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Channel Four Television Corporation Report and Financial Statements 2022

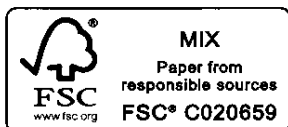
**Incorporating the Statement
of Media Content Policy**

**Presented to Parliament pursuant to Paragraph 13(1)
of Schedule 3 to the Broadcasting Act 1990**



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This publication is available at

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Our SMCP metrics should be read alongside our methodology document which can be found at <https://www.channel4.com/corporate/performance/reporting/reporting-library>

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Sir Ian Cheshire

Chair's Statement

On joining Channel 4 in April 2022 I was immediately impressed by the organisation's unwavering commitment to deliver on its public purpose. Those who work at Channel 4 – and its partners – are devoted to creating change and to improving both the culture and the economy of the country in which we live.



Channel 4 is an organisation in robust financial and creative health yet faced questions around its ownership model last year. The discussion over Channel 4's ownership status has now been resolved. This report extensively demonstrates the facts that supported the Government's confidence in Channel 4's long term sustainability.

↓ Hullraisers



We welcome the Government's decision, informed by a robust and thorough review of our value, performance and sustainability.

There are still important elements being discussed, including reforms to Channel 4's publisher-broadcaster model. We look to 2023 and beyond with the same levels of confidence in our resilience, innovative strength and ability to represent and reflect the rich diversity of our owners, the British people. The Board and I express our gratitude to everyone who contributed to the debate about Channel 4's important place in the UK's public service media ecosystem and in the national cultural and creative economy.

We know that our job now is to ensure that the corporation not only fulfils its vital remit and pursues its public purpose, but also to invest in innovation to ensure we make this a sustainable and long-term endeavour.

The Channel 4 Board will continue to focus on its role as champion of Channel 4's distinctive, creative remit and protector of editorial independence. Both are essential to sustaining the company's valued and valuable place at the heart of the British creative sector.

We also take seriously the responsibility to ensure that the creative output and the operations of Channel 4 are pioneering in their representation of the whole of the UK both on and off screen, particularly in serving the needs of teenage and young adult audiences.

Channel 4 is truly a national broadcaster. From its bases in Bristol, Glasgow, Leeds, Manchester and London, it works tirelessly to embrace and represent the country, ensuring that viewers from all walks of life can see themselves and their experiences reflected on screen, no matter their background, origin, or belief.

It is critical that we measure the real-life impact of Channel 4 on audiences and the UK's world leading creative industries. The organisation assesses this impact through a set of metrics, which are reviewed by Ofcom to ensure the successful delivery of Channel 4's remit. I am delighted to report that in 2022, Channel 4 performed very well in this area.

In an increasingly challenging year, due to a number of UK-wide economic and political factors, Channel 4 recorded encouraging financial results. This followed record revenues in 2021.

In 2022, Channel 4's performance was strong compared to a market that declined. Channel 4 saw robust growth in digital advertising and non-advertising revenues, achieving good progress towards the Future4 targets set by the Executive Management Team.

Following 2021's record levels of lockdown-driven online viewing, streaming views declined in the first half of 2022, and returned to growth in the second half of the year. The Executive team is fully committed to continuing this momentum in 2023.

My colleagues on the Board and I will continue to monitor this progress and encourage Channel 4's focus on streaming growth. We believe that the team and the wider organisation is well placed to deliver its Future4 strategy by 2025.

We believe that Channel 4 is ready to meet all of the challenges and change ahead, and that it has the people, the energy and the creative knowhow to do so.

Finally, I would like to thank all my colleagues at Channel 4 for their hard work, commitment and creative inspiration this year.

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We believe that Channel 4 is ready to meet all of the challenges and change that the future will bring and that it has the people, the energy and the ideas to do so.



↑ Trainspotting with Francis Bourgeois



Alex Mahon

Chief Executive's Statement

In the year Channel 4 turned 40, we continued to make noise, to do things differently and to have plenty of fun. Importantly, we created changes that improved lives, we contributed positively to the fabric of the nation with our focus as ever on the introduction of important new voices and by telling previously unheard stories.

This report lays out our successes in 2022. During the year, we refreshed our Statement of Media Content Policy which now contains an updated and more relevant set of reporting metrics to demonstrate how we have fulfilled our remit to the British people. They include new measurements of the way in which our work affects audiences, the creative industries, and the nation.

↓ Davina McCall: Sex, Mind and the Menopause



↑ 4Skills Content Creatives pilot cohort

Making an impact through content

2022 was full of creative success at Channel 4. We continued to set the agenda for national conversations – whether that was through powerful reporting on the war in Ukraine on *Channel 4 News*, the magnificent season marking *50 Years of Pride*, Jordan Gray's noteworthy and vital moment of trans visibility on *Friday Night Live*, or Channel 4 securing live coverage of England's matches in the UEFA Nations League and European Qualifiers – the first time that England's UEFA Nations League games have been broadcast on free-to-air television.

Programmes such as *Big Boys*, *The Undeclared War* and the final series of *Derry Girls* showed our commitment to exceptional and relevant scripted programmes, while new series such as *Rescue: Extreme Medics*, *Jeremy Kyle Show: Death on Daytime* and the *Truth and Dare* season pushed the boundaries in factual formats. Film4 had an epic year, with the BAFTA-winning film *The Banshees of Inisherin* as well as the critically acclaimed *Living*, *Brian and Charles* and *The Son*.

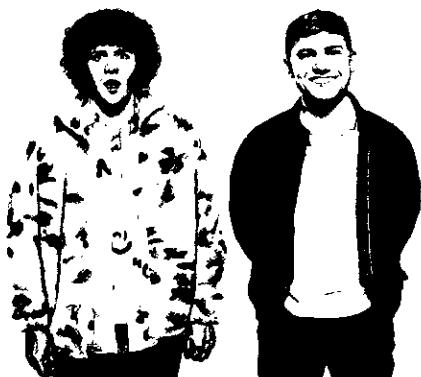
A core element of the Channel 4 brand is to be accessible and persuasive to young people. We reach Generation Z audiences where they are, rather than expecting them to conform to traditional ways of video viewing. They find us now across multiple platforms, ensuring access to our content where Gen Z spend most of their time.

We launched *Channel 4.0* on YouTube, a new digital destination for teenagers and young adults with the freshest content from the UK's biggest creators. And we developed a new youth-focused factual strand, *Untold*, which dives into unique and hidden true stories that resonate with young people across the UK.

We commissioned a landmark study, *Beyond Z*, to better understand the lives of young Britons today, and we shared our findings with partners at a specialist industry event in November. Young people in Britain are often misjudged and misunderstood – they are Channel 4's future, and I am committed to ensuring we connect and continue to build our relationship with this audience and to see things from their perspective.

Throughout the year, we met or exceeded all our Ofcom licensing obligations with a huge array of purposeful and challenging programming. We ended the year with an audience remit score of 52.7%, up 1.5 points year on year – and above our target of 50%.

↓ Big Boys



A resilient and robust model

Channel 4's financials remained resilient in 2022. Despite a very challenging macro-economic environment, we finished the year with revenues of £1.14 billion, down just 2% on 2021's record £1.16 billion. We also achieved a surplus for the third year running, returning £20 million before exceptional items (2021: £101 million), and we reinvested previous surpluses into content and our strategic objectives.

To have achieved this in a period of macroeconomic turmoil and a cost of living crisis is a tribute to everyone connected with Channel 4. A huge thank you from me goes to all my Channel 4 colleagues, to our creative and commercial partners, to all our friends in the wider world, and to the Chair, the Interim Chair and the Board.

Changing viewing habits continue to be both our biggest opportunity and our biggest challenge. 2022 saw very solid growth of +14% in digital advertising revenue, to £255 million. Significantly, this was +76% higher than our Future4 baseline of £145 million in 2019. Digital advertising now accounts for 22% of our total revenue (2021: 19%), putting us on track to achieve our target of 30% digital advertising by 2025.

Diversifying and building new revenue streams is a keystone of our Future4 strategy. So, as well as growing our digital advertising revenues, we also increased non-advertising revenues to £121 million (2021: £105 million), making up 11% of total revenues in 2022 and beating our 2025 target three years early. As a result, now linear advertising makes up only two-thirds of our revenues.

In 2022, we spent an all-time record of £713 million on content (2021: £671 million), including £570 million on originated content, a significant increase on the £492 million we spent on originations in 2021. This was partly achieved by reinvesting the record surpluses we made in 2020 and 2021, which partially resulted from the inescapable delays and reductions during the pandemic.

We set a new investment record through our content spend in the Nations and Regions in 2022, investing £228 million in content commissioned from production companies outside of London (2021: £222 million). And for the second year running we outperformed our targets, with 66% of hours of first-run originated programmes on the main channel coming from suppliers based in the Nations and Regions.

Channel 4 is well poised to further invest in delivering its remit and generating impact for the UK for years to come. Group net assets of £560 million (2021: £566 million) and net cash reserves of £253 million (2021: £272 million) continue to provide Channel 4 with a solid base from which we can invest in future strategic projects. In addition, the renewal of our ESG-linked £75 million Revolving Credit Facility provides additional flexibility to withstand any market shocks and underpins our longer-term sustainability.

However, following the macroeconomic headwinds we saw during the second half of 2022, the outlook remains challenging into 2023, with trading in the first five months indicating a difficult TV ad market this year. Our increasingly diversified revenue base and strong balance sheet, combined with a focused approach to cost control and cash management, ensure that we can continue to prioritise investment that supports driving progress towards our 2025 strategic targets.

Digital leadership

Being a digital innovator is a core part of what Channel 4 does, and becoming a streaming-first business is the cornerstone of our Future4 strategy. Our focus is on the viewing habits of our audience – transforming the business to ensure that viewers can find the distinctive content they want, where they want it, and when they want it.

We achieved 1.4 billion streaming views in 2022, nearly matching 2021's record 1.5 billion views. While views decreased year-on-year in the first half of 2022, as we lapped a period of pandemic lockdowns, streaming growth returned in the second half of the year. We are very focused on achieving digital growth in 2023, driven by programmes that we know people love to watch on demand.

Channel 4 is the youngest profiling broadcaster video on demand ('BVoD') service in the UK, with 16-34-year-olds making up one-third of our user base, compared to an average of 21% across other public service media. Since the end of 2019 (pre-pandemic), we have increased online registrations by six million, to 28.2 million accounts – including one million new 16-34-year-olds. 85% of the UK's young people have a Channel 4 streaming account.

Our Leeds-based 4Studio digital business also continued to make a huge impact, creating and publishing 35,000 pieces of content in 2022 and generating almost eight billion views across the main social platforms. What's more, 4Studio generated around half a billion views from British 13-24-year-olds – an average of 55 social clips watched for every young person in the UK. At the end of 2022, our social accounts had half a million more 13-24-year-old subscribers than the closest competitor.



A huge thank you from me goes to the Channel 4 staff, our creative and commercial partners, all our friends in the wider world as well as the Chair, the Interim Chair and the Board.

Transforming the UK's creative industries

As we scale our business outside of London, our 4 All the UK strategy is ensuring that we serve the whole of the UK and its thriving and world-renowned production sector.

Our Leeds-based 4Skills initiative is promoting social mobility and economic growth, helping to break down barriers so that more young people from all places and all backgrounds can join the industry.

In 2022, 4Skills provided over 28,000 development and learning opportunities for young people and those from lower socio-economic and diverse backgrounds. We invested £5 million in 4Skills in 2022, and we have committed to double our skills investment to £10 million per year by 2025, growing our reach and impact on the creative industry across the country.

A secure future for Channel 4

2022 was a memorable year for so many reasons, but what will make it stand out for all who work at Channel 4 is the way in which our creative, commercial and cultural performance remained strong during a period of uncertainty for the organisation's future.

Channel 4's Executive team welcomes the Government's decision, and we share with the Government the clear ambition to make Channel 4 a perpetual contributor to the extraordinary industry it has been helping to foster since 1982, and we have come out of this process stronger and more clear-sighted than ever.

We look back on a year when our contribution to British broadcasting got stronger by almost every measure; we showed our resilience and decreasing dependence on linear advertising; and we built a path forward to making ever more important contributions to the diversity, equality and ingenuity of the UK.

Our duty to the British people is to represent the underrepresented, to reflect the diversity of those people, to be continuously innovative and, quite often, a little bit rebellious and defiant. It's why we are here – and it's how we create change.



Digital leadership

Driven by streaming and 4Studio, Channel 4's digital-first strategy continued at pace in 2022, transforming the organisation to ensure that audiences can find the distinctive content they want, where and when they want it. This is a key growth area for Channel 4 and at the heart of our Future4 strategy.

+14% growth:

Digital advertising revenue grew by 14% in 2022, to £255 million (2021: £224 million), despite a highly challenging economic backdrop. Significantly, this is +76% against our Future4 baseline of £145 million in 2019.

22% digital revenues:

Digital now makes up 22% of Channel 4's total revenues, up from 19% in 2021 as we progress towards our Future4 target of 30% digital advertising revenues by 2025 – this is 50% higher than market comparators.

49.2bn minutes:

Audiences spent a total of 49.2 billion minutes streaming Channel 4 content and watching on social channels in 2022. Of this total, 45.9 billion related to streaming, 2.0 billion to social media and 1.3 billion to YouTube. Importantly, in terms of viewers, Channel 4's social accounts had half a million more 13-24-year-olds than our nearest competitor at the end of 2022.

1.4bn views:

We achieved 1.4 billion views on Channel 4 streaming in 2022, close to matching 2021's record 1.5 billion views, which were significantly boosted by lockdowns. In 2023, we are focused on returning to streaming growth, doubling down on the programmes that we know people love as we work towards our Future4 target of two billion views by 2025.

Youngest BVoD service:

Channel 4 has the youngest profiling broadcaster video on demand ('BVOD') service in the UK, with 16-34-year-olds making up one-third of its user base, indexing at 157 compared to an average across public service media ('PSM'). In addition, 85% of 16-34-year-olds in the UK are registered on Channel 4 streaming.

+6m accounts:

Channel 4 has grown viewer registrations by six million across the pandemic (since 2019), to 28.2 million accounts – this includes an additional one million 16-34-year-olds.

35,000 pieces of digital content:

Channel 4's Leeds-based digital content unit 4Studio made and published 35,000 pieces of digital content in 2022, generating approximately eight billion global views across the main social platforms, bagging seven award wins, and scoring Channel 4's first BAFTA nomination for a digital short-form series with *Hollyoaks IRL*.

55 clips watched per young person:

In 2022, 4Studio generated nearly half a billion views from UK 13-24 year olds, an average of 55 social clips watched for every young person in the UK.





↑ Lisa McHugh

A resilient and robust model

Channel 4 maintains a very strong balance sheet position, underpinning plans for further investment over the coming years and continuing to demonstrate Channel 4's financial sustainability. As we fulfil our Future4 plan, Channel 4 is diversifying its business, building strategic partnerships and delivering significant impact for the UK.

Future4 on track:

Channel 4's Future4 strategy, launched in November 2020, is an ambitious and comprehensive plan to transform Channel 4 into a digital, young PSM and we are on track to achieve our ambitions by 2025. However, we will need to return to streaming growth in 2023 to achieve this and are doubling down on the programmes that we know people love.

One-third diversified revenues:

Digital revenue accounted for 22% (£255 million) and non-advertising revenue made up 11% (£121 million) of our total revenues in 2022. Diversifying our revenues and building new strategic revenue streams are key pillars of our Future4 strategy to reduce our dependence on linear advertising and ensure our future sustainability. Diversified revenues now represent one-third (32%) of our revenues in 2022, against a baseline of 22% of revenues when we launched our Future4 strategy.

£1.14bn total revenues:

Channel 4's corporation revenues remained resilient in 2022 and, despite a challenging trading environment, we finished the year with total revenues of £1.14 billion, down just 2% on 2021's record £1.16 billion.

£560m net assets:

Channel 4's group net assets of £560 million (2021: £566 million) including net cash reserves of £253 million (2021: £272 million) remain significantly above historical levels following planned reinvestment during the year, providing the organisation with a solid base from which it can invest in future strategic projects.

£75m credit facility:

Renewing our ESG-linked Revolving Credit Facility of £75 million provides Channel 4 with additional flexibility to withstand any market shocks and underpins our long-term sustainability.

Sustainable public ownership:

The Government has now confirmed that Channel 4 will remain in public ownership, securing our ability to drive cultural and economic impact across the UK for decades to come.



Channel 4: 2022 highlights cont.

Making an impact through content

Channel 4 continued to support and grow independent producers in 2022, increasing its level of investment in original content and working with more independent production companies across the UK. We have maintained strong relationships with our existing indie partners and have built new partnerships – all of which is helping Channel 4 to deliver its remit and produce fantastic content that reaches wide audiences across the UK.

Record content spend of £713m:

Across all services, Channel 4 spent £713 million in 2022 (2021: £671 million) – an all-time record for the organisation.

£570m original content spend:

Channel 4 invested £570 million in original content in 2022 (2021: £492 million). This is our highest-ever level, and £200 million more than during the Covid-19 pandemic in 2020, demonstrating the flexibility of our business model to adapt rapidly to external economic factors and ensure our long-term sustainability.

170 independent producers:

Channel 4 worked with 170 independent producers across the UK in 2022, out of a total of 319 content suppliers – this is an increase from 164 independent producers in 2021.

Channel of the Year:

Channel 4's content attracted considerable critical acclaim in 2022, winning 91 awards for its programmes, including Channel of the Year at Edinburgh TV Festival – this is the highest level of wins since 2014.

The best of Channel 4:

The Great British Bake Off was the top series of 2022, attracting 7.6 million viewers, followed by *Gogglebox* which averaged 4.2 million across the year. The year also saw the final series of the much-loved *Derry Girls*; we launched *The Andrew Nall Show* on Sunday evenings; celebrated 50 years of *Pride* with the magnificent Joe Lycett's *Pride Party*; brought *The Big Breakfast* back with Mo Gilligan and AJ Odudu; and aired the all singing, all dancing *Prince Andrew: The Musical*.

47.5m people:

Every month in 2022, Channel 4 reached an average of 47.5 million people across all Channel 4 platforms – that's around three-quarters of the UK population.

J. Sogah's Podcast Lunch

Transforming creative industries across the UK

Channel 4 delivers a positive impact not just through its content, but through a wide range of initiatives that are elevating the creative industries. Our 4 All the UK strategy continues to ensure that we are serving the whole country and its thriving and world-renowned production sector. And through our Leeds-based 4Skills initiative, we are helping to promote economic growth and social mobility, breaking down barriers so more young people from all places and backgrounds can join the industry.

£228m investment in N&R:

Channel 4 invested £228 million in content commissioned from production companies in the Nations and Regions in 2022 – setting a new investment record for the second consecutive year (2021: £222 million).

66% content from N&R:

66% of hours of first-run originated programmes on the main channel came from suppliers based in the Nations and Regions – that's two-thirds of our programmes for the second year running.

13% of suppliers are ethnically diverse:

Supporting and growing the number of ethnically diverse suppliers Channel 4 works with is a priority and in 2022 this group represented 13% of our total suppliers – an increase on 12% in 2021, and we are focused on increasing this further.

Across the UK:

By the end of 2022, Channel 4 had 485 roles located outside of London and this will continue to increase over the next few years (2021: 400 roles).

Supporting creative partners:

The Emerging Indie Fund's 2022 cohort comprised 17 awards, which ranged up to £20,000 with the aim to nurture emerging indie talent from the Nations and Regions. The Indie Growth Fund, which invests in largely early-stage production companies, has invested in 28 companies to date with 17 companies remaining in the fund at the end of 2022, the largest figure since the fund's inception.

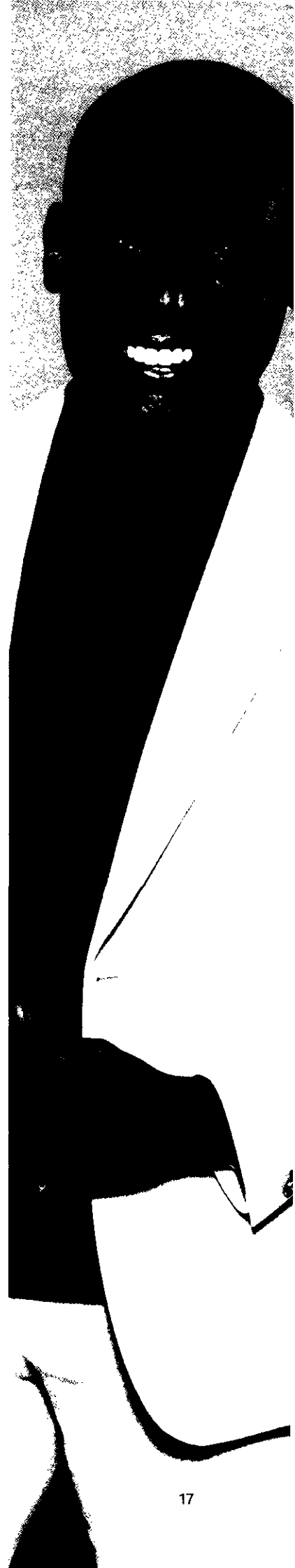
28,000+ opportunities:

Through 4Skills, Channel 4 provided over 28,000 training, development and learning opportunities for young people and those from lower socio-economic and diverse backgrounds through schemes including Channel 4's flagship Production Training Scheme, Apprenticeship programme and 4Schools (2021: 6,158 opportunities).

Doubling 4Skills investment:

Channel 4 invested £5 million in 4Skills in 2022, and this is set to double to £10 million per year in 2025 as we continue to grow our reach and impact across the UK (2021: £2.9 million).

Married at First Sight UK ↓



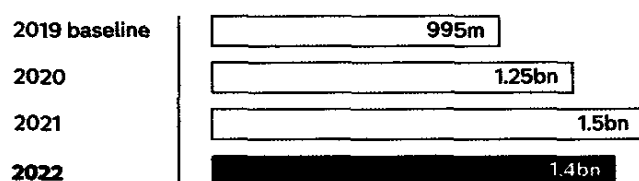


Transforming Channel 4 into a digital, young public service media organisation

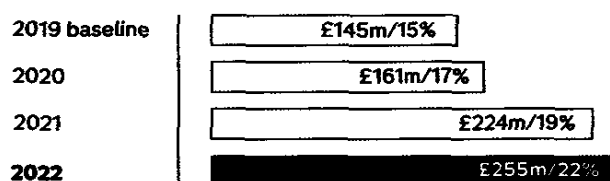
Future4 is an ambitious and comprehensive plan to transform Channel 4 into a digital-first young public service media organisation that retains its distinctive brand and public service impact. Our focus is on the viewing habits of our audience – transforming the business to ensure that viewers can find the distinctive content they want, where and when they want it.

Future4 targets for 2025

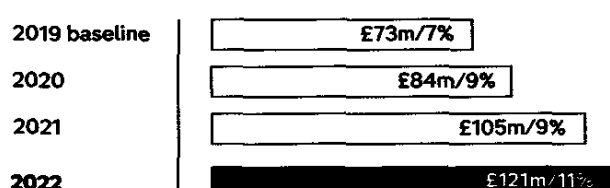
Double streaming to two billion views



Digital advertising to be at least 30% of total revenue



Non-advertising to be at least 10% of total revenue



Delivering progress in 2022

Content: Prioritising digital growth over linear ratings

A central goal of the Future4 strategy is to double streaming by 2025, ensuring that audiences reach us where they want to consume content. To achieve this, we are dialling up our ambitions for streaming and doubling down on the types of programmes that we know people love.

2022 achievements:

- Pivoting our editorial strategy to be digital first
- Delivering Channel 4 streaming product enhancements, such as personalisation and autoplay
- Creating a new youth-skewing digital brand, *Channel 4.0*, powered by an all-star cast of some of the most popular digital content creators
- Launching a new digital current affairs strand, *Untold*, a high-impact digital-first initiative aimed at delivering quality public service content to younger viewers



Viewers: Putting viewers at the heart of our decision making

Viewers' expectations are changing in a digital world. They expect Channel 4 to know how they watch, where they watch and why they watch. They expect more content, communications and experiences based on their motivations – not just their demographics.

2022 achievements:

- Kickstarting a brand transformation to establish a single Channel 4 masterbrand identity for viewers, to ensure they can find their favourite shows wherever and whenever they choose
- Driving forward understanding of our viewers through a new landmark study, Beyond Z
- Deploying cross-platform measurement – measuring linear and BVOD ad campaigns through CFlight, now used by the 40 largest UK media agencies; and using new BARB data to improve viewer understanding across linear and VoD
- Successfully leveraging our marketing campaigns to drive awareness and make noise, including winning the Cannes Advertising Film Grand Prix

Commercial: Diversifying new revenue streams to underpin our sustainability

We have clear commercial targets as part of our Future4 strategy: digital advertising to be at least 30% of total revenue and non-advertising to be at least 10% of total revenue by 2025.

2022 achievements:

- Offering innovative new features to our digital advertising 'Advanced Data Suite' offering, enabled through new partnerships that link with Nectar shopper data
- Launching a pioneering deal with YouTube to sell advertising against Channel 4 content, the first of its kind across the UK and Europe
- Innovating our Film4 revenue models to reflect shifts in theatrical release patterns
- Achieving 16 awards for 4Sales including gold in the 'long-term media strategy' category for Channel 4's *Diversity in Advertising Award*

Partnerships: Focusing on strategic partnerships to compete more effectively

Channel 4 has partnership in its DNA and our success is built upon working with other organisations – existing partnerships include Snapchat, TikTok and YouTube among others – and these will become even more important in the future.

2022 achievements:

- Maintaining and growing relationships across the market while the Government considered the privatisation of Channel 4
- Striking a major new long-form content and commercial deal with YouTube to publish 1,000 hours of long-form content
- Growing our ad-sales relationships with UKTV and Discovery
- Developing our strong and nimble partnership with Sky, including a deal to show England's ICC Men's T20 World Cup Final and the Formula 1 highlights on free-to-air television
- Continuing to evolve our relationships with YouView, Freeview and Everyone TV in a changing viewing environment

Ian Katz

Creative Forward Look

After a period that has seen the purpose and public value of Channel 4 debated at length, the channel's 2023 slate is packed with content that delivers against precisely what it was created for: ensuring that those who feel they are unheard are given a voice, challenging those in power, and remaining the boldest, most collaborative partner to producers across the country.



At the heart of the channel's 2023 schedule lies a prioritisation of the kind of must-stream content that we hope will drive video-on-demand ('VoD') growth in line with our Future4 strategy. From unmistakably Channel 4 new comedy like *The Change* to supersized returners like the second series of *The Curse*, from watercooler formats like *The Piano* to big-scale reality like *Rise and Fall* – our slate of shows says something interesting, and often urgent, about the country today, and demonstrates the value that a public service media organisation like Channel 4 can bring to Britain.

Represent unheard voices

Whether it's through showcasing stories from diverse voices across the country, nurturing unknown talent or ensuring that our programming encompasses the widest range of thoughts and opinions, representing unheard voices is core to our purpose.

Following the release of our Disability Code of Portrayal, our 2023 slate features the widest and most prominent representation of disabled people on the channel to date. So far, we've already seen Rosie Jones exploring society's attitudes towards disability in a moving documentary, and hilarious visually impaired comedian Chris McCausland in *The Wonders of the World I Can't See* – a unique take on a travelogue which sees audio description organically embedded into the format as Chris' famous friends describe "what the fuss is all about" at some of the globe's most iconic locations. Still to come are moving documentaries *Amputating Alice* and *Adam Hills: Take His Legs Again*. Finally, we'll see *The Unique Boutique* open its doors and create jaw-dropping bespoke pieces for those who aren't catered to by high-street fashion brands. We're also delighted by the impact that Lucy, the 13-year-old blind and neurodivergent winner of new hit *The Piano*, has had, creating what will surely be one of the TV moments of the year.

Regional representation is also high on the agenda – from the anarchic Joe Lycett's *Big Brummie Party*, aired live weekly from Birmingham, to the beautiful Welsh language opera *One Moonlit Night* via the brilliant *Belfast Midwives*. We're also excited by the returns of *Geordie Hospital*, *Hullraisers*, and *Rescue: Extreme Medics* (set in Scotland) later in the year. The opening of *Channel 4 News'* permanent Leeds studio (alongside the appointment of a Leeds-based correspondent) will also ensure that we are covering more topics that resonate with those outside of the M25.

Building on the legacy of our ground-breaking Black to Front Project, we'll see *The Defenders*, *Crazy Rich...*, *Ghanaians*, *Blue Therapy* and *Secret History: Britain's Human Zoos*. Meanwhile a number of Black presenters have since become fixtures in our primetime schedule including Stuart and Scarlett Douglas (*Worst House on the Street*), Yinka Bokinni (*Interview with a Killer*) and Tinie Tempah who returns with new series about property and cars.

After her hugely impactful menopause documentaries, Davina McCall is tackling another hot topic in the area of women's health this year – the contraceptive pill. Bridget Christie, meanwhile, turns her comic gaze on the experience of mid-life women in *The Change*, almost certainly the first comedy about the menopause.

Finally, we remain as committed to diversity of thought as other forms of diversity. *The Andrew Neil Show* has been recommissioned for a third season. Already this year, we have aired a thoughtful and sensitive film exploring the hotly contested question of assisted suicide (*Prue and Danny's Death Road Trip*) and later this year we'll air provocative polemics about the monarchy and climate change, as well as an examination of the very live argument over trans and gender through the story of Kathleen Stock, the philosopher drummed out of Sussex University for her gender-critical views.



↑ My Dead Body

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We will continue to stimulate conversation and debate with a slate of shows which tackle tough subjects, ask difficult questions to those in power, and challenge conventional thinking.

Challenge with purpose

We will continue to stimulate conversation and debate with a slate of shows which tackle tough subjects, ask difficult questions to those in power, and challenge conventional thinking.

Channel 4 News' daily output, now accessible on multiple social platforms, will continue to provide the high-quality, trusted journalism that viewers seek. Alongside this, our current affairs output will keep holding power to account with a series of uncompromising *Dispatches* investigations such as the highly impactful *Undercover Ambulance*. We'll also see the return of our hit streaming-first Current Affairs series aimed at young people, *Untold*. With around two million views for the first series (and millions more on our YouTube documentaries page), it has proved that PSMs like Channel 4 can engage young people with current affairs content across a range of topics from toxic masculinity to fast fashion. Subjects tackled in 2023 will range from life inside prison to the fascinating world of sugar mummies.

Two major moments will punctuate our year. Firstly, the Coronation of King Charles III will give us the opportunity to examine Britain's relationship with the royals in a way that no other broadcaster would. Frankie Boyle will ask, in his own inimitable style, whether the monarchy has a place in our modern world, and – only slightly less seriously – *The Windsors* will return for a special episode on Coronation Weekend. Then in August, our Climate Season will feature a number of films designed to inspire meaningful change. This will be the biggest and most important series of programmes that Channel 4 has ever made on this subject and comes at a critical moment in determining whether Britain can really get onto a path that will take it to net zero by 2050.

We'll also make sure we are covering the hot topics that are in the zeitgeist. In a year when toxic masculinity has become more prevalent and visible than ever before, we've already aired *Consent* – a searing docu-drama about rape culture in schools. We have also commissioned Maggie Gaudin and Dan Reed (*Leaving Neverland*) to make a documentary examining the rise of Andrew Tate and why his anti-feminist agenda resonates so loudly with many teenage boys.

As part of our Future4 strategy to drive VoD viewing, we are investing in Premium Factual box-sets – many of which are likely to prompt vigorous debate. 72 Films' four-part series exploring the rise and fall of Boris Johnson is intended to be the definitive documentary on the events that shaped one of Britain's most controversial and influential political figures. Similarly, we'll take in-depth looks at Prince Andrew, the Johnny Depp and Amber Heard trial, and we have already aired the moving *George Michael: Outed* and *Paula* this year.

Consent →



Reinvent entertainment

We will continue to innovate in 2023 as we build on a solid slate of new returners, drive young viewing on VoD, and continue to offer producers a place to pitch their boldest, most ambitious ideas.

Investment in young-skewing reality shows is a central part of our Future4 plans to drive VoD viewing, and this year will see a number of major launches. Our tentpole reality show, *Rise and Fall*, explored the age-old but timely tension between haves and have-nots with drama, humour and plenty of entertainment, while *Scared of the Dark* offered a genuine twist in the celebrity reality space. Also coming up is *Alone*, perhaps the most extreme survival show to feature on British screens, and a soon-to-be-announced series asking who has what it takes to survive in prison. On E4, joining an extended series of smash-hit *Married at First Sight UK* and *Made in Chelsea* is *Alan Must Win* – an anarchic twist on reality which sees a group of celebrities secretly doing everything they can to ensure an underdog wins a popularity contest.

Across every genre, viewers will find content that feels like it couldn't exist on any other channel. This includes *Naked Education* – a heartwarming, body-positive format, where our resident GP presents a class of teens with a wide variety of nude bodies to discuss issues like pubic hair and penis size. *No Strings Attached*, where celebrities enter Mel Giedroyc's X-rated book club to read erotic fan fiction written about themselves while a group of puppets act it out, is certain to get people talking too.

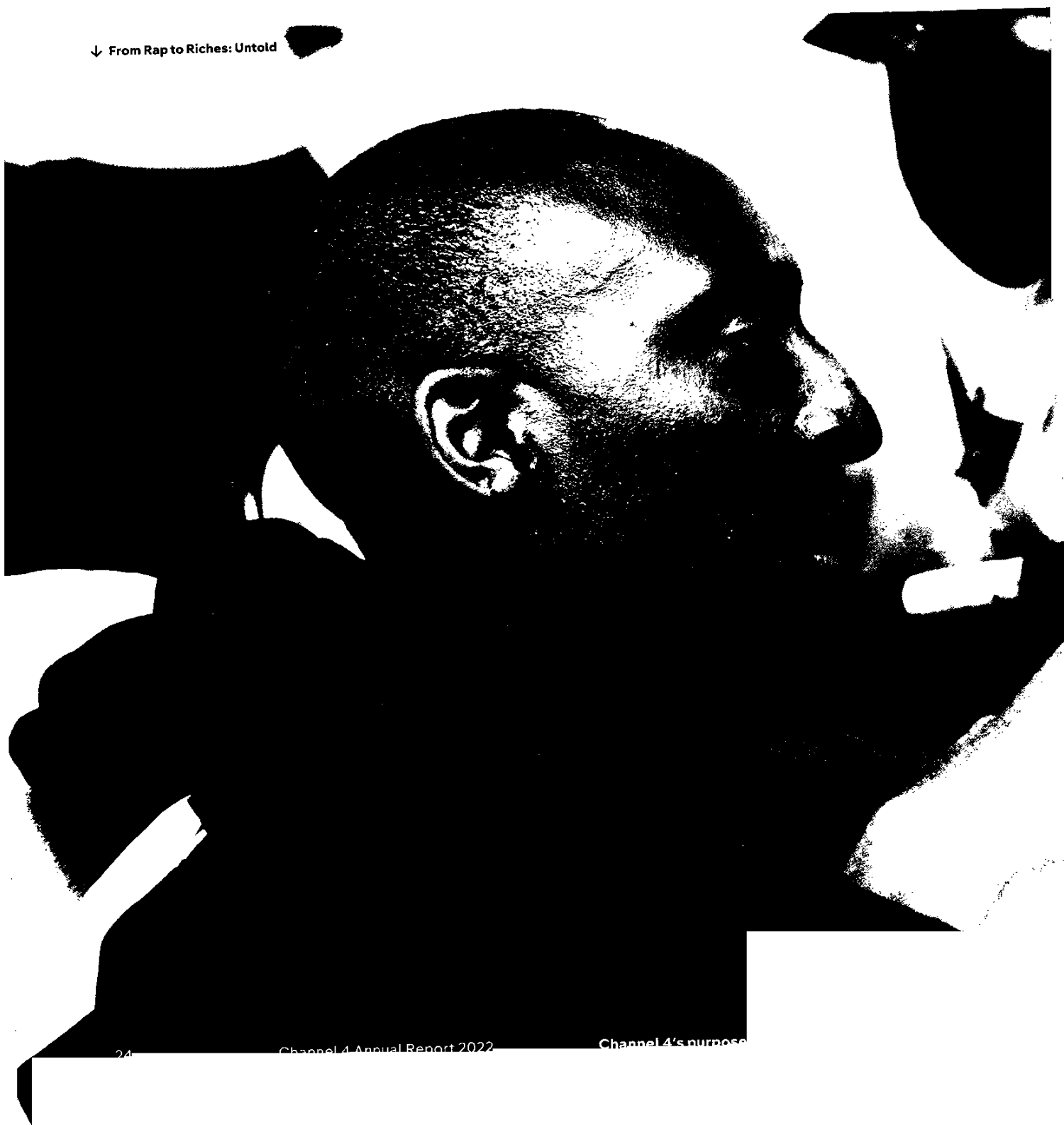
Alongside schedule staples like *Gogglebox*, *The Great British Bake Off*, *24 Hours in Police Custody* and *Taskmaster*, a new generation of returners are taking their place as schedule fixtures. The noisy *Open House: The Great Sex Experiment* is back to explore whether monogamous relationships are right for everyone, while *The Dog House* and *Handmade: Britain's Best Woodworker* are sure to provide even more joyous moments to viewers around the country. Love Productions' *The Piano*, meanwhile, was our biggest unscripted launch since June 2020.

And while we continue to innovate in long-form content, we've also significantly expanded our digital offering to engage young people across Britain, many of whom consume more of their content on social media than in front of the telly. The launch of *Channel 4.0* late last year has already proved a success, quickly becoming a go-to brand filled with entertaining and anarchic content from the best and biggest creators in Britain including Chunkz, Nella Rose and Alhan Gençay.

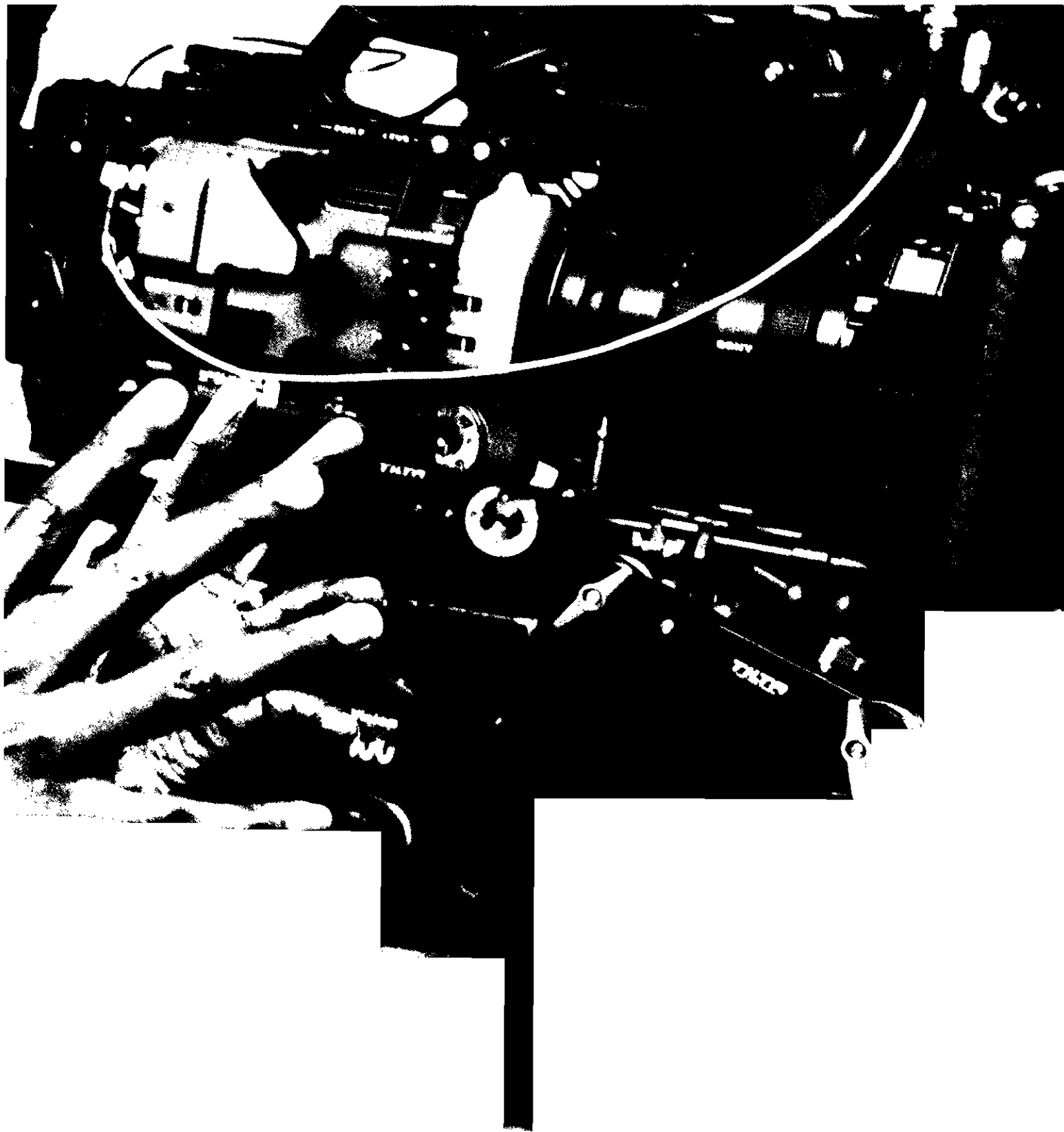
Channel 4's purpose

To create change through entertainment

↓ From Rap to Riches: Untold



We aim to create change in the wider world through all of our activities, from TV, to streaming, social media and film and our day-to-day roles at Channel 4. It's the impact that Channel 4 has on society, on viewers, on British culture, on the creative industries and on the wider economy. It's why Channel 4 is and will continue to be – altogether different.



Channel 4's vision

Represent unheard voices

Channel 4 has a strong commitment to representing the whole of the UK. It means using our strong brand and wide reach to elevate unheard voices – from diverse communities, emerging writers and producers, to those who have different points of view or experiences.

Challenge with purpose

At its most impactful, Channel 4's content exposes the truth and acts as a powerful catalyst for change. Through our best-in-class news and current affairs, our challenging documentaries and searing dramas, we're unafraid to say something about modern Britain.

Reinvent entertainment

Channel 4's remit encourages us to push boundaries, take risks and experiment in ways that other broadcasters do not. In 2022, we continuously refreshed what we did creatively, finding new ways to engage audiences, deliver our content, and support the creative industries.





Channel 4: Making an impact

1.4bn

streaming views in 2022 (2021: 1.5 billion),
as we continue our journey to being
digital first for our viewers

£713m

content spend in 2022 (2021: £671 million),
including a record £228 million in the
Nations and Regions

28,000+

opportunities provided by 4Skills in 2022
(2021: 6,158 opportunities), helping to
find, nurture and grow the UK's next
generation of creative talent





After four decades of creative risk-taking, Channel 4's impact on life in the UK is as strong as ever. As Britain's original influencers, the difference we make is undeniable.

Impact area contents

- 30** Engaging young viewers
- 44** Representing the UK
- 58** Challenging our audiences
- 72** Reshaping the creative industries
- 86** Investing in our partners
- 98** Tackling the climate emergency

Engaging young viewers

Youngest BVoD service

Channel 4 is the youngest profiling broadcaster video-on-demand ('BVoD') service in the UK, with 16-34-year-olds making up a third of its user base (compared to the other PSMs' BVoD average of 21%) – and it is also the most watched commercial BVoD for 16-34-year-olds

22.3m minutes

viewed of *Channel 4.0*'s eight new digital-first series launched in October 2022, which are aimed at young people and ensure that they see their culture and experiences reflected on screen

Always entertaining

16-34-year-olds rate Channel 4 as the highest TV broadcaster for being "always entertaining"



Channel 4 superserves young British audiences

Channel 4's special relationship with young viewers lies both at the heart of its identity and its purpose. Other streamers and broadcasters successfully make content that appeals to younger viewers, but Channel 4 is perhaps unique in its ability to engage young viewers with genuinely public service content.

We reach young viewers both through broad family shows like *Taskmaster* or *Gogglebox*, shows specifically aimed at younger audiences, such as *Untold*, and digital content that frequently features talent who have already built a strong social following with young audiences.

Central to our purpose is creating programming that informs and educates young people about contemporary issues and promotes discussion and debate. But our shows for young people are never overly worthy; we make shows that young people want to watch – like *It's A Sin* or *Consent* – because they are entertaining and frequently fun, whatever other merits they possess.

Big Boys ↓



Engaging young viewers cont.

Channel 4 specialises in making shows that speak to the concerns and pre-occupations of younger viewers, and in particular Generation Z.

That means topics including mental health, gender, sexuality and sex, body image, digital life, climate and ethical consumption. Our hugely successful new youth Current Affairs strand *Untold* has shown how younger viewers will engage with serious topics when they are approached through stories that speak to their own experience, and with a tone of voice and talent who they find relatable.

Just as we seek to reflect the whole British experience across our programming, we aim to air a number of shows – like *Ackley Bridge*, *Big Boys*, or the upcoming *Dance School* and *Queenie* – which reflect the experience of young people back to them. Only by seeing themselves on screen will young people believe that Channel 4 is a platform that understands their lives and speaks to them. This is what earns us permission to engage them with topics they may not automatically be attracted to.

But while we aim to reflect their view of the world, we won't simply adopt it. We are a pluralist broadcaster and will always be prepared to challenge the views of our young viewers with films such as *Gender Wars*, our exploration of the debate around gender identity from a gender critical perspective, or *Jimmy Carr Destroys Art*, which explored the logical conclusion of cancel culture.

In an age when many, especially younger people, increasingly insulate themselves from points of view at odds with their own, it is more important than ever that a brand trusted by young people and seen to reflect their lives is also prepared to challenge some of their views.

While creating content that helps shape the way young people think about the world is at the heart of what we do, we also make content that simply aims to entertain them and create a relationship with the Channel 4 brand. *Channel 4.0*, for instance, features entertainment-led content from some of the biggest stars on social. It aims to be diverse, cool, authentic, funny, street smart – a way into the Channel 4 brand for many viewers who may never have engaged with us. Key acquisitions like *Rick and Morty* and *The Big Bang Theory* play a similar role for us.

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Only by seeing themselves on screen will young people believe that Channel 4 is a platform that understands their lives and speaks to them.

When it comes to platforms, we acknowledge both that most young viewers are more likely to stream video content than watch it on linear TV, and that some do not engage with either linear TV or public service media (PSM) streamed content.

For that reason, we typically consider the youngest profiling shows – for example, *Rick and Morty* and *Untold* – to be essentially Channel 4 streaming shows, which may also receive a linear transmission, either on E4 or Channel 4. It is vital that we do not require our youngest profiling content to attract a significant linear audience so that we are free to address issues that only young people are engaged with. Our short-form social content, which often harnesses talent young people are already familiar with, is designed to offer an appealing route into the Channel 4 world, particularly for young people who do not have a relationship with us through streaming or our linear channels.

Engaging young viewers cont.

“ What does it feel like to be young in Britain right now?

↓ It's Alright To Be White



Beyond Z: The truth about British youth

What does it feel like to be young in Britain right now? This was the central question posed by Channel 4's major research initiative Beyond Z. Its mission was to look at what the future holds for 13-to-24-year-olds in the UK, moving beyond the preconceptions that people may have about the views and perspectives of the eight million Britons today that belong to 'Generation Z'.

Working with an independent research partner, Craft Strategies, we surveyed more than 1,500 people, with separate cohorts comprising 13-24-year-olds and people aged over 25 drawn from across the country. This was complemented by ethnographic and qualitative research and expert interviews, and a conference held in November 2022.

Beyond Z helped to paint a more nuanced view of a demographic that is often portrayed (by older people) as a homogeneous, amorphous mass with alien views. The reality is that young people's views are also shaped by factors such as income and education, and they have a plurality of experiences, attitudes, interests and identities. Young people tend on average to be more progressive than older demographics – for example, regarding social issues such as sexuality and equality – in part because they take as a baseline the freedoms won by earlier generations, just as young people in the past tended to be more progressive than their elders.

Some aspects of life are very different for young people today compared to their counterparts in the past. One obvious difference is the prevalence of social media and the central role it plays in their life. Another is their economic circumstances – broadly speaking, high levels of education-related debt, ballooning house prices and insecure employment have resulted in a new life stage of delayed adulthood for some people.

These changes have given rise to misconceptions about young people's views on life. For example, our research shows that these digital natives are, for the most part, well aware of the benefits and potential pitfalls of social media; they believe themselves to be in control of their interactions and do not see social media as a major cause of mental health issues. As these examples illustrate, the research suggests that there is less conflict between generations than is often claimed.

This research study is not merely an academic exercise but is of practical relevance. Only by understanding how young people think can Channel 4 and our partners successfully engage with them. The learnings will help inform our decisions about what type of content to invest in, what form it should take and where we need to be to reach young audiences with our content. The goal is to strengthen Channel 4's reputation among young audiences as a trusted source of information, and as a brand that helps to give them a voice in national debates on the issues that matter most to them.

↓ Beyond Z



Channel 4.0: Going digital first

Channel 4.0 is a new digital-first youth-focused destination that provides a space for some of the greatest and funniest content creators to collaborate.

To cut through the noise and connect with young, digital audiences in an authentic way, we knew that everything had to be on point: from the production companies we partnered with, through to the talent used in-show, and the tone of voice behind the community engagement. We partnered with Big Smoke Corporation, helmed by multi-award-winning artist, Joseph Adenuga, AKA Skepta, to ensure that *Channel 4.0* delivered on its goals.

Channel 4.0 launched on YouTube on 26 October, with short- and medium-formats tailored to young people's viewing behaviours on social platforms and starring key Gen Z talent. Early highlights include *Secret Sauce*, which saw host Chunkz competing against celebrity guests to recreate family recipes; *It's Alright To Be White*, in which Alhan Gençay goes on a mission to discover Britain's 'whitest tribes'; and *Nella Rose's Flight Mode*, which sees the titular host steer two sets of friends towards winning the ultimate party holiday via a mischievous airport game show.

By the end of 2022 (after just over two months), eight new series had launched on *Channel 4.0*, generating 22.3 million minutes viewed, with 4.0 million views from 13-24-year-olds in the UK.

Engaging young viewers cont.

Increasing our impact with teens and older children

↓ Ackley Bridge





↓ Teen First Dates



↑ Trainspotting with Francis Bourgeois

Engaging young audiences – including older children and teenagers – is a core part of Channel 4's remit. Our existence as a public service media organisation (PSM) depends on our relationship with younger people, and we have continued to build on our strengths as a digital young PSM by providing new and engaging content that is accessible to them. This means commissioning content that appeals directly to their tastes and publishing it where they spend their time.

A key focus of the year was the launch of our new digital-first initiatives such as the youth-focused YouTube channel *Channel 4.0* (see case study on page 35) and our new current affairs strand *Untold* (see page 64), which is imbued with the same remit-defining and bold journalism as *Dispatches* but is focused specifically on younger viewers. Through our strategic partnerships with platforms such as YouTube, Snapchat and TikTok, we can connect with young people more authentically and provide content that resonates directly with them.

Throughout the year, we invested in content aimed at older children (10-14-year-olds) that is designed to reflect their lives and interests while also having popular mainstream appeal – for example *Junior Bake Off*, *Celebrity Lego Masters at Christmas* or *Richard Hammond's Crazy Contraptions* on linear; or digital commissions such as *Kids Behaving Badly*, *Trainspotting with Francis Bourgeois* and *Harry Pinero's Worst in Class*. Our editorial approach for older children is to provide safe and appropriate content that also highlights positive role models and has educational value. This helps 10-14-year-olds to develop their knowledge and critical thinking skills, while inspiring and guiding them as they start to form their own identities.

We also commissioned content for teenagers (14-19-year-olds), including popular returning series such as *Ackley Bridge*, which tackled serious subjects such as online bullying, addiction and mental health; and E4's reboot of *Embarrassing Bodies*, which got young people talking about major health and sexual health issues. Other highlights from the year include *Football Dreams: The Academy*, which followed a group of boys at the prestigious Crystal Palace Football Club Academy; *Britain's Tourette's Mystery*, in which Scarlett Moffatt investigated the rise of Tourette's in young people in Britain; and *Teen First Dates*, which followed 16-19-year-olds taking their first steps into the land of real-world dating.

Engaging young viewers cont.

A milestone year for 4Studio

2022 saw another year of growth for 4Studio, our Leeds-based digital content unit that is focused on reaching and engaging young people on social platforms.

Another wave of hiring brought the department's headcount to over 150, reflecting 4Studio's position as an increasingly core part of Channel 4's operations. This is cemented further by Channel 4's recognition that its presence on social platforms plays a vital role in its marketing, editorial and revenue diversification strategies.

4Studio made and published over 35,000 pieces of content in 2022, generating approximately eight billion global views across more than 150 channels on the main social platforms. We saw global year-on-year increases in watch time on YouTube of 10%, while engagements on Instagram rose by over 60%. Among 13-24-year-olds in the UK, views rose by over 25% on Snapchat and by almost 500% year-on-year on TikTok, and there were almost 350 million views of Channel 4 content on TikTok across the year. Data drives 4Studio's strategies at a platform, channel and show-based level, and informs the wider business' understanding of rapidly changing viewer behaviours.

4Studio continued to seek new ways to bring long-form programming to life on social platforms – from rolling coverage of the *Beijing 2022 Paralympic Winter Games* via livestreams on YouTube, to red carpet interviews for the biggest Film4 movies on Instagram, the re-imagining of the *Married at First Sight UK* sofa as a sassy TikTok commentator, and the creation of the immersive Virtual Reality *Hollyoaks* experience *'The Long Walk Home'* (see right).

Stand-outs among our digital-first original and branded programming included *Trainspotting with Francis Bourgeois*, prank show *Kids Behaving Badly*, and short-form documentary series *I Survived*, *Ask The Mask*, and *Love Against The Odds*. The latter was produced by 4Studio Productions, a new digital creative unit focused on making topical, reactive content from our Leeds HQ.

Our creativity and strategic excellence was rewarded, with 4Studio bagging seven award wins, and scoring Channel 4's first BAFTA nomination for a digital short-form series with *Hollyoaks IRL*.

Our partnerships with the main social platforms continued to strengthen in 2022. Our evolving YouTube collaboration led to a landmark agreement that saw the publication of 1,000 hours of long-form content across our suite of YouTube channels, and a new agreement for 4Sales to sell our own advertising around this content – the first deal of its kind across the UK and Europe.

Meanwhile, 4Studio remains an important participant in the 4Skills programme, with the number of trainee placements and apprenticeships within the department both doubling this year.





‘OO

It allows us to reach a whole new audience who'll get to experience life through Maxine's eyes.

Hollyoaks: The Long Walk Home

Channel 4's flagship continuing drama *Hollyoaks* is the only one of the UK public service media organisation's main long-running soaps that is specifically tailored to young audiences. It speaks to young people on their level, and has a proud history of tackling difficult but important social issues in a relatable way.

In November, *Hollyoaks* showed a special episode titled 'The Long Walk Home'. Produced and crewed by an all-female team, it follows Maxine Miniver (played by Nikki Sanderson) as she becomes separated from her friends on a night out and is brutally attacked and sexually assaulted on her way home.

Hollyoaks worked with the Rape Crisis charity throughout the editorial and filming process, and ran the episode in partnership with the UK government Home Office's 'Enough' campaign, which tackles violence against women and girls.

The powerful storyline gave *Hollyoaks* one of its biggest spikes in weekly viewing in 2022, with a total of 1.4 million views across the five episodes in that week. Viewers described the storyline as "emotional", "thoughtful" and "a painful exploration of sexual assault and women's safety". More than 90% of viewers agreed that the episode's message – that women are never responsible for preventing sexual violence against them – is an important one, and that this is just the sort of programme that should be shown and discussed in schools.

To coincide with 'The Long Walk Home', *Hollyoaks* makers Lime Pictures created a 360-degree virtual reality experience (available on metaverse platforms such as Meta Quest), allowing users to experience the sights and sounds of Maxine Miniver on her lone journey home. "The VR experience is an exciting move for *Hollyoaks*," says Jayshree Patel, who wrote both the episode and the interactive short film. "It allows us to reach a whole new audience who'll get to experience life through Maxine's eyes."

Engaging young viewers cont. SMCP metrics dashboard

"Channel 4 is always trying something new"

49% of respondents believe that Channel 4 performed strongly for "always trying something new"

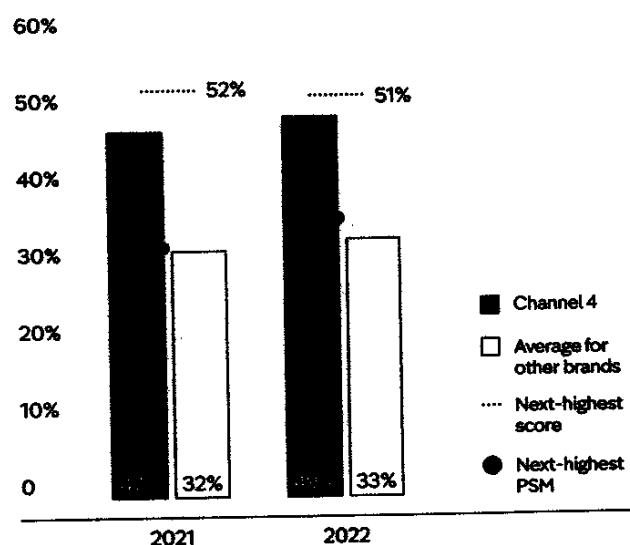
49%‡

Channel 4 was one of the two leading brands that audiences associated most strongly with "always trying something new" in 2022. In total, 49% of respondents agreed that Channel 4 performed strongly* on this measure, two percentage points behind Netflix, which scored 51%. These two brands were the clear leaders, with a 13-percentage-point gap between Channel 4 and the third-highest-scoring brand, Amazon Prime (whose score was 36%). The next-highest-scoring public service media organisation (PSM) was the BBC, whose score of 35% was 14 percentage points behind Channel 4.

Taken together, the other brands (all except Channel 4) had an average score of 33%, giving Channel 4 a lead of 16 percentage points over this average. Aside from Netflix, their individual scores ranged from 26% (Channel 5) up to 36% (Amazon Prime). The average score for the other PSMs (the BBC, ITV and Channel 5) was below the overall average for the other brands: at 30%, it fell 19 percentage points behind Channel 4.

Channel 4 closed the gap on Netflix this year. Channel 4's score rose by 2 percentage points (2021: 47%), while Netflix dropped by one percentage point (2021: 52%), meaning that Netflix's lead over Channel 4 fell by 3 percentage points year-on-year, from five percentage points in 2021 to just 2 percentage points in 2022. Channel 4 also slightly increased its lead over the average score of the other brands, which rose by 1 percentage point in 2022.

"Channel 4 is always trying something new"



*We define a "strong performance" for a brand as one in which respondents give it a score of 7 or more on a 10-point scale.
‡Selected metrics were subject to independent limited assurance by Deloitte LLP.

Channel 4's linear share of total PSM viewing by 16-34-year-olds

Channel 4's linear share of total PSM viewing by 16-34-year-olds in 2022

15%‡

Channel 4 is unique among the main PSM channels in that 16-34-year-olds account for a substantially higher share of viewing than TV audiences in general. Focusing on viewing by 16-34-year-olds to the main PSM channels – BBC One, BBC Two, ITV, Channel 4 and Channel 5 – Channel 4's main channel accounted for 15% of this total in 2022.

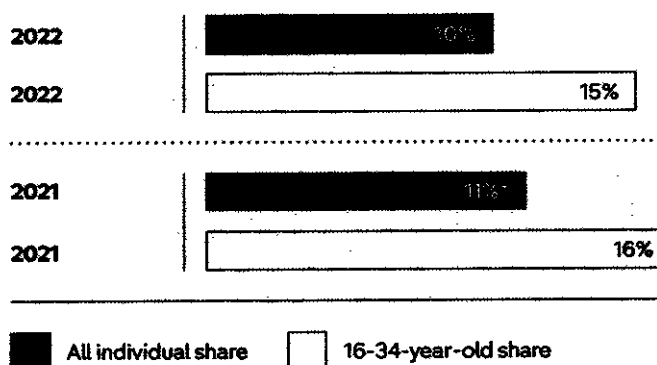
As a proportion of viewing to the main PSM channels this is 46% more than its corresponding share of viewing across all audiences. By contrast, BBC One, BBC Two and Channel 5 all have lower levels of 16-34-year-old viewing than their all-audience levels. The only other channel that over-indexes 16-34-year-olds is ITV, albeit by a more modest 4 percentage points.

Overall, Channel 4 ranks as the third most popular of the main PSM channels for 16-34-year-olds. The sheer scale of BBC One and ITV as the two mass-market channels means they also attracted the biggest overall shares of 16-34-year-olds (34% and 35% respectively in 2022). Channel 4's share comfortably exceeded those for BBC Two (9%) and Channel 5 (7%) in fourth and fifth place.

Channel 4's share of viewing by 16-34-year-olds to the main PSM channels fell by 6% year-on-year. This decline is slightly greater than the corresponding 5% fall in share for all audiences. The decline may be attributed to the absence in the 2022 schedules of the youth-skewing high-volume show *The Circle*, whose 27 episodes generated huge 16-34-year-old audiences in 2021, while ITV's *I'm A Celebrity...Get Me Out Of Here* increased its 16-34-year-old audience by almost 50% in 2022, taking viewing away from other channels.

Channel 4's focus on its Future4 strategy also affects this metric, as Future4 is driving young viewers to watch more via streaming, through increased levels of box-setting content or watching first on Channel 4 streaming.

