
4. Trading and Financial Position

4. Trading and Financial Position

The forecast financial outcome for 2004 indicates a strong trading position, primarily due to increases in advertising income. However increased depreciation and accelerated maintenance charges are set against this increase to yield a forecast net surplus of €6.5m. Cash reserves are forecast to be €68m by the end of 2004. Going forward, future increases in cash reserves will, in the main, be applied to a capital expenditure programme costing €112m over 2005 to 2009. Significantly more work, in our view, is needed in order to firm-up on and validate the nature, scale and justification of the proposed capital programme. By the end of this period (December 2009) the closing cash position is still forecast to be strong at €79m.

The key highlights in this section are:

• **Income and Expenditure – forecast for year to December 2004:**

- On a consolidated basis, the net surplus forecast for the full year to 31 December 2004 is €6.5m, a positive result against a budget of €3m.
- This is primarily due to a net increase in earnings (before interest, tax, depreciation and amortisation) of €15.0m and additional asset related charges of €11.4m.
- The net increase in earnings is primarily attributable to additional forecast advertising income of €14.4m. In addition savings of €5.2m are forecast in respect of personnel related costs. Against this, additional operating costs of €3.8m are forecast and the forecast licence fee income is expected to be lower than budget by €0.8m. This yields total net savings of €15.0m.
- Against these savings are two additional asset related charges. The first is forecast additional depreciation of €7.6m due to a fixed asset impairment review. The second is an exceptional accelerated maintenance charge in relation to the network and is €3.8m.
- The forecast income and expenditure figures above are stated before a net after tax gain of €13.4m on the disposal of a site at Beaumont. This gain will be reflected in the annual financial statements.

• **Balance Sheet – forecast for the year to December 2004:**

- The balance sheet reflects the strong operating performance with retained reserves of €96m and a positive cash position of €68m.
 - Against this, assets have been written down to reflect the additional depreciation and accelerated maintenance charges arising from the asset impairment review.
- **Forecast Cashflow – forecast for year to December 2004:**
- The cash position is forecast to improve by €31m over the period from 1 January 2004 to 31 December 2004.
 - The increase is based on net fixed asset proceeds forecasts of €6m (fixed asset disposals less capital expenditure); a release in the working capital requirement of €11m; earnings from operations of €23m; and a decrease in the provision for restructuring of €9m.
- It should be noted that of the forecast capital expenditure on fixed assets of €11m for the year to 31 December 2004, that at the 30th September 2004, €3.6m remained uncommitted and unspent. Any under-spend at the year end would make the closing cash position more favourable.

4. Trading and Financial Position

Consolidated Group Income and Expenditure statement for RTÉ 2003 - 2009

	Actual 2003 €000s	Budget Sept. 2004 €000s	Actual Sept. 2004 €000s	Budget 2004 €000s	Forecast 2004 €000s	Budget 2005 €000s	Projections 2006 €000s	Projections 2007 €000s	Projections 2008 €000s	Projections 2009 €000s
Revenue										
Commercial:										
Advertising	127,201	89,131	97,294	129,213	143,617	150,422	153,430	156,499	159,629	162,822
Sponsorship	5,574	5,325	4,759	7,342	6,821	8,401	8,569	8,740	8,915	9,093
Other	22,472	16,946	16,939	23,544	24,286	24,683	25,177	25,680	26,194	26,717
Licence Income	157,425	115,590	113,827	168,192	167,421	175,958	185,834	196,031	206,571	217,447
Total Revenue	312,672	226,992	232,819	328,291	342,145	359,464	373,010	386,950	401,309	416,079
Personnel	n/a	114,766	113,428	155,644	150,443	169,055	176,498	181,343	187,102	193,036
Other	n/a	118,579	112,834	154,641	158,434	164,317	169,903	176,380	182,546	190,071
Total Operating Costs	291,164	233,345	226,262	310,285	308,877	332,372	346,401	357,723	369,648	383,107
EBITDA	21,508	(6,353)	6,557	18,006	33,268	27,092	26,609	29,227	31,661	32,972
Non-operating Exceptional Items										
Depreciation/ Amortisation	(19,486)	(11,896)	(16,708)	(15,861)	(23,431)	(18,999)	(18,476)	(20,997)	(23,261)	(24,660)
Exceptional accelerated maintenance			(33)		(3,850)					
Gain/(Loss) on Disposal of Assets			12		12					
Interests	239	706	334	859	448	971	1,208	1,446	1,606	2,087
Net Surplus/ Deficits	2,261	(17,543)	(9,839)	3,004	6,447	9,084	9,341	9,676	10,006	10,399

Note: Apart from 2003, the financial statements referred to in this document are unaudited. The statements reflect the IBD structure formed in 2003 and the related consolidated accounts. Neither the IBD statements nor the consolidated statements have been subject to an audit.

