

Britain's Creative Greenhouse

A Year of Impact and Growth

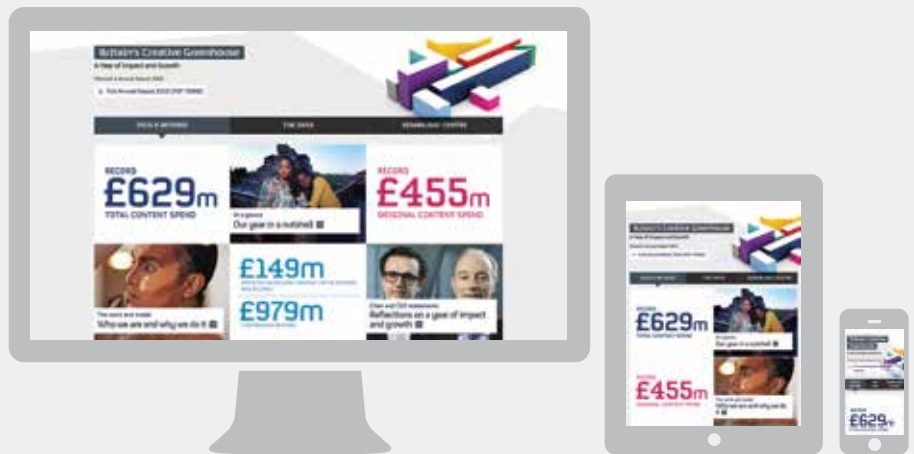
Channel Four Television Corporation
Report and Financial Statements 2015



Channel Four Television Corporation Report and Financial Statements 2015

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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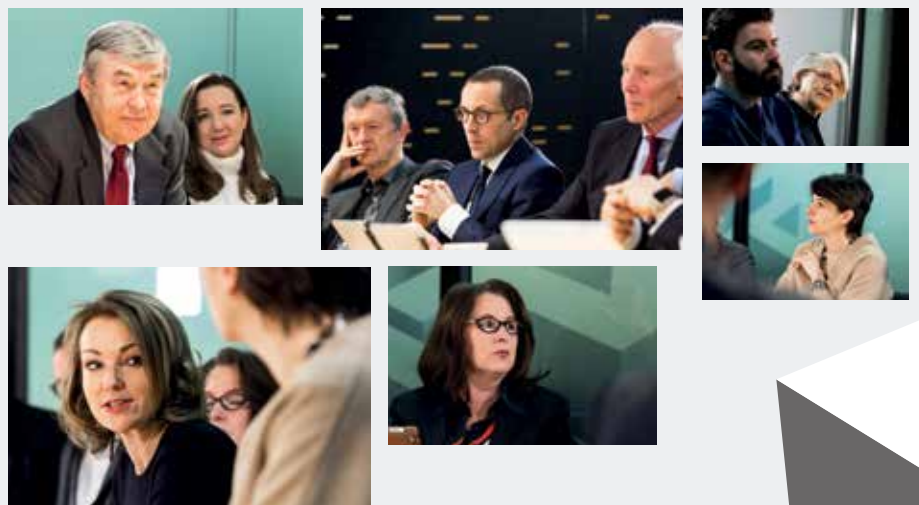
Chair's Statement

Charles Gurassa
Chair

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My first few months as Chair of Channel 4 have underlined to me the unique role Channel 4 performs as a public service broadcaster. At its heart is its commitment to innovation, to creating new programmes, to reaching out to important and diverse audiences underserved by others, to stimulate debate and present alternative views and to be a platform for new talent from around the nation.



Its publisher/broadcaster model delivers hundreds of millions of pounds of investment into the independent creative sector in the UK, enabling the nations' independent producers to grow and prosper in a highly competitive global market.

Most importantly it delivers this public service at no cost to the public, its success in the advertising market enables it to self-fund all its programming as well as invest prudently for the future. The year just concluded has been one of good all round performance at the Channel, audience share for the main channel is up, there has been strong delivery of the remit and the financial performance has resulted in a surplus of £26 million, with £20 million of this allocated to the content reserve. Channel 4's healthy financial position will enable there to be more investment in both television and film content in the year ahead as well as further development of the All 4 digital on-demand platform. The Board will continue to review and consider carefully the appropriate balance of investing to enhance future delivery of the remit and commercial performance whilst ensuring prudent levels of reserves.

The environment in which the business operates continues to evolve at a rapid pace, with changing viewing habits and the increasing importance of digital markets. Channel 4 is responding to these challenges well. The launch of All 4 has delivered growth in digital viewing audiences and growing engagement with young audiences with over half of all 16–34-year-olds now registered with All 4. Digital revenues are growing rapidly demonstrating that the capability to use more sophisticated data is working well for Channel 4's clients as well as its viewers. Channel 4 will continue to invest in its digital and data strategy and in support of All 4 to drive further growth in viewers, attract younger audiences and offer attractive and intelligent platforms for advertisers.

As is publicly known, the Government has stated it is reviewing options for the organisation's future ownership and as I write we await further news from that process. In the meantime it is my responsibility as Chair to ensure the Board retains full focus on the fulfilment of Channel 4's statutory functions.

This report demonstrates that Channel 4 is performing strongly on both its public service remit and on its financial parameters. Channel 4 has met or exceeded all its specific licence obligations; levels of news and current affairs output, access services – including the introduction of subtitling on iOS devices – and production targets for originated, independent and regional production. In addition the Channel measures and independently audits its performance across a number of quantitative and qualitative measures to assess its creative output and the impact it makes. The results underline the distinctive role Channel 4 plays in British broadcasting. From its in-depth news and current affairs and peak-time documentaries to contemporary drama, award winning films and risk taking comedy the Channel continues to be an innovative, contemporary and alternative voice.

In reviewing performance, the Board has also been mindful of the input from Ofcom and has consulted with Ofcom during the course of the preparation of this report. We have further strengthened the process of engagement with Ofcom this year, with detailed discussions between senior Executives of Channel 4 and Ofcom earlier in the process.

We note the endorsement given by Ofcom in its five-yearly review of Channel 4's public service duties last year. On the specific points raised in response to last year's report, and in particular regarding older children, international and diversity output and the reporting of the Channel's activity in the Nations, the Board is satisfied with the progress that has been made and will continue to monitor these areas carefully.

Commercially, Channel 4 ended the year on a very sound footing with record revenues and particularly marked growth in digital related income. This positions the business well for the future, a view endorsed in two recent external reports from EY and Enders Analysis¹ consistent with the report and findings of Ofcom when they renewed Channel 4's licence for a further ten years in 2014. These two external reports looked at the organisation's long-term financial sustainability against the background of a fast changing increasingly digital environment and both independently concluded Channel 4 was well positioned to meet the challenges ahead.

On arrival I have found Channel 4 in good heart and good shape. Since arriving here the Channel has won Channel of the Year, Media Sales Team of the Year, Advertiser of the Year, numerous Royal Television Society awards, three Oscars and received 22 BAFTA nominations, reflecting the creative and vibrant culture of the organisation today. I would like to thank Lord Burns, our former Chair, for his excellent stewardship over the last six years. I would also like to thank Mark Price our former Deputy Chair who stood down from the Board in April 2016 to take up a new role as a government minister. My thanks to all my new colleagues on the Board at Channel 4 for their contribution and support over the last year and most importantly to all the team at Channel 4 whose hard work, dedication and creative inspiration has made Channel 4 what it is today.

I am very much looking forward to working with all my new colleagues and our partners in building on that success.

¹ These reports are available online via the Channel 4 press centre.

Chief Executive's Statement

David Abraham
Chief Executive

 annualreport.channel4.com



Channel 4 exists to do things differently – from the kind of content we create to the way in which we go about our business. This report demonstrates that Channel 4 continues to have a significant impact on audiences and the UK's creative sector.

2015 was a year in which Channel 4 spent a record £629 million on content as a whole. Working in partnership with a wide array of production companies across the UK, £455 million was spent on originally commissioned TV, film and digital content, which was another record. We generated record Corporation revenue of £979 million, with Digital revenues growing by 30%. This performance stands us in very good stead to maintain levels of investment in content built on our strategy of Investing in Innovation.

Audiences have told us they appreciate what we're doing. Crucially, the public's view of how we are delivering the remit strengthened yet further. Across the 12 audience metrics we use to measure delivery of various aspects of the remit, such as innovation, being alternative, taking risks, we were either stable or up. Results were particularly strong in challenging prejudice, making people think in new and different ways and the independence of Channel 4 News, with three of these metrics reaching their highest ever levels and four maintaining the highest ever levels.

For the first time in nine years, the main channel – where we primarily deliver the remit – saw an increase in share across all hours. Our share of viewing across the portfolio in peak-time grew for all individuals, 16–34-year-olds and ABC1s in 2015. We have continued to see robust growth in our on-demand offering, relaunched as All 4, bringing together all live, catch up and bespoke online content in one place. The viewing by young people across our TV portfolio and All 4 underlines Channel 4's important role in connecting this group with public service content. This was done to particularly good effect in our distinctive take on the General Election and record-breaking drama launches for *Indian Summers* and *Humans*. Our digital-first strategy for News and Current Affairs is also bearing fruit, with total video views up very significantly.

The programmes that we showcase in this report such as *Catastrophe*, *Murder Detectives* and *Escape from ISIS*, demonstrate that Channel 4 is living true to the remit across our output. We deliver this remit through programmes at the heart of the schedule, from Channel 4 News, the UK's only daily hour long news programme that provides in-depth political and foreign affairs coverage, to drama such as *Humans* that reflect on big societal questions of our time. In film we continue to support and invest in challenging, popular and highly acclaimed film-making such as the Bafta and Oscar-winning *Room* and *Amy*. The remit also lives through the games and online commissions we make, as well as in the cutting edge marketing campaigns that bring audiences to our programmes. In 2015 we refreshed the identity of the main channel, bringing a new look and feel to these campaigns as well as our on-screen idents for the first time in ten years.

Support for the UK's creative sector was one of the founding objectives for Channel 4 when we were set up by Margaret Thatcher's Conservative Government in 1982. Our role as a catalyst and a distinctive place for creative people to bring ideas is central to what we're about. We are proud to have worked with 295 companies over the course of the year, including 53 new companies, and to have increased our output from the companies based in the UK's Nations and Regions. In line with our focus on digital content, we saw an 18% increase in the number of digital producers we worked with. Successful creative renewal has had the effect of marginally reducing the total number of companies that we work with. But it's important that we stay in touch with producers even when they are not involved in a commission with us. We have met with many producers over the course of the year, including some 450 in two days at a commissioning open day and regular visits to production companies across the Nations and Regions.

I'd like to thank everyone in the production sector for their brilliant ideas and working with us to achieve such outstanding creative results. The range of programmes and films that have been recognised with awards this year is testament to the quality of their work.

Since we launched the Indie Growth Fund in 2014, we have now committed to invest £9 million in nine companies, and I was particularly pleased that in 2015 we invested £1.6 million in BAME-led companies, Voltage TV, Renowned and Whisper. The Commercial Growth Fund was established this year and is proving an innovative and pioneering new area for commercial partnerships.

In January 2016 we published the 360° Diversity Charter: One Year On report, which includes our performance against the 30 commitments we set out in 2015 in our bid to lead the way in improving diversity on and off screen. While there remains more to do, we made significant progress during the year including hosting a milestone DIVERSE industry festival at Channel 4 in January. We are now looking forward to 2016 as the Year of Disability and the 2016 Rio Paralympic Games.

While online viewing continues to grow, we have seen some structural change in the market place that has had an impact on digital channels in particular, with the growth of connected televisions and catch-up viewing having its strongest impact on services like E4, More4 and Film4 which offer audiences opportunities to catch up on originated content that we have commissioned or acquired from outside the UK. Daytime audiences are also changing their viewing behaviour and continue to be a challenge on Channel 4. These factors are informing the balance of our investment decisions in 2016 and beyond.

2016 has already started very positively. We've launched a world first with *Walter Presents*, attracting audiences to the best of world drama. Throughout the year we will continue to improve diversity on and off screen, with a particular emphasis on disability within our programmes and in the teams of people who make them. Through our increased financial commitment to film we're working on an exciting range of projects – including bold partnerships and co-financing investments. We are also looking forward to welcoming *Formula One* to the schedules. On top of which the commissioning team have many other treats in store, including the third *Stand Up to Cancer* and of course the 2016 Rio Paralympic Games in September.

We are doing all this in a climate of some uncertainty about the future of Channel 4, as the Government considers options for our future. Whatever the outcome of that process, the Channel 4 team and I remain focused on ensuring we run the organisation in a way that best delivers our remit and maintains our financial stability, building on all the success of 2015.





2015 at a glance

Creative success

2015 was a year of many creative highlights, with both returning hits and new programmes making an impact on the schedule. With hundreds of awards won and record investment in content, we continued to feel the benefits of creative renewal on ratings and critical opinion.

We worked with 295 suppliers to deliver our content, with record levels of investment ensuring that our total content spend reached a high of £629m, with another record of £455m spent on original content. £149m was spent in the Nations and Regions.

Financial stability

2015 was a year of demonstrable financial stability and commercial self-sufficiency. Following on from our Investing in Innovation strategy, we achieved a £26m surplus with record revenues of £979m (£41m higher than 2014).

For the first time in nine years, we increased audience share on the main channel, bucking the trend of fragmentation of audiences in this digital era. And we grew our peak-time portfolio share year-on-year to 12.9%.

And in a year that we relaunched our online platform All 4, including our short-form content strand, digital revenues grew an impressive 30% year-on-year – further cementing All 4 as a central revenue stream.

Innovation and sustainable future

2015 saw continued development of our digital strategy, with 13.1 million people registered with All 4 at the end of 2015, including more than 50% of all 16–34-year-olds in the UK.

We also saw notable growth on our new All 4 platform, with 4% growth of All 4 videos views year-on-year.

And our Indie Growth Fund continued to support the independent production sector, working with nine companies, making a total commitment of £9m out of the £20m fund with £1.6m committed to BAME companies.

RECORD

£629m

TOTAL CONTENT SPEND

£149m

invested in original
content in Nations
and Regions

323

AWARDS 2015

RECORD

£455m

ORIGINAL CONTENT SPEND

WORKED WITH

295

SUPPLIERS

30%

YEAR-ON-YEAR GROWTH IN
TOTAL DIGITAL REVENUES

GROWTH in main channel share
for the first time in nine years

12.9%

PEAK-TIME
PORTFOLIO SHARE (8-11PM)

RECORD

£979m

CORPORATION REVENUE
AND WE ACHIEVED A £26M SURPLUS

13.1m

VIEWERS REGISTERED WITH ALL 4

£20m Indie Growth Fund has
supported nine production
companies, including £1.6m BAME
Indie Growth Fund investment

OVER

1/2

OF ALL 16-34-YEAR-OLDS
IN THE UK REGISTERED
WITH CHANNEL 4

The remit and model

Everything that Channel 4 does is governed by our public service remit, which is agreed by Parliament and enshrined in legislation. It is the template which gives us our unique and important role in British life. The remit makes up a core part of Channel 4's DNA.

The remit, which has evolved and been refined in legislation since 1982 combines a number of elements. It requires Channel 4 to be innovative, to inspire change, to nurture talent and to offer a platform for alternative views. It also requires us to not just provide Education content for 14–19-year-olds, but to provide content with an editorial tone that is educational in programmes from other genres, including Factual.

It applies across all genres and services, Channel 4, E4, More4, Film4, 4Seven, All 4 and digital projects. Channel 4 must also meet a set of specific quantitative licence obligations, set and monitored by Ofcom, for news and current affairs, original production, regional production, subtitling and audio-description services and much else besides.

The Statement of Media Content Policy (pages 12 to 106) was introduced to enable Channel 4 to report on the fulfilment of its public service remit. The idea is to look across the full range of services Channel 4 offers and, in this report, provide a transparent and comprehensive account of our delivery of the remit.

The component parts of the remit are included against each chart and case study contained in the report as an indication of how we have delivered the remit across the year.

Some rounding differences may occur in the presentation of the metrics. A detailed breakdown of the remit, along with background to the selection of public value measures and changes to metrics, can be found in the methodology document that accompanies the report. All audited metrics in the document are identified with a remit icon, as indicated opposite.

The evolution of our remit

Since Channel 4 was launched in 1982, the remit has evolved to support both a changing society and a diversifying media landscape. Whilst our core purpose has remained the same, over the years our remit has broadened and deepened, meaning that Channel 4 now occupies a unique space within British public service broadcasting.

1982

Launch of Channel 4

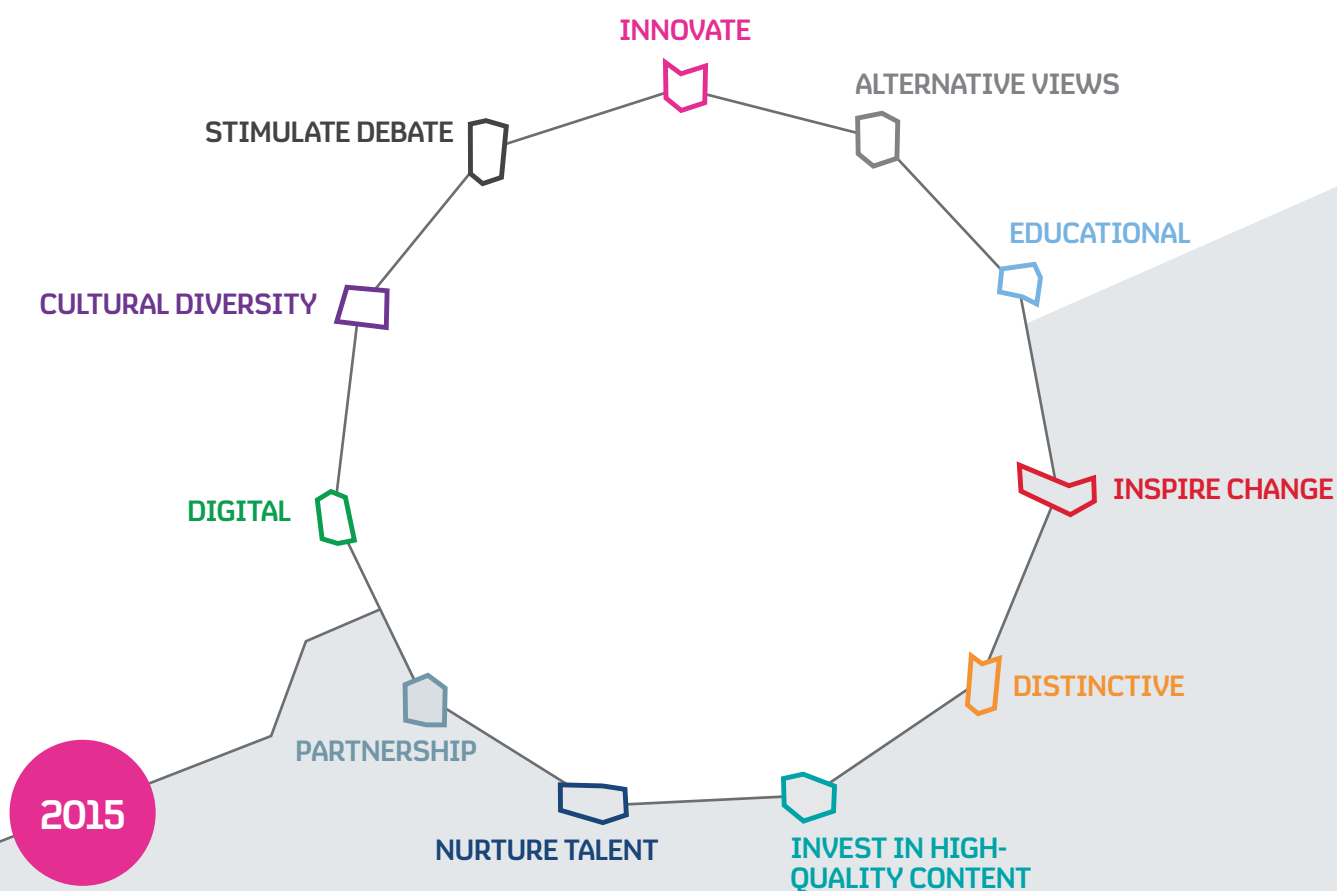
- Appeal to tastes and interests not generally catered for by ITV
- Educational
- Innovation and experiment
- Distinctive
- High general standard
- Wide range of subject matter

2003

Communications Act

S.265 (3) of the Communications Act 2003 sets out Channel 4's public service remit as follows:

- High-quality and diverse programming
- Innovation, experimentation and creativity in the form and content of programmes
- Distinctive character
- Appeals to tastes of a culturally diverse society
- Make programmes of an educational nature and schools programming/provide educational content for teens



Digital Economy Act

- High-quality and diverse programming
- Innovation, experimentation and creativity in the form and content of programmes
- Distinctive character
- Appeal to the tastes and interests of a culturally diverse society
- Make programmes of an educational nature and schools programming/provide educational content for teens

In addition, the DEA 2010 introduced new media content duties as part of Channel 4's primary functions:

- Support the development of people with creative talent, in particular people in the film industry and at the start of their careers
- Support and stimulate well-informed debate
- Promote alternative views and new perspectives
- Provide access to material that inspires people to make changes in their lives
- Work with cultural organisations
- Make a broad range of relevant media content of high quality via different types of communications networks
- Appeal to the tastes and interests of older children and young adults
- Make relevant news content
- Make relevant current affairs content
- Make, distribute and broadcast high-quality film

Channel 4 is a creative greenhouse

Our overall role is to champion innovation in TV, film and digital – nurturing and growing new ideas, formats, views and voices, faces, talent, audiences, and production companies.

Creative greenhouse

We're a greenhouse for new creative and digital ideas of significant economic importance.

Our overall contribution to the UK's creative economy is notable given our relative size in the marketplace.

We grow small businesses across the whole of the UK and our formats are successful around the world.

We have a track record of commissioning more programme ideas than any other public service broadcaster ('PSB') and spend more with independent producers than any other channel.

PSB challenger brand

We're a challenger brand in broadcasting, encouraging high standards across the industry.

Our investment in UK-originated content is rising, set against declining investments in PSB elsewhere.

Our existence is important in providing plurality in genres that deliver public good, where it is important that audiences have a choice of distinctive provision, such as News and Current Affairs.

We're at the forefront of innovation and harnessing new technologies and in the premier league of international creativity. Being ahead of the market again and again not only has kept viewing share stable but also keeps others on their toes.

Catalyst for social change

We inspire citizenship, especially among hard-to-reach audiences.

We have a greater impact than any other UK broadcaster in making audiences think, giving diverse viewpoints and inspiring change in people's lives.

We have a stronger relationship with young people than any other PSB in the world.

And we're a world leader in bringing diversity into the mainstream.

We fulfil the government's innovation strategy in broadcasting

The government's innovation strategy focuses on support for small businesses to bring ideas to market, increase knowledge sharing and grow global businesses.

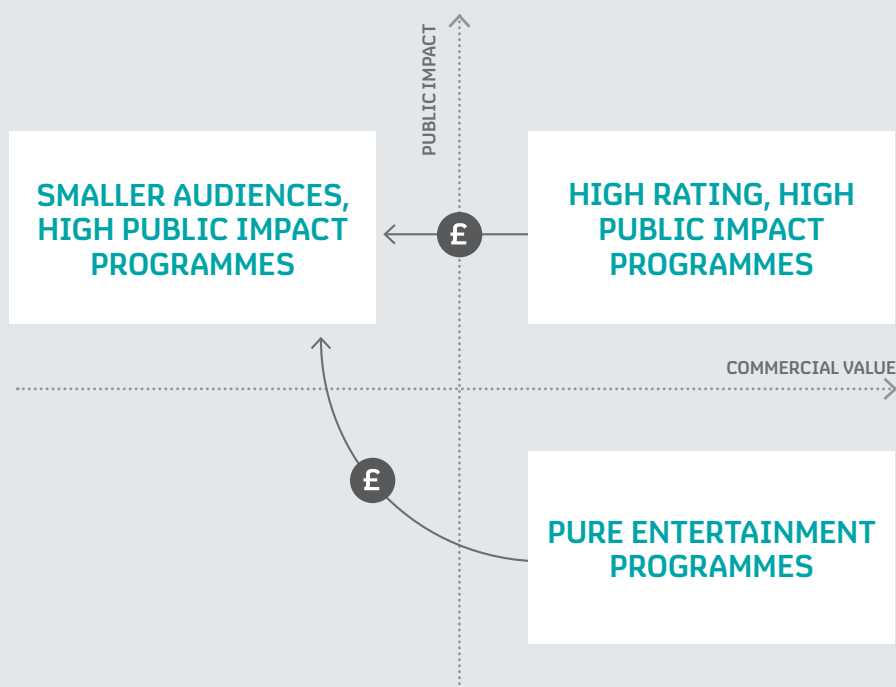
Our model

The UK broadcasting ecology is the result of enlightened intervention by politicians and regulators. It's a carefully balanced mix of different organisations, with different missions, business models and governance structures that has made UK broadcasting a worldwide success.

Within this ecology, Channel 4 is a government-owned, self-sustaining social enterprise, raising commercial revenues from the market and reinvesting surpluses back into British content from UK independent producers.

We do this through cross-funding commercially challenging genres such as News and Current Affairs, and Education with revenues from commercially profitable programming, like Factual Entertainment.

£ = CROSS-FUNDING



Investing in innovation

Investing in innovation

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Innovation through content

Channel 4's total (originated and acquired) content spend across its TV and digital portfolio in 2015 was the largest in its history, at £629 million, up 4% year-on-year. Of this, spend on Channel 4's own commissioned content was £455 million, also the largest in Channel 4's history. This rose by 6% year-on-year, equivalent to an increase of £25 million. It was also up as a share of the total, rising from 71% to 72% of the overall content budget.

Channel 4's content strategy evolved in 2015 to reflect the fruits of its ongoing creative renewal, by rewarding successful returning series with longer runs. In delivering its remit, Channel 4 commissions around themes that span genres, and is able to do this via a working culture that encourages cross-genre collaboration. Furthermore, in order to achieve greater impact in an ever more crowded media landscape, Channel 4 also focused its resources on programming with the potential to stand out on the main channel.

A combination of the creative renewal strategy, along with the scale of last year's coverage of the *Sochi 2014 Paralympic Winter Games*, meant that in volume terms, at 8.3 hours per day on average, there were 5% fewer first-run originations across the TV portfolio in 2015. In peak-time (6–10.30pm), when we reach the largest audiences, the main channel devoted 72% of the schedule to first-run originations, up by 4 percentage points. Including repeats, 81% of peak-time hours were taken up with originations, also up four points.

Across the TV portfolio, Factual and Entertainment remained the two biggest genres, both in terms of output and investment levels. Investment in Factual rose for the third year running, by 7% to £181 million, with major new series such as *Hunted* and extended

Channel 4's commitment to investment in innovation runs through everything that it does – from the volume, range and geographical spread of its supplier base to technological innovation on our digital platforms, and through to the diversity of voices and perspectives on-screen.

runs of several shows, including *First Dates*. There were 1,198 hours of first-run originated Factual programmes, up by 2% year-on-year. In Entertainment, spend rose slightly this year, by 2% to £111 million, with new shows such as *Time Crashers*, while the volume of first-run originations fell by 6% (to 724 hours) as some older series did not return or had shorter runs. In Drama, the third biggest genre in spend terms, while the budget was flat at £99 million, 2015 saw a greater focus on ambitious new commissions with high production values such as *Humans* and *Indian Summers*. In volume terms, the third biggest genre, Sport, saw a decline of almost 200 hours in the amount of first-run originated programming, following last year's extensive coverage of the *Sochi 2014 Paralympic Winter Games*.

Innovation through diversity

Channel 4 plays a significant role in supporting the UK's production sector, with all its commissioned content coming from external suppliers. It spent £403 million on first-run external commissions on the main channel, and £441 million across the TV portfolio, in 2015. Both these figures are up year-on-year, by 7% and 6% respectively.

Channel 4 worked with 295 creative partners across all of its services. This was 15% down on the 2014 figure, as Channel 4 deepened supplier relationships formed during the creative renewal, and as it marked a transition year for Film4 ahead of the unveiling of its new strategy. Overall, 53 of all suppliers were new to Channel 4, 8% more than in 2014.

In a highly London-centric industry, Channel 4 seeks to commission content from across the UK. For the third successive year, more than half of all first-run originations on the main channel were from suppliers based outside London – 53% of all hours in 2015, up by 2 percentage

points year-on-year. In expenditure terms, the proportion of out-of-London commissions fell by 3 percentage points to 39%, with shorter runs of long-running formats. Across the TV portfolio, Channel 4 spent £149 million on programmes from suppliers based outside London (marginally down year-on-year). It increased its expenditure on content from companies in Northern Ireland, Scotland and Wales, giving a total Nations spend of £28 million, up 32% on 2014.

Turning to on-screen diversity, Channel 4 showed 201 hours of originated diversity-related programmes on the main channel in 2015, a 17% increase year-on-year. 109 of these hours were first-run programmes (8% down, due to last year's coverage of the *Sochi 2014 Paralympic Winter Games*). 80 of the first-run hours related to programmes that were shown in peak-time, a 92% increase, with major new commissions this year including *Indian Summers*, *Cucumber* and *The Autistic Gardener*.

The range of international programming on Channel 4 also contributes to the diversity of its schedules. Excluding *Channel 4 News* (which itself has a strong international focus, see page 80), there were 61 hours of first-run programmes covering international topics on the main channel and in the dedicated international *True Stories* documentary strand that runs across the TV portfolio, 14% more than in 2014. There was a large increase in Documentary output, with highlights such as *The Tribe* and *Walking the Nile*. Acclaimed titles in other genres included *Frontline Fighting: The Brits Battling Isis* and *My Son the Jihadi*. The Film4 channel continues to show a more diverse and international slate than most mainstream film channels, with 36% of its output coming from outside the US, and 20% comprising British films.

Innovation through content

£629m

spent on content
across all services
+4% on last year



£621m

invested in originated
and acquired
programming across
the Channel 4 TV
portfolio (all genres)
+5% on last year



Investment in all content

In 2015, Channel 4 spent a total of £629 million on content across all of its services, comprising the main channel, digital TV portfolio and digital media services – the largest content budget in Channel 4's history. The large majority of this budget – £507 million, equivalent to 81% of the total – was spent on the main channel, reflecting its continued ability to attract larger audiences than any other channel or service in the portfolio. £114 million was spent on the digital TV channels, and a further £8 million was spent on digital media, which includes Channel 4's websites and cross-platform content.

Channel 4's total content budget rose by 4% year-on-year, from the 2014 figure of £602 million. Expenditure on content on the main channel increased by 3% (2014: £492 million), and there was a more substantial rise, of 12%, in content spend on the digital TV channels (2014: £102 million). Spend on digital media fell by 3%, although in absolute terms this represented a decline of just £0.2 million, (reported as flat, as the figures are rounded to the nearest £million in the chart).

Focusing on the TV portfolio (Channel 4's main channel and the digital channels), a total of £621 million was invested in originated and acquired programming across these channels in 2015 (up 5% on the 2014 figure of £594 million). The genres that accounted for the largest amounts of content investment in 2015 were Factual (£181 million), Entertainment (£111 million) and Drama (£99 million). Of these, investment in Factual rose for the third year running, by 7%, supporting major new series such as *Hunted* and extended runs of shows such as *The Island with Bear Grylls* and *First Dates*. Investment in Entertainment also rose, by 2%; highlights this year included new immersive history series *Time Crashers*. While the overall Drama budget was flat (there was a marginal decline of less than 0.5%), 2015 saw a greater focus on ambitious new commissions such as *Humans* and *Indian Summers*.

Of the other genres, the most significant trends in 2015 were a £1.4 million (68%) increase in investment in programmes which appeal to Older Children, which was spent on new series such as the *Secret Life of...* strand and *Gogglebox* spin-off *Gogglesprogs*. Current Affairs investment rose by 32%, to £27 million, the highest level ever, with Channel 4 investing in a range of programming to mark the UK General Election, including the political comedy *Ballot Monkeys*, as well as the return of *Benefits Street*. There were falls in the content budgets for Education (14–19-year-olds), 18% down mainly due to a shorter run of *My Mad Fat Diary*, and for Sport, 10% down as there were no major sporting events of the scale of the *Sochi 2014 Paralympic Winter Games*.

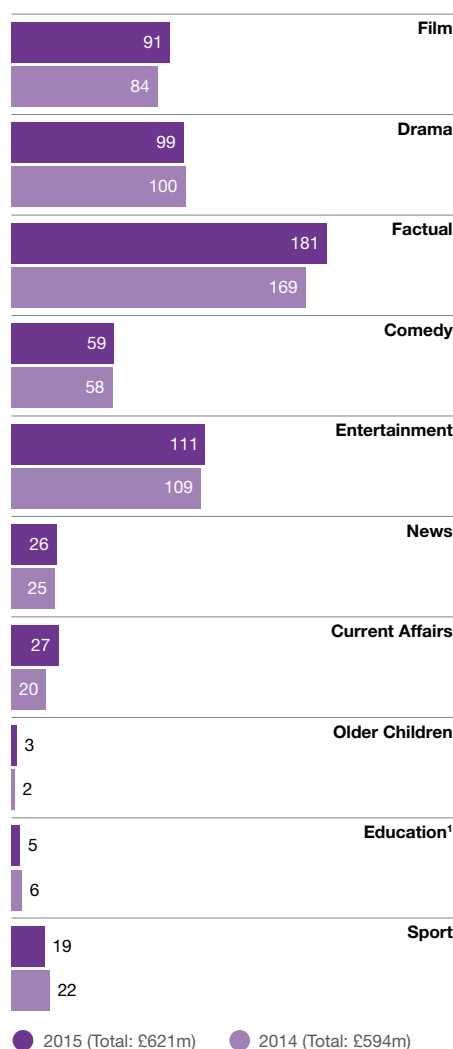
Spend across the Channel 4 network
on all content (£m)

	Total (£m)		
2015	507	114	8
2014	492	102	8

● Channel 4 (main channel) ● Digital channels
● Digital media

Source: Channel 4

Total investment in originated and acquired programming across the Channel 4 TV portfolio by genre (£m)



Source: Channel 4

¹ Education in this metric refers to specifically commissioned programmes for 14–19-year-olds, as opposed to Channel 4's broader educational remit.

Innovation through content

72%

of the main channel peak-time schedule devoted to first-run originations

+4pts on last year



INVEST IN HIGH-QUALITY CONTENT

Output mix on Channel 4

Channel 4 showcases the majority of its new original programming on the main channel during peak-time hours (defined by Ofcom as 6–10.30pm), in order to attract the largest audiences. In 2015, 72% of all peak-time hours on the main channel were made up of first-run originated programming, up on 2014. With another 9% of peak-time hours comprising repeats of original programming, originations accounted for a total of 81% of peak-time hours – comfortably exceeding the Ofcom licence requirement of 70%. While Channel 4's daytime schedules include a more balanced spread of originations and acquisitions, originations still accounted for almost two-thirds (65%) of all output on the main channel across the day in 2015, again well above the Ofcom quota of 56%.

The rise in the proportion of originated programming in peak-time on Channel 4's main channel was entirely accounted for by the rise in the proportion of first-run originations, both of which were up by 4 percentage points (with the proportion of originated repeats flat year-on-year). Across the whole day there was a 2 percentage point increase in originations.

Percentage of output on the main channel accounted for by originations and first-run programmes

Peak-time (6–10.30pm)				
2015	72	9	8	11
2014	68	9	9	14

All day

2015	32	33	8	27
2014	34	29	9	28

● Originations – first-run ● Originations – repeat
● Acquisitions – first-run ● Acquisitions – repeat

Source: Channel 4

£455m

spent on all originated content across all services

+6% on last year



INVEST IN HIGH-QUALITY CONTENT

Investment in originated content

Channel 4's public remit is delivered primarily through its investment in original content on TV and in digital media. Channel 4's total investment in originated content (first-run and repeats) across its TV channels and online services was £455 million in 2015, the largest level in Channel 4's history.

The main channel accounted for the large majority of this expenditure: its original programme budget was £408 million, equivalent to 90% of the total spend on originations. This included expenditure of £183 million on News, Current Affairs, Education programming, Comedy, Drama series and single dramas (including Film4 productions), Arts and Religion – up 6% year-on-year. This does not include the full range of programming genres e.g. Factual or Sport, where Channel 4 also delivers important public service content.

Beyond the main channel, a further £39 million was spent on original content for the digital channels, and (as described above) £8 million on digital media content (including websites and cross-platform content) in 2015.

Channel 4's total spend on original content rose by £25 million year-on-year, a 6% rise. The extra funds were directed entirely at the main channel, to generate the biggest possible impact. A further £1 million was reallocated from the digital channels and digital media budgets to the main channel, resulting in a £26 million boost to the main channel's original content budget, a 7% increase on the 2014 level. This rebalancing meant that investment in originations on the digital channels and in digital media fell slightly, by 4% and 3% respectively.

Spend across the Channel 4 network on all originated content (£m)

Total (£m)				
2015	408	39	8	455
2014	382	40	8	430

● Channel 4 (main channel) ● Digital TV channels
● Digital media

Source: Channel 4

8.3hrs

of first-run originations every day on average across the Channel 4 TV portfolio

-5% on last year



INVEST IN HIGH-QUALITY CONTENT

Originated output across Channel 4 TV portfolio

Channel 4 broadcast an average of 8.3 hours of new commissioned programmes (first-run originations) every day in 2015 across the main channel, E4, More4 and Film4. The main channel accounted for 7.7 of these daily hours, with the other 0.6 hours on the digital channels.

The volume of first-run originations across the TV portfolio fell by 5% in 2015, primarily because of the scale of coverage of the *Sochi 2014 Paralympic Winter Games* last year. In addition, Channel 4's strategy in 2015 concentrated resources on a smaller number of higher-budgeted programmes on the main channel. As a result, there were 5% fewer hours of first-run originations on the main channel in 2015 compared to 2014. The volume of new commissions on the digital channels rose by 13%; major new series included *Tattoo Fixers* and *Taking New York*, and there were extended runs of shows such as *Selling Houses with Amanda Lamb*.

Average daily hours of first-run originations across the Channel 4 TV portfolio

Total (hrs)			
2015	7.7	0.6	8.3
2014	8.1	0.6	8.7

● Channel 4 (main channel) ● Digital TV channels

Source: Channel 4

Innovation through content

3,019hrs

of first-run
originations shown
across the Channel 4
portfolio by genre

-5% on last year



INVEST IN HIGH-
QUALITY CONTENT

Volume of first-run originations by genre

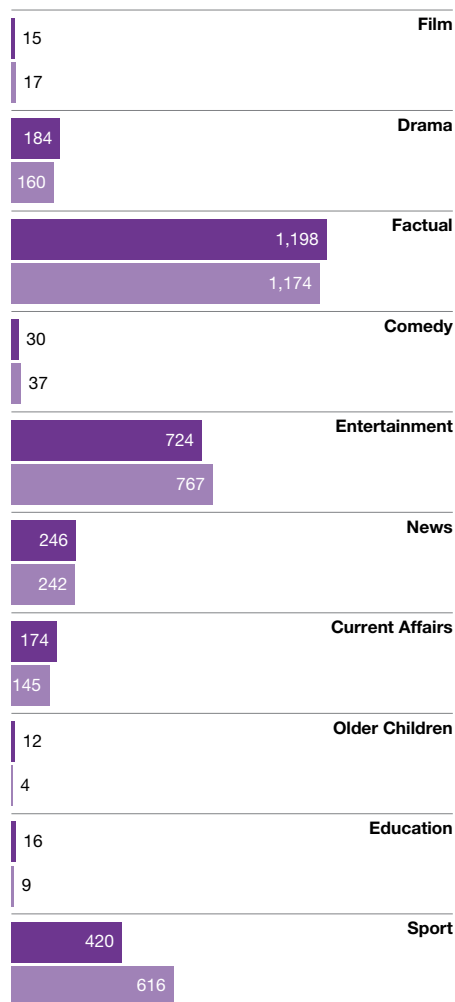
In 2015, Channel 4 broadcast 3,019 hours of first-run originated programming across its TV portfolio. The genres with the largest volumes of first-run originations this year were Factual (1,198 hours), Entertainment (724 hours) and Sport (420 hours).

The total volume of first-run originations fell by 5% in 2015, equivalent to 152 hours. This decline is due to the extensive coverage of the *Sochi 2014 Paralympic Winter Games* last year: with no equivalent sporting event in 2015, the total volume of first-run originated sports programming fell by almost 200 hours (a 32% decline year-on-year). Of the other biggest genres, the amount of first-run originated Factual programming rose by 2% in 2015, with new series such as *Hunted* and *Posh Pawnbrokers*, and an extended run for *Couples Come Dine with Me*; while Entertainment was down by 6%, as *8 Out of 10 Cats* did not return this year, and there were fewer episodes of *Deal or No Deal*.

Turning to the other genres, the most notable increases were in Current Affairs (29 hours, equivalent to a rise of 20%), with a range of programming to mark the UK General Election and the return of *Benefits Street*; and Drama (24 hours, a rise of 15%), due to new series such as *Humans*, *Indian Summers*, *Not Safe for Work*, *Cucumber* and *Banana*. While the volumes were smaller, there were also substantial increases, in percentage terms, in the number of hours of programming for Older Children (8 hours, a rise of 199%), due to the *Secret Life of...* strand; and Education (7 hours, a rise of 74%), with programmes such as *Troy: Cyber Hijack*. The volume of News increased marginally (by 4 hours, a 2% rise).

There were small declines in Comedy (7 hours, down by 19%), as *Derek* did not return this year; and in Film (2 hours, down by 12%), reflecting variations in theatrical release patterns for Film4 titles, which determine the timings of the subsequent TV windows. In 2015 seven films were premiered, including *The Inbetweeners 2*, the spin-off of the popular E4 show, down from nine in 2014.

Hours of first-run originations shown across the Channel 4 portfolio by genre



● 2015 (Total: 3,019hrs) ● 2014 (Total: 3,171hrs)

Source: Channel 4

Innovation through content

Channel 4 has exceeded all its licence obligations.

Meeting Channel 4's licence obligations			
Average hours per week	Compliance minimum	2015	2014
News			
In peak-time (6–10.30pm)	4	4	4
Current Affairs			
Overall	4	5	5
In peak-time (6–10.30pm)	2	3	3
Hours per year			
Schools	1	27	4
Percentage			
Origination production			
Overall	56	65	63
In peak-time (6–10.30pm)	70	81	77
Independent production	25	64	73
European independent production	10	34	40
European origin	50	69	66
Subtitling for the deaf and hard of hearing	90	100	100
Audio description	10	26	28
Signing	5	5	5
Regional production	35	39	43
Regional hours	35	53	52
Production in the Nations	3	7	6
Nations hours	3	9	6

Note: Excluded from the scope of the KPMG Assurance Report.

Innovation through diversity

£403m

investment in first-run external commissions on the main channel in 2015

+7% on last year

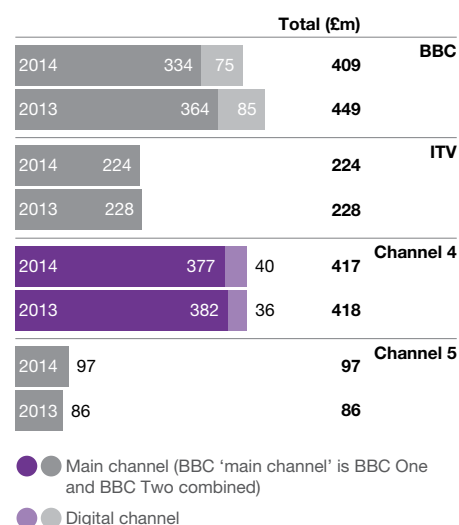


Broadcasters' investment in the production sector

With no in-house production base, Channel 4 sources 100% of its investment in original programming from external suppliers, providing vital support for the independent production sector. In 2015, Channel 4 spent £403 million on first-run originations for the main channel, a 7% increase on the corresponding figure for 2014 (£377 million). 65% of this total was spent on qualifying independent production companies. Across the whole TV portfolio, Channel 4 spent £441 million on first-run originations from external suppliers in 2015; this was also up year-on-year, by 6%.

Data for the PSBs published by Ofcom highlights the important role Channel 4 plays through its support for the production sector. In 2014, the most recent year for which Ofcom's cross-industry data is available, Channel 4's spend on first-run external commissions on the main channel exceeded that of any of the other PSBs on their network channels – including BBC One (2014: £217 million) and BBC Two (2014: £117 million) combined. Looking across their entire TV portfolios, Channel 4's portfolio expenditure on first-run external commissions exceeded the BBC's total investment across all of its TV channels, and was almost £100 million more than the combined spend of ITV and Channel 5 across their portfolios.

Expenditure by public service broadcasters on first-run external commissions (£m)



Source: Channel 4, Ofcom (other channels)
2015 data not available for other channels

Innovation through diversity

295

companies working with Channel 4 portfolio across TV, film and digital media in 2015 of which 164 were independent TV production companies
-15% on last year



Diversity of supply base

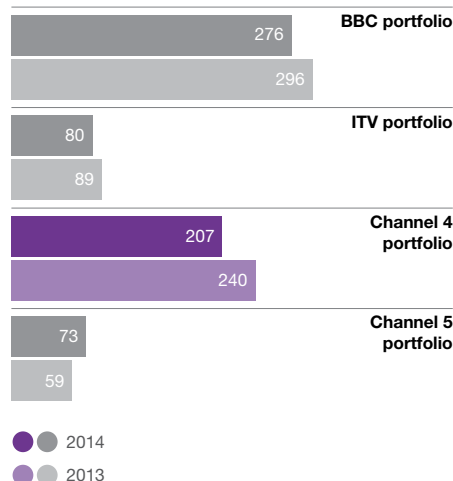
Channel 4 worked with a total of 295 companies to supply the TV, film and digital media content that it commissioned in 2015¹. This included 164 independent TV production companies, and 19 non-independent TV production companies, giving a total of 183 suppliers of TV programmes. There were 109 online suppliers and 66 film companies, with some suppliers working across TV, film and online. Overall, 53 companies were new suppliers to Channel 4, 8% more than in 2014.

As Channel 4 continued to deepen relationships with suppliers that were formed in the earlier stages of the creative renewal process, there was a 21% decline in the total number of independent TV production companies that it worked with in 2015 (see chart to the right). There was also a 28% year-on-year decline in the number of film companies that Channel 4 worked with, as this was a transition year for the Film4 team ahead of the announcement of a major new strategy and budget increase in early 2016 (see page 76). Offsetting these declines, Channel 4 worked with 18% more online companies in 2015, reflecting the broader range of its digital media activities. Overall, Channel 4's supplier base fell by 15% in the year to 295.

In 2014, the most recent year that comparative TV industry data is available for the public service broadcasters across their TV portfolios, Channel 4 worked with 207 independent TV production companies, behind only the BBC (276 companies), and substantially more than the combined total of the other commercially-funded public service broadcasters, ITV and Channel 5 (153 companies between them).

¹ Note: there has been a change in methodology, so that the figure for total suppliers (295 companies in 2015) now includes all TV suppliers rather than just qualifying independent TV production companies. The 2014 figure has been restated; see online methodology for further details.

Number of independent TV production companies supplying the PSBs



Source: Channel 4, Broadcast (other channels)
2015 data not available for other PSB channels. Other digital channels data not available for 2014.

Output from suppliers based outside London

53%

of first-run originated programme hours
+2pts on last year

18pts above Ofcom quota

39%

of the value of first-run origins
-3pts on last year

4pts above Ofcom quota



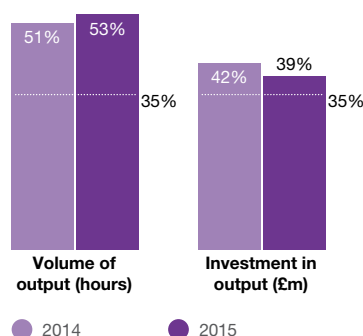
Investment in the Nations and Regions (main channel)

In 2015, 53% of all hours of first-run originated programmes on Channel 4's main channel were sourced from suppliers based outside London. This represents an increase of 2 percentage points on the 2014 figure, and means that Channel 4 has sourced more than 50% of its first-run commissions from outside London for the third successive year (the corresponding figure was less than 50% for each of the five preceding years).

In spend terms, 39% of Channel 4's expenditure on first-run originated programming on the main channel was on programmes from suppliers outside London in 2015. This represents a year-on-year decline, of 3 percentage points. This may be attributed to fewer episodes being transmitted of long-running formats such as *Deal or No Deal*, and fewer hours of regional drama since the cancellation of *Shameless* in 2013.

In both volume and spend terms, these figures exceed by some margin the 35% licence quotas set by Ofcom.

Proportion of first-run originated output and spend on Channel 4 which is made outside London



Source: Channel 4
Prior year values have been restated. One production was incorrectly classified last year however this did not result in any breach of target. See online methodology for further details.

Innovation through diversity

Output from suppliers based in the Nations

9%

of first-run originated programme hours
+3pts on last year

6pts above Ofcom quota

7%

of the value of first-run originations
+1pt on last year

4pts above Ofcom quota



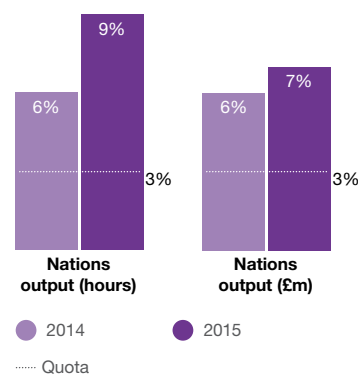
Investment in the Nations (main channel)

Focusing on the Nations (Northern Ireland, Scotland and Wales), Channel 4's share of investment in volume and spend terms both increased in 2015. The proportion of first-run originated programmes on the main channel from the Nations rose by 3 percentage points, to 9% of the total (6.2% Scotland, 2.6% Wales, 0.3% NI). In spend terms, the proportion of the budget for first-run originated programmes on the main channel rose by 1 percentage point, to 7% of the total (5.0% Scotland, 2.0% Wales, 0.3% NI).

A total of 231 hours of first-run programming on the main channel came from commissions in the Nations in 2015, a significant year-on-year increase, of 39%. There were increases across all the Nations. Scotland saw a 21% increase in the volume of programming (159 hours in 2015, up from 131 in 2014), while total investment was up by 16% to £19 million. This was accounted for by a mixture of returning daytime shows like *Fifteen to One* and new peak-time titles such as *Not Safe For Work*. The amount of programming commissioned from Wales more than doubled in 2015, from 30 to 65 hours, as did total investment, from £3.8 million to £7.7 million, with new series including *Posh Pawnbrokers*. In Northern Ireland, the volume of programming was up by 22%, to 7 hours, and investment rose by 24%, to £1.2 million in 2015, with new commissions such as *The Secret World of Lego*.

In both volume and spend terms, these figures exceed by some margin the current 3% licence quotas set by Ofcom (rising to 9% by 2020).

Proportion of first-run originated output and spend on Channel 4 which is made in the Nations



£149m

spent on production companies based outside London
-1% on last year

£28m

spent on production companies in the Nations
+32% on last year



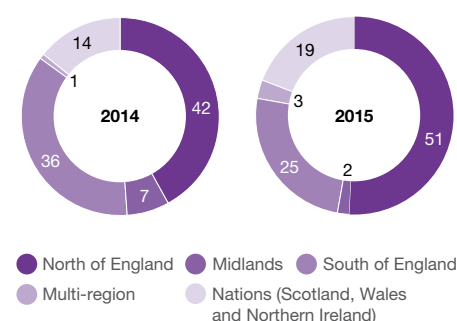
Spend by region across the Channel 4 TV portfolio

Channel 4 spent £149 million on content from production companies based outside London across its TV portfolio in 2015. This represents a marginal decline, of 1%, year-on-year. Channel 4 increased its expenditure on content from production companies in the Nations, which rose by 32% to £28 million. Channel 4's spend rose in all three of the Nations, resulting in programmes such as *Benchmark* (from Scotland), *Posh Pawn* (Wales) and *How To Be Queen: 63 Years and Counting* (Northern Ireland). The largest component of expenditure in the Nations, £19 million, was spent in Scotland, 16% up on 2014. A further £8 million was spent in Wales, more than double the 2014 figure. The remaining £1 million was spent in Northern Ireland, 24% up on the 2014 figure.

The out-of-London spend also includes Channel 4's commissions from the English Regions. These span many genres, including the likes of *24 Hours In A&E* (South of England), *Gadget Man* (the Midlands), and *Cucumber* (North of England). Channel 4 spent a total of £117 million in the English Regions, 9% less than in 2014, as fewer episodes were transmitted of some long-running formats, and there were fewer hours of regional drama. A further £4 million was spent on multi-region content in 2015, up from £1 million in 2014.

Note that these investment figures for the Nations, which cover spend across the Channel 4 TV channel portfolio, differ slightly from those in the previous metric (see above), which relates specifically to the main channel.

Percentage of Channel 4's expenditure across the TV portfolio outside London by Region



Different voices

61hrs

of first-run
programmes covering
international topics on
Channel 4 (excluding
news) and *True Stories*
across the portfolio
+14% on last year



ALTERNATIVE VIEWS

126hrs

of first-run foreign
language content
across the portfolio

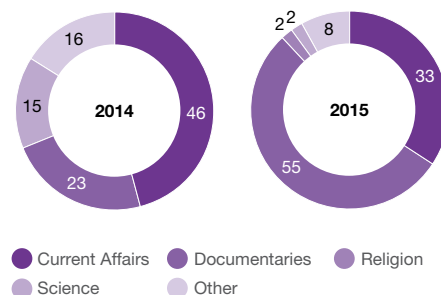
Range of international programming

Channel 4 shows programmes covering international topics across a wide range of genres. In 2015, there were 61 hours of first-run programmes with an international theme on the main channel (excluding *Channel 4 News*) and in the dedicated international documentary strand, *True Stories*, which runs across the main channel, More4 and Film4. This represented a 14% increase year-on-year.