Channel 4's linear share of total PSM viewing by 16-34-year-olds



*The metric as stated in the 2021 Annual Report related to portfolio share, whereas the 2022 metric refers to only linear share of PSMs. As a result, 2021 has been restated from 15% to 11%. This metric focuses on the PSMs' linear TV portfolios due to significant limitations in the availability of consistent age-demographic data on digital and social platforms.
‡Selected metrics were subject to independent limited assurance by Deloitte LLP.

Engaging young viewers cont.

SMCP metrics dashboard

Corporate measures (streaming views and linear share)

Total streaming views

1.4bn[‡]

Portfolio linear share

9.9%[‡]

In 2022, 1.4 billion programme views were initiated through Channel 4's streaming platforms, which include PCs, smartphones, tablets, games consoles and connected TVs. This was a 10% decrease relative to the 2021 total of 1.5 billion views.

The main driver of this decline was the national Covid-19 lockdown that occurred in the first half of 2021: with people required to stay at home once again, TV viewing was boosted. As a result, streaming views in the first half of 2022 (a "normal" period) were down 24% on the corresponding period in 2021, but were still 2% higher than the first half of 2020 (despite that period covering the first lockdown).

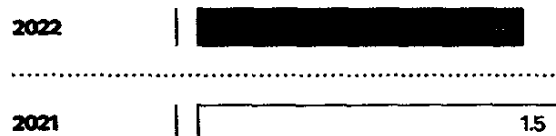
In the second half of 2022, streaming views were 5% higher than the same period in 2021 (and 14% up on the same period in 2020). This growth in the latter half of the year is impressive given that Channel 4 was competing with the FIFA World Cup – which ran for a full month in November and December, driving viewing on the BBC and ITV – and the highly marketed launch of ITV's new iTVX streaming service.

On linear, Channel 4 attracted a 9.9% share of all linear TV viewing across its TV channel portfolio; a 0.4-percentage-point decline, returning to the same level as 2019.

The main channel's viewing share was 5.8% in 2022 (59% of Channel 4's overall portfolio share). It was down by 0.3 percentage points year-on-year. Along with the Covid-19 impact referred to above, another key factor driving the decline was the presence of major events in 2022 – in particular, the men's football *World Cup* and the Queen's funeral, coverage of which drew large audiences to the BBC and ITV. Meanwhile, Channel 4's performance in 2021 was boosted by its coverage of the *Tokyo 2020 Paralympic Summer Games*, and there was no comparable event of that scale to contribute to viewing in 2022.

Viewing to the digital channels dropped marginally, by 0.1 percentage point, from 4.2% in 2021 to 4.1% in 2022. At the individual channel level, all changes were very small (less than ± 0.1 percentage point): E4 grew its share slightly this year, by 0.07 percentage points, while More4, Film4 and the group comprising the Box music channels and 4Music each fell by between 0.03 and 0.06 percentage points. This resulted in the slight overall decline (just 0.06 percentage points, when expressed to two decimal places).

Total streaming views (bn)



Linear viewing share



[‡]Selected metrics were subject to independent limited assurance by Deloitte LLP.

■ Main channel □ Digital channels

Total time with Channel 4 on streaming and social channels

Total viewing minutes

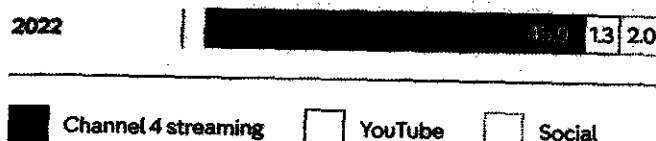
49.2bn[‡]

In a new metric, audiences spent a total of 49.2 billion minutes across the year viewing Channel 4 content on streaming and social channels in 2022. The large majority of this time – comprising 45.9 billion minutes, equivalent to 93% of the total – related to viewing of Channel 4 content on streaming, which is available as a mobile app, a TV app and via web browsers. Channel 4 streaming offers viewers a mixture of catch-up, archive and exclusive acquired content as well as live streams of Channel 4's linear TV channels.

Viewing of Channel 4 content on YouTube – a mixture of full episodes of programmes, clips and dedicated digital-first content (such as the *Channel 4.0* strand, which is home to new social formats from content creators) – accounted for another 1.3 billion minutes (3% of the total). Content viewed on Facebook and Snapchat (the two social channels for which reliable viewing data is available) comprised the remaining 2.0 billion minutes (4% of the total).

Note that the skew towards viewing on Channel 4 streaming is both because this is an established service available on the main mobile and smart TV platforms, and because most of the viewing on Channel 4 streaming is of full-length TV programmes, which remain the dominant form of content produced by Channel 4, and which are typically longer in duration than individual pieces of content made specifically for digital and social channels.

Total viewing minutes (bn)



[‡]Selected metrics were subject to Independent limited assurance by Deloitte LLP.

24-point lead

Viewers rank Channel 4 the highest for showing "different kinds of cultures and opinions in the UK" (2021: 24-point lead) and we're also the top choice among 16-34-year-olds

All-star disabled team

Channel 4 was the first broadcaster at a world-class sporting event to have a 100% disabled presenting team, at the *Beijing 2022 Paralympic Winter Games*

80%

of viewers agree that Channel 4's *Proud All Over* season brought important but difficult issues to a mainstream audience – and three-quarters regard Channel 4 as the leading broadcaster for raising awareness of social issues and giving a voice to the under-represented



Channel 4 represents the diversity of the United Kingdom

As a mainstream broadcaster catering to mass-market audiences, and with diversity at the heart of its public remit, Channel 4 has a unique position in representing the richness and complexity of the UK.

Whether it's through live sporting moments that unite the nation, a weekly political talk show that offers wide-ranging opinions, a nationwide celebration of Pride or introducing new diverse faces to our viewers throughout the year, our content ensures that viewers from all walks of life can see themselves and their experiences reflected on screen.

By showcasing programmes that represent the broadest range of viewpoints, cultures, regions and communities of the UK, we are able to help bridge divides and foster greater understanding between groups that often seem to be increasingly isolated in modern Britain.

In 2022, Channel 4 recorded a substantial 24-point lead over the average of its competitors when audiences were asked how strongly they associated each brand with showing "different kinds of cultures and opinions in the UK".

Representing the UK cont.

The Andrew Neil Show: Exploring all perspectives

Marking our commitment to challenging established views and bringing insights from a wide range of angles and perspectives, we launched a brand-new political discussion programme in May, helmed by renowned journalist and broadcaster Andrew Neil.

Broadcast every Sunday evening and produced by ITN, *The Andrew Neil Show* examines the biggest issues of the moment, featuring debates and discussions with decision-takers and newsmakers from across the political spectrum. The result is a lively topical show that manages to be fair, impartial and considered.

In politically polarised times, it is challenging to get the balance right on political talk shows. *The Andrew Neil Show*'s success in achieving this was demonstrated by the praise it drew from both sides of the political spectrum, with *The Guardian* saying that Neil was "back to his best", and *The Telegraph* saying it was "good to have the old bulldog back".

The 10-episode first series became essential viewing during a turbulent time in politics and was quickly recommissioned for a second 10-part run in the autumn, with its running time extended from 35 to 45 minutes.

Former Chancellor of the Exchequer George Osborne and ex-Shadow Chancellor Ed Balls joined Andrew as regular commentators in the second series to help dissect the latest news stories and pose questions to those in power. The trio tackled issues such as immigration, falling living standards, public sector pay and industrial action.

"We try each week to cut through the noise to give people insightful interviews and analysis they can't get elsewhere," says Neil.

As word of the show's appeal quickly spread, viewing for the second series jumped by 22%, with viewers treated to a diverse line-up of guests, and the show has regularly generated news-making headlines.

↓ The Andrew Neil Show





As a longstanding champion and ally of the LGBTQ+ community, we set out to spread Pride nationwide with our Proud All Over campaign.

A proud celebration

As a longstanding champion and ally of the LGBTQ+ community, we set out to highlight the extent to which Pride celebrations have become a recognised part of the summer festival season in towns big and small across the UK, with our Proud All Over campaign in June.

Marking the 50th anniversary of the Pride movement, the campaign shined a light on the smaller, less heralded Pride events across the country, challenging the idea that people must go to London or other big cities to celebrate.

Proud All Over kicked off with a TV trailer featuring comedian Tom Allen taking a psychedelic 'trip' around the country encouraging everyone to celebrate Pride. The trailer reached 44% of the adult population, with two-thirds of viewers agreeing it reflected the diversity of the UK and brought important issues to a mainstream audience.

The TV spot was complemented by a billboard campaign that celebrated 40 regional Pride events the length and breadth of the country, with tailor-made straplines such as 'Queer as Folliesstone' and 'Hallel May Cause Excitement to Your Wedding'.

Proud All Over expanded in a long weekend of LGBTQ+ themed landmark programming and special on Channel 4. Some of our most popular shows have given Pride Month makeovers, such as *Celebrity Gogglebox*, *Noted Attention* and *First Dates*. There were also two new factual commissions. *The Extraordinary Life of Janet Atkins* told the remarkable story of the transgender pioneer, while *Freedom: 50 Years of Pride* explored the past and future from *The Telegraph*. "This was precisely the sort of high quality, accessible, distinctly British programming that Channel 4 should be making."

The Lucan's Big Gay Party formed the climax of the Pride season. Planned over four days, it was a celebration of the LGBTQ+ community in the heart of the city. The event was a mix of music, food, and drink, with a focus on community and inclusivity. The event was a success, with many people attending and enjoying the day. The event was a mix of music, food, and drink, with a focus on community and inclusivity. The event was a success, with many people attending and enjoying the day. The event was a mix of music, food, and drink, with a focus on community and inclusivity. The event was a success, with many people attending and enjoying the day.

Representing the UK cont.



Q&A

Joe Lycett

Q What does Pride mean to you?

A For a long time I didn't really get Pride. I couldn't understand how I could be proud of something I didn't have a choice in. I didn't choose to be bisexual. But as I've grown, I've realised I did have a choice, a choice to be open and brave and say, "this is who I am". I think Pride is many things to many people, but to me it's pride in taking that leap.

Q Pride events very much vary in scale from Brighton, London and Manchester to smaller events in towns and villages across the country. Do you think it's important that all towns celebrate Pride?

A I'm a big advocate for the smaller Pride parties. The big ones are fantastic in lots of ways, but I love it when Pride can come to local communities.

Q What are your best memories of Pride over the years?

A I met a lesbian couple at Pride once who had just got married. Their biological families had rejected them and so they decided to go to Pride for their wedding party because, in their words, they wanted to be "with our family". That's what it's all about to me.

Q Channel 4 has proudly championed LGBTQ+ content for 40 years now. How important is that to you?

A It's great Channel 4 is championing LGBTQ+ voices and stories. They've been at the forefront of this stuff for a long time, and it was always the channel I loved growing up, commissioning bold shows that no one else would. So much queer talent is launched by Channel 4, myself included. It does more for us than we know.



Representing the UK cont.

Driving long-term change through the industry

Sitting at the heart of Commissioning, Channel 4's Creative Diversity team works across all genres and platforms, and helps to ensure that our output reflects a wide diversity of perspectives – empowering creatives from different backgrounds and ensuring that we remain relevant to all audience groups.

2022 saw the relaunch of Channel 4's Commissioning Diversity Guidelines. Motivated by the invaluable learnings from 2021's Black To Front Project, the Commissioning Diversity Guidelines for indies were reviewed and renewed, with a clear focus on increasing diverse talent participation on and off screen.

The new guidelines, which came into effect in August, now include regional representation for ethnically diverse off-screen talent; compulsory inclusion of disabled off-screen talent in teams; a requirement for ethnically diverse talent within senior leadership; and consideration of production spend for ethnically diverse and disabled talent, rather than simply headcount, due to the meaningful impact this can have on all roles in production teams. Any programmes that are greenlit are now asked to adhere to the new guidelines. By working in partnership with producers, we hope to achieve systemic change in the industry, leading to equitable experiences both on- and off-screen for all under-represented talent.

A new Disability Code of Portrayal was also published during the year, with the aim of strengthening the portrayal of disabled people on television. A first for the industry, the code provides a set of guidelines for both Commissioners and programme makers, covering ways to deliver authentic, nuanced, original representation, including to ensure disabled people are shown as well-rounded characters who are more than just their conditions or impairments.

The Creative Diversity team's outreach work this year included the RISE mentoring scheme, which supported seven mid-to-senior-level disabled talent with career progression; race fluency training for Channel 4's Executive and leadership groups; the launch of Channel 4's second Indie Accelerator, in which six ethnically diverse-led indies receive coaching, masterclasses and meetings with Commissioning Editors; and the Momentum project, which supported 60 regional Black filmmakers with mentoring and participation in two showcase events in Leeds and London to help progress their careers. The year was capped with Channel 4's Inclusion Festival, which celebrated 40 years of inclusion and diversity across our programmes.



↓ Unapologetic

Representing the UK cont.

Representing British culture through sport

Channel 4 continues to build on its ground-breaking coverage of Paralympic sport, bringing some of the most thrilling sporting events to the screen while transforming public perceptions of disability.

By challenging negative stereotypes, we're able to provide greater visibility and understanding of the experiences and perspectives of disabled people. For its coverage of the *Beijing 2022 Paralympic Winter Games*, Channel 4 used an all-star disabled presenting team – a global first for a broadcaster at a world-class sporting event.

Award-winning Paralympic presenter Ade Adepitan helmed the daily highlights show, with former rugby player Ed Jackson and Paralympic triathlete Lauren Steadman bringing the *Breakfast Show* to viewers. Recently retired Paralympic swimmer Ellie Robinson and racing car driver Billy Monger were on-screen reporters, with former sit-skier Sean Rose as pundit, while Arthur Williams led the overnight sports coverage.

"Channel 4 is a world-leading organisation in disability inclusion. They are exactly what public sector media is all about, having the bravery to say, 'We will be the first to do that'," said Andrew Parsons, President of the International Paralympic Committee. "This is change starting with sport."

We kicked things off with a heart-pounding trailer, shot from the point of view of visually impaired ParalympicsGB alpine skier Millie Knight, depicting what it's like hurtling down a ski slope at nearly 70mph with just 5% vision.

There followed 86 hours of round-the-clock Paralympics coverage from China – all available on free-to-air television – plus streaming on Channel 4's YouTube channel. All our live content was subtitled, and we enhanced our commitment to accessibility with a highlights show on More4 each day that included both audio description and visual signing – making *Beijing 2022* the most accessible Winter Paralympics yet to TV viewers.

Channel 4's coverage of the Games reached 6.9 million people in total (11% of the TV population) across its linear TV channels. High proportions of viewers agreed that the Games made them think about the challenges facing those that are disabled in a different way (69%) and that the coverage brought important but difficult issues to a mainstream audience (67%).

Uniting the country through sport

In 2022, Channel 4 was crowned Sports Network of the Year at the SJA British Sports Journalism Awards, an incredible achievement for the broadcaster, beating the traditional heavyweights of sports broadcasting.

Our success was due to our nimble approach to securing sports rights – always looking out for new partnerships to bring the biggest sporting moments to the nation – as well as our innovative and diverse coverage.

In football, for the first time in Channel 4's history, we became the home of the Three Lions, securing live coverage of England's matches in the *UEFA Nations League*, European Qualifiers to *UEFA Euro 2024* and *International Friendlies* until 2024 – the first time that England's UEFA Nations League games will be broadcast on free-to-air television. Our coverage of the six live matches broadcast in 2022 reached 21 million viewers, almost triple that of Sky Sports' Nations League coverage in 2020.

In 2022, we revved up our motorsport coverage, bringing racing fans live coverage of the *British Grand Prix* at Silverstone, which saw Ferrari's Carlos Sainz claim his first-ever Formula One victory.

We brought live *Super League* rugby to free-to-air TV for the first time in its 26-year history, with Adam Hills and Helen Skelton presenting our coverage of the season. The ten live games and Grand Final wrap-up show reached a total of 3.9 million viewers (6.3% of the TV population).

Thanks to a deal with Sky, cricket fans didn't have to miss a ball: the *ICC Men's T20 Cricket World Cup Final* in November was live and free on Channel 4. An average of 900,000 viewers watched England defeat Pakistan by five wickets at the Melbourne Cricket Ground, over triple the slot average.

We became the UK's exclusive free-to-air TV home of the *ABB FIA Formula E World Championship*, attracting new fans to the excitement of all-electric street racing. We broadcast the entire season of the 2022 W Series, the international single-seater motor racing championship for women drivers.

And at the start of the year, we announced a special deal with the *Professional Fighters League (PFL)* to bring the hugely popular mixed martial arts series to Channel 4.



“ This is change starting with sport.

Andrew Parsons, President of the International Paralympic Committee

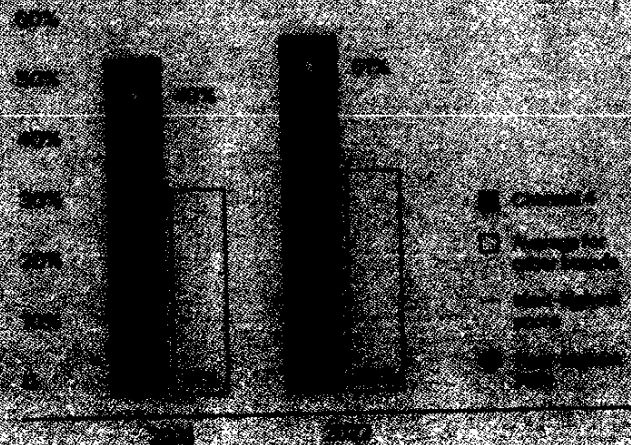
57%†

Channel 4 scored more highly than any other brand when audiences were asked to what extent they associated each and every channel with a different kind of cultural and opinion in the UK*, with 57% agreeing that Channel 4 performed 'strongly' or 'very strongly' in 2000.

Channel 4 achieved an overall level of 44 percentage points over the nine sub-segments of the other brands, whose individual scores ranged from 35% (Channel 5) to 53% (BBC1). The UK three channels generally performed better on the criteria of 'strongly' or 'very strongly', and the other three (BBC2, ITV and Channel 5) did not reach the average score of 40%. Even the Channel 5 score was a significant 10 percentage points below the average score of 40%.

The results show that Channel 4 is perceived as the most culturally and opinion-oriented channel in the UK, with 57% of audiences agreeing that it performed 'strongly' or 'very strongly' in 2000. This is a significant achievement, particularly in the context of the UK's multi-channel environment, where Channel 4 is the only channel to have achieved this level of audience approval.

Channel 4 shows different kinds of cultural and opinion in the UK



Representation of on-screen contributions who are female, ethnically diverse, disabled or LGB*

Channel 4 seeks to make sure that its programmes reflect the full diversity of the UK, so that everyone watching has their diversity represented. As a commitment to this, Channel 4's on-screen content is subject to the same diversity and inclusion criteria as the programmes it commissions – with the aim of not under-representing on TV – in large audiences.

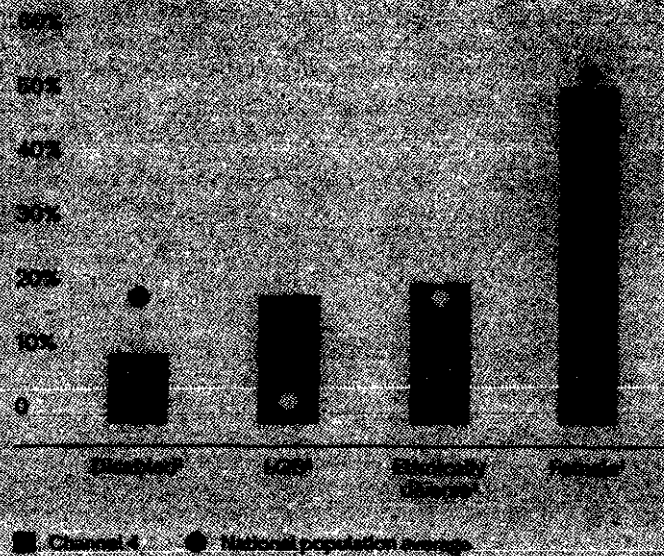
For the first time, we are reporting on performance in the Channel 4 on-screen data from the new broadcaster Diamond system that was established by the Public and City Unit (owned by the Creative Diversity Network – CDN) to ensure how well they are doing in terms of on- and off-screen diversity and to track their progress over time. The Diamond system works by asking anyone who is involved in the making of new UK TV programmes to voluntarily supply information on their personal characteristics. This information is then anonymised and aggregated so that the performance of individual channels can be calculated.

In 2022, the Diamond system recorded more than 850,000 on-screen contributions across the programmes that Channel 4 transmitted in the year. Based on a 32% completion rate, the results show that Channel 4 matched or exceeded the national population statistics for three of the four metrics. Women represented 50% of all on-screen contributions on Channel 4, more or less in line with the national population estimate (51% of the UK population are female). Ethnically diverse people accounted for 19% of on-screen contributions, a figure that exceeded the national population estimate of 18% by 1 percentage point. And people who identified as being lesbian, gay or bisexual

represented 10% of all on-screen contributions, an impressive 15 percentage points above the national population estimate of 5%.

The results for the fourth metric are more concerning. The latest CDN report highlights the under-representation of disabled people across UK programmes in general, and this is reflected in Channel 4's figure: they accounted for 3% of contributions to Channel 4's programmes in 2022, 10 percentage points below the 13% of people in the UK population identifying as disabled. Addressing this underperformance is an important challenge for Channel 4, which is taking steps to drive change through its *Amplify & Enable Disability Strategy* (which was launched in 2021), new disability portrayal guidelines, and as part of CDN's *Boosting Disability Initiative*.

Proportion of on-screen contributions who are female, ethnically diverse, disabled or LGB*



*Data based on those who shared their data with Channel 4. Channel 4's on-screen content was subject to independent limited audience research by Kantar.



Harassment: The Truth

Challenging our audiences

50%

of Channel 4 viewers say that Channel 4's programming
has inspired them to think differently

674m

views of *Channel 4 News* content globally in 2022 (2021: 359 million)
– of this total, 588 million views related to new content uploaded
in 2022 – almost 70% more than the corresponding figure for
ITV News and more than 10 times that of *Channel 5 News*

25-point lead

Viewers rank Channel 4 the highest for "pushing boundaries",
with a 25-point lead above the average of our competitors
(broadcasters and streamers) (2021: 25-point lead)





← Inside the Stein Machine: Untold

Channel 4 challenges viewers and inspires debate

At the heart of Channel 4's remit is our commitment to making content that challenges viewers and encourages them to think critically about the world around them.

In an increasingly polarised world in which social media filter bubbles narrow the range of perspectives that people see, and in which it can be difficult to differentiate reliable information from the rest, we play a vital role helping people develop more complex and nuanced perspectives on social, political and cultural issues. As a result, they can become more engaged citizens and drive positive social change.

Whether it is through our award-winning news and current affairs coverage, finding new ways to challenge younger viewers, or sparking debate and discussion through thought-provoking content that simultaneously entertains and challenges our audiences, our programming plays a role in both reflecting and shaping British society's modern values.

Channel 4 seeks to innovate by pushing the boundaries of traditional storytelling (in terms of format, use of talent or filmmaking approach) and subject matter (dealing with content not typically featured on TV) as well as technological and scheduling innovations. In 2022, one-third (34%) of our new programmes included at least one of these elements of innovation – an impressive proportion at a time when competitive pressures lead many broadcasters to double down on existing hits and just offer their audiences more of the same.

Challenging our audiences cont.

A newsworthy year

As the only daily hour-long news programme transmitted in peak-time on the main PSM channels throughout the year, *Channel 4 News*' extended running time enables stories to be covered in more depth and from more angles.

In 2022, the weekday evening programme was watched by an average of 603,000 viewers. Its performance strengthened year-on-year: absolute levels of viewing grew by 2% among all individuals and held steady for 16-24-year-olds – an impressive feat at a time when total linear TV viewing has declined significantly. Alongside BBC Two's *Newsnight*, *Channel 4 News* was the only national PSM weekday evening news programme to grow year-on-year in volume terms, with the other PSM news programmes (on BBC One, ITV and Channel 5) all posting declines of 10% or more. In terms of audience share, *Channel 4 News* was up by 15% for all individuals and by a substantial 34% among 16-24-year-olds.

In a year that was dominated by conflict overseas, *Channel 4 News* continued its proud record of outstanding foreign news coverage, which came to the fore in its now BAFTA-nominated presentation from Ukraine as Russia mounted its full-scale invasion, as well as the reporting from Jamal Osman, who obtained rare access to extremist group Al-Shabaab.

At home, the teams delivered stand-out programming to mark Her Majesty The Queen's Lying-in-State and State Funeral. Across the year, we highlighted real-life stories from communities nationwide, including emotive portrayals of those struggling with the rising cost of living.

Reaching audiences on digital and social

Channel 4 News has been steadily growing its presence on digital platforms in recent years, in recognition of the need to make its content available wherever its potential audiences – young people, in particular – are spending their time. This strategy has been a great success, leading to almost two billion minutes of content being viewed across all social platforms in 2022. Focusing on the two platforms for which 2021 figures are available, viewing minutes of *Channel 4 News* content trebled year-on-year on YouTube and more than doubled on Facebook.

The data on total views is also impressive: there were 674 million views of *Channel 4 News* content globally in 2022. Of this total, 588 million views related to new content uploaded in 2022, almost 70% more than the corresponding figure for *ITV News* and more than ten times that of *Channel 5 News*. Across YouTube, Facebook and Twitter, global views for *Channel 4 News* increased by 88% year-on-year, while engagements were up by 64%.

Channel 4 News continued to expand its output to new platforms. The most significant development this year was adding video to its successful podcast *The Fourcast*, which first launched on audio platforms in 2020. *Channel 4 News*' digital output has attracted huge global audiences, with close to 12 million social followers and averaging over 60 million total video views monthly on socials.

YouTube remains *Channel 4 News*' biggest digital platform, helping to bring young-skewing audiences to its output. 40% of our audience on YouTube is aged under 35. TikTok is the fastest-growing of the main social platforms for *Channel 4 News*. 65% of our audience on TikTok is under 35, and the number of followers grew more than tenfold, from 25,000 in 2021 to over 300,000 in 2022. This growth was driven largely by our outstanding Russia- Ukraine war coverage, as well as an increase in the quantity, quality and timeliness of our content.

Co-hosting from Leeds

In a major break from the past, 2022 saw *Channel 4 News* begin its dual-location presentation from its offices in Leeds and London. Delivering programming live four nights a week from its two bases, the programme has a renewed focus on its reporting from across the UK with reporters based in the Nations and Regions.

The year saw *Channel 4 News*' Leeds-based team grow. And under the stewardship of a newly appointed Head of Regions, a dynamic new editorial team will continue to drive best-in-class journalism, alongside a new, embedded digital hub to continue to engage broad and diverse online audiences.

As part of this, the news team will move into a new purpose-built studio and newsroom in 2023, extending the programme's commitment to regional production. This investment in local production infrastructure will contribute significantly to the evolving cultural economy in the North of England and represents an important contribution to *Channel 4's* 4 All the UK strategy.

Tackling the big issues

Channel 4's award-winning current affairs programming explores subjects that are topical, hard-hitting and always original. Standalone pieces highlighted issues facing Britons today and helped to drive the national conversation – from *Britain's Next PM: The Conservative Debate* with 1.9 million viewers, to *Davina McCall: Sex, Mind and the Menopause*, which explored how the menopause can affect the mind as well as the body, and *Undercover: Sexual Harassment – The Truth*, which exposed the harsh reality of sexual harassment of women and girls in Britain today.

In 2022, *Dispatches* tackled important topics across 19 episodes, ranging from the up-close story of the Battle for Kharkiv, to uncovering the truth about delays, cancellations and baggage chaos in Britain's airports, and revealing child labour in Cadbury's supply chain. *Cadbury Exposed* was the most-watched episode in 2022, attracting one million viewers (a 5.5% viewing share).

Unreported World, *Channel 4 News*' international current affairs programme, brought bold and distinctive storytelling to British and global audiences. Its dedicated YouTube channel now counts a global audience of almost 1.4 million subscribers, and the programme won at the prestigious Docs Without Borders Film Festival. The programme's pioneering journalism saw it pick up a number of other prestigious awards in 2022, including presenter and Europe Editor Matt Frei receiving the prestigious Charles Wheeler Award.



88%

year-on-year growth in global online views for *Channel 4 News* across YouTube, Facebook and Twitter

60m

Channel 4 News received over 60 million views per month and has close to 12 million social followers (2021: 54 million views per month and 10.1 million social followers)

1.9bn

minutes of *Channel 4 News* content viewed across all social platforms in 2022

“

It is just a fact that young people don't watch linear television the way older people do, so we take our news to them on whatever platforms and devices they are on.

Krishnan Guru-Murthy

Q How did it feel to step into Jon Snow's shoes as the *Channel 4 News* main London presenter?

A It has been such an extraordinary year to bring people the news. The combination of war in Ukraine, political scandal and turmoil, the devastating impact of high inflation and a new winter of discontent, an NHS mega-crisis and the death of the Queen made it such an intense time to become lead anchor, and those big stories helped us grow our audience in 2022. Obviously, there's a big sense of responsibility in the role too, but at the same time I'm about to celebrate 25 years since I started presenting *Channel 4 News*. So it was not such a strange step for either me or our viewers.

Q Why does reporting news in depth still matter?

A The world is in upheaval, democracies are in crisis, and social media and technology are posing massive challenges to the way we live. People want reporting that challenges orthodoxy, holds power to account, has the space to analyse what's really going on, gives voice to the unheard and is fearless in its pursuit of facts and what lies beneath them. That takes time, expertise, resources and the depth that a programme like ours offers, almost uniquely, on prime-time television and across social media and the internet.

Q How do you engage younger viewers without compromising on any of *Channel 4 News*' core principles or values?

A The idea that young people aren't interested in in-depth analysis and challenge, have low attention spans and basically want entertainment is total nonsense. It is just a fact that young people don't watch linear television the way older people do, so we take our news to them on whatever platforms and devices they are on. It has always been obvious to me since I started out in youth and children's television that young people have a huge thirst for the kind of things we do at *Channel 4 News*. The growth in our digital audience makes that undeniable.



Challenging our audiences cont.

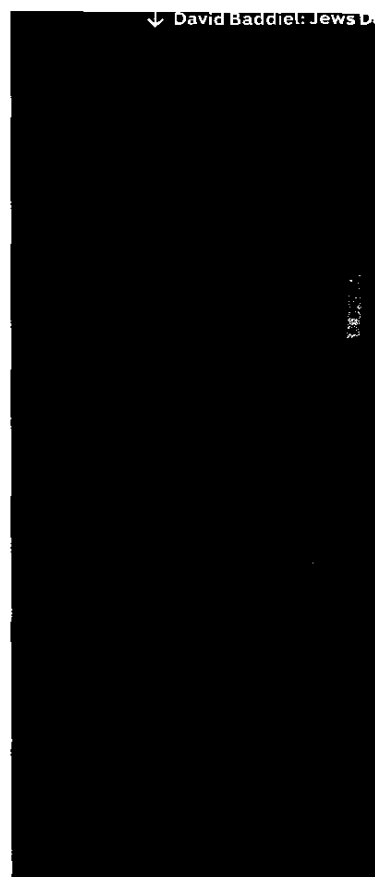
Untold: Challenging teens

As part of our efforts to bolster the range of programmes reflecting the lives and interests of younger viewers, we launched a brand-new investigation series called *Untold* in 2022, with brave, informative and entertaining documentaries that tackle topics that young people care about.

An offshoot of our longstanding *Dispatches* strand, *Untold* dives into unique and hidden true stories, and features diverse and authentic voices from across the UK. Highlights of the first season include *Gay Under the Taliban*, which followed the shocking story of four LGBTQ+ Afghans as they struggle to survive under the brutal oppression of the Taliban regime, *Life After Love Island*, which unveiled what life is like for reality TV stars after the show ends, and *The Secret World of Incels*, which investigated the dark world of incels and uncovered shockingly violent content being shared online.

Inside the Shein Machine saw reporter Iman Amrani investigate the world's most popular fast-fashion giant, as hidden cameras went inside its factories for the first time. The documentary uncovered some of Shein's shocking working practices, including paying staff as little as 3p per item, and forcing them to work 18-hour shifts with only one day off per month with no weekend breaks.

The undercover investigation sparked widespread outrage and concern, prompting The Rolling Stones to terminate their licensing deal with the brand. Georgia Portogallo, head of a British online influencer agency, also cut her ties with the retailer, saying the "amazing documentary... really opened my eyes up as to what the factories are like". Shein itself vowed to invest \$15 million (£12.2 million) in improving standards and working conditions at its supplier factories.



David Baddiel: Jews Don't Count

45%

16-34-year-olds accounted for 45% of *Untold*'s 1.6 million views in 2022





"What do you think of when you hear the word 'Jew'?" asks comedian and writer David Baddiel in his agenda-shifting documentary, *David Baddiel: Jews Don't Count*. "Let's ask some Jews."

At a time when antisemitic hate crimes are on the rise, David explores and expands on the central idea that motivated his 2021 book of the same title: that Jewish people are frequently excluded from discussions among progressive people about racial discrimination and minority representation. In other words, 'Jews don't count' when it comes to challenging prejudice and discrimination.

"Antisemitism is difficult to spot and sometimes it happens unconsciously or unintentionally, and that is what the *Jews Don't Count* phenomenon is," he explains. "It's about Jews not being mentioned and not being included when people talk about visibility."

From the propagation of Jewish stereotypes in theatre to antisemitic chanting on the football terraces, Baddiel investigates this political blind spot with well-known Jewish stars in Britain and the United States, ranging from comedian Sarah Silverman to novelist Jonathan Safran Foer to actor Stephen Fry.

"This is a thoughtful, lucid documentary that will speak to the concerns of many Jewish people and invite everyone else to probe their possible biases," wrote the *Financial Times*. "That Baddiel and Channel 4 have already received a torrent of scorn online for making the programme only serves to highlight its importance." The programme averaged 1.2 million views, with one fan tweeting: "What's surprising, and shocking, about #jewsdontcount is it's 2022 and tonight's the first time I've ever watched anything on TV that so clearly articulates the modern Jewish experience in these 'progressive' times."

“

This is a thoughtful, lucid documentary that will speak to the concerns of many Jewish people and invite everyone else to probe their possible biases.

The Financial Times

Challenging our audiences cont.



Celebrating 40 years of taking risks

Channel 4 has been a pioneer of experimental and challenging programming, pushing boundaries and making mischief since its launch in 1982. It was therefore appropriate for us to celebrate our 40th anniversary with a special *Truth and Dare* season of daring and risky programming.

At the heart of the season, which ran from October to December, were daring new commissions that demonstrated that Channel 4's remit to take risks is as relevant in the 2020s as it was in the past. The top-performing title, attracting 1.5 million viewers, was a *Friday Night Live* special that saw original host Ben Elton reuniting some of the iconic show's 1980s stars along with a new wave of stand-up and character comedians. The show captured the verve and energy of the classic series, with *The Telegraph* calling it "thrillingly urgent" while *The Times* wrote that "Elton has still got it, oh yes he has".

The season covered a broad range of subjects: *Prince Andrew: The Musical* was a hilarious, all-singing, all-dancing reimagining of the Duke of York's very public fall from grace; while *My Massive ***** was an eye-opening documentary about the hidden minority of men who have extra-large penises – its sensitive approach saw *The Guardian* write that "sniggering turned to sympathy and crudity gave way to compassion". *Made in the 80s: Decade That Shaped Our World* showed us the UK boffins who imagined today's top tech, and *Jimmy Carr Destroys Art* delved into whether work by morally despicable artists still deserves to be seen.

Together, these *Truth and Dare* commissions reached 13.3% of the TV population across their linear TV transmissions and generated 1.2 million streaming views on Channel 4 over the campaign period, with 82% of viewers agreeing that the programmes felt true to Channel 4's risk-taking roots.

Alongside the new commissions, the season offered a curated selection of some of our most radical and risky classic titles from the archives on streaming, including *It's A Sin*, *Skins*, *Brass Eye* and *Shameless*. These were showcased in a brand trail, which served as a nostalgic reminder of just how controversial and influential Channel 4's programming has been over the years, according to 72% of viewers.

"These are the kind of irreverent, thought-provoking and hugely entertaining shows that no other broadcaster would air," said Ian Katz, Channel 4's Chief Content Officer. "If we must age, we plan to do it disgracefully."



↑ *Jeremy Kyle Show: Death on Daytime*

“

These are the kind of irreverent, thought-provoking and hugely entertaining shows that no other broadcaster would air. If we must age, we plan to do it disgracefully.

Ian Katz, Channel 4 Chief Content Officer



Challenging our audiences cont.

SMCP metrics dashboard

“Channel 4 pushes boundaries”

Respondents believe that Channel 4 “pushes boundaries”

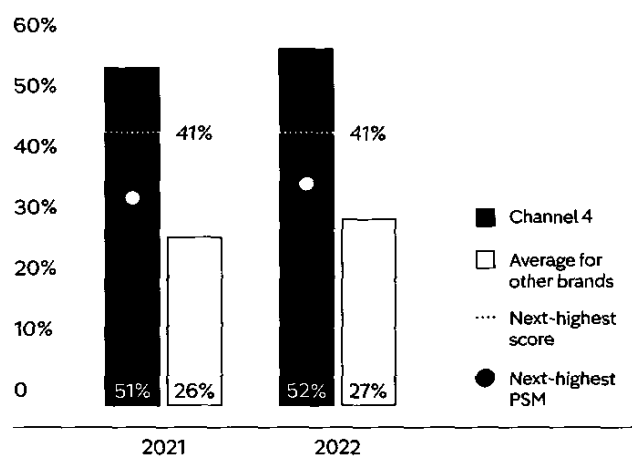
52%‡

Channel 4 was by some distance the highest-scoring brand when audiences were asked to what extent they associated each brand with “pushing boundaries”. 52% of respondents agreed that Channel 4 performed strongly* on this measure in 2022. This compares to other brands’ scores that ranged from 15% (Disney+) up to 41% (Netflix). This gave Channel 4 an overall lead of 25 percentage points over the average score of the other brands (which was 27%). The other PSMs (the BBC, ITV and Channel 5) had a slightly higher average score of 28%, meaning that Channel 4’s lead over them was 24 percentage points.

The gap between Channel 4’s score and that of the next-highest-scoring brand (Netflix) was a substantial 11 percentage points, while Channel 4’s lead over the next-highest-scoring PSM (the BBC, with 31%) was almost double this, at 21 percentage points.

Channel 4’s reputation for pushing boundaries increased slightly year-on-year. Compared to the results for 2021, the proportion of respondents who agree Channel 4 performs strongly and its lead over the next-highest-scoring brand were each up by one percentage point. Its lead over the average score of the other brands held steady.

“Channel 4 pushes boundaries”



*We define a “strong performance” for a brand as one in which respondents give it a score of 7 or more on a 10-point scale.
 ‡Selected metrics were subject to independent limited assurance by Deloitte LLP.

Proportion of viewers who say that Channel 4's programmes make them think differently

Proportion of viewers who say that Channel 4's programmes make them think differently

50%‡

Channel 4's programming seeks to inspire people to think about things in new and different ways, to think about making changes in their lives and – at their most engaging – to actually try new or different things. These different ways of inspiring change are captured in three statements, responses to which allow us to assess how inspiring Channel 4's programmes are each year.

Across the 80 most-viewed first-run programmes on the main channel in 2022 (in all genres other than films and sports)*, 50% of viewers said that Channel 4's programming inspired them in one or more ways this year. This is an impressive figure given that the sample of programmes spans such a broad range of genres.

Broadly speaking, Documentaries have a higher tendency to include thought-provoking subject matter, and the three highest-scoring individual titles, all with scores of over 70%, were in this genre: *Falklands War: The Untold Story* (75% of viewers), *60 Days with the Gypsies* (72% of viewers) and *Jeremy Kyle Show: Death on Daytime* (also 72% of viewers).

We include other genres in this metric as Channel 4 prides itself on inspiring change across its schedules, in programmes ranging from Comedy to Drama to Factual Entertainment to Hobbies & Leisure. Notable performances in other genres this year included *Jamie's £1 Wonders* (65% of viewers – Hobbies & Leisure), *The Great Pottery Throw Down* (62% of viewers – Factual Entertainment), *Screw* (56% of viewers – Drama) and *The Last Leg* (49% of viewers – Entertainment).

*The programme list is derived from the 25 most-viewed first-run titles in each of four quarterly waves, giving 100 titles across the year. The recurrence of some shows in multiple waves meant that there were 80 unique titles this year.

‡Selected metrics were subject to independent limited assurance by Deloitte LLP.

Challenging our audiences cont.

SMCP metrics dashboard

Proportion of viewers who trust Channel 4 to report the news accurately and fairly

Proportion of viewers who trust Channel 4 to report the news accurately and fairly

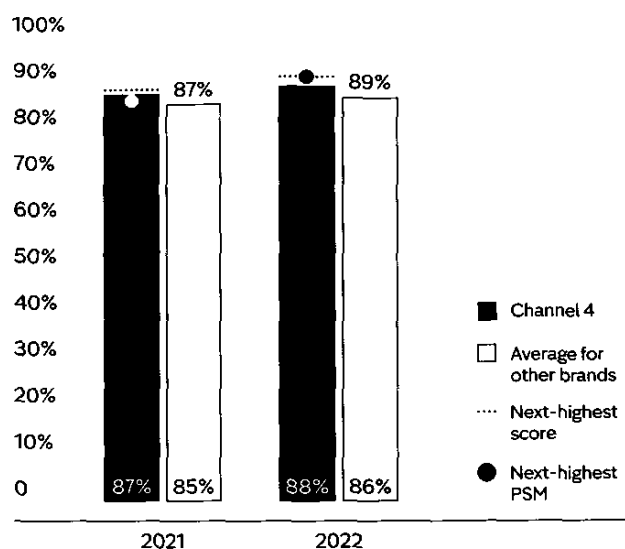
88%[‡]

The impartial and authoritative news services provided by the mainstream broadcasters offer an ever-more important counterweight to the plethora of unreliable sources that populate people's news feeds on social media. The PSMs and Sky all perform strongly on this trust metric, with Channel 4 ranked by viewers as the second-most-trusted broadcaster for news.

In 2022, 88% of viewers to *Channel 4 News* agreed that they trust it to report the news accurately and fairly. Channel 4's trust score was the second highest of the news programmes on the PSMs and Sky, just 1 percentage point behind BBC News (on 89%). With the other broadcasters' trust scores for their news programmes ranging from 82% (Channel 5) up to 87% (Sky), Channel 4's score was 2 percentage points above the average of the other channels.

Year-on-year variations were very small: Channel 4's trust score rose by 1 percentage point in 2022 (2021: 87%). The other broadcasters' average score also rose by 1 percentage point, meaning that Channel 4's lead over the average was unchanged year-on-year. The next-highest-scoring broadcaster in 2021 was Sky, whose news programme had a trust score of 87%, level with Channel 4 in that year. As a result, Channel 4's lead over the next-highest-scoring channel fell by 1 percentage point, from being level (with Sky) in 2021 to 1 percentage point behind the leader (the BBC) in 2022.

Proportion of viewers who trust Channel 4 to report the news accurately and fairly



[‡]Selected metrics were subject to independent limited assurance by Deloitte LLP.

Proportion of new Channel 4 content that is innovative

Proportion of innovative new programmes

34%

Channel 4 seeks to innovate in its programming in a number of ways. It pushes the boundaries of traditional storytelling, for example with new formats, new or surprising talent, or new filmmaking approaches. It also innovates in terms of subject matter, dealing with content not typically featured on TV, as well as technological and scheduling innovations.

In 2022, 34% of our new programmes included at least one of these elements of innovation (68 out of a total of 201 new titles). This is an impressive proportion at a time when competitive pressures could leave many wanting to double down on known hits and established talent and offer audiences more of the same.

The most common type of innovation – present in 43% of Channel 4's new programmes – was for new or substantially redeveloped formats, followed in second place by topics not typically featured on TV (35% of new titles).

Four new titles exhibited at least three different kinds of innovation: *Don't Hug Me I'm Scared*; *Inside the Metaverse Are You Safe?*; *Jimmy Carr Destroys Art* (all on Channel 4); and *Teen Mum Academy* (on E4). E4 in particular pushed boundaries, as 80% of its new titles in 2022 (eight out of ten) contained an innovative element.

Proportion of new Channel 4 content that is innovative



☐ Innovative titles

Reshaping the creative industries

£228m

investment in content made in the Nations and the English Regions across the TV portfolio – a new record for Channel 4 (2021: £222 million)

66%

of hours of first-run originated programmes on the main channel sourced from suppliers based in the Nations and Regions (2021: 66%)

28,000+

training, development and learning opportunities for people via 4Skills, with a focus on young people and those from lower socio-economic and diverse backgrounds (2021: 6,158 opportunities)

Channel 4 creates opportunities and drives growth for all

Channel 4 plays a significant role investing in content and supporting talent across the whole of the UK, in the process acting as one of the most important investors in our creative industries and making an important contribution to the government's levelling up agenda.

Our 4 All the UK strategy ensures that we are serving the whole of the UK and supporting a thriving and world-renowned production sector. Through our 4Skills initiative we are helping to promote economic growth and social mobility, address regional economic disparities and break down barriers so more young people from all places and all backgrounds can join the industry.

In 2022, we continued to build on our success, spending a record £228 million on content made in the Nations and Regions, and sourcing 66% of hours of first-run originated programmes on the main channel from suppliers based in the Nations and Regions (both figures matching or exceeding their corresponding levels in 2021).

We are committed to increasing our impact to even greater levels in the Nations and Regions in the years ahead, further driving growth and opportunities in the creative industries.

Reshaping the creative industries cont.

Delivering 4 All the UK

Through its 4 All the UK strategy, Channel 4 is investing more in creative production companies in communities across the length and breadth of the UK.

The aim of our strategy is to rebalance Channel 4's economic impact away from London and increase our content spend and impact across the Nations and Regions. We are working hard to invest further in creative production companies across the country and to train a new cohort of TV professionals from all places and backgrounds.

Working with around 300 creative companies every year, Channel 4 makes a major contribution to the local, regional and national economy, creating and supporting thousands of jobs and businesses across the UK, and playing an integral role in levelling up regional inequalities of income and opportunity.

Channel 4 continues to grow its commitment to producing outside of London and, for the second consecutive year, we set a new record for our investment. In 2022, we spent £228 million across our TV portfolio on content made in the Nations and Regions – this is 3% up on 2021's then-record level of £222 million.

We sourced 66% of hours of first-run originated programmes on the main channel from suppliers based in the Nations and Regions (equal to 2021).

As a proportion of spend, 52% of our expenditure on first-run originated programmes was sourced from suppliers outside of London – while this is down slightly from 55% in 2021, it continues to be ahead of our 50% target. By the end of the year, we had 485 roles located outside of London and this will continue to increase over the next few years.

↓ Miriam and Alan: Lost in Scotland and Beyond





↓ Living Wild: How to Change Your Life

The impact of our 4 All the UK activities is helping to drive greater representation of people from different parts of the UK on screen. 2022 saw *Channel 4 News* begin its dual-location presentation from its offices in Leeds and London – making it the only national news programme on any of the PSM channels with a daily presenting base other than London – delivering programming live four nights a week from its two bases. Another daily programme, *Steph's Packed Lunch*, is now a staple of the weekday schedules, broadcast live from Yorkshire. Meanwhile, *Living Wild: How to Change Your Life* is made in the Midlands, with Full Fat TV securing a second series, and *Miriam and Alan: Lost in Scotland* won the BAFTA Scotland Award 2022 for Features.

Measuring our impact

To help us track our impact, independent consultants EY carried out quantitative economic analysis of Channel 4's economic contribution to the UK overall and to the Nations and Regions. This research focused on direct and indirect Gross Value Added ('GVA') and the number of jobs Channel 4 supports directly and through its supply chain.

EY calculated that Channel 4 generated £1.2 billion of GVA for the UK in 2021, an increase of 18% since 2019. Of that, £971 million of GVA was generated throughout our supply chain (up 5% since 2019). Vitally, spend in the Nations and Regions supply chain increased by 41% since 2019, to £388 million.

Looking at employment supported by Channel 4, EY found that we supported over 12,000 jobs (directly and in our supply chain) throughout 2021, an increase of 13% since 2019. In the Nations and Regions, the number of jobs we supported grew by 55% since 2019, to almost 4,500 jobs in 2021.

£1.2bn

Channel 4 generated £1.2 billion of GVA for the UK in 2021, an increase of 18% since 2019

£388m

Spend in the Nations and Regions supply chain increased by 41% since 2019

12,000

jobs supported (directly and in our supply chain) throughout 2021, an increase of 13% since 2019

Reshaping the creative industries cont.

4Skills: Finding, nurturing and growing the UK's next generation of creative talent

To turbocharge our efforts to find, nurture and develop talent in the Nations and Regions, we launched 4Skills in 2020, as a training and development initiative with social mobility at its core.





£5m

4Skills budget in 2022
– set to double to
£10 million a year by
2025 (2021: £2.9million)

28,000+

training, development and
learning opportunities provided
by 4Skills to people from young,
lower socio-economic and
diverse backgrounds in 2022
(2021: 6,158 opportunities)

75%

of our flagship Production
Training Scheme trainees
were based in the Nations
and Regions in 2022
(2021: 100%)

Reshaping the creative industries cont.

Based in Leeds and with a budget in 2022 of £5 million (set to double to £10 million a year by 2025), the 4Skills programme provides opportunities to people across the UK, reaching out to untapped talent pools to attract people from under-represented groups who might never have considered careers in television.

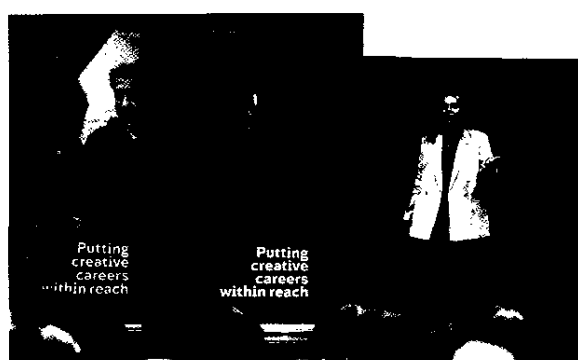
In 2022, we provided over 28,000 bespoke training, development and learning opportunities to people from across the UK, with a focus on young people and those from lower socio-economic and diverse backgrounds.

Channel 4 launched 4Schools, a major engagement project working with schools to open up the world of television and the creative and digital industries to 11-14-year-olds. Over 60 schools took part in 2022, enabling the programme to engage directly with more than 23,000 students across the year, with priority given to those schools for which a higher proportion of pupils are eligible for free school meals. This ensures that Channel 4 can make the greatest impact in those areas with the potential to benefit the most from social mobility.

Channel 4's flagship Production Training Scheme expanded considerably this year, and now supports two cohorts each year – one focused on Scripted companies and the other on Unscripted – compared to just one cohort previously. The year-long, fully paid training programme placed 33 trainees at independent production companies across the UK in 2022. More than 75% of these trainees were based in the Nations and Regions, and the scheme also prioritised candidates who are ethnically diverse, disabled or from lower socio-economic backgrounds.

Our apprenticeship programme is the cornerstone of our strategy for improving inclusion and diversity at Channel 4. We are now supporting more apprentices than ever before, with a commitment that at least half are based outside of London.

We currently have 40 apprentices across the organisation, who work in a variety of departments: from the Data Analytics team in Leeds to Film4 and Technology in London, 4Sales in Manchester and Commissioning in Glasgow.



4Skills live assembly

Following a successful pilot in 2021, Content Creatives – the 4Skills grassroots talent scheme operated in collaboration with 4Studio – went from strength to strength this year, expanding to a 14-week programme and offering 47 placements in Leeds and Manchester across two cohorts.

Alongside its various programmes for new entrants, 4Skills also supports the progression of those already in the industry. Channel 4's longstanding partnership with the National Film and Television School ('NFTS') delivers training opportunities that are spread across the Nations and Regions. In 2022, the partnership delivered a series of free taster days – in Belfast, Birmingham, Bradford, Bristol, Cardiff, Glasgow, Leeds and Newcastle among other locations – to give those under-represented in the industry an opportunity to find out more about careers in film and television, including less glamorous roles that get overlooked but which are critical to productions.

4Skills' commitment to supporting and developing new writing talent includes specific schemes targeted at the Nations and Regions. These include the TV Drama New Writers Scheme (West and South West) which launched in 2022, offering a unique opportunity for new writers to gain the skills needed to forge a successful writing career, and New Writing North, a three-year programme of support for new and emerging television writers in the North of England.



↑ 4Skills Content Creatives 2022 spring cohort

“

My time at Content Creatives taught me how to thrive in a team, how to confidently convey my ideas to others and how to positively use feedback from professionals in the industry to refine my creative vision. Most importantly, it taught me to believe in myself.

Leon, Content Creatives Trainee



Derry Girls

“

This wouldn't have happened anywhere else.
It's such a Channel 4 show.

Lisa McGee, Derry Girls writer and creator

Reshaping the creative industries cont.

Derry goes global

Smash-hit sitcom *Derry Girls* has acquired a massive global audience over the course of its three series. Set in Derry and Belfast in the 1990s, and produced in Northern Ireland, the show follows the lives of five teenagers at a secondary Catholic school during the final years of the Troubles, perfectly capturing the mood and look of its time.

This series could only have been conceived and made by people who grew up in Northern Ireland in that period. Unusually for a comedy, it can legitimately claim to play an important educational role, helping to show younger generations of viewers such an epochal period in Irish history. It encapsulates perfectly how Channel 4's creative and economic impact extends across the whole of the UK.

The final series of *Derry Girls* hit the screens in April. It kicked off with the gang fretting about their GCSE results and ended with their coming of age coinciding with the historic and momentous Good Friday Agreement referendum – the main characters entering adulthood just as Northern Ireland was itself embarking on a new future.

The special extended finale, titled 'The Agreement', was described by *The Irish Times* as "an unforgettable ending to an absolutely masterful show". Many viewers credited it as a powerful history lesson, with one fan tweeting: "#DerryGirls gave me more insight into the politics of Northern Ireland and the Good Friday Agreement than school ever did. And has motivated me to go away, learn more and understand better. All while making me laugh and cry. Incredible programme."

Simon Hoare, Chair of the Northern Ireland Affairs Select Committee, and Chris Heaton-Harris, Northern Ireland's Secretary of State, suggested that the show should be shown in schools across the UK to aid understanding of the agreement and its impact.

Derry Girls grew its audience over the first two series, averaging 2.9 million viewers per episode by season three. This made it the fourth-highest-rating comedy series in Channel 4's history. It was the second-most-viewed comedy series ever streamed on Channel 4 (behind only season 6 of *Friday Night Dinner*). It was also the most-watched show of the year in Northern Ireland across all channels.

"This wouldn't have happened anywhere else. It's such a Channel 4 show," says *Derry Girls* writer and creator Lisa McGee. "I know lots of other Northern Irish writers are going, 'Look at *Derry Girls*' and feeling inspired because we didn't have any sitcoms at the time really."

Steph's Packed Lunch: Live from Leeds

Born in the Regions and broadcast live from Leeds Dock, *Steph's Packed Lunch* has become a national hit and cemented itself as a weekday telly staple.

Produced by Expectation in partnership with West Yorkshire-based Can Can Productions, this 'lunchtime pick-me-up' brings viewers a daily dose of entertainment, lifestyle and topical news with celebrity guests, fantastic food and captivating real-life stories from across the UK.

Host Steph McGovern is joined by an on-screen family of well-known faces including John Whaite, Denise van Outen, Baroness Sayeeda Warsi, Dane Baptiste, Reverend Kate Bottley, Freddy Forster and Alan Johnson. The show has viewers at its heart and regularly features a cost-of-living clinic, in which Steph and a variety of experts offer advice on subjects ranging from mortgages to utility bills to help for people on low incomes. A weekly cash clinic offers the latest money-saving tips and bargains and the regular feature Small Business Market showcases independent businesses.

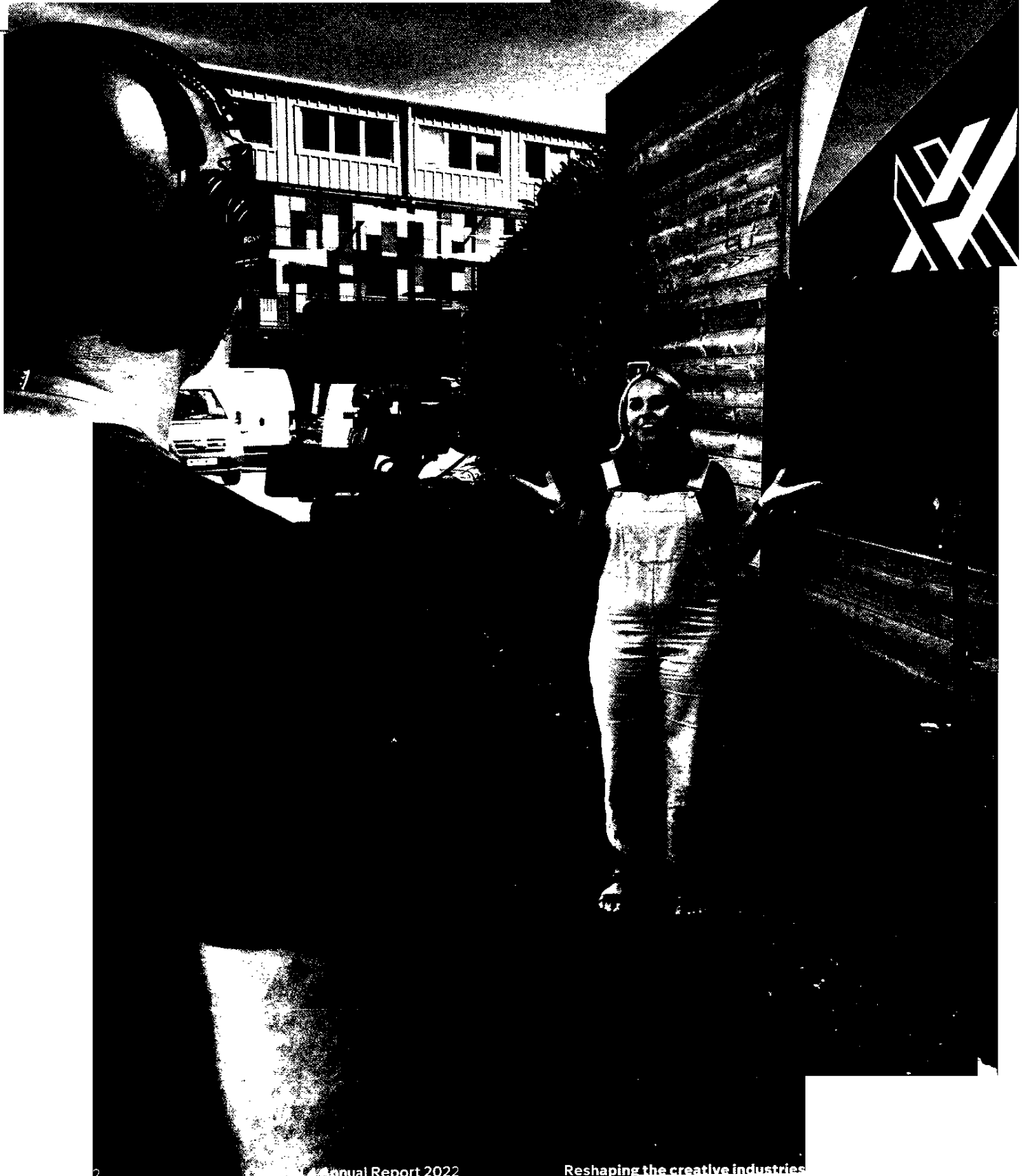
This year, *Steph's Packed Lunch* was nominated in the Daytime category at both the BAFTA Television Awards and TRIC Awards and shortlisted for Best Daytime Programme at the Broadcast Awards, while Steph was nominated for Best Presenter at the RTS Programme Awards.

In May, the programme – which faced a challenging launch when it initially aired live from the presenter's front room during the Covid-19 pandemic – was recommissioned by Channel 4 until the end of 2023 in recognition of its steadily growing viewership. This year saw its highest share to date in Q1 (averaging a 3.4% share of viewers across the first 69 episodes) and averaging a 3.1% share viewers in 2022 overall.

Steph's Packed Lunch has built a strong training ground for production and editorial talent in Yorkshire, with staff who joined the team as runners, researchers and assistant producers already achieving promotions to more senior roles. "I love that we're broadcasting live every day from Leeds, which has meant we've been able to create opportunities in and around the area for lots of different people from all walks of life," says Steph.



↑ Steph's Packed Lunch



Reshaping the creative industries cont.

SMCP metrics dashboard

4Skills in 2022

Opportunities provided by 4Skills

28,000+

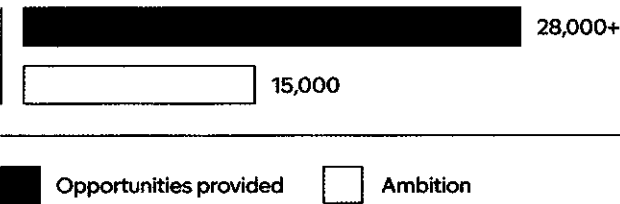
Channel 4 launched 4Skills in 2020 to help find, nurture and grow the UK’s next generation of creative talent. Based in Leeds and with a budget in 2022 of £5 million (set to double to £10 million a year by 2025), the 4Skills programme provides opportunities to people across the UK, reaching out to untapped talent pools to attract people from under-represented groups who might never have considered careers in television.