•Consolidated Group Income and Expenditure Statement:

Net surplus:

- The budgeted surplus for 2004 of €3m represented an improvement over the actual surplus for 2003 of €0.75m, however the forecast outturn for the year is €6.5m, which exceeds this budget by €3.5m.

- The budgeted and projected net surplus is expected to increase to €9m in 2005, and increase by approximately 3.4% on an annual basis thereafter.

4. Trading and Financial Position

Consolidated Group Balance Sheet for RTE 2004 - 2009

Actual	Budget	Budget	Forecast	Budget	Projections	Projections	Projections	Projections	Projections
Sept. 2004	Sept. 2004	2004	2004	2005	2006	2007	2008	2009	2009
€000s	€000s	€000s	€000s	€000s	€000s	€000s	€000s	€000s	€000s
Fixed Assets									
Tangible Fixed Assets	106,112	121,636	121,385	109,450	117,653	123,804	130,353	122,357	115,211
Financial Intangible Assets	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615
	107,727	123,251	123,000	111,065	119,268	125,419	131,968	123,972	116,826
Current Assets									
Trade Receivables	36,725	27,280	37,429	36,725	45,742	43,597	44,109	44,631	45,164
Sundry Receivables	78	7,000	500	500	0	0	0	0	0
Prepayments and Accrued Income	5,346	0	6,500	5,500	5,500	5,500	5,500	5,500	5,500
Inventory	42,149	34,280	44,429	42,225	51,242	49,097	49,609	50,131	50,664
	42,149	34,280	44,429	42,225	51,242	49,097	49,609	50,131	50,664
Investments in Marketable Securities	61,860	32,129	28,037	68,383	0	0	0	0	0
Cash	8,539	0	0	0	50,433	50,637	49,184	63,495	78,600
	70,399	32,129	28,037	68,383	50,433	50,637	49,184	63,495	78,600
	112,548	66,409	72,466	110,608	101,675	99,734	98,793	113,626	129,264
Current Liabilities									
Trade Payables	(6,043)	(10,000)	(10,000)	(6,043)	(6,043)	(6,043)	(6,043)	(6,043)	(6,043)
Accruals and Deferred Income	(77,857)	(64,351)	(52,350)	(67,857)	(64,857)	(65,857)	(66,857)	(67,857)	(68,857)
Taxation and Social Welfare	(10,228)	(6,500)	(7,000)	(7,048)	(8,048)	(8,048)	(8,048)	(8,048)	(8,048)
	(94,128)	(80,851)	(69,350)	(80,948)	(79,948)	(80,948)	(81,948)	(82,948)	(83,948)
Bank Loans and Overdrafts	0	0	0	0	0	0	0	0	0
Net Current Assets	(94,128)	(90,981)	(69,350)	(80,948)	(79,948)	(80,948)	(81,948)	(82,948)	(83,948)
Other Receivables (Due > 1 yr)	19,420	(14,442)	3,116	29,660	22,727	19,786	17,845	31,678	46,316
	2,564	3,536	3,536	2,564	2,564	2,564	2,564	2,564	2,564
Total Assets less Current Liabilities	128,711	112,345	129,652	143,289	144,559	147,769	152,377	159,214	165,706
Provisions for Liabilities and Charges	(35,189)	(35,765)	(32,528)	(33,479)	(25,686)	(19,555)	(14,487)	(10,318)	(7,410)
Capital Grants	(13,755)	(17,181)	(17,181)	(13,755)	(13,755)	(13,755)	(13,755)	(13,755)	(13,755)
Net Assets	79,768	59,399	79,945	96,055	105,118	114,459	124,135	134,141	144,541
Capital & Reserves	76,204	76,943	76,943	76,204	96,055	105,119	114,459	124,135	134,141
Accumulated Reserves	3,564	(17,544)	3,003	19,851	9,084	9,340	9,676	10,006	10,400
Surplus/Deficit current year-to-date	79,768	59,399	79,946	96,055	105,119	114,459	124,135	134,141	144,541

•Consolidated Group Balance Sheet:

The net fixed assets are projected to decrease in value by €9m from €118m at December 2003 to €109m for the year to 31 December 2004. This is based on capital expenditure of €11m during 2004. Of this amount only €7.4 m was incurred expenditure by September 2004.

