

4 VENTURES LIMITED

Directors' report and financial statements

Registered number 04106849

for the year ended 31 December 2021



4 VENTURES LIMITED

Directors' Report and Financial Statements for the year ended 31 December 2021

Contents

3-4	Directors' Report
5	Statement of Directors' Responsibilities
6	Statement of Comprehensive Income
7	Balance Sheet
8	Statement of Changes in Equity
9-15	Notes to the Financial Statements

Country of incorporation of parent company:	United Kingdom
Registered office and principal place of business:	124 Horseferry Road London SW1P 2TX
Legal form:	Limited Company
Registered number:	04106849

4 VENTURES LIMITED

Directors' Report and Financial Statements for the year ended 31 December 2021

The Directors present their report and the financial statements of 4 Ventures Limited (the "Company") for the year ended 31 December 2021.

Ownership

The Company is a wholly owned subsidiary of Channel Four Television Corporation (the "Corporation").

Principal activities

The primary functions of the Corporation, as defined under the Digital Economy Act 2010, include content delivery across the main Channel 4 service and the digital channels, digital media and exploitation of content rights.

The principal activities of the Company are to hold investments in other entities which carry out activities within the primary functions on behalf of the Corporation, and also continue to carry out activities which are incidental to the primary functions of the Corporation. The directors expect this activity to continue for the foreseeable future.

Business review

The Company made a loss after tax for the year of £0.1 million (2020: profit of £2.6 million).

The directors do not recommend the payment of a dividend (2020: £nil).

The Company has met the small company requirements of the Companies Act 2006 to obtain the exemption provided from the presentation of a strategic report, and has prepared the directors' report in line with this exemption. The results for the year are set out on pages 6 to 15 of these financial statements.

Credit risk

The balance sheet of the Company includes amounts due from group undertakings. The Company is therefore exposed to credit risk on these balances. The intercompany balances of the Company are detailed in note 6.

Directors

The directors who held office during the year and to the date of this report were as follows:

Alexandra Mahon
Jonathan Allan
Martin Baker

All of the directors are employees of the Corporation. There are qualifying third party indemnity provisions in place for the benefit of the directors which comply with the requirements of the Companies Act 2006.

4 VENTURES LIMITED

Directors' Report (continued)

Going concern

At the balance sheet date, the Company has net assets of £140.3 million (2020: £143.5 million). As a wholly owned subsidiary of the Corporation, the Company has support and resources such that the directors believe that the Company is well placed to manage its business risks successfully. After additional consideration, management do not believe any significant risks are posed to the business as a result of the current economic climate or rising inflation experienced during 2022 to date.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and thus they continue to adopt the going concern basis in preparing the annual financial statements.

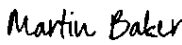
Employees

The Company has no employees (2020: none). Its activities are carried out by employees of the Corporation.

Exemption from audit

For the year ending 31 December 2021 the Company was entitled to exemption from audit under section 479a of the Companies Act 2006 relating to subsidiary companies. No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts. A guarantee has been given by the Company's parent undertaking under section 479c of the Companies Act 2006.

By order of the Board

DocuSigned by:

D4D05C9CF1E648A

Martin Baker
Director
13 September 2022

4 VENTURES LIMITED

Statement of Directors' Responsibilities to the Directors of 4 Ventures Limited

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

4 VENTURES LIMITED**Statement of Comprehensive Income**
for the year ended 31 December 2021

	Note	2021 £m	2020 £m
Turnover		-	-
Gross profit		-	-
Profit on sale of investments		-	0.1
Dividend income	5	-	2.4
Profit before taxation		-	2.5
Tax on profit	4	(0.1)	0.1
(Loss)/profit for the financial year		(0.1)	2.6
<i>Other comprehensive loss</i>	5	(3.1)	(1.2)
Total comprehensive (loss)/income for the year		(3.2)	1.4

All recognised gains and losses are included in the statement of comprehensive income.

None of the items in other comprehensive income will be reclassified to the income statement.

All results relate to continuing operations.

The notes on pages 9 to 15 form part of these financial statements.

