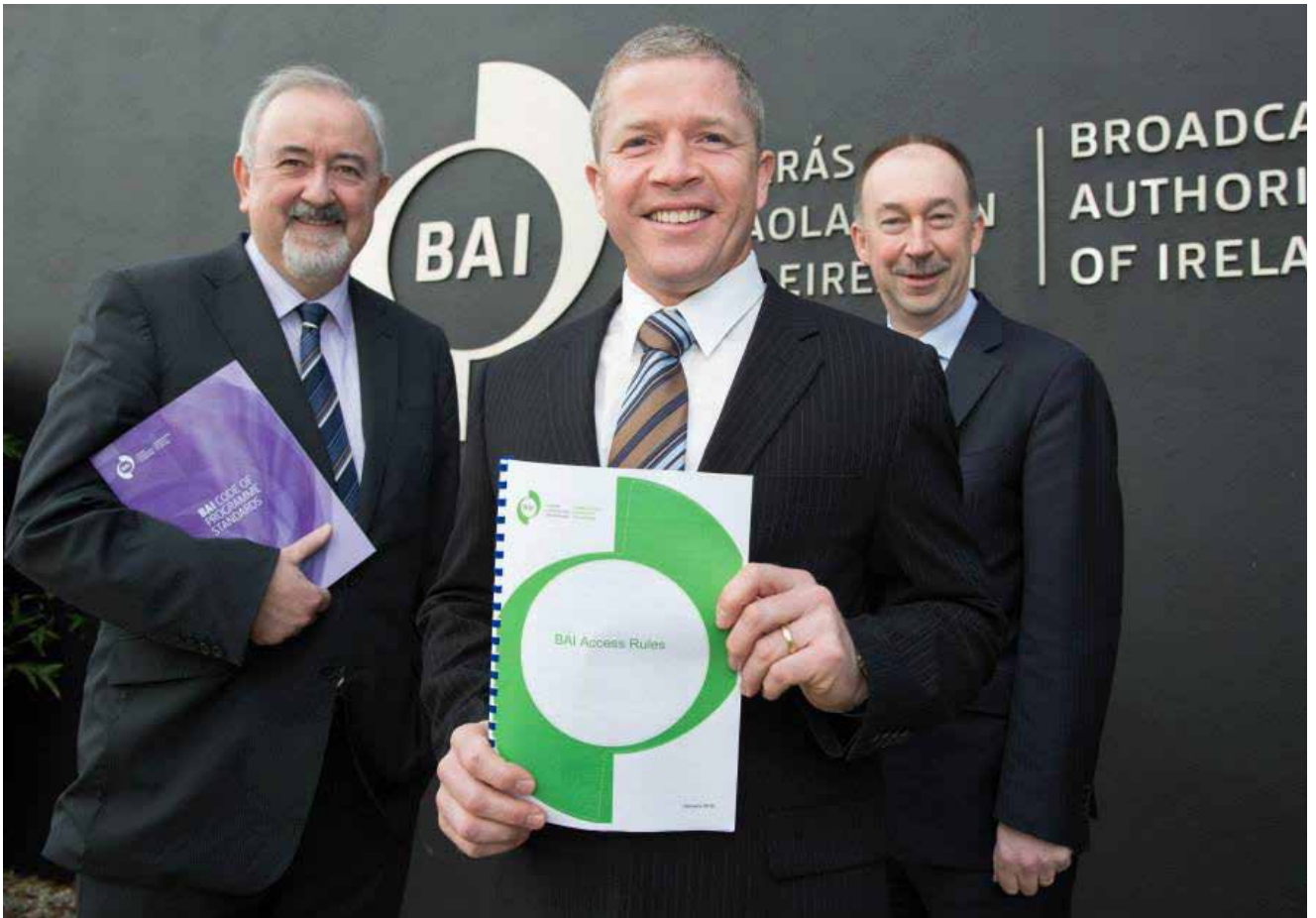
  

Complaint Processed in 2015 by Resolution	Complaint total
Upheld by Compliance Committee	8
Upheld in part by Compliance Committee	4
Rejected by Compliance Committee	47
Rejected by Executive Complaints Forum	57
Resolved at Executive Complaints Forum	6
Resolved (prior to consideration by ECF/CC)	28
Invalid complaints	2
Ongoing	7

## **Short News Reporting Code**

This Code deals with the standards to be applied to the use, by broadcasters, of programme extracts in news programming, in circumstances where the rights to the content might be owned by another broadcaster, for example, sports rights. The development of the Code commenced in 2015, with meetings being held with key broadcaster stakeholders. The focus of the meetings was to assess current practice and challenges, if any, currently arising for broadcasters in this area. Arising from this process a Short News Reporting Code will be developed and introduced in 2016.

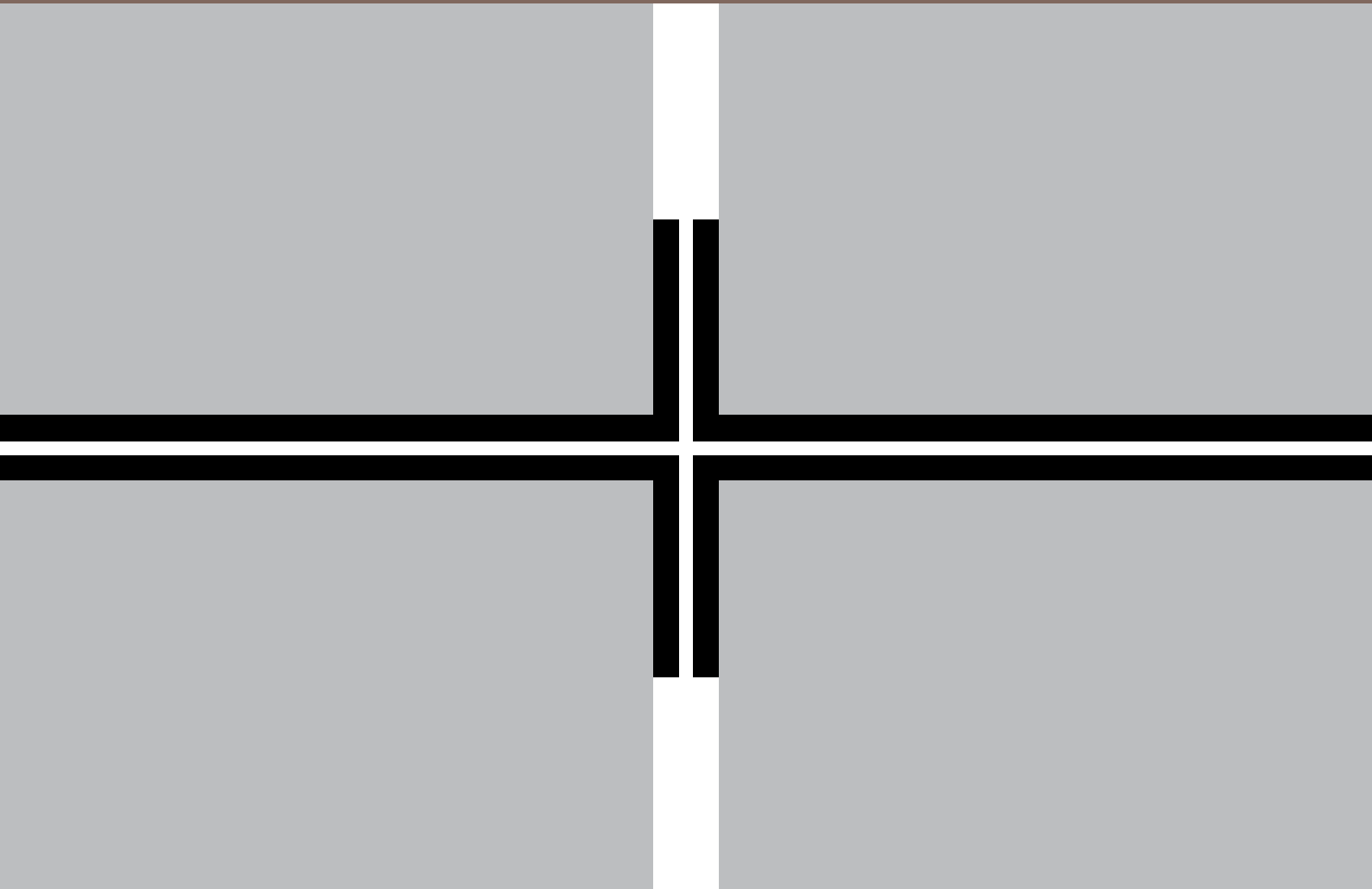




Pauric Travers, Roger Woods and Michael O'Keeffe at the Launch of the *Code of Programme Standards* and *Access Rules*

SECTION 7  
**GOVERNANCE AND  
ORGANISATIONAL  
DEVELOPMENT**

*“Embracing new technologies  
and increasing efficiency to ensure  
effective governance”*



*The BAI continues to focus on maintaining a robust governance framework, to ensure that the organisation operates efficiently and effectively. As an agile organisation, the BAI will build on what has been achieved in the past, through an increased use of IT and more flexible methods of working. This will sustain its ability to foresee and react to change.*

## **Functioning of Authority and Statutory Committees**

Building on review work undertaken with the outgoing Authority in 2014, an induction programme for the Authority and statutory committees was devised and implemented in 2015. An induction day was held with the members in April and addressed a range of areas, providing an overview of the BAI's culture and values and the corporate governance roles and responsibilities of the Authority and statutory committees. Additional induction sessions on various aspects of policy and operations were delivered to the members over the course of the year. Furthermore, an approach to reviewing the performance of the Authority and committees was agreed, and will be implemented in quarter 2 of 2016.

### **Finance, Audit and Risk Committee (FAR)**

The Finance, Audit and Risk Committee (FAR) monitors and reviews the effectiveness of the BAI's system of internal control, its financial practices and controls, its external audit functions, and its risk management practices. The Committee is required to brief the Authority 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.

