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RADIO TELEFIS ÉIREANN

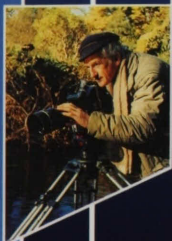
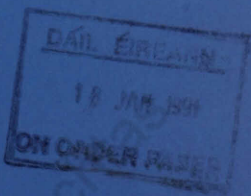
RADIO TELEFIS ÉIREANN

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RADIO TELEFIS ÉIREANN

ANNUAL  
REPORT



MEMBERS OF THE  
RTE AUTHORITY  
1985-1990

**Údarás Radio Teleíis Éireann**  
Bunaíodh Údarás Radio Teleíis Éireann ar 1 Meitheamh 1960 ar ordú an Aire Poist agus Teleagrafa (anois, Aire Cumarsáide) faoi alt a 2 den Acht um Údarás Craolacháin 1960. Do réir Alt a 25 agus 26 den Acht, cuireann an tÚdarás a Thuarascáil agus Ráiteas um Chuntais don 12 mhí dar chrioch 31 Nollaig 1989 faoi bhráid an Aire.

**Radio Teleíis Éireann Authority**  
Twenty ninth report and Statement of Accounts for the 12 months ended 31 December 1989 presented to the Minister for Communications pursuant to sections 25 and 26 of the Broadcasting Authority Act, 1960.



**JAMES P. CULLITON**  
Chairman

**Authority members  
at 31 December 1989**  
Mr. J.P. Culliton (*Chairman*)  
Mr. J. Carroll  
Mr. W.D. Flackes  
Mr. F. Flannery  
Mr. P. Kenny  
Ms. M. Leland  
Mr. D.J. McAuley  
Ms. M. O'Byrne  
L. Uas Ó Maolmhichil

The above Authority was appointed for a five year term with effect from 1st June 1985.

**Director-General**  
Mr. V. Finn



**JOHN F. CARROLL**



**W.D. FLACKES**



**FRANK FLANNERY**



**PAT KENNY**



**MARY LELAND**



**D.J. McAULEY**



**MÁIRÍN O'BYRNE**



**LIAM O MAOLMHICHIL**

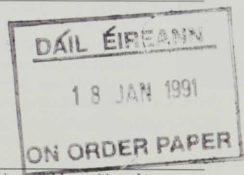
# Introduction



1989 léirigh RTÉ arís go bhfuil sé san áit cheart ar fad chun freastal ar riachtanais lucht éisteachta agus féachana na hÉireann trí scothchlárach atá sásúil ó thaobh costais, a thiomarnadh.

Ainneoin iomaíochta a bhí ag dul i dtreis, mhéadaigh gníomhaíochtaí raidió agus teilifíse RTÉ a sciar den phobal éisteachta agus féachana mar gur choinnigh siad lena gcúram maidir le seirbhís chraolta phoiblí a fhágann iad ina gceannródaí suaitinseach i meán na hÉireann.

Tar éis tréimhse de bhainistíocht deaslámhach airgeadais ní raibh bail níos fearr ar RTÉ riamh cheana chun an ról seo a chur chun cinn níos faide trí fhorbairt ar chlárach agus ar acfuinne trí leanacht de bheith ag tabhairt tacaíochta do dhearcadh agus do spéis an mhionlaigh agus trí staidéar agus léiriú freagrach a dhéanamh ar nithe suntasacha sóisialta agus cultúrtha.



In 1989 RTE continued to demonstrate that it is superbly positioned to serve the needs of Irish audiences by transmitting cost-effective programmes of excellence.

In the face of intensified competition RTE radio and television activities increased their audience share because they maintained the commitment to public service broadcasting which makes them the distinctive leader in the Irish media.

Following a period of adroit fiscal management RTE has never been in a better state of health to enhance this role still further by the development of programmes and resources, the continued support of minority interests and viewpoints, and the responsible examination and presentation of issues of social and cultural significance.

## Chairman's Statement

**T**he Broadcasting Authority which completes its five-year term of office on 31st May 1990 has presided over the redefinition of RTE's central role in the Irish broadcasting environment. A series of new management and financial structures; fresh impetus and initiative in programme conception and production; and development of ancillary resources, have all contributed to a leaner and fitter organisation. However, in anticipation of further competition and pressure on income a comprehensive programme of cost reduction is being implemented.



James P. Culliton  
Chairman

It has been RTE's resolute determination to maintain its distinctiveness in providing its audiences with quality programming, responsive to their needs and attractive to their eyes and ears, that has once again proved successful both at home and abroad. This in turn has had a significant impact on advertisers, particularly with the advent of legal radio competition. The fact that RTE's programming has not merely held, but increased, its market share across the board has allowed the cost of radio and television services to be met by the revenue from licence fees and advertising. Thus it has been possible in 1989 to generate a surplus of £5.98 millions, earned primarily from the Cablelink dividend, the RTE Guide, and ancillary activities such as concerts, merchandising, programme sales, co-production funding and Aertel services. As the financial report indicates, the RTE Group Balance Sheet is now satisfactory, with reserves of almost £23 millions, all of which have been achieved in the past four years.

This financial success has permitted RTE to continue its policy of programme development, with particular reference to the increase of television home production, which saw 350 additional hours in 1989, at a cost of £1.5 millions. It has also made it possible for RTE to undertake the development of one of the country's most significant cultural assets, the RTE Symphony Orchestra, which has been repositioned, at full international complement of 93 players, as the National Symphony Orchestra.

Surpluses of this order (the budgeted surplus for 1990 for example is over £4 millions) are vital if the on-going capital expenditure programme is to be maintained. The 1989 surplus has facilitated a capital programme for 1990 of £7.5 millions, of which £3.5 millions will be dedicated to the continued upgrading of television production facilities and £2.3 millions to buildings and services which will provide an extension to the Television Centre incorporating new cost-saving studios and which also includes the long overdue custom built accommodation for the Central Library and Printing Unit.

### Cablelink Ltd

With the agreement of our minority shareholder, Allied Combined Trust (ACT), RTE decided to test the value of its shareholding in Cablelink and discussions with the serious potential purchasers took place over much of 1989. At these discussions the RTE team was assisted by senior legal and independent investment advisers. The RTE Authority decided to sell half of its 80% shareholding to Telecom Eireann and a decision to sell was also taken by ACT in respect of their 20%. Under the legislation relating to mergers and monopolies and governing cable franchises, the agreements in each case are subject to the approval of both the Minister for Communications and the Minister for Industry and Commerce. It is noted that this matter has now been referred to the Fair Trade Commission.

The international interest in acquiring Cablelink reflects not just a market trend but also a recognition of a technically efficient, well managed system. The RTE Authority is satisfied that the price achieved is satisfactory, reflects the quality of Cablelink, and represents a very significant profit on the RTE investment. The proceeds to RTE from the 40% sale will be used to repay fully the balance of the Exchequer Loans, to fund ongoing capital expenditure and to meet RTE's share of the major investment programme planned for Cablelink. This joint venture with ACT was an excellent example of the public and private sectors working together.

### Diversified Activities

RTE expects a loss of £10 millions of advertising revenue in the first full year of additional competition in radio and television. In anticipation of this significant loss of income the Authority has adopted a cost reduction programme covering the next three years.

The Authority has also decided to increase substantially RTE's income from related and diversified activities. In 1989 RTE Commercial Enterprises Ltd. was established with an experienced board and under the management of an experienced senior executive.