In 2022, 4Skills provided just over 28,000 training, development and learning opportunities, with a focus on young people and those from lower socio-economic and diverse backgrounds. This figure exceeds the ambition set for the year of 15,000 opportunities.

4Schools is the largest component of the 4Skills programme, working with schools to raise awareness of careers in television and the creative and digital industries to 11-14-year-olds. Over 60 schools took part in 2022, enabling the programme to engage directly with more than 23,000 students across the year, through face-to-face careers workshops, school assemblies and a range of online content and resources such as videos, lesson plans and quizzes.

Other components of 4Skills target different age groups and career paths. They include work experience and industry training placements, as well as apprenticeships, both at Channel 4 itself and at suppliers and other organisations that we partner with. Some schemes are well established, such as Channel 4’s Production Training Scheme, which has run for more than 15 years, placing trainees at independent production companies around the UK on year-long fully paid programmes. 4Skills also develops new initiatives, such as Content Creatives, which is aimed at young people from lower socio-economic backgrounds who have a passion for creating digital content: after a successful pilot in 2021, this was expanded in 2022 to offer 47 placements in Leeds and Manchester.

4Skills in 2022



Reshaping the creative industries cont.

SMCP metrics dashboard

Spend on originated content outside of London

Total investment in originated content outside of London

£228m[‡]

Channel 4 continues to grow its commitment to producing outside of London, for the second consecutive year setting a new record for its investment (in absolute terms). It spent £228 million across its TV portfolio on content commissioned from production companies based in the Nations and Regions, 3% up on 2021's then-record level of £222 million (a year-on-year rise of £5 million).

Channel 4 also set a record for its expenditure on originated content in the Nations this year, which rose by 19% from £38 million in 2021 to £45 million in 2022 (a £7 million increase year-on-year). Its previous peak Nations spend, of £39 million, was in 2017.

Expenditure in Scotland was £21.1 million, equivalent to 47.0% of the total Nations spend in 2022. With a spend of £18.8 million, Wales accounted for 41.8% of the Nations total. The remaining £5.0 million of the spend (11.2% of the total) was in Northern Ireland.

There was a marginal decline year-on-year in Channel 4's TV portfolio spend on commissions from the English regions, from £185 million in 2021 to £183 million in 2022 (a drop of 1% or £2 million in absolute terms).

With spend in most Regions holding steady or increasing year-on-year, the overall decline was driven by a reduction in spend in the North of England, where the 2021 figure was boosted by major series such as *It's A Sin* and *The Circle* that did not return in 2022. Despite this drop, the North still accounted for the largest amount of spend in the English regions, of £93.3 million (50.9% of the total spent in the English regions in 2022). The South of England was the next-biggest region, with £71.0 million spend, equivalent to 38.8% of the English regions total. With £8.4 million of spend, the Midlands accounted for 4.6% of the total. The remaining 5.7% of spend in the English regions was on multi-region programmes (those made in more than one region), which accounted for £10.5 million investment in 2022.

[‡]Selected metrics were subject to independent limited assurance by Deloitte LLP.

Originated content spend (£m)



■ Total spend – English regions (£m) □ Total spend – Nations (£m)

Proportion of suppliers who are diverse or based in the Nations and Regions

Proportion of suppliers who are ethnically diverse

13%

Proportion of suppliers who are based in the Nations and Regions

29%

Channel 4 has historically played a vital role in supporting the independent production sector, sourcing all of its programmes from external suppliers. As the production sector has consolidated – with some of the biggest companies parts of global media groups that are considerably bigger than Channel 4 itself – our role has evolved and our active support for the sector has become more targeted. Two priority areas are suppliers that are ‘diverse’, and ones that are based in the Nations and Regions. We report here the extent to which diverse and Nations and Regions companies are represented within the total of 209 suppliers that Channel 4 worked with in 2022.

We define diverse production companies as being those for which the main shareholders, the leading decision makers or the creative leaders comprise people from Black, Asian and minority ethnic backgrounds. In 2022, 13% of Channel 4’s total supplier base (27 of the total of 209 companies) were diverse in 2022. The biggest diverse companies this year, in terms of the value of their non-sports commissions from Channel 4, were King Of Sunshine Productions (whose commissions included *Jon & Lucy’s Odd Couples*), Little A Productions (*Big Boys*) and Rogan Productions (*Made in the 80s: Decade That Shaped Our World*). There was a small increase in this figure year-on-year: the share of diverse suppliers rose by 1 percentage point (from 12% of 2021’s total supplier base).

Companies based in the Nations and Regions represented 29% of Channel 4’s total supplier base in 2022 (61 of the total of 209 companies). The Nations and Regions companies with the largest value of commissions in 2022 were Lime Pictures (whose commissions included *Hollyoaks*), True North Productions (*A New Life in the Sun*) and World Productions Wales (*The Gathering*). There was a small decline in this metric year-on-year, with the share of companies based in the Nations and Regions dropping by 1 percentage points (from 30% of 2021’s total supplier base).

Proportion of suppliers who are diverse



Proportion of suppliers who are based in the Nations and Regions



Volume %



£570m

investment in original content across Channel 4's
TV channels and online services (2021: £492 million)

**170 independent
producers**

worked with in 2022 (2021: 164), out of a
total of 319 content suppliers (2021: 294)

**Best broadcaster
for indies**

Independent producers voted Channel 4 as the best broadcaster
to work with in the Broadcast Indie Survey (jointly with the BBC)



Channel 4 works hand-in-hand with indies and emerging talent to drive innovation

Creative partnerships are vital to Channel 4's success. Our unique model incentivises us to work closely with independent production companies and emerging talent, driving creativity and innovation.

Collaborating with other organisations and brands gives us access to new ideas, resources and audiences. This threads through all of our activities, from the television and film content that we commission, the partners that we invest in and help to build, as well as how we work with the industry to drive positive change.

Investing in our partners cont.

Beyond its direct investment in content, Channel 4 also supports creative partners with innovation at their core, through three targeted funds.



The Indie Growth Fund has a remit to generate commercial returns for Channel 4 by investing in largely early-stage production companies, focusing on the Nations and Regions, diverse entrepreneurs and digital content producers. Profits from the fund's ventures are invested back into the delivery of Channel 4's public service remit.

Now eight years old, the fund has invested in 28 companies to date, with 11 exits so far. 17 companies remained in the fund at the end of 2022, the largest figure since the fund's inception. Of these, ten are based out of London, three are led by ethnically diverse founders, five have female founders, one has a founder with a disability and one is a digital-first company. The fund invested in three new companies in 2022 – Rockerdale Studios, Freedom Scripted and Warp Films – and there was one successful sale, of Voltage TV to BBC Studios.

The Emerging Indie Fund aims to nurture emerging indie talent from the Nations and Regions, helping them to grow their business through commissioner support, funding and training. Running for its third year, the 2022 cohort comprised 17 awards, which ranged up to £20,000.

To take part, indies apply for a particular genre, with Commissioning Editors from each genre selecting the winning companies, which receive support through monthly slate development funds and feedback meetings over a period of six months. The Emerging Indie Fund has proved to be a successful catalyst for companies, with participating companies going on to secure more than £12 million in developments and commissions.

Channel 4 Ventures invests in high-growth digital consumer businesses, offering media airtime in exchange for equity. The fund now has 21 active equity investments which had a balance sheet value of £45 million at 31 December 2022 (up significantly from £30 million at the end of 2021).

Despite turbulent market conditions which saw three write-offs in its portfolio, Channel 4 Ventures made four new investments and six follow-on investments this year. New investments included carwow, a leading European reverse marketplace for new and used cars; COAT Paints, a climate positive, premium paint brand; and Swyft, a modular furniture company. The portfolio businesses receiving follow-on investment included what3words, TravelLocal and Strike.

Investing in our partners cont.

Zandland

Liverpool-based documentary film company Zandland joined the Emerging Indie Fund in 2021, creating the BAFTA-nominated *Kingpin Cries* for Channel 4, a six-part digital series exploring the private lives of some of the world's most dangerous crime leaders.

"Zandland is a badass company born out of an aim to make amazing, mind-blowing documentaries, and to help make the TV industry more representative while we're at it," says British-Iranian founder and filmmaker Ben Zand. "We want to shine a light on the darkest corners of the world and ignite audiences around the stories that matter most."

Since joining the fund, the company has become a trusted and successful supplier, creating hard-hitting, well-received films for our digital investigative *Untold* strand (see page 64). This year's titles included *Inside the Shein Machine*, exposing the dark side of fashion and *The Secret World of Incels*, offering unprecedented access into the "involuntarily celibate" community, an online subculture linked to multiple mass murders and hate crimes against women.

"The Emerging Indie Fund was extremely useful for us here at Zandland," says Ben. "It allowed us to form closer relationships with Commissioners and put some real time and effort into longer-term development projects that we otherwise wouldn't have been able to pursue."

↓ *The Secret World of Incels: Untold*



↑ *Inside the Shein Machine: Untold*



Global Format Fund

As part of our Future4 strategy, we launched a new Global Format Fund in 2020. The fund, which will invest a total of £30 million over the coming years, comprises ringfenced spend designed to stimulate the creation of original new formats from UK-based indies, focusing on genres with the greatest potential for success with domestic and international audiences.

Using a rigorous R&D approach, the fund guarantees minimum runs and recommissioning triggers upfront, as well as minimum levels of marketing support. It leverages Channel 4's creative, marketing and audience insights to support producers with their international exploitation of the format. For content in the UK, the Global Format Fund is subject to the current Terms of Trade.

The fund invested £13 million in 2022. Three Global Format Fund series aired on Channel 4 this year: *Moneybags*, *Open House: The Great Sex Experiment* and *One and Six Zeros*. *Moneybags* was a big-money afternoon quiz show hosted by Craig Charles, which was recommissioned after a successful first series in 2021. The series won Best Daytime Programme at the Broadcast Awards, with one judge noting that "*Moneybags* stands out due to its sheer originality, ingenuity, casting, cunning format twists and effervescent host".

Another success was *Open House: The Great Sex Experiment*, a social experiment that followed committed monogamous couples as they explored open relationships. Produced by Firecracker Films, it was Channel 4's highest-rating new series in the 10pm slot for 16-34-year-olds since 2018. It has already been recommissioned by Channel 4 for a second series, acquired by eight territories and optioned in another four.



↓ Moneybags

“

Moneybags stands out due to its sheer originality, ingenuity, casting, cunning format twists and effervescent host.

Judge, Broadcast Awards





In 2022, 15 Film4 feature films went into production alongside five shorts, while seven Film4 titles were released in cinemas. A further five titles premiered at A-list international film festivals.

We are particularly proud of the creative range of the new filmmakers we worked with this year on their debut projects: in *How to Have Sex*, Molly Manning Walker explores the complicated, messy and uncertain sexuality of a group of teenagers on a clubbing holiday in Malia; Amrou Al-Kadhi's *Layla* is an unconventional love story between a non-binary drag performer and a self-assured cis gay man; and Moin Hussain's *Sky Peals* is a sci-fi film about a lonely young man exploring the mysterious disappearance of his father. *Earth Mama*, from writer/director and former Team GB Olympian Savannah Leaf, delves into a young pregnant woman's experience of motherhood and the care system; and Kibwe Tavares' *The Kitchen* is a dystopian thriller co-written by Daniel Kaluuya, starring UK rapper Kano in his first lead film role.

We reunited with a number of acclaimed directors whose careers we have supported in the past, including Rose Glass for her upcoming film *Love Lies Bleeding*; Yorgos Lanthimos for his next feature *AND*; Andrew Haigh for *Strangers* and Thea Sharrock for *Wicked Little Letters*. We were also delighted to establish new relationships with William Oldroyd and Sudabeh Mortezai for their next projects, *Eileen* and *Europa* respectively.

Our documentaries exhibited a similar breadth of subject matter. Arthur Cary's *Cecil* delves into the controversies surrounding the American dentist who trophy hunted a lion in Zimbabwe, Eloise King's *Untitled Scholars Project* recounts the inside story of Kenyan students completing essays for university students in the Global North, and Steve McQueen's World War II documentary *Occupied City* is the Oscar-winning director's fifth project with Film4. Under the 4Love banner, four shorts feature disabled and neurodivergent talent in front of and behind the camera.

This year's Film4 releases kicked off with the international premieres of *Living* and *Brian and Charles* at Sundance in January, both of which went on to enjoy critical acclaim. *Living* was shown at an unprecedented 30 international festivals, and received a BIFA award, as well as receiving Oscar nominations for writer Kazuo Ishiguro and lead actor Bill Nighy. *Brian and Charles* was recognised by British awards juries, receiving a total of three BIFA and BAFTA nominations later in the year.

Film4 had a significant presence at the major international film festivals. May saw the Cannes premiere for Mark Jenkin's *Enys Men*, the follow-up to his award-winning feature debut *Bait*. At Venice, Martin McDonagh's fifth Film4 collaboration, *The Banshees of Inisherin*, received its world premiere before gaining considerable awards success, including four BAFTA wins, and nine Oscar nominations, including Best Picture. *The Son*, Florian Zeller's follow-up to Film4's award-winning *The Father*, also launched at Venice, while Soudade Kaadan's *Nezouh* won the audience award in the festival's Orizzonti strand. The Toronto International Film Festival saw the launch of Basil Khalil's *A Gaza Weekend*, which went on to win the prestigious Fipresci Prize.

As it continues to strengthen relationships outside London, Film4 hosted a nationwide roadshow in Channel 4's regional hubs of Leeds, Bristol and Glasgow. Working closely with Channel 4's 4Skills and Nations and Regions teams, each event featured a student Q&A panel, creative round tables with emerging writers and directors, and networking drinks for production crew and creatives. The events welcomed over 300 attendees in total and enabled the Film4 team to connect with a myriad of new regional talent.

Investing in our partners cont.

SMCP metrics dashboard

Investment in originated content

Total originated content spend (£m)

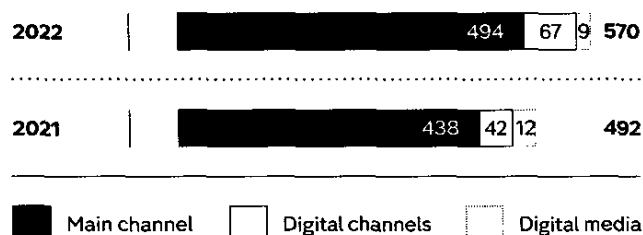
£570m[‡]

As a public service media organisation, Channel 4 delivers its public remit primarily through the original content (primarily television programmes) that it commissions and invests in. Channel 4's total investment in original content (first-run transmissions and repeats) across its TV channels and online services rose by 16% in 2022, to £570 million (an increase of £78 million in absolute terms).

This is Channel 4's highest-ever level of investment in originated content. After five years of challenging conditions in the broader economy, it is also the first time since 2017 that investment has exceeded £500 million, as well as being exactly £200 million more than its recent low point, just two years earlier, when the budget dropped to £370 million following the onset of Covid-19 – evidence of the flexibility Channel 4 has to adjust its key variables in response to external economic factors to reinforce its commercial model.

The main channel remains the single biggest component of investment (accounting for 87% of the total), with originated content spend rising by 13% to £494 million (an increase of £56 million). In percentage terms, the digital TV channels were the fastest-growing segment of original content spend, rising by 59% to £67 million (a £25 million rise). The biggest driver of this was a large increase in E4's original content budget, which almost doubled year-on-year, allowing for longer runs of shows such as *Celebs Go Dating* and *Married at First Sight UK*. After reaching its peak level in 2021, spend on digital media content (including websites and cross-platform content) fell back slightly this year, with a 22% reduction to £9 million. This fall, of £3 million, was primarily due to a fall in branded production, reflecting reduced market-wide demand for branded content.

Originated content spend (£m)



[‡]Selected metrics were subject to independent limited assurance by Deloitte LLP.

Investment in all content

Total content spend (£m)

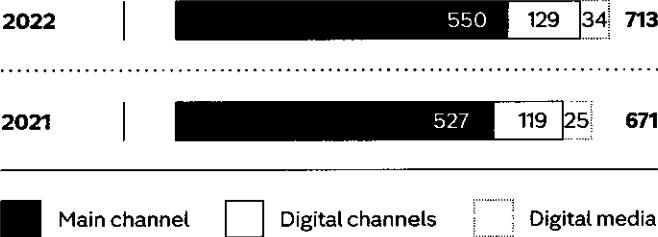
£713m[‡]

Channel 4 spent an all-time record £713 million on content (originations and acquisitions) across its services in 2022. This is 6% more than in 2021 (an increase of £42 million in absolute terms). It exceeds by £18 million the previous record level of investment (which was £695 million in 2016).

The main channel accounts for the bulk of Channel 4’s investment, albeit with a gradually declining proportion of the total as its digital TV channels and digital media services expand. The main channel’s content budget was £550 million this year, an annual increase of 4% (£23 million in absolute terms). This was equivalent to 77% of total content spend, down from 79% in 2021 and from 81% five years ago (in 2017).

Spend on the digital TV channels totalled £129 million, 9% up year-on-year (a £10 million increase in absolute terms). The biggest percentage increase in content spend this year was in digital media, which rose by 36% to £34 million (a £9 million increase). Spend on digital media in 2022 was more than three times bigger than the corresponding levels in 2018 and 2019 (£10 million in both years), as Channel 4 pursued a strategy to drive viewing to streaming by offering more exclusive acquisitions (such as *Bates Motel* and *ER*) to sit alongside its own commissioned content – helping it to carve out a distinctive reputation in the highly competitive market for streaming services.

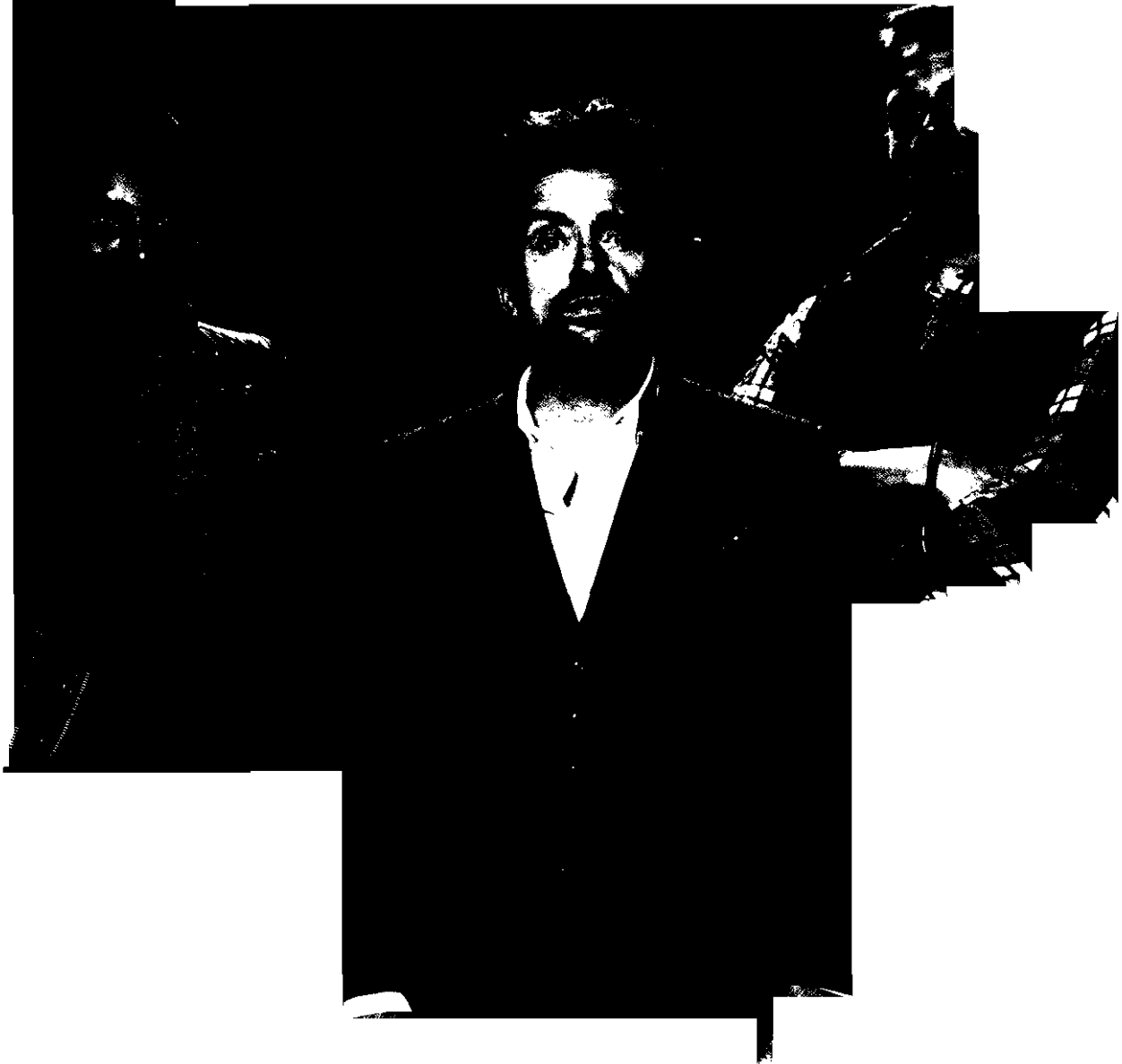
Total content spend (£m)



[‡]Selected metrics were subject to independent limited assurance by Deloitte LLP.

Meeting Channel 4's licence obligations

	Measure	Daypart	Quota	2022 actuals
News	Average hours per week	Peak (6-10.30pm)	4	4
Current affairs	Average hours per week	All day	4	5
	Average hours per week	Peak (6-10.30pm)	2	3
Schools	Hours per year	All day	1	5
Origination production	% of hours	All day	56	63
	% of hours	Peak (6-10.30pm)	70	82
Independent production	% of first-run origination	All day	25	55
European independent production	% of origination hours	All day	10	32
European origin	% of origination hours	All day	50	66
Subtitling for the deaf and hard of hearing	% of hours	All day	90	100
Audio description	% of hours	All day	10	48
Signing	% of hours	All day	5	10
Regional production	% of first-run origination	All day	35	52
Regional hours	% of first-run origination	All day	35	66
Production in the Nations	% of first-run origination	All day	9	9
Nations hours	% of first-run origination	All day	9	9



Tackling the climate emergency

Carbon Action Plan

In 2022, we set a new standard requiring all production companies to complete albert's 'Carbon Action Plan'

Climate Content Pledge

In 2023, Channel 4 will air a season of programmes dedicated to exploring the impact of the climate crisis aiming to inform, educate and inspire individuals to take action following commitments that Channel 4 made as part of the Climate Content Pledge at COP26

Ambitious science-based targets

In 2023 we are strengthening our existing climate commitments by aligning to the Science Based Target methodology with robust near-term (2030) and net zero (2050) company-wide emission reduction targets





Channel 4 empowers its viewers and suppliers to take action

With the climate emergency posing an unprecedented threat, this is not a time to stand idly by and at Channel 4 we recognise the importance of examining every aspect of our operations and programming so we can play our role in combatting this global crisis and inspiring systemic change.

For 40 years, Channel 4 has harnessed the immense power of film and TV to raise important societal issues, including those relating to the climate and sustainability. Amongst the highlights, back in 2011, *Hugh's Fish Fight* saw chef Hugh Fearnley-Whittingstall spotlight the issue of fish discards in a campaign that directly changed opinion in Westminster and Brussels, altering the way fish is sourced, sold and bought in this country. More recently, Channel 4 hosted the UK's first ever political leaders' debate on the climate crisis ahead of the 2019 General Election, giving *Channel 4 News* its biggest viewing share amongst 16-34-year-olds since 2011. In these ways, our programming can engage audiences, help shape attitudes and behaviours, and drive meaningful change.

Looking ahead, we are fully committed to leveraging our content to inspire action against the climate emergency. Channel 4 was one of the first broadcasters to sign the Climate Content Pledge at COP26, which commits participants to using their content to help audiences understand what tackling climate change might mean for them, as well as inspire and inform sustainable choices. We are working hard to engage audiences with the climate emergency through entertaining and provocative programming that appeals to younger viewers and encourages them to act.

Tackling the climate emergency cont.

↑ A Year in the Ice: The Arctic Drift

Inspiring systemic change

In 2023, Channel 4 will air a season of programmes dedicated to exploring the impact of the climate crisis as part of our on-going commitment to inform the public's awareness and understanding of this urgent global issue. With the world facing increasing environmental challenges, Channel 4 will help viewers understand the impact of the climate crisis on them, the whole of the UK, and the rest of the world.

Following our call out in 2022, the independent production sector responded to Channel 4's Climate Emergency brief. The resulting programming will explore a variety of burning conversations relating to climate change and seek to explore the informed and expert-led arguments surrounding climate change solutions.

The series *Climate Change: The Solution* will look at the practical and achievable solutions to key domestic issues – from housing to energy – and what is hindering significant progress in these areas. Collectively, the programmes will explore the role of governments, big business, and individuals and what each can do to help get us back on track to reach net zero.

This collection of programmes will look at how the climate crisis impacts us all, and crucially what all of us can do about it. Channel 4's programming aims to inform, educate, and inspire individuals to take action and make a positive change for the future of our planet.

Channel 4's Climate Emergency brief

Channel 4 took a bold step when it issued its Climate Emergency brief in May 2022, inviting the independent production sector to create high-impact climate and sustainability focused programming across genres. The initiative invited producers to create programming for Channel 4 that is hopeful and irreverent, energising and empowering audiences to live sustainably and to engage with the global conversation on climate change.

The content follows up commitments that Channel 4 made as part of the Climate Content Pledge at COP26. Whether through hard-hitting documentaries, taut dramas, entertaining stunts or viral social ideas, we want to amplify the voices of those who are passionate about making a positive impact on the environment. Our ambition is to find big, compelling ideas that add to the global conversation.



Climate change is, quite literally, the burning issue of our age but sadly often makes for rather 'eat-your-peas' television. We're looking for ideas that are inventive or audacious enough to make our viewers sit up and think about what they can do to help solve the problem – and ideally empower them to actually do something about it.

Ian Katz, Channel 4 Chief Content Officer

Taking bold action

As we move towards a sustainable future, our impact on emissions is becoming a part of every decision and process we undertake, from the content we showcase, to our office operations and the partnerships we enter. We launched a significant programme of work in 2022 that covers everything we do off-screen and on-screen. Off-screen, this involved re-baselining our emissions as a first step. This has enabled us to gain a full picture of where our emissions lie, to act on the most material areas first.

A substantial part of the emissions relating to Channel 4's activities relate to the production of the programmes that we commission, and so it is vital to work with our production partners to minimise emissions on our commissioned content. We have introduced mandatory annual climate emergency training for our Commissioners, to empower creative teams to take action early in the editorial process with the aim of reducing emissions during production.

Turning to our on-screen content, we created a Climate Emergency brief for a raft of new programming that addresses climate change. The brief calls on indies to come up with high-impact shows intended to inspire audiences to engage with the international climate emergency.

During the year, we carefully reviewed our commissioning process, and we have implemented systems to ensure that climate themes are taken into consideration and tracked throughout every production.

In recognition of the increasing importance of reflecting the climate emergency across all our programming, we formed a new cross-genre commissioning group. Channel 4's CEO Alex Mahon has also become a founding member of a cross-broadcaster C.F.O group that represents over 70% of time that UK audiences spend watching TV and film.

Our organisational commitments

The initiatives we have undertaken in 2022 form part of our commitment to using our wide-reaching platform to help audiences understand the implications of climate change and to inspire sustainable choices. It is through collective action and systemic change that we can make the most meaningful impact towards a sustainable future.

In 2023 we are strengthening our existing climate commitments by aligning to the Science Based Target methodology with robust near-term (2030) and net zero (2050) company-wide emission reduction targets. These science-based targets are being finalised and will be submitted to the SBTi for accreditation. You can find the full report on the Task Force on Climate-related Financial Disclosures on page 134.

In early 2023, Channel 4 designated Alex Mahon as Executive sponsor for sustainability at Board level. She chairs a monthly steering group along with key members of our Executive Management Board, who have been assigned responsibility for ensuring delivery of climate action plans in their business areas.



Tackling the climate emergency cont.

albert: Taking action

Since its inception in 2011, the BAFTA-owned and industry-backed albert has been empowering TV and film industry professionals to act on climate change and reduce the environmental impact of production.

As an active member of the albert community, Channel 4 already mandates all productions to use the albert calculator to measure their carbon footprint.

In 2022, we set a new standard by also requiring all production companies to complete albert's 'Carbon Action Plan'. This initiative requires that all productions reduce and offset their emissions and work towards achieving albert's sustainable production certification.

Every part of the screen industry can play a role in making a positive environmental impact, and this work enables Channel 4 and its creative partners to do so by identifying and acting upon opportunities both on and off screen.

4Earth: Empowering our employees

Alongside its partners and viewers, Channel 4 is committed to empowering its employees to make a positive impact on the planet.

Our employee networks provide a safe space for community building, personal development and driving policy change within the organisation. Established in 2019, 4Earth is a community of environmental champions who inspire change and positive action for the planet at Channel 4.

In 2022, 4Earth gained an impressive 80 new members and hosted over 500 attendees at 12 staff events. These events featured influential guests including presenter Jon Richardson, actress Bonnie Wright, singer AURORA, presenter Ade Adepitan, and Jenna Robinson from *Married at First Sight UK*. These thought-provoking discussions and conversations showed how comedy, music and other art forms can be used to inspire and navigate the enormous challenge of the climate crisis.

4Earth also encouraged the take-up of staff training modules on how to go net zero and supported the launch of a new volunteering platform and climate-focused policies for staff.



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We are committed to using our wide-reaching platform to help our audiences understand the implications of climate change and to inspire sustainable choices.



#ClimateMatters

Channel 4 established a #ClimateMatters streaming collection to bring together and showcase its climate-related content across a range of genres. This powerful, thought-provoking collection of programming exposes the stark realities of the climate emergency and seeks to inspire action among viewers.

From hard-hitting investigations into unethical business practices to captivating documentaries that showcase the beauty and fragility of our planet, these programmes challenge and educate in equal measure.

Through these programmes, Channel 4 can help viewers to understand the scale and complexity of the challenges we face and to identify practical steps to reduce their footprint and contribute towards a more sustainable future.

The titles include *Inside the Shein Machine: Untold*, which investigated Shein's working practices; *Dispatches: The Truth About Nike and Adidas* – the team heads to the Maldives to see what's really going on with our favourite trainers; Grierson Award Winner 2022 *Arctic Drift: A Year in the Ice*, the story of a ship full of international scientists who stay frozen in the Arctic for the best part of a year studying the impact of climate there; *Celebrity Trash Monsters*, in which celebrities are charged with wearing their household rubbish for a week in a bid to make them more mindful of their life styles; *How We Forgot To Save the Planet*, which sees comedian Kieran Hodgson explore the history of climate change in Britain; and *Joe Lycett vs the Oil Giant*, which investigated whether Shell was as eco-friendly as its advertising made it out to be, and was the winner of the Edinburgh TV Festival 2022 Inaugural Climate Impact Award.

Awards

UK Television

Attitude Awards

Big Boys – Jack Rooke
Roughcut TV for Channel 4
Breakthrough Award

BAFTA Television Craft Awards

It's A Sin – Peter Hoar
Red Production Company
for Channel 4 and HBO Max
in association with
All3Media International
Director: Fiction

It's A Sin – Sarah Brewerton
Red Production Company
for Channel 4 and HBO Max
in association with
All3Media International
Editing: Fiction

We Are Lady Parts – Nida Manzoor
Working Title Television, which is
a part of Universal International
Studios, for Channel 4
Writer: Comedy

We Are Lady Parts – PC Williams
Working Title Television, which is
a part of Universal International
Studios, for Channel 4
Costume Design

We Are Lady Parts – Aisha Bywaters
Working Title Television, which is
a part of Universal International
Studios, for Channel 4
Scripted Casting

Grenfell: The Untold Story
– James Newton
BBC Studios for Channel 4
Director: Factual

BAFTA Television Awards

Help – Cathy Tyson
The Forge Entertainment and
One Shoe Films for Channel 4
Supporting Actress

Help – Jodie Comer
The Forge Entertainment and
One Shoe Films for Channel 4
Leading Actress

Gogglebox
Studio Lambert for Channel 4
Reality and Constructed Factual

Stath Lets Flats – Jamie Demetriou
Roughcut TV for Channel 4
Male Performance in a
Comedy Programme

The Lateish Show with Mo Gilligan
Expectation and Momo G
for Channel 4
Comedy Entertainment Programme

British Journalism Awards

Ukraine: Life Under Attack:
Dispatches
Basement Films for Channel 4
Foreign Affairs Journalism

Truth About Disability Benefits:
Dispatches
Hardcash Productions for Channel 4
Personal Finance Journalism

British Soap Awards

Hollyoaks – Misbah *Didn't Consent*
Lime Pictures for Channel 4
Scene of the Year

Hollyoaks – Misbah's *Historic Rape*
Lime Pictures for Channel 4
Best Storyline

British Sports Journalism Awards

Channel 4
Sports Network of the Year

Tokyo 2020 Paralympic Games
Whisper Films for Channel 4
Television – Digital Live Event
Coverage

Formula 1 on Channel 4
Whisper Films for Channel 4
Television – Digital Show

Broadcast Awards

It's A Sin
Red Production Company
for Channel 4 and HBO Max
in association with
All3Media International
Best Drama Series or Serial

Help
The Forge Entertainment and
One Shoe Films for Channel 4
Best Single Drama

Surviving Covid
Sandpaper Films for Channel 4
Lockdown Award

The Great House Giveaway
Chwarel for Channel 4
Best Daytime Programme

Broadcast Digital Awards

Hollyoaks
Channel 4 / 4Studio
Digital Support for a Programme

More4
Channel 4
Best Factual Channel

Broadcast Sport Awards

Formula 1
Whisper Films for Channel 4
Best Sport Entertainment
Programme

Formula 1 – Alex Jacques
Formula 1/Whisper Films for
Channel 4
Sports Commentator of the Year

Broadcasting Press Guild Awards

It's A Sin
Red Production Company
for Channel 4 and HBO Max
in association with
All3Media International
Best Drama

It's A Sin – Russell T Davies
Red Production Company
for Channel 4 and HBO Max
in association with
All3Media International
Best Writer

Jon Snow
Channel 4 News
Harvey Lee Award for Outstanding
Contribution to Broadcasting

Black to Front Project
Channel 4
BPG Innovation in
Broadcasting Award

Help – Stephen Graham
The Forge Entertainment and
One Shoe Films for Channel 4
Best Actor

Dance Awards UK

Random Acts – Traptlord BLK
Meme/RA
Screen South for Channel 4
Dance Film of the Year

Digital Spy Awards

It's A Sin
Red Production Company
for Channel 4 and HBO Max
in association with
All3Media International
Best Drama

It's A Sin – Olly Alexander
Red Production Company
for Channel 4 and HBO Max
in association with
All3Media International
Best Male Actor

It's A Sin – Callum Scott Howells
Red Production Company
for Channel 4 and HBO Max
in association with
All3Media International
Best Debut

It's A Sin
Red Production Company
for Channel 4 and HBO Max
in association with
All3Media International
Most Devastating Death Scene

It's A Sin
Red Production Company
for Channel 4 and HBO Max
in association with
All3Media International
Breakthrough Hit Award

It's A Sin
Red Production Company
for Channel 4 and HBO Max
in association with
All3Media International
Incredible Twist Award

Edinburgh TV Awards

Channel 4
Channel of the Year

Help – Jodie Comer
The Forge Entertainment and
One Shoe Films for Channel 4
Best TV Actor – Drama

Joe Lycett vs the Oil Giant
Rumpus Media for Channel 4
Climate Impact Award

*The Big Breakfast – AJ Odudu
and Mo Gilligan*
Lifted Entertainment for Channel 4
Best TV Presenter

Munya Chawawa
Channel 4
Breakthrough Talent – Presenter

The Lateish Show with Mo Gilligan
Expectation and Momo G
for Channel 4
Best Entertainment Series

Grierson Awards

Grenfell: The Untold Story
BBC Studios for Channel 4
Best Single Documentary – Domestic

A Year in the Ice: The Arctic Drift
Wild Blue Media, UFA Show &
Factual, FremantleMedia
for Channel 4
Best Science Documentary

National Comedy Awards

Taskmaster
Avalon for Channel 4
Best Comedy Entertainment Series

*8 Out of 10 Cats Does Countdown –
Katherine Ryan*
Zeppotron for Channel 4
Outstanding Female Comedy
Entertainment Performance

*8 Out of 10 Cats Does Countdown –
Sean Lock*
Zeppotron for Channel 4
Outstanding Male Comedy
Entertainment Performance

Munya Chawawa
Channel 4
Comedy Breakthrough Performer

National Television Awards

Gogglebox
Studio Lambert for Channel 4
Factual Entertainment Award

New Voice Awards

*On The Edge: Cradled –
Nessah Muthy*
Blacklight Television for Channel 4
Debut Writer

On The Edge: Cradled – Chloe Wicks
Blacklight Television for Channel 4
Debut Director

PinkNews Awards

Big Boys
Roughcut TV for Channel 4
Best Drama

Rory Peck Awards

Inside Al-Shabaab – Jamal Osman
ITN for Channel 4 News
News Features Award

RTS Midlands Awards

*Richard Hammond's
Crazy Contraptions*
Optomen Television for Channel 4
Factual Entertainment / Popular
Factual Series

Travel Man – Joe Lycett
North One Television for Channel 4
On Screen Personality

RTS North West Awards

Help
The Forge Entertainment and
One Shoe Films for Channel 4
Best Single Drama

Hollyoaks IRL
Lime Pictures for Channel 4
Best Digital Creativity

RTS Programme Awards

It's A Sin – Callum Scott Howells
Red Production Company
for Channel 4 and HBO Max
in association with
All3Media International
Actor

It's A Sin
Red Production Company
for Channel 4 and HBO Max
in association with
All3Media International
Limited Series

It's A Sin – Russell T Davies
Red Production Company
for Channel 4 and HBO Max
in association with
All3Media International
Writer – Drama

Hollyoaks
Lime Pictures for Channel 4
Soap and Continuing Drama

Help
The Forge Entertainment and
One Shoe Films for Channel 4
Single Drama

We Are Lady Parts – Nida Manzoor
Working Title Television, which is
a part of Universal International
Studios, for Channel 4
Writer – Comedy

We Are Lady Parts – Anjana Vasan
Working Title Television, which is
a part of Universal International
Studios, for Channel 4
Comedy Performance (Female)

The Great House Giveaway
Chwarel for Channel 4
Daytime Programme

The Big Breakfast
Lifted Entertainment for Channel 4
Entertainment

The Big Breakfast – AJ Odudu and Mo Gilligan
Lifted Entertainment for Channel 4
Entertainment Performance

The Dog House
Five Mile Films for Channel 4
Formatted Popular Factual

Rape: Who's on Trial?
Hardcash Productions for Channel 4
Single Documentary

The Lateish Show with Mo Gilligan
Expectation and Momo G
for Channel 4
Comedy Entertainment

RTS Scotland Awards

Extraordinary Escapes with Sandi Toksvig
Tuesday's Child Scotland
for Channel 4
Entertainment and Features

How We Forgot To Save The Planet
BBC Studios for Channel 4
Comedy

RTS Yorkshire Awards

Ackley Bridge – Tim Phillips
The Forge Entertainment
for Channel 4
Use of Music and Sound

Ackley Bridge – Sunetra Sarker
The Forge Entertainment
for Channel 4
Best Actress

Sandford St Martin Awards

Help
The Forge Entertainment and
One Shoe Films for Channel 4
TV/Video

Sheffield DocFest

Lyra
Erica Starling Productions for
Channel 4 in association with TG4,
HiddenLight Productions and
Northern Ireland Screen
Tim Hetherington Award

TRIC Awards

It's A Sin
Red Production Company
for Channel 4 and HBO Max
in association with
All3Media International
New Drama

Gogglebox
Studio Lambert for Channel 4
Entertainment

TV Choice Awards

Gogglebox / Celebrity Gogglebox
Studio Lambert for Channel 4
Best Entertainment Show

Visionary Honours Awards

It's A Sin
Red Production Company
for Channel 4 and HBO Max
in association with
All3Media International
Television Show of the Year

VLV Awards

It's A Sin
Red Production Company
for Channel 4 and HBO Max
in association with
All3Media International
Best TV Drama

International Television

BANFF Television Award

Help
The Forge Entertainment and
One Shoe Films for Channel 4
Grand Jury Prize

International Emmy Awards

Help
The Forge Entertainment and
One Shoe Films for Channel 4
TV Movie

UK Film

BAFTA Wales

Dream Horse – Owen Teale
Raw
Best Actor

Dream Horse
Raw
Best Sound

British Independent Film Awards

Living – Helen Scott
Number 9 Films
Best Production Design

International Emmy Awards

Help
The Forge Entertainment and
One Shoe Films for Channel 4
TV Movie

London Critics' Circle Film Awards

Passing – Ruth Negga
Significant Productions, Picture
Films, Flat Five Productions
Supporting Actress of the Year

Passing – Rebecca Hall
Significant Productions, Picture
Films, Flat Five Productions
Breakthrough British/Irish Filmmaker

Sundance London

Brian and Charles
Mr Box Productions
Breakthrough British/Irish Filmmaker
Audience Award

Writers' Guild of Great Britain Awards

The Personal History of David Copperfield – Simon Blackwell and Armando Iannucci
FilmNation Entertainment,
Wishmore Entertainment
Best Screenplay

International Film

AFI Awards

The Banshees of Inisherin
Blueprint Pictures,
Searchlight Pictures
AFI Special Award

Alliance of Women Film Journalists Award Nominations

Titane – Agathe Rousselle
Kazak Productions
Most Daring Performance

Atlanta Film Critics Circle

The Banshees of Inisherin
Blueprint Pictures,
Searchlight Pictures
Top 10 Films

The Banshees of Inisherin – Colin Farrell
Blueprint Pictures,
Searchlight Pictures
Best Lead Actor

The Banshees of Inisherin – Martin McDonagh
Blueprint Pictures,
Searchlight Pictures
Best Screenplay

Austin Film Critics Association Awards

Titane – Agathe Rousselle
Kazak Productions
Best Actress

Black Reel Awards

Passing – Tessa Thompson
Significant Productions, Picture
Films, Flat Five Productions
Outstanding Actress

Passing – Rebecca Hall
Significant Productions, Picture
Films, Flat Five Productions
Outstanding Screenplay

Passing – Rebecca Hall
Significant Productions, Picture
Films, Flat Five Productions
Outstanding First Screenplay

Boston Online Film Critics Association Awards

The Banshees of Inisherin
Blueprint Pictures,
Searchlight Pictures
Best Picture

The Banshees of Inisherin
– Colin Farrell
Blueprint Pictures,
Searchlight Pictures
Best Actor

The Banshees of Inisherin
– Kerry Condon
Blueprint Pictures,
Searchlight Pictures
Best Supporting Actress

The Banshees of Inisherin
– Martin McDonagh
Blueprint Pictures,
Searchlight Pictures
Best Screenplay

The Banshees of Inisherin
Blueprint Pictures,
Searchlight Pictures
Top 10 Films of 2022

Boston Society of Film Critics Awards

The Banshees of Inisherin
Blueprint Pictures,
Searchlight Pictures
Best English Language Film

The Banshees of Inisherin
– Colin Farrell
Blueprint Pictures,
Searchlight Pictures
Best Actor

The Banshees of Inisherin
– Kerry Condon
Blueprint Pictures,
Searchlight Pictures
Best Supporting Actress

The Banshees of Inisherin
– Martin McDonagh
Blueprint Pictures,
Searchlight Pictures
Best Original Screenplay

Calcella Film Festival

The Electrical Life of Louis Wain
Shoobox Films, SunnyMarch
Best Film

Camerimage Awards

Living
Number 9 Films
Bronze Frog

César Awards

The Father – Florian Zeller
Trademark Films, F Comme Film,
Ciné-@
Best Foreign Film

Chicago Film Critics Association

The Banshees of Inisherin
Blueprint Pictures,
Searchlight Pictures
Best Picture

The Banshees of Inisherin
– Colin Farrell
Blueprint Pictures,
Searchlight Pictures
Best Actor

The Banshees of Inisherin
– Kerry Condon
Blueprint Pictures,
Searchlight Pictures
Best Supporting Actress

The Banshees of Inisherin
– Martin McDonagh
Blueprint Pictures,
Searchlight Pictures
Best Original Screenplay

Chicago Indie Critics Awards

Passing – Ruth Negga
Significant Productions, Picture
Films, Flat Five Productions
Best Supporting Actress

Passing – Tessa Thompson
Significant Productions, Picture
Films, Flat Five Productions
Best Actress

Chlotrudis Awards

Passing – Nora Mendis
Significant Productions, Picture
Films, Flat Five Productions
Best Production Design

Cinecittà Giovani Socioculturali

Nezouh
Berkeley Media Group, KAF
Production, Ex Nihilo
Lanterna Magica

CineEuphoria Awards

Passing – Ruth Negga
Significant Productions, Picture
Films, Flat Five Productions
Best Supporting Actress,
International Competition

The Father – Anthony Hopkins
Trademark Films, F Comme Film,
Ciné-@
Best Actor, International
Competition

Columbus Film Critics Association

The Electrical Life of Louis Wain
– Benedict Cumberbatch
Shoobox Films, SunnyMarch
Actor of the Year

Passing – Ruth Negga
Significant Productions, Picture
Films, Flat Five Productions
Best Supporting Actress

Dallas-Fort Worth Film Critics Association Awards

The Banshees of Inisherin
– Colin Farrell
Blueprint Pictures,
Searchlight Pictures
Best Actor

The Banshees of Inisherin
– Kerry Condon
Blueprint Pictures,
Searchlight Pictures
Best Supporting Actress

The Banshees of Inisherin
– Martin McDonagh
Blueprint Pictures,
Searchlight Pictures
Best Screenplay

DiscussingFilm Critics Awards

Titane – Vincent Lindon
Kazak Productions
Best Supporting Actor

Titane
Kazak Productions
Best International Feature

Titane – Agathe Rousselle
Kazak Productions
Best Debut Performance

Titane – Julia Ducournau
Kazak Productions
Best Director

Fangoria Chainsaw Awards

Titane
Kazak Productions
Best International Movie

Last Night In Soho – Edgar Wright
Perfect World Pictures, Working Title,
Complete Fiction
Best Director

Last Night In Soho
Perfect World Pictures, Working Title,
Complete Fiction
Best Costume Design

Florida Film Critics Circle

The Banshees of Inisherin
– Colin Farrell
Blueprint Pictures,
Searchlight Pictures
Best Actor

GALECA: The Society of LGBTQ Entertainment Critics Dorian Awards

Passing
Significant Productions, Picture
Films, Flat Five Productions
Best Unsung Film

Golden Schmoes Awards

Last Night In Soho
Perfect World Pictures, Working Title,
Complete Fiction
Trippiest Movie of the Year

Greater Western New York Film Critics Association Awards

The Banshees of Inisherin
Blueprint Pictures,
Searchlight Pictures
Best Picture

The Banshees of Inisherin
– Martin McDonagh
Blueprint Pictures,
Searchlight Pictures
Best Director

The Banshees of Inisherin
– Colin Farrell
Blueprint Pictures,
Searchlight Pictures
Lead Actor

The Banshees of Inisherin
– Kerry Condon
Blueprint Pictures,
Searchlight Pictures
Supporting Actress

The Banshees of Inisherin
– Martin McDonagh
Blueprint Pictures,
Searchlight Pictures
Original Screenplay

Hawaii Film Critics Society

Last Night In Soho
Perfect World Pictures,
Working Title, Complete Fiction
Best Picture

Last Night In Soho
Perfect World Pictures,
Working Title, Complete Fiction
Best Editing

Last Night In Soho
Perfect World Pictures,
Working Title, Complete Fiction
Best Sound

Last Night In Soho
Perfect World Pictures,
Working Title, Complete Fiction
Best Horror Film

Hollywood Critics Association

Last Night In Soho – Paul Machliss
Perfect World Pictures,
Working Title, Complete Fiction
Best Film Editing

Last Night In Soho
Perfect World Pictures,
Working Title, Complete Fiction
Best Horror

Hollywood Music In Media Awards

Living – Emilie Levenaise-Farrouch
Number 9 Films
Score – Independent Film

Independent Spirit Awards

Passing – Ruth Negga
Significant Productions, Picture
Films, Flat Five Productions
Best Supporting Female

Passing – Edu Grau
Significant Productions, Picture
Films, Flat Five Productions
Best Cinematography

International Cinephile Society Awards

Passing – Ruth Negga
Significant Productions, Picture
Films, Flat Five Productions
Best Supporting Actress

International Online Cinema Awards

Passing – Tessa Thompson
Significant Productions, Picture
Films, Flat Five Productions
Best Actress

Passing – Ruth Negga
Significant Productions, Picture
Films, Flat Five Productions
Best Supporting Actress

Internet Film Critic Society

Titane
Kazak Productions
Best Horror or Science Fiction

Los Angeles Film Critics Association

Living – Bill Nighy
Number 9 Films
Best Lead Performance

Lumières Award

Titane – Agathe Rousselle
Kazak Productions
Best New Actress

Magritte Awards, Belgium

Titane – Ruben Impens
Kazak Productions
Best Cinematography

Titane
Kazak Productions
Best Foreign Film in Co-Production

Titane – Myriem Akheddiou
Kazak Productions
Best Supporting Actress

Music City Film Critics Association

Last Night In Soho
Perfect World Pictures,
Working Title, Complete Fiction
Best Editing

National Board of Review

The Banshees of Inisherin
Blueprint Pictures,
Searchlight Pictures
Top Films of the Year

The Banshees of Inisherin
– Martin McDonagh
Blueprint Pictures,
Searchlight Pictures
Best Original Screenplay

The Banshees of Inisherin
– Colin Farrell
Blueprint Pictures,
Searchlight Pictures
Best Actor

The Banshees of Inisherin
– Brendan Gleeson
Blueprint Pictures,
Searchlight Pictures
Best Supporting Actor

Living
Number 9 Films
Top Films of the Year

National Society of Film Critics

Passing – Ruth Negga
Significant Productions,
Picture Films, Flat Five Productions
Best Supporting Actress

New York Film Critics Circle

The Banshees of Inisherin
– Colin Farrell
Blueprint Pictures,
Searchlight Pictures
Best Actor

The Banshees of Inisherin
– Martin McDonagh
Blueprint Pictures,
Searchlight Pictures
Best Screenplay

New York Film Critics Online Awards

The Banshees of Inisherin
– Martin McDonagh
Blueprint Pictures,
Searchlight Pictures
Best Director

The Banshees of Inisherin
– Martin McDonagh
Blueprint Pictures,
Searchlight Pictures
Best Screenplay

The Banshees of Inisherin
– Colin Farrell
Blueprint Pictures,
Searchlight Pictures
Best Actor

The Banshees of Inisherin
– Brendan Gleeson
Blueprint Pictures,
Searchlight Pictures
Best Supporting Actor

The Banshees of Inisherin
Blueprint Pictures,
Searchlight Pictures
Best Picture

Newport Beach Film Festival

The Banshees of Inisherin
Blueprint Pictures,
Searchlight Pictures
Audience Award – Best Narrative
Feature (International)

Online Association of Female Film Critics Awards

The Banshees of Inisherin
– Colin Farrell
Blueprint Pictures,
Searchlight Pictures
Best Male Lead

The Banshees of Inisherin
– Martin McDonagh
Blueprint Pictures,
Searchlight Pictures
Best Original Screenplay

Palm Spring Film Festival Awards

Titane – Agathe Rousselle
Kazak Productions
Fipresci Prize for the Best Actress in
an International Feature Film

Phoenix Critics Circle

The Banshees of Inisherin
Blueprint Pictures,
Searchlight Pictures
Best Picture

The Banshees of Inisherin
– Martin McDonagh
Blueprint Pictures,
Searchlight Pictures
Best Screenplay

Phoenix Film Critics Society Awards

The Banshees of Inisherin
– Kerry Condon
Blueprint Pictures,
Searchlight Pictures
Best Actress in a Supporting Role

The Banshees of Inisherin
Blueprint Pictures,
Searchlight Pictures
PFCS Top Ten

ReFrame

Last Night In Soho
Perfect World Pictures,
Working Title, Complete Fiction
Best Feature

San Diego Film Critics Society

Last Night In Soho
Perfect World Pictures,
Working Title, Complete Fiction
Best Use of Music

Passing – Ruth Negga
Significant Productions, Picture
Films, Flat Five Productions
Best Supporting Actress

San Diego International Film Festival

The Banshees of Inisherin
Blueprint Pictures,
Searchlight Pictures
Best Gala Film Award

The Banshees of Inisherin
Blueprint Pictures,
Searchlight Pictures
Audience Choice Gala Award

SESC Film Festival, Brazil

The Father – Anthony Hopkins
Trademark Films, F Comme Film,
Ciné-@
Critics Award, Best Foreign Actor

Silver Horn Film & TV Awards

Passing – Ruth Negga
Significant Productions, Picture
Films, Flat Five Productions
Best Supporting Performance
in a Motion Picture (Female)

Southeastern Film Critics Association Awards

The Banshees of Inisherin
Blueprint Pictures,
Searchlight Pictures
Top 10 Films

The Banshees of Inisherin
– Colin Farrell
Blueprint Pictures,
Searchlight Pictures
Best Actor

The Banshees of Inisherin
– Kerry Condon
Blueprint Pictures,
Searchlight Pictures
Best Supporting Actress

St. Louis Film Critics Association

The Banshees of Inisherin
– Martin McDonagh
Blueprint Pictures,
Searchlight Pictures
Best Original Screenplay

The Banshees of Inisherin
Blueprint Pictures,
Searchlight Pictures
Best Cinematography

The Banshees of Inisherin
– Kerry Condon
Blueprint Pictures,
Searchlight Pictures
Best Supporting Actress

Toronto International Film Festival

A Gaza Weekend
Alcove Entertainment
Fipresci Prize

Utah Film Critics Association Awards

The Banshees of Inisherin
– Colin Farrell
Blueprint Pictures,
Searchlight Pictures
Best Lead Performance, Male

The Banshees of Inisherin
Blueprint Pictures,
Searchlight Pictures
Best Original Screenplay

The Banshees of Inisherin
– Carter Burwell
Blueprint Pictures,
Searchlight Pictures
Best Original Score

Venice Film Festival

The Banshees of Inisherin
– Martin McDonagh
Blueprint Pictures,
Searchlight Pictures
Best Screenplay

The Banshees of Inisherin
– Colin Farrell
Blueprint Pictures,
Searchlight Pictures
Best Actor

Nezouh
Berkeley Media Group, KAF
Production, Ex Nihilo
Horizons Extra Audience Award

Virginia Film Festival

Living
Number 9 Films
Audience Award for Narrative Film

Visionary Honours

Everybody's Talking About Jamie
Warp Films, New Regency
Productions, 20th Century Studios
Best Film

Visual Effects Society Awards

Last Night In Soho – Tom Proctor,
Gavin Gregory, Julian Gnass,
Fabricio Baessa
Perfect World Pictures,
Working Title, Complete Fiction
Outstanding Supporting Visual
Effects in a Photoreal Feature

Washington Area Film Critics Association Awards

The Banshees of Inisherin
– Colin Farrell
Blueprint Pictures,
Searchlight Pictures
Best Actor

The Banshees of Inisherin
– Kerry Condon
Blueprint Pictures,
Searchlight Pictures
Best Supporting Actress

Sales

Campaign Media Awards

"Changing Rooms" for Dulux
Channel 4, MediaCom and
AkzoNobel/Dulux
Household – Food,
Drink & Household
Gold

"Hollyoaks" for Vinted
Channel 4, Starcom, Lime Pictures
& Vinted
Retail – Online & Offline
Gold

Black To Front Project
Channel 4
Creative Idea: Budget over £250K
Gold

Black To Front Project
Channel 4
Media Partnerships:
Budget over £250K
Gold

Media Week Awards

"Diversity in Advertising Award"
for Maltesers, Lloyds, RAF,
Starbucks, EA SPORTS and TENA
Channel 4
Long-term Media Strategy
Gold

"Highlife" for Google
Channel 4, Essence,
OMD UK & DRUM
Agency: Media Idea – Over £1M
Bronze

"Highlife" for Google
Channel 4, Essence,
OMD UK & DRUM
Agency: Media Idea – Launch
Silver

"Hollyoaks" for Vinted
Channel 4, Starcom, Lime Pictures
& Vinted
Large Collaboration – Over £250K
Bronze

Black To Front Project
Channel 4
Large Collaboration – Over £250K
Gold

Black To Front Project
Channel 4
Media Owner: Media Idea – Launch
Gold

Mirror On The Industry Diversity
Study
Channel 4, Tapestry & Versiti
Research Insight
Bronze

UK Sponsorship Awards

"Cook Clever Waste Less"
for Hellmann's
Channel 4, Mindshare & Hellmann's
Branded Content
Gold

"Cook Clever Waste Less"
for Hellmann's
Channel 4, Mindshare & Hellmann's
Sustainability
Gold

"Hollyoaks" for Vinted
Channel 4, Starcom, Lime Pictures
& Vinted
First Time Sponsor Award
Gold

Black To Front Project
Channel 4
Best Use of Sponsorship to
Encourage Diversity and Inclusion
Gold

Toyota sponsors Paralympic sport
on 4 with m/SIX
Channel 4 & Toyota
TV Sponsorship
Gold

Marketing

Association of Independent Producers Awards

Super. Human.
Channel 4 / 4creative
Best in show / Commercial of the
Year (work inducted into permanent
collection at MOMA)

Super. Human.
Channel 4 / 4creative
Direction – Winner

Super. Human.
Channel 4 / 4creative
Online Film – Winner

Super. Human.
Channel 4 / 4creative
Editing Montage – Winner

British Arrows

Super. Human.
Channel 4 / 4creative
Integrated Campaign – Bronze

Super. Human.
Channel 4 / 4creative
Charity & Public Service – Silver

Super. Human.
Channel 4 / 4creative
Best Over 60 Second Commercial –
Gold

Super. Human.
Channel 4 / 4creative
Entertainment & Sports Promotion
– Gold

Super. Human.
Channel 4 / 4creative
Creative Use of Music – Gold

Campaign Big Awards

Derry Girls
Channel 4 / 4creative
Best in Entertainment – Winner

Cannes Lions Awards

4creative
Channel 4 / 4creative
Independent Agency of the Year
– Third Place

Super. Human.
Channel 4 / 4creative / Final Cut
London / Some Such London
Film Craft: Post Production –
Best Editing – Gold Lion

Super. Human.
Channel 4 / 4creative
Film Craft: Production – Best Use
of Licensed / Adapted Music –
Gold Lion

Super. Human.
Channel 4 / 4creative
Film Craft: Production –
Best Direction – Gold Lion

Super. Human.
Channel 4 / 4creative
Film: TV/Cinema Film-Media &
Entertainment – Grand Prix

Super. Human.
Channel 4 / 4creative
Entertainment Lions for Sport:
Branded Content for Sport – Film
Series and Audio – Silver Lion

Clio Awards

Super. Human.
Channel 4 / 4creative
Integrated Campaign – Bronze

Super. Human.
Channel 4 / 4creative
Film Craft: Writing – Silver

Super. Human.
Channel 4 / 4creative / Factory
Film Craft: Sound Design – Bronze

Super. Human.
Channel 4 / 4creative / Factory
Audio Design – Gold

Super. Human.
Channel 4 / 4creative
Film – Gold

Clio Entertainment Awards

Derry Girls
Channel 4 / 4creative
Best Television/Series: Integrated
Campaign – Bronze

Murder Island
Channel 4 / 4creative
Best Television/Series: Digital/
Mobile – Bronze

Bake Off
Channel 4 / 4creative
Best Out of Home – Gold

Creative Circle Awards

#LetHerFinish
Channel 4 / 4creative
Low Budget: Best Low Budget
Idea under £5k (campaign)
– Gold

Altogether Different
Channel 4 / 4creative
Charity & Public Service: Best
Charity/Public Service Integrated
Campaign (campaign) – Bronze

Altogether Different
Channel 4 / 4creative
Film: Best VOD 61 – 120 secs (single)
– Bronze

Altogether Different
Channel 4 / 4creative
General: Best Integrated Campaign
(campaign) – Bronze

Altogether Different
Channel 4 / 4creative
Charity & Public Service: Best
Charity/Public Service Film (single)
– Silver

**Altogether Different – Gogglebox x
Murder Island**
Channel 4 / 4creative
Audio – Radio & Podcast:
Best Radio 0-30secs (single)
– Silver

**Altogether Different – Married at
First Sight x Embarrassing Bodies**
Channel 4 / 4creative
Audio – Radio & Podcast:
Best Radio 0-30secs (single)
– Bronze

Altogether Different Voices
Channel 4 / 4creative
Charity & Public Service: Best
Charity/Public Service Radio
(campaign) – Bronze

Altogether Different: Trapped Talent
Channel 4 / 4creative
Outdoor: Best Print Poster
(campaign) – Bronze

Altogether Different: Trapped Talent
Channel 4 / 4creative
Outdoor Craft: Best Photography
(campaign) – Bronze

Bake Off: Life's Looking Sweeter
Channel 4 / 4creative
General: Best Integrated Campaign
(campaign) – Bronze

Bake Off: Life's Looking Sweeter
Channel 4 / 4creative
Outdoor: Best Print Poster
(campaign) – Bronze

Bake Off: Life's Looking Sweeter
Channel 4 / 4creative
Outdoor: Best Special Build (single)
– Gold

Bake Off: Life's Looking Sweeter
Channel 4 / 4creative
Film: Best Channel Idents – Silver

It's Rude Not To Stare
Channel 4 / 4creative
Outdoor: Best Outdoor to influence
Positive Change (single) – Gold

It's Rude Not To Stare
Channel 4 / 4creative
Charity & Public Service: Best
Charity/Public Service Poster (single)
– Gold

It's Rude Not To Stare
Channel 4 / 4creative
Outdoor: Best Print Poster
(campaign) – Gold

It's Rude Not To Stare
Channel 4 / 4creative
Writing: Best Writing for Outdoor
(single) – Gold

It's Rude Not To Stare
Channel 4 / 4creative
Writing: Best Headline, all mediums
(single) – Gold

Married at First Sight UK
Channel 4 / 4creative
Writing: Best Writing for Film (single)
– Bronze

Super. Human.
Channel 4 / 4creative
Charity & Public Service: Best
Charity/Public Service Film (single)
– Gold

Super. Human.
Channel 4 / 4creative
Charity & Public Service: Best
Charity/Public Service Integrated
Campaign (campaign) – Gold

Super. Human.
Channel 4 / 4creative
Film: Best TV 60secs & over (single)
– Gold

Super. Human.
Channel 4 / 4creative
Film: Best VOD over 120secs (single)
– Gold

Super. Human.
Channel 4 / 4creative
Film: Best Film for Positive Change
(single) – Gold

Super. Human.
Channel 4 / 4creative
Film Craft: Best Use of Adapted
Music (single) – Gold

Super. Human.
Channel 4 / 4creative
General: Best Integrated Campaign
(campaign) – Gold

Super. Human.
Channel 4 / 4creative
Writing: Best Writing for Film (single)
– Gold

Creative Review

Altogether Different
Channel 4 / 4creative
In-house Campaigns – Honourable
Mention

Super. Human.
Channel 4 / 4creative
Commercials – Winner

Super. Human.
Channel 4 / 4creative
Integrated Campaigns – Winner

D&AD Awards

Super. Human.
Channel 4 / 4creative
Film Editing – Graphite Pencil

Super. Human.
Channel 4 / 4creative
Branding: Campaign Branding –
Wood Pencil

Super. Human.
Channel 4 / 4creative
Integrated Campaign – Wood Pencil

**Super. Human. – Ian Treherne's
portraits of the athletes**
Channel 4 / 4creative
Photography: Portraits –
Wood Pencil

Super. Human.
Channel 4 / 4creative
Entertainment: Scripted Shortform –
Yellow Pencil

Super. Human.
Channel 4 / 4creative
Art Direction in Film – Yellow Pencil

Super. Human.
Channel 4 / 4creative
Film Direction – Yellow Pencil

Design Week Awards

Super. Human.
Channel 4 / 4creative
Brand Campaign – Winner

**Altogether Different
(Trapped Talent poster)**
Channel 4 / 4creative
Poster Design – Winner

It's Rude Not To Stare
Channel 4 / 4creative
Writing for Design – Winner

Eurobest Awards

Altogether Different
Channel 4 / 4creative
Entertainment – Talent: Film,
Series & Audio – Bronze

Altogether Different
Channel 4 / 4creative
Industry Craft – Art Direction for
Outdoor – Bronze

#LetHerFinish
Channel 4 / 4creative
Radio & Audio – Use of Radio & Audio
as a Medium – Bronze

Derry Girls x Smash Hits
Channel 4 / 4creative
Industry Craft – Copywriting for Print
and Publishing – Gold

Derry Girls x Smash Hits
Channel 4 / 4creative
Design – Publications and Brand
Collateral – Silver

Lovie Awards

Altogether Different
Channel 4 / 4creative
Video: Entertainment & Sport –
Bronze

Altogether Different
Channel 4 / 4creative
Video: Entertainment & Sport
People's Choice

Football's Coming Out
Channel 4 / 4creative / 4Studio
Video: Sport – Silver

Hollyoaks IRL
Channel 4 / 4Studio
Social: Diversity, Equity & Inclusion
– Silver

Married at First Sight UK
Channel 4 / 4creative
Social: Culture & Entertainment –
Bronze

Married at First Sight UK
Channel 4 / 4creative
Video: Comedy – Bronze

Married at First Sight UK
Channel 4 / 4creative
Video: Comedy – People's Choice

Murder Island
Channel 4 / 4creative
Websites: Television & Film – Gold

Murder Island: Detectives Wanted
Channel 4 / 4creative
Advertising: Branded Game or
Application – Bronze

Secret Sauce
Channel 4 / 4Studio
Social: Best Social Video Series
– People's Choice

Secret Sauce
Channel 4 / 4Studio
Social: Best Social Video Series
– Silver

Super. Human.
Channel 4 / 4creative
Advertising: Video Advertising
– Long Form – Gold

Super. Human.
Channel 4 / 4creative
Video: Diversity, Equity & Inclusion
– Gold

Super. Human.
Channel 4 / 4creative
Video: Best Art Direction – Gold

Super. Human.
Channel 4 / 4creative
Video: Entertainment & Sport – Silver

The Boy with the 8 Hour Heart
Channel 4 / 4Studio
Video: Documentary – People's
Choice

The Boy with the 8 Hour Heart
Channel 4 / 4Studio
Video: Documentary – Silver

Marketing Week Awards

Derry Girls Series Launch
Channel 4 / 4creative
Sport, Gaming & Entertainment
– Winner

Promax Awards

4creative
Channel 4 / 4creative
Creative Team of the Year – Gold

All 4 Altogether Different
Channel 4 / 4creative
Best On-Air Campaign – Gold

All 4 Altogether Different
Channel 4 / 4creative
Best Use of Voice – Silver

All 4 Re-watchable
Channel 4 / 4creative
Best Use of Editing – Bronze

Altogether Different
Channel 4 / 4creative
Best Use of Humour – Bronze

Altogether Different
Channel 4 / 4creative
Best Use of Social Media: Paid
Support – Gold

Altogether Different
Channel 4 / 4creative
Best Visual – Gold

Altogether Different
Channel 4 / 4creative
Best Use of Script Writing – Gold

Altogether Different
Channel 4 / 4creative
Best Brand Spot – Silver

Altogether Different
Channel 4 / 4creative
Best 360 Campaign – Silver

Bake Off
Channel 4 / 4creative
Best Press / Out Of Home – Bronze

Bake Off
Channel 4 / 4creative
Best Use of Social Media: Paid
Support – Silver

Bake Off
Channel 4 / 4creative
Best On-Air Campaign – Bronze

Bake Off Tractor
Channel 4 / 4creative
Best Entertainment / Reality
Originated – Silver

Channel 4
Channel 4 / 4creative
Creative Brand of the Year – Gold

Derry Girls
Channel 4 / 4creative
Best Key Art – Gold

Derry Girls
Channel 4 / 4creative
Best 360 Campaign – Gold

E4 Extra
Channel 4 / 4creative
Best Ident – Gold

E4 Extra
Channel 4 / 4creative
Best Channel Branding – Silver

Film Fear Season 2021
Channel 4 / 4creative
Best Film – Bronze

Married at First Sight UK
Channel 4 / 4creative
Best Entertainment / Reality
Originated – Gold

Murder Island
Channel 4 / 4creative
Best Press / Out Of Home – Silver

Proud All Over
Channel 4 / 4creative
Best Season – Bronze

Proud All Over
Channel 4 / 4creative
Best 360 Campaign – Bronze

Proud All Over
Channel 4 / 4creative
Inclusion & Change Award – Gold

Proud All Over
Channel 4 / 4creative
Best Use of Animation – Silver

The Undeclared War
Channel 4 / 4creative
Best Use of Copy Writing – Bronze

Winter Paralympics
Channel 4 / 4creative
Best Sports Clip Based – Bronze

Shark Awards

Derry Girls

Channel 4 / 4creative

Best Integrated Campaign –
Gold

Altogether Different

#TikTok Challenge

Channel 4 / 4creative

Best Use of Social Media –
Bronze

The One Show Awards

Super. Human.

