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Distinctive, disruptive, daring

Channel Four Television Corporation
Report and Financial Statements 2023

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Channel Four Television Corporation Report and Financial Statements 2023

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 **http://annualreport.channel4.com**

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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Creating change through entertainment

We aim to create positive change in the wider world through everything that we do. Owned by the British people, we create bold and distinctive programmes, journalism, and films that represent and connect with British audiences at scale. Our brands and strategic partnerships guarantee that we reach viewers wherever they want to watch.

We are proud that we challenge conventions and take creative risks. We are here to make our impact across all of the UK: nurturing the independent TV and film sector, promoting social mobility, and creating economic growth.

Poor Things

The Great British Bake Off

Banged Up: Stars Behind Bars

Earth Mama

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↓ Wonders of the World I Can't See

↓ The Piano

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, distinctive 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.

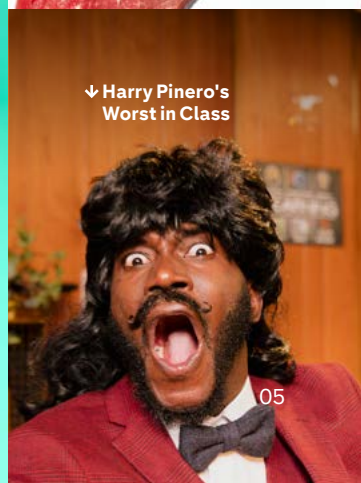
Challenge with purpose

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. We challenge ourselves to continuously refresh what we do creatively, finding new ways to reach audiences, deliver our content, and support the creative industries.

↓ Gregg Wallace: The British Miracle Meat



↓ Harry Pinero's Worst in Class

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Sir Ian Cheshire

Channel 4 started 2023 with a welcome resolution to the question of its ownership by the British people. This decision ended a long period of uncertainty and ensured the organisation continues to champion the interests of British viewers and deliver its public purpose.

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↓ The Piano

Channel 4's impact is assessed through a set of metrics, which are reviewed by Ofcom to ensure the channel is held to account for the successful delivery of its remit. I am pleased that Channel 4 performed very well in 2023, meeting or exceeding all its Ofcom licence obligations and public-remit delivery targets.

While Channel 4 succeeded in delivering powerful, award-winning content with impact and continued to lead the charge in the digital transformation of public service media, the tough economic challenges that emerged in 2022 continued and deepened in 2023, well beyond what many forecast. This created difficult conditions for the entire sector, particularly for our partners at independent production companies and for freelancers.

Throughout 2023, the Board and the management team's priority was to protect Channel 4's remit and long-term sustainability. Management acted decisively to reduce internal costs where possible while preserving content investment to the fullest extent it could. It also clarified its strategy in order to capitalise further on its strengths.

In January 2024, Channel 4's management unveiled 'Fast Forward', an ambitious new strategy to accelerate Channel 4's transformation into a public service streamer by 2030.

Focused on digital growth and transformation, diversified new businesses, and reengineering Channel 4 for a digital-first world, the Board is confident that Fast Forward will put Channel 4 in the right shape

Channel 4's unique public service remit and sustainable commercial model creates huge cultural and economic benefit across the UK and is at the heart of everything the organisation does.

↓ Everyone Else Burns

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↓ Married at First Sight UK

and place for the next decade. It builds on the organisation's successful digital transformation to date through Future4, and ensures Channel 4 can deliver its vital remit well into the future.

In a world of intense global competition and ever-changing viewer habits, Channel 4 plays a critical role in providing British viewers with trusted, challenging, and entertaining British programmes and films that bring people together and create a shared reality. Its purpose and need have never been more important in this time of misinformation and disinformation, of political division and social polarisation where algorithms and synthetic online worlds have little or no allegiance to our common interests.

Channel 4 will continue to stand out in a crowded global marketplace, offering diverse and distinctive British content that resonates with viewers and creates important cultural and economic impact across the UK as it transforms into a public service streamer.

This would not be possible without the dedication, creativity, and hard work of Channel 4 colleagues and our independent production company partners across the industry. I would like to extend a heartfelt thanks to all of them.

"I am confident that Channel 4 is well-placed to continue standing out in a crowded global marketplace, offering diverse and distinctive British content that resonates with viewers and creates an important cultural and economic impact across the UK."

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Alex Mahon

Channel 4 has always been proudly ahead of the curve. It's in our DNA to be innovative – through our programmes, our unique commercial model, and who we work with. We were the first broadcaster to offer long-form TV content on demand. The first to do a deal with YouTube, to offer personalised ads, and to co-present prime time news from two locations. And now we will be the first public service streamer in the world.

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Viewers are rapidly and increasingly moving towards streaming, and Channel 4 has been successfully evolving to meet this demand. This strategic shift has resulted in significant growth in streaming views and in our digital and social channels. Our Fast Forward strategy (see page 22) is now accelerating this success, building further upon our streaming growth in 2023.

The Couple Next Door

Poor Things

Channel 4 is already ahead of other broadcasters. We have a high and growing share of viewing from streaming at 15% of total viewing (2022: 12%). This is around one-third more than other main UK commercial public service media.

We have also transformed the organisation to have the highest proportion of revenues from digital advertising, at 27% of total revenue in 2023 (2022: 22%), against an average of around 10% for other UK and international commercial broadcasters.

The importance of what we do has not changed – in fact, it has strengthened as we become a vital destination for objective truth, challenge, and innovation in a sea of global tech, algorithms, and repeats. For us, the 'bullseye' is programmes with purpose that matter to people and have that quintessential Channel 4 impact. Our success lies in maintaining our distinctiveness, representing the whole country, and challenging conventional thinking at scale.

Creating impact through content

Our diverse and impactful programming in 2023, across all genres, earned us a record 126 TV awards, underscoring our creative excellence.

Russell Brand: In Plain Sight: Dispatches sparked hugely important conversations about the treatment of women and drew over 5.7 million viewers. *The Piano* inspired people across the country to pick up a new instrument and reached 8.8 million viewers. *Everyone Else Burns* was our best-ever streaming comedy launch since *Derry Girls*. And *The Couple Next Door* became our biggest-ever drama launch on streaming.

Our returners also went from strength to strength. *The Great British Bake Off*, with Alison Hammond joining the team, remained our top series of the year overall with a huge 7.3 million viewers per episode. *Taskmaster* had its best series for linear share and *Married At First Sight* topped the Channel 4 charts on streaming. We also made lots of noise and inspired debate through programmes such as *Gender Wars, Naked Education, Partygate, Evacuation,* and, of course, *Channel 4 News*.

Film4 is a beacon for independent filmmaking in Britain, punching above its weight and competing with international powerhouses at awards. At Cannes, *The Zone of Interest* won the Grand Prix, *How to Have Sex* picked up Un Certain Regard and, at Venice, *Poor Things* won the Golden Lion. This impressive run continued into 2024, with six Oscars, including Best International Feature Film and Best Actress, two Golden Globes, and nine BAFTAs, including Outstanding British Film, Film Not in the British Language, and Outstanding Debut. This is the highest level of award wins in 15 years.

Strong digital growth

2023 marked an important step forward in our digital transformation and diversification.

37% of total revenue came from diversified sources in 2023 (2022: 33%), a new record, and significantly enhancing Channel 4's long-term sustainability. Digital accounted for 27% of total revenue (2022: 22%), significantly ahead of UK and international commercial broadcasters. Non-advertising revenue represented 10% (2022: 11%) – see page 122.

With a focus on driving reach, streaming views returned to growth in 2023. Total streaming minutes grew by 23% to 55.9 billion viewer minutes (2022: 45.6 billion), and streaming views increased by 14% to 1.6 billion (2022: 1.4 billion).

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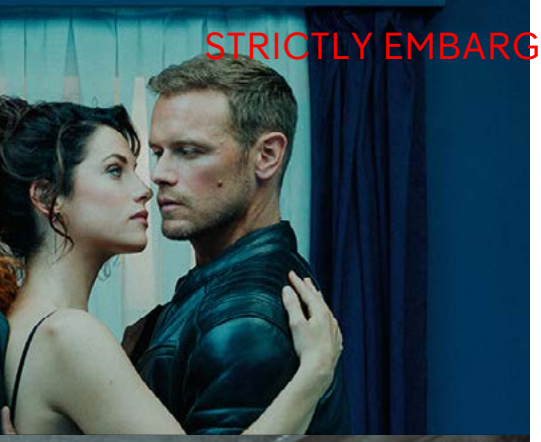

Social views also grew by 10% year-on-year to 2.3 billion (2022: 2.1 billion), as we found new ways to reach and engage British audiences at scale on the platforms where they spend their time.

Our popularity and engagement with younger audiences, and the brand-safe and trusted content we commission, makes Channel 4 an attractive proposition for our commercial partners, particularly on streaming and digital platforms.

Financial results

However, the year saw extremely challenging trading conditions across the industry. There was a significant market correction after the post-Covid boom in TV advertising, which translated into the deepest year-on-year declines since the 2008-2009 financial crisis.

The market recovery initially anticipated in the second half of 2023 failed to materialise, with business confidence remaining low. Against this backdrop, Channel 4 ended the year with revenues down 10% year-on-year at £1.02 billion (2022: £1.14 billion) and a £52 million pre-tax deficit 2022: £20 million surplus pre tax and exceptional items).

Following three years of strong performance and surpluses (2020: £74 million; 2021: £101 million; 2022: £20 million), our intention was always to reinvest those gains into our strategic aims, with a deficit pre-planned for 2023.

As the economic picture deteriorated further in-year, rather than controlling costs to the fullest extent required to offset the deeper revenue shortfall, we strategically decided to preserve investment in content and in the sector. While our spend decreased by 7%, this was significantly less than the 10% fall in revenue.

In total, 65% of our 2023 revenues went into content (2022: 63%) – a higher proportion than key commercial competitors – and while it increased our deficit, it was vital for us to support the independent production sector and to ensure a strong year of remit delivery for viewers.

Total content spend in 2023 was £663 million (2022: £713 million) and our originated-content spend was £520 million (2022: £570 million). As a proportion of spend, 51% of Channel 4's expenditure on first-run originated programmes on the main channel was sourced from the Nations and Regions, ahead of our voluntary 50% target.

I know what a difficult market it has been – and continues to be – for our independent production partners. We are focused on maximising our investment in the sector, in order to support independent producers and make brilliant programmes for viewers across the UK.

Channel 4 is a disruptive and trusted force, driven by the extraordinary talent and dedication of our team and partners. Thank you to all my colleagues at Channel 4, the Board, and our creative and commercial partners across the industry for your incredible efforts, resilience, and hard work.

"The importance of what we do has not changed – in fact, it has strengthened as we become a vital destination for objective truth, challenge, and innovation in a sea of global tech, algorithms, and repeats."

↓ The Great British Bake Off

Digital leadership

Driven by streaming and social, Channel 4's digital-first strategy accelerated significantly in 2023. Transforming the organisation is core to Channel 4's strategy and will ensure that audiences can continue to find the distinctive content they want, where and when they want it.

Making an impact through content

Channel 4 stood out for fresh and exciting creative ideas in 2023. In a world of oversupply and algorithmically served content, Channel 4's distinctive and trusted brand matters more than ever. Despite the macroeconomic environment, Channel 4 worked hard to preserve investment in the creative industries as far as possible, working with hundreds of independent TV and film production partners to make brilliant shows that people love and that made an impact.

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Growing streaming views

+23% growth in streaming time

Streaming time grew by 23% in 2023, amounting to 55.9 billion viewer minutes (2022: 45.6 billion). Streaming views also increased, by 14%, to 1.6 billion (2022: 1.4 billion).

15% of Channel 4 viewing via streaming

Streaming now accounts for 15% of Channel 4 viewing (2022: 12%), up 25% on 2022, and 36% higher than other main UK commercial public service broadcasters (11%).

Youngest BVOD service

Channel 4 has the youngest-profiling broadcaster video on demand ('BVOD') service in the UK, with 16-34-year-olds accounting for 28% of viewing, higher than BBC iPlayer, ITVX, or My5. It also reaches more 16-24-year-olds than any other main UK commercial broadcaster's streaming service.

Growing streaming revenue

27% digital advertising revenue

Digital advertising now makes up 27% of Channel 4's total revenue (2022: 22%), putting Channel 4 on track to achieve its Future4 target of 30% by 2025 and significantly ahead of UK and international commercial broadcasters (circa 10%).

Growing social

+10% growth in UK social views

Channel 4's Leeds-based digital content unit, 4Studio, achieved 2.3 billion UK social views in 2023. It created 39,000 pieces of social content and generated 6.8 billion global social views across 137 channels.

↑ Ready or Not

↑ Gogglebox

Investing in the creative industries

£663m total content spend

Despite extremely challenging trading conditions, which required a tight focus on controlling costs during the year – including rephasing some scheduling and production, and slowing down some future commissioning – Channel 4 invested £663 million in content overall (2022: £713 million), equivalent to 65% of total revenues in 2023, which is ahead of commercial competitors.

£520m original content spend

2023 saw the second-highest level of originated content investment in Channel 4's history, with £520 million (2022: £570 million).

Creating distinctive content

The best of Channel 4

The Piano was Channel 4's biggest new format launch in six years and the top new series of 2023, with an audience of 8.8 million viewers, while *Russell Brand: In Plain Sight: Dispatches* was the top new title of 2023, with 5.7 million viewers. *The Great British Bake Off* remained its top series of the year overall, with a huge 7.3 million viewers per episode.

↑ The Piano

↑ The Great British Bake Off

Transforming creative industries across the UK

Channel 4's 4 All the UK strategy ensures that it serves the whole country and Britain's thriving and world-leading independent production sector. And through its Leeds-based 4Skills initiative, Channel 4 is helping to promote economic growth and social mobility, breaking down barriers so more young people from all backgrounds can join the industry.

A resilient and robust model

Diversifying its revenue and building new strategic revenue streams is at the heart of Channel 4's new Fast Forward strategy and will enhance its long-term sustainability. With 2023 marked by extremely challenging trading conditions across the TV industry, and a major market correction affecting all commercial broadcasters, Channel 4 planned for 2023 to be a strategic investment year.

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Investing in the Nations and Regions

51% content spend from Nations and Regions

As a proportion of spend, 51% of Channel 4's expenditure on first-run originated programmes on the main channel was sourced from suppliers based in the Nations and Regions (2022: 52%), ahead of its 50% target.

Two-thirds content hours from Nations and Regions

67% of hours of first-run originated programmes on the main channel came from suppliers outside of London (2022: 66%) – an all-time high.

£193m investment in Nations and Regions

Channel 4 invested £193 million in content made in the Nations and Regions – the third-highest amount in its history (2022: £228 million).

Supporting the industry across the Nations and Regions

57,000+ opportunities

Through 4Skills, Channel 4 provided more than 57,000 training, development, and learning opportunities across the UK, more than double 2022's total of 28,000, and targeting young people and those from lower socioeconomic and diverse backgrounds.

↑ Channel 4 apprentices

↑ The Light in the Hall

Futureproofing the business

37% revenues are from diversified markets

Digital revenue accounted for 27% and non-advertising revenue represented 10%, to make up 37% of Channel 4's total revenue (2022: 33%).

+10% digital revenue growth

Digital revenue grew by 10% in 2023 to £280 million (2022: £255 million), ahead of the average for the BVOD market (+9% growth), as Channel 4 continued to scale diversified revenue streams.

Investing through a downturn

£1.02bn total revenue

Channel 4's total corporation revenue in 2023 was £1.02 billion, a decrease of 10% year-on-year, following extremely challenging trading conditions across the industry (2022: £1.14 billion).

£52m pre-tax deficit

Following record surpluses (2020: £74 million; 2021: £101 million; 2022: £20 million – pre exceptional items), 2023 was planned as a year of strategic investment for Channel 4, in order to continue to support the UK's creative industries through the deepest year-on-year TV ad market declines since the 2008 financial crisis. Channel 4 sought to preserve its investment in content and strategic initiatives to the fullest extent possible and this resulted in a significant pre-tax deficit of £52 million (2022: pre-tax surplus of £3 million).

↑ The Filly and Harry Show

↓ The Unique Boutique

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2023 programming highlights: New shows

↓ The Piano

The Piano

Channel 4's top new series of 2023 and its best-rating new format since 2017, reaching 8.8 million viewers

Everyone Else Burns

Channel 4's best-ever streaming comedy launch since *Derry Girls*

↓ Everyone Else Burns

↓ Banged Up: Stars Behind Bars

The Couple Next Door

Channel 4's biggest-ever drama launch on streaming

Top Guns: Inside the RAF

Channel 4's second biggest new 9pm series of the year by share

↓ Evacuation

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↓ Partygate

Partygate

Reached 3.5 million viewers, with 95% agreeing that "politicians should be held more accountable for what happened"

Late Night Lycett

Channel 4's biggest new 10pm format of the year for 16-34-year-olds

Tempting Fortune

Retained a high 93% of its audience across the series

Banged Up: Stars Behind Bars

Channel 4's most-watched new series of 2023 for 16-34-year-olds, reaching 5.6 million

Russell Brand: In Plain Sight: Dispatches

Channel 4's top new title of 2023 and the most-watched *Dispatches* on record, reaching 5.7 million viewers

↓ Late Night Lycett

↓ Russell Brand: In Plain Sight: Dispatches

Evacuation

One of Channel 4's most-streamed factual series of the year, reaching 2.2 million

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↓ Poor Things

2023 programming highlights: Award-winning content

OSCARS

Poor Things
The Zone of Interest

EE BAFTA FILM AWARDS

Earth Mama
The Zone of Interest

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Derry Girls

BAFTA TELEVISION AWARDS with P&O CRUISES

Channel 4 News
Children of the Taliban
Derry Girls
Friday Night Live
How to Be a Person
I Am Ruth
Joe Lycett vs Beckham

ROYAL TELEVISION SOCIETY

Beijing 2022 Paralympic Winter Games
Derry Girls
Friday Night Live
Gogglebox
I Am Ruth

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↑ Married at First Sight UK

Transforming Channel 4 into the world's first public service streamer

Channel 4 has reached a watershed moment in its history. We are now re-imagining what we know about being a public service broadcaster and transforming ourselves into the world's first public service streamer.

We launched Fast Forward in January 2024. It is an ambitious strategy to accelerate our transformation into an agile and genuinely digital-first public service streamer by 2030. Fast Forward will ensure Channel 4 embraces the generational shift in TV viewing, stands out in a crowded market, and elevates its impact across the UK.

It builds upon our success with Future4, launched in 2020 to shift our focus from traditional broadcasting to digital. We continued to make progress with Future4 in 2023, achieving 1.6 billion streaming views (2022: 1.4 billion); 27% digital advertising revenues (2022: 22%); and 10% non-advertising revenues (2022: 11%).

We are leading and outperforming the competition. Our digital revenues of 27% are significantly higher than other UK and international commercial broadcasters, which average 10%. We have a high and growing share of viewing from streaming: 15% of our total viewing, against around 11% for the other main UK commercial public service broadcasters.

We are now accelerating our plans to lead the industry into the digital age, responding to the way that viewers and advertisers behave. We are changing the way we are organised. We are changing what we prioritise.

Fast Forward will get Channel 4 into the right shape and place for the 2030s. It will enhance our core public service values, ensuring that we remain a trusted and relevant brand, with brilliant shows that matter and that people love.

Channel 4 remains fully committed to harnessing the power of its regional structure to increase its impact across the UK, boosting investment and job opportunities in the Nations and Regions. We will continue to champion Britain's world-leading independent TV and film production, nurturing the very best ideas from across the UK and supporting those who aspire to a career in the creative industries.

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To transform Channel 4 into a genuinely digital-first public service streamer, Fast Forward has three key strategic pillars:

1.

Digital growth and transformation

Fast Forward will see Channel 4 seize the opportunity to deliver important, distinctive, and disruptive British content to audiences across streaming and social.

This includes:

- Accelerating our move to a digital-first commissioning strategy with a significant shift in investment to types of programming that drive streaming growth and remit delivery
- Focusing on cut-through with fewer, stronger new titles to generate more scale and impact, and to underscore our commitment to being the home of new talent and ideas
- Changing how our commissioning team is organised to make it simpler for suppliers and more focused on content that drives streaming
- Doubling social views through 4Studio, our digital content and social powerhouse, and increasing the amount of content on YouTube
- Transforming Channel 4's streaming platform through outsourced technology that delivers a step-change in the user experience for viewers and advertisers
- Building new distribution partnerships to ensure more visibility of Channel 4 shows

2.

Diversified new businesses

Channel 4 will invest in growth businesses to rapidly scale diversified revenue streams. This will aid our long-term sustainability and increase our impact with viewers.

This includes:

- Exploring the potential of intellectual property ownership and any gradual, considered moves we may make
- Growing Channel 4+, our ad-free way to stream our content, to double the number of members by 2030
- Building a double-digit million e-commerce business by 2030 to allow viewers to interact and purchase products through our digital platforms
- Leveraging FAST channels to allow viewers access to more of their favourite content online

3.

Re-engineering the business for a digital-first world

To stay competitive and invest in digital priorities, Channel 4 will reduce its operational costs, particularly out of linear activities. This will simplify our operations to become leaner, nimbler, and more sustainable for the long term.

This includes:

- Streamlining Channel 4's operational costs as it transforms itself into a public service streamer
- Moving out of Channel 4's London base in the next few years. With 600 roles based outside of London by the end of 2025, less headcount in London overall, and a shift to flexible working, we will find a new fit-for-purpose office space in central London
- Proposing to close small linear channels that no longer deliver revenues or public value at scale, including the Box channels in 2024, and others at the right time

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Ian Katz

As viewer habits evolve, our aim is to remain a vibrant, distinctive, and entertaining voice in British life – delivering our remit to innovate, represent the whole country, and challenge conventional thinking. The key for us to succeed in a crowded and increasingly internationalised content landscape is to maintain our distinctiveness – our Britishness, our sense of purpose, and our irreverent approach.

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This means shows like 2023's uncompromising docudrama *Partygate*, or the scandalous and heart-warming *Big Boys*, which returned in 2024 for a hugely acclaimed second series that captured British youth culture in a way no other show has, or Ben Wheatley's darkly funny and subversive generational zombie thriller *Generation Z*.

We are also committed to maintaining scale; we don't want virtuous but tiny shows. We will make some programmes just because we believe they will be popular and deliver scale, but the bullseye we are aiming for is purposeful content with mass appeal. Shows such as *The Jury: Murder Trial*, our biggest unscripted launch since *Benefits Street* – which not only attracted large audiences but also engaged them in meaningful debate about the merits of the jury system.

We remain committed to championing the new – both fresh ideas and talent – and 60% of our titles will continue to be new. But we also understand the appeal of the familiar, so we will nurture our beloved brands and create new ones around them.

With more content competing for viewers' attention, we need bolder propositions of scale that are supported by more marketing, to achieve cut-through. To deliver those, we will launch fewer but better resourced and supported titles.

Representing unheard voices

Channel 4 stands for giving a voice to the under-represented. Perhaps the most perfect embodiment of this has been the channel's commitment to the Paralympic Games, which return to our screens this summer with a 10-day festival of sporting excellence and remarkable stories.

This year's Paralympic Games coverage will be more comprehensive than ever, with every sport available to watch live on one of our services, while a host of new talent – including Ellie Simmonds, Lenny Rush, and George Robinson – will join our presenting team and bring unique perspectives that will enrich our coverage and the viewer experience.

The Last Leg team will be in Paris to offer a comedic counterpoint to the drama in the city's sporting arenas. In the run-up to the Paralympic Games, we have foregrounded disabled representation in a number of shows including streaming-friendly reality series *New Model Agency*, a moving documentary about *The Incredibly Talented Lucy* (last year's winner of our standout new format *The Piano*), and a genre-bending original single from Joe Tracini about living with Borderline Personality Disorder. Also to come is *Sophie Makes Space* – commissioned as part of our Disability Disruption brief – which will call to account airlines for their treatment of wheelchair users.

Our slate also contains a slew of shows that represent those from ethnically diverse backgrounds. Nida Manzoor's award-winning *We Are Lady Parts* – centred around a female Muslim punk band – returns for an even more outrageous second series. We also launch an eight-part adaptation of Candice Carty-Williams's bestselling novel *Queenie* – a story centred around a 25 year-old Jamaican British woman straddling two cultures and slotting neatly into neither.

In the factual space, we have already seen critically acclaimed landmark documentary series *Defiance: Fighting the Far Right* examine how the British Asian community was targeted with a campaign of violence and murder between 1976 and 1981. And Ade Adepitan explored one of the most extreme communities on the planet in his thought-provoking single *Whites Only: Ade's Extremist Adventure*.

Last, but certainly not least, we continue to make strides with regional representation. The return of *Late Night Lycett* – aired weekly from Birmingham – brought joyous anarchy to Friday nights once more, whilst *Miners' Strike 1984: The Battle for Britain* sensitively told the stories of those caught up in the bitter dispute in Derbyshire and Yorkshire.

In scripted, we saw major thriller *The Gathering* foreground the experience of working class teenagers in Liverpool. This year, we debuted heartwarming new lifestyle series *Our Welsh Chapel Dream* and soon we'll see Welsh drama *Stillwater* hit our screens. And of course, returning hits like *Gogglebox* and *The Piano* continue to take viewers to all corners of the United Kingdom.

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Late Night Lycett

Who Shot Sasha Johnson?: UNTOLD

Gogglebox

Challenge with purpose

As our *Dispatches* investigation *Russell Brand: In Plain Sight* demonstrated last year, we are at our best when we ask the questions that others won't and drive the national conversation with bold, uncompromising journalism.

Our investigative journalism had a remarkable year in 2023, consistently delivering the most powerful, intelligent, and sensitive reporting of the Israel-Gaza conflict. We provided exceptional coverage of UK news, including a brilliant exposé on the culture of misogyny and racism in West Midlands Police, as well as matchless reporting of a turbulent year in British politics. *Channel 4 News* will continue to lead investigations and hold power to account through its daily hour-long news, co-hosted from Leeds. In February, it was named Network Daily News Programme of the Year at the RTS Journalism Awards, a significant accolade in an environment where many of our competitors have much bigger news organisations at their disposal.

Outside of news, we have commissioned a slate of films looking at the Israel-Gaza conflict from all perspectives. This slate of major films, from some of the finest documentary makers in the world, will for the first time offer a 360-degree view of the tragedy, from the desperate reality of life for ordinary Palestinians in shattered Gaza, to the terrifying day of carnage in October 2023 that triggered the latest chapter of the conflict. These films underscore Channel 4's deep commitment to finding new ways to take our viewers to the heart of the world's most complex and contested stories.

UNTOLD, our streaming-first Current Affairs series for young people, will return. Series 4 continues with a raft of youth-focused journalism taking us from the illicit world of dog fighting, to confronting the sellers of dangerous diet drugs, and an investigation into the true cost of love found in reality TV.

Already this year we have released a raft of premium factual boxsets that made real impact and prompted vigorous debate. *To Catch a Copper* provided an unvarnished – and often shocking – insight into those who police the police. *The Push: Murder on the Cliff* was praised in the Scottish Parliament for giving the public a greater understanding of the criminal justice system, while attracting huge audiences to our streaming platform. *The Rise and Fall of Boris Johnson* offered an insightful and sensitive survey of one of the most controversial and compelling figures in modern British history. We hope to see further success later this year with documentaries on subjects including Donald Trump and a yet-to-be-announced series focusing on grooming.

Reinvent entertainment

Our 2024 slate will be as fresh, engaging, and innovative as ever.

With *Married at First Sight* continuing to go from strength to strength, we launched two new companion reality shows in the highly original *The Underdog: Josh Must Win* and bingeable *Love Triangle*.

Following on from last year's success of multiple-award winning music series *The Piano*, we found another hit format in *The Jury: Murder Trial*. Later this year, we'll see two more new series. *Jungle Dads* sees world-famous explorer Ed Stafford set up an extreme survival school that puts struggling modern dads and their children through some of the toughest outdoor challenges on the planet. Meanwhile, *The Fear Fixers* (commissioned through our Global Format Fund) offers contributors the chance to overcome their greatest phobias through extreme exposure therapy. Finally, we're expanding the *Taskmaster* universe with *Junior Taskmaster*, a hugely joyous spin-off of the hit comedy format.

And as we continue to serve our viewers the content they want on the platforms they want to view it, we will continue to develop our output for social platforms. Channel 4.0 – which won Entertainment Channel of the Year at the Broadcast Digital Awards last year after just eight months of existence – will feature new formats from some of the biggest content creators in the UK including Nella Rose, GK Barry, and Harry Pinero. One standout highlight is *Boss Pitches*, which sees business owners pitch their products to Barry and Rose in the hopes they get a social endorsement.

From *Late Night Lycett* to *Munya Chawawa in North Korea*, from *Big Boys* to *Big Mood*, from *The Jury* to *Josh Must Win*, Channel 4's 2024 slate will be mischievous, original, purposeful, and entertaining.

"With more content competing for viewers' attention, we need bolder propositions of scale that are supported by more marketing, to achieve cut through. To deliver those, we will launch fewer but better resourced and supported titles."

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↓ Partygate

Statement of Media Content Policy 2023

↑ Married at First Sight UK

This Statement of Media Content Policy ('SMCP') demonstrates Channel 4's successful remit delivery in 2023. Through key metrics and case studies across five chapters, it showcases the impact that our shows and initiatives had on viewers.

Pushing boundaries: page 30

Representing the UK: page 42

Engaging young viewers: page 56

Partnering with the creative industries: page 70

Tackling the climate emergency: page 90

↓ Mog's Christmas

↓ Gogglebox

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↓Taskmaster

↓The Great British Bake Off

In 2023, we launched successful new shows in almost every genre, with a number of stand-out new hits – and now returners – including *The Piano*, *Late Night Lycett*, *Top Guns: Inside the RAF*, *The Couple Next Door,* and *Everyone Else Burns*.

Big existing shows such as *Gogglebox*, *The Great British Bake Off*, *Married at First Sight,* and *Taskmaster* continued to captivate audiences nationwide – with *Bake Off* becoming our best-ever series on streaming and *Taskmaster* recording its best-ever series on streaming and linear.

Alongside *Channel 4 News*, we stimulated debate through impactful programmes that tackled tough subjects and dealt with important public interest issues, such as *Russell Brand: In Plain Sight: Dispatches*, which sparked a national debate; *Partygate*, a hard-hitting piece of accountability television that reached wide audiences; or the landmark documentary *Evacuation*.

And our film division, Film4, had an incredible year, reflecting distinctive, diverse, and innovative British and international filmmaking talent through international hits including Yorgos Lanthimos's *Poor Things*, Molly Manning Walker's debut *How to Have Sex*, Jonathan Glazer's *The Zone of Interest,* or Savannah Leaf's debut *Earth Mama*.

In an increasingly international crowded landscape, Channel 4's impactful British content stands out and appeals to viewers. Purpose and impact are our advantage and differentiation. We provide a vibrant, distinctive, and entertaining voice, representing the entire country and challenging conventional thinking at scale.

With its unique public service mission and commercial approach, Channel 4 drives a distinctive digital-first brand with significant cultural and economic impact in the UK. Our core purpose is to create change – it's why we exist, and it sets us apart within the UK's public service media landscape.

However, the macroeconomic downturn meant that 2023 was a challenging year for the TV industry. It was a tough environment for Britain's independent production sector and for freelancers across the country. Yet, despite these challenges, the resilience and creativity of the industry shone through, as it continued to produce remarkable content that captivated, entertained, and provoked thought among viewers across the UK.

↓The Great Pottery Throw Down

↓Top Guns: Inside the RAF

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Pushing boundaries

Channel 4 challenges with purpose

Channel 4 is committed, as a central part of our remit, to engage mass audiences and challenge them to think differently. At their most impactful, Channel 4's shows expose the truth and act as a powerful catalyst for change. Through a range of programmes only Channel 4 would make, we're unafraid to take risks and tell the full story.

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↓ Banged Up: Stars Behind Bars

This is evident in our award-winning news and current affairs coverage, which continues to innovate and grow audiences online, and our challenging documentaries and specialist factual programmes. The feature-length *Russell Brand: In Plain Sight: Dispatches* highlighted uncomfortable truths, its revelations leading to widespread coverage across the media, while the Kabul-set military thriller *Evacuation* told a complex international story with a depth rarely seen on mainstream TV channels.

It can also be seen in the distinctive merging of factual stories with other genres, which finds new ways to tell real-life stories and highlight important social issues. Searing docudrama *Partygate* vividly brought to life the findings of Sue Gray's report into the rule-breaking parties in 10 Downing Street during the Covid-19 pandemic to powerful and satirical effect, while the innovative constructed documentary format *Banged Up: Stars Behind Bars* showed what life is like in the prison system today.

24-point lead

Channel 4's lead over the average score of its competitor brands (other PSMs and streamers) when viewers were asked to what extent they associate each one with "pushing boundaries"

50%

Proportion of Channel 4 viewers who say its programming has inspired them to think differently or try something new. This strong performance across a range of genres is testament to Channel 4's ability to inspire change across its programming

1.2 billion

Number of views of *Channel 4 News* content globally, +57% year-on-year

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Channel 4 News

Distinct and original journalism

After winning a BAFTA in 2023 for its Ukraine war reporting, *Channel 4 News* continued its proud record of outstanding foreign coverage. With rare access in Myanmar, Sudan, and the Darién Gap, the programme brought unparalleled insight and eyewitness journalism to underreported world conflicts and humanitarian crises.

Audiences flocked to its reporting from the Middle East in their droves following Hamas' attack on Israel on 7 October 2023 and the subsequent Israel-Gaza conflict, with over 100 million global views on all platforms from 180 countries, and *Channel 4 News'* weekly share also peaked in early October with an average of 632,000 viewers on linear, making it the programme's biggest news story of the year.

After winning a BAFTA in 2023 for its Ukraine war reporting, *Channel 4 News* continued its proud record of outstanding foreign coverage.

At home, a run of major exclusives placed *Channel 4 News* at the heart of some of the biggest stories of the day, from the crisis in policing to UK immigration. Engaging live programming and diverse reporting talent inspired debate about the way we live our lives.

Expanding our digital services

With 12.6 million social followers across all channels, *Channel 4 News* has established its position as one of the UK's leading digital-first news sources, particularly for young viewers – the largest segment of our audience.

In 2023, we expanded our platform-agnostic approach to make our content available wherever people are online. This has driven huge global viewership, generating a total of 1.2 billion content views in 2023, a significant growth of 57% year-on-year.

Channel 4 News brought its fact-checked, quality news content to audiences across all the major social platforms, with content designed for each platform. TikTok was a particular area of focus, as we sought to bring more young-skewing audiences to our output. There were 474 million views of *Channel 4 News* content on the platform in 2023, more than five times the corresponding 2022 figure. TikTok had the largest increase of the main social platforms in the number of views of *Channel 4 News* content, up by 381 million year-on-year. As of December 2023, 61% of our audience on TikTok was under 35, and the number of followers grew almost threefold during the year to over 950,000.

YouTube remains the largest digital platform for total time spent watching *Channel 4 News* content worldwide (amongst those platforms for which watch time data is available). 43% of our audience on YouTube is aged under 35. Viewing totalled almost 1.4 billion minutes this year on the platform, while views grew by 25% to 394 million.

↓ Channel 4 News: Israel-Gaza Special

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↓ Matt Frei, Jackie Long, Krishnan Guru-Murthy, Cathy Newman

↓ Channel 4 News: Ukraine coverage

A destination for news

Channel 4 News' daily hour-long news programme, awarded Network Daily News Programme of the Year at the RTS Television Journalism Awards 2024, is transmitted in peak-time on the main public service media ('PSM') channels throughout the year, with an extended running time that enables stories to be covered in more depth and from different angles. It is also proportionally the youngest profiling news of the UK mainstream channels.

In 2023, the weekday evening programme was watched by an average of 517,000 viewers on linear. While this represents a 14% decline in viewing year-on-year, this is in line with a general trend of falling viewing to news programmes on the main PSM channels this year. These declines reflect the fact that 2022 was a particularly eventful year on the domestic and international fronts, with the Ukraine-Russia conflict dominating headlines for many months, alongside a volatile UK domestic political scene – with three Prime Ministers – and the death of Her Majesty the Queen. By contrast, most of 2023 was quieter overall in terms of major news events, up until the Israel-Gaza conflict erupted in October.

As a result, the BBC, ITV, and Channel 4 all experienced declines in their average levels of viewing to their evening news and current affairs bulletins in 2023. These year-on-year declines varied from 9% (for the *ITV Evening News*) up to 20% (for BBC Two's *Newsnight*), with the fall in viewing to *Channel 4 News* lying roughly at the mid-point of this range.

Notwithstanding the lower viewing levels, audiences continued to value high-quality TV news.

In the Reuters Institute's 2023 Digital News Report, 59% of UK adults who are aware of *Channel 4 News* said that they trust it, making it the second-most-trusted news brand in the UK (up from the third-most-trusted in 2022), behind only BBC News (with 61%).

Leeds: A digital-first newsroom

2023 saw the launch of *Channel 4 News'* new purpose-built studio in Leeds, as the programme became the first primetime television output to be dual-presented from two locations.

The first year alone has delivered significant editorial and digital success: the growth of a digital-first newsroom with the expansion of our data team; data-led investigations visualised through a state-of-the-art news wall; and bespoke digital content produced in Leeds.

Significant appointments in Leeds drove a run of award-winning exclusives, putting journalism from outside London at the centre of the programme. Communities Editor Darshna Soni broke stories on policing and migration, while a number of prominent investigations from the FactCheck unit were anchored from Leeds, fronted by a new data correspondent. Elsewhere, innovative live programming saw Leeds trial its first debate into the crisis in UK housing with a live studio audience.

This new base has demonstrated our role in supporting and evolving the local cultural economy in the North of England, and it remains a pillar of Channel 4's 4 All the UK strategy. This investment in regional production will only develop further as we make this newsroom a centrepiece of election coverage and debate, and add new newsroom appointments.

Top award

Network Daily News Programme of the Year award for *Channel 4 News* at the RTS Television Journalism Awards

Trusted brand

Channel 4 News was the second-most-trusted of 15 news brands in the UK, according to the Reuters Institute's 2023 Digital News Report

12.6 million

social followers across all channels

1.2 billion

content views in 2023 (57% year-on-year growth)

474 million

views of *Channel 4 News* content on TikTok in 2023

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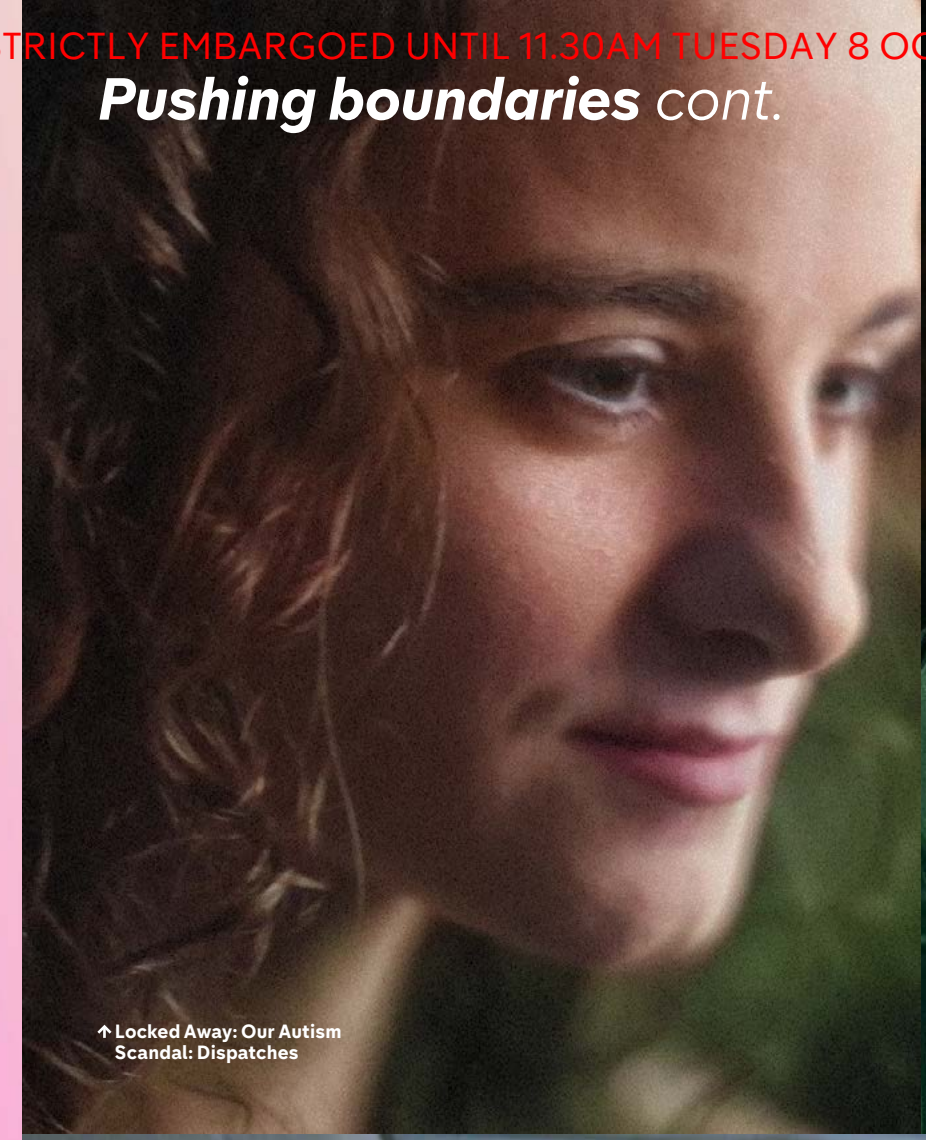
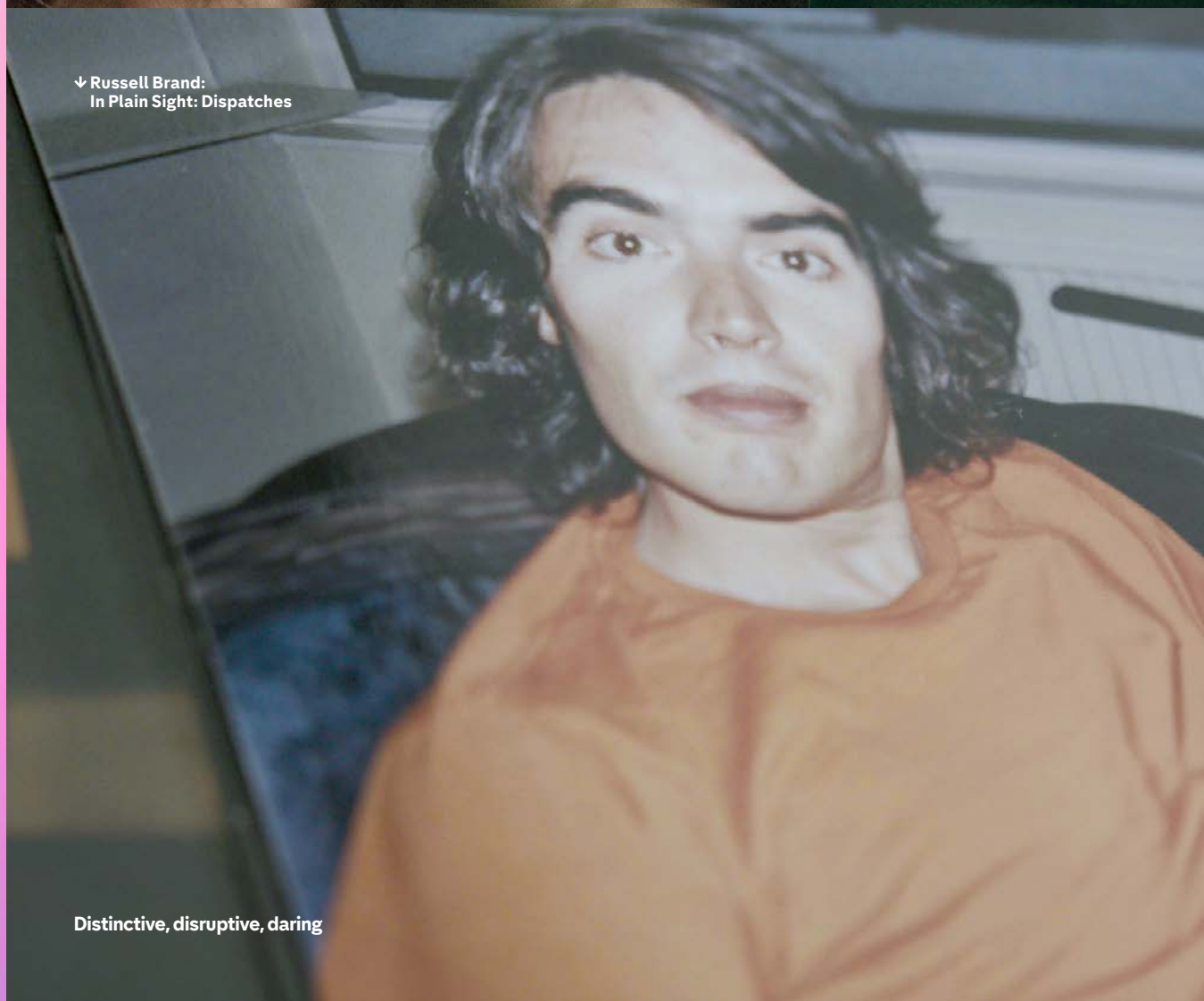


↑ Locked Away: Our Autism Scandal: Dispatches

↑ Undercover Ambulance: NHS Chaos: Dispatches



↓ Russell Brand: In Plain Sight: Dispatches

Distinctive, disruptive, daring

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Dispatches and *Unreported World*

Channel 4's award-winning current affairs series, *Dispatches*, tackles hard-hitting subjects that are investigative, agenda-setting, and seek to hold power to account. In 2023, across 12 episodes, standalone investigations explored important topics which often drove national conversations, ranging from the allegations against comedian Russell Brand (see opposite) to food prices and the state of the healthcare system.

Sri Lanka's Easter Bombings revealed shocking new evidence on Sri Lanka's deadly Easter bombings in 2019, while *Secrets* and *Power: China in the UK* investigated Chinese state interference with UK institutions and repression of dissidents on UK soil. With a focus on the health care system, *Locked Away: Our Autism Scandal* investigated why thousands of autistic people are being locked up in hospitals, and *Undercover Ambulance: NHS Chaos* used secret footage filmed by an ambulance crew worker to show how patients' health could be affected by the crisis facing the NHS.

With a dedicated YouTube channel that counts a global audience of over 1.4 million subscribers, *Unreported World's* pioneering journalism saw it pick up a prestigious Foreign Press Association award for the documentary film *Gaza: Daring to Dream*.

Unreported World, our critically acclaimed international affairs strand, continues to bring bold and distinctive storytelling to British and global audiences. This year, Channel 4 reporters met Taiwanese civilians preparing for Chinese invasion, while another episode explored how Sweden has become a deadly hot spot for drug-war gun crime. In the most viewed episode of 2023, *Kenya's Christian Death Cult,* Symeon Brown investigated how a cult preacher in Kenya may have led hundreds of people to their deaths.

With a dedicated YouTube channel that counts a global audience of over 1.4 million subscribers, *Unreported World's* pioneering journalism saw it pick up a prestigious Foreign Press Association award for the documentary film *Gaza: Daring to Dream.*

Russell Brand: In Plain Sight: Dispatches

The agenda-setting 90-minute *Russell Brand: In Plain Sight* was an extended *Dispatches* special outlining shocking allegations, including rape and sexual assault, by a number of women against the TV presenter and comedian over an extended period between 2006 and 2013. This was a time when Brand's career was on the rise, with appearances on various TV channels (including Channel 4) and in films, in which his bragging about his sexual encounters formed a defining part of his on-screen persona.

The issues raised had a big impact on viewers, with more than 50% of those surveyed describing it as "informative", "disturbing", and "troubling". 74% of viewers agreed the documentary "is an important piece of public service programming". And a substantial 52% of viewers claimed that "I have talked/ been motivated to talk to others specifically about the issues raised in the programme".

The programme was the top new title of 2023 on Channel 4 reaching 5.7 million across linear and streaming overall. It became the most-watched episode of *Dispatches* on record, attracting a 54% viewing share of 16-34-year-olds on linear, and also performed very well online, becoming Channel 4's third-most-streamed single episode (of any show) to date and the most streamed of 2023 overall.

Critics praised Channel 4 for airing the show. "This Russell Brand investigation was a stark reminder of the power of TV", wrote The Telegraph, adding that it "showed how individuals can feel powerless against the rich and famous".

Since the documentary aired, the BBC and Channel 4 have launched their own internal inquiries and the Metropolitan Police began investigating Brand in relation to alleged sexual offences.

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Pushing boundaries *cont.*

Evacuation

Landmark documentary *Evacuation* told the inside story of the perilous campaign to evacuate Kabul in 2021, in which some 15,000 British nationals and eligible Afghans were airlifted out of the country in a matter of days.

The three-part series recounted these events through first-hand interviews with soldiers, pilots, and medics, who spoke with admirable candour and honesty. The programme was successful in pushing the boundaries of traditional storytelling, with viewers describing *Evacuation* as "informative", "honest", and "emotional" to watch.

At times uncomfortable viewing, due to some harrowing testimonies and images portrayed, an overwhelming proportion of viewers recognised the value of telling this story. A substantial 92% of viewers surveyed agreed that "it was important that Channel 4 showed the true reality of the evacuation from Afghanistan", and 88% agreed that "the programme revealed the reality of events in a frank and honest way". The series also changed perceptions of the military, with 69% saying that "the programme opened my eyes to the different and difficult challenges the army/military face that I wasn't fully aware of".

Partygate

Karaoke, suitcases of wine, ambush by cake... one of the most talked about political stories of recent times, *Partygate* was a searing factual drama detailing the events that took place inside 10 Downing Street during the periods in 2020-2021, when the Prime Minister imposed lockdowns across the UK to control the Covid-19 pandemic.

Based on meticulous research and the findings of the Government-commissioned Sue Gray report, this one-off film interweaved real-world footage with dramatised scenes set inside Number 10, including the now-infamous drunken parties and karaoke sessions.

Partygate struck a nerve with audiences, reaching 3.5 million people across streaming and linear, and was one of Channel 4's top 20 most streamed single episodes of 2023.

A huge 91% of viewers surveyed said that they were "glad Channel 4 aired *Partygate* to help inform viewers of the events that took place", and 95% of viewers agreed that "politicians should be held more accountable for what happened".

The drama was highly praised by critics. "The details may have faded from the mind," wrote The Independent, "but Channel 4's enthralling, emotionally draining *Partygate* is here to remind you of them in highly graphic form." The Guardian described it as "a giant, exploding grenade of a TV show".

↓ **Evacuation**

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↓ Partygate

↓ Banged Up: Stars Behind Bars

Banged Up: Stars Behind Bars

Banged Up: Stars Behind Bars, a four-part constructed documentary series, saw a group of well-known names spend a week behind bars in the decommissioned HMP Shrewsbury, sharing a cell with former inmates who were instructed to behave as they would have done while serving their sentences.

The social experiment aimed to show – in the most authentic way possible – what life is really like behind bars. "For the first time, we have rigged a prison to find out what really happens in the cells after bang up. This series aims to enthral and entertain, whilst kickstarting a national debate about crime and punishment," said Tim Whitwell, Shine TV's Creative Director.

Run by a former prison governor and former prison officers, the inmates – including Cabinet Minister Johnny Mercer, singer HRVY, former MP Neil Parish, and Eastenders actor Sid Owen – lived by current UK prison rules. They had the opportunity to interrogate their cellmates on their prison experiences and former crimes, as well as examine the impact of the system on them for better or worse.