Over the next five years (2005 to 2009) a capital expenditure programme, estimated to cost €112m is planned. The cost of this programme will primarily be financed via projected net operating surpluses. The programme covers costs such as the introduction of a digital tapeless environment; production equipment replacements and upgrades; transmitter and transposer replacements; and Donnybrook site building upgrades.

The scale of the proposed capital investment programme is very significant, and we are somewhat surprised that a programme of this magnitude was not anticipated earlier (ie it was not factored into the 2004 budget). We are of the view that significantly more work is needed in order to firm-up on and validate the nature, scale and justification of the proposed expenditure.

As the majority of this capital expenditure is projected to be covered by net operating surpluses, cash reserves which are forecast to be €68m by December 2004 will increase over the five year period and are projected to be €79m at the end of 2009.

The other main movement in the balance sheet is the reduction in the provisions for liabilities and charges, which relates to the movement in the restructuring provision, which is expected to be eliminated by 2017.

4. Trading and Financial Position

Consolidated Group Cash Flow for RTÉ 2004 - 2009

	Actual Sept. 2004 €000s	Budget Sept. 2004 €000s	Budget 2004 €000s	Forecast 2004 €000s	Budget 2005 €000s	Projections 2006 €000s	Projections 2007 €000s	Projections 2008 €000s	Projections 2009 €000s
Operating Activities									
EBITDA	6,524	(6,355)	18,004	22,697	27,092	26,809	29,227	31,660	32,973
(Increase) Decrease in Working Capital	23,048	13,120	(8,529)	11,059	(11,017)	3,146	488	478	467
(Decrease) in Provisions for Labour Charges	(7,604)	(10,289)	(13,527)	(9,313)	(7,793)	(6,131)	(5,066)	(4,169)	(2,908)
	21,968	(3,523)	(4,052)	24,443	8,282	23,524	24,647	27,969	30,532
Investing Activities									
Capital Expenditure	(6,416)	(11,286)	(15,000)	(11,021)	(27,202)	(24,628)	(27,545)	(15,265)	(17,515)
Fixed Asset Sale Proceeds	16,978	0	0	16,978	0	0	0	0	0
	10,562	(11,286)	(15,000)	5,957	(27,202)	(24,628)	(27,545)	(15,265)	(17,515)
Financing Activities									
STraG Capital Grants Received	289	0	0	269	0	0	0	0	0
Net Interest Receivable	334	707	859	448	971	1,208	1,446	1,806	2,087
	603	707	859	717	971	1,208	1,446	1,806	2,087
	33,133	(14,102)	(18,193)	31,117	(17,949)	204	(1,452)	14,310	15,104
Movement in Cash Holdings									
O Bal - Marketable Sec's, Cash & Bank	37,286	46,230	46,230	37,266	68,383	50,433	50,637	49,184	63,495
C Bal - Marketable Sec's, Cash & Bank	70,399	32,129	28,038	68,383	50,433	50,637	49,184	63,495	78,600
Incl (Decrease) in Liquid Resources	33,133	(14,101)	(18,192)	31,117	(17,950)	204	(1,453)	14,311	15,105

•Consolidated Group Cash Flow:

- The projected cash flows indicate a strong cash position for RTÉ over the period from 2004 to 2009.
- Closing cash reserves are expected to increase by €31m in 2004 to €68m.
- While a decrease in working capital is forecast for the year to December 2004, this is projected to be reversed in 2005 with an increase in working capital of €11m, thus negatively impacting the cash reserves in 2005.
- Based on the projected operating results, the cash inflows from EBITDA are strong over the period to December 2009. These inflows will enable RTÉ to apply cash reserves to the capital expenditure programme, which is projected to be the main cash outflow over the period to December 2009.
- The annual charges in respect of the restructuring provision will also impact negatively on the cash position each year. For 2004 this charge is projected to be €9.3m reducing to €2.9m by 2009.