As required, the Committee met four times during 2015, with the first meeting being held in September. Prior to this date, matters requiring consideration were dealt with directly by the Authority. The Committee undertook a range of activities in support of its function during the year, including attending seminars on the effectiveness of audit committees in state bodies, and workshops on risk appetite. The Committee also continued to play an important role in relation to the assessment of the organisation's monthly management accounts, considered unaudited and audited financial statements and the half-yearly statements of the BAI and the Broadcasting Fund. An overview of some of the Committee's other work during the year is provided below.

### **Liaison with External Auditors: Comptroller and Auditor General**

The FAR Committee met with the office of the Comptroller and Auditor General in December 2015 to review audit management issues relating to 2014 and discuss the approach to the 2015 audit. It was noted that no major issues were raised during the course of the 2014 audit.

### **Liaison with Internal Auditors: Capita**

Following approval of the Internal Audit Plan for 2015, the Committee requested the BAI internal Auditors, Capita, to conduct three internal operational audits in 2015 on internal financial controls and a review of IT security and business continuity.

### **Internal Audit Reports**

At its meeting in November, the Committee considered internal audit reports on Sound & Vision II (2014 Audit), Sectoral Development (2014 Audit) and a BAI operational audit on internal communications. No significant issues were identified.

### **Risk Management**

As a standing item on its agenda, the Committee considered regular updates regarding new and on-going higher levels of risk in the organisation and changes to the profile of risks identified in the organisation's risk register. At meetings in October and November 2015, the Committee considered the BAI's Risk Management Framework and revisions to the Risk Register.

## **IT Strategy**

Following the development of a new IT Strategy for 2014 - 2016, the BAI undertook a variety of activities and system upgrades to improve delivery of services for stakeholders. A new BAI website was designed and developed in 2015 and is expected to go live in early 2016. In addition, the organisation upgraded both its Windows and Office operating systems. In line with the recommendations arising from a detailed review of its IT infrastructure and environment, a tender process was conducted to facilitate the migration of the existing infrastructure to a cloud base.

## **Organisational Knowledge Strategy**

2015 also saw the development of an integrated 3-year strategy for organisational knowledge, covering areas such as data and file management and strategic data use. Arising from this strategy, the BAI piloted smart data returns among a number of commercial sound broadcasters. These data returns were circulated to, and completed by all commercial sound broadcasters in October and November 2015. It is intended that similar returns will be prepared for all other community sound broadcasters and content provision contractors under Section 71 of the Broadcasting Act 2009.

Additional new processes are continually being implemented that provide better ways of working and using data more efficiently. It is expected that a smart compliance self- assessment tool for all broadcasters will be piloted in 2016 while it is also planned to carry out a review and revision of BAI data and file management policy to ensure effective records management, and that data is centralised, searchable and accessible.

## **Human Resources and Organisational**

### **Development**

For a number of years, a key challenge for the BAI has been staffing and resourcing. In March 2015, sanction was received to recruit a number of additional staff. Over the course of the remainder of the year, a number of positions were filled and this has proven beneficial to support the implementation of the annual work programme. However, while this is most welcome, it should be noted that numbers still remain below the levels employed by the BCI, prior to the introduction of the Broadcasting Act 2009 with all its additional statutory responsibilities.

Over the course of 2015, the BAI also agreed a number of policies with the Impact union, including *Dignity at Work* and *Smoke Free Workplace*, and placed continued emphasis on the *Wellbeing at Work* initiative. Development at an organisational level also remained a focus for the BAI during 2015. Key organisational structures, such as union-management forums, and staff communications meetings were deployed to advance initiatives in this regard.

Furthermore, a variety of organisational training was undertaken to aid staff development including; a 3 day 'Coaching for Managers' course, health and safety, IT and procurement courses. A skills survey was also carried out to assist in the prioritisation of future training.

In terms of the organisation's facilities and resources, the lighting system, including emergency lighting, in the building occupied by the BAI was updated as part of a 3-year energy initiative. As a result of the energy initiatives undertaken over the past 3 years, energy consumption has fallen by 5.6% since 2010.

## **Governance**

The BAI meets all its statutory governance reporting obligations in an accurate and timely manner, including HRA reporting and requirements with respect to the Data Protection Act. Also, as outlined below, the BAI continues to meet its obligations regarding the Official Languages Act and to undertake appropriate procurement processes.

### **Irish Language Scheme**

In accordance with the provisions of the Official Languages Act, the BAI Irish Language Scheme is committed to providing Irish language services to its stakeholders and aims to achieve this by taking a strong, proactive approach and ensuring visibility for the language at all levels.

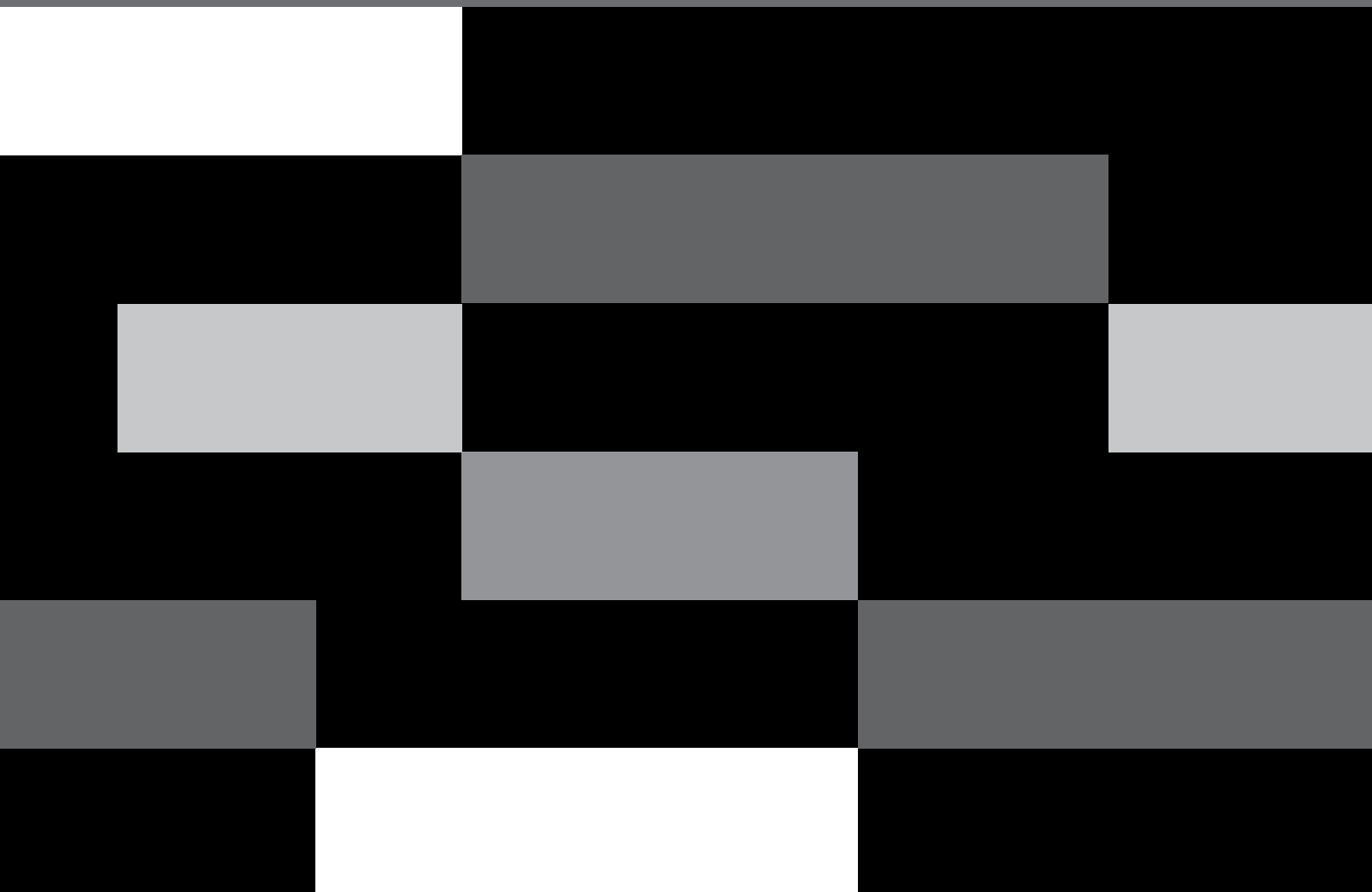
The BAI completed the 2nd year of the 3-year Scheme in September 2015. In addition to building on the commitments made and achieved in year one, the focus for year two was in the areas of: customer service; website and computer systems; information provision and communications; promotion of, and presence at, events; and language resources.

### **Procurement**

A number of procurement processes were undertaken during the year, including tenders for legal services, levy management services, design and print, media monitoring and photography. In addition, a number of calls for quotes were undertaken for services such as taxis, couriers and catering.

As part of the BAI's commitment to good governance, a register of supplier spend, procurement activity, and contracts issued continues to be monitored. A report from a procurement audit carried out in 2014 was received and noted as having an overall rating of satisfactory.

**BROADCASTING  
AUTHORITY OF  
IRELAND FINANCIAL  
STATEMENTS**  
FOR THE YEAR ENDED  
31<sup>st</sup> DECEMBER 2015



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# STATEMENT OF RESPONSIBILITIES

Pursuant to the provisions of the Broadcasting Act 2009 ("the Act"), the Broadcasting Authority of Ireland ("BAI") is responsible for preparing financial statements for the year 1st January 2015 to 31st December 2015, so as to give a true and fair view of the state of affairs of the Broadcasting Authority of Ireland as at 31st December 2015 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 adequate accounting records 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 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*  
23<sup>rd</sup> June 2016



**Alan McDonnell**  
*Member of Authority*  
23<sup>rd</sup> June 2016

# 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; and
- 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; and
- 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; and
- 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.