Banged Up was our most-watched new series this year for 16-34-year-olds, performing 15% above the slot average for this demographic. Across all audiences, the series reached 5.6 million on streaming and linear. It performed particularly well online, ranking within Channel 4's top ten most streamed shows of 2023.

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Pushing boundaries *cont.*

SMCP metrics dashboard

Brand reputations: Pushing boundaries

51%‡

Proportion of respondents that believe that Channel 4 "pushes boundaries"

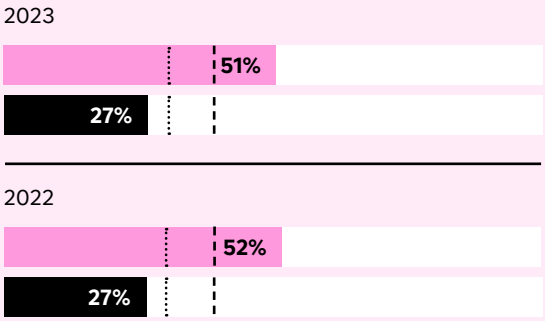
Channel 4 is the highest-scoring brand when audiences are asked to what extent they associate each one with "pushing boundaries". In 2023, 51% of respondents agreed that Channel 4 performed strongly* on this measure, giving it a strong lead over the other brands surveyed, whose scores ranged from 17% (Disney+) up to 40% (Netflix). Channel 4 had a substantial lead of 24 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%, giving Channel 4 a lead over them of 23 percentage points.

Channel 4's score exceeded that of the next-highest-scoring brand (Netflix) by 11 percentage points, while its lead over the next-highest-scoring PSM (the BBC, with 31%) was a substantial 20 percentage points.

There was very little variation year-on-year. Compared to the results for 2022, the proportion of respondents who agreed that Channel 4 performs strongly on this measure fell by 1 percentage point (2022: 52%). With second-placed Netflix's score also falling by 1 percentage point (from 41% in 2022), Channel 4's lead over the next-highest-scoring brand held steady. The average score for the other services was the same in both years (27%), meaning that Channel 4's lead over the average score of the other brands fell by 1 percentage point.

** 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.

Strength of association of each brand with "pushing boundaries"



Channel 4
Average for other brands
Next-highest score
Next-highest PSM

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Inspiring viewers to think differently

50%‡

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

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 our most engaging – to actually try new or different things. These different ways of inspiring change are captured in three statements, responses which allow us to assess how inspiring Channel 4's programmes are each year.

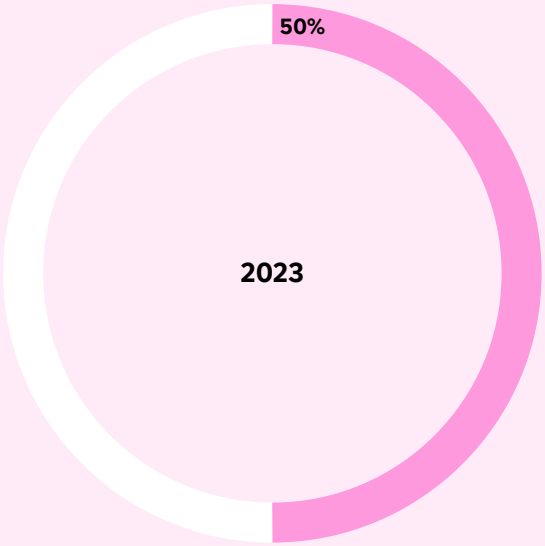
Across the 79 most-viewed first-run programmes on the main channel in 2023 (in all genres other than films and sports), 50% of viewers said that Channel 4's programming inspired them in one or more ways this year. This figure, which is the same as in 2022, is impressive given that the programmes span a broad range of genres.

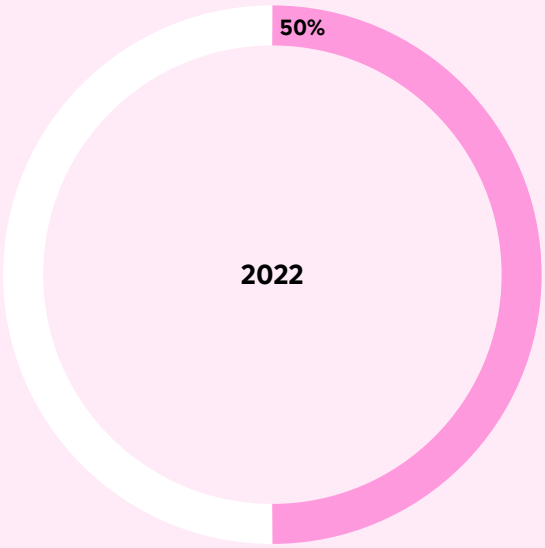
Broadly speaking, Documentaries have a higher tendency to include thought-provoking subject matter, and programmes in this genre accounted for five of the ten highest-scoring individual titles. But it is striking that the three highest-scoring individual titles, all with scores of 65% or over, were in three different genres: *Jamie's £1 Wonders* (68% of viewers – Hobbies and Leisure), *Know Your S**t: Inside Our Guts* (67% of viewers – Documentaries) and *The Great Climate Fight* (65% of viewers – Current Affairs).

These strong performances across a range of genres are testament to Channel 4's ability to inspire change across its schedules. Notable performances in other genres this year included *Banged Up: Stars Behind Bars* (62% of viewers – Entertainment) and *Partygate* (57% of viewers – Drama).

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

Proportion of viewers who say programmes on Channel 4's main channel inspired them in one or more ways





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Reporting the news accurately and fairly

87%‡

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

The impartial and authoritative news services provided by the mainstream broadcasters provide a vital counterweight to the unreliable sources that populate people's news feeds on social media platforms. The PSMs and Sky all perform strongly on this trust metric.

In 2023, 87% of *Channel 4 News* viewers agreed that they trust it to report the news accurately and fairly. This trust score was the second-highest of the news programmes on the PSMs and Sky, just ahead of the BBC (on 86%) but 2 percentage points behind Sky News (on 89%). With ITV and Channel 5 both achieving scores of 85%, Channel 4's score was 1 percentage point above the average of the other PSMs and Sky (which was 86%).

Year-on-year variations were small, with Channel 4 ranked by viewers as the second-most-trusted broadcaster for news in both years. Channel 4's trust score fell by 1 percentage point in 2023 (2022: 88%), returning to its 2021 level. The other broadcasters' average score held steady (2022: 86%), meaning that Channel 4's lead over the average score of the other channels fell by 1 percentage point year-on-year (from 2 percentage points in 2022 to 1 percentage point in 2023).

Channel 4's strong performance on this metric is consistent with the findings in the Reuters Institute's 2023 Digital News Report, in which Channel 4 News was the second-most-trusted of 15 news brands in the UK, as we reported on page 33.

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

Strength of association of each brand with "reporting the news accurately and fairly"

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Innovation in content

35%

Proportion of new Channel 4 content that includes one or more elements of innovation

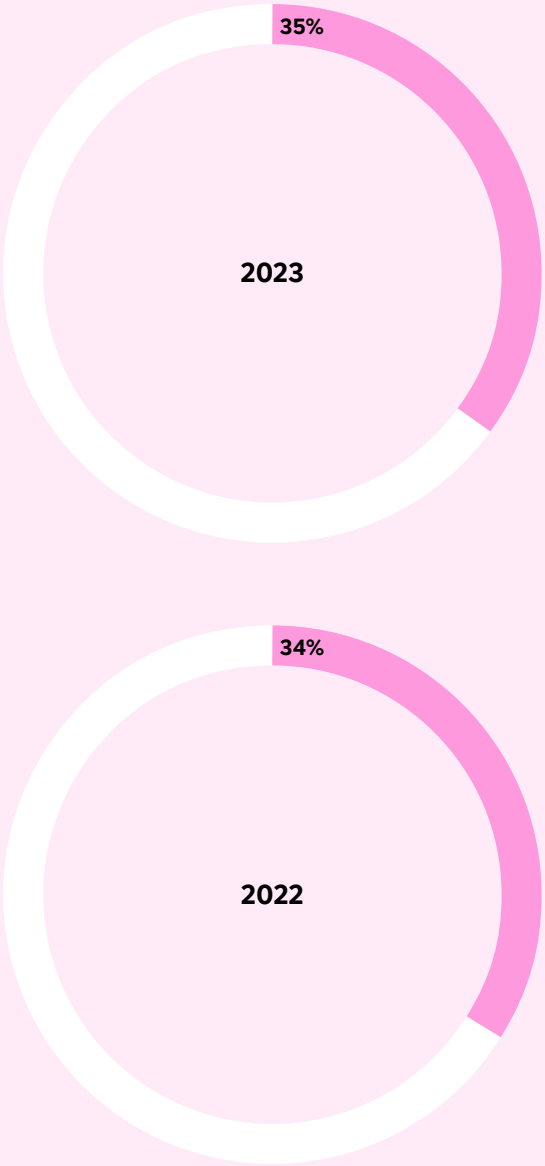
Channel 4's remit encourages the organisation to be innovative, and we innovate in our programming in a number of ways. Our content pushes the boundaries of storytelling, for example, with new formats, new or surprising talent, or new filmmaking approaches. We also innovate in terms of subject matter, dealing with content not typically featured on TV. And we seek technological and scheduling innovations.

In 2023, 35% of the new programmes across our TV channels and online services included at least one of these elements of innovation (64 out of a total of 181 new titles). This figure, which is 1 percentage point above the 2022 level (of 34%), is impressive given the competitive pressures that 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 53% of Channel 4's innovative programmes – was for new or substantially redeveloped formats. Two other types of innovation were present in more than one-quarter of the innovative programmes: topics not typically featured on TV (30% of the total) and new or surprising talent (28%).

15 of this year's new titles exhibited more than one kind of innovation, with three programmes exhibiting as many as three different kinds of innovation: *Chris Packham: Is It Time to Break the Law?* and *The Unique Boutique* (both on Channel 4), and *Sam Thompson: Is This ADHD?* (on E4). Across our services, E4 was the most innovative in terms of the proportion of new titles containing an innovative element: there was innovation in 67% of its new titles in 2023 (six out of nine programmes).

Proportion of new Channel 4 content that is innovative



STRICTLY EMBARGOED UNTIL 11.30AM TUESDAY 8 OCTOBER 2024

Representing the UK

Channel 4 reflects authentic modern Britain

As a mainstream public service broadcaster, Channel 4 is committed to representing the whole of the UK. With diversity at the heart of our remit, it's in our DNA.

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↓ Amputating Alice

Across our output, we seek to show people from all walks of life and to ensure that their portrayal is authentic. This can be seen in a range of provocative and often unflinching shows that challenge stereotypes, such as authored documentary *Rosie Jones: Am I a R*tard?*, or that highlight important issues facing people living in Britain today, such as *Davina McCall's Pill Revolution* – two programmes that went on to spark national conversations. It is also apparent in the heart-warming real life stories told in *The Piano* and in the unique Welsh-set drama *The Light in the Hall*, which was filmed in dual versions in both English and Welsh.

Diverse portrayal on-screen requires diverse representation amongst the programme makers off-screen, and Channel 4's Creative Equity team runs a slew of initiatives to improve diversity behind the camera, directed at under-represented groups in key roles.

22-point lead

Channel 4's lead over the average score of its competitor brands (other PSMs and streamers) when viewers were asked to what extent they associate each one with "showing different kinds of cultures and opinions in the UK"

13%

Proportion of Channel 4 suppliers that are ethnically diverse, on par with 2022, and helping to bring the perspectives of under-represented voices to UK audiences

78%

Proportion of viewers of *The Piano* who agreed that it "felt like a real celebration of diversity up and down the UK"

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Representing the UK *cont.*

"Rosie Jones exposes abuse on social media... a powerful polemic."

The Sunday Times

↓ **Rosie Jones: Am I a R*tard?**

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↓ The Change

↓ Is Cricket Racist?

Representing diverse voices

Channel 4 has a long and proud history of inclusion and diversity. Ensuring that diverse voices are portrayed on screen, and in an authentic manner, is a key part of how we fulfil our public service remit. This includes representations of different types of lived experience, such as those defined by disability or gender, sexuality or ethnicity, or diversity of thought.

Illustrating the breadth of subject matter covered by Channel 4 this year, *Wonders of the World I Can't See* was a heartfelt and humorous travelogue with blind comedian Chris McCausland; Bridget Christie's sharp comedy drama *The Change* examined experiences of menopause; *George Michael: Outed* recounted the story of how a potentially career-crushing event became a defining moment for gay liberation; *Is Cricket Racist?* saw Adil Ray travel across England to explore the widespread issue of racism within cricket; and *Gender Wars* presented views from various sides of the debate about sex and gender.

Davina McCall's Pill Revolution investigated how much we really know about the contraceptive pill, asking if women are being given the care they need. In a survey conducted by Channel 4, a substantial 77% of respondents reported that they experienced side effects on the pill. Following transmission, 78% of viewers agreed that they felt "better informed about birth control options as a result of watching the programme" and 85% thought that the programme "should be discussed in schools/as part of the sex education curriculum".

In an unflinching and highly personal documentary, *Rosie Jones: Am I a R*tard?,* the comedian explored how prevalent disability trolling is in the UK. Viewers described it as "honest", "eye-opening", and "emotional", with 80% of those surveyed agreeing that the "programme discussed ableism and ableist abuse in a way I've not seen before on TV".

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The Piano: Celebrating ordinary people with extraordinary talents

One of the most heartwarming programmes of the year across British TV, *The Piano* was a successful new reality format based on a simple premise. The series, hosted by Claudia Winkleman, set out to find some of the best amateur piano enthusiasts from across the UK, inviting them to play street piano at one of the main train stations without knowing their performances were being judged. Each week, internationally renowned pianist Lang Lang and popstar Mika chose a winner who would be invited to perform at the Royal Festival Hall.

One of the TV moments of the year was the incredible scene when Lucy, who is blind and neurodiverse, played a complex Chopin piece and stole the nation's hearts.

The diversity of the performers, and their back stories, added immeasurably to the joy of the series. Setting each episode in a station in a different city (London, Glasgow, Birmingham, and Leeds) ensured regional diversity. On top of that, Channel 4 – building on its long history of giving a platform to the under-represented – drew from a diverse group of surprising talents of all ages, from children to a 94-year-old widower, from an ex-raver to a schoolboy receiving Zoom lessons from Kyiv, to share their stories and music with the great British public.

One of the TV moments of the year was the incredible scene when Lucy, who is blind and neurodiverse, played a complex Chopin piece and stole the nation's hearts. Mika said, "Magical things happen with music that are against all odds and all limitations. When it happened in Leeds, when Lucy performed, it was jaw-dropping."

Over the course of its journey to the Royal Festival Hall, the series created a joyful and moving portrait of Britain, with 78% of viewers agreeing that *The Piano* "felt like a real celebration of diversity up and down the UK".

The Piano was Channel 4's best-rating new format since 2017, reaching an audience of 8.8 million viewers across the series on streaming and linear (10.1 million when including the Christmas special) and an additional 11.6 million views on social media. Viewers across the country heralded the uniqueness of the series and said it offered up a fresh perspective on music talent shows, with 88% of viewers agreeing that "it was different to other music/talent shows I've watched in the past".

84% of viewers felt "the show brought a classical instrument/classical music to audiences in an accessible way", and the series made a difference in many people's lives, with almost one in four saying that they were inspired "to want to learn to play (or revisit) the piano/another instrument". The Guardian wrote: "The chance to share ordinary people's extraordinary gifts is a fine prize."

↓ The Piano

Distinctive, disruptive, daring

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Representing the UK *cont.*

↑ The Light in the Hall

"This production is providing invaluable paid trainee opportunities to future-proof our industry, stimulate investment into the local economy, and will showcase Welsh talent, language, and culture across the UK and internationally."

Dawn Bowden, Deputy Minister for Arts and Sport, Welsh Government

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The Light in the Hall/Y Golau: A bilingual drama

Airing on Channel 4 in early 2023, *The Light in the Hall* is a gripping murder-thriller starring Joanna Scanlan, Iwan Rheon, and Alexandra Roach. Written and created by Regina Moriarty, this six-part series follows the journey of Cat Donato, a young journalist from Llanemelyn, a town in west Wales, searching for answers about her best friend, Ela Roberts, who disappeared 18 years ago.

Aligned with Channel 4's commitment to representing more of the UK on screens and growing our off-screen impact across the Nations and Regions, the production was filmed and based entirely in Wales with a cast that features Welsh-born, bilingual actors in the main roles. A co-production with Welsh broadcaster S4C, the English-language version premiered on Channel 4 in January.

Across the UK, the programme averaged 2.5 million viewers per episode across streaming and linear. It performed especially well online, ranking as the all-time fourth best-ever drama title on streaming over the first seven days post-transmission, and Channel 4's sixth most streamed show of 2023 overall (based on average views per episode).

Amongst viewers in Wales, average viewing across the series was 25% higher than the 9pm slot average, and contributed to Channel 4 growing its total streaming viewing in Wales by 34% in 2023.

Deputy Minister for Arts and Sport, Dawn Bowden, praised the role the series played in supporting the production sector in Wales, saying: "This production is providing invaluable paid trainee opportunities to future-proof our industry, stimulate investment into the local economy, and will showcase Welsh talent, language, and culture across the UK and internationally."

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Creating meaningful change in the industry's workforce

Channel 4's Creative Equity team sit at the heart of Commissioning, working across all genres and platforms, with a goal to reflect the full diversity of contemporary Britain on and off screen.

This year, Channel 4 launched a new post-production placement scheme, 4PP, which aims to improve off-screen diversity in the broadcast industry's post-production sector. It offered six mid-to-senior-level people from under-represented backgrounds the chance to progress their careers in this field. This makes Channel 4 the first UK broadcaster to run a programme addressing the lack of representation in this field.

This year's Indie Accelerator scheme paired six independent production companies with commissioners across the channel – with 100% of the indies taking part stating that it provided them with valuable resources and development support. The Creative Equity team's outreach work also included: its flagship RISE disability mentoring scheme, which supported mid-to-senior-level disabled talent with career progression; race fluency training for Channel 4's Commissioning department across all its Creative Hubs; and Momentum, a nationwide mentoring and training programme for 60 Black TV, film, and content creators, with over 50% of this year's cohort coming from outside of London. This year also saw Channel 4 publish an updated series of best practice guidelines to help producers and indies improve how they work with disabled talent.

In partnership with the UK's biggest broadcasters and streamers, the TV Access Project held a live event in June 2023 to reflect on its progress (since forming in August 2022) in pushing the TV industry towards a goal of total disability inclusion by 2030.

We continued our £1 million Diversity in Advertising Award initiative, this year challenging the advertising industry to address the lack of authentic representation of LGBTQ+ communities in TV advertising across the UK. E45 and The&Partnership won the prize, with members of the judging panel praising the intelligence and sensitivity of the campaign, with their ad due to be broadcast in 2024.

The road to the Paris 2024 Paralympic Games

With exclusive broadcast rights of the Paris 2024 Paralympic Games, Channel 4 is planning a full-scale takeover across our channels and investing in a new production hub in Cardiff to bring audiences more live sport than ever before.

Following Channel 4's ground-breaking coverage of the London, Rio and Tokyo Summer Games, Channel 4 is thrilled to be delivering fully digital broadcast solutions in our coverage in Paris, and improving the reach and impact of our accessibility offering, with a mission to improve participation across disability sport.

Following a tender process run by Channel 4 in 2022 for the contract to produce its coverage of the Paris 2024 Paralympic Games, this year the Creative Equity team worked closely with independent production company Whisper that won the tender, to ensure that they meet their off-screen talent targets as they begin to recruit their production team.

In addition, the 4Skills Paralympics Production Training Scheme recruited 16 disabled trainees in its Unscripted cohort, offering the opportunity to launch their broadcast careers with 12-month placements. The scheme ensures that some of these trainees will go on to work on the Paris 2024 Paralympic Games.

> "I am extremely grateful for the Channel 4 Paralympics Training Scheme for giving me an entirely new outlook on what I can achieve as a disabled person in this industry."

Maisie, Paralympics Production Training Scheme Trainee

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Brand reputations: Showing different kinds of cultures and opinions in the UK

56%‡

Proportion of respondents that believe that Channel 4 "shows different kinds of cultures and opinions in the UK"

Channel 4 is the highest-scoring brand when audiences are asked to what extent they associate each one with "showing different kinds of cultures and opinions in the UK". In 2023, 56% of respondents agreed that Channel 4 performed strongly* on this measure.

This compares to an average score of 34% for the other brands surveyed, giving Channel 4 a significant lead of 22 percentage points over this average. The competitors' individual scores ranged from as low as 21% (Disney+) up to 51% (the BBC). UK broadcasters mostly performed better on this measure than the global streamers, with the other PSMs (the BBC, ITV, and Channel 5) having an average score of 41%. Channel 4's lead over the average of the other PSMs was still a significant 15 percentage points, while its lead over the next-highest-scoring brand (the BBC) was 5 percentage points.

There were small year-on-year variations. Compared to the results for 2022, the proportion of respondents who agreed that Channel 4 performs strongly on this measure fell by 1 percentage point (2022: 57%). With the second-placed BBC's score holding steady (2022: 51%), Channel 4's lead over the next-highest-scoring brand also fell by 1 percentage point. The average score for the other services increased by 1 percentage point (from 33% in 2022), meaning that Channel 4's lead over the average score of the other brands fell by 2 percentage points.

** 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.

Strength of association of each brand with "showing different kinds of cultures and opinions in the UK"

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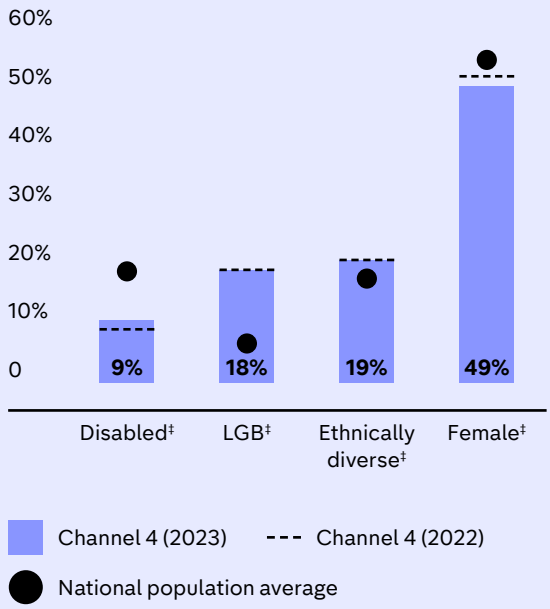
Diversity of on-screen contributions‡

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



Channel 4 strives to reflect the diversity of the UK in its programmes so that everyone watching may feel properly represented. As a mainstream broadcaster, this also enables it to bring the perspectives of minority groups – who are often under-represented on TV – to large audiences.

We assess our performance using data from the pan-broadcaster Diamond system that was developed by the PSMs and Sky (and operated by the Creative Diversity Network ('CDN')). The Diamond system works by asking anyone who is involved in the making of new UK television 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 2023, the Diamond system recorded almost 100,000 on-screen contributions across the programmes that Channel 4 transmitted in the year, representing a 32% completion rate. The results show that Channel 4's figures were close to the national population statistics[2] for two of the four diversity characteristics:

- Ethnically diverse people accounted for 19% of on-screen contributions on Channel 4 (the same as the corresponding proportion in 2022), a figure that is 1 percentage point higher than the national population estimate of 18%
- Women represented 49% of all on-screen contributions, 2 percentage points below the 51% national population estimate and 1 percentage point down year-on-year (2022: 50%)

People who identified as being lesbian, gay, or bisexual ('LGB') represented 18% of on-screen contributions (again, the same as in 2022). This was an impressive 15 percentage points higher than the 3% of people who identified as LGB in the 2021 Census.

On the fourth metric, disabled people accounted for 9% of on-screen contributions to Channel 4's programmes. While this is a substantial 9 percentage points below the 18% of people identifying as disabled, Channel 4's figure is 1 percentage point higher than in 2022 (when it was 8%). These results remain concerning and reflect broader industry issues: the CDN has highlighted the under-representation of disabled people across UK programmes in general. However, we made a small step in the right direction this year, and Channel 4 will take further steps to drive change through its 'Engage & Enable' Disability Strategy (launched in 2021), new disability portrayal guidelines, and as part of CDN's Doubling Disability initiative.

1 Figures for Channel 4 are based on those who shared their data with Diamond.
2 The national population estimates are taken from the 2021 Census for England and Wales.
‡ Selected metrics were subject to independent limited assurance by Deloitte LLP.

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'Fresh Faces of 4': Developing new talent

Channel 4 is committed to building a sustainable pipeline of exciting new talent that reflects the changing face of Britain. Working in close partnership with our TV and digital teams, our strategy has three strands:

- seeking new talent with little or no previous experience in the industry;
- developing emerging talent so they can build their profile and strengthen their reputation; and
- offering established talent new opportunities to diversify and reach even wider audiences.

New faces

In 2023, Channel 4.0 and single documentaries played a particularly important role in launching and developing new Channel 4 talent.

Channel 4.0:

- Our new digital-first brand helped to establish Billy the Goat as an exciting new voice in the UK creator scene, starting with cameo and guest appearances, before commissioning two one-off stunts followed by his own hero series
- We worked with artist, skater, and cultural tastemaker Slawn on a stunt which involved him seeking to 'auction' his one-year-old son in the name of art
- Madame Joyce joined the Channel 4.0 ensemble, featuring as a panellist in new relationships format *It'll Never Last*
- Having previously appeared on Channel 4.0's *Harry Pinero's Worst in Class*, content creator and presenter GK Barry worked on a UFO stunt for us as well as starting to transition to linear TV on Channel 4's *Don't Look Down for SU2C*

Single documentaries:

- *UNTOLD,* our new youth-focused online investigative current affairs series spin off from *Dispatches,* included new talent Jackie Adedeji in her first presenting role. *My Big Boobs: UNTOLD* saw Jackie nominated in the New Voice Awards 2024 for Best Debut Presenter
- *Secrets of the Female Orgasm* provided Yewande Biala with her first presenting role, and *Hollyoaks* actor Joe Tracini made his first TV documentary commission with a programme about mental health and his experience of borderline personality disorder

Emerging faces

We supported emerging talent across a range of non-scripted genres this year, including Factual Entertainment. One of our key themes was to provide opportunities to develop emerging comedy talent in Entertainment and other genres. In News and Current Affairs, our teams worked with new talents that are building up their own production capabilities.

Factual Entertainment:

- We worked with Oobah Butler as he made the move from digital to linear TV with his first Channel 4 presenting role in *The Great Amazon Heist,* as well as an appearance in *The Big Climate Fight*
- Eddie Kadi and Guz Khan experienced the high life in Ghana in *My Super-Rich Holiday,* and Ravneet Gill developed from being a judge on *Junior Bake Off* to her first role in a 9pm show with *Five Star Kitchen: Britain's Next Great Chef*

Development of emerging comedy talent:

- In Entertainment, Chris McCausland had his first Channel 4 commission with *Wonders of the World I Can't See,* while former *Taskmaster* competitors Rose Matafeo and Mike Wozniak became hosts of new spin off *Junior Taskmaster*
- We saw Munya Chawawa take on a live presenting role in *Stand Up To Cancer,* alongside a new documentary coming in 2024
- Rosie Jones continued to broaden her range on Channel 4, with hard-hitting documentary *Am I a R*tard?,* while her scripted Comedy Blap *Disability Benefits* has been commissioned by Channel 4 as a full series

News and Current Affairs:

- Following a second series of *Living Wild: How to Change Your Life* at the start of the year, we commissioned Sophie Morgan to front and produce a film documenting her disability travel campaign
- Ben Zand and his production company have made multiple Channel 4 documentaries, including *UNTOLD* films on incels, male escorts, and boy racers

↓ Wonders of the World I Can't See

↓ Stand Up To Cancer

Established faces

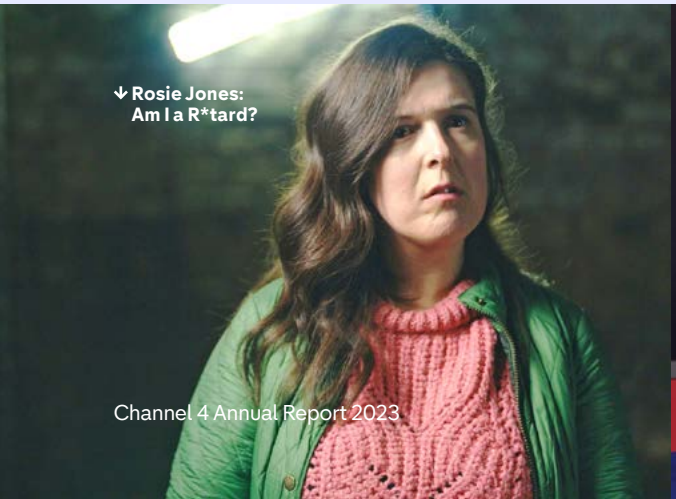
We continued to support more established talent to broaden the range of shows in which they appear. For established TV talent, this involved working on new shows, often in different genres. On Channel 4.0, we helped some of our most popular faces extend their range on the platform and, in some cases, make the transition to linear TV.

Established TV faces:

- Following the success of the first series and a Christmas special this year, Joe Lycett will return to Birmingham for another series of *Late Night Lycett* in 2024. A co-production between Rumpus Media and Joe's own production company My Options Were Limited, the show has been a powerful vehicle for bringing new talent from the West Midlands into production. Joe was also a host on our new look *Stand Up To Cancer* live show
- Alison Hammond's move into *The Great British Bake Off* tent saw her bring her charm and authenticity, helping to reinvigorate the series
- We commissioned a new Louis Theroux-style documentary with Ade Adepitan visiting a white-only community in South Africa, in *Whites Only: Ade's Extremist Adventure*. Ade also hosted *The Big British Beef Battle,* part of Channel 4's Change Climate season
- Danny Dyer showed his range this year, appearing in *Absolutely Dyer: Danny and Dani Do Italy* as well as a presenting role on big new reality format *Scared of the Dark*. Danny has filmed a new series on how to be a man for transmission in 2024
- Another of Channel 4's favourite faces, Paddy McGuinness, fronted two big new launches in 2023, *Tempting Fortune* and *Don't Look Down for SU2C*
- Tinie Tempah fronted another new series this year– *Bangers: Mad for Cars* – accompanied by Naomi Schiff, while a second series of his *Extraordinary Extensions* aired in February 2024
- Greg James hosted new series *Rise and Fall* and appeared as a contestant on *Taskmaster's New Year Treat* at the start of the year

Channel 4.0 faces:

- Harry Pinero appeared in a range of Channel 4.0's early commissions, including fronting the Broadcast Digital Award-nominated *Harry Pinero's Worst in Class*. This year, we showcased his charisma and adaptability on shows such as *The Filly and Harry Show* – nominated in the New Voice Awards 2024 for Best Social Series – *Crowd Sauce, The Infiltrators,* and *It'll Never Last*
- With *Nella Rose's Flight Mode,* Nella won a Broadcast Digital Award for Best Short-Form format. Her female-fronted prank show *Tapped Out* generated over 14.5 million views across socials in 2023, and she has appeared in *Harry Pinero's Worst in Class, Secret Sauce, Mist'Driven,* and *Alone-ish*
- Actress, YouTuber and content creator Adeola Patronne has thrived in whatever role we have given her, whether it's pranking the public in *Tapped Out,* playing the fool in *Harry Pinero's Worst in Class* – or getting stuck in shovelling muck in *Ready or Not,* which earned her a New Voice Awards 2024 nomination for Best Debut Presenter
- Chloe Burrows' say-it-how-it-is personality has seen her guest on many shows, and this year she hosted her first show, *Bad Baby*. She also appeared on TV in E4's *Celebs Go Dating* and Channel 4's *Scared of the Dark*
- Makeup, fashion and lifestyle YouTuber Mariam Musa became a regular face on Channel 4.0, featuring in *Harry Pinero's Worst in Class, Crowd Sauce, Ready or Not, The Infiltrators,* and as part of the *Tapped Out* crew
- Rapper turned documentarian Konan threw himself into a range of Channel 4.0 formats, featuring in *King Konan's Trap Door, Harry Pinero's Worst in Class,* and *Secret Sauce*. He also made an *UNTOLD* film, *Konan: Trapped in Trauma*
- Darkest Man was a recurring guest on *Harry Pinero's Worst in Class* also featuring as a guest on Channel 4.0 shows including *Alone-ish, The Infiltrators, Secret Sauce,* and *Get in the Van*



↓ Rosie Jones: Am I a R*tard?

↓ Late Night Lycett

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Engaging young 😀 viewers

Telling stories that matter to young people

Channel 4 has always had a strong connection with young people, giving us a unique ability to engage them with public service content. Young audiences are at the vanguard of the fundamental changes we are seeing in audience behaviour, spending more of their time consuming digital media and less time watching traditional linear TV.

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↓ How to Be a Person

Through our Future4 strategy – and now Fast Forward strategy – we have been transforming the organisation to keep engaging with young audiences however and wherever they consume content – to become a genuinely digital public service streamer.

That means changing the types of content that we commission, for example, investing in short-form digital content alongside traditional TV programmes. And it means making our content available across multiple digital platforms as well as Channel 4's own services. What has not changed is what we are trying to achieve with our content: it is still about representing young people's voices, informing and educating them about contemporary issues, challenging preconceptions, and promoting debate.

A key part of our strategy this year was to use recognisable talent and creators to engage audiences with innovative and award-winning shows such as the likes of our *UNTOLD* series, *Kids* and *Naked Education*. Programming with appeal to young audiences included family-friendly shows like *Taskmaster* and *Gogglebox* as well as content specifically aimed at younger children, such as *Mog's Christmas* and *Junior Bake Off*.

Youngest-profiling PSM streaming service

16-34-year-olds accounted for 28% of viewing on Channel 4's streaming service, higher than the equivalent figures for iPlayer, ITVX, and My5

Youngest-profiling main PSM channel

Channel 4's main channel accounted for 15% of total viewing by 16-34-year-olds to the main PSM channels (BBC One, BBC Two, ITV, Channel 4, and Channel 5) – a substantially higher share of young viewing than the other PSMs

2.3 billion

Number of UK views of content produced by 4Studio, Channel 4's Leeds-based digital content unit, 10% up year-on-year

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Engaging young viewers *cont.*

↑ **Naked Education**

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Engaging and entertaining teens and older children

Channel 4's streaming service reached an average of 4.8 million 16-34-year-olds every month in 2023, more than any of the other main UK commercial broadcaster services (ITVX, My5, and Sky/Now TV). Channel 4 was also the UK's youngest-profiling streaming service, with 16-34-year-olds accounting for 28% of viewing, compared to 23% for ITVX, 20% for the BBC iPlayer, and 14% for My5.

This year, our content engaged young people with themes that resonate deeply with them, such as mental health, sexuality, digital life, and climate change.

This year, our content engaged young people with themes that resonate deeply with them, such as mental health, sexuality, digital life, and climate change. *Big Boys,* Jack Rooke's acclaimed heart-warming comedy about two boys who forge an unlikely friendship at university, returned for a second series with an exclusive drop on subscription service Channel 4+ in December ahead of its TV premiere in January 2024. The series was widely praised for its sensitive handling of mental health, coming out, and masculinity.

Body positivity and physical and mental health were the core themes of our highly informative series *Naked Education,* with 74% of 16-34-year-old viewers agreeing that programmes like these "should be shown and discussed in schools as part of the curriculum". The programme succeeded in making viewers look at their bodies in a new light, with 71% of the same age group telling us "I feel better about my body image as a result of watching *Naked Education*".

We engage young people with a range of types of digital content on the online platforms where they spend so much of their time. Channel 4.0 is our dedicated one-stop destination for entertainment featuring major social media stars, providing a way into the Channel 4 brand, and encouraging young audiences to explore our full range of content (see page 60). *UNTOLD*, our digital current affairs strand, is specifically designed to appeal to younger audiences online (see page 62). And our Leeds-based 4Studio business continues to make bespoke social content aimed at Gen Z, bringing long-form programming to life on social platforms (see page 61).

While the core focus of our youth strategy is on teenagers, we also commission shows appealing to younger children. Based on Judith Kerr's treasured children's books, *Mog's Christmas* was a festive, fun-filled fable for the whole family. The film was the top transmission on Channel 4 across December, and was our biggest Christmas animation since *The Tiger Who Came to Tea.* Overall, the film reached 5.1 million across streaming and linear and ranked within Channel 4's top 20 most streamed shows of 2023. The latest series of *Junior Bake Off* set out to inspire children to get baking and achieved an 12.3% share of 10-14-year-olds in 2023, up a notable 79% compared to its weekday 5pm slot average for this young demographic. Overall, the series reached 6.6 million across streaming and linear. Following the success of *Taskmaster* since its launch in 2020, the first series of spin-off *Junior Taskmaster* has been commissioned for 2024 and will celebrate children's ingenuity in a hilarious and offbeat setting.

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Channel 4.0

Since its launch on YouTube in October 2022, Channel 4.0 has established itself as a one-stop destination offering a regular dose of laughter and entertainment.

Channel 4.0 reflects Channel 4's DNA, bringing traditional storytelling to youth audiences with a strictly entertaining vibe and factual documentaries that make viewers laugh and think. But it also fluently speaks the language of YouTube and socials, bringing a refreshingly unapologetic energy through its casting, talent, nods to cultural nuances, and toplines that are very different from programmes on the main linear channels. We have adopted a data-led approach and hired talent from the world of social content to ensure our approach is authentic, young, and socially driven.

We have commissioned a slate of 29 shows since Channel 4.0 launched. One of the highlights this year was *Tapped Out,* in which an all-female cast – comprising best mates and baddies Nella Rose, Chloe Burrows, Adeola Patronne, and Mariam Musa – see who can last the longest in a gauntlet of hilarious and cringeworthy situations, aiming to execute the wildest pranks possible. Across 2023, the first series achieved a remarkably high female audience of over 80%. *Tapped Out* returns for more mischief in spring 2024.

Harry Pinero's Worst in Class takes A-list creator talent back to school for some hard lessons in YouTube's swaggiest and most hectic detention. It's an 'F' all round for the likes of Darkest Man, Chloe Burrows, Yung Filly, Chunkz, and Mist as they (mostly) fail to redeem themselves against Harry's young star students in a new quiz format.

2023 also saw the launch of *Ready or Not*, our first branded sponsorship on Channel 4.0 with e.l.f. Cosmetics. This series follows Adeola Patronne and friends as they prepare – mentally and aesthetically – to dive into new worlds and experiences that open their eyes to extreme, and somewhat unglamorous, careers.

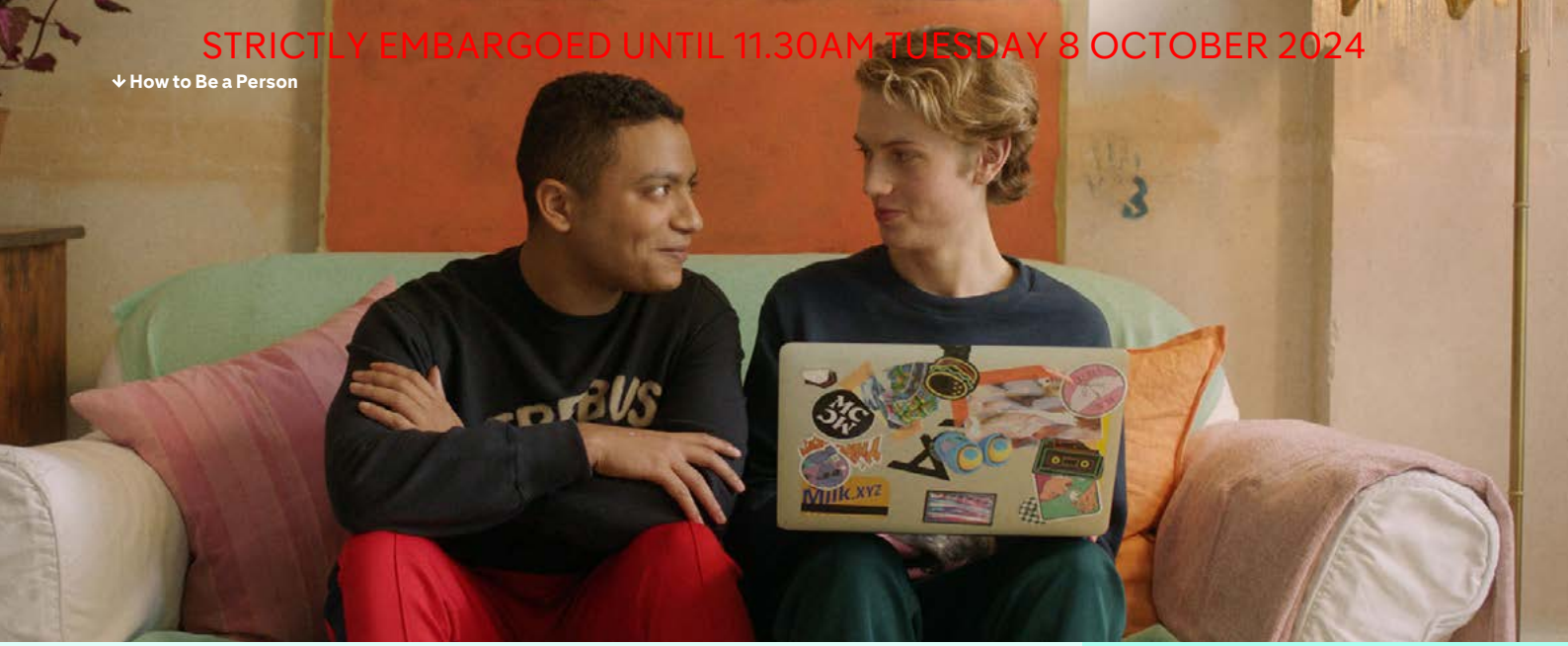
A vital element of Channel 4.0's strategy is to build community and create fandom of the Channel 4.0 brand itself over and above the individual shows. This has been achieved in part by making the shows relate to one another through a central tonality and using a connected ecosystem of creators across our content.

In 2023, content on Channel 4.0 generated 216 million global views across YouTube, TikTok, Instagram, and Snapchat, with 85% of viewers on YouTube aged under 34 – an indicator of our success in targeting and reaching younger demographics. In July 2023, the service expanded to TikTok and attracted 300,000 followers in under six months. By the end of the year, content on TikTok was averaging 4.5 million weekly views.

↓ Ready or Not

Distinctive, disruptive, daring

STRICTLY EMBARGOED UNTIL 11.30AM TUESDAY 8 OCTOBER 2024



4Studio

4Studio, a Leeds-based team leading Channel 4's over-arching social strategy and content production, engages audiences with innovative and award-winning content across the main seven digital platforms – YouTube, Facebook, Instagram, TikTok, Snapchat, X (formerly Twitter), and Threads – and dozens of social accounts. In 2023, 4Studio made and published over 39,000 pieces of digital content, an increase of 37% year-on-year. These generated 6.8 billion global views across 137 channels. In the UK, there were 2.3 billion views, 10% up year-on-year.

Performance was strong among 13-24-year-olds in the UK. There was a total of 530 million views by this group, again up 10% year-on-year. Vertical content proved especially popular, and on TikTok there was a 72% growth in views by this young demographic, powered by the launch of Channel 4.0, Sport, and Documentaries accounts, to sit alongside the existing Channel 4 and E4 accounts. YouTube's 'Shorts' format also proved popular with UK 13-24-year-olds, driving a 34% increase in views, while a refreshed strategy on Instagram saw the likes of *Married at First Sight UK* and *First Dates* contributing to almost a six-fold increase in views by these young audiences.

Our strategy involves playing to the strengths of the different digital platforms, for example, by making more use of YouTube to offer long-form video. In 2023, we expanded our offering of full episodes on the platform, making hundreds more hours available to our audiences, an approach which delivered over 44 million UK views – an increase of 405% year-on-year. Our Channel 4 Documentaries page in particular proved popular for those seeking longer viewing experiences on the platform, with just two episodes – *60 Days on the Estates* and *The Great Amazon Heist* – delivering over 5.4 million UK views between them.

The growth in output and audience equated to new revenue streams for Channel 4, with 4Studio generating double-digit millions in revenue across the year via a diversified commercial offering. We partnered with a host of new brands in our Branded Entertainment space, and we dipped into the world of e-commerce for the first time, through partnerships with e.l.f. Cosmetics and Boots. We also grew our Social Sponsorship and Direct Sales offerings, selling campaigns against 4Studio's YouTube and Snapchat audiences, and entering into a new third-party representation partnership with Banijay Rights.

Our digital video production unit, 4Studio Productions, doubled its output of fast turnaround social projects. The team is focused on creating stand-out social content from our studio in Leeds and across the UK, and was responsible for over 100 filming projects in 2023 across programme support, branded entertainment, and original series. These included profile documentaries, behind-the-scenes videos, and talent-fronted formats.

All this creativity led to another slew of awards. Channel 4.0 won the much-coveted Best Entertainment Channel at the Broadcast Digital Awards. The *Hollyoaks: The Long Walk Home* VR immersive experience won Best Digital Creativity at the RTS North West Awards, Best Digital Support for a Programme at the Broadcast Digital Awards, and Best Use of Augmented Reality at the Lovie Awards. And Channel 4 won its first-ever BAFTA for digital content in the shape of *How to Be a Person*, which was awarded Best Short Form Programme.

6.8 billion

global views across 137 channels

530 million

views of 4Studio content by 13-24-year-olds in the UK

72% growth

in views on TikTok by 13-24-year-olds in the UK

39,000

pieces of digital content made and published by 4Studio

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UNTOLD: Noisy, bold, youth-focused journalism

An offshoot of our longstanding *Dispatches* strand, *UNTOLD* is Channel 4's new current affairs show that delivers digital-first investigations for 16-34-year-olds. *UNTOLD* aims to hold power to account with intelligent, brave, compelling, and cheeky documentary making.

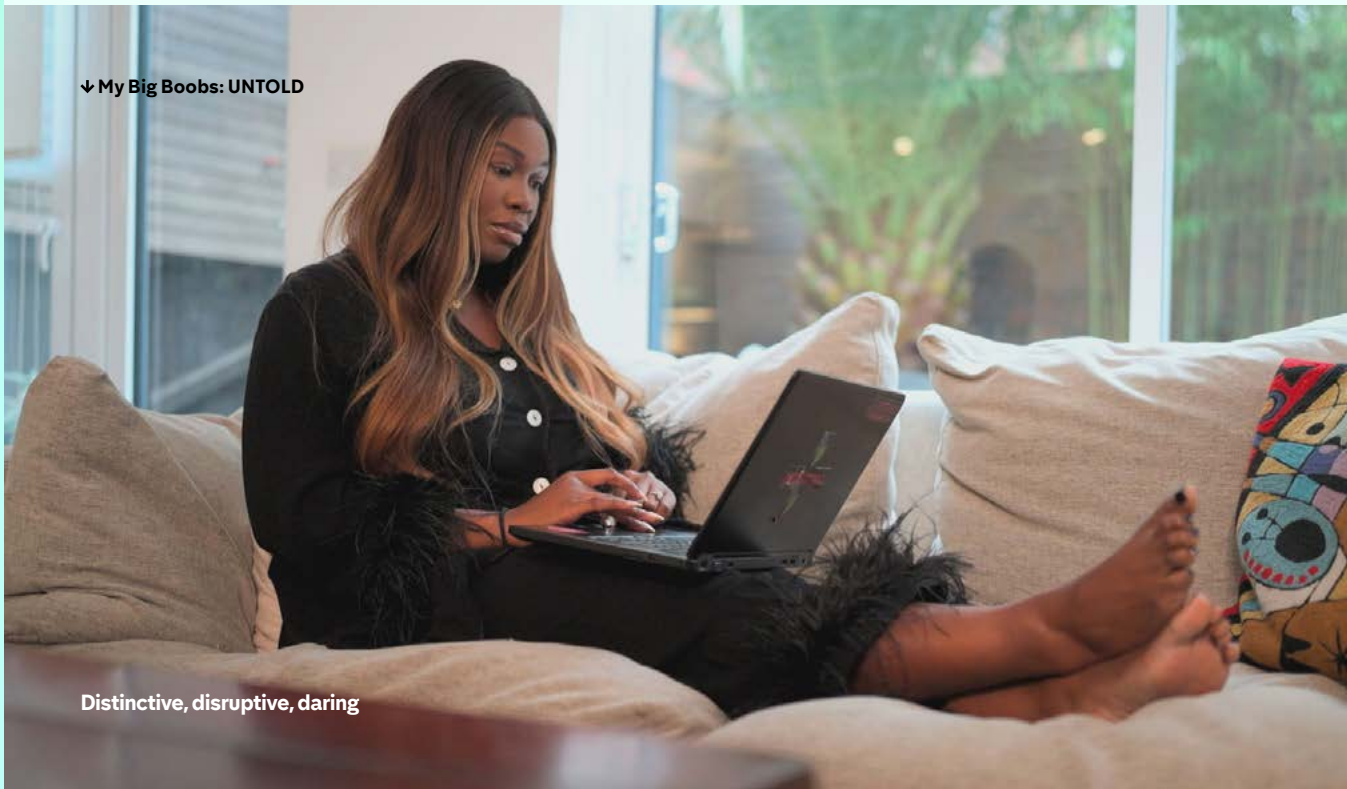
After a successful launch last year, *UNTOLD* returned in 2023 with two further seasons that achieved 2.2 million global views on YouTube across 14 episodes. With a further 2.3 million views for the first season (ten episodes), global views on YouTube totalled 4.5 million in 2023, 154% higher than in 2022. The vast majority of these views came from the UK, with 13-24-year-olds accounting for 30% of the total. On Channel 4 streaming 16-34-year-olds accounted for 39% of 3.8 million views.

Highlights of the second season include *The Secrets of UK Prisons*, which saw former prisoner David Navarro expose the tough reality of life inside prison using footage filmed by inmates on mobile phones they're not supposed to have. *Addicted to Drip* meets the big spenders who are increasingly buying luxury designer goods they often can't afford – and reveals that almost half of younger Brits have gone into debt after purchasing a luxury item. *OnlyFans Got Me Fired* investigates what OnlyFans creators' rights are, hearing from those who lost their jobs after their accounts were discovered.

And *My Big Boobs* sees body confidence champion Jackie Adedeji discover what life is like for women with larger breasts, exploring the rise in demand for breast reduction that has led to an upswing in privately funded surgery amongst 16-24-year-old women.

***UNTOLD* aims to hold power to account with intelligent, brave, compelling, and cheeky documentary making.**

UNTOLD returned for a third season in autumn 2023 with hard-hitting topics including *The Truth About Spiking,* which saw Daisy Maskell take part in a ground-breaking experiment, to find out for herself how it feels to be spiked, and investigate what the authorities are doing to prevent the crime. And with exclusive access to two very different fight clubs *UNTOLD* uncovers what really happens in and out of the ring and what motivates organisers and fighters in *The Secret World of Fight Clubs.*



↓ My Big Boobs: UNTOLD

Distinctive, disruptive, daring

STRICTLY EMBARGOED UNTIL 11.30AM TUESDAY 8 OCTOBER 2024

↓ The Secrets of UK Prisons: UNTOLD

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Engaging young viewers *cont.*

↓Consent

"*Kids* shines a light on young people navigating the care system... it succeeds, brilliantly, in giving them a voice."

The Telegraph

↓Kids

Distinctive, disruptive, daring

STRICTLY EMBARGOED UNTIL 11.30AM TUESDAY 8 OCTOBER 2024

Helping teens navigate complex issues that matter to them

Long-form programmes still play a powerful role as part of the content mix to engage mass audiences with content that speaks to young people, challenges them, and explores issues that matter in entertaining and engaging ways.