There was a substantial increase in the contribution of Documentaries to Channel 4's international output, which represented 55% of the total hours of international programming in 2015 (up from 23% in 2014). As well as *True Stories* films, highlights included *The Tribe* and *Walking the Nile*. The next biggest category was Current Affairs, with 33% of the total (while Current Affairs programmes' share of total hours for all international programming fell by a significant amount in 2015, because the 2015 figure is a smaller percentage of a larger volume, in absolute terms the decline was modest – just 5 fewer hours). Along with the *Unreported World* strand, major international programmes in the year included *The Romanians Are Coming* and *Frontline Fighting: The Brits Battling Isis*. International highlights in other genres included *My Son the Jihadi*.

While some broadcasters are entirely reliant on the United States for their acquired TV programmes and films, Channel 4 showcases a diverse range of content from around the world. In 2015, there were 126 hours of first-run foreign-language TV shows and films across the TV portfolio (2014: 119 hours). Highlights on the main channel included French drama *Witnesses*, which launched with more than 1 million viewers, and a season of recent Bollywood blockbusters. On the Film4 channel, a total of 784 hours of films (first-runs and repeats) from outside the UK and US were shown, including both English-language and foreign-language titles (2014: 781 hours).

Genres covered by international-themed originations on Channel 4 (main channel) as a percentage of total first-run hours



Source: Channel 4

109hrs

of first-run
originations covering
diversity issues on the
main channel
-8% on last year



CULTURAL DIVERSITY

Diversity output on the main channel

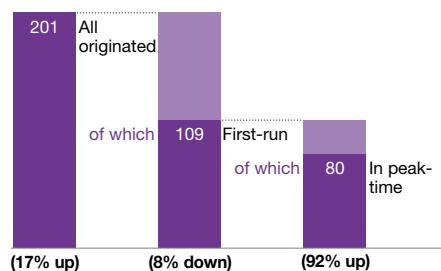
In 2015, Channel 4 showed 201 hours of originated programmes on the main channel whose subject matter covered diversity issues (i.e. religion, multiculturalism, disability or sexuality). 109 of these originated hours were first-run programmes, and 80 of the first-run hours related to programmes that were shown in peak-time, including *Holocaust: Night Will Fall* (Religion), *Things We Won't Say About Race That Are True* (multiculturalism), *The Last Leg* (disability) and *Muslim Drag Queens* (sexuality).

There was a 17% increase in the total amount of originated diversity-related programming shown on the main channel in 2015. After last year's big increase in the volume of first-run originated diversity-related programming, due to the coverage of the *Sochi 2014 Paralympic Winter Games*, this figure fell back in 2015, dropping by 8% year-on-year – though it remained above the level in 2013 of 103 hours. The amount of first-run diversity programming shown in peak-time almost doubled in 2015, increasing by 92%, as Channel 4 broadcast a range of new shows such as *Indian Summers*, *Cucumber* and *The Autistic Gardener*.

Channel 4's impact on diversity includes far more than the programme commissions covered by these figures. The organisation continues to support a range of initiatives targeted at helping people from different backgrounds develop their careers in television, including its 4Talent Pop-Up events, the Rio Production Training Scheme and a number of apprenticeship programmes.

In addition, Channel 4 is one of the broadcasters supporting Diamond, the new cross-industry diversity monitoring system being developed through the Creative Diversity Network. Read more about our work on diversity on page 44.

Total hours of programming covering diversity issues shown on the main channel (2015 with trends relative to 2014)



Source: Channel 4

Film

Output on the Film4 channel

36%

from outside the US

20%

from the UK



CULTURAL DIVERSITY

Diversity of Film4 channel schedule

Whereas mainstream film channels tend to rely predominantly on Hollywood studio titles, the Film4 channel showcases a diverse and alternative range of films from the UK and around the world. In 2015, 20% of its output comprised British films, including those co-funded by Film4 Productions (2014: 21%). These British films, along with those from continental Europe and other parts of the world outside the US, together accounted for 36% of output on the channel. This is a decrease of 1 percentage point on the corresponding figure for 2014. (Note that this figure includes films that were co-productions between the US and other countries; in 2015, 6% of output on the channel comprised US/non-US co-productions compared to 5% in 2014.)

In 2015, Film4 curated a season of seven films from Werner Herzog, the maverick director whose work continues to inspire new generations of film fans and film-makers. Other highlights on the channel were the premiere at 9pm of the multi-award-winning *Amour*; the most comprehensive Studio Ghibli season ever assembled in the UK, with 22 animated fantasies including the last ever film by founder Hayao Miyazaki; and an immersive, totally break-free premiere of Film4 Productions' *Under the Skin*, director Jonathan Glazer's haunting and unclassifiable sci-fi mystery.

News and Current Affairs

358

Long-form News and Current Affairs programmes in peak-time

+8% on last year



STIMULATE DEBATE

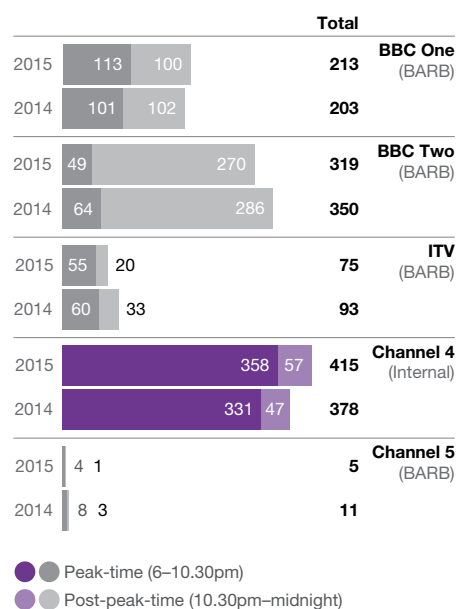
Commitment to long-form journalism

The transmission of News and Current Affairs programmes with extended running times allows topics to be covered in greater depth. Channel 4 believes that it is especially important to offer such programmes at a time when citizens are increasingly consuming news from a greater range of platforms, including digital and social media, many of which focus on short-form content that does not offer comparable levels of rigour and analysis.

In 2015, Channel 4 showed 358 'long-form' News and Current Affairs programmes – defined as those running for at least 45 minutes (for News) and 15 minutes (for Current Affairs) – in peak-time on the main channel (using Ofcom's definition of peak-time, which runs from 6–10.30pm). This represents an 8% increase relative to the corresponding figure for 2014. Channel 4 showed substantially more long-form News and Current Affairs programmes in peak-time than the other main PSB channels combined (which showed 221 programmes between them).

Including the period running up to midnight, the corresponding figure for Channel 4 was 415 titles. This was 10% up year-on-year, with the number of post-peak-time long-form News and Current Affairs programmes up by 21%. This total (from 6pm–midnight) was greater than the corresponding number for any of the other main PSB channels. The channel with the next highest number of titles was BBC Two, with 319 long-form News and Current Affairs programmes (96 fewer than Channel 4). Of these, only 49 were in peak-time; the bulk of its total was accounted for by *Newsnight*, which runs in the post-peak-time period.

Number of long-form News programmes and single story Current Affairs programmes with a duration of at least 45 minutes and 15 minutes respectively shown on the main channel between 6pm and midnight



Source: Channel 4, BARB (other channels)

Making an impact

Making an impact

 annualreport.channel4.com

Reputational impact

Channel 4 measures its public value impact by looking at audience perceptions against key reputational statements linked to its public service remit. The main channel consistently outperforms the other main PSB channels on these statements, providing clear evidence of its distinctiveness compared to other broadcasters. In 2015, audience perceptions of Channel 4's remit delivery were at an all-time high, reflecting the success of the creative renewal strategy: the majority of the reputational trackers were at their highest-ever levels, and the average across the statements was higher than at any time since Channel 4 began reporting them in 2008.

As Channel 4 typically leads the other channels on these metrics by a significant margin, we also look at variations in performance each year by highlighting the main channel's leads over the average for the other main PSB channels. In 2015, Channel 4's most emphatic leads were for "taking risks that others wouldn't" (a lead of 38 percentage points), "tackling issues other channels wouldn't" (36 points), being the 'home for alternative voices' and "taking a different approach to subjects compared to other channels" (both 29 points).

This year, the main channel increased its lead over the average for the other PSB channels for 7 of the 12 reputational statements, relative to 2014, with its lead increasing by up to 3 percentage points, for "challenging prejudice". With the lead for two further statements holding level, this means that in 2015 Channel 4 maintained or increased its lead over the average for the other channels for 75% of the reputational statements (nine out of 12). For the other three statements, its lead only fell by 1 percentage point in each case. On average, across the 12 reputational statements, Channel 4's lead over the average for the other main channels was 27 percentage points, 1 point higher than in 2014.

Channel 4 occupies a unique position in the broadcasting ecosystem: as a mass-market channel reaching large audiences every day, whilst also engaging with groups that other public service broadcasters ('PSBs') find it harder to connect with. Across all audience groups, it delivers public value by being alternative and diverse, taking risks, challenging preconceptions and inspiring change.

Television

While viewing in the digital TV space continues to fragment, Channel 4's main channel grew its viewing share by 1% year-on-year – its first share increase since 2006. It performed even better in peak, with an 8% increase in viewing share between 8pm and 11pm; by contrast, viewing to the other main PSB channels was flat or down year-on-year during these hours.

The Channel 4 portfolio was watched by 84% of all TV viewers every month in 2015 – behind only the BBC and ITV amongst the UK broadcasters. This was 1.4 percentage points down year-on-year, in line with the other PSBs, which all suffered declines (of between 0.8 and 1.9 percentage points) as competitive pressures from other digital channels grew.

Channel 4 seeks to engage with hard-to-reach audiences, including young adults and black and minority ethnic ('BAME') groups. We are the only PSB that attracts a significantly larger share of viewing amongst 16–34-year-olds than across the overall UK population, with a 16.5% share amongst this age group across the TV portfolio in 2015 (3% down on last year's 17% share). Amongst BAME groups, Channel 4's TV portfolio viewing share was 10.1% (also 3% down on last year's 10.4% share), and BAME audiences continued to account for a larger proportion of Channel 4's audience than for the audiences of other PSBs.

News and Current Affairs are central to Channel 4's remit. In 2015, over 8 million people watched *Channel 4 News* each month. This was 1% up on the 2014 figure, the first annual increase since 2008. BAME viewers and 16–34-year-olds accounted for a larger proportion of the *Channel 4 News* audience than for the news programmes on the other main PSB channels. These figures were stable in 2015. 16–34-year-old viewing fell by 1 percentage point year-on-year, while BAME viewing was level. *Channel 4 News* also continued to outperform the other main broadcasters' news programmes in terms of viewers' perceptions of their independence from the government and from the influence of big business.

We look at five reputational statements covering the approach and subject matter of the main PSB channels' Current Affairs programmes and strands. Across these statements, *Unreported World* and *Dispatches* had, respectively, the highest and second-highest average scores. *Unreported World* ranked in first place for "showing stories about parts of the world you would rarely see on British TV", "making me see something in a different light" and "giving a voice to groups that aren't always heard in mainstream media".

Online

Channel 4 continued to evolve its presence in digital media in 2015, launching All 4 as the new online hub for its content, including long-form programmes (replacing 4oD), live streaming and digital-only content such as shorts. There were 508 million visits to Channel 4's websites and apps in 2015. Visits to apps rose by 14% year-on-year, but there was an overall decline of 7% in this metric, as website visits were down. 512 million programme views were initiated across all All 4-branded platforms (including PCs, smartphones, tablets, games consoles and connected TVs), 4% up on last year.

Channel 4 also increasingly seeks to use social networks to deliver news content to audiences, especially younger ones. *Channel 4 News* achieved more than 500 million video views on Facebook in 2015.

Audience feedback

Channel 4 draws on feedback from a variety of sources: its Viewer Enquiries Centre, monitoring of social media traffic, bespoke audience research, and information provided by registered online users, including the Core4 community. Alongside these, the 'Buzz' metric shows us which programmes people have talked about the most face-to-face or on social media. The average 'Buzz' score for the ten most talked-about programmes in 2015 was 74%, with *Sarah Beeny's Selling Houses* the most talked about show of the year.

Different voices

24pt lead

over average for other channels for showing different cultures and opinions

+1pt on last year

CULTURAL DIVERSITY

Key programme examples:

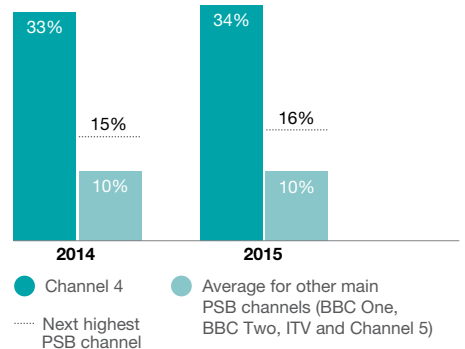
- Walking the Nile
- Gogglebox
- The Tribe
- The Romanians Are Coming

Channel reputations – shows different kinds of cultures and opinions

In 2015, 34% of all respondents selected Channel 4's main channel as being best for showing different kinds of cultures and opinions. This gave Channel 4 a substantial lead, of 24 percentage points, over the average for the other main PSB channels. This lead is 1 percentage point higher than the corresponding lead in 2014. Channel 4's lead over the next highest-scoring channel, BBC One, was 18 percentage points.

The proportion of people selecting Channel 4 rose by 1 percentage point year-on-year (2014: 33%), giving it the joint highest score that the main channel has achieved since Channel 4 began reporting this metric in 2008. Since Channel 4's creative renewal began to impact on the schedules in 2012, the proportion of people choosing the main channel for this metric has been stable (with small year-on-year variations) in the range of 32–34%, compared to the corresponding figures of 27–30% for the prior four years (2008–2011).

Shows different kinds of cultures and opinions



25pt lead

over average for other channels for challenging prejudice

+3pts on last year

CULTURAL DIVERSITY

Key programme examples:

- Cucumber
- Muslim Drag Queens
- The Romanians Are Coming

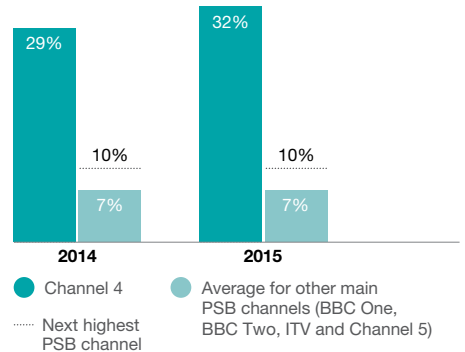
Channel reputations – challenges prejudice

Channel 4's role in challenging prejudice in society is arguably as important now as it ever has been – and its reputation on this metric reached new heights in 2015. 32% of respondents most associated programmes on Channel 4's main channel with challenging prejudice. Not only was this a significantly higher number than for any other channel, it also represented a marked year-on-year increase, and was the highest score that Channel 4 has achieved since it began reporting this metric in 2008.

Channel 4's score was 25 percentage points higher than the average for the other main PSB channels in 2015, a lead that is 3 percentage points higher than that in 2014. Its lead over the next highest channel, BBC One, was 22 percentage points, again 3 percentage points more than the corresponding lead in 2014.

The proportion of people selecting Channel 4 in 2015 was likewise 3 percentage points higher than the 2014 figure (of 29%), and 2 percentage points above the highest score that Channel 4 has previously achieved on this metric (30% in 2013).

Challenges prejudice



26pt lead

over average for other channels for showing the viewpoints of minority groups

+1pt on last year

CULTURAL DIVERSITY

Key programme examples:

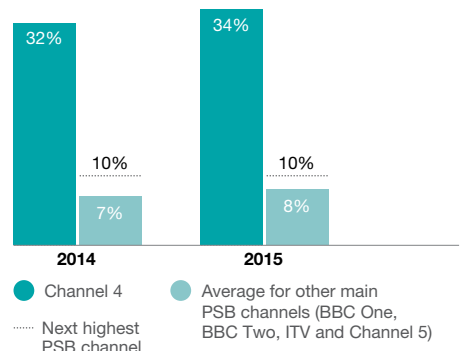
- Cucumber
- Kitchen Impossible with Michel Roux Jnr
- Muslim Drag Queens
- The Autistic Gardener

Channel reputations – shows the viewpoints of minority groups in society

Channel 4 seeks to give a voice to diverse groups in the UK, in particular those that tend to be under-represented on TV. This is reflected in its substantial – and growing – lead over other channels when viewers are asked which channel is best for showing the viewpoints of minority groups in society. In 2015, it achieved its highest score since this metric was first reported in 2012, with 34% of viewers selecting Channel 4's main channel over the other main PSB channels, 2 percentage points more than selected it last year. This gave Channel 4 a substantial lead of 26 percentage points over the average for the other channels (1 percentage point up on 2014), and a 24 percentage point lead over the next highest channel, BBC One (2 percentage points up on 2014).

Channel 4 also tracks which channel is best for showing the viewpoints of particular minority groups, and in 2015 the main channel significantly outperformed the other PSBs, and grew its score year-on-year, in each case. It was selected by 31% of viewers as being best for showing the viewpoints of different ethnic groups in the UK (up 1 percentage point year-on-year), giving it a lead of 23 percentage points over the average for the other main PSB channels. 31% of viewers thought Channel 4 was best for showing the viewpoints of gays and lesbians (up 3 percentage points), 26 percentage points above the average of the other PSB channels. And 27% of viewers thought Channel 4 was best for showing the viewpoints of disabled people (up 2 percentage points), giving it a 21 percentage point lead over the average of the other PSB channels.

Shows the viewpoints of minority groups in society



Different voices

29pt lead

over average for other channels for allowing people an alternative point of view

+2pts on last year



ALTERNATIVE VIEWS

Key programme examples:

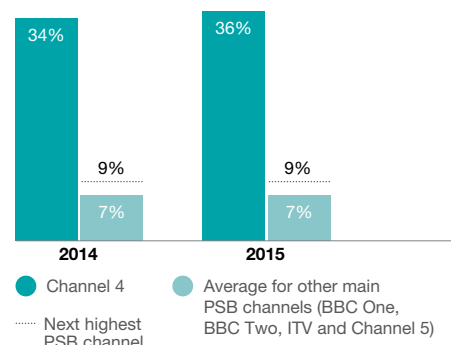
- The Tribe
- The Romanians Are Coming
- Muslim Drag Queens

Channel reputations – home for alternative voices

Channel 4 makes a vital contribution to the plurality of viewpoints and perspectives on UK television by providing a platform for alternative voices. Channel 4 consolidated its position as the home for alternative voices this year, 36% of respondents selected Channel 4's main channel as the home for alternative voices, a figure that is four times larger than the proportion selecting the next highest channel, Channel 5 (9% of people). The proportion picking Channel 4 was 29 percentage points higher than the average for the other main PSB channels.

The proportion of all respondents selecting Channel 4's main channel increased by 2 percentage points year-on-year, as did both its lead over the average for the other main PSB channels and its lead over the next highest PSB channel.

Home for alternative voices



Source: Ipsos MORI commissioned by Channel 4

Distinctive approaches

15pt lead

over average for other channels for making viewers think in new and different ways

+2pts on last year



INSPIRE CHANGE

Key programme examples:

- Humans
- Hunted
- My Son the Jihadist
- Jamie's Sugar Rush

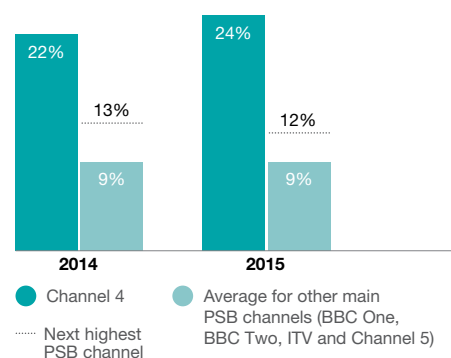
Channel reputations – makes me think about things in new and different ways

In 2015, Channel 4's main channel strengthened its lead over other channels as being best for making people think about things in new and different ways, achieving amongst the highest scores since Channel 4 began reporting this metric in 2008.

24% of respondents selected Channel 4's main channel as being best for making them think about things in new and different ways, 2 percentage points higher than the corresponding figure for 2014, and the joint-highest score achieved since 2008.

This gave Channel 4's main channel a lead over the average for the other main PSB channels of 15 percentage points. This also represents a year-on-year increase of 2 percentage points, and is the joint-highest lead Channel 4 has achieved since 2008. Channel 4's lead over the next highest channel, BBC Two, rose even further in 2015, by 3 percentage points. This gave Channel 4's main channel a 12 percentage point lead over the next highest channel, a stronger lead than at any time since 2008.

Makes me think about things in new and different ways



Source: Ipsos MORI commissioned by Channel 4

36pt lead

over average for other channels for tackling issues other channels wouldn't

-1pt on last year



DISTINCTIVE

Key programme examples:

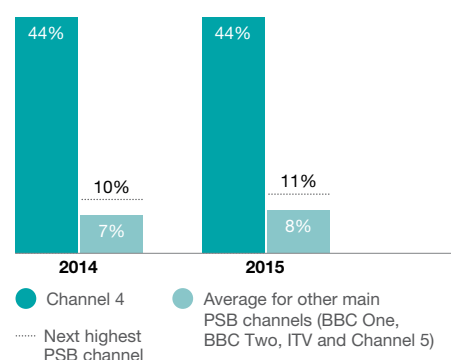
- Revenge Porn
- Sex in Class
- Born Naughty?

Channel reputations – tackles issues other channels wouldn't

Channel 4's main channel was selected by 44% of respondents as being best for tackling issues that other channels wouldn't in 2015 – one of the highest scores achieved in any of the reputational statements. The other main PSB channels were chosen by only 8% of people each on average, giving Channel 4 a huge lead of 36 percentage points. Its lead over the next highest channel, Channel 5, was only slightly lower, at 33 percentage points.

There was little year-on-year change in this metric. The proportion of people selecting Channel 4's main channel was level (2014: 44%), while its lead over the average for the other main PSB channels and its lead over the next highest channel both fell marginally, by 1 percentage point – albeit to levels that remain larger than for most of the other reputational statements. Overall, Channel 4's performance against this metric has been stable since it was first introduced in 2013, and annual variations continue to be within the range of ± 1 percentage point.

Tackles issues other channels wouldn't



Source: Ipsos MORI commissioned by Channel 4

Distinctive approaches

29pt lead

over average for other channels for taking a different approach to subjects compared to other channels

= with last year

DISTINCTIVE

Key programme examples:

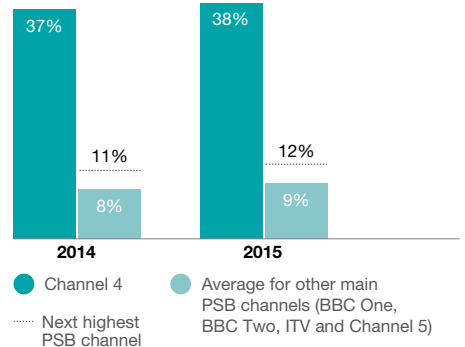
- The Secret Life of 4 Year Olds
- Sex in Class

Channel reputations – takes a different approach to subjects compared with other channels

For the third consecutive year, the proportion of people associating Channel 4's main channel with taking a different approach to subjects compared with other channels rose in 2015. The main channel was chosen by 38% of respondents for this reputational statement, its highest score since Channel 4 began reporting this metric in 2008. The proportion choosing Channel 4 was up by 1 percentage point year-on-year, and is now 9 percentage points higher than it was in 2012. Channel 4's lead over the average for the other main PSB channels was 29 percentage points, level with the corresponding lead in 2014, and remains the joint-highest lead since 2008 for this metric. Its lead over the next highest channel, Channel 5, was 26 percentage points, also level with the corresponding lead in 2014.

Channel 4's ongoing creative renewal succeeded in overturning modest declines between 2010 and 2012, and has driven significant increases since then, taking Channel 4's performance against this metric to new peaks. Over the last two years, this metric has begun to stabilise, after a period of more significant fluctuations, with annual variations within the range of ± 1 percentage point.

Takes a different approach to subjects compared with other channels



Source: Ipsos MORI commissioned by Channel 4

210

new or one-off programmes shown on Channel 4 between 6pm and midnight

+16% on last year

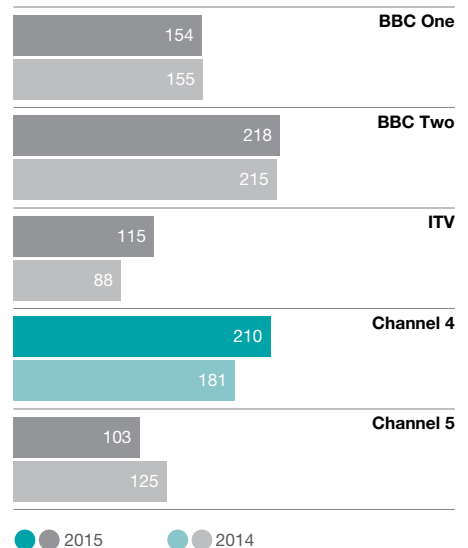
INNOVATE

New and one-off programming

As part of its commitment to experimentation, Channel 4 transmits significant numbers of new and one-off programmes. Focusing on the evening schedules between 6pm and midnight, when audiences are at their highest levels, there were 210 new and one-off programmes on the main channel in 2015. This figure is 16% up year-on-year, with significant growth in particular in the number of Documentary titles contributing to the total.

Only BBC Two showed more new and one-off programmes in the evening schedule than Channel 4 (218 titles, just eight more than Channel 4's total). Channel 4 remained ahead of all the other main PSB channels by substantial margins: it showed 56 more new and one-off titles than BBC One in its evening schedules, 95 more than ITV, and 107 more than Channel 5.

Number of new and one-off programmes shown on the main PSB channels between 6pm and midnight



Source: Attentional commissioned by Channel 4

38pt lead

over average for other channels for taking risks that others wouldn't

-1pt on last year

DISTINCTIVE

Key programme examples:

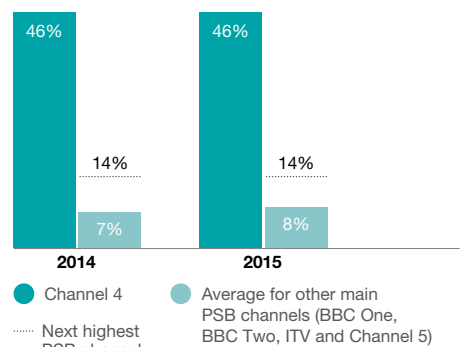
- Married at First Sight
- Revenge Porn
- Drugs Live

Channel reputations – takes risks with programmes that others wouldn't

In 2015, Channel 4's main channel was selected by 46% of respondents as being the one that, more than others, takes risks with programmes that others wouldn't – one of the largest figures for any of the reputational statements. Channel 4's lead over the average of the other main PSB channels was 38 percentage points, and it was 32 points ahead of the next highest channel, Channel 5.

There was very little change in Channel 4's performance against this metric year-on-year: the proportion of people choosing Channel 4, and its lead over the next highest channel, both held level compared to the corresponding 2014 figures. Channel 4's lead over the average for the other main PSB channels was 1 percentage point down, though this remains one of the largest leads for all the channel reputation statements. Overall, Channel 4's performance against this metric remains stable, and annual variations continue to be within the range of ± 1 percentage point.

Takes risks with programmes that others wouldn't



Source: Ipsos MORI commissioned by Channel 4

Distinctive approaches

28pt lead

over average for other channels for being experimental

= with last year



INNOVATE

Key programme examples:

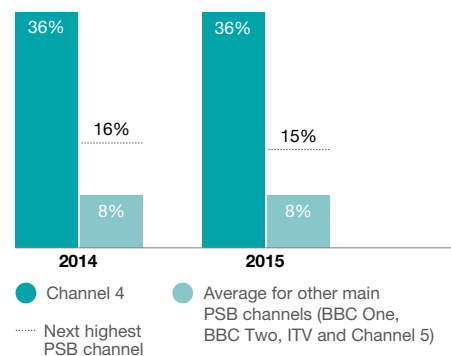
- The Secret Life of 4 Year Olds
- Hunted
- Married at First Sight

Channel reputations – is experimental

Channel 4's commitment to trying new things underpins its role as a creative greenhouse. In 2015, 36% of people associated Channel 4's main channel, over other channels, with being experimental. The proportion of people choosing Channel 4 was 28 percentage points higher than the average for the other main PSB channels, and 21 percentage points higher than the next highest channel, Channel 5.

There was very little year-on-year variation in this metric. The proportion of people selecting Channel 4's main channel was level with the 2014 figure, and its lead over the average for the other main PSB channels was also the same as in 2014. Channel 4's lead over the next highest channel increased by 1 percentage point, giving it the joint-highest lead since Channel 4 began reporting this metric in 2008. Overall, Channel 4's performance against this metric remains stable, and annual variations continue to be within the range of ± 1 percentage point.

Is experimental



Source: Ipsos MORI commissioned by Channel 4

Film

25pt lead

over average for other channels for being the best for modern independent film

-1pt on last year



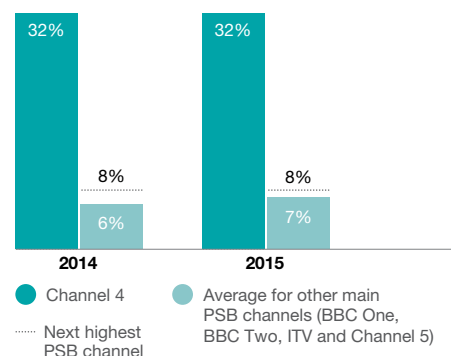
DISTINCTIVE

Channel reputations – is best for modern independent film

In 2015, 32% of respondents picked Channel 4's main channel as being best for modern independent film. Channel 4 had a lead of 25 percentage points over the average for the other main PSB channels, and a 24 percentage point lead over Channel 5, the next highest channel (no other PSB channel was selected by more than 8% of respondents). The most popular films on Channel 4 this year included premieres of Film4 titles *The Inbetweeners 2*, which drew 2.2 million viewers, and *Cuban Fury*, which was watched by 1.7 million people.

There was very little year-on-year variation in this metric. The proportion of people selecting Channel 4's main channel was level with the 2014 figure, while Channel 4's lead over the average for the other main PSB channels fell slightly, by 1 percentage point. Channel 4's lead over the next highest channel remained at the same level as in 2014, the joint-highest lead since Channel 4 began reporting this metric in 2008. Overall, Channel 4's performance against this metric remains stable, and annual variations continue to be within the range of ± 1 percentage point.

Is best for modern independent film



Source: Ipsos MORI commissioned by Channel 4

Factual

24pt lead

over average for other channels for being the best for documentaries that present alternative views

+1pt on last year



ALTERNATIVE VIEWS

Key programme examples:

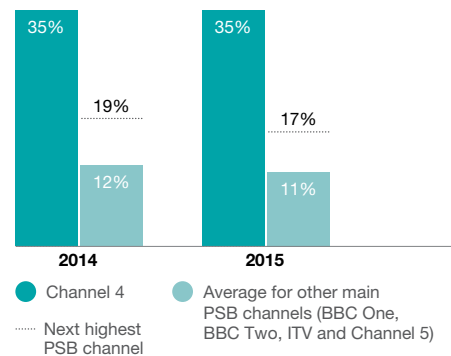
- Things We Won't Say About Race That Are True
- My Son the Jihadi
- The Stranger On The Bridge

Channel reputations – is best for documentaries that present alternative views

Channel 4 seeks to differentiate its documentary programmes from those of other broadcasters through their subject matter and approach, and in particular by presenting alternative views not often shown on television. Viewers continued to recognise Channel 4's distinctive approach in 2015, with 35% of respondents selecting the main channel as being best for documentaries that present alternative views. This represents a substantial lead, of 24 percentage points, over the average for the other main PSB channels, while the lead over the next highest channel, BBC Two, was 18 percentage points.

The proportion of people choosing Channel 4's main channel was level year-on-year, the joint-strongest performance since this metric was first reported in 2010. Channel 4's lead over the average of the other main PSB channels rose by 1 percentage point year-on-year, and its lead over the next highest channel (BBC Two) was up by 2 percentage points – taking Channel 4's leads over the other channels to their highest levels since 2010.

Is best for documentaries that present alternative views



Source: Ipsos MORI commissioned by Channel 4

Factual

63%

of viewers said that Channel 4's factual programmes inspired change in their lives

-4pts on last year

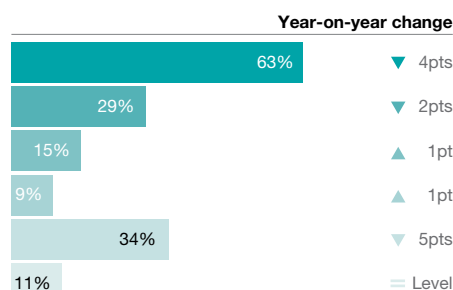


Inspiring change through factual programming

In line with its public remit, Channel 4 seeks to inspire people to make changes in their lives through its Factual programming. Programmes may encourage people to think about things in new and different ways, or think about making changes in their own lives. They may also inspire more active engagement: encouraging people to talk about the subjects of the programmes to other people, or to seek out further information. At their most engaging, programmes can lead to people actually trying something new or different. 63% of viewers said that Channel 4's Factual programmes inspired them in one or more of these ways in 2015. The most inspiring programme this year was *The Stranger on the Bridge*, the true story of a man's search to find the stranger who talked him out of jumping off Waterloo Bridge – 81% of respondents who watched this programme agreed that it had inspired change in their lives in some form.

There was a 4 percentage point year-on-year fall in the proportion of respondents who said that Channel 4's factual programmes inspired them in some way in 2015, with declines in the scores for some long-running returning shows.

Percentage of viewers who said that Channel 4's factual programmes inspired change in their lives



- Any inspiring change statement(s)
- It made me think about its subject in new and different ways
- It made me think about changing something in my own life
- I tried something new or different after watching this programme
- I talked about the programme to other people
- I looked for further information elsewhere after watching this programme

Source: Ipsos MORI commissioned by Channel 4

News and Current Affairs

81%

of Channel 4 News viewers regard it to be independent from Government

+4pts on last year



Independence of TV news

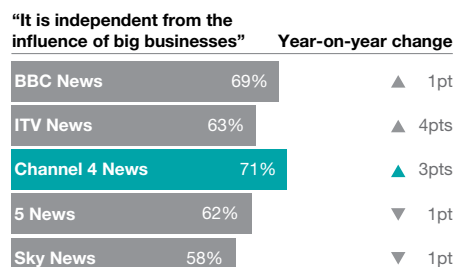
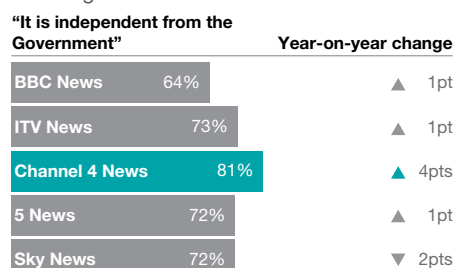
In 2015, *Channel 4 News* reinforced its reputation as the news programme most associated by viewers with being independent from both the government and the influence of big businesses.

81% of regular viewers to *Channel 4 News* regarded it as being independent from the government. This was 11 percentage points more than the average for the other main PSBs' news programmes and *Sky News*, and 8 percentage points more than the corresponding figure for *ITV News*, which was the next highest scoring broadcaster.

71% of regular news viewers to *Channel 4 News* agreed that it is independent from the influence of big businesses in 2015, 8 percentage points more than the average for the news programmes on the other main broadcasters' channels, and 2 percentage points more than the corresponding figure for *BBC News*, which was the next highest scoring broadcaster.

Channel 4 News' scores increased in 2015 on both of these measures: by 4 percentage points for being independent from the government and by 3 percentage points for being independent from the influence of big businesses. *Channel 4 News* also increased its leads over the other broadcasters. For the proportion of regular viewers who believe news programmes to be independent from the government, *Channel 4 News*' lead over the average for the other broadcasters' news programmes rose by 4 percentage points, and its lead over the next highest-scoring news programme (*ITV News* in 2015, *Sky News* in 2014) rose by even more, 5 percentage points. For the proportion who believe news programmes to be independent from the influence of big businesses, *Channel 4 News*' lead over the average of the other broadcasters' news programmes rose by 2 percentage points, and its lead over the next highest-scoring broadcaster (*BBC News* in both years) rose by 2 percentage points. In 2015, *Channel 4 News*' viewing share increased by 7%.

Percentage of regular viewers to TV news programmes in 2015 who agree with the following statements:



Source: Ipsos MORI commissioned by Channel 4

News and Current Affairs

45%

The average programme reputation statement for *Unreported World*

-1pt on last year

40%

The average programme reputation statement for *Dispatches*

-2pts on last year



STIMULATE DEBATE



EDUCATIONAL



ALTERNATIVE VIEWS



INSPIRE CHANGE

Programme reputation statements – Current Affairs

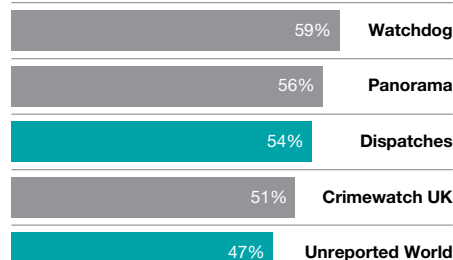
There are variations in both approach and subject matter in the PSBs' Current Affairs output. Channel 4's two main current affairs strands, *Dispatches* and *Unreported World*, place a particular emphasis on investigative journalism, on challenging viewers to see things differently, on giving a voice to those who might not otherwise be heard and, especially in *Unreported World*, on providing a window on the wider world. Through its one-hour specials, it also commits to delivering in-depth coverage for important stories. Channel 4's strengths in these areas are highlighted by five audience reputational statements that assess perceptions of the Current Affairs programmes – both regular strands and one-offs – on the main PSB channels. *Unreported World* and *Dispatches* continued to score higher on average than any of the other PSBs' Current Affairs programmes and strands (with *Panorama*, on BBC One, coming in third place).

In 2015, *Unreported World* scored higher than any other Current Affairs programme or strand on three of the five reputational statements, for: “showing stories about parts of the world you would rarely see on British TV” (selected by 52% of respondents), “making me see something in a different light” (42% of respondents), and “giving a voice to groups that aren't always heard in mainstream media” (43% of respondents). Across the five statements, its average score was 45%, the highest of any Current Affairs programme or strand on any of the main PSB channels.

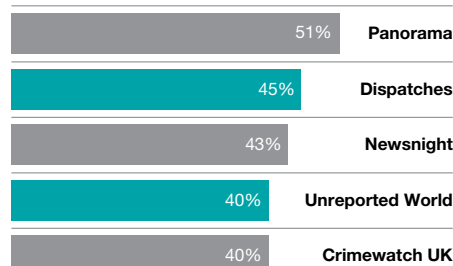
Dispatches was rated in the top three places in four of the five reputational statements (and in fourth place for “showing stories about parts of the world you would rarely see on British TV”). Its average score across the five statements was 40%, the second highest average score of all the Current Affairs programmes and strands, behind *Unreported World*.

There were small variations relative to the 2014 figures. The average scores across the five statements for *Unreported World* and *Dispatches* both fell slightly year-on-year, by 1 and 2 percentage points respectively.

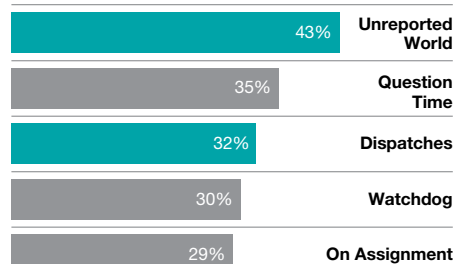
Uncovers the truth



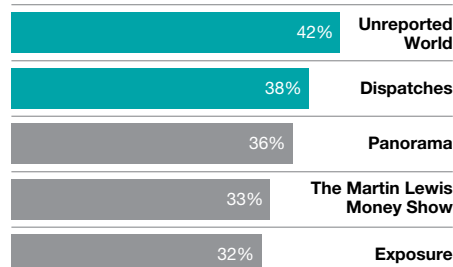
Covers things in great depth



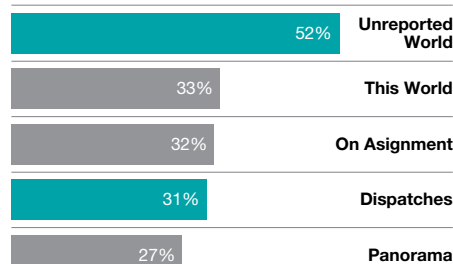
Gives a voice to groups that aren't always heard in mainstream media



Made me see something in a different light



Shows stories about parts of the world you would rarely see on British TV



● Channel 4 shows ● Other broadcasters' shows

Source: Ipsos MORI commissioned by Channel 4

Engaging the audience

83.8%

of all TV viewers
reached every month
across Channel 4's
TV channels

-1.4pts on last year



AUDIENCE IMPACT

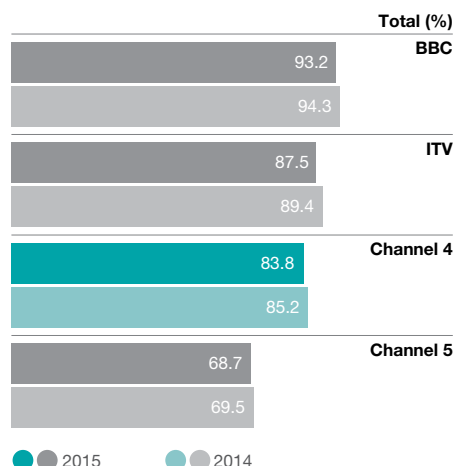
Audience reach

Across its portfolio of TV channels, Channel 4 has the third highest reach of all the UK broadcasters, behind the BBC and ITV, and well ahead of fourth placed Channel 5. The BBC, ITV and Channel 4 are the only UK broadcasters that reach more than three-quarters of all UK viewers every month. 83.8% of all TV viewers watched Channel 4's TV channels for at least 15 consecutive minutes each month on average in 2015. Reach for the main channel alone was 75.9%, while Channel 4's digital TV channels together reached 62.4% of viewers.

In an ever more competitive digital TV landscape, Channel 4's total TV portfolio reach fell by 1.4 percentage points compared to the 2014 figure. For the fourth successive year, all the PSBs suffered declines in reach in 2015, which ranged between 0.8 and 1.9 percentage points.

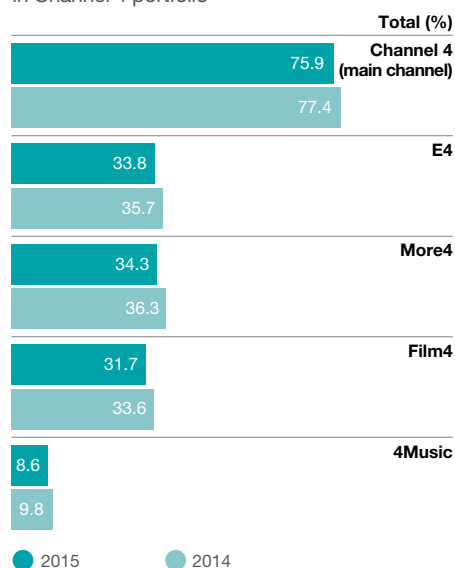
Looking at the individual channels in the Channel 4 TV portfolio, the main channel experienced a year-on-year fall in reach of 1.5 percentage points (a smaller decline than in the previous two years). Each of the digital channels saw declines of between 1.3 and 2.0 percentage points. Taken together, the digital channels marginally increased their contribution to Channel 4's overall portfolio reach in 2015.

Average monthly reach of PSBs' TV portfolios



Source: BARB, 15 minute consecutive, average monthly reach, all people

Percentage reach of individual TV channels in Channel 4 portfolio



Source: BARB, 15 minute consecutive, average monthly reach, all people. See online methodology for further details

Engaging the audience

10.6%

viewing share across the TV channel portfolio

-2% on last year



AUDIENCE IMPACT

TV viewing share

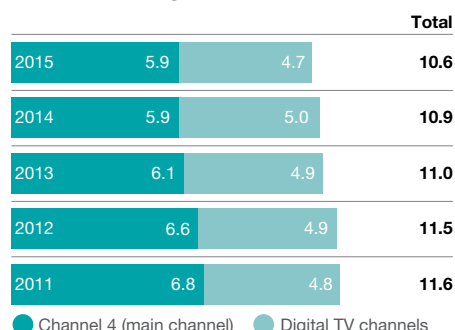
Channel 4's TV channel portfolio achieved a total viewing share of 10.6% in 2015. The main channel's share was 5.9%, while the digital channels had a combined share of 4.7%. E4 was the biggest digital channel, with a 1.9% viewing share, followed by Film4 (1.4%), More4 (1.1%) and 4Music (0.3%).

The main channel's viewing share grew by 1% year-on-year (from 5.87% to 5.92% of viewers; these figures are rounded to one decimal place in the chart). This is the first time the main channel has increased its viewing share since 2006, an impressive performance given that viewing in the digital TV space continues to fragment. Between 8pm and 11pm, there was a substantial increase in viewing to the main channel, of 8%; by contrast, viewing to the other main PSB channels was flat or down year-on-year during these hours.

Across the portfolio, Channel 4's total viewing share fell year-on-year by 2%, equivalent to 0.3 percentage points. This decline was accounted for by a corresponding 0.3 percentage point drop in viewing to the digital channels, with marginal declines – of 0.1 percentage point – in each of the viewing shares of E4, More4 and Film4.

The main channel accounted for 56% of total viewing to the Channel 4 TV portfolio in 2015, up from 54% in 2014. This reflects the impact of Channel 4's strategy this year to focus its budget more on programmes on the main channel, where they typically attract the largest audiences.

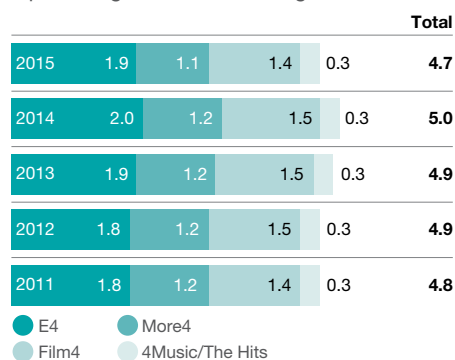
Channel 4 portfolio share as a percentage of total TV viewing



Source: BARB

Channel 4 2012 data includes the Paralympics channels. See online methodology for further details

Viewing share of digital channels as a percentage of total TV viewing



Source: BARB

Channel 4 2012 data includes the Paralympics channels. See online methodology for further details

Engaging the audience

10.1%

portfolio viewing
share amongst
BAME audiences

-3% on last year

 CULTURAL DIVERSITY

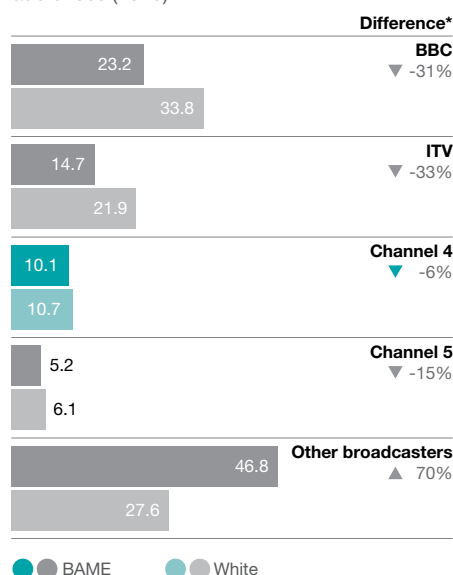
Share amongst hard to reach audiences – BAME

Channel 4's remit requires it to make programmes that appeal to people from different cultural backgrounds, and it is particularly important for the broadcaster to attract ethnic minority audiences. Achieving this is challenging, given that viewers from BAME groups watch disproportionately high levels of digital channels, as a result of which their viewing to the PSBs' channels tends to be lower on average than that of white viewers.

In previous years, Channel 4 has had a smaller differential between its TV portfolio viewing shares amongst BAME and white viewers than that of any of the other PSBs – meaning that BAME audiences represent a higher proportion of Channel 4's total audience than they do of the total audience of other PSBs. This remained the case in 2015. Its TV portfolio share amongst BAME audiences was 10.1%, while the corresponding share amongst white audiences was 10.7%. This gives a differential of 6%, considerably lower than the corresponding BAME/white viewing differentials for the TV portfolios of the other PSBs, which ranged from 15% to 33%.

Relative to the previous year's figures, Channel 4's portfolio viewing share amongst BAME audiences fell by 3%. The 6% viewing differential between BAME and white audiences is marginally higher than the corresponding 5% differential recorded in 2014.

Public service broadcasters' portfolio viewing shares amongst white and BAME audiences as a percentage of total TV viewing by those audiences (2015)



Source: BARB

* Viewing by BAME audiences compared to viewing by white audiences

16.5%

portfolio viewing
share amongst
16–34-year-olds

-3% on last year

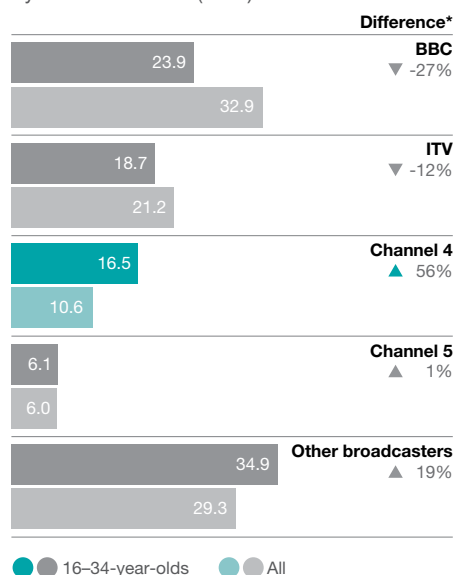
 CULTURAL DIVERSITY

Share among hard to reach audiences – 16–34-year-olds

Channel 4 consistently attracts to its TV channels a disproportionately large share of viewing amongst hard-to-reach 16–34-year-olds. In 2015, Channel 4's viewing share amongst 16–34-year-olds was 16.5% (2014: 17.0%) across its TV channel portfolio. This represented a small year-on-year decline, of 3%.

Channel 4's viewing share amongst 16–34-year-olds was 56% higher than its corresponding all-audience share in 2015, making it the only PSB to attract significantly greater viewing amongst this age group than across the general population. By contrast, ITV's 16–34 share was 12% less than its all-audience portfolio share, and the BBC's was 27% less. Channel 4's relative appeal to young audiences was stable this year: the 56% differential between 16–34-year-olds and all audiences is the same as in 2014.

Public service broadcasters' portfolio viewing shares among 16–34-year-olds and all audiences as a percentage of total TV viewing by those audiences (2015)



Source: BARB

* Viewing by 16–34-year-olds compared with all audiences

Engaging the audience

5.1%

viewing share for E4 amongst 16–34-year-olds

-8% on last year



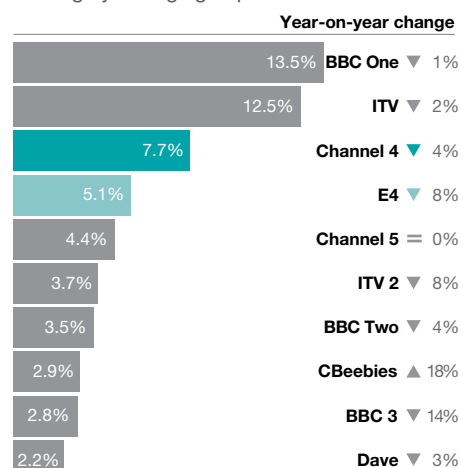
AUDIENCE IMPACT

Most popular channel for young viewers

In 2015, E4 remained the most-watched digital TV channel, and the fourth most popular TV channel overall in the UK, amongst 16–34-year-olds. Its 5.1% viewing share put it behind only BBC One, ITV and Channel 4, and ahead of the other two main PSB channels, BBC Two and Channel 5. E4's viewing share was down year-on-year, by 8%, as some popular US acquired series (such as *How I Met Your Mother*) came to an end in 2014, and viewing to *Hollyoaks* in 2015 fell back after delivering record ratings the year before. Nonetheless, E4's viewing share remained at the joint second-highest level since 2009.

Channel 4's main channel also performs disproportionately well amongst 16–34-year-olds, for whom it is the third most popular TV channel. It achieved a 7.7% share in 2015, 4% down on its 2014 level.

Viewing share for the top ten channels amongst 16–34-year-olds as a percentage of total viewing by this age group



Source: BARB

16%

of viewing to *Channel 4 News* programmes on the main channel in 2015 accounted for by viewers aged 16–34-year-olds

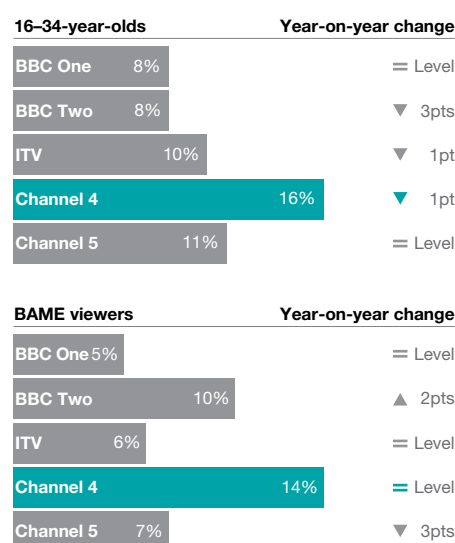
-1pt on last year

Viewing to national news

Channel 4's main evening news programme continues to appeal to young and BAME audiences, relative to news programmes on the other main PSB channels. Young audiences aged 16–34 accounted for 16% of viewing to *Channel 4 News* in 2015, compared to shares of just 8–11% of viewing to the national news programmes on the other main PSB channels. Viewers from BAME groups represented 14% of all viewing to *Channel 4 News* – the joint-highest figure achieved on this metric since 2009, and broadly in line with this group's representation in the UK population. The other main PSB channels had disproportionately low shares of BAME viewing to their news programmes, ranging from 5% to 10%.

There continues to be little year-on-year variation in these figures. The proportion of viewing to *Channel 4 News* accounted for by 16–34-year-olds fell by 1 percentage point in 2015, while the proportion of BAME viewers was level with the 2014 figure.

