

At Channel 4, we're more than a public service broadcaster, we're a unique and distinctive part of life in the UK.

Our remit is to be experimental and inclusive, and that's been set by Parliament and enshrined in law.

Everything we do is inspired by our public service remit. Along with a set of public service broadcasting licence obligations, the remit creates a framework that shapes the way we work as a whole: the types of content and programming that we invest in, the people and companies that we work with to supply this content and the positive impacts that our content has on society.



Financial stability

£975m

corporation revenue (+2%)



£180m

cash reserves (-5% year-on-year) plus £75m revolving credit facility as required

£5m

surplus, following two years of planned deficits (+£22m on 2017)

Record digital growth

£138m

record digital revenue (+11%), now making up 14% of total corporation revenue

915m

programme views on demand (+26%) – the highest year-on-year increase in views since 2008



19.6m

viewers registered with All 4 (+18%)

Investment in content

£662m

total content spend (-2%) – the third highest in Channel 4's history and following two years of record spend funded by reserves



£548m

spend on main channel (+£4m on 2017)

£186m

spend on production companies in the Nations and Regions (-1.5%) – the second-highest level in Channel 4's history

274

producers across the UK (-11%) – including 154 independent production companies

TV viewing

15.9%

portfolio viewing share among 16-34-year-olds (-3%) – we are the only public service broadcaster to attract significantly greater viewing among young people than across the general population

10.2%

viewing share across the TV channel portfolio (-3%) – despite a year-on-year fall in our digital channels' share, our main channel viewing share remained stable at 5.9%

78.7%

of all TV viewers reached every month across Channel 4's TV channels (-3%) – we are the third-biggest UK broadcaster in terms of audience reach, behind only the BBC and ITV



Innovative, distinctive new programmes and films:

2018 programme highlights

Alongside our successful stable of returning programmes, we introduced a raft of new programmes that dialled up the difference in 2018.

The Big Narstie Show



◀ **+129%**
share of
BAME
viewers
against
the slot

Seven BAFTAs and one Oscar



The Favourite



Kiri



Married to a Pedophile

◀ **Channel 4's**
highest-rating
drama ever

49%

profile of 16-34-year-olds
the largest attained on any
terrestrial channel since 2012

The Circle



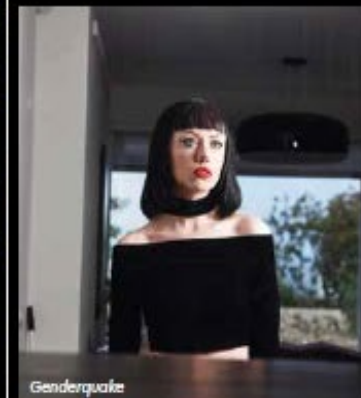
23%

share of 16-34-year-olds.
Our most successful comedy
launch since 2004



Derry Girls

Three Billboards Outside Ebbing, Missouri



Genderquake

2.3m

average audience made it
our best new factual series
of the year



Prison

\$160m

Box Office
Five BAFTAs and
two Oscars

Strong, popular
returners:

2018 programme highlights

8.9m

viewers on average and a
share of 58% of 16-34-year-olds

£24m

raised for cancer research



Stand Up To Cancer

89%

of our programmes met our
Commissioning Diversity
Guidelines in 2018, a new record.
The guidelines provide on- and
off-screen diversity targets for
production companies.



Channel 4 News



24 Hours in Police Custody

▲ Channel 4 News
has the highest
16-34-year-old and
BAME profile of any
PSB news programme



The Great British Bake Off



Gogglebox

3.5m

series average for
Gogglebox, including a 23%
share of 16-34-year-olds

▲ Factual Entertainment Award
(National Television Awards)

2018
corporate
achievements

4 All the UK

3,000

Approximate number of
production jobs in the
Nations and Regions economy
supported by 4 All the UK



Ackley Bridge

Inclusion and diversity have always been at the heart of Channel 4's mission. The launch of our '4 All the UK' plan is the biggest and most exciting change in our history, as we make Channel 4 more open to people from across the UK and supercharge the impact we have in all parts of the country.



The launch of our 4 All the UK plan is aimed at ensuring that we serve the whole of the UK. Through increased spend, boosting regional representation, moving jobs and creating new ones, we hope to reflect the full diversity of Britain on and off screen.

In April 2018, in order to achieve this, we publicly set out a rigorous process to deliver our strategy. We received over 30 pitches from cities and regions across the UK, which were shortlisted to 13. Three cities were then taken forward for advanced negotiations for the National HQ or Creative Hub option (Birmingham, Leeds, Manchester) and three more cities for the Creative Hubs only (Bristol, Cardiff, Glasgow).

Detailed discussions were undertaken with all six cities over a three-month period and a recommendation was then made by the Channel 4 Executive Team and approved by the Channel 4 Board. In October, we announced that our new National HQ would be established in Leeds and that we would open two Creative Hubs in Bristol and Glasgow.



Hollyoaks

Supporting the whole of the UK

At the heart of our plans is a significant increase in Channel 4's Nations and Regions content spend, from our current quota of 35% to 50% of main channel UK commissions by 2023 – worth up to an additional £250 million. This increase will benefit all areas of the UK, not just the specific locations, and it will support up to 3,000 production jobs in the Nations and Regions economy.

Our new bases in Leeds, Bristol and Glasgow will ensure that Channel 4 better represents all of the UK on and off screen and they will help to catalyse the increased Nations and Regions production spend.

Home to a thriving digital industry and a strong digital talent pool, our National HQ in Leeds will enable us to capitalise on a strong and fast-growing independent production sector across the North of England as well as unlocking the potential for growth in the underserved North-East of England.

This will help to support our new Digital Creative Unit, which will be established in the National HQ to grow our impact across digital and social media platforms. Channel 4 News will also have a new hub in Leeds, operated by ITN in a new building that will include a studio to regularly co-anchor the award-winning programme.

In Bristol, there is the opportunity to build on a thriving TV production sector in the city, which has world-renowned factual producers and also has strengths in areas such as animation and digital production. It also enables us to partner with Cardiff and work closely with the wider creative cluster across the South West and South Wales.

Glasgow has a well-established and vibrant independent production sector. Locating a Creative Hub in the city will bring Channel 4 commissioners even closer to key production partners and help to develop the production and creative sector across Scotland. It will enable us to harness the city's rich cultural diversity, further improve on-screen representation and work with the region's educational sector to grow the pipeline of new talent into the production and broadcast industries.

4 ALL THE UK

Channel 4's 4 All the UK strategy is set to benefit the whole of the UK.

Increased spend:

A significant voluntary increase in Channel 4's Nations and Regions production spend, from our current quota of 35% to 50% of main channel UK commissions by 2023 – more than £250 million more in total over the next five years.

New talent:

A National HQ to be established in Leeds alongside two new smaller Creative Hubs in Bristol and Glasgow in 2019, home to up to 300 new and existing Channel 4 jobs – including key creative decision makers.

Boosting representation:

A significant increase to Channel 4 regional representation with a new studio and daily show from Leeds as well as new Channel 4 News bureaux co-anchoring from the Nations and Regions.

Supporting indies:

A reduction in Channel 4's London footprint with space in our London HQ made available to Nations and Regions production companies doing business in the capital.

2

Creative Hubs created
in Bristol and Glasgow

Channel 4's Digital Creative Unit

A key strategic initiative to be delivered through our 4 All the UK plan is the Digital Creative Unit (DCU), which will be based in our new National HQ in Leeds.

The DCU is primarily designed to help us develop digital and creative skills in-house and to expand our reach with young people through social platforms – producing the content they want, where they want it, and made by young people for young people.

The DCU will act as a catalyst for growing digital capabilities across the whole of Channel 4, including Commissioning, Marketing and Technology. It includes the execution of our social media marketing strategy as well as the commissioning of original digital material, both to support existing linear programming and to create new digital-only content.

£662m

total content spend
(-2%)

£489m

originated content
investment (-4%)

10.2%

viewing share across
the TV channel portfolio
(-3%)

The Big Narrative Show

We are creators. Every day, our creative investments across a broad range of high-quality TV programmes, films and digital content deliver to our remit.

Investing in content

We work with the best creative talent on and off screen, and from across the UK. We introduced a new creative strategy in 2018 to increase our distinctiveness and take more risks in order to find the best ideas and pioneer new programme ideas and formats.

This shines through our content in everything that we do – from creative, risk-taking documentaries that tackle controversial subjects, through to supercharging our comedy slate, developing dramas that reflect the realities of contemporary Britain, backing a range of critically acclaimed feature films, and much more. Our approach distinguishes us from other broadcasters.

2019 ambitions

- 1 — Our content will reflect the country and engage with the big issues, including through an increased Current Affairs commitment and more live programming, such as a new daily show hosted from Leeds.
- 2 — Film4 will continue to invest in both new and proven, quality filmmakers with a unique vision. Film4-backed films launching in 2019 include: Yorgos Lanthimos's *The Favourite*, Stephen Merchant's *Fighting With My Family*, Asif Kapadia's *Diego Maradona*, Armando Iannucci's *The Personal History of David Copperfield* and Sarah Gavron's latest feature film project.



Our ability to engage audiences and make an impact is dependent on great ideas being generated within a thriving and diverse production sector.



A core part of our mission is to strengthen the independent production sector by supporting companies directly, commissioning impactful, distinctive content that draws in sizeable audiences and revenues that can, in turn, be reinvested into more great content.

Investment in content across our services fell by 2% in 2018, reflecting our response to the weaker economy and our strategy to deliver a financial surplus following two years of planned deficits, in which we drew on our reserves to boost investment. Still, at £662 million, our total content budget was the third highest in our history. In addition, content investment on the main channel was protected – rising marginally by £4 million, to £548 million.

This enabled us to invest in a key plank of our new content strategy, increasing Channel 4's distinctiveness by commissioning more innovative, risk-taking and challenging programmes, while continuing to seek scalable popular returners.

This is exemplified by our high-profile drama content, which delivered a mixture of new and returning programming to viewers throughout the year. *Kiri*, a drama written by the award-winning Jack Thorne and starring Sarah Lancashire, was our biggest drama success of 2018. Each episode was watched, on average, by 4.9 million people, however, in total it reached 9.3 million people, equivalent to 19% of the TV population. The four-part programme became our biggest originated drama series since our records began in 2002 – and the biggest-ever drama on All 4. Our existing stable of returning programmes continued to build on their success in 2018, with 16 of our biggest peak-time series increasing their audience volume, including *24 Hours in Police Custody* (+28%), *Escape To The Chateau* (+28%) and *Friday Night Dinner* (+24%).

Dialling up the difference



There were many creative highlights in 2018, particularly the introduction of a raft of new programmes that dialled up the difference alongside our successful stable of key returning programmes. In a world where audiences are flooded with choice, our strategy was to stand out from the crowd.

We launched a number of innovative and highly distinctive programmes, including *The Big Narstie Show*, *Genderquake* and *The Circle* alongside format innovations such as *Peng Life* and *Married to a Paedophile*.

The Circle asked provocative questions about modern identity, how we portray ourselves and how we communicate through social media. With 108 cameras, it was the biggest fixed-rig, fast-turnaround show on British TV and was Channel 4's most popular new factual entertainment series for young viewers in 2018.

It became our youngest profiling show since 2012, with a 49% profile of 16-24-year-olds, and it was also the biggest new original commission launch on demand since 2012, with over ten million views.

We also took an unvarnished look into the British penal system in *Prison*, and explored the current UK housing crisis by following intrepid Liverpool homebuyers in *The £1 Houses: Britain's Cheapest Street*.

Channel 4 News delivered several agenda-setting stories across 2018, including the extraordinary undercover investigation into Cambridge Analytica, about the harvesting of the data of millions of people's Facebook profiles for political purposes. This story dominated headlines across the world and wiped \$38 billion off Facebook's value (see case study, p97). The programme also covered in depth the scandal of the Windrush generation; and continued coverage of Brexit, with Channel 4 running an updated Leave/Remain poll of the UK public and holding a live Brexit debate.



The 'social experiment' has been one of the standout TV shows this year."

The Guardian, on *The Circle*



Comedy

It was a bumper year for comedy on Channel 4, putting it at the heart of our schedules with great success.

Our edgy, irreverent comedy has always been one of the defining flavours of the channel, from *Comic Strip Presents* on the very first night that Channel 4 launched in 1982, through to *The Ali G Show*, *Brass Eye*, *Father Ted*, *Peep Show*, *Green Wing*, *The IT Crowd*, *The Inbetweeners* and *Catastrophe*.

In 2018, we announced an additional £10 million investment in scripted comedy and comedy entertainment, a notoriously difficult genre in which to achieve success. We aim to make Channel 4 the unequivocal home of British comedy.

Lisa McGee's award-winning *Derry Girls* supercharged our comedy slate at the start of the year and became our most successful new comedy since 2004, delivering a 23% share for 16-34-year-olds, which was up 147% on the slot average. Created in the Nations and Regions, *Derry Girls* was an overnight sensation and became the biggest series ever in Northern Ireland on any channel since *BARB* records began.

We also saw the return of Sacha Baron-Cohen to Channel 4 with his unique political satire series *Who Is America?*, which also significantly outperformed the slot average for 16-34-year-olds.

Other new comedy shows that stood out in 2018 included Desiree Akhavan's unflinching exploration of modern sexuality, *The Bisexual*, as well as Jamie Demetriou's irresistible *Stath Lets Flats*, about Britain's least successful letting agent. These complemented a range of returning comedy series, including Will Sharpe's *Flowers*, featuring Olivia Colman and Julian Barratt, and the return of hit comedy soap opera *The Windsors* with a royal wedding special.



Derry Girls



Q&A interview: with Lisa McGee, creator of Derry Girls

Q Why has Derry Girls been such a success?

A It's been massive. There has never been a comedy about Northern Ireland like this. It's always been quite dark, serious and political, so there has been a real response to having a programme showing the lighter side of things. Northern Irish people have never really seen themselves reflected in this way before!

It also shows young female characters who feel real and who are allowed to lead, be ruthless and awful. We don't often see young women portrayed like this, and one of the great things about Channel 4 is that they're not afraid of stuff like that.

Q What has been your experience of working with Channel 4?

A I've had a positive experience, and I have a good relationship with Channel 4. Particularly in Comedy: I feel like they are genuinely interested in hearing about places and characters that we don't see on TV that often, which have been ignored.

I've always felt supported and the most important thing, for me, is that they trust writers and their ideas. They know when not to interfere, which is what you really want as a writer – to have creative control of your work.

Q Why did you take Derry Girls to Channel 4 and not another broadcaster?

A I had done another comedy with Channel 4 previously, called *London Irish*, which was quite dark and ruffled a few feathers when it came out. It didn't land as well as *Derry Girls*, but I really loved how much Channel 4 had trusted me with it.

So I felt that Channel 4 was where I wanted to work – they trusted that I had something worth saying. It's a relationship that has existed for years. Plus, I like – and watch – the channel, which helps!



The Favourite

A strong year for film

Film4 Productions continued to develop and invest in film in 2018, working with the most distinctive and innovative talent in the UK. It was a strong year for Film4, which worked with both new and established filmmakers, alongside partners ranging from cultural organisations such as the British Film Institute through independent producers to Hollywood studios.

Film4's strategy is to back creative excellence and invest in British content and British filmmakers, enabling them to realise the vision they have for their films.

The year started with the UK release of British-Irish filmmaker Martin McDonagh's *Three Billboards Outside Ebbing, Missouri*, our fourth project with the director, following *Seven Psychopaths*, *In Bruges* and his Oscar-winning debut short *Six Shooter*. *Three Billboards* was a critical and commercial success, winning over 100 awards, including two Academy Awards and five BAFTAs, and grossing almost \$160 million at the global box office. This was our first film greenlit under Film4's expanded investment strategy, which allowed us to take a 50-50 stake alongside Fox Searchlight, and its success has enabled us to drive revenues back into the organisation. We were also delighted that Rungano Nyoni's *I Am Not A Witch* won the all-important Outstanding Debut at the BAFTAs.