Channel 4 / 4creative

Writing – Bronze Pencil

Super. Human.

Channel 4 / 4creative

TV/VOD – Long Form/Single –
Gold Pencil

Super. Human.

Channel 4 / 4creative

Integrated Branding Campaign –
Gold Pencil

TikTok UK Awards

Altogether Different

Channel 4 / 4creative

Best UK TikTok 2022 – Winner

Webby Awards

Super. Human.

Channel 4 / 4creative

Video Trailer – Winner

Murder Island: Detectives

Wanted

Channel 4 / 4creative

Websites and Mobile Sites –
Television, Film & Streaming –
Winner

Rosie Jones/Trip Hazard ↓



Thank you

This list includes all our suppliers of originated television programmes that transmitted across the portfolio in 2022, plus film and digital companies that received project funding from us.

We also provided development funding to a range of other companies. While every effort has been made to identify and name all of the relevant companies for this list, we apologise if there are any accidental omissions. We would like to thank all of our advertising, commercial and technology partners – and all of our suppliers across the organisation.

011 Productions
 12 Yard Productions
 2LE Media
 72 Films
 Academy Films
 Acme Films
 Afro-Mic Productions
 Agile Films
 Alaska TV
 Alcove Entertainment
 Alex Polunin
 Alleycats Films
 Amazing Productions
 Angel Eye Media
 Anti-Worlds Releasing
 Apocalypso Pictures
 Artnes Media
 Art of Truth
 Atomized Studios
 Avalon
 Avanti Media
 Baby Cow Productions
 Back That
 Balmain
 Bandicoot
 Basement Films
 BBC Studios
 BEEZR Studios
 Bend It TV
 Berkeley Media Group
 Betty
 Beyond Entertainment
 Big Circus Media
 Big Little Fish Television
 Big Rich Films
 Big Talk Productions
 Blakeway
 Blak Wave Productions
 Blast! Films
 Blink Entertainment (t/a Blink Films)
 Blink Productions
 Blueprint Pictures
 Blumhouse Productions LLC
 Boom Cymru
 Boomerang
 Bosena
 Bowled Over Media
 Bridge Way
 Bright Button Productions
 Brightstar Films
 Brinkworth
 BriteSpark Films
 Broody Duck
 Brook Lapping
 Brown Bred
 Bullion Productions

→ Continued on next page

↓ Gemma Collins: Self Harm and Me



Buzztrack TV
Bwark Productions
Candour Productions
Captive Minds
Caravan Cinema
Caravan Media
Cardiff Productions
Chalkboard TV
Chwarel
ClearStory
Clearwood Films
Clerkenwell Films
Clockwork Films
Complete Fiction
Concordia
Cowshed Social
CPL Productions
Crackit Productions
Crash Productions
CTVC
Curious Films
Curve Media
Daddy's SuperYacht Productions
Daisybeck Studios
Dare Pictures
Daybreak Pictures
Definitely
Delaval Film
Distant Voices Group
DNA Films
Dominic Buchanan Productions
Dorothy St Pictures
Double Act Productions
Douglas Road Productions
Dragonfly Film and Television
Productions
Dr Pluto
Drummer TV
Duck Soup Films
Eagle Eye Drama
Element Pictures
Elicit Pictures
Emporium Productions
EMU Films
Erebus Pictures

Escape Films
Escape Plan Productions
Evan Williams Productions
Expectation Entertainment
Fable Pictures
Filmnova
Finestripe Productions
Firecracker Films
Firecrest Films
Five Mile Films
Flicker Productions
Flying Shoe Films
Formula E Operations
Forward Films
Fox Cub Films
Fratella Filmproduktion
Freeform Productions
Free Range Films
Fruit Tree Media
Fudge Park Productions
Fulwell 73 Productions
Future Publishing
Gay Times
Goat Films
Gold Wala
Granada
Greenacre Films
GRM Daily
Happenstance Films
Harbar 8
Hardcash Productions
Hat Trick
HCA Entertainment
Hello Halo Productions
Hello Mary

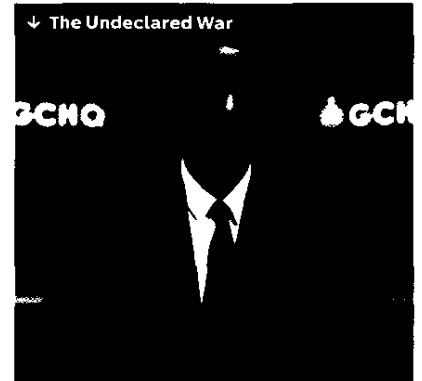
↓ The Big Breakfast



Heyday Films
HLP Studios (t/a Hidden Light)
Hot Sauce Productions / BFQ
House Productions
Hungry Bear Media
IMG Media
Inflammable Films
Interstellar TV
ITN Productions

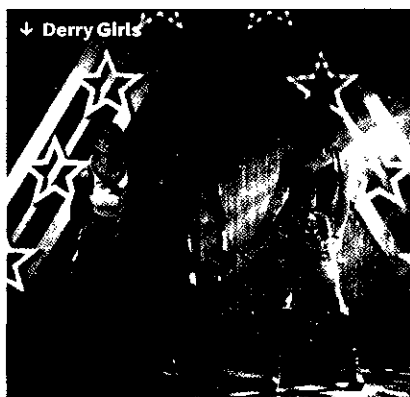
Its A Lot
ITV Studios
IWC Media
Jamie Oliver Productions
Joi Productions
Jon Lloyd (t/a Frieda TV)
Juniper Communications
Justin Edgar

↓ The Undeclared War

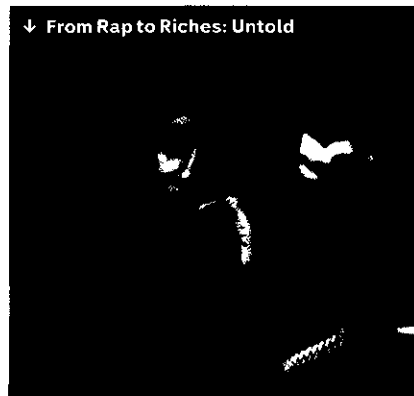


Kalel Productions
Keo Films
King of Sunshine Productions
Label1 Television
Lambent Productions
Lammas Park
Liberty Films
Lime Pictures
Little A Productions
Little By Little Films
Lobo Films
Longtail Films
Love Productions
LuckyChap Entertainment
Lupus Films
Makadam Films
Maverick TV
Me+You Productions
Michael Attwell Productions
Mighty Productions
MilkFirst Productions
Mindhouse Productions
Minnow Films
Modern Literary Arts
Momac Films
Monkey Kingdom
Moon Dogs Films
Mosaic Films
Mother's Best Child
Naked (part of FremantleMedia UK)
Neo Studios
NewsCheck
Nick of Time Productions
Nimble Dragon
Nineteen11
Noah Media Group

North One Television
 Number 9 Films
 Objective Productions
 Objekt
 October Films
 Open Mike Productions
 Optomen Television
 Orchard
 Outline Productions
 Parable
 Parti Productions
 Perfect Storm Productions
 Phil McIntyre Television
 Picturesque Films
 Pioneer
 Playground
 Plimsoll Productions
 Plum Pictures
 Portobello Post (t/a Luti Media)
 Potboiler Productions
 Prominent Features
 Proper Content
 Proper Job Productions
 Pulse Films
 Purple Productions
 Quicksilver Media
 Quiddity Films

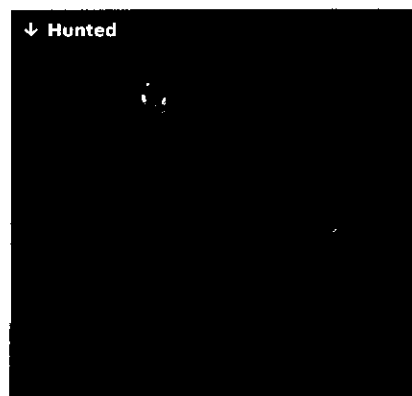


Raise the Roof Productions
 Ranga Bee Productions
 Raw TV
 Ray Pictures
 RDF Television
 Red Production Company
 Red Sky Productions
 Remarkable Television
 Renaissance Studios
 Renegade Pictures (UK)
 Renowned Films
 Retort (part of FremantleMedia UK)
 Revolution Films
 Ricochet
 Roast Beef Productions
 Rockerdale Studios
 Rogan Productions



Rogo Productions
 Rook Films
 Rumpus Media
 RVK Studios
 Sabina Smitham
 Salamanda Media
 Sandpaper Films
 SBX Studios
 Scott Free Productions
 See-Saw Films
 Shearwater Media
 Shine TV
 Shiny Button Productions
 Shoebox Films
 Sleeper Films
 Snowdog Enterprises
 Snowman Enterprises
 Snowstorm Productions
 Sony Pictures
 South Shore Productions
 Spark Media / Kindling
 Spelthorne Community Television
 Spirit Studios
 Spun Gold TV
 Stand Tall Media
 Stellify Media
 Storyboard Studios
 Story Films
 Strawberry Blond TV
 Strident Media
 Studio Crook
 Studio Lambert
 STV Studios
 Sunset+Vine
 Swan Films
 Talkback
 (part of FremantleMedia UK)
 Tern Television
 Thames TV
 (part of FremantleMedia UK)
 The Bureau Film Company
 The Connected Set
 The Corner Shop
 The Forge
 The Garden Productions

The Wall of Comedy
 Tinderbox Films
 Tiny Eye Productions
 Toledo Productions
 True North Productions
 True Vision
 Try Hard Films
 Tuesday's Child Television
 TV Cartoons
 Twenty Twenty Television
 Two by Two Productions
 Twofour
 Two Rivers Media
 Two Step Films
 Two & Two Pictures
 Tyrone Productions
 Untold Studios
 Uplands Television
 Vertigo Films
 Very Nice TV
 VICE Media UK
 Waddell Media
 Wall To Wall
 Warp Films
 Water and Power Productions
 Wayward Films
 Wellington Films
 Whisper Films
 Whitworth Media
 Why Not Productions
 Wildgaze Films
 Wild Pictures
 Wild Swim Films
 Wingspan Productions
 Wise Owl Films
 Wonderhood Studios
 Workerbee
 Wychwood Pictures
 Yeti Television
 Young Bwark Productions
 Youngest Media
 Yvonne Ibazebo
 Zandland
 Zeppotron



Independent Limited Assurance Report

To the Directors of Channel 4

Independent Limited Assurance Report by Deloitte LLP to the Directors of Channel 4 on selected Statement of Media Content Policy ("SMCP") metrics (the "Selected Information") within the SMCP Report for the reporting year ending 31 December 2022.

What we found: Our assurance conclusion

Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information, as presented on pages 30 to 97 of the SMCP Report, and as listed below and indicated with a ‡ in the SMCP Report has not been prepared, in all material respects, in accordance with the Basis of Reporting ("SMCP Methodology Document") defined by the directors.

What we looked at: scope of our work

Channel 4 has engaged us to provide independent limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised)", issued by the International Auditing and Assurance Standards Board ("IAASB")) and our agreed terms of engagement.

The Selected Information in scope of our engagement, as presented on pages 30 to 97 of the SMCP Report, and as listed below and indicated with a ‡ in the SMCP Report is as follows:

AR Chapter	Metric	Assured Figure
<i>Chapter 1: Engaging Young Viewers</i>	Corporate Measures: Streaming/All4 views	1.4bn
	Corporate Measures: Linear share (portfolio)	9.9%
	Total time with C4 on streaming and social channels	49.2bn/mins
	C4's linear share of total PSM viewing by 16-34s	15.0%
	"Channel 4 is always trying something new"	49%
<i>Chapter 2: Representing the UK</i>	"Channel 4 shows different kinds of cultures and opinions in the UK"	57%
	Proportion of onscreen contributors who are female, ethnically diverse, disabled or LGB	(KPI in four parts, see below:)
	% of onscreen contributions which are female	50%
	% of onscreen contributions which are ethnically diverse	19%
	% of onscreen contributions which are disabled	8%
<i>Chapter 3: Challenging our Audiences</i>	% of onscreen contributions which are LGB	18%
	"Channel 4 pushes boundaries"	52%
	Proportion of viewers who say that channel 4's programmes make them think differently	50%
<i>Chapter 4: Reshaping the Creative Industries</i>	Proportion of viewers who trust Channel 4 to report the news accurately and fairly	88%
	Spend on originated content outside of London	£228m
<i>Chapter 5: Investing in our Partners</i>	Investment in originated content	£570m
	Investment in all content	£713m

The Applicable Criteria defined by Channel 4 in the SMCP Methodology Document; the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

Our work did not include:

- testing to determine the reasonableness of broadcast classifications used within the methodology (originations or acquisitions; first run or repeat; genre; broadcast time, duration or channel; regional or national production; and language)
- procedures to test the robustness of source data provided by third parties (BARB and TRP, YouGov, Ipsos, and Diamond), their management of data including assumptions, consolidation, normalisation and reporting.

In relation to the Selected Information, as listed in the above table, the Selected Information needs to be read and understood together with the Applicable Criteria set out in the SMCP Methodology Document notes available on Channel 4's website at: <https://www.channel4.com/corporate/performance/reporting/reporting-library>.

Independent Limited Assurance Report **cont.**

Inherent limitations of the Selected Information

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

The self-defined Applicable Criteria, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

Directors' responsibilities

The Directors are responsible for preparing an Annual Report which complies with the requirements of the Companies Act 2006 and for being satisfied that the Annual Report, taken as a whole, is fair, balanced and understandable.

The Directors are responsible for:

- Selecting and establishing the Applicable Criteria
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria.
- Publishing the Applicable Criteria publicly in advance of, or at the same time as, the publication of the Selected Information.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of the Services.
- Confirming to us through written representations that you have provided us with all information relevant to our Services of which you are aware, and that the measurement or evaluation of the underlying subject matter against the Applicable Criteria, including that all relevant matters, are reflected in the Selected Information.

Our responsibilities

We are responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.
- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information.
- Reporting our conclusion in the form of an independent limited Assurance Report to the Directors.

Our independence and competence

In conducting our engagement, we complied with the independence requirements of the FRC's Ethical Standard and the ICAEW Code of Ethics. The ICAEW Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied the International Standard on Quality Control (UK) 1 ("ISQC (UK) 1"), issued by the Financial Reporting Council. Accordingly, we maintained a comprehensive system of quality including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

What we did: key procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the description of activities undertaken in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the description of activities undertaken in respect of the Selected Information, we performed the following procedures:

- Perform analytical review procedures and consider the risks of material misstatement of the Selected Information.
- Through inquiries of management, obtain an understanding of the Company, its environment, processes and information systems relevant to the preparation of the Selected Information.
- Perform substantive procedures to respond to assessed risks and to obtain limited assurance to support a conclusion.
- Through inquiries of management, obtained an understanding of internal controls relevant to the Selected Information, the quantification process and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information. We did not evaluate the design of particular internal control activities, obtain evidence about their implementation or test their operating effectiveness
- Through inquiries of management, document whether an external expert has been used in the preparation of the Selected Information, then evaluate the competence, capabilities and objectivity of that expert in the context of the work performed and also the appropriateness of that work as evidence.
- Perform procedures over the Selected Information, including recalculation of relevant formulae used in manual calculations and assessment whether the data has been appropriately consolidated.
- Perform procedures over underlying data on a statistical sample basis to assess whether the data has been collected and reported in accordance with the Applicable Criteria, including verifying to source documentation.
- Perform procedures over the Selected Information including assessing management's assumptions and estimates.
- Accumulate misstatements and control deficiencies identified, assessing whether material.
- Read the narrative accompanying the Selected Information with regard to the Applicable Criteria for consistency with our findings.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Use of our report

This report is made solely to the Directors of Channel 4 in accordance with ISAE 3000 (Revised) and our agreed terms of engagement. Our work has been undertaken so that we might state to the Directors of Channel 4 those matters we have agreed to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than Channel 4 and the Directors of Channel 4, we acknowledge that the Directors of Channel 4 may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Channel 4 and the Directors of Channel 4 as a body, for our work, for this report, or for the conclusions we have formed.

Deloitte LLP

London, United Kingdom
4 May 2023

Financial Report and Statements

For the year ended 31 December 2022

↓ Roale Jones' Trip Hazard



In this section

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Financial review and highlights

Corporation revenues

£1.14bn

- Following record revenues in 2021, corporation revenues remained resilient. Despite a more challenging trading environment in 2022, we finished the year with total revenues down just 2% (2021: £1.16 billion)
- This performance reflects our strategic focus on digital transformation and revenue diversification, with continuing growth in digital and non-advertising revenues – including hitting our goal to grow non-advertising revenues to 10% of total three years ahead of our Future4 target
- This growth largely offset the impact of declines in the linear advertising market, in part due to the impact of the macroeconomic downturn and broader supply chain issues, resulting in these revenues finishing down 8% year-on-year

Digital advertising revenue

£255m

- Digital advertising revenue grew by 14% on 2021 (2021: £224 million) despite the tough economic backdrop. Digital now makes up 22% of Channel 4's total revenues, up from 19% last year and progressing towards our Future4 target to reach 30% of revenues from digital advertising by 2025 – see further details on page 130
- Despite the challenges of driving audience growth in 2022 post-lockdown, the organisation remains focused on our Future4 target of doubling digital viewing over 2020-2025, to underpin the delivery of our digital growth targets

Content spend

£713m

- 2022 saw Channel 4 invest record amounts in content, as we reinvested strong surpluses achieved over the past two years into the creative industries (2021: £671 million)
- Originated content spend of £570 million (2021: £492 million) supported another strong year of remit delivery, investing in the independent production sector as well as our Future4 ambitions. This performance is articulated through the new metrics presented on pages 30 to 121, and also ensured all Ofcom quotas were met or exceeded – see page 131
- Our portfolio share of commercial impacts ('SOCI') for ABC1s was up for a third year running at 16.9% (2021: 16.6%). Across 16–34-year-olds SOCI finished the year at 19.6% – down 2% year-on-year, but better than anticipated given the boost to our competitors from key sporting events in the year (2021: 20.1%)

Net cash reserves

£253m

- Net cash outflow during 2022 was planned as we reinvest our second-highest-ever cash balance at the end of last year (2021: £272 million) into our commissioning activities, supporting this year's record content spend as well as longer-term investment in our creative output for the period ahead
- Our closing cash position also reflects key capital projects planned for 2022, investment activity and our continuing pension funding commitments
- A renewed ESG-linked £75 million revolving credit facility provides additional flexibility and reinforces long-term sustainability
- Net cash reserves are presented as an alternative performance measure ('APM') with further details provided on page 201

Pre-tax surplus before exceptional items

£20m

- Channel 4 achieved a pre-tax surplus for a third year running (2021: £101 million)
- A flexible and considered approach to the financial headwinds felt during the year ensured we were able to deliver this result while proceeding with plans to reinvest our record surpluses from 2020 and 2021 into content and our strategic objectives
- Our pre-tax surplus before exceptional items ensures transparency on the strong underlying performance of the business, before accounting for retention arrangements necessary in 2022 in light of the uncertainty around privatisation. These arrangements ensured we did our best to retain talent and continued to deliver as planned during a difficult period and in an extremely competitive climate for talent
- Our pre-tax surplus before exceptional items is presented as an APM, with further details of its calculation provided on page 200. After exceptional items our pre-tax result remained in surplus at £3 million (2021: £101 million)

Net assets

£560m

- Net assets decreased by £6 million during 2022 (2021: £566 million), driven by the year-end revaluation of our Horseferry Road building and a net loss on revaluation of certain investment holdings, both reflective of market conditions during the year. The actuarial revaluation of our previous pension liability now results in a small £5 million asset at 2022 year end (2021: £29 million deficit), offsetting a portion of the overall decline. We have also recognised equity adjustments on acquisition of the remaining holding in GSN International during 2022
- Our balance sheet position remains significantly stronger than historical levels and provides a sound financial platform for the ongoing transformation of the organisation, as we proceed with delivering our ambitious Future4 strategy and establishing the sustainable long-term direction of Channel 4

Financial review and highlights **cont.**

	2022 £m	2021 £m
Sales House revenues ¹	1,248	1,298
Corporation revenues	1,142	1,164
Content spend	713	671
Originated content spend ²	570	492
Pre tax surplus before exceptional items ³	20	101
Pre-tax surplus	3	101

1 Sales House revenues includes Channel 4's advertising revenues as well as those collected on behalf of our partners UKTV and Discovery. As Channel 4 acts as agency in these relationships, we only recognise our commission on these sales within Corporation revenues.

2 Please refer to further detail provided on the originated content spend metric and how this compares to overall content spend on pages 94 to 95.

3 This alternative performance measure is defined on page 200.

2022 was planned as a year of significant investment following two years of record surpluses, with strategic expenditure targeted both within the production sector to underpin the delivery of our remit and to support Channel 4's Future4 objectives. Even in unprecedented times for the channel (and in spite of the broader macroeconomic environment), we were able to deliver on this approach. As a result, Channel 4 has achieved a pre-tax surplus for the third consecutive year in 2022, recognising a pre-tax surplus before exceptional items of £20 million (2021: £101 million). After exceptional items (as detailed on pages 125 and 200), our pre-tax result remains in surplus at £3 million (2021: £101 million).

The Group achieved revenues of £1,142 million in 2022 (2021: £1,164 million), seeing small declines following our record performance the year before. Digital advertising revenues continued to grow year-on-year, up 14% on 2021, and now make up 22% of total revenues (2021: 19%). In absolute terms, digital advertising revenues remain well ahead of our Future4 roadmap. The success of revenue diversification elsewhere meant that we have exceeded our target to grow non-advertising revenues to 10% of total three years ahead of our 2025 target, as we continue to develop our partnership activity as well as strong film revenues this year. This growth helped cushion the impact of declines in the linear advertising market year-on-year, reflecting the impact of the cost of living crisis and broader supply chain issues on business confidence. This saw linear advertising revenues down 8% as a result, reaching £766 million this year (2021: £835 million).

2022 saw record levels of investment in content, exceeding £700 million for the first time to reach £713 million for the full year (2021: £671 million). This put into action our commitment to reinvesting record surpluses in 2020 and 2021 into the independent production sector, after the major cancellations, delays and budget reductions they experienced as a result of Covid-19.

After reaching record levels of streaming viewing during 2021, H1 2022 saw a rapid shift in consumer behaviour emerge, with general viewing trends declining compared with the lockdown period. Our organisational focus on our Future4 targets ensured a return to streaming growth in the second half of the year, finishing 2022 on 1.4 billion views (down on 2021: 1.5 billion). We had anticipated lower SOCI performance during 2022, with competitors benefiting from key sporting events in the schedule. This is reflected in our final portfolio SOCI position, with 16-34-year-olds down 2% year-on-year to 19.6%, although ABC1s SOCI increased slightly for a third year running to 16.9% (2021: 16.6%).

Balance sheet highlights

	2022 £m	2021 £m
Net assets	560	566
Freehold land and buildings	90	98
Growth Fund investments	58	42
Programme stock and film rights	398	299
Net cash reserves ¹	253	272
Pension asset/(liability)	5	(29)

1 This alternative performance measure reflects the sum of the Group's cash and cash equivalents and other financial assets net of cash borrowings at the balance sheet date; further details are provided on page 201.

As shown on page 198, the Group's net assets decreased by £6 million during 2022 to a closing position of £560 million, although this remains significantly above historical levels. The key driver of this was a negative revaluation of our Horseferry Road building largely due to changes in yield rates used to calculate the valuation, reflecting current market conditions. Key capital additions during the year have been negated by the impact of inflation on further planned work.

While the majority of our Growth Fund investments have remained stable, we have seen the impact of the cost of living crisis on more vulnerable sectors translate into an overall decrease in fair value of £5 million in relation to certain holdings. We have also recognised equity adjustments on acquisition of the remaining holding in GSN International during 2022.

A significant improvement in our defined benefit pension balance following an actuarial revaluation at the year end has partially offset these declines, and saw the net position improve to a £5 million asset on our balance sheet (2021: £29 million liability). Investment volatility has contributed to a considerably higher discount rate, reducing the scheme's liabilities, and though investment performance has also resulted in lower asset valuations (with an investment strategy aimed at mirroring the scheme's liabilities), this has not outweighed the improved liability position, resulting in a net asset to be recognised at the year end.

As well as achieving record content spend during 2022, we have invested into future years, with our programme stock and film rights balance increasing by £99 million versus 2021. Given the lead time between cash committed and content making its way on screen, we will see this reinvestment borne out in our creative output, audiences and financial metrics in the coming years.

A third year running of surpluses has ensured we maintain a strong balance sheet position, underpinning plans for further investment over the coming years and continuing to demonstrate Channel 4's financial sustainability.

Cash flow

Channel 4 finished 2022 with net cash reserves of £253 million, down on our second-highest-ever cash balance at the end of the previous year (2021: £272 million) but remaining well above levels seen in previous years. This cash outflow reflects key capital expenditure on our Horseferry Road building, investment acquisitions during the year, and Channel 4's pension funding commitments, as well as our continuing investment in the production sector and commissioning output for future years.

We renewed our £75 million RCF in early 2022, agreeing a new ESG-linked facility in line with our sustainability ambitions. This facility provides additional flexibility to withstand any market shocks and underpins the Group's long-term sustainability.

Channel 4 is a unique organisation: a public service publisher-broadcaster with a distinctive creative remit, funded solely from commercial revenues, existing to provide a range of distinctive, challenging and provocative content. In order to fulfil our public service remit (which is set out throughout the Statement of Media Content Policy) we seek to optimise returns from our commercial activities and minimise our overheads in order to maximise our spend on screen, marketing and investment in our digital strategy.

As a not-for-profit public service media organisation, our aim is to be commercially self-sufficient in the long term, generating surpluses and maintaining a strong balance sheet. A key element of our long-term financial strategy is the way we cross-fund commercially challenging genres with profitable programming. We invest our surpluses (when financially prudent to do so) back into original content and digital innovation to evolve our commercial business model and to maintain the relevance and reach of our remit.

The delivery of Channel 4's unique remit has always relied on a unique funding model, which requires an agile, pioneering and well-executed commercial strategy. The Members' view is that this is one of the organisation's strengths, incentivising Channel 4 to remain at the sharp end of innovation.

The section 172(1) statement made on page 169 sets out how the Members promote Channel 4's success in line with our remit and the business model described above.

In November 2020, Channel 4 launched its Future4 strategy focusing on innovation in light of challenges to the traditional TV marketplace to ensure the channel remains relevant as a destination for the next generation of audiences, securing the Group's long-term sustainability.

The strategy is centred on a clearly articulated view of Channel 4's purpose: to create change through entertainment. This is supported by the following key strategic pillars (as shown on pages 18 and 19):

- Prioritising digital growth over linear ratings
- Putting viewers at the heart of decision making
- Diversifying our revenue streams to underpin our sustainability
- Focusing on strategic partnerships to compete more effectively

Future4 is outlined in greater detail on pages 18 and 19, including an overview of the current corporate and financial priorities that our key pillars translate to.

Key performance indicators were introduced alongside the Future4 strategy in 2020 to monitor the business's performance against these objectives and progress over time – 2022 performance is considered on pages 130 to 131. Our assessment of our key business risks on pages 144 to 153 notes the hurdles faced in implementing Future4 in practice, and the mitigations in place to ensure we perform against our strategic targets.

Our principal activities

Our digital-first Future4 strategy sees our principal activities centred on creating a seamless and distinctive viewing experience for audiences wherever they access content. Channel 4 also maintains its unique role in the broadcast ecosystem through our investments in film and independent production.



Channel 4

Channel 4 is our Masterbrand. In a pioneering move in early 2023, we became the first UK public service media organisation to blur the lines between 'linear' and 'VoD' so viewers experience the same Channel 4 however they access our content.

The Channel 4 Masterbrand establishes a single brand identity for audiences whether they're streaming content online or watching live on our main linear channel, to help viewers find their favourite Channel 4 shows wherever and whenever they choose. Channel 4's core focus is on the values of innovation, creativity and diversity through original UK-commissioned programming.

Streaming

Channel 4's streaming proposition enables us to package together the widest possible variety of content: live TV, catch-up, box-sets and an increasing volume of online-specific content, making the platform a standalone destination with a clear editorial tone of voice. We are maintaining investment in technology to ensure a reliable user experience which keeps pace with heightened competition and consumer expectations.

Watch live

Channel 4 is also the name of our primary linear television channel. Channel 4 is available in standard and high definition on the main broadcast platforms and also encompasses our delayed transmission service Channel 4+1 and 4seven. 4seven provides another opportunity to watch Channel 4 programmes from the past week that have generated public, media and social media attention.



E4

E4 focuses on comedy, drama and entertainment, including original commissions and US acquisitions. E4 is the second most popular digital channel for 16-34-year-olds and the second most popular digital channel in the UK.



E4 Extra

A new youth-facing sibling channel to E4, E4 Extra is the home of the best comedy, entertainment, and US hits.



Film4

The UK's leading dedicated film channel, Film4 offers a mix of the best British, European, US and international cinema.



More4

More4 offers lifestyle-based content to help viewers get the most out of their everyday lives. The channel focuses on popular factual and features programming including homes, property, food, health and fashion.



Channel 4.0

Our new digital-first brand, Channel 4.0, is a dedicated content destination on YouTube and across social media for 13-24-year-olds. Channel 4.0 is home to the freshest and most joyful creator collaborations on the internet, showcasing Britain's greatest, funniest and upcoming creators.

Other

Our channels are available on all the main broadcast platforms and offer delayed transmission and high definition services. Channel 4 also broadcasts a suite of entertainment and music channels targeted at the 16-34 demographic, including 4Music, The Box, Kiss, Magic and Kerrang!



Film4 Productions

Film4 Productions develops and co-finance films and is known for working with the most distinctive and innovative talent in UK and international filmmaking, whether new or established.

4Studio

4Studio is our in-house digital content studio, at the heart of our digital acceleration strategy leading on all aspects of short-form content publication across social media platforms and delivering on Channel 4's strategy to serve young audiences in the spaces where they like to consume and interact with content.

Investment funds

The Indie Growth Fund helps to nurture the independent production sector by providing access to finance for a broad portfolio of small and medium-sized companies based in the UK to help them grow and develop their business. Channel 4 Ventures attracts new advertisers to TV and helps stimulate existing advertising sectors. The fund exchanges advertising airtime for minority stakeholdings in fast-growing companies.

Rights

Our UK secondary rights business generates income through the distribution of programmes and other associated products.

Key performance indicators

The Board uses a range of quantitative financial and non-financial information to monitor the Group's performance.

The key performance measures presented here have been identified by the Board as the most effective indicators in assessing progress against Channel 4's key objectives and strategy. The KPIs outlined on these pages are reviewed alongside the Statement of Media Content Policy ('SMCP') metrics set out on pages 30 to 121 of this report.

Digital advertising revenue

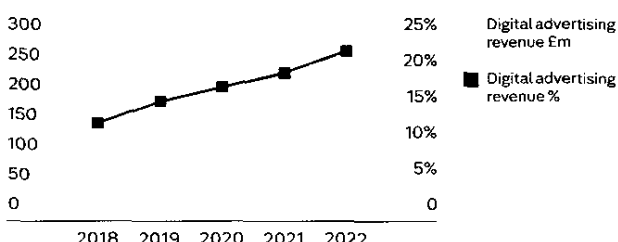
Definition: Digital advertising revenue reflects revenues generated from advertising on Channel 4's own and other third-party streaming platforms. This is monitored both in absolute terms and as a percentage of total Corporation revenues.

Importance: Diversifying our advertising revenues is a key pillar of our Future4 strategy, reflecting the changing viewing environment that Channel 4 operates in, and aimed at ensuring future sustainability. The strategy sets a clear commercial target: digital advertising revenue to be at least 30% of total revenue by 2025.

2022 performance: Digital advertising revenue grew by 14% year-on-year to reach £255 million (2021: £224 million). Continued progress in increasing the proportion of our revenues made up by digital (22% in 2022) has been achieved against a base of linear advertising revenues remaining more resilient than our Future4 targets originally anticipated.

% of total revenue **22% ↑** Digital advertising revenue **£255m ↑**

Digital advertising revenue



Non-advertising revenue

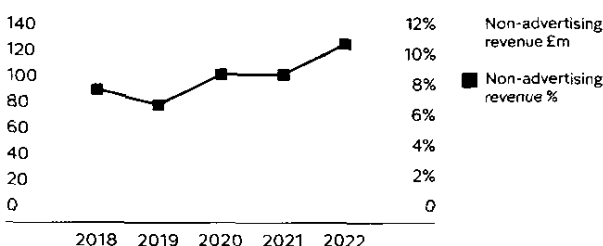
Definition: Non-advertising revenue includes all revenues not generated directly through either linear or digital advertising – including (but not limited to) rights income, distribution and theatrical revenues. This metric also reflects new revenue streams developed as part of our Future4 strategy. Non-advertising revenue is monitored both in absolute terms and as a percentage of total Corporation revenues.

Importance: Diversifying our revenues, and developing new revenue streams outside of our advertising business, is a key pillar of our Future4 strategy, aimed at ensuring future sustainability. The strategy sets a clear commercial target: non-advertising revenues to be at least 10% of total revenue by 2025.

2022 performance: Non-advertising revenue exceeded our 2025 target of 10% in 2022, three years ahead of schedule and up from 9% in 2021. These revenues reached £121 million for the year (2021: £105 million) as we continue to build strategic new revenue streams, assisted by a strong performance on our film revenues and existing partnership activity.

% of total revenue **11% ↑** Non-advertising revenue **£121m ↑**

Non-advertising revenue



Programme streaming views

Definition: A streaming view occurs when a clip or full-length programme is accessed on one of our Channel 4 on-demand platforms.

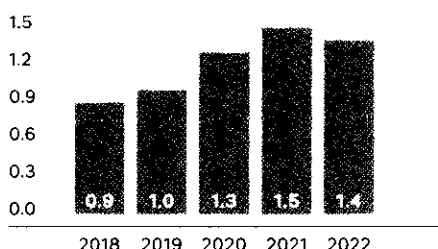
Importance: Doubling streaming viewing by 2025 (versus our baseline of 995 million views in 2019) is a central goal of our Future4 strategy, to ensure that Channel 4 remains relevant in an increasingly digital viewing landscape. Streaming views measure our success in attracting viewing to our on-demand platforms in the face of competition, both from traditional broadcasters and global giants.

2022 performance: Streaming viewing performance was down in 2022 following record performance the previous year, finishing the year on 1.4 billion views (2021: 1.5 billion). This decline occurred in H1 2022, where we saw rapid shifts in viewing behaviour in contrast with lockdowns in the same period the previous year. An organisational focus on driving streaming views ensured a return to growth in the second half of the year, and our 2023 priorities remain centred on delivering our strategic targets by 2025.

Programme streaming views

1.4bn ↓

Programme streaming views



Ofcom requirements

Definition: As a public service media organisation, the Channel 4 main service is set various licence obligations by Ofcom. Targets are set for a range of production and transmission measures.

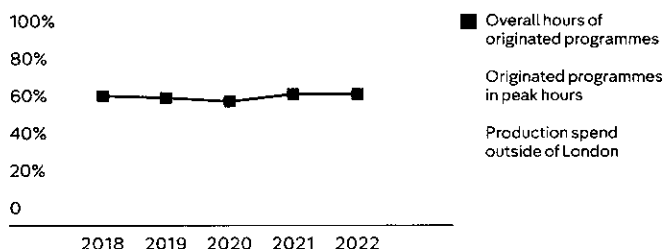
Importance: Channel 4 must demonstrate compliance with its licence obligations. Our delivery against these targets is set out on page 96.

2022 performance: In 2022, we met or exceeded all of our licence requirements, with key quotas achieved shown below. During 2022, the main channel achieved 63% of overall hours of originated programmes (target: 56%) and 82% in peak hours (target: 70%). As shown on page 96, we also achieved 52% of programme production spend outside London (target: 35%) and 9% of programme production spend in the Nations (target: 9%).

Ofcom requirements

Exceeded ↔

Key metrics for Ofcom quotas



Share of commercial impacts

Definition: Share of commercial impacts ('SOCi') measures our share of the commercial linear viewing audience, and specifically of commercial impacts (one member of a target audience viewing one advert). Channel 4 focuses on its portfolio SOCi across the two target audiences that make up its key demographic – 16-34-year-olds and ABC1s.

Importance: SOCi is a clear indicator of linear viewing performance, and additionally (unlike a broader general share of viewing metric) acts as an indicator of how viewing translates to revenue generation through the advertising we sell.

2022 performance: Portfolio SOCi for ABC1s increased slightly for a third year running in 2022, finishing the year on 16.9% (2021: 16.6%). While portfolio SOCi across 16-34-year-olds was down year-on-year at 19.6% (2021: 20.1%), declines were always anticipated given Channel 4's strategic digital-first focus and as our competitors benefited from key sporting events in the schedule; overall SOCi performance exceeded expectations.

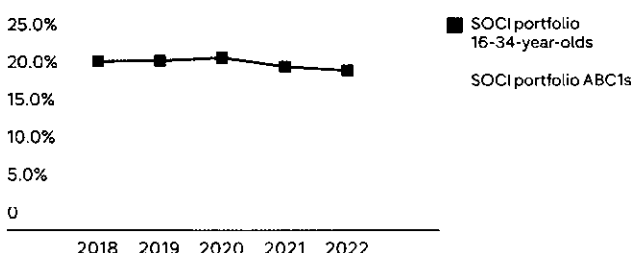
Portfolio SOCi 16-34-year-olds

19.6% ↓

Portfolio SOCi ABC1s

16.9% ↑

Portfolio SOCi



People and corporate social responsibility

People

In 2022, our aim was to continue to build on the foundations we put in place during 2021 – driving and embedding a high-performing inclusive culture, where employees can do their best work.

During the year, we continued to embed our annual performance cycle linked to pay, and launched a pay framework and role competencies to support transparency and consistency.

We welcomed over 500 new employees, and to support their transition into the company we revamped our induction to support them being their best, and further developed our learning strategy across the organisation.

The welfare of our employees remained a focus for us during 2022; as well as offering mental wellness seminars, counselling and support services, we also invested in training for additional Mental Health ambassadors to support our employees.

In partnership with 4 Women, Channel 4 launched a pregnancy loss policy and introduced fertility testing with Hertility, becoming a 'Reproductively Responsible' employer.

We wanted to ensure our employees were supported through the ongoing cost of living crisis by offering our employees a cost of living allowance of £1,000, paid in two instalments across 2022 and 2023 to those employees who earn £55,000 or less. We also ran financial wellbeing sessions with options for one-to-one sessions.

In 2022, our employees continued to work in a hybrid way. We listen and act on feedback from our employees and measure engagement by running two pulse surveys and an inclusion survey during the year. Our engagement score averaged 82% in 2022, up 1% on the 2021 average and 4% above the Creative & Media Industry benchmark¹.

During the year, our Chief Executive and Senior Leaders continued to hold regular all-staff sessions and we introduced quarterly People Manager sessions.

Channel 4's focus on inclusion and diversity ('I&D') continues to ensure we have an inclusive culture and a diverse makeup of employees. To support this, we have appointed a new Director of Inclusion who is part of the Executive Management Board and reports to our Chief Executive.

In the summer of 2022, we supported a series of Lived Experience clinics on the themes of race and identities in the workplace, commissioned by our employee resource group 'The Collective' and undertaken for us by Caerus Executive. The study reviewed our progress over the past five years, and made a number of recommendations going forward, under three themes: Inclusive Culture (to support our retention activities and inclusive leadership), Safe Space (to support trust and accountability), and a new Equity and Inclusion strategy for Channel 4.

Our employees choose whether to voluntarily share their diversity information with us and have an option to select "prefer not to say" for each question.

We continue to progress against our targets, with women making up 52% of our top 100 paid employees at December 2022, achieving our 50% target ahead of schedule. The overall proportion of ethnically diverse employees is currently at 19% with an expectation that we will reach our 20% target in 2023.

	December 2022	December 2021	2023 target (staff)
Female			
Total	59%	58%	N/A
In top 100 paid employees	52%	48%	50% ²
Ethnically diverse			
Total	19%	18%	20%
In top 100 paid employees	18%	17%	20%
Disabled	11%	11%	12%
LGBTQ+	11%	10%	6% ²

¹ Source: Culture Amp.

² Target already met as at December 2022.

Employee breakdown and gender balance

The average number of employees for the year, on a full-time equivalent basis, was 1,197 in 2022 (2021: 1,044). The average number of people employed by the Group for each group of employees was as follows:

2022	Male no.	Female no.
Executive team	8	6
Senior managers	23	24
Employees	464	663
Total employees	495	693
Non-Executive Members	6	3
Total including Non-Executive Members	501	696

Our employee resource groups ('ERGs'), listed below, have played a huge role in supporting our employees and the business throughout 2022 and the Channel 4 Executive team offer their thanks for this hard work and dedication during the year. The ERGs have organised and held regular virtual meetings and support sessions throughout the year, continuing to raise awareness of difference and fostering an inclusive culture:

- The Collective (diverse ethnicities)
- 4Earth (environment)
- 4Mind (mental health)
- 4Parents & Carers (parents and carers)
- 4Pride (LGBTQ+)
- 4Purple (disability)
- 4Reps (employee representatives)
- 4Womxn (women)
- The Shed (men)

Attracting diverse talent

We monitor recruitment activity each month by asking all candidates to share their diversity data with us if they wish to do so. As a 'Disability Confident Leader' we offer a guaranteed interview to all candidates with a disability who meet the essential criteria for a role.

In 2022, Channel 4 received 22,872 applications for jobs. We recruited for 552 roles, with the following breakdown:

	Applications	Employed
Ethnically diverse	30%	23%
Disabled	14%	12%
Female	50%	59%
LGBTQ+	19%	14%

As part of the increased 4Skills ambition, Channel 4 is now supporting more apprentices than ever before, with a commitment that at least half are based outside of London.

In 2022, we recruited our highest-ever number of apprentices with 40 being recruited across the organisation. These programmes are targeted at underrepresented groups within society and contribute to Channel 4's broader diversity and inclusion targets.

To feel fully supported, apprentices have a personalised induction including an assigned coach and a buddy.

In total, 86% of our apprentices who completed their programme in 2022 were able to secure permanent or contract roles, with 77% remaining at Channel 4. For those we cannot retain at the end of their apprenticeship, we provide sessions to finesse their CVs/LinkedIn profiles, and run interview sessions to equip them with the necessary tools and skills to confidently progress into a new role.

Pre-pandemic, Channel 4 provided more than 60 work experience placements per year and carried out an annual series of outreach events up and down the UK. As part of 4Skills, in 2022 Channel 4 piloted and developed targeted and impactful mentoring and work experience, delivered virtually to increase accessibility and scale.

In 2022, we followed a strategy of developing our learning culture through three different approaches: first innovating in our learning technology, second improving our career development and coaching, and thirdly, providing leadership development.

In the first of these, we implemented a new learning experience platform for all our employees which we have called the 'Learning Hive'. We have a number of digital content solutions within the Learning Hive, and we have also fully integrated LinkedIn learning. This means that most topics ranging from technical to career development to leadership development are all catered for, and employees can carry out self-service learning.

The second area was career development and coaching. We enhanced career development courses for all employees and provided additional courses for our diverse populations. This was supported by a new approach to coaching, where we increased the number of coaching interventions by 300% to approximately 240, with a minimal increase in cost.

Third, leadership development consisted of four sessions for our leadership group, and the research and design of a new leadership development centre, 'Inclusive Leaders', which is being delivered in 2023.

Additionally, we ran 'Learning at Work Week' three times in 2022, focusing on employee development. Employees had the opportunity to learn something completely new (not always job related), with many of the learning opportunities provided by other colleagues.

Finally, overall learning in culture was further encouraged by a new approach to encourage learning among all employees, 'Give Back and Grow', where they can use 40 hours per year for learning time, volunteering and/or activities connected with our ERGs.

Learning

Courses completed – Learning Hive	5,020
Videos watched – LinkedIn Learning	16,510
Learning at Work Week attendees	994

Accountability for corporate conduct

Our Board and Executive team have committed to promoting the highest standards of responsible corporate behaviour and are ultimately accountable for this. Channel 4 has a Corporate Code of Conduct and procedures providing a framework for accountability, and a whistleblowing facility in place to ensure concerns can be raised by both Channel 4 employees and third parties within our supply chain.

Channel 4 takes seriously its obligation to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business. Our annual Modern Slavery Statement (available on our corporate website) reflects this commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking are not taking place anywhere in our supply chains.

Corporate and social responsibility

We are committed to playing a responsible role in our communities. The aim of our corporate responsibility strategy is to fulfil our public service remit in a responsible manner through inspiring and challenging the behaviour of our people and audience to promote social, environmental and personal change.

Task Force on Climate-related Financial Disclosures

Introduction

Channel 4 recognises the scale of the climate emergency, the risk it poses to the business and the need to integrate mitigating actions into all areas of our operations.

Reporting aligned with the requirements of the Task Force on Climate-related Financial Disclosures ('TCFD') is expected to become mandatory for Channel 4 for the year ended 31 December 2023. While our reporting around climate-related risk is still evolving, we have taken steps to expand our disclosures and align with the pillars and requirements of the TCFD framework (see right) ahead of this deadline, as a reflection of Channel 4's commitment to a transition to net zero. A full readiness assessment was carried out in Q4 2022 to review work to date and identify any remaining gaps in our disclosure. A summary of our progress to date is provided in the roadmap below.

As stated on page 166, the Group voluntarily reports in line with the Financial Conduct Authority's Listing Rules where applicable as a Statutory Corporation, and discloses any departures from this approach. Alignment with TCFD for premium listed companies is required under the Listing Rules for financial years beginning on or after 1 January 2021. Our assessment is that, on the "comply or explain" basis required, the disclosures made below ensure that we are voluntarily compliant with the Listing Rules for the 2022 financial year. The table on page 135 indicates our current status in aligning with the recommendations of TCFD, and work remains in progress to ensure full alignment with these recommendations ahead of our 2023 Annual Report.

Progress to date

Governance

- CEO nominated as Executive sponsor for climate and sustainability at Board level
- Responsibility for climate action plans delegated to Executive in relevant business areas
- Climate and sustainability overseen as part of Channel 4's overall project management structure, with working groups established for key initiatives



Strategy

- Major programme of work kicked off in 2022 by re-baselining our emissions, including Scope 3 which makes up the biggest aspect of our carbon footprint
- Launched Climate Emergency Brief in 2022
- Agreed new ESG-compliant revolving credit facility in early 2022
- Quantitative analysis of our key climate-related risks carried out over the short to medium term



Roadmap to TCFD: Planned for 2023 and beyond

Governance

- Monthly steering group will ensure accountability for delivery of climate action plans throughout 2023
- Audit & Risk Committee to review remaining actions for fuller TCFD alignment ahead of 2023 Annual Report



Strategy

- Submit SBTi targets for validation and build out associated strategy
- Expand quantitative scenario analysis on resilience over long and very long term



TCFD recommendations	Progress	Page
Governance		
a. Describe the board's oversight of climate-related risks and opportunities	○	136
b. Describe management's role in assessing and managing climate-related risks and opportunities	○	137
Strategy		
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	○	139-140
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	○	137-138
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	○	140
Risk Management		
a. Describe the organisation's processes for identifying and assessing climate-related risks	○	141
b. Describe the organisation's processes for managing climate-related risks	○	141
c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	○	141
Metrics and Targets		
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	○	141
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	○	142-143
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	○	141

○ Compliant ○ Partial disclosures made on the "explain" basis for 2022 – further detail set out on the pages referenced above

Risk management

- Climate-related risk analysis expanded during 2022 to include assessment of more granular risks by business area, in addition to headline risks managed at enterprise level



Metrics and targets

- Scope 1 and 2 emissions disclosed on page 140
- 'albert' calculator in use on all productions (see page 138)
- Work underway to improve the depth and quality of carbon data available (see left)

Risk management

- Develop existing Executive responsibility for delivering climate action plans into broader accountability for managing and mitigating climate-related risks and exploring climate-related opportunities



Metrics and targets

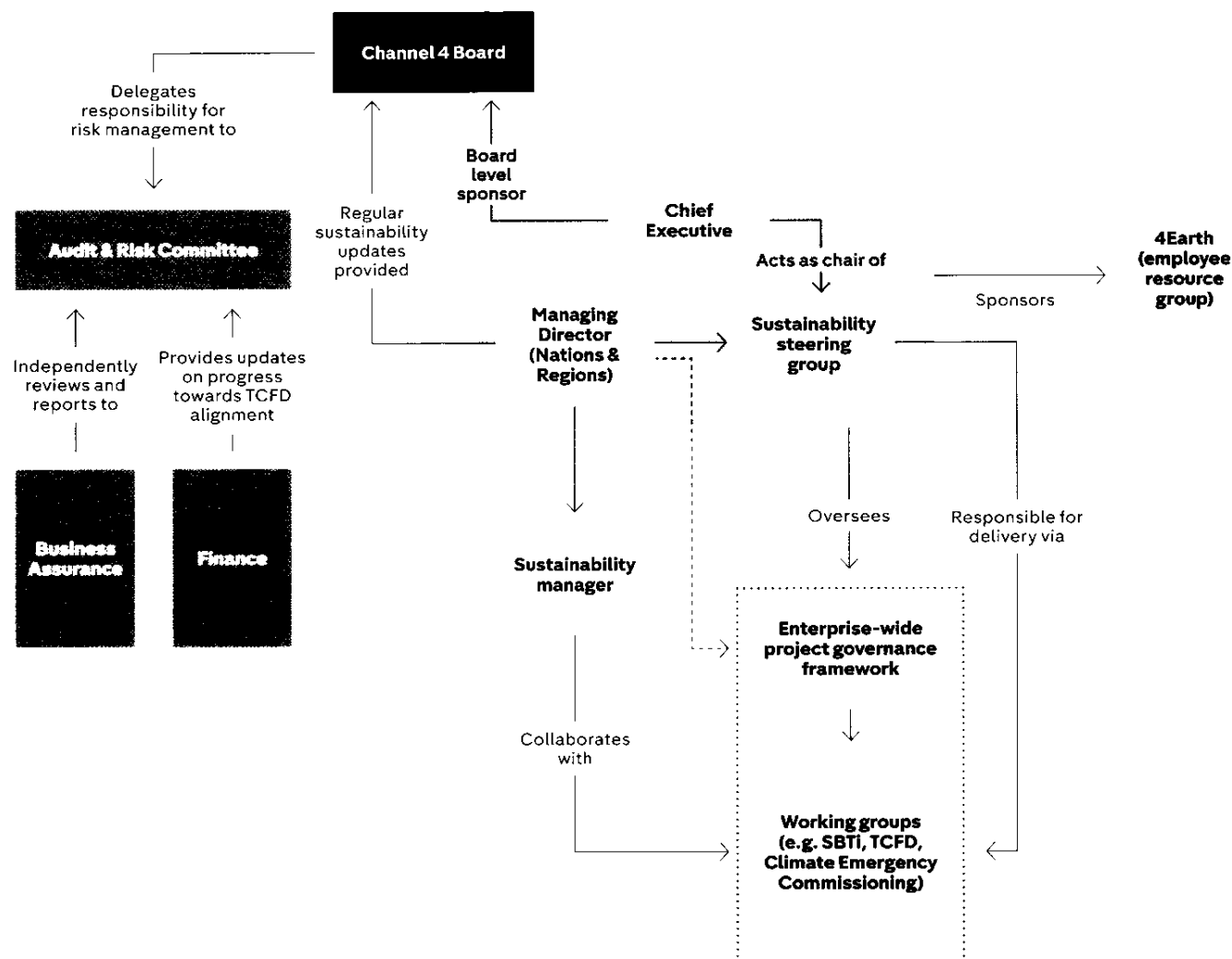
- Disclose verified emissions targets once certified by SBTi
- Disclose Scope 3 emissions for all relevant categories in line with TCFD guidance

Task Force on Climate-related Financial Disclosures **cont.**

Governance

The Channel 4 Board and Executive team oversee the organisation's progress against its sustainability roadmap and agree upcoming priorities and overall strategy on climate change. The Board receives an annual dedicated update on climate and broader sustainability issues, presented by the Managing Director (Nations & Regions) and our dedicated Sustainability Manager (see "Executive responsibility for climate-related risks and opportunities" on page 137). The Board also receives further updates on key workstreams throughout the year as appropriate. In 2022, the Board considered climate-related risk in reviewing financial planning and risk management arrangements; the Board also reviews climate-related considerations in making major capital decisions and assessing new investments. The Board has also overseen progress in aligning our climate commitments with science-based methodology, facilitating clearer monitoring going forward. Alex Mahon now acts as Executive sponsor for climate and sustainability at Board level, with the aim of ensuring this area achieves appropriate prominence on the Board agenda. As outlined on page 146, the Channel 4 Board delegates monitoring of risk management, including risks relating to sustainability and climate change, to the Audit & Risk Committee. Our Business Assurance function reviews the effectiveness of risk management around the business and provides regular risk updates to the Committee (as well as an annual update directly to the Board), noting any emerging or developing risks. Environmental sustainability has remained as a key risk at enterprise level during 2022, reflecting the importance of the climate agenda (and our response to this both on- and off-screen) in stakeholder expectations. For further detail, please see the 'Risk management' section on page 141.

Overview of sustainability governance



Executive responsibility for climate-related risk and opportunity

Channel 4's Managing Director (Nations and Regions) has day-to-day responsibility for overseeing Channel 4's sustainability work (including climate change) at Executive level, supported by a dedicated Sustainability Manager. As noted above, they are responsible for providing an annual update on climate matters to the Board; they also provide updates on these issues to the wider Executive Management Board. Responsibility for sustainability workstreams has been delegated to Executives in the relevant business areas. These Executives and the Managing Director (Nations and Regions) attend a monthly steering group on climate and sustainability, chaired by the Chief Executive in her role as Board Executive sponsor; this group oversees delivery of key climate-related actions both on and off-screen. During 2022, key initiatives were also brought into the organisation's overall project governance structure, strengthening oversight and accountability by the Executive team.