### **Annual Review of Controls**

I confirm that, for the year ended 31st December 2015, the Authority conducted a review of the effectiveness of the system of internal financial control.

Signed on behalf of the Broadcasting Authority of Ireland.



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**Professor Pauric Travers**  
*Chairperson*  
23<sup>rd</sup> June 2016



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**Alan McDonnell**  
*Member of Authority*  
23<sup>rd</sup> June 2016

# 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 2015 under the Broadcasting Act 2009. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of comprehensive income, the statement of financial position, the statement of cash flows, 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.

### 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 and for ensuring the regularity of transactions.

### Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and to 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing

the audit. 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:

- give a true and fair view of the assets, liabilities and financial position of the Authority as at 31 December 2015 and of its income and expenditure for 2015; and
- have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the accounting records of the Authority were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

### 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 if I find

- 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 with the knowledge acquired by me in the course of performing the audit, 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
- 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.

*Seamus McCarthy*

Seamus McCarthy  
Comptroller and Auditor General  
30 June 2016

# STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES

FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2015

	Note	2015 € '000	2014 Restated € '000
<b>Income</b>			
Levy	3	4,748	4,684
Licensing Fees	4	28	14
Other Income	5	830	888
<b>Gross Income</b>		<b>5,606</b>	<b>5,586</b>
Transfer from Capital Account	17	(3)	17
		<b>5,603</b>	<b>5,603</b>
<b>Expenditure</b>			
Staff Costs	6	1,841	2,021
Retirement Benefit Costs	21(c)	264	273
BAI Members' Fees and Expenses	19	106	107
Consultancy Fees	7	569	426
Legal Expenses		65	71
Advertising		30	51
Administrative Expenses	8	480	446
Auditors' Remuneration		11	10
Grant & Development Payments	9	385	385
Premises & Related Expenses	10	1,160	865
Depreciation		44	61
Bad Debts		1	–
		<b>4,956</b>	<b>4,716</b>
<b>Surplus Income over Expenditure</b>		<b>647</b>	<b>887</b>
Refund of Levy	3	(609)	(857)
<b>Surplus after refund of Levy</b>		<b>38</b>	<b>30</b>
<b>Retained Revenue Reserve</b>			
Balance at the beginning of the year		<b>546</b>	<b>516</b>
Surplus after refund of Levy		38	30
<b>Balance at the end of the year</b>		<b>584</b>	<b>546</b>

**The Statement of Cash Flows and Notes 1–24 form part of these Financial Statements.**

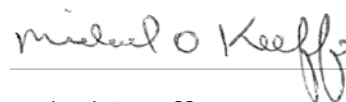
The Financial Statements were approved by the Authority on the 23<sup>rd</sup> June 2016 and signed on its behalf by:



Professor Pauric Travers  
Chairperson



Alan McDonnell  
Member of Authority



Michael O'Keeffe  
Chief Executive

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2015

	2015 € '000	2014 Restated € '000
<b>Surplus after Refund of Levy</b>	38	30
Experience gains on retirement benefit scheme liabilities	178	786
Changes in assumptions underlying the present value of retirement benefit scheme obligations	(87)	(586)
Total actuarial gain/(loss) in the year	129	230
Adjustment to deferred Exchequer Retirement Benefit funding	(91)	(200)
<b>Other Comprehensive Income for the year</b>	<b>38</b>	<b>30</b>

**The Statement of Cash Flows and Notes 1–24 form part of these Financial Statements.**

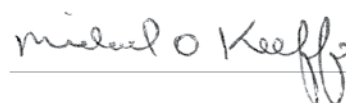
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**Professor Pauric Travers**  
Chairperson  
23<sup>rd</sup> June 2016



**Alan McDonnell**  
Member of Authority  
23<sup>rd</sup> June 2016



**Michael O'Keeffe**  
Chief Executive  
23<sup>rd</sup> June 2016

# STATEMENT OF FINANCIAL POSITION

AS AT 31<sup>st</sup> DECEMBER 2015

	Note	2015 € '000	2014 Restated € '000
<b>Fixed Assets</b>			
Property, Plant and Equipment	11	73	70
<b>Current Assets</b>			
Receivables	12	782	1,265
Cash at Bank and on Hand		1,196	1,050
Short Term Deposits	13	278	278
		<u>2,256</u>	<u>2,593</u>
<b>Current Liabilities</b>			
Payables (amounts falling due within one year)	14	1,522	1,747
Loan Facility	15	—	300
		<u>1,522</u>	<u>2,047</u>
<b>Net Current Assets</b>		734	546
<b>Total Assets less Current Liabilities</b>		807	616
Provision for Liabilities	16	150	—
<b>Total Assets less Liabilities before Retirement Benefits</b>		657	616
Deferred retirement benefit asset	21	7,575	7,020
Retirement benefit liabilities	21	(7,575)	(7,020)
<b>Net Assets</b>		<u><b>657</b></u>	<u><b>616</b></u>
<b>Representing</b>			
Statement of Income and Expenditure		584	546
Capital Account	17	73	70
		<u><b>657</b></u>	<u><b>616</b></u>

**The Statement of Cash Flows and Notes 1–24 form part of these Financial Statements.**

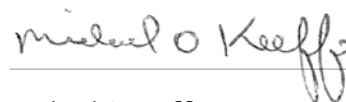
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Professor Pauric Travers  
Chairperson



Alan McDonnell  
Member of Authority



Michael O'Keeffe  
Chief Executive



# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2015

	2015 € '000	2014 Restated € '000
<b>Reconciliation of Operating Surplus to Net Cash Flows from Operating Activities</b>		
Surplus for the Year	38	30
Depreciation Charge	44	61
Transfer from Capital Account	3	(17)
Decrease/(Increase) in Receivables	483	(406)
(Decrease)/Increase in Payables	(75)	531
<b>Net Cash Inflow from Operating Activities</b>	<b>493</b>	<b>199</b>
<b>Statement of Cash Flows</b>		
Net Cash Inflow from Operating Activities	493	199
<b>Cash Flows from Financing Activities</b>		
Loan (Repayment)/Drawdown	(300)	300
<b>Cash Flows from Investing Activities</b>		
Payments to Acquire Tangible Fixed Assets	(47)	(44)
(Invested)/withdrawn in Short-term Deposits	—	(1)
<b>Increase in Cash Balances</b>	<b>146</b>	<b>454</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER 2015

## **1 Accounting Policies**

The basis of accounting and significant accounting policies adopted by the Broadcasting Authority of Ireland are set out below. They have all been applied consistently throughout the year and for the preceding year.

### **(a) General Information**

The Broadcasting Authority of Ireland was established under the Broadcasting Act 2009, with a head office at 2-5 Warrington Place, Dublin 2. The Broadcasting Authority of Ireland's primary objectives, as set out in Section 25 of the Broadcasting Act 2009, are as follows:

- (1) The Authority and the statutory committees, in performing their functions, shall endeavour to ensure –
  - (a) that the number and categories of broadcasting services made available in the State by virtue of this Act 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;
  - (b) that the democratic values enshrined in the Constitution, especially those relating to rightful liberty of expression, are upheld, and
  - (c) the provision of open and pluralistic broadcasting services.
- (2) Without prejudice to the generality of subsection (1), the Authority, and the statutory committees, shall –
  - (a) stimulate the provision of high quality, diverse and innovative programming by commercial, community and public service broadcasters and independent producers,
  - (b) facilitate public service broadcasters in the fulfilment of their public service objects as set out in this Act,
  - (c) promote diversity in control of the more influential commercial and community broadcasting services,
  - (d) provide a regulatory environment that will sustain independent and impartial journalism,
  - (e) provide a regulatory environment that will sustain compliance with applicable employment law,
  - (f) protect the interests of children taking into account the vulnerability of children and childhood to undue commercial exploitation,
  - (g) provide a regulatory environment that will facilitate the development of a broadcasting sector in Ireland that is responsive to audience needs and in particular is accessible to people with disabilities, and
  - (h) promote and stimulate the development of Irish language programming and broadcasting services.
- (3) The Authority and the statutory committees, in performing their functions, shall seek to ensure that measures taken –
  - (a) are proportionate having regard to the objectives set out in this section,
  - (b) are applied across the range of broadcasting services taking account of the degree of influence that the different types of broadcasting services are able to exert in shaping audience views in the State,
  - (c) are mindful of the objects, functions and duties set for public service broadcasters in Parts 7 and 8,
  - (d) will produce regulatory arrangements that are stable and predictable, and

- (e) will readily accommodate and encourage technological development, and its application, by the broadcasting sector.

The Broadcasting Authority of Ireland is a Public Benefit Entity (PBE).

## **(b) Statement of Compliance**

The financial statements of the Broadcasting Authority of Ireland for the year ended 31st December 2015 have been prepared in accordance with FRS102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland. These are the Broadcasting Authority of Ireland's first set of financial statements prepared in accordance with FRS102. The date of transition to FRS 102 is 1st January 2014. The prior year financial statements were re-stated for material adjustments on adoption of FRS102 in the current year. The result of this adoption can be seen in Note 2.

## **(c) Basis of Preparation**

The Financial Statements are prepared under the accruals method of accounting and under the historical cost convention in the form approved by the Minister for Communications, Energy and Natural Resources with the concurrence of the Minister for Public Expenditure and Reform pursuant to section 37(4) of the Broadcasting Act 2009.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Broadcasting Authority of Ireland's financial statements.

## **(d) Income**

### ***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 and is accounted for on an accruals basis

### ***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 recognised on an accruals basis.

### ***Interest Income***

Interest Income is recognised on an accruals basis using the effective interest method.