Entrepreneurial in outlook, the new company will take measured risks with its investments. RTE is a complex

organisation embracing as it does a considerable reservoir of creative talent together with the more formal skills of marketing, engineering and administration. The Authority plans to use these people skills at home and abroad to add value to RTE as a whole.

While risks will be carefully evaluated, it is hardly likely that another huge success such as Cablelink will be found. In setting out on this course it is recognised that there may be losers as well as winners, so the overall success rate will be the main criterion.

Atlantic 252, RTE's long-wave radio joint venture with Compagnie Luxembourgeoise de Télédiffusion, was launched last September. Despite considerable expenditure on launch promotion, audiences were in fact slow to build during the early months. However, the weekly audience reach is now in excess of two million, and advertising sales are also improving. Every new greenfield project takes time to reach satisfactory profitability, and Atlantic 252 will be no different. It is expected that the new station will reach break even point during 1991 and since Atlantic 252 enjoys low operational costs it has the potential to become a significant profit contributor to the shareholders in the long term.

Cablelink Ltd enjoyed another successful year, raising its profit from £2.4m. to £3.4m. The very popular RTE Guide also made a significant contribution to the overall surplus.

#### "Levelling the Playing Field"

In a recent statement the Minister for Communications declared his intention of curtailing the quantity of advertising which RTE can carry, so as to 'level the playing field' for its competitors. The advent in Ireland of independent radio and television services, to be provided by private enterprise and funded from advertising income, will alter radically the character of Irish broadcasting. Genuine local radio has become possible in many parts of the country and further opportunities for Irish talent in the performing arts and in programme-making should open up with the launch of the new national television and radio channels. The RTE Authority has already acknowledged that the additional competition is good in many ways for RTE, which has dominated the airwaves for decades.

The companies providing these services, however, will have to be financially viable. Over time they will expect to make an adequate return on invested capital. Commercial credibility and public service are not of course incompatible. However, public service broadcasting is more a social institution than an economic process. From the earliest days of radio in the 1920s, RTE has seen its function as to inform, to educate and to entertain. Its dual funding of licence fee and advertising revenue has been used to build a national broadcasting system capable of promoting the positive social values of the community. This has been possible because RTE has always re-invested its surpluses.

RTE cannot produce a consistently good programme schedule without sufficient cash resources. As I have said we anticipate a £10m. annual reduction in advertising income in the first full year of competition from the new radio and television stations. Any further cutback in income could result in a very significant reduction in programming quality and quantity. The national objective should be to maintain an efficient, adequately funded state owned broadcaster while at the same time encouraging the development of a strong viable private sector broadcasting industry. RTE must strive for the highest standard of excellence rather than the lowest common denominator.

#### Conclusion

Our five years in office has been a period of change and challenge. A major re-structuring of human and financial resources has been implemented. This has resulted in:

- a 24% increase in total television hours
- a 37% increase in television home production
- a 31% increase in total radio hours
- a 17% increase in television multi-channel market share
- a greatly expanded news service
- a 40% increase in productivity
- no increase in the licence fee for four years

For these considerable achievements I would like to pay a special tribute to our staff in all departments and to the senior management team, ably led by Director-General Vincent Finn. The organisation is now better equipped to face the even more difficult days ahead.

I would like to thank An Post for successfully raising the income from licence fees during our term. Finally I would like to thank the Minister for Communications and the staff of his Department for their support and guidance.

The individual members of the Authority deserve great praise for their dedication, skill and sound judgement on many sensitive issues. I am very grateful to them for their personal support and loyalty to me as Chairman.

James P. Culliton, Chairman

From left: Bob Collins, Director of Television Programmes; Kevin Healy, Director of Radio Programmes; Joe Mulholland, Director of News.



# Annual Review

BY THE DIRECTOR-GENERAL

## THE BROADCASTING ENVIRONMENT

**RTE has a multiplicity of radio and television channels, but a singleness of vision. We see the provision of cost-effective programmes of excellence**

**as our way of fulfilling the statutory obligations imposed on the RTE Authority by the Broadcasting Acts.**

The deregulation of Irish broadcasting has increased the pressures on RTE in what was already the most competitive broadcasting environment in Europe. But it has not dimmed our vision, nor our commitment to the principles and practice of public service broadcasting. Indeed, RTE's achievement in 1989, and particularly the enhanced performance of RTE Radio against national and regional competition, has heightened the distinctiveness of the service it provides, and the response of the Irish public.



Vincent Finn  
Director-General

### Radio



Robert K. Gahan  
Assistant  
Director-General

In 1989 RTE saw the start-up of its main radio competitors, Century and Capital, besides many other regional concerns. The advent of increased choice for Irish listeners is to be welcomed: RTE Radio's increased audiences speak for themselves. In particular a spectacular success for the redesigned 2FM indicates RTE's ability to meet extra challenges: the channel which, as Radio 2, fell second or third behind the Dublin pirates is now topping the charts against its new competitors.



John P. Sorohan  
Assistant  
Director-General

On 1 June 1990 Mr. John P. Sorohan was appointed Chairman of the incoming RTE Authority and took early retirement from his position as Assistant Director-General.

In addition, RTE's regular regional and national services were improved by extending broadcasting hours for both Cork and Raidió na Gaeltachta. Cork was the centre of the first experiments in community and local radio in 1974, and RTE's service in this area has fulfilled the confidence placed in it by its listeners. Raidió na Gaeltachta continues to grow in strength and maturity, with new style light entertainment shows and a major 45-minute news programme at 6pm. Meanwhile, services to specialist interests were amplified in 1989 by additional music facilities on FM3.



from left: Colm Molloy, Director of Sales and Marketing, Conor Sexton, Managing Director, RTE Commercial Enterprises Ltd.; Gerry O'Brien, Director of Finance.



## Television

The continued success of Network 2, inaugurated in 1988, was the hallmark of television achievement, with the doubling of afternoon viewing as a direct reaction to the channel's positive contemporary appeal. Characterised as a 'lifestyle' channel, Network 2 caters for a loyal yet demanding and adventurous audience which is looking for dependable programming in well-defined areas such as drama, music, documentaries and the business sector. It represents a cardinal confirmation of the correctness of RTE's strategy in attracting larger audiences while refusing to sacrifice the minority interests of specialised viewing.

A further aspect of RTE's specialist public service was the 'Europace' distance learning programme in high technology broadcast on Network 2 three mornings each week in conjunction with Dublin City University. Such an activity is cognate with other RTE initiatives such as the improved and extended weather forecasting 'Weather Line' (carried on both RTE1 and Network 2), and is typical of the type of public service that only an aware, responsive organisation like RTE, with decades of expertise and public commitment, can provide.



A bright outlook from the Met Office's weather forecast presenters.



A documentary was broadcast in 1989 about the Irish international opera singer Suzanne Murphy.

### Audience Measurement

The first major change in measuring Irish television audiences was inaugurated in May 1989.

Commissioned by RTE and IAPI (the advertising industry's professional body) and provided by Irish TAM, the new service delivers daily ratings to RTE based on the number of people watching television rather than the number of homes where sets are switched on, as heretofore. The system took two years to design, and is based on the most advanced research system in the world, employing a continuous monitoring of a representative sample of the viewing population.