Staff engagement in sustainability is supported by our dedicated employee resource group 4Earth, who provide feedback on the sustainability strategy, support initiatives and promote positive climate action for individuals.

Strategy

Channel 4 is committed to achieving net zero emissions. This commitment impacts strategy throughout the business as we integrate climate and sustainability considerations into all our processes and decisions:

- How we behave – our operations and offices
- Who we work with – our suppliers
- What we showcase – our content
- Where we do business – our partnerships and investments

Channel 4 originally made public commitments in 2020, stating our ambition to become a net zero organisation. Following the publication of new guidance on Net Zero by the SBTi in 2021, we have now committed to bring our corporate ambitions into line with SBTi's best practice. Our aim for 2023 is to set and publish ambitious but achievable near-term (for 2030) and long-term (for 2050) emission reduction targets based on the revised SBTi methodology.

In 2022, we undertook an exercise to re-baseline emissions after changes to working practices and following the opening of new Nations and Regions office locations in 2019 and 2020. The key findings highlight that Scope 3 emissions make up the largest part of our carbon footprint (99.9%). This work provides a platform for the next phase, to review and update our targets for SBTi verification, while we continue to improve the depth and quality of our carbon data.

As outlined on pages 139 to 140, Channel 4's climate-related financial risks are not expected to have a material impact on Channel 4's strategy or financial outlook in the short-to-medium term. This assessment has been considered as part of the Group's financial planning during 2022. Over the longer term, the high proportion of Channel 4's carbon footprint relating to Scope 3 emissions in our supply chain indicates that our strategy may be more impacted by transition risk than by physical risk, as noted in the risk assessment on page 139. Our focus on improved data will help us to identify and address climate-related risks in our strategy over time, and plan for the transition to a low carbon economy (as well as facilitating expanded disclosure to align with the requirements of TCFD

from 2023 onwards). The emissions data already obtained through the re-baselining exercise has identified the priority areas within our supply chain on which to act. We will implement an engagement programme with direct and indirect suppliers to obtain better emissions data, facilitate the alignment to net zero goals and support decarbonisation of key sectors.

While Channel 4's Scope 1 and 2 emissions make up a minimal proportion of our overall carbon footprint, the organisation continues to reduce emissions as much as possible through efficiency measures, reviewing progress and advocating support for carbon reduction initiatives among our wider staff. The impact of climate-related risk on our offices is a central consideration in assessing our future workspace needs and financial planning for key capital improvements. This ensures that we are able to progress towards our climate commitments, and mitigates the risk of impairments to our balance sheet assets in the longer term, which is an important consideration in the organisation's financial planning given the materiality of the Horseferry Road building on the Group's balance sheet.

Details of our operational performance are outlined in the "Metrics and targets" section on pages 141 to 143. As of April 2022, we saw all offices return to opening five days a week and staff returning on a flexible basis. Despite seeing an expected increase in total energy consumption compared to 2021 as a result of increased office use, we have continued to monitor and measure our energy consumption in order to make improvements where possible.

As our London office is the organisation's biggest energy consumer, we installed a smart building platform at the end of 2021 which monitors and analyses building systems performance in real time. Through this, we have been able to identify operational anomalies in key plant and make adjustments to optimise operational efficiency. Throughout the year, we also invested in applying sub-metering to our main plant and equipment in order to provide us with energy data from source of consumption. Commissioned in December 2022, ongoing data capture will enable us to identify opportunities to reduce energy consumption in key areas, and input into decision making on future maintenance strategies and investments.

During the year, two floors of the London building were refurbished. This enabled us to replace ageing equipment with more energy efficient alternatives, including new heating, cooling and lighting systems.

To support the business in achieving its climate ambitions, all departments need the knowledge and tools to integrate sustainability into working practices. We have built on the success of training provided by albert (see more details on page 138), with a further e-learning module specific to Channel 4's objectives and asks. The 'How to go net zero' module is now a part of mandatory induction training for all new starters to establish the importance of action across all areas of the business, empowering individuals to consider sustainability across decision making.

Post Covid-19, we encourage the use of virtual meetings where possible and only travel where there is a business need. As we adapted to hybrid ways of working during 2022, we did see travel, particularly domestic, increase. Looking forward, we'll avoid taking flights within the UK and local business travel will be by public transport rather than taxi where possible.

Task Force on Climate-related Financial Disclosures **cont.**

As a publisher-broadcaster which commissions all its programming from the independent production industry, the largest portion of our Scope 3 emissions come from the production of programmes aired on our channels. Channel 4 requires all productions to use the albert calculator to measure their carbon footprint. In 2022, Channel 4 set a mandate for all production companies to complete albert's Carbon Action Plan, requiring productions to reduce and offset their emissions and attempt to achieve albert sustainable production certification. Early engagement in this area may mitigate transition risk, avoiding a need for further reaching action or unforeseen costs over the long term.

'albert' is a BAFTA-owned and industry-backed organisation supporting the film and TV industry to understand the opportunity and create positive environmental change by:

- Enabling every part of the screen industry to measure and reduce carbon emissions from production
- Empowering the industry to create content strategies that support a vision for a sustainable future

albert provides tools and training to all screen industry professionals to help identify and act upon opportunities on and off screen which can lead to effective climate action. Channel 4 is an active member of the albert Directorate, Consortium and working groups.

This year, Channel 4 used the DIMPACT tool (an online tool calculating the carbon emissions of the downstream value chain of digital media content) to measure carbon emitted through online streaming. We will work with our highest emitting suppliers within streaming to understand their roadmaps to net zero, and what technical changes can be made to our services. We will continue to use the DIMPACT tool to gather a fuller data picture, and contribute to industry working groups to lower our contribution to emissions through viewer devices.

For 40 years, Channel 4 has been using the power of its programming to drive important societal behavioural change. As part of Channel 4's strategic purpose, of creating change through entertainment, we believe that film and TV have an important role and responsibility in inspiring systemic change to tackle the climate emergency. Full details of our on-screen climate strategy, commitments and action to date are provided in the "Tackling the climate emergency" chapter on page 98.

Where we do business – our partnerships and investments
Our partnerships and investments provide an important opportunity to ensure our values and commitments to the environment are integrated into our wider financial activities, including Channel 4 Ventures, the Indie Growth Fund and our own pension funds.

Channel 4 is an active member of the Ad Net Zero Steering Group, committed to its aims to reduce the carbon impact of developing, producing and running advertising to real net zero, and to making practical changes in the way advertising operations are run. As signatories we provide funding, expertise and resources to make the Ad Net Zero goals a reality before this decade is out. Channel 4 sits on the Ad Net Zero Steering Group and mandates the use of AdGreen to measure the carbon emissions of our original commercial content.

We take environmental credentials into account when investing in Indie Growth Fund companies and require all of the Fund's investees to have, or be working towards, albert accreditation. We consider the sustainability credentials of all proposed investee companies when making investment decisions, mitigating transition or reputational risk to the business. During 2022, Channel 4 Ventures invested in WeAre8, a sustainable advertising platform aiming to redirect a slice of the booming digital ad market back to people and the planet.

As of January 2022, all new joiners are enrolled onto an ESG-integrated pension fund. An internal programme took place to provide existing employees with the knowledge and tools to switch their investments to the ESG fund.

Climate-related risks and opportunities over the short, medium and long term

The table below outlines the climate-related financial risks identified in our assessment as having the potential to become material to Channel 4's future strategy and financial outlook. While our risk management process covers a wider range of climate-related risks, including those whose impact to the Group is expected to be predominantly reputational/operational, our consideration here is focused on risks with an expected financial impact only.

Our analysis gives consideration to the potential qualitative and/or quantitative impact of each material risk on the business, the nature of these risks, and the time horizon over which the risk may be expected to crystallise. Our assessment then attributes each risk to the two climate scenarios considered in the next section. None of the risks noted below is expected to be material to the Group's financial outlook in isolation

Key risk	Explanation of risk	Further detail provided on page 140					Materiality
		Nature of risk	Scenario	Time horizon	Financial impact		
Delays in content production due to extreme weather events	While Channel 4 does not produce its own content, if filming by an independent production company were to be disrupted by extreme weather this cost may be passed on to Channel 4 in final production budgets	Physical	Hot house world	Short term onwards	Expenditure – Increased cost due to one-off delays to production	Not expected to be material to the Group's financial statements in isolation	
Higher cost of doing business due to climate transition	As noted above, Channel 4 has set a mandate for all production companies to apply for albert sustainable production certification. Increased costs as a result, along with other potential transition costs, may be passed on to Channel 4 in final production budgets	Transition	Disorderly transition	Short term onwards	Expenditure – Increased cost of production due to transition passed on by suppliers	Not expected to be material to the Group's financial statements in isolation	
Restrictions on advertising high carbon products, businesses or industries	Revenues from high carbon sectors may be lost in future either as a result of external regulation (although no proposals have been put forward in this area to date) or internal policies to mitigate reputational risk	Transition	Disorderly transition	Medium term onwards	Revenues – Lost revenues to the extent that this cannot be offset by other revenue opportunities	Not expected to be material to the Group's financial statements in isolation	
Channel 4 struggles to deliver net zero transition fast enough, exacerbated by external factors and creating significant business disruption	In line with SBTi methodology, the long-term emissions targets we are seeking to set will not be reliant on offsetting. However, any interim measures to offset our emissions if progress cannot be delivered fast enough may expose us to the risk of higher carbon pricing, with the cost of carbon offset per tonne expected to rise significantly by 2030	Transition	Disorderly transition	Medium term onwards	Expenditure – High carbon pricing costs to meet targets to agreed timescales	Not expected to be material to the Group's financial statements in isolation	

Task Force on Climate-related Financial Disclosures **cont.**

Climate-related risks and opportunities over the short, medium and long term

Considerations for scenario analysis

Time horizon	Short term	Medium term	Long term
Year	2023	2024-2025	2026-2030
Explanation	Aligned with our annual reporting period and Budget cycle	Aligned with our current financial planning cycle and the horizon used for our Viability assessment	Aligned with our anticipated near-term net zero commitments (once verified by SBTi)
The scenarios currently assessed extend to 2030 only. We will seek to align our time horizons with longer-term carbon commitments in line with the recommendations of SBTi (i.e. out to 2050) as our targets are finalised			
Nature of risks	Physical	Transition	
Explanation	Risks associated with physical impacts of climate change e.g. extreme weather events or chronic changes in mean temperatures and sea level	Risks associated with mitigating the impact of climate change and transitioning to low carbon economy e.g. new regulations or reporting requirements, disruptive technology, changing costs of production	
Scenario	"Hot house world" (>3 degrees)	Disorderly transition (<2 degrees)	
Explanation	This scenario assumes governments fail to address climate change and global temperatures rise unabated, with businesses abandoning their climate commitments as a result. Physical risks here are higher although transition risk is low	This assumes that Channel 4 and others continue progress towards our net zero commitment but with unforeseen costs, and more severe action is needed due to early delays in policy response	
These scenarios have been selected based on recognised industry models (provided by the Network for Greening the Financial System) and to align with the TCFD recommendation to include a <2 degrees scenario. The disorderly transition scenario selected reflects the fact that the majority of the risks identified by Channel 4 and the greatest impacts to the business relate to transition rather than physical risk (particularly as a result of Channel 4's publisher-broadcaster business model and given the Group is based in the UK).			

As demonstrated throughout in the previous section (regarding the impact of climate on our wider strategy), we have identified initial climate-related opportunities and have made good progress in implementing our strategic response to these. Key areas of opportunity include:

- Demand for new services and content, and capacity to influence audience behaviour – for example, by signing up to the Content Climate Pledge and our Climate Emergency Brief
- Green partnerships – for example, through our investment funds and membership of the Ad Net Zero Steering Group
- Capacity to influence supply chain – for example, by mandating use of the albert calculator and completion of the Carbon Action Plan

While we continue to build on these opportunities with teams around the business, in 2022 we have not disclosed a full assessment here as for risks, with the intention to provide expanded detail in 2023 and beyond.

Initial analysis in 2022 provided high-level quantitative modelling of the potential financial impact of each risk over the short to medium term, in line with Channel 4's existing financial planning cycle. Risks were considered both individually and aggregated into scenarios deemed plausible but beyond management's current expectations.

This analysis demonstrated that a "hot house world" scenario is not expected to have a material impact on the Group's financial outlook over the planning horizon. While the financial impact of a disorderly transition scenario over the same period was potentially more significant, this was not expected to have a material impact on the Group's resilience given mitigations available and the ability to offset certain risks with climate-related opportunities identified. This analysis was presented to the Board to accompany the normal financial planning cycle in 2022.

Channel 4 has not yet performed quantitative analysis over the long-term horizon given the time span of our current financial planning cycle. In the interim, our initial qualitative assessment is that the Group is sufficiently resilient to climate-related risks given the sustainability of our business model (as discussed in further detail on pages 127 and 154) and our ability to dynamically manage our spend and cash flows. Our intention is to quantify this assessment in due course, the timing of which will allow us to ensure analysis aligns with our revised long-term net ambitions and resulting developments in our climate strategy.

Risk management

The identification, assessment, management, monitoring, and reporting of climate-related risk form part of Channel 4's overall risk management process, as described on page 144. The process is pragmatic, principally considering key and emerging risks to our business. Our approach to environmental sustainability was first identified as an emerging risk to Channel 4 in 2019 and it has been monitored as a key risk since 2020. As our risk management process matures (including through analysing risk in greater detail at a business area level), we have developed our understanding of the specific climate-related risks that underpin this headline risk, including their intrinsic link to opportunities. Climate-related risk is also considered as part of our established approach to risk interconnectivity, which is discussed further on pages 152 to 153.

As noted on page 144, risks are assessed against a set of agreed criteria, considering the likelihood of the event occurring and the financial, operational and/or reputational impact should they occur – this approach allows us to assess the size and scope of each risk and prioritise them accordingly, and informs decision making around mitigating, accepting or transferring risk. The potential financial impact of relevant risks is further assessed using a combination of internal data on the affected revenue or cost streams themselves, historical analysis to provide proxy data where applicable, and third party climate and financial analysis. This impact is considered in terms of its materiality to the financial statements over our planning horizon and available financial mitigation.

This more detailed understanding is enabling more targeted and impactful actions to be taken. The future direction of our climate-related risk management process is to develop existing Executive responsibility for delivering climate action plans into broader accountability for managing and mitigating climate-related risks and exploring climate-related opportunities. As we improve the depth and quality of our carbon data and finalise science-based targets, this will also help direct our mitigation and management of risks to achieve the greatest impact.

Metrics and targets

The metrics currently used to assess Channel 4's climate risk and progress towards its net zero ambitions are our Scope 1, 2 and limited Scope 3 emissions as outlined in our Streamlined Energy and Carbon Report ('SECR') on page 142. As noted in the "Strategy" section above, we continue to expand the quality and quantity of our carbon data – our intention over time is to expand our Scope 3 metric to include our Scope 3 emissions across all relevant categories as this makes up by far the largest part of the organisation's carbon footprint. This will allow us to disclose Scope 3 emissions in future years, as encouraged by the TCFD recommendations.

Channel 4 has not currently adopted internal carbon pricing or other cross-industry metrics (such as those presented for consideration in TCFD's guidance) given the materiality of our climate-related risks and work in progress to quantify opportunities.

As noted under the "Strategy" pillar above, an ambitious programme of work has commenced in 2022 and will continue throughout 2023 to establish our baseline emissions and set meaningful emissions targets verified by SBTi which will drive delivery of our net zero ambitions.

Once validated by SBTi, these targets will form part of our TCFD reporting going forward; however, we have not complied with the requirement to disclose targets in 2022 while this work is ongoing. While we have set certain internal emissions targets as interim measures, these have not been disclosed to ensure clarity in reporting a single set of validated and credible targets once our SBTi submission is finalised.

While targets have not been disclosed for 2022, we have summarised our emissions performance for the year in terms of year-on-year changes to our existing metrics on page 143, as well as detail of the actions taken to drive further improvement on page 137.

Non-carbon related metrics – waste and water

Channel 4 works with waste management companies to ensure that all waste is diverted from landfill wherever possible. Dry recyclables are sent to a material recovery facility; general non-recyclable waste is converted into energy (refuse-derived fuel). Channel 4 has also committed to reducing paper usage across the business, including newspapers, magazines and catering disposables.

Channel 4 produced a total of 73.4 tonnes of general office waste in 2022, an increase on the 35.98 tonnes in 2021 and attributed to the increase in occupancy levels in all offices throughout the year following the Covid-19 pandemic. Overall, 58.44% of the waste generated in 2022 was recycled (74.29% in 2021). 38.50% of waste that could not be recycled was converted to produce energy (25.74% in 2021), with 3.06% organic waste processed through anaerobic digestion. 0% went to landfill (0% in 2021).

Electrical waste (under the Waste Electrical and Electronic Equipment Directive ('WEEE Directive')) is managed separately by specialist contractors and documentation is provided to certify that items have been disposed of in the correct manner. These disposals are not included in the figures disclosed above.

In 2022, building project-related waste across all offices was 278.45 tonnes, all of which was recycled. The majority (64%) was waste generated by the refurbishment of the London building, with 6% attributed to a programme to replace our atrium glazing and associated disposal of glass.

We have continued to monitor our water consumption in 2022. As building occupancy increased during 2022, water consumption of our London office was up 24% on 2021 figures, although this remained down 31% compared to 2019 and pre-Covid-19 levels. Although demand-led, Channel 4 is committed to ensuring water consumption is kept to a minimum and will continue to ensure it remains as efficient as possible.

Task Force on Climate-related Financial Disclosures **cont.**

Scope 1, Scope 2 and Scope 3 greenhouse gas emissions

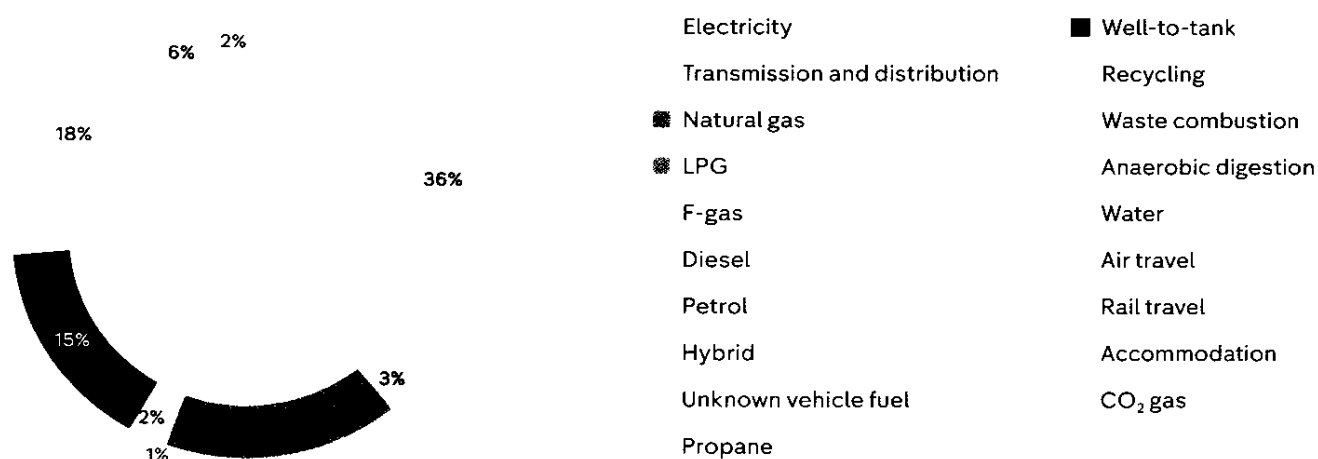
Streamlined Energy and Carbon Report

Channel Four Television Corporation is a 'large unquoted company' under the SECR regulations, so must report annually on greenhouse gas emissions from Scope 1 and 2 Electricity, Gas and Transport.

UK carbon footprint data

Scope	Description	Emissions source	tCO ₂ e			
			2020	2021	2022	
Scope 1	Combustion of fuel on site and transportation	On-site: natural gas, diesel, F-Gas, propane	Location based	150	330	410
			Market based	87	6	33
Scope 2	Purchased energy	Electricity	Location based	766	921	871
			Market based	16	8	6
Scope 3	Indirect emissions	Upstream leased assets, waste, water, electricity transmission and distribution, well-to-tank emissions all fuels, waste, water, transportation: employee business mileage, rail, flights, couriers, taxi and public transport ²	Location based	n/a	609	1,209
			Market based	n/a	337	893
Total			Location based	916	1,859	2,490
			Market based	103	350	932
Intensity ratio	tCO ₂ e/£1m turnover		Location based	1.318	1.563	2.180
			Market based	0.602	0.302	0.816
Energy usage	Total kWh consumed	Electricity, natural gas, propane, petrol, diesel, unknown vehicle fuel	4,079,370	6,321,223	6,876,757	
	Renewable %	Electricity	98%	94%	97%	
Outside of scopes	Biofuels	Biogas	n/a	368	412	

Emissions detail by fuel type location-based method



1 Methodology

The reporting period is the most recent financial year 01/01/2022 to 31/12/2022. This report has been compiled in line with the March 2019 BEIS 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance', and the EMA methodology for SECR Reporting. All measured emissions from activities which the organisation has financial control over are included as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, unless otherwise stated in the exclusions statement.

The carbon figures have been calculated using the BEIS 2022 carbon conversion factors for all fuels, other than the market-based electricity and natural gas (biogas) which has been taken from EDF and TotalEnergies as the UK suppliers.

2 As noted on page 137, the Group does not currently disclose emissions across all 15 Scope 3 categories, while work to improve the quality and depth of data remains ongoing, with the expectation of providing expanded Scope 3 reporting in 2023.

The depth and quality of operational data available to Channel 4 in assessing its carbon footprint is evolving over time, and improved data is a focus in the organisation's sustainability activities for 2023 following progress in 2022. As better data becomes available, this is being incorporated into our reporting; in consequence year-on-year reporting may not be directly comparable. This is further exacerbated by the impact of Covid-19 on factors such as building occupancy which have contributed to significant movements versus 2020 and 2021. Further information is provided below to give context to the year-on-year changes and clarify the drivers behind these.

Scope	Description	2022	2021	Commentary
Scope 1, 2 & 3	Total location-based emissions ¹	2,490tCO ₂ e	1,819tCO ₂ e	The significant increase in total location-based emissions is driven by an increase in our Scope 3 emissions, reflecting the return to business travel seen during the year and increased activity in our upstream leased assets post-Covid-19.
Scope 1, 2 & 3	Total market-based emissions ¹	932tCO ₂ e	353tCO ₂ e	Market-based emissions have similarly increased significantly during the year; these remain significantly lower than location-based emissions, as Channel 4 continued to procure REGO backed renewable electricity and RGGO backed biogas for direct utilities.
Scope 1	On site: natural gas, diesel, F-gas, propane	2,122,652kWh	1,798,279kWh	Natural gas consumption increased in 2022; however, an F-gas leak recorded in 2022 means the Scope 1 figure is not directly comparable year-on-year. F-gas contributed to an additional 22tCO ₂ e in 2022. In 2022, 100% of Channel 4's Scope 1 gas consumption was procured through RGGO green gas contracts.
Scope 2	Electricity consumption	4,505,105kWh	4,336,020kWh	Scope 2 electricity consumption saw a 3% increase in 2022. The increase in consumption is primarily due to increased building occupation following Covid-19. However, despite the increase in consumption, Scope 2 location-based emissions reduced from 921tCO ₂ e in 2021 to 871tCO ₂ e in 2022. This was due to the emissions factor for location-based electricity decreasing in carbon intensity. In 2022, 100% of Channel 4's Scope 2 electricity consumption was procured through REGO backed renewable electricity contracts.
Scope 3	Indirect emissions: upstream leased assets, employee business transport	249,000kWh	186,925kWh	We have seen a significant year-on-year increase in Scope 3 emissions, predominantly driven by the return of business travel during 2022. The Scope 3 emissions associated with communal usage at landlord sites has been removed from the previous and current year's figures, as these emissions are deemed to be outside the footprint boundary of the organisation.
Outside of scopes	Biofuels	412tCO ₂ e	368tCO ₂ e	According to the GHG Protocol and Green Gas Certificate Scheme, the biogenic emissions associated with biofuels can be classified as carbon neutral when reporting Scopes 1 to 3. Biogenic emissions refer to the CO ₂ that has been sequestered during the production of a biofuel, then re-released into the atmosphere upon their combustion. For full disclosure, the GHG Protocol and Green Gas Certificate Scheme recommend that companies disclose biogenic emissions separately, as 'outside of scopes'.

Risk management

How we manage risk

The Board is accountable for identifying, managing and monitoring the principal risks facing the Corporation, including those with the potential to impact the execution of our strategy, performance of day-to-day operations, the delivery of our remit and the maintenance of our brand and reputation. On behalf of the Board, the Audit & Risk Committee monitors the effectiveness of the risk management process and systems of internal control, as illustrated on page 146.

The pursuit of new opportunities is essential to the delivery of our strategic objectives and to fulfilling our remit. Effective risk management is about striking the right balance between risk and opportunity; making risk-informed decisions is something we do every day to ensure that risk is managed to a level that the business can tolerate. In line with our purpose and vision, we set out to challenge, innovate and drive change; our high appetite for creative risk-taking means our content can be controversial. However, this is balanced by a very low appetite for compliance risk, and low appetite for operational risk. This is reflected in our governance framework, which comprises policies, procedures, defined roles and responsibilities and monitoring.



Our approach to risk management

To ensure we drive maximum benefit and insight, our approach to risk management remains pragmatic. Key and emerging risks are identified through discussions with Executive management and senior leaders, monitoring of news and developments and extensive reading on industry and non-industry-specific topics. As the risk management process at Channel 4 continues to mature, greater insight is being sought at an operational level through the rollout of business area risk registers. Risks are assessed against a set of agreed criteria, considering the likelihood of the event occurring and the financial, operational and/or reputational impact should it occur. Management of the risks faced by Channel 4 is the responsibility of senior leadership; further detail on the actions being taken can be found in the “Risks and uncertainties” table on pages 147 to 151. The principal risks to our business are monitored by our Executive management team and relevant topics are included on the agenda of Board and Committee meetings throughout the year. Business Assurance reports to the Audit & Risk Committee at each meeting and annually to the Board. Through these monitoring and reporting activities, consideration is given to whether the management activities in place are sufficient to manage the risks within Channel 4’s risk tolerance.

The governance framework that surrounds our risk management process is shown on page 146.

During 2022, we continued to focus on emerging risks, both those specific to the media industry and our business, and those impacting organisations globally, such as Russia’s invasion of Ukraine. We continue to track these risks over time for indications of a change in likelihood or impact that might result in them becoming critical to our business. In the case of the war in Ukraine, we proactively managed a number of immaterial risks to content, distribution and partnerships. Separately, a number of UK-wide and global emerging threats were not within our direct control. The significant macroeconomic headwinds created by rising energy prices and supply chain issues have impacted our financial outlook and, while we have taken steps to mitigate this, we continue to monitor the situation.

Interconnectivity became an increasingly established tool in our risk management process during 2022. Through exploring connections and dependencies between our key risks at an enterprise level, as well as among the more granular risks that underpin them, we have developed a deeper understanding of our key risks. For example, our risk work has provided insight into how audience engagement might be influenced by a number of internal and external factors at play, both in the short and long term, including the impact of lockdown-driven record levels of online viewing in 2021 on our year-on-year streaming views performance. Developing business area risk registers has helped us to identify the specific climate-related risks and opportunities facing Channel 4 (as illustrated on page 153); this has been valuable in helping Channel 4 strengthen its sustainability agenda and fulfil its regulatory obligations under the Task Force on Climate-related Financial Disclosures ('TCFD').

Overview of risk activity during the year

As the UK adapted to 'living with Covid-19' during 2022, our business did the same. Industry Covid-19 protocols were relaxed as the year progressed, with Channel 4 following suit but overlaying our own assessment of the risk posed to our people and operations. The government-funded Film & TV Production Restart Scheme came to an end, which resulted in a period of heightened potential financial risk for our productions. We managed this effectively by closely monitoring possible pause costs on a production-by-production basis and having mitigating actions ready should they be needed.

The potential risks and opportunities associated with the government's proposal to privatise Channel 4 remained a key focus during 2022, until the announcement at the start of 2023 that Channel 4 will remain in public ownership. We continue to work closely with government and other industry stakeholders as we focus on the ongoing sustainability of our business.

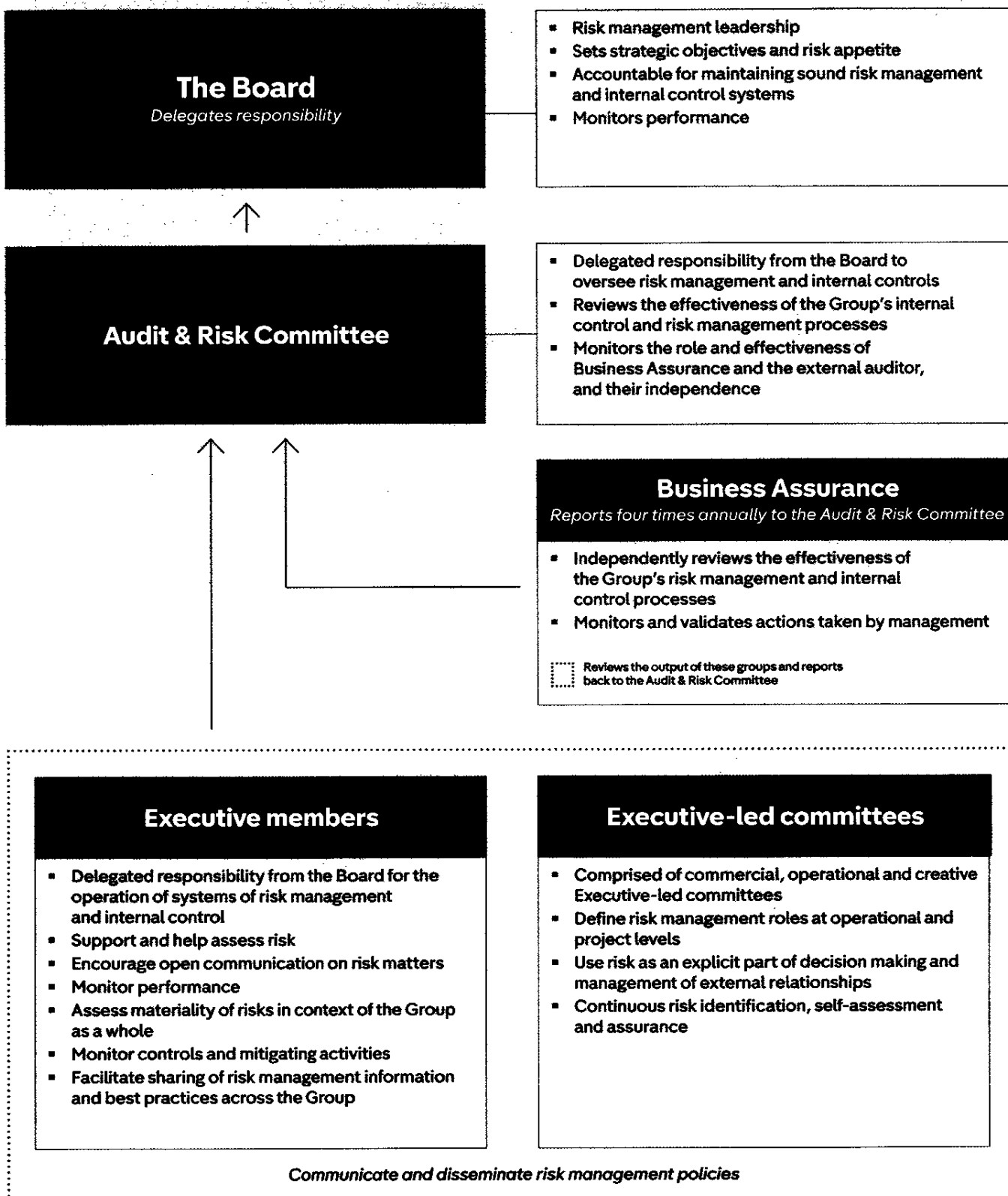
Following a significant failure at one of our key technology suppliers during the latter stages of 2021, which caused major disruption to our linear channels, streaming platform and access services, we have redoubled our focus on business resilience and disaster recovery risk. During 2022, we completed a programme of work specifically designed to improve the resilience of our playout operations, and also put in place the foundations of a new, Channel 4-wide business resilience framework, which we will continue to develop in 2023 and beyond.

The risk environment in which we operate is perpetually developing. In 2022 we continued to monitor our risk profile, challenging our understanding of key risks and engaging with stakeholders to ensure that the management of evolving risks, such as cyber and environmental sustainability, keeps pace. We continued to strengthen our cyber risk mitigations in response to the ongoing evolution of cyber threats.

We also critically reviewed our key risks to ensure our forward-looking assessment of severity was accurate. This resulted in some risks being re-baselined, either in terms of the likelihood of them occurring, or the impact if they were to occur. Additionally, we updated the emphasis of two of our key risks: on people, inclusion and organisational capability, to place greater emphasis on equity, inclusion and the lived experiences of our people; and, on content and audiences, to reflect the evolving challenges of maintaining a streaming platform that engages audiences. Alongside internal re-evaluations, external developments also drove changes; strengthening headwinds facing the UK economy resulted in our financial outlook risk increasing in severity, and the government's decision that Channel 4 will remain in public ownership reduced the severity of our risk linked to government policy, media regulation and business environment.

Changes to our key risks have been reviewed and approved by Executive management, the Audit & Risk Committee and the Board.

Risk management cont.



Risks and uncertainties

Risk and potential impact	Mitigating activities
Strategic risks	
1. Content and audiences <p>There is a risk that we don't deliver to audiences the relevant, engaging and diverse film and TV content they want to watch, in the places they want to watch it.</p> <p>Competition for high-quality content and talent that is representative of the whole of the UK remains high, from both traditional broadcasters and new digital entrants. There is a risk that price inflation impacts our ability to secure the best content, or that we don't understand our audiences sufficiently to ensure that our content remains relevant.</p> <p>Against the backdrop of digital disruption, there is a risk that we don't adapt our digital, social and distribution solutions with the pace and scale required to compensate for the decline in linear viewing, including investment in our streaming platform. If this were to occur, we may fail to achieve total 'time spent' (including streaming, linear share of commercial impacts ('SOC1') and social engagement) of sufficient scale for Channel 4 to remain relevant in the face of competition.</p> <p>As this competition continues to increase, failure to market our brand and content – in all the places it is available – to the right audiences, via the right platforms, in a way that makes a connection, or to maintain prominence (see also Risk 5), could result in the underperformance of our content.</p>	<ul style="list-style-type: none"> • Organisational focus on our ambition to double streaming views by 2025, through a combination of activities including platform enhancements and ensuring content and marketing strategies specifically target streaming audiences; see page 18 • Continue to evolve how we commission, schedule, plan and develop programmes, and how we sell and market them, to be more viewer-centric and digital first • Continue to invest more in young-skewing content to drive digital viewing, using deeper audience insights, including the Beyond Z survey commissioned to understand the experience of being young in Britain in 2022 • Continued drive from 4Studio to develop partnerships to publish long-form content, produce more original shorts and grow branded digital entertainment, including the launch of an all-new digital-first brand, <i>Channel 4.0</i>, aimed at 13-24-year-olds • Global Format Fund in place to invest in new content formats with global potential • Use of marketing initiatives, such as Altogether Different, to highlight our unique public service remit and strengthen brand recognition • Brand transformation programme focused on bringing all our channels under one 'Channel 4' brand to help audiences better navigate our content • Further develop personalisation features on our streaming platform, including smarter recommendations • Build on current partnership network and forge new arrangements to reach the right audiences
Link to purpose, vision and strategic pillars 	Risk movement
2. Maintaining editorial standards <p>While challenging with purpose, innovation and risk-taking are central to our vision, culture and values, we take very seriously the need to uphold our editorial standards. A breakdown in those standards, for example relating to impartiality in news, a failure of contributor care or a breach of viewer trust, could be severely damaging to Channel 4's reputation and could result in significant penalties. As our content mix evolves and we continue to adapt to a digital world, it is important that our compliance framework adapts and keeps pace.</p>	<ul style="list-style-type: none"> • Established legal and compliance framework in place, including policies, procedures, training and monitoring, with an online training module accessible to independent producers and freelancers • 'Referral up' process in place to manage decisions in relation to editorial standards • Proactive engagement with consultations by independent bodies relating to editorial standards and codes of practice • Production companies required to adhere to our robust contributor care standards on all relevant productions • Ongoing review and adaptation of compliance framework to keep pace with content strategy and decision making, as well as distribution strategies
Link to purpose, vision and strategic pillars 	Risk movement

Key¹

Purpose

To create change through entertainment

Vision pillars

Represent unheard voices
 Challenge with purpose

Reinvent entertainment

Strategic pillars

Content
 Viewers
 Commercial
 Partnerships

¹ The purpose, vision and strategic pillars set out in our Future4 strategy are outlined on pages 18-19 and 24-27.

Risk management cont.

Risk and potential impact	Mitigating activities
<p>3. Our relationship with the independent production community</p> <p>In line with our remit, we provide high-quality programming that is innovative, experimental and creative, that appeals to the tastes and interests of a culturally diverse society, and that exhibits a distinctive character. In supporting creative talent, we have driven our Nations and Regions agenda and placed particular focus on people at the beginning of their careers and those making innovative content and films. We also need to make commercially successful content to fund our activities. There is a risk that we don't deliver enough of each and that, due to the limited financial resources available to us, we can't fund everything we would want to or move fast enough in support of the creative community.</p> <p>There is a risk that the welfare of people from the independent production community working on productions for Channel 4 is not properly considered and supported.</p>	<ul style="list-style-type: none"> • Ongoing commitment to our 4Skills training and development initiative, with expansion of 4Schools project, launch of the Work Experience programme and commitment to double our current 4Skills investment by 2025 • Ongoing commitment to our independent production partners, with a clear intention to contribute constructively to discussions regarding the removal of the publisher-broadcaster restrictions • Initiatives in place to support new and diverse talent, such as the Diverse Indies Fund • Launch of Commissioning Guidelines and Manifesto 4 Change to embed the legacy of The Black to Front Project • Introductory guides published to support indies when hiring, including and progressing disabled employees and freelancers • Annual Indie Survey undertaken, with latest survey showing continued improvement in independent production companies' experience of working with Channel 4 • Indie Growth Fund focused on investing in companies in the Nations and Regions as well as digital and diverse businesses across the UK • Emerging Indie Fund in place to support and develop independent production companies • Tracking of Nations and Regions commissioning spend, with commitment to N&R-based indies through the Emerging Indie Fund • Greater commissioning decision-making authority based in our regional commissioning teams • Companies working with Channel 4 are required to comply with all applicable legislation and our Supplier Code of Conduct. This sets out minimum standards of behaviour and companies need to have in place systems to enforce compliance with this. Contact details of our 'Speak Up' facility (or an equivalent) must be included by production companies on daily call sheets, providing an escalation route through which to report concerns of wrongdoing
<p>Link to purpose, vision and strategic pillars</p> 	<p>Risk movement</p>
<p>4. Financial outlook, including revenue</p> <p>With the majority of our income generated from advertising sales, any future changes to the advertising market may impact our ability to sustain revenues.</p> <p>Economic uncertainty could drive a decline in consumer and business confidence, leading to a reduction in advertising spend. Such uncertainty may be caused by the cost of living crisis, supply chain issues and/or the global political situation, including the ongoing war in Ukraine. Our financial outlook is also influenced by high inflation in the UK economy, which drives higher costs to our business in areas such as salaries, content and other operating expenses.</p> <p>Looking beyond macroeconomic factors, structural change in the advertising market continues, driven by changing viewer habits from linear to digital (particularly among young audiences) and an increasingly competitive landscape developing for digital advertising products. There is a risk that we don't innovate or evolve our advertising products with the pace and scale required to compete and to offset the anticipated linear revenue declines, or that we don't leverage the opportunities available to us to generate new revenues.</p> <p>There is also a risk that future regulatory change could impact the total value of the digital and linear TV advertising market. While no regulatory changes are anticipated in the near term, we remain cognisant of the potential risks and opportunities, including those associated with high fat, salt or sugar ('HFSS') food advertising restrictions and/or regulation on the quantity and scheduling of TV advertising by PSMs.</p>	<p>→</p> <ul style="list-style-type: none"> • Continue to make progress against our target for digital advertising to be at least 30% of total revenue and achieved target for non-advertising to be at least 10% of total revenue by 2025; see page 130 • Continue to innovate our advertising proposition through data-driven targeting, including promoting and leveraging our 'Advanced Data Suite' offering • Continue to provide innovative creative opportunities for clients including ad-break takeovers and branded social content, such as our collaboration with seven brands to help combat the cost of living crisis, and our project with Lucozade Alert to launch a new, short-form comedy series on our social media channels • Continue to scale our ad-free streaming proposition, Indie Growth Fund, Channel 4 Ventures and Global Format Fund to further diversify revenues • Continue to engage in industry forums and relevant consultations on the evolution of advertising regulation • Routine monitoring and management of cash, investments, operating costs and balance sheet, enabling us to proactively respond to economic trends • Five-year revolving credit facility in place, renewed in March 2022 • Forecasting and financial monitoring processes and controls in place, including rigorous prioritisation of spend, to ensure optimal management of P&L, balance sheet and cash position throughout the year <p>See also our Viability Statement on page 155.</p>
<p>Link to purpose, vision and strategic pillars</p> 	<p>Risk movement</p>
	<p>↑</p>

Risk and potential impact

Mitigating activities

5. Government policy, media regulation and business environment

Our public service remit is agreed by Parliament and enshrined in legislation. Changes to government policy and media regulation can present both risks and opportunities to Channel 4.

Following the decision that Channel 4 is to remain in public ownership, the government intends to legislate to remove the publisher-broadcaster requirement that currently applies to Channel 4. The Media Bill has now been published in draft, confirming the changes that were expected. We expect the Media Bill to be introduced in Parliament in the autumn.

The Bill largely presents opportunities – particularly around changes to the prominence regime. The clauses that specifically relate to Channel 4 are as expected: removing the restriction on Channel 4 being a publisher-broadcaster; and the introduction of a new sustainability duty for C4C directors. The Bill introduces a new, simplified, remit for PSMs; determines that qualification for listed events rights is a PSM benefit and amends how certain quotas are calculated, changing them from percentages to absolute figures. There remains a risk that the Bill does not do enough to adapt to the trend in digital media consumption.

- Continue to maintain effective relations and communications with Government officials, Parliamentarians and other policy-makers across the whole of the UK to understand legislative drafting and make the case for changes where necessary
- Fully engage with the Department for Culture, Media and Sport ('DCMS') and the independent production sector regarding the UK government's intention to remove the publisher-broadcaster restriction that currently applies to Channel 4
- Proactively engage with relevant consultations on media policy and regulation

Link to purpose, vision and strategic pillars



Risk movement



6. People, inclusion and organisational capability

The environment within which we operate is competitive and continually evolving. There is a risk that we don't adapt the skills profile of our workforce to align with the priorities set out in our Future4 strategy (particularly digital capabilities) and that it doesn't keep pace over time. If our employer brand loses appeal or we fail to invest in and develop the right people at the right time, we may struggle to attract and/or retain talent in an increasingly competitive marketplace that includes global digital players.

To successfully deliver on our remit to represent a culturally diverse society, we need diversity of thought within the organisation. If we fail to build an inclusive culture, ensuring equity for all, we may fail to attract, motivate and retain a diverse workforce that will best support Channel 4 in its creative ambitions.

- Ongoing consideration of organisational capability with a focus on leadership effectiveness and digital skills, supported by a performance management process aligned to our Future4 strategy and behavioural competencies
- Renewed focus on internal progression, providing talent and career development opportunities for our workforce, supported by detailed succession plans for key roles
- Talent acquisition and retention considered by the Remuneration Committee when overseeing our pay and bonus strategy
- Independent research project commissioned on the 'lived experiences' of our workforce, with resultant action plan in place to address recommendations (see page 132)
- Renewed focus on building an inclusive culture, including leadership development, competencies and retention targets, supported by initiatives such as the 4Inclusion Career Development Programme and regular monitoring of workforce diversity data
- Development and implementation of a business-wide equity strategy

Link to purpose, vision and strategic pillars



Risk movement



7. Business transformation

To realise our Future4 strategy we continue to deliver against our multi-year business transformation programme, which is complex, interdependent and incorporates significant technology change. As with any large-scale transformation programme, there is execution risk. We may underestimate the complexity or cost of the work required, or we may lack the capability required to deliver the programme. As a result, the programme may fail to deliver the anticipated benefits within the planned timeframe, or the cost of doing so may exceed our expectations. This could impact our ability to compete in the digital space and to drive new revenues which, in turn, may impact the sustainability of our business.

- Programme governance framework in place, facilitated through our Enterprise Portfolio Management Office, including regular review of progress, costs, dependencies and risks
- Mechanism in place to identify and scope initiatives, enabling allocation of appropriate resource and support
- Established project and programme management resource within the business, supported by tools and processes to facilitate business transformation delivery, including an improved planning process. Further improvements in progress, including to benefits realisation monitoring
- Channel 4-wide project management methodology defined, with rollout scheduled for 2023

Link to purpose, vision and strategic pillars



Risk movement



Risk management cont.

Risk and potential impact	Mitigating activities
<p>8. Environmental sustainability</p> <p>The government has committed that the UK will be net zero on carbon emissions by 2050 and there is a responsibility on all businesses to reduce their carbon footprint in support of this. The government has also enhanced climate-related financial reporting regulations to improve the consistency and clarity of environmental sustainability disclosures across the UK economy.</p> <p>The great majority of our environmental impact is through content production, via the hundreds of independent producers we work with.</p> <p>There is a risk that our approach to environmental sustainability, both on and off screen, does not meet the increasing expectations of stakeholders, including government, regulators, audiences and suppliers, or that we lag behind other PSMs and UK broadcasters and filmmakers.</p>	<ul style="list-style-type: none">• Under the industry-wide Climate Content Pledge, we will use our content to help audiences better understand climate change and to highlight sustainable choices in a fair and balanced way, alongside developing processes to help put climate at the forefront of content decision making• Brief shared with independent production companies, looking for high-impact shows to inspire audiences to engage with the international climate emergency• All our TV, film, 4Studio and 4Creative productions required to use the 'albert' sustainability calculator, with editorial guidance on how to make productions more sustainable provided to producers. All production companies required to complete albert's Carbon Action Plan to reduce and offset emissions, working towards sustainable production certification• DIMPACT tool used to measure carbon emitted through online streaming, with further development planned• Mandatory 'albert' carbon literacy training for all employees and annual climate emergency training for commissioners• Work underway to model and set science-based targets strategy and roadmap, with diagnostic and baseline stages complete• Measures in place to reduce direct emissions, including purchasing renewable energy and controls over heating and lighting in our offices• Sustainability credentials considered as part of investment decisions for our Indie Growth Fund and Channel 4 Ventures• Working with the advertising industry to develop environmental sustainability opportunities, including participation in the Advertising Association's Ad Net Zero initiative• Environmental sustainability criteria under development to be used in our procurement processes for non-content suppliers and service providers• TCFD readiness review completed by third-party experts, and working group in place to support the business in meeting reporting regulations
<p>Link to purpose, vision and strategic pillars</p> 	<p>Risk movement</p> 
<p>Operational risks</p>	
<p>9. Significant disruption to critical business processes</p> <p>Our critical business processes are supported by complex technology chains, involving multiple third parties and legacy systems. There is a risk that our key IT systems lack resilience and/or that IT disaster recovery plans do not meet our business needs or are not adequately tested to provide assurance that they would function as expected if invoked. There is also a risk that operational business continuity plans are not effective for critical business processes, or that they are not adequately tested. Without robust plans in place, our ability to maintain business operations may be compromised in the event of a significant incident, including our ability to distribute our streaming platform content, broadcast linear TV, generate advertising revenue and pay suppliers. In turn, this may impact our reputation and our ability to deliver against our remit. It may also result in penalties and significant remediation costs.</p>	<ul style="list-style-type: none">• Technology governance framework in place, including continuous monitoring and incident escalation protocols• Delivery against our cloud computing strategy well progressed to support the resilience of our key systems• Independent Post Incident Review of significant playout failure completed, identifying targeted improvements required. Project delivered to improve playout systems and processes, including enhanced disaster recovery capabilities• Core pillars of a new business resilience approach implemented, including the establishment of a dedicated Steering Committee, a new business continuity policy and framework and investment in subject matter expertise• Significant refresh of business continuity plans underway for critical processes, linked to technology disaster recovery capabilities• Business interruption insurance cover reviewed annually• Crisis management structure and framework in place with proven effectiveness
<p>Link to purpose, vision and strategic pillars</p>	<p>Risk movement</p> 

Risk and potential impact

Mitigating activities

10. Cyber-attack or data breach

With the growth of the digital economy, as well as ongoing geo-political uncertainty, cyber-attacks continue to rise globally and their sophistication continues to evolve. Ransomware attacks now represent the biggest threat to online security for most UK businesses, with global incidents soaring in recent years.

At Channel 4 a significant cyber-attack could impact the availability and integrity of our systems and data, or the confidentiality of our data assets. This could include disruption to our customer-facing streaming platform or linear TV broadcast, as well as the operating systems used within the business. The delivery of our Future4 strategy (which will see our digital footprint grow) further increases the importance of cyber security at Channel 4.

There is a risk that we fail to manage personal data in accordance with GDPR and other data protection legislation.

In the event of a cyber-attack or other data breach, there is a risk of regulatory penalties including fines and other potentially costly enforcement actions, especially in the event of a personal data breach. Such an event may also result in reputational damage, including a breach of trust from stakeholders including DCMS, viewers and/or employees.

- Established in-house Information Security function, supported by third-party specialists
- Cyber security governance framework in place including policies, data management and security standards, and monitoring procedures that are regularly reviewed and updated to prevent and detect threats
- Monitoring of cyber risk intelligence, including liaison with the National Cyber Security Centre
- Mandatory cyber security training for all staff and increased investment in continuous cyber training and awareness, including communications to raise awareness of phishing attacks, payment fraud and other cyber risks
- Data Governance Forum and Data Strategy Group in place (with Executive representation), as well as principles governing the use of data across Channel 4 (with a focus on viewer data)

Link to purpose, vision and strategic pillars

Risk movement



11. Health, safety and security

A significant physical security or health and safety incident could occur, including the risk of a serious accident or an act of terrorism resulting in injury or loss of life of employees, suppliers and/or visitors to our offices. This could result in business interruption, significant remediation costs and reputational damage.

- Health and safety policies and procedures in place, including risk assessments for high-risk deployments and insurance cover reviewed annually
- Ongoing security reviews conducted and monitoring of security intelligence
- Crisis management framework in place, with core pillars of a new business resilience approach implemented, and a significant refresh of business continuity plans underway
- Enhanced monitoring of health and safety procedures and engagement of third-party experts during the project to replace the façade of our London office

Link to purpose, vision and strategic pillars

Risk movement



The risks listed do not comprise all those associated with Channel 4 and they are not presented in any order of priority. Additional risks and uncertainties not presently known to management, or currently assessed as less material, may also adversely affect the Corporation.

Risk management **cont.**

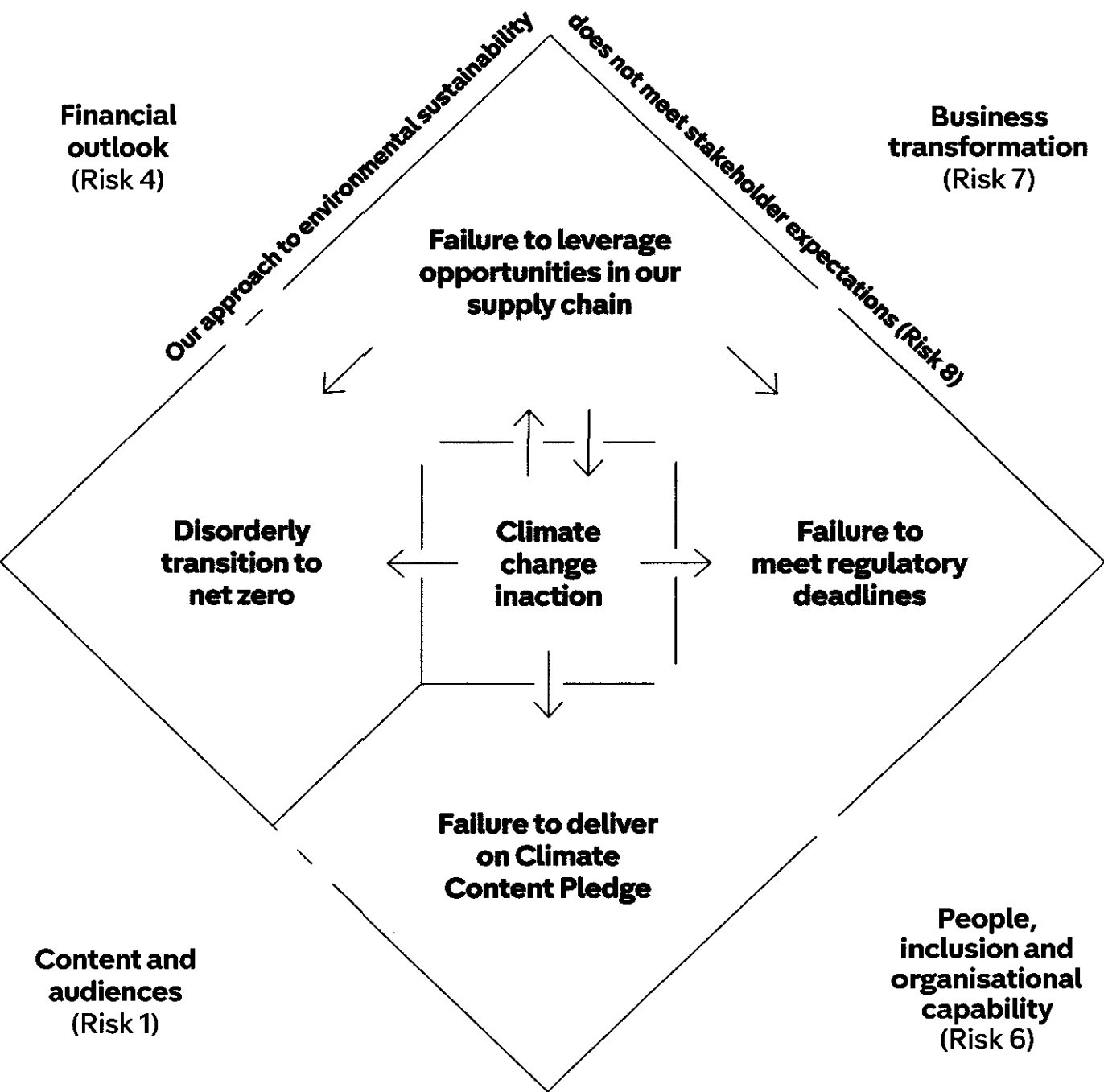
Understanding the relationship between risks, causes and consequences

Effective management of our key risks requires us to understand the interconnectivity between them, along with potential underlying causes and consequences. It is important that we take a holistic approach to risk, as mitigating actions taken to manage one risk can have a ripple effect on others. We also need to be cognisant of the granular risks that underpin our key risks to ensure that we prioritise those mitigations that have the greatest impact.

During 2022, understanding the interconnectivity between our key risks became an increasingly established tool in our risk process. Building on our interconnectivity work from 2021, we developed this further by looking at the interconnectivity between more detailed risks at a business area level. The graphic on page 153 provides an illustration of this, showing how our environmental sustainability agenda (Risk 8) is underpinned by multiple specific climate-related risks, the management of which may be influenced by other enterprise-level risks. This has proved valuable in our ongoing work to fulfil our Task Force on Climate-related Financial Disclosures ('TCFD') obligations.

- As our business continues to face severe economic headwinds (Risk 4), our financial capacity to implement significant climate-related initiatives may be affected. However, failure to invest in the short term to achieve our longer-term climate-related aims may result in a disorderly transition to net zero and ultimately our business facing higher costs over the longer term (Risk 4), including higher carbon pricing as considered in the climate scenario analysis disclosed on page 139. As part of this scenario analysis, we also considered the longer-term impact that any climate-driven advertising restrictions could have on our revenue streams and ultimately our financial outlook.
- As we transform our business to realise our Future4 strategy (Risk 7), there is a risk that we have to prioritise certain projects and programmes over our climate agenda. We may also find that our workforce doesn't have the right skills profile (Risk 6) to deliver the strategic and operational changes necessary to move our climate agenda forward at the required pace.
- Any increased risk of climate change inaction will result in a domino effect on other interconnected risks, ultimately increasing the likelihood that our approach to environmental sustainability does not meet stakeholder expectations (Risk 8). For example, we may fail to meet regulatory deadlines or to deliver on our Climate Content Pledge.
- The delivery of our Climate Content Pledge is also intrinsically linked to our ability to deliver engaging content that our audiences want to watch (Risk 1). Failure to produce high-quality and relevant content, or to place climate change at the forefront of our content decision making, may impact our competitiveness and/or reputation.
- Our carbon footprint is materially influenced by our supply chain through the significant number of independent production companies that we work with, as well as our non-content providers. To leverage change we need to work collaboratively with our suppliers. Failure to do this may result in them passing on additional transition-related production costs (as disclosed in the climate scenario analysis on page 139), Channel 4 not achieving our net zero ambitions and/or Channel 4 failing to meet the expectations of our stakeholders (Risk 8).

Risk interconnectivity: environmental sustainability



Strategic and financial outlook and Viability Statement

Strategic and financial outlook for 2023

Our financial strategy emphasises continuing delivery of our unique public service remit alongside the commitment to innovation and sustainability which underpins our Future4 strategy. Strategic investment in Future4 will ensure Channel 4 remains commercially sustainable into the foreseeable future, but a level of balance is required to deliver this investment and the cultural impact of our remit while maintaining the Group's financial resilience to withstand a significant economic downturn, or a combination of significant risks materialising.

Our 2022 results ensure we maintain the strong balance sheet position we established with record results achieved in 2020 and 2021. This supports our ability to withstand future economic risks to the business, as well as giving us the capacity for continuing strategic reinvestment framed by the Future4 strategy. Clear decision-making parameters ensure we appropriately reinvest surpluses as they arise to strengthen our position in the coming years, and also give us capacity to dynamically manage spend and cash flows in response to macroeconomic volatility.

Our Future4 strategy, announced in late 2020, is centred on ensuring that Channel 4 innovates and adapts to remain relevant as a destination for the next generation. As the foundation for our 2023 Budget and latest three-year plan, this strategy translates into accelerated investment in digital transformation (to support our target to double streaming views by 2025), as well as scaling up revenue diversification. In the context of continuing viewer migration away from traditional platforms, a strategic emphasis on driving digital growth and diversifying non-advertising revenues ensures we are equipped to meet this challenge.

As part of our 2023 Budget and three-year plan, we have considered the impact of several potential downside scenarios. These include a decline in the linear and digital advertising market beyond what we currently anticipate; a broader market shock in line with that experienced in 2020; or greater-than-anticipated impact from inflationary pressures. Even in the most severe case considered (deemed plausible but beyond the worst-case scenario currently anticipated by management), analysis shows that our contingency plans would mitigate these impacts to ensure we retain sufficient liquidity and remain within our covenants. A range of management actions is available to control spend and cash flows, with the flexibility of this approach demonstrated in recent years as we responded to Covid-19.

Our £75 million revolving credit facility, renewed in March 2022 and running until March 2027, increases our available liquidity if required. Although this additional funding would not be utilised even in the worst-case scenario considered in our analysis, ensuring access to this facility is available if required across the 12 months from the date of this report under consideration further underpins our assessment of the Group's position as a going concern.

Our scenario analysis and the resources available to Channel 4 indicate that the Group will be able to continue to operate for at least 12 months from the date that this Annual Report is approved. Accordingly, the Group continues to adopt the going concern basis in preparing its financial statements – please see further detail on page 201. Further to this, the analysis indicates that the Group will be able to continue to operate over the horizon covered by the current three-year plan to the end of 2025.

In early 2023, the government confirmed the significant value that Channel 4 delivers through its public service remit and the importance of it remaining in public ownership. The government also announced its intention to legislate to remove the publisher-broadcaster requirement that currently applies to Channel 4, and the organisation will engage constructively with these proposals to establish a sustainable future direction. In the meantime, our operational focus remains centred on embedding our Future4 strategy, and the Members are confident that the key purpose this strategy outlines – of creating change through entertainment – allows Channel 4 to continue delivering its remit while ensuring our future financial resilience.

Viability Statement

The Members have assessed the prospects of the Group over the three-year period to December 2025 in order to form their assessment of the Group's viability. This period was selected in line with the normal planning horizon in our strategic planning process. The Members' assessment is made as a reflection of the Group's voluntary compliance with the UK Corporate Governance Code, and specifically in accordance with provision 31 of these regulations.

The Members review the three-year strategy and financial plan annually, taking account of the Board's agreed risk appetite, the Corporation strategy, and the remit as mandated by legislation and the Ofcom broadcast licence awarded in January 2015. The plan makes certain assumptions, including TV advertising market movement and our share of that market, and is stress-tested annually for adverse market impacts and other principal risks to assess their impact on long-term revenues, profitability and cash flows. These principal risks include structural declines in the TV advertising market as well as broader economic declines, plus the risk presented by current inflationary pressures.