In May, Paweł Pawlikowski was awarded Best Director at the Cannes Film Festival for his film, *Cold War*, and continued to pick up more awards throughout the year, including three Academy Award nominations and four BAFTA nominations in January 2019. The film was released in UK cinemas in August and became the first foreign language arthouse title of 2018 to reach £1 million at the box office.

Our fourth collaboration with Oscar-winner Steve McQueen, *Widows*, received rave reviews and was selected for the Opening Night Gala of the BFI London Film Festival.

The Favourite – Film4's third collaboration with Yorgos Lanthimos, following *The Lobster* and *The Killing of a Sacred Deer* – received its world premiere at the Venice Film Festival, where it picked up the Silver Lion – Grand Jury Prize and the Best Actress award for Olivia Colman. The film, released in the UK in early 2019, also went on to win one Golden Globe for Olivia Colman as Best Actress and seven BAFTAs in 2019, including

Outstanding British Film of the Year, Leading Actress for Olivia Colman, Best Supporting Actress for Rachel Weisz and Best Original Screenplay. Colman was also crowned Best Actress at the 2019 Academy Awards.

Other Film4-backed films released in UK cinemas in 2018 included: Clio Barnard's *Dark River*, Andrew Haigh's *Lean on Pete*, Bart Layton's *American Animals*, Mike Leigh's *Peterloo*, Michael Pearce's *Beast* (which won an Outstanding Debut BAFTA for Pearce), and Lynne Ramsay's *You Were Never Really Here*.

Film4 has a strong slate for 2019, including both new and established filmmakers with distinctive stories that aim to resonate with UK and international audiences. In addition to Yorgos Lanthimos's *The Favourite*, other 2019 UK releases include Asif Kapadia's *Diego Maradona*, Stephen Merchant's *Fighting With My Family*, Chris Morris's *The Day Shall Come* and Sarah Gavron's latest feature film.

Films still in production include Coky Giedroyc's adaptation of Caitlin Moran's bestseller *How To Build a Girl*, Armando Iannucci's *The Personal History of David Copperfield*, Justin Kurzel's *True History of the Kelly Gang* and Michael Winterbottom's *Greed* – as well as four features from first-time film directors.



If I could make movies with Film4 from here till the cows come home, that would be my preference. I cannot speak more highly of them – they are creative, local and have brilliant taste."

Bart Layton, Director of *American Animals*



Three Billboards Outside Ebbing, Missouri



Film4 have been incredibly supportive all the way through my career. Long may that relationship continue."

Lenny Abrahamson, Director of *The Little Stranger*

144

new and one-off
programmes were shown
(between 6pm and
midnight) (+24%)

915m

programme views initiated
on All 4 (+26%)

36th

Channel 4 is ranked the
36th biggest social media
brand in the world

Our remit encourages us to push creative
and commercial boundaries, taking risks
and experimenting in ways that other
broadcasters do not or cannot.

Innovation

Innovation takes a number of forms. It drives our
commissioning decisions and creative strategy,
leading us to take more risks with new programme
ideas to find winning formats and programmes.
And it informs how we use technology to reach
audiences and encourages us to find new
commercial approaches.

In 2018, we remained at the cutting edge of
innovation in the media sector, experimenting with
new programme formats to produce fresh, original
and accessible content, forging new commercial
partnerships to ensure we remain competitive, and
harnessing technology so that we continue to best
serve and reach audiences.

2019 ambitions

- 1 — As part of our 'one show, many platforms'
strategy, we will shape shows with digital as
well as linear expression from the first point
of commission.
- 2 — We will use our new Digital Creative Unit in
Leeds to experiment with new, future talent and
ideas on social platforms, taking Channel 4 to
new audiences.
- 3 — 2019 will also see us create more space and
investment in risky and innovative programmes,
such as a bigger and bolder second season of
The Circle and more experimentation with
virtual reality.





Technically outstanding, truly innovative and utterly coherent."

Broadcast, on *Married to a Paedophile*



Married to a Paedophile

Programme innovation

Throughout the year, Channel 4 focused on taking risks and innovating its schedule. As well as refreshing and updating much-loved programmes, we brought hundreds of new shows to the screen in 2018. By the nature of innovation, some programmes attracted fewer viewers than we had hoped for – while others are on track to become hits.

On the main channel, in the evening period when most people are watching (between 6pm and midnight), Channel 4 showed 144 new and one-off programmes. This is more than the other commercially-funded public service broadcasters, ITV (104 programmes) and Channel 5 (128 programmes).

We developed new ideas and formats to introduce more innovation into our schedule with programmes such as *The Big Narstie Show*, *Genderquake: The Debate*, our fly-on-the-wall documentary *Inside the US Embassy* and our ground-breaking Prison documentary series.

Tapping into the world of fan-generated content, *The Real Football Fan Show* brought the stars of YouTube's ArsenalFanTV format onto Channel 4 in a late-night slot. The programme is unique in that it provides an authentic voice for real fans in a TV landscape that is dominated by pundits, professional comedians and former football players.

We also worked with other YouTube talent, helping them make their TV debuts throughout the year, for example with Elijah Quashie and Peng Li.

A highly innovative take on storytelling, *Married to a Paedophile* was a 90-minute film following two families as they deal with the shock, trauma and stigma of a family member being convicted of possessing indecent images. This documentary, directed by Colette Camden and produced by Brinkworth Films, went on to win Broadcast's Best Original Programme Award in 2018.

With these families living under the constant fear of vigilante attacks, we devised an innovative technique designed to protect their identities. The documentary was originally recorded as an audio documentary, using the real voices of families affected by men convicted of the crime. Actors were then cast to lip sync the audio precisely – including every breath, every swallow – over these recordings for the film.

It combined the emotional intensity and intimacy of documentary with the heightened aesthetic of drama. Despite its length and challenging subject matter, the innovative film performed well, ranking in the top ten most successful true crime and factual drama documentaries we have shown in the last three years.

The Circle



New reality show *The Circle* has proven a hit with viewers who have called it 'perfect' and 'powerful'."

The Sun

1 in 5

viewers have changed their social media privacy settings after watching *The Circle*

75%

of viewers agreed *The Circle* felt new and different to other reality TV shows

The Circle

Ground-breaking reality gameshow *The Circle* is a prime example of an experimental, innovative series on Channel 4.

Produced by Studio Lambert with Motion Content Group, and launched in August, *The Circle* is the first reality show where players communicate via a social network. Contestants living in separate apartments in a single building play games and chat with each other through a unique voice-activated social media platform.

The players were observed by 108 fixed-rig cameras – the biggest rig on British television ever. They rate each other frequently, unpopular players are 'blocked' and, ultimately, the most popular player wins a cash prize.

It was a genuine risk for Channel 4 to take on this innovative new reality format, and the series struck a chord with young viewers, who were utterly gripped by the set-up in which drama and relationships unfolded on screen between players who never met.

The Circle was Channel 4's most popular new factual entertainment series for young viewers in 2018, proving a hit with critics and young audiences on social media alike.

With an average of 49% profile of 16-24-year-olds, it was Channel 4's youngest profiling show since 2012. And on All 4, *The Circle* was the biggest new original commission launch since 2012, with over ten million views.

Viewers appreciated its distinctiveness and learnt useful lessons about trust and privacy online. Three-quarters agreed that *The Circle* felt new and different to other reality TV shows (rising to 84% of 14-19-year-olds). Seven in ten viewers said the series made them think differently about who to trust on social media, and one in five claimed to have changed their privacy settings on a social media account since watching the show. Following the programme's success on Channel 4, Netflix has bought the format for the rest of the world.



The Circle

Innovation (continued)

All 4 continued to punch above its weight in video-on-demand (VoD) and grew faster than the market thanks to its unique mix of live TV, catch-up TV, box-sets and programming from partners such as VICE and Walter Presents.

Our online platform All 4 had its best year ever in 2018. Viewing on our apps and platforms increased by 26% to reach a record 915 million views over the year.

This increase in streaming views is the highest year-on-year growth in percentage terms since 2010; while in absolute terms, this year's increase – of 187 million views – is the largest annual rise since Channel 4 began reporting this metric in 2008. This strong performance is important as audiences – especially young people – are increasingly turning to on-demand services for content.

All 4's popularity has been driven by a mixture of expert curation, catch-up programming following a strong linear schedule and exclusive programming, such as *Community* and *Dawson's Creek*. Our large collection of box-sets – a mixture of archive (such as *Friday Night Dinner* and *The Inbetweeners*) and exclusive content (such as *90210*) – was also a huge draw. We also made improvements to our products, including the All 4 app.

First-run catch-up programmes accounted for nearly half of total views on All 4 across 2018. *Hollyoaks* was the biggest title of the year, followed by *Celebs Go Dating* and *The Great British Bake Off*. Our new reality formats, *The Circle* (see case study, p59) and *Five Star Hotel*, also landed well – over half of the 16-34-year-old viewing volume to these shows was on All 4.

We also recorded our best-ever drama launch with *Kiri*, with 1.9 million catch-up views of the first episode, and our best-ever comedy launch with *Derry Girls* – which attracted a staggering six million views in the first 30 days and a further four million after this initial catch-up window.

The Courtney Act Show



Repeats and the Channel 4 archive accounted for more than a third of our total views. While most of the top 20 titles were unchanged in 2018 compared to 2017, reflecting the enduring value of classic Channel 4 shows, more people watched more programmes.

The average monthly number of logins grew by 35% in 2018 to an average of 4.8 million users. Nearly 20 million people are now registered with All 4, including approximately 70% of all 16-24-year-olds in the UK.

Walter Presents, our curated channel dedicated to quality foreign language programming, also had a strong year with steady growth. The service now includes 80 titles from almost 20 countries, and its library features around 900 hours of curated content, including French crime drama *Killer By The Lake*, haunting German legal thriller *Shades of Guilt*, compelling Norwegian thriller *The River* and Swedish action crime thriller *Alex*.



4.8m

average monthly viewers (+35%)

First Dates



All 4+ trial

In 2018, we launched the trial of a paid-for service on All 4, to test viewer response and functionality of a video-on-demand service without ads.

All 4+ launched as a beta test with an invited sample group in December. The test forms part of our strategy to increase investment in All 4 and to compete against large digital players.

The results of the beta test are being evaluated in 2019 and will help to inform the future strategic development of the service.

915m

programme views on All 4
(+26%)

19.6m

registered All 4 users (+14%)

Innovation through partnerships

Experimenting with innovative content partnerships featured strongly in 2018 for Channel 4 on our linear channels as well as our on-demand platform All 4.

In September, we announced that Channel 4 and Sky had agreed a bold and innovative cross-platform deal between a public service broadcaster and pay-TV platform. Channel 4 will show highlights of Formula 1 races, with the British Grand Prix shown live on both Sky Sports F1 and Channel 4. This ensures that the 2019 Formula 1 Championship and the British Grand Prix remain available on free-to-air television for UK viewers.

The partnership also saw the first season of the Sky original production *Tin Star* air on Channel 4. In exchange, Sky and Now TV subscribers are being given access to a variety of Channel 4 and Walter Presents content packaged as box-sets, including *No Offence*.

This collaboration was the first of its kind in the UK, benefiting viewers and strengthening the ecosystem of UK broadcasters and British originated content.

Another standout partnership of 2018 was the exciting and innovative partnership that All 4 signed with digital media company VICE in August, which bolstered our video-on-demand offer significantly.

The partnership led us to create a VICE-branded hub on All 4; the first time we have hosted content from a non-Channel 4 brand. More than 900 hours of new and old VICE long-form content – previously only available on subscription TV services – have been added onto All 4 for viewers to watch for free.

The programming includes documentary series *Hate Thy Neighbour*, *Needles and Pins* and *Gaycation*, fashion series *States of Undress* and a current affairs and news strand. As part of the partnership, the All 4/VICE box-sets are also pushed on all of VICE's social media platforms.

TESTIMONIAL

"The partnership has been a true collaboration across our brands, resources and creative that has enabled us to raise awareness of the VICE brand and to bring new audiences to the All 4 platform.

"Channel 4 has been the ideal platform for VICE, given our shared sensibilities for bold, experimental and creative content to engage young audiences. We are looking forward to working together to further expand our partnership."

CJ Fahey, General Manager, VICE TV and Studios EMEA



Payday

Reaching audiences on social media

Channel 4, E4 and All 4 experienced strong growth on social media, resulting in Channel 4 being ranked the 30th biggest social brand in the world at the end of 2018.

This is ten places higher in the rankings than in 2017 and is higher than much bigger organisations such as Netflix, Amazon, ITV and Sky and higher also than key challenger brands such as VICE.

While the UK media market's social performance increased by 7% year-on-year in 2018, the Channel 4 portfolio grew by 40% – and E4 alone by 160%. As a portfolio, our brands achieved in excess of ten billion views in 2018, up 40% against 2017.

This success is crucially important in showing that Channel 4 can engage with younger audiences in new ways – 87% of our social media audience is aged under 35. Our youth-focused channel E4 also became the biggest Facebook page by any UK broadcaster, overtaking BBC News in March 2018. Since then, it has grown each month and, by December, was three times bigger than the next biggest competitor page, BBC One.

Channel 4 News also continued to be one of the UK's biggest video news brands on social media in 2018. More than 1.5 billion minutes of Channel 4 News, Dispatches and Unreported World was viewed on YouTube and social media.

Channel 4 News also announced a partnership with Facebook to produce a news show, *Uncovered*, exclusively for Facebook Watch. The ten-minute show will focus on a single international issue each week, going beyond the headlines to tackle stories that often go unreported.

In addition, Channel 4 News launched a podcast in 2018. *Ways to Change the World*, presented by Krishnan Guru-Murthy, features hour-long conversations with high-profile guests to explore "the big ideas influencing how we think, act and live". A hit with audiences, it was included in Apple's UK 'Best of 2018' podcast list.



Diversity and innovation in advertising

From experimental production techniques and programme formats, right through to ground-breaking advertising breaks and commercial firsts, innovation runs through the Channel 4 business.

In 2018, we worked with several major advertisers to create innovative ad breaks that celebrated diversity in unique, engaging ways.

A strong example of this is our partnership with Nationwide Building Society, Maltesers and McCain to broadcast a primetime ad break takeover to take a stand against online abuse.

The takeover, which was broadcast in September during the first episode of the new series of *Gogglebox*, adapted the brands' original adverts to include examples of real online abuse that the diverse contributors had received. This was amplified with visual effects – such as mould, a cracked screen and digital distortion – designed to replicate what it felt like for those on the receiving end.

We also teamed up with eight organisations to mark International Day of Persons with Disabilities and the worldwide #PurpleLightUp campaign in December, which sought to celebrate the economic contributions made by disabled people.

Employees from BT, HSBC UK, Lloyds Banking Group, Lloyd's of London, Nationwide Building Society, Reed Smith, Scope and Virgin Media – plus Channel 4 – appeared in the film to give insight into the extra worries that they have to cope with. Broadcast throughout the weekend and International Day of Persons with Disabilities, the innovative partnership encouraged businesses to help disabled people find careers in which they can thrive.

For the third year, we ran our £1 million Diversity in Advertising Award, this year inviting agencies to create a campaign challenging ingrained gender stereotypes and the objectification of women. The Royal Air Force and Engine won the £1 million of commercial airtime, with their advert airing in February 2019.



Unreported World



3rd

Channel 4 is the third most popular UK TV channel for 16-34-year-olds (=)

15.9%

portfolio viewing share among 16-34-year-olds (-3%)

4.8%

viewing share for E4 among 16-34-year-olds (-9%)

Young people are at the heart of Channel 4. More than any other PSB, our programmes resonate strongly with younger audiences, reflecting their lives and interests and helping them to develop the life skills they need.

Young people

2019 ambitions

- 1 — We will focus on delivering more broad-reaching – yet young-skewing – originated programmes on Channel 4, experimenting with riskier content in late-night slots, as well as pursuing high-volume, scalable shows with a young appeal.
- 2 — We will also renew our commitment to E4 through an additional £10 million investment that will be used for genres including Comedy Entertainment, and broadening E4's editorial base.
- 3 — From late 2019, our Digital Creative Unit will also be able to experiment with commissioning content for young people on social platforms.

More than ever in 2018, our focus has been on maintaining and growing our connection with young people – an increasingly hard-to-reach audience, as young viewers move towards on-demand content and platforms. Across all our output, our alternative and unique approach to subjects appeals strongly to young audiences and our programmes tend to focus on themes that are particularly relevant to young people.