### A Dual Service

But there is an aspect of broadcasting in which the distinctions between radio and television take second place to the overall concept of what we, as broadcasters, provide. This lies in the area of co-operation between the two, in the facilities and assets that they possess in common, and the way that these can be cross-fertilised to enhance the audience's appreciation of broadcasting. Thus RTE has in the past year put the National Symphony Orchestra onto a new footing with increased strength, a higher public profile and the prospect of contributing even more extensively than before to the development of cultural activity both at home and abroad. Likewise the Carrolls RTE Proms, which took place in the 'Montrose Pavilion' in September 1989, offered music lovers the unique experience of participation, good humour and fun at a live event, besides making good radio and television. This sponsorship also represented a significant partnership between the public and private



Virginia Kerr appeared during the inaugural season of Carrolls RTE Proms in September 1989.





sectors, which was manifested again in the Bank of Ireland Arts Show Awards, designed to recognise and encourage excellence. A further mark of RTE's ability to straddle broadcasting channels with an event of national significance was the 'People in Need Telethon', the largest single outside broadcast operation ever mounted by RTE, during an eight-hour programme on television and radio which raised over £3 millions for charity.

*The Worker Participation (State Enterprises) Act, 1988, requires RTE to describe sub-board participative arrangements and agreements: while there has been no formal arrangement for such activity, RTE has had very positive discussions with the RTE Trade Union Group with a view to setting up such structures, in the light of successful informal participative activities such as joint working committees on New Technology in Radio, Health and Safety and the Orchestral Group.*

#### International Prizes

During 1989 RTE's programmes continued to receive international recognition by winning several significant awards.

#### On Radio:

- NHK (Japan National Broadcasting) Prize for innovative production at the Japan Educational Programme Contest: 'The Debt Crises' from the 'Developing World' series
- A T Cross National Media Awards, Golden Pen for supreme contribution to Irish journalism: Shane Kenny, presenter of the 'News at One'.

#### On Television:

- Berlin Television Festival, Prix Futura silver award: Eoghan Harris's documentary 'Darkness Visible - the Art of Manic Depression';
- Jacobs Award: Colm Connolly's documentary on Michael Collins, 'The Shadow of Beal na Blath';
- International Nature Film Festival, Stambocco d'Oro prize: David Cabot's film for RTE about the brief Greenland summer, 'The Northern Edge of Life'.





Eamonn Lawlor

### Broadcasting Responsibilities

During 1989 RTE published 'Broadcasting Guidelines for RTE Personnel', intended to simplify and clarify aspects of programme making with particular regard to legal and moral considerations. Such a publication is not simply a list of 'do's and don'ts': it represents an attempt to recognise the judgement of the programme maker and to locate it within the political and ethical realities which shape contemporary society. At the same time that it informs broadcasters of their legal obligations and responsibilities it demonstrates that RTE not only reflects, but also helps to form, public taste, opinion and morality.

### News Service

*Following an experimental midday news programme broadcast in conjunction with Sky International News, which attracted audiences of 190,000, RTE News Division introduced a new daily lunchtime television bulletin in October 1989, presented on RTE 1 by former European Correspondent Eamonn Lawlor, and utilising RTE's regional correspondents throughout Ireland and the Eurovision News Exchange. A new weekly programme, 'Newsround', also on RTE 1, is provided largely by the regional correspondents using the state of the art editing and transmission facilities in the regional studios.*

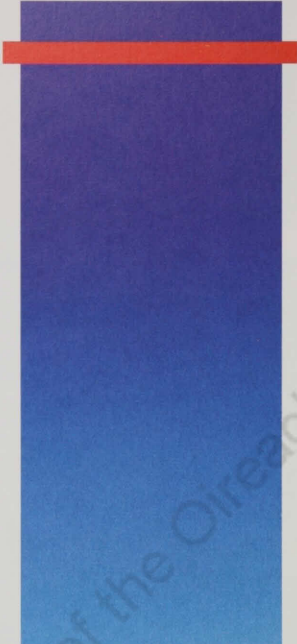




In the same vein, RTE in April 1989 hosted a conference on 'Morality and the Media', organised by the Church of Ireland. At that conference I observed that 'the greatest temptation for a broadcaster is to attempt to remake society in his image', and I said that 'the greatest achievement a broadcaster can have is to present facts in such a way as to create debate and bring issues of importance to our society into the public domain'. I put forward the view that 'some things may be absolutely unacceptable in our society, but we may still have to find an acceptable way of discussing it'. Whether it is in current affairs, documentaries or drama, and whether it is the libel laws, the restrictions pertaining to proscribed organisations or issues of sexual morality or religious faith that are concerned, RTE must recognise prevailing legislation and public opinion, but it must inhibit the creativity of its broadcasters only where absolutely necessary in observing the mandatory nature of those laws and opinions. Setting the agenda, as the Chairman of the Authority has pointed out, is the valid and necessary function of RTE as a powerful and diligent contributor to the national culture and our awareness of it.



*International star Ian McShane featured in the RTE-Comedia co-production "Twice Shy".*


**FINANCIAL INFORMATION**

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# Report of the Comptroller and Auditor General

I have examined in accordance with auditing standards the accounts set out on pages 12 to 34 which are in the form approved under the provisions of the Broadcasting Act 1960.

I have obtained all the information and explanations which I considered necessary for the purpose of my audit.

As stated in accounting policy 2, Radio Tara Ltd, a subsidiary company, commenced full time commercial operations on 1st December 1989. Expenditure of £1,990,207 incurred in bringing the radio station to its commercially operational stage of development has been deferred. The recovery of this expenditure is dependent upon the successful commercial operation of the radio station. Due to the present early stage of the company's development and to the matter referred to in note 33, I am unable to determine whether this expenditure will be recovered.

In my opinion proper books of account have been kept by Radio Telefís Éireann and the Balance Sheet on page 16 is in agreement with them.

In my opinion the accounts give a true and fair view of the state of affairs of Radio Telefís Éireann and, subject to the recovery of the deferred expenditure referred to in paragraph 3, of the group at 31st December 1989 and of the transactions and source and application of funds of the group for the year then ended.

**P. L. McDonnell**  
*Comptroller and Auditor General*  
11th October 1990

# Accounting Policies

## 1. Basis of Accounting:

The Financial Statements of the Group are prepared in accordance with the Historical Cost Convention in the form approved by the Minister for Communications, after consultation with the Minister for Finance, under the Broadcasting Authority Act, 1960, as amended.

## 2. Basis of Consolidation:

The Group Financial Statements consolidate the Accounts of Radio Telefís Éireann and its subsidiaries, all of which are made up to 31st December 1989. Indebtedness arising between Group members and inter-company transactions are excluded.

Radio Tara Ltd., a subsidiary company, commenced full-time commercial operations on 1st December 1989. A profit and loss account for the month of December 1989 and Balance Sheet is consolidated with the Group Accounts at 31st December 1989. Expenditure incurred up to 30th November 1989 has been accumulated as deferred expenditure. This expenditure is being amortised to revenue from 1st December 1989 by equal annual instalments over the period expected to benefit from such expenditure. The recovery of this expenditure is dependent on the successful operation of the company.

The profit and net assets attributable to the Group's 40% shareholding in the associated company, Radio Tele Luxembourg (UK) Ltd. have not been included in the consolidated accounts as the Authority considers that the amounts involved are not significant.