5. Organisational Development & Change

5. Organisational Development & Change

In our 2003 Report, we pointed out that the achievement of certain objectives and specific actions, such as the movement to the IBD structure and the improved financial transparency, were significant and would be very beneficial in terms of managing RTE's activities. The IBD structure, which represents a significant change for RTE, is now successfully bedded-in and has brought greater accountability at IBD level in terms of revenues, costs and decision-making. This can be seen at summary level, in the RTE Annual Report for 2003

2004 Programme for Change

In 2003, RTE stated that while there was no programme of identifiable changes to be pursued in 2004, they were confident that change was an embedded on-going process within each of the IBDs. During our current review and to provide evidence of this, each IBD was requested to set out 10 initiatives undertaken in 2004 that express significant change to the manner in which they conduct their business. While the initiatives vary from IBD to IBD, RTE believes that success should be measured qualitatively and/or quantitatively (cost savings or headcount reduction).

These initiatives are still being progressed and we requested RTE to provide an update on progress. This is attached as Appendix 5.1. In summary this shows a range of measures many of which are responses to different technologies which impact either the efficiency or the effectiveness of RTE's operations within the various IBDs. While a quantitative impact can be attributed to some of the changes outlined, the overall benefits appear to be qualitative, rather than through cost savings or headcount reduction.

Headcount

RTE staff numbers and their movement are set out below:

	31 Dec 2003	30 Sept 2004	31 Dec 2004	31 Dec 2005	Increase over 2003
Actual	Actual	Forecast	Forecast		
Headcount	2,025	2,160	2,203	2,231	+206
FTE*	1,814	1,894	1,974	1,994	+180

*FTE = Full Time Equivalent Employees

Source: RTE September 2004 Management Accounts and Draft 2005 Budget

From 2003 onwards, headcount includes part time contractor type staff. Such part time staff are then expressed in terms of full time equivalents or FTE's.

It can be seen that headcount is projected to increase over the two years to December 2005 by 206 or an equivalent of 180 FTE's. Of that increase, 88% or 160, will be present by 31 December 2004. The projected increase of 180 FTE's over the two years, is analysed by RTE as follows:

Reason for uplift	Volume
2nd Goodbody – part-time contributors	+72
Related to increased output volumes	+46
Other increases	+62

5. Organisational Development & Change

The analysis on the previous page, masks the ongoing and sizeable headcount or staff movement within RTE. We set out below a comparison of the nine-month headcount movements to 30 Sept 2003 and 30 Sept 2004:

	Headcount Movement for 9 months to end Sept 2004	to end Sept 2003
Opening balance	2,025	1,747
Departures:		
Restructuring	-7	-92
General Resignations/Retirements	-196	-71
Very Short Term Departures (see below)	-480	-27
Net Leave of Absence Movements		
	-10	9
Recruitment		
Long and medium term	92	68
Short term (bet 6mths and 1 yr)	125	32
Very Short term (less than 6 mths)	131	51
Very Short term (less than 6 mths) but subsequently departed	480	27
Regularisation of Goodbody categories		
	-	155
Closing balance	2,160	1,899

Source: RTE

This table demonstrates the substantial overall movement of headcount in 2004. RTE management states that the very stringent application of the 'Goodbody' principle (of accounting for part time contractor type staff as headcount) accounts for the substantially higher headcount movement during 2004 over 2003, in particular the number of short term 'ins and outs'.

While the 2003 headcount figures presented by RTE refer to the inclusion of contractors (previously not considered headcount) as headcount, the management believes that in 2004, this effect was even greater. In addition, in 2004, there were a number of more resource-intensive sporting projects ie Euro 2004 and the Olympic Games.

In overall terms and using headcount as a measure (as against FTE's) we set out below, the trend in headcount over a seven year period to end of 2005:

	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Forecast	2005 Forecast
Headcount	2,186	2,089	2,001	1,747	2,025	2,203	2,231

Source: RTE 2003 Annual Report and Draft 2005 Budget

As indicated previously, prior to 2003, part time contractors were not included in headcount. All such contractors are now included in headcount numbers, including, for example, guest contributors to radio shows each of who will therefore represent a portion of a FTE. The previous non-recording of such contractors as headcount means that the headcount numbers for 1999 to 2002 inclusive are likely to be understated.