4 VENTURES LIMITED**Balance Sheet**
as at 31 December 2021

	Note	2021 £m	2020 £m
Fixed assets			
Investments	5	35.5	21.8
Debtors	6	1.8	4.1
		<u>37.3</u>	<u>25.9</u>
Current assets			
Debtors	6	103.0	118.1
Creditors: amounts falling due within one year	7	-	(0.5)
Net current assets		<u>103.0</u>	<u>117.6</u>
Net assets		<u>140.3</u>	<u>143.5</u>
Capital and reserves			
Share capital	8	-	-
Retained earnings		140.3	143.5
Shareholders' funds		<u>140.3</u>	<u>143.5</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 101 *Reduced Disclosure Framework*.

For the year ending 31 December 2021 the Company was entitled to exemption from audit under section 479a of the Companies Act 2006 relating to subsidiary companies. No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts. A guarantee has been given by the Company's parent undertaking under section 479c of the Companies Act 2006.

These financial statements were approved and authorised for issue by the Board of Directors on 13 September 2022 and were signed on its behalf by:

DocuSigned by:

 D4D05C9CF1E648A
Martin Baker
 Director

4 VENTURES LIMITED**Statement of Changes in Equity
for the year ended 31 December 2021**

	Share capital £m	Retained earnings £m	Total £m
At 1 January 2020	-	142.1	142.1
Profit for the year	-	2.6	2.6
Other comprehensive loss for the year	-	(1.2)	(1.2)
Total comprehensive income for the year	-	1.4	1.4
At 31 December 2020	-	143.5	143.5
At 1 January 2021	-	143.5	143.5
Loss for the year	-	(0.1)	(0.1)
Other comprehensive loss for the year	-	(3.1)	(3.1)
Total comprehensive loss for the year	-	(3.2)	(3.2)
At 31 December 2021	-	140.3	140.3

The notes on pages 9 to 15 form part of these financial statements.

4 VENTURES LIMITED

Notes to the financial statements

1. Significant accounting policies

Basis of preparation

4 Ventures Limited (the "Company") is a private company limited by shares, incorporated, domiciled and registered in England in the UK.

The financial statements have been prepared in accordance with Financial Reporting Standard 100 *Application of Financial Reporting Requirements* and Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101) under the historical cost and going concern conventions. The policies have been consistently applied to all the years presented, unless otherwise stated.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted EU IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

- certain comparative information as otherwise required by EU endorsed IFRS;
- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed by the Corporation.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of the Corporation. These financial statements do not include certain disclosures in respect of:

- financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value); and
- impairment of assets.

Critical accounting judgements and sources of estimation

The preparation of financial statements in accordance with IFRS requires the Group to use estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of income and expense during the reported period. Although these estimates are based on management's best knowledge of the amount, event or actions, the relative uncertainty means actual results may ultimately differ from those estimates.

The preparation of financial statements also requires management to make critical judgements in the application of accounting policies.

Where a significant risk of materially different outcomes exist due to management assumptions or sources of estimation uncertainty, this represents a critical accounting estimate. Estimates and underlying assumptions are reviewed on an ongoing basis and based on historical experience and other factors including expectation of future events.

4 VENTURES LIMITED

Notes to the financial statements (continued)

1. Significant accounting policies (continued)

The directors have considered the above and do not believe that there are any critical accounting judgements, estimates or assumptions which have a significant effect on the amounts recognised in the financial statements that require disclosure.

Changes in accounting policies

No changes in accounting standards have taken place during the year which would have a material impact on the financial statements of the Company.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Investments in subsidiaries

Investments in subsidiaries are stated at cost, less any provision for impairment.

Other investments

Following the adoption of IFRS 9 *Financial Instruments* on 1st January 2018, other investments are held at fair value with any changes in the fair value of these investments recognised through other comprehensive income.

Debtors

Debtors (including amounts due from group undertakings) are reflected net of any expected credit loss.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

4 VENTURES LIMITED**Notes to the financial statements**
(continued)**2. Auditor's remuneration**

	2021	2020
	£000	£000
Audit of these financial statements	-	-

For the year ending 31 December 2021 the Company was entitled to exemption from audit under section 479a of the Companies Act 2006 relating to subsidiary companies, and therefore the directors have not required the company to obtain an audit of its financial statements for the year.