## **(e) Property Plant and Equipment and Depreciation**

Property, plant and equipment are stated at cost less accumulated depreciation, adjusted for any provision for impairment. Depreciation is provided on all property, plant and equipment, at rates estimated to write off the cost less the estimated residual value of each asset on a straight line basis over their estimated useful lives, as follows:

<b>Computer Equipment</b>	33% per annum
<b>Office Equipment</b>	20% per annum
<b>Fixtures and Fittings</b>	10% per annum
<b>Leasehold Improvements</b>	10% per annum
<b>Audio/Technical Equipment</b>	33% per annum
<b>Motor Vehicles</b>	25% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset,

after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life. If there is objective evidence of impairment of the value of an asset, an impairment loss is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves in the year.

#### **(f) Receivables**

Receivables are recognised at fair value, less a provision for doubtful debts. The provision for doubtful debts is a specific provision, and is established when there is objective evidence that the Authority will not be able to collect all amounts owed to it. All movements in the provision for doubtful debts are recognised in the Statement of Income and Expenditure and Retained Revenue Reserves.

#### **(g) Operating Leases**

Rental expenditure under operating leases is recognised in the Statement of Income and Expenditure and Retained Revenue Reserves over the life of the lease. Expenditure is recognised on a straight line basis over the lease period, except where there are rental increases linked to the expected rate of inflation, in which case these increases are recognised when incurred. Any lease incentives received are recognised over the life of the lease.

#### **(h) Employee Benefits**

##### ***i) Short-term Benefits***

Short term benefits such as holiday pay are recognised as an expense in the year, and benefits that are accrued at year-end are included in the Payables figure in the Statement of Financial Position.

##### ***ii) Retirement Benefits***

The Broadcasting Authority of Ireland operates a defined retirement benefits scheme. The Authority has an arrangement with the Department of Communications, Energy and Natural Resources ("the DCENR") under which the Authority will be reimbursed all monies required to settle retirement benefit 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.

Retirement benefit costs are charged to the Statement of Income and Expenditure and Retained Revenue Reserves and comprise the employer's contribution in respect of the year.

Retirement benefit liabilities represent the present value of future retirement benefit 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 retirement benefit funding arrangement in place.

Retirement benefit 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. Retirement benefit costs reflect retirement benefits earned by Authority staff in the period and are shown net of employee retirement benefit contributions, which are retained by the DCENR. The amount to be included in the financial statements for the Deferred Exchequer Retirement Benefit Funding amount is estimated at an equal amount to the estimate of the obligation for the retirement benefit scheme liabilities.

Actuarial gains or losses arising from changes in actuarial assumptions and from experience surpluses and deficits are recognised in the Statement of Comprehensive Income for the year in which they occur and a corresponding adjustment is recognised in the balance for Deferred Exchequer Pension Funding.

The Public Service Pensions (Single Scheme and Other Provisions) Act 2012 became law on 28th July 2012 and introduced the new Single Public Service Pension Scheme ("Single Scheme") which commenced with effect from 1st January 2013. All new employees to the Broadcasting Authority of Ireland, who are new entrants to the Public Sector on or after 1st January 2013, are members of the Single Scheme.

#### **(i) Capital Account**

The Capital Account represents the unamortised amount of income used to purchase fixed assets.

#### **(j) Foreign Currencies**

Transactions denominated in foreign currencies are translated into euro and recorded at the rate of exchange ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into euro at rates of exchange ruling at the balance sheet date.

#### **(k) Taxation**

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

## **(I) Critical Accounting Judgements and Estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

### ***Going Concern***

There is no material uncertainty regarding the Broadcasting Authority of Ireland's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis, the Broadcasting Authority of Ireland considers it appropriate to prepare financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the Broadcasting Authority of Ireland was unable to continue as a going concern.

### ***Impairment of Property, Plant and Equipment***

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

### ***Depreciation and Residual Values***

The Authority has reviewed the asset lives and associated residual values of all fixed asset classes, and, in particular, the useful economic life and residual values of fixtures and fittings, and have concluded that asset lives and residual values are appropriate.

### ***Provision for Doubtful Debts***

The Authority makes an estimate of the recoverable value of debtors and other payables. The Authority uses estimates based on historical experience in determining the level of debts which may not be collected. These estimates include such factors as the current rating of the debtor, the ageing profile of debtors and historical experience. The level of provision required is reviewed

on an on-going basis. The fair value of debtors in the financial statements approximate to their carrying amounts.

### ***Provisions***

The Authority makes provisions for legal and constructive obligations, which it knows to be outstanding at the period end date. These provisions are generally made based on historical or other pertinent information, adjusted for recent trends where relevant. However, they are estimates of the financial costs of events that may not occur for some years. As a result of this and the level of uncertainty attaching to the final outcomes, the actual out-turn may differ significantly from that estimated.

### ***Retirement Benefit Obligation***

The assumptions underlying the actuarial valuations for which the amounts recognised in the financial statements are determined (including discount rates, rates of increase in future compensation levels, mortality rates and healthcare cost trend rates) are updated annually based on current economic conditions, and for any relevant changes to the terms and conditions of the pension and post-retirement plans.

The assumptions can be affected by:

- (i) the discount rate, changes in the rate of return on high-quality corporate bonds
- (ii) future compensation levels, future labour market conditions
- (iii) health care cost trend rates, the rate of medical cost inflation in the relevant regions.

### ***Deferred pension funding***

The Authority recognises amounts owing from the State for the unfunded deferred liability for pensions on the basis of a number of past events. These events include the statutory backing for the superannuation scheme, and the policy and practice in relation to funding public service pensions including the annual estimates process. While there is no formal agreement and therefore no guarantee regarding these specific amounts with the Department of Communications, Energy and Natural Resources, the Authority has no evidence that this funding policy will not continue to progressively meet this amount in accordance with current practice.

## 2 Transition to FRS 102

	Note	As at 1 Jan 2014 € '000	As at 31 Dec 2014 € '000
Reconciliation of Capital and Reserves			
<b>Capital and reserves (as previously stated)</b>		<b>782</b>	<b>790</b>
Holiday pay accrual	<b>2(a)</b>	(179)	(174)
<b>Capital and reserves (as re-stated)</b>	<b>13</b>	<b>603</b>	<b>616</b>

		Year ended 31 Dec 2014 € '000
<b>Reconciliation of Surplus for the year</b>		
<b>Surplus for the year (as previously stated)</b>		<b>25</b>
Holiday pay accrual	<b>2(a)</b>	5
<b>Surplus for the year (as re-stated)</b>		<b>30</b>

### (a) Holiday pay accrual

The Authority had previously not accrued for holiday pay earned by employees but not availed of at the reporting date. Under FRS 102, the financial statements must recognise such accruals.

The impact of this change is an increase of €179,000 in payables at the transition date and €174,000 at 31st December 2014. The surplus is reduced by €179,000 in the year ended 31st December 2013 and the surplus in the year ended 31st December 2014 is increased by €5,000.

## 3 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 the 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 2015 was €4,748,189 which included interest of €10,334. The net amount was based on the Authority's budgeted expenditure for levy purposes for 2015 and broadcasters' qualifying income for 2014. 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 2015 Authority expenditure for levy purposes has been approved and broadcasters have provided their actual qualifying income for 2014. Broadcasters are subsequently issued with an invoice or a credit note for this adjustment.

The levy reconciliation processes for 2014 was carried out during 2015; the total levy refunded to broadcasters was €857,000. This amount was recognised in the 2014 Financial Statements. A refund of €609,000 is due to broadcasters in respect of the 2015 levy year and has been recognised in the 2015 Financial Statements.

## 4 Licensing Fees

	2015 € '000	2014 € '000
Television	28	14
	<b>28</b>	<b>14</b>

## 5 Other Income

	2015 € '000	2014 € '000
Deposit Interest Income	0	1
Rental Income	80	79
Other Income	750	808
	<b>830</b>	<b>888</b>

Other income of €750,136 relates to expenditure incurred by the Broadcasting Authority of Ireland and which is recharged to the Broadcasting Fund. This includes salaries of €440,504, general overheads of €174,211, BFS sponsorship contribution of €57,150, IT licence fees and IT support fees of €66,049 and investment advice €12,223.

## 6 Staff Costs

### (a) Wages and Salaries

	2015 € '000	2014 € '000
Wages and Salaries	1,713	1,893
Social Welfare Costs	128	128
	<b>1,841</b>	<b>2,021</b>

Pension-related deductions (PRD) of €97,877 (2014: €102,046) were made from staff salaries during the year and were submitted to the Department of Communications, Energy and Natural Resources (DCENR). In 2015, Staff Costs include €440,504 (2014: €489,030) which is recharged to the Broadcasting Fund and is recognised in Other Income.

Five persons (2014: 6) working in the BAI during 2015 were employed by agencies. During the year, one of these left the BAI and three applied for full-time positions in the organisation and were successful. At the end of the year, there was one, part-time agency staff member employed in the BAI. The gross cost to the BAI in respect of agency personnel in 2015 was €171,895 (2014: €297,913).

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

	2015	2014
Senior Management	7.40	7.00
Other Staff	22.97	23.13
Actual Full Time Equivalent	<b>30.37</b>	<b>30.13</b>
Employment Control Framework (ECF) at 31st December 2015	<b>35</b>	<b>32</b>



## (b) Employee Benefits Breakdown

Range of total employee benefits		2015	2014
From	To	€ '000	€ '000
€60,000	– €69,999	5	4
€70,000	– €79,999	3	3
€80,000	– €89,999	–	–
€90,000	– €99,999	1	–
€100,000	– €109,999	–	1
€110,000	– €119,999	1	–
€120,000	– €129,999	–	1

## 7 Consultancy Fees

	2015	2014
	€ '000	€ '000
Auditing & Monitoring	27	41
Policy, Codes and Rules	292	248
General Consultancy	165	137
Services to BAI Finance Function	85	–
	<b>569</b>	<b>426</b>

## 8 Administrative Expenses

	2015	2014
	€ '000	€ '000
Travel & Subsistence	46	48
Human Resources	68	59
Telephone & Postage	30	33
Office Expenses	153	168
Professional Affiliations & Subscriptions	21	19
Oral Hearings	–	19
Information Technology	162	100
	<b>480</b>	<b>446</b>

In 2015, foreign travel of €25,880 (2014: €29,076) is included in Travel & Subsistence costs. Staff-related costs of €15,705 (2014: €11,915), relating mainly to catering costs for staff, are included in Office Expenses.