## 3. Television Licence Fees:

Television Licence Fee income represents the actual cash received by the Minister for Communications for broadcasting licence fees less collection costs as provided in Section 8 of the Broadcasting Authority (Amendment) Act, 1976.

## 4. Cable Television Licence Fees:

Licence Fee income from Cable Television represents the actual cash received by the Minister for Communications for cable licence fees less collection costs as provided in Section 8 of the Broadcasting Authority (Amendment) Act, 1976 and less Grant-in-Aid to the Independent Radio and Television Commission as provided in Section 20 of the Radio and Television Act, 1988.

As a result of a Government decision, no further licence fees in respect of cable television are payable to the Authority on and from 1st January 1990.

## 5. Tangible Fixed Assets:

### (a) Basis of Valuation:

Tangible Fixed Assets are stated at cost or valuation less depreciation except freehold and lease-hold land which is not depreciated.

### (b) Depreciation

Depreciation is provided so as to write off the cost of fixed assets over their expected useful lives on a straight line basis at the following annual rates:

Permanent Buildings	2 1/2%
Temporary Buildings	8 1/3%
Leasehold Property	over the period of the lease
Leasehold Improvements	20%
Transmitters	7 1/2%
Transmission Equipment (Long Wave Radio)	7.7%
General Plant and Equipment	10%
Wired Television Equipment	8 1/3%
Computer Equipment	20%
Vehicles	20%
Furniture, Fixtures and Fittings	10%
Musical Instruments	10%

The cost of sheet music is being fully written off to revenue. Sheet music costing £209,055 relating to prior years and which is fully depreciated is eliminated from the cost of fixed assets in the balance sheet. No adjustment to the annual depreciation charge is required.

## 6. Leased Assets:

The cost of fixed assets acquired under finance leases is included in the Balance Sheet and is written off over the estimated useful life of the asset or over the term of the lease if shorter. The capital portion of the outstanding lease obligations is included as obligations under finance leases, of which the current liability element is shown separately. The interest element of lease payments is calculated in accordance with the actuarial method and is included in 'Interest Payable'.

## 7. Goodwill

Goodwill which applies to a subsidiary company is being amortised on a straight line basis over its estimated useful life of 12 years with effect from 5th July 1984.

## 8. Bad and Doubtful Debts:

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

## 9. Stocks and Stores:

Stocks and Stores are stated at cost, being based on the latest invoice price at date of delivery of material, less a provision for obsolete or slow-moving items.

In accordance with SSAP 9 "Stocks and Long-Term Contracts", the commissioning and production of the television film "Twice Shy" is treated as a long term contract. The amounts recoverable on contracts and the provision for foreseeable losses are separately disclosed in "Debtors" (Note 17) and "Creditors" (Note 18).

## 10. Foreign Currencies:

All exchange differences have been accounted for in arriving at the surplus for the 12 months to 31st December 1989. Monetary assets and liabilities in foreign currencies are translated into Irish Pounds at the rates of exchange ruling at the Balance Sheet date or at exchange rates under forward foreign currency contracts where such contracts exist. Differences in exchange arising from the re-translation of the opening net assets of UK subsidiaries are dealt with as a movement in reserves.

## 11. Exchequer Grants:

Grants received in respect of the purchase of Fixed Assets are treated as a deferred credit, a portion of which is released annually to the Income and Expenditure Account over the expected useful life of the asset.

## 12. Repayable Exchequer Advances:

Exchequer Advances are presently repayable to the Minister for Finance on the basis of 30-year annuities with effect from 1st July 1980. See also note 33 "Post Balance Sheet Events".

## 13. Pension Schemes:

Radio Telefis Eireann and its major subsidiary, Cablelink Ltd., operate pension schemes covering their employees. The schemes are funded by contributions from their staff members and the organisations concerned. Such contributions are held in trustee administered funds independent of the Group's finances.

In the case of Radio Telefis Eireann, the most recent actuarial valuation of the superannuation fund scheme at 20th June 1989 has shown an actuarial deficiency of IR£13.3 million (IR£21.8 million previous deficiency). With a view to reducing this deficiency, an additional contribution of IR1.50 million (IR£1.50 million previous year) was made to the Fund by the Authority. It is proposed to reduce the deficiency still further by making additional contributions to the fund of IR£1.50 million over the next 12 months bringing the total extra contributions to IR£7.875 million.

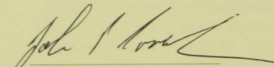
## 14 Taxation

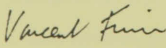
The RTE Authority is liable to taxation on its surpluses. As the Authority's income from television licence fees is not taken into account for tax purposes, sizeable tax losses are incurred each year. As such, the Authority considers that no tax will be payable in the foreseeable future due to the availability of losses under group relief.

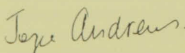
# Consolidated Income and Expenditure Account

FOR THE 12 MONTHS ENDED 31st DECEMBER 1989

		12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
	Notes	IRE'000	IRE'000
Income	1	122,672	112,216
Less: Expenditure	2	116,022	106,316
Surplus on Ordinary Activities before Taxation		6,650	5,900
Taxation		(85)	(108)
Surplus on Ordinary Activities after Taxation		6,565	5,792
Minority Interests in Subsidiaries		(585)	(494)
Surplus on Ordinary Activities attributable to RTE Group		5,980	5,298
Surplus brought forward		15,461	10,163
Surplus carried forward		21,441	15,461

  
Chairman

  
Director-General

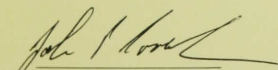
  
Authority Member

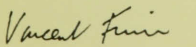


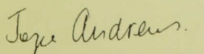
# Consolidated Balance Sheet

AS AT 31st DECEMBER 1989

		31st Dec 1989	31st Dec 1988
	Notes	IR£'000	IR£'000
<b>Fixed Assets</b>			
Intangible Assets	14	3,029	1,613
Tangible Assets	15	48,102	41,731
Financial Assets	16	22	-
		<b>51,153</b>	<b>43,344</b>
<b>Current Assets</b>			
Stocks		2,351	2,131
Debtors	17	22,080	17,361
Cash at bank and in hand		6,284	8,517
		<b>30,715</b>	<b>28,009</b>
<b>Creditors (amounts falling due within one year)</b>	18	<b>31,663</b>	<b>28,996</b>
<b>Net Current Assets (Liabilities)</b>		<b>(948)</b>	<b>(987)</b>
<b>Total Assets less Current Liabilities</b>		<b>50,205</b>	<b>42,357</b>
<b>Creditors (amounts falling due after more than one year)</b>	19	<b>6,852</b>	<b>6,011</b>
<b>NET ASSETS</b>		<b>43,353</b>	<b>36,346</b>
<b>Capital and Reserves</b>			
Property Transferred to Authority	26	249	249
Repayable Exchequer Advances	22	15,859	16,053
Reserves other than Income and Expenditure Account	25	3,929	3,293
Income and Expenditure Account		21,441	15,461
		<b>41,478</b>	<b>35,056</b>
<b>Minority Interests in Subsidiaries</b>		<b>1,875</b>	<b>1,290</b>
		<b>43,353</b>	<b>36,346</b>