3. Remuneration of directors

The directors and staff of the Company are employees of, and remunerated by, the Corporation. No amounts were paid to the directors of the Company for services to the Company (2020: £nil). No retirement benefits were accrued to directors for services to the Company.

4. Taxation***Analysis of charge in the year***

	2021	2020
	£m	£m
Current tax	-	-
Group relief payable/(receivable)		
Adjustments for prior years	<u>0.1</u>	<u>(0.1)</u>
Total tax	<u>0.1</u>	<u>(0.1)</u>

Factors affecting the tax charge for the year

Corporation tax is charged at the standard UK rate of 19% for the year (2020: 19%). An increase in this rate to 25% (effective 1 April 2023) was announced in the 2021 Spring Budget and substantively enacted on 24 May 2021; this will increase the Company's future current tax charge accordingly.

The current tax charge for the year is higher (2020: lower) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are as follows:

	2021	2020
	£m	£m
<i>Current tax reconciliation</i>		
Profit before tax	<u>-</u>	<u>2.5</u>
Current tax at 19% (2020: 19%)	-	0.5
Non taxable income	-	(0.5)
<i>Effects of:</i>		
Adjustments for prior years	<u>0.1</u>	<u>(0.1)</u>
Total tax on profit	<u>0.1</u>	<u>(0.1)</u>

4 VENTURES LIMITED**Notes to the financial statements**
(continued)**5. Investments**

	Channel 4 Ventures £m	Other £m	Total £m
At 1 January 2020	20.3	5.3	25.6
Acquisitions	2.8	-	2.8
Disposals	(5.4)	-	(5.4)
Fair value movement	(1.2)	-	(1.2)
At 31 December 2020	16.5	5.3	21.8
At 1 January 2021	16.5	5.3	21.8
Acquisitions	18.3	-	18.3
Disposals	(1.5)	-	(1.5)
Fair value movement	(3.1)	-	(3.1)
At 31 December 2021	30.2	5.3	35.5

Channel 4 Ventures

During 2015, Channel 4 launched the Commercial Growth Fund, now renamed as Channel 4 Ventures - a fund with the aim of attracting new advertisers to TV and stimulating existing sectors. Channel 4 Ventures exchanges advertising airtime in return for equity shareholdings or convertible loan instruments.

During 2021, the Corporation invested a further £18.3 million (2020: £2.8 million) in Channel 4 Ventures holdings in the following companies:

What3Words Limited
PD Innovations Limited
Dead Happy Limited
Strike Limited
Clim8 Invest Limited
Maxwellia Limited
We Are 8, PBC
Mous Products Limited
Cannaray Limited
Sequence Nutrition Limited

The Channel 4 Ventures investments are recorded at fair value. The Company elected to recognise any movement in the fair value of these investments through other comprehensive income from 1st January 2018 when it adopted IFRS 9 *Financial Instruments*. Fair value has been assessed against quoted prices in active markets where available (in line with Level 1 of the fair value hierarchy under IFRS 13 *Fair Value Measurements*) or against other observable inputs (Level 2) such as subsequent funding rounds.

A loss of £3.1 million was recognised through other comprehensive income in 2021 (2020: loss of £1.2 million) relating to fair value movements and impairments during the year. The total value of the portfolio at 31 December 2021 was £30.2 million (2020: £16.5 million).

Other undertakings

During 2015, the Company purchased 80% of the shares and voting interests in Global Series Network Ltd ('GSN') for a consideration of £2 million. The acquisition of GSN secured access to foreign drama content rights for distribution on the Corporation's portfolio of channels and platforms. On 1 January 2020, the Company purchased the remaining 20% shareholding in GSN for consideration of £3.2 million.

4 VENTURES LIMITED**Notes to the financial statements**
(continued)**5. Investments (continued)**

The remaining £0.1 million of the equity investments held at the balance sheet date reflect a 15% direct equity holding in Protagonist Pictures Ltd.