## 9 Grant & Development Payments

	2015 € '000	2014 € '000
Network Funding	248	275
Broadcasting Innovation Scheme	23	–
Sponsorship	114	110
	<b>385</b>	<b>385</b>

## 10 Premises & Related Expenses

	2015 € '000	2014 € '000
Rent, Rates, Service Charges & Building Maintenance	771	757
Disposal of Marine House Lease (see note 20)	286	–
Security & Cleaning	82	86
Light & Heat	21	22
	<b>1,160</b>	<b>865</b>

Rental expenditure included above relates to lease payments on two buildings. Details are set out in Note 20.

## 11 Property, Plant and Equipment

	Total	Computer Equipment	Office Equipment	Fixtures & Fittings	Leasehold Improvements	Technical Equipment	Motor Vehicle
Cost	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
<b>At 31.12.2014</b>	<b>4,019</b>	<b>400</b>	<b>94</b>	<b>683</b>	<b>2,602</b>	<b>180</b>	<b>60</b>
Additions	47	20	–	–	26	1	–
Disposals	(61)	(53)	–	–	–	(8)	–
<b>At 31.12.2015</b>	<b>4,005</b>	<b>367</b>	<b>94</b>	<b>683</b>	<b>2,627</b>	<b>173</b>	<b>60</b>
<b>Depreciation</b>							
<b>At 31.12.2014</b>	<b>3,949</b>	<b>386</b>	<b>87</b>	<b>660</b>	<b>2,590</b>	<b>166</b>	<b>60</b>
Charge for Year	44	14	3	12	7	8	–
Disposals	(61)	(53)	–	–	–	(8)	–
<b>At 31.12.2015</b>	<b>3,932</b>	<b>347</b>	<b>90</b>	<b>672</b>	<b>2,597</b>	<b>166</b>	<b>60</b>
<b>Net Book Value</b>							
<b>At 31.12.2015</b>	<b>73</b>	<b>20</b>	<b>4</b>	<b>11</b>	<b>31</b>	<b>7</b>	<b>–</b>
<b>At 31.12.2014</b>	<b>70</b>	<b>14</b>	<b>7</b>	<b>23</b>	<b>12</b>	<b>14</b>	<b>–</b>

## 12 Receivables

	2015	2014
	€ '000	€ '000
Debtors	494	850
Prepayments	164	225
Broadcasting Fund	107	176
Others	17	14
	<b>782</b>	<b>1,265</b>

## 13 Short Term Deposits

	2015	2014
	€ '000	€ '000
Balance at 1st January	278	277
Additions	—	1
Withdrawals	—	—
<b>Balance as at 31st December</b>	<b>278</b>	<b>277</b>

## 14 Payables (amounts falling due within one year)

	2015	2014
	€ '000	€ '000
Trade Creditors	50	34
Levy Refundable to Broadcasters	629	857
Superannuation Contributions payable to DCENR	93	172
Accruals	308	327
Revenue Commissioners	306	277
Others	136	80
	<b>1,522</b>	<b>1,747</b>

Tax and social insurance are subject to the normal terms of the relevant legislation. Interest accrues on late payment. No interest was due at the financial year-end date. The terms of accruals are based on underlying contracts. Other amounts included within creditors not covered by specific note disclosures are unsecured, interest-free and repayable on demand.

## 15 Loan Facility

In 2015, 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. No drawdowns were made from this facility during the year. (2014: €300k).

## 16 Provision for Liabilities

	2015	2014
	€ '000	€ '000
Surrender of Marine House Lease	150	

At its meeting on 10th September 2015, the Authority agreed to a proposal from the landlord to buy back the lease on Marine House, Clanwilliam Court. The terms of the surrender of the lease by BAI included the payment of €286,024 to the landlord over a period of three years. The instalments agreed were €136,204 by 31st December 2015, €75,000 by 30th June 2016 and €75,000 by 31st April 2017. The Authority has provided for the 2016 and 2017 instalments in these financial statements.

## 17 Capital Account

	2014	2013
	€ '000	€ '000
Balance as at 1st January	70	87
Transfer (to)/from Income and Expenditure Account:		
Funding of Asset Additions	47	44
Amortisation in line with Asset Depreciation	(43)	(61)
<b>Transfer to Income and Expenditure Account</b>	<b>3</b>	<b>(17)</b>
<b>Balance as at 31st December</b>	<b>73</b>	<b>70</b>

## 18 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 or 2015.

The Chief Executive was employed at a rate of €113,510 per annum (2014: €113,511). The total value of remuneration of the Chief Executive in the year ended 31st December 2015 was €113,119 (2014: €113,119) and an employer's superannuation contribution was made of €18,854 (2014: €22,432). 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 2015 was €5,190 (2014: €7,660).

## 19 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 the 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 Members of the Finance, Audit and Risk Committee. In addition, Members' attendance at meetings is set out below.

	<b>Fees</b>	<b>Expenses</b>	<b>Attendance</b>
	<b>€</b>	<b>€</b>	
<b>Authority Members</b>			
Pauric Travers	9,710**	767	10/10
Alan McDonnell	6,473**	110	10/10
Clare Duignan	6,473**	171	9/10
Grace Smith	6,473**	110	9/10
Seamus Martin	5,187	-	8/9
Denis Wolinski	5,187	1,939	9/9
Sean Ó Mordha	5,187	140	9/9
Rosemary Day	-	3,867	9/9
Meave McDonagh	-	471	7/9
Michael Moriarty*	784	124	1/1
Siobhán Ní Ghadhra*	784	21	1/1
Prof. Colum Kenny*	784	116	1/1

	<b>Fees</b>	<b>Expenses</b>	<b>Attendance</b>
	<b>€</b>	<b>€</b>	
<b>Authority Members (continued)</b>			
Larry Bass*	784	-	1/1
Michelle McShortall	-	45	1/1

\*Term of office ended during 2015.

\*\* Fees paid included amounts relating to 2014 period as follows: P Travers: €732; A McDonnell: €488, C Duignan: €488, G Smith: €488.

	<b>Fees</b>	<b>Expenses</b>	<b>Attendance</b>
	<b>€</b>	<b>€</b>	
<b>Compliance Committee</b>			
Patrick Gageby	8,504	-	8/9
Brian O'Callaghan	5,187	1,871	7/8
Nigel Heneghan	5,187	-	6/8
Paula Mullooly	6,329	-	9/9
Rosemary Day	-	970	5/8
Meave McDonagh	-	133	4/8
Ciarán Kissane	-	-	9/9
Anne O'Brien	-	-	8/8
Colum Kenny	-	-	1/1
Stephanie Comey	-	-	1/1

	<b>Fees</b>	<b>Expenses</b>	<b>Attendance</b>
	<b>€</b>	<b>€</b>	
<b>Contracts Awards Committee</b>			
Ercus Stewart	7,257	151	5/6
Eimer McGovern	4,838	-	5/6
John Hogan	4,838	343	5/6
Anne O'Brien	4,838	-	6/6
Grace Smith	-	-	6/6
Seamus Martin	-	-	6/6
Celene Craig	-	-	5/6
Neil O'Brien	-	-	6/6

	<b>Fees</b>	<b>Expenses</b>	<b>Attendance</b>
	<b>€</b>	<b>€</b>	
<b>Finance, Audit and Risk Committee</b>			
Alan McDonnell	-	-	4/4
Clare Duignan	-	-	4/4
Sean Ó Mordha	-	-	4/4
Robert Kelly	-	-	4/4
<b>Total</b>	<b>94,804</b>	<b>11,349</b>	

Total expenses, including the above, relating to the functioning of the Authority and Statutory Committees in 2015 were €18,362 (2014:€21,066).

## One Person One Salary

For all members appointed to the current Authority, the Department of Communications, Energy and Natural Resources asked incoming members to self-declare if they were subject to the One Person One Salary requirements. On the basis of these submissions, the BAI has been instructed not to pay two members of the current Authority any remuneration in relation to their membership of the Authority or the Statutory Committees of the BAI.

## 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 2015, the following Authority and/or Committee members declared a conflict of interest in the following matters:

- **Seamus Martin**, *Authority Member*
  - » Sound & Vision Round 23 Ratification of Funding
- **Denis Wolinski**, *Authority Member*
  - » Contractual matters – temporary sound broadcasting contract: award of contract to Griffith College
- **Patrick Gageby**, *Compliance Committee*
  - » Complaint Reference Number 113/14: RTÉ One TV – One O’Clock News – 15th August 2014 (Issues arising)
  - » RTÉ One TV – Nine O’Clock News – 15th August 2014 (Issues arising)
  - » Complaint Reference Number 53/15: RTÉ One – Liveline – 9th February 2015
- **Nigel Heneghan**, *Compliance Committee*
  - » Complaint Reference Number 28/15: Newstalk – The Right Hook – 19th February 2015
  - » Complaint Reference Number 29/15: Newstalk – The Right Hook – 9th February 2015
  - » Complaint Reference Number 39/15: RTÉ Radio One – This Week – 15th February 2015
  - » Complaint Reference Number 53/15: RTÉ Radio One – Liveline – 9th February 2015
  - » Complaint Reference Number 116/15: RTÉ Radio One – The Marian Finucane Show – 21st June 2015

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, complaint or issue arising, 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.

## 20 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 2015 (2014: €477,000).

The Authority also held 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. At its meeting on 10th September 2015, the Authority agreed to a proposal from the landlord to buy back the lease. The terms of the surrender of the lease by the BAI included the payment of €286,024 to the landlord over a period of three years. The instalments agreed were €136,204 by 31st December 2015, €75,000 on 1st June 2016 and €75,000 on 1st April 2017.