In line with our new strategy, which sets out young people as a key priority, our approach – to offer experimental, educational and entertaining programmes – results in disproportionately strong viewing figures relative to other public service broadcasters.

This is felt particularly strongly with Channel 4's factual programmes, which accounted for seven out of the top ten factual entertainment shows among young audiences in 2018, and with *The Great British Bake Off*, which attracted higher figures and share amongst 16-34-year-olds than any other series.

Engaging young audiences is a core part of our remit. We work hard to commission programmes that appeal to 16-34-year-olds, an increasingly hard-to-reach audience as young viewers migrate towards on-demand content and platforms. Across our 2018 slate, our returning series proved the most popular programmes for young people.



The Great British Bake Off

Viewing among 16-34-year-olds was particularly strong in Factual genres this year. For the second time running, seven out of the UK's top ten factual entertainment programmes were shown on Channel 4.

In 2018, *The Great British Bake Off* was Channel 4's biggest show for young people, with a share up 146% against the slot norm, and is often watched together by young people with their family. Indeed, *The Great British Bake Off* reached more 16-34-year-olds (6.8 million) than ITV2's *Love Island*.

Overall, the programme was the second most-watched by young people across all public service broadcasters, with an average of 2.4 million young viewers, second only to ITV's *I'm A Celebrity, Get Me Out Of Here* (which averaged three million viewers aged 16-34). *Celebrity Hunted*, our first series that saw celebrities go on the run, also performed brilliantly with 16-34-year-olds, with a share up 129% against its average slot time.

Channel 4's viewing share among 16-34-year-olds was 15.9% in 2018 across our TV channel portfolio. This is 0.5 percentage points down on 2017, but our share of 16-34-year-olds is still more than 50% higher than our all-audience share. We are the only public service broadcaster to attract significantly greater viewing among 16-34-year-olds than across the general population.

15.9%

Channel 4's viewing share among 16-34-year-olds in 2018 (-3%)

7.5%

Channel 4's share of 16-34-year-olds (=), making it the third most popular channel for young people

Boosting E4

2018 saw Channel 4's Head of Programmes, Ian Katz, unveil his new creative strategy which included a bigger focus on young viewers: creating more programmes that resonate with younger audiences – and giving it to them where they want it.

E4, which is already one of the strongest youth brands on linear TV, is at the heart of this. In addition to TV, E4 has the potential to be an even more powerful youth brand across on demand and social media.

As part of the strategy, we announced an additional £10 million to E4's budget, with an emphasis on reality and factual entertainment originations, and we also appointed a new Controller of E4, Karl Warner, who joined in June 2018.

E4's performance was strong at the beginning of 2018, with a 7% increase in viewers year on year, thanks to the launch of *Young Sheldon* – E4's best-performing broadcast of 2018 and E4's best ever new comedy launch for both individuals and 16-34-year-olds – and strong performances by *Celebs Go Dating* and *Brooklyn Nine-Nine*.

However, the channel's performance was impacted later in the year, resulting in E4's viewing share falling by 0.4 percentage points overall in 2018, to 4.8%. This was due to a combination of factors, including Sky's decision in May to move E4+1 on the Sky electronic programme guide – from a position of 138 to 235, decreasing the channel's prominence and resulting in a drop-off in viewing – and very strong competition from the *World Cup* on BBC and ITV and ITV2's *Love Island* across the summer. E4's share was also affected by lower ratings for some of its long-running titles.

Turning to the future, E4 will be the main focus of our efforts to grow young share directly, while on Channel 4 our emphasis will be on reaching younger viewers through broad, popular shows at 8pm and 9pm, as well as spikier, younger programmes at 10pm.



Young people (continued)

Hollyoaks: Tackling young people's mental health

Hollyoaks, our flagship soap, has aired on Channel 4 since 1995 and continues to be the youngest-skewing soap on British television.

56% of its audience are 34 or under (compared to 23% for *Eastenders* (BBC), 18% for *Coronation Street* and 15% for *Emmerdale* (both ITV)). Running at five episodes a week, it is one of our most popular and enduring shows. The series performed strongly in 2018, seeing its share grow by 3% for all individuals and 8% for 16-34-year-olds, compared to 2017.

As well as providing entertaining storylines that appeal to young viewers, Hollyoaks has a proud track record of delivering impactful, important public service messages to this core audience on challenging social issues. In 2018, a number of powerful storylines tackled self-harm, abuse, bulimia and schizoaffective disorder among others, and we worked closely with mental health charities.

Alongside its mental health storylines, Hollyoaks ran an awareness campaign in 2018 called 'Don't Filter Feelings', in which the cast and production revealed their own battles with mental health illnesses and how opening up about it has helped them. In recognition for the campaign's success, Hollyoaks received a 'Making a Difference' award at the 2018 Mind Media Awards.

Due to the success of the cross-platform campaign, the Hollyoaks team was invited to the House of Commons to talk about the show's work on mental health for young people – with Luciana Berger MP, former Shadow Minister for Mental Health, naming herself as 'MP for Hollyoaks' due to the work that the show has done to campaign for better mental health support.



Ten days into the year and Hollyoaks has chucked down the gauntlet to the rest of TV. Top that! I honestly think that at this point in time, that such a challenge is unbeatable."

Metro

TESTIMONIAL

"The issues that Hollyoaks deals with act as a prompt for that first conversation. This responsibility plays a really important part in deciding what stories we tell and critically, how we tell them.

"Yes, it's a soap and it's entertainment – but it's also educational. It's relevant and reflects the lives that young people lead today. A lot of the issues that we tackle are often the first time that they will have encountered the topic. It instigates discussions that allow the younger audiences to learn, explore and establish their own opinion."

Claire Poyser, Managing Director, Lime Pictures

Reaching older children

Appealing to older children (10-14-year-olds) and young adults is an important part of our slate. In 2018, our strategy was to provide programmes that reflect their lives and interests, but which also have a popular mainstream appeal.

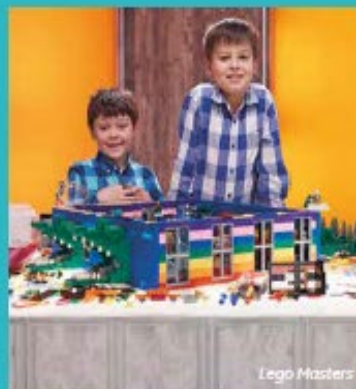
This has proven to be very successful, with original, high-quality programmes that enable children to see their lives reflected on screen and helping them to better understand the world around them.

A prime example of this is *Lego Masters*, which sees pairs of children use Lego to build intricate Lego masterpieces. The series – which combined a strong appeal to children with a broad appeal to Lego lovers of all ages – returned to Channel 4 at an 8pm slot for a second year, following its success in 2017.

The series averaged a 20.2% share of 10-14-year-olds. And with a profile of 17%, *Lego Masters* achieved our biggest children profile for a series in primetime since *Rock School* in 2005 (17.4%). In terms of overall viewing numbers, the five-episode series was ranked as Channel 4's third-biggest series of 2018 for children aged 10-14-year-olds, after *The Great British Bake Off* and *The Great Celebrity Bake Off for Stand Up to Cancer*.

Other content in our schedules with proven appeal to children included *The Secret Life of 5 Year Olds*, *Goggles*, *The Island with Bear Grylls* and *Hunted*.

Alone at Home was a four-part factual entertainment series that questioned to what degree modern parenting styles prepare children for adulthood (it achieved a 15.2% share of 10-14-year-olds). *The Class of Mum and Dad* saw parents return to primary school to experience what school is like for their 11-year-old children (9.6% share of 10-14-year-olds). And in *Spying on My Family*, members of one family were able to see into every corner of each other's lives, with cameras tracking their every move and with every social media post and text message laid bare (8.0% share of 10-14-year-olds).



The Class of Mum and Dad

Educational content

We have an important role to play in providing educational content to young people, exploring issues that matter to them in entertaining and engaging ways.

Our educational content was successful at reaching young people aged 14-19-year-olds. This year saw the return of our successful drama series *Ackley Bridge*, about a new academy school that merges the lives and cultures of a community (which reached 15.7% share of 14-19-year-olds).

We also sought to represent the experiences of teens in *My F-ing Tourette's*, a documentary which told the story of two boys living with Tourette's Syndrome, and *Indian Summer School*, a new Factual Entertainment series in which five white, working class British boys who have failed their GCSEs were given a second chance when they took part in a study programme at the world-famous Doon School in India which has an exam pass rate of 100%.

We also found ways to explore big issues relevant to teen identity in programmes such as *Genderquake: The Debate*, which explored a major issue affecting young people – gender identity.

Inclusion and diversity (continued)

Through the programmes that we commission, we aim to entertain our audiences while also showcasing Britain in all of its brilliant diversity. This leads us to showcase exceptional talent drawn from the widest talent pools from across the UK.



What Makes A Woman?

2018 was a strong year for inclusion and diversity at Channel 4. Programmes such as *Derry Girls* and *The Big Narstie Show* have demonstrated that diverse themes can generate great success and *The Great British Bake Off* has illustrated the power of ensuring that inclusion and diversity run through our biggest shows.

Across all of our 2018 programmes, we showed 260 hours of originated programmes on the main channel that specifically covered diverse content – from religion to multiculturalism, disability and sexuality. This was up 3% on 2017.

All of our genres played a role in presenting a modern, diverse Britain on screen, including: Sport (*PyeongChang 2018 Paralympic Games*, *Superhero Triathlon*); Entertainment (*The Last Leg*, *The Big Narstie Show*, *The Courtney Act Show*); Documentaries (*Trans Kids: It's Time To Talk*, *Genderquake*, *What Makes A Woman?*); Drama (*Ackley Bridge*, *Hollyoaks*); News and Current Affairs (*Unreported World*, *Supershoppers*); Factual Entertainment (*The Undateables*, *Gogglebox*, *Riot Girls*, *Peng Life*) and Specialist Factual (*Random Acts*, *Superkids: Breaking Away from Care*, *The Secret Life of 5 Year Olds*).

A record 89% of our programmes met our Commissioning Diversity Guidelines, which set genre-specific diversity targets on and off screen. This is the highest level we have achieved since we introduced the guidelines four years ago, and reflects an increase in on-screen diversity across all programme genres. This has also resulted in more people from diverse backgrounds working behind the camera, on programmes such as *The Secret Life of 4 and 5 Year Olds*, *Ackley Bridge*, *The Undateables* and our *First Cut* documentary strand. In addition, we achieved 100% subtitles across all linear channels, leading the way in our provision of access services.

Our programmes also appealed to diverse audiences, with many attracting disproportionately high shares of BAME viewing. Factual Entertainment programmes had a particularly strong pull for our BAME audiences, including *Indian Summer School* (17.5% BAME viewing share vs 6.5% share for all individuals), *Liam Bakes* (11.6% BAME share vs 5.4% share for all individuals) and *Jimmy and Jamie's Friday Night Feast* (15.2% BAME share vs 7.4% share for all individuals).

89%

of programmes met our
Commissioning Diversity
Guidelines in 2018



The Secret Life of 5 Year Olds: All Girls

#vote100

To mark the centenary of British women being allowed to vote, we launched a 'Celebration of Women' season in February, which reached 8.3 million people or 13.9% of the TV population.

This kicked off with Channel 4 screening Film4 Productions' *Suffragette* – which was up a notable 106% for female viewers – followed by a *Secret Life of 5 Year Olds: All Girls* special episode and a repeat of Clare Balding's *Secrets of the Suffragette* documentary. *The Last Leg* also held a 'Suffragette' special, which attracted 1.7 million viewers and won its 10pm slot for 16-34-year-olds.

Film4 also hosted a month-long 'Phenomenal' film season to celebrate the achievements of women both in front of and behind the camera – titles included *The Dressmaker*, *Lucy* and *The Other Woman* – and reached 12.8 million people. And our digital platform All 4 also created four 'Celebration of Women' collections, featuring programmes directed by women and featuring women in lead roles, which totalled 4.3 million views across February.

The season was very well received, with 71% of viewers agreeing that this is just the type of programming that Channel 4 should be airing.

Genderquake

Our Genderquake season featured ground-breaking programmes that examined the gender debate – from feminism, gender privilege and sexual violence to gender identity and gender fluidity.

At a time when issues of gender and gender identity are highly charged and hotly debated, this collection of entertaining, thoughtful and provocative programmes featured a broad range of inspiring people, who added their varied and informative voices to the wider debate.

The season kicked off with *Genderquake*, a two-part factual entertainment series looking at gender fluidity and attitudes to gender among a group of 11 young people.

In her first UK documentary, *What Makes A Woman?*, model and activist Munroe Bergdorf explored gender dysphoria and identity as she underwent life-changing surgery.

We also held a studio discussion, *Genderquake: The Debate*, which was chaired by Channel 4 News' Cathy Newman and featured a wide-ranging panel of guests – including Munroe Bergdorf, feminist and academic Germaine Greer and US television personality and Olympic gold medal winner Caitlyn Jenner – who offered a variety of perspectives on what gender means in 2018.

The season challenged and inspired viewers. Reaching 4.5 million people, or 7.4% of the TV population, the programmes elicited a positive viewer reaction. Eight in ten agreed that *Genderquake* succeeded in stimulating open discussion around the subject of gender identity.

Half the audience claimed that prior to watching *Genderquake*, they felt gender fluidity was a taboo issue, suggesting that the programme has helped break some social taboos. Three-quarters of *Genderquake* viewers also felt that programmes like these can have a positive impact on those confused about their gender identity – and 70% agreed that programmes like *Genderquake* help overcome prejudice.

Genderquake



Changing the public's view of disability

Channel 4's coverage of Para sport has played a key role in changing how people view disability, with millions of viewers tuning in to watch the PyeongChang 2018 Winter Paralympic Games.

Despite a time zone difference that meant much of the action took place in the small hours of the day, PyeongChang 2018 was successful at attracting viewers both across our live coverage and in our primetime evening highlights programming.

Coverage of the Games benefited from a first-class line-up of diverse commentators led by Clare Balding, Lee McKenzie and double Paralympic gold-winner Jonnie Peacock in Channel 4's purpose-built snow centre at The Snow Centre in Hemel Hempstead, as well as Ade Adepitan, Sophie Morgan and Arthur Williams presenting live in PyeongChang. The Snow Centre's ski slope was also used to demonstrate the classifications and the skill required by Britain's Paralympians to compete.

Adam Hills, Alex Brooker and Josh Widdicombe returned with three special editions of *The Last Leg* during the Games, providing their unique take on the Games and celebrating the Paralympians' extraordinary achievements.

Our coverage was well received by the UK public, with the Games reaching a total of 11.9 million people, equivalent to 19.8% of the TV population.

This had a positive impact on how people view disability, with just under 80% of viewers agreeing that Channel 4's coverage of the Games made them think about the challenges facing disabled people in a different way – and 53% felt it challenged their existing perceptions of disability and what it means to be disabled.

It also helped to create more open discourse around disability, with over half (53%) of viewers saying they felt more comfortable talking or asking questions about disability as a result of watching the Games. Overall, eight in ten viewers said that there should be more programmes on TV that feature people with disabilities.

PyeongChang 2018 Winter Paralympic Games



Since London 2012, Channel 4 continues to rewrite the global blueprint for how a broadcaster should cover the Paralympic Games.

Whether it's developing disabled on- or off-screen talent, producing international award-winning promotional campaigns or the in-depth and widespread coverage itself, every broadcaster around the world wants to know what Channel 4 is doing because it is regarded as the world leader."

Andrew Parsons,
President, International Paralympic Committee

Boosting off-screen diversity

Throughout the year, we worked with diverse, new and emerging companies and talent – with a focus on creative diversity of supply, both regionally and culturally.

We funded a series of targeted Progression Bursaries in 2018 to support mid-career talent across our content and build sustainable careers for talented individuals in the freelance population. This included talent from BAME and working class backgrounds as well as people with disabilities.

For example, these placements supported talented development producers with disabilities to work with existing suppliers to boost the pipeline of innovative diverse ideas.