Percentage of viewing to national news programmes on the main PSB channels in 2015 accounted for by 16–34-year-olds and BAME viewers



Source: BARB

14%

of viewing to *Channel 4 News* programmes on the main channel in 2015 accounted for by BAME viewers

Flat on last year



DISTINCTIVE

8.2m

people watched *Channel 4 News* each month

+1% on last year

Reach of *Channel 4 News*

In 2015, *Channel 4 News* was watched (for at least 15 consecutive minutes) by an average of 8.2 million people a month. This represented a small increase in the programme's reach over the 2014 level, of 1% – the first time that *Channel 4 News* has grown its reach year-on-year since 2008. In terms of viewing share, *Channel 4 News* increased its share by 7% in 2015 over the 2014 level, the second successive year in which its share has increased.



DISTINCTIVE

Engaging the audience

19pt lead

over average for other channels for catering for audiences other channels don't cater for

+1pt on last year



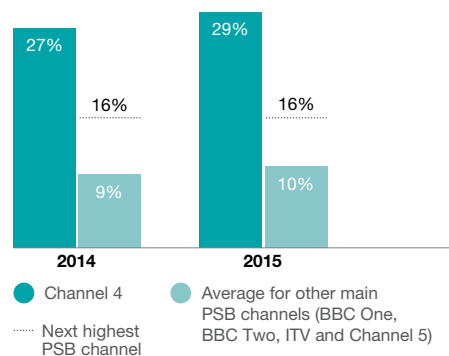
CULTURAL DIVERSITY

Channel reputations – caters for audiences other channels don't cater for

In 2015, Channel 4's main channel consolidated its reputation for being best for catering for audiences other channels don't cater for, with 29% of respondents selecting it over the other main PSB channels – giving Channel 4 its joint highest score since it began reporting this metric in 2008. This was 19 percentage points more than chose the average of the other main PSB channels, and 13 percentage points more than the next highest channel (Channel 5).

The proportion of people selecting Channel 4, and its leads over the other channels, all increased in 2015. There was a 2 percentage point increase both in the overall proportion of people selecting Channel 4, and in Channel 4's lead over the next highest PSB channel, while Channel 4's lead over the average for the other main PSB channels was up by 1 percentage point.

Caters for audiences other channels don't cater for



Source: Ipsos MORI commissioned by Channel 4

512m

programme views initiated on All 4

+4% on last year



DIGITAL

On-demand viewing

In 2015, Channel 4 re-launched 4oD, its video-on-demand service, as All 4. 512 million programme views were initiated across all All 4-branded platforms – including PCs, smartphones, tablets, games consoles and connected TVs. This represents an increase, of 4%, on the corresponding 2014 figure.

On-demand viewing rose in 2015 across a range of platforms. The number of on-demand views more than doubled on FreeSat and Roku devices, while the strongest growth in absolute terms was on Sky Anytime+.

Note: this metric has been respecified to cover All 4-branded platforms only. It no longer includes third-party SVOD or download-to-own platforms such as Netflix, Amazon Prime or iTunes. For this reason, the 2014 figure has been restated from 587m to 492m. See online methodology for further details.

Programme views initiated on All 4 (m)



Source: Channel 4

508m

total visits to Channel 4's websites and apps

-7% on last year



DIGITAL

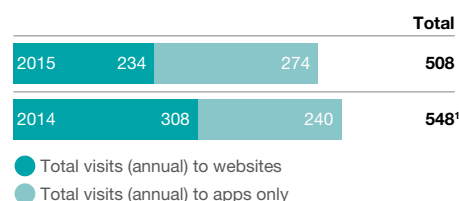
Total visits to Channel 4's websites and apps

Channel 4's websites and apps attracted 508 million visits in 2015, representing a fall of 7% year-on-year. Channel 4's apps – which accounted for 54% of the total – saw a significant increase in the number of visits, 14% up on the 2014 level, as an increasing number of viewers choose to watch Channel 4 content via dedicated apps on smartphones, tablets and connected TVs.

To ensure they have an optimal experience, Channel 4's websites point viewers towards the All 4 app when they try to watch video content on mobile devices. This would then be counted as multiple visits. Given that more people are accessing our content directly from apps rather than via .com – visits to Channel 4's websites were down by 24% year-on-year – we would expect to see an overall decline in this metric.

1 Note: the 2014 data have been restated to remove duplications. See online methodology for details.

Total visits to Channel 4's websites and apps (m)



Source: Channel 4

Engaging the audience

74%

average 'Buzz' score for Channel 4's ten most talked about programmes

+1pt on last year



STIMULATE DEBATE

Producing talked about TV

Channel 4 aims to make an impact with its programming in part by engaging viewers, inspiring conversations and stimulating debate – both in social media and the 'real' world. 'Buzz' scores help Channel 4 to assess audience reactions to its programmes: based on a daily survey of around 1,000 respondents, they track the proportion of Channel 4 viewers who said they talked about programmes that they watched, or commented on them on social media, including Facebook and Twitter.

The average 'Buzz' score for the ten most talked-about programmes across Channel 4's TV portfolio in 2015 was 74%, 1 percentage point higher than in 2014. *Sarah Beeny's Selling Houses* – in which Sarah Beeny travels around the country, allowing home sellers check out rival vendors' properties for inspiration – was the most talked-about programme of the year, with 81% of its viewers talking about it or commenting online. This was a higher figure than that for the most talked-about show last year, which had a 79% 'Buzz' score. Property programmes performed especially well in 2015: *A Place in the Sun* – in which experts give advice to house hunters looking for dream holiday homes in Europe – was the second most talked-about show of the year.

The Top ten was dominated by factual shows, with audiences engaged or inspired by a wide range of topics – including pets (*The Supervet*, *Crufts*), children (*The Secret Life of 5 Year Olds*, *Gogglesprogs*) and the natural world (*Great Canal Journeys*, *The World's Weirdest Weather*). On the digital channels, E4's *Tattoo Fixers* – in which tattoo artists transform extreme inking disasters – resonated particularly strongly with young audiences.

Programme	2015 Buzz (%)
Sarah Beeny's Selling Houses	81
A Place in the Sun	78
The Supervet	75
Tattoo Fixers	75
Channel 4 Racing	73
The World's Weirdest Weather	73
Crufts	72
Great Canal Journeys	71
The Secret Life of 5 Year Olds	70
Gogglesprogs	70
Average 'Buzz' score ¹ for 2015 top 10 programmes	74
Average 'Buzz' score ¹ for 2014 top 10 programmes	73

¹ 'Buzz' measures the proportion of viewers who had talked or communicated about the programme in some way.

Source: Ipsos MORI commissioned by Channel 4

68%

of total viewing across the main channel, E4 and More4 accounted for by network originations

+4pt on last year

Viewing to network originations

'Network originations' – programmes commissioned by Channel 4 and transmitted on any of the channels in its TV portfolio – accounted for 68% of total viewing to the main channel, E4 and More4 in 2015. This represented an increase of 4 percentage points year-on-year.

In volume terms, network originations represented 63% of all hours across the schedules of the main channel, E4 and More4 in 2015 (up 2 percentage points year-on-year). Comparing these two figures, as network originations accounted for a higher share of viewing (68%) than their corresponding share of the volume of programming (63%), it follows that they outperformed acquired programmes, by accounting for a disproportionately high share of overall viewing.

Overall, Channel 4's network originations accounted for 6.2% of total TV viewing in the UK in 2015. This is an increase, of 5%, on the corresponding 2014 viewing share, and is the highest level since 2012.


Note that the Film4 channel is excluded from this metric as, by its nature, its output is primarily made up of acquired feature films.

Spotlights



Spotlight General Election 2015

Ballot Monkeys

 annualreport.channel4.com

With a remit to provide alternative views, stimulate debate and engage with younger audiences the general election was an important moment to engage the UK's youth in politics and the issues that affect their lives.

For 2015's General Election, we pulled out all the stops, starting with shutting-down E4 – the biggest digital channel for 16–34-year-olds – to encourage young people to vote. Regular programming was replaced by footage of 'Darren', the man who keeps E4 on air by controlling the on/off switch. Viewers were informed that "E4 is currently closed for voting. We're back at 7pm. Because there's nothing more important than democracy. Well, democracy and Hollyoaks". Incredibly, 1.5 million people tuned into E4 between 7am–7pm despite the channel being shut down. It was the first time in history that a UK channel stopped broadcasting programmes to encourage people to go out and vote.

6.8m

VIEWERS FOR THE ALTERNATIVE
ELECTION NIGHT

On election night, we aired our Alternative Election Night featuring an all-star cast including Jeremy Paxman, David Mitchell and Romesh Ranganathan. 6.8 million viewers tuned in to watch, equating to 12% of the TV viewing population: 76% of those who tuned in were 16–34-year-olds. Our coverage reached more 16–34-year-olds than any other commercially-funded channel's coverage on Election Night.

In the run-up to polling day, we also aired *Cameron & Miliband Live: The Battle for Number 10*. Led by Jeremy Paxman, the programme gave viewers a chance to compare the policies of the two men who could be Prime Minister, and had the highest proportion of 16–34-year-olds than any of the other main debates (24.6%).

In order to broaden the reach of our coverage and maximise the engagement of younger audiences we also aired programmes across a range of different genres including comedy *Ballot Monkeys*, which was written and produced on the day it aired to ensure that it remained as topical as possible, drama *Coalition*, which explored the political machinations behind the formation of the last Government and *The Vote*, a play aired live from the Donmar Warehouse starring Judi Dench and Catherine Tate.

Online, Channel 4 aired the first ever Youth Leaders debate focusing on issues which matter most to young voters – chaired by *Channel 4 News* presenter Fatima Manji the debate featured representatives from the Conservatives, Liberal Democrats, Labour, SNP, UKIP, Greens and Plaid Cymru.

Channel 4 also further sought to address the fact that just four in ten of all under-25s voted in the last election by launching X, an online campaign designed to encourage people to register and to vote by providing a concise step-by-step interactive guide to registering, and to give people a better sense of why it's important.



Spotlight

Nurturing Talent



Pop-up event – Wolverhampton

Channel 4 has a very special role in supporting grassroots talent at the start of their careers, right across television, film and digital media. We do this across the business – through dedicated talent strands, support for emerging businesses throughout the country, and specific skills and training initiatives for young people as they enter the media industry through to those already established.

Reaching out

In 2015, Channel 4's 4Talent team launched a programme of 'Pop-Ups', a national outreach scheme aimed at identifying undiscovered creative talent, regardless of experience, location or background. The days offer hands-on skills development workshops and networking opportunities for young people from the local area to meet people working in the media and creative industries locally. The scheme deliberately targets young people living outside of the main 'media hub' cities of the UK, with days held in areas such as Bournemouth, Norwich, Wolverhampton, Preston and Glasgow. These events were attended by 648 young people in 2015 who came from a diverse range of backgrounds: on average 16% were from BAME backgrounds, 12% LGBT and 4% had disabilities. 43% of attendees did not have a degree-level education and 21% came from households receiving income support. Over 100 attendees were subsequently selected and invited to attend an all-expenses paid experience day at Channel 4's London headquarters, offering additional inspiration, contacts, advice and support from Channel 4 to help them begin their media career.

Working and learning

Channel 4 knows that there is no such thing as a single career path into the media industry. That is why we offer entry points at all levels

– whether apprenticeships for school leavers right through to doctorate study. In 2014–2015, 88% of apprentices went on to employment either at Channel 4 or in the wider media industry, with many staying on within Channel 4. This includes Gabriele Power – who started at Channel 4 at the age of 16 on an Advanced Apprenticeship in Business Administration in July 2012 and who now looks after the Apprenticeship Scheme itself. In 2015, Gabriele received a 'highly commended' award at the sector-wide National Apprenticeship Awards for being an Apprentice Champion of the Year. We also support the RTS Technology Bursary scheme, which focuses on supporting skilled undergraduates from the low income backgrounds as they make their way into the industry.

Our Graduate Scheme rotates individuals within different teams in our Marketing and Communications, Audience Technologies and Insight departments and Film4, whilst also supporting their MA in Creative Media Leadership from Bournemouth University. Our pioneering data scholarship programme is intended to develop the UK's skills in cutting-edge data analytics through support for a PhD in Statistics at University College London, alongside a salaried role with Channel 4's award-winning Data Planning and Analytics team.

Growing businesses

As a publisher-broadcaster, Channel 4 has a unique role in supporting burgeoning businesses in the independent production sector. We are constantly seeking to build new relationships with companies – in 2015 organising a special event for Channel 4 commissioners to meet with indies from across the UK, which saw 249 meetings scheduled across two days, involving 100 indies and 53 commissioners. As we work towards our commitment to commission 9% of our output from the UK's Nations by 2020,

our Nations and Regions team worked closely to support companies in Scotland, Wales and Northern Ireland – including more than 250 days of contact between commissioners and indies and creative companies in the Nations in 2015. Our strategy to help these companies achieve scale is delivering results – with companies such as Big Mountain in Northern Ireland and Indus Films in Wales receiving seed-funding from our Alpha Fund and going on to win peak-time commissions.

Our Indie Growth Fund has now introduced a new pillar of support for the sector outside of the normal commissioning cycle, helping small to medium-sized creative companies grow and develop their business. We now have a diverse portfolio of nine burgeoning companies including Sports, Factual, Drama and Comedy producers. Channel 4's investment has already helped to accelerate the growth of these companies, from taking on new employees and expanding into new genres, to winning new clients and extending into new territories.

Partnerships

We are also partnering with a whole range of other training and skills organisations to help further develop talent in the creative industries, including financially supporting key organisations. This includes work with the Creative Skillset, The Research Centre in Glasgow, BRITDOC and the National Film and Television School ('NFTS'). In early 2016 we announced a donation of £1.5 million to the NFTS to help broaden the pipeline of new industry talent in the creative industries – with £1 million of the Channel 4 investment helping to fund an expansion of the NFTS to accommodate its new Creative Industries Skills Academy, and a further £500,000 to fund a Channel 4 bursary scheme at the school to run over five years, directly aimed at increasing social mobility within the creative industries.

Spotlight All 4 and Data

In 2015, we replaced our on-demand service 4oD with All 4 – a unified online platform that delivers all of Channel 4's content. Going beyond just catch up, All 4 also gives viewers access to live TV, Box Sets, Classics, Exclusives, Originals and Shorts – all for free.

Earlier this year we launched our new foreign language drama service Walter Presents, which in less than three weeks received over 1 million views. Walter Presents showcases the world's best foreign-language drama free of charge and will eventually be home to over 1,000 hours of high-quality drama from around the world.

In 2006, Channel 4 launched 4oD, making us the first broadcaster in the world to launch an on-demand service. Pioneering at the time, 4oD appealed to younger viewers by making our content available via means other than the TV screen.

THANKS 4 DRIVES

10% more

USERS TO REMAIN ACTIVE

13.1m

REGISTERED WITH ALL 4



As well as being the first to launch an on-demand service Channel 4 was also the first broadcaster in the world to ask viewers to register for the service, launched alongside our award winning viewer promise we assured and gave our viewers total control over their data. This strategy has enabled us to build a database of 13.1 million viewers, including 52% of all 16–34-year-olds in the UK.

Knowing when our viewers are logged in to All 4 and what they like to watch offers us valuable insight and gives us a direct relationship with our viewers. This enables us to enrich the viewer experience by providing a personalised service, in which they can participate, share, and interact with us and our content. In 2015, we developed this strategy further by launching Thanks 4, a centralised hub where viewers could access a range of additional benefits including competitions, event tickets and exclusive offers. Through this first party data strategy we have the ultimate aim of providing a bespoke service for each of our viewers.

Our viewer database also allows us to tailor the advertising viewers see based on the type of viewer they are. We can show viewers adverts relevant to their interests and even personalise adverts to specific viewers, for example in 2013 we achieved another world first, when we served 1.4 million unique personalised adverts to viewers as part of the 'Share a Coke' campaign. In 2015, 30% of our digital revenues were data enabled and that is set to rise to 50% in 2016. We can demonstrate how much more efficient and effective this form of advertising is for brands and media buyers and as a result Channel 4 can charge a premium for our online advertising inventory, making All 4 a market-leading platform for

advertisers. Importantly this helps ensure that Channel 4 is well-placed to meet the challenges of the increasingly digital world.

In 2015, we continued to build on this ability to personalise by launching PVX (Programmatic Video Exchange), which provides advertisers with personalised targeting and real-time bidding opportunities for ad-space at scale. Back in 2011, Channel 4 was the first UK public service broadcaster to launch a data strategy, and as a commercially funded, not-for-profit corporation we've always pushed for digital innovation and today we have made our second patent application to protect the IP and value of our market-leading innovation. For 2016 this innovation continues as we change the way our users can discover and experience our content, introducing additional digital trading currencies and continuing to innovate our business through the use of permission based data, enabling us to plough more money into making high-quality content.

"Britain's Channel 4 does an excellent job of educating its viewers about its data collection and privacy policy"

Harvard Business Review, May 2015



Channel 4 has a proud history of showcasing iconic moments that change the way we think about diversity – from the first lesbian kiss on *Brookside* to *The Desmonds*, the 2012 *Paralympic Games* and *The Undateables*. Channel 4's commitment to diversity stems from our remit, set by Parliament, to appeal to a culturally diverse society, to offer alternative perspectives and to nurture new talent.

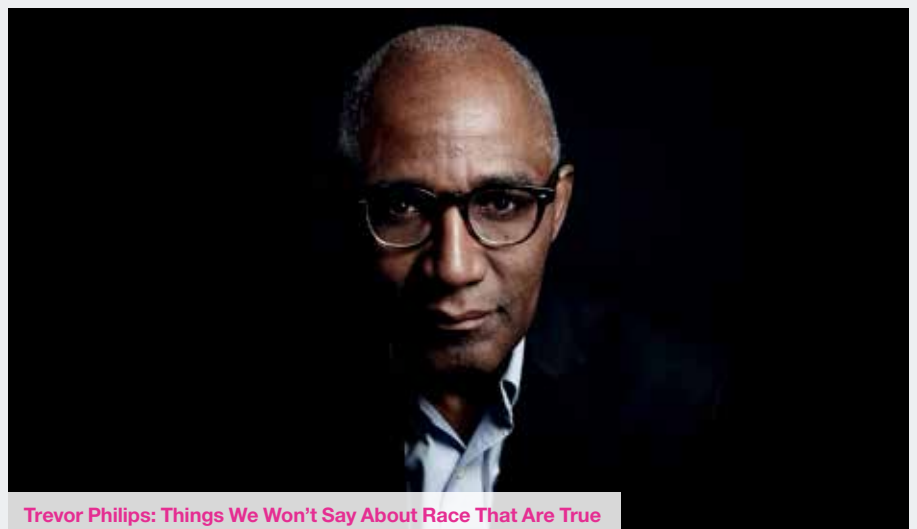
In January 2015, we launched our 360° Diversity Charter, a five-year strategy based around 30 commitments to improve diversity in our programmes, both within Channel 4 and across the production sector, on and off-screen. The Charter puts diversity, including LGBT, BAME, gender, disability and social mobility, at the heart of all Channel 4 activities and involves everyone in the industry, from commissioners and writers to casting agents and production assistants.

As part of the Charter, we updated our Commissioning Diversity Guidelines: with a target that all productions should meet at least two diversity criteria – one off-screen and one on-screen. These form part of our ten game

changer commitments; the initiatives that we believe will have the biggest impact in our sector. In 2015, the number of commissions which met the guidelines increased substantially, with 85% of commissions now meeting the guidelines, compared to 67% pre-Charter. We will continue to provide support for indies as they work to meet these guidelines.

In 2015, we continued to air powerful examples of diversity in programmes across our schedule with shows such as *Muslim Drag Queens*, a brave and challenging documentary from director Marcus Plowright, which provided unprecedented insight into the clandestine

gay Asian community in the UK. In *Things We Won't Say About Race That Are True*, Trevor Philips confronted uncomfortable truths about racial stereotypes; while Russell T Davies' series of interlinked stories *Cucumber*, *Banana* and *Tofu* gave a witty and moving take on contemporary gay relationships. *Born in the Wrong Body*, a season of films about the experiences of young transgender people performed strongly among older children and young people; while the promo video for one of the films, *Girls to Men*, went viral online with 7.1 million views in ten days.



Trevor Philips: *Things We Won't Say About Race That Are True*

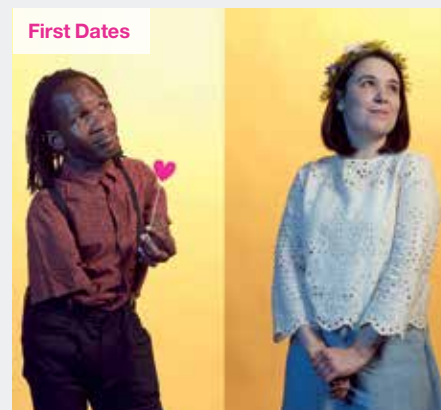
On screen, shows such as *Kitchen Impossible with Michel Roux Jr* and *The Autistic Gardener* raised the profile of diverse groups and changed perceptions among viewers, with 87% of viewers saying that the show portrayed a view of autism they had never been seen before on TV. We've also made diverse casting a matter of course across mainstream series, in *Indian Summers* and in the casting of our artificial intelligence drama *Humans*, which saw Channel 4's highest drama audience for 20 years. Popular programmes *First Dates* and *Gogglebox* also depicted a portrait of modern Britain and reflected society in all its diversity and richness, and Michaela Coel's *Chewing Gum* added a fresh new voice to our comedy offering.

Behind the camera, our commissioning guidelines gave opportunities for BAME trainees to work on shows like *Fresh Meat* and *The Aliens* and for talented directors from diverse backgrounds to make programmes like *Time Crashers*, *Humans* and *The Murder Detectives*. Through our Indie Growth Fund we invested £1.6 million in a new generation of exciting, BAME-led indies and we discovered some fantastic new writing talent from the North of England, Sharma Walfall and Nuzhat Ali, through our Northern Writers' Award. Elsewhere, we appointed three talented commissioning executives to work in Factual, Drama and Sport in 2016 through our Deputy Commissioning Editor Commitment and are on track to meet our 2020 employee diversity targets.

2015 also saw the start of our Rio Production Trainee scheme. We recruited 24 entry-level candidates to work with indies and broadcasters, training for roles as part of the *Rio Paralympic Games 2016* production team. We're also developing on-screen talent, taking the best of the 2012 disabled presenters and reporters to the next level, identifying at least two new disabled presenters and lead commentators, and providing training for all commentators on the most effective ways to bring explanation of sports and disabilities to viewers.

In 2015, Channel 4's commitment to diversity was also recognised through a number of awards and accolades. *Hollyoaks* was awarded Stonewall's Broadcast of the Decade Award for ten years of LGBT storytelling, while Channel 4 programmes picked up four awards at the Mind Mental Health Awards, for shows such as *Cyberbully*, *The Stranger on a Bridge* and *Channel 4 News* coverage of mental health issues. A 2015 Marketing Week survey also found that Channel 4 is the most successful British brand at communicating diversity in its marketing and advertising across the UK.

In 2016, the pan-industry body Creative Diversity Network will launch Diamond, a pan-industry monitoring system which will collect data on levels of diversity across the main broadcasters (Channel 4, the BBC, ITV and Sky) both on- and off-screen. At Channel 4, we know that we still have much more progress



First Dates

to make and will continue to deliver against our 360° Diversity Charter commitments throughout 2016 and beyond. We have also nominated 2016, the year of the *Rio Paralympic Games*, as our Year of Disability and will boost our efforts to progress the careers of disabled people in our industry with big, simple, measurable commitments to increase representation of disability both on- and off-screen: we have pledged to double the number of disabled people in 20 of our biggest shows, as well as working with our 20 biggest indie suppliers to progress the careers of 20 disabled people already working in the industry. We are also ring-fencing 50% of all Channel 4 apprenticeships and 30% of Channel 4 work experience placements for disabled people.

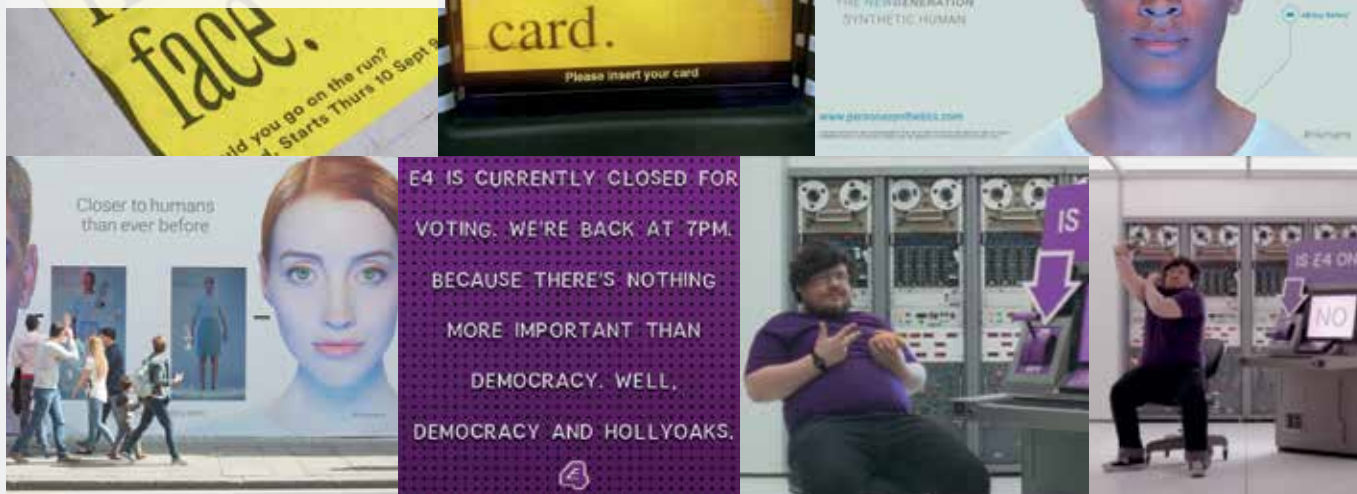
Gogglebox



Andy Stevenson, Commissioning Executive, Sport

Spotlight

Telling the story of 4



Channel 4's unique brand and public service remit are underpinned by innovation and creativity, and form the basis of how we communicate both our brand and our programmes to audiences. How we market ourselves and our content informs viewers about not only who we are and why we exist, but also serves to drive audiences to shows, allowing us to fulfil our remit by generating the largest audiences possible.

Communicating our brand

In 2015, we undertook the not inconsiderable task of rebranding the main channel Channel 4, more than ten years since it last had a makeover. 4creative, Channel 4's in-house creative agency, led the rebrand, working with iconic figures from the creative industry Neville Brody and film-maker Jonathan Glazer.

We also relaunched 4oD as All 4, creating a digital destination where content from across the Channel 4 portfolio is available all in one place. This includes our new Original and Exclusive Shorts strands, alongside all our TV originated long-form content.

We also launched a campaign specifically designed to communicate our remit and unique place in the British broadcasting landscape to viewers. A very special furry friend – the Underdog – and a whole host of famous faces helped explain Channel 4's unique business model in a very Channel 4 way, improving the public's understanding of why Channel 4 exists and how it works.

And we were recognised at major industry awards, winning Advertiser of the Year at the Campaign Magazine Awards, and being recognised as the most successful British brand at communicating diversity in its

marketing and advertising by Marketing Week. Channel 4 also won Channel of the Year at the Promax UK Awards.

Showcasing our programmes

We also had great success with marketing our content. The year started with dramas *Cucumber*, *Banana*, and *Tofu*, a trio of shows and an innovative first, running across Channel 4, E4 and the digital platform All 4. We also used experiential marketing to generate social media buzz with a giant cucumber riding atop a float at Manchester's gay pride festival and making an impact with an after-dark light projection that created the UK's first ever night time rainbow in London.

For the ambitious drama *Humans*, we made people believe Synths were on sale in 2015 via a flagship London store through press ads, TV ads, eBay auctions and Facebook and Twitter – all with no Channel 4 branding. This involved collaboration on a grand scale across multiple agencies and brands, including Microsoft and eBay. *Humans* went on to achieve the highest rating original Channel 4 drama launch of all time. The marketing campaign won four Media Week awards, including the Grand Prix.

As well as drama, we also innovated in our approach to other genres, most notably the real-life thriller *Hunted*. Creating an ambitious campaign with messaging that subverted the media space it was in, we targeted Londoners with instructions on how to go on the run. An innovative multi-media campaign used varied and unusual media to offer contextual tips to people should they ever wish to go on the run, including phone boxes containing posters telling people never to call their families, ATM screens telling bank customers that you can be tracked from the serial numbers of the bank notes you withdraw.

And we launched a teaser trailer to get people thinking about the *Rio 2016 Paralympic Games* by highlighting and challenging the portrayal of disabled people as villains in film.

Engaging young people

The media choices we make constantly evolve based on young people's media consumption habits. In 2015, we increased investment in social media significantly, and in Q4, Channel 4's reach was up 50% on Facebook and up 12% on Twitter.

E4 continues to excite youth audiences with award-winning campaigns. The brand picked up Best Use of Humour, Best Use of Design and Best Stunt at the Promax UK awards, for our on-air stunt to engage young viewers with the General Election. We wanted to encourage them to vote but to do it in a way that felt relevant and on-brand. We 'switched off' E4 on election day: when viewers switched on E4 on that day, they were greeted with Darren (the man 'in charge' of keeping E4 on air) eating pizza, rather than a traditional slate of shows. 1.5 million viewers tuned in to watch Darren on 7 May 2015.

As well as talking to young people about voting we also set out to experiment with our approach to get them more engaged in the news via our Campaign Big Gold award-winning 4News wall. Read more about our digital News and Current Affairs strategy and success on page 80.



Spotlight 10–14-year-olds

Gogglesprogs

After discussions with Ofcom following their PSB report in 2015 Channel 4 altered its strategy for reaching Older Children (10–14-year-olds). Instead of focusing a necessarily smaller budget on content made specifically for this audience Channel 4 would seek to focus investment on peak-time, pre-watershed, high-quality, distinctive content which is designed for a wider audience but contains storylines and elements which are specifically designed to appeal to 10–14-year-olds.

In 2015, this new strategy started to bear fruit, resulting in a series of successes, with programmes reaching much larger volumes of this younger audience while also performing strongly with a broader audience – thereby increasing the impact of the programming and making the investment more sustainable.



Britain's Favourite Children's Books

Educating Cardiff, a continuation of our hugely successful *Educating* series (Yorkshire, Essex) performed particularly well with this audience. Share for the slot average for *Educating Cardiff* was up 168% for 10–14-year-olds.

We built on this new strategy by commissioning a special episode of *Gogglebox*, *Gogglesprogs*, which replaced our usual cast with children ranging from 5–12-year-olds giving their uninhibited opinions and hilarious takes on the key TV moments from the last year, from the cakes on *Bake Off* to the fate of Cecil the Lion. *Gogglesprogs* was watched by nearly 4 million people and the amount of 10–14-year-olds that tuned in versus the slot average increased by a massive 454%. *Gogglesprogs* has now been commissioned for a full six part series to be aired later in 2016.

We also commissioned *Britain's Favourite Children's Books*, a special 90 minute programme, counting down the nation's 50 best-loved children's books, presented by best-selling children's author David Walliams. The programme was designed to appeal to both children and adults by tapping in to the sense of nostalgia we all feel looking back at the books we read as children. It also featured extracts read aloud by Julie Walters, Martin Freeman and others and included comment and analysis from children. *Britain's Favourite Children's Books* was watched by 258% more 10–14-year-olds than the slot average.

Importantly the success of this new strategy has been reflected in the kinds of programmes which have proved most popular with 10–14-year-olds throughout 2015. UK originated Public Service Content features strongly with programmes like *Gogglebox*, *Educating Cardiff*, *Born Naughty?*, *Benefits Street* and *The Secret Life of 4, 5 and 6 Year Olds* all performing particularly well with this audience, with the latter doubling Channel 4's slot average for 10–14-year-olds.

In 2016, we plan to continue to build on this success and have already commissioned a slate of shows specifically designed to appeal to a wide audience but also include elements which have a particular appeal to Older Children. These include; *The Tiny Tots Talent Agency* – a new four part observational documentary looking at one of the UK's largest children's talent agencies and following the children and their parents through the highs and lows of competitive casting; *We're Going on a Bear Hunt*, an animated special based on the hugely popular illustrated children's book written by Michael Rosen, produced by the makers of *The Snowman* and *The Snowdog*, *The Secret Life of the Zoo*, a new documentary capturing the remarkable behaviour of the animals and their close relationships with their keepers, and of course the new series of *Gogglesprogs*.

Our programmes

Our programmes Overview

 annualreport.channel4.com

2015 saw the fruits of creative renewal blossom on-screen at Channel 4. A strong spine of returning hits across genres including Drama, Comedy and Factual, coupled with new successful shows ensured that audiences enjoyed familiar titles as well as being surprised and delighted by new programmes and formats.

Celebrating diversity is at the heart of Channel 4's purpose and it comes in many forms, including presenting our audiences with diverse standpoints on a range of topics as well as voices from more traditional areas of diversity such as disability, gender and sexuality. 2015 gave us plenty of opportunity for such challenges. Although there were certain programmes that didn't achieve the success that we felt they deserved, over the year our audience ratings, critics' response and awards wins suggest that our viewers and our critics enjoyed the results.

Breaking the mould

With growing disenchantment with conventional politics, especially amongst younger voters, we made it our priority to bring a fresh perspective to the General Election, from Jeremy Paxman's grilling of David Cameron and Ed Miliband through to a light-hearted *Alternative Election Night* special. *Channel 4 News*' shift in strategy towards promoting video content via social networks contributed to our news services logging an impressive over half a billion video views on Facebook and over 62 million on YouTube. We brought a different perspective on news and current affairs in the Middle East, too, by looking in depth at the impact of war and religious intolerance on women and girls, rather than adopting the more conventional standpoint of news solely from the battlefield.

Another unusual perspective on life was captured in *The Secret Life of 4 Year Olds* which attracted viewers and critical acclaim by the buggy-load. And we broke the mould for Channel 4 drama by venturing into a lavish period drama in the shape of *Indian Summers* and exploring the world of artificial intelligence and questions of race, class and the ever-increasing influence of technology on our lives with *Humans*, which launched to record breaking audiences.

With *All 4 Original* and *Exclusive Shorts* we successfully explored developing new and innovative forms of content commissioned specifically for our online services, not as a catch-up or add-on for what we aired on

Our remit drives all our creative decision-making: from stimulating debate in News and Current Affairs to showcasing Britain is all its diversity in Feature; from innovation in our Drama offering to Education content that engages with our youngest audiences.

television. Appropriately, as well as being innovative in content, much of it came from new supplier companies and we made a particular effort to work with companies based in the regions and those led by creative professionals from the BAME communities. We also introduced viewers to the best of foreign language drama in the form of Walter Presents, a curated selection of drama box sets available exclusively on All 4.

Stimulating debate

For a public service broadcaster with a remit to be distinctive and different and to make audiences think differently, a year dominated by themes of immigration, race and issues of sexual identity offered plenty of opportunity to provoke discussion. In *Things We Won't Say About Race That Are True* Trevor Phillip's confronted some uncomfortable truths about racial stereotypes and our attitude towards race. *Hunted* explored the realities of modern life and a technologically-connected existence, pushing contestants to their limits as they fled from expert trackers. Returning favourite *The Undateables* continued to offer a poignant insight into the world of people looking for love and living with a disability. The show won millions of hearts, love for some of its participants, and a BAFTA nomination for its creators.

Our three-strand drama *Banana, Cucumber, Tofu* bravely flagged up the issues of gender definition that were soon to become astonishingly prominent in the national conversation. The series was ground-breaking in another different way, transmitting over Channel 4, E4 and online, testing a new way to commission programmes across a range of different platforms.

It was also gratifying to see that, while other broadcasters abandoned the commissioning of regular current affairs and investigative documentaries, our Current Affairs programming won many awards during the course of the year.

Inclusive and diverse

Our continuing commitment to address diversity meant that in almost every area of Channel 4's activities during 2015 revealed vibrant, unrecognised and talented women, especially in comedy where Michaela Coel and Sharon Horgan, amongst others, attracted big and consistent followings. But most of all, the Film4 slate for the year was dominated by stories that celebrated women in their

scripts and in their making. *Room* and *45 Years* both won Oscar nominations for their lead women actors. Appropriately enough, the most prominent example was Sarah Gavron's film *Suffragette*, with a creative and technical team composed almost entirely of women. Our hugely successful series *The Island with Bear Grylls* also returned: formerly billed as 'an experiment in masculinity', 2015 saw the introduction of an island of women, exploring perceived gender differences along the way.

Our commitment is not just to celebrating diversity but as a contribution to a more inclusive and tolerant society. *Dementiaville* and *The Autistic Gardener* won big audiences with their sympathetic and intimate explorations of the triumphs and difficulties of people living with those conditions. And while we are acknowledged as world leader when it comes to showcasing Paralympic and disabled sport, 2015 showed that we are on the way to establishing a similar reputation in horse-racing, with all-time record viewing figures for the *Grand National* and technical innovations that have thrilled viewers and race-goers alike.

2015 was also the year when we launched our 360° Diversity Charter, tethering our commitment to diversity to 30 actionable initiatives. We will increasingly feel the impact of the Charter and our Commissioning Diversity Guidelines, and we look forward to seeing the impact of our Year of Disability initiatives in 2016.

Reaching young audiences

Driving much of our output is the desire to attract and retain younger viewers, maintaining that unique relationship that we share with 16–34-year-olds in the UK. As Channel 4 operates as a cross-platform media company, the ability – and the need – to experiment across platforms becomes ever greater and has given us some rich rewards. The main channel continues to attract large young audiences to shows such as *Gogglebox*, *First Dates* and *The Secret Life of 4 Year Olds*. And our complementary online content is also attracting large audiences: a 30-second promo, made by a viewer for our *Born in the Wrong Body* season, scored over 7 million hits online in ten days while on television some of our education programmes almost doubled their expected audiences of 16–34-year-olds. E4 continues to be the most popular digital channel for 16–34-year-olds, and we have more than half of all 16–34-year-olds in the UK registered with All 4.

Comedy Overview



Interview with
Phil Clarke
Head of Comedy

In a genre that is fraught with risk and the likelihood of failure, we enjoyed a run of successes – new shows, returning series and a foray into political satire for the General Election. Much of it was driven by a rising generation of talented young women, by the growing popularity of catch-up TV which gave our shows a significant new lease of life and by innovations such as ‘blaps’ that opened up new and unexpected ways to engage audiences.



2015 ambitions:

- Commission great new writing
- Promote talented newcomers, especially women
- Use the flexibility of catch-up TV to grow our audience

What were the key ambitions for Comedy?

In 2015, we continued to commission strong, witty, sophisticated narratives as part of our ongoing strategy, with new, critically acclaimed shows such as *Catastrophe* and *Raised by Wolves* joining the final series of *Peep Show* on Channel 4, and with the exciting new series *Chewing Gum* arriving on E4.

As a result, we welcomed some talented new faces into our comedy family, including Rob Delaney, Sharon Horgan, and Michaela Coel – someone who was completely new to television.

The year also underlined that Comedy does exceptionally well in the world of catch-up TV. The first episodes of series two of *Catastrophe* and *Peep Show* were watched by 925,000 and 1.17 million viewers respectively, but consolidated at 1.4 million and 1.5 million – meaning that on-demand is increasing viewership by around 50%. *Raised by Wolves* had an average audience of 1.3 million, with over a million views of the series on All 4.

How do you feel 2015 went?

We've had a year of unbridled success, launching new shows and new voices as well as welcoming the return of established hits such as *Peep Show*, *Drifters* and *Man Down*.

Catastrophe made an almost unprecedented impact. Early on in production we had a hunch that it would be successful and so committed to a second series before the first series had gone out. And the reception proved us right: I can't remember when a new show was on the receiving end of such instant love from the audience and acclaim from the critics. The first series averaged 1.2 million viewers, growing to 1.4 million for the second. Both series were delivered within the same year, a remarkable feat by the production team. It was notable that thousands who had missed the first series were able to go back and catch-up on All 4 while the second series was going out. The same happened with *Peep Show*, with tens of millions of viewers going back to watch previous series.

Our second big new Channel 4 show of the year, *Raised by Wolves*, garnered an even larger audience than the first series of *Catastrophe*, and was almost equally well-received. Two multi-award winning series, *Peep Show* and *Toast*, were partnered on the same night in what The Times called a “comedy power-hour”. And while *Toast* didn’t quite achieve *Peep Show*’s ratings, both series continued to receive outstanding reviews, while *Toast* picked up numerous awards, including a BAFTA.

We also ventured back into political satire – historically an important part of the Channel 4’s comedy output. Set on the battle buses of the major parties, *Ballot Monkeys* went out every night of the week that led up to the General Election, with each show written and recorded on the day of transmission. This was high-risk both in terms of content and production, but the series received terrific reviews and was watched by an average audience of over 1.3 million.

On E4 *Drifters* returned for a third run, and enjoyed its biggest audiences yet with a series average of 544,000. Though high-risk – Michaela Coel had never worked in television before – *Chewing Gum* was another positive result, and I’m delighted that it will be coming back for a second run in 2016.

How did Comedy help deliver the remit?

In 2015, our focus was on supporting new talent and bringing a diverse range of voices to our screens. As in 2014, we had a really strong female story to tell: *Drifters*, *Chewing Gum*, *Catastrophe* and *Raised by Wolves* were all written or co-written by women and starred strong female characters. And that story will gain momentum in 2016 with a raft of new shows.

We’ve had some genuinely quirky shows, too, including a second run of the inventive prank series *Bad Robots*, commissioned from a Comedy Blap. Comedy Blaps are short-form commissions, usually around ten minutes long, which can be watched online. They used to be seen as relatively insignificant – an annexe to ‘real’ shows – but now they have become the first rung on a ladder to greater things. *Chewing Gum* started life as a Comedy Blap, and so did *Game Face*, a new series arriving on E4 next year, starring and written by Roisin Conaty.

What are the key challenges?

The challenge for us is to present a diverse slate of Comedy shows that provide a genuine alternative to other broadcasters, but that can attract and maintain loyal audiences.

We want to build on the Channel 4 traditions of playfulness and eccentricity with shows such as *Man Down* and *Toast*. But we also want to nurture more strong narratives – in the vein of *Catastrophe*, with its commitment to brutal honesty – and smart, informed political satires that build on the success of *Ballot Monkeys*. We will also continue to break new talent in 2016, premiering newcomer writer-performers Will Sharpe, Phoebe Waller-Bridge and Roisin Conaty, all of whom will be making their first series for television.

2016 strategy

Our Comedy strategy will continue to feature a range of new and established talent across a mixture of quirky and thoughtful pieces and distinctive political satire, showcasing a diverse range of comedic voices.

We will build on this year’s mix on Channel 4, but increase the number of strong narratives, while making sure there is still plenty of room for the eccentric, the surreal and the ingenious. The coming year will see the first transmission of the *The Windsors*, an irreverent and satirical take on the private lives of the Royal Family. We will also launch the unconventional family sitcom, *Flowers*. Directed and written by twentysomething Will Sharpe – in his first foray into television – *Flowers* stars Olivia Colman and Julian Barratt, and is unlike any other family sitcom you’ll have

seen. Julia Davis will be teaming up with David Schwimmer of *Friends* in a thrilling new series, *Morning Has Broken*, set in the offices of a dysfunctional breakfast TV company. And we’ll kick off the year with *Crashing*, about a group of friends who live together as property guardians, written by and starring the emerging new talent Phoebe Waller-Bridge. *Morning Has Broken*, the third series of *Catastrophe*, *Flowers*, a second series of *Raised by Wolves* and *Crashing* are all original, unique programmes with sophisticated, emotionally mature narratives. Meanwhile the joyous *Man Down* and *The Windsors* will carry the torch for the absurd, a brand of comedy that has a proud history on Channel 4. It’s going to be an exciting year.

Toast of London



“Toast is a solid comic creation”

Sunday Times

Drifters



Chewing Gum

Case study


In the brand new series *Chewing Gum*, award-winning playwright, singer and poet Michaela Coel played the religious Beyoncé-obsessed 24-year-old Tracey Gordon, who quickly finds out that the more she learns about the world, the less she understands.

Rising star Coel originally created Tracey Gordon as a teenager for her semi-autobiographical monologue *Chewing Gum Dreams*, playing the part to great acclaim. *Chewing Gum* sees Gordon reprise the character ten years older, and will be returning to our screens for a second series in 2016.

Chewing Gum is produced by Retort, the production company behind genre-defining Channel 4 comedies *Brass Eye* and *Green Wing*.

"Chewing Gum is beautifully written, its dialogue outlandish and thoroughly believable"

The Guardian

 CULTURAL DIVERSITY

 NURTURE TALENT



Catastrophe

Case study

“One of the many joys of Sharon Horgan and Rob Delaney’s brilliantly funny and warm-hearted comedy is its fearless embrace of authentic and thorny issues”

The Radio Times

 NURTURE TALENT

 DISTINCTIVE

Garnering widespread critical acclaim, *Catastrophe* followed an Irish woman (Sharon Horgan) and American man (Rob Delaney) who struggle to stay in love as they are instantly thrown into parenthood, whilst trying to navigate genuine disaster along the way.

Writers Delaney and Horgan came up with the concept for their show based on their own experiences of marriage and parenting. The first two series, both broadcast in 2015, followed the pair from their initial chance meeting in a bar, to getting hitched, and the glories of parenthood. All the while contending with monstrous family members (Carrie Fisher) and needy friends (Ashley Jensen, Mark Bonnar and Daniel Lapaine) who seem hell bent on ensuring that

whatever new life journey Sharon and Rob embark on, will be anything but simple.

The series was directed by Ben Taylor (*Cardinal Burns* and *Cuckoo*), and was produced by Avalon Television with co-producers Birdbath Productions and Merman.



Drama Overview

2015 was a year of experimentation in Drama, with new talent on both sides of the camera, ambitious new models of international collaboration, more cross-platform commissioning and, as always with Channel 4, a drive to find new perspectives to refresh popular themes and contemporary issues.



Interview with
Piers Wenger
Head of Drama

2015 ambitions:

- Continue to build our growing reputation for distinctive themes and styles
- Promote greater diversity on-screen
- Ensure we have an impact on the schedule right through the year

What were the key ambitions for Drama?

To develop our reputation for distinctive, must-see drama. We deliberately chose to experiment with popular genres that we felt would clearly mark out our territory, but without losing the things that audiences have always loved about Channel 4 Drama – a clear sense of purpose, a distinctive tone of voice, on-screen diversity, intelligent and sophisticated storytelling – in other words, true originality.

We also aspired to have a consistent Drama presence right through the year and across the schedule.

How do you feel 2015 went?

After the critical success of *Cucumber*, was *Indian Summers*, a sumptuous period drama featuring a big star in Julie Walters and with great production values: a portrait of the politics of India in the early 20th century, told through the lives of ordinary people. The aim was to put contemporary Anglo-Indian relations into context and to give the audience a big escapism treat. The ratings told a good story,

too. The first episode got 5.3 million viewers and we're delighted that it will be returning next year.

Indian Summers achieved a record audience but the launch of *Humans* actually exceeded it. This was our first major internationally co-produced drama, launching with an audience of 6.1 million, our highest ever rating for Drama. It was created by two writers we have not worked with before and it had a young, diverse cast. It was also a hit in the US too. Reputationally, it's been a great success story for us and we have a whole slate of shows that work to the same basic funding model, which means we can get more work at a scale that would otherwise be less viable for us. These new shows will start coming through in early 2017.

No Offence was a further example of our breathing new life into a popular genre, the police procedural, and creating something that felt truly unexpected and talked about despite the familiarity of the genre. It was written by Paul Abbott, celebrated writer of *Shameless*. His voice, and the three female leads he created ensured that *No Offence* stood out, particularly the character of DI Deering, played by Joanna Scanlan. She already feels iconic, and that will help us bring that piece back in 2016. It got 2.5 million viewers for its first episode and consistently strong reviews throughout its run.

How did Drama help deliver the remit?

I think we achieved our ambitions in terms of diversity, on-screen and off, with *Indian Summers* and *Cucumber*. We were ahead of the curve with *Banana*, addressing the under-represented issue of gender realignment, before it became the headline story that it did later in the year. *Humans* explored themes of domestic slavery and our relationship with technology and stimulated national debate.

No Offence



This Is England '90



Banana, *Cucumber* and *Tofu* demonstrated innovation in cross-platform commissioning we showed how we can use the power of all our platforms – Channel 4, E4 and All 4 – driving audiences from platform to platform uniting audiences by exploring the same issues from different perspectives and in bespoke and unique ways.

This Is England tells an important story about how we work with talent. As a film-maker with an appetite to work in TV, Shane Meadows was ahead of the curve. With Channel 4's backing, he turned an independent film into a returning TV franchise which concluded this year after ten years with a strong performance from *This Is England '90*.

What are the key challenges?

Cucumber showed how challenging it can be to bring a mainstream audience to a minority experience. However, it proved to contain some of the most powerful and talked-about moments seen on-screen this year and it really set out our stall in terms of how seriously we take diversity, on-screen and off-screen, with an entirely LGBT writing team.

Cucumber



**"Dead funny and
– most of all –
very, very human"**

Independent on Sunday

2016 strategy

Building on a strong spine of returning hits, we will continue to deliver a drama slate that approaches distinctive topical social issues. We will use E4 as a platform to reach younger people will fresh new drama. And we will further explore co-production models in order to amplify the scale and ambition of our projects.

The success of this year means we are planning several returning series but, in addition, we'll have a number of new launches and new titles across Channel 4 and E4 to ensure that drama continues to bring something special to the schedule. We want to make sure that at 9pm, in peak-time, we have entertaining pieces that address topical themes. We'll be doing a piece called *National Treasure*, which has been written by Jack Thorne, who cut his teeth on *Skins* and *This Is England*, and directed by Marc Munden. It's a fictional case that looks behind the headlines created by Operation Yewtree: the story of a well-loved 'national treasure' who is accused of a historic rape and the effect it has on his family and his sense of self. Complementing *National Treasure* is a second four-part mini-series, *Born to Kill*. Written by Tracey Malone and Kate Ashfield, it is an edge of your seat thriller exploring the nature of psychopathy as it is exhibited by a teenage boy.


Over on E4, we're planning a new show, *The Aliens*, from the producers of *Misfits* which imagines a world in which aliens have landed. The central character, in his 20s, discovers he is half-alien, half-human. They look like us but are treated as second-class citizens, so it's a comedy-drama that riffs on the idea of how we view outsiders and can speak to the themes of immigration and migrants – what it means to be an outsider and how we treat outsiders.

Alongside *The Aliens*, *Foreign Bodies* explores the plight of the gap year traveller, a comedy-drama from E4 from one of the writing team of *Fresh Meat*.

Indian Summers Case study

"A gorgeous, ambitious epic"

The Guardian

 CULTURAL DIVERSITY

 DISTINCTIVE

Record-breaking Drama series *Indian Summers* was a rich and explosive story of the final years of British colonial rule in India.

Set in the Himalayan foothills of Simla, this original drama depicts the decline of the British Empire and the birth of modern India, from both sides of the experience.

Series creator Paul Rutman brought together a stellar cast including Julie Walters (*Harry Potter, Mo, The Hollow Crown*), Henry Lloyd-Hughes (*The Inbetweeners, Harry Potter,*

Madame Bovary), Jemima West (*The Borgias, The Mortal Instruments: City of Bones*), Nikesh Patel (*Bedlam, Honour*), Roshan Seth (*A Passage to India, Gandhi*) and Lillete Dubey (*Monsoon Wedding*).

5.3 million

VIEWERS FOR LAUNCH EPISODE

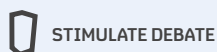


Humans

Case study

"Vital, surprising and utterly involving television, delivering game-changing twists and turns by the bucketload"

Digital Spy



Critically acclaimed series *Humans* was Channel 4's highest rated original drama in 20 years, with the first episode drawing in a consolidated audience of 6.1m.

The ambitious sci-fi thriller adapted from the award-winning Swedish drama *Real Humans*, is set in a parallel present, where the latest must-have gadget for any busy family is a 'Synth' – a highly-developed robotic servant eerily similar to its live counterpart.

Co-produced by Channel 4, AMC and Kudos, William Hurt (*A History of Violence*, *Damages*) and Katherine Parkinson (*The IT Crowd*, *The Honourable Woman*) led an all-star cast, including Tom Goodman-Hill (*Mr Selfridge*,

The Devil's Whore), Colin Morgan (*Merlin*, *The Fall*), Rebecca Front (*The Thick of It*, *Just William*), Neil Maskell (*Utopia*, *The Mimic*) and Gemma Chan (*Dates*, *Fresh Meat*).

6.1 million

VIEWERS FOR LAUNCH EPISODE



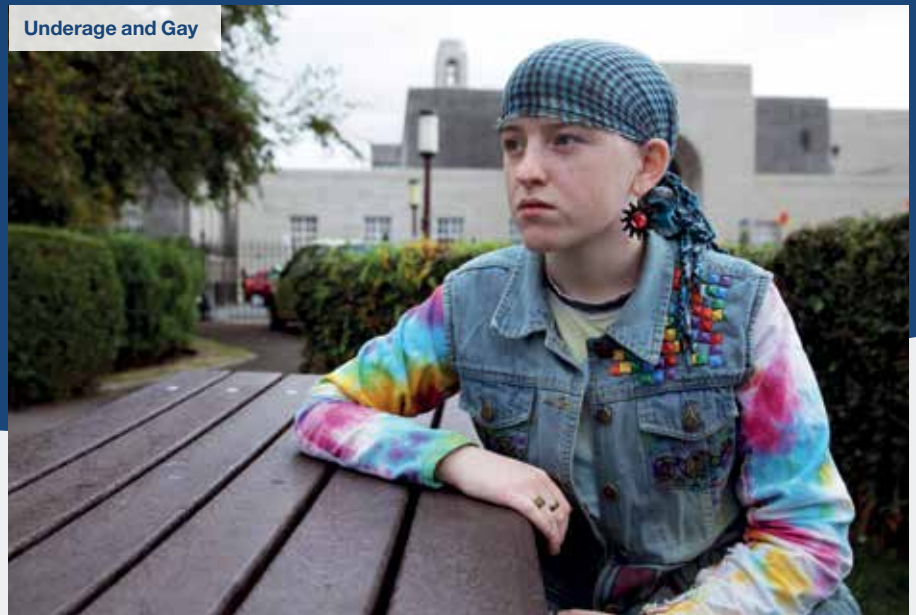
Education Overview



Interview with
Dominic Bird
Head of Formats

Channel 4 has a specific role in providing Education content that particularly appeals to young people, and that reflects their lives and interests. While recognising there's a shift from young audiences towards online world, it remains clear that, for now at least, television remains the real mass medium for audiences of all ages. But to make television with high educational value that can also punch its weight in the heart of a mainstream schedule is no easy matter. It's forced us to be truly innovative and we've been rewarded with enthusiastic young audiences, greater impact and a jump in our ratings, for both TV and online.