In their overall assessment of the viability of the Group, the Members have:

- reviewed the Group's strategic objectives and other key performance metrics; considered revenue, cost and cash flow forecasts and liquidity and financing requirements for the next three years, as well as its current financial position and cash resources;
- considered each of the principal risks and uncertainties set out on pages 144 to 153 and how they are managed;
- through the Audit & Risk Committee, assessed the Group's risk management framework and considered reports summarising Business Assurance work during the year;
- discussed the sensitivity of the Group's three-year plan to a combination of severe but plausible risks materialising; and
- reviewed performance updates in the normal course of business that underpin the long-term strategy.

Although this assessment does not consider all of the risks the Group may face, the Members confirm that their assessment of the principal risks facing the Group was robust. Based on the results of their activities around principal risks and viability, the Members have a reasonable expectation that the Group will be able to continue to operate and meet its liabilities, as they fall due, over the three-year period of their assessment.

This report was approved by the Board on 4 May 2023 and signed on its behalf by

Sir Ian Cheshire
Chair
4 May 2023

The Channel 4 Board

Executive

Alex Mahon
Chief Executive



→ Bio on page 158

Jonathan Allan
Chief Operating Officer



→ Bio on page 158

Ian Katz
Chief Content Officer



→ Bio on page 158

Non-Executive

Sir Ian Cheshire
Chair



→ Bio on page 158

Sir Roly Keating
Non-Executive



→ Bio on page 159

Sarah Sands
Non-Executive



→ Bio on page 159

Lord Chris Holmes MBE
Deputy Chair



→ Bio on page 159

Dawn Airey
Non-Executive



→ Bio on page 160

Paul Geddes
Non-Executive



→ Bio on page 160

Andrew Miller
Non-Executive



→ Bio on page 159

David Kogan OBE
Non-Executive



→ Bio on page 160

Michael Lynton
Non-Executive



→ Bio on page 161

Tess Alps
Non-Executive



→ Bio on page 160

The Channel 4 Board **cont.**

Alex Mahon Chief Executive

Responsibilities and skills:

Alex became the first female CEO of a major UK broadcaster when she joined Channel 4 in October 2017.

Alex was CEO of global producers Shine Group, where she oversaw the build-and-buy strategy of building up 27 production labels over 12 international territories and was responsible for all content strategy, including the launch of global scripted divisions and the rollout of formats internationally, and then was CEO of Foundry, a global software provider.

Appointment to the Board:

30 October 2017

Term completion:

N/A

Committee membership:

Attends Remuneration and Audit & Risk Committee meetings but is not a member

Current external appointments:

Non-executive director, Chanel Inc.

Member, Creative Industries Council

Previous roles:

Executive

CEO, **Foundry**

CEO, **Shine Group**

COO, **Talkback Thames**

Director of Commercial & Strategy, **FremantleMedia**

Non-executive

Deputy Chairman, **Foundry**

Senior Independent Director, **Ocado plc**

Chair, **RTS Programme Awards**

Appeal Chair, **Scar Free Foundation**

Chair, **Bandstand**

Non-Executive Director, **Edinburgh International Television Festival**

Jonathan Allan Chief Operating Officer

Responsibilities and skills:

Since becoming Channel 4's Chief Operating Officer, Jonathan has led the organisation's successful public policy response to the proposed privatisation of Channel 4, devising 4:The Next Episode as an alternative strategy under continued public ownership. He was also a key contributor to Channel 4 successfully navigating the Covid crisis, launched the five-year Future4 strategy underpinning the broadcaster's digital transformation, significantly increasing the streaming of Channel 4 content and new revenues and also led its landmark 4 All The UK Nations & Regions strategy. In his previous role as Chief Commercial Officer, Jonathan transformed Channel 4 Sales into an industry leader in delivering commercial innovation by working with brands and agencies to adapt and evolve in the face of unprecedented technological advances. Now in its fifth year, Jonathan established Channel 4's Diversity in Advertising Award in which the broadcaster committed to give away £1 million of commercial airtime every year to improve diverse and inclusive representation in TV advertising.

Appointment to the Board:

13 September 2011

Term completion:

N/A

Committee membership:

Attends Remuneration and Audit & Risk Committee meetings but is not a member

Current external appointments:

Board Member, **Advertising Association**

Panel Member, **ASA Industry Advisory Panel**

Previous roles:

Executive

Managing Director, **OMD UK**

TV Director, **OMD UK**

Non-executive

Board Member, **Thinkbox**

Ian Katz Chief Content Officer

Responsibilities and skills:

Ian has overall responsibility for the creative output across Channel 4, its portfolio of channels and on streaming. He leads the creative commissioning team to ensure Channel 4's unique remit to represent the whole country, challenge with purpose and reinvent entertainment is reflected in its programmes and content.

Under his leadership, the channel has earned a slew of awards for shows including *It's A Sin*, *End of the F***ing World*, *Help*, *The Big Narstie Show*, *Stath Lets Flats*, *Jade*, *For Sama*, *Brexit: The Uncivil War*, and *Leaving Neverland*.

Ian has a background in both broadcast and newspaper journalism and digital innovation. He was editor of the BBC's flagship daily news and current affairs programme *Newsnight* from 2013 to 2017.

Previously he worked in a wide range of writing and editing roles at The Guardian, where as Deputy Editor and Head of News (2008-2013), he oversaw the groundbreaking WikiLeaks and phone-hacking investigations, as well as leading The Guardian's strategy to become a global leader on environment coverage. Ian was responsible for developing The Guardian's first website and played a central role in The Guardian's digital development over the subsequent 15 years.

Appointment to the Board:

8 January 2018

Term completion:

N/A

Committee membership:

None

Current external appointments:

None

Previous roles:

Executive

Editor, **BBC Newsnight**

Deputy Editor and Head of News, **The Guardian**

Sir Ian Cheshire Chair

Responsibilities and skills:

Sir Ian was Group Chief Executive of Kingfisher plc from January 2008 to early 2015. Before that he was Chief Executive of B&Q from 2005.

He is currently Chair of Spire Healthcare plc, Chair of the environmental investment trust Menhaden plc, and a non-executive director of BT plc. He is also Chair of the Prince of Wales Charitable Fund, and of the Mental Health at Work Leadership Council. Sir Ian has also served as Chair of Barclays UK, the British Retail Consortium, Debenhams plc and Maisons Du Monde SA, and as Senior Independent Director at Whitbread plc.

In public service, he has lead non-executive director at the Cabinet Office, he has chaired the Ecosystem Markets Task Force, the Economy Honours Committee and currently chairs the independent Food Farming and Countryside Commission. He has won a number of awards, including lifetime contributions to retailing, green business and the Fortune WEF award for leadership in the circular economy.

Sir Ian was knighted in the 2014 New Year Honours for services to business, sustainability and the environment and is a Chevalier of the Ordre National du Merite of France.

Appointment to the Board:

11 April 2022

Term completion:

10 April 2025

Committee membership:

No formal membership, but attends Audit & Risk and Remuneration Committee meetings

Current external appointments:

Chair, **Spire Healthcare plc**

Chair, **Menhaden plc**

Non-Executive Director, **BT plc**

Chair, **Prince of Wales Charitable Fund**

Chair, **Mental Health at Work Leadership Council**

Chair, **Land Securities Group plc**

Previous roles:

Non-executive

Chair, **Barclays UK**

Chair, **British Retail Consortium**

Chair, **Debenhams plc**

Chair, **Maisons Du Monde SA**

Senior Independent Director, **Whitbread plc**

Sir Roly Keating

Non-Executive

Responsibilities and skills:

Roly brings extensive experience of public service media from his work in programme-making, editorial and senior executive roles at the BBC. His current role at the British Library provides additional perspective from another cultural organisation within the DCMS group.

Appointment to the Board:

5 December 2016

Term completion:

3 September 2023

Committee membership:

Ethics and Remuneration Committees

Current external appointments:

Chief Executive, **The British Library**

Trustee, **The British Library Trust**

Trustee, **American Trust for the British Library**

Trustee, **The Gilson Trust**

Trustee, **Friends of the National Libraries**

Trustee, **Clore Leadership Programme**

Trustee, **The Busby Trust**

Director, **Marine Cottages Residents Ltd**

Previous roles:

Executive

Director of Archive Content, **BBC**

Controller, **BBC Two and BBC Four**

Controller, **Arts Commissioning, BBC**

Head of Programming, **UKTV**

Non-executive

Trustee, **Turner Contemporary**

Board Member, **Barbican Centre**

Chair, **Knowledge Quarter London Ltd**

Chair, **Conference of European National Librarians**

Sarah Sands

Non-Executive

Responsibilities and skills:

Sarah's career spans 35 years in news, current affairs and as an author. She has held some of the most senior editorial positions in the industry at the Daily Telegraph and Sunday Telegraph, Daily Mail, Readers' Digest, London Evening Standard and the BBC's Today programme.

Appointment to the Board:

6 December 2021

Term completion:

5 December 2024

Committee membership:

Ethics Committee

Current external appointments:

Non-executive director, **Berkeley Group**

Acting/Deputy Chairman, **British Council**

Trustee, **Science Museum**

Board director, **Hawthorn Advisors**

Previous roles:

Executive

Editor, **BBC Radio 4 Today**

Editor, **London Evening Standard**

Editor, **Sunday Telegraph**

Deputy Editor, **Daily Telegraph**

Non-executive

Trustee, **Index on Censorship**

Non-executive director, **London First**

Lord Chris Holmes MBE

Deputy Chair

Responsibilities and skills:

Lord Holmes is a passionate advocate for the potential of technology and the benefits of diversity and inclusion. He is a member of the influential House of Lords Select Committee on Science and Technology and has previously co-authored House of Lords Select Committee Reports on Democracy and Digital Technologies, Intergenerational Fairness, Artificial Intelligence, Financial Exclusion, Social Mobility and Digital Skills. He produced an independent review for the government into opening up public appointments to disabled people. He has published a report, "Distributed Ledger Technologies for Public Good: leadership, collaboration and innovation" calling on the government to look at the challenges and opportunities of this technology for improving public services. An ex-Paralympic swimmer, Chris won nine gold, five silver and one bronze medal across four Games, including a record haul of six golds at Barcelona 1992.

Appointment to the Board:

5 December 2016

Term completion:

10 June 2024

Committee membership:

Remuneration Committee (Chair)

Current external appointments:

Director and sole shareholder, **CHconserve Ltd**

Director and sole shareholder, **CHedserve Ltd**

Advisor, **BPP University**

Advisor, **RTGS Global**

Advisor, **Boston Ltd**

Previous roles:

Executive

Lawyer, **Ashurst**

Non-executive

Non-Executive Director, **Equality and Human Rights Commission**

Non-Executive Director, **UK Sport**

Member, **Select Committees on Digital Skills**

and **Social Mobility, House of Lords**

Director, **Paralympic Integration at LOCOG**

Andrew Miller

Non-Executive

Responsibilities and skills:

Andrew is Chief Executive of Motability Operations plc, a role he took up at the end of 2020. An accountant by training and a leader in digital transformation, Andrew has also held senior executive positions at a number of multinational consumer and media groups. These include Food Folk Group Holdings – owner of the McDonald's licence for the Nordics Scandinavia – Guardian Media Group and Autotrader, taking the latter from a print magazine to a digital platform. Prior to this, Andrew held senior finance roles at Frito-Lay Europe, Procter & Gamble and Bass. He has also held Non-Executive Director roles and was Audit Chair at the AA plc and Ocean Outdoor Media plc.

Appointment to the Board:

1 June 2020

Term completion:

31 May 2023

Committee membership:

Audit Committee (Chair)

Current external appointments:

Chief Executive, **Motability Operations plc**

Previous roles:

Executive

Director, **Guardian Media Group plc**

Director, **Auto Trader Holding Limited**

Director, **Food Folk Group Holdings AS**

Director, **Top Right Group (Ascential plc)**

Non-executive

Audit Chair, **AA plc**

Audit Chair, **Ocean Outdoor Media**

The Channel 4 Board **cont.**

Tess Alps Non-Executive

Responsibilities and skills:

Tess began her career in advertising, becoming the Sales Director of Yorkshire and Tyne-Tees TV, before joining global media agency PHD, as its Broadcast Director. At PHD, she ran various group companies, including those specialising in internet advertising, sponsorship, and econometrics, eventually becoming its UK Chair. She left PHD to set up Thinkbox, the marketing body for commercial television in the UK, spending 14 years there as its founding CEO and latterly as its Chair. Tess is currently a Council member of the Advertising Standards Authority.

Appointment to the Board:

6 December 2021

Term completion:

5 December 2024

Committee membership:

Remuneration Committee

Current external appointments:

Council Member, **Advertising Standards Authority**
Fellow, **Royal Television Society**

Previous roles:

Executive
Sales Director, **YTV & TTTV**
Director, **PHD**
Exec Chair, **PHD**
CEO, **Thinkbox**
Non-executive
Chair, **Thinkbox**

Dawn Airey Non-Executive

Responsibilities and skills:

Dawn's career includes roles as Chair and CEO of Channel 5, Managing Director of Channels and Services for BSkyB, Managing Director of Global Content at ITV and Senior Vice-President of Europe, Middle East and Africa at Yahoo. She is currently Chair of the National Youth Theatre, Barclays FA Women's Super League and FA Women's Championship, and the Digital Theatre Group. Dawn acted as the Group's Interim Chair from January to April 2022.

Appointment to the Board:

6 December 2021

Term completion:

5 December 2024

Committee membership:

Remuneration Committee

Current external appointments:

Chair, **National Youth Theatre**
Chair, **Barclays FA Women's Super League**
Chair, **FA Women's Championship**
Chair, **Digital Theatre Group Limited**
Director, **Blackbird plc**,
Director, **Grosvenor Limited**
Vice President, **Royal Television Society**

Previous roles:

Non-executive
Chair, **Channel 5**
Non-executive Director, **Thomas Cook plc**
Non-executive Director, **Easyjet plc**

David Kogan Non-Executive

Responsibilities and skills:

David's career began in newspapers and as a producer at the BBC. He was Global Managing Director of Reuters Television and went on to be founder and CEO of strategy and commercial rights negotiator Reel Enterprises, specialising in commercial negotiations in media and sport. After he sold Reel to the Wasserman Media Group, he became CEO of Magnum Photos and latterly the co-founder of the Women's Sports Group. David has written two books on political history.

Appointment to the Board:

6 December 2021

Term completion:

5 December 2024

Committee membership:

Audit & Risk Committee

Current external appointments:

Director, **Kogan Page Limited**
Co-founder, **Women's Sports Group Ltd**
Director, **Labourlist Limited**
Director, **David Kogan Limited**

Previous roles:

Executive
Director, **Reuters Television**
Director, **Reel Enterprises**
CEO, **Magnum Photos**

Paul Geddes Non-Executive

Responsibilities and skills:

Paul is the CEO of QA, a digital education and skills provider, and was previously CEO of Direct Line Group, the insurance group and home of the Direct Line, Churchill, Privilege and Green Flag brands. Paul has built brands using the power of TV advertising throughout his 27-year career. His marketing career began at Procter & Gamble and then retailing, before joining NatWest and RBS retail banking and then entering general management. From 2009 he took over RBS' insurance business and floated it as Direct Line Group in 2012.

Paul's experience of running mass-market, multi-site and increasingly digital consumer businesses in competitive and fast-changing markets, as well as helping organisations with their technical training and talent, is a valuable addition to the Channel 4 Board.

Appointment to the Board:

5 December 2016

Term completion:

3 September 2023

Committee membership:

Audit & Risk Committee

Current external appointments:

CEO, **QA Limited**
Director, **QA Limited subsidiaries**

Previous roles:

Executive
CEO of **Direct Line Insurance Group plc**
Director, **Churchill Insurance Company Ltd**
Director, **DL Insurance Services Ltd**
Director, **UK Insurance Ltd**
CEO, **RBS Group mainland UK retail banking**
Other senior roles in multi-channel retailing and marketing at companies including **Kingfisher**, **GUS** and **Procter & Gamble**
Non-executive
Deputy Chairman, **Association of British Insurers**
Director, **Direct Line Group Ltd**
Director, **Direct Line Insurance Ltd**
Director, **Indemnity Insurance Ltd**
Director, **The National Insurance & Guarantee Corporate Ltd**
Director, **Protection Life Company Ltd**

Michael Lynton

Non-Executive

Responsibilities and skills:

Michael is currently Chairman of Snap Inc, a position he has held since 2016 having joined Snap's Board in 2013. He has also been Chairman of Warner Music Group since 2019.

Previously, Michael served as Chairman and CEO of Sony Pictures Entertainment Inc from 2004 until 2017, and additionally as CEO of Sony Entertainment Inc and Sony Corporation of America from 2012 to 2017.

Prior to joining Sony, he worked at The Walt Disney Company – where he started Disney Publishing and subsequently served as President of Disney's Hollywood Pictures; Pearson plc – where he was Chairman and CEO of Penguin Group; and Time Warner – where he was CEO of AOL Europe, President of AOL International, and President of Time Warner International.

Michael is also currently a member of the Board of Regents of the Smithsonian, the Council on Foreign Relations, the RAND Corporation, and serves on the Board of Trustees of the Tate.

Appointment to the Board:

25 April 2022

Term completion:

24 April 2025

Committee membership:

None

Current external appointments:

Chairman, **Snap Inc.**

Chairman, **Warner Music**

Trustee, **Tate**

Regent, **Smithsonian**

Previous roles:

Chairman and CEO, **Sony Entertainment**

President, **AOL TimeWarner International** and CEO, **AOL Europe**

Chairman and CEO, **Penguin Publishing Group**

Former Members

Charles Gurassa

Chair

Appointment to the Board

28 January 2016

Term completion

27 January 2022

Report of the Members

Introduction

In accordance with the Companies Act 2006, the Corporate Governance Report on pages 166 to 173 and the information contained in the Strategic Report on pages 124 to 155 form part of this Report of the Members and are incorporated by reference. The Members have decided to comply with the provisions of the Companies Act 2006 to the extent that these are relevant to Channel 4 and its status as a statutory corporation.

The Members present their report and the audited financial statements for the year ended 31 December 2022. Details of the Executive and Non-Executive Members are disclosed on pages 158 to 161.

The Chair and Chief Executive present their statements on pages 4 to 7 and 8 to 13 respectively. A review of the Group, outlining its business model, development and performance during the financial year, together with its position at 31 December 2022 and financial outlook, is provided in the Strategic Report on page 154. The Strategic Report also outlines the principal risks and uncertainties facing Channel 4, and the Group's sustainability policies including its carbon emissions reporting.

The Group's financial statements are set out on pages 195 to 226 and Channel 4's financial statements are set out on pages 227 to 233.

Legal status

Channel Four Television Corporation ('Channel 4') is a statutory corporation, without shareholders, established under the terms of the Broadcasting Act 1990.

Regulatory environment

Under the regulatory model, Channel 4 receives access to the digital spectrum and prominence on the digital terrestrial television platform. In return, Channel 4 must fulfil its public service remit obligations as set out in the 1990 and 1996 Broadcasting Acts and as amended by the Communications Act 2003, the Digital Economy Act 2010 and the ten-year licence issued by Ofcom, which came into effect in January 2015. We are prohibited by legislation from producing programmes to be broadcast on the main Channel 4 service and there is a statutory limit of £200 million on the amount of debt the Corporation can raise.

Disclosure of information to the auditor

Each of the persons who is a Member at the date of approval of this Annual Report confirms that:

- so far as the Member is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the Member has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditor

Deloitte LLP has been appointed as auditor to Channel 4 with the approval of the Secretary of State for Culture, Media and Sport.

Going concern

The Group's business activities, its future strategy and other factors likely to affect its future development and performance, the financial position of the Group, its cash flows and Viability Statement are set out in the Strategic Report. In addition, note 15 to the financial statements includes the Group's approach to financial risk management, including its financial instruments and hedging activities and its exposures to liquidity and credit risks.

As noted on page 154, Channel 4's results for 2022 have ensured it maintains the strong balance sheet position established with record results achieved in 2020 and 2021, reinforcing its ability to withstand future economic risks. Based on specific consideration of the Group's financial position, the current risks facing the Group and scenario analysis performed (see page 154) in addition to normal business planning and control procedures, the Group has sufficient financial resources and the Members believe that the Group is well placed to manage its business risks. The Members have a reasonable expectation that the Group will continue in operational existence for the foreseeable future, and therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

During 2022, Members, in addition to their salaries, benefits and/or fees as disclosed on page 182, were interested in the following transactions negotiated at arm's length on normal commercial terms with the Group:

Jonathan Allan is a Director of the Advertising Association. During 2022, Channel 4 paid £153,267 to the Advertising Association.

Dawn Airey is a Vice President of, and Tess Alps a Fellow of, the Royal Television Society. During 2022, Channel 4 paid £30,864 to the Royal Television Society.

Paul Geddes is a Director of QA Limited. During 2022, Channel 4 paid £19,632 to QA Limited.

Michael Lynton is Chairman of Snap Inc.. During 2022, Channel 4 received £816,863 from Snap Inc.. Michael Lynton is also Chairman of Warner Music Group. During 2022, Channel 4 received £172 from, and paid £4,000 to, companies in the Warner Music Group.

Where the Members have an interest in an advertising or sponsorship client of the Group, the amounts paid or payable are not disclosed as they are negotiated and transacted via media buying agencies. All such transactions are negotiated and transacted on an arm's length basis.

The Group has qualifying third-party indemnity provisions in place for the benefit of the Members which comply with the requirements of the Companies Act 2006.

Channel 4 is committed to recruiting, developing and retaining employees with disabilities. We continue to act as a 'Disability Confident Leader' as part of a government scheme, offering a guaranteed interview to all candidates with a disability who meet the essential criteria for a role. Our initiatives in these areas are detailed further on page 132.

Employees are provided with information on matters of concern to them via presentations by the Executive team in regular all-staff meetings, regular e-news updates and through other email communication when appropriate. There is also an employee representative committee of individuals across the Corporation who represent all staff and consult with senior management on matters that affect staff.

Employee engagement

Details of the Group's engagement with its employees are outlined on page 171.

Our relationships with stakeholders

Details of the Group's key business relationships and engagement with these stakeholders is outlined on page 171.

Report of the Members **cont.**

Responsibility statement of the Members in respect of the annual financial statements

The Members are responsible for preparing the Annual Report and the Group's and the Corporation's financial statements in accordance with applicable law and regulations. The Corporation is required by its governing legislation (the Broadcasting Act 1990) to keep proper accounts and proper records in relation to the accounts, and to prepare financial statements in respect of each financial year. Under that law, the Members have elected to prepare the financial statements of the Group in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU and the requirements of Chapter 4 of Part 15 of the Companies Act 2006, and elected to prepare the financial statements of the Corporation in accordance with the Financial Reporting Standard ('FRS') 101 'Reduced Disclosure Framework'.

The Members accept responsibility for approving the financial statements only after they are satisfied that, when taken as a whole, they are fair, balanced and understandable, and provide the information necessary to assess the Corporation's performance, business model and strategy. In preparing the parent company financial statements, the Members:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether Financial Reporting Standard 101 'Reduced Disclosure Framework' has 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 Corporation will continue in business.

In preparing the Group financial statements, International Accounting Standard ('IAS') 1 requires that Members:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

The Members have accepted responsibility for keeping proper accounting records that are sufficient to show and explain the Group's and the Corporation's transactions and to disclose with reasonable accuracy at any time the financial position of the Group and the Corporation. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Members have voluntarily decided to prepare a Remuneration Report in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, made under the Companies Act 2006, as if those requirements were to apply to the Group and the Corporation.

The Members are responsible for ensuring compliance with the requirements of Schedule 9 of the Communications Act 2003, as set out on page 173. Following the Digital Economy Act 2010, revised arrangements, approved by Ofcom, were implemented from 15 September 2016.

The Members are responsible for the maintenance and integrity of the corporate and financial information included on the Corporation's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and surplus or deficit of the Group and the Corporation and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group, and the Corporation and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary to assess the Corporation's position, performance, business model and strategy in accordance with the UK Corporate Governance Code.

This report was approved by the Board on 4 May 2023
and signed on its behalf by

Sir Ian Cheshire

Chair

4 May 2023

Corporate governance

The Board is committed to high standards of corporate governance. The Members voluntarily prepare a Corporate Governance Statement to demonstrate that they apply the principles, where relevant, of the UK Corporate Governance Code issued by the Financial Reporting Council ('FRC') in 2018, and the Disclosure and Transparency Rules and Listing Rules of the Financial Conduct Authority. Channel 4's status as a statutory corporation without shareholders means those provisions concerning shareholders' interests are not directly applicable. Information required under LR9.8.4R of the Listing Rules, where relevant to Channel 4, is disclosed in the Report of the Members (page 162) and in the Members' Remuneration Report (pages 178 to 187). The Board considers that it was compliant with the relevant provisions of the UK Corporate Governance Code throughout 2022. The Code can be accessed at www.frc.org.uk.

The Board

Channel Four Television Corporation is controlled through its Board of Members. The Board's main role is to discharge Channel 4's statutory functions and ensure the fulfilment of the public service remit in accordance with all applicable laws and regulations.

The Board meets at least eight times a year and has a schedule of matters reserved for its approval as noted in the table on the following page. In addition, as part of its overall responsibility to ensure the fulfilment of Channel 4's statutory duties and functions, the Board continues to focus on ensuring the successful delivery of Channel 4's remit and other public service responsibilities. Content output and plans for future investment of the content budget are regularly discussed as part of the overall Board agenda, as are regular updates on audience reactions to Channel 4's content. The Board also approves Channel 4's proposed Statement of Media Content Policy (incorporating the Statement of Programme Policy and Review) prior to publication.

The Board has an established Audit & Risk Committee, Remuneration Committee and Ethics Committee to assist with the discharge of its functions and has delegated each certain responsibilities, as set out below.

Given its constitution and specific statutory provisions regarding the appointment of Members, Channel 4 does not have a formal Nominations Committee. Instead, there are formal nominations procedures which are described below.

The following formal nomination procedures are in place:

- Non-Executive Members are appointed for fixed terms by Ofcom following consultation with Channel 4's Chair and the approval of the Secretary of State for Culture, Media and Sport
- The Chair is appointed by Ofcom for a fixed term with the approval of the Secretary of State for Culture, Media and Sport
- The Deputy Chair is appointed by Ofcom
- The Chief Executive is appointed by the Board
- Other Executive Members are appointed to the Board after nomination by the Chief Executive and the Chair acting jointly

We work with Ofcom to ensure that each Board appointment brings to the Board the skills and experience that are required to meet Channel 4's needs and contribute to its long-term success.

The division of responsibilities between the Chair of the Board and the Chief Executive is clearly defined as described on the following page.

The following matters must be referred to the full Board:

- Channel 4's annual budget and three-year financial plan and strategy
- The appointment of the Chief Executive
- Confirmation of the appointment of the other Executive Members nominated by the Chief Executive and the Chair acting jointly
- Banking arrangements and loan facilities
- Any significant proposal outside the ordinary course of Channel 4's business
- The appointment and reappointment of the statutory auditor

- The audited Annual Report and financial statements
- The establishment, purchase or acquisition of any qualifying company and the approval or variation of terms of reference for any subsidiary
- Approval of any significant new business investment or programme investment
- Significant proposed changes to Channel 4's headcount
- Such other matters as the Board may from time to time resolve to review or decide upon

The Board has delegated certain responsibilities to the sub-committees below.



Audit & Risk Committee

The Audit & Risk Committee is responsible for monitoring the integrity of the Corporation's financial statements, reviewing the Corporation's internal control and risk management systems and making recommendations to the Board in respect of the external auditor. The Audit & Risk Committee Report is set out on pages 174 to 177.



Remuneration Committee

The Remuneration Committee oversees all aspects of pay for Channel 4, reviewing proposals for the annual pay awards and variable pay schemes applicable to all staff. It recommends to the Board remuneration for the Chief Executive and sets remuneration for the rest of the Executive team. The Members' Remuneration Report is set out on pages 178 to 187.



Ethics Committee

The Ethics Committee reviews any conflicts of interest that may arise for Channel 4's Board and matters relating to the Code of Conduct as may be referred to it by the Chair or otherwise and offers advice to the Chair on conflicts of interest relating to Non-Executive and/or Executive Members. The Ethics Committee meets by exception only.

Corporate governance **cont.**

The role of the Chair

The Chair is responsible for:

- Leading the Board in setting the values and standards of Channel 4
- Maintaining a relationship of trust with and between the Executive and Non-Executive Members
- Leadership of the Board, ensuring its effectiveness on all aspects of its role, including the setting of the agenda
- Ensuring that all Members receive accurate, timely and clear information
- Ensuring that all Members continually update their skills and the knowledge and familiarity with Channel 4 required to fulfil their role both on the Board and on committees
- Facilitating the effective contribution of Non-Executive Members and ensuring constructive relations between Executive and Non-Executive Members
- Undertaking an annual evaluation of Board and committee performance

Charles Gurassa was appointed Chair for an initial three-year term from 28 January 2016 and was subsequently reappointed for a further three-year term. He completed his term on the Channel 4 Board on 27 January 2022, with Dawn Airey acting as Interim Chair from that date until 11 April 2022, when Sir Ian Cheshire was appointed as Chair for a three-year term.

The role of the Chief Executive is to run the business of Channel 4 under the delegated authority from the Board, to implement the policies and strategy agreed by the Board, and to communicate with Ofcom and other key stakeholders.

During 2022, Alex Mahon continued as Chief Executive.

The 2022 Board Members and their skills, experience and responsibilities are set out on pages 158 to 161.

The Non-Executive Members constructively challenge and help develop proposals on strategy, and bring strong, independent judgement, knowledge and experience to the Board's deliberations. The Non-Executive Members are of sufficient calibre and number that their views carry significant weight in the Board's decision making. Lord Chris Holmes acts as Senior Independent Director, providing a sounding board for the chair and serving as an intermediary for the other Members. The Members are given access to independent professional advice at the Group's expense when the Members deem it is necessary in order for them to carry out their responsibilities.

Details of professional commitments for Charles Gurassa (as Chair during January 2022), Dawn Airey (as Interim Chair from January to April 2022), and Sir Ian Cheshire (as Chair from April 2022) are included in their biographies. These do not adversely affect their roles with Channel 4.

The Board considers all its Non-Executive Members to be independent in character and judgement. At the time of this report, no Non-Executive Member:

- Has been an employee of the Group within the past five years
- Has, or has had within the past three years, a material business relationship with the Group (although attention is drawn to the related party transactions on page 163)
- Receives remuneration from Channel 4 other than their Member's fee

- Has close family ties with any of the Group's advisers, Members or senior employees
- Holds cross-directorships or has significant links with other Members through involvement in other companies or bodies
- Has served on the Board for more than nine years from the date of their first election

On appointment, the Members take part in an induction programme when they receive information about the Group, the role of the Board and the matters reserved for its decision, the terms of reference and membership of the principal Board and Executive Committees and the powers delegated to those committees, the Group's corporate governance practices and procedures including the powers reserved to the Group's most senior executives, and the latest financial information about the Group. This is supplemented by meetings with members of the senior management team. On appointment, all Members are advised that they have access to advice and the services of the Head of Corporate Governance. Throughout their period in office the Members are continually updated on the Group's business and environment and other changes affecting the Group and the industry it operates in as a whole, by written briefings and meetings with senior executives.

A formal Board Effectiveness Review that uses a detailed questionnaire to allow Board Members to express both qualitative and quantitative views on Board performance is undertaken annually. In 2022, the Head of Corporate Governance oversaw a review of the Board and of the Audit & Risk and Remuneration Committees, which was conducted by an external Board evaluator. Findings and analysis were presented to the Board by the Head of Corporate Governance and discussed at the January 2023 Board meeting. Committees also held their own discussions on the findings. The Board and committees were found to be performing well, with particular strengths noted around how the Channel's remit is centred in strategic decision making. As for previous years, the importance of ensuring Board composition provides appropriate representation of diverse voices and the UK as a whole was noted. Proposals for actions focused on structures to enable a longer-term focus in discussions and decision making.

Regular reports and papers are circulated to the Members before Board and committee meetings. These papers are supplemented by information specifically requested by the Members from time to time. A monthly performance pack is prepared by the Chief Operating Officer providing a month-by-month report on progress against the main performance indicators set by the Board.

The Head of Corporate Governance's responsibilities include ensuring an effective flow of information within the Board and its committees, induction of new Members, assisting with professional development as required, and advising the Board through the Chair on all governance matters.

Board meetings

The number of full Board meetings and committee meetings attended by each Member during the year is shown in the table below:

Name	Board meetings attended (invited)	Audit & Risk Committee meetings attended (invited)	Remuneration Committee meetings attended (invited)	Ethics Committee meetings attended (invited)
Sir Ian Cheshire	5 (5)	2 (2) ¹	5 (5) ¹	–
Charles Gurassa	1 (1)	– (1) ¹	1 (1) ¹	–
Lord Chris Holmes	8 (8)	–	7 (7)	–
Dawn Airey	8 (8)	1 (1) ¹	7 (7)	–
Tess Alps	8 (8)	–	7 (7)	–
Paul Geddes	7 (8)	4 (4)	–	–
Sir Roly Keating	8 (8)	–	7 (7)	–
David Kogan	8 (8)	3 (4)	–	–
Michael Lynton	5 (5)	–	–	–
Andrew Miller	7 (8)	4 (4)	–	–
Sarah Sands	8 (8)	–	–	–
Alex Mahon	8 (8)	4 (4) ¹	6 (6) ¹	–
Jonathan Allan	8 (8)	4 (4) ¹	5 (6) ¹	–
Ian Katz	8 (8)	–	–	–

¹ The Chair, Interim Chair, Chief Executive and Chief Operating Officer attended Audit & Risk Committee and Remuneration Committee meetings but were not members of those committees.

The Board meets at least eight times a year. The Non-Executives meet without management twice a year, and meet with just the Chief Executive present once a year.

The Ethics Committee did not meet in 2022 as no matters arose requiring its consideration.

Board diversity

As shown on pages 44 to 57, diversity is at the heart of Channel 4 and this is equally important at the most senior levels of the organisation as at entry-level positions. At May 2023, the Channel 4 Board comprised three Executive Members and ten Non-Executive Members. As stated on page 166, Non-Executive Members are appointed by Ofcom, and Executive Members by the Chief Executive and the Chair.

At 31 December 2022, one of the three Executive Members was a woman (December 2020: one of three). At 31 December 2022, the Board comprised four women and nine men, with the four women making up 31% of the Board membership (December 2021: 33%). At 31 December 2022, none of the Members of the Board were from an ethnically diverse background (December 2021: none).

Channel 4's ambition remains to ensure that Board composition reflects the diversity of the UK in support of our commitments to inclusion.

The UK Corporate Governance Code (revised in 2018) sets out principles emphasising the value of good corporate governance to long-term sustainable success. As stated on page 166, as a statutory corporation without shareholders, Channel 4 voluntarily applies the principles of the Code, where relevant.

The Code requires the Board to assess the basis on which Channel 4 generates and preserves value over the long term. The Board believes that the annual review of Channel 4's performance in relation to its Statement of Media Content Policy (presented on pages 30 to 119 of this Annual Report) represents a strong statement of the value generated by the Group. Our corporate Future4 strategy (set out on page 127) is aimed at ensuring we can continue to generate and develop this value over the long term as the broadcasting environment evolves. As a not-for-profit public service media organisation, our aim is to remain commercially self-sustainable with a strong supporting balance sheet over the long term. A key element of our financial strategy is the way we cross-fund commercially challenging genres with profitable programming. We believe surpluses built up over time should be prudently reinvested back into original content and digital innovation through our Future4 strategy, to enhance our commercial business model and to ensure the continuing relevance and reach of our remit.

Some of the ways in which Channel 4's value is measured externally have remained rooted in a traditional, linear PSM paradigm which does not fully reflect structural and strategic changes. The number of measures reviewed in relation to our Statement of Media Content Policy also makes our focus and decision making complex. As a result, the Board continues to review how we articulate and measure Channel 4's long-term impact in a changing landscape. New measures have been incorporated throughout our review of our Statement of Media Content Policy during 2022, including measures to reflect our strategic shift away from a focus on linear viewing.

The Code also requires boards of directors to understand the views of their companies' key stakeholders and describe in the Annual Report how their interests, and the matters set out in section 172 of the Companies Act 2006, have been considered in Board discussions and decision making. Section 172 deals with the directors' duty to promote the success of the company for the benefit of its shareholders as a whole, having regard to a number of broader matters including the likely consequence of decisions for the long term and the entity's wider relationships.

Although provisions around shareholders' interests are not directly applicable to Channel 4, our Board seeks to make decisions remaining mindful of our remit, values and strategy, and taking into account their impact on our key stakeholders. Engagement with these stakeholders is key to maintaining the Corporation's reputation. The following table identifies these stakeholders, outlines how we engage with them, and provides examples of how these relationships have shaped Board decision making during the year. In 2023, we are seeking to monitor specific metrics to track how successfully we are engaging with stakeholders which will help align decision making with stakeholder impact.

Corporate governance **cont.**

Stakeholder	Engagement	Impact on Board agenda and decision making
Viewers (those who watch Channel 4, but also the wider UK population)	We monitor audience engagement via both proprietary trackers and third-party trackers, bespoke audience studies (pilot testing, focus groups, genre and trend studies, behavioural studies) and quarterly remit and VoD landscape studies.	<p>The Board receives regular updates on viewing performance to inform its decision making. In 2022, the agenda in this area was closely aligned with our Future4 ambitions, with a focus on the channel's priorities to drive streaming views. The Board also oversaw work to keep viewers (in particular younger audiences) at the heart of our decision making, receiving updates on our Beyond Z conference and the launch of <i>Channel 4.0</i>, and supported management's thought leadership in this area.</p> <p>The Board continued to review the viewing metrics used to support our Statement of Media Content Policy and other audience measures used to track our distinctiveness. Consideration was given to strategies to optimise our pivot to digital (including comparison with the major streamers), while ensuring continued delivery of our linear remit.</p> <p>Following the broadcast outages suffered during autumn 2021, the Board had encouraged management to take the opportunity to expand delivery of access services in future, and during 2022 reviewed plans to increase the Channel's access service commitments.</p> <p>Reviews of viewing performance inform Board approvals for commissioning of new and returning content when required under Channel 4's delegation of authority.</p>
Creative partners (primarily producers)	<p>We engage with creative partners via direct meetings, industry events, talent outreach programmes, partnerships, <i>qualitative and quantitative research</i> (including direct feedback) and third-party industry data.</p> <p>Channel 4's Creative Contract sets out our commitments to the independent production community to foster creative partnerships, and maintain our reputation as the best partner <i>for producers</i>.</p>	<p>Regular updates on creative performance helped to inform Board decision making around commissioning. The Board also emphasises the importance of Channel 4's relationships <i>with the independent production sector and overseas</i> actions to reinforce our creative partnerships.</p> <p>The Board reviewed the results of stakeholder surveys during the year, welcoming a marked improvement in our findings, and supported ongoing strategy to continue this progress. It also welcomed the support of Channel 4's creative stakeholders in emphasising Channel 4's role in the production ecosystem during the year.</p> <p>The Board continued to monitor our Nations and Regions strategy, noting the significant progress made against the our vision and commitments to supporting production across the country.</p> <p>The Audit & Risk Committee oversaw work during the year to engage with any concerns raised through our Speak Up whistleblowing facility by third parties within the Group's supply chain.</p>
Commercial partners (primarily advertisers)	Engagement to grow long-term strategic relationships with our commercial partners comes in the form of regular meetings, events and industry research, plus collaboration and innovation through ad-break takeovers, our 4Talks insight series and sponsorship of industry platforms and projects. We also carry out an annual reputation survey with commercial stakeholders.	<p>The Board receives regular updates on key drivers in the TV advertising market, and considered the impact of macro-economic challenges on market performance during 2022.</p> <p><i>It reviewed priorities for Channel 4's sales teams in engaging with our commercial partners by continuing to enhance our digital proposition.</i> The Board also supported ongoing collaboration with our commercial partners to champion <i>diversity in advertising</i>.</p> <p>Scrutiny is given to proposals for new commercial partnerships outside of traditional platforms, and the Board reviews the success of previous commercial ventures and the stakeholder relationships built to ensure that lessons learned are applied in future. Key stakeholder relationships are carefully considered by the Board when approving major commercial agreements, and they are regularly briefed on <i>the development of existing partnerships as well as new ventures in the pipeline.</i></p>

Stakeholder	Engagement	Impact on Board agenda and decision making
Employees	Engagement with Channel 4 employees comes in many forms, including all-staff sessions, staff forums, regular internal communications and staff surveys (considered in more detail on page 132).	<p>The Board reviewed regular updates on staff wellbeing throughout the year, taking into account the impact of the cost of living crisis and the uncertainty around privatisation. This was assisted by results from detailed quarterly staff surveys. The Board also monitored the success of the move to hybrid working and steps taken to ensure the wellbeing of employees during this transition.</p> <p>The Board monitored progress against Channel 4's six-point commitments as an anti-racist organisation in 2020. The results of an internal Inclusion Survey were considered and improvement noted was welcomed by the Board; further insights into these findings were considered to provide context for action plans proposed by management.</p> <p>The Remuneration Committee oversaw the launch of a pay framework during early 2022, and later in the year focused on the importance of retaining talent during a wider 'war for talent', particularly given the challenges of uncertainty around privatisation.</p>
Political and regulatory (those we are accountable to, e.g. parliamentarians, government and Ofcom)	<p>We ensure engagement to maintain our strong relationship with our political and regulatory stakeholders via one-to-one meetings as well as events, briefings and quarterly stakeholder meetings.</p> <p>We are in regular contact with our key regulator Ofcom through meetings and reporting. We engage proactively with consultations by our political and regulatory stakeholders as and when these are launched.</p> <p>We also report to regulatory stakeholders via our pay gap and diversity reporting, and carry out an annual reputational survey.</p>	<p>Responding to the debate around privatisation was a central area of engagement for the Channel 4 Board during the year. The Board played a role in the Group's initial response to DCMS's proposals in April 2022, and Members continued to engage with a wide range of political stakeholders throughout the year, while keeping continued delivery of Channel 4's remit as their highest priority throughout the process. The Board welcomed DCMS's announcement in January 2023 that the Channel will remain in public ownership and will engage closely and constructively with discussions around the organisation's future direction.</p> <p>Engagement with political stakeholders remains a key part of our vision for the Nations and Regions. The Board received updates during 2022 on steps to build constructive relationships and potential partnerships with these key stakeholders during 2022. This included hosting Metro Mayors for West Yorkshire and the West of England, showcasing our work with local creative industries in our party conference programme, and participation in Ofcom Nations advisory committees.</p> <p>The Board performs an annual review of the effectiveness of the Corporation's compliance activities and agrees action points where necessary.</p>
Financial (governmental stakeholders, banks)	In 2018, Channel 4 entered into a Memorandum of Understanding ('MoU') with DCMS. This clarified the requirements for Channel 4's financial engagement with DCMS – to provide information to DCMS and to secure DCMS approval for certain limited transactions outside the normal course of Channel 4's business. The Channel 4 Annual Report is laid before Parliament, and Members of the Channel 4 Board attend an annual Select Committee session to discuss the report and the channel's current activities. Channel 4 also provides regular reporting to its financial stakeholders on its performance and covenants.	<p>The Board reviews and approves the Group's Annual Report ahead of it being laid before Parliament. It also scrutinises and approves the Group's annual long-term plan and Budget ahead of these being reported to financial stakeholders.</p> <p>The Audit & Risk Committee has overseen negotiations with banking partners to renew the Group's £75 million revolving credit facility, finalised in early 2022. The Board discussed the rationale for renewing the facility and the importance of securing the Group's sustainability if exceptional circumstances were to arise. Final approval for the renewal was given by the Board in February 2022.</p>

Corporate governance **cont.**

In accordance with good corporate governance practice, the Board:

- Is responsible for maintaining sound risk management and internal control systems, ensuring they are effective in identifying key risks and reporting on the adequacy of actions to respond to and manage those risks
- Seeks regular assurance and receives regular reports that enable it to satisfy itself that the system is functioning effectively
- Is responsible for the Group's process for the preparation of the consolidated financial statements

As outlined on page 167, the Board delegates oversight of risk management and internal control to the Audit & Risk Committee. Further information on activity in these areas during 2022 is provided in the Audit & Risk Committee Report on pages 174 to 177. The Board is not responsible for the internal control environment or corporate governance for any of the Group's joint ventures or associates; however, none of the Group's joint ventures or associates are material to the consolidated financial statements.

Clear management responsibilities are established for the Executive Members. The Corporation has a Code of Conduct and a suite of policies and procedures which encompass ethical behaviour, conduct and internal controls.

The Audit & Risk Committee satisfies itself that internal controls are operating throughout the year based on a programme of reviews by the Group's Business Assurance and Finance functions, which are reported to the Committee at its quarterly meetings – further detail is provided in the Audit & Risk Committee report on pages 174 to 177.

All expenditure is authorised in line with a delegated authorities framework. An electronic invoice authorisation system is used to further enhance the control environment. Authorisation and payment duties are strictly segregated, and bank signatory limits are clearly defined by bank mandate.

Risk management

In addition to its requirements under Schedule 9 of the Communications Act 2003 set out below, the Board and management have a clear responsibility for the identification of risks facing the Group and for putting in place procedures to monitor and mitigate such risks. Channel 4 has a high appetite for creative risk-taking, which could potentially give rise to controversial content. The Group has a low appetite for operational risks. The Board and Executive team operate a risk management framework for identifying, evaluating and managing (rather than eliminating) significant risks faced by Channel 4. Material controls, including financial, operational and compliance controls, are monitored and reviewed by senior management, Business Assurance and the Audit & Risk Committee. Remedial plans are put in place where internal reviews identify control weaknesses or opportunities for improvement. Serious control weaknesses (if any) are reported to the Board and appropriate actions taken. This framework has been developed in accordance with relevant good practice guidance on internal controls and risk management, and articulated to align with our Future4 strategy. A summary of the key risks that the Group faces, together with how those risks are mitigated, is presented in the Strategic Report on pages 144 to 153.

Editorial and compliance

Channel 4 has a long-established compliance culture, which is fully integrated into its commissioning process and provides clear editorial 'reference-up' to senior executives and appropriate Board oversight. Its importance is widely recognised and understood by independent production companies we work with and they share equal responsibility for ensuring that programmes and online content conform to the compliance culture we work within. The Commissioning team works in close collaboration with the Legal and Compliance department on all significant commissions. There are strong editorial, legal and compliance systems and controls in place over the content commissioned by Channel 4.

These include Channel 4's '4Compliance' guidance and protocols, which encompasses the Ofcom Broadcasting Code, other relevant regulations, media law and best practice guidelines. This is supported by extensive training for both staff and independent producers. The Members are satisfied that Channel 4 has in place suitable procedures to fulfil the requirements of paragraph 3b of the Ofcom licence, which exists to ensure that difficult or fine-cut decisions on editorial and compliance issues are properly considered by the most appropriately experienced and senior editorial executives and programme lawyers within Channel 4.

Information is provided to the Members in advance of each Board or Committee meeting. The information provided over the course of the year includes strategic plans, detailed annual budgets, quarterly reforecasts and key projects and initiatives as well as monthly performance packs. Among other things, the monthly performance packs monitor progress against the agreed objectives for the year, and compare actual performance metrics, income and expenditure to date with budget and prior year. Explanations are provided for significant variances to facilitate discussion and review at the Board meetings.

The Members also receive information in between Board meetings as appropriate, including weekly risk and viewing updates. The Corporation Secretary is responsible for the provision of information to the Members.

There were six Trustees of the Channel Four Television Staff Pension Plan at 31 December 2022. The Trustees, who meet several times each year, also meet the Plan's investment managers from time to time; during the year these investment managers were Legal & General Assurance (Pensions Management) Limited, Veritas Asset Management LLP, BMO Global Asset Management, JP Morgan Asset Management, Ruffer LLP, IFM Investors and Just Retirement Limited.

During the year, the Trustees were as follows:

Channel 4 Executives

Martin Baker	Chief Commercial Affairs Officer
Vince Russell	Finance Director

Channel 4 Non-Executive Trustees

Lord Chris Holmes MBE	Non-Executive Member
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Member-nominated Trustees

Sarah Honeyball	Client Sales Lead
Gill Monk	Pensioner Member Nominated Trustee

Corporation-appointed Trustee

Dinesh Visavadia, Independent Trustee Services Limited	Independent Corporate Trustee
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Further details of the Channel Four Television Staff Pension Plan are provided in note 19 to the financial statements.

The Act requires Channel 4 to submit proposals to Ofcom detailing the arrangements under which it proposes to secure, so far as reasonably practicable, that all significant risks to the primary function are identified, evaluated and properly managed. These proposals are referred to as 'the Arrangements'.

In addition, the Arrangements must include proposals which Channel 4 considers appropriate for securing the transparency objectives as set out in the Act, namely:

- an appropriate financial and organisational separation between the activities of Channel 4 that relate to the carrying out of their primary functions and their other activities; and
- an appropriate degree of transparency in financial and other reporting where resources are shared between separated activities or where there is some other financial or practical connection between otherwise separated activities.

The Act sets out the matters to which the submitted Arrangements may relate. These include the procedures and other practices to be followed by Channel 4 in the case of the initiation and management of new ventures, the exercise of particular powers, the assessment of risks, the imposition of charges and the keeping of records.

The Act requires Channel 4 to put in place regular checks to confirm that Channel 4 is complying with the Arrangements. The Arrangements proposed by Channel 4 must contain provision for compliance, with the Arrangements to be checked regularly by a person (other than Channel 4's auditor) appointed in accordance with that provision. Revised Arrangements came into force on 15 September 2016.

Channel 4 has undertaken independent verification through an agreed-upon procedures engagement (performed by BDO LLP) reporting factual findings in respect of the Arrangements during 2022. Copies of the Arrangements are available from the Head of Corporate Governance.

Audit & Risk Committee Report

Chair's introduction

During 2022 the Committee has continued to focus on monitoring business risks arising in the Corporation's activities, with the importance of ensuring that these risks are managed appropriately highlighted by the challenging economic backdrop, the pace of change in the viewing landscape, and the debate around Channel 4's future ownership. Work has continued to strengthen the Group's controls framework and provide sufficiently robust mitigation. A detailed analysis of the risks facing the Corporation is disclosed in the Strategic Report on pages 144 to 153. During the year, the Committee has continued to monitor the Group's key audit risks and judgements, with key considerations during 2022 outlined in further detail on page 176.

Composition

During 2022, the Audit & Risk Committee comprised Andrew Miller (Chair), Paul Geddes and David Kogan. All the members of the Committee are Independent Non-Executive Members. As disclosed on page 159, Andrew Miller is a qualified accountant and brings previous experience as Audit Chair of both AA plc and Ocean Outdoor Media to his role as Chair. Further details of the Members of the Audit & Risk Committee can be found on pages 158 to 161.

The Committee met four times during 2022. Details of attendance at Audit & Risk Committee meetings by the Members of the Committee are disclosed in the Corporate Governance Report on page 169.

At the Committee Chair's invitation, the Chair of the Board, the Chief Executive, the Chief Operating Officer, the Finance Director, the Head of Business Assurance, the Head of Corporate Governance and the external audit partner (among others) attended Committee meetings. The external audit partner and Head of Business Assurance have direct access to the Chair of the Audit & Risk Committee.

Role of the Audit & Risk Committee

The Committee monitors the effectiveness of the Group's financial reporting, systems of internal control and risk management and the integrity of the Group's external audit and internal Business Assurance processes.

Responsibilities

As noted in the Corporate Governance Report on page 167, the Board has discharged certain responsibilities to the Audit & Risk Committee:

- To monitor the integrity of the financial statements of Channel 4 and any formal announcements relating to Channel 4's financial performance and reviewing significant financial reporting judgements contained in them
- To review the Corporation's internal financial controls and internal control and risk management systems
- To monitor the Corporation's whistleblowing procedures, ensuring that appropriate arrangements are in place for employees to be able to raise matters of possible impropriety in confidence, and with suitable follow-up action
- To review the findings of Business Assurance reviews and to monitor and review the effectiveness of Channel 4's Business Assurance function
- To make recommendations to the Board in relation to the appointment, reappointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor
- To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements
- To develop and implement policy on the engagement of the external auditor to supply non-audit services including the pre-approval of such services, taking into account ethical guidance regarding the provision of non-audit services by the external audit firm; and to report to the Board, identifying any matters where it considers that action or improvement is needed and making recommendations on steps to be taken
- To update the Board about the Audit & Risk Committee's activities and ensure the Board is aware of matters that may have a significant financial impact on Channel 4

Activities

The Committee discharged its key responsibilities in 2022 and 2023 to date as set out below.

January 2022 meeting

- Received verbal updates from the external auditor on the audit plan for 2021, and discussed progress to date on the 2021 audit
- Received progress updates on management's controls framework action plan
- Considered the Group's approach to alignment over time with new climate-related financial disclosures
- Received updates on the Group's Treasury policy and on renewal of the existing revolving credit facility
- Received the findings of Business Assurance activity and an update on the Group's key risks
- Received status updates on whistleblowing activity under consideration by the Business Assurance team
- Reviewed the impact of the broadcast outage experienced by Channel 4 during autumn 2021 and plans in place to strengthen business resilience to prevent similar incidents in future
- Discussed the findings of the 2021 Board Effectiveness Review with regard to the Audit & Risk Committee and suggested actions

March 2022 meeting

- Reviewed the 2021 financial statements and other sections of the Annual Report including the Statement of Media Content Policy and discussed whether these were fair, balanced and understandable to stakeholders
- Reviewed the Corporation's accounting policies in respect of the key audit risks, significant accounting and reporting issues and a detailed financial report in respect of 2021 and discussed these with the external auditor
- Considered the report of the external auditor on their key findings for the 2021 audit
- Reviewed the findings of the independent reporting accountants concerning compliance with the arrangements under Schedule 9 of the Communications Act 2003 in relation to 2021
- Reviewed the Viability Statement and the going concern assumption for the 2021 financial statements
- Reviewed the Group's risk framework as presented in the 2021 Annual Report and received an update on emerging risks
- Approved the Business Assurance plan for 2022
- Received status updates on whistleblowing activity under consideration by the Business Assurance team
- Received updates on the Group's key technology projects including key risks identified
- Received updates on a review of the Group's Treasury Investment policy

June 2022 meeting

- Received updates on operational transformation projects around the business
- Considered the principles behind proposed changes to the Group's Delegated Authority Matrix
- Received updates on the Group's tax status
- Approved updates to the Group's Treasury policy following a full review of existing arrangements
- Received updates on Business Assurance activity and the Group's key risks
- Considered a detailed Post Incident Review of the payout outages that occurred during 2021
- Received updates on whistleblowing activity through the 'Speak Up' facility

September 2022 meeting

- Reviewed the Corporation's accounting policies in respect of its significant accounting judgements, and a detailed financial report in respect of the half year to 30 June 2022
- Reviewed the preliminary audit plan for the 2022 audit presented by the external auditor, which included consideration of the scope of the audit, the key audit risks to be disclosed in the 2022 Annual Report and other key areas of focus
- Received progress updates on management's controls framework action plan
- Approved updates to the Group's Delegated Authority Matrix for recommendation to the Board
- Approved the Group's tax strategy for 2022
- Received the findings of Business Assurance activity and an update on the Group's key risks
- Received status updates on whistleblowing activity under consideration by the Business Assurance team
- Received updates on the Group's technology projects, including a review of information security and an update following the migration of certain key broadcast services
- Received updates following the triennial valuation of the Group's defined benefit pension scheme

January 2023 meeting

- Received verbal updates from the external auditor on the audit plan presented in September, and discussed the external auditor's progress to date on the 2022 audit
- Received progress updates on management's controls framework action plan
- Reviewed the Group's corporate insurance policies put in place by management following the 2023 renewal
- Received updates on Business Assurance activity and the Group's key risks, and approved the Business Assurance plan for 2023
- Received status updates on whistleblowing activity under consideration by the Business Assurance team
- Received updates on the Group's key technology projects including progress over the past 12 months and the roadmap for 2023

Audit & Risk Committee Report **cont.**

March 2023 meeting

- Reviewed the 2022 financial statements and other sections of the Annual Report including the Statement of Media Content Policy and discussed whether these were fair, balanced and understandable to stakeholders
- Reviewed the Corporation's accounting policies in respect of the key audit risks, significant accounting and reporting issues and a detailed financial report in respect of 2022 and discussed these with the external auditor
- Considered the report of the external auditor on their key findings for the 2022 audit
- Reviewed plans for independent verification of the Group's compliance with the arrangements under Schedule 9 of the Communications Act 2003 in relation to 2022
- Reviewed the Viability Statement and the going concern assumption for the 2022 financial statements
- Reviewed the Group's risk framework as presented in the 2022 Annual Report
- Received an update on Business Assurance activity
- Received status updates on whistleblowing activity under consideration by the Business Assurance team

Significant matter – defined benefit pension scheme

After discussions with both management and the external auditor, the Audit & Risk Committee determined that the key audit matter in relation to misstatement of the Corporation's 2022 financial statements related to the actuarial valuation of the Group's defined benefit pension scheme.

This key matter was discussed while the audit strategy was being reviewed and at the conclusion of the audit of these financial statements.

Defined benefit pension scheme

The Group maintains a defined benefit pension scheme, which closed to future accrual in 2015. The net obligation is material and the valuation complex. However, the obligation under the scheme is valued by an independent qualified actuary in line with IAS 19 'Employee Benefits', reducing the level of management judgement required. The valuation is calculated by estimating the future benefits that employees have earned in return for their service in the current and prior periods, discounting to determine a value at today's prices, and deducting the fair value of scheme assets at bid price. The assumed discount rate for the liabilities is the current rate of return of high-quality corporate bonds with similar maturity dates. Remeasurement gains and losses that arise in calculating the Group's obligation in respect of the plan are recognised directly in other comprehensive income within the statement of comprehensive income in the period in which they arise. The finance cost is recognised in the income statement.

The valuation of the pension scheme on the Group's balance sheet was an asset of £5 million as at 31 December 2022 (2021: £29 million liability). The Committee discussed the volatility in the investment market during 2022 which had driven this movement, and noted the sensitivity of the scheme's valuation to certain assumptions applied by the actuary. The context provided by a triennial funding valuation of the scheme as at 31 December 2021 which was carried out during 2022 was also considered by the Committee. It was also acknowledged that the materiality of the balance could attract additional stakeholder scrutiny, particularly while the privatisation process remained ongoing during 2022.

The accounting policies of the Corporation in relation to the defined benefit pension scheme are disclosed on page 205. Management also provided papers explaining the accounting treatment to the auditor during the 2022 financial audit. The Committee has reviewed the results of judgements applied by management and the independent actuary in respect of the defined benefit pension scheme at the balance sheet date, and is satisfied that the procedures performed and the assumptions made were robust and consistently applied, resulting in appropriate accounting treatment.

Other risks

Revenue recognition around certain complex revenue agreements had been reviewed by the Committee as a significant matter in the financial statements in previous years. While the audit strategy was being reviewed and following discussion with the external auditor, the Committee noted that in the context of higher revenues overall in 2021 and 2022 the materiality of these revenue streams had decreased and a significant risk of misstatement was no longer deemed likely in respect of these agreements.

The Audit & Risk Committee received updates from both management and the external auditor with regard to the Group's critical accounting judgements and any key sources of estimation uncertainty during 2022. Particular focus was given to the Group's treatment of programme and film rights, with detailed consideration given to identifying the most appropriate amortisation profiles as viewing behaviours shift over time (accelerated by the Future4 strategy). The Committee reviewed the findings of detailed viewing analysis and was satisfied that the estimates applied by management currently remained appropriate, although these will remain subject to close monitoring over time.

The Committee has also reviewed the approach that management takes to other critical accounting judgements relating to its deferred tax assets, as well as in the application of IFRS 16 'Leases' to the Group's satellite transponder contracts, receiving confirmation that this treatment remains in line with previous years, and agreed that it was satisfied this treatment remained appropriate.

Management confirmed to the Committee that it was not aware of any material misstatements or immaterial misstatements made intentionally to achieve a particular presentation. The auditor reported to the Committee all misstatements that it found in the course of its work over the reporting threshold previously agreed with the Committee. No material misstatements remain unadjusted.

After reviewing the presentations and reports from management and consulting where necessary with the auditor, the Committee is satisfied that the financial statements appropriately address the critical judgements and key estimates, both in respect to the amounts reported and the disclosures. The Committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised and challenged and are sufficiently robust.

The Audit & Risk Committee has satisfied itself that the Annual Report and financial statements, when considered as a whole, are fair, balanced and understandable and provide the information necessary for stakeholders to assess the Corporation's position, performance, business model and strategy. This follows a detailed process of review as outlined below:

- Comprehensive reviews of the draft Annual Report and Accounts are undertaken by management, the Executive Committee and the Audit & Risk Committee Chairman
- Discussion is held by the Committee along with management on key factors including consistency, clarity and presentation of the Annual Report
- A final draft is reviewed by the Audit & Risk Committee prior to consideration and approval by the Board

Audit tender

Deloitte LLP was appointed as external auditor for the audit of the financial statements in 2017. Nicola Barker began her tenure as audit partner in 2022, with a rotation taking place following Kate Houldsworth's final year in the role in 2021 having served as audit partner since 2017. The Audit & Risk Committee does not expect to carry out an audit tender process in the short term, and anticipates that Deloitte LLP will continue as auditor for the foreseeable future.

The Committee confirms that it is satisfied that the auditor has fulfilled its responsibilities with diligence and professional scepticism.

Auditor independence

Channel 4 will not use its external auditor to provide other services unless it is efficient and effective to do so and authorised by the Chair of the Audit & Risk Committee. The Committee has also taken action to ensure the objectivity and independence of the external auditor is maintained. To discharge this responsibility, the Committee has:

- approved the proposed audit fee and scope of the audit;
- reviewed all non-audit fees payable to the Group's external auditor; and
- reviewed Deloitte LLP's annual statement to the Audit & Risk Committee to confirm its independence within the meaning of regulatory and professional requirements.