  
Chairman

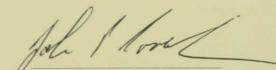
  
Director-General

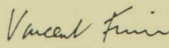
  
Authority Member

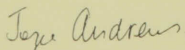
# RTE Balance Sheet

AS AT 31st DECEMBER 1989

		31st Dec 1989	31st Dec 1988
	Notes	IR£'000	IR£'000
<b>Fixed Assets</b>			
Tangible Assets	15	35,005	32,531
Financial Assets	16	3,678	3,656
		<b>38,683</b>	<b>36,187</b>
<b>Current Assets</b>			
Stocks		1,240	1,237
Debtors	17	21,450	17,378
Cash at bank and in hand		3,594	2,604
		<b>26,284</b>	<b>21,219</b>
<b>Creditors (amounts falling due within one year)</b>	18	<b>25,440</b>	<b>21,836</b>
<b>Net Current Assets (Liabilities)</b>		<b>844</b>	<b>(617)</b>
<b>Total Assets less Current Liabilities</b>		<b>39,527</b>	<b>35,570</b>
<b>Creditors (amounts falling due after more than one year)</b>	19	<b>1,423</b>	<b>1,836</b>
<b>NET ASSETS</b>		<b>38,104</b>	<b>33,734</b>
<b>Capital and Reserves</b>			
Property Transferred to Authority	26	249	249
Repayable Exchequer Advances	22	15,859	16,053
Reserves other than Income and Expenditure Account	25	4,931	4,295
Income and Expenditure Account		17,065	13,137
		<b>38,104</b>	<b>33,734</b>

  
Chairman

  
Director-General

  
Authority Member

# Group Source and Application of Funds

FOR THE 12 MONTHS ENDED 31st DECEMBER 1989

	Notes	12 Months to 31st Dec 1989		12 Months to 31st Dec 1988	
		IR£'000	IR£'000	IR£'000	IR£'000
<b>Source of Funds</b>					
Surplus before taxation		6,650		5,900	
Adjustment for items not involving use of funds:					
Depreciation	10	5,249		5,336	
Amortisation of Goodwill	14	147		147	
Exchequer Grants released to revenue	24	(10)		(36)	
Movement on reserves	25	636		(316)	
<b>Total Generated from Operations</b>			12,672		11,031
<b>Funds from other sources:</b>					
Loans	20 & 21	325		3,554	
Sale of Fixed Assets	6	77		84	
			402		3,638
<b>Total Sources of Funds</b>			13,074		14,669
<b>Application of Funds:</b>					
Purchase of Fixed Assets	15	9,516		8,025	
New Leases Capitalised	15	2,181		-	
(Increase) Decrease in obligations under finance leases	19	(754)		353	
Increase in deferred expenditure	14	1,563		368	
Repayment of Exchequer Advances	22	172		2,141	
Reduction in Loans		166		241	
Redemption of Preference Shares		-		467	
Payment of Dividends		188		191	
Payment of Corporation Tax		90		93	
Investment		22		-	
			13,144		11,879
			(70)		2,790
<b>(Decrease) Increase in Working Capital:</b>					
Increase in Stocks		220		286	
Increase in Debtors		4,719		2,062	
Increase in Creditors		(3,857)		(3,934)	
			1,082		(1,586)
<b>Movement in Net Liquid Funds:</b>					
(Decrease) Increase in Bank Deposits and Cash		(2,233)		5,567	
Decrease (Increase) in Bank Overdraft	18	1,081		(1,191)	
			(1,152)		4,376
			(70)		2,790

# Notes to the Financial Statements

FOR THE 12 MONTHS ENDED 31st DECEMBER 1989

	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
	IR£'000	IR£'000
<b>1. Income:</b>		
By class of business:		
Broadcasting:		
TV Licence Fees (Note 4)	45,143	43,590
Advertising – Television	39,471	34,994
Advertising – Radio	15,728	12,915
Licence Fees from Cable Television (Note 5)	481	1,031
Exchequer Grants	10	36
Other Broadcasting Income (Note 7)	3,940	3,145
	104,773	95,711
Long Wave Radio	53	-
Cable Television	12,822	11,502
RTE Publications:		
Advertising	1,129	1,152
Circulation Sales	3,843	3,851
Other Income	52	-
	5,024	5,003
Total Income	122,672	112,216

## 2. Expenditure:

	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
	IR£'000	IR£'000
Broadcasting Expenditure		
Programmes (Note 8)	68,687	61,228
Engineering and General Expenditure (Note 9)	26,146	23,920
Staff Reduction Costs	1,197	1,259
Depreciation (note 10)	3,956	4,205
Interest Payable and similar charges (Note 11)	2,067	2,130
Other Expenditure	50	50
	102,103	92,792
Long Wave Radio	285	-
Cable Television Expenditure (Note 12)	9,416	9,091
RTE Publications Expenditure	4,218	4,433
Total Expenditure	116,022	106,316
The following costs are included in the above expenditure:		
Staff Costs:		
- Wages and Salaries	45,223	43,469
- Social Welfare Costs	1,871	1,728
- Other Pension Costs	5,649	5,520
	52,743	50,717
Remuneration and Expenses of		
Authority Members	27	27
Auditors' Remuneration	46	43

## 3. Surplus on Ordinary Activities before Taxation:

	12 Months to 31st Dec 1989			12 Months to 31st Dec 1988		
	Income	Expenditure	Surplus (Deficit) before Taxation	Income	Expenditure	Surplus before Taxation
	IR£'000	IR£'000	IR£'000	IR£'000	IR£'000	IR£'000
Broadcasting	104,773	102,103	2,670	95,711	92,792	2,919
Long Wave Radio	53	285	(232)	-	-	-
Cable Television	12,822	9,416	3,406	11,502	9,091	2,411
RTE Publications	5,024	4,218	806	5,003	4,433	570
TOTAL	122,672	116,022	6,650	112,216	106,316	5,900

## Notes to the Financial Statements (cont.)

## 4. Television Licence Fees:

	Radio Telefis Eireann	
	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
	IRÉ'000	IRÉ'000
Gross Licence Fee Income	50,594	49,094
Less: Collection Costs	5,451	5,504
	45,143	43,590

## 5. Cable Television Licence Fees:

Gross Licence Fee Income	861	1,212
Less: Collection Costs	31	30
Grant-in-Aid to Independent Radio & TV Commission	349	151
	481	1,031

## 6. Disposal of Fixed Assets

	Group		Radio Telefis Eireann	
	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
	IRÉ'000	IRÉ'000	IRÉ'000	IRÉ'000
Sale Proceeds of Fixed Assets	197	127	166	76
Profit (Loss) on Sale of Fixed Assets	120	43	104	32
Net Book Value of Disposals	77	84	62	44

## 7. Other Broadcasting Income:

	Radio Telefis Eireann	
	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
	IRÉ'000	IRÉ'000
Vision Circuit Sales	290	289
Public Concerts and Orchestra Tours	408	437
Programme Sales	574	394
Sale of Facilities	183	216
Interest Receivable	315	361
Miscellaneous Income	2,170	1,448
Total	3,940	3,145