Underage and Gay



2015 ambitions:

- **Make education content a success on mainstream television**
- **Encourage our indie suppliers to share our vision and ambition**
- **Continue to grow *Am I Normal?* as a single online destination for all our educational content**

What were the key ambitions for Education?

Over the past few years, we've been implementing a new strategy. Previously, much of Channel 4's Education output was broadly online and game-focused, which meant that it wasn't able to reach the largest audience possible. Put simply, while successful education content online can get hundreds of thousands of views, the television equivalent can reach millions. So, in parallel with creating a new, future-proofing online short-form strategy, we made a call to bring more non-scripted education into the mainstream, on television. This was an enormously challenging plan because it meant broadcasting within a highly competitive schedule with the aim of reaching young people, with thought-provoking content. Our ambition has been richly rewarded this year – we've had a strong year on air.

We knew that we would have to work with the indies, our programme suppliers, to achieve our different approach to education, and to make sure that our programmes were entertaining and thought-provoking enough to make sense in the mainstream, and not overbearingly 'educational'. It's the 'Trojan Horse' approach and it's been a critical factor in our success.

Put simply, when you commission an Education programme, people tend to fall into a mind-set of thinking that it must feel 'worthy' to be considered educational. What we set out to achieve was output that had clear educational and thought-provoking values, but were also highly watchable, impactful, entertaining and moving.

In addition to everything we've done on television, we also continued to develop our *Am I Normal?* website to ensure we had an accessible online home for all of our content that was educational and relevant to our audience. We included all our television output but also a large amount of support material and original short-form to create even greater depth to our education offering. Creating an online hub allowed our young audiences to discover and consume our output at a time of their choosing in a non-linear environment.

How do you feel 2015 went?

We've had an incredible year on air and succeeded in reaching young people with our programmes. Documentaries like *Underage and Gay* – which was 110% up on the average share of 16–24-year-olds and up 96% for

15–19-year-olds – and *Revenge Porn* – which was 58% above the average share – have really cut through. That was a difficult film to make but it had a powerful message about people sending each other inappropriate photos – often in a rather innocent way and with no thought to the consequences. We put on a transgender season of three films and for one of them, *Girls to Men*, we put out some short user-generated content of a transgender girl going through the process of becoming a boy. It was a 30-second promo and it went viral, getting more than 7.1 million hits in ten days where a normal Channel 4 promo would do well to get 10,000 hits. The whole season was well up on the average 14–19-year-old audience so it was hard not to be pleased about that. Almost all viewers in this age bracket felt that watching the season has made them realise how important family and friends are, when dealing with personal issues.

Troy: *Cyber Hijack* was a cautionary tale about young people's vulnerability to cyberbullying and that has brought its own challenges because it's on E4, which, being a largely entertainment channel meant that anything that felt too obviously educational would sit particularly uncomfortably on it. The resulting output successfully retained its educational DNA while providing an extremely high level of entertainment that felt absolutely at home on E4. Similarly, *The Rich Kids of Instagram* was another thought-provoking film which showed the lengths that young people go to in an attempt to show off a perfect version of themselves, which may not truly reflect their lives or happiness – something that surely everyone who uses social media will recognise to a greater or lesser extent.

How did Education help deliver the remit?

Channel 4 has a unique position, particularly as far as young people are concerned. We're not seen as part of the establishment in the way an official Government initiative would be seen. We're the people you can talk to if you don't want to talk to your parents or your teacher.

That's quite a precious quality and it means that we have to be sophisticated in how we communicate our messages – to be too blunt or obvious would damage that relationship. I think the balance we now have between television and online is the strongest it's ever been. We're out there in the heart of the schedule, on Channel 4 at 9 and 10pm, and I don't think we've ever been as bold or ambitious with our Education content. So when asked if we are targeting younger viewers in the right way and in the most effective way, I think we can say, hand on heart, that we are. There's still a very big difference in terms of viewership between on-air and online. So returning our focus to television, while making sure that we're future-proofing ourselves online, has been the right thing to do and means we are fulfilling our remit obligations to young people with more impact than ever before.

This year we reached 1.4 million 14–19-year-olds with our programming.

What are the key challenges?

Our challenge is always to access the broadest group of young people as possible with our content. We're running a two-pronged approach: we want to get content on TV, because there's no question that's still the best way to reach the most young people. But we also want to make sure we have a specific place, a hub for young people, where all our content is curated and available. So all these films we've made for television are also on our *Am I Normal?* site.

In addition, we commission specific content for the site, some of which supports the TV programmes and some of which we commission as stand-alone pieces. That includes short pieces on issues such as mental illness, drugs and sex. We've used the *Made in Chelsea* cast to discuss issues that affect young people – another example of our 'Trojan Horse' approach. We've had successful online series on migrants, on texting and on illegal highs.

2016 strategy

Our strategy for engaging with 14–19-year-olds is to commission programmes that tackle life skills outside the core curriculum and that feel relevant to that audience, reflecting their lives and concerns. We will measure this impact through looking at the amount of 14–19-year-olds watching and interacting with our content.

We will build on what we've done over the last couple of years, putting educational content on the main channel in peak-time, because we know now that it has worked, for example with our *Born in the Wrong Body* transgender season. This last year we've stuck rigidly to the priorities we had agreed – sex, relationships, the digital landscape, friends and friendship. That will continue to be at the core of what we do but we are going to step out a bit, broadening the scope of our output to best reflect the issues affecting young people today. We're planning shows called *Teen Mums* and *Help me Keep my Baby* – aimed at young mothers who need help in looking after their babies and young children.

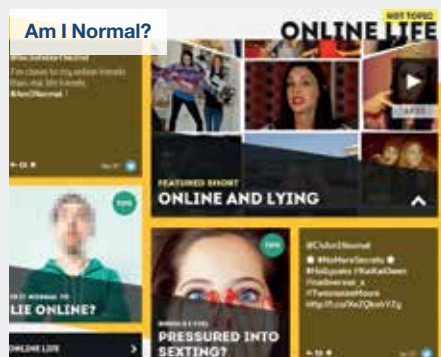
We will also be looking at the way in which boys are becoming obsessed with their looks. Historically, the assumption has always been that it's only girls who are over-concerned with their image, but there is plenty of evidence that the same thing is now happening for young boys. We'll be going off at a bit of a tangent with a film that looks at Chinese investment that is coming to the UK, taking a more international perspective and thinking about business. So the overall message is that we will be sticking to our core topics but we feel we've now got the confidence to dip into other areas, too.

Troy: *Cyber Hijack*



1.4 million

14–19-YEAR-OLDS REACHED WITH OUR
EDUCATION PROGRAMMING




60

Born in the Wrong Body Season


Case study

**"Channel 4's recent documentaries
about gender and sex have been
excellent and this is no exception"**

The Daily Telegraph

 CULTURAL DIVERSITY

 DIGITAL

 ALTERNATIVE VIEWS

 EDUCATIONAL

After generations of people hiding their gender identity, the new generation are bearing their all online and reaching out to others like them. Our season of films looked at what it means to be young and transgender in contemporary Britain.

Three films charted the experiences of young people in period of transition. *My Transgender Kid* invites two British seven-year-olds and their parents to tell their story of what it's like to be just an ordinary British child who feels they were born in the wrong gender. *Girls to Men* offers an insight into the teen world of transgender female to males as they embark on some physical transitions, and *My Transgender Summer Camp* shines a light on an extraordinary community of transgender girls who were born male as they and their parents come together at a secret location each year to be themselves.

Born in the Wrong Body season received positive reaction from viewers, with *My Transgender Kid* winning the slot for 16–34-year-olds as well as trending on Twitter. *Girls to Men* also achieved success winning its slot for 16–34-year-olds with the promo film scoring over 7.1 million views in ten days.

THE SEASON REACHED A TOTAL OF

4.4 million

VIEWERS




Revenge Porn

Case study

"A sympathetic, respectful warning to women"

The Daily Mail

 EDUCATIONAL

 STIMULATE DEBATE

The modern phenomenon for young people in the UK today to share intimate nude and sexual pictures via text message is the norm, however, for many it has backfired. *Revenge Porn* investigated the dark side of sexting, revealing what can happen when the most intimate photos get into the wrong hands.

Presenter Anna Richardson went to extraordinary lengths to demonstrate just how an ex's appetite for revenge can have devastating, life changing consequences. In the UK and abroad, she met the people who have fallen victim to a scorned ex, talks to anti-revenge porn campaigners and experts, and confronts the perpetrators of these awful crimes.

The documentary achieved 1.8 million viewers and helped boost calls to the government revenge porn helpline, with more calls in 48 hours than they would usually receive in a week.



Factual Overview



Interview with
Ralph Lee
Deputy Chief
Creative Officer

2015 ambitions:

- Shift the focus of our output internationally, shining a light on stories and communities both outside and inside the UK
- Continue to work collaboratively across departments and genres
- Push the boundaries of diversity in our choice of subject matter

One of the purposes of our factual output is to challenge the views, assumptions and prejudices of our audience. By tackling issues like inequality, immigration, austerity, crime and the NHS we focus our attention on subjects that feature prominently in Britain's national conversation. Meanwhile, our programmes push new creative and technical boundaries and promote new talents and voices, making them as engaging and entertaining as they are thought-provoking.

What were the key ambitions for Factual?

A big focus this year was to sharpen the distinctiveness of our output and the points of differentiation with other broadcasters. Our strongest points of differentiation are innovation, provocation and diversity. Whereas BBC factual focuses on quality and ITV on familiarity, we often present viewers with material they are going to find challenging or difficult.

A key part of innovation for us has been breaking genre boundaries. We now have an output that reflects the way we work internally at Channel 4. We have broken open what were very defined programme genres to much more open and hybrid ways of working. As a result we are seeing more 'intersection' ideas like *Hunted*, *SAS: Who Dares Wins*, *Supervet* and *The Secret Life of 4 Year Olds* created by more collaboration internally at Channel 4. This is an area of creativity and innovation that is increasingly being uniquely associated with Channel 4.

We also make more programmes than any other broadcaster that take viewers outside their comfort zone. The best of our

programmes challenge the audience to think differently, they provoke the viewer with content and situations they're not necessarily familiar or comfortable with. This year, *Immigration Street*, *Britain's Racist Election*, and Trevor Phillips' *Things We Won't Say About Race That Are True* are great examples of this.

This has been a tremendous year for diversity on screen on Channel 4. Not only have we taken the diverse casting on mainstream programmes like *Secret Life of 4 Year Olds*, *First Dates* and *Gogglebox* to new levels, but we have widened the editorial frame to have a more diverse output with more international outlook. Programmes like *The Tribe*, *Walking the Nile* and *Flying to the Ends of the Earth* have given us very different visions of the developing world as part of a drive to increase international context, and *Muslim Drag Queens*, *The Murder Detectives* and *The Romanians Are Coming* have captured aspects of diversity and identity closer to home.

How do you feel 2015 went?

Amongst the highlights of the year must be Trevor Phillips' documentary about race, *Things We Won't Say About Race That Are*

SAS: Who Dares Wins



Educating Cardiff



"An accomplished piece of work, engrossing and inspiring in equal measure"

The Daily Telegraph

True. Muslim Drag Queens had real impact by Marcus Plowright; a first-time documentary film-maker, who had never made a film before. *The Tribe*, about the Hamar people of Ethiopia, was extraordinary – a largely subtitled observational documentary about the domestic life of people with whom we share no real common ground at all, and yet it was watched by over 1.5 million people. We're very proud of that. Another great film was *The Romanians Are Coming* which won a Grierson Award – the most prestigious award a documentary can win. We've successfully launched a number of new titles into the schedule, in particular *SAS: Who Dares Wins*, *Hunted* and *The Secret Life of 4, 5 and 6 Year Olds*. These will all return next year. Programme launches that have performed less strongly like *The Catch* and *The Tribe* have nevertheless been high-quality and distinctive. We've seen some erosion of the older titles like *One Born Every Minute* and *Educating...* but there has been continued growth of key shows titles like *Gogglebox* and *First Dates*. Overall, our work has been recognised as popular, ground breaking and distinctive, winning awards in multiple categories.

How did Factual help deliver the remit?

Factual delivers very strongly on Channel 4's remit for innovation, for generating debate and for diversity. We also invest heavily in new talent, with a minimum of ten hour-long documentaries a year being made by first time directors. This year our documentaries team also designed and ran a special Cutting Edge Directors scheme to help build skills in a cohort of emerging directors and investing in the key authorial voices of the future. This year we delivered innovation both in the form of obvious factual hybrid shows like *Hunted* and *SAS: Who Dares Wins* but also in the evolution of craft behind traditional observational documentaries like *The Murder Detectives*. This series gained access to Somerset and Avon Murder Squad and set out to tell the story of a single murder investigation from start to finish. We set out to make the programme without the traditional structural support from voice-over or interviews, pushing the creative

form as close as possible to the experience of watching procedural drama, all within the frame of an observational documentary. The resulting series was recognised not just as powerful and sensitive documentary but as a mould-breaking method of storytelling. In an election year we also aimed to hit many of the big national debating points, with *Immigration Street*, *NHS: £2 Billion a Week & Counting*, *Angry White and Proud* and *Jamie's Sugar Rush* all contributing to key issues of national interest.

What are the key challenges?

The key challenge is to generate enough new and distinctive programme launches into a schedule that is already rich with documentaries and to find creative ways of reflecting on the big issues of our time. At its best our output takes observations about the world (e.g. *Hunted* is about surveillance society or *First Dates* about the boom in dating brought about by the internet) and examines them in the frame of programming that is both entertaining and purposeful. We now have a lot of strong returning titles and have to constantly work hard to keep the pace of new ideas up.

The Romanians Are Coming



2016 strategy

Our strategy will be to provide a variety of factual strands and one-offs that cover a broad range of topical issues. We will do this with our distinctive approach, offering a level of challenge to viewers not found elsewhere.

We will be focusing more on international issues and diversity, pushing away from the major focus we've had recently on the country's domestic agenda – on benefits, the NHS and welfare cuts.

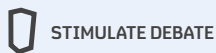
We have to keep existing shows such as *Gogglebox*, *24 Hours in A&E* and *First Dates* feeling fresh but at the same time develop new ideas and new talent. We'd also like to see more authored and presented programmes and have other strong figures like Trevor Phillips, Guy Martin and Grayson Perry to drive programming and offer their unique insight on issues that resonate with audiences.

Hunted

Case study

"Just when you think reality television has nothing left to offer, along comes *Hunted* to make you think again"

The Daily Telegraph



STIMULATE DEBATE



INNOVATE

A joint commission between Formats and Documentaries, thrilling series *Hunted* explored the reach of the state's surveillance powers by challenging ordinary British people to see if they can outwit and outrun a team of expert professional hunters.

A team of expert hunters from police force, military and professional intelligence backgrounds were gathered and their expertise helped to shape how the programme could be made. This included former Head of Covert Operations for the Met Police, Kevin O'Leary, who was in charge of making sure the production process accurately matched real life. The hunters utilised the same methods of surveillance and tracking employed by the state where legally possible, including open source intelligence and interrogating friends and

family. Permission was granted so that other methods, such as monitoring bank records and undertaking home searches could also be undertaken as they would in real life.

Hunted is produced by Shine TV, one of the UK's most successful producers of popular factual television, with shows including *The Island with Bear Grylls*, *MasterChef* and *The Undateables*.



The Murder Detectives

Case study

**"This was boldly conceived,
cleverly made programming.
A simple idea, superbly executed"**

The Daily Telegraph



STIMULATE DEBATE



INNOVATE

The ground-breaking documentary series *The Murder Detectives* followed every twist and turn of a police investigation into the horrific murder of a teenager.

The series was filmed over 18 months with intimate and unprecedented access to a police major crime unit in Bristol as they investigate the stabbing of a 19-year-old, and, unlike other crime documentaries, was uniquely shot as a drama.

But with the heart-wrenching story of a young man's senseless death, his family's pain and the police's determination to achieve justice for them at its heart, viewers are in no doubt they are watching real life; with all the far-reaching consequences such an act of brutality metes out on a community.


Directed by BAFTA-winning director David Nath (*Bedlam*) and executive producer Neil Grant, the films cleverly show the unfolding picture of a murder from the time the crime is initially reported. Weaving together the stories, a detective faced with an apparently motiveless crime, a family desperate for justice and another who'll do anything to save their son from a life behind bars, *The Murder Detectives* gave viewers access to the realities of police work and the impact of senseless acts of crime.



The Tribe Case study

**“Enthralling, touching and above
all, surprisingly funny”**

Mail Weekend

 CULTURAL DIVERSITY

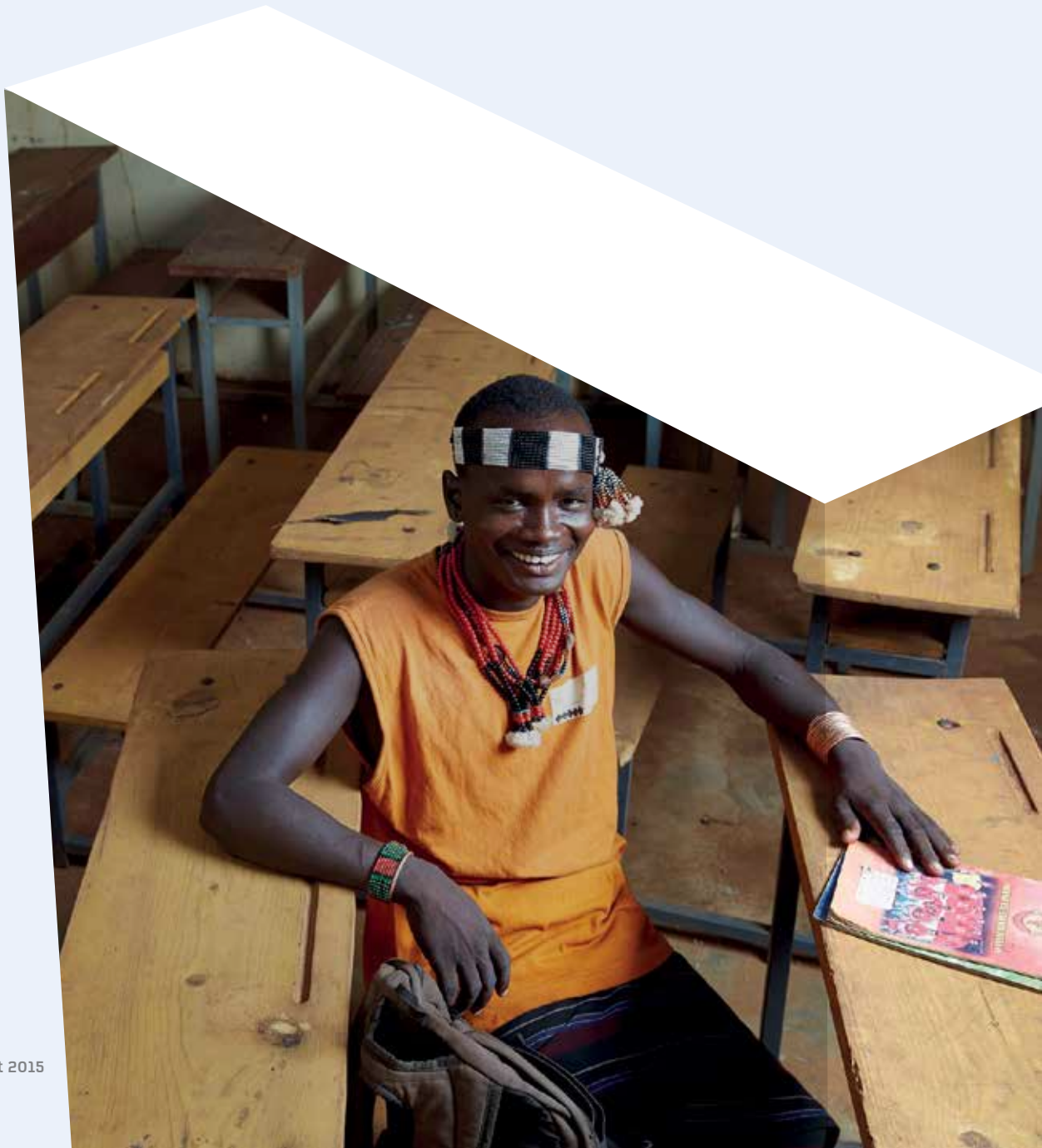
 DISTINCTIVE

In a television first, Channel 4 was granted access by a rural Ethiopian tribe to capture their life as never seen before by using fixed-rig cameras.

Part of the 20,000-strong Hamar tribe living in the Omo region of Southern Ethiopia, one family, known to their friends and neighbours as the Ayke Mukos, allowed their day-to-day life to be filmed over a period of months. Cameras placed in and around the family's huts capture the intricacies of their relationships, their social bonds and attitudes towards parenting and the community. It also charts how they are embracing the encroachment of the modern world while holding onto their traditional way of life.

Filmed for the most part with small unobtrusive cameras, *The Tribe* presents an intimate and uniquely authentic portrayal of tribal family life. The series follows them as they fall in love, fall out and come together as a family and through it all we discover there may be more that unites than divides our two worlds.

Produced by Renegade Pictures, the programme used the same innovative filming techniques behind the critically-acclaimed series *Educating...* and *24 Hours* strands, meaning that everyday life was captured in the African tribe using fixed-rig camera technology.



Muslim Drag Queens

Case study

"Fascinating documentary"

The Sunday Times



ALTERNATIVE VIEWS

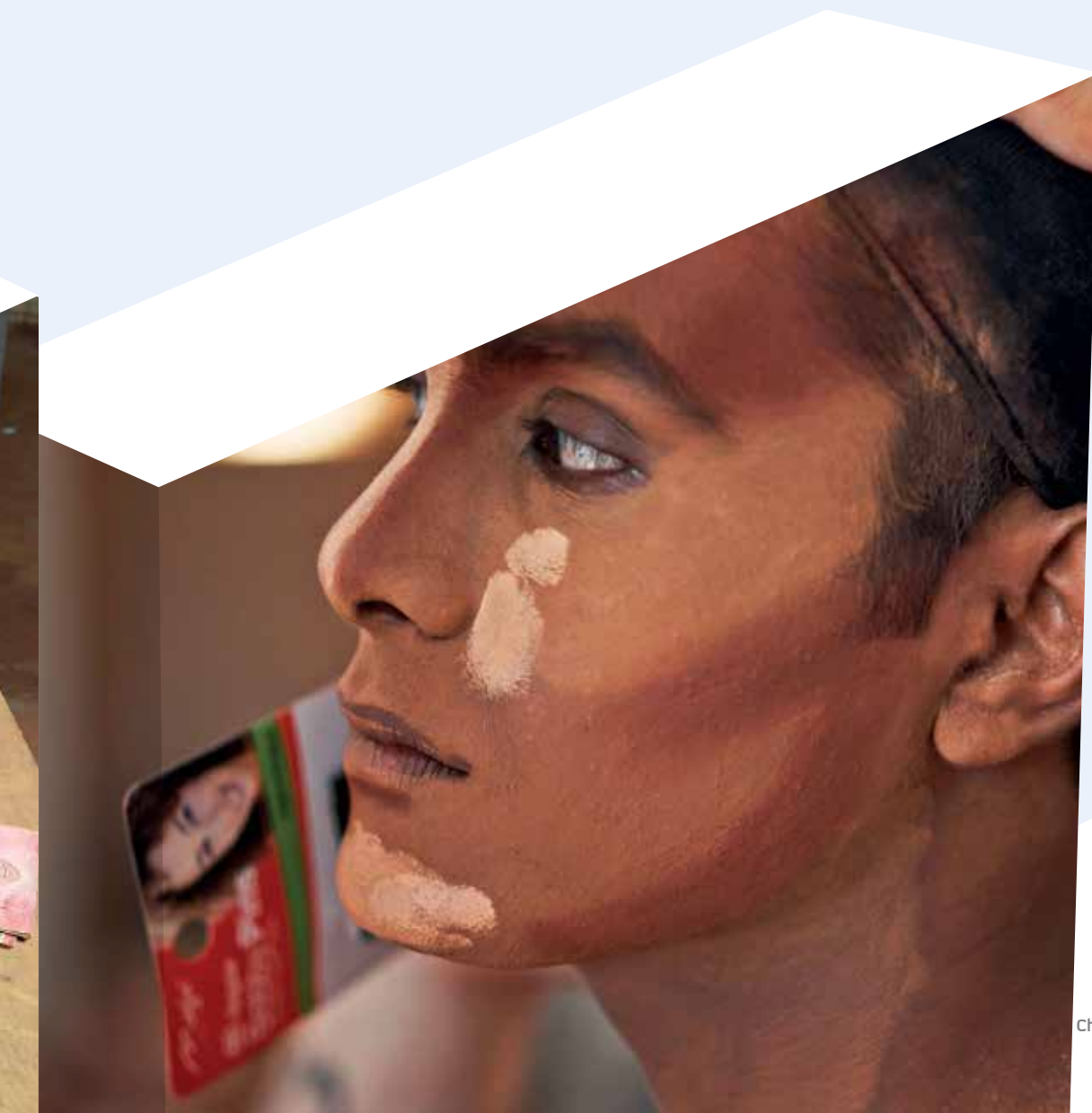


CULTURAL DIVERSITY

This *First Cut* documentary from director Marcus Plowright allowed unprecedented insight into the gay Asian community in the UK, which provides a haven for young men who are unable to publicly reconcile their sexuality with their cultural identity and traditions.

Homosexuality is widely deemed to be forbidden within Islam and the exhibitionist nature of drag remains one of the ultimate taboos for many British Asians – forcing the entire scene underground. This sensitively-made film focuses on the stories of three of the 100–150 Muslim drag queens who face the seemingly insurmountable challenge of gaining acceptance and tolerance within their own wider communities.

Narrated by Sir Ian McKellen, *Muslim Drag Queens* is part of Channel 4's eclectic and award winning *First Cut* strand, which showcases the work of the best up-and-coming directors.



Factual Entertainment Overview



Interview with
Liam Humphreys
Head of Factual Entertainment

Factual Entertainment is what most viewers see as a core part of Channel 4's DNA. 2015 built on our major successes of the previous year with a continuing focus on presenting important themes of daily life and work in a way that gave audiences fresh insight, interest and – of course – enjoyment.

The Island with Bear Grylls



**"The most
entertaining
TV show of
the year"**

The Sun

2015 ambitions:

- **Welcome the return of a strong spine of hit shows that do even better in their second series than in their first**
- **Bring fresh perspectives to important, contemporary issues**
- **Keep young audiences engaged and surprised**

What were the key ambitions for Factual Entertainment?

In 2014, in Factual Entertainment we launched big new shows and formats, such *The Island with Bear Grylls* and *The Jump*, which signified a change in direction for us as a genre. In 2015, we wanted to deliver second series successfully for both of those programmes in bigger and better form to large audiences and critical acclaim.

We wanted to continue to connect with young audiences and deliver them shows that deliver innovation in form and format. From shows that tackle difficult but everyday topics, such as *Dementiaville*, to big ticket shows such as *The Island with Bear Grylls* and *The Jump* that explore the human condition in brand new ways, as participants exploring their own personal boundaries and the limits of human endurance.

How do you feel 2015 went?

The Island with Bear Grylls was a huge success, as it returned to screens with a new twist as we pitted a Men's Island and a Women's Island against one another. Series one was essentially an experiment about masculinity: series two focused on the concept of gender differences between men and women. We also made quite a brave scheduling decision to run the programmes on consecutive days, as we wanted to encourage audiences to follow the two storylines as closely as possible. The popularity of the show was evident even from casting: an impressive 135,000 people registered an interest in applying for series three, which will be on screens in 2016. And the critics loved it too, with the show picking up BAFTA and RTS awards this year. I'm excited to see it return with a new twist to the format in 2016.

The Jump



The Jump also returned to strong ratings (it is one of the most successful recent pre-watershed entertainment shows ever on Channel 4) with a whole host of new celebrities who were willing to take on such a challenging physical feat.

We also saw the return of much-loved Channel 4 talent in new settings: *Kevin McCloud's Escape to the Wild* explored families living at the ends of the earth, and was a huge hit with average audiences of 2.5 million. The inimitable Richard Ayoade starred in a new series, *Travel Man: 48 Hours in...* Mary Portas returned in her most successful Channel 4 series, *Secret Shopper* and Jamie and Jimmy also returned really well with *Jamie and Jimmy's Friday Night Feast*.

How did Factual Entertainment help deliver the remit?

We deliver a strong raft of factual shows that bring important topics to young audiences in interesting and never-seen-before ways, and we pride ourselves on doing this more successfully than any other channel. I'm proud to say that this year 11 of the top 50 factual programmes for 16–34-year-olds from any channel came from Factual Entertainment.

It's our role to reflect modern British society back at audiences, tackling everyday issues in a distinctive manner. We explored the ever-more-prevalent issue of dementia and Alzheimer's with *Dementiaville*, which looked at how this perplexing disease works and a radical approach to memory loss. We exposed the challenges that disabled people face in the workplace in *Kitchen Impossible with Michel Roux Jr* staffing a kitchen with eight people with disabilities who have struggled to find jobs, putting them through an intensive four week introduction to catering, one of the toughest jobs around. And we explored a radical new

approach to sex education in our schools with *Sex in Class*, fronted by charismatic Belgian sexologist, Goedele Liekens. *The Undateables*, the hugely successful series which follows people with disabilities looking for love, returned with high ratings and positive reviews and was nominated for a BAFTA.

What are the key challenges?

The key challenge is to continue to connect with younger audiences, and we do this by asking tough questions of the audience: simple, top-line concepts that turn out to be very elaborate, ambitious programmes. We look for programmes that have something to say about the contemporary world, and that equally provoke a reaction from our audiences, too.

Sex in Class



2016 strategy

Our strategy will be to build on a successful spine of returning shows that drive large audiences, with a particular focus on reaching young people. We will commission programmes that use Factual Entertainment devices to deliver real cut-through to young audiences. Our biggest show of the year, *Eden*, is a massively ambitious project which aims to speak squarely to young adults about the challenges they face today. The series will follow a group of people who, disenfranchised by the current political system and growing up in a world where they can't get a job, can't get somewhere to live, saddled with big personal debt and a huge national debt, are consequently asking "Have we got it right? Would it be better if we started again?" We'll send them to a remote Scottish peninsula, testing their powers of survival and human instinct. Utterly alone, over the course of an entire year, what kind of world can they create? It's a social experiment on a scale that we haven't seen at Channel 4 before.

We are also rebooting the development pipeline in Entertainment, weaving in issues relevant to modern British society to entertaining formats. Friday nights at 9pm are absolutely key. We've commissioned intelligent entertainment shows that get out of the studio more and have something intelligent to say about the world, but also to get our subversive tone back, something that historically has been key to what Channel 4 entertainment does. Early in 2016 we take *The Last Leg* team out of the studio, sending them on a road trip of a lifetime in *Last Leg Goes Down Under*.


We'll also be supporting existing Channel 4 talent with new formats and ideas. Kayvan Novak will return to screens with *Britain Today*, *Tonight*, a satirical take on British news shows. Derren Brown is also back with an exciting new spectacular that challenges the powers of suggestion to their absolute limits.


Kitchen Impossible with Michel Roux Jr

Case study

"Uplifting and illuminating series"

The Daily Mail

 CULTURAL DIVERSITY

 STIMULATE DEBATE

 ALTERNATIVE VIEWS

In his first ever series with Channel 4, *Kitchen Impossible with Michel Roux Jr*, two Michelin-starred chef Michel Roux Jr mentored a group of people with a range of disabilities or long-term medical conditions as they strove to pursue careers in the hospitality business.

With help from back-to-work charities, chef Michel Roux Jr supports eight people with disabilities who have struggled to find jobs as they are trained, undertake work experience and attempt to secure work placements or full time employment in the hospitality industry. The group are put through an intensive four week course in one of the toughest industries around, to prove that no one is unemployable.

The series produced by Twofour Wales is a strong example of our aim to give opportunities to new and more diverse on-screen talent, empowering and supporting people with a range of disabilities.



Dementiaville

Case study

"A study of dementia with the human touch"

The Independent



STIMULATE DEBATE



CULTURAL DIVERSITY

It's predicted that one in three people in the UK will be affected by dementia, with many with the condition forgetting the present and travelling back to memories and places from long ago.

A Factual Entertainment concept documenting a progressive approach to dementia care and using reconstruction and archive footage, this compelling series searched out who each person once was – to find who they are now.

Around 800,000 people in the UK are currently living with dementia and there is no known cure. For families watching the disease gradually change their loved one's personality, it is a harrowing and heart-breaking experience. This series showed how families in crisis can be empowered as they discover alternative views

with emotional and practical progressive care, showing them it is possible to cope and live better with dementia.

Dementiaville was made by production company Twofour, and was a co-production with the Open University. A debate on *Dementiaville* took place at the Houses of Parliament, attended by MPs and major dementia charities, as well representatives from Channel 4 and Twofour.



Features Overview

Features are a bedrock of Channel 4's peak-time output so they must appeal to the broadest possible audience. We don't do that by looking for 'lowest common denominator' subjects but by embracing diversity, looking for those very particular and unexpected stories that can give viewers an insight into the lives and values of others.



Interview with
Gill Wilson
Head of Features

2015 ambitions:

- Give our audience a balance of long-running series and great stand-alone programmes
- Grow our audience at 8pm
- Broaden the diversity of our on-screen talent

What were the key ambitions for Features?

We always strive to deliver long-running series that continue to engage audiences, as well as incorporate more audacious standout pieces to make an impact in the schedule.

One of the shows that really demonstrated this was *Married at First Sight*, one of the most controversial, thought-provoking pieces of the year. The show addressed the changing genesis of relationships, and how the multiplicity of choice afforded by technology has changed that landscape forever. The show did particularly well amongst key audiences, with increased viewing amongst 16–34-year-olds and ABC1s. The programme definitely generated a public debate, and remains a talking point today – we are excited to welcome it back to screens next year.

How do you feel 2015 went?

In Features we continue to search for new voices, faces and perspectives on the stuff of life to share with audiences at 8pm. Diversity of our output, both on- and off-screen is central to delivering Features output that engages the broadest audience possible.

We feel very proud as a department to have brought Alan Gardner to the screen, in our revolutionary series *The Autistic Gardener*. The series brought this extraordinary condition into the mainstream. Alan took his team of specially selected garden-obsessed autism sufferers to transform the gardens of some very bemused fee paying clients up and down the country. The programme was form-breaking in that the commentary was written from an autistic perspective, and lampooned the rules of a traditional makeover format. Loved by audiences, Alan also won Silver at the Chelsea Flower Show with his autistic garden, and as a result of the series is now an ambassador for the National Autism Society.

Married at First Sight



Born Naughty?

"A responsible and intelligent attitude to parenting programmes"

The Daily Mail

We wanted to increase audiences at 8pm, whilst continuing to deliver strongly on our remit and reinvigorating traditional Features areas such as property and make-over. *Born Naughty?* was a new take on parenting which explored the reasons behind behavioural problems in children, and the reason parents sometimes counter-intuitively hope for a diagnosis. Dr Dawn Harper from *Embarrassing Bodies* and Dr Ravi Jayaram provided insight, and ultimately a diagnosis for children and their long-suffering parents. The show launched well, averaging 1.9 million viewers.

Superfoods: The Real Story, which focused on busting common myths around so-called superfoods, also launched strongly, with an impressive 2.3 million viewers watching the first episode.

How did Features help deliver the remit?

All Features series are naturally reflective of our diverse society in terms of contributors; BAME, LGBT and differently abled contributors are a regular part of the tapestry in shows like *Location, Location, Location*, *Grand Designs*, *Restoration Man*, *George Clarke's Amazing Spaces* and *Obsessive Compulsive Cleaners*. This year we were also delighted to broaden the diversity of our on-screen talent with Dr Ravi Jayaram in *Born Naughty?*, and Hala El Shafie in our new series *How to Lose Weight Well*.

We have also been highly successful in commissioning from the Nations – with a commission from Wales, two series from Northern Ireland, and several returning commissions from Scotland.

What are they key challenges?

Attracting large audiences in peak-time to informative shows that reflect modern life back to our viewers is always our main challenge. Quality is, of course, key for us, and it's gratifying to see new shows such as *Kirstie and Phil's Love it Or List it*, *Married at First Sight*, *Born Naughty?* and *Superfoods: The Real Story* launch with audiences of 2.2 and 2.3 million.

With the aim of reaching as large an audience as possible, we also successfully migrated *Great Canal Journeys* to Channel 4 from More4, as the show reached an average audience of 2.2 million. Familiar faces like Kevin McCloud with *Grand Designs* and Jamie Oliver with *Jamie's Super Foods* also continue to deliver great quality shows that audiences love.

Superfoods: The Real Story**2016 strategy**

In 2016, we will continue our strategy of driving large audiences at 8pm to shows that innovate in form, creating thought provoking standout pieces which cut through the schedule.

We have several commissions we intend to stimulate public debate. Along with the second series of *Married at First Sight*, we will continue to explore transgender issues with the highly audacious *Boys will be Girls*, which follows men at the beginning of their

emotional and physical voyage to becoming women, set in New York. *Second Chance At Life* is one of the most ambitious health series we have undertaken. Davina McCall will take four people with debilitating health issues, and follow them through a life transforming year of medical intervention. At the end of this process they will all undertake something previously unthinkable, pushing themselves to the limits of their personal confidence.

The Autistic Gardener Case study


Award-winning gardener Alan Gardner led a team of autistic green-fingered amateurs who use their unique skills to transform neglected gardens across the country.


Alan – who himself has Asperger's Syndrome – a landscape garden designer and horticulturist, puts together a team of trainees for the series who work under his expert leadership.

Produced by Betty, the series aims to bring viewers closer to this misunderstood condition, offering valuable insight and a surprising new perspective.

"Wholly charming"

The Guardian

 CULTURAL DIVERSITY

 STIMULATE DEBATE

Nine out of ten viewers found the series to be either good or excellent, with the majority finding the series to be informative, educational, honest and inspiring, with 87% of viewers feeling that they were shown a view of autism that they had never seen before on TV. Furthermore, 85% of viewers stated the series made them think about the challenges facing those with a mental illness of disorder in a different way.

REACHED

5.2 million

VIEWERS ACROSS THE FOUR EPISODES





Film Overview

Film4 has been a pioneer of independent British cinema in many different ways and our slate for 2015 continued that tradition. As well as a spread of releases that were creatively and commercially successful, our films were, to an unprecedented extent, made by, with and about women.



Interview with
David Kosse
Head of Film4

2015 ambitions:

- Celebrate the talent of women, on- and off-screen
- Use our commercial successes to sustain our creative ambition
- Develop an even greater slate of projects for the future

What were the key ambitions for Film?

Our strategy in 2015 has been to cross-subsidise the more creative and risky projects with commercial films. That's how we always make it work – it allows us to continue to drive those projects that wouldn't be made by anyone else, such as Sarah Gavron's *Suffragette*.

The big story this year has been films made by, starring and about women: *Room* is a story about a woman, a mother and her journey to both liberate and protect her child; *Suffragette* of course is about the fight for female suffrage, with a strong lead and supporting female character, as well as a production team made up almost entirely of women – including the writer and the director; *Carol* focuses on the romantic relationship between two women; and *45 Years* is about a woman dealing with a particular moment in her marriage.

How do you feel 2015 went?

Delays have meant that we've spent less than we anticipated this year. In terms of critical success, the year has gone incredibly well. We had 11 nominations at the Golden Globes, including a win for Brie Larson for Best Actress, and we're breaking records with our 22 BAFTA and 15 Academy Awards nominations, with wins for Brie Larson at the BAFTAs and Academy Awards for Best Actress in Lenny Abrahamson's *Room*. Asif Kapadia's *Amy* and Alex Garland's *Ex Machina* also won Academy Awards for Best Documentary and Best Visual Effects respectively. We've had a very full slate of films that have achieved national and international acclaim: as well as *Room*, *Carol*, *Suffragette*, *45 Years*, we've had *The Lobster*, director Yorgos Lanthimos's unconventional love story set in a dystopian future starring Colin Farrell and Rachel Weisz, and *Macbeth*, Justin Kurzel's adaptation of 'The Scottish Play' with Michael Fassbender and Marion Cotillard. And these films have all been both critically and, relative to the size of their budgets, commercially successful.

Ex Machina



Carol



"...flawless...
a ravishing
tour de force..."

The Guardian

Suffragette in particular did extremely well at the UK box office, taking almost £10 million. It is an unusual film in many ways: its stellar on-screen cast, including Carey Mulligan, Anne-Marie Duff, Helena Bonham-Carter, and Meryl Streep as Emmeline Pankhurst is dominated by women. Off-screen, director Sarah Gavron and writer Abi Morgan were joined by a largely all-female production crew. It tells a story so pivotal to recent social history, yet one that has not previously been addressed in a mainstream feature. And yet it is that a mainstream feature launched to both critical and audience acclaim, a film that truly embodies Film4's purpose and value to the UK industry.

How did Film help deliver the remit?

Film4 has always been core to what Channel 4 does for talent and for creativity in the UK and this year has been no exception. We've got a slate we should be really proud of and that will be reflected in the nominations and awards that come next year.

£10.8 million

SPENT ON FEATURE FILM PRODUCTION
AND DEVELOPMENT

From a diversity perspective, I think it's important that we've been able to create so many great pieces by and about women and I think we've struck a good balance between the risks that inevitably go with creative film-making and the need to see enough commercial success to sustain that creativity.

What are the key challenges?

The key challenge for us is always maintaining the values of Film4 – nurturing talent, driving innovation across the industry – whilst also making films which are commercially successful. There's a sweet spot there that films like *Room* and *Carol* hit so well, where we are able to demonstrate that the unique position that we hold within in the UK film market can drive both critical and commercial success.

Amy



2016 strategy

We want to continue to work with and support a wide range of the UK's best independent film-makers, making films that are as creatively and commercially successful as possible within the context of an increasingly global industry.

We are increasing our budget from £15 million to £25 million in 2016 and are exploring the different ways for Film4 to finance films, including developing new partnerships across production and distribution. I'm also looking forward to seeing the fruits of our two major new partnerships with Fox Searchlight and Entertainment Film Distributors and FP Films, *The Inbetweeners*' creators Iain Morris and Damon Beesley's production company.

We have five or six great films queued up and waiting to go, including some that we had hoped to get into production or into cinemas this year but

have been delayed because of talent not being available and directors' decisions that are beyond our control.

There's *American Honey* which will most likely be going to Cannes. There's also *Una*, the first feature from acclaimed theatre director Benedict Andrews and based on the play *Blackbird* by David Harrower, and *Free Fire* from director Ben Wheatley, who made the innovative *A Field in England* for us in 2013. There are also two much darker, edgier more difficult films that we hope will be completed in the year ahead – *Journeyman* is BAFTA-winning director Paddy Considine's second feature with Film4. *Dark River* is also the second film with Film4 from Clio Barnard whose debut feature *The Selfish Giant* premiered at Cannes Film Festival.

Room Case study

Told through the eyes of five-year-old Jack, *Room* is the story of a defiant relationship between a mother and child living in captivity.

To Jack, the single room they live in is all he knows, while to Ma (Brie Larson) it is a prison within which she must create a childhood for her son. Both escape from the enclosed surroundings that Jack has known his entire life, the boy makes a thrilling discovery: the outside world. As he experiences all the joy, excitement, and fear that his new adventure brings, he holds tight to the one thing that matters most of all – his special bond with his loving and devoted Ma.

Room was filmed at Pinewood Studios and on location in Toronto, and was post produced at Screen Scene in Dublin. As well as receiving backing from Film4, the film was produced in association with Telefilm Canada, and the Irish Film Board. The film received its UK premiere at the London Film Festival.

“the film boasts exemplary performances”

The Guardian online

 NURTURE TALENT

 DISTINCTIVE

BAFTA and Academy Awards Winner

BRIE LARSON – BEST ACTRESS



Suffragette

Case study

The film follows Maud (Carey Mulligan), a young woman who becomes involved with the early feminist movement.

Faced with the reality that peaceful protest is proving ineffective and an increasingly brutal State, Maud and her fellow suffragettes are forced underground and turn to violence as their only route to change, willing to give up everything in pursuit of dignity and the right to vote.

Launched to both critical and audience acclaim: a film that truly embodies Film4's purpose and value to the UK industry. *Suffragette* is directed by Sarah Gavron (*Brick Lane*), written by Abi Morgan (*Shame*, *The Iron Lady*), and produced by Alison Owen (*Shaun of the Dead*, *Saving Mr. Banks*) and Faye Ward (*Tamara Drewe*, *Jane Eyre*).

"hot blooded, riveting"

The Daily Telegraph

 NURTURE TALENT

 DISTINCTIVE

Suffragette is the first feature film to tell the remarkable untold story of the ordinary British women at the turn of the last century who risked everything in fight for equality, so pivotal to recent social times. Both powerful and thrilling, the film depicts one of the most turbulent periods in British history.

ALMOST

£10 million

TAKEN AT THE UK BOX OFFICE



News and Current Affairs Overview



Interview with
Dorothy Byrne
Head of News and Current Affairs

With a General Election, the growing refugee and migration crisis, the humanitarian crisis in Syria, the role of *Channel 4 News* and Current Affairs as a widely respected and authoritative voice, with proven commitment to an international perspective, was never more important than in 2015.

Cameron/Paxman debate



2015 ambitions:

- **Bring the General Election alive for disenchanted younger voters**
- **Engage young audiences online**
- **Continue to report on international current affairs**

What were the key ambitions for News and Current Affairs?

Our first objective was to generate interest in the General Election. With widespread concern about the lack of interest in politics among young people, and given Channel 4's special relationship with 16–34-year-olds, Channel 4 set out to capture the public's imagination, working across different genres. Jeremy Paxman's interviews with Cameron and Miliband made such an impact that they were one of the stand-out moments of the start of the General Election campaign.

Engagement with young audiences online was also a priority. We focused our online strategy for 16–34-year-olds on the platforms they use most, such as YouTube and Facebook. And it's worked. Last year *Channel 4 News* total video views were up a huge 1,054% from 2014. With over half a billion views we've had a huge increase on Facebook this year as well as YouTube where we reached over 62 million views.

And at a time of considerable unrest around the world, we sought to continue to shine a light on international current affairs.

How do you feel 2015 went?

Throughout the Election campaign, we had distinctive news reporting led by Jon Snow, we had the *Alternative Election Night* coverage, and we produced the first ever *Youth Leaders Debate*, which we streamed online. We also collaborated with other broadcasters, sharing coverage of leadership debates, to ensure that viewers were given a range of opportunities to judge politicians: the University of Leeds research into the election showed that television was by far the most important source of information for the public.

Aside from the General Election, our investigations *Politicians for Hire* and *How to Buy a Meeting with The Minister*, both made front-page headlines and with *Politicians for Hire* we found ourselves at the eye of a political storm. Following our unprecedented step of inviting Ofcom to scrutinise the legitimacy of the programme, the communications regulator found that the programme was fair and a serious piece of journalism in the public interest.

We also broadcast a major two-part news investigation into the treatment of migrants in the UK. Our revelations about the conditions in which migrant workers were picking apples for some of the major supermarkets in Britain, caused the supermarkets themselves to set up an investigation. We also offered an immersive digital experience of the migrant crisis with *Two Billion Miles*, which used real-life footage to take users on their own migrant journey across the globe.

We broadcast a film showing young British men joining Kurds on the front line which spoke strongly to the issue of British people's involvement in fighting ISIS. *Channel 4 News* also had outstanding coverage of both issues, including the haunting film *Children of the Caliphate*.

Dispatches had an extremely successful 2015, increasing its audience substantially by 16% whilst continuing to make impact. A considerable number of our films made front-page headlines, from political scandals to revelations about Syria and Iraq.

Dispatches had a major focus in 2015 on the way major policy changes are affecting life in Britain, in particular the significant welfare and pension reforms. We investigated domestic policy areas from defence to council finance; from the changing nature of working life to the impact that has on low paid people and pensioners. We also showed what it's like to be a worker on a zero-hours contract with some of Britain's biggest brands, such as SportsDirect and Aldi. We went undercover in the Universal Credit office, to see how benefit reforms were working. In *Britain's Benefits Crackdown* we looked at how claimants are being hit by the new sanctions regime. In *Kids in Crisis*, we investigated the shortage of services for mentally ill children and the consequences for large numbers of families across the country.

Once again *Dispatches* programmes won numerous awards, including winning the Current Affairs BAFTA TV Award for the second year running, and it remained one of the country's most talked-about programmes.

How did News and Current Affairs help deliver the remit?

We bring a diversity of views and voices to stimulate public debate and key to our success in doing this is the fact that our programmes and our news were made by so many different production companies last year.

One of our most vital projects was to reveal what was happening to women in Syria. This has been a long-standing commitment for us; and this year we made *Escape from ISIS*. We also held a discussion in Parliament inviting MPs, peers and others to hear directly from the film-makers and journalists. When you have a situation of the complexity of Syria, it makes a real difference to have a daily hour-long news programme in which a large proportion is international, backed up by our two strands, *Dispatches* and *Unreported World* which are strong on international coverage.

We continued our commitment to investigating the abuse of the rights of LGBT people across the world. Liz MacKean won the Stonewall 'Journalist of the Decade' award for *Hunted: Gay and Afraid*, the film she reported about what's happening to gay men in Russia. Liz then shifted her focus to the ways in which the American religious right promotes regressive legislation in countries around the world. For *Unreported World* we made a programme about gay people in China suffering electric shock treatment.

We are also really proud of the fact that last year half of our *Unreported World* reporters came from ethnically diverse backgrounds or were disabled.

What are the key challenges?

It's vital that we inspire young people to be interested in what's happening in Britain and the world: *Channel 4 News* still has by far the highest percentage of young viewers – approx 16% of the audience, while the BBC is around 8%. What is also interesting is that young people are looking at content around serious issues online: 12 million views for footage of refugees being welcomed to Germany, 9 million views for a film about wrongful convictions in America and a remarkable short film about elderly people being lonely got 12.5 million views in its first week.

Hunted: Gay and Afraid



2016 strategy

Our strategy will see continued distinctive coverage with a focus on international and investigative journalism.

We will continue to find new ways to engage younger audiences with our News and Current Affairs content, both online and on-screen, building on our successful digital-first strategy of seeding impactful and credible short-form news video on social platforms. Measuring the impact of our content on these platforms will also be a focus. We will explore how we measure the impact of programmes that deliver news content to young people but via other formats i.e. *The Last Leg*, and how we can best measure the impact of this content in improving understanding of topical issues amongst younger audiences.

We will seek to cover topical stories from around the world with depth and unique perspective. The Middle East and the rise of ISIS will be key for us. I think reporting on migration will continue to be a major focus for us. We've already got several films under way. And we will be covering the presidential election in the US of course.

In the run up to the European Referendum, we will also be laying out the complexity of the issues for our viewers so that as many people as possible feel engaged and informed.

Escape from ISIS

Case study

**"A breath taking bold piece
of journalism..."**

The Guardian



STIMULATE DEBATE



DIGITAL

Escape from ISIS features exclusive covert coverage shot by an activist cell inside the so-called Islamic State. The film exposes the brutal regime suffered by millions of women living under ISIS, and the extraordinary story of a secret underground network trying to save them.

Amid the horror, *Escape from ISIS* director Edward Watts shows the brave volunteers secretly plotting rescues from inside the Islamic State, negotiating with ISIS fighters to free their sex slaves, and carrying groups of freed women and children out over the frontlines.

The *Dispatches* film has garnered much critical acclaim and awards, including an Amnesty Award in the documentary category and TV Story of the Year award at the Foreign Press Media Association Awards.

WATCHED BY OVER

1.2 million

PEOPLE



Online News success

Case study



DIGITAL



EDUCATIONAL



DISTINCTIVE

Over half a billion

VIDEOS VIEWS ON FACEBOOK

2015 saw the fruition of *Channel 4 News*' digital strategy: a pioneering, mobile-first approach that puts the mobile user at the heart of the digital experience, allowing us to engage with more young people than ever before.

The approach ensures that we serve users content via familiar platforms, including Facebook and YouTube, in a format that is the most convenient for them to engage with: short clips that address the key stories of the day. All videos are subtitled both for accessibility reasons and so that mobile users can watch them without sound.

Last year *Channel 4 News* total video views were up a huge 1,054% from 2014: our videos had over half a billion views on Facebook, with Facebook likes more than trebling from 300,000 to over 1 million and two-thirds of all Facebook likes from under 35s.

And the videos are having real impact – our video *Loneliness Among the Elderly* was watched over 12.5 million times and contributed to a surge in inquiries from potential volunteers for Age UK. Director of Policy Simon Bottery said: "There has been a huge increase in inquiries from volunteers due in part to a story on *Channel 4 News* about isolation, which went viral too."

Finally, *Channel 4 News*' interactive video story, *Two Billion Miles*, presented the programme's unique coverage in a format that gave the audience the opportunity to face the real choices refugees and migrants made. It has been nominated for the RTS News Technology award.



Online Overview

A successful year saw Channel 4's online services grow and mature, creatively and commercially. It marked the moment when online content moved from being a 'supporting actor' for our television channels to being an equal partner.