Under this lease, rent payments and associated costs amounting to €451,006 were made in 2015 (2014: €162,029). This included the amounts payable to the landlord of €286,204 in respect of the lease surrender.

The premises in Marine House were not occupied by the Authority during 2014 or 2015. A sub-let agreement was completed in 2012 and the premises were occupied from 4th September 2012. The sub-let agreement was for a period of five years, with a break option after year three. The tenant was responsible for a proportion of the rent and service charges and the full cost of rates and operational costs. The annual sub-let rent was €61,228 per annum. The net cost to the Authority in 2015 was €85,388 (2014: €100,741). The sub-lease was terminated on disposal of the head lease on 31st December 2015.

The total amount charged in respect of the operating leases and associated costs in the Income and Expenditure Account is €720,847 (2014: €717,388). The income from the sub-rent and service charges amount to €80,197 (2014: €78,671) and is shown in Other Income.

	2015	2014
	€	€
<b>Lease Commitments</b>		
Under 1 Year	477,000	614,250
Between 2-5 Years	1,908,000	2,457,000
Over 5 Years	477,000	1,471,636
	<b>2,862,000</b>	<b>4,542,886</b>

## **21 Retirement Benefit Costs**

### **(a) Retirement Benefits**

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 its 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 and Natural Resources with the consent of the Minister for Public Expenditure and Reform. 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 the DCENR, which has undertaken to provide funding to the Authority to pay retirement benefits as they fall due. The Authority has adapted the treatment and disclosures required by FRS 102 to reflect the arrangements in operation.

The pension liability at 31st December 2015 is €7,575,000. Under the arrangement in place, the 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 2015. This valuation was carried out by a qualified independent actuary.

### **(b) Principal Actuarial Assumptions**

The principal actuarial assumptions were as follows:

	2015	2014
Rate of increase in salaries	2.65%	2.25%
Rate of increase in pensions in payment	1.65%	1.5%
Discount Rate	2.55%	2.2%
Inflation Rate	1.65%	1.25%



The mortality basis adopted allows for improvements in life expectancy over time, so that life expectancy at retirement will depend on the year in which a member attains retirement age (age 65). The table below shows the life expectancy for members attaining 65 in 2015 and 2035.

<b>Year of attaining age 65</b>	<b>2015</b>	<b>2035</b>
Life expectancy – male	20.9	23.5
Life expectancy – female	23.5	25.6

### **(c) Analysis of Total Retirement Benefit Costs**

Total retirement benefit costs charged to the Statement of Income and Expenditure and Retained Revenue Reserves in respect of retirement benefit costs consist of the following:

	<b>2015</b>	<b>2014</b>
	<b>€ '000</b>	<b>€ '000</b>
Employer contribution paid to DCENR	264	273
Current service cost	492	374
Interest on retirement benefit scheme liabilities	154	280
Adjustment to deferred retirement benefit funding	(646)	(654)
	<b>264</b>	<b>273</b>

### **(d) Movement in net retirement benefit obligations during the financial year**

	<b>2015</b>	<b>2014</b>
	<b>€ '000</b>	<b>€ '000</b>
Opening balance	7,020	6,566
Current service cost	492	374
Interest on retirement benefit scheme liabilities	154	280
Actuarial Loss/(Gain)	(91)	(200)
Net retirement benefit obligation at 31st December	<b>7,575</b>	<b>7,020</b>

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

	<b>Financial year ending in</b>				
	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>€ '000</b>	<b>€ '000</b>	<b>€ '000</b>	<b>€ '000</b>	<b>€ '000</b>
Defined benefit obligation	7,575	7,020	6,566	5,306	5,165
Deficit	7,575	7,020	6,566	5,306	5,165
Experience gains on plan liabilities	(178)	(786)	(147)	(622)	(98)
Experience gains as percentage of plan liabilities	(2.3%)	(11.2%)	(2.2%)	(11.7%)	(1.89%)

## 22 Statement of Cash Flows

### (a) Analysis of Changes in Net Funds

	At 01/01/2015	Cash Flows	At 31/12/2015
	€ '000	€ '000	€ '000
Cash at Bank and at Hand	1,050	146	1,196
Short Term Deposits	278	—	278
	<b>1,328</b>	<b>146</b>	<b>1,474</b>

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

	2015	2014
	€ '000	€ '000
Increase/(decrease) in cash during the year	146	454
Cash lodged to/(withdrawn from) deposits	—	1
Change in Net Funds	146	455
Opening Net Funds	1,328	873
<b>Closing Net Funds</b>	<b>1,474</b>	<b>1,328</b>

## 23 Capital Commitments

There were no capital commitments at 31st December 2015.

## 24 Approval of Financial Statements

The financial statements were approved by the Authority at its meeting on 23<sup>rd</sup> June 2016.

**THE BROADCASTING  
FUND FINANCIAL  
STATEMENTS**  
FOR THE YEAR ENDED  
31<sup>st</sup> DECEMBER 2015



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# 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 Broadcasting Fund. It is also responsible for preparing financial statements of the Fund for the year 1st January 2015 to 31st December 2015, so as to give a true and fair view of the state of affairs of the Fund as at 31st December 2015 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 adequate accounting records 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.



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**Professor Pauric Travers**  
*Chairperson*  
23<sup>rd</sup> June 2016



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**Alan McDonnell**  
*Member of Authority*  
23<sup>rd</sup> June 2016

# 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 2015 under the Broadcasting Act 2009. The financial statements comprise the statement of income and expenditure and retained revenue reserves, the statement of financial position, the statement of cash flows and the related notes. The financial statements have been prepared in the form prescribed under Section 157 of the Broadcasting Act 2009, and in accordance with generally accepted accounting practice.

### 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 and for ensuring the regularity of transactions.

### Responsibilities of the Comptroller and Auditor General

My responsibility is to audit the financial statements and to 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 Broadcasting Fund'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 Broadcasting Authority of Ireland's annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. 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:

- give a true and fair view of the assets, liabilities and financial position of the Broadcasting Fund as at 31 December 2015 and of its income and expenditure for 2015; and
- have been properly prepared in accordance with generally accepted accounting practice.

In my opinion, the accounting records of the Broadcasting Fund were sufficient to permit the financial statements to be readily and properly audited. The financial statements are in agreement with the accounting records.

### 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 if I find

- 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 with the knowledge acquired by me in the course of performing the audit, or
- 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  
30 June 2016

# STATEMENT OF INCOME AND EXPENDITURE AND RETAINED REVENUE RESERVES

	Note	2015 € '000	2014 € '000
<b>Income</b>			
Oireachtas Grant	3(a)	14,665	14,156
Recoupment of Income from Funded Projects	2	78	–
Interest Receivable		90	136
<b>Total</b>		<b>14,833</b>	<b>14,292</b>
<b>Expenditure</b>			
Grants and Awards	3(c)	10,795	13,844
Staff Costs	4	441	489
Legal Fees		4	3
Administrative Costs	5	425	382
Audit Fee		6	6
Assessment Costs		93	75
Consultancy Costs		23	51
<b>Total</b>		<b>11,787</b>	<b>14,850</b>
<b>Surplus / (Deficit) of Income over Expenditure</b>		<b>3,046</b>	<b>(558)</b>
<b>Balance at beginning of year</b>		<b>18,005</b>	<b>18,563</b>
<b>Balance at end of year</b>		<b>21,051</b>	<b>18,005</b>

**The Statement of Cash Flows and Notes 1–11 form part of these Financial Statements.**

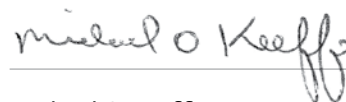
The Financial Statements were approved by the Authority on the 23<sup>rd</sup> June 2016 and signed on its behalf by:



Professor Pauric Travers  
Chairperson



Alan McDonnell  
Member of Authority



Michael O'Keeffe  
Chief Executive

# STATEMENT OF FINANCIAL POSITION

	Note	2015 € '000	2014 € '000
<b>Current Assets</b>			
Receivables	6	28	39
Cash at Bank and on Hand		1,439	1,066
Short Term Deposits	7	19,692	17,076
		<u>21,159</u>	<u>18,181</u>
<b>Current Liabilities</b>			
Payables (amounts due within one year)	8	(108)	(176)
<b>Net Assets</b>		<u><b>21,051</b></u>	<u><b>18,005</b></u>
<b>Represented by:</b>			
Broadcasting Fund		<u>21,051</u>	<u>18,005</u>
		<u><b>21,051</b></u>	<u><b>18,005</b></u>

**The Statement of Cash Flows and Notes 1–11 form part of these Financial Statements.**

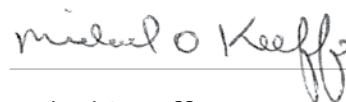
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Professor Pauric Travers  
Chairperson



Alan McDonnell  
Member of Authority



Michael O'Keeffe  
Chief Executive



# STATEMENT OF CASH FLOWS

	2015 € '000	2014 € '000
<b>Reconciliation of Operating Deficit to Net Cash Outflow from Operating Activities</b>		
Surplus/(Deficit) for Year	3,046	(558)
Returns on Investments	(90)	(136)
(Increase)/Decrease in Receivables	11	58
(Decrease) in Payables	(68)	(167)
<b>Net Cash Inflow /(Outflow) from Operating Activities</b>	<b>2,899</b>	<b>(803)</b>
<b>Statement of Cash Flows</b>		
Net Cash Inflow/(Outflow) from Operating Activities	2,899	(803)
<b>Cash Flows from Investing Activities</b>		
Interest Received	90	136
Invested in Short-term Deposits	(2,616)	991
<b>Increase in Cash and Cash Equivalents</b>	<b>373</b>	<b>324</b>

# NOTES TO THE FINANCIAL STATEMENTS

## **1 Accounting Policies**

The basis of accounting and significant accounting policies adopted by the Broadcasting Authority of Ireland in respect of the Broadcasting Fund are set out below. They have all been applied consistently throughout the year and for the preceding year.