## 8. Programme Expenditure

	Radio Telefis Eireann	
	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
	IR£'000	IR£'000
<b>Television</b>		
Salaries and Wages including Superannuation Contribution	23,601	22,641
Travelling Expenses	2,712	2,378
Artistes' Fees	8,989	7,921
Copyright Fees/Film Rights	7,337	3,914
Production Materials	2,676	2,673
European Broadcasting Union	334	756
Outside Broadcasting Facilities	914	999
Other Expenses	3,147	2,361
	<b>49,710</b>	<b>43,643</b>
<b>Radio</b>		
Salaries and Wages including Superannuation Contribution	10,599	10,289
Travelling Expenses	629	543
Artistes' Fees	2,962	2,791
Copyright Fees	1,989	1,629
Production Materials	170	176
European Broadcasting Union	165	159
Outside Broadcasting Facilities	53	(79)
Other Expenses	760	473
	<b>17,327</b>	<b>15,981</b>
<b>Raidio na Gaeltachta</b>		
Salaries and Wages including Superannuation Contribution	1,177	1,133
Travelling Expenses	146	161
Artistes' Fees	244	255
Production Materials	6	7
Other Expenses	77	48
	<b>1,650</b>	<b>1,604</b>
Total:	<b>68,687</b>	<b>61,228</b>

## Notes to the Financial Statements (cont.)

## 9. Engineering &amp; General Expenditure:

	Radio Telefis Eireann	
	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
	IR£'000	IR£'000
<b>Transmission &amp; Engineering Services</b>		
Salaries and Wages including Superannuation Contribution	7,734	7,780
Travelling Expenses	607	557
Lines Network	882	982
Power	1,400	1,401
Maintenance of Equipment	1,055	807
Other Expenses	271	214
	11,949	11,741
<b>Sales &amp; Promotion</b>		
Salaries and Wages including Superannuation Contribution	956	910
Travelling Expenses	101	90
Advertising	601	536
Other Expenses	882	528
	2,540	2,064
<b>Central Services</b>		
Salaries and Wages including Superannuation Contribution	5,478	4,905
Travelling Expenses	188	154
Printing, Postage & Stationery	559	408
Telephone & Telex	918	817
Other Expenses	2,330	1,999
	9,473	8,283
<b>Premises Charges</b>		
Rent and Rates	822	808
Insurance	525	475
Lighting, Heating, Cleaning & Security	385	370
Maintenance of Grounds and Premises	452	179
	2,184	1,832
<b>Total:</b>	<b>26,146</b>	<b>23,920</b>



## 10. Depreciation

	Group		Radio Telefis Eireann	
	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
	IR£'000	IR£'000	IR£'000	IR£'000
Depreciation on owned Assets:				
RTE	3,803	4,056	3,803	4,056
Subsidiary Companies	1,281	1,131	-	-
	5,084	5,187	3,803	4,056
Depreciation on Leased Assets:				
RTE	153	149	153	149
Subsidiary Companies	12	-	-	-
	165	149	153	149
Total Depreciation Charge:				
RTE	3,956	4,205	3,956	4,205
Subsidiary Companies	1,293	1,131	-	-
	5,249	5,336	3,956	4,205

## 11. Interest Payable and similar Charges:

The interest is in respect of:

Bank overdraft and loans				
repayable within one year	47	(77)	62	(76)
Exchequer Advances not wholly				
repayable within 5 years	1,909	2,058	1,909	2,058
Finance Leases – the last instalments				
of which fall due for payment within				
5 years	111	149	111	149
	2,067	2,130	2,082	2,131
Borrowings of Subsidiary Company:				
Bank Overdraft	23	-	-	-
Finance Leases	10	-	-	-
	33	-	-	-
	2,100	2,130	2,082	2,131

## Notes to the Financial Statements (cont.)

## 12. Cablelink Ltd.:

	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
	IRE'000	IRE'000
Salaries and Wages including Superannuation Contribution	2,765	2,691
Maintenance of Equipment & Lines	626	591
Power	163	151
Depreciation	1,269	1,131
Amortisation of Goodwill	147	147
Cable TV Levies	796	938
Other Expenditure	3,650	3,442
<b>Total:</b>	<b>9,416</b>	<b>9,091</b>

## 13. Exceptional Expenditure:

	Radio Telefis Eireann	
	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
	IRE'000	IRE'000
Staff Reduction Costs	1,197	1,259
Additional Contributions to RTE Superannuation Fund by RTE Authority	1,500	1,500
	<b>2,697</b>	<b>2,759</b>

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#### 14. Intangible Assets:

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	IR£'000
<b>Goodwill applicable to a subsidiary company:</b>	
<b>Cost:</b>	
At 31st December 1988	1,396
At 31st December 1989	<b>1,396</b>
<b>Amortisation:</b>	
At 31st December 1988	295
Amortised during year	147
At 31st December 1989	<b>442</b>
<b>Net Book Value:</b>	
At 31st December 1989	<b>954</b>
At 31st December 1988	1,101
<b>Other Intangible Assets applicable to subsidiary companies:</b>	
<b>Cost</b>	
At 31st December 1988	512
Additions	1,580
At 31st December 1989	<b>2,092</b>
<b>Amortisation:</b>	
At 31st December 1988	-
Amortised during year	17
At 31st December 1989	<b>17</b>
<b>Net Book Value:</b>	
At 31st December 1989	<b>2,075</b>
At 31st December 1988	512
<b>Total Intangible Assets:</b>	
<b>Net Book Value:</b>	
At 31st December 1989	<b>3,029</b>
At 31st December 1988	1,613

## Notes to the Financial Statements (cont.)

15. Tangible Assets:	Freehold & Leasehold Land and Buildings
	IR£'000
<b>Group</b>	
<b>Cost or Valuation:</b>	
At 31st December 1988	19,140
Additions	2,417
Disposals	-34
At 31st December 1989	21,523
<b>Accumulated Depreciation:</b>	
At 31st December 1988	3,789
Charge for period	470
Disposals	0
At 31st December 1989	4,259
<b>Net Book Value:</b>	
At 31 December 1989	17,264
At 31st December 1988	15,351
<b>RTE</b>	
<b>Cost or Valuation:</b>	
At 31st December 1988	18,158
Additions	1,672
Disposals	-33
At 31st December 1989	19,797
<b>Accumulated Depreciation:</b>	
At 31st December 1988	3,649
Charge for period	429
Disposals	0
At 31st December 1989	4,078
<b>Net Book Value:</b>	
At 31st December 1989	15,719
At 31st December 1988	14,509

Temporary Buildings	Plant Vehicles and Equipment	Furniture Fixtures and Fittings	Musical Instruments and Music	Wired Television Equipment	Progress Payments	Total
IRE'000	IRE'000	IRE'000	IRE'000	IRE'000	IRE'000	IRE'000
928	45,814	1,645	376	13,942	0	81,845
5	7,095	118	14	2,039	9	11,697
0	-1,551	-1	-211	0	0	-1,797
933	51,358	1,762	179	15,981	9	91,745
812	27,058	1,126	327	7,002	0	40,114
41	3,603	100	10	1,025	0	5,249
0	-1,510	0	-210	0	0	-1,720
853	29,151	1,226	127	8,027	0	43,643
80	22,207	536	52	7,954	9	48,102
116	18,756	519	49	6,940	0	41,731
928	44,126	1,353	376	0	0	64,941
5	4,705	87	14	0	9	6,492
0	-1,494	0	-211	0	0	-1,738
933	47,337	1,440	179	0	9	69,695
812	26,636	986	327	0	0	32,410
41	3,400	76	10	0	0	3,956
0	-1,466	0	-210	0	0	-1,676
853	28,570	1,062	127	0	0	34,690
80	18,767	378	52	0	9	35,005
116	17,490	367	49	0	0	32,531