Because of this, it is difficult to comment meaningfully on the trend in headcount numbers, other than to note the forecast increase in 2004 and 2005. There has been significant staff churn over the past three years, via various redundancy programmes and departures, and while management is of the view that more recent employee contractual arrangements afford greater manpower flexibility, this has come with a significant cost, with the costs of various redundancy programmes totalling €52M.

RTE is satisfied that 2004 represents the first full year of contractor recording as headcount. It also represents the first full year of output impact arising from the substantial uplift in the licence fee in 2002. Taking these together, it is reasonable to state that 2004 represents a base line against which future years should be measured.

5. Organisational Development & Change

Ongoing Change within RTE

In general, improved performance has been a focus of change for 2004. The Director General has agreed a set of performance objectives with the RTE Authority and each member of the Executive Board has agreed performance targets consistent with those of the Director General. These performance targets for 2004 have then, in turn, been devolved to each IBD. The Director General and Executive Board performance targets are considered as part of each individual's annual performance appraisal.

RTE had committed to roll out performance measures across the whole organisation but this process has stalled, albeit temporarily at the Corporate Partnership level.

Residual resistance to change is stated to be evident in some areas and may manifest itself in a reluctance to progress from agreements reached in earlier periods with a different prevailing technology.

In this connection, we noted that the number of cases brought before the in-house Industrial Relations Tribunal ("IRT") to date in 2004 were nine, being a similar figure to 2003. In addition, approximately four other cases may be referred to the IRT. The IRT meets monthly and discusses all potentially difficult industrial relations issues. Currently an additional six cases are being discussed, which may or may not ultimately be referred to the IRT. It is difficult to assess whether the resistance to change referred to by RTE has yet manifested itself in the IRT process.

As is stated elsewhere in this report, RTE has now moved on from the financial difficulties of 2001 and 2002 and the then imperative of cost reduction, including personnel costs. Consequently the nature of the ongoing change required must also move on to ensure RTE operates effectively and efficiently. In 2004, progress is evident but this must be proved through a critical assessment of the 2004 initiatives and the preparation of a set of change initiatives for 2005. This assessment should include a critical justification for the projected increase in headcount numbers given the baseline nature of 2004.

In our 2003 report, we referred to the need to develop high level Key Performance Indicators or metrics to allow assessment of performance. RTE accepts the need to establish such metrics for the measurement of improved performance and change, but point out that such metrics must take account of their public service broadcast remit. We believe a key objective for 2005, in addition to the need to establish a set of change initiatives, is the need to agree such metrics.

Summary

The change initiatives set out by RTE in 2004 represent a step forward but need to be critically assessed at year end. RTE needs to establish initiatives for 2005 and even further ahead and to establish a clear link between these and their overall strategic plan. This would demonstrate how any change programme would assist the organisation in achieving their strategic objectives.

Within that overall plan, and using 2004 as the base line year, there should exist a manpower programme which sets out the personnel needs of the organisation during the period of any such strategic plan.

In order to manage the manpower process required to achieve its strategic objectives, RTE needs to:

- document the full range of existing skills within each IBD;
- set out the high level requirements for additional skills going forward;
- plan for the management of older/less used skills;
- unblock any obstacles to the implementation of a Performance Management System throughout all levels of the organisation and not just the management teams.

Appendices

Appendix 2.1 (i)

Corporate Commitments (2004)	PwC Questions	RTÉ Responses
<p>(i). Operate under the new Charter to be published by Minister for Communications Marine and Natural Resources</p>	<p>How has the new Charter been communicated and institutionalised internally within the organisation?</p> <p>How has the Charter been promoted/communicated to external stakeholders?</p> <p>Is there anything new planned in this area for 2005?</p>	<ul style="list-style-type: none"> • The Charter was drawn to the attention of all staff via email alert referring to full text on the Intranet site • The strategy document was structured and framed as guidelines to ensure RTÉ meets the principles enunciated in the Charter. As such the detail of the Charter was addressed by the Executive and Senior Management Teams in each IBD and brought to the attention of management groups and will be discussed at staff fora in November. • The Charter is a document promulgated by the Minister and Department of Communications, Marine and Natural Resources. However RTÉ has promoted it among its external stakeholders by: <ul style="list-style-type: none"> a) drawing attention to it on RTÉ's website at time of publication b) focusing the forthcoming Guiding Principles as a means to implement the Charter c) a website is under construction to focus on PSB Charter at time of publication of the Guiding Principles. • We are unaware of any plans of DCMNRR to promote the Charter but RTÉ's dissemination of the Guiding Principles will continue throughout Q1 of 2005