Interview with
**Richard
Davidson-Houston**
Head of All 4 and
Digital Content

2015 ambitions:

- **Launch All 4 as a single digital home for everything Channel 4 does**
- **Commission more video content specifically for online**
- **Identify and nurture innovative new suppliers from across the UK to work with us**

What were the key ambitions for Online?

Our focus was to launch All 4 as our new digital flagship; a single digital destination for all that Channel 4 has to offer, which launched in March. We wanted to build on our success with commissioned games to launch All 4 Games as a new commercial venture, which we did in September.

We wanted to grow the proportion and volume of views of All 4 Originals in the shape of Original Shorts. We've exceeded our own challenging expectations for Original Shorts in terms of investment, number of series commissioned, diversity of supply, revenue generated and viewing targets.

How do you feel 2015 went?

It was a highly successful transitional year in which we delivered an excellent performance and laid the foundations for both commercial and creative growth.

Our vision for All 4 is that it should move on from being perceived as a catch-up TV proposition to become a video destination for younger viewers in its own right. In light of that,

we targeted 10 million views on All 4 Originals in 2015. The final figure is over 11 million views with the bulk coming in the second half of the year. This is significant because it confirms that there are a growing number of viewers with the appetite to watch content on All 4 that hasn't been inherited from TV.

We've had several standout successes with original content such as, for example, *Rich Kids Go Shopping*, which was subsequently commissioned as a one-hour special for Channel 4, *Young & Minted: I Won the Lottery* and *In Bed with Jamie*. The latter is an All 4 Original show presented by Jamie Laing from *Made in Chelsea*. This bite-sized programme exemplifies the way in which All 4 can grow by extending popular talent into new formats that are super relevant to our young audience but designed specifically for digital.

In addition to commissioning original shorts, we've also recently begun to acquire content such as *Married at First Sight USA*, giving us another dimension to the editorial proposition. Walter Presents also offers viewers exclusive content in the form of the best foreign language drama from around the world packaged as All 4 box-sets.

In Bed with Jamie



Rich Kids Go Shopping**2016 strategy**

Our online strategy will strive to extend the reach of Channel 4 content via All 4, establishing the platform as a curated home of original and exclusive long and short-form content and an important part of the Channel 4 portfolio. We understand that we need to adapt to the changing behaviour of younger audiences, and want to make sure we can best serve those viewers, with particular focus on a more joined-up offering from E4 and All 4.

We are continuing to invest more in non-traditional, non-linear, non-TV content – and we want to continue to drive audiences to All 4 to watch it. We want to introduce viewers to original content online, and not just from the UK. Walter Presents is a strand that showcases the best of global drama, with its home on All 4. We want to make a huge success and talking point of both original and exclusive content and, of course, for our viewers to fall in love with All 4 as a platform.

Launching a new brand, a complete new suite of apps and a new commissioning strategy was a major challenge: we've seen real success and All 4 video views are up year on year.

How did Online help deliver the remit?

For Originals there is a natural emphasis on on-screen diversity because it reflects the everyday reality of much of our young audience. We have been able to commission shows that might be considered too niche for a broadcast channel but which can find their audience online and thrive. *The Black Lesbian Handbook* is a good example which came back for a second series after an initial success in late 2014 and was a returning hit.

We have continued to depict people with disabilities in surprising and challenging ways. *Disabled Fight Club* offered an unflinching insight into a previous unseen community of disabled sportspeople.

We work hard to bring new suppliers to Channel 4 as well as working with existing suppliers to partner in innovation. Of 34 indies whom we worked with to produce 45 original series for All 4, 15 are new suppliers to Channel 4. In many cases this is their first ever paid commission. Three of those companies are BAME-owned or part-owned, six are from the Nations, and three from the English Regions.

What are the key challenges?

The key challenge is to shift perceptions of All 4 from being a convenient way to catch up with missed TV shows to becoming a destination in its own right. To achieve this we have built a grand coalition right across Channel 4 to include brand marketing, social engagement, product development, operations, commissioning, acquisitions and more.

We have moved on-demand television from the edge to the heart of Channel 4 and now, as All 4, we have a vital role to play creatively and commercially.

Disabled Fight Club**The Black Lesbian Handbook**

What Not To Do with Alex Brooker


Case study

Channel 4, in partnership with Scope, commissioned a brand new advertiser-funded Original Shorts series called *What Not To Do* starring Alex Brooker, the disability charity's ambassador and star of Channel 4 show *The Last Leg*.


The short-form series launched exclusively on All 4 in early August 2015. Each episode sees Alex Brooker react to different scenarios via hidden camera set-ups exposing onlookers' awkwardness around disability.

addressing behaviour towards disability and awkwardness. Whilst the series engaged and entertained viewers, it also challenged them to reassess and examine their own behaviour and prejudices to disabled people in daily situations.

 CULTURAL DIVERSITY

 STIMULATE DEBATE

 DIGITAL

 ALTERNATIVE VIEWS

All episodes exemplify how not to behave in situations including a blind date, a job interview and at the hairdressers and represent real-life situations based on research from Scope



Chelsea Style Secrets – Made in Chelsea

Case study

Chelsea Style Secrets is an All 4 Original Shorts series made in partnership with Rimmel.

Across the eight episodes, viewers discover how the *Made in Chelsea* cast style themselves for the biggest parties and events in SW3 – culminating in a contest between three of the girls to replicate each other's signature look, judged by the ever-critical Mark Francis.

Drawing on the success of *Educating Binky*, one the earliest and most successful Original Shorts made by Channel 4, *Chelsea Style Secrets* gives fans what they want by offering a glimpse at the cast as they've never been seen before – not to mention a peek inside their bedrooms.

 NURTURE TALENT

 INNOVATE



TV Events and Sport Overview



Interview with
Ed Havard
Head of TV Events and Sport

Channel 4 has become the undisputed world leader in showcasing para- and disability sport. 2015 saw us build on that reputation and begin to achieve a similar position in our coverage of horse racing. At the same time, we pulled off some of the most ambitious and successful single-event moments in Channel 4's history, from our coverage of the General Election to *Stand Up To Cancer* programming.

Alternative Election Night



2015 ambitions:

- Produce the most impressive stand-alone event television that captures the essence of great sporting and TV moments
- Keep pushing parasport up the sporting agenda
- Drive world-class innovation in our racing coverage

What were the key ambitions for TV Events and Sport?

The key aim for 2015 was to deliver some of the most ambitious pan-channel events in the schedule – from the *Alternative Election Night* to *Stand Up To Cancer*; from the *Grand National* to the return of *TFI Friday*. We also had hundreds of hours of sport programming to land and to ensure that planning for the *Rio 2016 Paralympic Games* was on track.

How do you feel 2015 went?

In 2015 we have overseen some of the most-watched moments of the year – including the *TFI Friday* Anniversary special, which was produced with the Entertainment team, the *Gogglebox* special for *Stand Up To Cancer* and the *Grand National* which peaked at 8.9 million, the highest peak-time audience for the *Grand National* we've had. The *Alternative Election Night* was another example of Channel 4 being able to deliver major channel-wide events with huge scale and ambition – with many different genres and departments within the business coming together to deliver a highly complex editorial. And the result was the most-watched election coverage on commercially-funded TV and the most-watched election coverage on terrestrial TV aside from BBC One.

Stand Up To Cancer in 2015 was hugely successful both from a programming and fundraising perspective, delivering huge audiences and raising millions of pounds. The plans for *Stand Up To Cancer* in 2016 are our most ambitious ever and it is now the fastest growing TV fundraiser, raising almost £30 million to date. On top of that, the *TFI Friday* anniversary show was a major landmark in 2015, finding a very large audience and the subsequent series delivered an extraordinary editorial and some of the most ambitious and creative entertainment content of the year.

2015 was also a hugely successful year with the horseracing. Not only did the *Grand National* deliver a record breaking audience, it also showcased many more innovations as well as an opening fronted by James Nesbitt. Channel 4 has continued to innovate in horse racing, and a number of these innovations are world-firsts in sports broadcasting. So it's been great to get recognition for that with a Broadcast Awards win and RTS Awards nominations for the coverage in 2015. And to top it all, AP McCoy was signed to join the coverage giving audiences insights from the most famous and celebrated jockey in the world.

We have continued to showcase parasport at major events. We've covered the *IPC World Swimming Championships* in Glasgow, the *Anniversary Games* in London and the *National Paralympic Day* in London. We also had daily live coverage from Doha for the *IPC World Athletics Championships*. So, there's been comprehensive, high-quality coverage of parasport events throughout 2015. The challenge is to keep delivering high-quality sport coverage in new and distinctive ways. No other broadcaster in the world is showcasing parasport with the scale and ambition that we have. That's why we won Best Broadcast at the 2015 IPC Awards.

How did TV Events and Sport help deliver the remit?

Channel 4's coverage of parasport and the Paralympic Games has continued to help transform attitudes to disability. We have continued to drive forward with our commitment around disabled and diverse talent at Rio and new talent such as *Breaking Bad*'s RJ Mitte has been signed up. We have also been working with returning disabled talent like Ade Adepitan, Rachel Latham and Arthur

Williams. But our commitment to diversity has extended well beyond parasport – from Romesh Ranganathan on the *Alternative Election Night* to Rishi Persad on *Channel 4 Racing*, we have showcased diverse talent on-screen. What's more, our commitment to 10% of the production team at Rio being disabled has helped to transform the diversity of the off screen sports production sector.

In terms of our commitment to engage young audiences with topical content and news, the *Alternative Election Night* coverage made a huge impact – with more than double the 16–34-year-old audience share than any other commercially-funded channel on election night.

What are the key challenges?

Our challenge is to continue to innovate and offer audiences the sport they love with a Channel 4 edge; we always want to be offering viewers something new. The *2016 Rio Paralympic Games* this year will give us further opportunity to build on the success of 2012, and we're excited about introducing audiences to new presenting talent and supporting programming around the event. And for racing, we continue to push technological boundaries to give viewers unparalleled insight to the sport.

2016 strategy

We will put a unique Channel 4 take on landmark TV Events, from nurturing and showcasing diverse talent with our Paralympics coverage to the most diverse line-up ever for our upcoming *Formula One* coverage.

The *2016 Rio Paralympic Games* is also obviously a huge moment for the whole channel – the culmination of Channel 4's 'Year of Disability'. Every department in the business is involved in this mammoth logistical and creative operation so it presents an exciting challenge for all of us.

We secured the rights to one of the most-watched sports properties – *Formula One* – at the end of 2015, so landing that successfully from the very first race in March 2016 is a major priority. It is a huge moment for Channel 4 so we are very excited about the whole business getting behind *Formula One* and have very ambitious plans for the coverage.

On top of that, we are developing hugely ambitious plans for *Stand Up To Cancer 2016* not to mention the *Grand National* and the other crown jewels in the horse racing calendar. So it will be our busiest year so far with huge opportunities and challenges.

IPC World Championships Doha



Grand National 2015 Case study

With almost 20 hours of horse racing related build-up programming broadcast for the three-day Festival, and record audiences, the *2015 Crabbie's Grand National* was our biggest and best yet.

A peak of 8.9 million viewers tuned in to watch coverage of the race, presented by award-winning broadcaster Nick Luck, alongside jockey and broadcaster Frankie Dettori and fashion expert Gok Wan.

for 2015. The gilet starter camera, used for the first time at Cheltenham Festival, was used for the dramatic Aintree starts, as well the return of the innovative wire camera and other principal technology. The Horse Tracker app also returned across all three days of racing, with enhanced maps and tracking features.

 **DISTINCTIVE**

 **INNOVATE**

Continuing our commitment to innovation in racing coverage, the significant production commitment to the UK's biggest horse race included the deployment of additional cameras

Winner

BROADCAST AWARD –
BEST SPORTS PROGRAMME

8.9 million

PEAK AUDIENCE



TFI Friday

Case study

Following the triumphant 90-minute special of *TFI Friday*, drawing in a consolidated audience of 4.1 million, the entertainment show returned for an eight part series.

The show was broadcast from its new home in Central London with brand new features, raucous stunts and brilliant guests. With performances from U2 on the season premiere of the show's return and guest co-host Alan Partridge for the Christmas comedy special, the series became a key part of the Friday schedule once again.

The special also attracted the highest share of 16–34-year-olds with an impressive 29% share of the demographic for the slot.

"glorious fun"

The Times

 NURTURE TALENT

 DISTINCTIVE

4.1 million

VIEWERS FOR THE 90-MINUTE SPECIAL



Thank you

This list includes all our suppliers of first-run originated television programmes that transmitted across the portfolio in 2015, and the digital companies that received project funding from us in 2015. We also provided development funding to a range of other companies. While every effort has been made to identify and name all the relevant companies for this list we apologise if there are any accidental omissions.

We would also like to thank all our advertising and commercial partners.

12 Yards Productions	Globe Productions
2LE Media	Hardcash Productions
AbbottVision	Hat Trick Productions
Alaska TV Productions	Hayfisher Productions
Alcove Entertainment	HotSauce TV
AMOS Pictures	Hyphen Films
Arrow International Media	Icon Films
Aurora Media Worldwide	IMG Media
Avalon	Indus Films
Avanti Media	ITN
Barcroft Productions	ITV
Betty TV	IWC Media
BFQ	Juniper TV
Big Talk Productions	Keo Films
Blakeway	King Bert Productions
Blast! Films	Knickerbockerglory
Blink Films	Kudos
Blue Print Pictures	Lemonade Money
Boom Cymru	Liberty Bell Productions
Boomerang	Lime Pictures
Boundless (part of FreemantleMedia UK)	Lion Television
Brinkworth Films	Love Productions
Broad Bean Media	Mammoth Screen
Brook Lapping	Maroon Productions
Bwark Productions	Maverick Television
CB Films	McDougall Craig
CC-Lab	Megalomedia
Century Films	Mentorn Media
Chocolate Media	Minnow Films
Clerkenwell Films	Monkey Kingdom
Cloud Eight Films	NERD TV
CPL Productions	New Pictures
Cuba Pictures	Nine Lives Media
Darlow Smithson Productions	North One Television
Double Act Productions	NPE Media
DoubleBand Films	Objective Productions
Dragonfly	October Films
Dream Team Television	Off the Fence
Eleven Film	Open Mike Productions
Erica Starling Productions	Optomen Television
FilmNova Production	Outline Productions
Films of Record	Oxford Film and Television
Firecracker Films	Oxford Scientific Films
Firecrest Films	Pioneer
Freeform Productions	Plum Pictures
Free Range Films	Popkorn TV
Fresh One Productions	Postcard Productions

Princess Productions	Swan Films
Pulse Films	Talkback (part of FreemantleMedia UK)
Quicksilver Media	Tern TV
Raise The Roof Productions	The Connected Set
Rare Day	The Garden Productions
Raw TV	The Moment Productions
RDF Television	TiFiNi
Red Production Company	Tiger Aspect Productions
Reef Television	Tin Can Island
Remarkable Television	Tinderbox Films
Remedy Productions	Transparent Television
Renegade Pictures (UK)	True North Productions
Retort (part of FreemantleMedia UK)	True Vision
Ricochet	Tuesday's Child Television
Rize USA	Twenty Twenty Productions
Ronachan Films	Twofour Productions
Rondo Media	Vera Productions
Rumpus Media	VICE Media UK
Shine	Victory Television
Sky	Voltage TV Productions
Snapper TV	Waddell Media
Snap TV	Wall to Wall
Somethin' Else	Warp Films
Special Edition Films	Whisper Films
Spring Films	Whizz Kid Entertainment
Spun Gold TV	Windfall Films
Steve Boulton Productions	Zeppotron
Studio Lambert	ZigZag Productions
Sundog Pictures	Zimple TFI Friday
Sunset + Vine	

Awards

TELEVISION – UK

AIB Awards

My Last Summer (Love Productions)
Domestic Current Affairs

Drugs Live: Cannabis on Trial
(Renegade Productions)
Science Programme

Curing Cancer (True Vision Productions)
Science Programme

The Paedophile Hunter (Amos Pictures)
Domestic Investigative

Amnesty International Media Award

Inside Yarl's Wood: Britain's most notorious detention centre (Jackie Long/ITN/
Channel 4 News)

BAFTA Scotland

Richard Cookson, Nicole Kleeman, Morland Sanders (*Dispatches: Low Pay Britain*) (Firecrest Films)
Current Affairs

Dorothy Byrne
Outstanding Contribution to Broadcasting

BAFTA Television Awards

The Paedophile Hunter (Amos Pictures)
Single Documentary

The Island with Bear Grylls (Shine TV/
Bear Grylls Ventures Co-Production)
Single Reality and Constructed Factual

Dispatches: Children on the Frontline (ITN)
Current Affairs

Matt Berry (*Toast of London*) (Objective)
Male Performance in a Comedy
Programme

Grayson Perry: Who Are You?
(Swan Films)
Specialist Factual

Grand Designs (Boundless)
Features

Jon Snow (Channel 4 News/ITN)
BAFTA Fellowship

Broadcast Awards

Couples Come Dine Me (Shiver)
Best Daytime Programme

Dispatches: Nigeria's Hidden War
(Evan Williams Productions)
Best News and Current Affairs Programme

Broadcast Digital Awards

E4
Channel of the Year

E4
Best Entertainment Channel

The Singer Takes It All (Endemol/Chunk/
Tectonic Interactive)
Best App or Website for Programmes

The Singer Takes It All (Endemol/Chunk/
Tectonic Interactive)
Best Multiplatform Project

Reverse The Odds (Maverick/Chunk)
Best Game

Reverse The Odds (Maverick/Chunk)
Best Content Partnership or AFP

The 100 (E4)
Best Programme Acquisition

Hollyoaks Snapchat Who Killed Fraser?!
(Lime Pictures/E4)
Best Social Media and Digital Marketing
Campaign

Edinburgh International Television Festival 2015

Reverse The Odds and *Stand Up To Cancer*
(Maverick/Chunk/Channel 4)
Best Online Innovation

Foreign Press Association in London Media Awards

Ramita Nava, Lottie Gammon, James Brabazon, Job Rabkin, Andrew Carter and Marianna Karakoulaki (Channel 4 News/ITN)
News Story of the Year

Ibn Battuta Award for Excellence in Media

Fatima Manji (Channel 4 News/ITN)

National Television Awards

Gogglebox (Studio Lambert)
Factual

Alan Carr (Open Mike Productions)
Chat Show Host

Online Media Awards

Channel 4 News for The FactCheck Blog
(Channel 4 News)
Best Commentary/Blogging

Rory Peck Awards

On the road with Yazidis fleeing Islamic State (Channel 4 News (ITN)/
Zmnako Ismael)
News Feature

Haider Ali (Pakistan's Hidden Shame)
Sony Impact Award for Current Affairs

Hassan Ashwor
Martin Adler Prize

RTS Television Journalism Awards

Matt Frei
Journalist of the Year

Bruce Lee, King of the Sewers
(Ecostorm/Channel 4 News/ITN)
The Independent Award

Dispatches: Children on the Frontline (ITN)
Current Affairs – International

RTS Television Programme Awards

Couples Come Dine With Me
(Shiver)
Daytime Programme

Grayson Perry: Who Are You?
(Swan Films)
Arts

Live from Space: Lap of the Planet
(Arrow Media/Channel 4)
Science and Natural History

The Paedophile Hunter (Amos Pictures)
Single Documentary

The Island with Bear Grylls (Shine TV/
Bear Grylls Ventures Co-Production)
Popular Factual and Features

Fargo (MGM/FX Productions)
International

The British Screenwriters' Awards

Not Safe for Work by DC Moore
(Clerkenwell Films)
Outstanding New Talent in British Television
Writing

The Comment Awards

Channel 4 News (ITN)
Online Comment Site of the Year

The Grierson Awards

The Paedophile Hunter (Amos Pictures)
Best Documentary on a Contemporary
Theme – Domestic

20,000 Days on Earth (Corniche Pictures/
BFI/Film4/Pulse Films)
Best Arts Documentary

Curing Cancer (True Vision Productions)
Best Science or Natural History
Documentary

Gogglebox (Studio Lambert)
Best Entertaining Documentary

Citizenfour (Praxis Films)
Best Documentary on a Contemporary
Theme – International

The Romanians Are Coming (KEO films)
Best Documentary Series

Grayson Perry (Grayson Perry: *Who Are You?*) (Swan Films)
Documentary Presenter of the Year

The Lovie Awards

Humans (OMD/Channel 4)
Online Advertising Integrated Campaigns

4NewsWall (4creative)
News

The Scottish Geographical Society

Lindsey Hilsum
Mungo Park Medal

The University Philosophical Society of Trinity College Dublin

Jon Snow
Gold Medal of Honorary Patronage

TV Choice Awards

Gogglebox (Studio Lambert)
Best Factual Entertainment Show

Big Bang Theory (Warner)
Best International Show

UK Sexual Health Awards

Hollyoaks (Lime Pictures)
Sexual Health Media Campaign/Storyline
of the Year

TELEVISION – INTERNATIONAL**Festival De La Fiction TV**

No Offence (AbbotVision)
Award for Best Foreign TV Fiction

Foreign Press Association Awards

Channel 4 News (ITN)
News Story of the Year: TV

Dispatches: Escape from Isis (ITN)
Feature Story of the Year: TV

IBC Awards

The Singer Takes It All (Endemol Shine
Group/Chunk/Tectonic Interactive/
Channel 4/Electoral Reform Society)
Innovation Award for Content Creation

International Emmy Awards: News and Current Affairs

Dispatches: Children on the Frontline (ITN)
Current Affairs

Reverse the Odds (Maverick Television/
Chunk/Channel 4/Cancer Research UK)
Digital Program: Children & Young People

Hong Kong Human Rights Press Awards

Escaping China: the perilous journey of the Uighurs (Channel 4 News/ITN)
English Language Television

Marco Luchetta International Press Award

Jonathan Rugman (Mount Sinjar)
Television

Paralympic Sport and Media Awards

Channel 4

Best Broadcast

Prix Italia*Our Gay Wedding: The Musical*

(Wingspan Productions)

TV Performing Arts

Dispatches: Children on the Frontline (ITN)

TV Documentary: Current Affairs

Rose d'Or Awards*Catastrophe* (Avalon Television)

TV Sitcom

Our Gay Wedding: The Musical

(Wingspan Productions)

TV Arts

The White House News Photographers Association – 2015 Eyes of History: Video Contest*Ben Martin* (ITN)

Top Honors – Photographer of the Year

Ben Martin (ITN)

Spot News

Ben Martin (ITN)

General News

Ben Martin (ITN)

News Feature

Ben Martin (ITN)

Feature

Ben Martin (ITN)

Network

Ben Martin (ITN)

Audio

Chris Shlemon (ITN)

Top Honors – Editor of the Year

Chris Shlemon (ITN)

News Feature

Chris Shlemon (ITN)

Editing long form

Chris Shlemon (ITN)

Audio

FILM – UK**BAFTA Film Awards***Citizenfour* (Praxis Films with Bertha

Foundation/BRITDOC/Channel 4/

Norddeutscher Rundfunk NDR/

Bayerischer Rundfunk BR)

Documentary in 2015

BAFTA Scotland*Gregory Burke* ('71) (Crab Apple Films/

Warp Films)

Best Writer

BIFA – The Moët British Independent Film Awards*Judith Dawson and Louise Osmond* (*Dark**Horse: The Incredible True Story of Dream**Alliance*) (Darlow Smithson Productions/

World's End Pictures)

Best Documentary

Ex Machina (DNA Films)

Best Independent British Film

Alex Garland (*Ex Machina*) (DNA Films)

Best Director

Alex Garland (*Ex Machina*) (DNA Films)

Best Screenplay

Andrew Whitehurst (*Ex Machina*)

(DNA Films)

Outstanding Achievement in Crafts

Room (Element Pictures/No Trace Camping

/Leonard Abrahamson Films)

Best International Independent Film

Brendan Gleeson (*Suffragette*) (Ruby Films)

Best Supporting Actor

Olivia Colman (*The Lobster*)

(Element Pictures/Scarlet Films/Limp)

Best Supporting Actress

London Critics' Circle awards*Under the Skin* (JW Films/

Nick Wechsler Productions)

British Film of the Year

Mica Levi (*Under the Skin*) (JW Films/

Nick Wechsler Productions)

Technical Achievement Award

Yann Demange ('71) (Crab Apple Films/

Warp Films)

Breakthrough British Filmmaker

Timothy Spall (*Mr. Turner*) (Thin Man Films)

British Actor of the Year

Citizenfour (Praxis Films with Bertha

Foundation/BRITDOC/Channel 4/

Norddeutscher Rundfunk NDR/

Bayerischer Rundfunk NR)

Documentary of the Year

FILM – INTERNATIONAL**Alliance of Women Film Journalists – EDA Awards***Under the Skin* (JW Films/

Nick Wechsler Productions)

Special Mention – Best Depiction of Nudity,

Sexuality, or Seduction

Aspen Film Festival*Room* (Element Pictures/No Trace Camping

/Leonard Abrahamson Films)

Narrative Audience Award

Austin Film Critics Awards*Edward Lachman* (*Carol*) (Number 9 Films/

Killer Films)

Best Cinematography

Ex Machina (DNA Films)

Best First Film

Alicia Vikander (*Ex Machina*) (DNA Films)

Best Supporting Actress

Brie Larson (*Room*)

(Element Pictures/No Trace Camping/

Leonard Abrahamson Films)

Best Actress

Emma Donoghue (*Room*)

(Element Pictures/No Trace Camping/

Leonard Abrahamson Films)

Best Adapted Screenplay

Jacob Tremblay (*Room*)

(Element Pictures/No Trace Camping/

Leonard Abrahamson Films)

The Robert R. 'Bobby' McCurdy Memorial

Breakthrough Artist Award

Berlin International Film Festival*Tom Courtenay* (*45 Years*) (The Bureau)

Silver Bear Award for Best Actor

Charlotte Rampling (*45 Years*) (The Bureau)

Silver Bear Award for Best Actress

Black Film Critics Circle*Brie Larson* (*Room*)

(Element Pictures/No Trace Camping/

Leonard Abrahamson Films)

Best Actress

Boston Online Film Critics Association

Amy (On The Corner Films)
Best Documentary

Boston Society of Film Critics

Charlotte Rampling (45 Years) (The Bureau)
Best Actress

Todd Haynes (Carol) (Number 9 Films/
Killer Films)
Best Director

Edward Lachman (Carol) (Number 9 Films/
Killer Films)
Best Cinematography

Amy (On The Corner Films)
Best Documentary

Brothers Manaki International Film Festival

Adam Arkapaw (Macbeth) (See-Saw Films)
Silver Camera 300

Cannes Film Festival

Rooney Mara (Carol) (Number 9 Films/
Killer Films)
Best Actress Award

The Lobster (Element Pictures/
Scarlet Films/Limp)
Jury Prize

Capri Hollywood

Timothy Spall (Mr. Turner) (Thin Man Films)
Capri Cult Award

Chicago Film Critics Association Awards

Amy (On The Corner Films)
Best Documentary

Alicia Vikander (Ex Machina) (DNA Films)
Best Supporting Actress

Brie Larson (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Actress

Jacob Tremblay (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Most Promising Performer

Cinema Eye Honours

Erik Wilson (20,000 Days on Earth)
(Pulse Films/JW Films)
Outstanding Achievement in
Cinematography

*Nick Cave and Warren Ellis (20,000 Days
on Earth)* (Pulse Films/JW Films)
Outstanding Achievement in Original
Music Score

*Laura Poitras, Mathilde Bonnefoy,
Dirk Wilutzky (Citizenfour)* (Proaxis Films
with Bertha Foundation/BRITDOC/
Channel 4/Norddeutscher Rundfunk NDR/
Bayerischer Rundfunk BR)
Outstanding Achievement in Nonfiction
Feature Filmmaking

Laura Poitras (Citizenfour) (Proaxis Films
with Bertha Foundation/BRITDOC/
Channel 4/Norddeutscher Rundfunk NDR/
Bayerischer Rundfunk BR)
Outstanding Achievement in Production

Mathilde Bonnefoy (Citizenfour) (Proaxis
Films with Bertha Foundation/BRITDOC/
Channel 4/Norddeutscher Rundfunk NDR/
Bayerischer Rundfunk BR)
Outstanding Achievement in Editing

*Laura Poitras, Mathilde Bonnefoy,
Dirk Wilutzky (Citizenfour)* (Proaxis Films
with Bertha Foundation/BRITDOC/
Channel 4/Norddeutscher Rundfunk NDR/
Bayerischer Rundfunk BR)
Outstanding Achievement in Production

Dallas Fort-Worth Film Critics Awards

Amy (On The Corner Films)
Best Documentary

Rooney Mara (Carol) (Number 9 Films/
Killer Films)
Best Supporting Actress

Brie Larson (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Actress

Detroit Film Critics Society Awards

Amy (On The Corner Films)
Best Documentary

Alicia Vikander (Ex Machina) (DNA Films)
Breakthrough

Michael Caine (Youth) (Indigo Film/
Number 9 Films)
Best Actor

Dinard British Film Festival

45 Years (The Bureau)
Heartbeat Award

European Film Awards

Charlotte Rampling (45 Years) (The Bureau)
European Actress

Amy (On The Corner Films)
European Documentary 2015

Cat's Eyes (The Duke of Burgundy)
(Rook Films)
European Composer 2015

Sarah Blenkinsop (The Lobster)
(Element Pictures/Scarlet Films/Limp)
European Costume Designer 2015

*Yorgos Lanthimos and Efthimis Filippou
(The Lobster)* (Element Pictures/
Scarlet Films/Limp)
European Screenwriter 2015

Michael Caine (Youth) (Indigo Film/
Number 9 Films)
European Actor 2015

Paolo Sorrentino (Youth) (Indigo Film/
Number 9 Films)
European Director 2015

Paolo Sorrentino (Youth) (Indigo Film/
Number 9 Films)
European Film 2015

Florida Film Critics Circle

Amy (On The Corner Films)
Best Documentary

Carol (Number 9 Films/Killer Films)
Best Art Direction/Production Design

Oscar Isaac (Ex Machina) (DNA Films)
Best Supporting Actor

Brie Larson (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Actress

Gérardmer International Film Festival

Ex Machina (DNA Films)
Jury Prize

German Film Awards

*Laura Poitras, Mathilde Bonnefoy, Dirk
Wilutzky (Citizenfour)* (Proaxis Films with
Bertha Foundation/BRITDOC/Channel 4/
Norddeutscher Rundfunk NDR/Bayerischer
Rundfunk BR)
Film Award in Gold – Best Documentary

Golden Trailer Awards

Dark Horse: The Incredible True Story of Dream Alliance
(Darlow Smithson Productions/
World's End Pictures)
Best Foreign Documentary Trailer

Ex Machina (DNA Films)
Best Foreign Thriller Trailer

Hyena (Number 9 Films/
Riggins Productions Limited)
Most Original Foreign Trailer

Hollywood Film Awards

Asif Kapadia (*Amy*) (On The Corner Films)
Hollywood Documentary Award

Carey Mulligan (*Suffragette*) (Ruby Films)
Hollywood Actress Award

Alexandre Desplat (*Suffragette*) (Ruby Films)
Hollywood Film Composer Award

Jane Fonda (*Youth*) (Indigo Film/
Number 9 Films)
Hollywood Supporting Actress Award

Imagine AFFF

Ex Machina (DNA Films)
Silver Scream

Independent Spirit Awards

Laura Poitras, Mathilde Bonnefoy, Dirk Wilutzky (*Citizenfour*) (Proaxis Films with Bertha Foundation/BRITDOC/
Channel 4/Norddeutscher Rundfunk NDR/
Bayerischer Rundfunk BR)
Best Documentary

Indiana Film Journalists Association Awards

Amy (On The Corner Films)
Best Documentary

Jacob Tremblay (*Room*)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Actor

Brie Larson (*Room*)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Actress

Emma Donoghue (*Room*)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Adapted Screenplay

International Online Cinema Awards

Citizenfour (Proaxis Films with Bertha Foundation/BRITDOC/Channel 4/
Norddeutscher Rundfunk NDR/
Bayerischer Rundfunk BR)
Best Documentary

Iowa Film Critics Awards

Citizenfour (Proaxis Films with Bertha Foundation/BRITDOC/Channel 4/
Norddeutscher Rundfunk NDR/
Bayerischer Rundfunk BR)
Best Documentary

Kansas City Film Critics Circle Awards

Amy (On The Corner Films)
Best Documentary

Alicia Vikander (*Ex Machina*) (DNA Films)
Best Supporting Actress

Ex Machina (DNA Films)
Vince Koehler Award for the Best Science Fiction, Fantasy or Horror Film

Los Angeles Film Critics Association Awards

Charlotte Rampling (*45 Years*) (The Bureau)
Best Actress

Alicia Vikander (*Ex Machina*) (DNA Films)
Best Supporting Actress

Amy (On The Corner Films)
Best Documentary/Non-Fiction Film

Carol (Number 9 Films/Killer Films)
Best Music Score

National Board of Review Awards

Amy (On The Corner Films)
Best Documentary

Brie Larson (*Room*)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Actress

Jacob Tremblay (*Room*)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Breakthrough Performance

National Society of Film Critics

Timothy Spall (*Mr. Turner*) (Thin Man Films)
Best Actor

Dick Pope (*Mr. Turner*) (Thin Man Films)
Best Cinematography

Citizenfour (Proaxis Films with Bertha Foundation/BRITDOC/Channel 4/
Norddeutscher Rundfunk NDR/
Bayerischer Rundfunk BR)
Best Non-Fiction Film

Nevada Film Critics Society

Amy (On The Corner Films)
Best Documentary

Alicia Vikander (*Ex Machina*) (DNA Films)
Best Supporting Actress

Ex Machina (DNA Films)
Best Visual Effects

Brie Larson (*Room*)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Actress

Emma Donoghue (*Room*)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Adapted Screenplay

Jacob Tremblay (*Room*)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Youth Performance

New York Film Critics Circle Awards

Edward Lachman (*Carol*) (Number 9 Films/
Killer Films)
Best Cinematography

Todd Haynes (*Carol*) (Number 9 Films/
Killer Films)
Best Director

Phyllis Nagy (*Carol*) (Number 9 Films/
Killer Films)
Best Screenplay

Carol (Number 9 Films/Killer Films)
Best Picture

New York Film Critics Online

Amy (On The Corner Films)
Best Documentary

Rooney Mara (*Carol*) (Number 9 Films/
Killer Films)
Best Supporting Actress

Alicia Vikander (*Ex Machina*) (DNA Films)
Best Breakthrough Actress

Alex Garland (*Ex Machina*) (DNA Films)
Best Debut Director

Brie Larson (*Room*)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Actress

Online Film & Television Association

Citizenfour (Proaxis Films with Bertha Foundation/BRITDOC/Channel 4/
Norddeutscher Rundfunk NDR/
Bayerischer Rundfunk BR)
Best Documentary Picture

Online Film Critics Society

Cate Blanchett (Carol) (Number 9 Films/
Killer Films)
Best Actress

Phyllis Nagy (Carol) (Number 9 Films/
Killer Films)
Best Adapted Screenplay

Rooney Mara (Carol) (Number 9 Films/
Killer Films)
Best Supporting Actress

Oscar Isaac (Ex Machina) (DNA Films)
Best Supporting Actor

Palm Springs International Film Festival

Laura Poitras (Citizenfour)
(Proaxis Films with Bertha Foundation/
BRITDOC/Channel 4/Norddeutscher
Rundfunk NDR/Bayerischer Rundfunk BR)
Filmmakers Who Make a Difference Award

Phoenix Critics Circle awards

Amy (On The Corner Films)
Best Documentary Film Winner

Ex Machina (DNA Films)
Best Science Fiction Film

Alicia Vikander (Ex Machina) (DNA Films)
Best Supporting Actress

Brie Larson (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Actress

Youth (Indigo Film/Number 9 Films)
Best International Film

Phoenix Film Critics Society

Alicia Vikander (Ex Machina) (DNA Films)
Breakthrough Performance

Brie Larson (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Actress in a Leading Role

Jacob Tremblay (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Performance by a Youth

Primetime Emmy Awards

*Laura Poitras, Mathilde Bonnefoy,
Dirk Wilutzky (Citizenfour)*
(Proaxis Films with Bertha Foundation/
BRITDOC/Channel 4/Norddeutscher
Rundfunk NDR/Bayerischer Rundfunk BR)
Exceptional Merit in Documentary
Filmmaking

Rotten Tomatoes Golden Tomato Awards

Amy (On The Corner Films)
Best Documentary

Room (Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Limited Release

Rotterdam International Film Festival

Debbie Tucker Green (Second Coming)
(Hillbilly Films)
Big Screen Award

San Diego Film Critics Society Awards

Alicia Vikander (Ex Machina) (DNA Films)
Breakthrough Artist

Brie Larson (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Actor, Female

Emma Donoghue (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Adapted Screenplay

Jacob Tremblay (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Breakthrough Artist

San Francisco Film Critics Society

Judy Becker and Heather Loeffler (Carol)
(Number 9 Films/Killer Films)
Best Production Design

Santa Barbara International Film Festival

Laura Poitras (Citizenfour) (Proaxis Films
with Bertha Foundation/BRITDOC/
Channel 4/Norddeutscher Rundfunk NDR/
Bayerischer Rundfunk BR)
Outstanding Director of the Year Award

Southeastern Film Critics Association Awards

Amy (On The Corner Films)
Best Documentary

Alicia Vikander (Ex Machina) (DNA Films)
Best Supporting Actress

Brie Larson (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Actress

Emma Donoghue (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Adapted Screenplay

St. Louis Film Critics Association Award

Alicia Vikander (Ex Machina) (DNA Films)
Best Supporting Actress

Brie Larson (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Actress

Stockholm Film Festival

Yorgos Lanthimos (The Lobster) (Element
Pictures/Scarlet Films/Limp)
Stockholm Visionary Award

Sundance Film Festival

Slow West (DMC Film/Film4 Productions/
New Zealand Film Commission/
See-Saw Films)
World Cinema Grand Jury Prize: Dramatic

*Dark Horse: The Incredible True Story of
Dream Alliance* (Darlow Smithson
Productions/World's End Pictures)
Audience Award: World Cinema
Documentary

The Las Vegas Film Critics Society Awards

Ex Machina (DNA Films)
Best Horror/Sci-fi Film

Alex Garland (Ex Machina) (DNA Films)
Breakout Film-maker

Brie Larson (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Actress

Jacob Tremblay (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Youth in a Film

The Women Film Critics Circle Awards

*Charlotte Rampling and Tom Courtenay
(45 Years)* (The Bureau) tied with *Brie Larson*
and *Jacob Tremblay (Room)*
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Screen Couple

Amy (On The Corner Films)
Best Documentary By Or About Women

Brie Larson (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Young Actress

The Women Film Critics Circle Awards
continued

Brie Larson (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Courage in Acting

Suffragette (Ruby Films)
Best Female Images in a Movie

Sarah Gavron (Suffragette) (Ruby Films)
Courage in Filmmaking

Suffragette (Ruby Films)
Karen Morley Award

Suffragette (Ruby Films)
Women's Work/Best Ensemble

*Phyllis Nagy (Carol) (Number 9 Films/
Killer Films)*
Best Woman Storyteller
(Screenwriter Award)

Carey Mulligan (Suffragette) (Ruby Films)
Best Actress

Suffragette (Ruby Films)
Best Movie About Women

Suffragette (Ruby Films)
Best Movie By A Woman

Toronto Film Critics Association
*Todd Haynes (Carol) (Number 9 Films/
Killer Films)*
Best Director

Carol (Number 9 Films/Killer Films)
Best Picture

Ex Machina (DNA Films)
Best First Feature

Toronto International Film Festival
*Room (Element Pictures/No Trace Camping/
Leonard Abrahamson Films)*
People's Choice Award

Utah Film Critics Association
Brie Larson (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Actress

Vancouver Film Critics Circle Awards
Amy (On The Corner Films)
Best Documentary

Alicia Vikander (Ex Machina) (DNA Films)
Best Supporting Actress

Brie Larson (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Actress

Washington DC Area Film Critics

Amy (On The Corner Films)
Best Documentary

Alicia Vikander (Ex Machina) (DNA Films)
Best Supporting Actress

Emma Donoghue (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Adapted Screenplay

Jacob Tremblay (Room)
(Element Pictures/No Trace Camping/
Leonard Abrahamson Films)
Best Youth Performance

CAMPAIGN AWARDS**Campaign Big Awards**
Gold Award

4NewsWall (Channel 4)
Media and Entertainment

Silver Award
Grand National (Channel 4/4creative)
Sport, Travel, Leisure

Film4 Idents (Film4)
Media and Entertainment

Campaign Live
Channel 4 (Channel 4)
Medium of the Year 2015

Channel 4 (Channel 4)
Advertiser of the Year 2015

Campaign Media Awards
Humans (OMD UK/Channel 4)
Media Entertainment

CRAFT AWARDS

BAFTA Television Craft Awards
Marc Williamson (The Last Chance School)
(Channel 4/Minnow Films)
Breakthrough Talent

*Marcel Mettelseifen (Dispatches: Children
on the Frontline) (Channel 4)*
Photography – Factual

*Live from Space: Online (Arrow Media/
Channel 4)*
Digital – Creativity

Dan Reed (The Paedophile Hunter)
(Amos Pictures)
Director – Factual

Jake Martin (Grayson Perry: Who Are You?)
(Swan Films)
Editing – Factual

Royal Television Society
Craft & Design Awards

Momoco (Humans) (Channel 4/AMC/Kudos)
Design – Titles

Paul Pandolpho (Cucumber)
(Red Production Company/Channel 4)
Editing – Drama

4creative and ManvsMachine (Film4 Idents)
(4creative/ManvsMachine/Film4)
Design – Trails and Packaging

DIVERSITY AWARDS**Mind Media Awards**

Cyberbully (Raw)
Drama

*Mental Health Reports from Victoria
Macdonald and Ciaran Jenkins*
(Channel 4 News)
News and Current Affairs

24 Hours in A&E (The Garden Productions)
Entertainment

Jonny Benjamin and Neil Laybourn
(*Find Mike Campaign*) (Channel 4)
Making a Difference

One World Media Awards

Guillermo Galdos (Channel 4 News)
(Channel 4 News)
International Journalist of the Year Award

*Bruce Lee, King of the Sewers (Ecostorm
for Channel 4 News) (Channel 4 News)*
Short Film Award

Stonewall Awards 2015

Hollyoaks (Channel 4/Lime Pictures)
Broadcast

Liz MacKean (Dispatches: Hunted)
(Blakeway)
Journalist

HR AWARDS**e-learning Awards**

Silver award
Born Different e-learning (HR)
Best e-learning Project

Born Different e-learning (HR)
Excellence in the Production of
Learning Content

Payroll World Awards 2015

Freelance Engagement System (HR)
Technology Award

MARKETING AND CREATIVE AWARDS

BIMA Awards

Don't Stop the Music (Rocket/Fresh One/Oxfam/Channel 4)
Media

Don't Stop the Music (Rocket/Fresh One/Oxfam/Channel 4)
Integrated

British Arrows Craft

Gold award

Prototype (Channel 4)
Best Costume and Wardrobe

C21 Drama Awards

Humans (OMD/Channel 4)
Best Consumer Marketing Campaign

Cannes Lions

Silver award

Film4 Idents (4creative/Film4)
Channel Branding Programme Branding

Creative Review The Annual

Film4 Idents (4creative/Film4)
Best in Book

CSI Awards

All 4 (Piksel/Channel 4)
Best web TV technology or service

D&AD Awards

Black Pencil

Film4 Idents (4creative/Film4)
Channel Branding and Identity

Wood Pencil

Grand National (Channel 4)
Editing for Film Advertising

Film4 Idents (4creative)
Direction for Film Advertising

Stand Up To Cancer (Channel 4)
TV Commercials

IAB Awards

Humans (OMD/Channel 4)
Best Integrated Campaign

Humans (OMD/Channel 4)
Best Creative Idea

Media Week Awards

Winner

Humans (OMD/Channel 4)
Grand Prix

Gold Award

Humans (OMD/Channel 4)
Media Idea – Medium (£250k – £1M)

Humans (OMD/Channel 4)
Large Collaboration (Budget over £250K)

Humans (OMD/Channel 4)
Media Creativity

Promax Awards

Gold Award

Humans (4creative)
Best Drama Promo (Originated)

Hunted (4creative)
Best Reality TV Promo (Originated)

The Tribe (4creative)
Best Factual Promo (Clip-Based)

Humans (4creative)
Best Launch

4NewsWall (4creative)
Best Use of Digital

Beverly Hills Cop Triple
(Platform Post/4creative)
Best Use of Sound Design

Beverly Hills Cop Triple
(Platform Post/4creative)
Best Use of Editing

Stand Up To Cancer (4creative)
Best Use of Direction

Humans (4creative)
Best Cross-Media Campaign for a
Programme

Channel 4 (Channel 4)
Channel of the Year

Richard III (4creative)
Best Press or Outdoor

How Rich Are You? (4creative)
Best News and Current Affairs Promo

Silver Award

How Rich Are You? (4creative)
Best Use of Design

Cucumber, Banana, Tofu (4creative)
Best Drama Promo (Originated)

White Christmas (4creative)
Best Film Promo

All 4 (4creative)
Best Promotion for an online or VoD Service

E4 Shutdown (4creative)
Best Season or Stunt Promo

Hunted (4creative)
Best Launch
4NewsWall (4creative)
Best Use of Social Media

Humans (4creative)
Best Use of Digital

Underdog (4creative)
Best Script or Copy

Underdog (4creative)
Best Use of Humour

Hunted (4creative)
Best Cross-Media Campaign for a
Programme

Humans (4creative)
Best On-Air Media Planning

Bronze Award

Witness (4creative)
Best Drama Promo (Clip-Based)

E4 Watch (Lucky Cat Post Production)
Best Use of Design

E4 Watch (Lucky Cat Post Production)
Best Use of Humour

The MOMA (Marketing on Mobile) Awards

Cucumber, Banana, Tofu (OMD/Channel 4)
News/Media Mobile Strategy/Campaign

YCN Professional Awards

Gold award

Film4 Idents (4creative/Film4)
Film

Forward look

Summary

- Maintain peak levels of content spend with focus on original commissioning
- Deliver the remit across all genres and platforms, with an emphasis on finding fresh ways to engage young people with contemporary issues
- Strengthen our spine of returning shows whilst maintaining a healthy slate of new and one-off programmes
- Drive innovation through cross-genre collaboration
- Commission from a significant number of production companies from all over the UK and of all sizes
- Reinforce relationships and developing companies in the devolved Nations
- Implement 360° Diversity Charter; making 2016 the Year of Disability on and off screen, in particular through Rio 2016 Paralympic Games
- Increase funding for Film4, with a view to investing in a broad range of films and working with leading British film making talent
- Develop All 4 as a digital content destination, with a priority on content curation
- Grow digital revenues through data, offering premium targeting advertising via programmatic trading
- Diversify core Channel 4 business and revenues through innovations such as Indie Growth Fund and Commercial Growth Fund

Corporate ambitions

Overview

 annualreport.channel4.com

The 2016 budget will build on the creative success of 2015 and invest in a second cycle of creative renewal and programme innovation as we seek to maintain our audiences, particularly amongst 16–34-year-olds. Channel 4 will continue to be a channel with wide-ranging appeal, particularly attracting audiences of young, hard-to-reach viewers with content that is distinctive and original.

Investment in Drama will continue to be a focus, including our expansion into co-productions with other studios, given the success that we have seen in this area with shows such as *Humans*. We will continue to consolidate our reputation as market-leaders in Factual Entertainment programming with social insight, building on the strong relationship that we have with 16–34-year-olds in this genre. Across all broadcasters a summer of sporting events will provide a competitive scheduling environment, which we will address with bold scheduling decisions. Sport will also dominate the Channel 4 schedule this year, with our distinctive coverage of the *2016 Rio Paralympic Games* and other related shows, including *The Last Leg*, our first year of *Formula One* coverage, our final year of racing.

We are expanding the scope of our ambitions of Film4, increasing investment from £15 million to £25 million in 2016. We are also forging new partnerships with other parts of the sector, including two major new partnerships with Fox Searchlight and Entertainment Film Distributors and FP Films, the production company set up by *The Inbetweeners*' writers and creators Iain Morris and Damon Beesley.

As a future-focused organisation with a unique relationship with young people, we will seek to respond to evolving patterns of media consumption by adapting our content and our platforms accordingly. This means a focus on establishing All 4 as a compelling digital destination that stretches beyond catch-up, exploring how this platform can best interact with E4, as well as maintaining E4's position as the number one digital channel for 16–34-year-olds. Increased spending will seek to maintain this position with a strong mixture of returning

Delivering the remit is the driving force behind everything we do, both creatively and commercially. Building on a year of strong financial growth and commercial sustainability, in 2016 we will continue to grow revenues and to invest record amounts in original UK content. Our target is to generate £1 billion of revenue from the Channel 4 Television Corporation in 2016.

hits, both acquired and original, and new titles. And we will continue to grow All 4 as a young destination in its own right, with bespoke acquisitions, Original and Exclusive Shorts with strong appeal to 16–34-year-olds, and Walter Presents, our new foreign language drama strand, which will eventually host more than 1,000 hours of drama from around the world.

2016 will be our Year of Disability, a year-long focus on creating opportunities for disabled talent both on- and off-screen, doubling the number of disabled people in 20 of our biggest shows, and progressing the careers of 20 disabled people already working in the industry in our 20 biggest suppliers. These initiatives sit alongside the original 30 pieces of activity outlined in the 360° Diversity Charter in 2015. These core activities form the framework of our mission to promote diversity, from training and development, apprenticeships and recruitment to industry-wide monitoring system DIAMOND and investment in BAME indies. We will continue to monitor progress across all areas and look forward to reporting our achievements.

Across the Nations and Regions, we will continue to support and work collaboratively with independent suppliers towards our stated goal of maintaining 35% of regional spend and increasing our spend in the devolved nations to 9% by 2020. In Scotland, the continuing success of Phil and Kirstie through their productions with both IWC Media and Raise The Roof, will continue to build on the Scottish sector's expertise with Features and Lifestyle/Property programming. In Wales, the emergence of Boomerang will see the company continue to deliver major peak-time and daytime brands, including *Posh Pawn* and *Posh Pawnbrokers*. In Northern Ireland, Big Mountain Productions will deliver their first ever series for us in 2016, off the back of support via the Alpha Fund in 2015. Birmingham's North One Productions will continue to deliver high calibre and high octane content in 2016 through their work with Guy Martin; and in Manchester, with support from the Alpha Fund, and secured commissions via Documentaries, Nine Lives Media will look to build on the success of their high rating *Dispatches Aldi's Supermarket Secrets*, transmitted in 2015.

In 2016, the Growth Fund will look to broaden the portfolio of investments, including new genres and companies with a digital focus. We will also work closely with our existing portfolio companies, supporting and advising them along their path to growth.

We will continue to reap the rewards of our data strategy, as we continue towards our target of £100 million of digital revenues by 2017. 2016 sees the launch of PVX, which will open up programmatic trading to everyone, all agencies and clients, allowing them to target ads to different audiences: both demographics and behavioural segments, such as interest groups.

We enter 2016 on a secure financial footing that will provide us with the solid foundations to continue to provide our audiences with public service content that is diverse, innovative and distinctive. We will continue to innovate across the business to ensure that we remain commercially self-sufficient whilst delivering to the remit, which remains at the heart of all we do.

Creative Overview



Interview with
Jay Hunt
Chief Creative Officer

Channel 4 goes into 2016 as Broadcast magazine's Channel of the Year with a raft of returning series in scripted and Factual.

Underpinning the commissioning strategy for each of the genres in 2016 is a desire to connect with young people with issues and themes that have real public service value. Key to our success in doing this is using innovative and creative formats that explore these issues in an entertaining but still impactful way.

After record breaking success in Drama, we will continue to invest in a mix of innovative mainstream shows like *No Offence* and topical agenda setting pieces like *National Treasure* which looks at a fictional ageing comedian pursued for sexual offences in his past. There will be welcome returns for stand out hits like *Indian Summers* and *Humans*. E4 will continue to superserve younger audiences with drama that resonate with them. We're excited about *The Aliens*, from the producers of *Misfits*, and *Foreign Bodies*, which follows a gang of twenty somethings on a gap year.

Fresh from new hits like *Catastrophe* and *Raised by Wolves*, our Comedy team is hoping to continue their winning run of commissions. There will be a particular focus on female writers with Phoebe Waller-Bridge's first TV show *Crashing* and Julia Davis spoof Breakfast TV comedy *Morning Has Broken*. Our commitment to developing new talent continues with Will Sharpe's brilliantly cultish show, *Flowers*, starring Olivia Colman and Julian Barratt.

2016 will see further signs of the factual renaissance on Channel 4 with standout event programming like *Guy's Wall of Death Live* and *Heston's Space Food*. We will innovate in documentary with new titles reflecting the diversity of Britain like *Keeping Up with the Khans* and *The Mosque*. We will experiment further with the documentary rig pre-watershed with *The Secret Life of the Zoo*.

Channel 4's market-leading position in factual entertainment will be enhanced with strong returning series like *The Island with Bear Grylls* – this time looking at men and women together for the first time. With *Eden*, we will explore disaffection with current political systems as a group of people are given the chance to start their own society from scratch. We will continue to explore themes that are particularly pertinent for 16–34-year-olds with long runs for *First Dates* and a new format, *The Interview*, looking at the dynamics of getting a job.

As ever in News and Current Affairs, we can expect a slate of polemical current affairs programming that addresses topical political themes, including freedom of speech and Islamophobia in Britain. *Channel 4 News* will continue to lead investigation and hold power to account in a year of the American presidential election and the upcoming European Referendum.

Keeping Up with the Khans



Above all, 2016 will be an unforgettable year for Sport on Channel 4 with *Formula One* joining the *Paralympic Games* and racing. Our coverage from Rio will form a key part of our programming for our Year of Disability featuring new disabled presenting talent and *The Last Leg* live every night of the Games. In addition, existing Channel 4 faces from Arthur Williams to *The Autistic Gardener*, Alan Gardner will be back in the peak-time schedule.