## Notes to the Financial Statements (cont.)

## 15. Tangible Assets: (Contd.)

The following amounts are included above in respect of assets which are financed by finance leases and which remain in the legal ownership of the lessors:

	Group		Radio Telefis Eireann	
	IR£'000		IR£'000	
<b>Cost:</b>				
At 31st December 1988		1,896		1,896
Additions		2,181		263
At 31st December 1989		4,077		2,159
<b>Accumulated Depreciation:</b>				
At 31st December 1988		1,212		1,212
Charge for period		165		153
At 31st December 1989		1,377		1,365
<b>Net Book Value:</b>				
At 31st December 1989		2,700		794
At 31st December 1988		684		684

## 16. Financial Assets:

	Group		Radio Telefis Eireann	
	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
	IR£'000	IR£'000	IR£'000	IR£'000
At 31st December 1988	-	-	3,656	3,656
Additions	22	-	22	-
At 31st December 1989	22	-	3,678	3,656

## 17. Debtors:

Trade Debtors	18,861	15,499	17,707	14,534
Amounts owed by subsidiary companies	-	-	1,035	1,146
Prepayments and accrued income	3,219	1,862	2,708	1,698
	<b>22,080</b>	<b>17,361</b>	<b>21,450</b>	<b>17,378</b>

(a) All amounts included above fall due within one year with the exception of IRE0.96 million which falls due after one year.

(b) The amounts recoverable on contract in relation to the television film "Twice Shy" total IRE514,000 and are included in Debtors in accordance with SSAP 9 (Stocks and Long-Term Contracts).

## 18. Creditors (amounts falling due within one year)

	Group		Radio Telefis Eireann	
	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
	IRE'000	IRE'000	IRE'000	IRE'000
Bank Overdraft	1,847	2,928	1,678	2,928
Loan (Note 20)	211	-	25	-
Repayable Exchequer Advances (Note 22)	194	172	194	172
Finance Leases (Note 23)	947	497	496	497
Trade Creditors	4,615	6,666	4,010	3,890
Inter Company	-	-	3	-
Proposed Dividend on Ordinary Shares	-	188	-	-
Corporation Tax	88	90	-	-
Income Tax deducted under PAYE	1,978	2,014	1,921	1,957
Value-Added-Tax	3,004	2,254	2,551	1,882
Pay Related Social Insurance	559	508	526	472
Other Taxes	78	61	-	-
Accruals	14,829	10,661	14,026	10,028
Deferred Income	3,303	2,947	-	-
Other Deferred Income - Capital Grants (Note 24)	10	10	10	10
	<b>31,663</b>	<b>28,996</b>	<b>25,440</b>	<b>21,836</b>

The balance of IRE1.3 million relating to the cost of sales of the film contract "Twice Shy" is included in creditors accruals as a provision for liabilities in accordance with SSAP 9 (Stocks and Long-Term Contracts). The anticipated future loss on the contract of IRE0.79 million is included in the balance of IRE1.3 million.

## 19. Creditors (amounts falling due after more than one year)

Bank Loans (Note 20)	2,707	2,593	100	-
Medium/Long Term Loan (Note 21)	1,304	1,470	-	-
Finance Leases (Note 23)	2,532	1,778	1,275	1,778
Corporation Tax	85	88	-	-
Deferred Income-Capital Grants (Note 24)	48	58	48	58
Other Creditors	176	24	-	-
	<b>6,852</b>	<b>6,011</b>	<b>1,423</b>	<b>1,836</b>

## Notes to the Financial Statements (cont.)

## 20. Bank Loan

	Group		Radio Telefis Eireann	
	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
	IR£'000	IR£'000	IR£'000	IR£'000
Bank Loan	2,918	2,593	125	-
Within One Year	211	-	25	-
Between One and Five Years	1,667	1,498	100	-
More than Five Years	1,040	1,095	-	-
	2,707	2,593	100	-
	2,918	2,593	125	-

## 21. Medium/Long Term Loan:

	Group		Radio Telefis Eireann	
	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
	IR£'000	IR£'000	IR£'000	IR£'000
Long Term Loan	1,243	1,441	-	-
Provision for premium on repayment of loan	61	29	-	-
	1,304	1,470	-	-

The loan is interest free, carries a premium of 20% on repayment and is repayable, together with the premium, in five equal instalments from 1st May 1993 or earlier in certain circumstances.



## 22. Repayable Exchequer Advances:

	Group		Radio Telefis Eireann	
	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
See also Note 33	IR£'000	IR£'000	IR£'000	IR£'000
At beginning of Year	16,225	18,366	16,225	18,366
Repaid during Year	172	2,141	172	2,141
At end of Year	16,053	16,225	16,053	16,225

The Advances are repayable in the following periods:

Within One Year	194	172	194	172
Between One and Five Years	1,040	927	1,040	927
More than Five Years	14,819	15,126	14,819	15,126
	15,859	16,053	15,859	16,053
	16,053	16,225	16,053	16,225

## 23. Finance Leases:

	Group		Radio Telefis Eireann	
	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
	IR£'000	IR£'000	IR£'000	IR£'000

The leases finance certain tangible assets which remain in the legal ownership of the lessors (Note 15). The following are the obligations payable under these finance leases:

At beginning of year	2,275	2,668	2,275	2,668
New Leases Capitalised	2,181	-	263	-
Capital repayments - after adjusting for exchange differences	(977)	(393)	(767)	(393)
At end of year	3,479	2,275	1,771	2,275

The obligations are payable in the following periods:

Within one year	947	497	496	497
Between one and five years	2,532	1,778	1,275	1,778
	3,479	2,275	1,771	2,275

## Notes to the Financial Statements (cont.)

**24. Deferred Income - Capital Grants:**

At beginning of year	68	104	68	104
Amortised during year	(10)	(36)	(10)	(36)
At end of year	58	68	58	68

Shown under:

Creditors (amounts falling due within one year) (Note 18)	10	10	10	10
Creditors (amounts falling due after more than one year) (Note 19)	48	58	48	58
	58	68	58	68

All of the grants are in respect of plant and equipment.

**25. Reserves other than Income and Expenditure Account:**

	Capital Reserve	General Reserve	Reserve arising on Consolidation	Total
	IR£'000	IR£'000	IR£'000	IR£'000
<b>Group:</b>				
At 31st December 1988	-	3,300	(7)	3,293
Exchange difference arising on retranslation of liabilities of subsidiary	-	-	636	636
At 31st December 1989	-	3,300	629	3,929
<b>RTE:</b>				
At 31st December 1988	1,002	3,300	(7)	4,295
Exchange difference arising on retranslation of liabilities of subsidiary	-	-	636	636
At 31st December 1989	1,002	3,300	629	4,931

**26. Capital Account:**

The Minister for Finance has not determined the manner and terms for the discharge of the debt of IR£249,000 due to the Exchequer under the provision of Section 32 of the Broadcasting Act, 1960.

**27. Capital Reserve**

The Capital Reserve of IR£1,002,451 (IR£1,002,451 previous year) represents revaluation surpluses of IR£400,597 in relation to RTE Relays assets and a premium of IR£601,854 on the disposal of RTE Relays net assets to Cablelink Ltd on 5th July 1984.