Kids was a raw and candid new documentary packed with humour and drama. With unprecedented access to young people in the care of Coventry Children's Services, the series followed six remarkable teenagers and their families as they entered a crucial year in their lives and prepared to leave the care system. The series performed well among 14-19-year-olds, with a 5.6% viewing share (5% higher than the Wednesday 9pm slot average) and reached 2.2 million overall across streaming and linear. "*Kids* shines a light on young people navigating the care system," wrote The Telegraph in its five-star review, adding that it "succeeds, brilliantly, in giving them a voice".

90% of viewers thought that "programmes like *Consent* help people to understand what 'consent' actually means".

Consent was a searing and timely factual drama about rape culture in schools, which captured what it feels like for young people in an environment where sexual expectations are distorted by instant access to porn and where lines of consent are dangerously blurred. The one-off drama reached 1.2 million across streaming and linear.

The clarity of the show's message was clear from the strength of viewer responses to it. 90% thought that "programmes like this help people to understand what 'consent' actually means", and among 16-34-year-olds specifically, 68% agreed that "they feel more comfortable asking questions on the issues raised after watching *Consent*". 41% also said that they "have been motivated to talk to others specifically about the issues raised in the programme".

Mainstream entertainment shows can also play a role in exploring important issues. *Married at First Sight UK* was Channel 4's biggest reality TV hit in 2023 across its TV portfolio. It reached 11.3 million across streaming and linear and 18.3% of 16-34-year-olds. During its nine-week run, the third series was bigger (in terms of total viewer minutes) than any other show on the main UK broadcasters' streaming services.

The contributors' experiences on the show sparked important conversations among viewers as representation in the cast broke new ground. This included the show's sensitive handling of Ella's coming out to the group, as *Married at First Sight UK's* first trans bride, and Jay and Luke portraying how couples might navigate new relationships if one of them has a disability. The series was praised for how, in stark contrast to other dating formats, its experts intervened decisively when it became apparent that Brad and Shona's marriage was starting to become unhealthy for both of them.

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Engaging young viewers *cont.*

SMCP metrics dashboard

Brand reputations: Always trying something new

48%‡

Proportion of respondents that believe that Channel 4 "is always trying something new"

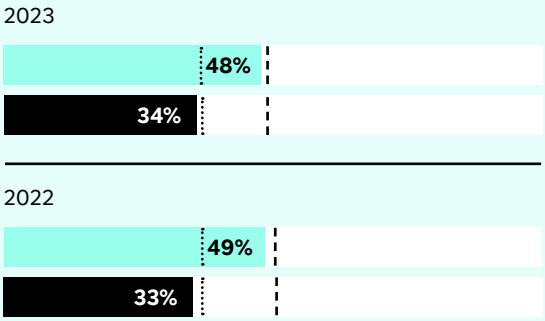
Channel 4 is one of the two leading brands that audiences associate most strongly with "always trying something new". In 2023, 48% of respondents agreed that Channel 4 performed strongly* on this measure, 2 percentage points behind Netflix, which scored 50%. These two brands were the clear leaders, with an 11-percentage-point gap between Channel 4 and the third-highest-scoring brand, Amazon Prime (whose score was 37%). The next-highest-scoring PSM was the BBC, whose 35% score was 13 percentage points below that of Channel 4.

Channel 4 enjoyed a lead of 14 percentage points over the 34% average score of the other brands surveyed (all except Channel 4). Aside from Netflix, their individual scores ranged from 27% (Channel 5 and Disney+) up to 37% (Amazon Prime). The average score for the other PSMs (the BBC, ITV, and Channel 5) was 31%, 17 percentage points behind Channel 4.

There were small year-on-year variations. Compared to the results for 2022, the proportion of respondents who agreed that Channel 4 performs strongly on this measure fell by 1 percentage point (2022: 49%). With Netflix's score also falling by 1 percentage point (from 51% in 2022), the gap between Channel 4 and the highest-scoring brand (Netflix in both years) held steady at 2 percentage points. The average score for the other services increased by 1 percentage point (from 33% in 2022), meaning that Channel 4's lead over the average score of the other brands fell by 2 percentage points.

** 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.

Strength of association of each brand with "always trying something new"



Channel 4
Average for other brands
Next-highest score
Next-highest PSM

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Young audiences' viewing of the main PSM channels

15%‡

Proportion of viewing by 16-34-year-olds to the main PSM channels accounted for Channel 4's main channel

Channel 4's main channel accounted for 15% of total viewing by 16-34-year-olds to the main PSM channels – BBC One, BBC Two, ITV, Channel 4, and Channel 5 – in 2023. This was 46% more than its corresponding share of viewing amongst all audiences to the main PSM channels (which was 10%), with all three figures at the same levels as in 2022.

Channel 4 is the only main PSM channel for which 16-34-year-olds account for a substantially higher share of viewing than TV audiences in general. Only one other PSM channel over-indexed viewing by 16-34-year-olds in 2023: ITV's viewing share amongst this young demographic was 13% more than its all-audience share of viewing to the PSM channels. Meanwhile, BBC One, BBC Two, and Channel 5 all had lower shares of 16-34-year-old viewing than their all-audience viewing shares.

In terms of the absolute levels of viewing share, Channel 4 ranks as the third most popular of the main PSM channels for 16-34-year-olds. By dint of their sheer scale as mass-market channels, BBC One and ITV attracted the biggest overall shares of 16-34-year-olds (33% and 35%, respectively) in 2023. Channel 4's share comfortably exceeded that of BBC Two (10%) and Channel 5 (7%), in fourth and fifth place, respectively.

The figures reported for Channel 4 in this metric are affected by the broadcaster's Future4 and Fast Forward strategies, which aim to drive young viewers to watch more TV via streaming, e.g. through increased levels of box-setting content or watching programmes first on Channel 4 streaming before they are aired on linear TV. To the extent that the strategy succeeds in diverting viewing by 16-34-year-olds from Channel 4's main TV channel to its streaming services, this will (other things being equal) reduce the extent to which Channel 4's main channel over-indexes viewing by 16-34-year-olds.

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

Proportion of viewing to the main PSM channels accounted for Channel 4's main channel: all individuals and 16-34-year-olds

STRICTLY EMBARGOED UNTIL 11.30AM TUESDAY 8 OCTOBER 2024

Engaging young viewers *cont.*

SMCP metrics dashboard

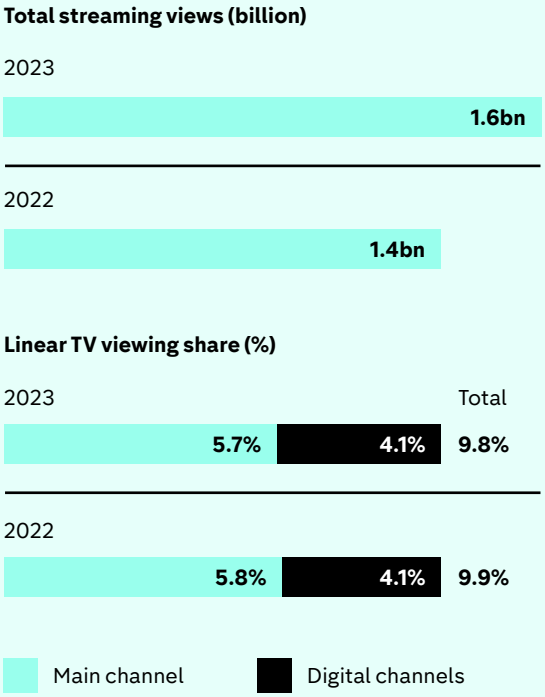
Linear and online views

1.6bn‡

Total programme views on Channel 4's streaming platforms

9.8%‡

Channel 4 portfolio's share of total linear TV viewing



In 2023, a record 1.6 billion programme views were initiated through Channel 4's streaming platforms, which include PCs, smartphones, tablets, games consoles, and connected TVs. This is the highest figure that Channel 4 has achieved on this metric, with views up by 14% year-on-year (2022: 1.4 billion).

This means that Channel 4's programme views continued their long-term trend of steady growth, which has been achieved in every year bar one since we started measuring this metric in 2014. The only year in which views dipped was 2022, because of the exceptional Covid-19 lockdown-related boost to viewing in 2021. This year's total exceeds 2021's previous record figure (of 1.5 billion views) by 0.1 billion.

Turning to traditional (linear) TV, Channel 4's channel portfolio attracted a 9.8% share of all TV viewing in 2023. This represented a very small year-on-year decline, of 0.1 percentage points (2022: 9.9%). This was equivalent to a 1% drop, smaller than the corresponding declines for the ITV and BBC channel portfolios, which fell by 2% and 4%, respectively. Channel 5 was the only PSM to increase its TV portfolio share (it rose by 5%, albeit from a lower base than the other PSMs).

The main channel's viewing share was 5.7% this year (58% of Channel 4's overall TV portfolio share). It was down by 0.1 percentage points year-on-year, equivalent to a 3% drop. Competition from the hundreds of digital TV channels impacted all the main PSM channels: the 3% decline experienced by Channel 4's main channel matched that of BBC One, BBC Two, and Channel 5 (all 3% down) and was less than ITV's decline of 4%.

Viewing to the digital channels was stable at 4.1% in 2023, level with the 2022 figure. Viewing was also stable at the individual channel level, with all channels (E4, More4, Film4, and 4Music) maintaining the same viewing shares as in 2022.

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

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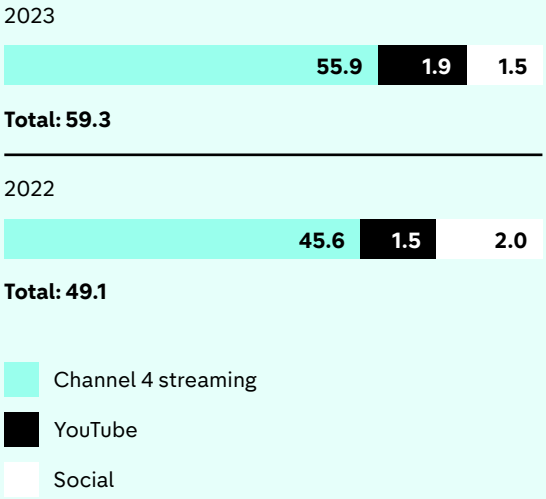
Viewing of content online

59.3bn‡

Total number of minutes spent viewing Channel 4 content on streaming and social channels

Total number of minutes spent viewing Channel 4 content on streaming and social channels (bn)



Rounding differences may occur.

In 2023, audiences spent a total of 59.3 billion minutes viewing Channel 4's content on streaming and social channels. The large majority of this time – comprising 55.9 billion minutes, equivalent to 94% of the total – related to viewing on Channel 4's own streaming service, 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.

On YouTube, Channel 4 offers viewers a mixture of full episodes of its programmes, clips, and dedicated digital-first content (such as the Channel 4.0 strand, which is home to new social formats from content creators). Channel 4 content on YouTube attracted 1.9 billion minutes of viewing this year (3% of the total). There was a further 1.5 billion minutes of viewing of Channel 4 content on Facebook and Snapchat (the two social channels for which reliable viewing data is available, accounting for 3% of the total).

There was substantial year-on-year growth in the time spent viewing Channel 4 content on streaming and social channels. The overall total grew by 21% this year (2022: 49.1 billion minutes of viewing), equivalent to an increase of 10.2 billion views in absolute terms. Growth on Channel 4 streaming was up by 23%, a rise of more than 10 billion views in absolute terms.

The percentage increase was even greater for viewing on YouTube, which rose by 27% (0.4 billion more views). Viewing on Facebook and Snapchat fell this year by 27%, due to a combination of algorithmic changes on the platforms and a sharper focus in our Fast Forward strategy on driving growth on YouTube. In absolute terms this represented a loss of just 0.5 billion views.

Note that notwithstanding the growth of viewing on social platforms, Channel 4 streaming continues to account for such a large proportion of the total for two reasons: first, it is an established service available across a large number of mobile and smart TV platforms. And second, 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.

Note: 2022 data has been updated. The data providers for the Channel 4 streaming and YouTube figures restated the final data for that year. In addition, we have removed a small amount of duplication from the 2022 data (which accounted for 0.2% of the total). As a result, the total for 2022 has changed by 0.1 billion viewing minutes, from 49.2 billion as reported in last year's Annual Report to 49.1 billion reported here. See methodology document for further details.
‡ Selected metrics were subject to independent limited assurance by Deloitte LLP.

Partnering with the creative industries

Channel 4 opens up opportunities for all

Channel 4 supports the creative industries in multiple ways. Most directly, this comes from all the content we invest in, across TV, film, and digital media. Through our commissioning strategies and additional targeted industry initiatives, we support talent and work with independent production companies across the whole of the UK.

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↓ How to Have Sex

2023 presented significant challenges for the TV industry, particularly affecting independent producers and freelancers amid a tough economic climate. Throughout the year, Channel 4 sought effective ways to collaborate and support those most impacted.

We remain committed to supporting economic development across the Nations and Regions, and our 4 All the UK strategy ensures that Channel 4 authentically represents the voices and communities that make up the UK.

Our 4Skills initiative helps to ensure a pipeline of talent into the creative sector from a broad and diverse range of backgrounds, with the aim of improving representation within the industry and addressing specific sector skills gaps. Other schemes provide support for emerging talent and the freelance community that is the lifeblood of the production sector.

In 2023, our spending on content made outside of London reached £193 million, and we sourced 67% of hours of first-run originated programmes on the main channel from suppliers based in the Nations and Regions.

£520 million

Channel 4's investment in original content across its TV channels and online services, the second-highest figure in our history

£193 million

Channel 4's investment in content made in the Nations and the English Regions across the TV portfolio, the third-highest figure in our history

167 independent producers

Number of independent production companies that Channel 4 worked with out of a total of 317 content suppliers

STRICTLY EMBARGOED UNTIL 11.30AM TUESDAY 8 OCTOBER 2024

Partnering with the creative industries *cont.*

↓ Late Night Lycett

Distinctive, disruptive, daring

STRICTLY EMBARGOED UNTIL 11.30AM TUESDAY 8 OCTOBER 2024

↑ Hullraisers

4 All the UK

Our 4 All the UK strategy seeks to grow and develop the creative economy across the Nations and Regions. In 2023, our spending on originated content made outside London reached £193 million, including £42.6 million on content made in the devolved nations. On the main channel, 67% of first-run programming hours came from the Nations and Regions, while 51% of spending on first-run commissions came from outside London – both figures comfortably above the 35% Ofcom quotas and in line with our voluntary commitments of 50% spend and hours.

As well as supporting economic development across the Nations and Regions, our strategy aims to ensure that Channel 4 authentically represents the voices and communities that make up the United Kingdom.

Highlights this year included the story of 400 people in South Wales who split a £3.7 million jackpot in *The Welsh Valley That Won the Lottery,* unprecedented access to fighter jets and personnel at RAF Lossiemouth in Scotland in *Top Guns: Inside the RAF,* and the opportunity to revel in the chaos of family life in Hull-based sitcom *Hullraisers*. In November 2023, we won a Grierson Award for *Lyra*, our feature-length portrait of Lyra McKee, the remarkable young journalist murdered in Northern Ireland in 2019. And with our new permanent newsroom now operating in the heart of Leeds, *Channel 4 News* became the first national evening news programme to co-present from two locations (see page 33).

Bespoke interventions opened up opportunities in areas that are traditionally underserved by the creative economy. Building on the success of our partnership with Northern Ireland Screen, we partnered with North East Screen to forge new links between our Commissioners and local indies. Successful outcomes included an initiative that helped two local indies to pitch, develop, and ultimately secure digital commissions.

We collaborated with Screen Scotland to offer an opportunity to develop and pilot a new entertainment format, we partnered with Creative Wales on a number of training schemes including Factual Fast Track and Culture Connect, and organised a series of workshops and sessions for young people in the east of England in partnership with the National Film and Television Society and Norfolk Screen.

We continued to work closely with Create Central to forge stronger relationships with West Midlands indies. This region was also in the spotlight this year thanks to the launch of *Late Night Lycett,* our raucous comedy entertainment show transmitted live from Joe Lycett's hometown of Birmingham. A trainee programme jointly funded by the series producers, 4Skills, Film Birmingham, and Create Central gave several young people the chance to work on the show, which we hope will represent their first steps towards careers in the creative industries.

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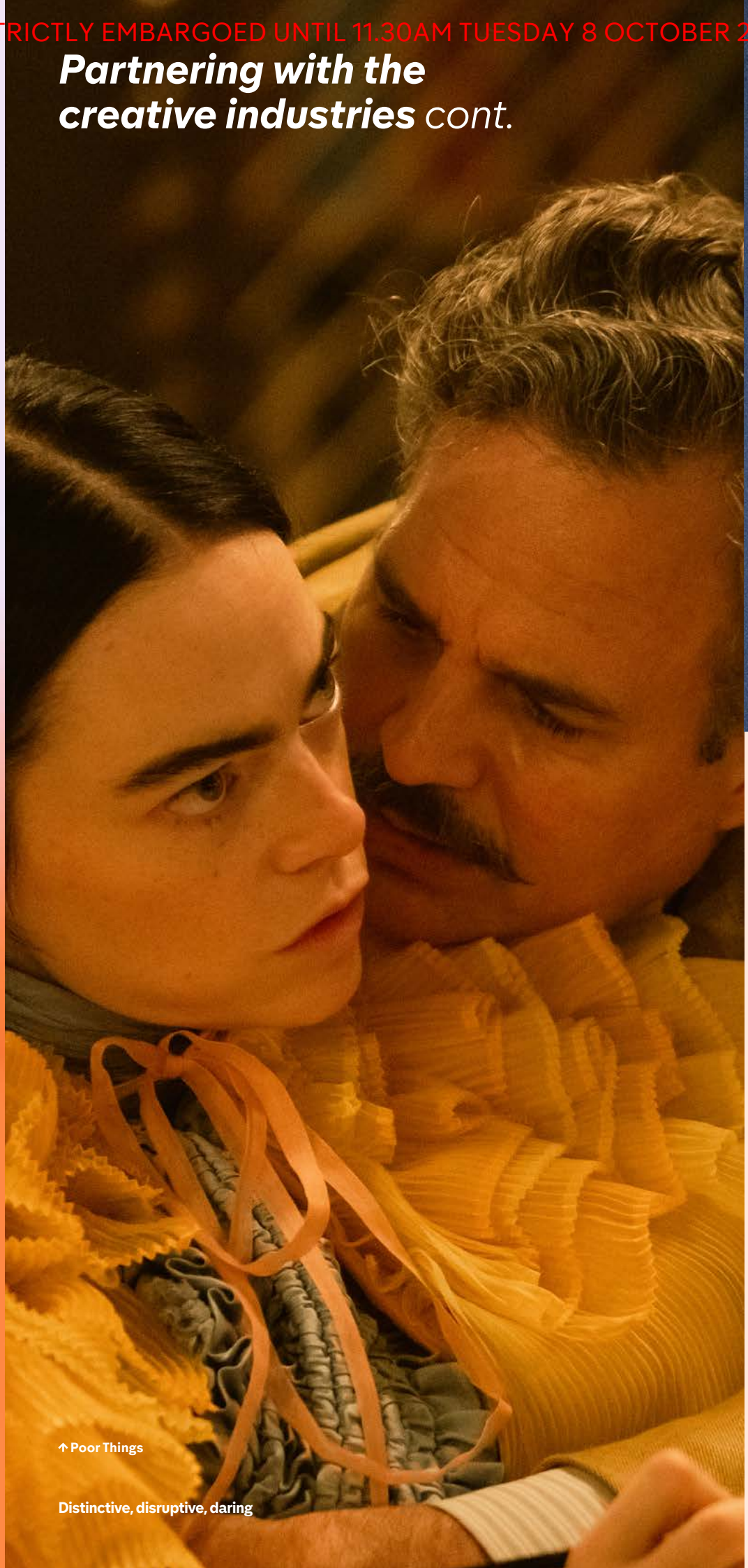
Partnering with the creative industries *cont.*



↑ Poor Things

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↓ The Zone of Interest

Film4: A year of special recognition for outstanding contribution to UK film

Film4's productions continued to reflect the most distinctive and innovative British and international filmmaking talent, built on its longstanding reputation for nurturing relationships and championing diversity. The quality and creative ambition of our slates drives viewing on Channel 4's TV and streaming services domestically, and connects cinema lovers with British-made content all over the world. These achievements led Screen International to honour Film4 with a special recognition award in 2023 for its outstanding contribution to UK film.

In early 2023, William Oldroyd's *Eileen* and Savannah Leaf's debut feature *Earth Mama* celebrated their world premieres at the Sundance Film Festival, while Martin McDonagh's *The Banshees of Inisherin* collected four BAFTA Film Awards.

Multiple accolades for Film4 titles followed throughout the year, including two major awards at the Cannes Film Festival – the Grand Prix for Jonathan Glazer's *The Zone of Interest* and the Un Certain Regard prize for Molly Manning Walker's debut *How to Have Sex* – as well as the Golden Lion for Yorgos Lanthimos' *Poor Things* at the Venice International Film Festival.

In October, a record ten Film4-backed films premiered at the London Film Festival, including *Poor Things, The Zone of Interest,* Andrew Haigh's *All of Us Strangers,* and Closing Night film *The Kitchen* from Kibwe Tavares and Daniel Kaluuya, as well as a series of short films from deaf, disabled, and neurodivergent filmmakers.

There were further accolades as we moved into the 2024 awards season: Film4 titles won 14 BIFAs, including Best British Independent Film for *All of Us Strangers,* while *Poor Things* received two Golden Globes. Film4 celebrated nine award wins at the 2024 BAFTA Film Awards including Outstanding British Film and Film Not in the English Language for *The Zone of Interest*, Outstanding Debut by a British Writer, Director or Producer for *Earth Mama,* and five awards for *Poor Things*. Lead actress from *How to Have Sex*, Mia McKenna-Bruce, also received the EE Rising Star Award.

The Banshees of Inisherin performed strongly at the UK box office this year, grossing £10 million in ticket sales. Other Film4 releases in UK cinemas this year included *Enys Men, The Son, How to Have Sex, Eileen,* and *Earth Mama.*

Seven Film4 feature films went into production, including Karan Kandhari's *Sister Midnight,* Mike Leigh's *Hard Truths,* John Crowley's *We Live in Time,* Rebecca Lenkiewicz's debut *Hot Milk,* Thea Gajic's debut *Surviving Earth,* feature documentaries by Asif Kapadia (*2073*) and Arthur Cary (*Cecil*), and four short films.

Film4's track record for discovering new talent and nurturing deep relationships with filmmakers is exemplified by our slate this year. This includes acclaimed films from directors with whom we have strong long-term relationships, including Yorgos Lanthimos, Asif Kapadia, Rose Glass, Andrew Haigh, and Jonathan Glazer – started 23 years ago with his feature debut *Sexy Beast.*

In March 2024, there was more success for Film4-backed titles, with *Poor Things* and *The Zone of Interest* taking home six Oscar wins at the 96th Academy Awards, including Best Actress for Emma Stone and Best International Feature Film, respectively.

STRICTLY EMBARGOED UNTIL 11.30AM TUESDAY 8 OCTOBER 2024

Partnering with the creative industries cont.

↓Scared of the Dark

CASE STUDY

ClockWork Films

Leeds-based, diverse-led independent production company ClockWork Films joined the Emerging Indie Fund in 2022, making *Ramadan in Lockdown* for Channel 4, which won a prestigious Sandford St Martin Trustees' Award and was also nominated for RTS and Prix Europa awards.

"At ClockWork we look to bring diversity and representation to the mainstream – with people and their stories at the heart of what we do," says Director and Executive Producer, Heenan Bhatti. "We aim to bring a distinctive approach to our film-making: be it tone, a boldness in the story-telling or innovation."

During their time with the Emerging Indie Fund, the company, which works across all factual genres, has also created a number of short appeal films for *Stand Up To Cancer* and the RTS-nominated *Princess Anne: The Plot to Kidnap a Royal* – an innovative single documentary described by The Telegraph as "inspired" and by The Times as "strangely mesmerising".

"The Emerging Indie Fund has been greatly beneficial in supporting ClockWork's continued growth," says Heenan. "It's proved invaluable in giving the time and space to take a strategic overview of the company – from distilling the brand to reviewing development and business strategy – through both group sessions and one-to-one consultancies."

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↓ The Dog Academy

Driving innovation through investment

Indie Growth Fund

The Indie Growth Fund has a remit to generate commercial returns for Channel 4 by investing in primarily 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 nine years old, the fund has invested in 29 companies to date, with 11 exits so far. 18 companies remained in the fund at the end of 2023, the largest figure since the fund's inception. Of these, 11 are based out of London, three are led by ethnically diverse founders, eight have female founders, one has a founder with a disability and one is a digital-first company. The fund invested in one new company in 2023 – Studio Crook (there were no exits this year). The uniquely challenging market environment in 2023 had an adverse impact on the independent producers in the fund and a number of them remain financially vulnerable and at potential risk of failure.

Emerging Indie Fund

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 fourth year, the 2023 cohort comprised 14 awards, which ranged up to £18,000. The selected main awardees are each paired with a Commissioning Editor and receive support through slate development funding, business, and slate development consultancy, and commissioner one-to-one sessions over a period of six months. They also join the 4Producers Network – a regular meetup of participating indies from current and previous years of the Fund, the Indie Accelerator, and the Indie Growth Fund. Discretionary awardees receive up to £4,500, and access to the 4Producers Network and Head of Indie Relations.

The Emerging Indie Fund has proved to be a successful catalyst for companies, with participating companies over the last four years going on to secure more than £14 million in developments and commissions.

Channel 4 Ventures

Channel 4 Ventures invests in high-growth consumer businesses, offering media airtime in exchange for equity. The fund now has 24 active investments which had a balance sheet value of £50 million at 31 December 2023 (up from £45 million at the end of 2022) – please see further detail on page 212.

The venture capital markets continued to remain subdued in 2023, resulting in a decrease in the value of Channel 4 Ventures' existing investments in year; however, this was more than offset by new deals closed by the fund, consisting of five new investments and two follow-on investments.

Companies added to the portfolio included: Oddbox, a sustainable vegetable box business; Airtasker, a local services marketplace; and Raylo, a circular economy platform for consumer electronics. Channel 4 Ventures also made a follow-on investment into Strike, following its acquisition of Purplebricks earlier in 2023.

Global Format Fund

As part of our Future4 strategy, we launched the Global Format Fund in 2020. The fund 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.

The fund invested £11 million in 2023. Three new Global Format Fund series aired on Channel 4 this year: innovative celebrity reality competition *Scared of the Dark* (which became one of our most-streamed series of the year), thrilling new antiques and collectibles format *The Greatest Auction* and supersized canine training show *The Dog Academy* (our fourth-best 8pm series launch of the year). Overall, *The Dog Academy* reached 6.2 million across streaming and linear, and has already been recommissioned for a second series.

Also this year, the second series of *Open House: The Great Sex Experiment* – a social experiment that follows committed monogamous couples as they explore open relationships, has gone from strength to strength on Channel 4 streaming with average views per episode up 117% compared to the first series. It has been optioned and/or acquired in many territories across the world.

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Partnering with the creative industries cont.

Seeking out the next generation of diverse talent

Now in its fourth year, the 4Skills programme provides training opportunities to people across the UK. The Leeds-based initiative reaches out to untapped talent pools to attract people from under-represented groups who might not typically consider a career in the creative industry. The programme's budget in 2023 was £5 million and is set to double to £10 million a year by 2025.

This year, 4Skills provided over 57,000 training, development, and learning opportunities to people from across the UK, more than double last year's total of 28,000. Our schemes focused on young people and those from lower socioeconomic and diverse backgrounds, and on providing opportunities for the freelance community.

The largest individual scheme, 4Schools, works with schools to open up the creative and digital industries to 11-16-year-olds. The project has thrived since it launched in 2022, reaching over 40,000 students this year (up from over 23,000 in 2022), and operating in 122 schools. Expansion of the programme in 2023 ensured that it covered almost twice as many schools in England, Scotland, and Wales compared to 2022, and the plan is to expand further to include schools in Northern Ireland in 2024. The project prioritises schools with a higher percentage of pupils receiving free school meals, to maximise its impact by focusing on areas that can benefit the most from social mobility.

For the second year, Channel 4's expanded Production Training Scheme supported two cohorts in 2023, one focused on Scripted companies and the other on Unscripted. The year-long, fully paid training programme placed 28 trainees at independent production companies across the UK.

Our Apprenticeship Programme plays a central role in our strategy to advance equity and inclusion at Channel 4. This year, a record 41 apprentices embarked on long-term apprenticeships, strategically based across all our offices in Leeds, Glasgow, Bristol, Manchester, and London.

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In its second full year, the 4Skills grassroots talent scheme, Content Creatives expanded to a six-month programme (up from 14 weeks in 2022), with 30 placements in Leeds and Manchester. Over 80 trainees have been through the scheme in total (since the launch of the pilot in 2021) and have gone on to creative careers with 4Studio and ITN and digital agencies such as We Are The Allies, McCann, Dubit, and Dentsu, as well as roles in TV production.

In January 2023, we introduced a virtual work experience programme in an effort to enhance accessibility and engage with a larger audience. More than 2,000 individuals successfully completed the self-paced programme, which is offered free of charge. We have relaunched the initiative in January 2024, now featuring expanded content and modules to drive further engagement.

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↓ Channel 4 apprentices

↓ Paralympics Production Training Scheme trainees

↓ Channel 4 and National Film and Television School masterclass

↓ 4Schools

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Partnering with the creative industries *cont.*

Supporting the freelance community

Alongside its various programmes for new entrants, Channel 4 has an ongoing, long-term commitment to the UK freelance community, on whom the entire independent production sector is dependent.

At a time of macroeconomic uncertainty, with the TV production sector facing unprecedented challenges, many broadcasters had to slow down commissioning while global streamers significantly reduced their budgets. We felt it was vital to do more to support the freelance community to make it easier for them to navigate the crisis. Our focus was on supportive interventions, and we assembled a package of measures to address the challenges facing people working in production.

In addition to making an additional financial contribution to the Film & TV Charity's hardship fund supporting freelancers, our 4Skills team worked with the National Film and Television School ('NFTS') to offer additional support through masterclasses, workshops, and training sessions.

Channel 4 has a longstanding partnership with the NFTS to deliver training opportunities to those already in the industry. As a new component of this, in October 2023 we launched Freelancer Focus, a two-week programme for freelancers covering everything from pitching to CVs to finance to wellbeing. Take-up for the programme was high, with over 7,200 attendances across the 20 sessions.

Other Channel 4 initiatives aimed to provide new skillsets to help freelancers effectively navigate through the economic crisis included Channel 4 'Open Days' in Newcastle, Belfast, and Cardiff, which were held online and face-to-face with a mix of skills, workshops, and commissioner meetings, including networking mornings for freelancers at Channel 4 offices, and additional wellbeing and mental health initiatives for freelancers.

We also launched 4Skills Business Boost, a specialist training and business support programme, to nine independent production companies based in the Nations and Regions, which focused on leadership and management, slate development and revenue diversification. And we delivered two weeks of free online training sessions and masterclasses covering topics focused on business leadership and management in TV production, and storytelling and script development. Over 3,200 opportunities were available to engage in the diverse range of sessions, featuring insights from industry professionals.

"Channel 4's steadfast support helps us to create meaningful impact and widen opportunities for under-represented talent into our industry," said Claire Scally, Managing Director of TRC. "Their commitment to supporting training initiatives across the Nations and Regions has been invaluable."

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Stand Up To Cancer: A lifesaving ten year partnership

Stand Up To Cancer, the national campaign to support life-saving cancer research, celebrated a decade of successful fundraising this year. Over the last ten years, the campaign – a partnership between Channel 4 and Cancer Research UK – has raised more than £113 million.

Since launching in 2012, it has funded more than 60 clinical trials and research projects involving more than 13,000 cancer patients, with some breakthroughs in treatment. From trials into kinder testing for breast cancer to a new treatment for advanced bile duct cancer now available on the NHS, the cash raised by *Stand Up To Cancer* has demonstrably saved lives.

Since launching in 2012, it has funded more than 60 clinical trials and research projects involving more than 13,000 cancer patients.

The centrepiece of Channel 4's celebrations of *Stand Up To Cancer's* anniversary was a star-studded night of live TV in November featuring Davina McCall, Joe Lycett, Adam Hills, Rhod Gilbert, and Munya Chawawa. They were joined by other famous faces and guests for a night of comedy, insights into cancer research, and emotional stories shared by cancer patients and their families.

The programme resonated strongly with audiences, who recognised the campaign's impact. 90% of viewers agreed that "events like *Stand Up To Cancer* are exceptionally important in raising money for good causes", while 87% of viewers told us that "the programme(s) helped raise awareness of the different challenges cancer patients/their families face", and 85% agreed that "programming like this helps to remove some of the stigma surrounding cancer".

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Partnering with the creative industries *cont.*

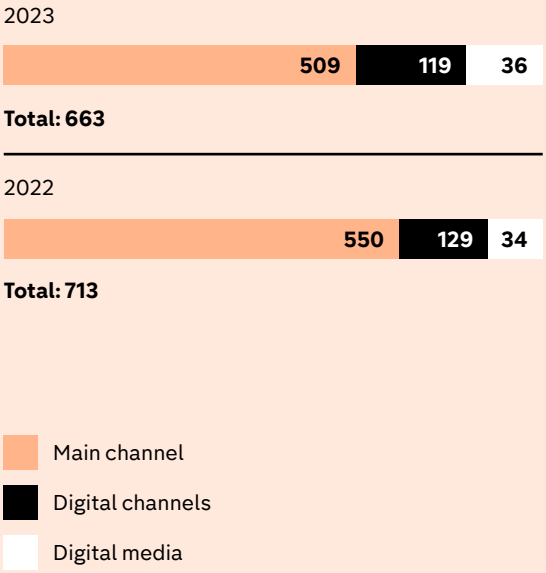
SMCP metrics dashboard

Content investment: Total spend

£663m‡

Total investment in content across Channel 4's TV's channels and online services

Total spend on content (£m)



Rounding differences may occur.

As a public service media organisation, Channel 4 delivers its public remit primarily through the original content that it invests in. Channel 4 manages its finances in a responsible and sustainable way, and in 2023 it sought to preserve investment in content and strategic objectives where possible.

In 2023, Channel 4 spent £663 million on content (originations and acquisitions) across its services. This is 7% below the all-time record figure of £713 million spent in 2022.

The year-on-year decline reflects challenges in the TV advertising market, which required Channel 4 to rephase some scheduling and production, and to slow down commissioning during periods where it was already well-stocked. By taking short-term measures, Channel 4 is able to preserve its longer-term level of overall investment, remit delivery, and financial sustainability.

Despite the decrease this year, Channel 4's content investment was at the top end of the spending range over the five years prior to 2022, i.e. 2017-2021, during which period it ranged from £522 million up to £675 million.

The main channel's content budget was £509 million this year, a year-on-year decline of 7%. The main channel accounted for 77% of total content spend – this is the same proportion as in 2022 and 6 percentage points below the corresponding figure of 83% from five years ago (in 2018), reflecting the gradual rebalancing of spend from the main channel to digital services.

Spend on the digital TV channels totalled £119 million, 8% down year-on-year (a £10 million decrease in absolute terms). The one area of content investment to increase this year was in digital media: spend rose by 3% to £36 million (a £2 million increase), reflecting the importance of Channel 4's ongoing strategy to drive viewing to its streaming services. This includes offering more exclusive acquisitions (such as *The X-Files* and *Alias*) to sit alongside our commissioned content, helping us to grow our content offer and carve out a distinctive reputation in the highly competitive market for streaming services.

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

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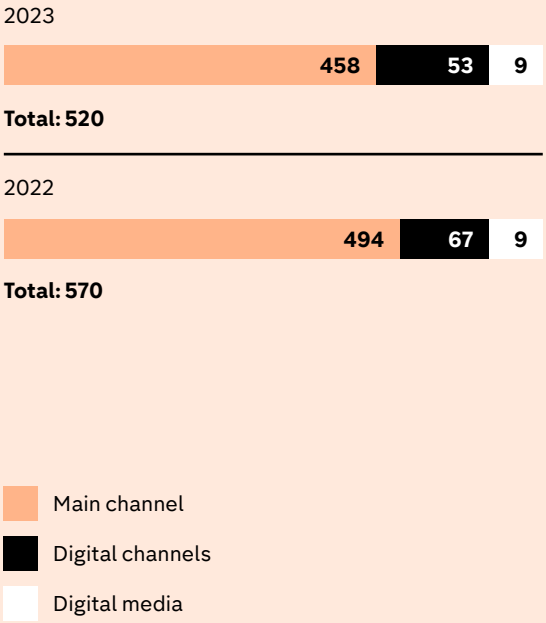
Content investment: Originations

£520m‡

Total investment in originated content across Channel 4's TV's channels and online services

Spend on originated content (£m)



The total value of Channel 4's investment in original content (first-run transmissions and repeats) across its TV channels and online services in 2023 was £520 million. While this is 9% below 2022's all-time record £570 million investment, it is still the second-highest figure in Channel 4's history.

The value of investment in originated content on the main channel this year was £458 million (88% of the total). This represented a decrease of 7% year-on-year, slightly less than the percentage fall in total investment in original content. The 2023 figure for originated content investment on the main channel was again the second-highest-ever value in Channel 4's history.

Investment in original content on the digital TV channels was £53 million this year, 21% below the 2022 level (a drop of £14 million). E4 accounted for the bulk of this decline, as Channel 4 prioritised investment on streaming and the delivery of its digital strategy. After almost doubling in 2022 to £52 million, its originated content budget fell by £11 million to £41 million in 2023 – still more than 50% higher than its 2021 originations budget of £27 million.

With the broadcaster's Future4 and Fast Forward strategies seeking to drive more viewing via streaming, Channel 4 protected its spend on digital media content (including websites and cross-platform content). Total investment remained at £9 million this year, level with 2022 (based on the exact figures, there was a very small decline of 2%).

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

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Partnering with the creative industries *cont.*

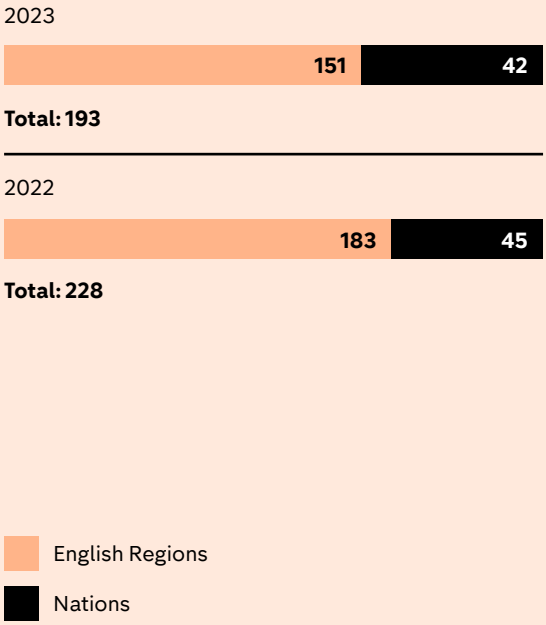
SMCP metrics dashboard

Content investment: Originations spend in the Nations and Regions

£193m‡

Total investment in originated content in the Nations and Regions

Spend on originated content in the Nations and Regions (£m)



Channel 4 spent £193 million across its TV portfolio on content commissioned from production companies based in the Nations and Regions in 2023. This represented a decline of 16% on the all-time record investment level of £228 million in 2022 (a £35 million drop in absolute terms). This decline was greater than that for Channel 4's total investment in originated content (see page 83) as 2022 saw the final series of major out-of-London commissions such as *Derry Girls* and *Ackley Bridge,* while a number of other series did not return this year or returned with shorter runs. Notwithstanding this decline, originated spend outside London remained higher than in any year prior to 2021.

Channel 4's expenditure on originated content in the Nations was £42 million this year. This fell by 6% year-on-year (equivalent to £3 million) relative to last year's record £45 million figure. This was a lower decline in percentage terms than the overall reduction in Channel 4's out-of-London spend and ensured that our originated content spend in the Nations remained higher than in any year other than 2022.

Expenditure in Scotland was £27.0 million, equivalent to 64% of the total Nations spend in 2023. The next-biggest Nation was Wales, with a spend of £13.3 million (32% of the Nations total). The remaining £1.8 million of the Nations' spend (4% of the total) was in Northern Ireland. Scotland was the one Nation that saw a rise in investment this year, thanks to a range of new launches such as *Strangers on a Plane, Tool Club,* and *PopMaster TV.*

Channel 4's TV portfolio spend on commissions from the English Regions was £151 million in 2023, down from £183 million in 2022 (a drop of 18% or £32 million in absolute terms).

Investment in the North of England was £93.2 million in 2023, equivalent to 62% of the total spent in the English Regions. While spend fell in each of the English Regions, the decline in the North of England was only marginal (a £0.1 million drop), helped by the move of *Formula 1* production to this region (from the South). The South of England remained the next-biggest region, with £48.1 million spend (32% of the total). With £5.9 million of spend, the Midlands accounted for 4% of the total. The remaining 2% of spend in the English Regions was on programmes made in more than one region, which accounted for £3.4 million investment.

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

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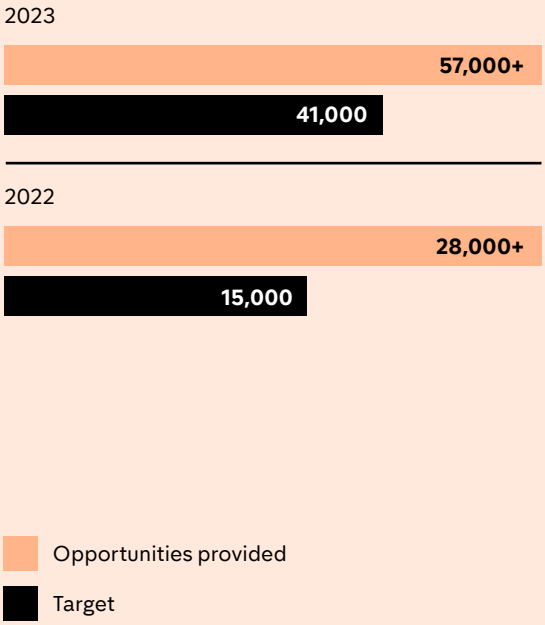
Opportunities provided by 4Skills

57k+‡

Number of training, development, and learning opportunities provided by 4Skills across its programmes

Actual and target number of opportunities provided by 4Skills



Channel 4 launched 4Skills in 2020 to help nurture and grow the UK's next generation of creative talent. Based in Leeds and with a budget in 2023 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 the creative industries.

This year, 4Skills provided more than 57,000 training, development, and learning opportunities, with a focus on young people and those from under-represented backgrounds. This figure is more than double the corresponding number for 2022 (around 28,000 opportunities), a very impressive year-on-year growth rate. It exceeds by some distance the target set for the year of almost 41,000 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 11-16-year-olds. A total of 122 schools took part in 2023 (almost twice as many as in 2022), enabling the programme to engage directly with more than 40,000 students across the year (2022: 23,000+ students), 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. Highlights in 2023 included a two-week Freelancer Focus programme to support the freelance community, run in partnership with the NFTS and BBC, which saw more than 7,200 attendances across 20 sessions. And Content Creatives, which is aimed at young people from lower socioeconomic backgrounds with a passion for creating digital content, returned for its second full year with an expanded six-month programme (up from 14 weeks in 2022).

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

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Partnering with the creative industries *cont.*

SMCP metrics dashboard

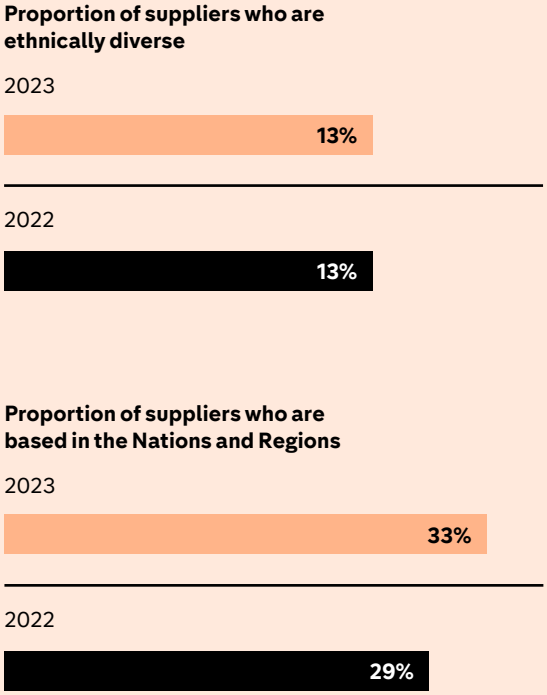
Diversity of suppliers

13%

Proportion of Channel 4's total supplier base who are ethnically diverse

33%

Proportion of Channel 4's total supplier base who are based in the Nations and Regions



Channel 4 plays a disproportionately important role in supporting the independent production sector, with all its TV programmes being sourced from external suppliers. Following consolidation in the production sector (some of the biggest companies are parts of global media groups that are considerably bigger than Channel 4 itself), our role has evolved over time. In particular, our support for the sector has become more targeted so it can achieve the greatest impact.

Two priority areas for support are suppliers that are 'diverse' – defined as being production companies for which the main shareholders, leading decision makers or creative leaders comprise people from Black, Asian, and minority ethnic backgrounds – and suppliers that are based in the Nations and Regions. We report here the degree of representation of diverse and Nations and Regions companies within the total of 143 suppliers that worked on programmes commissioned by Channel 4 in 2023.

This year, 13% of Channel 4's total supplier base (19 of the 143 companies) were diverse. The most significant diverse companies, in terms of their non-sports commissions from Channel 4, were Gold Wala (whose commissions included *Sounds Like the 80s*), Nine Lives Media (*Ricky, Sue and a Trip or Two*), and Rogan Productions (*Defiance: Fighting the Far Right*). The proportion of Channel 4's supplier base that comprises diverse suppliers is the same as last year (2022: 13% of the total).

Companies based in the Nations and Regions represented 33% of Channel 4's total supplier base in 2023 (47 of the 143 companies). The Nations and Regions companies with the largest value of commissions this year were Lime Pictures (whose commissions included *Hollyoaks*), The Forge Entertainment Limited (*Generation Z*) and True North (*Top Guns: Inside the RAF*). The proportion of companies based in the Nations and Regions rose by 4 percentage points year-on-year (from 29% of the total supplier base in 2022).

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↓ The Zone of Interest

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Meeting Channel 4's licence obligations

	Measure	Daypart	Quota	2023 Actuals
News	Average hours per week	Peak (6-10.30pm)	4	4
Current Affairs	Average hours per week	All day	4	4
	Average hours per week	Peak (6-10.30pm)	2	2
Schools	Hours per year	All day	1	5
Origination production	% of hours	All day	56	64
	% of hours	Peak (6-10.30pm)	70	79
Independent production	% of first-run origination	All day	25	54
European independent production	% of origination hours	All day	10	31
European origin	% of origination hours	All day	50	67
Subtitling for the deaf and hard of hearing	% of hours	All day	90	100
Audio description	% of hours	All day	10	52
Signing	% of hours	All day	5	11
Regional production	% of first-run origination	All day	35	51
Regional hours	% of first-run origination	All day	35	67
Production in the Nations	% of first-run origination	All day	9	11
Nations hours	% of first-run origination	All day	9	11

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↓ Davina McCall's Pill Revolution

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Tackling the climate emergency

Channel 4 engages with viewers to create a debate on the need for change

With a remit to inspire change in how we lead our lives, Channel 4 is committed to using its programming to empower viewers to take positive actions to live more sustainable lives, and to shine a light on the worsening impacts of the climate emergency.

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↓ Chris Packham: Is It Time to Break the Law?

In 2023, a bold season of programmes sought to explore solutions to the climate crisis, with input from some of the most respected climate experts in the world. And outside the season, we shined a light on climate issues across our output in different ways. Amongst the most impactful shows was a series on our digital platforms looking at how to make sustainable fashion choices, repositioning second-hand clothing as 'pre-loved'. We also used the reach and strength of Channel 4's brand to start a conversation on the need for change, with a striking creative campaign questioning whether those in power are doing enough, stirring a heated debate in the process.

Off-screen, we strengthened our corporate climate commitments and reviewed our internal processes and supplier relationships with the aim of minimising emissions across the value chain.

Strengthened commitments

We aligned to the Science Based Targets initiative (SBTi) to set more robust company-wide emission reduction targets

86%

Proportion of viewers of our Change Climate season who agreed that shows like these "are important for raising awareness of issues related to the climate crisis"

Driving off-screen sustainability

We require all production companies to use the cross-industry albert scheme to measure and take steps to reduce their carbon footprint, and work with the Carbon Disclosure Project to gather sustainability data for suppliers in our wider supply chain

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CHANGE CLIMATE

In 2023, Channel 4 aired a series of programmes dedicated to exploring solutions to the climate crisis. This campaign was delivered with a twist, calling out the actions (or inactions) of politicians and large corporations.

The series included *Chris Packham: Is It Time to Break the Law?,* an intensely personal authored film that asked if the severity of the threat of climate change means that law-breaking can be ethically justified. *The Great Climate Fight* saw Kevin McCloud, Hugh Fearnley-Whittingstall, and Mary Portas try to kickstart real change by identifying the practical steps that governments and big business can take to eliminate our carbon emissions. And *The Big British Beef Battle* examined the impact of diet on climate change, with Ade Adepitan asking whether shifting from beef to chicken could make a meaningful impact towards lowering greenhouse gas emissions.

The programmes in the season together reached 4.1 million viewers overall across streaming and linear. When viewers were asked what they thought of the shows they highlighted that the season brought complex but important issues to audiences in a balanced and engaging way.

An overwhelming 86% of viewers of programmes in the season agreed that shows like these "are important for raising awareness of issues related to the climate crisis". 90% agreed that "the Government should be doing more to support and fund the production of sustainable energy in the UK", and 65% said that they "now feel more aware of the immense changes needed to reach net zero, beyond individual action". A remarkable 50% of viewers claimed to have spoken to others about the issues raised in the programmes.

A remarkable 50% of viewers claimed to have spoken to others about the issues raised in the programmes.

Respondents also recognised the value of Channel 4's remit in inspiring audiences to engage with social issues, create conversations, and raise awareness, with one viewer saying, "The Change Climate season shows us how desperately we need to protect our local publicly-funded broadcasters. They are unique and essential. They can do things that global entertainment companies are not set up to do."

Our focus on climate issues went beyond the dedicated season and was apparent in other programmes across the year. One notable example was *Guy Martin's Great British Power Trip,* which investigated how Britain generates its power and why it costs so much. The three-part season reached 4.4 million viewers, with 66% of those surveyed claiming it made them "think about what more we can do as a society to reduce our carbon footprint and make "greener choices", while 81% agreed that "the show gave a balanced view on the complexities of energy production".