With *Stand Up To Cancer*, the UK's fastest growing TV fundraiser, also due back on air this year, 2016 is shaping up to be a fantastic mix of returning hits, thought-provoking new shows and unmissable TV events.

Heston's Space Food



The Aliens



Assurance report

Independent limited assurance report of KPMG LLP to Channel Four Television Corporation ('Channel 4')

We were engaged by Channel 4 to report on the key measures in the charts in the Statement of Media Content Policy disclosures ('the key measures') on pages 18 to 39 of Channel 4's Annual Report for the year ended 31 December 2015 ('the 2015 Annual Report') in the form of a limited assurance conclusion about the proper preparation of the key measures, in all material respects, in accordance with Channel 4's own Methodology for reporting ('the Methodology').

This independent assurance report is made solely to Channel 4 in accordance with the terms of our engagement. Our work has been undertaken so that we might state to Channel 4 those matters that we have been engaged to state in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than Channel 4 for our work, for this independent assurance report, or for the conclusions we have reached.

Responsibilities of the Channel 4 Members

The members of Channel 4 are responsible for the fair presentation of the Statement of Media Content Policy disclosures within the 2015 Annual Report, and the information and statements contained therein, including the proper preparation of the key measures, in accordance with the Methodology.

The members are responsible for developing the Methodology. The members have summarised the Methodology on Channel 4's website at channel4.com/annualreport. That summary provides further information on: specific definitions; how data has been selected; and the calculation methodology.

It is the members' responsibility to develop, operate and maintain internal systems and processes relevant to the proper preparation of key measures that are free from material misstatement, whether due to fraud or error.

Responsibilities of KPMG LLP

Our responsibility is to independently express a limited assurance conclusion to Channel 4, based on the procedures performed and evidence obtained, as to the proper preparation of the key measures, in all material respects, in accordance with the Methodology.

We conducted our work in accordance with International Standard on Assurance Engagements 3000: *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board. That Standard requires that we obtain sufficient, appropriate evidence on which to base our conclusion. We comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and we apply International Standard on Quality Control (UK and Ireland) 1 *Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements*. Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards (including

independence, and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour) as well as applicable legal and regulatory requirements.

Scope of work

A limited assurance engagement involves planning and performing procedures to obtain sufficient appropriate evidence to give a meaningful level of assurance over the key measures as a basis for our limited assurance conclusion. The procedures selected depend on our judgement, on our understanding of the key measures and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. The primary focus of our work was on the key measures for the year ended 31 December 2015 and the comparisons with the immediate prior year.

For the key measures that are based on information derived within Channel 4 (identified as Source: Channel 4), the procedures performed included:

- conducting interviews with management and other personnel at Channel 4 to obtain an understanding of the systems and controls used to generate, aggregate and report the key measures;
- examining and testing of the systems and processes in place to generate, aggregate and report the key measures, and assessing compliance with the Methodology;
- assessing the completeness and accuracy of the key measures by:
 - testing the operating effectiveness of systems and controls;
 - assessing relevant supporting documentation used to aggregate and report the key measures;
 - assessing the significant assumptions and judgements made by the managers of Channel 4 in the preparation of the key measures;
 - testing the documentation which supports the measurement, calculation and estimation of the key measures; and
 - assessing and testing the source information used to generate the key measures; and
- examining the presentation of key measures and the calculation of year-on-year trends in Channel 4's Annual Report in light of our findings.

For the key measures calculated based on information from outside of Channel 4 (identified as Source: BARB, Ipsos MORI, Attentional, Ofcom and Broadcast), the procedures performed included:

- conducting interviews with management and other personnel at Channel 4 to obtain an understanding of the external information used and the level of information available to support the measures;
- assessing the accuracy of extraction from external information sources and the compilation of trends for the medium-term viewing measure, and assessing compliance with the Methodology; and
- examining the presentation of key measures and the calculation of year-on-year trends in Channel 4's Annual Report in light of our findings.

For the following key measures based on information from Channel 4's third party online data service providers:

- total visits to Channel 4 websites and apps on page 38; and
- programme views initiated on All 4 on page 38.

The procedures performed included:

- assessing the accuracy of the calculation performed within Channel 4, and assessing compliance with the Methodology; and
- examining the presentation of key measures and the calculation of year-on-year trends in Channel 4's Annual Report in light of our findings.

For all key measures, the following procedures have been performed in relation to the Methodology:

- examining the Methodology and understanding the key assumptions and inherent limitations therein, and any changes to prior year Methodology; and
- for any key measures with a change in Methodology since the prior year, considering the appropriateness of the change in Methodology and checking that the prior year key measure was properly restated in accordance with the revised Methodology.

We have not examined, and we do not express a conclusion on, the key measures for years prior to the year ended 31 December 2014 other than in the following cases:

- for the key measures for which the source of the data is Ofcom or Broadcast (on pages 21 to 22) the 2015 data was not yet available, we therefore performed the procedures above on the data for the years ended 31 December 2014 and 2013; and
- we agreed the TV viewing share from BARB from 2011 to 2015 found on page 35 to original source data.

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.

Key assumptions and inherent limitations

For the key measures calculated based on information from outside of Channel 4 (identified as Source: BARB, Ipsos MORI, Attentional, Ofcom and Broadcast) we have relied upon the information supplied to Channel 4 by these sources, as applicable, and have not carried out any independent verification procedures on the information so provided to Channel 4.

We have not carried out any independent verification procedures on the information provided to Channel 4 by its third party online data service providers for the two key measures identified in the Scope of work above.

Conclusion

Based on the procedures performed and evidence obtained, and subject to the key assumptions and inherent limitations set out above, nothing has come to our attention that causes us to believe that the key measures on pages 18 to 39 of the 2015 Annual Report Data are not properly prepared, in all material respects, in accordance with the Methodology.

Karen Wightman

for and on behalf of KPMG LLP
Chartered Accountants
London
7 April 2016

Financial report and statements

Strategic report

2015 financial review and highlights

Record financial results and content reserve increased to £50 million

- Revenue increased by £41 million to £979 million, the highest in the Corporation's history, driven by strong advertising sales performance, advertising market growth and digital revenue growth
- Record content investment with spend increasing to £629 million
- Post-tax surplus of £26 million and £20 million of this allocated to the content reserve for future creative investment to protect the long-term delivery of our remit
- Overhead and administrative costs continue to represent a small proportion of the total cost base (approximately 3%). We continue to seek efficiencies in operations to maximise investment into content and our remit

Channel 4 Sales House increases market reach

- The Channel 4 Sales House, including advertising sales generated for our partners UKTV, The Box Plus Network ('Box') and BT Sport, achieved £1.17 billion in sales and improved market share to 26.4% (2014: 25.9%)

Year of creative success and achievement

- Originated content spend reached record levels of £455 million
- Channel 4 viewing share improved for the first time since 2006 with multiple successes on-screen in every genre
- Portfolio share down due to pressures facing all digital channels but portfolio viewing in peak-time, where content performance and investment is concentrated, increased for the second year running
- Multiple awards with key wins including Channel 4 as the Broadcast Awards Channel of the Year

Digital growth

- Digital revenues increased by 30% to £82 million
- Targeted advertising revenue accounted for 31% of digital advertising revenue in 2015
- New integrated video on demand ('VoD') proposition, All 4, launched extending the reach of our digital offering and developing new tools to enhance viewer engagement and understanding
- Over 13 million net All 4 registrations recorded by December 2015

Increase in cash reserves reflects financial stability

- Total cash and funds on deposit increased by £30 million to £252 million
- Strong platform for future growth and commercial self-sufficiency

Expansion of the Indie Growth Fund

- Four further investments taking the total portfolio to nine companies with a total investment commitment of £9 million out of the £20 million fund

Revenue and cost highlights

	2015 £m	2014 £m
Sales house ¹	1,171	1,073
Corporation revenues	979	938
Advertising and sponsorship revenues ²	925	869
Digital revenues ³	82	63
Content spend	629	602
Originated content spend	455	430

1 Sales house includes the gross revenues of our partners UKTV, Box and BT Sport. As Channel 4 is an agent in these relationships we only recognise our commission on these sales within Corporation revenue.

2 Advertising and sponsorship revenues include digital advertising revenues.

3 Digital revenues include digital advertising revenues and platform licence fee income.

Financial position

We maintain a robust financial position, reflected by a strong balance sheet and significant cash reserves. These reserves will provide funds for future growth plans as well as contingency against future advertising market volatility.

The balance sheet on page 140 shows that the net assets of the Group at 31 December 2015 were £495 million (2014: £443 million). The year-on-year improvement reflects our surplus after tax of £26 million, an increase in the revaluation of the Horseferry Road freehold property of £12 million, decreased actuarial deficits on the defined benefit pension scheme of £12 million and net deferred tax movements on the revaluation of the pension scheme and property of £2 million.

The increase in the value of the property, the movement in the pension deficit and their associated deferred tax impacts are recorded in Other Comprehensive Income.

Cashflow

Total cash and funds on deposit increased by £30 million in the year (2014: a decrease of £16 million) to £252 million (2014: £222 million). The increase was driven by the 2015 surplus and an improved working capital position offset by the acquisition of Global Series Network Limited, further Growth Fund investments and contributions to the defined benefit pension scheme.

Group cash and cash equivalents were £165 million at 31 December 2015 (2014: £152 million) with a further £87 million held in variable net asset value funds (2014: £60 million) and £nil held on deposit for three months or longer (2014: £10 million).

Strategic report *continued*

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 owning our own production capability and there is a statutory limit on the amount of debt we can raise.

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 on pages 12 and 13 and throughout the Statement of Media Content Policy) we seek to optimise returns from our commercial activities and minimise our overheads in order to maximise our spend on-screen.

As a not-for-profit public service broadcaster, our aim is to maintain an overall financial break-even position in the long term. A key element of our long-term break-even target is the way we cross-fund commercially challenging genres with profitable programming. We believe surpluses and cash reserves should be invested back into original content and digital innovation to evolve our commercial business model and to maintain the relevance and reach of our remit.

To support and demonstrate this principle, we established a content reserve in 2014. Subject to Board approval, surpluses generated will be allocated to the content reserve when realised in cash, and creative investments meeting certain criteria may be funded by drawing down from the content reserve.

The delivery of Channel 4's unique remit has always relied on a challenging 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, forcing Channel 4 to remain at the sharp end of innovation. Under this regime Channel 4 has achieved the successful implementation of a multichannel strategy, the launch of pioneering digital services and sustained innovation in advertising sales – and a stable overall portfolio share.

Over the past six years the Executive team has focused on creating long-term sustainability through commercial innovation and creative success, by ensuring output is as distinctive and diverse as it can be. Key corporate and financial priorities have included:

- sustaining creative excellence, maintaining current levels of public service impact and stabilising share decline
- stabilising our share of commercial viewing, maximising our share of the core TV market and identifying and driving incremental revenue growth
- developing our ad sales partnerships. The combination of Channel 4 alongside UKTV, BT Sport and Box means we continue to maintain scale and manage a demographically-efficient base
- bolstering and differentiating our VoD proposition to drive digital revenue and the ability to deliver targeted VoD advertising through our award winning data strategy
- reviewing operational efficiency to ensure incremental spend is investment and remit-focused. We also target keeping operational cost increases below inflation.

Strategic report *continued*

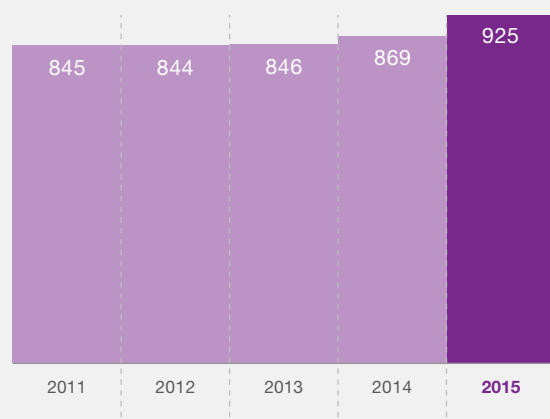
Key performance indicators

The Board uses a range of quantitative financial and non-financial indicators to monitor the Group's performance against its key objectives including the Statement of Media Content Policy ('SMCP') metrics set out on pages 16 to 39 of this report and the performance metrics set out on pages 175 to 177. Four key indicators are described below.

Advertising and sponsorship revenue

£925m

Total advertising and sponsorship revenue (£m)



Definition

Advertising and sponsorship includes all broadcast airtime, digital advertising and sponsorship revenues recognised in the Group consolidated income statement. Channel 4 is funded solely from commercial activities without direct public subsidy. Our commercial performance is therefore dependent on delivering valuable airtime to advertisers, which in turn enables the delivery of our remit.

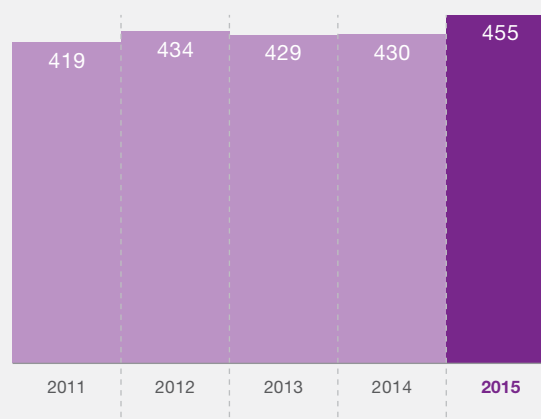
2015 performance

In 2015, advertising and sponsorship revenue accounted for 94% (2014: 93%) of total revenue. Total advertising and sponsorship revenue increased in the year to £925 million (2014: £869 million).

Originated content spend

£455m

Investment in originated content (£m)



Definition

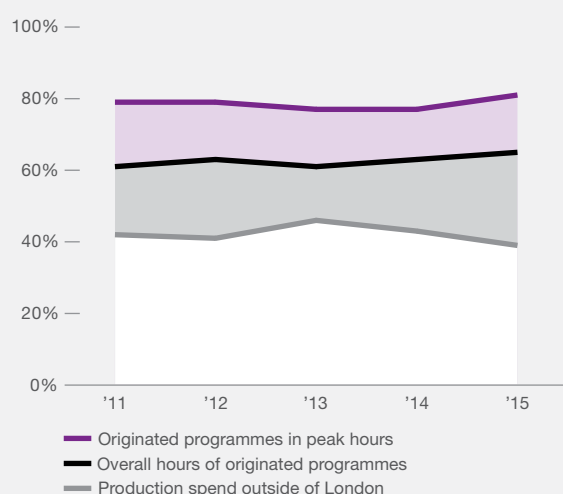
Originated content spend primarily reflects our investment across the portfolio of channels in original, UK-developed content. It is a key metric showing how we are delivering the remit.

2015 performance

In 2015, Channel 4 continued to invest in commissions from UK independent production companies and originated content spend was at a record level of £455 million (page 19) demonstrating Channel 4's continuing commitment to the UK independent production sector.

Strategic report *continued*

Ofcom requirements

EXCEEDED**Definition**

As a public service broadcaster, the Channel 4 main service is set various licence obligations by Ofcom. Targets are set for a range of production and transmission measures. Our delivery against these targets is set out on pages 19, 21 to 23 and 174.

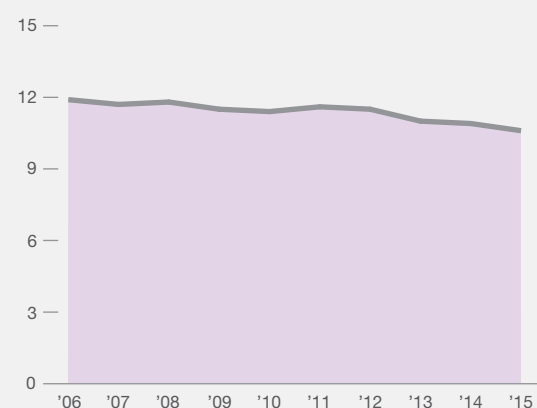
2015 performance

In 2015 and 2014, we met or exceeded all of our licence requirements.

Key quotas achieved are shown above. During 2015, the main channel achieved 65% of overall hours of originated programmes (target: 56%) and 81% in peak hours (target: 70%).

As shown on page 22, we also comfortably exceeded our target of 35% of programme production spend outside London with 39% (2014: 42%) of the main channel's originated programming, excluding *Channel 4 News*, being supplied by production companies located outside the M25. The decline in 2015 reflects the timing of regional Drama spend and fewer episodes being transmitted of long-running daytime formats.

Portfolio audience share

10.6%**Definition**

Portfolio audience share data is the average proportion of the total UK television audience that has viewed our portfolio of channels in the year, and is obtained from BARB (see pages 35 and 176).

Portfolio audience share is a broad measure and an easily understood indicator of performance. It shows our viewer impact and also helps explain our success in attracting advertising to our portfolio of channels.

Financial sustainability is underpinned by our success in attracting key demographics, 16–34-year-olds and ABC1s, and in peak-time viewing which are valuable to advertisers, and these are important sub-measures within the top level portfolio share.

2015 performance

Channel 4 reached an important milestone in 2015 with audience share improving for the first time since 2006 to 5.92% (2014: 5.86%).

In 2015, portfolio audience share was 10.6% (2014: 10.9%) as the main channel performance was offset by challenges facing all digital channels with our digital channel viewing share declining to 4.7% (2014: 5.0%). E4 was particularly affected, although the declines experienced were smaller than many broadcast competitors.

Against the backdrop of overall audience share, viewing share performance in peak-time and our key demographics (16–34-year-olds and ABC1s) ultimately underpin our advertising revenues.

Performance in peak-time, where the majority of content investment is concentrated, was strong versus other terrestrial channels and once again improved year-on-year from 12.5% to 12.9%.

Our ABC1 demographic improved due to a slate of successful drama and entertainment programmes, with share up from 10.9% to 11.0%, while our share of the 16–34-year-olds demographic declined to 16.5% in 2015.

Further information on audience share is provided on pages 34 to 39 and 175.

Strategic report *continued*

Business segments

Our business comprises three operating segments:

1. 4Broadcast

4Broadcast comprises the broadcast and supporting activities of the Corporation. These activities include five free-to-air television channels, available on terrestrial, satellite and cable platforms, which help to maintain the Corporation's scale and creative impact in the multichannel world.

Channel 4, the main service channel, continues to maintain its core focus on the values of innovation, creativity and diversity through original UK commissioned programming. 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**, which provides another opportunity to watch Channel 4 programmes from the past week that have generated public, media and social media attention.

E4 focuses on Comedy, Drama and Entertainment, including original commissions and US acquisitions. E4 is the leading digital channel for 16–34-year-olds and the third most popular digital channel in the UK.

More4 offers lifestyle based content to help viewers to get the most out of their everyday lives. More4 focuses on popular factual and features programming including homes, property, food, health and fashion.

Film4, the UK's leading dedicated film channel and the fourth most popular digital channel for individuals, offers a mix of the best British, European, US and international cinema.

E4, More4 and Film4 are available on all the main broadcast platforms and offer delayed transmission and high definition services.

4Broadcast includes **All 4**, our new VoD proposition and other interactive platforms that have helped to extend the depth and impact of programming output, as well as free, advertising-funded catch-up video on demand. The Corporation continues to innovate and use new technologies to drive a deeper relationship with audiences.

The 4Broadcast segment also includes our **Indie Growth Fund**, an investment fund to nurture the independent production sector by providing access to funding for a broad portfolio of small and medium-sized companies based in the UK to help them grow and develop their business.

2. 4Rights

4Rights includes our UK secondary rights business, generating income through the distribution of programmes, syndicated video on demand through third-party digital platforms, sale of DVDs, and other associated products. Third-party VoD platforms making Channel 4 content available to viewers include Virgin Media, Sky, BT Vision and Amazon Prime, as well as PlayStation, Xbox, iOS, Android, Samsung and Windows.

3. Other

Other includes the provision of creative design and production services outside of the Corporation.

Income statement highlights by segment

	Advertising and sponsorship revenue £m	Other revenue £m	Total revenue £m	Operating surplus/ (deficit) £m
2015				
4Broadcast	889	17	906	(4)
4Rights	36	36	72	28
Other	–	1	1	–
Eliminations	–	–	–	–
Total	925	54	979	24

	Advertising and sponsorship revenue £m	Other revenue £m	Total revenue £m	Operating surplus/ (deficit) £m
2014				
4Broadcast	843	17	860	(20)
4Rights	27	51	78	24
Other	–	1	1	–
Eliminations	(1)	–	(1)	–
Total	869	69	938	4

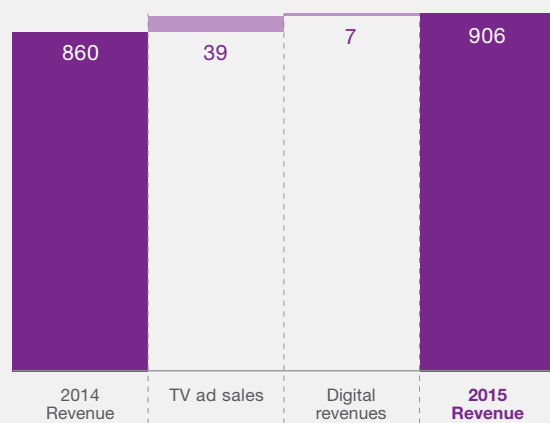
Strategic report *continued*

Segment financial review

4Broadcast revenue

£906m

Revenue (£m)

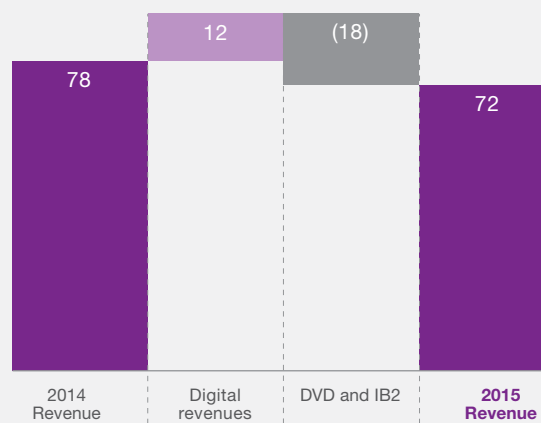


Revenue increased by £46 million in 2015, mainly due to strong TV advertising sales performance, TV advertising market growth and growth in digital revenues on Channel 4 owned platforms.

4Rights revenue

£72m

Revenue (£m)

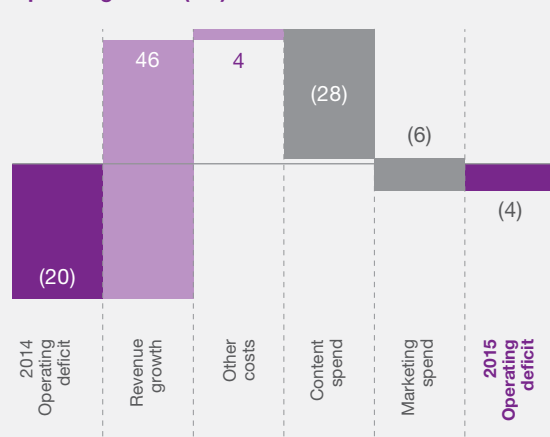


Revenue decreased by £6 million in 2015, reflecting one-off box office and DVD revenue contributed by *The Inbetweeners 2* ('IB2') in 2014 offset by growth in digital revenues on third-party platforms.

4Broadcast operating deficit

£4m

Operating result (£m)

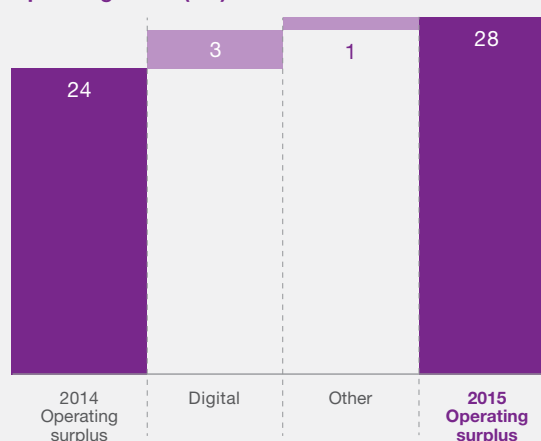


The operating deficit improved by £16 million in 2015, mainly due to the impact of the revenue growth highlighted above offset by higher content and marketing spend as some of the incremental revenue was reinvested in the year.

4Rights operating surplus

£28m

Operating result (£m)



The £4 million increase in the operating surplus in the year mainly reflects digital growth on third-party platforms.

Strategic report *continued*

Staff and corporate responsibility

People

At Channel 4 we pride ourselves on how diverse, passionate and talented the people we employ are. Not only does this reflect our audience more accurately, it also promotes creative output both on-and off-screen.

The average number of employees for the year, on a full-time equivalent basis, was 819 in 2015, an increase of 1% (2014: 808). At the end of 2015, the average number of people employed by the Corporation for each group of employees was as follows:

2015	Male No.	Female No.
Executive Members	3	1
Senior managers	25	13
Employees	333	444
Total employees	361	458
Non-Executive Members	5	4
Total including Non-Executive Members	366	462

Employee diversity

In 2015, Channel 4 launched the 360° Diversity Charter, which focuses action on improving support for under-represented groups, not only in our programming but also at every level of our organisation.

One of our biggest actions was to promote transparent, measurable employee diversity targets, aiming to reflect the diversity of the United Kingdom population by 2020.

When the Diversity Charter was launched, our employee diversity information was incomplete. We needed to understand our current employee profile more fully in order to set our 2020 targets. We ran a diversity data campaign to our employees during early 2015 ('What's it got to do with you?') to share the benefits of recording diversity information. The campaign ran in conjunction with our e-learning module 'Born Different' to raise employees' understanding of diversity and inclusion issues, and to explain how they can play a part in shaping Channel 4.

The campaign was successful on two fronts:

- Internally: Our employee self-declaration, especially with LGBT and disabled employees, increased significantly. 80% of staff completed the 'Born Different' e-learning module within five weeks of its launch. 85% of those who completed the training said it made them more thoughtful and aware of the importance of diversity at Channel 4. We also ran optional face-to-face Diversity and Inclusion development sessions; 89% of participants said they would "definitely use" what they learned
- Externally: 'Born Different' won two silver E-Learning Awards. 'What's it got to do with you?' has been embraced by Stonewall, who then asked us to work with them to help showcase the potential of this exercise to other organisations

At the end of 2014 and 2015, our employees identified with the following key diversity groups:

	December 2014	December 2015	2020 Target (Staff)
Disabled	2%	3%	6%
BAME	16%	18%	20%
LGBT	4%	6%	6%
Female	58%	58%	50% equal split

Since the launch of the Diversity Charter, the first annual update 'One Year On' has been published and is available at channel4.com showing the progress against our targets by December 2015. We have nominated 2016 as our Year of Disability and plan to boost our efforts to improve access to the industry for disabled people. Subsequent years will carry new themes whilst our work to support all underrepresented groups continues.

Diversity breakfasts

During 2015, Channel 4 launched Diversity Breakfasts, which were a series of facilitator-led breakfast sessions with our employees to encourage discussion on different diversity subjects to improve understanding and to provide an opportunity for staff to discuss and to make suggestions.

The sessions led to the set up and launch of two employee networks in 2016 – a women's network **4WomenCan** and an LGBT network **C4Pride**. Both of these were set up by employees who were working to drive initiatives and forums for all.

We also ran a number of successful sessions during an **Inspiration Week** which focused on individuals from diverse backgrounds who came to talk to our staff about their lives, work experiences and achievements.

Applying for roles

In 2015, Channel 4 received 8,129 applications for employment.

- 54% of all applicants were female
- 28% declared themselves as BAME
- 8% of applicants declared themselves as LGBT, with a further 7% of all applicants who "preferred not to declare"
- 3% of applicants declared a disability
- Five applicants who applied for roles in 2015 declared themselves as transgender

Of the new employees who joined Channel 4 during 2015:

- 66% were female
- 32% declared themselves as BAME
- 6% declared a disability
- 4% declared as LGBT

Nurturing our people

In 2015, 84% of Channel 4 staff attended a workshop, training course or a tailored coaching/mentoring programme.

In 2015, we enhanced our focus on coaching/mentoring through establishing two new programmes on mentoring and maternity coaching. Mid-level mentoring focused on career development and enhancing inter-departmental awareness. 38 employees completed our mentoring programme. 50% of women who went on or returned from maternity leave completed our maternity coaching programme.

To prepare for our Year of Disability in 2016, 15 members of the Human Resources team received specialist training provided by the Business Disability Forum to increase their skills, confidence and knowledge in connection with working with disabled people.

Strategic report *continued*

Accountability

Our Board and Executive team have committed to promoting the highest standard 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. Since 2004, we have reported on our approach to corporate responsibility and our performance in our Annual Report and Accounts.

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.

Charitable giving

Employees are able to make tax-free donations to charity, directly from their salary via the Give As You Earn Scheme. We also support staff fundraising through a matched funding scheme that encourages teamwork and collaboration. We match funding pound-for-pound up to £2,500 if teams of staff work together in support of a charitable cause.

Volunteering

Channel 4 recognises that volunteering can have a meaningful and positive impact on both our staff and community, and we support this through our volunteering policy.

The Disaster Emergency Committee ('DEC')

Channel 4, working in partnership with ITN, has been a broadcast partner for the DEC for a number of decades. When a large-scale international crisis occurs, we broadcast a 2–3 minute national television appeal, without charge.

Stand Up To Cancer

Channel 4 broadcast *Stand Up To Cancer* in 2015 which was hugely successful both from a programming and fundraising perspective, delivering huge audiences and smashing fundraising targets. The plans for *Stand Up To Cancer* in 2016 are our most ambitious ever and it is now the fastest growing TV fundraiser, raising £30 million to date.

Environmental sustainability

We want to ensure that the way we conduct our day-to-day activities reflects our commitment to reducing any negative impact we may have on the environment. To support this, we have had an environment policy in place since 2004.

Environmental and charitable campaigns continued to run internally through 2015 with the aim of raising awareness and promoting good practice.

Following a benchmarking exercise on electrical and gas consumption in 2014, we set ourselves targets in 2015 to achieve a 5% reduction in consumption at our Horseferry Road premises.

From increased awareness and informed decision-making we achieved a reduction in our electrical consumption of 10% while gas consumption reduced by 14% in 2015. We aim to reduce this further in 2016 following the installation of new, more efficient boilers at Horseferry Road.

We continue to identify assets which can be replaced in order to reduce our carbon footprint, and are preparing a strategy to replace those assets over the coming years.

Carbon footprint

We continue to report on our Carbon Reduction Commitment ('CRC') and registered for the Environmental Savings Opportunity Scheme in 2015 to ensure statutory compliance.

Our greenhouse gas emissions for 2015 are set out in the table below.

	2015	2014
Total carbon footprint (tonnes of CO ₂)	5,078	5,922
Total carbon footprint per £m revenue	5.2	6.3

Waste

We recycled 142.441 tonnes of general office waste during 2015 (2014: 132.628 tonnes), representing 100% of identified recyclable waste. General municipal unsorted waste remained at 30% of total waste in 2015. In 2016, we are targeting a 5% reduction in general municipal unsorted waste through a waste awareness campaign.

Water

We continue to monitor our water consumption in our fully occupied premises at Horseferry Road. The water consumption for 2015 was 9,429 cubic metres, a decrease of 3% from 2014.

Strategic report *continued*

Managing risks

How we manage risk

The Board has a clear responsibility for the identification of risks facing the Corporation and for putting procedures in place to monitor and mitigate these risks. In order to deliver on our remit, Channel 4 has a high appetite for creative risk taking, giving rise to potentially litigious content. However, Channel 4 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. This framework has been developed in accordance with good practice on internal controls and risk management.

A summary of the key risks that the Group faces, together with the key steps in how those risks are mitigated, is presented on the following pages.

Who does what

THE BOARD

- Leadership of risk management
- Sets strategic objectives and risk appetite
- Responsible for maintaining sound risk management and internal control systems
- Monitors performance

AUDIT 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 the internal auditor and external auditor, and their independence

EXECUTIVE MEMBERS

- Delegated responsibility from the Board for the operation of systems of risk management and internal control
- Communicate and disseminate risk management policies
- Support and help assess risk
- Encourage open communication on risk matters
- Monitor performance
- Assess materiality of risks in context of the whole Group
- Monitor mitigation and controls
- Facilitate sharing of risk management information and best practice across the Group

BUSINESS ASSURANCE

- Independently reviews the effectiveness of the Group's risk management and internal control processes
- Monitors and validates action taken by management
- Reports four times annually to the Audit Committee

EXECUTIVE TEAM COMMITTEES

- Comprise commercial, operational and creative Executive team 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 identification of risk, assurance and self-assessment

Strategic report *continued*

Risks and uncertainties

Risk	Potential impact	Mitigating actions
Failure to respond to changes in the advertising industry given the Corporation's dependence on advertising revenue	<p>In 2015, 94% of Channel 4's revenue (2014: 93%) derived from advertising and sponsorship.</p> <p>Channel 4 is subject to cyclical fluctuations and structural changes in the advertising market, including those arising from changes in regulation, and in the competitive landscape.</p> <p>Advertising and sponsorship income are variable and can change significantly during the course of the year as a result of variations in audience share or broader market or economic conditions.</p>	<p>Channel 4 actively seeks to diversify sources of revenue. The investment in digital and growth of digital revenues has been a direct response to the risk of failing to diversify revenues. Channel 4 has also invested in commercial innovation throughout 2015.</p> <p>Channel 4 monitors the advertising market and its share of the market closely to identify trends.</p> <p>As far as possible, Channel 4 phases commitments and maintains a flexible cost base.</p> <p>Channel 4 holds cash reserves to protect against the impact of a decline in the television advertising market.</p>
Failure to identify and develop sufficiently compelling content	<p>Channel 4 is tasked with selecting, retaining and scheduling compelling, innovative and risk-taking content from a diverse supply base using multiplatform delivery systems, while maintaining effective relationships with independent production companies.</p> <p>The impacts arising from failing to successfully meet this challenge include a material decline in audience share and reputational damage.</p>	<p>Channel 4 has pursued a strategy of investment in creative diversification in recent years.</p> <p>Channel 4's business terms with independent producers and the scale of commissioning opportunity remain highly competitive.</p> <p>Channel 4 maintains quarterly meetings with the TV production industry body, PACT.</p>
Cybersecurity breach	<p>Risk that the personal information of Channel 4 viewers may be lost or disclosed, or obtained without viewers' consent.</p> <p>A cybersecurity breach could lead to reputational damage, loss of viewer trust and a loss of confidence in the integrity of data-driven commercial metrics.</p>	<p>Channel 4 has an established information security function, supported by specialist resources.</p> <p>Data is stored by specialist third parties.</p> <p>Channel 4 has published our Viewer Promise regarding our principles concerning viewers' data.</p>
Challenge in recognising and investing in new, relevant technologies to deliver content and engage with audiences	<p>A challenge for all broadcasters is maintaining legacy linear distribution systems and investing in new platforms.</p> <p>The market is increasingly competitive with emerging global content providers.</p>	<p>Channel 4 has invested in a viewer data platform to build direct consumer relations and improve decision-making.</p> <p>Channel 4 maintains a strategic plan to ensure that it stays responsive to innovation in the technology sector.</p>
Breach of Ofcom licence and regulatory obligations, and legal compliance	<p>Our licence quotas are published on pages 19, 21 to 23 and 174 of this report.</p> <p>Failure to fulfil the statutory responsibilities governing delivery of our remit presents a significant risk to Channel 4.</p> <p>Transmission of content presents legal, regulatory and reputational risks to Channel 4.</p>	<p>The Board is responsible for ensuring that Channel 4 meets all of its public service obligations.</p> <p>The Board reviews current programming output and Channel 4's performance against Ofcom quotas on a regular basis.</p> <p>Channel 4 has a number of detailed legal and compliance procedures and protocols to ensure that the risks of legal and regulatory breach are identified and appropriately managed.</p>
Uncertainty over outcome of government review of Channel 4	Potential destabilising impact on Channel 4's third-party, investee and employee relationships.	<p>Continuing commitment to communicating Channel 4's long-term financial stability, commercial sustainability, and ongoing remit delivery.</p> <p>Engaging with the government to ensure they understand the potential consequences of alternative scenarios.</p>
Failure to address the defined benefit pension deficit	The defined benefit pension scheme, whilst closed to new entrants, is a material liability on the balance sheet (2015: £56 million). The overall liability may worsen over time, due to broader economic and demographic conditions, and the risk exists that Channel 4 may need to divert funding activity away from spend on-screen in order to fund an increased liability.	The Corporation and Trustees of the scheme meet regularly to review the pension liability. The scheme was closed to future accrual with effect from 31 December 2015.

Strategic report *continued*

Strategic and financial outlook for 2016

To sustain strong remit delivery, we have targeted £1 billion of revenue in 2016 and maintain an ambition to hold both portfolio audience and commercial share viewing at 2015 levels, despite a highly competitive environment and a number of major sporting events.

To achieve this our plans are to maximise advertising revenues from our core business and drive incremental revenue growth. Overhead and administrative costs will be held constant or reduce as a proportion of total spend to maintain our operational efficiency.

The outlook for 2016 is once again strong with market growth forecast between the range of 3% and 5%. We set a prudent budget, and if the market grows by more than forecast then we will seek to reinvest any upside into content or other strategic initiatives.

We hold a content reserve of £50 million which can be deployed to strengthen our remit delivery in 2016 and beyond or in the event of an unforeseen downturn.

Looking forward, the Members remain confident that Channel 4 can continue to deliver against current levels of public service impact on a self-sustaining basis.

Our corporate ambitions and 2016 content strategy are detailed further on pages 102 to 105.

Viability statement

In accordance with provision C.2.2 of the UK Corporate Governance Code (the 'Code'), the Members have assessed the prospects of the Group over the three-year period to December 2018. This period was selected as this is the normal planning horizon in our strategic planning process. The Members also noted that in January 2015 Ofcom awarded a new ten-year licence to the Corporation and that Ofcom had concluded that its financial plan was credible and would enable it to meet its licence obligations over this period.

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. The plan makes certain assumptions, including TV advertising market growth 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 cashflows. In 2015, these other principal risks included the failure to develop sufficiently compelling content or to develop and maintain suitable technology platforms, a significant reduction in share commitment from a major advertising agency, cyber and physical security risks, and the risks associated with a protracted debate over, and a significant change in the ownership status of the Corporation.

In its overall assessment of the viability of the Group, the Members have:

- considered revenue, cost and cashflow forecasts for the next three years as well as its current financial position and cash resources, and reviewed the Group's strategic objectives and other key performance metrics
- considered each of the principal risks and uncertainties above and how they are managed
- through the Audit 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
- reviewed performance updates in the normal course of business that underpin the long-term strategy
- discussed the purpose of the content reserve, which exists to protect investment into content and sustain delivery of the remit in the event of a downturn.

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.

By Order of the Board

Charles Gurassa
Chair
7 April 2016

Report of the Members

Introduction

The Members present their report and the audited financial statements for the year ended 31 December 2015.

The Chair and Chief Executive present their statements on pages 4 to 5 and 6 to 7 respectively. A review of the Group, outlining its business model, development and performance during the financial year, together with its position at 31 December 2015 and financial outlook is provided in the Strategic Report on pages 108 to 118. The Strategic Report also outlines the principal risks and uncertainties facing Channel 4.

The Group's financial statements are set out on pages 138 to 166 and Channel 4's financial statements are set out on pages 167 to 171.

Legal form

Channel Four Television Corporation ('Channel 4') is a statutory corporation, without shareholders, established under the terms of the Broadcasting Act 1990.

Members' interests

Channel 4 fully embraces the principles of good corporate governance and, to this end, makes full disclosure of all Members' interests. During 2015, Members, in addition to their salaries, benefits and/or fees as disclosed on page 133, were interested in the following transactions negotiated at arm's length on normal commercial terms with the Group:

David Abraham is a Non-Executive Director and MT Rainey is Vice Chair of Creative Skillset. Channel 4 paid £363,000 to Creative Skillset, the sector skills council for the creative industries, to fund industry-wide training during 2015. Channel 4 received £78,000 from Creative Skillset in 2015 to fund a diversity training programme.

Lord Burns was Chairman of Santander UK plc until 30 March 2015. Santander UK plc advertises its services on Channel 4.

Mark Price was the Managing Director of Waitrose and the Deputy Chairman of the John Lewis Partnership until 3 April 2016. Waitrose and John Lewis advertise their services on Channel 4.

Richard Rivers is a Member of the Advisory Board of WPP plc. Channel 4 sells advertising through a number of subsidiaries of WPP plc.

Dan Brooke is a Non-Executive Director of the Britdoc Foundation, a non-profit film foundation supported by Channel 4, and a Director of Creative Diversity Network Limited. Channel 4 paid £182,000 to the Britdoc Foundation in 2015, and £168,000 to Creative Diversity Network in 2015.

Alicja Lesniak was a Non-Executive Director and Audit Chair of STthree plc until 23 April 2015. STthree plc owns Huxley Associates, a recruitment consultancy which provides technology contractors to Channel 4. Channel 4 paid £5,198,000 to Huxley Associates in 2015.

MT Rainey is a Director of Hays plc. Channel 4 paid £6,000 to Hays plc in 2015.

Josie Rourke is an Artistic Director of Donmar Warehouse Limited. Channel 4 paid £371,000 to Donmar Warehouse Limited for the production of a live theatre broadcast.

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.

Channel 4 website

In keeping with our strategy to connect with viewers across all platforms, Channel 4 has published this report on its website at channel4.com/annualreport

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

KPMG LLP has been appointed as auditor to Channel 4 with the approval of the Secretary of State for Culture, Media and Sport, and has expressed its willingness to continue in office.

Going concern

The Group's business activities, the factors likely to affect its future development and performance, the financial position of the Group, its cashflows and Viability Statement are set out in the Strategic Report. In addition, note 14 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.

Channel 4's current ten-year licence with Ofcom came into effect in January 2015.

The Group has sufficient financial resources, and based on normal business planning and control procedures, 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.

Report of the Members *continued*

Responsibility statement of the Members in respect of the annual financial statements

The Members are responsible for preparing the Annual Report and the Group and the Corporation's financial statements in accordance with applicable law and regulations. The Corporation is required by its governing legislation (the Broadcasting Act 1990) to keep proper accounts and proper records in relation to the accounts, and to prepare financial statements in respect of each financial year. Under that law, the Members have elected to prepare the financial statements of the Group in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU and the requirements of Chapter 4 of Part 15 of the Companies Act 2006, and elected to prepare the financial statements of the Corporation in accordance with the Financial Reporting Standard 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 each of the Group and the Corporation financial statements, the Members:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU;
- and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Corporation will continue in business.

The Members have accepted responsibility for keeping proper accounting records that are sufficient to show and explain the Group 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 125. Following the Digital Economy Act 2010, revised arrangements, approved by Ofcom, were implemented from 24 January 2012.

The Members are responsible for the maintenance and integrity of the corporate and financial information included on the Corporation's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and surplus or deficit of the Group and the Corporation and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group, and the Corporation and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary to assess the Corporation's performance, business model and strategy in accordance with the UK Corporate Governance Code (September 2014).

By Order of the Board

Charles Gurassa
Chair
7 April 2016

Independent auditor's report to the Members of Channel Four Television Corporation (the 'Corporation') only

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

We have audited the financial statements of the Corporation for the year ended 31 December 2015 set out on pages 138 to 171. In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Corporation's affairs as at 31 December 2015 and of the Group's surplus for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS as adopted by the EU');
- the Corporation's financial statements have been properly prepared in accordance with UK Accounting Standards, including FRS 101 *Reduced Disclosure Framework*; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 as if that Act applied to the Corporation.

2 Our assessment of risks of material misstatement

We summarise below the risks of material misstatement (unchanged from 2014) that had the greatest effect on our audit (in decreasing order of audit significance), our key audit procedures to address those risks and our findings from those procedures in order that the Corporation's Members as a body may better understand the process by which we arrived at our audit opinion. Our findings are the result of procedures undertaken in the context of and solely for the purpose of our statutory audit opinion on the financial statements as a whole and consequently are incidental to that opinion, and we do not express discrete opinions on separate elements of the financial statements.

Programme and film rights £254 million (2014: £242 million)

Refer to page 131 (Audit Committee Report), page 145 (accounting policy) and page 158 (financial disclosures).

The risk – Programme and film rights are written-down to their value to the Group when indicators of a reduction in the value of individual assets are identified, for example when:

- the quality of the programme means it may no longer be broadcast in the originally intended transmission slot; or
- forecast future theatrical and DVD revenues no longer support the carrying value of developed film rights.

The majority of the costs of programme and film rights are written off on first transmission. There is, however, an increased level of judgement involved in assessing the value to the Group of rights in relation to certain types of programming including feature films, sports rights, acquired series and developed film rights which may be written off over more than one transmission. Judgements made include assessing viewing performance and revenue profile based on expected future advertising, sponsorship or other related revenue.

Our response – Our audit procedures included:

- with regard to developed film rights exploited through distribution, critically assessing forecast film rights income through independent enquiry of the Film4 commissioning team to understand revenue expectations; reference to third-party theatrical release data and sales of distribution rights to date; and historical experience of theatrical, distribution and DVD revenues generated from film releases;
- for other programme and film rights, we focused on those programme and film rights that are the oldest or have the highest carrying amounts, and those near rights expiry. We evaluated the Group's assessment of the expected future transmissions through enquiry of the programme scheduling team who operate independently from finance; inspection of the programme schedule for the three-month period following the year end date, and longer-term sporting event schedules. We also compared a sample of programmes scheduled at the year end to third-party TV listings for that period; and

- challenging the assumptions underlying the calculation of transmission cost write-off profiles with reference to historical viewing data, in particular programmes and films that were not fully expensed on first transmission.

Our findings – We found:

- the estimates in respect of future film rights income on developed film rights exploited through distribution to be balanced (2014: mildly optimistic);
- the judgements made in relation to the effects of expected future scheduling and in assessing the carrying value of programme and film rights to be balanced (2014: balanced); and
- the assumptions regarding the viewing profile used to calculate the transmission cost write-off profiles to be balanced (2014: mildly cautious).

Revenue recognition £979 million (2014: £938 million)

Refer to page 131 (Audit Committee Report), page 143 (accounting policy) and page 147 (financial disclosures).

The risk – In terms of audit risk, the Group's revenue can be divided into two categories:

- advertising revenues (£812 million): Whilst the majority of advertising revenue contracts are straightforward, there are a small number of individually significant one-off contracts in respect of barter arrangements, where the Group exchanges advertising revenue for programmes, and contracts where the Group acts as a sales agent for other broadcasters' advertising. These contracts can contain unique contract terms including complex commission calculations, and judgement is required to determine the appropriate revenue recognition treatment.
- sponsorship and other revenues (£167 million): This includes many agreements with differing individual terms in respect of the following revenues: sponsorship, subscription income from other platforms, box office and DVD sales. The volume and variety of different contracts gives rise to a risk of incorrect revenue recognition between accounting periods, in particular in relation to the allocation of revenues where contracts span the year end.

Our response – Our audit procedures included:

- testing the controls over the standard advertising revenue arrangements;
- reviewing the terms of barter and sales agent contracts, and agreeing the accounting treatment in terms of
 - applying the relevant accounting standards to the contract terms and comparing with the actual treatment adopted;
 - obtaining evidence of performance of contractual obligations including the delivery of airtime; and
 - considering the valuation basis applied for the programmes received in barter deals with reference to third-party production costs which are seen to reflect fair value;
- testing the revenue recognition approach on a sample of higher value items of sponsorship and other revenue with reference to our own analysis of the application of relevant accounting standards to non-standard contract terms and transmission schedules in respect of sponsorship campaigns, to assess whether revenue has been recognised in the appropriate accounting period; and
- considering the adequacy of the Group's accounting policy disclosures in their description of the method applied to recognising revenue for these arrangements.

Our findings – We found:

- our testing did not identify weaknesses in the controls that would have required us to expand the extent of our planned detailed testing;
- the judgements regarding measurement of airtime delivery to reflect the fulfilment of performance obligations on barter and sales agent contracts to be balanced (2014: balanced);
- for barter and sales agency contracts the judgements applied in determining the fair value of programme rights received, used for the recognition of revenue, to be balanced (2014: balanced);

Independent auditor's report to the Members of Channel Four Television Corporation (the 'Corporation') only *continued*

- the judgements applied in arriving at the revenue recognition treatments to be balanced (2014: balanced); and
- the Group's accounting policy disclosures to be proportionate (2014: proportionate).

3 Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £7.0 million (2014: £7.0 million), determined with reference to a benchmark of Group revenue (of which it represents 0.7% (2014: 0.7%)). We consider revenue, rather than profit, to be the appropriate benchmark as the Corporation's aim is to achieve a long-term breakeven position.

We report to the Audit Committee any corrected or uncorrected identified misstatements exceeding of £0.3 million (2014: £0.3 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

The Group's operations are all accounted for at the Group's office in London. The Group audit team performed the audit of the Group as if it was a single aggregated set of financial information. The audit was performed using the materiality level set out above and covered 100% of total Group revenue, Group profit before tax and total Group assets.

4 Our opinion on other matters prescribed under the terms of our engagement is unmodified

In addition to our audit of the financial statements, the Members have engaged us to audit the information in the Members' Remuneration Report that is described as having been audited, which the Members have decided to prepare as if the Corporation were required to comply with the requirements of Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008 No. 410) made under the Companies Act 2006.

In our opinion:

- the part of the Members' Remuneration Report which we were engaged to audit has been properly prepared in accordance SI 2008 No. 410 made under the Companies Act 2006, as if those requirements were to apply to the Corporation; and
- the information given in the Strategic Report and the Report of the Members for the financial year for which the financial statements are prepared is consistent with the financial statements.

5 We have nothing to report on the disclosures of principal risks

Based on the knowledge we acquired during our audit, we have nothing material to add or draw attention to in relation to:

- the Members' viability statement on page 118, concerning the principal risks, their management, and, based on that, the Members' assessment and expectations of the Group's continuing in operation over the next three years to 2018; or
- the disclosures in note 1 of the financial statements concerning the use of the going concern basis of accounting.

6 We have nothing to report in respect of the matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the Annual Report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the Members' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Group's position and performance, business model and strategy; or
- the Audit Committee Report does not appropriately address matters communicated by us to the Audit Committee.

Under the terms of our engagement, we are required to report to you if, in our opinion:

- proper accounting records have not been kept by the Corporation, or returns adequate for our audit have not been received from branches not visited by us; or
- the Corporation's individual financial statements and the part of the Members' Remuneration Report which we were engaged to audit are not in agreement with the accounting records and returns; or
- certain disclosures of Members' remuneration are not made; or
- we have not received all the information and explanations we require for our audit.

In addition to our audit of the financial statements, the Members have engaged us to review the Corporate Governance Statement as if the Corporation were required to comply with the Listing Rules and the Disclosure Rules and Transparency Rules of the Financial Conduct Authority in relation to those matters.

Under the terms of our engagement we are required to review:

- the Members' statements, set out on page 118, in relation to going concern and longer-term viability; and
- the part of the Corporate Governance Statement on pages 123 to 125 relating to the Corporation's compliance with the eleven provisions of the 2014 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Respective responsibilities of Members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 120, the Members are responsible for the preparation of financial statements which are intended by them to give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the UK Ethical Standards for Auditors.

Scope of an audit of financial statements performed in accordance with ISAs (UK and Ireland)

A description of the scope of an audit of financial statements is provided on our website at www.kpmg.com/uk/auditscopeother2014. This report is made subject to important explanations regarding our responsibilities, as published on that website, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

The purpose of our audit work and to whom we owe responsibilities

This report is made solely to the Corporation's Members as a body, in accordance with the Broadcasting Act 1990 and the terms of our engagement, and, in respect of the separate opinion in relation to the Members' Remuneration Report, reporting on corporate governance, and, in order that the Corporation's Members as a body may better understand the process by which we arrived at our audit opinion, the inclusion of findings in respect of the identified risks of material misstatement, on terms that have been agreed. Our audit work has been undertaken so that we might state to the Members those matters that we have agreed to state to them in our 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 Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Karen Wightman

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square, London, E14 5GL

7 April 2016

Corporate governance

The Board is committed to high standards of corporate governance. The Members have decided to voluntarily prepare a Corporate Governance Statement to demonstrate compliance with the main principles, where relevant, of the UK Corporate Governance Code issued by the Financial Reporting Council ('FRC') in 2014, and the disclosure and transparency provisions of the Listing Rules of the Financial Conduct Authority.

The Board considers that, throughout the year, it was compliant with the relevant provisions of the UK Corporate Governance Code.

Channel 4's status as a statutory corporation without shareholders means those provisions concerning shareholders' interests are not directly applicable. Also, instead of a nominations committee, there are formal nominations procedures which are described below.

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, which meets at least nine times a year, has a schedule of matters reserved for its approval. The following matters must be referred to the full Board:

- Channel 4's annual budget (content and non-content)
- the appointment and reappointment of the Chief Executive
- confirmation of the appointment and reappointment 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 accounts of Channel 4 presented by the Audit Committee
- 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
- 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.

In addition, as part of its overall responsibility to ensure the fulfilment of Channel 4's statutory duties and functions, the Board continues to focus on ensuring the successful delivery of Channel 4's remit and other public service responsibilities. Content output and plans for future investment of the content budget are regularly discussed as part of the overall Board agenda, as are regular updates on audience reactions to Channel 4's content. The Board also approves Channel 4's proposed Statement of Media Content Policy (incorporating the Statement of Programme Policy and Review) prior to publication.

The Board has an established Audit Committee and Remuneration Committee to assist with the discharge of its functions and has delegated each certain responsibilities. The Audit Committee Report is set out on pages 129 to 131 and the Remuneration Committee Report is set out on pages 132 to 137.

Given its constitution and specific statutory provisions regarding the appointment of Members, Channel 4 does not have a formal nominations committee. 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 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
- the Board Secretary is appointed jointly by the Chair and Chief Executive

The roles of the Chair and Chief Executive

The division of responsibilities between the Chair of the Board and the Chief Executive is clearly defined as described below.