A summary of the fees earned by Deloitte LLP in respect of all services provided in 2022 to the Corporation is shown in note 3 to the financial statements.

Audit effectiveness

The Committee has reviewed the external audit process and has satisfied itself that it is effective by reviewing:

- the external auditor's plan for the audit of the Group's financial statements, including the key audit risks identified above;
- the external auditor's reports on the Group's draft financial statements for the year ended 31 December 2022;
- the conduct of the audit through enquiries with management;
- the robustness and perceptiveness of the external auditor in their handling of key accounting and audit judgements identified and in responding to questions in one-on-one meetings; and
- the effectiveness of management in preparing and carrying out the audit and providing the external auditor with timely information.

Risk management and internal control

Business Assurance

The Corporation has a Business Assurance function and the Head of Business Assurance reports jointly to the Finance Director and the Chair of the Audit & Risk Committee.

The Head of Business Assurance is responsible for coordinating the risk management framework for the Group and for taking a risk-based approach when setting out the Business Assurance plan for the year. The Business Assurance function continued work to provide assurance that control processes were appropriate and working effectively, and where necessary recommended improvements.

The Business Assurance team function also plays a key role in Channel 4's crisis management and business continuity procedures. Following the broadcast outages experienced during 2021, the Business Assurance team was closely involved in work to strengthen business resilience during 2022.

Whistleblowing procedures (through the Group's Speak Up facility) are also led by the Head of Business Assurance and reported to the Audit & Risk Committee. Activity in this area continued to focus on engagement with third-party concerns brought to Channel 4's attention from within its supply chain.

Control environment

In addition to the assurance provided over the Group's control environment by the Business Assurance function, the Audit & Risk Committee receives regular updates from the Finance Director on management's activities to ensure a robust control environment remains in place. Following an initial action plan presented by management in 2021, regular status updates on this work have been provided to the Committee during the year. This activity has focused in particular on leveraging operational transformation programmes to ensure a robust control framework is implemented via system design, as well as by strengthening monitoring, collaboration and governance. Alongside this work, further reviews have been carried out over the broader automated controls framework and the Committee has discussed the outcomes and proposed mitigations in detail to drive improvement going into 2023. The Committee have also reviewed the business process controls framework in place to provide additional assurance while work to strengthen automated controls takes place.

Based on the findings of these reviews, the Committee confirmed that it was satisfied that the Group's control environment was operating effectively during the year.

This report was approved by the Board on 4 May 2023 and signed on its behalf by

Andrew Miller

Chair of the Audit & Risk Committee
4 May 2023

Members' Remuneration Report

Chair's introduction

Channel 4's people are critical to meeting the needs of viewers and delivering on the organisation's purpose. This year, the Committee's work has focused on ensuring fair and responsible remuneration decisions for Channel 4's people to manage the impact of unprecedented challenges presented during 2022.

The Committee's oversight in ensuring Channel 4 attracts and retains high-calibre staff became more important than ever in response to the privatisation debate. As did protecting the wellbeing and morale of staff in a very uncertain period and ensuring this uncertainty did not sidetrack other ongoing priorities, including delivery of operational goals, championing of diversity and development of talent.

The wider economic context and cost of living crisis were also key considerations for the Committee in making recommendations to support staff wellbeing and ensuring people be fairly remunerated for the vital role they play in Channel 4's success.

Annual statement by the Chair of the Remuneration Committee

This report sets out the activities of the Remuneration Committee for the year ended 31 December 2022. It discloses the remuneration policy and details for all Channel 4 people including the Executive and Non-Executive Members of the Corporation. It has been prepared in accordance with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in August 2013. Channel 4's status as a statutory corporation without shareholders means these provisions are not all directly applicable, but the Members have decided to comply voluntarily with the provisions to the extent that they are relevant to Channel 4, in line with the Board's commitment to high standards of corporate governance.

The report is set out in three sections: the statement by the Chair of the Remuneration Committee, the annual report on remuneration, and the policy report. The annual report on remuneration provides details on remuneration relating to 2022 and other information required by the Regulations.

The Companies Act 2006 requires the auditor to report on certain parts of the Members' Remuneration Report and to state whether, in its opinion, those parts of the report have been properly prepared in accordance with the Regulations. The parts of the annual report on remuneration that are subject to audit are indicated in the Auditor's Report. The statement by the Chair of the Remuneration Committee and the policy report are not subject to audit.

The Remuneration Committee oversees all aspects of pay for all Channel 4 people including Executive Members, reviewing proposals for the overall annual pay awards and variable pay schemes applicable to all staff, and the details of remuneration packages for the Executive team. The Committee's recommendations and decisions in 2022 reflect its remuneration policy, which is designed to enable Channel 4 to attract, motivate and retain high-calibre people by offering both fixed and variable pay to reward commercial and creative success, and recognising Channel 4's position as a public service media organisation.

Where Executive Members or senior management are involved in advising or supporting the Remuneration Committee, care is taken to recognise and avoid conflicts of interest. No Executive Members attend meetings of the Remuneration Committee at times when any aspect of their individual remuneration, benefits or terms of employment are being discussed.

Composition of the Remuneration Committee

During 2022, the Remuneration Committee comprised Lord Chris Holmes (Chair), Sir Roly Keating, Dawn Airey and Tess Alps. All the members of the Committee are Independent Non-Executive Members. The Chair of the Board, the Chief Executive, the Director of People, the Chief Operating Officer and the Corporation Secretary attended meetings by invitation as appropriate.

Members' Remuneration Report **cont.**

The Committee's principal responsibilities are:

- to recommend to the Board the level of any average annual salary increases and variable pay awards and the structure of remuneration;
- to recommend to the Board the structure of the annual Corporate Variable Pay and Advertising Sales Schemes and to review progress against the targets set for the schemes;
- to review any other aspect of HR strategy or performance as appropriate; and
- to review any other significant change in Channel 4's remuneration arrangements and policies.

The Chair of the Remuneration Committee reports to the Board on the Remuneration Committee's discussions and recommendations, and brings to the Board's attention any matters of an unusual or sensitive nature.

The Committee's work in 2022 and 2023 to date included making award recommendations to the Board for the Corporate Variable Pay and Advertising Sales Schemes in respect of 2022, and reviewing the structure and appropriateness of the schemes for 2023:

- The variable pay award for 2022 and the details of the Corporate Variable Pay Scheme are detailed on pages 182 to 184.
- In January 2022, the Committee considered the corporate objectives for the year, which remained in line with the prior year as previously agreed, focused on the execution of the Future4 strategy and aimed at tracking delivery against the channel's remit, in addition to key financial and viewing measures. Targets were agreed for 2022 against these objectives to provide focus for the organisation throughout the year and for evaluation in determining 2022 variable pay.
- In January 2022, the Committee agreed that given anticipated cost of living increases over the coming year a pay award of 4% would be made effective 1 March 2022, with an additional payment made to those at Manager level and below bringing this to 5%. Separately, following consideration of the record performance of the business during the previous year, the Committee recommended setting the award for 2021 at the maximum opportunity under the Corporate Variable Pay Scheme. The Committee also approved 2021 variable pay for the Executive Members recognising their performance against key measures during the year, as well as a 2022 pay award in line with the rest of the business.
- In February 2022, the Committee agreed the 2021 award to be made under the Advertising Sales Scheme, and approved targets for 2022 aimed at ensuring the scheme was suitably aligned with the Future4 strategy.
- In June 2022, the Committee revisited the corporate objectives for the year and agreed updates to support delivery by ensuring expectations remained appropriately challenging and realistic given shifts in the viewing landscape post-lockdown.

- At the June and September meetings, the Committee approved the Board's proposal for certain remuneration arrangements to ensure the retention of talent during a period of prolonged uncertainty for the organisation and its people as privatisation was debated – please refer to "Exceptional remuneration in 2022" below.
- In January 2023, after careful and considered evaluation of the continued pressures due to the cost of living, the Committee agreed that a pay award of 2% would be made effective from 1 March 2023 for all Channel 4 people including the Executive Members, who opted to decline this increase. An additional pay award was made to those at Manager level and below bringing this to 4%.
- In January 2023, the Committee also made recommendations on the appropriate opportunity for 2022 under the Corporate Variable Pay Scheme, outlined on pages 182 to 184.
- In February 2023, the Committee made recommendations on the appropriate opportunity for 2022 under the Advertising Sales Scheme.
- In February 2023, the Committee approved the proposed corporate objectives for 2023, which remain focused on delivering Future4 and underpinned by existing metrics around remit delivery and financial performance.

During 2022, the Committee made recommendations on an increase to the maximum opportunity available to Jonathan Allan and Ian Katz as Executive Board Members under the Corporate Variable Pay Scheme to 50%, to ensure fair and responsible remuneration for their continuing leadership.

Throughout the year, the Committee oversaw ongoing reviews of the design and structure of the Corporate Variable Pay Scheme with the aim of ensuring this remains appropriately aligned with the organisation's strategy in future years.

The Committee also received regular updates throughout 2022 on employee wellbeing and engagement, recognising the impact of the cost of living crisis, the privatisation process, the challenging recruitment environment and the continuing adjustment to hybrid working in the organisation.

During the year, the Committee considered the need for arrangements to be put in place to protect the organisation given the uncertainty of privatisation and that failure to retain employees across the business could limit the organisation's ability to deliver its operational commitments. This assessment considered external guidance on best practice. In June 2022, the Committee approved a retention payment to be communicated to staff later that month, with a payment made in June 2023. In September 2022, the Committee decided to include the Executive Board Members in the scheme, following an external benchmarking review, recommending a payment of 50% of salary. Following the year end, the Executive Members declined a 50% payment and instead opted for a reduced payment of 25% of salary in line with the arrangements for the organisation's wider senior leadership team and recognising continuing macroeconomic challenges during 2023.

Pay Report 2022

The 'Channel 4 Pay Report 2022' was published in October 2022, based on data as at March 2022, and included ethnically diverse, LGBTQ+ and disability pay data within its scope as a reflection of Channel 4's championing of inclusion and diversity. This reporting was supplementary to the gender pay reporting required by the Equality Act. The 2022 Pay Report also outlines the key actions that are being taken to further decrease pay gaps across all demographic groups, which form just a part of Channel 4's activities to ensure it is a fully inclusive organisation. The focus in 2022 included improving management procedures to drive accountability in hiring decisions, and increasing performance management and reward transparency.

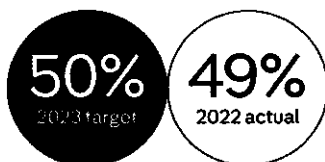
Gender pay gap

Mean 2022	19.5%	19.6% 2021
Median 2022	22.4%	20.5% 2021

Channel 4 has improved the parity of its top two pay quartiles (now at an almost 50:50 split between men and women), with mean gender pay gap decreasing slightly in 2022. However, given the proportion of women in the lower two pay quartiles increasing (and more than twice as many women as men in the lower-earning quartile), the median gender pay gap has increased and remains significantly higher than management objectives. Channel 4 will continue to support the progression of women into more senior roles therefore reducing the organisation's gender pay gap.

Gender balance

Channel 4 continues to target a 50:50 gender balance in the top 100 earners by 2023, and the proportion of senior women in the business has grown to 49 in March 2022 (March 2021: 48), up from 34 when we first started reporting this metric in 2017.



The data presented here from the 2022 Pay Report is as at March 2022; as at December 2022, women made up 52% of this group.

LGBTQ+

Mean 2022	15.6%	14.9% 2021
Median 2022	17.8%	8.4% 2021

Channel 4 reported a mean LGBTQ+ pay gap of 15.6% at March 2022, an increase from 14.9% in 2021. This reflects a significant increase of LGBTQ+ employees in the lower and lower-middle quartiles. As LGBTQ+ staff make up a relatively small population in Channel 4's overall staff composition, changes in headcount can have a significant impact on the pay gap.

Ethnic diversity

Mean 2022	9.8%	15.3% 2021
Median 2022	11.0%	10.3% 2021

The report shows that the mean ethnically diverse pay gap has decreased significantly year-on-year, reducing the gap by around a third and resulting from an increase in the proportion of ethnically diverse employees in the upper quartile. The median pay gap has increased slightly to 11.0% (2021: 10.3%). Just as with our gender pay gap, there are two factors that drive the ethnically diverse pay gap: a lower representation at senior levels and a higher representation at junior levels. By 2023, Channel 4's target is to have 20% ethnically diverse employees across Channel 4 and in the top 100 paid. As at March 2021, the number of ethnically diverse employees in the top 100 earners remains at 17, in line with 2021, with 18% of total employees being ethnically diverse.



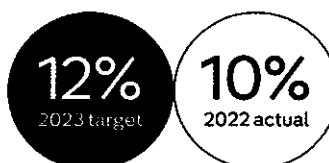
Disability

Mean 2022	13.8%	17.4% 2021
Median 2022	8.5%	5.4% 2021

The mean disability pay gap has decreased significantly in 2022, from 17.4% in 2021 to 13.8% in 2022. The median pay gap has increased, from 5.4% in 2021 to 8.5% in 2022.

As for LGBTQ+ pay, given the relatively small number of employees with disabilities compared to the total, the disability pay gap can be significantly affected by changes in headcount (such as opening new entry-level roles).

As at March 2022, 10% of Channel 4 employees have a disability, with a target of 12% disabled staff across the organisation by 2023.



Members' Remuneration Report **cont.**

Remuneration Report

The following provisions on this page are subject to audit

The remuneration of the Executive Members for the years ending 31 December 2022 and 2021 is made up as follows:

£000	Salary	Taxable benefits	Pension	Total fixed	Variable pay	Total pre except'l items	Except'l items	Total for 2022	Salary	Taxable benefits	Pension	Total fixed	Variable pay	Total for 2021
Alex Mahon	615	3	123	741	594	1,335	155	1,490	593	3	124	720	476	1,196
Jonathan Allan	510	1	39	550	308	858	128	986	492	1	38	531	197	728
Ian Katz	429	1	48	478	259	737	108	845	407	1	46	454	166	620
Total	1,554	5	210	1,769	1,161	2,930	391	3,321	1,492	5	208	1,705	839	2,544

The figures in the table above represent the gross pay received by Executive Members in 2022 and 2021, in consideration of salary increases during the year where applicable and reflecting exceptional items recognised in 2022 in relation to retention arrangements put in place to protect the organisation given the uncertainty of privatisation (see page 180). These exceptional items and the alternative performance measures they relate to are further detailed on page 200.

In 2022 and 2021, all of the Executive Members received pension benefits in the form of cash payments. Taxable benefits are private medical insurance for all Executive Members.

The remuneration of the Non-Executive Members for the years ending 31 December 2022 and 2021 is as follows:

£000	2022 salary and fees	2021 salary and fees
Sir Ian Cheshire (term commenced April 2022)	69	-
Charles Gurassa (term completed January 2022)	7	95
Lord Chris Holmes	33	33
Andrew Miller	25	25
Paul Geddes	22	24
Sir Roly Keating	22	22
Dawn Airey (term commenced December 2021)	37	2
Tess Alps (term commenced December 2021)	22	2
David Kogan (term commenced December 2021)	22	2
Sarah Sands (term commenced December 2021)	22	2
Michael Lynton (term commenced April 2022)	15	-
Stewart Purvis (term completed May 2021)	-	9
Althea Efunshile (term completed December 2021)	-	22
Uzma Hasan (term completed September 2021)	-	17
Fru Hazlitt (term completed September 2021)	-	17
Tom Hooper (term completed December 2021)	-	22
Total	296	294

No detailed disclosure has been provided for the Non-Executive Members other than that relating to their fees, as it is the only form of remuneration they receive.

Variable pay

During the year, the Committee regularly monitored operational and people performance as part of its oversight of variable pay across the business. The Committee met in January 2023, once results for the year were available, to agree on a recommendation to the Board on variable pay.

Corporate variable pay scheme

The Corporation's business model and strategy are set out in the Strategic Report on page 127. The Corporate Variable Pay Scheme has been designed specifically to link variable pay with the business model, with specific business objectives set in January 2022, which were used as key performance measures for the scheme for the year.

Achievement of at least the budgeted surplus or deficit before tax for the year and Ofcom licence requirements is a condition for any element of the scheme to pay out to staff. There may be circumstances where additional strategic or content investments are made or accounting adjustments arising from one-off events occur in the year which means the budgeted surplus or deficit before tax is adjusted for the purpose of the Corporate Variable Pay Scheme award, as agreed by the Board. Where this is the case, the surplus or deficit before tax is measured against the adjusted budget so that the financial impact of such items can be considered.

Most Channel 4 people, including the Executive team, participate in the Corporate Variable Pay Scheme, where the amounts provided can be up to 10% of total gross salary for employees, 20% for Heads of Department and between 30% and 80% for the Executive team. These percentages represent the maximum average amount that can be provided across each employee category. Actual awards for each staff member may vary from the average in certain years to reflect their individual achievement against personal performance objectives. If certain performance conditions are met under the variable scheme, then an additional uplift of 20% may be made to Channel 4 people judged to have achieved outstanding performance.

To decide how much variable pay should be provided each year, the Remuneration Committee reviews business performance using a monthly performance dashboard and report, which tracks performance across a range of qualitative and quantitative metrics. Where relevant, performance versus competitors against the same metrics is also a key part of the Committee's deliberations. The Committee also monitors progress against the corporate objectives set for the year and considers a report written by the Chief Executive in conjunction with others in the Executive team, describing how the Corporation has performed.

The scheme is based on a mix of both qualitative and quantitative information, and a degree of judgement is required around certain creative performance measures. The weighting allocated to each corporate objective in a given year is at the discretion of the Committee.

After due consideration of performance during the year, the Remuneration Committee makes a judgement on the overall performance for the year and proposes an amount, based on what it considers the average pay out across the Corporation should be for the year. The Committee produces an assessment of its evaluation which is then presented to the Board, which has the final approval of any pay out. The Committee will review the Corporate Variable Pay Scheme each year to ensure it remains appropriate.

The Committee's first point on scrutiny in agreeing its recommendation on variable pay was to confirm that the two performance considerations to the scheme had been successfully achieved. It was confirmed that the first performance consideration to the scheme – meeting the Ofcom licence requirements – had been met, with all requirements met or exceeded in 2022. In assessing the second – the organisation's performance against its budgeted financial result for the year – the Committee noted the impact of exceptional items on the 2022 financial statements, incurred due to the exceptional retention arrangements announced during the year because of the uncertainty of privatisation. The underlying performance of the business as presented in the Group's pre-tax surplus before exceptional items demonstrated that the second performance consideration had been clearly exceeded.

With these considerations achieved, the Committee moved to a detailed assessment of the Corporation's performance, recognising Channel 4's key corporate metrics and other strategic objectives, as well as a reminder of the importance of individual performance during the year. The key corporate objectives agreed in January 2022 were focused on programme streaming views, share of commercial impacts ('SOCI'), remit delivery and revenue diversification. Context was provided for the Group's performance against its KPIs and other strategic objectives through consideration of the CEO and Executive team's 2022 end-of-year report, which provides a summary of the creative, commercial, financial and operational performance outlined throughout this Annual Report. An extract of the performance metrics considered by the Remuneration Committee is set out on page 234.

The Committee considered the Corporation's 2022 position across the range of its Statement of Media Content Policy ('SMCP') metrics (pages 30 to 121) and agreed that the Channel's creative output in 2022 demonstrated another strong year of remit delivery.

It was noted that, in the Channel's 40th year, the wide array of purposeful and challenging programming seen on-screen attracted considerable critical acclaim, generated real world impact and delivered on the core purpose of representing the whole of the UK. Programming also reflected the full breadth of the nation with major new factual commissions from the Nations and Regions, and over 50% of spend and two-thirds of hours commissioned outside of London for the second year in a row. The legacy of the 2021's consequential and memorable Black to Front project continued, and the Channel's proportion of ethnically diverse presenters has never been higher (23%). Off-screen, fresh commitments had been made to increase spending with diverse-led production companies, rigorous diversity guidelines had been communicated, and a new Disability Code of Portrayal was published. The launch of *Channel 4.0* would provide a voice for younger viewers as well, with the new digital brand featuring an all-star cast of digital content creators.

The Committee recognised the best awards performance since 2014, with a record 13 RTS wins and 44 BAFTA nominations, as well as Channel 4 being named Network of the Year at the SJA British Sports Journalism Awards, and Channel of the Year at the Edinburgh International Television Festival.

Linear SOCI had exceeded expectations during 2022, particularly among the key ABC1 demographic, with this strong performance achieved despite the focus on a more digitally driven commissioning approach.

It was acknowledged by the Committee that the organisation had started the year with very ambitious aims to keep pushing hard towards the 2025 targets in programme streaming. However, it was also recognised that, following a rapid shift in consumer behaviour in the first half of the year, general viewing behaviour and streaming views had reverted to pre-lockdown levels and therefore the Committee reflected that it had been appropriate to revise expectations. It was noted that adjusted targets had remained very challenging, but this approach had ensured teams remained motivated to deliver and they had managed to achieve final results ahead of revised expectations. The Committee recognised the hard work, focus and dedication that had ensured programme streaming returned to growth in the second half of 2022.

In spite of the challenges, digital advertising revenue had continued to grow year-on-year, reaching 22% of the Group's total revenues for 2022 (up from 19% in 2021). It was highlighted that performance against this metric also reflected linear revenues remaining more resilient than expected during the year.

In considering the Group's financial performance, the Committee observed that the strategic focus on diversification could also be seen in non-advertising revenues now making up 10% of total revenues, and notably the organisation hitting the Future4 target three years early. It was also noted that prudent and flexible financial management had delivered a pre-tax surplus for the third year running, even as the Group embarked on significant planned reinvestment following two years of record results and despite the increasingly adverse economic environment. Cash balances remained in excess of £250 million and the Group's balance sheet position remained very strong, underpinning future sustainability and investment.

Members' Remuneration Report **cont.**

The Committee reflected that these metrics represented another strong year of delivery, particularly given the very challenging context, and that this was testament to the organisation's focus on continuing to deliver its remit even amid privatisation uncertainty and in an extremely competitive environment.

The channel continued to deliver its Future4 strategy throughout 2022, responding to the ever-shifting digital landscape. Meanwhile, the vast amount of work ongoing in the background to retool the organisation was also acknowledged, including major upgrades to our playout services, the launch of a new framework around pay and career progression, and significant investment in our workspaces across the UK.

The Committee noted progress in the organisation's commitment to the Nations and Regions, with more than 400 roles now based outside of London. 2022 had been the first year of additional investment and ambition for 4Skills, in recognition that a strong pipeline of talent is critical to supporting the growth of the creative industry – particularly outside London. 23,000 people benefited from a Channel 4 training experience in 2022 alone, surpassing original targets with even greater investment planned for 2023.

It was highlighted that teams across the organisation had upheld the momentum achieved over the past few years towards the Future4 transformation, despite the pressure created by the pace of change seen during 2022, particularly combined with the uncertainty of privatisation and its impact on the organisation. The Committee recognised the hard work, commitment and dedication of the whole Channel 4 team during 2022 and expressed its appreciation.

After careful and detailed consideration, the Committee recommended that it was appropriate to set the award for 2022 at the maximum opportunity under the Corporate Variable Pay Scheme, as a reflection of another year of strong performance delivery against operational objectives and a successful focus on continued delivery of the channel's remit.

As part of target setting for the 2022 Variable Pay Scheme, the Committee also introduced a new element to the variable scheme whereby if certain performance conditions are met under the scheme, then an additional uplift of 20% may be made for the achievement of outstanding individual performance measures.

People working within advertising sales have a separate Advertising Sales Scheme, linked to advertising revenue and paid biannually based on performance. They are not eligible for the Corporate Variable Pay Scheme.

The following provisions on this page marked with * are subject to audit

The Committee made the following awards to Executive Members in respect of outstanding 2022 performance:

- Alex Mahon was awarded an amount of 96% of year-end salary under the Corporate Variable Pay Scheme, representing a full payout of 80% of salary, upweighted by 20% for the achievement of outstanding performance.
- Jonathan Allan was awarded an amount of 60% of year-end salary under the Corporate Variable Pay Scheme, representing a full payout of 50% of salary, upweighted by 20% for the achievement of outstanding performance.
- Ian Katz was awarded an amount of 60% of year-end salary under the Corporate Variable Pay Scheme, representing a full payout of 50% of salary, upweighted by 20% for the achievement of outstanding performance.

Taxable benefits*

Executive Members are eligible for a range of taxable benefits, which can include a pension allowance and membership of a private medical insurance scheme (which is provided to all staff). No expenses claimed by Executive Members were chargeable to UK income tax as they were incurred wholly for the purposes of the business of the Corporation.

Pension schemes*

The Corporation has two pension schemes: a defined contribution scheme open to all staff, and a defined benefit scheme which is closed to new entrants and closed to future accrual from 31 December 2015. Further details relating to the defined benefit plan are provided in note 19 to the financial statements.

All of the Executive Members received cash payments in lieu of pension benefits in 2022.

Non-Executive Members are not eligible for membership of either pension scheme.

The table on the next page shows the percentage change in remuneration of the Members and the Corporation's employees between the years 2021 and 2022. Base salary, which is reviewed annually, considers personal contribution and size of role. The Remuneration Committee determines that Executive Directors higher ratio of variable to fixed pay provides a strong link between pay and performance and that this structure has worked effectively during the prolonged period of uncertainty caused by the debate about privatisation, encouraging Executive Directors to focus on delivery of the Future4 strategy.

In the first quarter of 2022 the organisation introduced a company-wide pay framework to ensure fair and responsible remuneration and career development. As a result, and with the annual pay award, Channel 4 employees received an average pay rise of 7% which was offset by new joiners to give an overall average increase calculation of 2%. The year-on-year change for variable pay eligible employees (excluding those affiliated with the Advertising Sales Scheme) was +29% reflecting robust delivery against operational and financial performance objectives.

In the year, 20% of Channel 4 employees received an additional uplift of 20% of variable pay payable under the new element of the variable scheme following outstanding individual performance conditions being met:

	Salary and fees	Variable pay	Total
Chief Executive Officer	4%	25%	12%
Chief Operating Officer	4%	56%	18%
Chief Content Officer	5%	56%	19%
Non-Executive Directors ¹	–	N/A	–
All staff²	2%³	-30%⁴	-2%

1 Based on fees set by Ofcom on page 186.

2 All staff is based on average remuneration per full-time equivalent. This includes the CEO but excludes the costs of a small number of on-screen talent who are remunerated via Channel 4's payroll. This is consistent with the information in note 4 to the financial statements.

3 Staff in post throughout 2022 received an average pay rise of 7% during the year as a result of the pay award made in March 2022 and a salary rebanding exercise. This increase was offset by higher recruitment activity in more junior roles during 2022.

4 The Executive Members are all eligible for the Corporate Variable Pay Scheme. The overall year on year movement for staff eligible for this scheme (including the Executive Members) is +29%. The total decline across all staff shown above relates to a significant reduction in the Advertising Sales Scheme award in 2022, following an exceptionally high award in 2021 in recognition of delivery of record revenues during the year.

This disclosure is presented based on total remuneration before exceptional items as outlined on page 182, to facilitate clearer year on year comparison.

The Group is not presenting a table on CEO pay in comparison to Total Shareholder Return as it is a statutory corporation without shareholders and the requirements are therefore not applicable.

The ratio of remuneration for the highest paid Executive Member (the CEO) in comparison with employees in the 25th, 50th and 75th percentiles is shown in note 4 to the financial statements on page 208.

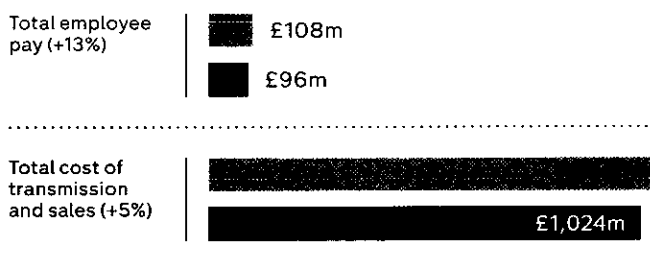
No payments were made for loss of office in 2022 to Executive Members, and at the balance sheet date there were no provisions made for compensation payable for early termination of contracts or loss of office to Executive Members.

No payments to past Members were made in 2022.

Members' service contracts are kept available for inspection at the Corporation's Head Office, 124 Horseferry Road, London SW1P 2TX.

Relative importance of spend on pay

The graph below shows the actual expenditure of the Group and the change between the current and previous years.



■ 2022 ■ 2021

The Members have chosen the change in total cost of transmission and sales as disclosed on the face of the income statement as the comparative measure for relative spend on pay as it is considered to be the most significant indicator in understanding total Corporation expenditure year-on-year in light of its Future4 strategy. Employee pay before exceptional items was approximately 10% (2021: 9%) of total cost of transmission and sales, with the increase in this metric driven by increased headcount across the organisation to support delivery of our strategy.

Total employee pay is detailed in note 4 to the financial statements.

This report was approved by the Board on 4 May 2023 and signed on its behalf by

Lord Chris Holmes
Chair of the Remuneration Committee
4 May 2023

Members' Remuneration Report **cont.**

Remuneration policy for 2023

The remuneration of Executive Members is determined by the Remuneration Committee, the membership and terms of reference of which are detailed on pages 178 to 180. In framing its remuneration policy, the Committee has given full consideration to the best practice provisions of the UK Corporate Governance Code. There have been no significant changes to the remuneration policy for 2023 except as noted below.

The following table sets out the key components of the remuneration package for Executive Members:

Component	How this supports the strategic aims of the Group	How this operates	Maximum amount payable	Performance measures
Salary	Offering competitive remuneration packages helps the Corporation attract, motivate and retain a high-calibre Executive team.	Salaries are paid monthly. The Remuneration Committee discusses the performance of each Member with the Chair of the Board and with the Chief Executive for other Executive Members.	Annual salaries for the year to 31 December 2023 are approved as follows. In line with the rest of the organisation the Committee recommended a 2% salary award for 2023 in relation to the Executive Members; the Executive Members opted to decline this increase. – Alex Mahon – no increase with effect from 1 March 2023; salary remains at £618,724 – Ian Katz – no increase with effect from 1 March 2023; salary remains at £432,172 – Jonathan Allan – no increase with effect from 1 March 2023; salary remains at £513,022 Salaries are usually reviewed annually in the first quarter of the year.	None.
Taxable benefits		The Corporation offers a range of benefits to all staff, including private medical insurance. Other benefits, such as life assurance, are available through a flexible benefits scheme.	The value of private medical insurance in 2023 is expected to range from £1,000 to £3,000 for Executive Members.	None.
Pensions		The Corporation currently offers a defined contribution pension scheme for new staff. The Executive Members receive cash payments in lieu of pension benefits.	All of the Executive Members receive cash payments in lieu of pension benefits and are not members of the defined contribution or previous defined benefit schemes.	None.
Variable pay		All of the Executive team participate in the Corporate Variable Pay Scheme. Payout is determined annually by the Remuneration Committee shortly after the financial year end based on performance and paid in March following the year end.	The Corporate Variable Pay Scheme will pay between 50% and 80% of total gross salary for the Executive Members. The Scheme allows for an award of up to 120% of this opportunity in instances of exceptional performance.	Performance measures of the schemes are set out on pages 182 to 184.

None of the components of remuneration contain any provisions for recovery of sums paid.

There are no other differences between the Corporation's policy on the remuneration of Executive Members and the policy on the remuneration of other employees.

The following table sets out the key components of the remuneration package for Non-Executive Members:

Component	Purpose	Operation
Fees	The Non-Executive Members constructively challenge and help develop proposals on strategy, and bring strong, independent judgement, knowledge and experience to the Board's deliberations.	Fees are set by Ofcom, paid monthly and reviewed periodically. Annual fees for the year to 31 December 2023 are expected to be: Chair – £95,000 Deputy Chair – £29,940 ¹ Committee Chairs – £25,177 Other Non-Executive Members – £22,177

¹ Reflects the standard Deputy Chair fees set by Ofcom – the Deputy Chair also receives an additional fee to reflect his capacity as Committee Chair.

Non-Executive Members are appointed by Ofcom and service contracts are subject to fixed terms of a maximum of three years. Fees for Non-Executive Members do not contain any provisions for recovery of sums paid. No other components of remuneration are available for Non-Executive Members. Non-Executive Members are entitled to reimbursement of travel and accommodation expenses incurred in connection with attending Board and other meetings in relation to fulfilling their duties.

The Corporation looks to attract, retain and motivate the best people in the market. To be able to do this, it looks to offer a fair and competitive rewards package. The Committee will seek to align the remuneration package offered to new Executive Members with the policy, which will involve determining remuneration appropriate and necessary to recruit and retain the individual. A summary of the policy is set out below:

Fixed remuneration	Base salary is benchmarked against the external market and broadly aligned to market median.
Variable remuneration	Awards under the Corporate Variable Pay Scheme are limited to 80% of base salary for the Chief Executive and 50% of base salary for the other Executive Members.
Benefits	<p>Executive Members are provided with private medical insurance, life assurance, Group income protection and health screening. All other benefits are provided on a voluntary basis.</p> <p>The Corporation has a standard pension contribution scale but will consider paying a cash alternative depending on individual circumstances.</p> <p>The Corporation will pay limited legal fees incurred by any new Executive Member in respect of their appointment.</p>
Internal promotions	In the event that an internal candidate was promoted to the Board, legacy terms and conditions would normally be honoured, including pension entitlements.

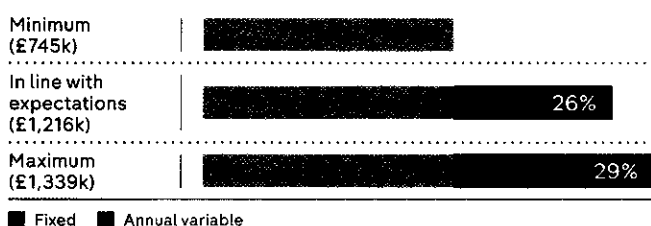
The Committee monitors the effectiveness of Executive Member remuneration and has regard to the impact and compatibility with remuneration policies in the wider workforce. During the year, the Committee is provided with information regarding pay in the wider workforce which gives additional context for the Committee to make informed decisions. The Committee determines the overall approach for salary and variable pay for the overall workforce and similar principles are applied when considering Executive Member arrangements.

The service contracts of all the Executive Members are subject to notice periods of one year or less. The Committee's policy is to make payments in line with contractual obligations covering payment in lieu of notice including base salary and other benefits.

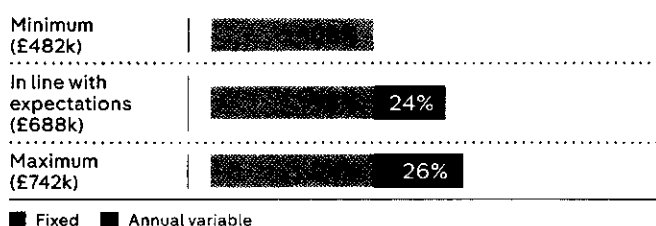
The Remuneration Committee will consider what compensation commitments (including pension contributions and all other elements) the Executive Members' terms of appointment would entail in the event of early termination. The aim of this is to avoid rewarding poor performance.

The graphs below represent the variations in the remuneration at different levels of performance for the 2023 remuneration policy for the Executive Members.

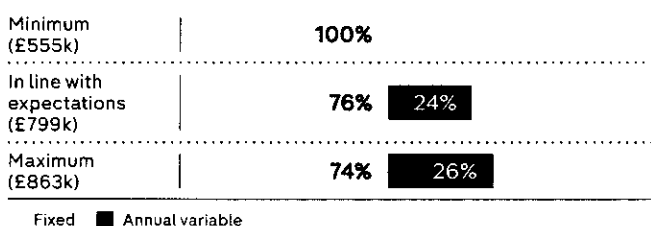
Chief Executive Officer



Chief Content Officer



Chief Operating Officer



The variable element of total remuneration in relation to 'in line with expectations' reflects the average award under the Corporate Variable Pay Scheme over the last five years. The variable element shown as "maximum" above includes assumptions around awards made in instances of outstanding performance in line with the Corporate Variable Pay Scheme rules.

The Members' Remuneration Report (pages 178 to 187), where indicated, has been audited by the Corporation's auditor in accordance with Schedule 8 of the Companies Act 2006 as if those requirements were to apply to the Corporation.

Independent auditor's report

To the Department for Culture, Media and Sport on
Channel Four Television Corporation

1. Opinion

In our opinion:

- the financial statements of Channel Four Television Corporation ('the Corporation') and its subsidiaries ('the Group') give a true and fair view of the state of the Group's and of the Corporation's affairs as at 31 December 2022 and of the Group's surplus for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Corporation's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 (as if it were to apply to the Corporation).

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and Corporation statements of changes in equity;
- the consolidated and Corporation balance sheet;
- the consolidated cash flow statement;
- the statement of Group accounting policies; and
- the related notes 1 to 21 to the consolidated and Corporation financial statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Corporation financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the group for the year are disclosed in note 3 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the corporation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was: <ul style="list-style-type: none">– Valuation of Pension Liabilities
Materiality	The materiality that we used for the Group financial statements was £12,000,000 which was determined by considering two key metrics: revenue and total assets.
Scoping	We audited the Group as a single component, covering 100% of net assets, revenue and profit before tax.
Significant changes in our approach	<p>In the previous year we identified a key audit matter in relation to accounting for complex revenue contracts, which has not recurred in the current year as contract terms and accounting have not changed significantly.</p> <p>In the current year we have identified a new key audit matter in relation to the valuation of pension liabilities, as a result of the global economic environment and the completion in the year of a triennial valuation of the pension scheme.</p>

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the members' assessment of the Group's and Corporation's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of the Group's forecasting process and the preparation of management's going concern models.
- Testing the numerical accuracy of the members' financial models used to support their going concern assumptions Assessing the amount of liquidity and covenant headroom available in management's forecasts and evaluating how sensitive this is to changes in key assumptions.
- Assessing and challenging the evidence used to support the assumptions used by management in their base case scenario through reading industry analyst reports, industry data and other external information, comparing these with management's estimates to determine if they provided corroborative or contradictory evidence in relation to management's assumptions.
- Considered whether the members' range of reasonably possible downside scenarios including their severe scenario were considered and whether any potential mitigations were reasonable, realistic and within management's control.
- Reviewing the revolving credit facility documents (including the renewal of the revolving credit facility issued during the year) to understand the nature of any financial covenants to determine the impact on the going concern assessment.
- Reviewing and assessing the disclosures made in the financial statements to determine whether these have been made in accordance with relevant accounting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Corporation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Independent auditor's report **cont.**

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Valuation of Pension Liability

<i>Key audit matter description</i>	<p>The Corporation maintains one defined benefit pension plan in the United Kingdom, the Channel 4 Television Staff Pension Plan ("the Plan"). The Corporation has engaged an actuarial expert, to prepare the triennial valuation for the year ended 31 December 2021 which was completed in 2022 and disclosures of the Plan.</p> <p>The valuation of the defined benefit pension scheme liabilities involves the selection of key assumptions, which involves judgement. Any changes to key assumptions in the valuation of the Plan could result in a material change in the value of the Plan's underlying assets and liabilities and could mean these were not accounted for in accordance with IAS 19 <i>Employee Benefits</i>. A triennial valuation of the Scheme was completed in 2022, which is a key input in the valuation of pension liabilities. In addition, global economic market conditions have also impacted certain assumptions which affect the valuation.</p> <p>As at 31 December 2022, the defined benefit pension scheme asset and liability were £362 (2021: £547) million and £357 (2021: £576) million respectively. The net pension scheme asset was £5 million in 2022 and a liability of £29 million in 2021. The Corporation's policy in relation to this is included in note 19 to the financial statements. Refer to page 176 where this is included as a significant matter in the Audit and Risk Committee report.</p>
<i>How the scope of our audit responded to the key audit matter</i>	<p>We tested relevant controls over the review and approval of significant assumptions used in the valuation. We also evaluated the objectivity, competence and capabilities of management's actuarial expert used to value the Plan's liabilities</p> <p>We engaged our internal actuarial specialist to perform the following:</p> <ul style="list-style-type: none">▪ review the valuation of the Plan as at 31 December 2022 and independently assess the key assumptions used in this valuation. This included considering the appropriateness of the methodologies used to determine each assumption, and to compare management's assumption against an internally generated benchmark or range to evaluate whether management's assumptions are reasonable;▪ independently calculate the value of the Plan as at 31 December 2022 by completing a roll forward of the value disclosed as at 31 December 2021 to 31 December 2022 and comparing this to the value of the Plan calculated by management's actuarial expert. <p>Working with our actuarial experts, we challenged assumptions used by management in determining the value of pension liabilities, particularly focusing on inflation and mortality. This included benchmarking the inputs and assumptions used in determining the valuation of the Plan to those used in comparable pension plans and our internal benchmarks.</p> <p>We reviewed the financial statements to determine whether the pension disclosures are complete and accurate, in line with IAS 19 <i>Employee Benefits</i>.</p>
<i>Key observations</i>	<p>Based on the procedures performed, we consider that the key assumptions used are within reasonable ranges and that the valuation of Plan liabilities are accurate and the pension disclosures are consistent with IAS 19 <i>Employee Benefits</i>.</p>

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group and corporation financial statements	
Materiality	£12.0 million (2021: £11.0 million) We have audited the Group including the Corporation as a single component and applied the same materiality to both financial statements.
Basis for determining materiality	We determined materiality by considering two key metrics: revenue and total assets. The determined materiality equates to 1.05% of revenue (2021: 0.95%) and 1.14% of total assets (2021: 1.10%). This approach is in line with the prior year.
Rationale for the benchmark applied	We considered the use of several different measures including Revenue and Total assets, as these benchmarks take into account both balance sheet and income statement metrics. Revenue provides a representation of the size of the business and is key performance indicator. Since the Corporation's aim is to reinvest surpluses into original content and digital innovation, we also considered Total assets to be a key metric of interest to the users of the financial statements.

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

Group and corporation financial statements	
Performance materiality	Group and Corporation performance materiality was set at 70% of Group (and Corporation) materiality (2021: 70%).
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: <ul style="list-style-type: none">– Our risk assessment, including the quality of the control environment; and– Our experience of the audit, which has indicated a low number of corrected and uncorrected misstatements in prior periods.

6.3. Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £600,000 (2021: £550,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

Our audit was scoped by obtaining an understanding of the Group and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to risks of material misstatements was performed directly by the Group audit engagement team.

The Group maintains a single aggregated set of accounting records for all of its operations, and we therefore audited the entire Group as a single component, covering 100% of net assets, revenue and profit before tax. For the audit of the Corporation, management deconsolidated the Group financial information to identify the relevant Corporation-only balances and transactions such as intercompany balances.

7.2. Our consideration of the control environment

In assessing the control environment of the Group, we obtained an understanding of the relevant IT controls associated with the Group's key accounting and reporting systems. We gained an understanding of the relevant controls associated with transactional advertising revenue, revenue in relation to complex contracts, programme inventory, payroll, trade payables and trade receivables.

We identified control deficiencies relating to certain key IT systems related to financial reporting, which resulted in us not taking a controls reliance approach in our audit. Management is undertaking remediation work to facilitate control reliance in the future period, as set out on page 177 of the Annual Report.

Independent auditor's report **cont.**

7.3. Our consideration of climate-related risks

Climate change has the potential to impact the Group as set out on pages 134 to 143 of the Annual Report. The Group remains committed to a transition to net zero, by setting and achieving both near-term and long-term science-based emission reduction targets to provide a pathway to net zero by 2030.

In order to inform our risk assessment, we sought to understand the Group's identification and assessment of the potential impacts of climate change, how these risks influence the Group's strategy and their implications on the financial statements.

We have not been engaged to provide assurance over the accuracy of climate change disclosures set out on 134 to 143 in the Annual Report. As part of our audit procedures, we are required to read these disclosures to consider whether they are materially inconsistent with the financial statements or knowledge obtained in the audit. We did not identify any material inconsistencies as a result of these procedures.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of members

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Group or the Corporation or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for members' remuneration, bonus levels and performance targets;
- results of our enquiries of management and the members, Business Assurance and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, pensions, and IT regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation of the pension liability. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Broadcasting Act 1990, the Communications Act 2003, the UK Companies Act and Listing rules (as if they were to apply to the Group), pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. The key laws and regulations we considered in this context included compliance with the Ofcom Broadcasting Code, Ofcom on-demand rules, and Advertising Standards Agency guidelines.

11.2. Audit response to risks identified

As a result of performing the above, we identified the valuation of the defined benefit pension scheme liabilities as key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing Business Assurance reports and reviewing correspondence with HMRC and summaries of correspondence with Ofcom; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

12. Opinions on other matters prescribed by our engagement letter

In our opinion the part of the members' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006, as if that Act were to apply to the Corporation.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the members' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the members' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Corporation and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the members' report.

Independent auditor's report **cont.**

13. Corporate Governance Statement

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the members' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 163;
- the members' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 155;
- the members' statement on fair, balanced and understandable set out on page 164;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 155;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 144 to 153; and
- the section describing the work of the audit committee set out on pages 174 to 177.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the terms of our engagement, we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Corporation, or returns adequate for our audit have not been received from branches not visited by us; or
- the Corporation's financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Members' remuneration

Under the terms of our engagement, we are also required to report if in our opinion certain disclosures of members' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the Secretary of State for Culture, Media and Sport on 10 August 2017 to audit the financial statements for the year ending 31 December 2017 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 6 years, covering the years ending 31 December 2017 to 31 December 2022.

15.2. Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the Department for Culture, Media and Sport, in accordance with the Broadcasting Act 1990 and the terms of our engagement. Our audit work has been undertaken so that we might state to the Department for Culture, Media and Sport those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Corporation and the Department for Culture, Media and Sport as a body, for our audit work, for this report, or for the opinions we have formed.

Nicola Barker ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

4 May 2023

Consolidated income statement

for the year ended 31 December

	Note	2022 £m	2021 £m
Revenue	1	1,142	1,164
Cost of transmission and sales	2	(1,080)	(1,024)
Gross surplus		62	140
Other operating expenditure	3	(44)	(38)
Operating surplus		18	102
Net finance income/(expense)	5	2	(1)
Gain on sale of investments	7	1	1
Impairment losses on investments	7	(1)	(1)
Surplus before tax and exceptional items	p.200	20	101
Exceptional items	p.200	(17)	–
Surplus before tax		3	101
Income tax expense	6	(2)	(12)
Surplus for the year		1	89

Consolidated statement of comprehensive income

for the year ended 31 December

	Note	2022 £m	2021 £m
Surplus for the year		1	89
Net remeasurement surplus on pension scheme	19	25	30
Revaluation of freehold land and buildings	9	(15)	2
Adjustment to non-controlling interest	21	(6)	-
Deferred tax on pension scheme	12	(6)	(4)
Loss on revaluation of investments	8	(5)	(3)
Other comprehensive (expense)/income for the year		(7)	25
Total comprehensive (expense)/income for the year		(6)	114

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

Consolidated statement of changes in equity

for the year ended 31 December

	Retained earnings £m	Revaluation reserve £m	Total equity £m
At 1 January 2021	400	52	452
Surplus for the year	89	–	89
Other comprehensive income	23	2	25
Total comprehensive income for the year	112	2	114
At 31 December 2021	512	54	566
At 1 January 2022	512	54	566
Surplus for the year	1	–	1
Other comprehensive income/(expense)	8	(15)	(7)
Total comprehensive income/(expense) for the year	9	(15)	(6)
At 31 December 2022	521	39	560

Consolidated balance sheet

as at 31 December

	Note	2022 £m	2021 £m
Assets			
Investments accounted for using the equity method	7	9	8
Other investments	8	49	34
Property, plant and equipment	9	105	111
Right-of-use assets	11	9	10
Intangible assets	10	35	28
Deferred tax assets	12	9	17
Employee benefits – pensions	19	5	–
Total non-current assets		221	208
Programme and film rights	13	398	299
Trade and other receivables	14	190	224
Other financial assets	15	50	115
Cash and cash equivalents	15	203	157
Total current assets		841	795
Total assets		1,062	1,003
Liabilities			
Employee benefits – pensions	19	–	(29)
Lease liabilities	11	(9)	(10)
Deferred tax liabilities	12	(6)	(6)
Total non-current liabilities		(15)	(45)
Trade and other payables	16	(487)	(389)
Current tax payable		1	–
Provisions	17	(1)	(3)
Borrowings	15	–	–
Total current liabilities		(487)	(392)
Total liabilities		(502)	(437)
Net assets		560	566
Revaluation reserve		39	54
Retained earnings		521	512
Total equity		560	566

The financial statements on pages 195 to 226 were approved by the Members of the Board on 4 May 2023 and were signed on its behalf by:

Sir Ian Cheshire
Chair

Alex Mahon
Chief Executive

Consolidated cash flow statement

for the year ended 31 December

	Note	2022 £m	2021 £m
Cash flow from operating activities			
Surplus for the year		1	89
<i>Adjustments for:</i>			
Income tax expense	6	2	12
Depreciation	9, 11	7	7
Amortisation of intangibles	10	2	2
Net finance (income)/expense	5	(1)	1
Gain on sale of investments	7	(1)	(1)
Non-cash transactions ¹		(17)	(10)
Impairment losses on investments	7	1	1
		(6)	101
Increase in programme and film rights	13	(99)	(59)
Decrease in trade and other receivables	14	34	5
Increase in trade and other payables	16	98	63
Adjustment for non-cash transactions ¹		(4)	(9)
(Decrease)/increase in provisions, excluding unwinding of discounts	17	(2)	1
		21	103
Defined benefit pension contributions	19	(9)	(10)
Tax paid	6	(1)	(8)
Net cash flow from operating activities		11	85
Cash flow from investing activities			
Acquisition of investments ¹	7, 21	(8)	(4)
Proceeds on sale of investments	7, 8	1	3
Purchase of property, plant and equipment	9	(15)	(9)
Internally developed software	10	(9)	(3)
Interest received and foreign exchange gain	5	2	–
Decrease/(increase) in other financial assets ²	15	65	(5)
Net cash flow from investing activities		36	(18)
Cash flow from financing activities			
Repayment of borrowings	15	–	(75)
IFRS 16 payments on lease principal	11	(1)	(1)
Net cash flow from financing activities		(1)	(76)
Net increase/(decrease) in cash and cash equivalents		46	(9)
Cash and cash equivalents at 1 January		157	166
Cash and cash equivalents at 31 December³		203	157

1 Acquisition of investments as presented in the 2021 Annual Report has been restated in 2022 to remove certain non-cash transactions totalling £18 million originally presented as cash flows from investing activities. The impact of these transactions has been restated to remove the impact of non-cash transactions in the cash flow statement above.

2 Amounts invested in term deposits of three months or longer and other funds with time-restricted access

3 Please refer to page 201 for a reconciliation of cash and cash equivalents to total net cash reserves of £253 million presented as an Alternative Performance Measure.

Group accounting policies

Channel Four Television Corporation ('Channel 4') is a statutory corporation domiciled in the United Kingdom. The consolidated financial statements of Channel 4 for the year ended 31 December 2022 comprise Channel 4 and its subsidiaries (together referred to as the 'Group') and the Group's investments accounted for using the equity method. Channel 4's Corporation financial statements present information relating to Channel 4 as a separate entity and not about its Group.

The financial statements were authorised for issue by the Members on 4 May 2023. The registered office of Channel 4 is 124 Horseferry Road, London SW1P 2TX.

Basis of preparation

The financial statements of the Group have been prepared and approved by the Members in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The Corporation's individual financial statements have been prepared under the Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The financial statements as a whole have been prepared in a form directed by the Secretary of State for Culture, Media & Sport with the approval of HM Treasury, and are principally prepared under the historical cost convention (except that freehold properties, derivatives and certain financial instruments are stated at fair value). In line with IFRS 13, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The financial statements are presented in Pounds Sterling, rounded to the nearest million.

Estimates and accounting judgements and the use of judgements in estimation uncertainty

In applying the Group's accounting policies (as described in this section), the Members are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Members have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- The following aspects of our programme and film rights policy require judgement (see further detail on page 204):
 - The transmission profile over which to amortise programme and film rights
 - Assessment of programme value with reference to the quality of programme that has ultimately been delivered and its expected viewing performance
 - Assessment of the future revenues from distribution when evaluating the carrying value of film rights held for exploitation
- Management's application of IFRS 16 'Leases' requires judgement regarding the classification of transponder contracts under the standard. Management has concluded that these contracts do not constitute leases under the definition given by IFRS 16, as the Group does not control these assets due to the nature of the operation of these assets and due to certain rights which the supplier retains based on the detailed terms provided in the contracts. Further details of these contracts (including remaining term and estimated payments) are disclosed in note 18.

Key sources of estimation uncertainty

No key sources of estimation uncertainty were noted during the reporting period.

In reporting financial information the Group presents alternative performance measures ('APMs') which are not defined or specified under the requirements of IFRS. The Group believes that the presentation of APMs provides stakeholders with additional and helpful information on the performance of the business, but does not consider them to be a substitute for, or superior to, IFRS measures. APMs are also used to enhance the comparability of information between reporting periods, by adjusting for uncontrollable factors which affect IFRS measures, to aid users in understanding the Group's performance.

In 2022, the Group has introduced surplus before tax and exceptional items (also noted as pre-tax surplus before exceptional items) as a new APM. This measure provides stakeholders with additional relevant information to ensure transparency around the underlying performance of the business, before accounting for retention arrangements necessary in 2022 in light of the uncertainty around privatisation.

The APM is calculated in 2022 and 2021 as follows:

	2022	2021
Surplus before tax	3	101
<i>Add back exceptional items</i>		
Retention arrangements	17	–
Surplus before tax and exceptional items	20	101

Executive remuneration in relation to these arrangements has also been presented as an exceptional item in the Members' Remuneration Report on page 182, with total remuneration disclosed before and after accounting for these items. The single figure table presented on page 182 provides a reconciliation of the total before exceptional items to total remuneration recognised for 2022.

The Group also presents net cash reserves as an APM, which reflects the sum of the Group's cash and cash equivalents and other financial assets, net of any cash borrowings if these exist at the balance sheet date. This measure does not reflect the impact of other debt held on the balance sheet such as lease liabilities under IFRS 16. This provides stakeholders with additional relevant information relating to the overall cash resources available to the Group, not only those categorised as cash and cash equivalents. This APM is calculated in 2022 and 2021 as follows:

	2022	2021
Cash and cash equivalents	203	157
Other financial assets	50	115
Borrowings	–	–
Net cash reserves	253	272

The annual financial statements have been prepared on a going concern basis as the Members have a reasonable expectation that the Group will continue in operational existence, as set out in the Report of the Members. As noted on page 154, Channel 4's results for 2022 have ensured it maintains the strong balance sheet position established with record results achieved in 2020 and 2021, reinforcing its ability to withstand future economic risks.

As part of our 2023 Budget and three-year plan, we have considered the impact of several potential downside scenarios. These include a decline in the linear and digital advertising market beyond what we currently anticipate; a broader market shock in line with that experienced in 2020; or greater-than-anticipated impact from inflationary pressures. Even in the most severe case considered (deemed plausible but beyond the worst-case scenario currently anticipated by management), analysis shows that our contingency plans, and our ability to manage spend and cash flows, would mitigate these impacts to ensure we retain sufficient liquidity and remain within our covenants.

Our £75 million revolving credit facility, renewed in March 2022 and running until March 2027, increases our available liquidity if required. Although this additional funding would not be utilised even in the worst-case scenario considered in our analysis, access to this facility further underpins our assessment of the Group's position as a going concern.

Our scenario analysis and the resources available to Channel 4 indicate that the Group will be able to continue to operate for at least 12 months from the date that this Annual Report is approved. Accordingly, the Group continues to adopt the going concern basis in preparing its financial statements.

A subsidiary is an entity that is controlled by the Group. Control exists when the Group has exposure, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee by directing the relevant activities of the investee (i.e. the activities that significantly affect the investee's returns). The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences to the date that control ceases.

The Corporation financial statements note where the Members have taken the exemption under Companies Act s479A from having an audit of the financial statements for certain subsidiaries controlled and consolidated by the Group.

Investments in associates and joint ventures are accounted for using the equity method. Associates are those entities over which the Group has significant influence. Where the Group holds 20% or more of the voting power (directly or through subsidiaries) of an investee, it will be presumed the Group has significant influence unless it can be clearly demonstrated that this is not the case. If the holding is less than 20%, it will be presumed the Group does not have significant influence unless such influence can be clearly demonstrated. Significant influence exists when the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

Joint arrangements are those entities over whose activities the Group has joint control. Joint control is established by a contractual agreement whereby the decisions about the relevant activities (i.e. the activities that significantly affect the investee's returns) of the entity require the unanimous consent of the two or more parties sharing joint control of the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Group accounting policies cont.

Under equity accounting, the consolidated financial statements include the Group's share of the total recognised gains and losses of associates and joint ventures on an equity accounted basis, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases or until the associate or joint venture is classified as held for sale.

When the Group's share of losses exceeds its interest in an associate or joint venture, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate or joint venture.

Intra-Group balances and any unrealised gains and losses or income and expense arising from intra-Group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the equity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

A summary of the Group and Channel 4 significant accounting policies that are material in the context of the financial statements is set out on the next page. All accounting policies have been applied consistently in all material respects to all periods presented in these financial statements.

There are no new standards that became effective during 2022 that have had a significant effect on the consolidated financial statements of the Group.

There are no new standards that will become effective during 2023 that are expected to have a significant effect on the consolidated financial statements of the Group.

Revenue recognition

Revenues are stated net of value added tax and are recognised when a contract with a customer has been identified and as each of the Group's performance obligations are fulfilled. Contract assets and liabilities are recognised on the balance sheet as accrued and deferred income, respectively. Each of the Group's significant revenues are recognised as described below:

Linear and digital advertising revenues

Revenues are stated net of advertising agency commissions and rebates.

Linear and digital advertising revenue are recognised on transmission of the advertisement. Revenue from sponsorship of the Group's programmes and films is recognised on a straight-line basis in accordance with the transmission schedule for each sponsorship campaign, reflecting the satisfaction of the Group's performance obligations.

Commission revenue earned from advertising representation for third parties is recognised on transmission of the related advertisements in line with contractual arrangements.

Following the adoption of IFRS 15 'Revenues from Contracts with Customers', the Group reviewed its treatment of this revenue stream, concluding that it does not control the specified goods or services in these transactions before they are transferred to the customer, and therefore acts as an agent for these parties. The gross advertising sales of these arrangements are not recognised in revenue, but the commission earned by the Group in its capacity as agent is.

Revenues are recognised from barter and other similar contractual arrangements involving advertising when the services exchanged are dissimilar. Revenues are measured with reference to the fair value of the goods or services received; judgement is required in assessing the fair value of the goods or services received.

Non-advertising revenues

Revenues earned from syndicating content to third-party online platforms are typically generated from some or all of the following contractual arrangements:

- Licence fee income – revenue is recognised on a straight-line basis over the contract term as performance obligations are met
- Pence-per-view or revenue share – revenues are calculated based on the number of content views and are recognised when the amounts can be reliably measured

Revenues generated from the exploitation of programme rights are recognised when the rights are transferred to the customer, reflecting the fact that the Group's performance obligations have been fulfilled.

Revenues generated from the exploitation of developed film rights (for example, from theatrical box office releases) are recognised when revenues can be reliably measured.

The Group's contracts with customers do not contain significant financing components or material aspects of variable consideration.

Segment reporting

IFRS 8 'Operating Segments' requires the segment information presented in the financial statements to be that which is used internally by the chief operating decision maker to evaluate performance and allocate resources.

The Group has determined that the Board of Members is its chief operating decision maker, and the financial statements are presented in aggregate as a single operating segment consistent with how the Board evaluates performance and allocates resources.

Tax on the surplus or deficit for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is also recognised directly in other comprehensive income.

Current tax is the expected tax payable on the taxable income 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 and liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries and joint ventures 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 asset can be utilised.

Investments in associates and joint ventures are recognised using the equity method, where the investment is recorded at cost and adjusted thereafter to include the Group's share of profit or loss and other comprehensive income and dividends received.

Other investments includes equity holdings without significant influence. Equity investments are normally carried at fair value in accordance with IFRS 13 'Fair Value Measurement'. Level 1 and Level 2 inputs under IFRS 13 can be obtained for certain investments and used where available assessing their fair value. Where only Level 3 inputs are available (that is, where an active market value or other observable indicators of fair value cannot be obtained), the investment is recorded at cost less provision for impairment. The Members believe that this valuation reflects a reasonable approximation of fair value. On adopting IFRS 9 'Financial Instruments' during 2018 the Group elected to recognise any changes in the fair value of the Commercial Growth Fund investments through other comprehensive income, reflecting the fact that the management of these investments is not part of the Group's core activities.

Freehold land and buildings are stated at open market valuation (fair value, using Level 2 inputs per IFRS 13) and are revalued at 31 December each year. Directions from the Secretary of State for Culture, Media & Sport require freehold land and buildings to be valued at current value. The Members believe that the fair open market value approximates the current value.

Any gain arising from a change in fair value is recognised directly in other comprehensive income, unless the gain reverses an impairment of the same asset previously recognised in the income statement, in which case it is also recognised in the income statement. Any loss arising from a change in fair value is charged directly to other comprehensive income to the extent of any credit balance existing in the revaluation surplus of that asset. Otherwise, the loss is recognised in the income statement.