### **(a) General Information**

The Broadcasting Fund was set up under the Broadcasting Funding Act 2003, and it was previously managed by the Broadcasting Commission of Ireland. Under the Broadcasting Act 2009, management of the Fund transferred to the Broadcasting Authority of Ireland.

### **(b) Statement of Compliance**

The financial statements of the Broadcasting Fund for the year ended 31st December 2015 have been prepared in accordance with FRS102, the financial reporting standard applicable in the UK and Ireland issued by the Financial Reporting Council (FRC), as promulgated by Chartered Accountants Ireland. These are the first set of financial statements prepared in accordance with FRS102. The date of transition to FRS102 is 1st January 2014. The transition to FRS102 has not affected the reported financial position or financial performance.

### **(c) Basis of Preparation**

The Financial Statements are prepared under the accruals method of accounting and under the historical cost convention in the form approved by the Minister for Communications, Energy and Natural Resources, with the concurrence of the Minister for Public Expenditure and Reform, in accordance with Section 157 of the Broadcasting Act 2009.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Broadcasting Fund's Financial Statements.

### **(d) 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 Public Expenditure and Reform, 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.

## (e) Grant Awards

Grant awards under the Broadcasting Funding Scheme impose specified future performance-related conditions on the recipients. These are recognised as an expense only when the grantee has fulfilled all performance-related conditions attaching to the award of the grant. In certain circumstances, grant amounts paid in previous years are repaid by the grantee if the grantee is unable to fulfil the grant conditions. The grant expenditure recognised in the Statement of Income and Expenditure and Retained Revenue Reserves is net of grant amounts repaid in the year. Grant commitments represent funding approvals where the grantee has yet to fulfil the conditions attached to the grant.

## (f) Critical Accounting Judgements and Estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

### *Going concern*

There is no material uncertainty regarding the Broadcasting Fund's ability to meet its liabilities as they fall due, and to continue as a going concern. On this basis, the Broadcasting Fund considers it appropriate to prepare financial statements on a going concern basis. Accordingly, these financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may arise if the Broadcasting Fund was unable to continue as a going concern.

## 2 Recoupment of Income from Funded Projects

	2015 € '000	2014 € '000
Recoupment of Income from Funded Projects	78	—

A recoupment clause is included in Sound and Vision contracts to allow for the grant to be repaid if the project is a commercial success. The above monies reflect a portion of grants repaid in relation to two funded productions during the year.

## 3 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 and Vision 3 Scheme ("the Scheme"). The Scheme was originally approved by the European Commission, first from 2005-2009 and then from 2009-2012. The current Scheme falls under section 54 of the General Block Exemption Regulation (GBER) and does not require European Commission approval. The Regulation covers aid to schemes for audiovisual works below the threshold of €50m per scheme per year. In January 2015, the Minister for Communications, Energy and Natural Resources approved the Scheme until the end of 2019.

The BAI implements such **Ancillary Measures** as it deems appropriate to support the achievement of the objectives of the Sound and Vision 3 Scheme. This could allow, but is not limited to, measures to assist community broadcasters to meet their social benefit obligations and/or the provision of some development support for programmes to address themes, genres or formats that are under-represented in the general applications received.

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 with programme material only broadcast in whole or in part, or recorded for broadcast, on radio and/or television, and includes programmes and advertisements. The Archiving Scheme came into effect in 2012. Three rounds of the Scheme have been run to date, one in 2013, one in 2014 and one in 2015. The Scheme expired on 30th April 2016 and is subject to review further to section 158(1) of the Broadcasting Act 2009. Further to this requirement, the BAI will undertake a review of the operation, effectiveness and impact of the Scheme in 2016.

### (c) Broadcasting Fund Commitments

<b>Sound &amp; Vision 3 Scheme</b>	<b>2015</b>	<b>2014</b>
	<b>€ '000</b>	<b>€ '000</b>
<b>Opening Commitment Figure</b>	9,319	12,816
Awards made	11,732	10,360
Grants paid	(9,954)	(13,626)
Grants repaid	1	2
Grants to be paid at year end	—	—
Grants de-committed	(560)	(233)
<b>Closing Commitment Figure</b>	<b>10,538</b>	<b>9,319</b>

<b>Sound &amp; Vision 3 Scheme Ancillary Measures</b>	<b>2015</b>	<b>2014</b>
	<b>€ '000</b>	<b>€ '000</b>
<b>Opening Commitment Figure</b>	—	—
Awards made	25	—
Grants paid*	(7)	—
<b>Closing Commitment Figure</b>	<b>18</b>	<b>—</b>

<b>Archiving Awards Scheme</b>	<b>2015</b>	<b>20134</b>
	<b>€ '000</b>	<b>€ '000</b>
<b>Opening Commitment Figure</b>	3,376	1,512
Awards made	1,361	2,259
Grants paid*	(835)	(220)
Grants de-committed	—	(175)
<b>Closing Commitment Figure</b>	<b>3,902</b>	<b>3,376</b>

## 4 Staff Costs

	2015 € '000	2014 € '000
Wages and Salaries	351	384
Social Welfare Costs	31	41
Pension Costs	59	64
	<b>441</b>	<b>489</b>

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 2015, this equates to 6.75 (2014:7) full-time equivalents.

## 5 Administration Costs

	2015 € '000	2014 € '000
Overheads:		
<i>Rent &amp; Rates</i>	112	124
<i>Premises costs</i>	32	39
<i>Office expenses</i>	20	27
<i>Staff training</i>	10	14
Subtotal overhead costs	174	204
Sponsorship	57	55
Direct costs:		
<i>Sound &amp; Vision Scheme Archiving</i>	90	36
<i>Professional fees</i>	12	10
<i>Public Awareness</i>	17	21
<i>IT licence and support costs</i>	66	50
<i>Translation</i>	3	4
<i>Other</i>	5	1
<i>Bank charges</i>	1	1
<b>Subtotal direct costs</b>	<b>194</b>	<b>123</b>
<b>Total Administration Costs</b>	<b>425</b>	<b>382</b>

The overhead costs charged to the Fund are based on the full-time equivalent staff numbers working on the Fund as a percentage of the total BAI staff in the period (in 2015, 21.04%; in 2014, 23.19%). Sponsorship costs of €112,100 (2014: €110,000) are shared equally between the BAI and the Fund.

## 6 Receivables

	2015 € '000	2014 € '000
Accrued Interest	28	39
	<b>28</b>	<b>39</b>

## 7 Short-term Deposits

	2015 € '000	2014 € '000
Balance as at 1st January	17,076	18,067
Additions	2,616	–
Withdrawals	–	(991)
<b>Balance as at 31st December</b>	<b>19,692</b>	<b>17,076</b>

As required under Sub-sections 157(4) and 157(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. 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.

## 8 Payables (Amounts falling due within one year)

	2014 € '000	2013 € '000
Broadcasting Authority of Ireland	107	176
DIRT Payable	1	–
	<b>108</b>	<b>176</b>

## 9 Statement of Cash Flows

### (a) Cash and Cash Equivalents

	Balance as at 31/12/2015 € '000	Balance as at 01/01/2015 € '000	Cash Flows € '000
Cash at Bank and on Hand	1,439	1,066	373
Deposits	19,692	17,076	2,616
<b>Total</b>	<b>21,131</b>	<b>18,142</b>	<b>2,989</b>

## **(b) Reconciliation of Net Cash Flows to Movement in Net Funds**

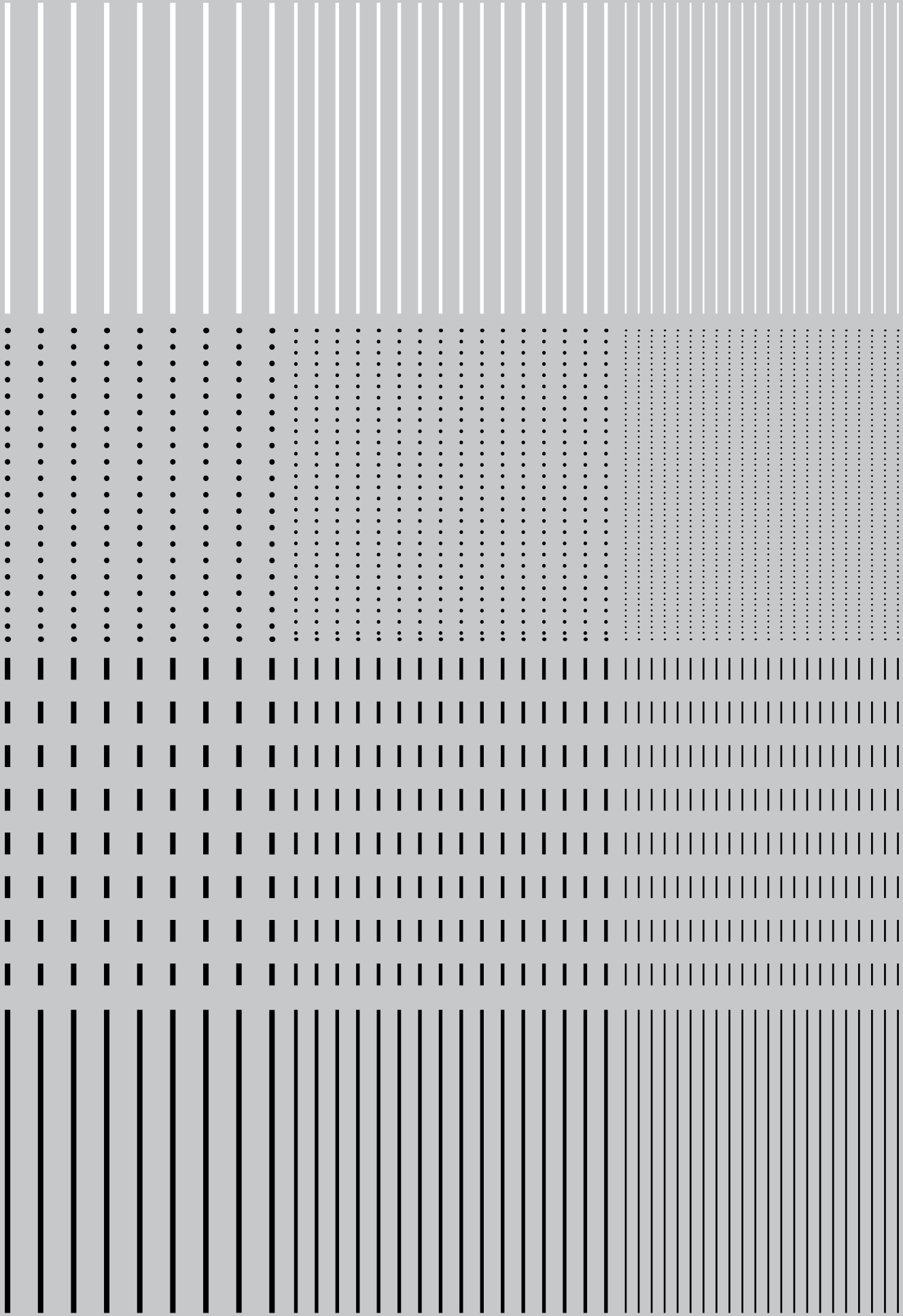
	<b>2015</b>	<b>2014</b>
	<b>€ '000</b>	<b>€ '000</b>
Increase in cash during the year	373	324
Cash lodged to/(withdrawn from) deposits	2,616	(991)
Change in Net Funds	2,989	(667)
Opening Net Funds	18,142	18,809
<b>Closing Net Funds</b>	<b>21,131</b>	<b>18,142</b>