Appendix 2.1 (ii)

Corporate Commitments (2004)	PwC Questions	RTE Responses
(ii) Publish a 3-year Strategy Document	Please provide a copy of 'Strategy Document'	<ul style="list-style-type: none"> • As mentioned above the proposed Strategy Document was recast as "RTE's Guiding Principles - Implementing the Public Service Broadcasting Charter" which will be published in November 2004. A pre-publication copy has been given to the Minister for Communications, Marine and Natural Resources and is attached for reference. • The decision to recast the document was taken for a complexity of reasons including: <ul style="list-style-type: none"> (a) the RTE Authority completes its term in May 2005; it was not considered appropriate to propose it adopt a multi-annual plan in its last six/eight months. The new Authority (or its replacement body) should have the liberty to adopt its own plan (b) the casting of a three-year document in the form of principles to support the implementation of the Charter puts an appropriate focus on the Charter in the immediate aftermath of its publication (c) the organisation felt it was a priority to crystallise its core values and goals in the context of the Charter at this time. Work on the strategic plan has been advanced and a draft will be available for the governing body appointed in May 2005 • The document was developed through a process involving four different management groupings in the organisation. The purpose of this was to ensure a sense of ownership among those who would be primarily responsible to ensure implementation. The process was: <ul style="list-style-type: none"> (a) initially developed at discussions of the Executive Board (b) draft discussed and developed at meetings of the Senior Management Teams in each IBD (c) further discussions at meetings in all IBDs (d) meeting with RTEMA followed by open consultation with all their members (e) revised version adopted by Executive Board (f) document discussed and agreed by Authority (g) Core Values section exchanged with Corporate Partnership Group and published on Intranet • The Director-General will introduce the published version of the document to staff at IBD meetings during the week beginning 7 November. • A hard copy will be made available to every member of staff and e-copy on Marconi, RTE's Intranet. • See individual IBD plans to meet corporate goals in "RTE's Guiding Principles - Implementing the Public Service Broadcasting Charter".
	Please provide individual IBD Development Plans	

Appendix 2.1 (iii)

Corporate Commitments (2004)	PwC Questions	RTE Responses
<p>(iii) Continue to operate under the Code of Fair Trading Practice which sets out its obligations in relation to four key activities: the transmission network, the sale of advertising time, the commissioning of content and the acquisition of content</p>	<p>What new policies, procedures and processes have been put in place as a consequence of the introduction of the Code of Fair Trading?</p> <p>How many complaints or queries have been received in each of the four areas during 2004 to date?</p> <p>How have they been addressed?</p> <p>Is there anything new planned in this area for 2005?</p> <p>Has an independent, external process auditor/evaluator been appointed yet in relation to the IPU's commissioning of content from the independent sector?</p>	<ul style="list-style-type: none"> • None – they were put in place prior to the introduction. They include dedicated website address and complaints procedure with specified timeframe. • Two queries only both in relation to air time sales – no complaints • During 2004 one complaint was lodged by TV Now with the Competition Authority, in relation to favourable treatment by RTE to the RTE Guide with regard to programme listings • The Competition Authority ruled, in January 2004, in relation to a 2003 complaint against RTE under the terms of the Competition Act 2002. The complaint was not upheld • Queries were dealt with by the prompt provision of accurate and relevant information • A further circulation of a hard copy to potential interested parties • Maintain presence on website • Yes, the external process auditor for RTE TV's IPU was appointed in August 2004. The commissioning of content from November 2003 up to 9 August 2004 has been audited. This includes the 2004 Commissioning Round and all our Round commissions, tenders etc. up to August. An initial report has been received for comment.