We continued to work with the directors on our Spotlight on Directors initiative, supporting them throughout their placements and into their onwards journeys in 2018. Through the initiative, which first launched in 2017, we have worked with more than 40 directors – both established and emerging, across all of our content – to expand diversity of thought in TV.

Our Creative Diversity team continued to support Channel 4's independent suppliers to deliver the requirement of the Commissioning Diversity Guidelines. The guidelines set genre-specific, on- and off-screen diversity targets for production companies working with Channel 4. In 2018, the percentage of programmes that met these guidelines was as its highest ever at 89%. This reflects an increase across all genres, particularly in Factual.

Through our long-running series *Location, Location*, we supported a Runners' Scheme – a major new point of entry for working class and BAME talent in Scotland.

We used our D.I.V.E.R.S.E Festival to launch a campaign to boost the profile of Project Diamond, the pan-industry monitoring system. Our in-house creative team, 4Creative, designed a Diamond Champion character who was the face of a social media and marketing campaign.

Our diversity work – both on screen and off screen – was also recognised with a Broadcasting Press Guild Award for Innovation.



TESTIMONIAL

"Spotlight on Directors has continued to make a big contribution to my career. They introduced me to the sports production company Whisper Films and funded trips to Belgium and Malaysia for me to shadow the regular director on the Grand Prix weekends. I learned the setup of the shows before directing some practice sessions and have since directed the Italian Grand Prix shows from Monza, Italy this year.

"If diversity in directing is ever going to improve, it is essential that major broadcasters and production companies take action and actively look to provide opportunities that are otherwise very difficult to obtain.

"Initiatives like Spotlight on Directors are essential if new directors are going to have an opportunity to break into the industry, particularly the under-represented."

Jan Genesis, Spotlight on Directors participant who, since participating in the scheme, has gone on to direct the pilot for comedian Mo Gilligan's upcoming new series and has also progressed to working in a wide range of new entertainment shows.

86

hours of PyeongChang
2018 Winter Paralympic
Games on Channel 4

11.9m

reached – equivalent to
19.8% of the TV population

Inclusion and diversity (continued)

Inclusion and diversity within Channel 4

Diversity is at the heart of everything we do, including our own workforce. 2018 was a strong year for Channel 4, as we developed a new inclusion and diversity strategy.

The change in leadership at Channel 4, with CEO Alex Mahon joining in late 2017, provided us with a prime opportunity to consider our approach to diversity and how we measure progress in the future.

We will have a renewed focus with inclusion at its core – where everyone is treated with respect and dignity and ensuring that everyone can participate fairly and equally. This environment allows everyone to be the best they can be and for the business to fully unlock its creative potential.

To help drive this, we have also appointed a new Head of Inclusion and Diversity, Yasir Mirza, to lead this work. And our five employee resource groups – The Collective, 4Mind, 4Pride, 4Purple and 4Women – are now well established and empowered to advise the business on change, with each group having an Executive sponsor, broadening accountability.

Beyond the strategy, throughout 2018, we have continued to champion diversity through a multitude of business activities.

We held our Annual Diversity Lecture in Parliament in May, which garnered significant media coverage. The keynote speech was delivered by television personality and Olympic gold medal winner Caitlyn Jenner, who shared her story as a trans woman. We also launched our 360° Diversity Charter – Three Years On report at the event, which outlined our achievements in diversity in the previous year.

Our third D.I.V.E.R.S.E. Festival was in Glasgow, also in May. This brought together gamechangers from the worlds of media, politics, professional services, music and the third sector. Speakers included Scottish First Minister Nicola Sturgeon, trans model and activist Munroe Bergdorf, SB.TV founder Jamal Edwards, and others.

Genderquake: The Debate



Meanwhile, Ofcom's 2018 Diversity in Broadcasting Report showed that we continue to lead in many areas of diversity, particularly our work on disability.

Across 2018, among our employees, we increased our proportion of BAME staff to 19.0%, and remain on track to hit our 2020 target of 20%. We grew our proportion of disabled employees to 11.5%: with this figure, we are proud that we have not only met but almost doubled our 2020 target of 6%. And we grew the proportion of LGBT employees to 7.3%, meaning we have already met our 2020 target of 6%. The proportion of female staff, meanwhile, held steady at 56.0% (well above the proportion of women in the population).

We published our gender pay gap for the first time in 2018, setting out the difference in average hourly pay between men and women at Channel 4. Our first report showed that in 2017, we had a mean gender pay gap of 28.6%.

By increasing the number of women in senior positions, we achieved a reduction of one-fifth in 2018, to 22.7%, bringing us closer to our target of 50:50 gender balance among the top 100 earners by 2023. Our 2018 Pay Report also included BAME pay data; this showed a pay gap of 19.1%, alongside our strategy for reducing the BAME pay gap.

Between programmes, we also continued to work with advertisers on diversity. A prime example of this is a campaign against online abuse, run with Nationwide, which was extremely well received by the viewing public and triggered a positive debate around diversity (see case study on p63).

RISE

We launched our Women's Development Programme for Channel 4 employees, called RISE, in 2018. The programme is one of the key actions that we have put in place to enable our female employees to develop and grow into senior roles across the organisation, while creating real and sustainable cultural change within Channel 4.

Launched in September, in partnership with consultants Shine For Women, the programme has already supported the development of more than 200 women at all levels of Channel 4 by giving them training and support to ensure that they feel energised about furthering their careers and reaching their full potential.

Feedback has been widely positive, with eight in ten attendees saying that they have a better sense of how they can use their strengths for the future, and a similar proportion saying that they feel ready to stretch out of their comfort zone.



Socioeconomic diversity

Improving the socioeconomic diversity of Channel 4 and ensuring that the organisation is open to people from all backgrounds is a key tenet of our Inclusion and Diversity Strategy.

In 2018, we published research that analysed the socioeconomic make-up of Channel 4 and the production companies that we work with, which has greatly contributed to the industry debate.

The research, conducted by leading academic Sam Friedman of the London School of Economics, showed that Channel 4 is less socially inclusive than we would like it to be – only 9% of people across Channel 4 and our independent production partners came from a 'working class' background.

The results also highlighted that it is harder for working class employees to progress into management positions than their middle class counterparts. This is partly due to a culture of sponsorship, in which people help others from similar backgrounds up the ladder, and partly because television operates a series of behaviour codes that can be invisible to those from different social classes. LSE named this as "studied informality".

In response, we launched a number of new measures to help tackle this, including new outreach programmes across the UK, a new apprenticeship scheme to people without degrees and paid work experience in London and the Nations and Regions.



On The Edge: A Mother's Love



£489m

invested in originated content from British producers (~4%)

£186m

spent on production companies based in the Nations and Regions (~1.5%)

154

independent TV production partners across our commissions in TV, film and digital media out of 274 suppliers (~10%)

Supporting creative businesses across the UK is what we're here to do. Our work and impact can be felt across the UK.

Supporting creative businesses

2019 ambitions

- 1 — We will continue to continue to support production companies across the UK, with a host of regionally-produced programmes.
- 2 — We will deliver on our commitments set out in the Creative Contract, to be the most responsive, clear and collaborative partner for indies.
- 3 — Our Indie Growth Fund's focus will turn to investing in independent production businesses in the Nations and Regions as well as BAME and digital businesses.

As a publisher-broadcaster, we commission all our programmes from others, investing hundreds of millions of pounds into the UK creative landscape and working with hundreds of independent production companies across the country.

We're proud to play a unique and influential role in the UK's creative economy. This is not just helping to bring creative ideas to life: it's about supporting the sustainable growth of small and medium-sized enterprises (SMEs) across the country. The economic and cultural legacy that we're creating will last long into the future.

What's more, we're committed to being the best partners for production companies to work with. Our new Creative Contract is intended to strengthen the genuine creative partnership between Channel 4 and the production industry, helping the UK's creative businesses and those who work across all parts of the industry to flourish and achieve global success.

The Great British Bake Off

Supporting creative businesses (continued)

We nurture and bring to fruition new creative and digital ideas, and in the process we drive economic growth, create jobs and support hundreds of SMEs across the UK.

£489m

in originated content from British producers

59%

of all first-run originations were from suppliers in the Nations and Regions

Our publisher-broadcaster model is unique among public service broadcasters in that everything we air on our portfolio of TV channels is commissioned from external production companies. Since our launch in 1982, we have commissioned from a huge range of independent production companies across the UK, and our renewed ambition in the coming years is to support and build a sustainable production sector outside London as we deliver our '4 All the UK' plan.

In 2018, we worked with 274 companies across our portfolio, investing £489 million in originated content from British producers. The independent producers that we work with retain the secondary rights to the programmes that they create (beyond Channel 4's first-run window). This gives our investment a multiplier effect, whereby our production partners can go on to monetise content in secondary markets, generating additional revenue streams for the sector.

We invested £186 million in programmes from the Nations and Regions, £3 million less than in 2017. While this was 1.5% down on last year's record figure, it is still higher than in any year prior to 2017 and is £37 million above its 2015 level. For the sixth successive year, more than half of all first-run originations were from suppliers outside of London (59%, up two percentage points year-on-year). Regional indies continue to deliver successful returning hits, including our biggest single commission *Hollyoaks* (Liverpool's Lime Pictures), *A New Life in The Sun* (Leeds' True North Productions), *Kirstie and Phil's Love It Or List It* (Glasgow's Raise the Roof Productions), *Extreme Cake Makers* (Cardiff's Boom Cymru TV) and many more. Some of our most significant new commissions this year came from indies in the Nations and Regions, including *My Family Secrets Revealed* (Northern Ireland's Big Mountain Productions), *Lee and Dean* (Letchworth Garden City's Bingo Productions) and *Britain's Most Historic Town* (Glasgow's IWC Media). We also changed the end credits of our programmes to highlight where in the UK the programmes were made, helping to showcase the national and regional diversity of the British independent production sector.

Our investment in programming made in the Nations and Regions isn't just about economic impact – just as important, it is also integral to ensuring that on screen we reflect a wide range of voices, experiences and stories drawn from across the UK.

For example, *Derry Girls* – which became Channel 4's biggest comedy launch since 2004 and the biggest series in Northern Ireland since modern records began – is a new comedy set in the early 90s during *The Troubles*. The comedy, which also received funding from Northern Ireland Screen, was a commission for Hat Trick Productions and has been a showcase of creative talent from Northern Ireland, entirely set and made locally. Awarding it the Best Comedy Programme of 2018, Broadcast highlighted its "authentic depiction of everyday life" as well as being "full of laughs".

Our most popular returning series also reflect British diversity. *The Great British Bake Off* showcased bakers from across the country: Bristol, County Tyrone in Northern Ireland, Leeds, London, Newport in Wales, Rotherham, Sheffield, the West Midlands and West Yorkshire. And each episode of *Gogglebox* features families drawn from a range of locations across the UK, including Caerphilly, Dorset, Bristol and the Wirral.

Our regional impact extends to film. *Peterloo*, directed by BAFTA-winning director Mike Leigh, was released in 2018 and tells the story of the infamous 1819 massacre at a peaceful pro-democracy rally at St Peter's Field in Manchester. The film was shot across a range of historical locations, from Lincolnshire to West Yorkshire and further afield, with many local talent cast as extras. The Film4-backed film's UK premiere was held in Manchester as part of the BFI London Film Festival – the first time that the festival has premiered a film outside of London.



It's a tremendous opportunity [for Derry] to be on primetime Channel 4. Plenty of other cities and towns would give their right arm for the opportunity. Another upside is that other writers and artists from within this city can use this as a great platform."

Mark Durkan, former SDLP MP for Foyle

Expanding outreach in the Nations and Regions

While much of the focus on Channel 4 outside of London this year has been on the search for new creative bases, the dedicated Nations and Regions team continued to deliver best-in-class development funding, outreach, skills and training from their existing Glasgow office.

The Nations and Regions team is a strategic arm of the Commissioning division, whose purpose is to help companies across the country access Channel 4's Nations and Regions spend as we move rapidly towards our voluntary 50% target.

This work is particularly aimed at small and emerging businesses, prioritising strategic input and partnerships, to help them win commissions and protect the Channel's 'diversity of supply' remit.

With the number of Nations and Regions companies that the department worked with tripling in 2018, the team was increased to five so they could expand the reach of their operations.

The number of out-of-London engagement events grew for another consecutive year, to 25, but more importantly involved not just Commissioners but other vital contacts at Channel 4 as well, including the Growth Fund, Legal and Compliance, and Commercial Affairs departments. Within this expanded outreach, the team also ran a new programme of networking opportunities for freelancers.

The '4 All the UK' pitch process of 2018 saw a galvanisation of creative partnerships in cities across the UK, and one of the Nations and Regions team's key pieces of work is to continue dialogue with these cities, exploring how Channel 4 can work more closely with each region to develop the creative sector and new talent across the UK on a long-term basis, to best achieve sustainable growth towards our 50% target.

To that end, one of the first strategies delivered by this team in November 2018 was for Northern Ireland. At the Belfast Media Festival, Deputy Head of Programmes Kelly Webb-Lamb announced that Northern Ireland would see a presence from Channel 4 every week, once the relocation phase is complete. She also promised £100,000 in Alpha funding would be ring-fenced for Northern Ireland-based companies and announced two brand new fully-funded, entry-level placements in Belfast and Derry.

Finally, the Nations and Regions team spent £385,000 through our Alpha Fund to provide development and talent progression funding to four independent production companies in Wales, five companies in Northern Ireland, five in the English regions and six in Scotland.



**We always want
to be the place
that takes risks
on ideas where
others wouldn't."**

**Ian Katz, Director of
Programmes, Channel 4**

A new Creative Contract

To foster clearer and more collaborative relationships with our indie partners, in 2018 we unveiled a Creative Contract that sets out the ways in which Channel 4 and the production community interact.

As the creators of all the content that we transmit, the relationship between Channel 4 and producers is at the heart of our success. We want to strengthen our creative partnerships – so they are empowering, collaborative and candid. To that end, we produced a new Creative Contract to spell out how we want to work together.

Channel 4's Creative Contract includes five practical commitments. These cover: how we respond to ideas, how we make decisions, a commitment to expediting editorial specifications and contracts, offering training to new and existing Commissioners, and sharing more audience insight and performance data with producers.

While our new comprehensive training scheme will enable new Commissioners to hit the ground running, we are also introducing bespoke training for existing teams in the interests of continual improvement.



Targeted investments

Our two main investment funds – the Indie Growth Fund and Commercial Growth Fund – support UK business growth through their targeted investments. Channel 4 now has 24 active investments.

The Indie Growth Fund has a remit to stimulate growth in the indie sector, investing in early stage production companies across the UK. This fund is now four-years-old and the existing portfolio continues to perform well.

The £20 million fund has invested in 14 companies, realising three exits so far: True North Productions was sold to Sky in 2017; Renowned Films, a BAME-led production company, was sold to Critical Content, also in 2017; and Arrow Media's management team bought back its shares from Channel 4 in May 2018. The fund also saw one of its investments, Popcorn TV, cease trading in March 2018 due to market volatility.

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.

The Commercial Growth Fund was launched in 2015 and invests in high-growth digital consumer businesses, offering media airtime in exchange for equity. To date, this fund has completed 14 equity investments and had a balance sheet value of £16 million at 31 December 2018.

In 2018, Commercial Growth Fund investments included: Festicket, a festival discovery and ticketing business; Rated People, a lead generation marketplace for tradespeople and homeowners; online property estate agent Emov; and CrowdCube, the UK's leading equity crowdfunding platform. The increase in the fund's value was offset by fair value losses that relate to trading issues experienced by some of the fund's investments.

TESTIMONIAL

"The Nations and Regions team have helped True Vision Yorkshire immeasurably over the last year. We were very fortunate to be selected to take an investigative journalist who is part of the Channel 4 Journalism Training Scheme, and he has already helped in securing key commissions for Channel 4."

"We also have received Alpha funding at a very crucial time for us in terms of our development strategy. We have some significant commissions on our plate for Channel 4, both in Documentaries and Current Affairs for the years 2019-20, which is incredibly exciting."

"What I have really valued about the Nations and Regions team is that they have been brilliant at supporting and encouraging a small indie to believe in itself and help us to be strategic about what we do."