The Chair is responsible for, among other things:

- 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

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.

In 2015, Lord (Terry) Burns continued as Chairman and David Abraham continued as Chief Executive. Lord Burns retired as Chairman on 27 January 2016, and Charles Gurassa was appointed Chair for an initial three-year term from 28 January 2016.

Senior independent member

In 2015, Mark Price continued as Deputy Chairman and Senior Independent Member.

Members and Members' independence

The names of the 2015 Board Members, together with their brief biographies, are set out on pages 127 to 128.

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. 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 former and current Chairmen's professional commitments are included in their biographies. These do not adversely affect their role with Channel 4.

Corporate governance *continued*

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 119)
- receives remuneration 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
- with the exception of Lord Burns, has served on the Board for more than six years from the date of their first election. Lord Burns was appointed to the Board on 5 November 2009, became Chairman on 28 January 2010 and retired on 27 January 2016, serving a total term of six years and three months

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 management 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 Board Secretary. 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 evaluation process that uses a detailed questionnaire to allow Board Members to express both qualitative and quantitative views on Board performance is undertaken annually. The process is managed by the Board Secretary, with results anonymised in order to enable an impartial discussion of results. Results are fully discussed at a Board meeting and proposals tabled and agreed to address any actions arising. We believe the current Board evaluation process to be sufficient and accordingly have not engaged a third party to conduct the exercise. This will be kept under review.

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 covering all key areas of the business and providing a month by month report on progress against the main performance indicators set by the Board.

The Board Secretary's responsibilities include ensuring an effective flow of information within the Board and its committees, and between senior management and Non-Executive Members, induction of new Members and assisting with professional development as required.

The Head of Legal, Governance, Regulatory and Trading is responsible for advising the Board through the Chair on all governance matters.

Both posts are available to provide advice and services to all Members, as relevant, to ensure compliance with Board procedures.

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 Committee meetings attended (invited)	Remuneration Committee meetings attended (invited)
Lord Burns	9 (9)	4 (4) ¹	4 (4) ¹
Richard Rivers	9 (9)	–	4 (4)
Alicja Lesniak	8 (9)	4 (4)	–
Monica Burch	8 (9)	4 (4)	–
Mark Price	7 (9)	–	2 (4)
Paul Potts	8 (9)	3 (4)	–
MT Rainey	9 (9)	4 (4)	–
Josie Rourke	8 (9)	–	–
Stewart Purvis	9 (9)	–	4 (4)
David Abraham	9 (9)	4 (4) ¹	4 (4) ¹
Jonathan Allan	9 (9)	–	–
Jay Hunt	9 (9)	–	–
Dan Brooke	9 (9)	–	–

¹ Lord Burns and David Abraham attended Audit Committee and Remuneration Committee meetings but were not members of those committees.

Board diversity

As shown on page 114, diversity is at the heart of Channel 4 and this is equally important at entry level as at the most senior levels of the organisation. In December 2015, the Channel 4 Board comprised four Executive Members and nine Non-Executive Members. As stated on page 123, Non-Executive Members are appointed by Ofcom, and Executive Members by the Chief Executive and Chair.

At 31 December 2015, one of the four Executive Members was a woman (2014: one of four). At 31 December 2015, the Board comprised five women and eight men, with the five women making up 38% of the Board membership.

Internal control

In accordance with good corporate governance practice, the Board:

- is responsible for maintaining sound risk management and internal control systems
- seeks regular assurance and receives regular reports that enable it to satisfy itself that the system is functioning effectively
- ensures that the system of internal control is effective in identifying key risks and reporting on the adequacy of actions to respond to and manage those risks
- is responsible for the Group's process for the preparation of the consolidated accounts

The Board is not responsible for the internal control environment or corporate governance for any of the Group's joint ventures or associates.

Control environment

Clear management responsibilities are established for the Executive Members. As noted on page 115, the Corporation has a Code of Conduct and a suite of policies and procedures which encompass ethical behaviour, conduct and internal controls.

Corporate governance *continued*

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, giving rise to potentially litigious content. The Group has a low appetite for operational risks. The Board and Executive 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 Committee. Remedial plans are put in place where internal reviews identify control weaknesses or opportunities for improvement. Serious control weakness (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. 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 116 to 117.

Editorial and compliance

Channel 4 has a long-established compliance culture, which is fully integrated into its commissioning process and provides clear editorial reference-up to senior executives and appropriate Board oversight. Its importance is widely recognised and understood by independent production companies we work with and they share equal responsibility for ensuring that programmes and online content conform to the compliance culture we work within. The Commissioning team works in close collaboration with the Legal and Compliance department on all significant commissions. There are strong editorial, legal and compliance systems and controls in place over the content commissioned by Channel 4.

These include specific guidance and protocols contained within the Channel 4 Producers' Handbook, 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. At the heart of Channel 4's creative risk-taking and compliance is the editorial 'reference-up' procedure. The Members are satisfied that Channel 4 has in place suitable procedures to fulfil the requirements of paragraph 3b of the Ofcom licence (page 109), 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.

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, reforecasts and key projects and initiatives as well as performance packs prepared for each Board meeting. Amongst other things, performance packs monitor progress against the agreed objectives for the year, and compare actual 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 Board Secretary is responsible for the provision of information to the Members.

Control procedures

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. Financial controls are monitored by management review and business assurance reports provided to the Audit Committee.

Pension plan

There are six Trustees of the Channel Four Television Staff Pension Plan who meet several times each year, who also meet the Plan's investment managers: Legal & General Assurance (Pensions Management) Ltd, Henderson Global Investors Ltd, Veritas Funds plc and Grantham, Mayo, Van Otterloo & Co. LLC ('GMO') at least once a year. GMO replaced F&C Fund Management Ltd as an investment manager on 3 June 2015.

During the year the Trustees were as follows:

Alicja Lesniak	Non-Executive Member
Channel 4 Executives	
Glyn Isherwood	Group Finance Director
Diane Herbert (resigned ¹)	Director of Human Resources
Martin Baker (appointed ²)	Director of Commercial Affairs
Member-nominated Trustees	
Neil Pepin	Deputy Head of Legal & Compliance
Julie Kortens (resigned ²)	Head of Corporate Services
Rebecca O'Connor (appointed ²)	Senior Production Finance Manager
Independent Trustee Services	Independent Corporate Trustee

1 As Trustee on 30 April 2015.

2 As Trustee on 10 February 2016.

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 24 January 2012 following the extension of the public service remit following the Digital Economy Act 2010.

Channel 4 appointed Deloitte LLP to review compliance with the Arrangements. Copies of the Arrangements are available from the Board Secretary and at channel4.com.

Corporate governance *continued*

Third-party verification statement

The Channel's Ofcom Digital Replacement Licence requires it to appoint an independent party to review and report on procedures in relation to the provision of Premium Rate Telephony Services.

Deloitte LLP provided third party verification over premium rate competitions. The Members are satisfied that Channel 4 had in place suitable procedures to fulfil the requirements of paragraph 3b of the Licence.

Independent assurance report to Channel Four Television Corporation (the 'Corporation') and the Office of Communications ('Ofcom')

We have performed a review of the Corporation's compliance during the year ended 31 December 2015 with the arrangements approved by the Ofcom in January 2012 under section 2 of Schedule 9 of the Act.

This report is made solely to Channel Four Television Corporation and Ofcom in accordance with our letter of engagement dated 17 December 2015 and in order to (a) allow the Corporation to meet its obligations under the Licence and Schedule 9 of the Communications Act 2003 to procure such reports and (b) to facilitate the carrying out by Ofcom of its regulatory functions. Our work has been undertaken so that we might state to the Corporation and Ofcom those matters we are required to state to them in a reporting accountant'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 Ofcom (in accordance with our contract with Ofcom dated 21 January 2016), for our work, for this report, or for the opinions we have formed.

Respective responsibilities of Channel Four Television Corporation and Reporting Accountants

The Corporation has agreed arrangements with Ofcom to secure the following objectives (the Objectives) as set out in Schedule 9 of the Communications Act 2003:

- So far as reasonably practicable, secure that all significant risks that their other activities will have an adverse effect on the carrying out, during the relevant licence period, of their primary functions are:
 - a) identified;
 - b) evaluated; and
 - c) properly managed.
- The transparency objectives of securing:
 - a) an appropriate financial and organisational separation between the activities of the Corporation that relate to the carrying out of their primary functions and their other activities; and
 - b) an appropriate degree of transparency in financial and other reporting where resources are shared between separate activities or where there is some other financial or practical connection between otherwise separated activities.

The arrangements agreed between the Corporation and Ofcom are available from <http://stakeholders.ofcom.org.uk/binaries/consultations/c4-arrangements/statement/approved.pdf>. The responsibility of the Corporation in terms of Schedule 9 of the Communications Act 2003 is to act in accordance with these arrangements throughout the review period.

Our responsibility is to check whether the Corporation has complied with these arrangements during the year ended 31 December 2015 and report to you our independent conclusion as to whether they have done so.

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control. We have complied with the independence and other ethical requirements of the ICAEW Code of Ethics for Professional Accountants.

Basis of opinion

We carried out our work in accordance with International Standard on Assurance Engagements 3000 (revised) Assurance Engagements.

Our engagement provides reasonable assurance as defined in ISAE 3000. Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable as a result of factors such as the following: the use of selective testing, the inherent limitations of internal control, the fact that much of the evidence available to us is persuasive rather than conclusive and the use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

Our work consisted of:

- confirming our understanding of the Corporation and the internal procedures and controls in place made to comply with the arrangements made under Schedule 9 of the Communications Act 2003 through enquiry of senior management and other appropriate personnel;
- review of the relevant internal procedures and controls and examining of the financial records relating to the above; and
- review of which of the Corporation's activities fall under the definition of the primary functions and which fall under other activities.

Our work was carried out based on the internal procedures and controls in place to comply with the arrangements during the year ended 31 December 2015. We are not responsible for concluding whether the arrangements are sufficient and appropriate to achieve the objectives set out above. Any system of internal control can only give reasonable, not absolute assurance, that the objectives will be met.

Opinion

In our opinion, the Corporation has complied with the arrangements under Schedule 9 of the Communications Act 2003, in all material respects, for the year ended 31 December 2015.

Deloitte LLP

Chartered Accountants

London
7 April 2016

Members

Non-Executive Members

Lord Burns GCB

Chairman (retired 27 January 2016)

Appointed as Chairman on 28 January 2010, Lord Burns' initial appointment ran until January 2013 and was subsequently extended to January 2016. Lord Burns is a Senior Adviser to Grupo Santander and a Non-Executive Member of the Office for Budget Responsibility.

He began his career in 1965 at the London Business School, becoming a professor of Economics in 1979. In 1980, he was appointed Chief Economic Adviser to HM Treasury and Head of the Government Economic Service. In 1991, he became Permanent Secretary to HM Treasury, a post he held until 1998, when he was appointed a life peer.

Previous appointments included acting as an independent adviser to the Secretary of State for Culture, Media and Sport on the previous BBC Charter Review. He has also been Chairman of Santander UK plc, Marks and Spencer plc, Glas Cymru Ltd (Welsh Water), the Governing Board of the Royal Academy of Music and the National Lottery Commission, and a Non-Executive Director of Banco Santander SA, Pearson Group plc, the British Land Company plc and Legal & General plc.

Lord Burns completed his second term as Chairman on 27 January 2016.

Charles Gurassa

Chair (appointed 28 January 2016)

Charles Gurassa was elected Chair of Channel 4 for an initial three-year term from 28 January 2016. He is also the Non-Executive Chairman of Genesis Housing Association, Deputy Chairman at EasyJet plc, Senior Independent Director of Merlin Entertainments plc, and a trustee of English Heritage and the Migration Museum.

He is a former Chairman of Virgin Mobile, LOVEFiLM, Phones4U, MACH, Tragus, Parthenon Entertainments and Alamo/National Rent a Car and former Deputy Chairman of the National Trust.

His executive career included roles as Chief Executive of Thomson Travel Group plc, Executive Chairman TUI Northern Europe, Director TUI AG and as Director, Passenger & Cargo business at British Airways. He is a former Non-Executive Director at Whitbread plc, trustee of the children's charity Whizz-Kidz and a Member of the Development Board of the University of York.

Mark Price

Mark Price was appointed to the Board on 1 October 2010 and his initial appointment ran until September 2013. In 2013, his term was extended and he was appointed Deputy Chairman and Senior Independent Member until September 2016.

Mark joined the John Lewis Partnership in 1982 as a graduate trainee and had numerous roles during his 34 years with the organisation. He became Managing Director of Waitrose in April 2007 and was also Deputy Chairman from 2013. Mark was appointed Chairman of Business in the Community in January 2011, a post he held for four years. Mark was previously also Non-Executive Director of the Cabinet Office and Chairman of The Prince's Countryside Fund.

Mark stepped down as Non-Executive Member of Channel 4 on 1 April 2016, and from his positions on the Board of Waitrose and his Non-Executive Director positions with the Cabinet Office and Chairman of The Prince's Countryside Fund in March 2016 to become Minister of State for Trade and Investment.

Monica Burch

Monica Burch joined the Board on 1 October 2010. Her initial appointment ran until September 2013 and has been extended until September 2016. Monica is Senior Partner of law firm Addleshaw Goddard LLP and chairs the firm's Board and Charitable Trust.

Monica also chairs The Mentoring Foundation, a not-for-profit foundation, which helps women reach the very top of large organisations, and was a Board Member of charitable organisation PRIME, which promotes fair and equal access to quality work experience in the legal profession, from 2012 to 2015.

Monica was appointed a Civil Recorder in 2010 (a part-time judicial appointment), is a CEDR-qualified mediator and was named by The Lawyer magazine as one of the 'Hot 100 Lawyers' in 2007 and 2011. She was named in the Timewise Power Part-Time List in 2013. Monica graduated from Oxford University with a degree in Jurisprudence in 1987, and gained a distinction in her Masters Degree in Commercial Intellectual Property from Nottingham Trent University in 2007. Monica has worked in the US and UK, and has advised a variety of businesses, mainly in the consumer sector, across the globe.

Alicja Lesniak

Alicja Lesniak joined the Board on 1 October 2010. Her initial appointment ran until September 2013 and has been extended until September 2016. Alicja is also Senior Independent Director and Chair of the Audit Committee of Next 15, an AIM-listed worldwide digital communications group. She is also a Director of the British Standards Institution and the Chair of its Social Responsibility Committee.

Until 2009, Alicja was Chief Financial Officer of Aegis plc. Prior to this, she was Chief Financial Officer of BBDO EMEA, Chief Financial Officer of Ogilvy and Mather Worldwide, and Managing Director of J Walter Thompson.

Alicja Lesniak is a Fellow of the Institute of Chartered Accountants in England and Wales.

Richard Rivers

Richard Rivers joined the Board on 1 October 2010. His initial appointment ran until September 2013 and has been extended until September 2016. Richard Rivers is a former Chief of Staff and Head of Corporate Development at Unilever. As well as his role as a Non-Executive Member for Channel 4, Richard is a Non-Executive Director of Mothercare plc and Lumene Oy, and a Member of the Advisory Board of WPP plc.

Paul Potts CBE

Paul Potts joined the Board on 1 January 2012. His initial appointment ran until December 2014 and has been extended until December 2017. He began his career as a reporter on the Sheffield Star in 1968 and worked for numerous newspapers, including the Daily Telegraph and Daily Express, where he was Deputy Editor. He joined the Press Association in 1995 as Editor-in-Chief. Paul was appointed Group Chief Executive in 2000 and Executive Chairman in 2008. He retired from PA Group in 2010.

Paul became a Commander of the Order of the British Empire in 2009. He has an honorary degree of Doctor of Letters from the University of Sheffield and in 2010 he was appointed Visiting Professor of Journalism. He is also a media consultant and former media adviser to the Joint Parliamentary Committee on Privacy and Injunctions. He is also a member of the Advisory Board on WW1 Centenary Commemoration and a Trustee of the Imperial War Museum.

MT Rainey

MT (Mary Teresa) Rainey joined the Board on 1 January 2012. Her initial appointment ran until December 2014 and has been extended until December 2017. MT was Founder and CEO of top UK advertising agency Rainey Kelly Campbell Roalfe/Y&R. From 2008 to 2015 she served as Non-Executive Chairman of the fast-growing digital strategy agency Th_nk. She is also a Non-Executive Director of Pinewood Studios Group and Hays plc.

Members continued

In a voluntary capacity, MT is Vice Chair of Creative Skillset, the sector skills council for the Creative Industries and is the Founder of horsemouth.co.uk, a social enterprise for informal online mentoring. She is a former Chairman of Marketing Group of Great Britain and recent President of The Thirty Club.

Josie Rourke

Josie Rourke joined the Board on 1 January 2012. Her initial appointment ran until December 2014 and has been extended until December 2017. Josie is the Artistic Director of the Donmar Warehouse, London, where she has recently directed *The Weir*, which transferred to Wyndham's Theatre; *Coriolanus* and *Les Liaisons Dangereuses*, which were broadcast to cinemas around the world in partnership with National Theatre Live; *The Vote* and *Privacy*, new plays by James Graham; and the musical *City of Angels* for which she won the Olivier Award.

Her work in New York includes *The Machine*, a new play by Matt Charman which played at Park Avenue Armory, New York. In 2015, Josie collaborated again with James Graham on *The Vote*, a new play for theatre and television, broadcast live onto More4 on the night of the General Election and watched by over 650,000 viewers. Her upcoming projects include Nick Payne's new play *Elegy*.

Josie trained at the Donmar under Sam Mendes, through the theatre's annual Resident Assistant Director Scheme. Prior to this, she was Artistic Director of the Bush Theatre in West London from 2007 to 2011, which she moved into its new home in 2011 and subsequently won Theatre of the Year.

Stewart Purvis CBE

Stewart Purvis joined Channel 4 as a Non-Executive Member in September 2013. His initial appointment runs until August 2016.

He joined the BBC as a News Trainee in 1969, then moved to ITN in 1972 where he became Editor of *Channel 4 News*, Editor-in-Chief of ITN and then Chief Executive. He won two BAFTA awards, a Royal Television Society ('RTS') gold medal for an outstanding contribution to television and was awarded a CBE in 2000 for services to journalism. After retiring from ITN in 2003 he became a Visiting Professor of Broadcast Media at Oxford University and Professor of Television Journalism at City University London.

From 2007 to 2010 he was Ofcom's Partner for Content and Standards. He has advised the House of Lords Select Committee on Communications on the governance of the BBC and is a member of the Committee advising the DCMS Secretary of State on BBC Charter renewal. He is a Vice-President of the RTS and Chairman of its Television Journalism Awards. He is the co-author of *When Reporters Cross the Line* and *Guy Burgess – The Spy Who Knew Everyone*.

Executive Members

David Abraham

David Abraham became Channel 4's sixth Chief Executive in 2010. His focus has been on innovation, independence, creative renewal and preparing Channel 4 for the growth of connected television. Since the launch of the data strategy, more than 13 million viewers have registered to access online content, and in partnership with UKTV and BT Sport, Channel 4 Sales House has sustained £1 billion of sales since 2011.

David joined Channel 4 from UKTV where he was Chief Executive. Prior to this, he led The Learning Channel US following a period as General Manager of Discovery Networks UK. David gave the MacTaggart lecture in 2014 on the importance of public service broadcasting to British creativity.

During the early part of his career David was a Co-Founder of advertising agency St Luke's. He has been a Board Member of Creative Skillset since 2009.

Jay Hunt

Jay Hunt became Chief Creative Officer of Channel 4 in January 2011 from her position as Controller at BBC One. Jay's commissions during this time include critically acclaimed shows such as *Sherlock*, *Luther* and *Mrs Brown's Boys*. Jay started her career in news, running both the *One O'clock News* and *Six O'clock News* before becoming the Controller of Daytime at BBC and the Director of Programmes at Channel 5.

Under her leadership, Channel 4 was named the Broadcast Awards Channel of the Year in 2015, the Guardian Edinburgh International Television Festival Channel of the Year in 2014, and won more awards than at any other time in the channel's history. Her award winning commissions include *Humans*, *Indian Summers*, *Catastrophe*, *Gogglebox*, *The Island*, *The Undateables*, *Hunted*, *Benefits Street* and *First Dates*.

Jonathan Allan

Jonathan Allan became Sales Director of Channel 4 in July 2011 having been appointed to the Board from media agency network OMD UK.

After completing an economics degree at Newcastle University, Jonathan joined OMD as a TV buyer in 1995. After a number of years running client businesses, Jonathan was promoted to Deputy Managing Director in 2005. In 2007, aged 32, he was promoted to Managing Director for OMD. In this role, he defined the agency's future direction and broadened its offer expanding digital capability as well as launching marketing services, data planning and creative functions.

Under Jonathan's stewardship, Channel 4 is now an industry leader in delivering commercial innovation by working with brands and agencies to adapt and to evolve in the face of unprecedented technological advances. In 2015, this approach saw Jonathan's sales team take the coveted titles of Media Week Sales Team of the Year, Campaign TV Sales Team of the Year and Campaign Medium of the Year.

Dan Brooke

Dan Brooke heads up Marketing, Press and Publicity, 4creative and Corporate Relations at Channel 4. He joined from documentary producer Rare Day where he was Managing Director. He was Managing Director of Discovery Networks UK, leading Discovery's portfolio of channels through a period of change and innovation with the launches of seven new channels and several digital media services. He is also a Board Member of Britdoc, the Camden Arts Centre and the Mass Extinction Monitoring Observatory.

Dan also worked at Channel 4 from 1998 to 2005, joining as the Head of Marketing and Development for Film4, rising to be Managing Director of Digital Channels. He was responsible for the development and award-winning launches of E4, Film4 and More4 and, in 2001, was elected Young Marketer of the Year by the Marketing Society for his role in the birth of E4.

Under Dan's direction, Channel 4's 4creative and Marketing teams were awarded in 2015 Campaign Advertiser of the Year, Promax Channel of the Year and Marketing Week's Diversity Brand of the Year.

Paula Carter

Paula Carter joined Channel 4 as the first Viewers' Editor, before becoming Board Secretary in 2011 and Director of Planning in 2013. Her background includes experience in advertising, marketing, public and commercial broadcasting and digital media. She worked for the BBC for ten years before joining ITV to create a new digital channel jointly owned by Granada and Boots. Prior to joining Channel 4 in 2007, she ran her own communications consultancy where her clients included Ofcom, the BBC Governors, HMRC, the Royal Opera House, the Joint Scrutiny Committee for the 2003 Communications Bill and the Cabinet Office.

Paula is a magistrate on the South East London Bench and Chairman of Governors at St. Michael's Prep School in Otford, Kent. She sits on the RFU's Disciplinary Panel in London and Chairs Surrey Rugby Disciplinary Panels.

Audit Committee report

Composition of the Audit Committee

During 2015 the Audit Committee comprised Alicja Lesniak (Chair), Monica Burch, Paul Potts and MT Rainey. All the Members of the Committee are Independent Non-Executive Members. Alicja Lesniak FCA is a chartered accountant and was, until 2009, Chief Financial Officer of Aegis plc.

Further details of the Members of the Audit Committee can be found on pages 127 to 128.

The Committee met four times during 2015. At the Committee Chair's invitation, the Chair of the Board, the Chief Executive, the Group Finance Director, the Group Financial Controller, the Head of Business Assurance, the Board Secretary and the KPMG LLP 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 Committee.

Details of attendance at Audit Committee meetings by the Members of the Corporation are disclosed in the Corporate Governance Report on page 124.

Responsibilities and activities of the Audit Committee

As noted in the Corporate Governance Report on page 123, the Board has discharged certain responsibilities to the Audit Committee.

The Committee's key responsibilities, and how these were discharged in 2015, are detailed on page 130.

Audit Committee report *continued*

Responsibilities of the Audit Committee	Activities of the Audit Committee in 2015
<ul style="list-style-type: none"> – To monitor the integrity of the financial statements of Channel 4 and any formal announcements relating to Channel 4's financial performance, reviewing significant financial reporting judgements contained in them 	<ul style="list-style-type: none"> – At the March meeting, reviewed the 2014 financial statements and other sections of the Annual Report including the Statement of Media Content Policy, to determine that these were clear and consistent with their knowledge of the Corporation and its operations and to assess that the financial statements reflected appropriate accounting principles – At the March and September Audit Committee meetings, reviewed an update of the Corporation's accounting policies, significant accounting and reporting issues and a detailed financial report and discussed matters arising with the external auditor, KPMG LLP – At the September 2015 and January 2016 meetings, considered the requirements of the Viability Statement and the Corporation's disclosure in respect of this – At the September 2015 and January 2016 meetings, considered how much of the 2015 surplus to allocate to the content reserve – At the September 2015 and January 2016 meetings, discussed the key audit risks for 2015 with the external auditor – During the year, reviewed the accounting treatment in respect of the Commercial Growth Fund and other new initiatives
<ul style="list-style-type: none"> – 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 subsequent follow-up action – To monitor and review the effectiveness of Channel 4's Business Assurance function and activities 	<ul style="list-style-type: none"> – At the January meeting, reviewed and approved the Business Assurance work plan and assessed the Corporation's risk management framework – At the March meeting, reviewed the findings of the independent reporting accountants concerning compliance with the arrangements under Schedule 9 of the Communications Act 2003 in relation to 2014 – At the June and September meetings, discussed the Corporation's risk appetite – At the June and September meetings, reviewed and approved the Corporation's revised Treasury policy – At the September meeting considered the tax affairs and arrangements of the Corporation ahead of the annual Senior Accounting Officer certification to HMRC – Throughout the year, reviewed reports on the results of Business Assurance activities, and met with the Head of Business Assurance and Management to review the findings from these activities and instances of whistleblowing, if any
<ul style="list-style-type: none"> – 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, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm; and to report to the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken 	<ul style="list-style-type: none"> – Further details in external audit section on page 131
<ul style="list-style-type: none"> – To regularly update the Board about the Audit Committee's activities and make appropriate recommendations and to ensure the Board is aware of matters that may significantly impact on the financial condition or affairs of the business 	<ul style="list-style-type: none"> – The Chair of the Audit Committee briefed the Board as necessary on the activities of the Committee and any significant matters during the course of the year – Audit Committee papers, including Business Assurance reports, were made available to the Board during 2015

If necessary, the Audit Committee can instigate special investigations and, if appropriate, engage special counsel or experts to assist.

Audit Committee report *continued*

Key audit risks

After discussions with both management and the external auditor, the Audit Committee determined that the key risks in relation to misstatement of the Corporation's financial statements continued to be as follows:

- Programme and film rights
- Revenue recognition

These issues were discussed while the audit strategy was being reviewed and at the conclusion of the audit of these financial statements.

Programme and film rights

The value of programme and film rights recognised on the balance sheet at 31 December 2015 is £254 million as disclosed in note 12 to the financial statements. The total value of obsolete programmes and developments written off in the year was £31 million. Reflecting the status of Channel 4 as a public service broadcaster, the value to the Corporation of the programme and film rights portfolio is considered on an aggregate basis. As described on page 145, programme and film rights are stated at the lower of direct cost incurred up to the balance sheet date and value to the Group.

The Committee has reviewed the results of management's provision for programme rights at the balance sheet date, and is satisfied that the procedures performed and the assumptions made were robust.

The auditor has explained its audit procedures to test the carrying value of programme and film rights on the balance sheet and the results of their work. On the basis of their audit work, the auditor considered that the carrying value of programme and film rights was appropriate in the context of the materiality of the financial statements as a whole.

Revenue recognition

Total revenue for 2015 was £979 million as detailed in note 1 to the financial statements. The revenue recognition accounting policies of the Corporation are disclosed on page 143. In 2015, £925 million or 94% of total revenues were advertising and sponsorship revenue. Advertising revenue is recognised on transmission of the advertisement while sponsorship revenue is recognised on a straight-line basis in accordance with the transmission schedule for each sponsorship campaign.

The accounting treatment for new or unusual revenue contracts is reviewed and presented by management to the Audit Committee.

The Committee has reviewed the accounting for each material new contract in 2015, and the judgement applied in each case. Management also provided papers explaining the accounting treatment to the auditor during the 2015 financial audit. On the basis of its audit work, the auditor considered that the value of revenue recognised was appropriate in the context of the materiality of the financial statements as a whole.

Misstatements

Management confirmed to the Committee that they were not aware of any material misstatements or immaterial misstatements made intentionally to achieve a particular presentation. The auditor reported to the Committee any misstatements that it found in the course of their work. No material misstatements remain unadjusted. The Committee confirms that it is satisfied that the auditor has fulfilled its responsibilities with diligence and professional scepticism.

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, challenged and are sufficiently robust.

External audit

Auditor rotation

The current auditor has been in place since the audit of the financial statements for the year ending 31 December 2004. The auditor periodically rotates the lead audit partner to safeguard independence and objectivity. Karen Wightman began her tenure as audit partner in 2013. We anticipate that Karen Wightman will continue as lead audit partner until the Audit Committee reviews the need to tender the audit under a competitive tender process ahead of 2017 when her term concludes.

Auditor objectivity and 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 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 and approved all non-audit fees payable to the Group's external auditor
- reviewed KPMG's annual statement to the Audit Committee to confirm its independence within the meaning of regulatory and professional requirements

A summary of the fees earned by KPMG LLP in respect of all services provided in 2015 to the Corporation is shown in note 3 to the financial statements.

The Committee has complied with the provisions of the Competitions & Markets Authority Order during 2015.

Effectiveness of the audit process

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 accounts, including the key audit risks identified above
- the external auditor's reports on the Group's draft financial statements for the year ended 31 December 2015
- 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

Business assurance

As noted elsewhere, the Corporation has a business assurance function. The Head of Business Assurance has direct access to the Chair of the Audit Committee, and reports jointly to the Group Finance Director and the Chair of the Audit Committee.

During 2015, the business assurance function undertook a number of specific projects to provide assurance that control processes were appropriate and working effectively, and where necessary recommend improvements.

By Order of the Board

Alicja Lesniak

Chair of the Audit Committee
7 April 2016

Members' remuneration report

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 2015. It discloses the remuneration policy and remuneration details for 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 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 2015 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 the Executive Members and staff of Channel 4, reviewing proposals for the overall annual pay awards and variable pay schemes applicable to all staff, and the details of remuneration packages for Executive Members. The Committee's recommendations and decisions in 2015 reflect its remuneration policy, which is designed to enable Channel 4 to attract, motivate and retain high calibre staff by offering both fixed and variable pay to reward commercial and creative success, while being sensitive to the position that Channel 4 occupies as a public service broadcaster.

Composition of the Remuneration Committee

During 2015, the Members of the Committee were Richard Rivers (Chair), Mark Price and Stewart Purvis. In 2015, the Committee met four times.

All the Members of the Committee are Independent Non-Executive Members. The Chair of the Board, the Chief Executive, the Group Finance Director, the Head of Human Resources and the Board Secretary attend meetings as appropriate.

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 his or her individual remuneration, benefits or terms of employment is being discussed.

Non-Executive Members are appointed by Ofcom, which also determines their fees. 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. Non-Executive service contracts are subject to fixed terms of a maximum of three years.

Responsibilities of the Remuneration Committee

The Committee's principal responsibilities are:

- to recommend to the Board the level of any annual salary increases, variable pay awards and the structure of remuneration, in particular for Executive Members and senior management
- to review any other significant change in Channel 4's remuneration arrangements and policies
- to recommend to the Board the structure of the annual Corporate Variable Pay and Advertising Sales Schemes, and to review progress against the targets set for the schemes
- to review any other aspect of HR strategy or performance as seems relevant.

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 2015 included reviewing the design of the Advertising Sales Scheme and making an award recommendation to the Board for the Variable Pay Scheme and Advertising Sales Scheme in respect of the year.

The Committee imposes a cap on the Advertising Sales Scheme, restricting the maximum payout under the scheme to 75% of gross salary. The Committee agreed to defer a portion of this pay as an additional bonus under the scheme in Q1 2016, to maintain the momentum of strong sales performance in 2015 and contingent on further performance targets being achieved.

The variable pay award for 2015 and the details of the Corporate Variable Pay Scheme are detailed on page 134.

After careful consideration and review, the average pay award for the year beginning 1 April 2016 has been made at 2.75%. This applies to all staff with the exception of Executive team Board Members who have been awarded a pay award of 2.75% from 1 July 2016.

The Remuneration Committee agreed that the Corporate Variable Pay Scheme for 2016 will remain largely unchanged from 2015 and continue to be focused on creative achievement and financial sustainability. From 1 January 2015, the maximum amount payable to Executive team Board Members under the Corporate Variable Pay Scheme was increased to up to 40% of total gross salary.

Members' remuneration report *continued*

Remuneration report

The following provisions of the report are subject to audit

The remuneration of the Executive Members for the years ending 31 December 2015 and 2014 is made up as follows:

£000	Salary	Taxable benefits	Variable pay	Pension	Total for 2015	Salary	Taxable benefits	Variable pay	Pension	Total for 2014
David Abraham	554	1	188	138	881	550	1	166	138	855
Jay Hunt	410	1	139	62	612	407	1	123	50	581
Jonathan Allan	350	1	164	32	547	350	1	102	30	483
Dan Brooke	305	1	104	50	460	299	1	87	50	437
Total	1,619	4	595	282	2,500	1,606	4	478	268	2,356

The salary figures in the table above represent the gross salaries received in 2015, after taking account of salary increases during the year where applicable.

In 2015 and 2014, David Abraham, Jay Hunt and Dan Brooke received cash payments in lieu of pension benefits.

Jonathan Allan's variable pay comprises a 50:50 split between the Advertising Sales Scheme and the Corporate Variable Pay Scheme.

The remuneration of the Non-Executive Members for the years ending 31 December 2015 and 2014 is as follows:

£000	2015 salary and fees	2014 salary and fees
Lord Burns (term concluded on 27 January 2016)	100	100
Mark Price	30	30
Monica Burch	22	22
Alicja Lesniak	22	22
Paul Potts	22	22
Stewart Purvis	22	22
MT Rainey	22	22
Richard Rivers	22	22
Josie Rourke	22	22
Total	284	284

No detailed disclosure has been provided for the Non-Executive Members other than that relating to their fee, as it is the only form of remuneration they receive.

Mark Price does not retain his fees for his Non-Executive Directorship. In accordance with Waitrose policy, Mark has requested that his fee be paid over to Waitrose.

Monica Burch's firm, Addleshaw Goddard LLP, deducts her Channel 4 fees from her partner drawings.

Members' remuneration report *continued*

Variable pay

During the year, the Committee met to monitor performance as part of its oversight of variable pay across the business. The Committee met again in January 2016 to agree on a recommendation to the Board on variable pay once results for the year were available.

Corporate Variable Pay Scheme outline

The Corporation's business model and strategy are set out in the Strategic Report on page 109. The Corporate Variable Pay Scheme has been designed specifically to link variable pay with the business model and is based on the following areas of achievement:

- creativity – to maintain Channel 4's reputation for originality and creativity with an emphasis on innovation, impact and creative risk taking and achievement of the remit
- sustainability – with the aim of growing total revenues and successfully developing new sources of revenue that can be reinvested into content.

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.

Most staff and the Executive team participate in the Corporate Variable Pay Scheme, where the amounts provided can be up to 10% of total gross salary for staff, 20% for Heads of Department, 30% for the Executive team and 40% for Executive team Board Members. These percentages represent the maximum average amount that can be provided across each employee category. Actual awards for each staff member will vary from the average to reflect their individual achievement against personal performance objectives.

Process for determining variable pay

Delivery of the remit is the overarching aim of the Corporation which, for the purposes of the Corporate Variable Pay Scheme, is considered to consist of two pillars; creativity and sustainability. To decide on how much variable pay should be provided each year, the Remuneration Committee reviews business performance across 76 qualitative and quantitative metrics which track year-on-year performance and performance against a five-year average. Where relevant, performance versus competitors against the same metrics is also a key part of the Committee's deliberations. The Committee also considers a report written by the CEO in conjunction with others in the Executive team, describing how the Corporation has performed in relation to creativity, commercial sustainability and diversity.

The Remuneration Committee makes a judgement on the overall performance for the year, and produces a narrative assessment of its evaluation. This is then presented to the Board which has the final approval of any payout.

The scheme is based on a mix of both qualitative and quantitative information, and a degree of judgement is required around creative performance measures. Creativity and sustainability are considered to be of broadly equal weighting because they are both equally important to the long-term success of the Corporation, but the weighting allocated to each in a given year is at the discretion of the Committee.

After due consideration of performance during the year, the Committee proposes an amount, entirely at its discretion, based on what they consider the average payout across the Corporation should be for the year. These proposals are agreed by the Board.

The Committee will review the Corporate Variable Pay Scheme each year to ensure it remains appropriate.

Variable pay decision for 2015

The Committee noted that the two gateways to the scheme, meeting the licence requirements and the budgeted pre-tax result, had been met. It also noted the achievement of all diversity goals for the year.

The Committee undertook a detailed review of all the information available to it, including the CEO and Executive team's 2015 Creativity, Sustainability and Diversity Report, and the Corporation's performance across a wide range of performance metrics. Diversity was added to the report in 2015 to reflect the launch of the 360° Diversity Charter. An update on how the Charter has progressed in 2015 is described on page 114. An extract of the performance metrics considered by the Remuneration Committee is set out on pages 175 to 176 and includes programme quality, creative achievements, viewing share, diversity targets, ad sales performance, VoD viewing and commercial impact performance in key demographics. The creative achievements and financial results are also outlined in detail throughout this Annual Report.

The Committee determined that 2015 had been another impressive year of remit delivery. From a creative perspective there had been major television and film awards (pages 94 to 101) and hit shows across every genre. In addition, the Corporation maintained or increased its lead over other broadcasters compared to 2014 across a range of the Statement of Media Content Policy ('SMCP') metrics (pages 16 to 39). The Committee recognise that in the pursuit of creative innovation not all endeavours will be successful; however, overall 2015 had been another strong year of creative performance.

The Committee also determined there had been an exceptional commercial performance with the Corporation reporting record revenue and content results, a surplus of £26 million and an increase in cash reserves to £252 million. Revenue was once again aided by a buoyant advertising market, and new initiatives such as the Commercial Growth Fund and All4 Games were launched to contribute to the Corporation's long-term sustainability and to diversify sources of revenue. Digital revenues grew by more than 30% and Channel 4's new digital platform, All 4, was launched in 2015 with registered viewers surpassing 13 million by December 2015. The Indie Growth Fund progressed with a further four companies benefiting from investment in 2015, taking the total portfolio to nine companies.

Channel 4 reached an important milestone in 2015 with viewing share on Channel 4 improving for the first time since 2006, the culmination of several years of investment in the schedule and multiple successes on-screen in every genre. Performance in peak-time, where the majority of content investment is concentrated, was strong versus other terrestrial channels and once again improved year-on-year, although daytime continues to present a challenge. The portfolio share for the year was 10.6% (pages 35, 111 and 175), short of the 10.9% achieved in 2014, as growth in Channel 4 was offset by challenges facing all digital channels. E4 was particularly affected, although the declines experienced were smaller than many broadcast competitors. The key ABC1 demographic (page 175) improved in 2015 due to a slate of successful drama and entertainment programmes, although the 16–34 demographic share, which reached its highest point in the past five years in 2014, declined.

After a careful and detailed consideration of performance for 2015, the Committee recommended that, following an exceptional year of commercial performance and a year of impressive creative performance, staff should receive an average of 9% of year end salary under the Corporate Variable Pay Scheme, Heads of Department should receive an average of 18% of salary, the Executive team should receive an average of 27% of salary and Executive team Board Members should receive an average of 34% of salary. Actual awards for each staff member varied from this average to reflect their individual achievement against personal performance objectives.

Advertising Sales Scheme

Staff working within advertising sales have a separate Advertising Sales Scheme, linked to advertising revenue and paid bi-annually based on performance. They are not eligible for the Corporate Variable Pay Scheme, with the exception of Executive Member Jonathan Allan whose variable pay comprises a 50:50 split between the Advertising Sales Scheme and the Corporate Variable Pay Scheme.

Members' remuneration report *continued*

Variable pay awards to Executive Members

The Committee made the following awards to Executive Members in respect of 2015 performance:

- David Abraham, Jay Hunt and Dan Brooke were each awarded an amount of 34% of year end salary under the Corporate Variable Pay Scheme
- Jonathan Allan was awarded an amount of 34% of the half of his year end salary which is subject to the Corporate Variable Pay Scheme. Jonathan Allan also received £105,000 through the Advertising Sales Scheme

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). In line with the Corporation's expenses policy, 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 18 to the financial statements.

David Abraham, Jay Hunt and Dan Brooke all received cash payments in lieu of pension benefits. Jonathan Allan is a member of the defined contribution scheme.

Non-Executive Members are not eligible for membership of either pension scheme.

The following provisions of the report are not subject to audit:

CEO remuneration table

The table below shows the percentage change in remuneration of David Abraham, the CEO and the Corporation's employees as a whole between the years 2014 and 2015:

	CEO	All staff
Salary and fees	0%	+2.75%
Variable pay	+13%	+33%
Total	+3%	+7%

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.

Payment for loss of office

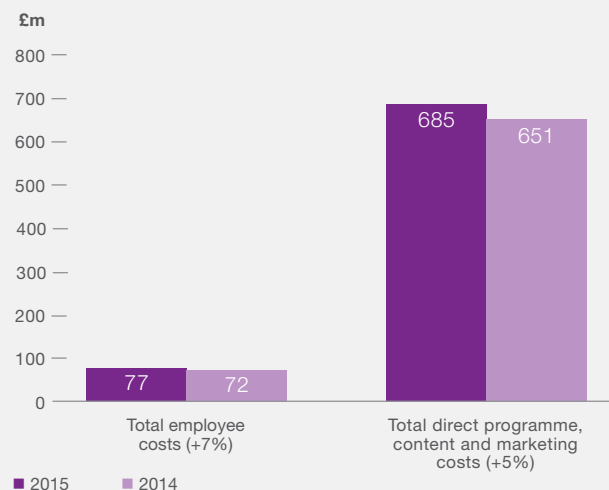
No payments were made for loss of office in 2015 to Executive Members, and at the balance sheet date there were no provisions made for compensation payable for early termination of contracts or loss of office to Executive Members.

Payment to past Members

No payments were made to past Members in 2015.

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 direct programme, content and marketing costs as disclosed in note 2 to the financial statements 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. As in the previous year, employee pay remains approximately 11% of on-screen expenditure.

Total employee pay is detailed in note 4 to the financial statements.

By Order of the Board

Richard Rivers

Chair of the Remuneration Committee
7 April 2016

Members' remuneration report *continued*

Remuneration policy for 2016

The remuneration of Executive Members is determined by the Remuneration Committee, the membership and terms of reference of which are detailed on page 132. 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 2016.

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.	Annual salaries from 1 July 2016 are approved as follows: David Abraham – £568,958 Jay Hunt – £421,012 Jonathan Allan – £359,625 Dan Brooke – £313,388 Except where otherwise shown, salaries are reviewed annually in the first quarter of the year. Increases reflect changes in responsibility and performance.	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 2016 is expected to be £790 per Executive Member.	None.
Pensions		The Corporation currently offers a defined contribution pension scheme for new staff. Certain Executive Members also receive cash payments in lieu of pension benefits as disclosed on page 133.	The maximum amount contributed by the Corporation under the defined contribution scheme is 13% of pensionable salary. David Abraham, Jay Hunt and Dan Brooke receive cash payments in lieu of pension benefits.	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. Jonathan Allan's variable pay comprises a 50:50 split between the Advertising Sales Scheme and the Corporate Variable Pay Scheme.	The Corporate Variable Pay Scheme will pay up to 40% of total gross salary for the Executive team. The Advertising Sales Scheme is linked to advertising revenue and paid bi-annually throughout the year based on performance.	The Remuneration Committee agreed that the Corporate Variable Pay Scheme for 2016 will remain largely unchanged from 2015 and continue to be focused clearly on the two common purposes of the organisation recognised by all staff: creative achievement and financial sustainability. Details of the scheme are set out on page 134.

None of the components of remuneration contain any provisions for recovery of sums paid.

Members' remuneration report *continued*

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 and fees are paid monthly and reviewed periodically.

No other components of remuneration are available for Non-Executive Members.

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.

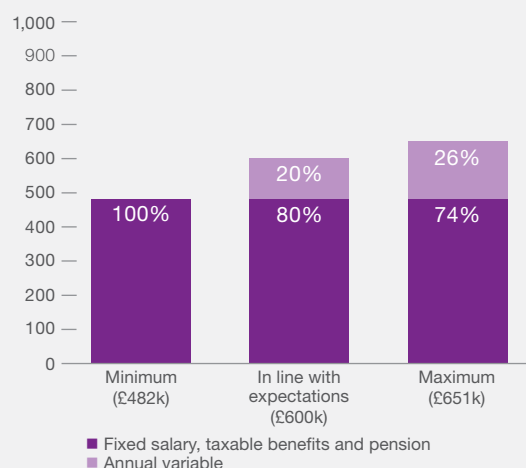
Illustration of application of remuneration policy

The graphs below represent the variations in the remuneration at different levels of performance for the 2016 remuneration policy for the Executive Members:

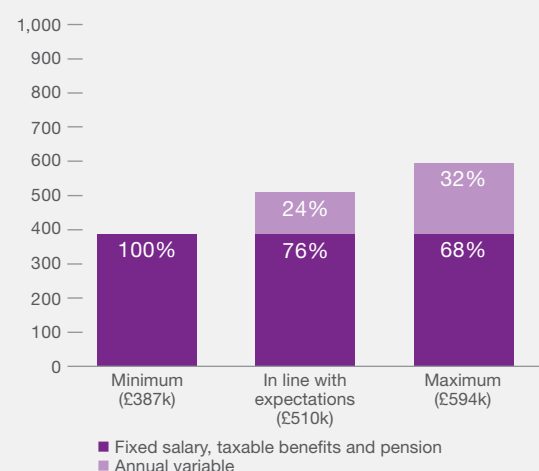
Chief Executive Officer



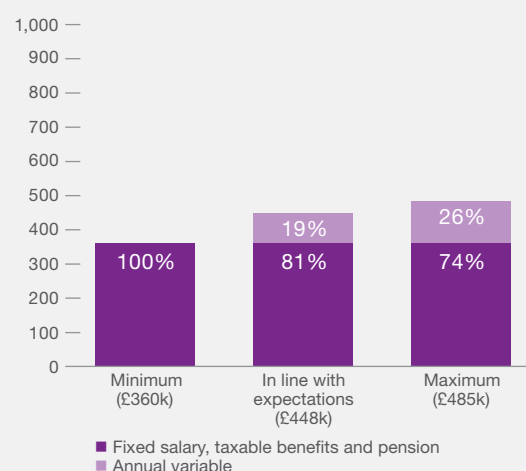
Chief Creative Officer



Director of Sales



Chief Marketing and Communications Officer



Audited information

The Members' Remuneration Report (pages 132 to 137), 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.

Consolidated income statement and statement of comprehensive income for the year ended 31 December

Consolidated income statement for the year ended 31 December

	Note	2015 £m	2014 £m
Revenue	1	979	938
Cost of transmission and sales	2	(923)	(903)
Gross surplus		56	35
Other operating expenditure	3	(32)	(31)
Operating surplus		24	4
Net finance expense	5	(1)	(1)
Share of profit of investments accounted for using the equity method, net of income tax and amortisation	7	3	1
Surplus before tax		26	4
Income tax expense	6	–	(1)
Surplus for the year		26	3

Consolidated statement of comprehensive income for the year ended 31 December

	Note	2015 £m	2014 £m
Surplus for the year		26	3
Net remeasurement surplus/(deficit) on pension scheme	18	12	(37)
Revaluation of freehold land and buildings	9	12	13
Deferred tax on pension scheme	11	(2)	8
Deferred tax on revaluation of freehold land and buildings	11	4	(2)
Other comprehensive income/(cost) for the year		26	(18)
Total comprehensive income/(cost) for the year		52	(15)

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

Consolidated statement of changes in equity for the year ended 31 December

	Retained earnings			Total equity £m
	Other retained earnings £m	Content reserve £m	Revaluation reserve £m	
At 1 January 2014	430	–	28	458
Surplus for the year	3	–	–	3
Reserve transfer	(30)	30	–	–
Other comprehensive (cost)/income	(29)	–	11	(18)
Total comprehensive (cost)/income for the year	(56)	30	11	(15)
At 31 December 2014	374	30	39	443
At 1 January 2015	374	30	39	443
Surplus for the year	26	–	–	26
Reserve transfer	(20)	20	–	–
Other comprehensive income	10	–	16	26
Total comprehensive income for the year	16	20	16	52
At 31 December 2015	390	50	55	495

We established a content reserve in 2014 to ensure surpluses generated are re-invested into our creative ambition in order to deliver on our remit. Our aim is to maintain an overall financial break-even position in the long term. We have allocated an additional £20 million from our 2015 surplus to the content reserve, increasing it to £50 million at 31 December 2015. Creative investments may be funded by drawing down on the content reserve in future years.

Consolidated balance sheet as at 31 December

	Note	2015 £m	2014 £m
Assets			
Investments accounted for using the equity method	7	29	26
Property, plant and equipment	9	112	103
Intangible assets	10	5	2
Deferred tax assets	11	16	18
Total non-current assets		162	149
Programme and film rights	12	254	242
Trade and other receivables	13	178	196
Other financial assets	14	87	70
Cash and cash equivalents	14	165	152
Total current assets		684	660
Total assets		846	809
Liabilities			
Employee benefits – pensions	18	(56)	(73)
Provisions	16	(1)	(1)
Deferred tax liabilities	11	–	(5)
Total non-current liabilities		(57)	(79)
Trade and other payables	15	(293)	(286)
Provisions	16	(1)	(1)
Total current liabilities		(294)	(287)
Total liabilities		(351)	(366)
Net assets		495	443
Revaluation reserve		55	39
Retained earnings:			
Content reserve		50	30
Other retained earnings		390	374
Total equity		495	443

The financial statements on pages 138 to 166 were approved by the Members of the Board on 7 April 2016 and were signed on its behalf by:

Charles Gurassa
Chair

David Abraham
Chief Executive

The notes on pages 142 to 166 form part of these financial statements.

Consolidated cashflow statement for the year ended 31 December

	Note	2015 £m	2014 £m
Cashflow from operating activities			
Surplus for the year		26	3
<i>Adjustments for</i>			
Income tax expense	6	–	1
Depreciation	9	6	6
Amortisation of intangibles	10	1	1
Net financial expense	5	1	1
Share of profit from investments accounted for using the equity method, net of income tax and amortisation	7	(3)	(1)
Current service pension cost	18	4	3
		35	14
Increase in programme and film rights	12	(12)	(18)
Decrease/(increase) in trade and other receivables	13	18	(14)
Increase in trade and other payables	15	7	17
Decrease in provisions, excluding unwinding of discounts	16	–	(1)
		48	(2)
Pension contributions	18	(11)	(8)
Tax (paid)/repaid		(1)	1
Net cash from operating activities		36	(9)
Cashflow from investing activities			
Acquisition of investments	7, 20	(5)	(4)
Purchase of property, plant and equipment	9	(3)	(6)
Additions to internally developed software	10	(2)	–
Interest received	5	1	1
Dividends received	7	3	2
(Increase)/decrease in other financial assets ¹	14	(17)	37
Net cashflow from investing activities		(23)	30
Net increase in cash and cash equivalents		13	21
Cash and cash equivalents at 1 January		152	131
Cash and cash equivalents at 31 December		165	152

1 Amounts invested in term deposits of three months or longer and other funds with time restricted access.

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 2015 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 company 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 April 2016. The registered office of Channel 4 is 124 Horseferry Road, London SW1P 2TX.

Basis of preparation

The financial statements of the Group have been prepared and approved by the Members in accordance with International Financial Reporting Standards as adopted by the European Union ('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.

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

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. Judgements made by management in the application of IFRS that have a significant risk of material adjustment on the financial statements and estimates are summarised as follows:

- revenue recognition – timing of recognition to reflect the point or period when the Group has transferred the main risks and rewards of ownership to third parties (detailed policy on page 143)
- programme and film rights (detailed policy on page 145)
 - estimate of value with reference to the quality of programme that has ultimately been delivered and its expected viewing performance
 - estimate of future revenues from distribution when evaluating the carrying value of film rights held for exploitation

Going concern

The annual financial statements have been prepared on a going concern basis where the Members have a reasonable expectation that the Group will continue in operational existence, as set out in the Report of the Members.

The Group has sufficient financial resources, and the Members believe that the Group is well placed to manage its business risks based on normal business planning and control procedures.

As discussed on page 109, Ofcom have renewed Channel 4's licence. The new ten-year licence came into effect in January 2015.

In addition, notes 13 to 15 to the financial statements include the Group's approach to financial risk management, including its financial instruments and hedging activities and its exposures to liquidity and credit risks.

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 involvements with the investee and has the ability to affect those returns through its power over the investee. The Group has rights that give it the current ability to direct 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.

Investments in associates and joint ventures are accounted for using the equity method.

Associates are those entities over which the Group has significant influence. Where the Group holds 20% or more of the voting power (directly or through subsidiaries) of an investee, it will be presumed the Group has significant influence unless it can be clearly demonstrated that this is not the case. If the holding is less than 20%, it will be presumed the Group does not have significant influence unless such influence can be clearly demonstrated. Significant influence exists when the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

Joint arrangements are those entities over whose activities the Group has joint control. Joint control is established by a contractual agreement whereby the decisions about the relevant activities (i.e.: the activities that significantly affect the investee's returns) of the entity require the unanimous consent of the two or more parties sharing joint control of the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Group accounting policies *continued*

Basis of consolidation *continued*

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.

Cost contributions to the Group's other not-for-profit, cost-sharing investments are charged to the income statement in the period to which they relate.

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.

Accounting policies

A summary of the Group and Channel 4 significant accounting policies that are material in the context of the accounts is set out below. All accounting policies have been applied consistently in all material respects to all periods presented in these financial statements.