Appendix 2.1 (iv)

Corporate Commitments (2004)	PwC Questions	RTÉ Responses
<p>(iv). Establish strategic relationships with key country-wide organisations in specific interest areas:</p> <ul style="list-style-type: none"> - Metro Eireann – to promote cultural diversity in the media, sponsor Media Awards - Amateur Drama Council of Ireland – promoting amateur drama, sponsor season. 	<p>Metro Eireann and Amateur Drama Council of Ireland – report of developments to date, plans for 2005</p>	<ul style="list-style-type: none"> • Both relationships were entered into as per commitments and both proved extremely successful. • Specific objectives were identified for each relationship; a common three-pronged approach was adopted: <ul style="list-style-type: none"> (a) involve IBDDs as appropriate with a view to secure additional or special focus output – TV, Radio, News and Current Affairs and Publishing (b) promote identification of RTÉ with key public service areas <ul style="list-style-type: none"> - multiculturalism and amateur drama (c) establish a sustainable relationship • Three-year commitments have been made with both organisations, 2005-2008 inclusive, with the right to renew. In both cases: <ul style="list-style-type: none"> (a) RTÉ has secured name association – the RTÉ MAMA Awards and the RTÉ Amateur Drama Awards (b) output areas are supportive and involved and see benefit to programming (c) there is significant regional presence and branding opportunities generated for RTÉ over several months leading to the award events (d) there is a national 'final' event which attracts a significant audience from throughout the island of Ireland (e) unique opportunities to identify potential on-air talent (f) media promotion

Appendix 2.1 (v)

Corporate Commitments (2004)	PwC Questions	RTÉ Responses
(v) Provide communication tool to facilitate the work and interaction of the Audience Council	Communication tools – what been the benefit/impact?	<ul style="list-style-type: none"> • Tools include: <ul style="list-style-type: none"> (a) direct contact between members – group e-mail list set up that members can contact each via e-mail. 21-22 members use e-mail access. (b) all RTE press releases (corporate and IBD specific) are sent to members via e-mail so that all are kept up to date with public comment (c) report of each meeting is made available to the Authority and Executive (d) agreed communiqué is available on the website (e) past communiqués are archived on the web for reference/information (f) access to staff – at request of Audience Council members of staff attend meetings to input and respond to queries (g) appointment of a Secretary – full time RTE staff member - as dedicated point of contact ensuring good communications. The Chairman was elected by the Council in session • Impact is that the members are satisfied with the service and access they are receiving
What Agenda/Action Programme is the Audience Council working to?	How is the performance measured?	<ul style="list-style-type: none"> • Agenda is set by a combination of: <ul style="list-style-type: none"> (a) the Authority requesting that issues be addressed (b) Council members – who are asked for agenda items in advance of each meeting • The Chairman working with the Secretary determines the Agenda. Many items are raised at subsequent meetings as developments occur. • While the plan was to meet four times per year the Council will have five meetings during 2004 : 8 January, 30 March, 1 June, 10 September and final one schedule for 11 November
Has it published an annual report and if so may be have a copy?	No formal measurement is in place at this time, and no need for one has been expressed. As the Council is a sub-committee of the Authority the Executive is adopting a similar approach to such matters. Therefore, participation of individual members at meetings will be recorded in end of year report for 2004 Annual Report – same format as participation of Authority is recorded.	<ul style="list-style-type: none"> • As per commitments the Audience Council's Report for 2004 will be published in RTE's Annual Report for 2004.

Appendix 2.1 (vi)

Corporate Commitments (2004)	PwC Questions	RTÉ Responses
(vi) Publish a new format Annual Report (for 2003) meeting all transparency commitments	Relative to best-in-class Public Service Broadcasters, how does the RTÉ 2003 Annual Report compare? Does RTÉ have plans to provide additional information and data in its 2004 Annual Report and if so what type of information and data?	<ul style="list-style-type: none"> • Other PSB Annual Reports reviewed include those of the BBC (UK), TVNZ (New Zealand) and DR (Denmark). We believe that the RTÉ Report compares exceptionally well – in terms of content and presentation – to all of these • The RTÉ Report is the only one published in both had and CD format and meets WAI – the international set of standards used as a benchmark to degrees of accessibility. • The 2004 Annual Report has not yet been addressed but some additional information such as the Audience Council report will be included. • Any new governance requirements will be met