

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	Other £m	Total £m
Carrying value at 1 January 2017	21	11	-	32
Acquisitions	-	1	-	1
Share of post-acquisition profits, net of income tax	-	1	-	1
Disposals	-	(3)	-	(3)
Impairment loss	-	(1)	-	(1)
Total carrying value at 31 December 2017	21	9	-	30
Carrying value at 1 January 2018	21	9	-	30
Acquisitions	-	1	1	2
Share of post-acquisition profits/(losses), net of income tax	-	1	(1)	-
Disposals	(12)	(1)	-	(13)
Fair value loss	(9)	-	-	(9)
Total carrying value at 31 December 2018	-	10	-	10

The Box Plus Network Limited

The Group disposed of its existing 50% shareholding in The Box Plus Network Limited ('Box') on 31 December 2018 as part of a step acquisition of the full business under IFRS 3 'Business Combinations'. Note 20 provides details of the disposal and fair value loss for Box presented above, as well as of the subsequent acquisition and business combination.

The Indie Growth Fund

The Indie Growth Fund seeks to invest up to £20 million in a broad portfolio of television and digital companies. In 2018, Channel 4 invested £1 million (2017: £1 million) in the Indie Growth Fund. There were no further commitments for subsequent equity subscriptions in these companies at 31 December 2018. Channel 4 has committed a total of £12 million of the fund to date. The Indie Growth Fund set a new investment strategy in 2018, geared to fast-growing independent production companies in the nations and regions as well as digital and diverse businesses across the whole of the UK.

Channel 4 set out two key aims when launching the Indie Growth Fund. Firstly, to provide access to funding for a broad portfolio of small and medium-sized independent production companies based in the UK to help them grow and develop their business. Secondly, to put our capital to work in more remit-delivering ways and open Channel 4 up to sharing in the benefits of companies that go on to generate shareholder value in the medium term. Therefore, the Indie Growth Fund companies are held for investment purposes and it is not management's intention to control these entities. The Indie Growth Fund companies have been classified as associates as Channel 4 generally has commitments to purchase more than 20% of the equity and voting rights in these entities. Where this is not the case, management is satisfied that significant influence exists over these entities due to Channel 4's ability to influence, but not control, the financial and operating policies of these entities.

During 2018, Channel 4 sold its stake in Arrow International Media Limited recognising a total gain on disposal of £nil.

The Indie Growth Fund investments are assessed annually to identify any indicators of impairment, and if any are noted then a full impairment review is performed. Management have not identified any indicators of impairment at 31 December 2018. An impairment loss of £1 million was recognised in 2017 split between cost of sales and other operating expenditure.

Of the £662 million (2017: £675 million) total of programme rights recognised as expenses in 2018 (note 12), Channel 4 commissioned £18 million (2017: £25 million) of content from Indie Growth Fund companies. Channel 4 owed the Indie Growth Fund companies £nil in respect of these transactions at 31 December 2018 (2017: £nil).

The Indie Growth Fund is comprised of the following entities incorporated in the United Kingdom:

Company	Activity	Registered address	Proportion of equity owned at 31 December	
			2018	2017
Arrow International Media Limited	TV programme production activities	17-18 Margaret Street, London W1W 8RP	-	18.0%
Barcroft Studios Limited	TV programme production activities	Regina House, 124 Finchley Road, London NW3 5JS	15.0%	8.5%
Dial Square 86 Limited	TV programme production activities	Somerset House, Strand, London WC2R 1LA	4.7%	6.0%
Eleven Film Limited	TV programme production activities	25-26 Poland Street, London W1F 8QN	20.0%	20.0%
Lightbox Media Limited	TV programme production activities	Regina House, 124 Finchley Road, London NW3 5JS	22.0%	22.0%
Popkorn Media Limited	Dissolved during 2018	3 Field Court, London WC1R 5EF	-	25.0%
Spelthorne Community Television Limited	TV programme production activities	2nd Floor, 63-64 Margaret Street, London W1W 8SW	25.0%	21.1%
Voltage TV Productions Limited	TV programme production activities	5 Elstree Gate, Borehamwood, Herts WD6 1JD	15.0%	15.0%
Whisper Films Limited	Motion picture production activities	Unit B South Avenue Studios, 7 South Avenue, Richmond, Surrey TW9 3EL	25.0%	25.0%
Parable Ventures Limited	TV programme production activities	64 New Cavendish Street, London W1G 8TB	18.0%	11.0%
Firecrest Films Limited	TV programme production activities	Fairfield, 1048 Govan Road, Glasgow G51 4XS	25.0%	13.3%

The equity owned for each of the entities listed above relates to ordinary shareholdings.

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/(loss) from continuing operations £m
2018	24	3	(11)	(1)	73	-
2017	21	2	(11)	(1)	65	-

Other

During 2018, Channel 4 acquired 25% of the shares and voting rights in European Broadcaster Exchange (EBX) Limited, a digital advertising sales venture with other European broadcasters. European Broadcaster Exchange (EBX) Limited is incorporated in the United Kingdom.

Company	Activity	Registered address	Proportion of equity owned at 31 December	
			2018	2017
European Broadcaster Exchange (EBX) Limited	Television programming and broadcasting activities	6th Floor 65 Gresham Street, London EC2V 7NQ United Kingdom	25%	-

The Commercial Growth Fund

	Total £m
Carrying value at 1 January 2017	10
Acquisitions	8
Fair value gain	4
Impairment loss	(1)
Total carrying value at 31 December 2017	21
Carrying value at 1 January 2018	21
Acquisitions	9
Fair value loss	(5)
Impairment loss	(4)
Disposals	(5)
Total carrying value at 31 December 2018	16

During 2015, Channel 4 launched the Commercial Growth Fund, a fund with the aim of attracting new advertisers to TV and stimulating existing sectors. The Commercial Growth Fund exchanges advertising airtime in return for equity shareholdings or convertible loan instruments. During 2018, the Corporation invested a further £9 million (2017: £8 million) in the Commercial Growth Fund.

The Commercial Growth Fund investments are recorded at fair value. The Group elected to recognise any movement in the fair value of the Commercial Growth Fund investments through other comprehensive income from 1 January 2018 when it adopted IFRS 9 'Financial Instruments.' Fair value has been assessed against quoted prices in active markets where available or against other observable inputs. A loss of £9 million (2017: gain of £4 million) has been recognised in other comprehensive income in respect of fair value adjustments and impairment losses in 2018. In 2017 a loss of £1 million was recognised through the income statement relating to impairment losses on Commercial Growth Fund investments.

There were no other transactions with the Commercial Growth Fund companies in 2018 (2017: none).

Other investments

During 2017, Channel 4 sold its stake in MyBuilder Limited, a company held at £nil carrying value, and recognised a gain on disposal of £5 million. Channel 4's equity shareholding in MyBuilder Limited included an element acquired in exchange for providing advertising airtime. During 2018, Channel 4 recognised a further £1 million gain on the disposal of MyBuilder Limited relating to deferred consideration not previously recognised.