Fixtures, fittings and equipment are stated at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost or valuation of the asset evenly, on a straight-line basis, over its estimated useful life. Useful lives are estimated taking into account the rate of technological change and the intensity of use of each asset. The annual rates used for this purpose are as follows:

Freehold buildings	2%
Computer hardware	25%–50%
Office equipment and fixtures and fittings	25%
Technical equipment	14%–25%

Freehold land is not depreciated.

The carrying values of property, plant and equipment are reviewed for impairment when events or other changes in circumstances indicate that the carrying values may not be recoverable. Where an indicator of impairment exists, an estimate is made of the recoverable amount. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to the recoverable amount.

Intangible assets

Expenditure on internally developed computer software applications is capitalised to the extent that the project is technically and commercially feasible, sufficient resources exist to complete the development and it is probable that the asset will generate future economic benefits. The expenditure capitalised includes the cost of software licences, direct staff costs and consultancy costs.

Amortisation of capitalised software development costs is charged to the income statement on a straight-line basis over the estimated useful lives of the assets from the date that they are available for use. For capitalised computer software, the estimated useful life is between two and five years.

Other intangible assets acquired by the Group, including network distribution rights, are stated at cost less accumulated amortisation and any provision for impairment. Network distribution rights are amortised over an estimated useful life of 16 years. Broadcast licences are amortised over a useful life of seven years. Where assets are considered to have finite lives, amortisation is charged to the income statement on a straight-line basis over their estimated useful life. Brand intangibles are deemed to have an indefinite useful life and are tested annually for impairment.

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition.

Goodwill is initially recognised as an asset at cost and subsequently measured at cost less any accumulated impairment losses. Goodwill is not subject to amortisation but is tested annually for impairment.

A gain realised on bargain purchase arising on the acquisition of an entity represents the excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition over the cost of acquisition.

Any gain realised on bargain purchase is recognised in the income statement in the year that it arises.

Group accounting policies **cont.**

Impairment

An impairment charge is recognised if the carrying value of an asset or a cash-generating unit exceeds its estimated recoverable amount. Impairment charges are recognised in the income statement (with the exception of impairments which the Group has elected to recognise in other comprehensive income under IFRS 9 'Financial Instruments').

The carrying values of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. Value in use is determined by discounting the future net cash flows for the specific asset, or if the asset does not generate independent cash flows, the discounted future net cash flows for the cash-generating unit to which it belongs.

Estimates are used in deriving these cash flows and the discount rate that reflects current market assessments of the risks specific to the asset and the time value of money. The complexity of the estimation process, including projected performance, the discount rate and long-term growth rate applied, affects the value in use calculation and amounts reported in the financial statements.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An impairment charge in respect of freehold land and buildings is reversed in the event of a subsequent increase in fair value. Such a gain is recognised in other comprehensive income, unless the gain reverses an impairment of the same asset previously recognised in the income statement, in which case it is also recognised in the income statement. An impairment charge in respect of goodwill is not reversed. In respect of other assets, an impairment charge is reversed when there is an indication that the impairment may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

All programme and film rights are valued at the lower of the direct cost incurred up to the balance sheet date and value to the Group. Development expenditure is included in programme and film rights after charging any expenditure that is not expected to lead to a commissioned programme, or a 'greenlit' film, directly to the income statement.

Programme and acquired film rights

Direct cost

Direct cost is defined as payments made or due to programme suppliers.

Payments for programme and film rights made in advance of taking delivery and/or of the legal right to broadcast the programmes are recorded in programme and film rights, but are separately identified as in the course of production. Before being included in programme rights, the rights are disclosed as contractual commitments (see note 18).

Value to the Group

Consistent with Channel 4's business model, in which programmes that generate more revenue cross-subsidise programmes with a higher public but sometimes lower commercial value, the value to the Group of the programme and acquired film rights portfolio is assessed on an aggregate basis.

This assessment is overlaid by an evaluation of individual programmes when there is an indicator that the value of these specific programmes may be less than originally envisaged. Value to the Group of individual programmes is assessed both qualitatively and quantitatively, with reference to the quality of programme that has ultimately been delivered and its expected viewing performance.

In certain instances, Channel 4 is committed to funding the acquisition or production of specific programmes where the value to the Group no longer warrants the level of expenditure to which the Group is committed. In these instances, provision is first made against the costs incurred to date and then a liability is recognised to reflect the unavoidable costs in relation to the remaining commitment.

Amortisation

Programme and acquired film rights are exploited by transmission on the Channel 4 suite of channels and availability on the Group's streaming platform. The cost of broadcast programmes and acquired films are wholly written off on first transmission, except for certain feature films, sports rights and certain acquired series, the costs of which are written off over more than one transmission in line with the expected value to the Group. Content exclusive to Channel 4 streaming is written off in line with the anticipated viewing profile.

Developed film rights

Direct cost

Direct cost is defined as payments made or due to the film producer.

Rights are recorded on the balance sheet when the Group commits to financing a film.

Value to the Group

Developed film rights are exploited both through broadcast on Channel 4's suite of channels and through distribution.

Broadcast film rights are assessed in the same way as programme and acquired film rights.

To the extent that developed film rights are expected to generate revenue, where Channel 4's share of distribution revenues the film is anticipated to earn does not support the associated cost held within inventory, provision is made. The main assumptions employed to estimate future distribution revenues are minimum guaranteed contracted revenues and sales forecasts by territory.

Amortisation

Developed film rights expected to generate future revenues from distribution are held on the balance sheet and expensed to the income statement in the proportion that the revenue in the year bears to the estimated ultimate revenue, after provision for any anticipated shortfall. Management has rebutted the presumption under IAS 38 'Intangible Assets' and concluded that a revenue-based amortisation profile is appropriate for developed film rights as the revenue and consumption of economic benefits embodied in the film rights are highly correlated and management does not consider there to be any methodology that is more appropriate.

Trade and other receivables are reflected net of any expected credit loss. For trade and other receivables with a remaining life of less than one year, the Group applies the practical expedient under IFRS 9 'Financial Instruments' to assume that there is no significant financing component, and the receivables are therefore measured at the transaction price. All other receivables are recognised at fair value, estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date. The adoption of IFRS 9 in 2018 did not have a material impact on the value of the Group's trade and other receivables as it has no significant record of historical credit losses.

Trade and other payables are due for payment in less than one year. Trade and other payables are recognised based on contractual cash flows, and no differences have been identified between the book value of trade and other payables and their fair value.

Other financial assets

Other financial assets comprise deposits of three or more months' duration and other funds with time-restricted access, and are stated at fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits of less than three months' duration from the date of placement, including money market funds repayable on demand.

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

The Group transacts primarily in Sterling but also in Euros and US Dollars. Certain exposures to fluctuations in exchange rates are managed by transactions in the forward foreign exchange markets. These derivative financial instruments are stated at fair value based on quoted market rates. Changes in the fair value of these derivative financial instruments are recognised in the income statement. The Group does not hold or issue derivative financial instruments for trading purposes.

Channel 4 has not sought to apply hedge accounting treatment for any of its foreign exchange hedging activity in either of the years presented. As a result, changes in the fair value of hedging instruments have been recognised in the income statement as they have arisen.

Where Channel 4 has identified forward foreign exchange derivative instruments within certain contracts (embedded derivatives), these have been included in the balance sheet at fair value. Fair value of these derivatives is determined by reference to quoted market rates. The value of the derivatives is reviewed on an annual basis or when the relevant contract matures.

The Group adopted the lessee accounting model required under IFRS 16 'Leases' on 1 January 2019. This removes the distinction between finance leases and operating leases previously reflected in the Group's accounting policy.

On adoption of the standard (and at the inception of subsequent new leases) a right-of-use asset is recognised in the Group's financial statements reflecting its right to control the underlying lease assets and use them to generate future economic benefits. A corresponding lease liability is also recognised in line with the principal and interest to be repaid over the lease term. These amounts are determined based on the present value of the minimum lease payments to be made over the contract term, discounted using the rate implicit in the lease if this can be determined, and otherwise using the Group's incremental borrowing rate.

The Group subsequently recognises depreciation relating to the right-of-use asset, as well as interest accrued on the lease liability, in the income statement.

The Group applies practical expedients provided in IFRS 16 to exclude short-term and low-value lease contracts from the new accounting model, and these are presented as operating costs.

Defined benefit scheme

The Group maintains a defined benefit pension scheme. The net obligation under the scheme is calculated by estimating the future benefits that employees have earned in return for their service in the current and prior periods, discounting to determine a value at today's prices, and deducting the fair value of scheme assets at bid price. The assumed discount rate for the liabilities is the current rate of return of high-quality corporate bonds with similar maturity dates.

The calculation is performed by a qualified actuary using the projected unit credit method.

Remeasurement gains and losses that arise in calculating the Group's obligation in respect of the plan are recognised directly in other comprehensive income within the statement of comprehensive income in the period in which they arise. The finance cost is recognised in the income statement.

Defined contribution scheme

Obligations under the Group's defined contribution scheme are recognised as an expense in the income statement as incurred.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is significant, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Before provisions are established in relation to onerous contracts, impairment reviews are carried out and impairment charges recognised on assets dedicated to the contract.

Notes to the consolidated financial statements

Revenue

	2022 £m	2021 £m
Linear advertising revenue	766	835
Digital advertising revenue	255	224
Non-advertising revenue	121	105
Total revenue	1,142	1,164

Gross revenues from transactions with one individual external customer comprised more than 10% of the Group's revenues in 2022, amounting to £135 million (2021: £122 million). The Group's major customers are all media buying agencies. Approximately 5% of the Group's revenues (2021: 5%) are attributable to external customers outside the UK and these are therefore not separately presented.

The Group has material contracts with customers with a duration of more than one year, relating to partnerships and distribution of channels and services. The aggregate amount of the transaction price for these contracts allocated to performance obligations which are still unfulfilled as at 31 December 2022 is £82 million (2021: £105 million). The Group expects to recognise £24 million of revenue relating to these performance obligations in 2023 (2021: £33 million to be recognised in 2022), with the remainder recognised on a straight-line basis until 2026.

The Group recognised £40 million of revenue during 2022 that was recorded as a contract liability at the previous year end (2021: £30 million).

	2022 £m	2021 £m
Content	713	671
Other content-related costs	109	88
Broadcast and transmission costs	95	99
Other cost of sales	163	166
Total cost of transmission and sales	1,080	1,024

The Group's cost of transmission and sales is reported here as one segment as described in the 'Group accounting policies' section on page 202. Other cost of sales includes direct costs of linear and digital advertising and rights, marketing, technology and audience research costs.

Other operating expenditure includes:

	2022 £m	2021 £m
Depreciation of property, plant and equipment (notes 9, 11)	7	7
Amortisation of intangible assets (note 10)	2	2
Restructuring costs	–	1
Impairment of trade receivables (note 14)	–	–
Other administrative expenses	35	28
Other operating expenditure	44	38

In 2022, there were no restructuring costs expensed to the income statement in respect of initiatives to increase operational efficiency within the Group (2021: £2 million).

Auditor's remuneration

Fees in respect of services provided by the auditor were:

	2022 £000	2021 £000
Audit of these financial statements	447	324
Amounts receivable by auditor and their associates in respect of:		
Audit-related assurance services	50	45
Auditor remuneration	497	369

Notes to the consolidated financial statements **cont.**

A detailed analysis of Members' remuneration, including salaries and variable pay, is provided in the Members' Remuneration Report. The direct costs of all employees, including Members, appear below:

	2022 £m	2021 £m
Aggregate gross salaries	92	83
Employer's National Insurance contributions	10	8
Employer's defined contribution pension contributions	6	5
Total direct costs of employment before exceptional items	108	96
Exceptional items (page 200)	17	–
Total direct costs of employment	125	96

The Executive Members are considered to be the key management of the Corporation. As disclosed in the Members' Remuneration Report on page 182, the total remuneration of the Executive Members before exceptional items for the year ending 31 December 2022 is £2,930,000 (2021: £2,544,000). After exceptional items, their total remuneration for the year was £3,321,000.

The salary multiple of highest paid Executive Member to employees in the 25th, 50th and 75th percentiles was as presented below. The Chief Executive was the highest paid Executive Member in 2021 and 2022.

	2022 £000	2021 £000
Total remuneration of highest paid Executive Member before exceptional items (page 182)	1,335	1,196
Total remuneration of employee at 75th percentile	88	86
Total remuneration of employee at 50th percentile	60	55
Total remuneration of employee at 25th percentile	42	40
Multiple of highest paid Executive Member to employee at 75th percentile	15.2	13.9
Multiple of highest paid Executive Member to employee at 50th percentile	22.4	21.7
Multiple of highest paid Executive Member to employee at 25th percentile	31.9	30.3

Total remuneration is defined as base salary, variable pay, employer pension contribution and other benefits. The total remuneration of employees in the 25th, 50th and 75th percentiles is calculated based on the methodology set out under Option A provided in the Companies (Miscellaneous Reporting) Regulations 2018.

The average monthly number of employees, including Executive Members, was as follows:

	2022 Number	2021 Number
Commercial	261	238
Creative	429	386
Operational	463	396
4Talent	44	24
Total	1,197	1,044

The headcount calculation reflects the actual proportion of hours worked in a week for each individual employee. The employee information disclosed in this note excludes a small number of on-screen talent who are remunerated via Channel 4's payroll.

Net finance expense recognised in the year comprised:

	2022 £m	2021 £m
Interest receivable on short-term deposits	3	–
Net interest expense on pension scheme (note 19)	–	(1)
Other finance expense	(1)	–
Net finance income/(expense)	2	(1)

6. Income tax expense

The taxation charge is based on the taxable profit for the year and comprises:

	2022 £m	2021 £m
Current tax:		
Current year	–	9
Prior year	–	(3)
Deferred tax: origination and reversal of temporary differences (note 12)		
Current year	2	9
Prior year	–	(3)
Total income tax expense	2	12

Corporation tax is charged at the standard UK rate of 19% for the year (2021: 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 Corporation's future tax charge accordingly. This change in rate has been reflected in calculating the Group's deferred tax balances.

Reconciliation of income tax:

	2022 Rate	2022 £m	2021 Rate	2021 £m
Surplus before income tax		3		101
Income tax using the UK corporation tax rate	19.0%	1	19.0%	19
Effects of:				
Non-deductible expenses		1		1
Impact of deferred tax rate change		–		(2)
Deferred tax not recognised		–		(4)
Other tax adjustments		–		(2)
Total income tax expense		2		12

The income tax expense excludes the Group's share of income tax of investments accounted for using the equity method of £nil (2021: £nil) which has been included in the Group's share of post-acquisition profits, net of income tax (note 7).

Notes to the consolidated financial statements **cont.**

7 Investments accounted for using the equity method

The carrying value of the Group's investments accounted for using the equity method is as follows:

	Indie Growth Fund £m
Carrying value at 1 January 2021	6
Acquisitions	4
Disposals	(1)
Impairment loss	(1)
Total carrying value at 31 December 2021	8
Carrying value at 1 January 2022	8
Acquisitions	3
Disposals	(1)
Impairment loss	(1)
Total carrying value at 31 December 2022	9

The Indie Growth Fund

In 2022, Channel 4 invested £3 million (2021: £4 million) in the Indie Growth Fund. Investment activity during 2022 reflected the Fund's strategy geared to fast-growing independent production companies in the Nations and Regions as well as digital and diverse businesses across the whole of the UK.

Channel 4 set out two key aims when launching the Indie Growth Fund. Firstly, to provide access to funding for a broad portfolio of small and medium-sized independent production companies based in the UK to help them grow and develop their business. Secondly, to put our capital to work in more remit-delivering ways and open Channel 4 up to sharing in the benefits of companies that go on to generate shareholder value in the medium term. Therefore, the Indie Growth Fund companies are held for investment purposes and it is not management's intention to control these entities. The Indie Growth Fund companies have been classified as associates as Channel 4 generally has commitments to purchase more than 20% of the equity and voting rights in these entities. Where this is not the case, management is satisfied that significant influence exists over these entities due to Channel 4's ability to influence, but not control, the financial and operating policies of these entities.

During 2022, Channel 4 sold its stake in one Indie Growth Fund entity – Voltage TV Productions Limited (for consideration of £1 million, recognising a gain on disposal of £1 million). During 2021, Channel 4 sold its stake in Lightbox Media Limited for a total consideration of £1 million, recognising a total gain on disposal of £nil.

The Indie Growth Fund investments are assessed annually to identify any indicators of impairment, and if any are noted then a full impairment review is performed. An impairment loss of £1 million (2021: £1 million) was recognised in non-operating expenditure.

Of the £713 million (2021: £671 million) total of programme rights recognised as expenses in 2022 (note 13), Channel 4 commissioned £24 million (2021: £11 million) of content from Indie Growth Fund companies. Channel 4 owed the Indie Growth Fund companies £nil in respect of these transactions at 31 December 2022 (2021: £nil).

Channel 4 had committed £nil for subsequent investment in the Indie Growth Fund entities as at 31 December 2022 (2021: £nil).

Investments accounted for using the equity method

The Indie Growth Fund is comprised of the following entities incorporated in the United Kingdom:

Company	Activity	Registered address	Proportion of equity owned at 31 December	
			2022	2021
Dial Square 86 Limited	TV programme production activities	Somerset House, Strand, London WC2R 1LA	4.7%	4.7%
Spelthorne Community Television Limited	TV programme production activities	2nd Floor, 63–64 Margaret Street, London W1W 8SW	25.0%	25.0%
Voltage TV Productions Limited	TV programme production activities	5 Elstree Gate, Borehamwood, Herts WD6 1JD	–	15.0%
Parable Ventures Limited	TV programme production activities	64 New Cavendish Street, London W1G 8TB	18.0%	18.0%
Firecrest Films Limited	TV programme production activities	Fairfield, 1048 Govan Road, Glasgow G51 4XS	25.0%	25.0%
Two Rivers Media Limited	TV programme production activities	James Miller Building, 4th Floor, 98 West George Street, Glasgow G2 1PJ	17.0%	17.0%
Candour Productions Limited (formerly True Vision Yorkshire Limited)	TV programme production activities	Springfield Mill, Unit 15, 1 (E) Bagley Lane, Farsley, Pudsey LS28 5LY	25.0%	25.0%
Five Mile Films Limited	TV programme production activities	Lower Ground Floor, 2 St Pauls Road, Clifton, Bristol BS8 1LT	17.5%	17.5%
Eagle Eye Drama Limited	TV programme production activities	35 Soho Square, London W1D 3QX	25.0%	25.0%
Yeti Media Limited	TV programme production activities	Lon Cae Ffynnon Unit 1i, Cibyn Industrial Estate, Caernarfon LL55 2BD	25.0%	25.0%
Proper Content Limited	TV programme production activities	6th Floor, Charlotte Building, 17 Gresse Street, London W1T 1QL	25.0%	25.0%
Uplands Television Limited	TV programme production activities	93 Chatterton Road, Bromley BR2 9QQ	25.0%	25.0%
Big Deal Films Limited	Artistic creation	Unit 6, 58–60 Minerva Road, London NW10 6HJ	25.0%	25.0%
Duck Soup Films Limited	Motion picture production activities	2nd Floor South, Marshall Court, Leeds LS11 9YP	25.0%	25.0%
Paper Entertainment Limited	TV programme production activities	39 Long Acre Covent Garden, London WC2E 9LG	25.0%	20.0%
Salamanda Media Limited	TV programme production activities	135 Church Street, Horwich, Bolton BL6 7BR	20.0%	20.0%
Spirit Media Studios Limited	Video production activities	PO Box 484, Teddington TW11 1DU	25.0%	25.0%
Freedom Scripted Entertainment Limited	TV programme production activities	G/A Atlantic Chambers, 45 Hope Street, Glasgow G2 6AE	20.0%	–
Rockerdale Studios Limited	TV programme production activities	99 Levison Way 99 Levison Way, London N19 3XF	25.0%	–
Warp Films Limited	TV programme production activities	37 Gilbert South Street, Park Hill, Sheffield S2 5QY	20.0%	–

The equity owned for each of the entities listed above relates to ordinary shareholdings.

Notes to the consolidated financial statements **cont.**

/ Investments accounted for using the equity method

Summary annual financial information of Indie Growth Fund investments

	Current assets £m	Non-current assets £m	Current liabilities £m	Long-term liabilities £m	Revenue £m	(Loss)/profit from continuing operations £m
2022	20	(1)	(15)	(2)	60	(1)
2021	20	–	(15)	(4)	45	(1)

Other

Channel 4 holds 25% of the shares and voting rights in European Broadcaster Exchange (EBX) Limited, a digital advertising sales venture with other European broadcasters. European Broadcaster Exchange (EBX) Limited is incorporated in the United Kingdom.

Company	Activity	Registered address	Proportion of equity owned at 31 December	
			2022	2021
European Broadcaster Exchange (EBX) Limited	Television programming and broadcasting activities	6th Floor, 65 Gresham Street, London EC2V 7NQ	25%	25%

Channel 4 Ventures (formerly Commercial Growth Fund)

	Channel 4 Ventures £m	Other £m	Total £m
Carrying value at 1 January 2021	16	4	20
Acquisitions	18	–	18
Fair value movement	(3)	–	(3)
Disposals	(1)	–	(1)
Total carrying value at 31 December 2021	30	4	34
Carrying value at 1 January 2022	30	4	34
Acquisitions	20	–	20
Fair value movement	(5)	–	(5)
Disposals	–	–	–
Total carrying value at 31 December 2022	45	4	49

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 2022, the Corporation invested a further £20 million (2021: £19 million) in Channel 4 Ventures holdings.

Channel 4 Ventures investments are recorded at fair value. The Group elected to recognise any movement in the fair value of the Channel 4 Ventures investments through other comprehensive income from 1 January 2018 when it adopted IFRS 9 'Financial Instruments'. Fair value has been assessed against quoted prices in active markets where available or against other observable inputs. A net fair value loss of £5 million (2021: a net fair value loss of £3 million) has been recognised in other comprehensive income during 2022.

There were no other transactions with the Channel 4 Ventures companies in 2022 (2021: none).

Other investments

Other investments relates to certain other airtime-for-equity shareholdings outside the remit of Channel 4 Ventures.

	Freehold land and building £m	Fixtures, fittings and equipment £m	Assets under construction £m	Total £m
Cost or valuation				
At 1 January 2021	96	42	1	139
Additions	2	6	1	9
Revaluation	–	–	–	–
At 31 December 2021	98	48	2	148
At 1 January 2022	98	48	2	148
Additions	9	2	4	15
Revaluation	(17)	–	–	(17)
At 31 December 2022	90	50	6	146
Depreciation				
At 1 January 2021	–	33	–	33
Charge for the year	2	4	–	6
Revaluation	(2)	–	–	(2)
At 31 December 2021	–	37	–	37
At 1 January 2022	–	37	–	37
Charge for the year	2	4	–	6
Revaluation	(2)	–	–	(2)
At 31 December 2022	–	41	–	41
Net book value				
At 1 January 2022	98	11	2	111
At 31 December 2022	90	9	6	105
At 1 January 2021	96	9	1	106
At 31 December 2021	98	11	2	111

The Group had committed £7 million for expenditure on property, plant and equipment at the balance sheet date (2021: £5 million). No assets have been pledged for security (2021: none).

Valuation of freehold property

The freehold property at 124 Horseferry Road, London SW1P 2TX was valued at 31 December 2022 by independent valuers CBRE Limited, in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. CBRE Limited has appropriate qualifications and recent experience in the fair value measurement of properties in the relevant location. The property was valued on the basis of open market value, which the Members believe approximates to current value. In reaching their conclusions, the valuers have paid attention to comparable transactions which have taken place in recent months within the Victoria area of London. They have also taken into account ongoing repair work to the building in arriving at their valuation.

The open market value for this property was £90 million (2021: £98 million). After additions made to the building during 2022 and depreciation charged on the open market value at 31 December 2022 (£2 million), a loss on revaluation of £15 million has been recognised in the statement of other comprehensive income (2021: gain on revaluation of £2 million).

If freehold property had not been revalued it would have been included in the financial statements at the following amounts:

	2022 £m	2021 £m
Cost	88	86
Additions	9	2
Transfers	–	–
Accumulated depreciation	(45)	(43)
Impairment	(6)	(6)
Net book value based on cost	46	39

Notes to the consolidated financial statements **cont.**

Post balance sheet events

On 28 March 2023, following the year end date, Historic England announced that the property at 124 Horseferry Road had been awarded Grade II listed status. This announcement does not impact the valuation of the property as at the 2022 year end; the property will be revalued based on third party valuation in December 2023 in line with the normal revaluation cycle.

	Goodwill £m	Developed software £m	Broadcasting licence £m	Software under construction £m	Network distribution rights £m	Brands £m	Total £m
Cost							
At 1 January 2021	2	23	5	1	27	1	59
Additions	–	–	–	3	–	–	3
Transfer	–	1	–	(1)	–	–	–
Disposal	–	(1)	–	–	–	–	(1)
At 31 December 2021	2	23	5	3	27	1	61
At 1 January 2022	2	23	5	3	27	1	61
Additions	–	6	–	3	–	–	9
Transfer	–	–	–	–	–	–	–
Disposal	–	–	–	–	–	–	–
At 31 December 2022	2	29	5	6	27	1	70
Amortisation							
At 1 January 2021	–	22	5	–	4	–	31
Amortisation for the year	–	–	–	–	2	–	2
At 31 December 2021	–	22	5	–	6	–	33
At 1 January 2022	–	22	5	–	6	–	33
Amortisation for the year	–	–	–	–	2	–	2
At 31 December 2022	–	22	5	–	8	–	35
Carrying amount							
At 1 January 2022	2	1	–	3	21	1	28
At 31 December 2022	2	7	–	6	19	1	35
At 1 January 2021	2	1	–	1	23	1	28
At 31 December 2021	2	1	–	3	21	1	28

Goodwill represents goodwill arising on the acquisition of Global Series Network Limited ('GSN') on 30 July 2015. GSN holds the rights to the Walter Presents foreign language content transmitted across the Channel 4 portfolio.

Developed software represents amounts capitalised on internally developed computer software, principally in relation to the management of advertising and sponsorship revenues, and programme scheduling applications meeting the recognition criteria for internally generated intangible assets.

The network distribution rights and brands arose during 2018 on the acquisition of Box Plus Network Limited ('Box').

Right-of-use assets

	Property £m	Total £m
At 1 January 2021	12	12
Additions and changes in terms	(1)	(1)
Charge for the year	(1)	(1)
At 31 December 2021	10	10
At 1 January 2022	10	10
Additions and changes in terms	–	–
Charge for the year	(1)	(1)
At 31 December 2022	9	9

The Group expenses short-term leases and low-value assets as incurred in accordance with the exemption permitted by IFRS 16. These expenses amounted to £0.1 million in 2022 (2021: £0.1 million).

Lease liabilities

	Property £m	Total £m
Current		
Within one year	1	1
Non-current		
Between two to five years	3	3
Greater than five years	5	5
Total	9	9

The interest expense relating to lease liabilities under IFRS 16 was £0.2 million in 2021 (2021: £0.1 million).

12. Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised at 25% (2021: 25%) reflecting the corporation tax rate substantively enacted as at 31 December 2022.

	Assets 2022 £m	Assets 2021 £m	Liabilities 2022 £m	Liabilities 2021 £m	Net 2022 £m	Net 2021 £m
Property, plant and equipment	4	5	–	–	4	5
Employee benefits	–	7	(1)	–	(1)	7
Trading losses	5	5	–	–	5	5
Temporary differences on acquired intangible assets	–	–	(5)	(6)	(5)	(6)
Total deferred tax assets/(liabilities)	9	17	(6)	(6)	3	11

A deferred tax asset is only recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised (either now or in later accounting periods). At 31 December 2022, based on long-term forecasts, and in line with the Group's aim to remain commercially self-sustainable in the long term, management considers it probable that future taxable profit will be available against which to recognise these assets. Unrecognised deferred tax assets include losses carried forward that the Group is not yet able to utilise.

Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of:

	2022 £m	2021 £m
Carried forward capital losses	2	1
Carried forward trading losses	–	–
Tax assets	2	1

Notes to the consolidated financial statements **cont.**

12. Deferred tax assets and liabilities

Movements in temporary differences during the year

The amount of deferred tax recognised in the income statement in respect of each type of temporary difference is as follows:

	Balance at 1 Jan 2022 £m	Recognised in income £m	Recognised in other comprehensive income £m	Balance at 31 Dec 2022 £m
Property, plant and equipment	5	(1)	–	4
Employee benefits	7	(2)	(6)	(1)
Trading losses	5	–	–	5
Temporary differences on acquired intangible assets	(6)	1	–	(5)
Total deferred tax assets/(liabilities)	11	(2)	(6)	3

	Balance at 1 Jan 2021 £m	Recognised in income £m	Recognised in other comprehensive income £m	Balance at 31 Dec 2021 £m
Property, plant and equipment	3	2	–	5
Employee benefits	13	(2)	(4)	7
Trading losses	10	(5)	–	5
Temporary differences on acquired intangible assets	(5)	(1)	–	(6)
Total deferred tax assets/(liabilities)	21	(6)	(4)	11

13. Programme and film rights

	2022 £m	2021 £m
Programmes and films completed but not transmitted	160	120
Acquired programme and film rights	74	51
Programmes and films in the course of production	164	128
Total programme and film rights	398	299

Programme and film rights held on the balance sheet have increased since 2021 in line with planned longer-term reinvestment in the independent production sector to support our creative output for the period ahead.

Certain programmes and film rights may not be utilised within one year but are expected to be consumed during the normal operating cycle and are therefore disclosed as current assets. The proportion of total programme and film rights not expected to be utilised within one year is 26% (2021: 10%).

Programmes and films in the course of production are disclosed within programme and film rights, rather than within prepayments, as management believes this most clearly reflects the total value of current assets relating to the production of content and that it is most useful to the readers of the financial statements to include the total value of current assets relating to the production and acquisitions of content in one line on the balance sheet.

Programme and film rights to the value of £713 million were recognised as expenses in the year across the main and digital television channels (2021: £671 million). Of this amount, obsolete programmes and developments written off totalled £35 million (2021: £48 million).

Programme and film rights include £32 million (2021: £31 million) in respect of developed film rights.

	2022 £m	2021 £m
Trade receivables	145	170
Prepayments	27	34
Accrued income	18	20
Total trade and other receivables	190	224

There is no difference between the fair value and book value of trade and other receivables. Trade receivables are shown net of impairment charges amounting to £nil (2021: £nil).

Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(i) Trade receivables

Credit risk with respect to trade receivables is principally related to amounts due from advertising agencies and retailers. A risk strategy exists to protect these receivables including insurance for most customers. Exposure is monitored continually and reviewed on a weekly basis, and any issues are formally reported. Based on credit evaluation and discussions with insurers, customers may be required to provide security in order to trade with the Group.

The Group may establish an allowance for impairment that represents our expected credit loss in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures. Losses with regard to these receivables are historically low as advertising revenue is either protected by trade credit insurance or pre-paid prior to transmission. The Group's expected lifetime credit loss at 31 December 2022 was £nil (2021: £nil).

(ii) Counterparty

See interest rate risk and exposure in note 15.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure at the balance sheet date in relation to trade receivables was £145 million for the Group (2021: £170 million), with £50 million of other financial assets (2021: £115 million), and cash and cash equivalents of £203 million (2021: £157 million). The exposure to credit risk all arises in the UK.

Trade receivables of £145 million for the Group (2021: £170 million) were aged under six months or were not yet due under standard credit terms at the balance sheet date. £120 million of the receivables were insured at the balance sheet date (2021: £139 million) and £142 million (2021: £167 million) has been subsequently collected by the Group since the balance sheet date.

Notes to the consolidated financial statements **cont.**

	2022 £m	2021 £m
Bank balances	50	37
Money market funds ¹	113	90
Money market deposits with initial maturity of less than three months	40	30
Cash and cash equivalents	203	157
Money market deposits with initial maturity of more than three months	50	10
Investment funds	-	105
Other financial assets²	50	115

1 Amounts held in money market funds are repayable within seven days.

2 Other financial assets comprise deposits of three or more months' duration and other funds with time-restricted access, and are stated at fair value.

There is no difference between the fair value and book value of cash, cash equivalents and other financial assets.

Cash flow information

	2022 £m	2021 £m
Cash and cash equivalents at 1 January	157	166
Other financial assets at 1 January	115	110
Borrowings at 1 January	-	(75)
Total net cash reserves¹ at 1 January	272	201
Net cash flow from operating activities	32	103
Net cash flow used in investing activities	(50)	(31)
Net cash flow used in financing activities	(1)	(1)
Total cash flow	(19)	71
Cash and cash equivalents at 31 December	203	157
Other financial assets at 31 December	50	115
Total net cash reserves¹ at 31 December	253	272

1 The Group presents net cash reserves as an alternative performance measure; an explanation of this APM is provided on page 201. Net cash reserves represents the total of Cash and cash equivalents and Other financial assets above net of any cash borrowings.

Interest rate risk and exposure

The Group invests surplus cash in fixed-rate money market deposits, high-interest bank accounts and variable and constant net asset value money market funds. Funds are invested only with an agreed list of counterparties that carry a minimum of an A- credit rating or equivalent from Standard & Poor's and Moody's credit rating services with government support, or with money market funds that have an AAA credit rating from either of these credit rating services.

It is estimated that if interest rates had been 0.5% lower/higher throughout the year, with all other variables held constant the Group's surplus before tax would have been £1 million lower/higher (2021: £1 million).

At the balance sheet date the Group had no debt and was not exposed to fluctuations in interest rates. In 2022, the Group renewed its revolving credit facility ('RCF'). The RCF is for a five-year term until March 2027 and provides £75 million of additional liquidity. The facility is unsecured and is committed with a single tangible net worth covenant.

The Channel 4 Finance Committee granted approval in 2022 to increase the current limits in relation to our investment funds (LVNAVs) from £75 million to £80 million per fund.

The interest rate profile of the Group's cash and deposits at 31 December 2022 and 31 December 2021 is set out below:

	Effective interest rate 2022 %	Effective interest rate 2021 %	Total 2022 £m	Total 2021 £m
Interest-bearing deposits maturing in less than three months held in Sterling	2.49	0.1	197	152
Interest-bearing deposits maturing in less than three months held in foreign currencies	2.53	0.0	6	5
Total cash and cash equivalents	2.49	0.1	203	157
Money market deposits maturing after three months held in Sterling	4.10	0.2	50	10
Investment funds	–	0.1	–	105
Other financial assets	4.10	0.1	50	115

Foreign currency risk and derivative financial instruments

The Group is exposed to currency risk on sales and purchases that are denominated in currencies other than Sterling. The currencies that give rise to this risk are US Dollars and Euros. The Group uses forward exchange contracts and currency cash receipts to hedge its currency risk. Changes in the fair value of exchange contracts that economically hedge monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied are recognised in the income statement. Both the change in the fair value of the forward contracts and the foreign exchange gains and losses relating to monetary items are recognised as part of net finance expense (note 5).

The Group does not have any foreign subsidiaries and as a result is not exposed to foreign currency risk in this regard. The Group is exposed to currency movements on foreign cash holdings. Amounts held by currency are detailed above within the analysis of the Group's and Channel 4's cash and deposits.

At 31 December 2022, the total value of forward contracts used as economic hedges of monetary liabilities was £1 million (2021: £5 million). At 31 December 2022, these have been revalued with reference to forward exchange rates based on maturity. The change in fair value of £nil (2021: £nil) has been recognised in the income statement and the associated liability recorded on the balance sheet as at 31 December 2022. The forward contracts have been assessed as Level 2 in the fair value hierarchy under IAS 13 and assessed against observable market inputs.

	Maturity within 12 months of balance sheet date	Maturity within 12 months of balance sheet date	Maturity more than 12 months after balance sheet date	Maturity more than 12 months after balance sheet date	Total	Total
	2022 No.	2021 No.	2022 No.	2021 No.	2022 No.	2021 No.
Forward contracts to purchase US Dollars	–	1	–	–	–	1
Forward contracts to purchase Euros	3	–	–	–	3	–
Total forward contracts with fixed maturity dates	3	1	–	–	3	1

It is estimated that if Sterling had strengthened/weakened by 10% at the balance sheet date against other currencies, with all other variables held constant, the Group's deficit before tax would have been £1 million lower/higher (2021: £1 million).

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its assets and liabilities. These risks are managed by the Group's Treasury function as described below.

The Audit & Risk Committee is responsible for approving the treasury policy for the Group. The Group's policy is to ensure that adequate liquidity and financial resource is available to support the Group's continuing activities and growth while managing the risks described above. The Group's policy is not to engage in speculative financial transactions. The Group does not seek to apply hedge accounting. The Group's treasury and funding activities are undertaken by a Treasury function, whose work is overseen by a Treasury Risk Committee reporting to the Finance Director. Its primary activities are to manage the Group's liquidity, funding requirements and financial risk, principally arising from movements in interest and foreign currency exchange rates within the parameters of the approved treasury policy.

Notes to the consolidated financial statements **cont.**

	2022 £m	2021 £m
Trade payables	65	14
Taxation and social security	1	1
Other creditors	65	76
Accruals	297	232
Deferred income	42	40
VAT	17	26
Total trade and other payables	487	389

There is no difference between the fair value and book value of trade and other payables. The contractual cash flows are equal to the carrying amount and are payable within six months or less at 31 December 2022 and 2021.

The Group endeavours to pay all invoices in accordance with contract terms and, unless agreed payment terms specify otherwise, the Group's standard payment terms are within 45 days of the date of the invoice, with the exception of certain programme and transmission costs with qualifying independent production companies which are on immediate payment terms. Any complaints about failure to pay on time should be addressed to the Chief Operating Officer, who will ensure that they are investigated and responded to appropriately.

The number of days taken to pay suppliers of services in 2022, as calculated using average payable balances, was seven (2021: seven). This is significantly lower than the Group's standard payment terms due to the impact of the immediate payment terms described above.

Under HMRC's deferral scheme, the Group deferred £10 million of VAT payments for Q1 and Q2 2020; it had repaid £9 million of this deferral as at December 2021, with the remainder repaid in early 2022.

Liquidity risk

Liquidity risk is the risk that the Group fails to meet its financial obligations as they fall due. The management of operational liquidity risk aims primarily to ensure that the Group always has a liquidity buffer that is able, in the short term, to absorb the net effects of transactions made and expected changes in liquidity both under normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation. The cash balances held by the Group and, from March 2018, the £75 million revolving credit facility, are considered to be sufficient to support the Group's medium-term funding requirements.

	Onerous lease/ dilapidations £m	Restructuring costs £m	Total £m
At 1 January 2021	1	1	2
Utilised in the year	-	(1)	(1)
Charged to the income statement	-	2	2
At 31 December 2021	1	2	3
At 1 January 2022	1	2	3
Utilised in the year	-	(2)	(2)
Charged to the income statement	-	-	-
At 31 December 2022	1	-	1

Provisions have been analysed as current and non-current as follows:

	2022 £m	2021 £m
Current	-	2
Non-current	1	1
Total	1	3

Contingent liabilities

The Members are not aware of any legal or arbitration proceedings, pending or threatened, against any Member of the Group which give rise to a significant contingent liability.

18. Commitments

	Due within 1 year £m	Due within 2–5 years £m	Due after 5 years £m	Total £m
2022				
Programme commitments	511	339	–	850
Transmission contracts	31	57	45	133
Total	542	396	45	983
2021				
Programme commitments	414	224	–	638
Transmission contracts	29	73	52	154
Total	443	297	52	792

Transmission contracts represent committed capacity costs for transmission on the digital terrestrial and satellite network. Committed payments for digital terrestrial transmission capacity costs amounted to £21 million in 2022 (2021: £21 million). The digital terrestrial transmission contracts expire between 2022 and 2031. Committed payments for satellite transmission capacity costs were £8 million in 2022 (2021: £8 million). The satellite transmission contracts expire in 2024.

In addition to the above, the Group is party to the shareholder agreement for Digital 3 and 4 Limited. The Group is committed to meeting its share of contracted costs entered into by that company. The Group's share of Digital 3 and 4 Limited's committed payments was £26 million in 2022 (2021: £25 million) and is forecast to be £27 million in 2023. Digital 3 and 4 Limited has entered into long-term distribution contracts that expire in 2028 and 2034 and the Group is committed to funding its contractual share.

The Group's commitments for further subscriptions for minority shareholdings in companies in the Indie Growth Fund as at 31 December 2022 are disclosed in note 7.

19. Employee benefits – pensions

Prior to 2015, the Group operated a defined benefit pension scheme – the Channel 4 Television Staff Pension Plan (the 'Plan'), providing benefits based on final salary for employees. The scheme closed to future accrual with effect from 31 December 2015 without material impact to the Group's defined benefit obligation.

Nature of benefits, regulatory framework and governance

The Plan is a registered defined benefit final salary scheme subject to the UK regulatory framework for pensions, including the Scheme Specific Funding requirements. The Trustees of the Plan are responsible for operating the Plan and have a statutory responsibility to act in accordance with the Plan's Trust Deed and Rules, in the best interests of the beneficiaries of the Plan, and UK legislation (including Trust law). The employer has the power to set the contributions that are paid to the Plan, following advice from the scheme actuary. However, these must be agreed by the Trustees to the extent required by Part 3 of the Pensions Act 2004 (Scheme Funding).

Risks to which the Plan exposes the employer

The nature of the Plan exposes the employer to the risk of paying unanticipated additional contributions to the Plan in times of adverse experience. The most financially significant risks are likely to be:

- members living for longer than expected;
- higher than expected actual inflation and salary increase experience;
- lower than expected investment returns; and
- the risk that movements in the value of the Plan's liabilities are not met by corresponding movements in the value of the Plan's assets.

The sensitivity analysis disclosed on page 224 is intended to provide an indication of the impact on the value of the Plan's liabilities of the risks highlighted.

Plan amendments, curtailments and settlements

There have not been any material curtailments or settlements during the year.

Notes to the consolidated financial statements **cont.**

19. Employee benefits – pensions

Investment strategy

The Trustees' primary objectives are that the Plan should meet benefit payments as they fall due; and that the Plan's funding position should remain at an appropriate level. The Trustees are aware that there are various measures of funding, and have given due weight to those considered most relevant to the Plan.

The Trustees' investment objective is to target an appropriate return on the Plan's assets to meet the objectives above while managing and maintaining investment risk, taking into account the strength of the employer covenant.

The Trustees, with the help of their advisers and in consultation with Channel 4, undertake a review of investment strategy from time to time. This includes consideration of the broad split between growth and matching assets, as well as asset class and asset manager arrangements. The Trustees have also considered how social, environmental and ethical factors should be taken into account in the selection, retention and realisation of investments, given the time horizon of the Plan and its members.

The Trustees regularly seek advice from their investment adviser about the benchmark allocation and consider the impact of further opportunities to enhance the current investment strategy, taking into account market conditions and anticipated future cash flows.

The assets have a diversified mix of UK and global equities and bonds. The portfolio also contains a multi-asset portfolio with an absolute return focus, and bond assets are invested in a dynamic liability driven investment ('LDI') portfolio with some additional synthetic equity and credit exposure, so that the Plan's assets better match its liabilities under movements in long-term interest rates and inflation assumptions.

The latest formal actuarial valuation of the Plan, as at 31 December 2021, took place during 2022, and the Trustees, along with their investment advisers, reviewed the investment strategy in conjunction with this work. These discussions focused on several areas, including:

- the level of investment return (and hence investment risk) that the Plan should target in its investment strategy, and how to achieve the target returns in an efficient manner;
- the composition of the investment portfolio, including the asset classes and investment managers employed; and
- how the investment strategy should be evolved over time to reflect the transition of the Plan's membership profile as members retire.

The Trustees ultimately decided that the current investment strategy remained appropriate, and no changes to target allocations were made. Throughout the year, the Trustees have undertaken various rebalancing activities to keep the Plan's investment portfolio broadly in line with target allocations.

In order to begin to tackle longevity risk (that is, the risk that members of the Plan live for longer than expected over time), the Trustees entered into a c.£45 million bulk annuity policy with Just Retirement in March 2018. This provides income to match the requirements of certain pensioner liabilities (providing protection against interest rates, inflation and longevity risks).

19 Employee benefits – pensions

Amounts recognised in the consolidated balance sheet

	2022 £m	2021 £m
Present value of funded obligations	(357)	(576)
Fair value of Plan assets	362	547
Recognised asset/(liability) for defined benefit obligations	5	(29)

Movements in the fair value of Plan assets recognised in the balance sheet:

	2022 £m	2021 £m
Fair value of scheme assets at 1 January	547	522
Interest income on Plan assets	11	7
Return on Plan assets (excluding amounts in interest income)	(191)	19
Employer contributions net of charges	9	10
Benefits paid	(14)	(11)
Fair value of scheme assets at 31 December	362	547

The fair value of the Plan assets at the balance sheet date is comprised as follows:

	2022 £m	2021 £m
Overseas and emerging markets equity	35	70
Total equity securities	35	70
Corporate bonds	48	91
Infrastructure	66	57
Total debt securities	114	148
Multi-asset absolute return	32	52
Liability driven investments	153	235
Total investment funds	185	287
Cash and cash equivalents	2	1
Annuity policy buy-in	26	41
Fair value of scheme assets at 31 December	362	547

The Plan assets do not include any directly or indirectly owned financial instruments issued by the Corporation. The valuation of the assets above is based on Level 1 inputs in the IFRS 13 fair value hierarchy, with the exception of the infrastructure assets and annuity policy buy-in which are valued based on relevant Level 3 inputs.

All equities and bonds are held as part of investment portfolios which have quoted prices in active markets.

Movements in the present value of scheme liabilities for defined benefit obligations recognised in the balance sheet:

	2022 £m	2021 £m
Present value of scheme liabilities at 1 January	576	590
Interest expense on pension scheme liabilities	11	8
Remeasurement (gain)/deficit on plan liabilities arising from changes in demographic assumptions	(1)	2
Remeasurement gain on plan liabilities arising from changes in financial assumptions	(251)	(34)
Experience remeasurement	36	21
Benefits paid	(14)	(11)
Present value of scheme liabilities at 31 December	357	576

Notes to the consolidated financial statements **cont.**

19 Employee benefits – pensions

Expenses recognised in the income statement arose as follows:

	2022 £m	2021 £m
Net interest expense	–	1
Net charge to income statement	–	1

The remeasurement deficit recognised in other comprehensive income arose as follows:

	2022 £m	2021 £m
Remeasurement gain on plan liabilities	216	11
Remeasurement (deficit)/gain on plan assets (excluding amounts in interest income)	(191)	19
Net remeasurement surplus/(deficit) on pension scheme	25	30

The cumulative amount of net remeasurement deficits/gains recognised in the statement of changes in equity since transition to IFRS is a £84 million deficit (2021: £110 million deficit).

Principal actuarial assumptions at the balance sheet date

	2022 %	2021 %
Discount rate	4.75	1.90
Rate of increase in salaries	2.25	2.40
Rate of increase in pensions	3.00	3.15
Inflation	3.05	3.25

	2022 years	2021 years
Life expectancy from 65 (now aged 45) – male	23.9	23.8
Life expectancy from 65 (now aged 45) – female	26.6	26.7
Life expectancy from 65 (now aged 65) – male	23.2	22.1
Life expectancy from 65 (now aged 65) – female	25.3	24.9

These assumptions were adopted in consultation with the independent actuary to the Channel Four Television Staff Pension Plan. If experience is different from these assumptions, or if the assumptions need to be amended in future, there will be a corresponding impact on the net pension scheme liability recorded on the Group balance sheet. The expected returns on Plan assets are set by reference to historical returns, current market indicators and the expected long-term asset allocation of the Plan.

Sensitivity analysis

The table below sets out the sensitivity of the scheme's pension liabilities to changes in actuarial assumptions, showing the revised present value of scheme liabilities in each scenario:

	2022 £m	2021 £m
0.5% decrease in discount rate	386	638
1 year increase in life expectancy	371	599
0.5% increase in salary assumptions	358	579
0.5% increase in inflation (and inflation-linked) assumptions	377	620

The sensitivities disclosed are calculated using approximate methods taking into account the duration of the Plan's liabilities.

19 Employee benefits – pension

Funding arrangements

The Plan was closed to future accrual with effect from 31 December 2015. The Corporation's contributions to the scheme are determined by a qualified independent actuary (the 'Actuary to the Plan') on the basis of triennial valuation using the projected unit method. The most recent triennial valuation was carried out as at 31 December 2021. The results of the valuation at 31 December 2021 showed that the scheme's assets represented 85% of the benefits that had accrued to members, reflecting a deficit of £96 million. The next triennial valuation will be carried out as at 31 December 2024.

Following the valuation and discussions with the Actuary to the Plan, the Trustees and the Board agreed a revised schedule of contributions to reduce the Plan's funding deficit of £10 million per annum from January 2022 until April 2028.

The weighted average duration of the Plan's defined benefit obligation is approximately 16 years. The majority of the Plan's benefits are to be paid as annuities from retirement of a member until their death.

In accordance with the fund rules, the Corporation can realise any surplus on the winding up of the scheme after all other benefits have been paid. As a result, no adjustment is required in respect of IFRIC 14 'IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'.

Members

Details of transactions in which Members have an interest are disclosed in the Report of the Members (page 163).

Details of Members' remuneration are shown in the Members' Remuneration Report (page 182).

Key management personnel

The Executive Members are considered to be the key management of the Group.

Joint ventures and associates

Details of transactions between the Group and its joint ventures and associates as at 31 December 2022 are disclosed in note 7.

Other

The Group also contributes to the funding of the following organisations, each of which is incorporated in the United Kingdom. The table below presents the Group's ownership of the entities, or legal guarantee (indicated with *), and transactions with them during the year.

Name	Nature of business	Share class	Ownership interest	Services received		Funding and services provided	
				2022 £m	2021 £m	2022 £m	2021 £m
Broadcasters' Audience Research Board Limited	Research	*	–	–	–	2	2
Clearcast Limited	Regulator	Ordinary, deferred	25.0%	–	–	1	1
Digital 3 and 4 Limited	Operator	'A' Ordinary	50.0%	1	1	26	25
DTV Services Limited	Marketing	Ordinary	20.0%	7	6	4	3
Digital UK	Marketing	*	–	–	–	2	2
Thinkbox Limited	Marketing	Ordinary	20.0%	1	1	2	2
YouView Limited	Platform	Voting, non-voting	14.3%	–	–	1	1

The Group had £nil trade payables remaining with the organisations listed above at 31 December 2022 (2021: £nil). No dividends were received in 2022 (2021: £nil) from any of the related parties listed above.

These related party disclosures are also applicable to the Channel 4 financial statements.

Notes to the consolidated financial statements **cont.**

On 30 June 2022, the Group acquired the remaining 20% holding in GSN Holdings International Limited (and indirectly in its trading subsidiary GSN International Limited ('GSNI')) for £6 million, comprising cash of £4 million and deferred consideration of £2 million. GSNI had been accounted for (following the acquisition of the previous 82.5% shareholding in 2017) as a subsidiary and fully consolidated into the Group's financial statements. This resulted in an adjustment to the previous non-controlling interest, recognised in other comprehensive income:

Equity adjustment on change in non-controlling interest

	£m
Carrying value of non-controlling interest	–
Consideration on date of acquisition	4
Deferred consideration	2
Adjustment to parent's equity	6

Channel 4 balance sheet

as at 31 December

	Group note	Channel 4 note	2022 £m	2021 £m
Assets				
Property, plant and equipment	9		105	111
Right-of-use asset	11		9	10
Intangible assets		2	29	22
Other investments		3	4	4
Deferred tax assets	12		9	17
Employee benefits – pensions	19		5	–
Total non-current assets			161	164
Programme and film rights		4	392	293
Trade and other receivables		5	185	220
Other financial assets		6	50	115
Cash and cash equivalents		6	190	152
Total current assets			817	780
Total assets			978	944
Liabilities				
Employee benefits – pensions	19		–	(29)
Lease liabilities	11		(9)	(10)
Deferred tax liabilities			(6)	(6)
Total non-current liabilities			(15)	(45)
Trade and other payables		7	(571)	(502)
Current tax payable			1	–
Provisions	17		(1)	(3)
Borrowings	15		–	–
Total current liabilities			(571)	(505)
Total liabilities			(586)	(550)
Net assets			392	394
Revaluation reserve			39	54
Other retained earnings			353	340
Total equity			392	394

As permitted by section 408 of the Companies Act 2006, the Corporation has not presented its own income statement. A deficit of £6 million has been recognised in relation to the Corporation in 2022.

The financial statements on pages 227 to 233 were approved by the Members of the Board on 4 May 2023 and were signed on its behalf by:

Sir Ian Cheshire
Chair

Alex Mahon
Chief Executive

The notes on pages 230 to 233 form part of these financial statements.

Channel 4 statement of changes in equity

for the year ended 31 December

	Group note	Channel 4 note	Retained earnings £m	Revaluation reserve £m	Total equity £m
At 1 January 2021			235	52	287
Surplus for the year			79	–	79
Net remeasurement surplus on pension scheme	19		30	–	30
Revaluation of freehold land and buildings	9		–	2	2
Deferred tax on pension	12		(4)	–	(4)
Total comprehensive income for the year			105	2	107
At 31 December 2021			340	54	394
At 1 January 2022			340	54	394
Deficit for the year			(6)	–	(6)
Net remeasurement surplus on pension scheme	19		25	–	25
Revaluation of freehold land and buildings	9		–	(15)	(15)
Deferred tax on pension	12		(6)	–	(6)
Total comprehensive income/(expense) for the year			13	(15)	(2)
At 31 December 2022			353	39	392

Channel 4

accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, except that freehold properties, derivatives and certain financial instruments are stated at fair value, and are presented in Pounds Sterling, rounded to the nearest million.

The financial statements have been prepared under the Financial Reporting Standard 101 'Reduced Disclosure Framework'. The Corporation's financial result and balance sheet are included in the consolidated financial statements presented on pages 195 to 226. As permitted by Financial Reporting Standard 101, the Corporation has not presented its own cash flow statement and has not provided the disclosures required by IFRS 7 'Financial Instruments: Disclosures'.

As permitted by section 408 of the Companies Act 2006, the Corporation has not presented its own income statement. A deficit of £6 million (2021: £79 million surplus) was recorded in relation to the Corporation. Accounting policies applied in the preparation of the Corporation's financial statements are consistent with the Group policies presented on pages 200 to 205, except as stated below.

In preparing these financial statements, the Corporation has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include disclosure of related party transactions with other wholly owned members of the Group headed by the Corporation. Details of transactions between the Group and its related parties are disclosed in Group note 20 on page 225.

Investments in subsidiaries

Investments in subsidiaries are carried at historical cost less provision for impairment.

Investments in associates and joint ventures are carried at historical cost less provision for impairment.

Equity investments represent equity holdings without significant influence. Equity investments are normally carried at fair value. Where an active market value is not available, the Members believe that valuation at cost less provision for impairment is a reasonable approximation of fair value.

Trade receivables are reflected net of any expected credit loss.

The critical accounting judgements made by management and the sources of estimation uncertainty in the application of IFRS that have a significant risk of material adjustment on the financial statements of the Corporation are considered to be programme and film rights amortisation and the classification of transponder assets as service contracts under IFRS 16, as disclosed for the Group on page 200.

Notes to the Channel 4 financial statements

1 Operating expenditure

Auditor's remuneration

Fees in relation to the audit of the Corporation financial statements and additional fees paid to the auditor for the year ended 31 December 2022 are presented in note 3 to the consolidated financial statements on page 207.

Staff costs

All staff costs are borne by Channel 4 and are presented in note 4 to the consolidated financial statements on page 208 and in the Members' Remuneration Report on pages 178 to 187. The average monthly number of employees of the Corporation is 1,186 (2021: 1,035), classified as shown below:

2022	Male no.	Female no.
Executive team	8	6
Senior managers	23	24
Employees	459	657
Total employees	490	687
Non-Executive Members	6	3
Total including Non-Executive Members	496	690

The key management of the Corporation are considered to be the same as for the Group, as disclosed in Group note 4.

2. Intangible assets

	Developed software £m	Assets under construction £m	Network distribution rights £m	Brands £m	Negative goodwill £m	Total £m
Cost						
At 1 January 2021	23	1	27	1	(5)	47
Additions	–	3	–	–	–	3
Disposal	(1)	–	–	–	–	(1)
At 31 December 2021	22	4	27	1	(5)	49
At 1 January 2022	22	4	27	1	(5)	49
Additions	6	3	–	–	–	9
Disposal	–	–	–	–	–	–
At 31 December 2022	28	7	27	1	(5)	58
Amortisation						
At 1 January 2021	22	–	4	–	(1)	25
Amortisation for the year	–	–	2	–	–	2
At 31 December 2021	22	–	6	–	(1)	27
At 1 January 2022	22	–	6	–	(1)	27
Amortisation for the year	–	–	2	–	–	2
At 31 December 2022	22	–	8	–	(1)	29
Carrying amount						
At 1 January 2022	–	4	21	1	(4)	22
At 31 December 2022	6	7	19	1	(4)	29
At 1 January 2021	1	1	23	1	(4)	22
At 31 December 2021	–	4	21	1	(4)	22

Network distribution rights and brands arose during 2018 on the full acquisition of Box, and were hived up into the Corporation along with Box's other trade and assets as part of Box's operational integration into Channel 4 during 2020. Negative goodwill arose in 2020 as a result of this merger accounting.

Notes to the Channel 4 financial statements **cont.**

Subsidiary undertakings and joint ventures

The cost of investments at 31 December is:

	2022 £000	2021 £000
4 Ventures Limited	1	1

The subsidiary undertakings incorporated in the United Kingdom at 31 December 2022 are as follows. Where the Members have taken the exemption under Companies Act s479A from having an audit of the financial statements for subsidiaries controlled and consolidated by the Group, this is noted below:

Name	Company number	Nature of business	Issued ordinary £1 shares	Ownership interest
Registered office address is: 124 Horseferry Road, London SW1P 2TX				
4 Ventures Limited ¹	04106849	Intermediate holding company and non-primary function activities	1,000	100%
Film Four Limited ^{1,2}	03075944	Film distribution	1,000	100%
Channel Four Investments Limited ^{1,2}	08950142	Indie Growth Fund	1	100%
Global Series Network Limited ^{1,2}	09086979	TV and film distribution	2,000	100%
GSN Holdings International Limited ^{1,2}	10526433	TV and film distribution	1,000	100%
GSN International Limited ^{1,3}	10430855	TV and film distribution	500	100%
Channel Four Television Company Limited	01533774	Non-trading	100	100%
E4.com Limited ²	04063871	Non-trading	1,000	100%
E4 Television Limited ²	04060680	Non-trading	1,000	100%
Film on Four Limited ²	01915181	Non-trading	100	100%
Sport on Four Limited ²	01637216	Non-trading	2	100%

1 Exemption from audit of subsidiary financial statements taken by the Members.

2 Indirect shareholding through 4 Ventures Limited.

3 Indirect shareholding through GSN Holdings International Limited

Associated undertakings

For the Corporation's indirect shareholdings in the Indie Growth Fund through Channel Four Investments Limited and European Broadcast Exchange ('EBX') Limited, refer to Group note 7.

For the Corporation's indirect shareholdings in Channel 4 Ventures through 4 Ventures Limited, refer to Group note 8.

Other investments

	Total £m
Carrying value at 1 January 2022	4
Additions	-
Carrying value at 31 December 2022	4

	2022 £m	2021 £m
Programmes and films completed but not transmitted	160	120
Acquired programme and film rights	68	45
Programmes and films in the course of production	164	128
Total programme and film rights	392	293

Certain programme and film rights may not be utilised within one year as disclosed in note 13 to the consolidated financial statements.

	2022 £m	2021 £m
Trade receivables	144	170
Prepayments	27	34
Accrued income	14	16
Total trade and other receivables	185	220

	2022 £m	2021 £m
Bank balances	37	32
Money market funds	113	90
Money market deposits maturing in less than three months	40	30
Cash and cash equivalents	190	152
Money market deposits maturing after three months	50	10
Investment funds	–	105
Other financial assets	50	115

7 Trade and other payables

	2022 £m	2021 £m
Trade payables	64	14
Taxation and social security	1	1
Other creditors	60	71
Amounts due to subsidiaries	92	113
Accruals	294	230
Deferred income	43	46
VAT	17	27
Total trade and other payables	571	502

The amounts due to subsidiaries relate to cash balances managed by the Corporation on behalf of Group companies, and as such the Corporation does not expect settlement of these balances to be required in the foreseeable future.

Historical metrics 2018–2022

	Page ref	2018	2019	2020	2021	2022
Creativity						
Commissioning success						
Originated content spend (£m)	94	489	492	370	492	570
Engaging audiences						
Channel 4 viewing share		5.9%	5.8%	5.9%	6.1%	5.8%
Portfolio viewing share		10.2%	9.9%	10.1%	10.3%	9.9%
Programme streaming views (bn)	42, 131	0.9	1.0	1.3	1.5	1.4
Sustainability						
Financial metrics						
Corporation revenue (£m)	195	975	985	934	1,164	1,142
Digital advertising revenue (£m)	206	120	145	161	224	255
Non-advertising revenue (£m)	206	81	73	84	105	121
Content spend (£m)	206	662	660	522	671	713
Net assets (£m)	198	439	385	452	566	560
Year-end net cash reserves (£m)	201	180	137	201	272	253
Pre-tax surplus/(deficit) (£m)	195	5	(26)	74	101	3
Ad sales measures						
Linear advertising revenue (£m)	208	774	767	689	835	766
SOCI portfolio ABC1s	131	16.6%	16.2%	16.3%	16.6%	16.9%
SOCI portfolio 16-34-year-olds	131	20.8%	20.9%	21.3%	20.1%	19.6%

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