Anna Hall, Creative Director,
True Vision Yorkshire





Derry Girls

683

young people attended
C4 Pop Ups (+11%)

66%

of our work experience
cohort came from outside
of London (+30%)

16

young people were
funded through
our Production
Training Scheme

Identifying and supporting both emerging and established talent – across TV, film and digital media – is a vital part of our role. This extends from on screen to off screen, as well as in-house at Channel 4.

Talent

2019 ambitions

- 1 — In 2019, we will refresh and diversify on-screen talent, including several new, popular shows by a range of up-and-coming presenters.
- 2 — We will continue to invest in developing new writers and directors, including through an ambitious new trainee director scheme in Documentaries and our 4 Writers scheme in Drama.

Nurturing talent ensures that our output stands out in a crowded market and bringing new faces to TV strengthens our appeal to younger audiences. This plays a particularly important role when global streamers invest mostly in established talent.

We are committed to ensuring that people from different backgrounds and walks of life can successfully pursue careers in the media industry, helping to foster the UK's vibrant and innovative television and film sectors.

We invest significantly in talent and skills development initiatives within Channel 4 through our production partners, and by supporting cultural and educational institutions, to help people 'get in' and 'get on'. From the earliest stages of the career ladder, through to working with talent as they progress during their careers, we work hard to develop long-lasting relationships with a shared success.

Talent (continued)

From discovering and championing new talent to helping established talent move in new directions, Channel 4 is committed to forging long-term relationships with people on screen, off screen and in-house.

While familiar and well-loved faces were back on Channel 4 with a number of returning programmes, we also had a renewed focus on finding and developing fresh talent in 2018. The diversity of our output allows us to experiment with ideas and programmes, working with writers and indies to bring new ideas to life.

The year started very strongly, with acclaimed playwright and screenwriter Jack Thorne (*National Treasure*, *Harry Potter* and *The Cursed Child*, *This Is England* '86 and '90) returning to Channel 4 with a powerful and compelling new four-part serial drama, *Kiri*. We have a long history with Jack Thorne, having helped to launch his TV writing career with *Shameless* and *Skins* on Channel 4.

Set in Bristol, and telling the story of an abducted young black girl, *Kiri* was Channel 4's highest-rating original drama ever and the second part of Jack Thorne's Channel 4 trilogy examining the state of our nation (the first part, *National Treasure*, appeared in 2016).

Kiri is a good example of new and established talent working together. It was nine-year-old Felicia Mukasa's first big role – she was spotted for the role when a casting director attended one of her drama classes – and starred alongside BAFTA and RTS award-winner Sarah Lancashire (*Happy Valley*, *Coronation Street*, *Last Tango in Halifax*).

We also made significant strides in championing and developing new and diverse talent in 2018. *The Big Narstie Show* (see case study, right), presented by Big Narstie and Mo Gilligan, was widely credited as ground-breaking – its share of young viewers was 68% above slot average and up 129% for BAME viewers.

Elijah Quashie's TV career also began on Channel 4 in 2018 with *Peng Life*, a Factual Entertainment review show which saw Quashie and two friends test out some of the most deluxe experiences that money can buy – which attained a BAME share 81% above slot average.

Other new talents included Maya Jama and Alice Levine, who fronted our biggest young profile show, *The Circle* (see full case study on p59), as well as AJ Odudu, who featured in an authored programme about her personal journey to Nigeria to find a husband.

We also saw the fearless and taboo-breaking comedy *The Bisexual* land on our screens, written, directed by and starring Desiree Akhavan (see interview, p88), who appeared alongside Maxine Peake and Brian Gleeson.

Film4 Productions continued to support British talent in 2018, backing critically acclaimed and award-winning work from new and noted filmmakers, many of whom enjoy ongoing relationships with Film4. British-Irish filmmaker Martin McDonagh returned with the BAFTA and Oscar-winning *Three Billboards Outside Ebbing, Missouri*, his third feature film that we have backed. Clío Barnard's *Dark River* was her second film developed with and supported by Film4.

I Am Not A Witch's writer and director Rungano Nyoni also won the prestigious 2018 BAFTA Award for Outstanding Debut. Our long-standing collaboration with Mike Leigh continued with *Peterloo* – the 11th film of his we have backed. And the critically acclaimed *Widows* continued the relationship between Film4 and Steve McQueen which has spanned all four of the director's feature films.



I love Film4! After I made *The Arbor*, I was invited in by them and just asked what I wanted to do. I've been very nurtured and grown by Film4 – in a very thoughtful and caring way. Just brilliant."

Clío Barnard, Director of *Dark River*



“

This is a show that you wouldn't get anywhere else. It's a breath of fresh air; it's introducing you to two new presenters on your TV, a musician and a comedian. We're not TV presenters. We're just two guys giving the nation a really funny TV show."

Mo Gilligan, *The Big Narstie Show*

The Big Narstie Show

A hit in 2018, *The Big Narstie Show* saw grime musician Big Narstie co-host the late night entertainment show alongside stand-up comedian Mo Gilligan, crystallising Channel 4's commitment to bringing more diverse and emerging talent to a nationwide audience.

The anarchic studio series, from Expectation and Dice Productions Entertainment, featured a range of celebrity guests and musical performances alongside straight-talking segments on the news of the week, TV, showbiz, trends and laugh-out-loud sketches. Guests across the first series included Ed Sheeran, David Schwimmer, Thandie Newton, Richard Ayoade and Craig David.

Giving Big Narstie and Mo Gilligan their own show was a success with hard-to-reach audiences. It was 94% up on share of 16-24-year-old viewers, 129% up on share for BAME viewers and 144% up on share for black audiences.

The Big Narstie Show will return for a second series in 2019, and Mo Gilligan has also been commissioned for a new six-part comedy entertainment series of his own.

Q&A interview:
Desiree Akhavan,
writer and director,
The Bisexual

Q Why did you take the concept of *The Bisexual* to Channel 4?

A Channel 4 has been the home of shows that have inspired me over the years: *Peep Show*, *Smack the Pony*, *Catastrophe*. It was clear from the moment I moved to the UK that Channel 4 was the only home for a series like this one, that takes huge risks and looks unlike anything else out there. I never felt censored by the network – the question was always: are we taking this as far as it can go?

Q Why did you want to write a story about bisexuality?

A I wanted to make this show because it was something I'd never seen before, a sex comedy from the perspective of a bisexual woman. I thought the subject matter lent itself well to the episodic format, where we could raise a lot of questions and introduce characters that represented various perspectives.

Q Do you feel that the storylines of bisexual people are under-represented on TV?

A Yes, definitely. I've never seen bisexuality at the forefront of the conversation.

Q The crew was female heavy; how important was it to have a cast and crew that was inclusive and diverse?

A It was always important to me that people making the show reflect the show itself, so it made sense that the makeup of the crew was predominantly female and queer.

Q What did you hope people would take away from the series?

A I made it to feel less alone and I hope that it does that for others. I also want to humanise a marginalised community that you rarely hear from. Mostly, I hope it makes you laugh and feel and question some of your own fears/prejudices.

Q Finally, what was your experience of working with Channel 4?

A It's been an incredibly positive experience. I've found my collaborators at Channel 4 to be very smart, creative and generous.

“looks unlike anything else”



Talent at Channel 4

Uncovering hidden talent is about more than looking in different parts of the country. It means opening up opportunities to groups traditionally under-represented in the media industry and the wider jobs market. This is a core to our remit but it will also ensure our continued creative and commercial success.

Social mobility is at the heart of our talent strategy. This is divided into three strands: early outreach, 'getting in' and 'getting on'. For these strands to work, it is essential both to raise awareness of opportunities among young people and then to ensure that they can use those opportunities to further their careers.

We published the findings of our social mobility research, conducted by Sam Friedman from the LSE, in 2018. This looked into the socioeconomic background of people working at Channel 4 and in the wider production industry (read more about the research on p77).

Over the last several years, we have run a number of industry-leading schemes tailored to early outreach. For the fourth consecutive year in 2018, Channel 4 ran a series of Pop Ups in cities across the UK – this is a national outreach programme of skills workshops and challenges, which enable us to delve deeper into a variety of communities across the UK, searching for hidden young talent and the 'unusual suspects', connecting with people who may not have considered a career in the media industry before.

This year's Pop Ups were held in Dundee, Liverpool, Nottingham, Sunderland, Swansea and Wolverhampton. They focused on giving attendees tangible career advice and support in applying for roles within Channel 4.

For the first time, the Pop Ups also delivered two employability sessions, aimed at younger audiences recognised as being the furthest away from employment in their cities. A total of 683 young people attended our Pop Ups in 2018 – the highest number yet. Of these, 55% were from socially-mobile backgrounds (more than double our target), 19% of attendees identified as BAME, 19% as LGBT and 13% as disabled.



Random Acts

Our Work Experience Scheme provides training and hands-on experience of working in a team at Channel 4. This attracted 2,675 applications in 2018 and we offered 65 work placements across the year. Of these, 86% of places went to people from outside of London, who we supported financially during their placement. We also held a Work Experience Day in our Manchester office, which attracted 20 attendees who were considering a career in TV ad sales.

We also continued our partnership with the Royal Television Society, offering support and funded placements for talented engineering and computer science graduates from low-income backgrounds to consider a career in TV. In 2018, we ran a summer tour to invite students to visit Channel 4 for hands-on workshops helping them to understand how we use data and the role of cyber security in the work environment. We also gave a candidate an eight-week placement in our Data Analytics team.

The cornerstone of our 'getting in' strategy is our Apprenticeship Scheme. Apprentices spend 12-24 months attached to one of our departments in London, Manchester or Glasgow working on a range of in-depth projects that count towards their Level 3 or 4 qualification. In 2018, we welcomed seven young apprentices, out of a pool of 1,146 applicants.

We also funded 16 young people through our Production Training Scheme, a 12-month salaried training programme where we place trainees at independent production companies. Of these 16 places, 11 were with companies based in the Nations and Regions, in Brighton, Bristol, Cardiff, Glasgow, Leeds, Manchester and Plymouth. Of our trainees graduating in 2018, an impressive 94% are now working full-time in the industry, including at production companies such as Nine Lives, Firecrest Films and Lime Pictures.

Educational partners

We continued to support budding investigative journalists in 2018. We have now trained over 50 journalists through the Dispatches Investigative Journalism Training Scheme since we launched it in 2010, and these have come from a wide range of backgrounds.

The scheme offers an opportunity for people with solid professional experience to transfer their skills and experience to work in investigative broadcast journalism.

We have trained 16 advanced journalists on the senior scheme, which helps people to make the jump to produce and direct their own current affairs documentaries.

2018 saw the second cohort of graduates of the MA degree in Investigative Journalism, which we set up in partnership with De Montfort University in Leicester. Twenty graduates have passed through this MA in two years, many of whom have secured journalism jobs, including one, Hamza Syed, joining *This American Life* (one of the most prestigious shows on American public radio, and the makers of the podcast *Serial*).



TESTIMONIAL

"The TV industry is notoriously hard to get into. The Production Training Scheme is shaking up the TV industry by opening access for people from BAME, disabled, LGBTQ+ and under-represented backgrounds. "The support that Channel 4 offers to trainees is incredible. There is a genuine interest in the development of our careers. It has given me a unique opportunity and I've come away with fantastic skills, advice, lessons and great industry connections – as well as my first TV credit!"

Yasmin Ali, Production Trainee in Leeds

Unreported World



683

young people attended a Channel 4 Pop Up in 2018 – a new record

55%

of attendees were from socially-mobile backgrounds

170

mentees have been supported
through the Commissioning
Mentor Network

Professional development

Our off-screen talent is as important as who appears in front of the camera. Directors, producers, writers – all play their part in turning great ideas into brilliant original content.

Our commissioning teams work closely with independent production companies to source and cultivate diverse new talent. A number of schemes help us to identify and provide a platform for future talent, such as our Comedy Blaps (Comedy), First Outs (Documentaries), Random Acts (Arts) and 4Screenwriting (Drama) – these schemes help new talent to flourish and discover a path to making great TV.

On the production side, our Commissioning Mentor Network focuses on identifying diverse rising stars. The network helps to elevate them to more senior posts in commissioning and production, both at Channel 4 and within the independent production community. This has created a pool of diverse talent: since launching in 2015, we have matched 170 mentees through the network. In 2018 alone, as well as managing existing members, we matched 49 new mentees, brought 20 new commissioners into the network and ran four induction sessions.

Our Creative Diversity team also runs a development programme, the Alpha Fund, to assist start-ups, BAME-led and regionally based companies, as well as projects with diverse content or talent attached. In 2018, over £385,000 was spent by our Creative Diversity team through this fund, supporting companies across the UK.

Through these bespoke talent initiatives, we continue to develop a strong pipeline of talent, supporting Channel 4's success as well as that of the wider UK creative sector.

Flowers



Random Acts

71%

of viewers said that Channel 4's factual programming has inspired change in their lives (+6%)

91%

of Channel 4 News viewers regard it as independent from the government (+7%) and 88% regard it as independent from big business

In a rapidly changing world, Channel 4 continued to play a crucial role in provoking debate, inspiring change and telling stories from contemporary Britain.

Social change

In News and Current Affairs, we produced bold, impactful, high-quality investigative journalism that held others to account, while also continuing to deliver long-form programmes in peak-time and forging connections with young people through digital platforms.

Looking outward, we explored life inside the secretive North Korea, uncovered a global sex abuse scandal and continued to shine a light on the plight of the Rohingya people in Myanmar.

Closer to home, across a mix of genres – including Factual, Documentaries and Current Affairs – we provoked debate and offered a platform for alternative views. At its most impactful, our content exposes the truth and acts as a powerful catalyst for social change.

2019 ambitions

- 1 — Our programmes will challenge orthodoxies and we will double down on our remit, exploring hard-hitting issues through programmes that say something significant about Britain. Big contemporary issues include social mobility, gender and sexuality, and the housing crisis.
- 2 — As Britain navigates through political uncertainty, our award-winning News and Current Affairs teams will continue to hold those in power to account and tell the full story at home and further afield.

Grayson Perry: Rites of Passage



91%

of regular Channel 4 News viewers regard it as independent from the government

Channel 4 News



7.4m

viewers watched Channel 4 News each month in 2018

Telling the full story

Channel 4's distinctive approach to news and current affairs – in terms of the form and subject matter of our programmes – allows us to provide alternative views and stimulate debate, particularly among younger viewers.

Channel 4's flagship *Channel 4 News* is the only hour-long news programme in peak-time on the main PSB channels. This extended running time enables us to tell the full story from multiple angles and in more depth. In addition to linear programmes, *Channel 4 News* also significantly expanded its digital presence in 2018.

Throughout the year, *Channel 4 News* provided its distinctive take on the news, offering in-depth analysis that stood out from the mainstream. We held the powerful to account – most notably Facebook's CEO Mark Zuckerberg, who was put in front of a US Senate enquiry following our extraordinary undercover investigation into Cambridge Analytica, which dominated headlines at home and abroad (see case study, opposite).

This story helped us to grow our reputation as being independent from government and big business. A huge 91% of regular viewers of *Channel 4 News* regarded it as being independent from the government – this is a seven percentage-point jump on 2017 and is the first time any broadcaster has scored higher than 90% on this metric since it was first reported in 2009.

88% of regular viewers of *Channel 4 News* also agreed that it is independent from the influence of big businesses. Again, this is a record score – a full ten percentage points more than our previous high of 78% in 2017.

On average, 7.4 million viewers watched *Channel 4 News* each month, down 9% year-on-year due to a number of factors including change in TV viewing habits, our overall reach being down, increased competition from other news programmes and 'Brexit fatigue'. The news programme has a particular appeal to young adults, with 16-34-year-olds making up 12% of viewers, more than any other public service broadcaster. The programme also performed well among BAME groups, who accounted for 15% of viewers.

Some of the fall in linear viewing was offset by the very strong performance of *Channel 4 News* online. *Channel 4 News* has continued to record strong growth online, led by younger viewers. The programme achieved 113 million video views on YouTube in 2018 (up 107% year-on-year), of which 64% came from 13-34-year-olds. Total watch time also grew significantly, by 250% in 2018 to 650 million minutes. The brand now reaches over two million UK 16-34-year-olds on YouTube every month (watching for over five minutes on average).