A number of new standards, amendments to standards and interpretations have been issued and became effective on 1 January 2016. None of these 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 persuasive evidence of a sale exists, a service has been performed, and when collectability is reasonably assured. For each of the Group's significant revenue streams, revenues are recognised as described below:

Advertising and sponsorship revenues

Revenues are stated net of advertising agency commissions.

Television advertising revenue and online 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.

Commission earned from advertising representation for third parties, including The Box Plus Network Limited, is recognised on transmission of the related advertisements in line with contractual arrangements. As the Group acts as an agent for these parties, and does not have exposure to the significant risks and rewards of the sale, 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.

Other revenues

Revenues earned from syndicating content to third-party online platforms are typically generated from some or all of the following contractual arrangements:

- milestones – non-refundable milestone payments are recognised once the Group's performance obligations are satisfied, for example upon launch
- ongoing service fees – revenue is recognised on a straight-line basis over the contract term as service obligations are performed
- 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 developed film rights (for example, from theatrical box office releases) are recognised when revenues can be reliably measured.

Segment reporting

Segments are reported in accordance with IFRS 8 'Operating Segments'. Segments are aggregated only where the nature of the products and services provided are similar and where the segments have similar economic characteristics.

The chief operating decision-maker has been identified as the Channel 4 Board. Segments follow management reporting to the Board in order to make decisions on the allocation of resources within the Group.

Group accounting policies *continued*

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 timing 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.

Other investments

Other investments includes equity holdings without significant influence. Equity investments are normally carried at fair value. Where an active market value is not available, the investment is recorded at cost less provision for impairment. The Members believe that this valuation reflects a reasonable approximation of fair value.

Property, plant and equipment

Freehold land and buildings are stated at open market valuation (fair value) 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.

Group accounting policies *continued*

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 are stated at cost less accumulated amortisation and any provision for impairment. 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.

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 is subsequently measured at cost less any accumulated impairment losses. Goodwill is not subject to amortisation but is tested annually for impairment.

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.

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 cashflows for the specific asset, or if the asset does not generate independent cashflows, the discounted future net cashflows for the cash-generating unit to which it belongs.

Estimates are used in deriving these cashflows 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 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 the direct cost incurred up to the balance sheet date and value to the Group. Development expenditure is included in programme and film rights after charging any expenditure that is not expected to lead to a commissioned programme, or a 'green-lit' film, directly to the income statement.

Programme and acquired film rights

Direct cost

Direct cost is defined as payments made or due to programme suppliers.

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 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. 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.

Developed film rights

Direct cost

Direct cost is defined as payments made or due to the film producer.

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

Broadcast film rights are amortised in the same way as programme and acquired film rights.

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.

Group accounting policies *continued*

Trade and other receivables

Trade receivables are reflected net of an estimated impairment for doubtful accounts. The fair value of trade and other receivables equals its book value. For trade and other receivables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables are estimated as the present value of future cashflows discounted at the market rate of interest at the reporting date.

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 in a number of currencies as well as Sterling, and is a net purchaser of 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

Assets held under finance leases (those in which the Group assumes substantially all the risks and rewards of ownership) are treated as property, plant and equipment and depreciation is charged accordingly. The capital elements of future obligations are recorded as liabilities. Interest is charged to the income statement over the period of the lease in proportion to the capital outstanding.

All other leases are treated as operating leases. The rental costs arising from operating leases are charged to the income statement in the year in which they are incurred.

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 current service cost and net interest are 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 cashflows 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.

Business combinations

Business combinations are accounted for using the acquisition method. Under the acquisition method, the identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquiree are recognised at their fair values at the acquisition date, which is the date on which control is transferred to the Company.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Notes to the consolidated financial statements

1. Segment reporting

The reportable segments are shown in accordance with IFRS 8 'Operating Segments'. The segments are measured in a manner consistent with the management reports reviewed by the Board, which is considered to be the chief operating decision-maker. Summaries of the principal activities, products and services and financial performance for each segment are provided within the Strategic Report on pages 112 to 113.

Segment results, assets and liabilities include items directly attributable to a segment, along with certain costs which are allocated on an equitable basis in accordance with the Group's cost allocation policies. All costs and revenues are fully allocated across the segments.

Inter-segment pricing is determined on an arm's length basis.

Gross revenues from transactions with one individual external customer comprised more than 10% of the Group's revenues in 2015 amounting to £159 million (2014: one external customer amounting to £145 million). The Group's major customers are all media buying agencies and these revenues are attributable to the 4Broadcast segment. Approximately 3% of the Group's revenues (2014: 3%) are attributable to external customers outside the UK and these are therefore not separately presented.

The following is an analysis of the Group's investment in content and revenue by reportable segment:

Year ended 31 December 2015	4Broadcast £m	4Rights £m	Other £m	Eliminations £m	Total £m
Programme and other content	(640)	(1)	–	–	(641)
Funded by:					
External sales	906	72	1	–	979
Inter-segment sales	–	–	–	–	–
Total revenue	906	72	1	–	979
Operating surplus/(deficit)	(4)	28	–	–	24
Net finance expense					(1)
Share of profit of investments accounted for using the equity method, net of income tax and amortisation					3
Surplus before tax					26

Programme and other content is comprised of investment into content across all services (the main channel, digital TV channels and digital media services) of £629 million (2014: £602 million), access services (subtitling, audio description and signing) and amounts due to collection societies. Programme and content spend is typically funded by television advertising and other commercial operations but can also be funded by the content reserve in years when a deficit arises following creative investment.

Balance sheet as at 31 December 2015	4Broadcast £m	4Rights £m	Other £m	Eliminations £m	Total £m
Segment assets	915	181	29	(203)	846
Segment liabilities	(531)	(23)	(76)	203	(351)
Net assets/(liabilities)	384	158	(47)	–	495

Notes to the consolidated financial statements *continued*1. Segment reporting *continued*

Year ended 31 December 2014	4Broadcast £m	4Rights £m	Other £m	Eliminations £m	Total £m
Programme and other content	(612)	–	–	–	(612)
Funded by:					
External sales	859	78	1	–	938
Inter-segment sales	1	–	–	(1)	–
Total revenue	860	78	1	(1)	938
Operating surplus/(deficit)	(20)	24	–	–	4
Net finance expense					(1)
Share of profit of investments accounted for using the equity method, net of income tax and amortisation					1
Surplus before tax					4
Balance sheet as at 31 December 2014	4Broadcast £m	4Rights £m	Other £m	Eliminations £m	Total £m
Segment assets	828	163	36	(218)	809
Segment liabilities	(468)	(33)	(83)	218	(366)
Net assets/(liabilities)	360	130	(47)	–	443

2. Cost of transmission and sales

2015	Programme and other content £m	Indirect programme costs £m	Transmitter and regulatory costs £m	Cost of sales £m	Cost of marketing £m	Total £m
4Broadcast	640	42	90	65	43	880
4Rights	1	15	4	21	1	42
Other	–	–	–	1	–	1
Eliminations	–	–	–	–	–	–
Continuing operations	641	57	94	87	44	923
2014	Programme and other content £m	Indirect programme costs £m	Transmitter and regulatory costs £m	Cost of sales £m	Cost of marketing £m	Total £m
4Broadcast	612	40	108	51	37	848
4Rights	–	9	4	39	3	55
Other	–	–	–	1	–	1
Eliminations	–	–	–	–	(1)	(1)
Continuing operations	612	49	112	91	39	903

Notes to the consolidated financial statements *continued*

3. Other operating expenditure

Other operating expenditure includes:

	2015 £m	2014 £m
Depreciation of property, plant and equipment (note 9)	6	6
Amortisation of intangible assets (note 10)	1	1
Restructuring costs	2	1
Operating lease rentals	2	1
Other administrative expenses	21	22
Other operating expenditure	32	31

Auditor's remuneration

Fees in respect of services provided by the auditor were:

	2015 £000	2014 £000
Audit of these financial statements	147	145
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	23	23
Other audit related and assurance	41	58
Total audit and assurance	211	226
Taxation compliance services	31	42
All other services	71	128
Total other services	102	170
Auditor's remuneration	313	396

In addition to the above services, £nil (2014: £19,245) is payable to the Group's auditor who acted as auditor to the Channel Four Television Staff Pension Plan.

The appointment of auditor to the Channel Four Television Staff Pension Plan and the fees paid in respect of those audits are agreed by the Trustees of the Plan, who act independently from the management of the Group.

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:

	2015 £m	2014 £m
Aggregate gross salaries	65	61
Employer's National Insurance contributions	6	6
Employer's defined benefit pension current service cost (note 18)	4	3
Employer's defined contribution pension contributions	2	2
Total direct costs of employment	77	72

In addition to the above, in 2015 £2 million of costs were expensed to the income statement in respect of restructuring initiatives to increase operational efficiency within the Group (2014: £1 million).

As disclosed in the Members' Remuneration Report on page 133, the total remuneration of the Executive and Non-Executive Members for the year ending 31 December 2015 is £2,784,000 (2014: £2,640,000).

Notes to the consolidated financial statements *continued***4. Employee expenses and information *continued***

The salary multiple of highest to median employee was as follows:

	2015 £000	2014 £000
Total remuneration of highest paid employee (page 133)	881	855
Total remuneration of median employee	57	54
Multiple of highest paid to median employee	15.5	15.8

Total remuneration is defined as base salary, variable pay, employer pension contribution and other benefits.

The average number of employees, including Executive Members, was as follows:

	2015 Number	2014 Number
4Broadcast		
Programme commissioning	216	214
Advertising and sponsorship sales and research	197	192
Marketing and creative services	115	110
Finance, human resources and facilities management	74	69
Information systems	64	40
Transmission and engineering	42	51
Corporate affairs and press office	38	36
Corporate and strategy	20	17
4Talent	13	13
4Rights	40	66
Group total	819	808
Permanent employees	773	766
Contract staff	46	42
Group total	819	808

Notes to the consolidated financial statements *continued*

5. Net finance expense

Net finance income/(expense) recognised in the year comprised:

	2015 £m	2014 £m
Interest receivable on short-term deposits	1	1
Net interest expense on pension scheme (note 18)	(2)	(2)
Net finance expense	(1)	(1)

6. Income tax expense

The taxation charge is based on the taxable profit for the year and comprises:

	2015 £m	2014 £m
Current tax:		
Current year	1	–
Deferred tax: origination and reversal of temporary differences		
Current year	(2)	1
Prior year	1	–
Total income tax expense	–	1

Corporation tax is charged at the standard UK rate of 20.25% for the year (2014: 21.5%).

Reconciliation of income tax:

	2015 Rate	2015 £m	2014 Rate	2014 £m
Surplus before income tax		26		4
Income tax using the domestic corporation tax rate	20.25%	5	21.5%	1
Effects of:				
Non-deductible expenses		1		1
Non-taxable gains		(1)		(1)
Utilisation of unrecognised trading losses brought forward		(5)		–
Recognition of deferred tax on trading losses carried forward		(2)		–
Deferred tax not recognised		1		–
Other tax adjustments		1		–
Total income tax expense		–		1

The income tax expense excludes the Group's share of income tax of investments accounted for using the equity method of £1 million (2014: £1 million) which has been included in the Group's share of post acquisition profits, net of income tax (note 7).

Notes to the consolidated financial statements *continued***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:

	Box £m	Indie Growth Fund £m	Total £m
Carrying value at 1 January 2014	23	–	23
Acquisitions	–	4	4
Share of post acquisition profits, net of income tax	2	–	2
Amortisation	(1)	–	(1)
Share of dividends received	(2)	–	(2)
Total carrying value at 31 December 2014	22	4	26

	Box £m	Indie Growth Fund £m	Total £m
Carrying value at 1 January 2015	22	4	26
Acquisitions	–	3	3
Share of post acquisition profits, net of income tax	3	–	3
Share of dividends received	(3)	–	(3)
Total carrying value at 31 December 2015	22	7	29

The Box Plus Network Limited

The Box Plus Network Limited ("Box"), incorporated and operating in the United Kingdom, broadcasts a number of music television channels on free-to-air and pay platforms. Box is accounted for as a joint venture and the investment reflects 500 ordinary shares of £1, representing 50% of the share capital of Box.

Annual impairment tests on Box's goodwill and intangible assets are based on their recoverable amounts determined from their value in use.

An impairment review was carried out by estimating the future expected cashflows for Box using a pre-tax discount rate of 11% (2014: 9%), reflecting the Group's estimated cost of capital for its commercial television segments and comprising a risk-free rate and an equity risk premium. Cashflows were based on management's best estimate of future performance to 2020, reflecting management's cautious view of the long-term potential in music viewing in commercial television. The present value of the cashflows accruing to the Group was compared with the carrying value of the investment held on the balance sheet. No impairment was required as a result.

Management has approved the forecast on which the cashflow analysis has been based and believes that there are currently no likely changes in revenues or discount rate which would reduce the value in use for Box down to a level where an impairment would arise.

There are no contingent liabilities and no capital commitments in respect of Box or other joint ventures to be included within the Group's financial statements. During 2015, Channel 4 received a dividend of £2.75 million (2014: £2.5 million) from Box. Channel 4 also sold £8 million (2014: £8 million) of services to Box including commissions earned on advertising sales and made payments on Box's behalf for other services including transmission, programme costs, brand royalties, marketing, facilities management, information systems, finance and other administrative support and pensions. Box owed Channel 4 £1 million at 31 December 2015 (2014: £1 million) in respect of these services. Channel 4 had no balances outstanding to Box at 31 December 2015 (2014: £nil) as no services were rendered by Box to Channel 4 in 2015 (2014: £nil).

Summary annual financial information of investment in Box

	Current assets £m	Non-current assets £m	Current liabilities £m	Long-term liabilities £m	Revenue £m	Profit from continuing operations £m
2015	12	1	(7)	–	38	7
2014	12	1	(6)	–	35	6

Notes to the consolidated financial statements *continued*

7. Investments accounted for using the equity method *continued*

The Indie Growth Fund

During 2014, Channel 4 launched the Indie Growth Fund, a fund with the aim of nurturing the independent sector. The fund seeks to invest up to £20 million in a broad portfolio of television and digital companies. In 2015, Channel 4 invested £3 million (2014: £4 million) in the Indie Growth Fund and acquired minority shareholdings in four companies (2014: five). A further £2 million is committed for subsequent equity subscriptions in these companies at 31 December 2015.

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.

Management has reviewed the carrying value of the Indie Growth Fund as at 31 December 2015 and concluded that there were no indicators of impairment at the balance sheet date.

Of the £621 million total of programme rights recognised as expenses in 2015 (note 12), Channel 4 commissioned £6 million (2014: £10 million) of content from Indie Growth Fund companies which includes commissions sanctioned both pre- and post-acquisition. Channel 4 and the Indie Growth Fund companies have no balances outstanding to each other in respect of these transactions at 31 December 2015 (2014: £nil).

The Indie Growth Fund is comprised of the following entities incorporated in the United Kingdom:

Company	Proportion of equity owned at 31 December ¹	
	2015	2014
Arrow International Media Limited	15.0%	12.0%
Eleven Film Limited	16.8%	13.5%
Lightbox Media Limited	17.0%	12.0%
Popkorn Media Limited	25.0%	16.1%
Renowned Films Limited	16.0%	–
Spelthorne Community Television Limited	16.7%	–
True North Productions Limited	23.0%	21.0%
Voltage TV Productions Limited	10.0%	–
Whisper Films Limited	12.5%	–

1 This represents the proportion of equity owned as at the balance sheet date and does not include commitments for subsequent equity subscriptions after the balance sheet date.

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	Profit from continuing operations £m
2015	9	1	(6)	–	29	–
2014	6	1	(4)	(2)	26	1

Notes to the consolidated financial statements *continued***8. Other investments**

The Group contributes to the funding of the following organisations, each of which is incorporated in the United Kingdom. The table below presents the Group's ownership of the entities, or legal guarantee (indicated with *), and transactions with them during the year.

Name	Nature of business	Share class	Ownership interest	Services received		Funding and services provided	
				2015 £m	2014 £m	2015 £m	2014 £m
Broadcasters' Audience Research Board Limited	Research	*	–	–	–	2	2
Clearcast Limited	Regulator	Ordinary, deferred	25.0%	–	–	1	1
Digital 3 and 4 Limited	Operator	'A' Ordinary	50.0%	1	1	24	25
DTV Services Limited	Marketing	Ordinary	20.0%	7	5	6	5
Digital Production Partnership Limited	Standards	*	–	–	–	–	–
Digital UK	Marketing	*	–	–	–	2	2
Thinkbox Limited	Marketing	Ordinary	20.0%	1	1	2	1
YouView Limited	Platform	Voting, non-voting	14.3%	–	1	1	2

At 31 December 2015, Channel 4 owed £4 million to Digital 3 and 4 Limited (2014: £nil).

At 31 December 2015, Channel 4 owed £nil to DTV Services Limited (2014: £0.5 million).

There are no trade receivable or trade payable balances with any of the other related parties listed above at 31 December 2014 and 2015. No dividends were received in 2015 (2014: £nil) from any of the related parties listed above.

The investments listed have not been accounted for as joint ventures or associates as they are not-for-profit, cost-sharing organisations which will not generate returns for the Group. The Group recognises its share of funding contributions of these organisations in the appropriate line in the income statement in the period to which they relate. They are held at £nil (2014: £nil) carrying amount in the consolidated financial statements of the Group and therefore the accounting treatment applied is not deemed material.

Notes to the consolidated financial statements *continued*

9. Property, plant and equipment

	Freehold land and building £m	Fixtures, fittings and equipment £m	Total £m
Cost or valuation			
At 1 January 2014	73	128	201
Additions	–	6	6
Revaluation	12	–	12
At 31 December 2014	85	134	219
At 1 January 2015	85	134	219
Additions	–	3	3
Disposals	–	(29)	(29)
Revaluation	11	–	11
At 31 December 2015	96	108	204
Depreciation			
At 1 January 2014	–	111	111
Charge for the year	1	5	6
Revaluation	(1)	–	(1)
At 31 December 2014	–	116	116
At 1 January 2015	–	116	116
Charge for the year	1	5	6
Disposals	–	(29)	(29)
Revaluation	(1)	–	(1)
At 31 December 2015	–	92	92
Net book value			
At 1 January 2015	85	18	103
At 31 December 2015	96	16	112
At 1 January 2014	73	17	90
At 31 December 2014	85	18	103

The fixtures, fittings and equipment disposals of £29 million (2014: £nil) are fully depreciated assets no longer used by the Group.

There is a £1 million commitment to purchase property, plant and equipment at the balance sheet date (2014: none). There are no material assets held under finance leases at the balance sheet date (2014: none). No assets have been pledged for security (2014: none).

Notes to the consolidated financial statements *continued***9. Property, plant and equipment *continued*****Valuation of freehold property**

The freehold property at 124 Horseferry Road, London SW1P 2TX, was valued at 31 December 2015 by external valuers BNP Paribas Real Estate, in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. 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.

The open market value for this property was £96 million (2014: £85 million). After depreciation charged on the open market value at 31 December 2015 (£1 million), a gain on revaluation of £12 million has been recognised in the Statement of Other Comprehensive Income.

If freehold property had not been revalued it would have been included in the financial statements at the following amounts:

	2015 £m	2014 £m
Cost	62	62
Accumulated depreciation	(20)	(19)
Impairment	(6)	(6)
Net book value based on cost	36	37

10. Intangible assets

	Goodwill (note 20) £m	Developed software £m	Broadcasting licence £m	Total £m
Cost				
At 1 January 2014 and 31 December 2014	–	23	5	28
At 1 January 2015	–	23	5	28
Additions	2	2	–	4
At 31 December 2015	2	25	5	32
Amortisation				
At 1 January 2014	–	20	5	25
Amortisation for the year	–	1	–	1
At 31 December 2014	–	21	5	26
At 1 January 2015	–	21	5	26
Amortisation for the year	–	1	–	1
At 31 December 2015	–	22	5	27
Carrying amount				
At 1 January 2015	–	2	–	2
At 31 December 2015	2	3	–	5
At 1 January 2014	–	3	–	3
At 31 December 2014	–	2	–	2

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 broadcast licence, acquired in 2007, was fully amortised as at 31 December 2012.

Notes to the consolidated financial statements *continued***11. Deferred tax assets and liabilities**

Deferred tax assets and liabilities are recognised at 18% (2014: 20%) reflecting the corporation tax rate substantially enacted as at 31 December 2015.

	Assets 2015 £m	Assets 2014 £m	Liabilities 2015 £m	Liabilities 2014 £m	Net 2015 £m	Net 2014 £m
Property, plant and equipment	2	2	–	–	2	2
Employee benefits	10	14	–	–	10	14
Trading losses	3	2	–	–	3	2
Revaluation of freehold land and buildings	–	–	–	(4)	–	(4)
Other short-term timing differences	1	–	–	(1)	1	(1)
Group deferred tax assets/(liabilities)	16	18	–	(5)	16	13

Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of:

	2015 £m	2014 £m
Carried forward capital losses	1	1
Carried forward trading losses	–	7
Tax assets	1	8

Unrecognised deferred tax assets include losses carried forward that the Group is not yet able to utilise. 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).

Movements in temporary differences during the year

The amount of deferred tax recognised in the income statement in respect of each type of temporary timing difference is as follows:

	Balance at 1 Jan 2014 £m	Recognised in income £m	Recognised in other comprehensive income £m	Balance at 31 Dec 2014 £m
Property, plant and equipment	2	–	–	2
Employee benefits	7	(1)	8	14
Trading losses	2	–	–	2
Revaluation of freehold land and buildings	(2)	–	(2)	(4)
Other short-term timing differences	(1)	–	–	(1)
Group deferred tax assets/(liabilities)	8	(1)	6	13

	Balance at 1 Jan 2015 £m	Recognised in income £m	Recognised in other comprehensive income £m	Balance at 31 Dec 2015 £m
Property, plant and equipment	2	–	–	2
Employee benefits	14	(2)	(2)	10
Trading losses	2	1	–	3
Revaluation of freehold land and buildings	(4)	–	4	–
Other short-term timing differences	(1)	2	–	1
Group deferred tax assets	13	1	2	16

Notes to the consolidated financial statements *continued***12. Programme and film rights**

	2015 £m	2014 £m
Programmes and films completed but not transmitted	87	91
Acquired programme and film rights	65	51
Programmes and films in the course of production	102	100
Total programme and film rights	254	242

Certain programmes and film rights may not be utilised within one year.

Programme and film rights to the value of £621 million were recognised as expenses in the year across the main and digital television channels (2014: £594 million). Of this amount, obsolete programmes and developments written off totalled £31 million (2014: £45 million). Programme and film rights include £22 million (2014: £28 million) in respect of developed film rights.

13. Trade and other receivables

	2015 £m	2014 £m
Trade receivables	140	157
Prepayments and accrued income	38	38
Distribution and producer advances	–	1
Total trade and other receivables	178	196

Trade receivables are shown net of impairment charges amounting to £nil (2014: £nil) recognised in the current year in relation to outstanding balances from customers, the receipt of which management view as unlikely.

Distribution and producer advances are shown net of impairment charges amounting to £nil (2014: £2 million) recognised in the current year in relation to advances paid on DVD development deals, which management consider are unlikely to be recouped through future sales.

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 against exposure to these receivables working to approved terms of reference including insurance for most customers. Exposure is monitored and reviewed on a weekly basis, and any issues are formally reported to an executive committee chaired by the Group Finance Director. Based on credit evaluation and discussions with both the committee and insurers, customers may be required to provide security in order to trade with the Group.

The Group establishes an allowance for impairment that represents our estimate of likely losses 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 agencies must settle their debts before advertising transmissions are broadcast.

(ii) Counterparty

See interest rate risk and exposure in note 14.

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, net of allowance for impairment, was £140 million for the Group (2014: £157 million), with £87 million of other financial assets (2014: £70 million), and cash and cash equivalents of £165 million (2014: £152 million). The exposure to credit risk all arises in the UK.

Trade receivables of £140 million for the Group (2014: £157 million) were aged under six months and which were not yet due under standard credit terms at the balance sheet date. £127 million of the receivables were insured at the balance sheet date (2014: £122 million) and £135 million (2014: £146 million) has been subsequently collected by the Group since the balance sheet date.

Notes to the consolidated financial statements *continued*

14. Treasury

	2015 £m	2014 £m
Bank balances	20	38
Money market funds ¹	105	84
Money market deposits maturing in less than three months	40	30
Cash and cash equivalents	165	152
Money market deposits maturing after three months	–	10
Investment funds	87	60
Other financial assets	87	70

1 Amounts held in money market funds are repayable within seven days.

There is no difference between the fair value and book value of cash, cash equivalents and other financial assets.

Cashflow information

	2015 £m	2014 £m
Cash and cash equivalents at 1 January	152	131
Other financial assets at 1 January	70	107
Total cash and cash equivalents and other financial assets at 1 January	222	238
Net cashflow from operating activities	36	(9)
Net cashflow from investing activities	(6)	(7)
Total cashflow	30	(16)
Cash and cash equivalents at 31 December	165	152
Other financial assets at 31 December	87	70
Total cash and cash equivalents and other financial assets at 31 December	252	222

Notes to the consolidated financial statements *continued***14. Treasury continued****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 and 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 deficit before tax would have been £1.1 million lower/higher (2014: £0.9 million).

The Group does not have any debt and as such is not exposed to fluctuations in interest rates in this regard.

The interest rate profile of the Group's cash and deposits at 31 December 2015 and 31 December 2014 is set out below:

	Effective interest rate 2015 %	Effective interest rate 2014 %	Total 2015 £m	Total 2014 £m
Interest bearing deposits maturing in less than three months held in Sterling	0.5	0.5	163	150
Interest bearing deposits maturing in less than three months held in foreign currencies	0.2	0.1	2	2
Total cash and cash equivalents	0.5	0.5	165	152
Money market deposits maturing after three months held in Sterling	–	0.7	–	10
Investment funds	0.6	0.8	87	60
Other financial assets	0.6	0.8	87	70

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 financial income (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 2015, the total value of forward contracts used as economic hedges of monetary liabilities was £4 million (2014: £11 million). This represented six (2014: eighteen) Euro forward purchase contracts with fixed maturity dates with settlement within 12 months from the balance sheet date, and one (2014: three) US Dollar forward purchase contract with a fixed maturity date with settlement within 12 months from the balance sheet date. At 31 December 2015, these contracts were revalued with reference to forward exchange rates based on maturity. The change in fair value of £0.3 million (2014: £0.1 million) has been recognised in the income statement and the associated liability recorded on the balance sheet as at 31 December 2015. The forward contracts have been assessed as level 2 in the fair value hierarchy under IFRS 13.

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 surplus before tax would have been £0.6 million lower/higher (2014: £1.5 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, which reports to the Group 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.

Group treasury operates within clearly defined objectives and controls and is subject to periodic review by the business assurance function.

Notes to the consolidated financial statements *continued*

15. Trade and other payables

	2015 £m	2014 £m
Trade payables	10	15
National Insurance	1	1
Other creditors	61	48
Accruals and deferred income	211	200
VAT	10	22
Total trade and other payables	293	286

There is no difference between the fair value and book value of trade and other payables. The contractual cashflows are equal to the carrying amount and are classified as payable within six months or less at 31 December 2015 and 2014.

The Group endeavours to pay all invoices in accordance with contract terms and, unless agreed payment terms specify otherwise, within 30 days of the date of the invoice. Any complaints about failure to pay on time should be addressed to the Group Finance Director, who will ensure that they are investigated and responded to appropriately.

The number of days taken to pay suppliers of services in 2015, as calculated using average payable balances, was six (2014: seven). This is significantly lower than the Group's standard payment terms of 30 days due to the payment arrangements required for programme and transmission costs.

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 are considered to be sufficient to support the Group's medium-term funding requirements.

16. Provisions

	Onerous lease/ Dilapidations £m	Restructuring costs £m	Total £m
At 1 January 2014	3	–	3
Released in the year	(1)	–	(1)
Charged to the income statement	–	–	–
At 31 December 2014	2	–	2
At 1 January 2015	2	–	2
Released in the year	(1)	–	(1)
Charged to the income statement	–	1	1
At 31 December 2015	1	1	2

Provisions have been analysed as current and non-current as follows:

	2015 £m	2014 £m
Current	1	1
Non-current	1	1
Total	2	2

Onerous lease and dilapidations provision

Prior to 2015, the provision was an onerous contract related to a rental deficit on a building that was surplus to requirements but for which the Group had contracted commitments at the balance sheet date. In 2015, the property rental agreement was reviewed and revised resulting in a contract that was no longer onerous. The provision as at year end represents the discounted dilapidations cost when the property rental agreement expires in 2020. An amount of £0.1 million (2014: £0.1 million) has been recognised as an interest cost relating to the passage of time of the discounted provision.

Contingent liabilities

The Members are not aware of any legal or arbitration proceedings, pending or threatened, against any Member of the Group which gives rise to a significant contingent liability.

Notes to the consolidated financial statements *continued*

17. Commitments

	Due within 1 year £m	Due within 2–5 years £m	Due after 5 years £m	Total £m
2015				
Programme commitments	324	292	7	623
Operating leases	2	6	–	8
Property, plant and equipment	1	–	–	1
Total	327	298	7	632
2014				
Programme commitments	309	288	3	600
Operating leases	2	7	–	9
Total	311	295	3	609

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 £24 million in 2015 (2014: £25 million) and is forecast to be £23 million in 2016. Digital 3 and 4 Limited has entered into long-term distribution contracts that expire in 2022 and 2034 and the Group is committed to funding its contractual share.

The Group is committed to paying capacity costs for transmission on the digital terrestrial and satellite network. Committed payments for digital terrestrial transmission capacity costs amounted to £26 million in 2015 (2014: £37 million) and are forecast to be £24 million in 2016. Committed payments for satellite transmission capacity costs were £14 million in 2015 (2014: £16 million) and are forecast to be £14 million in 2016. The digital terrestrial transmission contracts expire between 2026 and 2031 and the satellite transmission contracts expire between 2018 and 2022.

The Group has commitments for equity subscriptions for minority shareholdings in companies in the Indie Growth Fund due within one year as disclosed in note 7.

18. Employee benefits – pensions

During the year, 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.

Nature of benefits, regulatory framework and governance of the Plan

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 interest 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 165 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.

The scheme closed to future accrual with effect from 31 December 2015 without material impact to the Group's defined benefit obligation.

Notes to the consolidated financial statements *continued***18. Employee benefits – pensions *continued*****Amounts recognised in the consolidated balance sheet**

	2015 £m	2014 £m
Present value of funded obligations	(388)	(396)
Fair value of plan assets	332	323
Recognised liability for defined benefit obligations	(56)	(73)

Movements in the fair value of plan assets recognised in the balance sheet:

	2015 £m	2014 £m
Fair value of scheme assets at 1 January	323	270
Interest income on plan assets	12	12
Return on plan assets (excluding amounts in interest income)	(7)	37
Employer contributions net of charges	11	8
Employee contributions net of charges	1	1
Benefits paid	(8)	(5)
Fair value of scheme assets at 31 December	332	323

The fair value of the plan assets at the balance sheet date is comprised as follows:

	2015 £m	2014 £m
UK equity	7	7
Overseas and emerging markets equity	79	75
Total equity securities	86	82
Corporate bonds	65	61
Index linked gilts	–	101
Total debt securities	65	162
Multi-asset absolute return	79	–
Liability driven investments	84	–
Equity-linked inflation	–	78
Total investment funds	163	78
Cash and cash equivalents	18	1
Fair value of scheme assets at 31 December	332	323

The plan assets do not include any directly or indirectly owned financial instruments issued by the Corporation.

Notes to the consolidated financial statements *continued***18. Employee benefits – pensions *continued***

Movements in the present value of scheme liabilities for defined benefit obligations recognised in the balance sheet:

	2015 £m	2014 £m
Present value of scheme liabilities at 1 January	396	309
Current service cost	4	3
Interest expense on pension scheme liabilities	14	14
Remeasurement deficit on plan liabilities arising from changes in demographic assumptions	–	31
Remeasurement (gain)/deficit on plan liabilities arising from changes in financial assumptions	(14)	43
Experience remeasurement	(5)	–
Employee contributions net of charges	1	1
Benefits paid	(8)	(5)
Present value of scheme liabilities at 31 December	388	396

Expenses recognised in the income statement arose as follows:

	2015 £m	2014 £m
Current service cost	4	3
Net interest expense	2	2
Net charge to income statement	6	5

The expense has been recognised in the following lines in the income statement:

	2015 £m	2014 £m
Cost of transmission and sales	3	2
Other operating expenditure	1	1
Net financial expense	2	2
Net charge to income statement	6	5

The remeasurement deficit recognised in other comprehensive income arose as follows:

	2015 £m	2014 £m
Remeasurement gain/(deficit) on plan liabilities	19	(74)
Remeasurement (deficit)/gain on plan assets (excluding amounts in interest income)	(7)	37
Net remeasurement gain/(deficit) on pension scheme	12	(37)

The cumulative amount of net remeasurement deficits/gains recognised in the Statement of Changes in Equity since transition to IFRS is £87 million (2014: £99 million).

Notes to the consolidated financial statements *continued***18. Employee benefits – pensions *continued*****Principal actuarial assumptions at the balance sheet date**

	2015 %	2014 %
Discount rate	3.65	3.50
Rate of increase in salaries	2.60	2.65
Rate of increase in pensions	3.05	3.05
Inflation	3.10	3.15
	2015 years	2014 years
Life expectancy from 65 (now aged 45) – male	23.3	23.2
Life expectancy from 65 (now aged 45) – female	26.6	26.5
Life expectancy from 65 (now aged 65) – male	23.0	22.9
Life expectancy from 65 (now aged 65) – female	26.1	26.0

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 at 31 December 2015:

	Revised present value of scheme liabilities £m
0.5% decrease in discount rate	431
1 year increase in life expectancy	400
0.5% increase in inflation (and inflation-linked) assumptions	422

The sensitivities disclosed are calculated using approximate methods taking into account the duration of the Plan's liabilities.

Funding arrangements

Contribution rates 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 2012. The results of the valuation at 31 December 2012 showed that the scheme's assets represented 71% of the benefits that had accrued to Members, reflecting a deficit of £101 million. The next triennial valuation will be carried out as at 31 December 2015.

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 £588,000 per month with effect from 1 August 2014 to 31 December 2014 and increasing to £708,000 per month with effect from 1 January 2015 to 31 December 2025.

The estimated total employer contributions in 2016 are £8.5 million representing the deficit funding payments described above.

The weighted average duration of the Plan's defined benefit obligation is approximately 22 years. The majority of the Plan's benefits are to be paid as annuities from retirement of a Member until their death.

The Plan is closed to future accrual with effect from 31 December 2015.

Notes to the consolidated financial statements *continued*

19. Related party transactions

Members

Details of transactions in which Members have an interest are disclosed in the Report of the Members (page 119).

Details of Members' remuneration are shown in the Members' Remuneration Report (page 133).

Joint ventures and associates

Details of transactions between the Group and its joint ventures and associates are disclosed in note 7.

Equity investments

The Group holds a 15% equity holding in Protagonist Pictures Limited. During 2015, Channel 4 paid £0.1 million to Protagonist Pictures Limited for agency sales and film acquisition services (2014: £0.1 million). No amounts were due at 31 December 2015 (2014: £nil).

Other

The Group contributes to the funding of several not-for-profit, cost-sharing organisations. Details of transactions between the Group and these organisations are disclosed in note 8.

20. Business combinations during the year

On 30 July 2015, the Group purchased 80% of the shares and voting interests in Global Series Network Limited ('GSN'). The acquisition of GSN secured access to foreign drama content rights for distribution on the Group's portfolio of channels and platforms.

The total consideration paid was £2 million satisfied in cash. The fair value of identifiable net liabilities acquired was £66,000. The non-controlling interest of GSN is considered to be immaterial. No intangible assets were separately identified. Goodwill of £2 million has been recognised at acquisition. The goodwill is not deductible for tax purposes.

From the acquisition date to 31 December 2015, GSN has contributed £nil revenue and £0.3 million net loss to the Group results. There are no commitments and contingencies in respect of GSN to be included within the Group's consolidated financial statements.

Channel 4 balance sheet as at 31 December

	Group note	Channel 4 note	2015 £m	2014 £m
Assets				
Property, plant and equipment	9		112	103
Intangible assets		2	3	2
Investments in subsidiaries and joint ventures		3	28	28
Deferred tax assets	11		16	18
Total non-current assets			159	151
Programme and film rights		4	252	242
Trade and other receivables	13		178	196
Other financial assets	14		87	70
Cash and cash equivalents	14		165	152
Total current assets			682	660
Total assets			841	811
Liabilities				
Employee benefits – pensions	18		(56)	(73)
Provisions	16		(1)	(1)
Deferred tax liabilities	11		–	(5)
Total non-current liabilities			(57)	(79)
Trade and other payables		5	(431)	(431)
Provisions	16		(1)	(1)
Total current liabilities			(432)	(432)
Total liabilities			(489)	(511)
Net assets			352	300
Revaluation reserve			55	39
Retained earnings:				
Content reserve			50	30
Other retained earnings			247	231
Total equity			352	300

The financial statements on pages 167 to 171 were approved by the Members of the Board on 7 April 2016 and were signed on its behalf by:

Charles Gurassa
Chair

David Abraham
Chief Executive

The notes on pages 169 to 171 form part of these financial statements.

Channel 4 statement of changes in equity for the year ended 31 December

	Retained earnings			Total equity £m
	Other retained earnings £m	Content reserve £m	Revaluation reserve £m	
At 1 January 2014	287	–	28	315
Surplus for the year	3	–	–	3
Reserve transfer	(30)	30	–	–
Other comprehensive (cost)/income	(29)	–	11	(18)
Total comprehensive (cost)/income for the year	(56)	30	11	(15)
At 31 December 2014	231	30	39	300
At 1 January 2015	231	30	39	300
Surplus for the year	26	–	–	26
Reserve transfer	(20)	20	–	–
Other comprehensive income	10	–	16	26
Total comprehensive income for the year	16	20	16	52
At 31 December 2015	247	50	55	352

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 138 to 166. As permitted by the Financial Reporting Standard 101, the Corporation has not presented its own cashflow 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 surplus of £26 million (2014: £3 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 142 to 146, except as stated below.

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 an estimated impairment for doubtful accounts if applicable.

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 2015 are presented in note 3 to the consolidated financial statements on page 149.

Staff costs

All staff costs are borne by Channel 4 and are presented in note 4 to the consolidated financial statements on pages 149 to 150.

2. Intangible assets

	Developed software £m
Cost	
At 1 January 2014 and 31 December 2014	23
At 1 January 2015	23
Additions	2
At 31 December 2015	25
Amortisation	
At 1 January 2014	20
Amortisation for the year	1
At 31 December 2014	21
At 1 January 2015	21
Amortisation for the year	1
At 31 December 2015	22
Carrying amount	
At 1 January 2015	2
At 31 December 2015	3
At 1 January 2014	3
At 31 December 2014	2

Notes to the Channel 4 financial statements

3. Investments

Joint ventures

The investment in The Box Plus Network Limited is recorded on the Corporation's balance sheet at historical cost. The balance as at 31 December 2015 is £28 million (2014: £28 million).

Subsidiary undertakings

The cost of investments at 31 December is:

	2015 £000	2014 £000
4 Ventures Limited	1	1

The subsidiary undertakings incorporated in the United Kingdom at 31 December 2015 are as follows:

Name	Nature of business	Issued ordinary £1 shares	Ownership interest
4 Ventures Limited	Intermediate holding company and non-primary function activities	1,000	100%
Film Four Limited ¹	Film distribution	1,000	100%
Channel Four Investments Limited ¹	Indie Growth Fund	1	100%
Global Series Network Limited ¹ (Group note 20)	TV and film distribution	2,000 ²	80%
Channel Four Television Company Limited	Non-trading	100	100%
Channel Four Racing Limited ¹	Non-trading	2	100%
E4.com Limited ¹	Non-trading	1,000	100%
E4 Television Limited ¹	Non-trading	1,000	100%
Film on Four Limited ¹	Non-trading	100	100%
Four Ventures Limited ¹	Non-trading	1,000	100%
Sport on Four Limited ¹	Non-trading	2	100%

1 Indirect shareholding through 4 Ventures Ltd.

2 Issued 'A' Ordinary shares of £1,000 each.

Film Four Limited sells rights from its film library to Protagonist Pictures Limited (Group note 19).

Associated undertakings

For the Corporation's indirect shareholdings in the Indie Growth Fund through Channel Four Investments Limited, refer to Group note 7.

For the Corporation's direct shareholdings in not-for-profit, cost-sharing organisations, refer to Group note 8.

4. Programme and film rights

	2015 £m	2014 £m
Programmes and films completed but not transmitted	87	91
Acquired programme and film rights	63	51
Programmes and films in the course of production	102	100
Total programme and film rights	252	242

Certain programmes and film rights may not be utilised within one year.

5. Trade and other payables

	2015 £m	2014 £m
Trade payables	10	15
National Insurance	1	1
Other creditors	60	48
Amounts due to subsidiaries	139	145
Accruals and deferred income	211	200
VAT	10	22
Total trade and other payables	431	431

Programmes and the licence

Sources of programmes

Channel 4

Channel 4 commissions programmes from both independent and non-independent producers and purchases programmes from the international markets. The source and cost of the programmes transmitted on the main Channel 4 service in 2015 are shown in the table below:

	2015 Hours	2014 Hours	2015 £m	2014 £m
Originated				
Independents	2,800	3,460	264	283
Other	2,855	2,035	144	99
Total originated programmes	5,655	5,495	408	382
Acquired	3,105	3,265	99	110
Total originated and acquired programmes	8,760	8,760	507	492
Other direct programme costs			7	7
Total	8,760	8,760	514	499
All hours	Hours	Hours	%	%
Originated	5,655	5,495	65	63
Acquired	3,105	3,265	35	37
Total	8,760	8,760	100	100
Peak-time hours	Hours	Hours	%	%
Originated	1,326	1,266	81	77
Acquired	317	377	19	23
Total	1,643	1,643	100	100

Independent production companies are the most important source of originated programmes. Programmes transmitted on Channel 4 in 2015 were provided by 155 independent companies (2014: 194).

Other direct programme costs reflect access services such as subtitling and sign-language services and amounts payable to music royalty collection societies.

Production outside London

Channel 4 is keen to encourage film and television production throughout the Nations and Regions of the United Kingdom and has a number of schemes to achieve that objective. The total cost of those programmes in 2015 amounted to £145 million (2014: £149 million).

Programmes and the licence *continued*

Programme transmissions

Channel 4

The main Channel 4 service broadcast 8,760 hours in 2015 (2014: 8,760) – 24 hours each day. The hours and costs of the channel's wide range of programme transmissions were as follows¹:

	2015 Hours	2014 Hours	2015 £m	2014 £m
Drama	423	579	100	100
Entertainment	2,394	2,349	112	117
Education ²	2,757	2,622	84	98
Feature films	821	978	45	42
Other factual	260	165	41	25
News	246	242	26	25
Current affairs	283	238	26	20
Documentaries	389	274	39	25
Arts and music	85	92	5	8
Sport	563	814	19	22
Quiz and gameshows	526	396	8	9
Religion	13	11	2	1
Total programme transmissions	8,760	8,760	507	492

1 The data in the table above is consistent with prior years and based on Channel 4's internal reporting genres. Data presented in the Statement of Media Content Policy ('SMCP') is structured around the key genres reflecting Channel 4's internal commissioning structure.

2 'Education' refers to all programmes broadcast across the main channel (originated and acquired) that are educational in nature.

E4, More4 and Film4 channels

The digital channels broadcast for the following hours:

	2015 Hours	2014 Hours	2015 % Hours subtitled	2014 % Hours subtitled
E4	8,760	8,760	100	100
More4	6,825	6,832	100	100
Film4	6,041	6,062	100	100
4seven	7,159	7,187	100	100

Ofcom

Ofcom monitors compliance with broadcasters' licence obligations (including compliance with its Broadcasting Code) and deals with complaints concerning standards in programmes and complaints of unfair treatment and/or infringement of privacy.

Channel 4

Ofcom recorded five breaches of its Code on standards in programmes by the main Channel 4 service in 2015 (2014: three). None were judged serious enough to merit a statutory sanction (2014: none). In 2015, no complaints about fairness/privacy in Channel 4's programmes were upheld (2014: one) and no complaints were upheld in part (2014: two).

E4, More4 and Film4

No recorded breach of the Code on standards in programmes was noted against More4 (2014: none) and one recorded breach of the Code on standards in programmes was noted against E4 in 2015 (2014: none). There were two recorded breaches of the Code on standards against Film4 in 2015 (2014: none). In 2015, no complaints about fairness/privacy were upheld against E4, More4 or Film4 (2014: none).

Advertising Standards Authority

The Advertising Standards Authority ('ASA') regulates all broadcast and non-broadcast UK advertising. All non-broadcast advertising should comply with the Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing (the 'CAP Code'). All broadcast advertisements and programme sponsorship credits on television services licensed by Ofcom should comply with the UK Code of Broadcast Advertising (the 'BCAP Code'). Ofcom retains direct responsibility under the BCAP Code for sponsorship, product placement and participation TV advertising. The ASA recorded no breaches of the BCAP Code in 2015 (2014: two breaches of the BCAP Code).

Programmes and the licence *continued*

The licence

The wide range and diversity of programmes shows that the remit is central to Channel 4's programming policy. Our licence from Ofcom, in addition to stipulating the need to meet the remit, places certain specific programme obligations on Channel 4. A description of each programme obligation can be found in the methodology document that accompanies the Annual Report at annualreport.channel4.com.

	Compliance minimum	2015	2014
Average hours per week			
News			
– in peak-time (6–10.30pm)	4	4	4
Current affairs			
– overall	4	5	5
– in peak-time (6–10.30pm)	2	3	3
Hours per year			
Schools	1	27	4
Percentage			
Original production			
– overall	56	65	63
– in peak-time (6–10.30pm)	70	81	77
Independent production ¹	25	64	73
European independent production ¹	10	34	40
European origin	50	69	66
Subtitling for the deaf and hard-of-hearing	90	100	100
Audio description	10	26	28
Signing	5	5	5
Regional production	35	39	43
Regional hours	35	53	52
Production in the Nations	3	7	6
Nations hours	3	9	6

¹ There are material differences in the definitions contained in the European and UK legislation for qualifying independent production.

The Ofcom licence disclosure reflects Channel 4's Digital Replacement Licence ('DRL'), which was renewed in 2014 and came into effect in January 2015. This encompasses the requirements set out in the Communications Act 2003.

Several of the measures reflected in this section of the report are discussed in detail in the Statement of Media Content Policy (pages 19 and 21 to 23) and in the Strategic Report (pages 110 to 111).

Historical metrics 2011–2015

	Page ref	2011	2012	2013	2014	2015
Creativity						
Commissioning success						
Number of major television and film awards won	94 to 101	44	46	40	64	45
Originated content spend (£m)	19, 110	419	434	429	430	455
Engaging audiences						
Portfolio high peak-time viewing share (8–11pm)		12.7%	12.6%	12.4%	12.5%	12.9%
Portfolio viewing share ABC1s		11.5%	11.4%	11.3%	10.9%	11.0%
Portfolio viewing share 16–34-year-olds	36	17.0%	16.9%	16.7%	17.0%	16.5%
Channel 4 viewing share	35	6.8%	6.6%	6.1%	5.9%	5.9%
Portfolio viewing share	35, 111	11.6%	11.5%	11.0%	10.9%	10.6%
Portfolio 15 minute reach	34	88.7%	88.1%	86.8%	85.2%	83.8%
Digital and innovation measures						
Digital revenues (£m)	108	50	51	61	63	82
Registered viewers (m) ¹	43	3.2	6.3	10.2	11.3	13.1
¹ Registered viewers are net of duplicate and active users within the last two years.						
Sustainability						
Financial metrics						
Corporation revenue (£m)	108, 138	941	925	908	938	979
Content and marketing spend (£m)	148	635	667	649	651	685
Year end cash (£m)	140	290	261	238	222	252
Non-advertising and sponsorship revenue (£m)		96	81	62	69	54
Content and marketing spend and surplus/(deficit) as a percentage of revenue		72%	69%	70%	69%	73%
Other operating costs as a percentage of total costs		29%	30%	30%	30%	28%
Pre-tax surplus/(deficit) (£m)	138	45	(27)	(16)	4	26
Ad sales measures						
Sales House SONAR	177	27.8%	27.4%	26.3%	25.9%	26.4%
Advertising and sponsorship revenue (£m)	110	845	844	846	869	925
SOCI portfolio high peak-time (8–11pm)		19.7%	19.9%	18.7%	19.1%	19.7%
SOCI portfolio ABC1s		19.7%	19.9%	19.0%	18.2%	18.5%
SOCI portfolio 16–34-year-olds		24.7%	24.8%	23.3%	23.3%	22.5%
SOCI portfolio		18.4%	18.5%	17.1%	16.6%	16.2%

Historical metrics 2011–2015 *continued*

	2011	2012	2013	2014	2015
Performance versus competitors					
Portfolio viewing share					
Channel 4	11.6%	11.5%	11.0%	10.9%	10.6%
BBC	32.9%	33.6%	32.4%	33.1%	32.8%
ITV	23.1%	22.4%	23.1%	22.0%	21.2%
Channel 5	5.9%	6.0%	6.0%	5.9%	6.0%

Source: BARB all individuals

Portfolio high peak-time viewing share 8–11pm					
Channel 4	12.7%	12.6%	12.4%	12.5%	12.9%
BBC	33.0%	34.1%	32.8%	33.3%	33.0%
ITV	25.4%	24.3%	24.9%	24.0%	22.9%
Channel 5	7.3%	7.2%	7.2%	7.0%	7.1%

Source: BARB all individuals

SOCI portfolio					
Channel 4	18.4%	18.5%	17.1%	16.6%	16.2%
ITV	39.5%	38.3%	38.3%	36.2%	34.9%
Channel 5	10.1%	10.1%	9.7%	9.5%	9.3%
Sky	21.4%	21.7%	21.7%	25.6%	24.7%

Source: Donovan Data Systems

SOCI portfolio ABC1s					
Channel 4	19.7%	19.9%	19.0%	18.2%	18.5%
ITV	37.2%	36.7%	36.4%	34.6%	33.7%
Channel 5	8.6%	8.9%	8.9%	8.7%	8.5%
Sky	23.3%	23.0%	22.6%	25.8%	24.0%

Source: Donovan Data Systems (DDS)

SOCI portfolio 16–34-year-olds					
Channel 4	24.7%	24.8%	23.3%	23.3%	22.5%
ITV	29.4%	27.5%	27.3%	26.3%	26.2%
Channel 5	8.5%	8.5%	8.0%	7.7%	7.6%
Sky	26.3%	27.6%	27.7%	30.1%	26.4%

Source: Donovan Data Systems

Historical record

	2006 £m	2007 £m	2008 £m	2009 £m	2010 £m	2011 £m	2012 £m	2013 £m	2014 £m	2015 £m
Consolidated results										
Revenue	937	945	906	830	935	941	925	908	938	979
Operating surplus/(deficit)	14	(9)	(1)	4	49	41	(29)	(15)	4	24
Net financial income/(expense)	7	10	14	(2)	2	2	1	(1)	(1)	(1)
Share of profit/(loss) in joint venture	–	1	(3)	–	3	2	1	–	1	3
Surplus/(deficit) before taxation	21	2	10	2	54	45	(27)	(16)	4	26
Taxation	(7)	(1)	(8)	(2)	(15)	(10)	–	1	(1)	–
Surplus/(deficit) for the year	14	1	2	–	39	35	(27)	(15)	3	26

All figures are shown in accordance with IFRS.

Advertising sales	2006 £m	2007 £m	2008 £m	2009 £m	2010 £m	2011 £m	2012 £m	2013 £m	2014 £m	2015 £m
Channel 4 Sales House	777	825	790	707	819	939	916	935	967	1,047
Other	2,523	2,608	2,487	2,179	2,490	2,442	2,430	2,616	2,770	2,922
Total broadcast	3,300	3,433	3,277	2,886	3,309	3,381	3,346	3,551	3,737	3,969
	%	%	%	%	%	%	%	%	%	%
Channel 4 Sales House share	23.5	24.0	24.1	24.5	24.8	27.8	27.4	26.3	25.9	26.4
Other share	76.5	76.0	75.9	75.5	75.2	72.2	72.6	73.7	74.1	73.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Audience share (portfolio)	2006 %	2007 %	2008 %	2009 %	2010 %	2011 %	2012 %	2013 %	2014 %	2015 %
BBC (ten channels)	34.5	34.0	33.5	32.6	32.9	32.9	33.6	32.4	33.1	32.8
ITV (seven channels)	22.9	23.1	23.2	23.1	22.9	23.1	22.4	23.1	22.0	21.2
Channel 4 excluding S4C (six channels)	11.9	11.7	11.8	11.5	11.4	11.6	11.5	11.0	10.9	10.6
Channel 5 (five channels)	5.9	6.0	6.1	6.1	5.9	5.9	6.0	6.0	5.9	6.0
Other (approximately 200 channels)	24.8	25.2	25.4	26.7	26.9	26.5	26.5	27.5	28.1	29.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

The number of channels in brackets indicates the number of channels in that portfolio as at 31 December 2015.

Source: BARB all individuals

Audience share	2006 %	2007 %	2008 %	2009 %	2010 %	2011 %	2012 %	2013 %	2014 %	2015 %
BBC One	22.8	22.0	21.8	20.9	20.8	20.7	21.3	21.0	21.6	21.9
BBC Two	8.8	8.6	7.8	7.5	6.9	6.6	6.1	5.8	6.1	5.7
ITV and GMTV	19.6	19.2	18.4	17.9	17.0	16.6	15.7	16.2	15.6	15.0
Channel 4 excluding S4C	9.6	8.6	8.1	7.4	7.0	6.8	6.6	6.1	5.9	5.9
Channel 5	5.7	5.2	5.0	4.9	4.5	4.4	4.5	4.4	4.4	4.3
Other	33.5	36.4	38.9	41.4	43.8	44.9	45.8	46.5	46.4	47.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: BARB all individuals



Channel Four Television Corporation