At 31 December 2021, the Company has direct and indirect shareholdings with interest in the following companies, each of which is incorporated in the United Kingdom:

Company	Registered Address	Nature of business	Ownership interest
Direct shareholdings			
Film Four Limited	124 Horseferry Road, London, SW1P 2TX	Film distribution	100%*
Channel Four Investments Limited	124 Horseferry Road, London, SW1P 2TX	Indie Growth Fund	100%*
Global Series Network Limited	124 Horseferry Road, London, SW1P 2TX	TV and film distribution	100%**
GSN Holdings International Limited	124 Horseferry Road, London, SW1P 2TX	TV and film distribution	82.5%***

* Issued Ordinary shares of £1 each

** Issued 'A' Ordinary shares of £1,000 each

*** Issued 'A' & 'A1' Ordinary shares of £0.01 each

Indirect shareholdings

Spelthorne Community Television Limited	2nd Floor 63-64 Margaret Street, London, W1W 8SW	TV programme production activities	25%
Firecrest Films Limited	Fairfield, 1048 Govan Road, Glasgow, G51 4XS	TV programme production activities	25%
Voltage TV Productions Limited	5 Elstree Gate, Elstree Way, Borehamwood, WD6 1JD	TV programme production activities	15%
Parable Ventures Limited	64 New Cavendish Street, London, W1G 8TB	TV and immersive content production activities	18%
Candour Productions Limited	Springfield Mill, Unit 15, 1 (E) Bagley Lane, Farsley, Pudsey, England, LS28 5LY	TV programme production activities	25%
Five Mile Films Limited	Lower Ground Floor, 2 St Pauls Road, Clifton, Bristol BS8 1LT	TV programme production activities	17.5%
Eagle Eye Drama Limited	35 Soho Square, London, W1D 3QX	TV programme production activities	25%
Yeti Media Limited	Lon Cae Ffynnon Unit 1i, Cibyn Industrial Estate, Caernarfon LL55 2BD	TV programme production activities	25%
Proper Content Limited	6 th Floor Charlotte Building, 17 Gresse Street, London W1T 1QL	TV programme production activities	25%
Uplands Television	93 Chatterton Road, Bromley BR2 9QQ	TV programme production activities	25%

4 VENTURES LIMITED**Notes to the financial statements**
(continued)**5. Investments (continued)****Indirect shareholdings (continued)**

Big Deal Films Limited	Unit 6, 58-60 Minerva Road, London NW10 6HJ	Artistic creation	25%
Duck Soup Films Limited	2 nd Floor South, Marshall Court, Leeds LS11 9YP	Motion picture production activities	25%
Paper Entertainment Limited	Flat 50, The Nautilus Building, 3 Myddleton Passage, London EC1R 1XW	TV programme distribution activities	20%
Salamanda Media Limited	Room 2b, Unite 126 Metroplex Business Park, Broadway, Salford M50 2UW	TV programme distribution activities	20%
Spriit Media Studios Limited	PO Box 484, Teddington TW11 1DU	Video production activities	25%

6. Debtors

	2021	2020
	£m	£m
Amounts falling due within one year:		
Amounts due from group undertakings	103.0	118.1
Amounts falling due after more than one year:		
Amounts due from group undertakings	1.8	4.1
Total debtors	<u>104.8</u>	<u>122.2</u>

Amounts falling due within one year from group undertakings are repayable on demand and bear no interest.

Amounts falling due after more than one year bear interest at 2.8% p.a.

Losses with regard to amounts due from group undertakings are historically low and the Company's expected lifetime credit loss at 31 December 2021 is therefore nil.

7. Creditors: amounts falling due within one year

	2021	2020
	£m	£m
Accruals and deferred income	<u>-</u>	<u>(0.5)</u>
	<u>-</u>	<u>(0.5)</u>

8. Share capital

	2021	2020
	£	£
<i>Authorised</i>		
1,000 Ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up and fully paid</i>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

4 VENTURES LIMITED

Notes to the financial statements *(continued)*

9. Ultimate parent company and group undertaking

Channel Four Television Corporation, a statutory Corporation domiciled in the United Kingdom, is the ultimate and immediate parent and controlling party. The largest and smallest group in which the results of the Company are consolidated is that headed by the Corporation.

The consolidated financial statements of the Corporation are available to the public and may be obtained from the Board Secretary, Channel Four Television Corporation, 124 Horseferry Road, London, SW1P 2TX (the registered address of the Corporation).