This is fantastic journalism. Hats off to *Channel 4 News* for lifting the lid and digging deep."

Stewart McDonald MP

Data, democracy and dirty tricks

Channel 4 News' story of the year was its award-winning undercover investigation into Cambridge Analytica and its ties to social media giant Facebook.

In March 2018, working in close partnership with *The Observer*, the *New York Times* and journalist Carole Cadwalladr, a whistleblower revealed to *Channel 4 News* how UK data firm Cambridge Analytica secretly campaigned in elections across the world. Bosses were filmed talking about using bribes, ex-spies, fake IDs and sex workers to further their clients' ambitions.

Misappropriating data from an estimated 87 million Facebook accounts, the firm targeted British and American voters through fake advertisements on the social network to seek to influence how they voted in elections, including the Brexit referendum and the US presidential elections.

Our investigation had huge immediate – and real-world – repercussions. Alexander Nix, Chief Executive of Cambridge Analytica, was suspended as a result of the exposé. The UK's Information Commissioner obtained a search warrant for Cambridge Analytica's London premises. Facebook lost \$36 billion in market value and the company announced it would change the way that it shares data with third-party applications. The Electoral Commission and the House of Commons DCMS Select Committee opened investigations. And Mark Zuckerberg, Facebook's founder and CEO, was called to appear before the US Senate's Commerce and Judiciary committees to discuss data privacy on the social network. The repercussions of this investigation continue to play out, with further ongoing public inquiries around the world into Facebook's activities.

Channel 4 News was recognised for its work on the investigation in the 2018 British Journalism Awards, jointly winning the Investigation of the Year prize with *The Observer*. Judges noted: "This was a fantastic example of a collaborative investigation. Both organisations showed long-term commitment to this story and both made a contribution appropriate to the genre they were working in."



Channel 4 News

Social change (continued)

At home and further afield

Our flagship *Dispatches* and *Unreported World* strands investigated the things that matter to communities that are often neglected by the state and ignored by the media – both in the UK and across the world.

Dispatches aired almost entirely in a peak-time 8pm slot in 2018, bringing large audiences to its domestic and international investigations on topics such as poverty, homelessness and the British legal system. Across 21 films this year, *Dispatches* averaged close to one million viewers per episode and attracted a lot of attention in Parliament and in the wider media. For example, our *Breastfeeding Uncovered* film was screened in Parliament and our *Baby Bank* film was used by MPs to highlight the poverty crisis in the UK during a debate in Parliament.

Overseas, the *Dispatches* team exposed international scandals through impactful documentaries including Myanmar's *Killing Fields*, which provided evidence of years of repression, violence and mass murder by the Myanmar authorities against the Rohingya people, and *UN Sex Abuse Scandal*, which exposed how more than 1,700 UN peacekeepers have been accused of raping the vulnerable people they are meant to protect. Based on the evidence uncovered in this film, the UN has launched a new independent investigation and report.



Unreported World



Dispatches

Reporters from our multi-award-winning foreign affairs series *Unreported World* also uncovered stories that have been ignored by world media. *Unreported World*'s 12 films explored wide-ranging international stories including the deadly gold rush in South Africa, sex tourism in the Dominican Republic and the public health crisis caused by pollution in Mongolia.

Unreported World also joined into a unique partnership with social media and entertainment giant LADbible, helping to make our content available to a young-skewing online audience. Together, our five most-watched videos received in excess of five million views.



Prison

Countdown to Brexit

As the UK moved closer to leaving the European Union, Channel 4 commissioned a range of Brexit-related programmes in 2018 that sought to explain, uncover and challenge.

With calls growing louder for a second Brexit referendum throughout the year, Channel 4 commissioned an exclusive poll to uncover the British public's views. The survey, conducted by Survation among 20,000 people from every constituency in Britain, was the largest independent survey on public opinion on Brexit since the referendum.

The results were unpacked during a live studio discussion in November. *Brexit: What The Nation Really Thinks* was hosted by Krishnan Guru-Murthy in Birmingham – the most evenly-split city in Britain in the 2016 referendum.

The debate featured Justice Secretary David Gauke, Shadow Trade Secretary Barry Gardiner, Caroline Lucas ('The People's Vote') and Nigel Farage ('Leave Means Leave'). Pulling in 1.3 million viewers, the debate stimulated important and insightful discussion during a particularly politically-charged period.

This programme was followed up by *The Real Brexit Debate* in December. Just days before MPs were given a 'meaningful vote' on Brexit in Parliament, the live, hour-long programme brought together four high-profile politicians to debate the realistic options remaining for the UK.

In addition, Channel 4 News produced a series of in-depth, intellectually-rigorous animated videos – specifically aimed at young people – to break down the most complicated political process of their lifetime. These have performed strongly: one of the explainers is the single most-watched piece of news content about Brexit on YouTube, watched by 1.5 million people under the age of 34.

Challenging perceptions

Beyond News and Current Affairs, our other genres also helped to stimulate debate and inspire change among the British public in 2018.

My F-ing Tourette's Family, which attracted 1.8 million viewers, showed the challenges of raising a young boy with Tourette's Syndrome, helping viewers to better understand the illness and challenge perceptions.

Factual Entertainment series *Bride & Prejudice*, which looked at couples facing objections to their marriages, reached 6.2 million people and challenged perceptions: close to half of viewers said the programme had opened their eyes to modern relationships.

Our lifestyle programming also acted as a catalyst for positive change in people's lives, with a range of programmes such as *Live Well For Longer*, *Food Unwrapped*, and *Secrets of our Favourite Snacks* exploring how we can live life better.

Many of our documentaries also raised thought-provoking or challenging issues. Filmed over seven months inside HMP Durham, *Prison* offered unprecedented access and insight into life behind bars, exploring the issues faced by prisoners and prison staff, such as drug abuse, violence and mental health. The series, directed by Paddy Wivell, was our best-performing new factual and non-scripted series of 2018, with an average of 2.3 million viewers.



Food Unwrapped

Social change

(continued)

Stand Up To Cancer

Stand Up To Cancer returned to Channel 4 in October – and the RTS award-winning and BAFTA-nominated national fundraising campaign was bigger and better than ever before.

Launched in 2012, the joint national fundraising campaign from Cancer Research UK and Channel 4 raises funds for research to accelerate new cancer treatments and tests, saving more UK lives, more quickly.

Dozens of celebrities from across the worlds of entertainment, music and sport – including Michael Bublé, Emeli Sandé, James Corden, Sharon Horgan, Sting and John Legend to name but a few – took part in programming throughout the month, which culminated in a live telethon presented by Alan Carr, Maya Jama and Adam Hills.

In the run-up to the live show, we featured a line-up of celebrity-packed programming, with a number of our shows – including *Celebrity Gogglebox*, *Celebrity First Dates*, *Celebrity Hunted*, *Celebrity Island*, *The Great Celebrity Bake Off for Stand Up To Cancer* and brand new *Celebrity Call Centre* – getting Stand Up To Cancer makeovers.

A huge £24.6 million was raised for cancer research this year – the most successful campaign to date, exceeding the amounts raised over the previous six years.

Viewing also hit new records, with the combined reach of all Stand Up To Cancer programming totalling 25.2 million people, or 42% of the TV population. This is a far higher proportion of people than our 2016 campaign, which reached 18.7 million people (32% of the TV population).

Despite being a challenging watch at times, viewers recognised the importance of the programming, both in terms of its educational value and the significant funds raised on behalf of Cancer Research UK.

Nine in ten viewers agreed that the programme dealt with difficult issues in a sensitive way, and eight in ten said it made them feel like they could make a difference when it comes to combating cancer.

What's more, the programme also prompted action, with one-third of viewers stating they had donated to a cancer charity since watching. And 15% of viewers also claimed to have made a positive change to their family's lifestyle after watching *Stand Up To Cancer 2018*.

TESTIMONIAL

"Thanks to the brilliant and dedicated team at Channel 4, our Stand Up To Cancer campaign has raised over £82.9 million. Since its launch in 2012, the partnership has gone from strength to strength. The award-winning live show and special programming have proven to be a huge hit with the public, inspiring millions of people to raise money for life-saving research – including Channel 4 staff, who have raised a fantastic £200,000.

"All of this has enabled Cancer Research UK to fund 35 research trials, with another 15 projects joining the portfolio in 2019 – research that will help us to beat cancer."

Simon Harrison,
Head of Stand Up To Cancer,
Cancer Research UK

85%

of viewers said Stand Up To Cancer made them think differently about the challenges facing those with cancer

£24.6m

was raised by Stand Up To Cancer this year

42%

of the TV population watched Stand Up To Cancer programming in 2018

15%

of viewers claim to have made a positive change to their family's lifestyle after watching Stand Up To Cancer

SU2C viewing hit new records



Celebrity Gogglebox for Stand Up To Cancer

Metrics

Channel 4's commitment to innovation extends across the full range of its creative output on the main channel and digital platforms – spanning all genres, the scope and geographical spread of its supplier base, and the diversity of voices and perspectives in its content.

Innovation through content

In 2018, Channel 4's output reflected its strategy to achieve a financial surplus following two years of planned deficits during which it drew on its reserves to boost investment, inevitably resulting in some declines in volume and spend. Investment in originated and acquired content across the TV and digital portfolio totalled £662 million this year. While this is 2% less than last year, it is still the third-highest level in Channel 4's history. Expenditure on Channel 4's own commissions was £489 million in 2018: 4% below last year's record, but still higher than every previous year. At £445 million, investment on the main channel was protected (up £1 million on 2017), with the reduced content budget mostly impacting the digital TV channels and digital media, spend on which fell by 32% between them.

Channel 4 broadcast eight hours of first-run originations every day on average across the TV portfolio in 2018. This was 6% down on last year, with hours on the main channel down by 4% and those on the digital channels down by 26%, reflecting the corresponding declines in originated content investment described above. In peak-time (6-10.30pm), when TV audiences are at their highest, first-run originated programmes accounted for 73% of hours on the main channel – level with 2017 and the joint second-highest figure since 2003. Including repeats, 82% of peak-time hours were taken up with originations (one percentage point up on 2017).

Across the TV portfolio, Factual, Drama and Entertainment together accounted for 60% of the total content budget in 2018. Total spend in Factual, the biggest genre, was £222 million, and there were 1,340 hours of first-run originations. Highlights included new series *Prison* and the return of *The Great British Bake Off*. Investment fell this year, with reductions in peak-time and daytime output: volume and spend were both 13% down.

In Drama, ambitious new series included *Kiri*, while *Hollyoaks* saw its share grow by 8% amongst 16-to-34-year-olds. In total, there were 159 hours of Drama programming, 7% down year-on-year, while the budget, at £80 million, was 8% down on 2017. In Entertainment, *The Big Narstie Show* and *Stand Up To Cancer 2018* were standouts of the year. Total investment rose by 6%, to £91 million, though Daytime cuts meant that volume was 16% down, at 463 hours. Three other genres saw movements of more than 10% in their budget. Spend on Comedy rose by 21% to £32 million; its expanded slate included acclaimed new series *Derry Girls*. Education was up 70%, to £17 million, with a longer run for *Ackley Bridge* and a *Genderquake* season. And spend on programmes for Older Children was also up, by 16% to £8 million, with new series such as *Class of Mum and Dad*.

Innovation through diversity

As the only PSB that commissions solely from external suppliers, Channel 4 continued to provide vital support for the UK's production sector in 2018. It spent £440 million on first-run external commissions on the main channel, equal with 2017. The digital channels were more affected by the reduction in the content budget: spend was 31% down, at £38 million. Across the TV portfolio, these figures give a total spend of £478 million, 4% down on 2017. Channel 4 worked with 274 creative partners across its commissions in TV, film and digital media this year, 11% down on 2017. Of these suppliers, 34 were new to Channel 4, a 29% decline. As well as the smaller content budget, these falls were due to a shift in All 4's strategy towards acquiring third-party content with similar brand values to Channel 4, resulting in fewer online suppliers.

Channel 4's commitment to regional diversity is reflected in its commissions from across the Nations (Northern Ireland, Scotland and Wales) and the English Regions. In 2018, 59% of hours of first-run originated programmes on the main channel came from suppliers based outside London, two percentage points more than in 2017 and the fourth consecutive year that this figure has risen. In expenditure terms, 45% of Channel 4's investment in first-run originated programming on the main channel came from out-of-London suppliers; after two previous annual increases, this figure held steady this year. Across the TV portfolio, Channel 4 spent

£186 million on programmes from production companies based outside London, marginally down (by 1.5%) on last year's record figure. £33 million of this total came from companies based in the Nations. This was 16% down on the 2017 figure, as cuts in Daytime affected a number of Scottish commissions.

Turning to on-screen diversity, Channel 4 showed 260 hours of originated programmes on the main channel whose subject matter covered issues relating to religion, multiculturalism, disability and sexuality. Programme highlights this year included extensive *PyeongChang 2018 Winter Paralympic Games* coverage from PyeongChang and the *Genderquake* season exploring gender roles and identities. The total included 177 hours of first-run programmes – other than 2012 and 2016, when Channel 4 covered the Summer Paralympic Games, this is the joint-highest level since Channel 4 began reporting this metric. Of these first-run hours, 62 related to programmes shown in peak-time. Looking at year-on-year trends, the volume of all originations rose slightly (by 3%), the volume of first-run originations jumped by 37%, while first-run originations in peak-time fell by 31%, due to the live coverage from PyeongChang mostly occurring in daytime.

Programming with an international theme adds another element of diversity to the schedules. There were 60 hours of first-run non-news programmes covering international topics on the main channel and in the cross-channel *True Stories* documentary strand in 2018. This was 20% down year-on-year, largely due to the decision to discontinue *True Stories* (excluding this strand, the decline falls to 3%). The TV portfolio also continued to showcase foreign language TV shows from Channel 4's Walter Presents service: the opening episodes of 11 foreign language TV series were premiered on the main channel this year, and a further eight series shown in full on the main channel and More4. Taken together, these Walter Presents programmes reached 10.4 million people in 2018, one million more than last year. Meanwhile, the Film4 channel continued to offer a diverse and international slate: 31% of its output came from outside the US, with British films accounting for 15% of total output.

Investing in innovation

Innovation through content

£662m

spent on content
across all services

Down 2%
on last year

£652m

invested in originated
and acquired
programming across
the Channel 4 TV
portfolio (all genres)

Down 2%
on last year

Investment in all content

In 2018, Channel 4's investment in content across its services fell back slightly, by 2%, reflecting its strategy to achieve a financial surplus following two years of planned deficits during which it drew on its reserves to boost investment. Nonetheless, at £662 million, its total content budget was still the third highest in the broadcaster's history. The main channel - which attracts larger audiences than any other channel or service in the portfolio - accounted for 83% of the total budget, equivalent to £548 million. The remaining 17% of investment was spent on digital services: £104 million on the digital TV channels, and £10 million on digital media, comprising Channel 4's websites, cross-platform content and investment in All 4 content, including foreign language TV service Walter Presents.

Content investment on the main channel was up 1% this year (rising by £4 million), meaning that the cuts - of £17 million in total - were shared across the digital services. Investment on the digital channels fell by £15 million (a 12% decline), while expenditure on digital media was £2 million down (20% decline). This meant that total spend across Channel 4's TV portfolio (the main channel and digital channels) was £652 million in 2018, 2% below last year's figure of £663 million.

Focusing on the TV portfolio, five big genres - Film, Drama, Factual, Comedy and Entertainment - accounted for 81% of the content budget in 2018. Two of these genres experienced year-on-year changes in investment in excess of 10%. Spend on Comedy was up by 21% (equivalent to £9 million), with the new Comedy strategy producing an increased slate that included a raft of new titles such as acclaimed series *Derry Girls* and *Lee and Dean*, along with the return of the popular *Friday Night Dinner*. Conversely, Factual was down by 12% (£32 million) as some peak-time titles - including *Eden*, *The Jump* and *Mutiny* - did not return this year, and there were also reductions in commissioned Daytime output such as *Come Dine With Me*. Of the other big genres, there were small investment increases this year in Entertainment (of £5 million) and Film (£1 million), while Drama investment fell by £7 million.