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↓ Guy Martin's Great British Power Trip

4.1 million

viewers overall across streaming and linear

86%

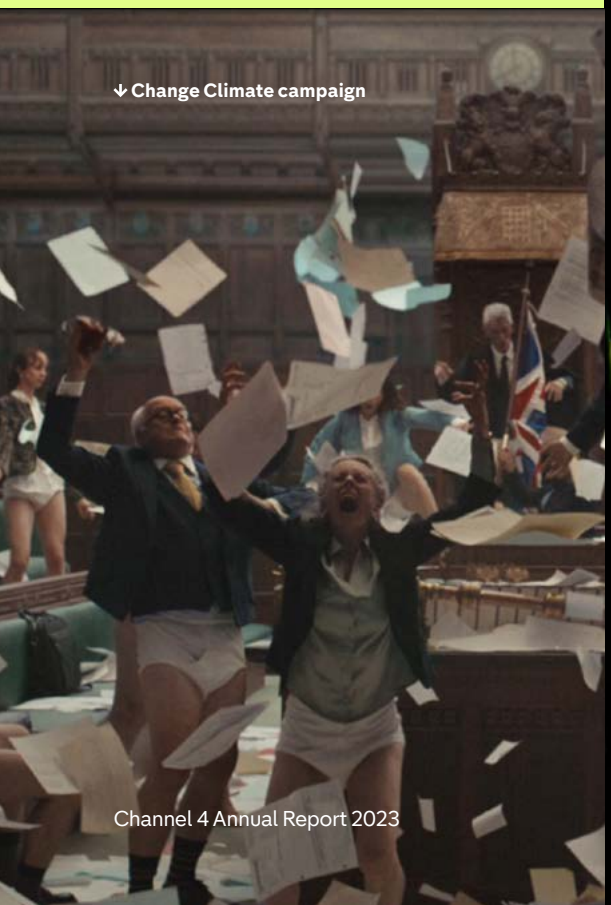
of viewers of programmes in the season agreed that shows like these "are important for raising awareness of issues related to the climate crisis"

90%

agreed that "the Government should be doing more to support and fund the production of sustainable energy in the UK"

50%

of viewers claimed to have spoken to others about the issues raised in the programmes



↓ Change Climate campaign

STRICTLY EMBARGOED UNTIL 11.30AM TUESDAY 8 OCTOBER 2024

↑ The Great Climate Fight

STRICTLY EMBARGOED UNTIL 11.30AM TUESDAY 8 OCTOBER 2024

↓ Second Hand Style-Up

Working together to shift perceptions

Channel 4 partnered with pre-loved fashion platform Vinted on a trailblazing cross-platform branded campaign that sought to empower viewers to simultaneously make a positive impact on their wallet and on the environment.

The four-part digital series, *Second Hand Style-Up* was fronted by *Hollyoaks* star Jorgie Porter and stylist Emma Winder. It debuted on Channel 4's YouTube channel and was subsequently released across our Facebook, Instagram, and TikTok accounts. Four fashion lovers facing the cost-of-living crisis were treated to a wardrobe makeover, selling the clothes they no longer love and buying new pre-loved items – thereby showcasing how Vinted's circular economy creates a more sustainable fashion industry.

The series garnered more than 7.8 million views and more than 40,000 hours of watch time on YouTube. It succeeded in shifting negative perceptions around second-hand clothing, with 74% of lapsed Vinted users saying they were re-considering selling clothes on the platform after watching the series.

Provoking debate to drive change

Channel 4 is often at its best when it adopts an irreverent tone to highlight a serious issue: the dissonance jolts people awake and forces them to confront issues that they might prefer to ignore. This year's campaign for the Change Climate season – featuring images of those in a position of power in carbon skid-marked pants – illustrated this well.

The bold campaign reached more than 50% of the population and sparked conversations across the UK. 77% of viewers of the trails agreed that "Channel 4 isn't afraid to take risks", and 70% agreed that "you wouldn't find a campaign like this from any other broadcaster".

There was an overwhelming consensus that the fundamental objective behind the ad campaign – to shift focus onto Government and corporations – was the correct one, with 81% of viewers acknowledging that "corporations should be doing more to combat the climate crisis".

The campaign was inevitably divisive. Many viewers loved it, welcoming its humorous approach, with one describing it as, "Brilliant. Hard-hitting and quite disturbing which is what it should be. One of the best campaigns I've seen for anything. Great use of shock tactics". Others recognised that it achieved cut-through in a way that a more typically earnest or preachy trail would not do. Not everyone appreciated the humour, and that cut through resulted in the trails becoming Channel 4's most complained about content of the year – itself becoming a news story and helping to further shine a light on the choices of those in power.

Taking action

At COP26 in November 2021, Channel 4 was amongst the 12 UK media organisations that signed the Climate Content Pledge to recognise their responsibility to support audiences' understanding of climate change and inspire greener choices. The Pledge commits broadcasters, amongst other things, to reach more of their audiences with content that helps everyone understand and navigate the path to net zero.

14% of UK adults surveyed this year were aware that Channel 4 recently tackled the subject of climate change either through their programming or a TV advert or campaign. This was the second-highest level of awareness amongst all the broadcasters and services that signed the Pledge, behind only the BBC.

As part of our Climate Content Pledge commitments, CEOs from Channel 4, the BBC, ITV, Paramount, Sky, and STV collaborated on an event this year that centred on how storytelling can inspire climate action. In partnership with Chatham House, the event began with an in-person fireside chat with Bill Gates, Co-Chair of the Bill & Melinda Gates Foundation and Founder of Breakthrough Energy, and brought together leaders from business, Government and civil society to explore what climate-related stories need to be told to achieve systemic change at scale.

STRICTLY EMBARGOED UNTIL 11.30AM TUESDAY 8 OCTOBER 2024

Empowering our employees and suppliers

In order to move towards a sustainable future, it is vital that our impact on emissions becomes a part of every decision and process we undertake, from the content we showcase to our office operations and the partnerships we enter.

The biggest contributor to our emissions relates to our supply chain, and in particular the production of the programmes that we commission from independent production companies. We work closely with our production partners to better understand where emissions are coming from and how we can collaborate on reductions. And we participate in the cross-industry BAFTA albert scheme, with all production companies required to measure their carbon footprint and make active steps to reduce it using the albert tools. For suppliers in our wider supply chain, we work with the Carbon Disclosure Project ('CDP') to gather sustainability data.

This year, we carefully reviewed our commissioning processes to encourage the presentation of climate themes on-screen and to improve off-screen sustainability. We implemented new systems to ensure that climate themes are taken into consideration in every commission and tracked throughout every production.

As part of this, we formed a cross-genre commissioning group tasked with weaving climate themes across more of our shows.

All new joiners at Channel 4 are required to complete a 'How to go net zero' training course, and are auto-enrolled onto an Environmental, Social and Corporate Governance ('ESG') pension. Our Employee Resource Group, 4Earth, also engages employees with sustainability messaging through a regular programme of events, panel discussions, and talks.

Distinctive, disruptive, daring

STRICTLY EMBARGOED UNTIL 11.30AM TUESDAY 8 OCTOBER 2024

↓ Guy Martin's Great British Power Trip

↓ Change Climate campaign

Awards

UK television

Attitude Awards
Joe Lycett
Channel 4
The Comedy Award

BAFTA Scotland
Frankie Boyle's Farewell to the Monarchy
Two Rivers Media for Channel 4
Entertainment

Somewhere Boy – Lewis Gribben
Clerkenwell Films for Channel 4
Actor Television

BAFTA Television Awards
Channel 4 News: Live in Kyiv
ITN Productions for Channel 4
News Coverage

Children of the Taliban
Moondogs Films for Channel 4
Current Affairs

Derry Girls
Hat Trick Productions for Channel 4
Scripted Comedy

Derry Girls – Siobhán McSweeney
Hat Trick Productions for Channel 4
Female Performance in a Comedy Programme

Friday Night Live
Phil McIntyre Television and Boffola Pictures for Channel 4
Comedy Entertainment Programme

How to Be a Person
The Corner Shop for Channel 4 / 4Studio
Short Form Programme

I Am Ruth
Me+You Productions in association with Juggle Productions for Channel 4
Single Drama

I Am Ruth – Kate Winslet
Me+You Productions in association with Juggle Productions for Channel 4
Leading Actress

Joe Lycett vs Beckham:
Got Your Back At Xmas
Rumpus Media and My Options Were Limited for Channel 4
Features

BAFTA Television Craft Awards
Children of the Taliban – Marcel Mettelsiefen, Jordan Bryon
Moondogs Films for Channel 4
Photography: Factual

Derry Girls – Lisa McGee
Hat Trick Productions for Channel 4
Writer: Comedy

Don't Hug Me I'm Scared – Becky Sloan, Joe Pelling
Blink Industries for Channel 4
Production Design

Somewhere Boy – Pete Jackson
Clerkenwell Films for Channel 4
Emerging Talent: Fiction

British Film Editors Cut Above Awards
Derry Girls – Lucien Clayton and Nigel Williams BFE
Hat Trick Productions for Channel 4
Best Edited Series: Comedy

British Soap Awards
Hollyoaks – Incel Eric Targets Mason and Maxine
Lime Pictures for Channel 4
Best Storyline

British Sports Journalism Awards
Super League Rugby
IMG for Channel 4
Broadcast Event Coverage – Silver Award

Broadcast Awards
Derry Girls
Hat Trick Productions for Channel 4
Best Comedy Programme

Derry Girls
Hat Trick Productions for Channel 4
Timeline TV Moment of the Year

Moneybags
Youngest Media for Channel 4
Best Daytime Programme

Broadcast Digital Awards
Channel 4.0
Channel 4 / 4Studio
Best Entertainment Channel

Hollyoaks – The Long Walk Home VR Immersive Experience
Lime Pictures for Channel 4 / 4Studio
Best Digital Support for a Programme

Kingpin Cribs – Drugs, Death and Pet Tigers
Zandland for Channel 4 / 4Studio
Best Short-Form Documentary

More 4
Channel 4
Best Factual Channel

Nella Rose's Flight Mode
Goat Films for Channel 4 / 4Studio
Best Short-Form Format

Red Flag
Baby Cow Productions for Channel 4
Best Short-Form Scripted

Chortle Awards
Joe Lycett
Channel 4
TV comedian

Taskmaster
Avalon Television for Channel 4
TV Award

Comedy.co.uk Awards
Don't Hug Me I'm Scared
Blink Industries for Channel 4
Best New TV Sitcom

Don't Hug Me I'm Scared
Blink Industries for Channel 4
Comedy of the Year

Taskmaster
Avalon Television for Channel 4
Best TV Entertainment Show

D&AD Awards
Super Surgeons: A Chance at Life
Wonderhood Studios for Macmillan Cancer Support and Channel 4
Entertainment: Non-Scripted Long Form

DIVA Awards
Channel 4
Brand or Organisation of the Year

Edinburgh TV Awards
Children of the Taliban
Moondogs Films for Channel 4
Best Documentary

Derry Girls
Hat Trick Productions for Channel 4
Comedy

Guy Martin's Great British Power Trip
North One Productions for Channel 4
Climate Impact Award

I Am Ruth – Kate Winslet
Me+You Productions in association with Juggle Productions for Channel 4
Best TV Actor – Drama

Rosie Jones' Trip Hazard
CPL Productions for Channel 4
Best Popular Factual Series

Somewhere Boy – Lewis Gribben
Clerkenwell Films for Channel 4
Breakthrough Talent – Actor

Grierson Awards
Lyra
Erica Starling Productions for Channel 4
Best Single Documentary – Domestic

Hebden Bridge Film Festival
Lyra
Erica Starling Productions for Channel 4
Audience Award for Best Feature

Hello Magazine: Rising Stars
Channel 4 News – Ruben Reuter
Rising Star

I Talk Telly Awards
The Great British Bake Off
Love Productions for Channel 4
Best Talent Show

National Comedy Awards
8 Out of 10 Cats Does Countdown
Zeppotron for Channel 4
Best Comedy Panel Show

Derry Girls – Saoirse-Monica Jackson
Hat Trick Productions for Channel 4
Outstanding Comedy Actress

Joe Lycett
Channel 4
Comedy Gamechanger Award

Mo Gilligan
Channel 4
Impact in Comedy Award

Taskmaster
Avalon Television for Channel 4
Best Comedy Entertainment Show

National Reality TV Awards
Celebrity SAS: Who Dares Wins
Minnow Films for Channel 4
Best Entertainment Show

Made in Chelsea – Paris Smith
Monkey Kingdom for E4
Reality Personality of the Year

Rise and Fall
Studio Lambert for Channel 4
Best Social Experiment Show

The Big Narstie Show
Expectation Entertainment for Channel 4
Best Talk Show

Gogglebox
Studio Lambert for Channel 4
The Bruce Forsyth Entertainment Award

Young Sheldon
Comedy

New Voice Awards
Disability Benefits – Sophie King
Channel 4
The Victor Adebodun Award
for Debut Director – Scripted

One World Media Awards
Channel 4 News – Inside Al-Shabaab
ITN for Channel 4
News Award

PinkNews Awards
George Michael: Outed
Blast! Films for Channel 4
Groundbreaking Broadcast Award

Real Screen Awards
Escape to the Chateau
Two Rivers Media and Chateau TV
for Channel 4
Lifestyle – House and Home (Design,
Renovation etc)

Hunted
Shine for Channel 4
Competition – Reality

The Great British Bake Off
Love Productions for Channel
Competition – Lifestyle

RTS Craft and Design Awards
Children of the Taliban – Marcel Mettelsiefen and Jordan Bryon
Moondogs Films for Channel 4
Director – Non-scripted

Children of the Taliban – Marcel Mettelsiefen and Jordan Bryon
Moondogs Films for Channel 4
Photography – Non-scripted

I Am Ruth – David Charap
Me+You Productions in association
with Juggle Productions for Channel 4
Editing – Scripted

Lyra – Chloe Lambourne
Erica Starling Productions for Channel 4
Editing – Non-scripted

Somewhere Boy – Catherine Willis
Clerkenwell Films for Channel 4
Casting

RTS East Awards
Hospital Undercover Are They Safe? Dispatches
Harbar 8 for Channel 4
News and Current Affairs Story

RTS Midlands Awards
Building Britain's Superhomes
Gosh Television for Channel 4
Craft – Production

Channel 4 News – Darshna Soni
Journalist of the Year

Late Night Lycett – Paul Farrer
Craft – Post Production

RTS North West Awards
24 Hours in A&E
Best Audio Post Production

Countdown
Lifted Entertainment for Channel 4
Best Daytime Programme

Everyone Else Burns – Kate O'Flynn
AX Media / Universal International Studios
for Channel 4
Best Performance in a Comedy

Hollyoaks – The Long Walk Home Immersive Experience
Lime Pictures for Channel 4 / 4Studio
Best Digital Creativity

Jon & Lucy's Odd Couples
King of Sunshine Productions
for Channel 4
Best Entertainment Programme

*Know Your S**t: Inside Our Guts*
Monkey Kingdom for Channel 4
Best Factual Entertainment Programme

RTS Northern Ireland Awards
Derry Girls
Hat Trick Productions for Channel 4
Comedy

The Real Derry – Jamie-Lee O'Donnell
Tyrone Productions for Channel 4
On-Screen Talent

RTS Programme Awards
Derry Girls
Hat Trick Productions for Channel 4
Scripted Comedy

Derry Girls – Lisa McGee
Hat Trick Productions for Channel 4
Writer – Comedy

Friday Night Live
Phil McIntyre Television and Boffola
Pictures for Channel 4
Comedy Entertainment

Gogglebox
Studio Lambert for Channel 4
Formatted Popular Factual

I Am Ruth – Kate Winslet
Me+You Productions in association
with Juggle Productions for Channel 4
Leading Actor (Female)

Winter Paralympics 2022 – Ade Adepitan
Whisper for Channel 4
Sports Presenter, Commentator or Pundit

RTS Scotland Awards
Screw – Rob Williams
STV Studios for Channel 4
Writer

RTS West Awards
The Dog House
Five Mile Films for Channel 4
Factual Entertainment and Features

RTS Yorkshire Awards
Amanda Owen's Farming Lives
Wise Owl Films for More 4 / Channel 4
Features

Renovation Nation
True North for Channel 4
High Volume Factual

Sandford St Martin Awards
Good Grief with Reverend Richard Coles
Bowled Over Media for Channel 4
Radio Times Readers' Award

Screen Test Awards
Taskmaster
Avalon Television for Channel 4
Happy TV Award

South Bank Sky Arts Awards
Big Boys
Roughcut Television for Channel 4
Comedy

Awards cont.

Televisual Bulldog Awards
Gogglebox
Studio Lambert for Channel 4
Factual Entertainment

Lyra
Erica Starling Productions for Channel 4
Documentary Single

Taskmaster
Avalon Television for Channel 4
Comedy

TRIC Awards
A Place in the Sun
Freeform Productions for Channel 4
Daytime

Gogglebox
Studio Lambert for Channel 4
Entertainment

The Great British Bake Off
Love Productions for Channel 4
Food

Visionary Arts Awards
I Am Ruth
Me+You Productions in association with Juggle Productions for Channel 4
Television Show of the Year

Judi Love: Black, Female and Invisible
Douglas Road Productions for Channel 4
Documentary of the Year

VLV Awards
Jon Snow – Channel 4 News
Contribution to Public Service Broadcasting

Women in Film and Television Awards
Ally Castle
The ITV Studios Achievement of the Year Award

Louisa Compton
The BBC News and Factual Award

Writers' Guild Awards
Big Boys – Jack Rooke
Roughcut Television for Channel 4
Best TV Situation Comedy

International television

Association for International Broadcasting Awards
Channel 4 News – Hell on Earth: Darién Gap – The Deadly Migrant Route
ITN Productions for Channel 4
Short Feature: TV/Video

Lyra
Erica Starling Productions for Channel 4
Human Interest: TV/Video

Nazanin
649 Media for Channel 4
Human Interest: TV/Video – Highly Commended

Austin International Art Festival
Stephen Fry: Willem & Frieda – Defying Nazis
Atticus Film for Channel 4
Best International Documentary Film

BANFF Rockie Awards
Taskmaster
Avalon Television for Channel 4
Comedy and Variety

Docs Without Borders International Film Festival
Stephen Fry: Willem & Frieda – Defying Nazis
Atticus Film for Channel 4
Best in Show: LGBT

DocsBarcelona
Lyra
Erica Starling Productions for Channel 4
Amnesty International of Catalonia Award

European Cinematography Awards
Stephen Fry: Willem & Frieda – Defying Nazis
Atticus Film for Channel 4
Best Documentary Film

Foreign Press Association Media Awards
Unreported World: Gaza: Daring to Dream
Channel 4
Arts and Culture Story of the Year

Human Documentary Film Festival
My Name is Happy
October Films, Red Zed Films
Human Rights Human Wrongs Award

International Emmy Awards
Derry Girls
Hat Trick Productions for Channel 4
Comedy

Irish Film and Television Awards
Derry Girls – Lisa McGee
Hat Trick Productions for Channel 4
Best Script – Drama

Krakow Film Festival
My Name Is Happy
October Films, Red Zed Films
Documentary Competition – Golden Horn

Monte-Carlo Television Awards
Nazanin
649 Media for Channel 4
Special Jury Prize

New York Festivals
Escape to the Chateau
Two Rivers Media and Chateau TV for Channel 4
Lifestyle Program

Palmares FIFDH Geneva Awards
My Name is Happy
October Films, Red Zed Films
Youth Jury Prize – Documentary

My Name is Happy
October Films, Red Zed Films
Storyboard Impact

Peabody Awards
Ukraine: Life Under Russia's Attack
Frontline (PBS) *for Channel 4 News*

Prix Europa
Lyra
Erica Starling Productions for Channel 4
Best European TV/Video
Documentary of the Year

Prix Italia
Children of the Taliban
Moondogs Films for Channel 4
Signis Special Prize

Rose D'Or Awards
Children of the Taliban
Moondogs Films for Channel 4
News and Current Affairs

UK film

BAFTA Film Awards
The Banshees of Inisherin
Blueprint Pictures
Outstanding British Film

The Banshees of Inisherin – Martin McDonagh
Blueprint Pictures
Original Screenplay

The Banshees of Inisherin – Barry Keoghan
Blueprint Pictures
Supporting Actor

The Banshees of Inisherin – Kerry Condon
Blueprint Pictures
Supporting Actress

BIFA Awards
All of Us Strangers – Andrew Haigh, Graham Broadbent, Pete Czernin, Sarah Harvey
Blueprint Pictures
Best British Independent Film

All of Us Strangers – Andrew Haigh
Blueprint Pictures
Best Director

All of Us Strangers – Andrew Haigh
Blueprint Pictures
Best Screenplay

All of Us Strangers – Connie Farr
Blueprint Pictures
Best Music Supervision

All of Us Strangers – Jamie D. Ramsay
Blueprint Pictures
Best Cinematography

All of Us Strangers – Jonathan Alberts
Blueprint Pictures
Best Editing

All of Us Strangers – Paul Mescal
Blueprint Pictures
Best Supporting Performance

Earth Mama – Savanah Leaf
Academy Films, Park Pictures
The Douglas Hickox Award
(Best Debut Director)

Enys Men – Mark Jenkin
Bosena
Best Sound

How to Have Sex – Isabella Odoffin
Wild Swim Films, Heretic
Best Casting

How to Have Sex – Mia McKenna-Bruce
Wild Swim Films, Heretic
Best Lead Performance

How to Have Sex – Shaun Thomas
Wild Swim Films, Heretic
Best Supporting Performance

The Kitchen – Jonathan Gales, Richard Baker
DMC, 59%
Best Effects

The Kitchen – Nathan Parker
DMC, 59%
Best Production Design

London Critics' Circle Awards
Living
Number 9 Films
The Attenborough Award: British/Irish Film of the Year

Living – Bill Nighy
Number 9 Films
British/Irish Actor of the Year for body of work

The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Actor of the Year

The Banshees of Inisherin – Martin McDonagh
Blueprint Pictures
Screenwriter of the Year

The Banshees of Inisherin – Barry Keoghan
Blueprint Pictures
Supporting Actor of the Year

The Banshees of Inisherin – Kerry Condon
Blueprint Pictures
Supporting Actress of the Year

Writers' Guild Awards
Passing – Rebecca Hall
Significant Production, A Picture Films, Flat Five Production
Best First Screenplay

International film

AARP's Movies for Grownups Awards
Living – Kazuo Ishiguro
Number 9 Films
Best Screenwriter

Austin Film Critics Association Awards
The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Best Actor

Australian Academy of Cinema and Television Arts Awards
The Banshees of Inisherin – Martin McDonagh
Blueprint Pictures
Best Screenplay

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

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

Cannes Film Festival Awards
How to Have Sex
Wild Swim Films, Heretic
Un Certain Regard

The Zone of Interest
JW Films, Extreme Emotions
Grand Prix

The Zone of Interest – Johnnie Burn
JW Films, Extreme Emotions
CST Artist Technician Award 2023

Chicago Film Critics Association
Poor Things – Emma Stone
Element Pictures
Best Actress

Poor Things – Holly Waddington
Element Pictures
Best Costume Design

The Zone of Interest
JW Films, Extreme Emotions
Best Foreign Language Film

Chicago Indie Critics Awards
The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Best Actor

Columbus Film Critics Association Awards
The Banshees of Inisherin
Blueprint Pictures
Best Ensemble

The Banshees of Inisherin
Blueprint Pictures
Best Film

The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Actor of the Year

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

The Banshees of Inisherin – Brendan Gleeson
Blueprint Pictures
Best Supporting Performance

Denver Film Critics Society Awards
The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Best Lead Performance by an Actor, Male

EnergaCAMERIMAGE Film Festival Awards
Poor Things
Element Pictures
Film Lottery Audience Award

Poor Things – Robbie Ryan
Element Pictures
Bronze Frog

The Zone of Interest
JW Films, Extreme Emotions
The International Federation of Film Critics Award for Best Film

European Film Awards
How to Have Sex
Wild Swim Films, Heretic
European Discovery Award, Prix Fipresci

Florida Film Critics Circle
Poor Things – Tony McNamara
Element Pictures
Best Adapted Screenplay

Georgia Film Critics Association Awards
The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Best Actor

Awards cont.

Golden Globes
The Banshees of Inisherin
Blueprint Pictures
Best Motion Picture – Comedy or Musical

The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Best Performance by an Actor in a Motion Picture – Musical or Comedy

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

Hawaii Film Critics Society Awards
The Banshees of Inisherin – Kerry Condon
Blueprint Pictures
Best Supporting Actress

Houston Film Critics Society Awards
The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Best Actor – Leading Role

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

The Banshees of Inisherin – Martin McDonagh
Blueprint Pictures
Best Screenplay

Indiana Film Journalists Association
Poor Things
Element Pictures
Original Vision

Poor Things
Element Pictures
Best Ensemble Acting

Poor Things
Element Pictures
Best Film

Poor Things – Mark Ruffalo
Element Pictures
Best Supporting Performance

Poor Things – Tony McNamara
Element Pictures
Best Adapted Screenplay

Poor Things – Yorgos Lanthimos
Element Pictures
Best Director

Poor Things – Emma Stone
Element Pictures
Best Lead Performance

The Zone of Interest
JW Films, Extreme Emotions
Best Foreign Language Film

Iowa Film Critics Association Awards
The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Best Actor

Irish Film and Television Academy Awards
The Banshees of Inisherin
Blueprint Pictures
Best Film

The Banshees of Inisherin – Brendan Gleeson
Blueprint Pictures
Supporting Actor: Film

The Banshees of Inisherin – Kerry Condon
Blueprint Pictures
Supporting Actress: Film

Las Vegas Film Critics Society
Poor Things – Emma Stone
Element Pictures
Best Actress

Poor Things – Holly Waddington
Element Pictures
Best Costume

Los Angeles Film Critics Association
All of Us Strangers – Andrew Haigh
Blueprint Pictures
Best Screenplay

Poor Things – Emma Stone
Element Pictures
Best Lead Performance

Poor Things – Robbie Ryan
Element Pictures
Best Cinematography

The Zone of Interest
JW Films, Extreme Emotions
Best Film

The Zone of Interest – Jonathan Glazer
JW Films, Extreme Emotions
Best Director

The Zone of Interest – Mica Levi
JW Films, Extreme Emotions
Best Music/Score

The Zone of Interest – Sandra Hüller
JW Films, Extreme Emotions
Best Lead Performance

Michigan Movie Critics Guild
Poor Things – Emma Stone
Element Pictures
Best Actress

Motion Picture Sound Editors
The Banshees of Inisherin
Blueprint Pictures
Outstanding Achievement in Sound Editing – Feature Dialogue / ADR

National Board of Reviews Awards
Poor Things – Mark Ruffalo
Element Pictures
Best Supporting Actor

Poor Things – Tony McNamara
Element Pictures
Best Adapted Screenplay

National Society of Film Critics Awards
The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Best Actor

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

Nevada Film Critics Society
Poor Things – Emma Stone
Element Pictures
Best Actress

North Carolina Film Critics Association Awards
The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Best Actor

North Dakota Film Society Awards
The Banshees of Inisherin – Martin McDonagh
Blueprint Pictures
Best Screenplay

Oklahoma Film Critics Circle Awards
The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Best Body of Work

Palm Springs International Film Awards
Living – Bill Nighy
Number 9 Films
International Star Award

The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Desert Palm Achievement Award – Actor

Philadelphia Film Critics Circle Awards
Poor Things
Element Pictures
Best Film of 2023

Poor Things
Element Pictures
Best Script

Poor Things – Emma Stone
Element Pictures
Best Actress

Poor Things – Yorgos Lanthimos
Element Pictures
Best Director

Phoenix Critics Circle
Poor Things – Emma Stone
Element Pictures
Best Actress

Portland Critics Association Awards
The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Best Actor in a Leading Role

San Diego Film Critics Society Awards
The Banshees of Inisherin
Blueprint Pictures
Best Picture

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

The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Best Actor

The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Special Award for Body of Work

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

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

The Zone of Interest
JW Films, Extreme Emotions
Best Sound Design

San Francisco Bay Area Film Critics Circle Awards
The Banshees of Inisherin
Blueprint Pictures
Best Picture

The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Best Actor

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

Satellite Awards
The Banshees of Inisherin – Martin McDonagh
Blueprint Pictures
Auteur Award

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

Seattle Film Critics Society Awards
The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Best Actor in a Leading Role

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

The Banshees of Inisherin – Martin McDonagh
Blueprint Pictures
Best Screenplay

Toronto Film Critics Association Awards
The Banshees of Inisherin – Martin McDonagh
Blueprint Pictures
Best Screenplay, Original or Adapted

Venice Film Festival Awards
Poor Things
Element Pictures
Golden Lion for Best Film

Women Film Critics Circle Awards
The Banshees of Inisherin – Colin Farrell
Blueprint Pictures
Best Actor

Marketing

Bynder Spotlight Awards
Roll out of Channel 4 DAM system
Channel 4
Best DAM Deployment – Winner

Campaign Big Awards
4creative
Channel 4
Consistent Creative Excellence – Winner

Channel 4 Idents
Channel 4 / 4creative
Entertainment/Leisure – Gold

Channel 4 Idents
Channel 4 / 4creative
TV/Cinema – Gold

Channel 4 Idents
Channel 4 / 4creative
Best Campaign – Grand Prix

Campaign Tech Awards
Hollyoaks – The Long Walk Home
Channel 4 / 4creative
Best Use of Social – Winner

Hollyoaks – The Long Walk Home
Channel 4 / 4creative
Tech for Good – Winner

Ciclope Festival
Channel 4 Idents
Channel 4 / 4creative
Grand Prix – Winner

Channel 4 Idents
Channel 4 / 4creative
Achievement in Production – Gold

Channel 4 Idents
Channel 4 / 4creative
VFX – Gold

Channel 4 Idents
Channel 4 / 4creative
Colour Grading – Gold

Channel 4 Idents
Channel 4 / 4creative
Sound Design – Gold

Channel 4 Idents
Channel 4 / 4creative
Best Idea for Film over 120''– Gold

Channel 4 Idents
Channel 4 / 4creative
Direction – Silver

Clear Channel Outdoor Media Awards
Proud All Over
Channel 4 / 4creative
Advertising Award – Gold

Proud All Over
Channel 4 / 4creative
Community Support Impact– Silver

Clio Entertainment Awards
Channel 4 Idents
Channel 4 / 4creative
Network Branding (Film) – Gold

Channel 4 Idents
Channel 4 / 4creative
Direction – Silver

Channel 4 Idents
Channel 4 / 4creative
Network Branding (Campaign) – Silver

Channel 4 Idents
Channel 4 / 4creative
Voiceover – Silver

Channel 4 Idents
Channel 4 / 4creative
Design – Bronze

Channel 4 Rebrand
Channel 4 / 4creative
Design – Bronze

Make Me Prime Minister – Vending Machine
Channel 4 / 4creative
Special Events and Stunts – Bronze

Prince Andrew: The Musical
Channel 4 / 4creative
Merchandise – Silver

Rise and Fall
Channel 4 / 4creative
Video Promo – Reality – Gold

Creative Circle Awards
#AltogetherDifferent TikTok
Channel 4 / 4creative
Best Digital Activation – Bronze

All 4 Watch and Rewatch
Channel 4 / 4creative
Best Direct Radio – Bronze

All 4 Watch and Rewatch
Channel 4 / 4creative
Best Radio 0–30 Seconds Campaign – Bronze

Derry Girls
Channel 4 / 4creative
Best Integrated Campaign – Bronze

Awards cont.

Derry Girls and Smash Hits
Channel 4 / 4creative
Best Writing for Design – Gold

Derry Girls and Smash Hits
Channel 4 / 4creative
Best Photography – Bronze

Make Me Prime Minister
Channel 4 / 4creative
Best Promotional Packaging Design – Gold

Make Me Prime Minister
Channel 4 / 4creative
Best Graphic Design – Bronze

Prince Andrew: The Musical
Channel 4 / 4creative
Best Low Budget Idea (under £15K)– Gold

Prince Andrew: The Musical – Pizza Express, Woking
Channel 4 / 4creative
Best Tactical Poster – Bronze

Proud All Over
Channel 4 / 4creative
Best Writing for Outdoor – Gold

Proud All Over
Channel 4 / 4creative
Best Regional Poster Campaign – Silver

Creative Review Annual

Derry Girls
Channel 4 / 4creative
Best Art Direction – Winner

Derry Girls
Channel 4 / 4creative
Integrated Campaign – Honourable Mention

Make Me Prime Minister
Channel 4 / 4creative
Integrated Campaign – Honourable Mention

Drum Awards EMEA

Hollyoaks – The Long Walk Home
Channel 4 / 4creative / 4Studio
Best Social Media – Winner

Lovie Awards

#AltogetherDifferent TikTok
4creative / 4Studio
Social Content Series and Campaigns – Diversity, Equity & Inclusion – Silver

#AltogetherDifferent TikTok
4creative / 4Studio
Social Content Series and Campaigns – Diversity, Equity and Inclusion – People's Choice

Channel 4 Idents
Channel 4 / 4creative
Marketing, Advertising and PR: Craft – Best Art Direction – Silver

Channel 4 Idents
Channel 4 / 4creative
Marketing, Advertising and PR: Single – Video Ad Long Form – Silver

Hollyoaks – The Long Walk Home VR Experience
Channel 4 / 4creative / 4Studio / Lime Pictures
Best Use of Augmented Reality in Marketing: Advertising and PR – Silver

Hollyoaks – The Long Walk Home VR Experience
Channel 4 / 4creative / 4Studio / Lime Pictures
Best Use of Augmented Reality in Marketing: Advertising and PR – People's Choice

Kingpin Cribs
Zandland for Channel 4 / 4Studio
General Video-Documentary – Silver

Proud All Over
Channel 4 / 4creative / 4Studio
Film and Video: Diversity, Equity and Inclusion – Bronze

Second Hand Style-Up
Channel 4 / 4Studio / Vinted
Branded Entertainment – Culture, Fashion, Beauty and Lifestyle – Bronze

Second Hand Style-Up
Channel 4 / 4Studio / Vinted
Branded Entertainment – Culture, Fashion, Beauty and Lifestyle – People's Choice

Stream Free 4000
Channel 4 / 4creative
Branded Entertainment – Experimental and Weird – Bronze

This Man Pays To Be Treated Like A Pizza
Channel 4 / 4Studio
Branded Entertainment – Comedy – Bronze

This Man Pays To Be Treated Like A Pizza
Channel 4 / 4Studio
Branded Entertainment – Comedy – People's Choice

Prince Andrew: The Musical
Channel 4 / 4creative / 4Studio
Social Content Series and Campaigns – Culture and Entertainment – Bronze

Marketing Week Awards

Hollyoaks – The Long Walk Home
Channel 4 / 4creative
Brand Purpose – Highly Commended

Proud All Over
Channel 4 / 4creative
Diversity and Inclusion – Highly Commended

Promax

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

Alice Squires
Channel 4
Best Newcomer: Production – Silver

All 4 Whatever You're Into
Channel 4 / 4creative
Best Use of Voice – Silver

Alone
Channel 4 / 4creative
Best 360 Campaign – Silver

Alone
Channel 4 / 4creative
Best Use of Copy Writing – Silver

Celebrity Gogglebox – Goggleheads
Channel 4 / 4creative
Clip-based: Best Entertainment/Reality – Gold

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

Channel 4 Idents
Channel 4 / 4creative
Best Brand Spot – Gold

Channel 4 Idents
Channel 4 / 4creative
Best Ident – Gold

Channel 4 Idents
Channel 4 / 4creative
Best Use of Animation – Gold

Channel 4 Idents
Channel 4 / 4creative
Best Use of Direction – Gold

Channel 4 Idents
Channel 4 / 4creative
Best Use of Voice – Gold

Channel 4 Idents
Channel 4
Best Use of Script Writing – Gold

Channel 4 Idents
Channel 4 / 4creative
Best Use of Sound Design – Gold

Channel 4 Rebrand 2023
Channel 4 / 4creative
Best Channel Branding – Silver

Make Me Prime Minister
Channel 4 / 4creative
Best 360 Campaign – Bronze

Make Me Prime Minister TikTok
Channel 4 / 4creative
Best Use of Social Media: Paid Support – Gold

Married at First Sight Australia
E4 / 4creative
Clip-based: Best Entertainment /Reality – Bronze

PopMaster
Channel 4 / 4creative
Best Media Planning – Silver

Prince Andrew: The Musical
Channel 4 / 4creative
Best Use of Social Media: Organic Support – Gold

Rise and Fall
Channel 4 / 4creative
Best Key Art – Bronze

Rise and Fall
Channel 4 / 4creative
Best Press / Out of Home – Silver

Scared of the Dark
Channel 4 / 4creative
Originated: Best Entertainment / Reality – Bronze

The Snowman
Channel 4 / 4creative
Best Use of Animation – Bronze

UNTOLD
Channel 4 / 4creative
Clip-based: Best Factual – Bronze

Winter Thrills Season
Channel 4 / 4creative
Best Use of Editing – Bronze

Shots Awards EMEA

4creative
Channel 4
Agency of the Year – Silver

Channel 4 Idents
Channel 4 / 4creative
Ad of the Year: VFX – Gold

Channel 4 Idents
Channel 4 / 4creative
Ad of the Year: Direction (Above 3 mins) – Gold

Channel 4 Idents
Channel 4 / 4creative
Ad of the Year: Animation – Gold

Channel 4 Idents
Channel 4 / 4creative
Ad of the Year: Sound Design – Silver

Channel 4 Idents
Channel 4 / 4creative
Ad of the Year: Copywriting – Silver

Channel 4 Idents
Channel 4 / 4creative
Ad of the Year: Concept (Above 2 mins) – Bronze

Global Influencer Marketing Awards

Rise and Fall
OMD / Channel 4
Most Effective Integrated Campaign – Gold

Webby Awards

#AltogetherDifferent TikTok
Channel 4 / 4creative
Social: Diversity, Equity and Inclusion – Winner

Sales

Media Leaders Awards

Channel 4 / 4Sales
Channel 4
Media Owner of the Year – Winner

Media Leader 50 WGC

Alex Mahon
Channel 4
The Top 50 Women Gamechangers in TV – Winner

Rupinder Downie
Channel 4
The Top 50 Women Gamechangers in TV – Winner

Veriça Djurdjevic
Channel 4
The Top 50 Women Gamechangers in TV – Winner

Victoria Appleby
Channel 4
The Top 50 Women Gamechangers in TV – Winner

Media Week 30 under 30 Awards

Mitch Gold
Channel 4
Media Week 30 under 30 – Winner

Media Week Awards

Vanish: Me, My Autism and I (Channel 4 Diversity in Advertising Award 2022 Winner)
Channel 4 and Zenith UK
Agency: Media Idea: Over £1m – Silver

Vanish: Me, My Autism and I
Channel 4 and Zenith UK
Media Creativity: Over £1m – Gold

Vanish: Me, My Autism and I
Channel 4 and Zenith UK
Large Collaboration: Over £250k – Gold

Hollyoaks – The Long Walk Home
Channel 4, OMD UK with 4Studio, Lime Digital, Meta
Media Innovation – Silver

Proud All Over
Channel 4, OMD UK with 4Studio and Gay Times
Media Creativity: £250k – £1m – Bronze

UK Sponsorship Awards

See The Person Not The Sight Loss – RNIB and Gogglebox
Channel 4 and Wavemaker UK
D&I, Branded Content, TV Sponsorship – Gold

Thank you

↑Tapped Out

Thank you to our suppliers across the UK. In a challenging economic climate, your ingenuity and creativity have enabled us to continue to deliver exceptional content to our viewers. Your commitment and adaptability are deeply appreciated.

This list includes all our suppliers of originated television programmes that transmitted across the portfolio in 2023, 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 also like to thank all of our advertising and commercial partners.

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011 Productions
12 Yard Productions
649 Media
72 Films
Abacus Media Rights
Academy Films
Acclaimed Content
Acme TV
Afro-Mic Productions
Agile Films
Alaska TV Productions
Alcove Entertainment
Alex Polunin
Aluna Entertainment
Amazing Productions
Apocalypso Pictures
Archer's Mark
Art of Truth
Atlantic Productions
Atomized Entertainment / Studios
Atticus Film and Television
Avalon
Baby Cow Productions
Banijay
Banijay (t/a Remarkable Television)
Banijay UK Productions (t/a Workerbee)
Basement Films
BBC Studios
BEEZR Studios
Berkeley Media Group
Betty TV
Beyond Entertainment
Big Circus Media
Big Deal Films
Big Little Fish Television
Big Rich Films
Big Talk Productions
Bird Flight Films
Bitachon 360
Blakeway
Blast! Films
Blink Entertainment (t/a Blink Films)
Blueprint Pictures
Bolla Media
Bonafide Films
Bosena
Braintrust
Bright Button Production
Brightstar Films
Brinkworth Productions
Brinkworth Television
BriteSpark Films
British Film Institute
Brock Media
Bro Films
Brook Lapping
Bullion Productions
Buzztrack TV
Bwark Productions
Candour Productions
Captive Minds Media
Caravan Cinema
Caravan Media
Chalkboard TV
Chwarel
Clearwood Films
Clerkenwell Films
Clockwork Films
Complete Fiction
Cordell Jigsaw Productions
Cornered Tiger
Cornick Productions
Cowboy Films
Cowshed Social
CPL Productions
Crackit Productions
Crash Productions
Curious Films
Curve Media
Dancing Ledge Productions
Dare Pictures
Dark Pictures
Daybreak Pictures
DCD Media
Delaval Film
Different Productions

→ Continued on next page

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Thank you *cont.*

Distant Voices Group
DNA Films
Dorothy Street Pictures
Double Band Films
Dr Pluto
Duck Soup Films
Eagle Eye Drama
Element Pictures
EMU Films
Erica Starling Productions
Escape Films
Escape Plan Productions
Evan Williams Productions
Expectation Entertainment
Fable Pictures
Filmnova
Finestripe Productions
Firebird Pictures
Firecracker Films
Firecrest Films
Five Mile Films
Flicker Productions
Flint Television
Flying Shoe Films
Formula E Operations
Forward Films
Fox Cub Films
Frank Films Television
Fratella Filmproduktion
Freeform Productions
Free Range Films
Friel Kean Films
Fruit Tree Media
Full Fat Television
Fulwell 73
Future Publishing
Gay Times
Gold Wala
Gosh Television
Greenred Media
Griffin Pictures
Grime Daily
Halcyons Heart Films
Happenstance Films
Hardcash Productions
Hat Trick
H.C.A Entertainment
Hello Halo Productions
Hello Mary
Heyday Films
Hot Sauce Television / BFQ
Hungry Bear Media
IMG Media
Inflammable Films
Interstellar Television
ITN
It's A Lot
ITV
IWC Media
Jamie Oliver Productions
Jax Media
Joi Productions
Juniper Communications
Kailash Films
Kalel Productions
Kazak Productions
Keo Films
King of Sunshine Productions
Kudos
Lambent Productions
Lammas Park
Last Conker
Liberty Films
Likely Story
Lime Pictures
Lion Television
Lobo Films
Longtail TV
Love Productions
Lupus Films
Makadam Films
Maverick Television
Media Atom
Me & You Productions
Michael Attwell Productions
Mighty Productions
Milk and Honey Productions
Mindhouse Productions
Minnow Films
Misher Films
Modern Literary Arts
Momac Films
Monkey Kingdom
Mother's Best Child
Mother's Best Child (t/a Toad)
My Accomplice
Naked (part of FremantleMedia UK)
Neo Studios
Nimble Dragon
Nineteen11
Noah Media Group
Noho Film and Television
North One Television
Number 9 Films
Objective Media Group (t/a 141 Productions)
Objective Productions
Objekt
October Films
One Three Television UK
Open Mike Productions
Optomen Television
Outline Productions
Oxford Films
Oxford Scientific Films
Parable Ventures
Parkville Pictures
Passion Docs
Passion Pictures
Pioneer
Plimsoll Productions
Plum Pictures
Portobello Post (t/a Luti Media)
Postcard Productions
Potboiler Productions
Proper Content
Proper Job Productions
Purple Productions
Quicksilver Media
Rabbit Track Pictures
Raise the Roof Productions
Ranga Bee Productions
Rare TV
Raw TV
Ray Pictures
Remarkable Television
Renaissance Studios
Renegade Pictures (UK)
Renegade Stories
Revolution Films
Ricochet Films
Roast Beef Productions
Rockerdale Studios
Rogan Productions
Rook Films
Rumpus Media
Salamanda Media
Sandstone Global Productions
SBX Studios
Scott Free Productions
See-Saw Productions
Shine
Shiny Button Productions
Shoebox Films
Silver Salt Films
Sixteen Films
Snowdog Enterprises
Snowman Enterprises
Snowstorm Productions
South of the River Pictures
South Shore Productions
Southsides
Spark Media / Kindling
Spirit Digital Media
Spirit Media Studios
Spun Gold TV
Stand Tall Media
Stellify Media
Storyboard Studios
Strawberry Blond
Studio Lambert
STV Studios
Summer Films
Sunset & Vine

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Swan Films
Talkback (part of FremantleMedia UK)
Tern Television Productions
Thames (part of FremantleMedia UK)
Thames Television
The Bureau Film Company
The Connected Set
The Garden Productions
The Orchard Media & Events Group
The Wall of Comedy
Thin Man Films
Tinderbox Films
Trademark Films
True North Productions
True Vision
Try Hard Films
Tuesday's Child
Turtle Canyon Media
TV Cartoons
Twenty Twenty
Two Birds Entertainment
Two by Two Productions
Twofour Broadcast (t/a Natural)
Twofour Productions
Two Rivers Media
Two Step Films
Two & Two Pictures
Untold Studios
Vamp Social
Various Artists
Vaudeville Productions
Vertigo Films
VICE Media UK
Voltage TV Productions
Waddell Media
Wall To Wall
Warp Films
Water & Power Productions
Wayward Films
Wellington Films
Westend Blackbird
Whisper Films
Why Not Productions
Whynow
Wildgaze Films
Wild Swim Films
Windfall Films
Wise Owl Films
Wonderhood Studios
Woodcut Media
Workerbee
Yeti Media
Young Bwark Productions
Youngest Media
Yvonne Ibazebo
Zandland
Zeppotron

↓ Sarah Beeny vs Cancer

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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 Annual Report for the reporting year ended 31 December 2023.

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 for the year ended 31 December 2023, and as listed below in the Annual Report has not been prepared, in all material respects, in accordance with the Basis of Reporting ("SMCP Methodology document") defined by the directors.

Scope of our work

Channel 4 has engaged us to perform an independent limited assurance engagement 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 for the year ended 31 December 2023 as indicated with a ‡ in the Annual Report is as follows:

AR Chapter	Metric	Assured Figure
Chapter 1: Pushing boundaries	Brand reputations: Pushing boundaries	51%
	Inspiring viewers to think differently	50%
	Reporting the news accurately and fairly	87%
Chapter 2: Representing the UK	Brand reputations: Showing different kinds of cultures and opinions in the UK	56%
	Proportion of onscreen contributors who are female, ethnically diverse, disabled or LGB	(KPI in four parts, see below:)
	% of Onscreen contributions which are female	49%
	% of Onscreen contributions which are ethnically diverse	19%
	% of Onscreen contributions which are disabled	9%
	% of Onscreen contributions which are LGB	18%
Chapter 3: Engaging young viewers	Total programme views on Channel 4's streaming platforms	1.6bn
	Channel 4 portfolio's share of total linear TV viewing	9.8%
	Total number of minutes spent viewing Channel 4 content on streaming and social channels	59.32bn/mins
	Young audiences' viewing of the main PSM channels	15%
	Brand reputations: Always trying something new	48%
Chapter 4: Partnering with the creative industries	Content investment: Originations spend in the Nations and Regions	£193m
	Content investment: Originations	£520m
	Content investment: Total spend	£663m
	Opportunities provided by 4Skills	57,647

The Basis of Reporting 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

The Selected Information as listed in the above table needs to be read an and understood together with the Basis of Reporting 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 Basis of Reporting. 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 Basis of Reporting 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 also responsible for:

- Selecting and establishing the Basis of Reporting
- Preparing the Statement of Media Content Policy and accompanying methodology in line with section 198B of the Communications Act 2023
- Preparing, measuring, presenting, and reporting the Selected Information in accordance with the Basis of Reporting
- Publishing the Basis of Reporting 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 our limited assurance engagement

Our responsibilities

We are responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence 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 Management 1 ("ISQM 1") issued by the International Auditing and Assurance Standards Board. Accordingly, we maintained a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Key procedures performed

We are required to plan and perform our work to address the areas where we have identified that a material misstatement 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 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
- Performed 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 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 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 Basis of Reporting, 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 about the Basis of Reporting 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 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
7 May 2024

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Financial Report and Statements

For the year ended 31 December 2023

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← How To Have Sex

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Financial review and highlights

Corporation revenues

£1.02bn

- 2023 saw extremely challenging trading conditions across the industry, with a market correction after the post-Covid boom in TV advertising translating to the deepest year-on-year declines since the 2008-2009 financial crisis
- A market recovery, initially anticipated in the second half of the year, failed to materialise as business confidence remained low, and against this backdrop Channel 4 finished 2023 with revenues down -10% year-on-year (2022: £1.14 billion)
- The market experience of 2023 serves to underline the importance of continuing to shift away from reliance on traditional linear advertising and reinforcing the resilience of Channel 4's business model; 2023 saw diversified revenues (across digital and non-advertising revenues) proceeding on track or ahead towards our 2025 targets, making up 37% of our total revenues (2022: 33%)

Digital advertising revenue

£280m

- Digital advertising revenue grew by a further 10% on 2022 (2022: £255 million) despite the headwinds felt in the advertising market
- Digital now makes up 27% of Channel 4's total revenues, up from 22% last year and progressing well towards our Future4 target to reach 30% of revenues from digital advertising by 2025 - Channel 4's proportion of revenues from digital is significantly ahead of other UK and international commercial broadcasters

Content spend

£663m

- Following a record year of investment in 2022 (2022: £713 million), the impact of significant market declines on our revenues necessitated a focus on controlling costs across the whole business, including an inevitable impact on on-screen spend as the largest portion of our cost base
- However, originated content spend of £520 million (2022: £570 million) was still the second-highest in the channel's history, and supported another strong year of remit delivery, ensuring all Ofcom quotas were met or exceeded (see page 123). This performance is articulated through the metrics presented on pages 28 to 113
- Short-term actions taken to control costs now underpin longer-term financial sustainability that will preserve our future remit delivery and overall investment in the independent production sector

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Pre-tax deficit

£52m

- Following three years of strong performance and surpluses delivered, Channel 4 finished a tough 2023 with a pre-tax deficit of £52 million (2022: £3 million surplus; £20 million surplus before exceptional items)
- Our plan for the year was to reinvest previous surpluses back into our strategic aims, with a deficit always anticipated in our original targets
- As recovery in the advertising market failed to materialise as the year went on, we sought to preserve investment in content and pursuing our future ambitions where possible, rather than controlling costs to the fullest extent required to offset the resulting revenue shortfall – a strategic decision contributing to the Group's significant final deficit for the year

Net cash reserves

£96m

- Steep year-on-year cash outflows (2022: net cash reserves of £253 million) reflect the priority given to protecting content investment in the context of weakening advertising revenues, as well as the impact of key capital projects completed during 2023 and our continuing pension funding commitments
- Cost reduction initiatives implemented during 2023 will start to crystallise as improvement in our cash position over the mid term
- In early 2024 we have also extended our overall credit facility to £150 million; while we do not anticipate requiring this additional liquidity during 2024 or beyond, the additional headroom obtained provides flexibility in the event of a further market downturn and reinforces our long-term sustainability
- Net cash reserves are presented as an alternative performance measure ('APM') with further details provided on page 199

Net assets

£491m

- The financial challenges faced during 2023 saw Channel 4's net assets decrease by £69 million year-on-year (2022: £560 million)
- In addition to the impact of the Group's post-tax deficit on this position, declines were exacerbated by the year-end revaluation of our Horseferry Road building, reflecting broader market conditions, and a net loss on revaluation of certain investment holdings given the challenging trading environment
- The Fast Forward strategy announced in January 2024, and our plans to reshape the business to prepare for the future will bolster our balance sheet position in the coming years, delivering a sustainable long-term future for the channel and ensuring our continuing investment in the creative sector

Financial review and highlights cont.

Income statement highlights

	2023 £m	2022 £m
Sales House revenues[1]	**1,140**	1,248
Corporation revenues	**1,023**	1,142
Content spend	**663**	713
Originated content spend[2]	**520**	570
Pre-tax (deficit)/surplus before exceptional items[3]	**(52)**	20
Pre-tax (deficit)/surplus	**(52)**	3

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 82 to 83.
3 This APM measure is defined on page 199.