## **10 Capital Commitments**

There were no capital commitments at 31st December 2015.

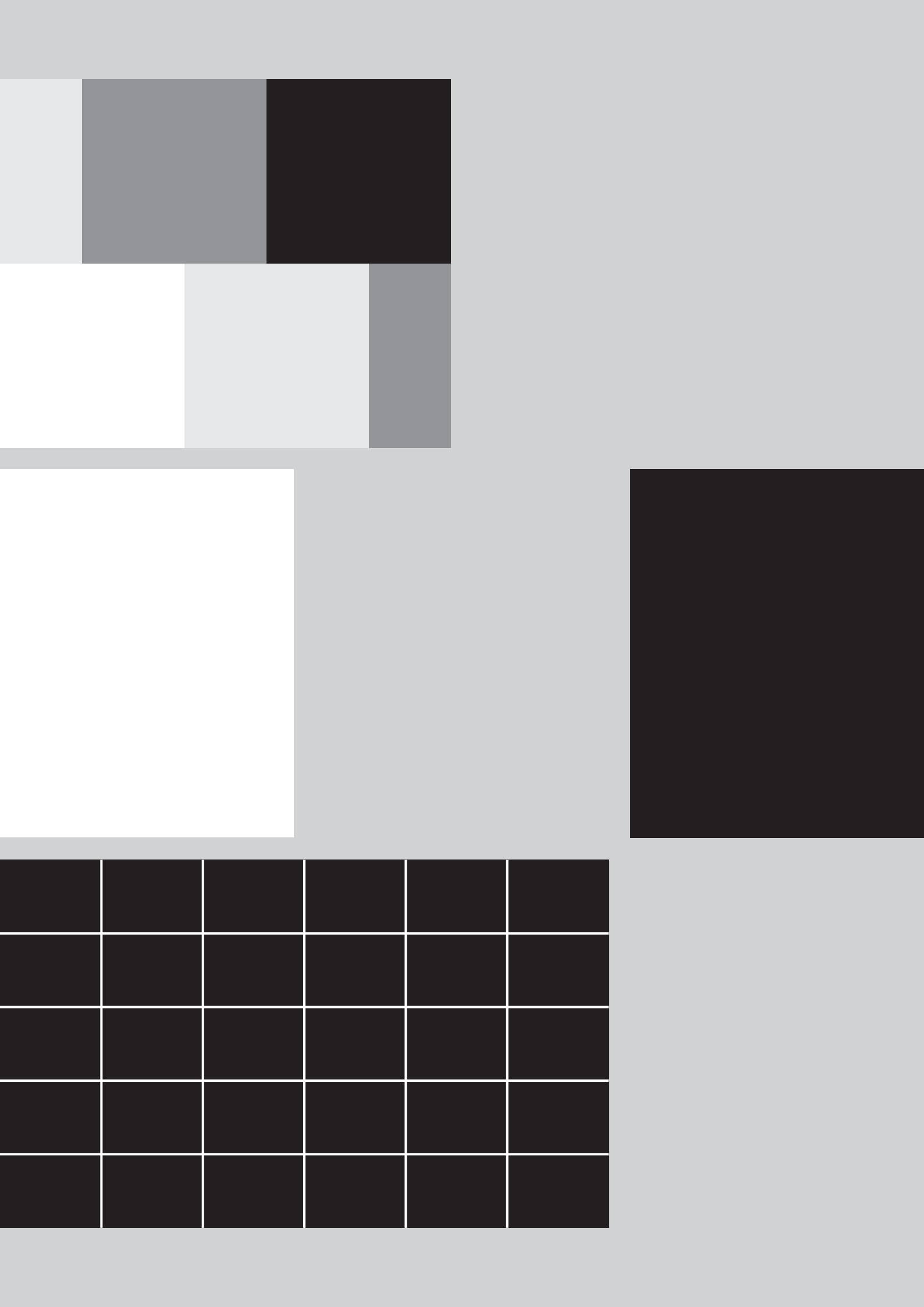
## **11 Approval of Financial Statements**

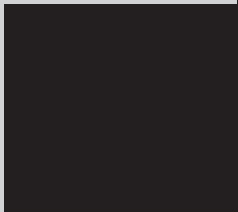
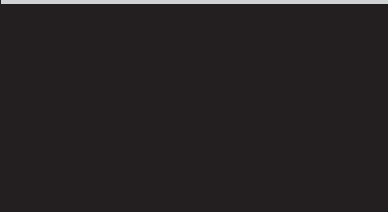
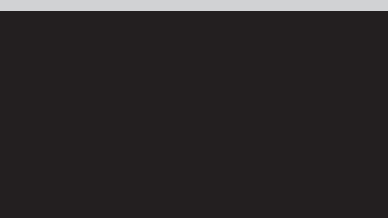
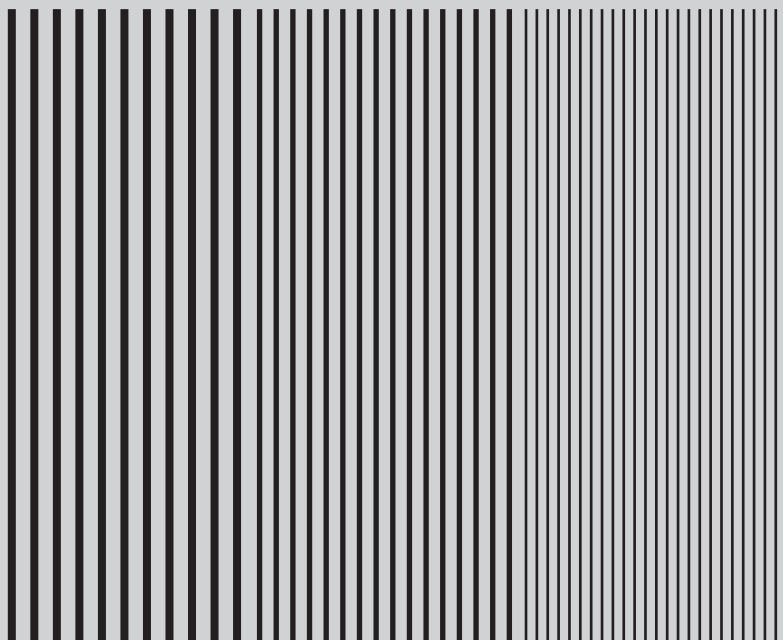
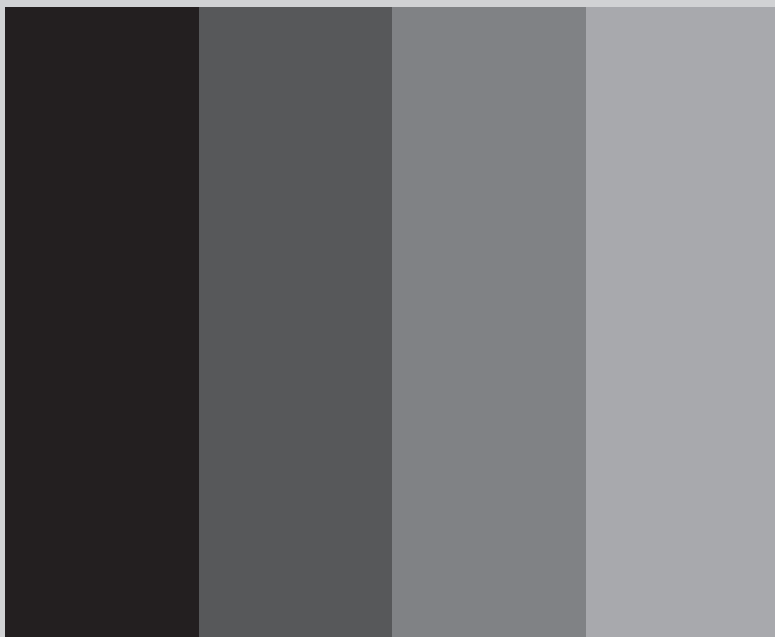
The financial statements were approved by the Authority at its meeting on the 23rd June 2016.











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