The reduction in Factual spend allowed for increases elsewhere across the schedule, and investment in all the smaller genres either held steady (in the case of News) or rose - there were no decreases. There were notable increases in spend (of more than 10%) in two genres. Education spend rose by 70% (£7 million), with *Ackley Bridge* being given a longer run in its second series, and the insightful *Genderquake* season examining gender and identity. Spend on programmes for Older Children was up by 16% (£1 million), with new series such as *Class of Mum and Dad* and a longer run for *Old People's Home For 4 Year Olds*. Other genres benefited from smaller increases of £1-2 million.

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

	Channel 4 (main channel)	Digital TV channels	Digital media (excluding main channel)	Total
2018	548	104	10	662
2017	544	119	12	675

Source: Channel 4.

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

Film	82	81
Drama	80	87
Factual	222	254
Comedy	52	43
Entertainment	91	86
News	27	27
Current Affairs	27	25
Older Children	8	7
Education	17	10
Sport	46	43

2018 (£652m) 2017 (£663m)

Source: Channel 4.

Innovation through content

73%

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

Equal
with last year

Output mix on Channel 4

Channel 4 typically premieres its original programmes on the main channel during peak-time hours (defined by Ofcom as 6-10.30pm), exposing them to the largest audiences and enabling them to have the greatest impact. In 2018, 73% of all peak-time hours on the main channel were made up of first-run originated programming. This is level with the 2017 figure and represents the joint second-highest figure since 2003. Repeats of original programming accounted for another 9% of peak-time output (up one percentage point year-on-year), meaning that originations comprised a total of 82% of peak-time hours - well ahead of Ofcom's 70% licence requirement. Channel 4's daytime schedules include a more balanced spread of originations and acquisitions, with originations representing 63% of output on the main channel across the day in 2018, level with the 2017 figure and again well above the relevant Ofcom quota (of 56%).

There was little year-on-year variation in this metric: in peak-time, there were one percentage point boosts to originated repeats and first-run acquisitions at the expense of acquired repeats. Across the whole day, within both originations and acquisitions, there were very small (one percentage point) movements from first-run programming to repeats.

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

	Originations - first-run	Originations - repeat	Acquisitions - first-run	Acquisitions - repeat
Peak (6-10.30pm)				
2018	73	9	7	11
2017	73	8	5	13
All day				
2018	30	33	0	31
2017	31	32	7	30

Source: Channel 4.

£489m

spent on originated
content across
all services

Down 4%
on last year

Investment in originated content

Channel 4 delivers its public remit primarily through the original content that it commissions and invests in. In 2018, total expenditure on originated content (first-run transmissions and repeats) across its TV channels and online services was £489 million. While this is less than the record totals in the last two years, when Channel 4 drew on its reserves to boost investment, 2018's figure - set at a level to ensure a financial surplus this year - is still 8% higher than that in 2015 and exceeds every earlier year in the broadcaster's history.

Investment on the main channel - which attracts the biggest audiences and correspondingly accounts for the large majority of Channel 4's originated content budget (91% of the total in 2018) - was maintained this year: expenditure was £445 million, an increase of £1 million. £221 million of this total was spent on News, Current Affairs, Education programming, Comedy, Drama series and single dramas (including Film4 productions), Arts and Religion (this sum 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, £39 million was spent on original content for the digital channels, and a further £5 million on digital media content (including websites and cross-platform content). With core channel investment holding steady, reductions in investment this year fell primarily on these digital services. Overall, originated content spend was down by £21 million, a 4% drop.

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

	Channel 4 (main channel)	Digital TV channels	Digital media (excluding main channel)	Total
2018	445	39	5	489
2017	444	56	10	510

Source: Channel 4.

Innovation through content

8.0hrs

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

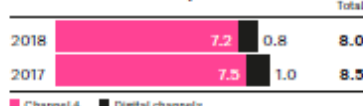
Down 6%
on last year

Originated output across Channel 4 TV portfolio

In 2018, Channel 4 broadcast an average of 8.0 hours of new commissioned programmes (i.e. first-run originations) every day across the main channel, E4, More4 and Film4. The main channel accounted for 7.2 of these daily hours (90% of the total), with the other 0.8 hours on the digital channels.

The volume of first-run originations across the TV portfolio fell by 6% in 2018, with hours on the main channel down by 4% and those on the digital channels down by 26%. These figures correspond closely to the corresponding declines in originated content investment (see 'Investment in originated content' on p109), and reflect Channel 4's prudent strategy, against a background of economic uncertainty, to achieve a financial surplus.

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



■ Channel 4 ■ Digital channels

Source: Channel 4.

Innovation through content

2,900hrs

of first-run
originations across
the portfolio

Down 7%
on last year

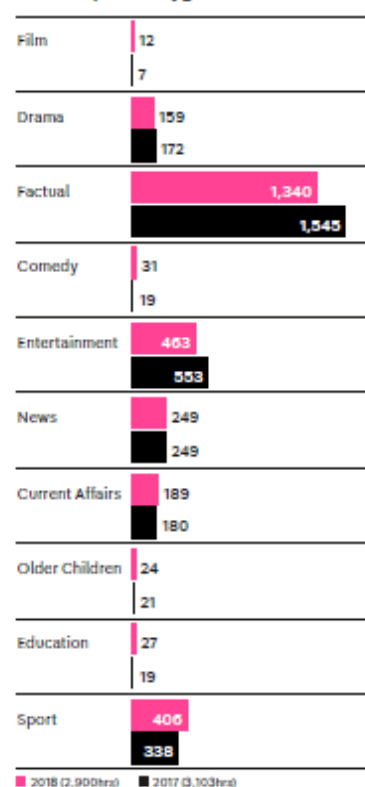
Volume of first-run originations by genre

Channel 4 broadcast 2,900 hours of first-run originated programming across its TV portfolio (main channel and digital channels) in 2018. The three biggest genres were Factual (1,340 hours of first-run originations), Entertainment (463 hours) and Sport (406 hours) – these genres together accounted for 76% of total hours. There was a 7% fall in the total volume of first-run originations this year, equivalent to 203 hours. This decline reflects the fall in originated content investment this year that follows two years when Channel 4 drew on its reserves to boost investment.

The decline in the total volume of first-run originations may be fully accounted for by a similar decline, of 205 hours, in Factual programming (13% down year-on-year). Amongst the highest-volume changes, there were fewer hours this year of *Come Dine With Me*, while other Daytime series such as *My Kitchen Rules* and *French Connection* did not return. Beyond Factual, there was a further rebalancing of output across the schedules. In the big three genres, there was also a significant decline, of 90 hours, in Entertainment programming (a 16% fall); again, the biggest changes were in Daytime, with fewer hours of *Fifteen To One* and series such as *Cheap Cheap Cheap* not returning this year. Much of this was offset by a large increase in Sport programming this year, with 68 additional hours (a 20% rise), primarily due to coverage of the PyeongChang 2018 Winter Paralympic Games and the European Rugby Champions Cup.

In the rest of the schedule, another four genres experienced year-on-year changes in investment in excess of 10%, all of which were increases. The volume of Comedy programming rose by 12 hours (a 59% rise), with the new Comedy strategy delivering an expanded slate (see 'Investment in all content' on p108). There was an additional eight hours of Education programmes (a 43% rise) and three additional hours of programmes for Older Children (a 15% rise) – again, see 'Investment in all content' for key programming changes in these genres. Film rose by five hours (an 83% jump), as six first-run Film4 Productions were premiered in 2018 compared to three in 2017; these included Sarah Gavron's *Suffragette*, Andrew Haigh's *45 Years* and Ben Wheatley's *Free Fire*. In the genres with smaller changes, Current Affairs programming was up by 5%, the volume of News held steady and Drama was down by 7%.

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



■ 2018 (2,900hrs) ■ 2017 (3,103hrs)

Source: Channel 4.

Innovation through content

Meeting Channel 4's licence obligations

Average hours per week		Compliance minimum	2018
News	In peak-time (6-10.30pm)	4	4
Current Affairs	Overall	4	6
	In peak-time (6-10.30pm)	2	3
Hours per year	Schools	1	39
Percentage			
Origination production	Overall	56	63
	In peak-time (6-10.30pm)	70	81
Independent production		25	49
European independent production		10	28
European origin		50	71
Subtitling for the deaf and hard of hearing		90	100
Audio description		10	41
Signing		5	5
Regional production		35	45
Regional hours		35	59
Production in the Nations		3	8
Nations hours		3	10

Innovation through diversity

£440m

investment in first-run external UK commissions on the main channel in 2018

Equal

with last year

Broadcasters' investment in the production sector

Channel 4 is unique amongst the main public service broadcasters in that it has no in-house production base of any kind, and is therefore required to source 100% of its original programming from external suppliers. An intrinsic part of Channel 4's model, this ensures that its investment in content provides maximum benefit to the UK's independent production sector. In 2018, Channel 4 spent £440 million on first-run originations from external suppliers for the main channel. 47% of this total was spent on qualifying independent production companies. There was another £38 million of investment on the digital TV channels, taking Channel 4's total investment in first-run originations from external suppliers across its TV portfolio to £478 million. This total is down on the corresponding figures in the last two years, when Channel 4 drew on its reserves to boost investment. On the main channel, spend was protected and equal with last year. Investment on the digital channels fell further, by 31%, resulting in an overall decline in spend across the TV portfolio of 4%.

Compared to other broadcasters, Channel 4 plays a disproportionately important role in supporting the independent production sector. Cross-industry data published in earlier years by Ofcom showed that Channel 4 consistently spends more on first-run external commissions than any of the other main public service broadcasters. Equivalent expenditure data was not available for other channels this year from Ofcom (their most recent data, for 2016, was reported in Channel 4's last Annual Report).

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

		Total
2018	440 38	478
2017	440 56	496

■ Main channel ■ Digital channels

Source: Channel 4.

Innovation through diversity

274

companies working with Channel 4 portfolio across TV, film and digital media in 2018 of which 154 were independent TV production companies

Down 11%

on last year

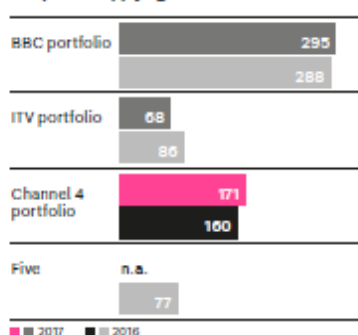
Diversity of supply base

Channel 4 punches above its weight in terms of the number of independent TV production companies that it works with. In 2017, the most recent year that comparative TV industry data is available, Channel 4 worked with 171 independent TV production companies. Only the BBC – whose TV portfolio content budget (£1.6 billion in 2017-18, according to its Annual Plan) is more than double that of Channel 4 – worked with more companies (295 in total). Channel 4 also worked with significantly more companies than ITV, which also has a much larger content budget than Channel 4 (68 companies).

According to Channel 4's most recent data, for 2018, a total of 274 companies supplied the TV, film and digital media content that it commissioned. In TV, this included 154 independent production companies (2017: 171 companies, as compared to other broadcasters above). A further 44 non-independent producers gave a total of 198 programme suppliers. In other media, there were 36 online suppliers and 68 film companies (some suppliers worked across TV, film and online). Across all types of content, 34 companies were new suppliers to Channel 4.

Looking at year-on-year changes, the principal driver was the shift in All 4's strategy to focus on acquiring long-form third-party content, rather than commissioning original short-form content. Channel 4's online suppliers declined from 84 suppliers in 2017 to 36 suppliers in 2018. TV suppliers also fell slightly across the year (from 212 to 198, down 7% year-on-year) and film suppliers reduced from 71 to 68 (down 4% year-on-year). There was also a decline in the number of new suppliers (29% down), which is also largely attributable to the shift in our online strategy. When duplicates are removed (suppliers working across more than one media), the total number of companies worked with in 2018 was 274.

Number of independent TV production companies supplying the PSBs



Source: Channel 4, Broadcast (Other channels), 2018 data not available for other PSB channels.

59%

of first-run originated programme hours

Up 2pts

on last year

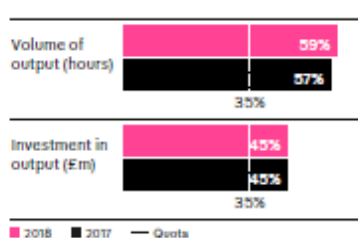
Investment in the Nations and Regions (main channel)

In 2018, Channel 4 reached its highest ever level of investment in the Nations and Regions in volume terms. It sourced a record 59% of the hours of first-run originated programmes on its main channel from suppliers based outside London. Up two percentage points on the 2017 level, this is the fourth consecutive year that this figure has risen. The proportion of programming from suppliers in the Nations and Regions is now eight percentage points higher than it was in 2014. This performance is strikingly different from that in the first 30 years of Channel 4's history: up until 2013, the proportion of out-of-London suppliers had never reached 50%.

Turning to spend, 45% of Channel 4's expenditure on first-run originated programming on the main channel was on programmes from suppliers outside London. After two previous years of increases, this figure held steady in 2018, matching the 2017 level.

Both of these figures exceed by a significant 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.

45%

of the value of first-run originations

Equal

with last year

Innovation through diversity

10%

of first-run originated programme hours

Down 2pts

on last year

8%

of the value of first-run originations

Down 1pt

on last year

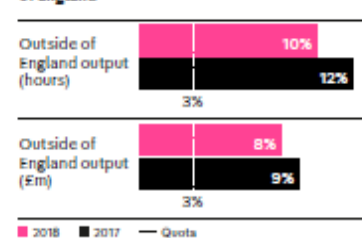
Investment in the Nations (main channel)

In 2018, Channel 4's commissions in the Nations represented just over 10% of total hours of first-run originated programming on the main channel. While this total fell by two percentage points year-on-year, it is still above the 2%-9% range achieved over the preceding decade (2007-2016). It also exceeds not only the current 3% licence quota set by Ofcom but also the increased 9% quota which comes into effect in 2020. Looking at the individual Nations, Scotland accounted for 4.8% of the total this year, Wales 4.2% and Northern Ireland 1.1%.

In spend terms, the Nations represented almost 8% of the total budget for first-run originated programmes on the main channel (with 3.3% spent in Scotland, 3.4% in Wales and 1.1% in Northern Ireland). While this is one percentage point down year-on-year, it remains at the top end of the 2%-8% range achieved over the preceding decade. Again, it exceeds Ofcom's current 3% licence quota and is just one percentage point short of the upcoming 9% quota for 2020.

Commissions from the Nations provided 238 hours of first-run programming on the main channel in 2018, 20% down year-on-year. This decline was driven primarily by cuts in Daytime which affected Scottish commissions: volume was 47% down, dropping to 113 hours (2017: 214 hours), and spend fell by 52%, from £27.4 million to £13.3 million. There were fewer hours of Fifteen To One and some shows, e.g. *Best Of Both Worlds* and (in peak-time) *Eden*, did not return. Reductions in Scotland were partly offset by increases elsewhere. In Wales, the volume of programme commissions rose by 51% to 100 hours (2017: 66 hours), while total investment rose by 53%, to £13.8 million (2017: £9 million), boosted by this year's rugby coverage, more episodes of *Extreme Cake Makers* and new drama *Kiri*. In Northern Ireland, volume was up by 40% to 25 hours (2017: 18 hours), while total investment more than doubled, rising by 107% to £4.3 million (2017: £2.1 million), with new series *My Family Secrets Revealed* and *Derry Girls*.

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



Source: Channel 4.

Innovation through diversity

£186m

spent on production companies based outside London

Down 1.5%
on last year

£33m

spent on production companies in the Nations

Down 16%
on last year

Spend by region across the Channel 4 TV portfolio

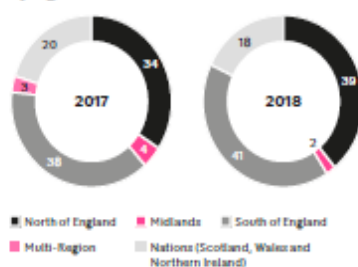
In 2018, Channel 4 spent £186 million across its TV portfolio on content commissioned from production companies based in the Nations and the English Regions. While this was 1.5% down on last year's record figure (a £3 million drop), it is still higher than in any year prior to 2017 and is £37 million above its 2015 level.