Channel 4 entered 2023 with ambitions for a year of renewed investment, following several years of strong performance and a decision reached by the Government on the Group's future ownership. However, while declines in the advertising market were always anticipated in our plans, it became clear in the first half of the year the full extent to which the challenges posed by inflation and high interest rates were impacting business confidence and investment in TV advertising. As a result, 2023 has seen the deepest market declines since the financial crisis of 2008-2009, with the total TV market down 9% year-on-year.

The Group delivered revenues of £1,023 million, down 10% on the previous year (2022: £1,142 million). In an extremely challenging year for absolute revenues, we nonetheless saw positive moves in diversifying our revenues away from traditional forms of advertising. Digital advertising revenues saw another year of growth, up 10% on 2022 and now making up 27% of our total revenues (2022: 22%). Digital revenues have progressed ahead of our expected trajectory towards our existing 2025 target of 30% revenues from digital, and it is this momentum that the Fast Forward strategy announced in early 2024 seeks to accelerate in the coming years. Non-advertising revenues continued to meet our target of 10% of total revenues (2022: 11%), although in absolute terms we saw declines due to slower film revenues and certain partnership deals reaching a conclusion.

While we were initially optimistic about prospects for recovery as the year progressed, market declines continued through the year. Thus we sought where possible to preserve levels of on-screen spend and to continue to invest in our strategic ambitions, and given these principles Channel 4 finished the year with a pre-tax deficit of £52 million (2022: pre-tax surplus of £3 million; £20 million before exceptional items).

However, given the pressure on our revenues, we needed to implement material cost savings, unavoidably impacting on-screen spend as well as our operating cost base. This meant a reset to our levels of content investment, with 2023 spend of £663 million, after a record year in 2022 (2022: £713 million). These cost measures have meant rephasing on-screen delivery of certain titles as well as certain production timelines, and regulating future commissioning over periods where we're already well-stocked with content. Over the longer term this will allow us to preserve future levels of remit delivery and overall investment in the independent production sector.

After a challenging year post-lockdown in 2022, streaming viewing saw a strong return to growth in 2023 – driven by our absolute organisational focus in this area – as views reached 1.6 billion, exceeding challenging targets set for the year. Given the focus on streaming, we had anticipated lower performance in our portfolio share of commercial impacts ('SOCI') during 2023; this is reflected in our final position, down year-on-year for both 16-34-year-olds (18.9%; 2022: 19.6%) and ABC1s (16.5%; 2022: 16.9%), although still a positive achievement given the impact of lower on-screen spend and the longer-term declines to be expected as we pivot to digital.

Balance sheet highlights

	2023 £m	2022 £m
Net assets	**491**	560
Freehold land and buildings	***83***	*90*
Growth Fund investments	***59***	*58*
Programme stock and film rights[1]	***472***	*492*
Net cash reserves[2]	***96***	*253*
Pension asset	***13***	*5*

1 Programme and film rights (and trade and other payables) as presented in the 2022 and 2021 comparative periods have been restated in 2023 by £94 million and £56 million respectively, to retrospectively reflect the grossing up of amounts relating to acquired programme and film rights at the licence start date; further detail is provided on page 202.

2 This APM 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 199.

As shown on page 196, the Group's net assets decreased significantly during 2023 to a closing position of £491 million, with the post-tax deficit for the year acting as the key driver behind this movement. These declines were compounded by the annual revaluation of our Horseferry Road building; a lower valuation of £83 million at the end of 2023 (2022: £90 million) is attributed to tough market conditions, including the volatility created in commercial property markets as a result of inflationary pressures and interest rate hikes. These factors negate the impact of key capital additions during the year, including repairs to the façade of the building completed in December. Channel 4 announced in January 2024 the intention to move out of Horseferry Road over the next few years, given the shift towards hybrid working and more roles based in the Nations and Regions.

The challenging macroeconomic backdrop has also translated to downward revaluations for certain Growth Fund investments across 2023, totalling a decrease of £12 million in the fair value of the portfolio (although offset by new investment additions in the year). However, our defined benefit pension balance remains in a surplus position following an actuarial revaluation at the year end, resulting in a £13 million asset recognised on the Group's balance sheet (2022: £5 million asset). The benefit of £10 million contributions made by Channel 4 during the year has been largely retained in the final valuation, with the value of the scheme's investment portfolio remaining otherwise relatively stable versus the previous year.

Our programme stock and film rights balance of £472 million has seen some initial reduction as a result of cost-saving measures implemented during 2023 (2022: £492 million); with the lead time between cash committed and content making its way on screen often spanning multiple years, this position is expected to unwind further over the mid term, reflecting the impact of 2023 cost actions taken on our future commissioning pipeline.

Our closing balance sheet position remains in line with levels seen pre-Covid, although inevitably below levels reached in recent years during the post-Covid advertising boom. The Fast Forward strategy announced in early 2024, and difficult decisions required to ensure the business is operationally in the right shape for the future, will further reinforce Channel 4's resilience and financial sustainability, ensuring we can double down on delivering our remit as the viewing landscape changes ever-faster.

Cash flow

Channel 4 finished 2023 with net cash reserves of £96 million, with the steep decline from our 2022 closing position of £253 million coming as a result of efforts to protect investment in content as far as possible despite significant pressure on revenues. The impact of this revenue downturn is amplified in our closing cash position (as compared to the P&L deficit) as a result of ongoing content commitments, with cost reduction initiatives benefitting the income statement in-year and slower to crystallise as improvements in our cash position.

Our £75 million revolving credit facility provides additional flexibility to withstand a market shock or other economic downturn, and underpins the Group's long-term sustainability. During Q1 2024 we have drawn down on a portion of this facility to manage in-year working capital, enabling us to continue prioritising investment in the production sector while revenues start to stabilise.

We have also extended this facility in early 2024, providing a further £75 million of liquidity if required. While we do not expect to draw down on this further facility in 2024 or beyond, ensuring we have sufficient headroom in the event of a sharper or more prolonged market downturn reinforces Channel 4's financial sustainability in an uncertain climate.

Our remit and business model

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 in 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.

Following confirmation of the Channel's future ownership in early 2023, work on the Government's proposed Media Bill remains ongoing, and may create future opportunities compared to Channel 4's current remit, particularly where it comes to changes to the publisher-broadcaster model and the potential of future intellectual property ownership – changes which we will explore carefully, with any moves into this expected to be gradual and considered.

The section 172(1) statement made on page 167 sets out how the Members promote Channel 4's success in line with our remit and the business model described above.

Our strategy

In January 2024, Channel 4 launched Fast Forward, an ambitious strategy to drive our evolution towards becoming a genuinely digital-first public service media organisation by 2030.

This strategy represents a continuation and acceleration of the Future4 strategy introduced in 2020, which shifted our focus from traditional broadcasting to digital. Fast Forward remains centred on the same clearly articulated view of Channel 4's purpose that formed the basis for Future4: to create change through entertainment. Our vision is unchanged: to represent unheard voices, challenge with purpose, and reinvent entertainment.

Fast Forward presents three key strategic pillars to deliver on this vision and support Channel 4's transformation into a truly digital-first organisation, getting us into the right shape for the 2030s and enhancing our core public service values:

- Digital growth and transformation
- Diversified new businesses
- Re-engineering the business for a digital-first world

Fast Forward is outlined in greater detail on pages 22 and 23, including an overview of the current corporate and financial priorities that these 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 – 2023 performance is considered on pages 122 to 123. These metrics will be rearticulated in due course to ensure they continue to align with the priorities set out under Fast Forward. Our assessment of our key business risks on pages 140 to 149 notes the hurdles faced in implementing Fast Forward in practice, and the mitigations in place to ensure we perform against our strategic ambitions.

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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 on linear

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

Our 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. During 2023 Channel 4 broadcast a suite of entertainment and music channels targeted at the 16-34 demographic, including 4Music, The Box, Kiss, Magic, and Kerrang!; as part of the Fast Forward strategy announced in January 2024, it is proposed that these channels will be closed during 2024.

Film4 Productions

Film4 Productions develops and co-finances 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.

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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 key performance indicators ('KPIs') outlined on these pages are reviewed alongside the Statement of Media Content Policy ('SMCP') metrics set out on pages 28 to 113 of this report.

This set of KPIs was first presented in 2020 and aligns |with the objectives set out in our Future4 strategy. As we embed our new Fast Forward strategy, launched in early 2024 to build on the success of Future4, we will look to rearticulate the KPIs used to monitor our progress, although given the continuity in our overall direction we anticipate that any new metrics will represent an evolution rather than a step change.

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 strategy, reflecting the changing viewing environment that Channel 4 operates in, and aimed at ensuring future sustainability. The Future4 strategy set a clear commercial target: digital advertising revenue to be at least 30% of total revenue by 2025.

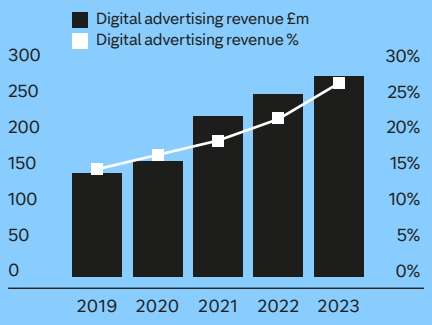
2023 performance: Digital advertising revenue saw another year of growth, up 10% year-on-year to reach £280 million (2022: £255 million) and now representing 27% of Channel 4's total revenues (2022: 22%). Although our competitors displayed notable digital growth during the year while Channel 4's growth has comparatively stablised, this belies the stronger foundation Channel 4 has built over recent years through an earlier pivot to digital.

% of total revenue

27% ↑

Digital advertising revenue

£280m ↑



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 and continuing under Fast Forward. 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, are key pillars of our strategy, aimed at ensuring future sustainability. Future4 set a clear commercial target: non-advertising revenues to be at least 10% of total revenue by 2025.

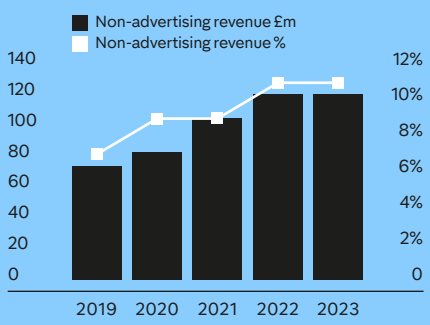
2023 performance: Non-advertising revenues for 2023 were in line with our 2025 target of 10%, although down slightly year-on-year (2022: 11%). These revenues totalled £101 million for the year (2022: £121 million); while we continue to develop strategic new revenue streams, 2023 saw revenues slow somewhat, particularly as a result of existing partnership deals coming to an end during the year.

% of total revenue

10% ↓

Non-advertising revenue

£101m ↓



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Programme streaming views

Definition: A streaming view occurs when a full-length programme or clip is accessed on our Channel 4 on-demand platform (as well as long-form views on our Channel 4 YouTube platform).

Importance: Doubling streaming viewing by 2025 (versus our baseline of 995 million views in 2019) was 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.

2023 performance: Streaming viewing performance saw a strong year in 2023, as our organisational focus on driving meaningful growth in digital audiences yielded results with 1.6 billion views reached for the year (2022: 1.4 billion).

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.

2023 performance: Portfolio SOCI for ABC1s declined slightly during 2023 following several years of growth, finishing the year on 16.5% (2022: 16.9%). While portfolio SOCI across 16-34-year-olds was also down year-on-year at 18.9% (2022: 19.6%), declines were always anticipated given Channel 4's strategic digital-first focus, and compounded given unavoidably lower on-screen spend, and performance, although lower than expected, was still considered positive in this context.

Ofcom requirements

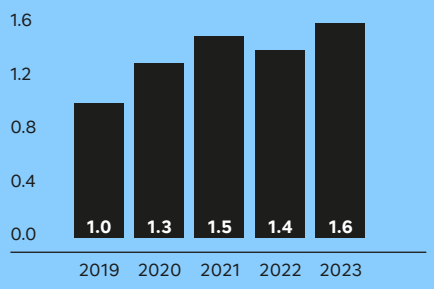
Definition: As a public service media organisation, the Channel 4 main service is set various licence obligations by Ofcom. Targets are set for a range of production and transmission measures.

Importance: Channel 4 must demonstrate compliance with its licence obligations. Our delivery against these targets is set out on page 88.

2023 performance: In 2023, we met or exceeded all of our licence requirements, with key quotas achieved shown below. During 2023, the main channel achieved 64% of overall hours of originated programmes (target: 56%) and 79% in peak-time hours (target: 70%). As shown on page 88, we also achieved 51% of programme production spend outside London (target: 50%) and 11% of programme production spend in the Nations (target: 9%).

Programme streaming views

1.6bn ↑

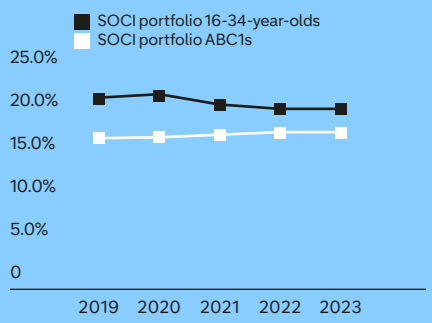


Portfolio SOCI 16-34-year-olds

18.9% ↓

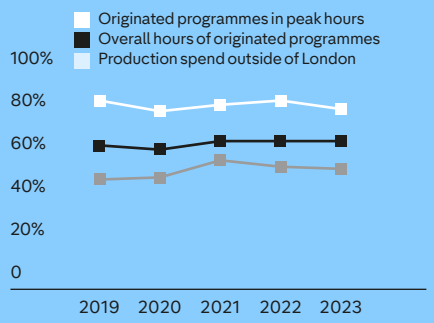
Portfolio SOCI ABC1s

16.5% ↓



Ofcom requirements

Exceeded ↔



People and corporate social responsibility

People

During 2023, our aim was to embed a high-performing, inclusive culture, where employees can do their best work.

During the year, we recruited for 286 roles. With a renewed focus on internal progression, in response to employee feedback, we filled 33% of these roles by internal hires. We supported this focus on internal moves with career development training for everyone, and also targeted development for diverse groups with over 500 participants in such training. We joined the Valuable 500 'Generation Valuable' career development programme, which is a unique mentorship opportunity for disabled people to build the future of executive leadership.

We supplemented this with training for People Managers in how to have better career development discussions with their teams. Our flagship leadership development programme, 'Inclusive Leaders', which aims to develop our leaders in the areas of managing change and ambiguity, as well as becoming more inclusive of all team members had excellent initial results, with participant feedback ratings of over 96%.

Our internal coaching team is also there to help our people step up to the challenge of personal development and job changes. This is a critical part of creating a coaching culture together with developing coaching skills among our People Managers. We also ran financial wellbeing sessions with options for one-to-one sessions.

The welfare of our employees remained a priority for us during 2023; as well as offering mental wellness seminars, counselling, and support services (24/7 emotional and financial counselling and a mental health mobile app, 'Thrive'), we also invested in training for additional Mental Health Ambassadors to support our employees.

In 2023, our employees continued to work in a hybrid way, moving to a model of three days in the office to balance the need for flexibility in working patterns with the need for coming together for maximum creativity.

We listen and act on feedback from our employees and measure engagement by running employee surveys. During the year, our Chief Executive and Senior Leaders continued to hold All Staff sessions, and we continued quarterly People Manager sessions.

In 2024 we initiated a strategic review of our operations in order to align them with our ambition to be the first public service streamer. This included a redundancy consultation process to reduce our operational costs, particularly out of legacy activities. The proposals saw a reduction in headcount of 18% (with around 70% of roles closed out of legacy operations), returning headcount close to 2021 levels, but with the organisation in the right shape to deliver further digital growth and lead public service media into the future.

Equity and inclusion

We've led our industry in diversity and inclusion, both as a broadcaster and as an employer, but there's more for us to do to ensure we stay true to our remit to represent unheard voices, challenge with purpose, and create change through reinventing entertainment. We want to ensure we remain a progressive employer with an inclusive culture and a representative workforce. This work is led by our Director of Inclusion who is part of the Executive Management Board and reports to our Chief Executive.

We launched our ambitious new strategy, 'Equity by Design' in March 2024 as a blueprint for everyone who works at Channel 4, on how we will create inclusive and equitable outcomes for everyone who works with us or is impacted by our work as we accelerate our transformation into a digital-first public streamer.

We expect the very best from our people, in particular our leaders, and help our industry set the standard in tackling unacceptable behaviour and systemic discrimination. Channel 4 is introducing a groundbreaking 'Safe Space' initiative to safeguard our inclusive culture and to reinforce our zero-tolerance approach to behaviours that undermine respect and dignity at work.

Channel 4 is proud to confirm that it reached, and in most cases exceeded, its diversity targets ahead of schedule in 2023. Our focus for 2024 is to now have 'floor levels', meaning Channel 4 aims not to fall below these levels of representation. Our employees choose whether to voluntarily share their diversity information with us. In 2023, following an innovative communication campaign, we saw a 10% increase in disability representation totals, i.e. a 90% increase in staff members sharing that they had a neurodiverse condition, impairment, or long-term condition.

	December 2023	December 2022	2024 floor level (staff)
Female			
Total	**58%**	59%	51%
In top 100 paid employees	*54%*	*52%*	*51%*
Ethnically diverse			
Total	**21%**	19%	20%
In top 100 paid employees	*20%*	*18%*	*20%*
Disabled	**21%**	11%	18%
LGBTQ+	**13%**	11%	6%

Employee breakdown and gender balance

The average number of employees for the year, on a full-time equivalent basis, was 1,351 in 2023 (2022: 1,197). The average number of people employed by the Group for each group of employees was as follows:

2023	Male	Female	Non-binary/ do not wish to disclose
Executive team	6	5	–
Senior managers	24	31	–
Employees	517	743	16
Total employees	**547**	**779**	**16**
Non-Executive Members	6	3	–
Total incl. Non-Executive Members	**553**	**782**	**16**

Our employee resource groups ('ERGs'), listed below, have played a huge role in supporting our employees and the business throughout 2023 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 (cultural and ethnic diversity)
- 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 aim to offer a guaranteed interview to all candidates with a disability who meet the essential criteria for a role. We also work alongside Evenbreak, a specialist disability recruitment portal. In 2023 we became a signatory to the Care Leavers Covenant and as a 'Care Leaver Friendly Employer' we aim to offer an interview to any care-experienced candidate who meets the essential criteria for a role.

In 2023 we introduced mandatory 'Inclusive Recruitment' training for any hiring manager before they start interviewing. In 2023, 362 employees completed the training session which provides knowledge on how to be an inclusive interviewer and introduces them to bias theory and how it can play out in selection processes.

In 2023, Channel 4 received 18,891 applications for jobs. We recruited for 286 roles, with the following breakdown:

	Applications	Employed
Ethnically diverse	37%	35%
Disabled	13%	19%
Female	50%	61%
LGBTQ+	17%	16%

Apprenticeships in 2023

As part of our 4Skills vision to provide opportunities to under-represented groups to nurture the next generation of creative talent across the UK, we continued with our successful apprenticeship and virtual work experience programmes. Aligned with the 4Skills ambition to provide opportunities to under-represented groups and across the UK, Channel 4 is now supporting more apprentices than ever before, with a commitment that at least half are based outside of London.

In 2023, we employed over 50 apprentices, working in teams ranging from 4Studio to Technology to Film4. Our apprenticeships are aimed at non-degree holders and people who may face barriers getting into the industry and/or are from under-represented groups in TV.

To feel fully supported from day one, apprentices have a two-day in-person induction and are matched with a 'Buddy'. All apprentices can access an internal coach when they are ready to undertake coaching.

Over half of our apprentices remain at Channel 4 after completing their apprenticeships, but all of them receive training and skills building sessions to equip them for seeking their next roles.

Virtual work experience programme

As part of the 4Skills mission to find, nurture, and grow the UK's next generation of creative talent we launched a new virtual work experience programme that can be completed by an unlimited number of participants, regardless of where they live in the UK. 2023 was our pilot year and 2,067 people completed the programme. We developed a five-module programme, aimed at 16-24-year-olds, with no upper age limit, completed across a one-month period, which eliminates barriers for those who may find it challenging to travel or be away from work or education in order to participate in an in-person work experience opportunity; the five modules follow the lifecycle of a TV programme and have been developed by Channel 4 departments.

Investing in people

In 2023, we continued to drive education through our new Learning Management System, the Learning Hive, which integrates a vast array of e-learning, including LinkedIn Learning, and of course our own Channel 4 created material. In 2023, there was a total of 3,135 course completions in the Learning Hive.

We continue to offer a robust programme of leadership development such as having launched our new flagship programme 'Inclusive Leaders'. The target group in 2023 was our L-level leaders, with a commitment from our Senior Leaders to attend in 2024.

We launched new development opportunities for People Managers: 'Leading Teams for High Performance' virtual instructor-led course, and People Manager 'fundamentals' for our new managers. Other key learning initiatives to support People Managers have included the launch of the People Manager 101 e-learning and knowledge bank available on the Learning Hive, and face-to-face sessions on Career Development Conversations.

We have put in place career development programmes for more junior colleagues such as Fast Track to Fearless and Creating your Career. We also offer targeted career development courses for diverse groups: in 2023 this was the Rise programme for women, the Talent Accelerator programme for ethnic minorities, and the Purple Development Programme for disabled colleagues. In total, we had over 500 participants in instructor-led career development programmes.

A variety of short courses was made available during Learning at Work Week which we put on three times, with a total of 1,112 attendances. We consolidated our coaching approach: we now have over 20 trained and qualified internal coaches as part of our Internal Coaching Practice, delivering a robust, ethical, and low-cost coaching solution to our people.

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.

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Sustainability and climate change

Our climate strategy at a glance

Channel 4 recognises the scale of the climate emergency and tackling this challenge head-on is a key priority.

For 40 years, Channel 4 has been using the power of its programming to create a conversation on important societal behavioural issues. 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 debate on the need for systemic change to tackle the climate emergency, and we invest on-screen to pursue this.

We are also committed to ensuring that our off-screen actions mirror our on-screen commitment to addressing the climate emergency, with ambitious but achievable emissions reductions targets set and published during 2023 reinforcing our longstanding commitment to net zero.

Channel 4 is committed to:

Emissions reductions targets

Near-term targets – by 2030

Reducing our absolute Scope 1 and 2 greenhouse gas ('GHG') emissions by 42%

Reducing our absolute Scope 3 emissions by 25%

Long-term targets – by 2050

Reducing absolute Scope 1, 2 and 3 emissions by 90%, with remaining emissions neutralised by credible carbon offsets

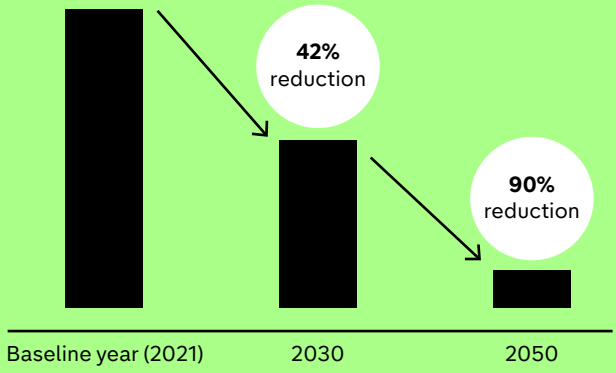
On screen

Reaching more of our audiences with content that helps everyone understand and navigate the path to net zero, and inspires them to consider greener choices

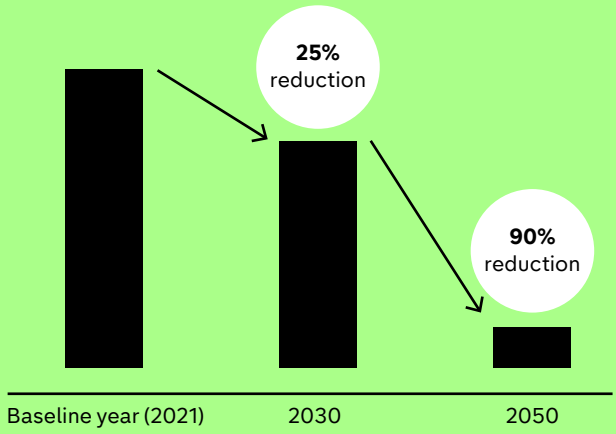
See details of our on-screen approach to sustainability on pages 90 to 97

Our targets

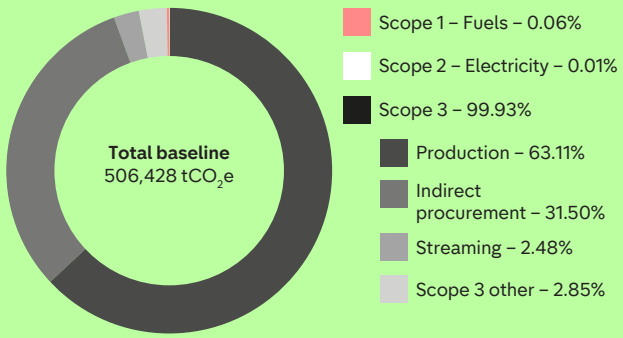
Emissions we control (Scopes 1 and 2)



Emissions we influence (Scope 3)



Our emissions baseline



Looking at 2021 as the baseline year for our emissions reduction targets, more than 99% of Channel 4's carbon footprint falls under Scope 3, relating to emissions from our supply chain. Of this, 94% reflects upstream emissions from purchased goods and services, with commissioning activity with our production partners by far the biggest contributor at 67%. Channel 4's Scope 1 and 2 emissions make up a minimal proportion of our emissions, with market-based methods used to calculate our baseline and reduction targets reflecting Channel 4's renewable energy choices. The make-up of our emissions for 2023 and movement versus this baseline is set out in detail on page 135.

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Our climate roadmap

2020

- Channel 4's original **sustainability roadmap launched**
- Founded 4Earth, our ERG for climate and sustainability

2021

- Embarked on **cross-broadcaster collaboration for COP26**, including signing up to the **Climate Content Pledge**
- Dedicated **Sustainability team** put in place

2022

- Mandated **albert Carbon Action Plans** for all productions
- Established carbon emissions baseline across all Scopes
- First year of alignment with **TCFD framework**

2023

- **Science Based Targets** verified
- ***Change Climate*** season aired
- **Suppliers engaged** via CDP and albert
- CEO hosted event featuring Bill Gates

2024

- Strengthened **governance structure and working groups**
- Continue work to boost **data quality**
- Set **interim targets** laddering up to SBTs alongside detailed plans to achieve targets

2025 -30

- **Energy-efficiency measures** across our workspace
- **Engagement with production sector and indirect suppliers** to reduce emissions

2030

- **Deadline for near-term emissions targets**

Ten key responses to the climate emergency

Net zero targets

- Key milestone reached in 2023 as we set and published new near-term and net zero emissions targets verified by the Science Based Targets Initiative ('SBTi')
- Channel 4's climate ambition has been validated by SBTi as aligning with a 1.5 degree global climate change trajectory; targets bring our ambitions into line with best practice to drive future delivery

Improving data quality

- 2023 targets are the culmination of an ambitious exercise to improve the depth and quality of our carbon data, establish baseline emissions, and ensure meaningful GHG reporting going forward to pinpoint emissions hotspots for targeted reduction
- Scope 3 emissions disclosed across all relevant categories for the first time in 2023, a major step forward given that these emissions make up 99.9% of the Channel's carbon footprint

Climate season

- Our commitment to the Climate Content Pledge was reflected in a bold climate change season during 2023, exploring solutions to the climate crisis and helping to further shine a light on the choices of corporations and those in power – see more details on pages 90 to 97

Working with our production partners

- Channel 4 works closely with albert, a BAFTA-owned and industry-backed organisation empowering the film and TV industry to create a positive vision for a sustainable future. All Channel 4 productions are required to use the albert carbon calculator and complete albert's Carbon Action Plan (reducing/offsetting emissions to attempt to achieve sustainable production certification)
- We have also recruited a Sustainable Production Executive to lead work on reducing our emissions from production – plans for 2024 include setting benchmarks and annual reduction targets for emissions by genre, with plans to trial carbon budgets as a mechanism to manage delivery

Supplier engagement

- Embedding sustainability into our indirect procurement processes is key to delivering our net zero transition, and we seek to strengthen engagement with suppliers via the Carbon Disclosure Project ('CDP') and DIMPACT (see page 131)

Governance structure

- We are ensuring our governance structures support delivery against our net zero commitments, ensuring oversight and accountability for delivery, and mitigating the risk of disorderly or delayed transition
- Executive sponsor for climate and sustainability at Board level ensures prominence on the Board agenda and momentum towards timely climate action

Energy-efficiency actions in our offices

- Impact of climate-related risk on our offices is a central consideration in defining our future workspace needs and financial planning for key capital improvements, to ensure we meet our emissions reductions targets
- Recent work has focused on replacing ageing equipment with more energy efficient alternatives and installing smart building platforms, capturing real-time data to identify opportunities to reduce energy consumption in key areas

Internal policies and training

- Our 'How to go net zero' module is now a part of mandatory induction training for all new starters, giving our people the knowledge and tools to incorporate sustainability into working practices and decision making
- Carbon considerations incorporated into our travel policy, with rail and other forms of public transport prioritised over flights and road travel and staff required to consider environmental impact before booking travel

Investments

- Environmental commitments integrated into our wider financial activities, including factoring sustainability credentials of all proposed investee companies into our investment decisions for Channel 4 Ventures and the Indie Growth Fund, and ESG considerations built into our Revolving Credit Facility
- New joiners enrolled onto an ESG-integrated pension fund, with existing employees helped to make the switch as well

Partnerships and Ad Net Zero

- Channel 4 is an active member of the Ad Net Zero Steering Group, contributing funding and expertise to reduce the carbon impact of advertising
- As well as delivering practical changes in how advertising operations are run, as members of Ad Net Zero we are committed to harnessing the power of advertising to support behavioural change, partnering with sustainable brands like Vinted and Oddbox

Sustainability and climate change *cont.*

Climate-Related Financial Disclosures

In tandem with our commitment to tackling the climate emergency and to bring down our own GHG emissions, we remain mindful of the risk that climate change poses to all businesses, including our own, and the need to integrate mitigating actions into all areas of our operations.

The reporting across the following pages has been prepared to align with the requirements of the Task Force on Climate-related Financial Disclosures ('TCFD'), in addition to new (but broadly equivalent) Climate-Related Financial Disclosure requirements ('CFD') set by the UK Government under the Companies Act in 2023. We have complied in full with the mandatory requirements of CFD as outlined in the table below.

TCFD-aligned reporting has been presented reflecting Channel 4's decision to voluntarily report in line with the Financial Conduct Authority's ('FCA') Listing Rules where applicable as a Statutory Corporation and disclose departures from this approach (as stated on page 164).

Our assessment is that, on the 'comply or explain' approach required by the FCA, the disclosures made below ensure that we are voluntarily compliant with the Listing Rules for the 2023 financial year; the table below indicates our current status in aligning with the recommendations of TCFD.

We will revisit these requirements in the coming years as they transition into a new framework under the International Sustainability Standards Board ('ISSB').

While our reporting around climate-related risk and opportunity is still evolving, we are making steady progress in expanding our disclosures and aligning with the pillars and requirements of the TCFD framework (see below), including significant steps forward in our disclosure of Scope 3 emissions and new science-based climate targets accredited during 2023 (see above). As we embed our new climate targets into Channel 4's day-to-day operations, we will look to expand this reporting further, including more detailed, quantitative, and longer-term financial modelling of the impacts of climate-related risk and opportunity on our business and our capacity to withstand and/or leverage these scenarios, thereby ensuring that our remaining disclosures align fully in future with the recommendations of TCFD.

TCFD recommendations	CFD requirements **(mandatory requirements in bold)**	Progress	Page
Governance			
a. Describe the Board's oversight of climate-related risks and opportunities	**a. Describe the Company's governance arrangements in relation to assessing and managing climate-related risks and opportunities.**	Compliant	129
b. Describe management's role in assessing and managing climate-related risks and opportunities		Compliant	129
Strategy			
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	**d. Describe:** **– the principal climate-related risks and opportunities arising in connection with the operations of the business, and** **– the time periods by reference to which those risks and opportunities are assessed.**	Compliant	130-132
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	e. Describe the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the business.	Partial	130-133
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	f. Analyse the resilience of the business model and strategy, taking into consideration of different climate-related scenarios	Partial	133
Risk Management			
a. Describe the organisation's processes for identifying and assessing climate-related risks	**b. Describe how the business identifies, assesses, and manages climate-related risks and opportunities.**	Compliant	134
b. Describe the organisation's processes for managing climate-related risks		Compliant	134
c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	**c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management process in the business**	Compliant	134
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	h. Describe the key performance indicators used to assess progress against targets to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based	Compliant	134
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	n/a	Compliant	135
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	g. Describe the targets used by the business to manage climate-related risks and to realise climate-related opportunities and of performance against those targets	Compliant	134

Compliant Partial disclosures made on the "explain" basis for 2023 – pages referenced above set out further detail on the nature of and rationale for partial disclosures

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Governance

Board oversight

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 (moving to bi-annual going forward), presented by the Managing Director (Nations & Regions) and our dedicated Sustainability Manager (see 'Executive responsibility for climate-related risks and opportunities' on page 129). The Board also receives further updates on key workstreams throughout the year as appropriate; in 2023, the Board considered climate-related risks in reviewing key capital decisions and risk management arrangements. The Board has also overseen progress in aligning our climate commitments with science-based methodology, facilitating clearer monitoring going forward. In 2024 Jonathan Allan will take over from Alex Mahon as Executive sponsor for climate and sustainability at Board level, continuing to ensure this area achieves appropriate prominence on the Board agenda. As outlined on page 142, 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 (including around climate-related risk) and provides regular risk updates to the Committee (as well as an annual update directly to the Board), noting any emerging or developing risks.

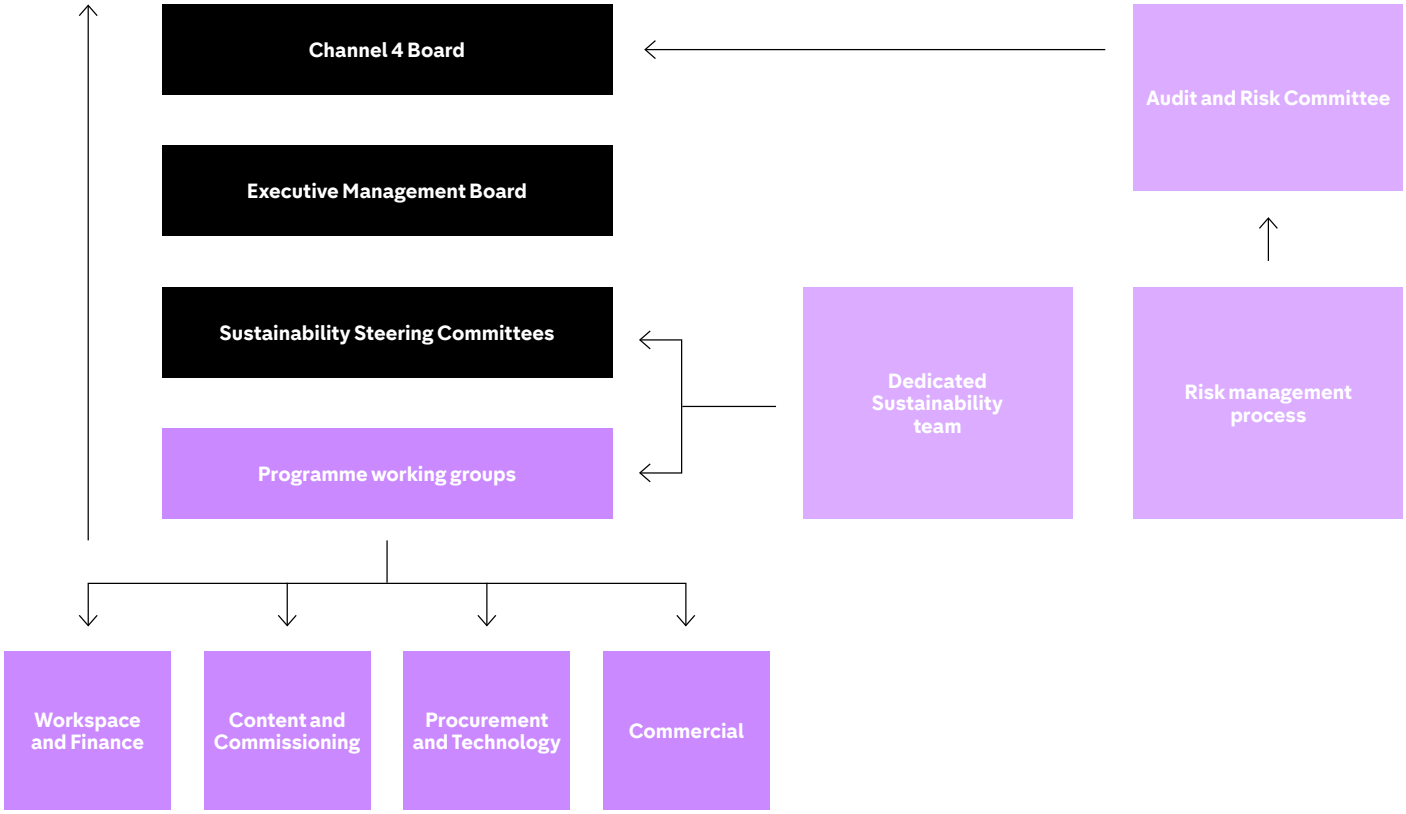
Executive responsibility for climate-related risks and opportunities

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. The Board Executive sponsor for climate chairs a monthly steering group on climate and sustainability, attended by the Managing Director (Nations and Regions), as well as relevant Executives from across the business; this group oversees delivery of key climate-related actions both on and off-screen.

Responsibility for sustainability workstreams has been delegated to Executives in the relevant business areas; in 2024, refreshed working groups (sponsored by these Executives) will be established for key initiatives to accelerate delivery of the highest-priority actions and ensure accountability for their progress.

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.

Overview of sustainability governance



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Strategy

Climate-related risks and opportunities and how we are responding

In order to move towards a sustainable future, it is vital that our impact on emissions becomes a part of every decision and process we undertake, from the content we showcase to our office operations and the partnerships we enter. Embedding our strategy to deliver on our new emissions commitments has the potential to impact every facet of the day-to-day operations of the business, both in terms of the risks it may present and the opportunities it provides.

In the first phase of Channel 4's climate journey, our key environmental sustainability risk was that Channel 4 failed to meet increasing stakeholder expectations, both on and off screen, in its approach to climate transition, or that we lagged behind others in the industry. Now that our meaningful targets are in place and our focus has shifted to embedding these into the day-to-day operations of the business, our key risk has been rearticulated to mirror this, and the headline risk identified around climate change is now that we fail to deliver on our net zero (or broader climate-related) commitments. Channel 4 is more exposed to transition risk than physical risk, given the nature and geography of our business, and in particular the high proportion of Channel 4's carbon footprint relating to Scope 3 emissions in our supply chain.

Working from this enterprise-level risk, and then drilling down to a more granular level, we have outlined across pages 131 to 132 our assessment of the categories of risk noted within the implementation guidance issued by TCFD – policy and legal, technology, market, reputation (all transition risks), acute, and chronic physical risks. This assessment has been refreshed and expanded versus our 2022 reporting to align with the impact of our new GHG reduction targets.

These risks are taken into consideration across the full range of decision making within the organisation – including (although not limited to) our capital and operational decisions, commissioning strategy, investment decisions, and approach to financing. Channel 4's resilience to climate-related risks has also been considered by management as part of our wider assessment of longer-term viability.

With clarified targets now in place, our focus for 2024 and beyond is to identify the biggest challenges to delivering on our commitments and the key reduction intiatives needed to address these - the key items on our strategic roadmap are set out in more detail on page 127. A reinforced governance framework (see page 129) will ensure we prioritise action and implementation to achieve the greatest impact, informed by the potential financial impact of our climate-related risks as well as a range of other factors.

The tables on the following pages outline 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 in the absence of mitigation/appropriate strategic consideration. 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. 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 a potentially material financial impact only, assessed in line with our audit materiality.

As outlined in more detail below, Channel 4's climate-related risks are individually expected to have only a minor impact on Channel 4's financial outlook over the short term; in aggregate and in the worst-case scenario envisaged by management, these risks may crystallise in a moderate financial impact at most.

Considerations for risk assessment

Time horizon	Short-term	Medium-term	Long-term
Year	2024-2026	2027-2030	2031-2050
Explanation	Aligned with our current financial planning cycle and the horizon used for our viability assessment	Aligned with our near-term emissions commitments	Aligned with our long-term net zero commitments

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

Financial impact

- Minor – <£10 million over 3 years
- Moderate – <£10 million per year
- Major – >£10 million per year

Over our short-term financial planning horizon, the potential impact of climate-related risks has been 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 financial planning horizon, previous decisions to mitigate, transfer, accept, or control those risks, and available financial mitigation over the residual element of risk.

As an organisation we are still to carry out quantitative analysis over the mid- to long-term horizon; this work has previously been paused while we established our new emissions targets, allowing us to ensure analysis aligns with our revised long-term climate ambitions and resulting developments in our strategy. With our targets approved by SBTi in late 2023, our intention remains to quantify this assessment in due course. Based on our existing qualitative view, our assessment is that appropriate strategic action over the coming years will mitigate the potential for the financial impact on the organisation to become material, especially when considered in conjunction with the existing mitigations identified (see page 150) to ensure the Group's long-term financial sustainability.

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Transition risks

Internal delays or costs to deliver transition plan	
Internal objectives aren't delivered to time, the required standard and/or within budget.	
Category Market/technology	**Time horizon** Short term onwards
Potential financial impact Expenditures – investment in new technologies and consultancy, costs to adopt new policies/processes	
Strategic response: ▪ Governance structure put in place to support delivery against our commitments ▪ Dedicated sustainability lead and programme manager in place to support these developments and third-party expertise sought to ensure we are aligned with best practice ▪ Executive sponsor for climate and sustainability at Board level ▪ Plans in place to set out interim targets to monitor progress and ensure we remain on track towards these goals ▪ Ongoing focus on improving the depth and quality of our carbon data and highlight emissions hot spots	▪ Workstreams underway to embed sustainability into our indirect procurement processes (alongside the action around our commissioning cycle outlined below) ▪ Plans to strengthen engagement with suppliers via CDP ▪ Internal sustainability inductions and training ▪ Carbon considerations incorporated into our travel policy ▪ Climate-related risk treated as a central consideration in assessing our future workspace needs and financial planning for key capital improvements, mitigating the risk of impairments to our balance sheet assets in the longer term
Residual financial risk (short term only)	Minor impact

Higher cost of doing business due to climate transition	
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.	
Category Market	**Time horizon** Short term onwards
Potential financial impact Expenditures – increased cost of production due to transition costs passed on by suppliers	
Strategic response: ▪ Early engagement with albert ▪ Mandated use of albert calculator and Carbon Action Plan on all productions - as at the date of this report, 74%△ of our 2023 productions had already completed their Carbon Action Plans ▪ Active member of the albert Directorate, Consortium and working groups ▪ Sustainable Production Executive recruited to lead work on reducing our emissions from production	▪ Plans to strengthen engagement with our highest-emitting suppliers within streaming to understand their roadmaps to net zero, and what technical changes can be made to our services ▪ Use of 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, allowing us to gather a fuller data picture, and contribute to industry working groups to lower our contribution to emissions through viewer devices
Residual financial risk (short term only)	Minor impact

Meeting viewer expectations	
Channel 4's approach to sustainability (on and off-screen) fails to meet the expectations of audiences.	
Category Market	**Time horizon** Medium term
Potential financial impact Revenues – loss of key partnerships, or viewing eroded over time	
Strategic response: ▪ Climate Content Pledge – committed to using our content to help audiences understand what tackling climate change might mean for them, as well as inspire and inform sustainable choices ▪ Bold climate change programming, reflected in our climate change season in 2023 ▪ Ambitious emissions reductions targets accredited by the SBTi (see page 126) to ensure that our off-screen actions mirror our on-screen commitment to addressing the climate emergency	▪ Reporting for the first time in 2023 on all relevant Scope 3 emissions categories, providing visibility and accountability ▪ Targets embedded into our day-to-day operations via a business-wide sustainability programme and associated governance structures ▪ Dedicated sustainability lead and programme manager in place to support these developments and third-party expertise sought to ensure we are aligned with best practice ▪ Values and commitments integrated into our wider financial activities including Channel 4 Ventures, the Indie Growth Fund, and our own pension funds, mitigating reputational risk
Residual financial risk (short term only)	N/A – risk not yet quantified over the medium to long term

Note: △ indicates where metrics have been assured (limited assurance) under ISAE (UK) 3000 and ISAE 3410 by our independent assurance provider, KPMG, and reflects the position for the year ending 31st December 2023; see limited assurance opinion on page 138.

Restrictions on advertising	
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.	
Category Market	**Time horizon** Medium term
Potential financial impact Revenues – loss of revenue streams from certain services Expenditures – fines or other financial penalties	
Strategic response: ▪ Broader strategic focus on diversifying revenues (highlighted first as part of our previous Future4 strategy, and remaining as a key pillar of our Fast Forward ambitions unveiled in early 2024) puts us at lower risk if the regulatory landscape were to change in future ▪ Proactive engagement with regulators, ensuring that we are able to adapt to any future developments and identify new opportunities to offset any impact to our revenues	▪ Climate commitments already reflected in our existing strategy around partnerships and investments to ensure these relationships reflect our climate commitments ▪ Active member of the Ad Net Zero Steering Group, providing a further forum for engagement with any future changes in advertising regulation
Residual financial risk (short term only)	N/A – risk not yet quantified over the medium to long term

Physical risks

Disruption to media infrastructure and/or service	
Industry-wide broadcasting infrastructure may be severely damaged and/or service significantly disrupted as a result of an extreme weather event.	
Category Acute physical	**Time horizon** Short term onwards
Potential financial impact Expenditures – cost of one-off service disruption events	
Strategic response ▪ Proven crisis management framework in place in the event of disruption; key suppliers have well-established business continuity processes in place to cut over to backup facilities if required	▪ Residual risk transferred via corporate insurance framework
Residual financial risk (short term only)	Minor impact

Delays in content production due to extreme weather event	
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.	
Category Acute physical	**Time horizon** Short term onwards
Potential financial impact Expenditures – Increased cost due to one-off delays to production	
Strategic response: ▪ Likelihood of disruption considered low given the nature of our commissioning, although may increase in future as climate change leads to more severe and unpredictable weather events	▪ Risk assessments and monitoring are carried out on our productions ▪ Residual risk transferred via insurance put in place
Residual financial risk (short term only)	Minor impact

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In addition to our assessment of key financial risks, 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 through the positive impact on remit delivery seen as a result of our climate season (see pages 90 to 97)
- 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 2023 we have not disclosed a quantified assessment here as for risks, with the intention to provide expanded detail in future years.

Resilience to climate-related scenarios

In assessing Channel 4's resilience to different climate scenarios, we have considered climate-related risks both individually, and aggregated into scenarios deemed plausible but beyond management's current expectations. Initial analysis in 2022 provided high-level quantitative modelling of the potential financial impact of climate-related risk over the short term, in line with Channel 4's existing financial planning cycle. This analysis was presented to the Board to accompany the normal financial planning cycle in 2022; this has subsequently been re-reviewed by management alongside broader consideration of the Group's viability for the 2023 year-end, and will be refreshed as part of our 2024 planning cycle alongside our programme of work to deliver on our revised net zero targets.

Channel 4 has not yet performed quantitative analysis over the medium- to long-term horizon, with work paused while we established our science-based GHG targets to ensure meaningful modelling could be produced once these were in place. 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 150 to 151), our ability to dynamically manage our spend and cash flows, and access to additional liquidity if required to manage significant unforeseen financial impacts. Our intention remains 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.

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 current publisher-broadcaster business model and given the Group is based in the UK).	
Associated risks	▪ Disruption to media infrastructure and/or service ▪ Delays in content production due to extreme weather event ▪ Impact of extreme weather event on day-to-day operations	▪ Internal costs or delays to deliver transition plan ▪ Higher cost of doing business due to climate transition ▪ Meeting viewer expectations ▪ Restrictions on advertising ▪ Regulatory/reporting requirements
Financial impact (short-term)	▪ Expenditures – cost of one-off service disruption events – increased cost due to one-off delays to production *Minor overall impact across the short-term planning horizon*	▪ Expenditures – investment in new technologies and consultancy; – costs to adopt new policies/processes – increased cost of production due to transition passed on by suppliers – fines or other financial penalties *Moderate overall impact across the short-term planning horizon (no material impact on the Group's resilience given mitigations and opportunities available)*
Financial impact (medium-long-term)	▪ Expenditures – as above, plus cost of business interruption or damage ▪ Assets – asset impairment	▪ Expenditures – as above ▪ Revenues – loss of key partnerships or viewing eroded over time – loss of revenue streams from certain services

Risk management

Identifying, assessing, and managing climate-related risks

The identification, assessment, management, monitoring, and reporting of climate-related risk forms part of Channel 4's overall risk management process, as described on page 140. The process is pragmatic, principally considering key and emerging risks to our business. 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 has matured, including analysing risk in greater detail at a business area level, we have strengthened our understanding of the specific climate-related risks that underpin this headline risk, including their interconnectivity and intrinsic link to opportunities.

As noted on page 140, risks are assessed against a set of agreed criteria, considering the likelihood of the event occurring and the financial, operational, and/or reputational (including regulatory) impact should they occur. This approach allows us to assess the size and scope of each risk using agreed thresholds, prioritising 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 of climate-related risk is enabling more targeted and impactful actions to be taken. Going forward, we intend 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 climate-related risks to achieve the greatest impact.

Metrics and targets

As noted on page 126, during 2023 Channel 4 has set and published new near-term and net zero emissions targets verified by the Science Based Targets initiative ('SBTi'), reinforcing the organisation's longstanding commitment to net zero, and bringing our ambitions into line with SBTi's best practice to drive future delivery of our climate ambitions. Channel 4's climate ambition (as articulated through these targets) has been validated by SBTi as aligning with a 1.5 degree global climate change trajectory. Now approved, these near- and long-term targets will be developed into a set of interim targets to measure progress in due course.

Channel 4 is disclosing Scope 3 emissions across all relevant categories for the first time in 2023 (as noted in more detail on pages 126 to 127) following a significant programme of work to improve the availability and quality of our carbon data, and ensuring that our reporting now aligns more closely with the standards encouraged by TCFD. The metrics used to assess Channel 4's climate risk and progress towards its net zero ambitions are outlined in our Streamlined Energy and Carbon Report ('SECR') below.

Channel 4 has not currently adopted further cross-industry metrics such as those presented for consideration under the TCFD recommendations; as we embed plans to deliver and track progress towards our new targets this will remain a matter for future consideration.

Scope 1, Scope 2 and Scope 3 GHG emissions

Streamlined Energy and Carbon Report

Channel Four Television Corporation is a 'large unquoted company' under the SECR regulations, so must report annually on GHG emissions from Scope 1 and 2 Electricity, Gas, and Transport.

Methodology

This statement has been prepared in accordance with our regulatory obligation to report greenhouse gas (GHG) emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which implement the government's policy on Streamlined Energy and Carbon Reporting.

The reporting period is the most recent financial year 01/01/2023 to 31/12/2023. We quantify and report our organisational GHG emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised version) and in alignment with the Scope 2 Guidance. We consolidate our organisational boundary according to the financial control approach. The GHG sources that constituted our operational boundary for the year are:

- Scope 1: Natural Gas, Propane, Diesel, and Refrigerants
- Scope 2: Electricity
- Scope 3 : Purchased Goods and Services, Capital Goods, Fuel and Energy Related Activities, Upstream Transportation & Distribution, Waste, Business Travel, Employee Commuting, Upstream Leased Assets, Use of Sold Products, Downstream Leased Assets and Investments.