28. Future Capital Expenditure not provided for:

	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
	IR£'000	IR£'000
<b>Group:</b>		
Contracted for	3,769	3,349
Authorised but not contracted for	3,110	493
	<b>6,879</b>	<b>3,842</b>
<b>Radio Telefis Eireann:</b>		
Contracted for	3,192	1,390
Authorised by RTE Authority but not contracted for	684	418
	<b>3,876</b>	<b>1,808</b>

29. Contingent Liabilities:

Contingent Liabilities exist under the remaining Film Partnership Agreements (through which external investment was made to fund the production of film drama) whereby RTE has indemnified the partners against loss of their investment of IR£329,000 plus interest pending finalisation of agreements to settle these indemnities. Provision of IR£82,250 has already been made in the Group Accounts for this purpose.

30. Employees:

	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
The average number of persons employed by the group during the period was as follows:		
Broadcasting	2,053	2,074
RTE Publications	18	18
Cable Television	154	158
Long Wave Radio	22	-
	<b>2,247</b>	<b>2,250</b>

## Notes to the Financial Statements (cont.)

**31. Subsidiary and Associated Companies**

Subsidiary Companies:	Incorporated and Operating in	% Owned	Nature of Business
Cablelink Ltd	Ireland	80%	Cable Television
Marjoram Productions Ltd	U.K.	100%	Film Production
Enkorn Ltd	U.K.	100%	Film Distribution
Radio Tara Ltd	Ireland	75%	Long Wave Radio

(a) All of the group's interests in subsidiary companies consist of Ordinary Share Capital.

(b) The Registered Offices of the subsidiary companies are as follows:-

Cablelink Ltd	10 Pembroke Place, Ballsbridge, Dublin 4
Marjoram Productions Ltd	14 Hanover Square, London W1R OBE
Enkorn Ltd	14 Hanover Square, London W1R OBE
Radio Tara Ltd	61 Fitzwilliam Square, Dublin 2

Associated Company:	Incorporated and Operating in	Ordinary Shares Held	Nature of business
Radio Tele Luxembourg (UK) Ltd.	UK	40%	Marketing of Radio Advertising

**32. Letter of Comfort:**

The Authority has given a letter of comfort to a bank for the granting of facilities of IRE1.0 million to a subsidiary company, Radio Tara Ltd.

**33. Post Balance Sheet Events:**

Subsequent to the Balance Sheet date, a fully owned subsidiary company, RTE Commercial Enterprises Ltd., was established to maximise revenue from ancillary activities.

On 27th June 1990, the sale of 50% of RTE's shareholding in its subsidiary company Cablelink Ltd, was completed. The net sale price was IRE23.0 million approximately. The balance remaining of Exchequer Advances of IRE15.96 million was repaid to the Minister for Finance on 2nd July, 1990, out of the proceeds of the sale.

New broadcasting legislation was enacted in July 1990. This legislation will have significant adverse consequences for the future earning capacity of RTE.

On 31st July, 1990, the High Court issued a judgement against An Bord Pleanála quashing the permission granted by the Bord under the planning acts to a subsidiary company, Radio Tara Ltd., to erect a longwave transmitting station in Co. Meath. An Bord Pleanála has appealed this decision to the Supreme Court. The eventual outcome of the case may affect the subsidiary company's development as a commercial operation.

**34. Approval of Financial Statements:**

The Financial Statements were approved by the RTE Authority on 13th July 1990.

# Group Value Added Statement

FOR THE 12 MONTHS ENDED 31st DECEMBER 1989

	12 Months to 31st Dec 1989	12 Months to 31st Dec 1988
	IR£'000	IR£'000
<b>Source of Value Added:</b>		
Turnover	122,687	112,222
Less: Bought-in Materials and Services	40,506	33,601
	<b>82,181</b>	<b>78,621</b>
<b>Application of Value Added:</b>		
Employment Costs (Net)	49,007	45,685
Government:		
Payroll Taxes (PAYE & PRSI)	16,800	17,043
Non-Recoverable Value-Added Tax	1,633	1,628
Corporate Tax	85	108
Exchequer Interest	1,909	2,058
Cable Television Levy	598	755
	<b>21,025</b>	<b>21,592</b>
Providers of Capital:		
Minority Shareholders' Interest	585	494
Interest Payable	188	69
	<b>773</b>	<b>563</b>
Amortisation of Goodwill	147	147
Provision for future investment:		
Depreciation	5,249	5,336
Surplus for period	5,980	5,298
	<b>11,229</b>	<b>10,634</b>
	<b>82,181</b>	<b>78,621</b>

# Summary of Financial Statistics

FOR FIVE YEARS

	12 Months to 31/12/89 IR£'000	12 Months to 31/12/88 IR£'000	15 Months to 31/12/87 IR£'000	12 Months to 30/9/86 IR£'000	12 Months to 30/9/85 IR£'000
<b>Income</b>					
Licence Fees	45,143	43,590	53,053	38,067	33,919
Advertising (TV and Radio)	55,199	47,909	59,076	42,773	36,393
Other Broadcasting Income	4,431	4,212	4,651	3,210	3,511
Long Wave Radio	53	-	-	-	-
Cablelink Ltd	12,822	11,502	13,510	10,016	8,021
RTE Publications	5,024	5,003	6,122	4,252	3,916
	<b>122,672</b>	<b>112,216</b>	<b>136,412</b>	<b>98,318</b>	<b>85,760</b>
<b>Expenditure</b>					
Broadcasting Services	102,103	92,792	110,155	80,735	75,296
Long Wave Radio	285	-	-	-	-
Cablelink Ltd	9,416	9,091	11,464	8,479	6,603
RTE Publications	4,218	4,433	5,298	3,719	3,468
	<b>116,022</b>	<b>106,316</b>	<b>126,917</b>	<b>92,933</b>	<b>85,367</b>
<b>Surplus (Deficit) before Taxation</b>					
Taxation Charge (Credit)	6,650	5,900	9,495	5,385	393
Minority Interests	85	108	116	74	(1,026)
Extraordinary Item	585	494	455	379	591
Surplus attributable to RTE Group	-	-	-	1,436	-
	<b>5,980</b>	<b>5,298</b>	<b>8,924</b>	<b>3,496</b>	<b>828</b>
<b>Balance Sheet Summary</b>					
Intangible Assets	3,029	1,613	1,392	1,431	3,014
Tangible Assets	48,124	41,731	39,126	36,189	35,729
Net Current Liabilities	(948)	(987)	(5,983)	(8,044)	(10,737)
Creditors (due after one year)	(6,852)	(6,011)	(2,778)	(3,443)	(5,564)
Net Assets	<b>43,353</b>	<b>36,346</b>	<b>31,757</b>	<b>26,133</b>	<b>22,442</b>
<b>Financed by</b>					
* Capital Account/Reserves	41,478	35,056	30,246	24,615	20,857
Minority Shareholders' Interest	1,875	1,290	1,511	1,518	1,585
	<b>43,353</b>	<b>36,346</b>	<b>31,757</b>	<b>26,133</b>	<b>22,442</b>
Surplus attributable to RTE Group as % of net tangible assets	15.6%	15.8%	30.9%	15.1%	4.6%
<b>Number of Employees:</b>					
RTE	2,071	2,092	2,102	2,182	2,211
Subsidiaries	176	158	156	151	156
Total	<b>2,247</b>	<b>2,250</b>	<b>2,258</b>	<b>2,333</b>	<b>2,367</b>

Note:

\*Includes £249,000 – being the value of property transferred by the Exchequer to the RTE Authority under Section 32 of the Broadcasting Authority Act, 1960.