In some cases, where data is missing, values have been estimated using either extrapolation of available data or data from the previous year(s) as a proxy.

The Scope 2 Guidance requires that we quantify and report Scope 2 emissions according to two different methodologies ('dual reporting'): (i) the location-based method, using average emissions factors for the country in which the reported operations take place; and (ii) the market-based method, which uses the actual emissions factors of the energy procured.

The carbon emissions for Scope 1&2 have been calculated using the Department for Energy Security and Net Zero (formerly BEIS) 2023 carbon conversion factors for all fuels and electricity, other than market-based electricity which have been taken from EDF, Ecotricity and Opus Energy. Specific Reporting Criteria for the metrics assured under ISAE (UK) 3000 (see below) are available at https://www.channel4.com/corporate/performance/reporting/reporting-library - these are consistent with the methodology presented here and provide further context for the assurance obtained.

Note: The 2021 and 2022 figures presented on the following page have been restated as follows versus previous reporting, to provide a consistent baseline for future reporting (please refer to footnotes against the relevant metrics on page 135):

1. 330 tCO_2e (2021) per 2022 Annual Report (with no restatement required for 2022 data). This decrease arises from a correction in the original calculation to remove duplicated information in data gathering for previous years, with additional review now in place and no similar issues noted in 2022 or 2023. Resulting intensity ratios have also been restated.
2. 921 tCO_2e (2021) and 871 tCO_2e (2022) per 2022 Annual Report. Restatements made to 2022 data in 2023 reflect certain estimates around historical electricity consumption applied to address incomplete 2022 data in previous calculations (resulting from errors in supplier half-hourly data and meter faults identified retrospectively - resulting in a 5% and 23% increase in emissions respectively). Changes have also been made for both 2021 and 2022 in the methodology applied to ensure that consumption data provided by landlords for shared systems (e.g. HVAC) is allocated appropriately, having not been captured previously (resulting in a 1% increase in emissions for both 2021 and 2022).
3. 8 tCO_2e (2021) and 6 tCO_2e (2022) per 2022 Annual Report. This change reflects revised assumptions around REGO certification for energy procured by landlords. Resulting intensity ratios have also been restated.
4. 6,321,223 kWh (2021) and 6,876,757 kWh (2022) per 2022 Annual Report. Restatements made to 2022 data in 2023 reflect certain estimates around historical electricity consumption applied to address incomplete 2022 data in previous calculations (resulting from errors in supplier half-hourly data and meter faults identified retrospectively), as well as changes for both 2021 and 2022 in the methodology applied to ensure that consumption data provided by landlords for shared systems (e.g. HVAC) is allocated appropriately, having not been captured previously.
5. 337 tCO_2e (2021) and 893 tCO_2e (2022) per 2022 Annual Report; the increase results from expanding Scope 3 reporting in 2023 to all relevant categories. The restatement versus 2022 reporting also reflects classification of one supplier between Scope 3 categories to better reflect the type of spend, hence previous categories do not reconcile year-on-year.

△ indicates where metrics have been assured (limited assurance) under ISAE (UK) 3000 and ISAE 3410 by our independent assurance provider, KPMG, and reflects the position for the year ending 31st December 2023; see limited assurance opinion on page 138.

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UK carbon footprint data

Scope/Category		Emissions Category			Unit	Baseline Year - 2021	Previous Year - 2022	Reporting Year - 2023
1	**Direct Emissions**	Total Scope 1			tCO_2e	**306**[1]	**410**	**346**[A]
		Stationary Combustion				306	388	346
		1.1	Fuel			306	388	346
		Fugitive Emissions				0	22	0
		1.3	Refrigerants			0	22	0
2	**Indirect Emissions**	**Total Scope 2 (Location-Based)**			tCO_2e	**930**[2]	**1,112**[2]	**1,013**[A]
		2.1	Purchased Electricity			930	1,112	1,013
		Total Scope 2 (Market-Based)				**32**[3]	0[3]	0[A]
		2.1	Purchased Electricity			32	0	0
1 and 2	**Total direct and indirect emissions**	Location-based			tCO_2e	1,236[1,2]	1,522[2]	1,358
		Market-based				338[1,3]	410[3]	346
	Intensity ratio	Market-based			tCO_2e/£1m turnover	0.291[1,3]	0.359[3]	0.338
	Energy usage	Total kWh consumed			kWh	**6,066,817**[4]	**7,945,300**[4]	**6,834,469**
			Fuel			1,667,851	2,121,846	1,885,747
			Electricity			4,378,584	5,786,400	4,890,504
			Other (Diesel, Propane, Vehicles)			20,382	37,054	58,218
3	**Other Indirect Emissions**	**Total Scope 3**				**506,089**[5]	**453,156**[5]	**419,820**
		Upstream				**484,357**	**439,367**	**405,210**
		3.1	Purchased Goods and Services			479,381	426,847	390,051
				Production		*319,587*	*320,142*	*278,739*
				Procurement		*159,501*	*106,314*	*111,001*
				Expenses		*292*	*389*	*309*
			Water Supply			1	1	2
		3.2	Capital Goods			3,267	10,092	12,417
		3.3	Fuel-and-Energy-Related Activities (Not Included in Scope 1 or 2)			166	192	163
			FERA Fuels			*52*	*66*	*57*
			FERA Electricity			*114*	*126*	*106*
		3.4	Upstream Transportation and Distribution			10	13	12
		3.5	Waste Generated in Operations			2	3	3
			Water Treatment			2	3	2
		3.6	Business Travel		tCO_2e	267	671	775
				Flights		*140*	*424*	*525*
				Rail		*69*	*180*	*174*
				Vehicles		*5*	*13*	*15*
				Taxis		*12*	*51*	*57*
				Miscellaneous		*40*	*4*	*4*
			Hotels			18	56	53
		3.7	Employee Commuting			382	765	910
			Homeworking			862	717	819
		3.8	Upstream Leased Assets			1	8	3
		Downstream				**13,788**	**13,788**	**14,610**
		3.11	Use of Sold Products			12,544	11,059	11,059
		3.12	End of Life Treatment of Sold Products			0	0	0
		3.13	Downstream Leased Assets			29	26	28
		3.15	Investments			9,159	2,703	3,523

Sustainability and climate change *cont.*

Year-on-year emissions changes

The depth and quality of operational data available to Channel 4 in assessing its carbon footprint has been a focus in the organisation's sustainability activities across 2022 and 2023. As noted above, Channel 4 has disclosed Scope 3 emissions across all relevant categories for the first time in 2023. We have used 2021 as our baseline year for emissions reporting and targets; however, the impact of Covid-19 on factors such as building occupancy has contributed to trends seen since our baseline, with further information provided below to give context to the year-on-year changes and clarify the drivers behind these. As data quality continues to improve, understanding these drivers will enable us to pinpoint emissions hotspots and areas for targeted reduction.

Scope	Description	Unit	Movement versus 2022	Movement versus 2021 baseline	Commentary
Scope 1	Direct emissions - natural gas, diesel, F-gas, propane	tCO_2e	-16%	+13%	The increase in Scope 1 emissions versus our 2021 baseline is driven by increased consumption of natural gas in our Horseferry Road property, reflecting increased building occupancy as we returned to hybrid working following Covid-19. However, year-on-year we have seen significant reductions, partially relating to refrigerant top-ups in 2022 not recurring during 2023. Movements presented here are based on restated 2021 baseline figures (with no restatement required for 2022 data). These have been restated versus previous reporting, to provide a consistent baseline for future reporting - please see further detail under 'Methodology' on page 134.
Scope 2 (market-based)	Indirect emissions - electricity consumption	tCO_2e	0%	-100%	We have seen an 100% decrease in Scope 2 market-based emissions since our 2021 baseline. Actual electricity consumption has increased since 2021 as a reflection of our building occupancy (see 'Energy usage' below), but this is not reflected in our market-based emissions as a result of Channel 4 now opting to procure 100% renewable energy across all of its sites. Movements presented here are based on restated 2021 baseline and 2022 figures. These have been restated versus previous reporting, to provide a consistent baseline for future reporting - please see further detail under 'Methodology' on page 134.
Scope 3	Upstream and downstream value chain emissions - predominantly production, indirect procurement and streaming	tCO_2e	-7%	-17%	On a like-for-like basis (having restated our previous Scope 3 emissions reporting across 2021-2023 to include all relevant categories), we have seen a 17% reduction in our Scope 3 emissions versus our 2021 baseline, including a 7% reduction versus 2022. This reflects the current reliance of our GHG reporting on spend-based emissions factors; as part of our continued focus on data quality we will seek to move away from such methodologies over time. Within this overall trend, we saw the decrease partially offset in certain categories in 2023, particularly in relation to Capital Goods (as a result of key capital works on the Horseferry Road property completed in late 2023) and Investments as additions are made to these funds over time.
Energy usage	Total Scope 1 and 2	kWh	-14%	+13%	Overall energy usage has increased by 13% versus our baseline year in 2021, driven predominantly by electricity consumption. Whilst Scope 2 market-based emissions have reduced by 100% from 2021 to 2023 due to Channel 4 procuring renewable electricity, actual electricity consumption has increased by 12% as a result of higher building occupancy as we return to hybrid working. Although our emissions reduction targets have a market-based baseline (reflecting the impact of choosing renewable energy in our offices),reducing actual consumption remains a focus for our sustainability roadmap, and will be a key consideration in defining our future workspace requirements and planning capital expenditure. Movements presented here are based on restated 2021 baseline and 2022 figures. These have been restated versus previous reporting, to provide a consistent baseline for future reporting - please see further detail under 'Methodology' on page 134.

Energy efficiency actions taken

In 2023, all offices continued to be open five days a week, with a flexible working pattern in place for our people. Following completion of the internal refurbishment of two floors of our London office in November 2022, we saw the positive impact of improved energy-efficient services decreasing energy consumption on these floors.

Changes included the upgrade or replacement of key on-floor ventilation equipment and lighting systems, as well as LED upgrades to back-of-house and plant room areas to reduce energy consumption.

The investment in sub-metering of our London office, commissioned in December 2022, has been realised during 2023 as we have been able to make operational adjustments to optimise system efficiency based on data provided, particularly around heating and cooling associated with the large energy consumption areas of the London office.

Channel 4's investment in cloud computing has contributed to a reduction in energy consumption, complemented by the consequential reduction of cooling required in the London office, and in IT rooms across our property portfolio, from reviewing optimum operating temperatures. Close collaboration with the relevant working areas has enabled joint energy-efficiency objectives to be realised across all offices.

To align with our strategy of reducing our gas consumption in our London office as much as possible, changes were made in our calorifier design at the year end to optimise efficiency during planned replacement. This investment will enable us to realise reductions in gas and electric consumption in 2024 by significantly reducing gas boiler/heating run time outside of core business hours. We should see the consumption and cost efficiencies through this investment in the coming year.

Completion of the refurbishment of the London office's glass atrium towards the end of 2023 should also result in energy efficiencies from the improved environmental performance of the chosen glass.

Although it will be difficult to quantify or specifically attribute emissions reductions to this particular project, it is estimated to bring ~ 1% of energy savings to the building's consumption.

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 113.21 tonnes of general office waste in 2023, an increase on the 73.4 tonnes in 2022, attributable to the inclusion of electrical waste data not previously captured, waste managed by our landlords in tenanted offices, and a continual increase in occupancy levels in all offices. Overall, 63% of the waste generated in 2023 across all offices was recycled (58% in 2022), with the remainder converted to produce energy. 0% went to l andfill (0% in 2022).

In 2023, project-related waste across all offices was 44.11 tonnes, 100% of which was recycled. 40% of the project-related waste was attributed to completing the programme to replace our atrium glazing and associated disposal of glass. We have continued to monitor our water consumption. As building occupancy increased during 2023, water consumption across all our offices increased 5.7% on 2022 figures primarily due to an increase in our London office and the atrium glazing project. 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.

Independent Practitioner's Limited Assurance Report to Channel Four Television Corporation

Report on selected environmental and social metrics for the year ended 31 December 2023

Conclusion

We have performed a limited assurance engagement on whether selected information in Channel Four Television Corporation's ('Channel 4') 'Sustainability and Climate Change' section of the Annual Report and Financial Statements (the 'Report') for the year 31 December 2023 has been properly prepared in accordance with Channel 4's Reporting Criteria 2023 as set out at https://www.channel4.com/corporate/performance/reporting/reporting-library (the 'Reporting Criteria'). The information within the Report that was subject to assurance is indicated with the symbol '△' (the 'Selected Information') (and is also listed in Appendix A).

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria.

Our conclusion is to be read in the context of the remainder of this report, in particular the 'Inherent limitations in preparing the Selected Information' and 'Intended use of our report' sections below.

Our conclusion on the Selected Information does not extend to other information that accompanies or contains the Selected Information and our assurance report (hereafter referred to as 'Other Information'). We have not performed any procedures with respect to the Other Information.

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (UK) 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE (UK) 3000') issued by the Financial Reporting Council ('FRC') and, in respect of the greenhouse gas emissions information included within the Selected Information, in accordance with International Standard on Assurance Engagements 3410 *Assurance Engagements on Greenhouse Gas Statements* ('ISAE 3410') issued by the International Auditing and Assurance Standards Board ('IAASB'). Our responsibilities under those standards are further described in the 'Our responsibilities' section of our report.

We have complied with the Institute of Chartered Accountants in England and Wales ('ICAEW') Code of Ethics, which includes independence, and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the International Ethics Standards Board for Accountants ('IESBA') International Code of Ethics for Professional Accountants (including International Independence Standards).

Our firm applies International Standard on Quality Management (UK) 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements ('ISQM (UK) 1'), issued by the FRC, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations in preparing the Selected Information

The nature of non-financial information; the absence of a significant body of established practice on which to draw; and the methods and precision used to determine non-financial information, allow for different, but acceptable, evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time.

As described in the Reporting Criteria, the greenhouse gas ('GHG') emissions quantification process is subject to: scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs; and estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

The Reporting Criteria has been developed to assist Channel 4 in preparing the Selected Information, which have been identified by Channel 4 as key metrics to measure performance against their ESG strategy. As a result, the Selected Information may not be suitable for another purpose.

Directors' responsibilities

The Directors of Channel 4 are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- developing suitable Reporting Criteria for preparing the Selected Information;
- properly preparing the Selected Information in accordance with the Reporting Criteria; and
- the contents and statements contained within the Report and the Reporting Criteria.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent limited assurance conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to Channel 4.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional scepticism throughout the engagement. We planned and performed our procedures to obtain evidence that is sufficient and appropriate to obtain a meaningful level of assurance over the Selected Information to provide a basis for our limited assurance conclusion. Planning the engagement involves assessing whether Channel 4's Reporting Criteria are suitable for the purposes of our limited assurance engagement. Our procedures selected depended on our judgement, on our understanding of the Selected Information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In carrying out our engagement, we performed procedures which included:

- obtaining an understanding through inquiry of Channel 4's control environment, processes and information systems relevant to the preparation of the Selected Information, but did not include evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;

- evaluating whether Channel 4's methods for developing key estimates were appropriate and had been consistently applied, but did not include separately developing our own estimates against which to evaluate Channel 4's estimates;
- performing risk assessment procedures over the aggregated Selected Information, including a comparison to the prior periods' amounts having due regard to changes in business volume and the business portfolio;
- performing limited substantive testing, including agreeing a selection of the GHG Selected Information to corresponding supporting information including meter reports and invoices, but did not include testing the calibration of meters, reperforming meter readings, or physicals visits to the sites which provided the source data for the GHG Selected Information;
- performing limited substantive testing, including agreeing a selection of the Albert Certified Selected Information to corresponding supporting information including third party Albert portal reports;
- considering the appropriateness of the carbon conversion factor calculations and other unit conversion factor calculations used by reference to widely recognised and established conversion factors;
- re-performing a selection of the carbon conversion factor calculations and other unit conversion factor calculations;
- re-performing the mathematical calculation of the Selected Information in accordance with the Reporting Criteria; and
- reading the Report with regard to the Reporting Criteria and for consistency with our findings over the Selected Information.

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.

Intended use of our report

Our report has been prepared for Channel 4 solely in accordance with the terms of our engagement. We have consented to the publication of our report on Channel 4's website for the purpose of Channel 4 showing that it has obtained an independent assurance report in connection with the Selected Information.

Our report was designed to meet the agreed requirements of Channel 4 determined by Channel 4's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Channel 4 for any purpose or in any context. Any party other than Channel 4 who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.

KPMG LLP

Chartered Accountants
15 Canada Square
London
E14 5GL

7 May 2024

The maintenance and integrity of Channel 4's website is the responsibility of the Directors of Channel 4; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information, Reporting Criteria or Report presented on Channel 4's website since the date of our report.

Appendix A: Selected Information

Metric	Amount
GHG Selected Information	
Scope 1 GHG emissions for the year ending 31 December 2023	346 tCO_2e
Scope 2 GHG emissions (location-based) for the year ending 31 December 2023	1,013 tCO_2e
Scope 2 GHG emissions (market-based) for the year ending 31 December 2023	0 tCO_2e
Albert Certified Selected Information	
% Albert-certified productions	74%

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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 and Risk Committee monitors the effectiveness of the risk management process and systems of internal control, as illustrated on page 142.

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 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. We continue to mature the risk management process at Channel 4, strengthening engagement at the most senior levels of the organisation, and deepening our understanding of the control environment and mitigating activities that surround our key risks. We continue to roll out business area risk registers to support the oversight and management of risks that could impact the organisation at a more operational level. 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 143 to 147. 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 and 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 142.

In 2023, developments in the media industry continued at pace; the future of the regulatory environment in which Channel 4 operates evolved with the progress of the Media Bill, while the UK advertising market declined at the fastest rate since the 2008 recession. As Channel 4 navigated these significant financial and operational headwinds, our ongoing focus on emerging risks became even more important. We considered how industry trends across all areas of our business (including content, distribution, and advertising products) could impact our objectives, the tension between commerciality and remit delivery, and the implications of expected legislative and regulatory changes for our governance framework and control environment. As difficult market conditions persisted into the latter stages of 2023, our emerging risk work focused on identifying potential longer-term impacts on our risk profile.

We continued to use interconnectivity as part of our risk management toolkit during 2023, increasingly using this technique to bring business area risk conversations to life by illustrating how operational risks may be causal to those at a business area level and how the latter can come together to form a principal risk to the organisation. The concept of interconnectivity can also help determine mitigating actions, as the effective management of one risk may positively impact others on our risk profile.

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Overview of risk activity during the year

Last year saw the business undertake extensive activity in relation to Channel 4's place in the media ecosystem. Following the announcement in January 2023 that the corporation will remain in public ownership, our teams continued to work closely with Government and other industry stakeholders on a variety of matters, including providing input to parts of the Media Bill that relate to Channel 4.

As the UK advertising market declined at the fastest rate since the 2008 recession, significant focus was required to mitigate the effects of the faltering UK economy and a major post-Covid market correction through the management of our operating costs and investments. We also had to closely manage stakeholder relations as our partners came under pressure and producers were impacted by the commissioning slowdown, both at Channel 4 and across the industry.

All of this was set against a backdrop of unrelenting competition for content in a continuously developing industry. We set ourselves punishing streaming targets in 2023 and significant work was undertaken to ensure that we delivered against these. Consideration of risk and opportunities also helped us respond to rapid changes in technology, including developments in generative AI.

Market factors drove a larger than expected deficit in 2023. This, along with the ongoing evolution of the digital world and fundamental shifts in how people consume content, has necessitated the acceleration of our digital transformation, and plans to further diversify our revenues and to streamline our operational efficiency. As we look ahead into 2024, risk management activities will be centred on ensuring that we start to effectively embed these changes, and manage the impacts on our people and stakeholders, who are so critically important to achieving all that we do.

Given the ever-changing landscape in which Channel 4 operates, we continued to closely monitor our risk profile throughout 2023, enhancing the breadth and depth of our risk information, with more regular risk insights provided to Executive management. Our Enterprise Risk function undertook a specific piece of work to deepen our understanding of the key controls and mitigating activities that sit against our principal risks. This enabled us to confirm that our forward-looking assessment of risk severity remains reasonable, and to ensure that our management of risks significantly impacted by external factors (such as cyber, environmental sustainability, and financial outlook) keeps pace.

Enterprise Risk also drove greater engagement across the business, conducting risk workshops with a number of operational teams to build new business area risk registers, while various teams continued to embed registers developed with them previously. While the focus of this work to date has been on operational areas, we intend for this work to continue in 2024, increasingly involving the more commercial and creative teams. Our Enterprise Risk team continues to support different parts of the business as a trusted voice, acting as a counterpoint to help identify potential risk factors. This includes participating in a working group at which AI ideas, concepts, and opportunities are reviewed in the context of a set of agreed principles.

Assessing the use of emerging technologies in a holistic way, considering risks and opportunities and evolving governance structures over time, helps ensure that Channel 4 keeps pace with digital developments.

During 2023, two of our key risks were updated to reflect developments in the external factors that heavily influence them: on financial outlook, to better describe how market outlook and enduring headwinds place continued pressure on Channel 4; and on cyber-attack or data breach, to reflect the perpetual intensification of cyber risk, driven by factors beyond our control. We updated two further risks to reflect developments within Channel 4: on environmental sustainability, to reflect progress made in 2023, including the agreement of science-based targets; and on Government policy, media regulation, and business environment, to bring the risk description in line with Media Bill progress. Management also discussed potential reputational risks that may face Channel 4, especially given our status as a Public Service Media organisation, the high levels of interest and scrutiny over all that we do, and the expectations placed on us. Ensuring we have effective processes in place to manage these things is critically important to safeguard our reputation.

Changes to our key risks have been reviewed and approved by Executive management, the Audit and Risk Committee, and the Board.

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The Board

Delegates responsibility

- Risk management leadership
- Sets strategic objectives and risk appetite
- Accountable for maintaining sound risk management and internal control systems
- Monitors performance

Audit and Risk Committee

- Delegated responsibility from the Board to oversee risk management and internal controls
- Reviews the effectiveness of the Group's internal control and risk management processes
- Monitors the role and effectiveness of Business Assurance and the external auditor, and their independence

Business Assurance

Reports four times annually to the Audit and Risk Committee

- Independently reviews the effectiveness of the Group's risk management and internal control processes
- Monitors and validates actions taken by management

Reviews the output of these groups and reports back to the Audit and Risk Committee

Executive Members

- Delegated responsibility from the Board for the operation of systems of risk management and internal control
- Encourage open communication on risk matters
- Monitor performance
- Assess materiality of risks in context of the Group as a whole
- Monitor controls and mitigating activities
- Facilitate sharing of risk management information and best practices across the Group

Executive-led Committees

- Comprised of commercial, operational, and creative Executive-led Committees
- Define risk management roles at operational and project levels
- Use risk as an explicit part of decision-making and management of external relationships
- Continuous risk identification, self-assessment, and assurance

Communicate and disseminate risk management policies

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Risks and uncertainties

Risk and potential impact	Mitigating activities
Strategic risks	
1. Content and audiences 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. Competition for high-quality content and talent that is representative of the whole of the UK remains high, from both traditional broadcasters and streamers. 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. Against the backdrop of digital disruption, there is a risk that we don't deliver our digital, social, and distribution strategic ambitions with the pace and scale required to compensate for the decline in linear viewing, including the transformation of our streaming platform and the move to a digital-first commissioning strategy. If this were to occur, we may fail to become a genuinely digital-first public service streamer that stands out in a crowded market. In an increasingly competitive environment, failure to market our content and brand in a way that creates impact could result in the underperformance of our content. There is a risk that we don't use our marketing budgets in the most effective way to connect with audiences, or that we don't maintain prominence (including for our streaming service once the Media Bill passes into law) (see also Risk 5).	• Launch of our ambitious Fast Forward strategy to accelerate our transformation into an agile and genuinely digital-first public service streamer by 2030 • Ongoing organisational focus on growing streaming views, including the creation of a multi-disciplinary 'Streaming Squad' to drive action • Acceleration of our move to a digital-first commissioning strategy, shifting investment to programmes that drive streaming growth and remit delivery • Focus on cut-through with fewer, stronger new titles • Simplification of how our commissioning team is organised to increase focus on content that drives streaming • Continue to drive 4Studio, with the aim of doubling social views and increasing the amount of content on YouTube • Transformation of our streaming platform to deliver a step-change in user experience, both for viewers and advertisers • Focus on distribution partnerships to drive visibility of Channel 4 content • Leveraging FAST channels to allow viewers access to more of their favourite content online • Creative marketing approaches, across publicity and social media, to give programmes the best chance of landing with impact • Contestable Pot in place offering indies the opportunity to pitch potentially 'channel-defining formats' • Brand and marketing initiatives highlighting Channel 4's unique public service remit, strengthening brand recognition, and improving content navigation
Link to purpose, vision, and strategic pillars	**Risk movement**
	→
2. Maintaining editorial standards 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 we accelerate our transformation into a digital-first public service streamer, it is important that our compliance framework adapts and keeps pace.	• Established legal and compliance framework in place supported by clear and transparent lines of communication, 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**
	→

Key[1]

Purpose
- To create change through entertainment

Vision pillars
- Represent unheard voices
- Challenge with purpose
- Reinvent entertainment

Strategic pillars
- Diversification
- Operations
- Digital transformation

1 The purpose, vision, and strategic pillars set out in our strategy are outlined on pages 4 to 5 and 22 to 23.

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Risk and potential impact	Mitigating activities
3. Our relationship with the independent production community 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 remain committed to our Nations and Regions agenda, including achieving 600 roles outside London, doubling our 4Skills budget by 2025, and meeting our voluntary target to spend 50% of our commissioning budget outside of London. We also need to make commercially successful content to fund our activities. There is a risk that we don't strike the right balance between remit delivery and commerciality 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. As the revised Media Bill passes into legislation, removing the publisher-broadcaster restriction previously imposed on Channel 4, the potential for intellectual property ownership will open up (see also Risk 5). There is a risk that our relationship with the independent production community may be impacted by this. 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.	▪ Ongoing commitment to our 4Skills training and development initiative, ensuring that the support we provide is flexible and reflective of need within the industry (for example, skills development for those already in the industry), with a target to double our current investment by 2025 ▪ Ongoing commitment to our independent production partners; any move into intellectual property ownership will be gradual and considered ▪ Development initiatives in place to support the production community, including the Emerging Indie Fund, the Indie Accelerator, and the Indie Growth Fund (focused on investing in companies in the Nations and Regions as well as digital and diverse businesses across the UK). Further support provided through the 4Producers Network (creating networking and training opportunities for indies) ▪ Ring-fenced commissioning funds available to support production companies, for example, the Diverse Indies Fund and the Contestable Pot ▪ Introductory guides published to support indies when hiring, including and progressing disabled employees and freelancers ▪ Annual Indie Survey undertaken, with feedback analysed and shared with commissioning teams to take forward as learnings ▪ Tracking of Nations and Regions commissioning spend, with commitment to Nations and Regions-based indies through the Emerging Indie Fund, as well as greater commissioning decision-making authority based in our regional 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. Channel 4 'Speak Up' facility in place for suppliers, the contact details of which (or an equivalent) must be included by production companies on daily call sheets, providing an escalation route through which to report concerns of wrongdoing, with processes in place to respond to reports received (through this or other routes)
Link to purpose, vision, and strategic pillars	**Risk movement**
	↑
4. Financial outlook, including revenue and working capital With the majority of our income generated from advertising sales, any changes to the advertising market may impact our ability to sustain revenues. Economic uncertainty impacts consumer and business confidence, and may lead to a reduction in advertising spend. Such uncertainty may be caused by the cost of living crisis, supply chain issues, and/or geo-political turbulence. Our financial outlook is also influenced by inflation in the UK economy, which drives higher costs to our business in areas such as salaries, content, and other operating expenses. Our business is heavily reliant on our effective management of working capital and on ensuring that we efficiently manage our cost base to maximise our investment in content. There is a risk that ongoing economic pressures make this challenging. 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 rapidly scale diversified revenue streams to aid our long-term sustainability. 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.	▪ Three-year planning, annual budget, forecasting, and routine financial monitoring processes and controls in place, including rigorous prioritisation of spend, to ensure optimal management of profit and loss, balance sheet, and cash position throughout the year. Cash management processes refreshed to respond with agility to fluctuations in market conditions ▪ Revolving credit facility in place, extended to £150 million in early 2024 ▪ Continue to make progress against our growth ambitions for digital advertising, and successfully expanded our non-advertising to represent 10% of total revenue see page 122 ▪ Continue to innovate our advertising proposition, such as our UK-first public trial of new streaming advertising formats designed to boost long-term brand recall ▪ Continue to provide innovative creative opportunities for clients including ad-break takeovers and branded social content, such as our first-ever social branded series 'Ready or Not?!' and first-ever e-commerce campaign with e.l.f. Cosmetics ▪ Investment in growth businesses to rapidly scale diversified revenue streams, including exploration of the potential of intellectual property ownership, targeted growth of Channel 4+ (our ad-free streaming proposition), and creation of an e-commerce business ▪ Ongoing focus on our Indie Growth Fund and Channel 4 Ventures, leveraging opportunities as they arise ▪ Continue to engage in industry forums and relevant consultations on the evolution of advertising regulation See also our Viability statement on page 151.
Link to purpose, vision, and strategic pillars	**Risk movement**
	↑

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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. We expect the Media Bill to pass into law by summer 2024. The Bill largely presents opportunities for Channel 4, particularly around changes to the prominence regime and removal of the publisher-broadcaster restriction. It also introduces a new, simplified remit for PSMs and specifies that qualification for listed events rights is a PSM-specific benefit and amends how certain quotas are calculated. There remains a risk that the Bill does not do enough to adapt to the trend in digital media consumption. There are specific clauses relating to Channel 4: removing the restriction on Channel 4 being a publisher-broadcaster; and introducing a new sustainability duty for our Board Directors. While the former provides us with the opportunity to produce and monetise our own content, there remains a risk that new regulatory requirements linked to programme making create undue complexity, impacting Channel 4's ability to effectively manage other risks (see also Risk 1 and Risk 3).	• 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'), Ofcom, and the independent production sector regarding the potential for intellectual property ownership and any gradual, considered move Channel 4 may make into it • 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 Fast Forward 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 strategy and behavioural competencies • Continued 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 • Ongoing implementation of actions to address recommendations from research commissioned on the lived experiences of our workforce • Organisational commitment to build an inclusive culture, including leadership development, competencies, and retention targets, supported by initiatives such as Inclusive Leadership training and regular monitoring of workforce diversity data • Renewed commitment to our diversity ambitions from 2024 onwards to ensure Channel 4 remains industry-leading, including broadening the scope of characteristics that we monitor, such as socioeconomic status and those with care experience • Development and implementation of a business-wide equity strategy to create inclusive and equitable outcomes for everyone who works with us or is impacted by our work • Ensuring organisational changes are embedded, enabling Channel 4 to deliver further digital growth and lead public service media into the future
Link to purpose, vision, and strategic pillars	**Risk movement**
	→
7. Business transformation To realise our Fast Forward strategy we continue to deliver against our multi-year business transformation programme, which is complex, interdependent, and incorporates significant technology change. We may need to accelerate parts of this and, 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. Our Fast Forward strategy also necessitates a shift away from legacy activities. There is a risk that this does not happen with the pace and scale required to put Channel 4 in the right shape for the 2030s and beyond as a genuinely digital-first public service streamer.	• Programme governance framework in place, facilitated through our Enterprise Portfolio Management Office, including regular review of progress, costs, and dependencies, and identification and management of risks at a portfolio level • 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 and focus on continuous improvement in areas such as benefits realisation monitoring • Channel 4-wide project management methodology in place
Link to purpose, vision, and strategic pillars	**Risk movement**
	↑

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Risk and potential impact	Mitigating activities
8. Environmental sustainability 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. In response, Channel 4 has agreed a set of science-based targets, with commitments on the absolute reduction of Scope 1, 2 and 3 GHG emissions by 2030, with further reductions by 2050. The great majority of our environmental impact is through content production, via the hundreds of independent producers we work with. The Government has also enhanced climate-related financial reporting regulations to improve the consistency and clarity of environmental sustainability disclosures across the UK economy. There is a risk that we don't deliver on our net zero and/or broader climate change commitments, that we lag behind other PSMs and UK broadcasters and filmmakers, and/or that insufficient (actual or perceived) allocation of time, resource, or financial investment means that Channel 4 does not meet wider stakeholder expectations.	• 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 • All our TV, film, 4Studio, and 4Creative productions are required to use the albert sustainability calculator, with editorial guidance provided to producers on how to make productions more sustainable. All production companies are required to complete albert's Carbon Action Plan to reduce and offset emissions, working towards sustainable production certification • Project underway to track emissions from productions, with the aim of measuring the environmental footprint and driving improvements over time • DIMPACT tool used to measure carbon emitted through online streaming • Mandatory carbon literacy training for all employees • Science-based targets agreed and approved by the Science Based Targets initiative • Strengthened governance in place for environmental sustainability initiatives, including dedicated project management resource and enhancements to governance structures • 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 considered as part of our procurement processes for non-content suppliers and service providers
Link to purpose, vision, and strategic pillars	**Risk movement**
	→
Operational risks	
9. Significant disruption to critical business processes 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 zresult in penalties and significant remediation costs.	• Technology governance framework in place, including continuous monitoring and incident escalation protocols • Ongoing investment in our technology applications and infrastructure, including a focus on resilience, particularly for content distribution, transmission, and playout • Dedicated Business Resilience Steering Committee and business continuity policy and framework in place • Significant refresh of business continuity plans ongoing for critical processes, linked to technology disaster recovery capabilities that are subject to cyclical testing • Business Continuity Management Team in place, supported by education sessions, documented guidelines and periodic Business Continuity exercises • Business interruption insurance cover reviewed annually
Link to purpose, vision, and strategic pillars **N/A**	**Risk movement** →

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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 Fast Forward strategy (which will see our digital footprint grow) coupled with the industry in which we operate and Channel 4's high profile, underlines the importance of cyber security at Channel 4. There is a risk that we fail to manage personal data in accordance with UK GDPR and other data protection legislation. In the event of a cyber-attack or other form of 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 such as DCMS, viewers, and/or employees.	• Established in-house Information Security function, supported by third-party specialists • Dedicated Cyber Incident Response team in place • 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) • Continued focus on our cyber defences and our preparedness to manage a significant cyber incident, conducting a business continuity management simulation exercise in 2023
Link to purpose, vision, and strategic pillars **N/A**	**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 dedicated third-party specialist support as required, risk assessments for high-risk deployments, and insurance cover reviewed annually • Ongoing security reviews conducted and monitoring of security intelligence • Business Continuity Management framework in place, with core pillars of a business resilience approach implemented, and a significant refresh of business continuity plans underway
Link to purpose, vision, and strategic pillars **N/A**	**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.

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Understanding the link between our Fast Forward strategy and our key risks

In January 2024, we launched our ambitious strategy 'Fast Forward' to accelerate Channel 4's digital transformation. Although our purpose 'to create change through entertainment' remains unchanged, the generational shift in TV viewing and unrelenting competitive environment in which we operate, means we need to start taking action now to ensure we're in the right shape and place for the 2030s. We also need to leverage opportunities to support our long-term sustainability. The successful delivery of our new strategy should positively impact our overall risk profile, reducing the likelihood and/or impact of a number of our key risks. The graphic on page 149 illustrates this.

- Our Fast Forward strategy will transform Channel 4 into a genuinely digital-first public service streamer, driving social views, delivering a step-change in our streaming platform, and building new distribution partnerships to help ensure that our content is in the places where audiences want to watch it. This focus will ensure that Channel 4's brand remains relevant and that we stand out in a crowded market as linear viewing continues to decline. To support this transformation, we will accelerate our move to a digital-first commissioning strategy, increasingly investing in programming that supports our social and streaming growth ambitions and focus on fewer, stronger new titles that our audiences want to watch, helping to mitigate Risk 1 – Content and audiences
- This accelerated shift in commissioning strategy underscores our commitment to new talent and ideas (in line with our remit to support the creative community). As we embed these changes, including changing how our commissioning team is organised to make it simpler for suppliers, we do so in the context of delivering our ongoing Nations and Regions targets. Our belief is that Fast Forward will strengthen Channel 4's long-term sustainability, allowing us to support the independent production community well into the future (Risk 3 – Our relationship with the independent production community)
- A key pillar of Fast Forward is the pursuit of opportunities to diversify revenue streams. 2023 saw the UK advertising market fall significantly and our business faced other economic headwinds, including high inflation. These financial pressures, coupled with the generational shift in TV viewing (which sees audiences move away from linear broadcasting to digital), means that diversifying and building new revenue streams remains a keystone to securing our future long-term sustainability. By reducing our reliance on linear advertising, we can more effectively mitigate financial risk (Risk 4 – Financial outlook, including revenue and working capital)
- To achieve our strategic aims and to remain competitive, we need to invest in our digital priorities. This necessitates a reduction in operating costs, particularly in our linear activities, allowing us to simplify our organisation so we can explore opportunities with pace and leverage those we wish to scale. Such clear prioritisation means we can ensure that the skills profile of our workforce directly aligns with Channel 4's needs, and that this adapts and keeps pace over time. As our Fast Forward strategy accelerates our plans to lead the industry into the digital age, elevate our impact across the UK, and help us stand out from competitors, Channel 4 will be better-placed to compete for talent (Risk 6 – People, inclusion, and organisational capability)
- While the successful delivery of Fast Forward will help mitigate a number of our key risks over time, to realise such an ambitious strategy relies on the transformation of our business, including changes that are complex, interdependent, and incorporate significant technology change. As with any large-scale transformation programme, there is execution risk; the pace and scale of Fast Forward may temporarily elevate Risk 7 – Business transformation

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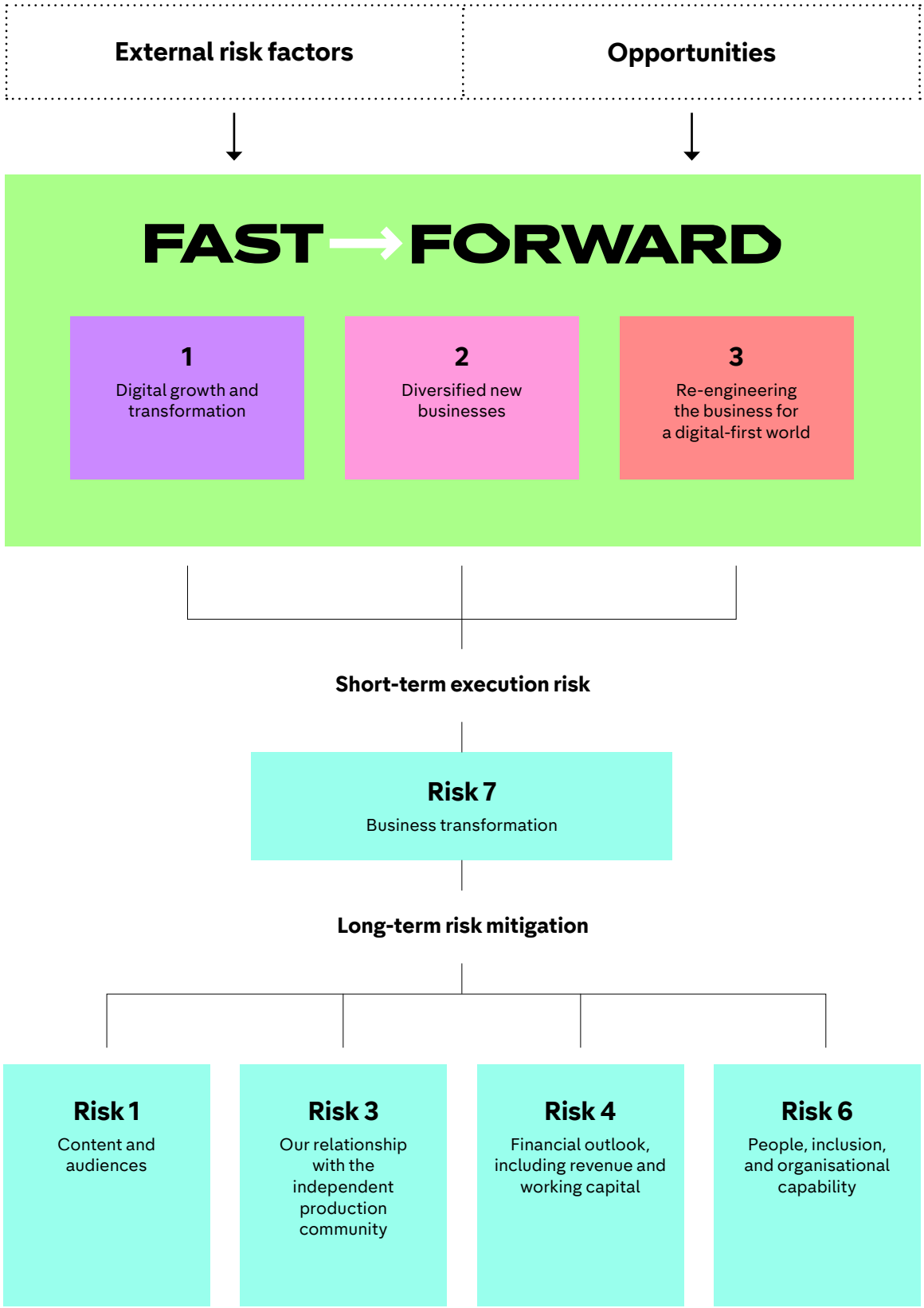
Fast Forward and our key risks



Strategic and financial outlook and Viability statement

Strategic and financial outlook for 2024

Our ambitious Fast Forward strategy, launched in January 2024, is designed to accelerate Channel 4's transformation into a genuinely digital-first organisation for the 2030s, transforming our business and its activities to get ahead of the ever-changing media landscape, and ensuring that Channel 4 can double down on delivering its public service remit for a new generation.

This is underpinned by a financial strategy focused on ensuring the business's resilience and long-term commercial sustainability: through rapidly scaling diversified revenue streams to reduce our reliance on traditional forms of advertising, and reviewing our legacy activities to ensure we are as efficient and agile as possible. Following the decisions reached on the Channel's future ownership in early 2023, our engagement with the proposed Media Bill – and potential moves to widen Channel 4's current publisher-broadcaster model and allow for a level of in-house production – will also play a contributing role in determining the most appropriate and sustainable long-term direction for the organisation.

Delivering Fast Forward will require a level of upfront financial commitment in order to bolster longer-term sustainability, while remaining mindful of the balance between appropriate strategic reinvestment and preserving the resilience of the business in the interim to withstand a further or more prolonged economic downturn, or a combination of significant risks materialising.

Our 2023 results are an illustration of the cyclical nature of our financial model. 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. Clear decision making parameters are in place to ensure a cash-positive position over the planning cycle as a whole, and ensure that surpluses are appropriately reinvested as they arise. Following three years of strong performance and surpluses delivered, our plan for 2023 was to invest those gains back into our strategic aims, with a deficit anticipated in our original targets. While we have taken cost control measures during 2023 to respond to pressures in the advertising market, this strong financial platform allowed us to preserve investment in content and pursue our future ambitions where possible, rather than controlling costs to the fullest extent required to offset the resulting revenue shortfall – a calculated decision contributing to the Group's significant final deficit for the year.

Our response to the macroeconomic challenges experienced during 2023 has evidenced the resilience of Channel 4's financial model, and our ability to dynamically manage spend in response to a downturn in revenues. However, it has also underscored the constraints posed by our ongoing content commitments and commissioning pipeline, with the impact of a rapid downturn in revenues amplified in our cash position compared to the income statement. Mitigations benefitting the income statement in-year are slower to translate to improvements in our cash position; the targeted cost reduction initiatives implemented during 2023 will however start to crystallise as an improvement in our cash position in the mid term.

Access to financing also ensures that we can preserve investment in content and strategic objectives in a temporary downturn while revenues stabilise. We have drawn down a portion of our existing £75 million revolving credit facility in Q1 2024 as we continue to prioritise on-screen investment. This facility was renewed in March 2022 and runs until March 2027. We have also put in place a further £75 million extension to this facility in early 2024; while we do not anticipate requiring this additional liquidity during 2024 or beyond the additional headroom obtained provides flexibility in the event of a further market downturn and reinforces our business resilience, underpinning our assessment of the Group's position as a going concern.

As part of our 2024 Budget and three-year plan, we have considered the impact of several potential downside scenarios. These include a worsening decline in the linear and digital advertising market versus our current base-case projections, higher costs of transformation than currently foreseen in our planning, or greater-than-anticipated impact from inflationary pressures on non-controllable costs such as our committed transmission costs. Even in the most severe case considered (deemed plausible but outside the range of scenarios currently anticipated by management), analysis shows that we remain within our covenants and retain sufficient liquidity within our existing facilities, with a further range of contingency plans remaining available to mitigate any further impacts if required. A range of management actions remains available to control spend and cash flows, including a further drawdown of our extended revolving credit facility to increase our available liquidity if required.

Channel 4's current broadcast licence expires on 31 December 2024, and our industry regulator Ofcom is undertaking the renewal of Channel 4's licence. Ofcom's statutory role in this process is to determine the duration of the renewed licence, and to set appropriate conditions in the licence to secure the delivery of Channel 4's public service remit. Ofcom has noted that Channel 4 remains a key part of the UK's broadcasting ecology, with a credible business plan to support a renewed licence for a ten-year period.

This scenario analysis and the resources available to Channel 4 (as well as the review of the Group's business activities, future strategy, and other factors likely to affect its future financial performance, position and cash flows throughout this Strategic report) 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 199. 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 2026. As we embed the new Fast Forward strategy in the coming years, the Members are confident that this strategy will get us into the right shape and place for the 2030s, while enhancing our core public service values and remit and ensuring that Channel 4 remains a trusted and relevant brand, with brilliant shows that matter and viewers love.

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Viability statement

The Members have assessed the prospects of the Group over the three-year period to December 2026 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, 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 143 to 147 and how they are managed;
- through the Audit and 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 considered the range of mitigations available; 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 7 May 2024 and signed on its behalf by

Sir Ian Cheshire

Chair
7 May 2024

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The Channel 4 Board

Executive

Alex Mahon
Chief Executive

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Jonathan Allen
Chief Operating Officer

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Ian Katz
Chief Content Officer

→ Bio on page 154

Non-Executive

Sir Ian Cheshire
Chair

→ Bio on page 155

Lord Christopher Holmes MBE
Deputy Chair

→ Bio on page 155

Dawn Airey
Director

→ Bio on page 156

Debbie Wosskow OBE
Director

→ Bio on page 157

Michael Lynton
Director

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Sarah Sands
Director

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Andrew Miller
Director

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Dame Annette King
Director

→ Bio on page 156

Alex Burford
Director

→ Bio on page 156

Sebastian James
Director

→ Bio on page 158

Tess Alps
Director

→ Bio on page 158

Tom Adeyoola
Director

→ Bio on page 158

The Channel 4 Board cont.

Alex Mahon
Chief Executive

Responsibilities and skills:

Alex Mahon is the Chief Executive of Channel 4, a publicly-owned and commercially-funded public service media organisation that creates change through entertainment. Under Alex's leadership, Channel 4 has transformed into a digital-first public media company with the UK's biggest free streaming service and one of the largest social media brands for young people in the UK. During this period, Channel 4's public ownership has been secured, its impact across the Nations and Regions has grown, and its investment in skills has opened up the sector to those aspiring to a career in television and film. Alex is a passionate supporter of equitable representation and is committed to championing women's health at work. Prior to Channel 4, she was CEO of Foundry and before that of Shine Group. She has also worked at Talkback Thames, Fremantle Media Group, and RTL Group. Alex started her career as a PhD Physicist with a stint at CERN before moving into launching internet businesses. Alex is currently a member of the UK Creative Industries Council and an ambassador for London Tech Week. She is a Non-Executive Board Member of Chanel Inc. and has been on the Advisory Board of Salesforce.

Appointment to the Board:

30 October 2017

Term completion:

N/A

Committee membership:

Ethics Committee

Attends Remuneration and Audit and 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 and 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. 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 and Risk Committee meetings but is not a member

Current external appointments:

Vice Chair, **Advertising Association**

Panel Member, **ASA Industry Advisory Panel**

Previous roles:

Executive

Managing Director, **OMD UK**

TV Director, **OMD UK**

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 Land Securities Group, Chair of We Mean Business, and Deputy Chair of the Institute for Government. He is also Chair of the King Charles III Charitable Fund. 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 was 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 and 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 Mérite of France.

Appointment to the Board:

11 April 2022

Term completion:

10 April 2025

Committee membership:

Ethics Committee

Attends Audit & Risk and Remuneration Committee meetings

Current external appointments:

Chair, **Spire Healthcare plc**
Chair, **Land Securities Group plc**
Chair, **We Mean Business**
Chair, **King Charles III Charitable Fund**
Deputy Chair, **Institute for Government**
Director, **Menhaden 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**

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 has introduced a Private Member's Bill, Artificial Intelligence (Regulation) Bill in the 2023-2024 session. 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**
Director and sole shareholder, **Calcaneum UK Limited**
Advisor, **BPP University**
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:

30 September 2026

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.

Dame Annette King
Non-Executive

Responsibilities and skills:

Annette has worked in the advertising industry for 30 years and is currently the Global Marketing Practice Lead at Accenture Song. Previously she was the CEO of Publicis Groupe UK, where she was responsible for the transformation and growth of multiple media, creative, PR, design, health, and B2B businesses. Until 2017, Annette was CEO of Ogilvy UK having previously been CEO and Chair of Ogilvy One, joining the agency after eight years at Wunderman. She chairs the Advertising Association and is a member of the UK Investment Council, representing the creative industries. Between 2018 and 2021 she chaired the Creative Industries Trade & Investment Board (CITIB).

Appointment to the Board:

8 January 2024

Term completion:

7 January 2027

Committee membership:

Remuneration Committee

Current external appointments:

Global Marketing Practice Lead, **Accenture Song**

Previous roles:

Executive
CEO, **Publicis Groupe UK**
CEO, **Ogilvy UK**
CEO and Chair, **Ogilvy One**
Non-executive
Chair, **Advertising Association**
Member, **UK Investment Council**
Chair, **Creative Industries Trade & Investment Board**
Board Director, **London First**

Alex Burford
Non-Executive

Responsibilities and skills:

Alex is a record label executive with 15 years' experience and has been the Managing Director at Warner Records UK since 2022. Alex is the youngest Managing Director of any frontline major record label in the UK and was previously the General Manager of Black Butter – a joint venture with Sony Music. He has worked with some of the biggest artists in the world, including Dua Lipa, Liam Gallagher, and PinkPantheress.

Appointment to the Board:

19 February 2024

Term completion:

18 February 2027

Committee membership:

Audit and Risk Committee

Current external appointments:

Managing Director, **Warner Records UK**

Previous roles:

General Manager, **Black Butter**

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 Channel 4's interim Chair from January to April 2022.

Appointment to the Board:

6 December 2021

Term completion:

5 December 2024

Committee membership:

Ethics Committee
Remuneration Committee

Current external appointments:

Founder, **Moon&Back Media**
Chancellor, **Edgehill University**
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
Interim Chair, **Channel 4**
Chair, **Channel 5**
Non-Executive Director, **Thomas Cook plc**
Non-Executive Director, **Easyjet plc**

Debbie Wosskow OBE
Non-Executive

Responsibilities and skills:

Debbie is a leading UK entrepreneur with over 25 years in the digital economy. She previously founded and scaled to exit, Love Home Swap and AllBright. Debbie is an Investor and Co-Chair of The Better Menopause, and an advisor to McKinsey & Company, and Omaze. She serves on the Boards of the Women's Prize for Fiction, The Mayor of London's Business Board, and The Rose Review into Female Entrepreneurship.

Appointment to the Board:

8 January 2024

Term completion:

7 January 2027

Committee membership:

Remuneration Committee

Current external appointments:

Co-Chair, **Invest in Women's Taskforce (Department of Business and Trade)**
Executive Chair, **The Better Menopause**
Advisor, **McKinsey & Company**
Advisor, **Omaze**
Board Member, **Women's Prize for Fiction**
Board Member, **The Mayor of London's Business Board**
Board Member, **The Rose Review into Female Entrepreneurship**

Previous roles:

Executive
Founder and CEO, **Love Home Swap**
Co-founder, **AllBright**

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**

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 (Chair)

Current external appointments:

Non-Executive Director, **Berkeley Group**
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**

The Channel 4 Board cont.

Sebastian James
Non-Executive

Responsibilities and skills:

Sebastian is Senior Vice President, President and Managing Director of Boots UK & ROI. He leads all Boots' businesses including Boots Opticians, across the UK and the Republic of Ireland, with the support of Boots senior leaders. This involves guiding over 52,000 team members and overseeing around 2,000 stores.

Before joining Boots in September 2018, Sebastian held the position of Group Chief Executive of Dixons Carphone from August 2014 to January 2018 following the merger of Dixons Retail Group with Carphone Warehouse. He joined Dixons in April 2008 and held various roles, including Group Operations Director, prior to his appointment as Group Chief Executive in February 2012. Before joining Dixons Retail, Sebastian was Chief Executive Officer of Synergy Insurance Services Limited. He started his career at The Boston Consulting Group. Sebastian is also an experienced non-executive director and has served on the board of Direct Line Insurance Group since 2014, Modern Art Oxford, and Save the Children and is currently a trustee of English Heritage.

Appointment to the Board:

8 January 2024

Term completion:

7 January 2027

Committee membership:

Audit and Risk Committee

Current external appointments:

CEO, **Boots**
Non-executive Director, **Direct Line Insurance Group**
Non-executive Director, **Modern Art Oxford**
Non-executive Director, **Save the Children**
Trustee, **English Heritage**

Previous roles:

Executive
CEO, **Dixons Carphone**

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. She currently advises two charities on a pro-bono basis and is a novelist.

Appointment to the Board:

6 December 2021

Term completion:

5 December 2024

Committee membership:

Remuneration Committee

Current external appointments:

Fellow, **Royal Television Society**
Member, **BAFTA**

Previous roles:

Executive
Sales Director, **YTV & TTTV**
Director, **PHD**
Exec Chair, **PHD**
CEO, **Thinkbox**

Non-executive
Chair, **Thinkbox**
Non-executive Director and Council Member, **Advertising Standards Authority**

Tom Adeyoola
Non-Executive

Responsibilities and skills:

Tom is a technology entrepreneur with 25 years' experience in new media, disruptive technology, and business strategy. Tom brings experience in the media and entertainment business through his roles at Filmbank Distributors and Inspired Gaming Group. He launched Metail, a 3D and fashion AI scaleup. Tom has also served on charity, non-profit, high-growth company, independent school, and public advisory boards. He is currently co-founder of non-profit Extend Ventures which diversifies access to finance for underrepresented founders.

Appointment to the Board:

8 January 2024

Term completion:

7 January 2027

Committee membership:

Audit and Risk Committee

Current external appointments:

Co-founder, **Extend Ventures**
Co-founder, **Capital Angel Network**
Governor, **St Paul's School**
Chair, **SPOKE**
Steering Board, **Startup Coalition**
Advisory Board, **Seven Hills**
Advisory Board, **The Coronation Challenge**

Previous roles:

Executive
Founder and CEO, **Metail**

Non-executive
Non-executive Director, **Verco**
Non-executive Director, **Do Nation**
Non-executive Director, **Elvie**
Trustee, **MeWe360**
Board Member, **Mayor of London's Business Advisory Board**
Advisory Board, **The Trampery**

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Former members

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 at 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:

7 February 2024

Committee membership:

Audit and 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 Group CEO of Evelyn Partners, a leading provider of Wealth Management and Professional Services, after being the CEO of QA, a digital education and skills provider. For almost a decade Paul was 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 career.

His marketing career began at Proctor & 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, was 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:

Trustee, **Teach First**
Director, **Evelyn Partners Group and subsidiaries**

Previous roles:

Executive
CEO, **QA Limited**
CEO, **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**

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 Committee

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**

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Report of the Members

Introduction

In accordance with the Companies Act 2006, the Corporate Governance Report on pages 164 to 171 and the information contained in the Strategic report on pages 116 to 151 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 2023. Details of the Executive and Non-Executive Members are disclosed on pages 154 to 159.

The Chair and Chief Executive present their statements on pages 6 to 9 and 10 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 2023 and financial outlook, is provided in the Strategic report on page 150. 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 193 to 219 and Channel 4's financial statements are set out on pages 220 to 225.

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, although this is subject to future change under proposals made in the Media Bill introduced by the Government in late 2023. 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, including the Strategic and Financial Outlook on page 150. 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.

Based on specific consideration of the Group's financial position, the current risks facing the Group and scenario analysis performed (see page 150) 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.

Members' interests

During 2023, Members, in addition to their salaries, benefits and/or fees as disclosed on page 180, were interested in the following transactions negotiated at arm's length on normal commercial terms with the Group:

Dawn Airey is a Vice President of, and Tess Alps a Fellow of, the Royal Television Society. During 2023, Channel 4 paid £35,747 to the Royal Television Society.

Sir Ian Cheshire was a Non-Executive Director of BT plc until July 2023. During 2023, Channel 4 paid £1,029,702 to BT plc.

Michael Lynton is Chairman of Snap Inc. During 2022, Channel 4 received £415,456 from Snap Inc. Michael Lynton is also Chairman of Warner Music Group. During 2023, Channel 4 received £179 from, and paid £9,700 to, companies in the Warner Music Group.

Paul Geddes is a Director of QA Limited. During 2023, Channel 4 paid £7,146 to QA Limited.

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.

Insurance and indemnities

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.

Employment policy for people with disabilities

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 124.

Providing information to employees

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 169.

Business relationships

Details of the Group's key business relationships and engagement with these stakeholders is outlined on page 169.

Energy and carbon disclosures

Details of the Group's Scope 1, 2 and 3 GHG emissions for the 2023 reporting year are disclosed on pages 135.

Post balance sheet events

Consideration of key events following the year end date is set out in Note 22 on page 219.

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 UK adopted international accounting standards ('UK-adopted IFRS') 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 w ith 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 entity 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 171. 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.

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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 7 May 2024 and signed on its behalf by

Sir Ian Cheshire

Chair
7 May 2024

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 160) and in the Members' Remuneration report (pages 176 to 185). The Board considers that it was compliant with the relevant provisions of the UK Corporate Governance Code throughout 2023. 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 six to eight times a year as required, 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.

Board sub-committees

The Board has an established Audit and 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.

Board nominations

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.

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The Board

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 and Risk Committee

The Audit and 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 and Risk Committee Report is set out on pages 172 to 175.

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 176 to 185.

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.

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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

Sir Ian Cheshire was appointed as Chair of the Channel 4 Board for a three-year term from 11 April 2022.

The role of the Chief Executive

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 2023, Alex Mahon continued as Chief Executive.

Members and Members' independence

The 2023 Board Members and their skills, experience, and responsibilities are set out on pages 154 to 159.

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 the current Chair's professional commitments are included in his biography. These do not adversely affect his role 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 161)
- 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

Professional development

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 2023, the Head of Corporate Governance oversaw a review of the Board and of the Audit and Risk and Remuneration Committees, which was conducted by Boardclic, an external Board evaluator. Findings and analysis were presented to the Board by the Head of Corporate Governance and discussed at the March 2024 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 the level of challenge presented by the Board to management, and strategic consideration of the Corporation's long-term sustainability. Proposals for actions remained focused on developing structures and space to enable a longer-term focus in discussions and decision making, particularly given the challenges presented by the evolving viewing landscape and potential developments to Channel 4's business model.

Board information

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.

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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 and Risk Committee meetings attended (invited)	Remuneration Committee meetings attended (invited)	Ethics Committee meetings attended (invited)
Sir Ian Cheshire	8 (8)	4 (4)[1]	4 (4)[1]	1 (1)
Lord Chris Holmes	7 (8)	–	4 (4)	–
Andrew Miller	8 (8)	4 (4)	–	
Dawn Airey	8 (8)	–	3 (4)	1 (1)
Tess Alps	8 (8)	–	4 (4)	–
Paul Geddes	4 (6)	3 (3)	–	–
Sir Roly Keating	6 (6)	–	3 (3)	–
David Kogan	8 (8)	3 (4)	–	–
Michael Lynton	5 (8)	–	–	–
Sarah Sands	8 (8)	–	–	1 (1)
Alex Mahon	8 (8)	4 (4)[1]	4 (4)[1]	1 (1)
Jonathan Allan	8 (8)	4 (4)[1]	4 (4)[1]	–
Ian Katz	8 (8)	–	–	–

1 The Chair, Interim Chair, Chief Executive, and Chief Operating Officer attended Audit and Risk Committee and Remuneration Committee meetings but were not members of those committees.

The Board meets six to eight times a year as required. The Non-Executives meet without management twice a year, and meet with just the Chief Executive present once a year.

Board diversity

As shown on pages 42 to 55, 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 2024, the Channel 4 Board comprised three Executive Members and 13 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 2023, one of the three Executive Members was a woman (December 2022: one of three). At 31 December 2023, the Board comprised four women and seven men, with the four women making up 36% of the Board membership (December 2022: 31%). At 31 December 2023, none of the Members of the Board were from an ethnically diverse background (December 2022: none).

Channel 4 has welcomed the appointment of five new Non-Executive Members in early 2024; its ambition remains to ensure that Board composition fully reflects the diversity of the UK in support of our commitments to inclusion.

Section 172 statement

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 164, 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 28 to 113 of this Annual Report) represents a strong statement of the value generated by the Group. Our corporate Fast Forward strategy and its predecessor Future4 (set out on page 119) are both 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 corporate 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 in recent years, 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. For the first time in 2023 we have also used key metrics to track how successfully we are engaging with stakeholders, further aligning our decision making with stakeholder impact.

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Our stakeholders

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.	During 2023, the Board oversaw work to keep viewers (and particularly younger audiences) at the heart of our decision making while we articulated the ambitions of our new Fast Forward strategy, aimed at ensuring that the channel seizes the opportunities presented by a generational shift in viewing behaviour. The Board receives regular updates on viewing performance to inform its decision making. It 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 reach with young audiences (including the role of third-party platforms and social media), while ensuring continued delivery of our linear remit. Reviews of viewing performance inform Board approvals for commissioning of new and returning content when required under Channel 4's delegation of authority.
Creative partners (primarily producers)	We engage with creative partners via direct meetings, industry events, talent outreach programmes, partnerships, qualitative and quantitative research (including direct feedback), and third-party industry data. 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 for producers.	Regular updates on creative performance helped to inform Board decision making around commissioning. The Board also emphasises the importance of Channel 4's relationships with the independent production sector and oversees actions to reinforce our creative partnerships. Given the challenging climate for the independent production sector, the Board carefully considered the impact of the advertising downturn on commissioning activity, the level of expectation on Channel 4, support provided to the commissioning sector, and the importance of transparency and relationship building by the organisation's senior team in supporting engagement with Channel 4's creative partners. Relationships with our creative stakeholders have also been a key consideration in exploring planned changes under the Media Bill allowing for a level of in-house production at Channel 4 (see right). The Board has publicly affirmed the importance of ensuring that any gradual moves into in-house production enhance the Corporation's public service role and that negative impacts on the independent production sector are carefully mitigated, as well as restating its commitment to Channel 4's presence, programme-making, and impact in the Nations and Regions. The Board oversaw the response to the allegations raised by the channel's own on-screen investigation, *Russell Brand: In Plain Sight* and scrutinised the internal reviews triggered by this programme. Work by the Audit and Risk Committee to oversee engagement with any concerns raised through our Speak Up whistleblowing facility by third parties within the Group's supply chain also received further focus during 2023 in light of these developments.
Commercial partners (primarily advertisers)	Engagement to grow long-term strategic relationships with our commercial partners comes in the form of regular meetings, bespoke events, and industry research, plus collaboration and innovation through ad-break takeovers, and sponsorship of industry platforms and projects including continuing support for diversity in advertising. We also gather qualitative feedback from a range of commercial stakeholders.	The Board receives regular updates on key drivers in the TV advertising market, and was kept informed of both the steep market declines experienced during 2023 and the broader macroeconomic context underlying these challenges. With diversification of Channel 4's business model as a key pillar of the new Fast Forward strategy, the Board has continued to scrutinise proposals for new commercial partnerships outside of traditional platforms. It also reviews the success of previous commercial ventures and the stakeholder relationships built, to ensure that lessons learned appropriately inform our Fast Forward ambitions. The Board have also provided their expertise on the importance of technological innovation in pursuing revenue diversification and in ensuring that Channel 4 remains competitive in how we do business. Key stakeholder relationships are carefully considered by the Board when approving major commercial agreements, and they are regularly briefed on the development of existing partnerships as well as new ventures in the pipeline.

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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 124).	The Board continued to oversee Channel 4's progress against its commitments on equity and inclusion, and welcomed news that all of the organisation's 2023 targets for representation of diverse groups among its workforce had been met during the year. It reviewed plans to carry this work forward and ensure that Channel 4's ambitions were mirrored in its creative output. The Board received updates on progress to foster a high-performing and inclusive culture within the business, enabling Channel 4's people to do their best work. The Board and Remuneration Committee both reviewed regular updates on staff wellbeing throughout the year, taking into account the impact of economic uncertainty and the ongoing cost of living crisis, and moves to further embed hybrid working practices. This oversight was assisted by results from regular and detailed staff surveys. The non-executive Board champion for employee engagement also highlighted the important contribution of the channel's Employee Resource Groups in supporting employees and fostering inclusive culture. Ahead of the launch of the Fast Forward strategy in early 2024, the Board scrutinised the impact of these proposals on employees, the importance of getting the business in the right shape to deliver the broader aims of the strategy, and the need for clear communication during this transition.
Political and regulatory (those we are accountable to, e.g. parliamentarians, Government and Ofcom)	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. 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. We also report to regulatory stakeholders via our pay gap and diversity reporting, and carry out an annual reputational survey.	Having welcomed the decision reached in early 2023 that Channel 4 will remain in public ownership, responding to the reforms put forward by the Government in its Media Bill was a vital area of engagement for the Channel 4 Board during the year. This included detailed consideration of the proposed obligations on the Members to ensure the corporation's long-term financial sustainability, as well as scrutinising proposed moves to allow Channel 4 to explore in-house production in future. The Board also oversaw work with Channel 4's regulator Ofcom to renew the channel's broadcast licence, expiring in December 2024, and how any new obligations would interact with the Media Bill. The Board performs an annual review of the effectiveness of the Corporation's compliance activities and agrees action points where necessary.
Financial (governmental stakeholders, banks)	During 2023, Channel 4 entered into a revised 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.	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. The Board received regular updates during 2023 on declines in the advertising market, and mitigations proposed by management to respond to the resulting impact on the Corporation's revenues. The Board and Audit and Risk Committee have overseen negotiations with banking partners to extend the Group's existing revolving credit facility to £150 million, finalised in early 2024. The Board considered the rationale for extending the facility and the importance of securing the Group's resilience if exceptional circumstances were to arise. Final approval for the extension was given by the Board in February 2024; the Board has also overseen engagement with DCMS to obtain approval for this extension in line with the terms of the MoU.

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Internal control

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 165, the Board delegates oversight of risk management and internal control to the Audit and Risk Committee. Further information on activity in these areas during 2023 is provided in the Audit and Risk Committee Report on pages 172 to 175. 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 and 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 and Risk Committee Report on pages 172 to 175.

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 and 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 new Fast Forward 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 150 to 159.

Reporting to the Board

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.

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 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.

Due impartiality in Channel 4's news output

UK broadcasters have a statutory duty to ensure that their news output is reported with due accuracy and presented with due impartiality. This means giving adequate or appropriate weight to a range of views without favouring one over another.

These requirements are reflected within section five of the Ofcom Broadcasting Code and potential breaches of the Code are investigated by Ofcom, which can take action against non-compliant broadcasters.

Channel 4 takes these obligations extremely seriously and has robust processes and oversight in place to ensure its news content continues to meet the highest standards of fairness and to align with best practices and regulatory expectations on due impartiality.

The Channel 4 Board plays a central role in the oversight of Channel 4's delivery against its editorial obligations, including due impartiality. Every Board meeting begins with an update from the CEO, and a programming update from the Chief Content Officer, providing a regular opportunity for Board scrutiny and robust debate around how Channel 4 is meeting its editorial obligations. Commissioning Heads of Department also attend Board at various points throughout the year, providing further opportunities for Board scrutiny across the Commissioning leadership team.

In addition, the Channel 4 Board is updated on impartiality on an annual basis, along with a wider update on Channel 4's compliance with its statutory obligations. Additional reporting has strengthened Board oversight, ensuring they can have detailed discussion and interrogation of how editorial standards, including due impartiality, are being delivered within Channel 4's news output.

The Board reviewed news impartiality across 2023 at the March 2024 Board meeting. Discussions were particularly focused on perspectives around stories on Israel/Gaza, Channel 4's decision to apply broadcast standards to online new content, and preparation for forthcoming elections. Election preparations included: additional resources for Channel 4 News' Fact Check service; the launch of a new service, called 'AI Watch', to identify and scrutinise deepfakes; and plans to ensure that Channel 4 News' election coverage is delivered from and represents different regions right across the UK. The Board also discussed independent data on how different voters viewed Channel 4 News' independence and impartiality, as well as studies that show that Channel 4 News is the second most trusted news brand in the UK and is the least distrusted.

The Board is kept abreast of the robust compliance framework in place between ITN (which produces Channel 4 News) and Channel 4. The framework includes close liaison between the Editor of Channel 4 News and Channel 4's Head of News & Current Affairs, Specialist Factual and Sport; a daily summary of stories; regular conversations about the application of due impartiality; and a quarterly due impartiality review in which senior editorial figures at Channel 4 News and Channel 4's Head of Department take a deep dive into how stories have been covered. Particularly complex or contentious stories are flagged and discussed in advance and scripting can be reviewed pre-broadcast.

In addition, ITN and Channel 4's social media guidelines lay out clear expectations of staff with regard to due impartiality and employees are regularly reminded of their importance.

In order to further inform and supplement these processes, Channel 4 commissions independent external audience research to monitor viewer perceptions of due impartiality in relation to Channel 4 News, the findings of which are reviewed annually.

The Channel 4 Board is also updated on Ofcom complaints and/or investigations regarding due impartiality in Channel 4's news output. In 2023, Ofcom did not commence any formal investigations concerning Channel 4 News content and due impartiality. Ofcom assessed 114 complaints (in relation to 61 Channel 4 News programmes) all of which it assessed as not warranting further investigation.

Pension plan

There were six Trustees of the Channel Four Television Staff Pension Plan at 31 December 2023. 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
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

Further details of the Channel Four Television Staff Pension Plan are provided in note 19 to the financial statements.

Requirements of Schedule 9 of the Communications Act 2003 (the 'Act')

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 2023. Copies of the Arrangements are available from the Head of Corporate Governance & Trading.

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Audit and Risk Committee report

Chair's introduction

During 2023 the Committee has maintained its scrutiny of the business risks arising in the Corporation's activities, remaining mindful of the heightened importance of appropriate risk monitoring and management in light of the challenges felt in the advertising market during the year.

Additional emphasis has been given to strengthening the Group's controls framework, building on work across recent years to ensure that sufficiently robust mitigation is provided.

A detailed analysis of the risks facing the Corporation is disclosed in the Strategic Report on pages 150 to 159. During the year, the Committee has continued to monitor the Group's key audit risks and judgements, with key considerations during 2023 outlined in further detail on page 174.

Composition

During 2023, the Audit and Risk Committee comprised Andrew Miller (Chair), David Kogan, and Paul Geddes (until his departure from the Board in September 2023). Following the year-end date, David Kogan has stepped down from the Committee on his departure from the Board in February 2024, and Tom Adeyoola, Alex Burford, and Sebastian James have been appointed to the Committee having joined the Channel 4 Board in early 2024. All the members of the Committee are Independent Non-Executive Members. As disclosed on page 155, 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 and Risk Committee can be found on pages 154 to 159.

The Committee met four times during 2023. Details of attendance at Audit and Risk Committee meetings by the Members of the Committee are disclosed in the Corporate Governance Report on page 167.

At the Committee Chair's invitation, the Chair of the Board, the Chief Executive, the Chief Operating Officer, the Finance Director, the Technology 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 and Risk Committee.

Role of the Audit and 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 165, the Board has discharged certain responsibilities to the Audit and 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 and 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 2023 and 2024 to date as set out below.

January 2023 meeting

- Received updates from the external auditor on the audit plan for 2022, 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

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
- Discussed the findings of the 2022 Board Effectiveness Review with regard to the Audit and Risk Committee and suggested actions

June 2023 meeting

- Received updates on the Group's tax status
- Reviewed independent verification of the Group's arrangements under Schedule 9 of the Communications Act 2003 in relation to 2022, and confirmed compliance with these arrangements on behalf of the Board
- Received updates on work in progress to review and strengthen management's existing short- and medium-term cash flow forecasting processes
- Received an overview of key workstreams in progress to improve the maturity of the organisation's operational resilience
- Received updates on Business Assurance activity and the Group's key risks
- Received updates on whistleblowing activity through the 'Speak Up' facility
- Considered an update from the external auditor on forthcoming proposed changes to the Corporate Governance Code and other regulatory developments

October 2023 meeting

- Received updates on current market conditions and the resulting impact on the Group's projected financial results for the year, along with a detailed financial report in respect of the half-year to 30 June 2023
- Reviewed the Corporation's accounting policies in respect of its significant accounting judgements for the 2023 financial year
- Reviewed the preliminary audit plan for the 2023 audit presented by the external auditor, which included consideration of the scope of the audit, the key audit risks to be disclosed in the 2023 Annual Report, and other key areas of focus
- Considered proposed refinements to management's accounting policies for programme and film rights
- Approved the Group's tax strategy for 2023
- Reviewed annual updates to the Group's treasury policy
- 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 the organisation's cyber maturity and updates on management's controls framework action plan

February 2024 meeting

- Considered the Group's cash position and the range of financing options available to support liquidity during the course of 2024, including a proposed extension of the existing revolving credit facility ('RCF') to further underpin resilience in the event of any further or more prolonged downturn
- Received updates from the external auditor on the audit plan presented in September, and discussed the external auditor's progress to date on the 2023 audit
- Discussed and approved additional changes to management's accounting policies for programme and film rights
- Reviewed the Group's corporate insurance policies put in place by management following the 2024 renewal
- Received updates on Business Assurance activity and the Group's key risks, and approved the Business Assurance plan for 2024
- Received status updates on whistleblowing activity under consideration by the Business Assurance team
- Received updates on the Group's key technology projects including updates on management's controls framework action plan
- Discussed the findings of the 2023 Board Effectiveness Review with regard to the Audit and Risk Committee and suggested actions
- Considered recommendations on operational transformation and process improvement to underpin improved visibility of future commitments

April 2024 meeting

- Reviewed the 2023 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, management judgements and estimates, significant accounting and reporting issues and a detailed financial report in respect of 2023 and discussed these with the external auditor
- Considered the report of the external auditor on their key findings for the 2023 audit
- Reviewed independent verification of the Group's compliance with the arrangements under Schedule 9 of the Communications Act 2003 in relation to 2023
- Discussed the Viability Statement and use of the going concern assumption for the 2023 financial statements
- Received an update on Business Assurance activity
- Received status updates on whistleblowing activity under consideration by the Business Assurance team

Audit and Risk Committee report cont.

Critical accounting judgements, and key sources of estimation uncertainty

The Audit and 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 2023. Particular focus was given to the Group's treatment of programme and film rights, with detailed consideration given to cost recognition in the income statement for different types of programme and film rights and identifying the most appropriate amortisation profiles as viewing behaviours shift over time (driven by the Future4 strategy in recent years and to be further accelerated by the launch of Fast Forward). 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 received updates from both management and the external auditor with regard to the critical accounting judgements and estimation uncertainty around the Group's deferred tax assets, which are recognised to the extent it is probable that future taxable profits will be available against which these can be recognised. Management applies judgement about the recognition of deferred tax assets with regard to the probability of utilisation against future taxable profits; forecasting future profitability is an area involving significant estimation, meaning that significant changes in forecast profitability could lead to a material change in the valuation of deferred tax assets.The Committee noted the increased valuation of these assets at the year end (£22 million; 2022: £9 million) as a result of the Group's trading deficit for 2023, and the complexity in assessing future profitability given the current economic backdrop, and were satisfied that it was highly probable that the deferred tax assets recognised would be fully utilised across the forecast period.

The Committee has also reviewed the approach that management takes to other critical accounting judgements relating to its 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.

Significant matters in the financial statements

As in previous years, significant matters for the Committee's consideration during 2023 including the critical accounting judgements and key sources of estimation uncertainty noted above, highlighting where levels of judgement required had increased during the year in light of the macroeconomic climate.

Areas of focus included updates made to the accounting policy applied to acquired programming rights to ensure these align with the Group's industry peers, and ongoing work to ensure that a robust control environment is in place (see right).

After discussions with both management and the external auditor, the Audit and Risk Committee noted additional scrutiny around going concern and longer term viability from the perspective of the external auditor for the 2023 reporting year, given the reliance of this assessment on judgements made by management in forecasting future profitability and cash flows, as well as reflecting the wider economic context of advertising market declines and inflationary pressures. The Committee welcomed this focus, while noting the resilience of Channel 4's business model, its ability to respond to economic challenges like those experienced during 2023, and the focus in the new Fast Forward strategy on strengthening this further. The Committee themselves also placed further focus during the course of the year on considering current market conditions and the resulting impact on the Group's financial results for the year, the range of financing options available to support liquidity, and reviewing the assumptions applied in and robustness of short- and medium-term cash flow forecasting processes.

Considerations in the external auditor's risk assessment were discussed while the audit strategy was being reviewed and at the conclusion of the audit of these financial statements.

Judgements applied by management and third-party specialists in the valuation of the Group's defined benefit pension scheme had been reviewed by the Committee as a significant matter in the financial statements during 2022. The net position under the scheme, which closed to future accrual in 2015, is material and the valuation complex. The Committee had previously considered the context of the updated triennial valuation of the scheme completed as at 31 December 2021 and acknowledged that the materiality of the balance could attract additional stakeholder scrutiny, particularly while the privatisation process remained ongoing during 2022. While the audit strategy for 2023 was being reviewed and following discussion with the external auditor, the Committee noted that the level of management involvement and judgement required was now reduced outside of the triennial revaluation cycle, and a significant risk of fraud or misstatement was no longer deemed likely in respect of this balance.

Misstatements

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 appropriately reasonable.

Fair, balanced, and understandable

The Audit and 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 and 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 and Risk Committee prior to consideration and approval by the Board

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External audit

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 following a rotation in 2022. The Audit and 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 and 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 (in relation to assurance work performed on the Group's Statement of Media Content Policy), and concluded that it was in the interests of the Group to purchase them from the external auditor; and
- reviewed Deloitte LLP's annual statement to the Audit and 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 2023 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 report on the Group's draft financial statements for the year ended 31 December 2023;
- 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 and 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, and oversees a programme of work to strengthen operational resilience across the organisation.

Whistleblowing procedures (through the Group's Speak Up facility) are also led by the Head of Business Assurance and reported to the Audit and 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 and Risk Committee receives regular updates from the Finance Director and Technology Director on management's activities to ensure a robust control environment remains in place. Following initial action plans presented by management in 2021, regular status updates on this work have continued to be 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. The Committee has also reviewed recommendations arising from reviews performed by third-party advisors in certain key areas. Alongside this work, continuing reviews have been carried out over the broader automated controls framework, and the Committee has received positive updates on progress made as a programme of mitigations has been implemented during the year.

Based on the findings of these reviews and the existing mitigations in place, 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 7 May 2024 and signed on its behalf by

Andrew Miller

Chair of the Audit and Risk Committee
7 May 2024

Members' Remuneration report

Chair's introduction

During 2023, the Committee has focused on ensuring that fresh challenges presented by the UK economic climate, declines in the advertising market, and the broader cost of living crisis have been fairly and responsibly addressed in remuneration decisions for Channel 4's people.

With these challenges following on swiftly from the period of uncertainty posed by the privatisation debate during 2022, the Committee has focused on ensuring fair and appropriate remuneration which recognises the vital role that staff play in Channel 4's success and supports employee wellbeing and morale.

The Committee's role in ensuring Channel 4 attracts and retains high-calibre people in a competitive market, champions equity and inclusion, and develops talent remains a priority. This is especially important as the channel embarks on its ambitious Fast Forward strategy, announced in early 2024, to support the organisation into the right shape for the 2030s and protect its long-term sustainability.

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 2023. 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 2023 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 2023 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.

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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 2023, the Remuneration Committee comprised Lord Chris Holmes (Chair), Dawn Airey, Tess Alps, and Sir Roly Keating (until his departure from the Board in September 2023). 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.

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Responsibilities of the Remuneration Committee

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 People 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.

Activities of the Remuneration Committee

The Committee's work in 2023 and 2024 to date included making award recommendations to the Board for the Corporate Variable Pay and Advertising Sales Schemes in respect of 2023, and reviewing the structure and appropriateness of the schemes for 2024:

- The variable pay award for 2023 and the details of the Corporate Variable Pay Scheme are detailed on pages 184 to 185
- In January 2023, taking into consideration the challenges posed to employees by the cost of living crisis, 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%
- The Committee also considered the appropriate opportunity for 2022 under the Corporate Variable Pay Scheme in January 2023, and recommended setting the award for 2022 at the maximum opportunity as a reflection of a year of strong performance and remit delivery. The Committee approved 2022 variable pay for the Executive Members recognising their performance against key measures during the year
- In February 2023, the Committee made recommendations on the appropriate opportunity for 2022 under the Advertising Sales Scheme and approved targets for 2023
- The Committee also considered the corporate objectives for the year in February 2023, remaining 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 2023 against these objectives to provide focus for the organisation throughout the year and for evaluation in determining 2023 variable pay under the Corporate Variable Pay Scheme
- In June 2023, the Committee reviewed performance under the Advertising Sales Scheme for the year to date, and gave support for an interim payout (with final approval provided in September 2023)
- In June 2023, the Committee received an update on the Corporation's pay gap reporting and progress towards equity and inclusion targets (see summary on page 179)
- In November 2023, the Committee received updates on performance against the corporate objectives and the status of the Corporate Variable Pay Scheme for the year. It considered revised financial projections for 2023 in light of challenging market conditions and actions taken to preserve investment in content and the independent production sector, and reviewed historical trends in payouts made previously
- In January 2024, after a careful and considered evaluation of the continued pressures presented by cost of living increases, the Committee agreed that a pay award of 4% would be made for all Channel 4 people at Management band and below, effective from 1 March 2024, with a lower increase of 2% awarded to leader grades. No pay increase was made for Channel 4's senior leaders or Executive Members
- As outlined on pages 184 to 185, the Committee also made recommendations in January 2024 on the appropriate award for 2023 under the Corporate Variable Pay Scheme, outlined on pages 184 to 185, and made recommendations on the appropriate opportunity in relation to the Executive Members, in recognition of their performance against key measures during the year. The Committee approved the proposed corporate objectives for 2024, which remain aligned with delivering the Future4 strategy to 2025, underpinned by broader metrics around remit delivery and financial performance
- In February 2024, the Committee made recommendations on the appropriate opportunity for 2023 under the Advertising Sales Scheme

The Committee also received regular updates throughout 2023 on employee wellbeing and engagement, recognising the continued pressures of the cost of living crisis, the ongoing adjustment to hybrid working, and development of plans to reshape the organisation during 2024.

Pay Report 2023

The 'Channel 4 Pay Report 2023' was published in November 2023, based on data as at March 2023, 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 2023 Pay Report demonstrated that the organisation had met all of its targets relating to the composition of its workforce on or ahead of schedule, and outlines the key actions that are being taken to identify and drive further change and ensure that Channel 4 is a fully inclusive organisation. The focus in 2023 included developing more targeted action plans to improve pay gaps in key areas, supporting internal progression at more junior levels, and developing attraction and selection procedures to engage key demographics in a broader range of roles.

Gender pay gap

Mean 2023	18.2%	19.5% 2022
Median 2023	24.9%	22.4% 2022

In the last year, Channel 4 has improved the balance of its top two pay quartiles (now at an almost 50:50 split between men and women), with the mean gender pay gap decreasing in 2023. 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 higher than management's aims. Channel 4 will continue to support the progression of women into more senior roles as this has the most substantial impact on reducing the gender pay gap.

Gender balance

Channel 4 exceeded its target of a 50:50 gender balance in the top 100 earners by 2023, with the proportion of senior women in the business growing to 53 in March 2023 (March 2022: 49), up from 34 when we first started reporting this metric in 2017.

50% 2023 target

53% 2023 actual

LGBTQ+

Mean 2023	20.0%	15.6% 2022
Median 2023	22.8%	17.8% 2022

Channel 4 reported a mean LGBTQ+ pay gap of 20.0% at March 2023, an increase from 15.6% in 2022. Relative to 2022, there has been a significant increase of LGBTQ+ employees in the lower and lower-middle quartiles, which is the primary driver behind these pay gaps.

Channel 4 has had proportionally more LGBTQ+ hires over the past 12 months (14.8%) than it has within the overall organisation (11.8%). These employees are typically a younger age demographic and at the start of their career, which attracts a lower pay level. As LGBTQ+ employees make up a relatively small population of Channel 4's overall employee composition (12%), changes in headcount can have a significant impact on the pay gap.

Ethnic diversity

Mean 2023	6.7%	9.8% 2022
Median 2023	9.5%	11.0% 2022

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 a meaningful increase in the proportion of ethnically diverse employees in the upper and upper-middle quartiles. The median pay gap has decreased to 9.5% (2022: 11.0%). There are two factors that drive the ethnically diverse pay gap: a lower representation at senior levels and a higher representation at junior levels. Channel 4 achieved its 2023 target to have 20% ethnically diverse employees both across the organisation and in the top 100 paid. It remains a priority to remove any barriers to progression and continue to fully support increasing representation of ethnically diverse people at senior levels, which will help to further reduce our ethnically diverse pay gap.

20% 2023 target

20% 2023 actual

Disability

Mean 2023	12.4%	13.8% 2022
Median 2023	11.8%	8.5% 2022

The mean disability pay gap has decreased in 2023, from 13.8% in 2022 to 12.4% in 2023. The median pay gap has increased, from 8.5% in 2022 to 11.8% in 2023. The over-representation of disabled employees in the lower pay quartiles is the primary driver behind these gaps. However, in 2023, Channel 4 saw the distribution of disabled employees become more equitable across all pay quartiles, with an increase in disabled employees in the upper two quartiles.

With disabled employees making up a relatively small population of Channel 4's overall employee composition, changes in headcount can have a significant impact on the pay gap. As at March 2023, 13% of Channel 4 employees have a disability, ahead of the target of 12% disabled staff across the organisation by this year.

12% 2023 target

13% 2023 actual

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Remuneration Report

The following provisions on this page are subject to audit

The remuneration of the Executive Members for the years ending 31 December 2023 and 2022 is made up as follows:

£000	**Salary**	**Taxable benefits**	**Pension**	***Total fixed***	**Variable pay**	**Total for 2023**	Salary	Taxable benefits	Pension	*Total fixed*	Variable pay	*Total pre except'l items*	Except'l items	Total for 2022
Alex Mahon	**619**	**3**	**124**	***746***	**247**	**993**	615	3	123	*741*	594	*1,335*	155	1,490
Jonathan Allan	**513**	**1**	**40**	***554***	**128**	**682**	510	1	39	*550*	308	*858*	128	986
Ian Katz	**432**	**1**	**48**	***481***	**–**[1]	**481**	429	1	48	*478*	259	*737*	108	845
Total	**1,564**	**5**	**212**	***1,781***	**375**	**2,156**	1,554	5	210	*1,769*	1,161	*2,930*	391	3,321

1 The Committee recommended an award of 25% of year-end salary under the Corporate Variable Pay Scheme for Ian Katz, representing half of the maximum opportunity of 50% of salary; Ian Katz elected to decline this award at the start of 2024.

The figures in the table above represent the gross pay received by Executive Members in 2023 and 2022, in consideration of salary increases during the year where applicable. This table reflects the final remuneration received, taking into consideration any decision by the Executive Members to decline remuneration recommended by the Committee.

The comparatives stated for 2022 also reflect exceptional items recognised during that year in relation to retention arrangements put in place to attract and retain talent and protect the organisation during a prolonged period of uncertainty related to the Government's proposed intention to privatise Channel 4, ensuring the organisation's ability to deliver its operational commitments. This scheme included the Executive Board Members, following an external benchmarking review, initially recommending a payment of 50% of total gross salary. In early 2023, recognising the macroeconomic turbulence of 2022 continuing into 2023, the Executive Members declined the 50% payment and elected instead for a reduced payment of 25% of total gross salary, in line with the arrangements for the organisation's wider senior leadership team. In May 2023, the Executive Members asked to indefinitely defer their retention payments as part of a wider response to a very difficult advertising marketing in Q2 2023, which was impacting all commercial broadcasters. In July 2023, a retention payment was made to Channel 4 employees in relation to these arrangements. The payment in relation to the Executive Members remained deferred as at 31 December 2023; in early 2024 the Remuneration Committee recommended that this payment should be made in due course, following consideration of signs that declines in the advertising market had started to stabilise in 2024 to date. These exceptional items and the alternative performance measures they relate to are further detailed on page 200.

In 2023 and 2022, 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 2023 and 2022 is as follows:

£000	**2023 salary and fees**	2022 salary and fees
Sir Ian Cheshire (term commenced April 2022)	**95**	69
Charles Gurassa (term completed January 2022)	**–**	7
Lord Chris Holmes	**36**	33
Andrew Miller	**25**	25
Dawn Airey	**22**	37
Tess Alps	**22**	22
Paul Geddes (term completed September 2023)	**15**	22
Sir Roly Keating (term completed September 2023)	**15**	22
David Kogan (term completed February 2024)	**22**	22
Michael Lynton (term commenced April 2022)	**22**	15
Sarah Sands	**22**	22
Total	**296**	296

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 2024, once results for 2023 were available, to agree on a recommendation to the Board on variable pay.

Corporate Variable Pay Scheme outline

The Corporation's business model and strategy are set out in the Strategic report on page 119. The Corporate Variable Pay Scheme has been designed specifically to link variable pay with the business model, with specific business objectives set in January 2023, 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 20% 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.

Process for determining variable pay

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.

Variable pay decision for 2023

In forming its recommendation on a variable pay award for 2023, the Committee initially reviewed performance against the two key hurdles to the scheme to confirm these had been 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 2023. In assessing the second - the organisation's financial performance, and delivery against its projected financial result for the year – the Committee reflected that while 2023 had always been planned as a deficit year to allow for strategic reinvestment following several years of strong results, eventual performance had been heavily impacted by marked declines in the advertising market. The calculated decision not to offset this shortfall in full via cost options available, in order to preserve investment in content and strategic ambitions to the fullest extent possible, had been noted in the Committee's discussions earlier in the year. As such (in line with the Scheme guidance set out on page 180, and historical precedent) it had been deemed appropriate to revise the hurdle to account for updated forecasts, with the organisation's final results delivered improving on that outlook and demonstrating that the second performance consideration had been exceeded.

With these initial considerations confirmed, the Committee moved onto detailed discussion of the Corporation's performance during 2023, 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 2023 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 2023 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 226.

The Committee considered the Corporation's 2023 position across the range of its Statement of Media Content Policy ('SMCP') metrics (pages 28 to 119) and agreed that the Channel's on-screen output during the year marked another year of creative success and strong remit delivery. Audience response to three key statements used to track remit delivery remained ahead of targets for the year. Creatively, the Committee reflected on the recognition given to the strength of Channel 4's slate with the strongest awards performance ever, including the most BAFTA wins in 22 years. Despite reduced budgets, the Channel's output had continued to spark noise and debate, setting the agenda on current affairs, and driving the strategic pivot to digital despite having to react and repeatedly adjust to a rapidly declining advertising market.

It was also recognised that to ensure continued momentum in the channel's digital transformation, very ambitious streaming targets had been put in place at the start of the year, and that these had been exceeded in the final position for the year, with views of 1.6 billion up 14% year-on-year and total viewing time up 24% versus 2022.

In assessing performance against the organisation's objectives around revenue diversification, it was highlighted that in a very tough year for absolute revenues, the Corporation had nonetheless seen continued progress in reducing its reliance on traditional forms of advertising, a focus that would remain at the heart of the new Fast Forward strategy and underpin the organisation's resilience and long-term sustainability. Digital advertising had accounted for 27% of total revenues (ahead of the planned trajectory to 30% by 2025), with non-advertising revenues already meeting the 2025 target of 10% of total.

It was acknowledged that, while declines in Channel 4's linear SOCI position had always been anticipated for the year (as a reflection of the focus on digital-first), these had been compounded as the financial challenges felt during 2023 translated to unavoidably lower on-screen spend, and while final performance was below targets for the year this was seen as understandable in context.

The Committee agreed that performance against these metrics reflected another successful year of strategic and operational delivery by the organisation and that this should be recognised, given its navigation of extremely challenging economic conditions, and launch of an ambitious five-year strategy to reshape the organisation and accelerate its transformation into a genuinely digital-first public service streamer - unveiled promptly after emerging from the unprecedented challenges of privatisation and political instability. The Committee acknowledged the tensions these challenges presented in coming to a decision around any variable pay award in relation to 2023's performance; it reflected on the delicate balance needed in motivating staff remaining in the organisation to maintain momentum and deliver on the Channel's new strategy, given the proposed restructuring and impact on jobs. However, the Committee agreed on the importance of rewarding strong performance and the team's hard work and commitment during 2023, with the challenges facing the organisation in 2024 subject to separate consideration outside of this decision. The Committee also recognised the historical precedent for pay decisions made in previous downturn years. After careful and detailed consideration, the Committee applied its discretion in proposing a lower award than initially indicated by KPI performance and the scheme criteria for 2023 given the financial context, and recommended setting the award for 2023 at half (50%) of the maximum opportunity under the Corporate Variable Pay Scheme.

Members' Remuneration report cont.

Advertising Sales Scheme

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

Variable pay awards to Executive Members*

The Committee made the following awards to Executive Members in respect of their 2023 performance:

- Alex Mahon was awarded an amount of 40% of year-end salary under the Corporate Variable Pay Scheme, representing half of the maximum opportunity of 80% of salary
- Jonathan Allan was awarded an amount of 25% of year-end salary under the Corporate Variable Pay Scheme, representing half of the maximum opportunity of 50% of salary
- The Committee recommended an award of 25% of year-end salary under the Corporate Variable Pay Scheme for Ian Katz, representing half of the maximum opportunity of 50% of salary; Ian Katz elected to decline this award at the start of 2024

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*

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 2023.

Non-Executive Members are not eligible for membership of either pension scheme.

CEO remuneration table

The table below shows the percentage change in remuneration of the Members and the Corporation's employees between the years 2022 and 2023. 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 throughout challenging and uncertain periods across recent years. This table is stated both including and excluding exceptional remuneration as part of the 2022 baseline, to ensure clear year-on-year comparison.

	Salary and fees	Variable pay	Total pre except'l items	Total
Chief Executive Officer	1%	-58%	-26%	-33%
Chief Operating Officer	1%	-58%	-21%	-31%
Chief Content Officer[1]	1%	-100%	-35%	-43%
Non-Executive Directors[2]	–	N/A	–	–
All staff[3]	**1%[4]**	**-39%**	**-3%**	**-17%**

1 As noted under 'Variable pay awards to Executive Members', an award for 2023 under the Corporate Variable Pay Scheme for Ian Katz was recommended but declined at the start of 2024.
2 Based on fees set by Ofcom on page 180.
3 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.
4 Staff in post throughout 2023 received an average pay rise of 3% during the year as a result of the pay award made in March 2023. This increase was offset by higher recruitment activity in more junior roles during 2023.

This disclosure is presented against a baseline of total remuneration before exceptional items for 2022 as outlined on page 184, 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 205.

Payment for loss of office*

No payments were made for loss of office in 2023 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.

Payment to past Members*

No payments to past Members were made in 2023.

Members' service contracts

Members' service contracts are kept available for inspection at the Corporation's Head Office, 124 Horseferry Road, London SW1P 2TX.

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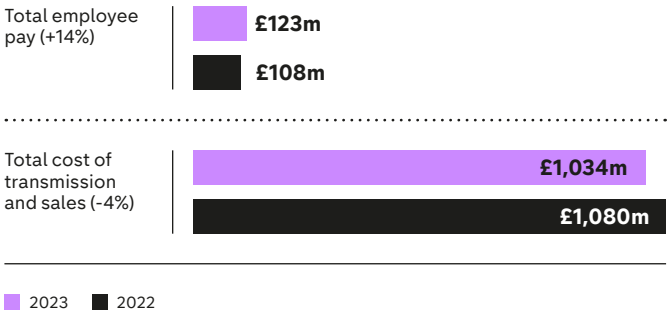
Relative importance of spend on pay

The graph below shows the actual expenditure of the Group and the change between the current and previous years.



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 (and new Fast Forward) strategy. Employee pay was approximately 12% (2022: 10% before exceptional items) of total cost of transmission and sales, with the increase in this metric driven by increased headcount across the organisation versus cost-saving measures implemented elsewhere in the organisation.

Total employee pay is detailed in note 4 to the financial statements.

This report was approved by the Board on 7 May 2024 and signed on its behalf by

Lord Chris Holmes

Chair of the Remuneration Committee
7 May 2024

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 176 to 178. 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 2024 except as noted below.

Future policy table

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.	Salaries are usually reviewed annually in the first quarter of the year; annual salaries for the year to 31 December 2024 are approved as follows. In line with the recommendation for other senior leaders within the organisation, the Committee did not recommend a salary award for 2024 in relation to the Executive Members. This marks the second annual review in succession where no salary increase has been applied for the Executive Members, having elected to decline a recommended 2% increase from 1 March 2023. – Alex Mahon – no increase with effect from 1 March 2024; salary remains at £618,724 – Ian Katz – no increase with effect from 1 March 2024; salary remains at £432,172 – Jonathan Allan – no increase with effect from 1 March 2024; salary remains at £513,022	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 180 to 182

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 2024 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.

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Remuneration policy framework

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	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. The Corporation has a standard pension contribution scale but will consider paying a cash alternative depending on individual circumstances. The Corporation will pay limited legal fees incurred by any new Executive Member in respect of their appointment.
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.

Policy on payment for loss of office

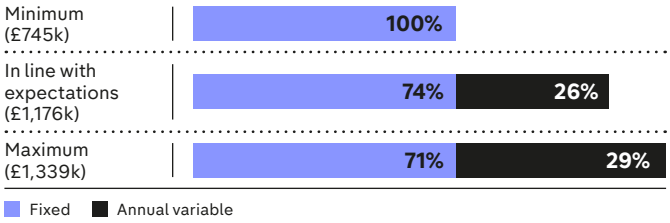
The service contracts of all the Executive Members are subject to notice periods of one year or less. The Committee's policy is to make payments in line with contractual obligations covering payment in lieu of notice including base salary and other benefits.

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.

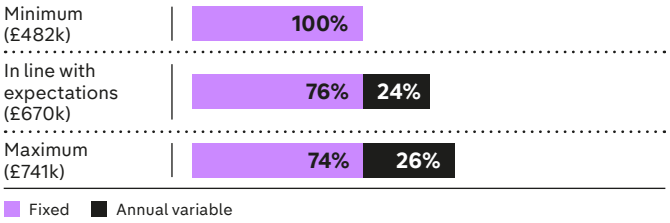
Illustration of application of remuneration policy

The graphs below represent the variations in the remuneration at different levels of performance for the 2024 remuneration policy for the Executive Members.

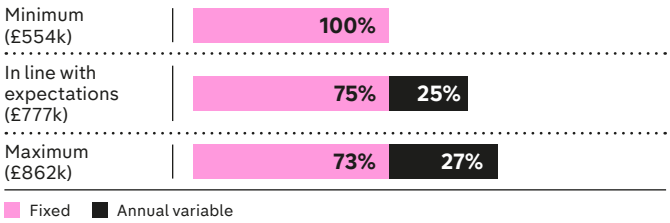
Chief Executive Officer



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.

Audited information

The Members' Remuneration Report (pages 176 to 185), 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.

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Independent auditor's report

To the Department for Culture, Media and Sport on Channel Four Television Corporation

Report on the audit of the financial statements

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 2023 and of the Group's deficit 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 sheets;
- the consolidated cash flow statement;
- the statements of Group and Corporation accounting policies; and
- the related notes 1 to 22 to the consolidated financial statements, and related notes 1 to 7 to the 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 Financial Reporting Standard 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 matters that we identified in the current year were: – Revenue recognition – Programme and film rights – Going Concern
Materiality	The materiality that we used for the Group financial statements was £10,000,000 which equates to 1% of revenue.
Scoping	We audited the Group as a single component, covering 100% of net assets, revenue and deficit before tax.
Significant changes in our approach	In the previous year we identified a key audit matter in relation to the valuation of pension liabilities, as a result of the completion in the year of a triennial valuation of the pension scheme, and the impact of higher discount rates and lower investment performance on both pension assets and liabilities. Neither of these risk factors have recurred in the current year therefore this is no longer a key audit matter for 2023. In the current year we have identified new key audit matters; revenue recognition, programme and film rights and going concern, due to their significance in our overall audit strategy.

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 is discussed in section 5.1.

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 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.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

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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. Revenue recognition

Key audit matter description	The Group recognised revenue of £1,023m (2022: £1,142m) predominately in relation to advertising revenue (2023: 90%, 2022: 89%). The downturn in the UK advertising market has had an impact on revenue and the Group's financial performance for the year. The Group has a number of revenue streams including linear, digital and non-advertising revenues, and also recognises revenue from barter transactions. We consider that revenue recognition represents a key audit matter due to the effort and resources allocated during the audit. The Group accounting policies sets out the policies for revenue recognition and a summary of revenue by type is included in note 1 to the consolidated financial statements.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the revenue process for each key revenue stream through performing walkthroughs, including obtaining an understanding of relevant revenue controls. We designed our audit procedures to be specific to the nature of each revenue stream. Consequently, we performed the following audit procedures: – We reviewed management's accounting policies for each revenue stream and assessed compliance with IFRS 15. – We worked with analytics specialists to profile linear advertising revenue transactions in order to select our sample. – For each revenue stream we traced a sample of revenue transactions to third party supporting evidence, including contracts, and to evidence of transmission and ultimately to cash received to validate occurrence and accuracy. – We selected a sample of TV advertisements throughout the year and traced these to transmission reports and the ledger, to test for completeness of revenue. – We obtained transmission reports and inspected the dates that digital and TV advertisements were transmitted to determine that revenue was recognised in the correct period. – We tested accrued and deferred income recognised by agreeing samples selected to supporting evidence, including contracts and evidence of occurrence, recalculating the accrual or deferral thereby validating that the revenue has been recognised in the correct period.
Key observations	We consider the revenue recognised across the Group to be appropriate and recognised in the correct period. We consider management's disclosures in relation to revenue to be appropriate.

5.2. Programme and film rights

Key audit matter description	Programme and film rights are highly material with £472m (2022: £492m restated) (see note 13) recognised as inventory as at 31 December 2023 and £663m recognised as content costs during the year (2022: £713m). Channel 4 account for such rights as inventories under IAS 2. The amortisation of programme and film rights is disclosed as a critical accounting judgement in the Group accounting policies, as there is judgement in determining the profile over which to amortise programming, which includes an assessment of programme value. Due to its quantum, the audit of this balance requires a significant allocation of audit resources to perform our audit testing. Furthermore, during the period, management has restated acquired programme and film rights to recognise the full cost of acquired programme and film rights at the licence start date, with an adjustment made to current and non-current trade and other payables to reflect the associated liabilities for amounts not yet due. This has resulted in a gross-up of acquired programming and film rights and payables of £95m in 2023, with the comparative figures restated for both 2022 by £94m and 2021 by £56m as required by IAS 1, which is disclosed as a footnote to the consolidated balance sheet, and in notes 13 and 16. We consider that programme and film rights represents a key audit matter due to the significance in the value of the account, and the effort and resources allocated to the audit of this account.
How the scope of our audit responded to the key audit matter	We assessed the accounting policies for programme and film rights against the requirements of IAS 2 and industry practice. We evaluated the disclosure of the restatement of programming inventory against IAS 1 requirements. We audited the determination of the adjustments made in applying the accounting policy for acquired programme and film rights for each of 2023, 2022 and 2021 financial years. In respect of programme and film rights in the current year we: – reconciled the programme and film rights ledger to the financial statements, including opening inventory, additions, amortisation and closing inventory. We selected a sample of programming inventory and for each sample we obtained the contract or licence and agreed the total cost of the asset; – tested additions in the year to invoices; – tested the transmission cost recognised in the income statement through recalculation based on management's programming amortisation policy; – tested the year end creditor associated with payments due not yet invoiced; and – tested a sample of inventory impairments. We challenged management's amortisation policy for both commissioned and acquired programme and film rights, by disaggregating the balance based on viewership profiles, inspecting viewership profiles, and auditing viewership data, to confirm that their cost is recognised in the income statement in line with revenue earned.
Key observations	We are satisfied that the Group accounting policy for programme and film rights is in line with IAS 2 and that this has been retrospectively applied and appropriately disclosed. We are satisfied that the adjustments made in 2023 and to restate 2022 and 2021 are complete and accurate. We are also satisfied with the value of programme and film rights recognised as at 31 December 2023 on the balance sheet and the content costs of transmission (amortisation) recognised in the income statement.

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5.3. Going concern

Key audit matter description	The decline of the UK advertising market in 2023 created challenging trading conditions across the industry and resulted in the Group incurring a deficit greater than had been forecast. In light of this, Channel 4 announced a new strategy, "Fast Forward" in January 2024, with a focus on accelerating the transition to a digital-first business model. Management have adopted the going concern assumption in preparing the financial statements, supported by forecast cash flows covering the going concern period (up to May 2025). The going concern assessment involves judgement and estimation in the determination of material inputs, including the timing and extent of recovery in the UK advertising market, cost inflation, and the successful execution of the Fast Forward strategy. Any changes to these assumptions could result in a material change in the amount of liquidity and covenant headroom available. The Group has an existing Revolving Credit Facility (RCF) of £75m which expires in 2027 which contains a Tangible Net Worth (TNW) covenant. In May 2024, Channel 4 extended its Revolving Credit Facility (RCF) from £75m to £150m, significantly increasing the liquidity headroom in forecasts. We identified going concern as a key audit matter given its significance in directing the efforts of the engagement team. The Members' assessment of going concern is included in the Members Report on page 165, the Strategic and financial outlook for the Group is included on page 154 and Going concern is included in the Group accounting policies note on page 203.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the Group's forecasting process and the preparation of management's going concern model, including relevant controls over the budgeting and forecasting process. We challenged management's assessment by: – Assessing management's historical forecasting accuracy over the last 5 years. – Assessing and challenging the material inputs to the assessment in the base case scenario, principally the recovery of linear advertising revenues; the growth of digital advertising revenue; future content spend; and the impact of inflation on the cost base. We challenged these assumptions through reviewing industry data and reports, external sources of inflation outlook, and by comparing future assumptions against historical trends. – Considering whether the adjustments applied to the going concern model in determining management's reasonably possible downside scenario were reasonable, with reference to our evaluation of material inputs, and considering whether any potential mitigations were reasonable, realistic and within management's control. – Applying additional downside sensitivity analysis to the going concern model, which included modelling a delayed recovery in the advertising market; increasing costs through additional inflation; and considering the impact on liquidity and covenant headroom. – Reviewing the revolving credit facility documents (including the extended revolving credit facility issued in May 2024) to understand the nature of any financial covenants. – Reviewing and assessing the disclosures made in the financial statements.
Key observations	We concur with the directors' assessment that the Group is a going concern and that the disclosures in the financial statements are appropriate.

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	£10.0 million (2022: £12.0 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 based on revenue and considered total assets as a secondary metric. The determined materiality equates to 0.98% of revenue (2022: 1.05%) and 1.03% of total assets (2022: 1.14%). 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 a 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 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 (2022: 70%).
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: – 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 £500,000 (2022: £600,000), 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, as set out within the Audit and Risk Committee Report on page 175 of the Annual Report.

7.3. Our consideration of climate-related risks

Climate change has the potential to impact the Group as set out on pages 126 to 139 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 2050.

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 pages 126 to 139 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;
- 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 IT, tax and pension specialists, 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 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, Listing Rules and Corporate Governance Code (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 did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

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
- 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.

Report on other legal and regulatory requirements

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.

STRICTLY EMBARGOED UNTIL 11.30AM TUESDAY 8 OCTOBER 2024

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 161;
- 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 151;
- the members' statement on fair, balanced and understandable set out on page 162;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 151;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 140 to 149; and
- the section describing the work of the audit committee set out on pages 172 to 175.

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 Group, or returns adequate for our audit have not been received from branches not visited by us; or
- the Group'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 Digital, 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 7 years, covering the years ending 31 December 2017 to 31 December 2023.

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 Digital, 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 Digital, 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 Digital, Culture, Media and Sport as a body, for our audit work, for this report, or for the opinions we have formed.

Nicola Barker FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor
London, United Kingdom
7 May 2024

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Consolidated income statement

for the year ended 31 December

	Note	2023 £m	2022 £m
Revenue	1	**1,023**	1,142
Cost of transmission and sales	2	**(1,034)**	(1,080)
Gross (deficit)/surplus		**(11)**	62
Other operating expenditure	3	**(44)**	(44)
Operating (deficit)/surplus		**(55)**	18
Net finance income	5	**3**	2
Gain on sale of investments	7	**–**	1
Impairment losses on investments	7	**–**	(1)
(Deficit)/surplus before tax and exceptional items	page 199	**(52)**	20
Exceptional items	page 199	**–**	(17)
(Deficit)/surplus before tax		**(52)**	3
Income tax credit/(expense)	6	**13**	(2)
(Deficit)/surplus for the year		**(39)**	1

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Consolidated statement of comprehensive income

for the year ended 31 December

	Note	**2023 £m**	2022 £m
(Deficit)/surplus for the year		**(39)**	1
Net remeasurement (deficit)/surplus on pension scheme	19	**(3)**	25
Revaluation of freehold land and buildings	9	**(16)**	(15)
Adjustment to non-controlling interest	21	**–**	(6)
Deferred tax on pension scheme	12	**1**	(6)
Loss on revaluation of investments	8	**(12)**	(5)
Other comprehensive expense for the year		**(30)**	(7)
Total comprehensive expense for the year		**(69)**	(6)

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

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Consolidated statement of changes in equity

for the year ended 31 December

	Retained earnings £m	Revaluation reserve £m	Total equity £m
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**
At 1 January 2023	**521**	**39**	**560**
Deficit for the year	**(39)**	**–**	**(39)**
Other comprehensive expense	**(14)**	**(16)**	**(30)**
Total comprehensive expense for the year	**(53)**	**(16)**	**(69)**
At 31 December 2023	**468**	**23**	**491**

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Consolidated balance sheet

as at 31 December

	Note	2023 £m	2022 £m	2021 £m
Assets				
Investments accounted for using the equity method	7	**10**	9	8
Other investments	8	**50**	49	34
Property, plant, and equipment	9	**95**	105	111
Right-of-use assets	11	**8**	9	10
Intangible assets	10	**32**	35	28
Deferred tax assets	12	**22**	9	17
Employee benefits – pensions	19	**13**	5	–
Total non-current assets		**230**	221	208
Programme and film rights[1]	13	**472**	492	355
Trade and other receivables	14	**173**	190	224
Other financial assets	15	**–**	50	115
Cash and cash equivalents	15	**96**	203	157
Total current assets		**741**	935	851
Total assets		**971**	1,156	1,059
Liabilities				
Employee benefits – pensions	19	**–**	–	(29)
Trade and other payables[1]	16	**(34)**	(40)	(27)
Lease liabilities	11	**(9)**	(9)	(10)
Deferred tax liabilities	12	**(8)**	(6)	(6)
Provisions	17	**(1)**	(1)	(1)
Total non-current liabilities		**(52)**	(56)	(73)
Trade and other payables[1]	16	**(428)**	(541)	(418)
Current tax payable		**–**	1	–
Provisions	17	**–**	–	(2)
Borrowings	15	**–**	–	–
Total current liabilities		**(428)**	(540)	(420)
Total liabilities		**(480)**	(596)	(493)
Net assets		**491**	560	566
Revaluation reserve		**23**	39	54
Retained earnings		**468**	521	512
Total equity		**491**	560	566

The financial statements on pages 193 to 219 were approved by the Members of the Board on 7 May 2024 and were signed on its behalf by:

Sir Ian Cheshire
Chair

Alex Mahon
Chief Executive

1 Programme and film rights, and trade and other payables, as presented in the 2022 and 2021 comparative periods have been restated in 2023 by £94 million and £56 million respectively, to retrospectively reflect the grossing up of amounts relating to acquired programme and film rights at the licence start date; further detail is provided on page 202. A third balance sheet has been presented above in line with the requirements of IAS 1.40A.

STRICTLY EMBARGOED UNTIL 11.30AM TUESDAY 8 OCTOBER 2024

Consolidated cash flow statement

for the year ended 31 December

	Note	2023 £m	2022 £m
Cash flow from operating activities			
(Deficit)/surplus for the year		**(39)**	1
Adjustments for:			
Income tax (credit)/expense	6	**(13)**	2
Depreciation	9, 11	**8**	7
Amortisation of intangibles	10	**3**	2
Net finance income	5	**(3)**	(1)
Gain on sale of investments	7	**–**	(1)
Non-cash transactions[1]		**(14)**	(17)
Impairment losses on investments	7	**–**	1
Operating cash flows before movements in working capital		**(58)**	(6)
Decrease/(increase) in programme and film rights[2]	13	**20**	(137)
Decrease in trade and other receivables	14	**17**	34
(Decrease)/increase in trade and other payables[2]	16	**(119)**	136
Adjustment for non-cash transactions[1]		**1**	(4)
Decrease in provisions, excluding unwinding of discounts	17	**–**	(2)
Cash (used in)/generated by operations		**(139)**	21
Defined benefit pension contributions	19	**(10)**	(9)
Tax repaid/(paid)	6	**4**	(1)
Net cash flow (used in)/from operating activities		**(145)**	11
Cash flow from investing activities			
Acquisition of investments	7, 21	**(1)**	(8)
Proceeds on sale of investments	7, 8	**–**	1
Purchase of property, plant, and equipment	9	**(9)**	(15)
Internally developed software	10	**(4)**	(9)
Interest received and foreign exchange gain	5	**3**	2
Decrease in other financial assets[3]	15	**50**	65
Net cash flow from investing activities		**39**	36
Cash flow from financing activities			
IFRS 16 payments on lease principal	11	**(1)**	(1)
Net cash flow used in financing activities		**(1)**	(1)
Net (decrease)/increase in cash and cash equivalents		**(107)**	46
Cash and cash equivalents at 1 January		**203**	157
Cash and cash equivalents at 31 December[4]		**96**	203

1 The impact of certain transactions relating to investing activities has been removed from the cash flow statement as a reflection of the non-cash nature of these balances
2 Programme and film rights, and trade and other payables, as presented in the 2022 and 2021 comparative periods have been restated in 2023 by £94 million and £56 million respectively, to retrospectively reflect the grossing up of amounts relating to acquired programme and film rights at the licence start date; further detail is provided on page 202
3 Amounts invested in term deposits of three months or longer and other funds with time-restricted access.
4 Please refer to page 199 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

Introduction

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 2023 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 7 May 2024. 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 UK-adopted international accounting standards ('UK-adopted IFRS'). 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 and 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.

Critical accounting judgements and sources of 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 202):
  - 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
- Management applies judgement in recognising deferred tax assets based on its expectation of available future taxable profit (see below)

Key sources of estimation uncertainty

Under IAS 12 Income Taxes, deferred tax assets are recognised to the extent it is probable that future taxable profit will be available against which they can be recognised. Management applies estimates in calculating the deferred tax assets with regards to the level of future taxable surpluses that are expected, meaning significant changes to our estimation of forecast profitability over a 10 year forecast horizon could lead to a material change in the valuation of deferred tax assets (please see page 211). A reduction in future profitability over the lookout period of over 50% may result in a material change in the valuation of the deferred tax asset recognised (i.e. of more than £10 million).

Alternative performance measures

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 introduced surplus before tax and exceptional items (also noted as pre-tax surplus before exceptional items) as an APM. This measure was intended to provide 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. We have not recognised any exceptional items for the 2023 financial year.

The APM is calculated in 2023 and 2022 as follows:

	2023 £m	2022 £m
(Deficit)/surplus before tax	**(52)**	3
Add back exceptional items		
Retention arrangements	–	17
(Deficit)/surplus before tax and exceptional items	**(52)**	20

Executive remuneration in relation to these arrangements was also presented as an exceptional item in 2022 in the Members' Remuneration report on page 180, with total remuneration disclosed before and after accounting for these items. The single figure table presented on page 180 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 2023 and 2022 as follows:

	2023 £m	2022 £m
Cash and cash equivalents	**96**	203
Other financial assets	–	50
Borrowings	–	–
Net cash reserves	**96**	253

Going concern

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 part of our 2024 Budget and three-year plan, we have considered the impact of several potential downside scenarios. These include a worsening decline in the linear and digital advertising market beyond our current base-case projections, higher costs of transformation than currently foreseen in our planning, or greater than-anticipated impact from inflationary pressures on non-controllable costs such as our committed transmission costs. Even in the most severe case considered (deemed plausible but beyond the worst-case scenario currently anticipated by management), analysis shows that we remain within our covenants and retain sufficient liquidity within our existing facilities, with a further range of management actions remaining available to control spend and cash flows as required.

Our £75 million revolving credit facility, renewed in March 2022 and running until March 2027, increases our available liquidity if required. We have also put in place a further £75 million extension to this facility in early 2024; while we do not anticipate requiring this additional liquidity during 2024 or beyond, the additional headroom obtained provides flexibility in the event of a further market downturn and reinforces our long-term sustainability, underpinning our assessment of the Group's position as a going concern. There are no changes to the Group's existing covenants as a result of the extension to this facility.

Channel 4's current broadcast licence expires on 31 December 2024, and our industry regulator Ofcom is undertaking the renewal of Channel 4's licence. Ofcom's statutory role in this process is to determine the duration of the renewed licence, and to set appropriate conditions in the licence to secure the delivery of Channel 4's public service remit. Ofcom has noted that Channel 4 remains a key part of the UK's broadcasting ecology, with a credible business plan to support a renewed licence for a ten-year period.

Our scenario analysis and the resources available to Channel 4 (as well as the review of the Group's business activities, future strategy, and other factors likely to affect its future financial performance, position and cash flows throughout the Strategic report on pages 150 to 185) 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.

Basis of consolidation

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.

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.

Group accounting policies cont.

Accounting policies

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 2023 that have had a significant effect on the consolidated financial statements of the Group.

There are no new standards that will become effective during 2024 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.

Taxation

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

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

Other investments includes equity holdings without significant influence, as well as investments made via other financial instruments, such as convertible loan notes. 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. In line with IFRS 9 'Financial Instruments', the Group elects at initial recognition to recognise any changes in the fair value of its other equity investments through other comprehensive income, reflecting the fact that the management of these investments is not part of the Group's core activities. If applicable, changes in the fair value of other financial instruments are recognised through the income statement.

Property, plant, and equipment

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 and 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.

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.

Reversal of impairments

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.

Programme and film rights

All programme and film rights are valued at the lower of their direct cost (as applicable to the relevant type of rights, see further detail on next page) 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.

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Programme and acquired film rights

Direct cost - commissioned rights

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).

Direct cost - acquired programme and film rights

Direct cost is defined as the total expected value of the acquired rights over the life over the associated contract.

Programme and film rights and trade and other payables as presented in the 2022 and 2021 comparative periods have been restated in 2023 to reflect the grossing up of amounts related to acquired programme and film rights, to ensure that the presentation of these balances reflects the full cost of the asset being recognised at the license commencement date, and an associated liability to reflect the full obligation under the contract, which is recognised in trade and other payables.

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.

Direct cost of developed film rights is recorded on the balance sheet from the point that 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

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

Trade and other payables are recognised as current if due for payment in less than one year, or recognised non-current if settled over a longer period. 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.

Foreign currency

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.

Derivative financial instruments

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.

Leases

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.

Employee benefits – pensions

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

1. Revenue

	2023 £m	2022 £m
Linear advertising revenue	**642**	766
Digital advertising revenue	**280**	255
Non-advertising revenue	**101**	121
Total revenue	**1,023**	1,142

The Group had no individual external customers with gross revenues comprising more than 10% of the Group's overall revenues in 2023 (2022: one external customer amounting to £135 million). The Group's major customers are all media buying agencies. Approximately 5% of the Group's revenues (2022: 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 2023 is £60 million (2022: £82 million). The Group expects to recognise £27 million of revenue relating to these performance obligations in 2024 (2022: £24 million to be recognised in 2023), with the remainder recognised on a straight-line basis until 2026.

The Group recognised £42 million of revenue during 2023 that was recorded as a contract liability at the previous year end (2022: £40 million).

2. Cost of transmission and sales

	2023 £m	2022 £m
Content	**663**	713
Other content-related costs	**119**	109
Broadcast and transmission costs	**98**	95
Other cost of sales	**154**	163
Total cost of transmission and sales	**1,034**	1,080

The Group's cost of transmission and sales is reported here as one segment as described in the 'Group accounting policies' section on page 200. Other cost of sales includes direct costs of linear and digital advertising and rights, marketing, technology, and audience research costs.

3. Other operating expenditure

Other operating expenditure includes:

	2023 £m	2022 £m
Depreciation of property, plant, and equipment (notes 9, 11)	**8**	7
Amortisation of intangible assets (note 10)	**3**	2
Other administrative expenses	**33**	35
Other operating expenditure	**44**	44

In 2023, there were no restructuring costs expensed to the income statement in respect of initiatives to increase operational efficiency within the Group (2022: £nil).

Auditor's remuneration

Fees in respect of services provided by the auditor were:

	2023 £000	2022 £000
Audit of these financial statements	**437**	447
Amounts receivable by auditor and their associates in respect of:		
Audit-related assurance services	**63**	50
Auditor remuneration	**500**	497

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4. Employee expenses and information

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:

	2023 £m	2022 £m
Aggregate gross salaries	**105**	92
Employer's National Insurance contributions	**11**	10
Employer's defined contribution pension contributions	**7**	6
Total direct costs of employment before exceptional items	**123**	108
Exceptional items (page 199)	**–**	17
Total direct costs of employment	**123**	125

The Executive Members are considered to be the key management of the Corporation. As disclosed in the Members' Remuneration report on page 180, the total remuneration of the Executive Members for the year ending 31 December 2023 is £2,156,000 (2022: £3,321,000; £2,930,000 before exceptional items).

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 2022 and 2023.

	2023 £000	2022 £000
Total remuneration of highest paid Executive Member before exceptional items (page 180)	**993**	1,335
Total remuneration of employee at 75th percentile	**95**	95
Total remuneration of employee at 50th percentile	**65**	63
Total remuneration of employee at 25th percentile	**46**	45
Multiple of highest paid Executive Member to employee at 75th percentile	**10.5**	14.1
Multiple of highest paid Executive Member to employee at 50th percentile	**15.3**	21.1
Multiple of highest paid Executive Member to employee at 25th percentile	**21.6**	29.8

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:

	2023 Number	2022 Number
Commercial	**274**	261
Creative	**503**	429
Operational	**525**	463
4Talent	**49**	44
Total	**1,351**	1,197

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.

5. Net finance income

Net finance income recognised in the year comprised:

	2023 £m	2022 £m
Interest receivable on short-term deposits	**2**	3
Net interest income on pension scheme (note 19)	**1**	–
Other finance expense	**–**	(1)
Net finance income	**3**	2

Notes to the consolidated financial statements cont.

6. Income tax (credit)/expense

The taxation charge is based on the taxable profit for the year and comprises:

	2023 £m	2022 £m
Current tax:		
Current year	–	–
Prior year	(3)	–
Deferred tax: origination and reversal of temporary differences (note 12)		
Current year	(12)	2
Prior year	2	–
Total income tax expense	**(13)**	2

Corporation tax is charged at an effective standard UK rate of 23.5% for the year (2022: 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:

	2023 Rate	2023 £m	2022 Rate	2022 £m
Surplus before income tax		**(52)**		3
Income tax using the UK corporation tax rate	**23.5%**	**(12)**	19.0%	1
Effects of:				
Non-deductible expenses		**1**		1
Recognition of deferred tax on trading losses carried forward		**(1)**		–
Other tax adjustments		**(1)**		–
Total income tax expense		**(13)**		2

The income tax expense excludes the Group's share of income tax of investments accounted for using the equity method of £nil (2022: £nil) which has been included in the Group's share of post-acquisition profits, net of income tax (note 7).

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 2022	8
Acquisitions	3
Disposals	(1)
Impairment loss	(1)
Total carrying value at 31 December 2022	9
Carrying value at 1 January 2023	**9**
Acquisitions	**1**
Disposals	**–**
Impairment loss	**–**
Total carrying value at 31 December 2023	**10**

7. Investments accounted for using the equity method continued

The Indie Growth Fund

In 2023, Channel 4 invested £1 million (2022: £3 million) in the Indie Growth Fund. Investment activity during 2023 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). There were no exits from the Fund during 2023.

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. No impairment losses were recognised during 2023 (2022: impairment loss of £1 million recognised in non-operating expenditure).

Of the £663 million (2022: £713 million) total of programme rights recognised as expenses in 2023 (note 13), Channel 4 commissioned £20 million (2022: £24 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 2023 (2022: £nil).

Channel 4 had committed £nil for subsequent investment in the Indie Growth Fund entities as at 31 December 2023 (2022: £nil).

The Indie Growth Fund is comprised of the following entities incorporated in the United Kingdom:

			Proportion of equity owned at 31 December	
Company	Activity	Registered address	**2023**	2022
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	**–**	–
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	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%**	25.0%
Salamanda Media Limited	TV programme production activities	135 Church Street, Horwich, Bolton BL6 7BR	**25.0%**	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	**25.0%**	20.0%
Rockerdale Studios Limited	TV programme production activities	99 Levison Way 99 Levison Way, London N19 3XF	**25.0%**	25.0%
Warp Films Limited	TV programme production activities	37 Gilbert South Street, Park Hill, Sheffield S2 5QY	**20.0%**	20.0%
Studio Crook Limited	TV programme production activities	Europa House, Goldstone Villas, Hove, England, BN3 3RQ	**20.0%**	–

The equity owned for each of the entities listed above relates to ordinary shareholdings.

Notes to the consolidated financial statements cont.

7. Investments accounted for using the equity method continued

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
2023	**28**	**1**	**(10)**	**(3)**	**78**	**–**
2022	20	(1)	(15)	(2)	60	(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	
			2023	2022
European Broadcaster Exchange (EBX) Limited	Television programming and broadcasting activities	6th Floor, 65 Gresham Street, London EC2V 7NQ	**25%**	25%

8. Other investments

Channel 4 Ventures

	Channel 4 Ventures £m	Other £m	Total £m
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
Carrying value at 1 January 2023	**45**	**4**	**49**
Acquisitions	**13**	**–**	**13**
Fair value movement	**(8)**	**(4)**	**(12)**
Disposals	**–**	**–**	**–**
Total carrying value at 31 December 2023	**50**	**–**	**50**

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 2023, the Corporation invested a further £13 million (2022: £20 million) in Channel 4 Ventures holdings.

Channel 4 Ventures investments are recorded at fair value. In line with IFRS 9 'Financial Instruments', the Group elects at initial recognition to recognise any changes in the fair value of its equity investments through other comprehensive income, reflecting the fact that the management of these investments is not part of the Group's core activities. If applicable, changes in the fair value of other financial instruments are recognised through profit and loss. Fair value has been assessed against quoted prices in active markets where available or against other observable inputs. A net fair value loss of £8 million (2022: a net fair value loss of £5 million) has been recognised in other comprehensive income during 2023.

There were no other transactions with the Channel 4 Ventures companies in 2023 (2022: none).

Other investments

Other investments held at 31 December 2022 related to certain other airtime-for-equity shareholdings outside the remit of Channel 4 Ventures. Channel 4 exited these holdings during 2023, recognising a loss in fair value of £4 million through other comprehensive income.

9. Property, plant, and equipment

	Freehold land and building £m	Fixtures, fittings, and equipment £m	Assets under construction £m	Total £m
Cost or valuation				
At 1 January 2022	98	48	2	148
Additions	9	2	4	15
Revaluation	(17)	–	–	(17)
At 31 December 2022	90	50	6	146
At 1 January 2023	**90**	**50**	**6**	**146**
Additions	**1**	**3**	**5**	**9**
Transfers	**9**	**3**	**(9)**	**3**
Revaluation	**(17)**	**–**	**–**	**(17)**
At 31 December 2023	**83**	**56**	**2**	**141**
Depreciation				
At 1 January 2022	–	37	–	37
Charge for the year	2	4	–	6
Revaluation	(2)	–	–	(2)
At 31 December 2022	–	41	–	41
At 1 January 2023	**–**	**41**	**–**	**41**
Charge for the year	**1**	**6**	**–**	**7**
Transfers	**–**	**(1)**	**–**	**(1)**
Revaluation	**(1)**	**–**	**–**	**(1)**
At 31 December 2023	**–**	**46**	**–**	**46**
Net book value				
At 1 January 2023	**90**	**9**	**6**	**105**
At 31 December 2023	**83**	**10**	**2**	**95**
At 1 January 2022	98	11	2	111
At 31 December 2022	90	9	6	105

The Group had committed £nil for expenditure on property, plant, and equipment at the balance sheet date (2022: £7 million). No assets have been pledged for security (2022: none).

Valuation of freehold property

The freehold property at 124 Horseferry Road, London SW1P 2TX was valued at 31 December 2023 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 £83 million (2022: £90 million). After additions made to the building during 2023 and depreciation charged on the open market value at 31 December 2023 (£1 million), a loss on revaluation of £16 million has been recognised in the statement of other comprehensive income (2022: loss on revaluation of £15 million).

If freehold property had not been revalued it would have been included in the financial statements at the following amounts:

	2023 £m	2022 £m
Cost	**97**	88
Additions	**1**	9
Transfers	**9**	–
Accumulated depreciation	**(46)**	(45)
Impairment	**(6)**	(6)
Net book value based on cost	**55**	46

Post balance sheet events

Following the year-end date, it was announced in January 2024 that Channel 4 intends to move out of the Horseferry Road property in the coming years as part of its new Fast Forward strategy. As at the date of this report, management are continuing to assess options for future workspace including a potential sale or lease of Horseferry Road.

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10. Intangible assets

	Goodwill £m	Developed software £m	Broadcasting licence £m	Software under construction £m	Network distribution rights £m	Brands £m	Total £m
Cost							
At 1 January 2022	2	23	5	3	27	1	61
Additions	–	6	–	3	–	–	9
Disposal	–	–	–	–	–	–	–
At 31 December 2022	2	29	5	6	27	1	70
At 1 January 2023	**2**	**29**	**5**	**6**	**27**	**1**	**70**
Additions	**–**	**–**	**–**	**4**	**–**	**–**	**4**
Transfer	**–**	**(3)**	**–**	**–**	**–**	**–**	**(3)**
Disposal	**–**	**–**	**–**	**–**	**–**	**–**	**–**
At 31 December 2023	**2**	**26**	**5**	**10**	**27**	**1**	**71**
Amortisation							
At 1 January 2022	–	22	5	–	6	–	33
Amortisation for the year	–	–	–	–	2	–	2
At 31 December 2022	–	22	5	–	8	–	35
At 1 January 2023	**–**	**22**	**5**	**–**	**8**	**–**	**35**
Amortisation for the year	**–**	**1**	**–**	**–**	**1**	**1**	**3**
Transfer	**–**	**1**	**–**	**–**	**–**	**–**	**1**
At 31 December 2023	**–**	**24**	**5**	**–**	**9**	**1**	**39**
Carrying amount							
At 1 January 2023	**2**	**7**	**–**	**6**	**19**	**1**	**35**
At 31 December 2023	**2**	**2**	**–**	**10**	**18**	**–**	**32**
At 1 January 2022	2	1	–	3	21	1	28
At 31 December 2022	2	7	–	6	19	1	35

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').

11. Lease assets and liabilities

Right-of-use assets

	Property £m	Total £m
At 1 January 2022	10	10
Additions and changes in terms	–	–
Charge for the year	(1)	(1)
At 31 December 2022	9	9
At 1 January 2023	**9**	**9**
Additions and changes in terms	**–**	**–**
Charge for the year	**(1)**	**(1)**
At 31 December 2023	**8**	**8**

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 £0.2 million in 2023 (2022: £0.1 million).

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11. Lease assets and liabilities continued

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 2023 (2022: £0.1 million).

12. Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised at 25% (2022: 25%) reflecting the corporation tax rate substantively enacted as at 31 December 2023.

	Assets 2023 £m	Assets 2022 £m	**Liabilities 2023 £m**	Liabilities 2022 £m	**Net 2023 £m**	Net 2022 £m
Property, plant, and equipment	**2**	4	**–**	–	**2**	4
Employee benefits	**–**	–	**(3)**	(1)	**(3)**	(1)
Trading losses	**20**	5	**–**	–	**20**	5
Temporary differences on acquired intangible assets	**–**	–	**(5)**	(5)	**(5)**	(5)
Total deferred tax assets/(liabilities)	**22**	9	**(8)**	(6)	**14**	3

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 2023, based on long-term forecasts, and in line with the Group's aim to remain commercially self-sustainable in the long term and the launch of its Fast Forward strategy, 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:

	2023 £m	2022 £m
Carried forward capital losses	**2**	2
Carried forward trading losses	**–**	–
Tax assets	**2**	2

Movements in temporary differences during the year

The amount of deferred tax recognised in the income statement or other comprehensive income in respect of each type of temporary difference is as follows:

	Balance at 1 January 2023 £m	**Recognised in income £m**	**Recognised in other comprehensive income £m**	**Balance at 31 December 2023 £m**
Property, plant, and equipment	**4**	**(2)**	**–**	**2**
Employee benefits	**(1)**	**(3)**	**1**	**(3)**
Trading losses	**5**	**15**	**–**	**20**
Temporary differences on acquired intangible assets	**(5)**	**–**	**–**	**(5)**
Total deferred tax assets/(liabilities)	**3**	**10**	**1**	**14**

	Balance at 1 January 2022 £m	Recognised in income £m	Recognised in other comprehensive income £m	Balance at 31 December 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

Notes to the consolidated financial statements *cont.*

13. Programme and film rights

	2023 £m	2022 £m
Programmes and films completed but not transmitted	**126**	160
Acquired programme and film rights	**180**	168
Programmes and films in the course of production	**166**	164
Total programme and film rights	**472**	492

Programme and film rights as presented in the 2022 comparative period have been restated in 2023 by £94 million, to retrospectively reflect the grossing up of amounts relating to acquired programme and film rights at the licence start date; further detail is provided on page 202.

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 35% (2022: 42%).

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 £663 million were recognised as expenses in the year across the main and digital television channels (2022: £713 million). Of this amount, obsolete programmes and developments written off totalled £20 million (2022: £35 million).

Programme and film rights include £36 million (2022: £32 million) in respect of developed film rights.

14. Trade and other receivables

	2023 £m	2022 £m
Trade receivables	**143**	145
Prepayments	**20**	27
Accrued income	**10**	18
Total trade and other receivables	**173**	190

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 (2022: £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 2023 was £nil (2022: £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 £143 million for the Group (2022: £145 million), with £nil of other financial assets (2022: £50 million), and cash and cash equivalents of £96 million (2022: £203 million). The exposure to credit risk all arises in the UK.

Trade receivables of £143 million for the Group (2022: £145 million) were aged under six months or were not yet due under standard credit terms at the balance sheet date. £124 million of the receivables were insured at the balance sheet date (2022: £120 million) and £139 million (2022: £142 million) has been subsequently collected by the Group since the balance sheet date.

15. Net cash reserves

	2023 £m	2022 £m
Bank balances	**39**	50
Money market funds[1]	**57**	113
Money market deposits with initial maturity of less than three months	**–**	40
Cash and cash equivalents	**96**	203
Money market deposits with initial maturity of more than three months	**–**	50
Investment funds	**–**	–
Other financial assets[2]	**–**	50

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

	2023 £m	2022 £m
Cash and cash equivalents at 1 January	**203**	157
Other financial assets at 1 January	**50**	115
Borrowings at 1 January	**–**	–
Total net cash reserves[1] at 1 January	**253**	272
Net cash flow (used in)/generated from operating activities	**(145)**	11
Net cash flow used in investing activities	**(11)**	(29)
Net cash flow used in financing activities	**(1)**	(1)
Total cash flow	**(157)**	(19)
Cash and cash equivalents at 31 December	**96**	203
Other financial assets at 31 December	**–**	50
Total net cash reserves[1] at 31 December	**96**	253

1 The Group presents net cash reserves as an alternative performance measure; an explanation of this APM is provided on page 198. 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 £0.4 million lower/higher (2022: £1.0 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. This facility was extended by a further £75 million in early 2024. 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 2023 and 31 December 2022 is set out below:

	Effective interest rate 2023 %	Effective interest rate 2022 %	Total 2023 £m	Total 2022 £m
Interest-bearing deposits maturing in less than three months held in Sterling	**5.04**	2.49	**88**	197
Interest-bearing deposits maturing in less than three months held in foreign currencies	**4.94**	2.53	**8**	6
Total cash and cash equivalents	**5.03**	2.49	**96**	203
Money market deposits maturing after three months held in Sterling	**–**	4.10	**–**	50
Other financial assets	**–**	4.10	**–**	50

Notes to the consolidated financial statements cont.

15. Net cash reserves continued

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 2023, the total value of forward contracts used as economic hedges of monetary liabilities was £nil (2022: £1 million). At 31 December 2023, these have been revalued with reference to forward exchange rates based on maturity. The change in fair value of £nil (2022: £nil) has been recognised in the income statement and the associated liability recorded on the balance sheet as at 31 December 2023. 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
	2023 No.	2022 No.	**2023 No.**	2022 No.	**2023 No.**	2022 No.
Forward contracts to purchase US Dollars	–	–	–	–	–	–
Forward contracts to purchase Euros	–	3	–	–	–	3
Total forward contracts with fixed maturity dates	–	3	–	–	–	3

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 (2022: £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 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

16. Trade and other payables

	2023 £m	2022 £m
Current		
Trade payables	**27**	65
Taxation and social security	**1**	1
Other creditors	**52**	65
Programme and film creditors	**198**	236
Accruals	**79**	116
Deferred income	**40**	42
VAT	**31**	17
Total current trade and other payables	**428**	541
Non-current		
Programme and film creditors	**34**	40
Total non-current trade and other payables	**34**	40

Trade and other payables as presented in the 2022 comparative period have been restated in 2023 by £94 million, to retrospectively reflect the grossing up of amounts relating to acquired programme and film rights at the licence start date; further detail is provided on page 202. Programme and film creditors represent amounts payable for both commissioned content (where this is due but not yet invoiced at the reporting date) and acquired content (not yet due but contractually committed).

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 (with the exception of certain programme and film creditors not yet due) are payable within six months or less at 31 December 2023 and 2022.

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 2023, as calculated using average trade payable balances, was ten (2022: 11). This is significantly lower than the Group's standard payment terms due to the impact of the immediate payment terms described above.

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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 the £150 million total revolving credit facility are considered to be sufficient to support the Group's medium-term funding requirements.

17. Provisions

	Onerous lease/ dilapidations £m	Restructuring costs £m	Total £m
At 1 January 2022	1	2	3
Utilised in the year	–	(2)	(2)
Charged to the income statement	–	–	–
At 31 December 2022	1	–	1
At 1 January 2023	**1**	**–**	**1**
Utilised in the year	**–**	**–**	**–**
Charged to the income statement	**–**	**–**	**–**
At 31 December 2023	**1**	**–**	**1**

Provisions have been analysed as current and non-current as follows:

	2023 £m	2022 £m
Current	**–**	–
Non-current	**1**	1
Total	**1**	1

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

2023	**Due within 1 year £m**	**Due within 2–5 years £m**	**Due after 5 years £m**	**Total £m**
Programme commitments	**416**	**267**	**–**	**683**
Transmission contracts	**31**	**50**	**36**	**117**
Total	**447**	**317**	**36**	**800**

2022	Due within 1 year £m	Due within 2–5 years £m	Due after 5 years £m	Total £m
Programme commitments	457	299	–	756
Transmission contracts	31	57	45	133
Total	488	356	45	889

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 £22 million in 2023 (2022: £21 million). The digital terrestrial transmission contracts expire between 2024 and 2031. Committed payments for satellite transmission capacity costs were £7 million in 2023 (2022: £7 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 £25 million in 2023 (2022: £26 million) and is forecast to be £28 million in 2024. 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 2023 are disclosed in note 7.

Notes to the consolidated financial statements *cont.*

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 226 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.

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 target asset allocation and consider opportunities to enhance the investment portfolio, taking into account market conditions and anticipated future cash flows.

The investment portfolio includes exposure to UK and global equities, infrastructure, fixed income and a multi-asset mandate. The Plan also maintains a liability driven investment ("LDI") portfolio, designed to partially track changes in the assessed value of the Plan's liabilities due to movements in long-term interest rate and inflation assumptions.

The latest formal actuarial valuation of the Plan, as at 31 December 2021, took place during 2022 and included a comprehensive review of the Plan's investment portfolio. Subsequent to the completion of the Actuarial Valuation and the accompanying investment review, the Trustees have:

- Undertaken various re-balancing activity to keep the Plan's investment portfolio broadly in line with target allocations.
- More recently, during 2023, reduced the Plan's target exposure to global equities in favour of lower-risk fixed income investments. This amendment reflected an improvement in the Plan's funding level (its ratio of assets to liabilities), resulting in a reduced need to make use of higher-risk investments.

To help reduce 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).

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Amounts recognised in the consolidated balance sheet

	2023 £m	2022 £m
Present value of funded obligations	**(365)**	(357)
Fair value of Plan assets	**378**	362
Recognised asset for defined benefit obligations	**13**	5

Movements in the fair value of Plan assets recognised in the balance sheet:

	2023 £m	2022 £m
Fair value of scheme assets at 1 January	**362**	547
Interest income on Plan assets	**18**	11
Return on Plan assets (excluding amounts in interest income)	**(1)**	(191)
Employer contributions net of charges	**10**	9
Benefits paid	**(11)**	(14)
Fair value of scheme assets at 31 December	**378**	362

The fair value of the Plan assets at the balance sheet date is comprised as follows:

	2023 £m	2022 £m
Overseas and emerging markets equity	**12**	35
Total equity securities	**12**	35
Corporate bonds	**59**	48
Infrastructure	**49**	66
Total debt securities	**108**	114
Multi-asset absolute return	**30**	32
Liability driven investments	**200**	153
Total investment funds	**230**	185
Cash and cash equivalents	**2**	2
Annuity policy buy-in	**26**	26
Fair value of scheme assets at 31 December	**378**	362

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:

	2023 £m	2022 £m
Present value of scheme liabilities at 1 January	**357**	576
Interest expense on pension scheme liabilities	**17**	11
Remeasurement gain on plan liabilities arising from changes in demographic assumptions	**(7)**	(1)
Remeasurement gain/(deficit) on plan liabilities arising from changes in financial assumptions	**9**	(251)
Experience remeasurement	**–**	36
Benefits paid	**(11)**	(14)
Present value of scheme liabilities at 31 December	**365**	357

Notes to the consolidated financial statements cont.

19. Employee benefits – pensions continued

Income recognised in the income statement arose as follows:

	2023 £m	2022 £m
Net interest income	**1**	–
Net credit to income statement	**1**	–

The remeasurement deficit recognised in other comprehensive income arose as follows:

	2023 £m	2022 £m
Remeasurement (deficit)/gain on plan liabilities	**(2)**	216
Remeasurement deficit on plan assets (excluding amounts in interest income)	**(1)**	(191)
Net remeasurement surplus/(deficit) on pension scheme	**(3)**	25

The cumulative amount of net remeasurement deficits/gains recognised in the statement of changes in equity since transition to IFRS is a £87 million deficit (2022: £84 million deficit).

Principal actuarial assumptions at the balance sheet date

	2023 %	2022 %
Discount rate	**4.55**	4.75
Rate of increase in salaries	**2.25**	2.25
Rate of increase in pensions	**2.95**	3.00
Inflation	**3.00**	3.05

	2023 years	2022 years
Life expectancy from 65 (now aged 45) – male	**23.4**	23.9
Life expectancy from 65 (now aged 45) – female	**26.2**	26.6
Life expectancy from 65 (now aged 65) – male	**22.7**	23.2
Life expectancy from 65 (now aged 65) – female	**24.9**	25.3

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:

	2023 £m	2022 £m
0.5% decrease in discount rate	**395**	386
1 year increase in life expectancy	**379**	371
0.5% increase in salary assumptions	**366**	358
0.5% increase in inflation (and inflation-linked) assumptions	**386**	377

The sensitivities disclosed are calculated using approximate methods taking into account the duration of the Plan's liabilities.

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'.

20. Related party transactions

Members

Details of transactions in which Members have an interest are disclosed in the Report of the Members (page 161).

Details of Members' remuneration are shown in the Members' Remuneration report (page 180).

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 2023 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.

				Services received		Funding and services provided	
Name	Nature of business	Share class	Ownership interest	**2023 £m**	2022 £m	**2023 £m**	2022 £m
Broadcasters' Audience Research Board Limited	Research	*	–	**–**	–	**3**	2
Clearcast Limited	Regulator	Ordinary, deferred	25.0%	**–**	–	**2**	1
Digital 3 and 4 Limited	Operator	'A' Ordinary	50.0%	**1**	1	**25**	26
DTV Services Limited	Marketing	Ordinary	20.0%	**6**	7	**4**	4
Everyone TV Limited (formerly Digital UK)	Marketing	*	–	**–**	–	**4**	2
Thinkbox Limited	Marketing	Ordinary	20.0%	**1**	1	**1**	2
YouView Limited	Platform	Voting, non-voting	14.3%	**–**	–	**1**	1

The Group had £3 million trade payables remaining with the organisations listed above at 31 December 2023 (2022: £nil). No dividends were received in 2023 (2022: £nil) from any of the related parties listed above.

These related party disclosures are also applicable to the Channel 4 financial statements.

21. Business combinations

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

No business combinations took place during 2023.

22. Post balance sheet events

In January 2024, Channel 4 announced the launch of its new Fast Forward strategy. As part of its strategic plans, Channel 4 announced the intention to move out of Horseferry Road over the next few years, given the shift towards hybrid working and more roles based in the Nations and Regions. Management are continuing to assess options for future workspace and, as at the date of this report, are not committed to plans to sell or lease the property.

As part of the Fast Forward strategy, management also initiated a review of the Group's operations in order to align them with its ambition to be the first public service streamer. This included a redundancy consultation process to reduce operational costs, particularly out of legacy activities, returning headcount close to 2021 levels, but with the organisation in the right shape to deliver further digital growth and lead public service media into the future.

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Channel 4 balance sheet

as at 31 December

	Group note	Channel 4 note	**2023 £m**	2022 £m
Assets				
Property, plant, and equipment	9		**95**	105
Right-of-use asset	11		**8**	9
Intangible assets		2	**26**	29
Other investments		3	**–**	4
Deferred tax assets	12		**22**	9
Employee benefits – pensions	19		**13**	5
Total non-current assets			**164**	161
Programme and film rights		4	**466**	488
Trade and other receivables		5	**169**	185
Other financial assets		6	**–**	50
Cash and cash equivalents		6	**91**	190
Total current assets			**726**	913
Total assets			**890**	1,074
Liabilities				
Employee benefits – pensions	19		**–**	–
Trade and other payables		7	**(34)**	(40)
Lease liabilities	11		**(9)**	(9)
Deferred tax liabilities	12		**(8)**	(6)
Provisions	17		**(1)**	(1)
Total non-current liabilities			**(52)**	(56)
Trade and other payables		7	**(509)**	(627)
Current tax payable			**–**	1
Borrowings	15		**–**	–
Total current liabilities			**(509)**	(626)
Total liabilities			**(561)**	(682)
Net assets			**329**	392
Revaluation reserve			**23**	39
Other retained earnings			**306**	353
Total equity			**329**	392

As permitted by section 408 of the Companies Act 2006, the Corporation has not presented its own income statement. A deficit of £41 million has been recognised in relation to the Corporation in 2023.

The financial statements on pages 220 to 225 were approved by the Members of the Board on 7 May 2024 and were signed on its behalf by:

Sir Ian Cheshire
Chair

Alex Mahon
Chief Executive

The notes on pages 223 to 225 form part of these financial statements.

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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 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
At 1 January 2023			**353**	**39**	**392**
Deficit for the year			**(41)**	**–**	**(41)**
Net remeasurement surplus on pension scheme	19		**(3)**	**–**	**(3)**
Revaluation of freehold land and buildings	9		**–**	**(16)**	**(16)**
Loss on revaluation of investments	8		**(4)**	**–**	**(4)**
Deferred tax on pension	12		**1**	**–**	**1**
Total comprehensive expense for the year			**(47)**	**(16)**	**(63)**
At 31 December 2023			**306**	**23**	**329**

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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 193 to 225. 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 £40 million (2022: a deficit of £6 million) 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 198 to 203, 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 219.

Investments in subsidiaries

Investments in subsidiaries are carried at historical cost less provision for impairment.

Investments in associates and joint ventures

Investments in associates and joint ventures are carried at historical cost less provision for impairment.

Equity investments

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 and other receivables

Trade receivables are reflected net of any expected credit loss.

Critical accounting judgements and sources of estimation uncertainty

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, valuation of deferred tax assets, and the classification of transponder assets as service contracts under IFRS 16, as disclosed for the Group on page 198.

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 2023 are presented in note 3 to the consolidated financial statements on page 204.

Staff costs

All staff costs are borne by Channel 4 and are presented in note 4 to the consolidated financial statements on page 205 and in the Members' Remuneration report on pages 176 to 185. The average monthly number of employees of the Corporation is 1,341 (2022: 1,186), classified as shown below:

2023	Male no.	Female no.	Non-binary/ do not wish to disclose no.
Executive team	6	5	–
Senior managers	24	31	–
Employees	511	739	16
Total employees	541	775	16
Non-Executive Members	6	3	–
Total including Non-Executive Members	547	778	16

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 2022	22	4	27	1	(5)	49
Additions	6	3	–	–	–	9
Disposal	–	–	–	–	–	–
At 31 December 2022	28	7	27	1	(5)	58
At 1 January 2023	**28**	**7**	**27**	**1**	**(5)**	**58**
Additions	**–**	**4**	**–**	**–**	**–**	**4**
Transfer	**(3)**	**–**	**–**	**–**	**–**	**(3)**
Disposal	**–**	**–**	**–**	**–**	**–**	**–**
At 31 December 2023	**25**	**11**	**27**	**1**	**(5)**	**59**
Amortisation						
At 1 January 2022	22	–	6	–	(1)	27
Amortisation for the year	–	–	2	–	–	2
At 31 December 2022	22	–	8	–	(1)	29
At 1 January 2023	**22**	**–**	**8**	**–**	**(1)**	**29**
Amortisation for the year	**1**	**–**	**1**	**1**	**–**	**3**
Transfer	**1**	**–**	**–**	**–**	**–**	**1**
At 31 December 2023	**24**	**–**	**9**	**1**	**(1)**	**33**
Carrying amount						
At 1 January 2023	**6**	**7**	**19**	**1**	**(4)**	**29**
At 31 December 2023	**1**	**11**	**18**	**–**	**(4)**	**26**
At 1 January 2022	–	4	21	1	(4)	22
At 31 December 2022	6	7	19	1	(4)	29

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.

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3. Investments

Subsidiary undertakings and joint ventures

The cost of investments at 31 December is:

	2023 £000	2022 £000
4 Ventures Limited	**1**	1

The subsidiary undertakings incorporated in the United Kingdom at 31 December 2023 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 International Limited[1,2]	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.

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 2023	4
Fair value movement	(4)
Carrying value at 31 December 2023	**–**

4. Programme and film rights

	2023 £m	2022 £m
Programmes and films completed but not transmitted	**126**	160
Acquired programme and film rights	**174**	162
Programmes and films in the course of production	**166**	164
Total programme and film rights	**466**	486

Certain programme and film rights may not be utilised within one year as disclosed in note 13 to the consolidated financial statements.

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5. Trade and other receivables

	2023 £m	2022 £m
Trade receivables	**141**	144
Prepayments	**21**	27
Accrued income	**7**	14
Total trade and other receivables	**169**	185

6. Net cash reserves

	2023 £m	2022 £m
Bank balances	**34**	37
Money market funds	**57**	113
Money market deposits maturing in less than three months	**–**	40
Cash and cash equivalents	**91**	190
Money market deposits maturing after three months	**–**	50
Other financial assets	**–**	50

7. Trade and other payables

	2023 £m	2022 £m
Current		
Trade payables	**27**	64
Taxation and social security	**1**	1
Other creditors	**48**	60
Amounts due to subsidiaries	**83**	92
Programme and film creditors	**198**	236
Accruals	**77**	114
Deferred income	**44**	43
VAT	**31**	17
Total current trade and other payables	**509**	627
Non-current		
Programme and film creditors	**34**	40
Total non-current trade and other payables	**34**	40

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.

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Historical metrics 2019–2023 (unaudited)

	Page reference	2019	2020	2021	2022	**2023**
Creativity						
Commissioning success						
Originated content spend (£m)	83	492	370	492	570	**520**
Engaging audiences						
Channel 4 viewing share		5.8%	5.9%	6.1%	5.8%	**5.7%**
Portfolio viewing share		9.9%	10.1%	10.3%	9.9%	**9.8%**
Programme streaming views (bn)	68, 123	1.0	1.3	1.5	1.4	**1.6**
Sustainability						
Financial metrics						
Corporation revenue (£m)	193	985	934	1,164	1,142	**1,023**
Digital advertising revenue (£m)	204	145	161	224	255	**280**
Non-advertising revenue (£m)	204	73	84	105	121	**101**
Content spend (£m)	204	660	522	671	713	**663**
Net assets (£m)	196	385	452	566	560	**491**
Year-end net cash reserves (£m)	199	137	201	272	253	**96**
Pre-tax surplus/(deficit) (£m)	193	(26)	74	101	3	**(52)**
Ad sales measures						
Linear advertising revenue (£m)	204	767	689	835	766	**642**
SOCI portfolio ABC1s	123	16.2%	16.3%	16.6%	16.9%	**16.5%**
SOCI portfolio 16-34-year-olds	123	20.9%	21.3%	20.1%	19.6%	**18.9%**

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Notes

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