Expenditure on content from production companies in the Nations was £33 million this year, £6 million below its 2017 level (£39 million). This decline was driven by a 48% year-on-year decline in spend on content from Scotland, which fell from £27.6 million in 2017 to £14.4 million this year, primarily due to cuts in Daytime (see previous metric above). There were substantial percentage increases in spend in the other Nations. In Wales, spend was up by 53%, equivalent to an additional £4.8 million, taking this year's total to £13.8 million. Northern Ireland benefited from a 110% increase in spend, equivalent to £2.3 million, giving a total spend of £4.4 million. New programmes in the Nations this year included *Emergency Helicopter Medics* (from Scotland), *Kiri* (Wales) and *Derry Girls* (Northern Ireland).

Turning to the English regions, Channel 4's TV portfolio spend rose for the third consecutive year, to £152 million. It increased by 5%, equivalent to £7 million, relative to 2017's £145 million total. Major commissions from the English Regions this year included *The Great British Bake Off* (South of England), *Travel Man* (the Midlands), and *Countdown* (North of England). A further £1 million was spent on multi-region content in 2018, down from £6 million in 2017.

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

Percentage of Channel 4's expenditure across the TV channel portfolio outside London by region (£m)



Different voices

60hrs

of first-run programmes covering international topics on Channel 4 (excluding News) and *True Stories* across the portfolio

Down 20%
on last year

203hrs

of first-run foreign language content across the portfolio

Equal
with last year

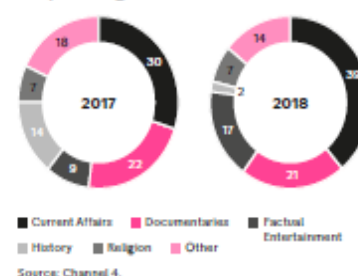
Range of international programming

Channel 4's coverage of international themes extends across all parts of the schedule, from the most vital geopolitical issues to lively authored explorations of different parts of the globe. Excluding Channel 4 News, there were 60 hours of first-run programmes in 2018 with an international theme on the main channel and in the dedicated international documentary strand, *True Stories*, which runs across the main channel and Film4. This was a reduction of 20% on last year's figure of 74 hours (a reduction of 14 hours).^{*} The bulk of this decline is due to the decision to discontinue the *True Stories* strand, which accounted for 19 hours of the total in 2017, and just six hours in 2018 (a 13-hour drop year-on-year). Excluding *True Stories*, there were 56 hours of first-run originations with an international theme this year, six hours fewer than last year (a fall of 3%).

As was the case last year, Current Affairs was the biggest single genre in 2018, accounting for 39% of total first-run hours of non-news international programming (2017: 30%). Programmes included the long-running *Unreported World* strand, along with powerful Dispatches films such as *Myanmar's Killing Fields*, in which secret recordings provided evidence of years of repression, violence and mass murder by the Myanmar authorities; *Russian Spy Assassins: The Salisbury Attack*, which explored potential motives for the poisoning of former double agent Sergei Skripal; and *The UN Sex Abuse Scandal*, a harrowing report looking at continuing allegations of sexual exploitation and abuse by UN peacekeepers. New series this year included timely looks inside major institutions in *Inside The American Embassy* and *Carry On Brussels*. Filmed over two years, *The FGM Detectives* was a hard-hitting examination of female genital mutilation, which is still practised in some communities in the UK despite being banned by the UN and World Health Organization.

The second biggest genre was Documentaries, with 21% of the total (2017: 22%). Programmes ranged from powerful series such as *Meet the Drug Lords: Inside the Real Narcos*, in which ex-Special Forces soldier Jason Fox travelled through South America revealing the brutal hidden worlds of the drug cartels, to lighter fare such as Guy Martin's travelogue *Our Guy In Russia*. With 17% of the total (2017: 9%), Factual Entertainment was the third biggest genre this year, which included *Our Wildest Dreams*, which saw British families starting over in some of the furthest corners of the planet, and the return of Richard Ayoade in *Travel Man*. In Religion (7% of the total, level with 2017), *Grayson Perry: Rites of Passage* saw Grayson travel the world exploring the rituals that govern the big moments in our lives. History programming this year (2% of the total, down from 14% in 2017) comprised *Holocaust: The Revenge Plot*, which told the remarkable story of a secret group of Holocaust survivors who decided to avenge the Holocaust by poisoning German cities' water supplies.

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



Different voices

In addition to these programmes, Channel 4's acquired TV programmes and films also include a diverse range of content from around the world. These include tie-ins with Walter Presents, Channel 4's innovative on-demand service curating the best foreign language TV shows. This year, the launch episodes of 11 series were premiered on the main channel, with viewers being pointed to All 4 to watch the rest of the series. The most popular title was Italian drama *Maltese: The Mafia Detective*, the opening episode of which attracted 513,000 TV viewers. A further eight series were shown in their entirety on the main channel and More4, of which the most popular, Swedish thriller *Rebecka Martinsson: Arctic Murders*, averaged 373,000 viewers across seven episodes. Taken together, the Walter Presents-branded foreign language dramas shown on the main channel and More4 reached 10.4 million people in 2018 (one million more than in 2017), equating to 17.2% of the population. Overall, there were 203 hours of first-run foreign language TV shows and films across the TV portfolio. After three years of significant rises, this figure held steady in 2018 (there was no change in percentage terms, though in absolute terms it fell marginally, by one hour). On the Film4 channel, a total of 796 hours of films from outside the UK and US were shown in 2018 (this figure includes first-runs and repeats, and films shown both in the English language and in foreign languages). This is a significant rise, of 14% (equivalent to 95 additional hours) relative to the 2017 figure.

* Note: a change has been made this year to the genres shown in the pie charts, to better reflect the overall genre mix and reduce the volume of programming included in the "Other" category. The pie charts for both 2017 and 2018 reflect this new genre list. The 2017 data has also been restated: for consistency, *Travel Man* is now counted (in both years) as International programming (within the Factual Entertainment genre).

Different voices

177hrs

of first-run
originations covering
diversity issues on
the main channel

Up 37%

on last year

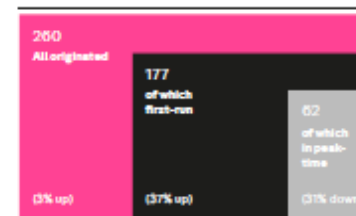
Diversity output on the main channel

As one part of Channel 4's goal to reflect the diversity of the UK – which spans its entire output – it broadcasts programmes whose subject matter specifically covers diversity issues. It showed 200 hours of originated programmes on the main channel whose subject matter covered diversity issues (relating to religion, multiculturalism, disability and sexuality) in 2018. Of these originated hours, 177 were first-run programmes (the others being repeats), and 62 of the first-run hours related to programmes shown in peak-time (i.e. between 6pm and 10.30pm, following Ofcom's definition). Highlights this year were Channel 4's extensive coverage of the *PyeongChang 2018 Winter Paralympic Games* and the *Genderquake* season exploring gender roles and identities. Other programmes included *Grayson Perry: Rites of Passage* (Religion), *Indian Summer School* (multiculturalism), popular series *The Last Leg* and *The Undateables* (disability) and new comedy drama *The Bisexual* (sexuality).

The volume of first-run originations rose by 37% in 2018; other than years which feature coverage of Summer Paralympic Games (i.e. 2012 and 2016), this was the joint-highest level since Channel 4 began reporting this metric in 2008. The volume of all originations was also up slightly year-on-year, by 3%. However, first-run originations in peak-time were down in 2018, by 31%, in large part because the bulk of the live coverage of the *PyeongChang 2018 Winter Paralympic Games* took place outside peak hours.

Channel 4's impact on diversity includes far more than the programme commissions covered by these figures. The broadcaster continues to support a range of initiatives that promote diversity. In 2018, it announced a new strategy to embed inclusion across the organisation, creating more space for diverse and under-represented voices on screen, off screen and in-house. Channel 4 also continues to improve access to opportunity to those with different backgrounds via its C4 Pop Ups, Production Training Scheme and Work Experience and Apprenticeship programmes. Read more about Channel 4's work on diversity on pages 70-77.

Total hours of programming covering diversity issues shown on the main channel (2018 with trends relative to 2017)



Source: Channel 4.

Film

31%

from outside the US

Down 1pt

on last year

15%

from the UK

Down 2pts

on last year

Diversity of Film4 channel schedule

The Film4 channel – which grew its share amongst 16-to-34-year-olds this year – continued to showcase a diverse and alternative range of films from around the world in 2018, with a substantial share of the schedule devoted to non-Hollywood studio titles. British films – including ones that were co-funded by Film4 Productions – accounted for 15% of total programming hours in the schedule. Other non-US films made up a further 16% of the schedule, meaning that a total of 31% of hours of output were devoted to films from countries other than the US. (Note that this figure includes films that were co-productions between the US and other countries; in 2018, 6% of output on the channel comprised US/non-US co-productions, one percentage point more than in 2017.)

Year-on-year variations in these figures were small. The total proportion of non-US films in the Film4 channel schedule fell by one percentage point this year (2017: 32%), with a two percentage point fall in the share of UK films (2017: 17%) partially offset by a one percentage point increase in the share of other non-US films (2017: 15%).

2018 saw the return of the entire Studio Ghibli slate, introducing the animated classics to a new generation. The films were available both in much-loved dubbed form and in the original Japanese language. This year, the season was complemented by a new Ghibliothèque podcast series, produced by Little Dot Studios, that rose to the top of Apple's iTunes charts (for Arts and Film & TV), and was highly praised by listeners and critics around the world. The Film4 Channel marked the 100th anniversary of the suffragette movement with a month-long, female-focused season *Phenomenal*, which celebrated women in film, both in front of and behind the camera. This landmark celebration culminated on International Women's Day with an all-female film line-up, including the acclaimed Film4 production *Suffragette*.

News and Current Affairs

376

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

Up 3%

on last year

Commitment to long-form journalism

At a time when much of the news media focuses on 'snackable' digests intended to be consumed quickly, News and Current Affairs programmes with extended running times allow topics to be covered in greater depth, providing higher levels of rigour and analysis. Channel 4 believes this to be especially valuable in the context of growing concerns about the levels of trust in, and accuracy of, news sources. This metric looks at long-form journalism in the News and Current Affairs output on the main PSB channels, defining 'long-form' programmes as those running for at least 45 minutes for News and 15 minutes for Current Affairs.

In 2018, Channel 4's main channel showed 376 long-form News and Current Affairs programmes in peak-time (between 6pm and 10.30pm, as defined by Ofcom). This is substantially more than the number of long-form News and Current Affairs programmes in peak-time on the other main PSB channels (220 programmes between them). Moreover, while the other channels reduced their commitment to long-form journalism in peak-time, with a 19% year-on-year reduction in the number of long-form News and Current Affairs programmes between them, the number of such programmes on Channel 4 rose by 3% year-on-year, making this year's figure the highest since 2012 (the oldest year using the current methodology).

Some News and Current Affairs programmes are broadcast later in the evening (most notably *Newsnight* on BBC Two, which usually begins at 10.30pm), so this metric also considers output over a longer period each evening so that these programmes can be captured. Between 6.30pm and midnight, Channel 4 showed 446 'long-form' News and Current Affairs programmes on its main channel in 2018. This was also 3% higher than the previous year's figure and the highest for Channel 4 since 2012. It was also considerably greater than that for any of the other main PSB channels. The channel with the next highest number of titles was BBC Two, with 313 'long-form' News and Current Affairs programmes (only 35 of which were shown in peak-time), 133 fewer than Channel 4.

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

		Peak-time	Off-peak	Total
BBC One	2018	94	105	199
	2017	128	106	234
BBC Two	2018	35	278	313
	2017	52	265	317
ITV1	2018	86	26	112
	2017	92	32	124
Channel 4	2018	376	70	446
	2017	364	67	431
Five	2018	5		5
	2017	0		0

■ Peak-time ■ Off-peak

Source: Channel 4, BARB (other channels).

Making an impact

Channel 4 is unique: it is a mass-market TV channel that reaches large audiences whilst also appealing to under-served groups that other public service broadcasters ('PSBs') struggle to connect with. It does this with alternative and distinctive content that takes risks, challenges preconceptions and inspires change. To measure Channel 4's impact, we look at viewing across different audience groups as well as the public value achieved by delivering its remit.

Reputational impact
To assess its public value impact, Channel 4 tracks audience perceptions of 12 reputational statements linked to its public service remit, benchmarking the main channel against BBC One, BBC Two, ITV and Channel 5. Channel 4 typically leads these other main PSB channels by a significant margin, so to provide additional rigour in assessing performance on these statements, we look at annual variations in the main channel's leads over the other channels' average scores.

Channel 4 continued to lead the other broadcasters on all 12 statements in 2018: the difference compared to the average for the other main PSB channels on individual statements ranged from 13 to 33 percentage points. The biggest leads were for 'taking risks with programmes that others wouldn't' (33 percentage points), 'tackling issues other channels wouldn't' (32 points) and 'taking a different approach to subjects compared to other channels' (27 points). Averaged across the 12 statements, Channel 4's lead over the average for the other main PSB channels was 24 percentage

points this year. This is three percentage points below the all-time record of 27 points achieved in both of the last two years, when we drew on our reserves to boost investment (leads on individual statements fell by between zero and five percentage points year-on-year). Nonetheless, the average lead over the other channels remains in the middle of the 20-27 percentage point range achieved over the last decade (note that not all statements were tracked in the earliest years).

Television

Notwithstanding continuing audience fragmentation in the UK television market and a summer in which the BBC and ITV received a World Cup boost, Channel 4's main channel held its share this year, at 5.9%, and total portfolio viewing was only marginally down (by 0.3 percentage points), at 10.2% (2017: 10.5%). The digital channels had a combined viewing share of 4.3% (2017: 4.0%). E4's share fell by 0.2 percentage points, with intensified competition from *Love Island* and declining audiences for some long-running titles. 4Music's share fell by 0.1 percentage point, while Film4 and More4 held steady.

Channel 4's TV portfolio was watched by 78.7% of all television viewers every month on average in 2018, behind only the BBC and ITV. The main PSBs all suffered declines in their reach this year, as viewing migrates towards other linear TV channels and video-on-demand (VoD) services. With a fall of 2.7 percentage points, Channel 4 was worst hit, due in large part to the fact that it has by far the highest proportion of young people in its audience, who are the fastest adopters of VoD services.

Channel 4 continued to outperform other PSBs by engaging with hard-to-reach audiences in 2018, in particular young adults and black and minority ethnic ('BAME') groups. TV portfolio viewing share amongst 16-34-year-olds was 15.9%, making Channel 4 the only PSB to attract significantly greater viewing amongst this age group than across the general population. Channel 4's portfolio share amongst BAME audiences was 9.5%, meaning that they represented a higher proportion of Channel 4's total audience than the corresponding proportion for the other PSBs. Viewing share for both groups was slightly down in 2018, by 3% and 6% respectively, in the latter case due in part to the absence of some popular BAME-skewing titles this year.

Channel 4's News and Current Affairs output represents a vital part of its remit delivery. In 2018, Channel 4 News was watched by an average of 7.4 million people each month, a figure that was down 9% year-on-year after four years of relative stability. A number of factors were at play: the decline in overall reach of the main channel, increased competition in the 7-8pm weekday slot from the other PSBs, Brexit fatigue (which also affected BBC Two's *Newsnight*, the other main in-depth news review programme), and the migration of news consumption to digital and social media. In response, Channel 4 News has actively grown its presence beyond the main channel: its video views on YouTube in 2018 more than doubled to 113 million, with 13-to-34-year-olds accounting for 64% of viewing to its YouTube page, while on Twitter Channel 4 News videos generated 118 million views, 30% up year-on-year.

Channel 4 does better than the other PSBs in attracting young adults and BAME viewers to its news programmes. 16-34-year-olds accounted for 12% of Channel 4 News viewing in 2018, well above the corresponding shares, of 6%-9% of viewing, for the national news programmes on the other main PSB channels. Viewers from BAME groups represented 15% of Channel 4 News viewing, the joint-second-highest figure since 2009, and again ahead of the corresponding shares, of 6%-10%, for the other PSB channels' news programmes. Year-on-year variations were minimal: the proportion of viewing to Channel 4 News accounted for by 16-to-34-year-olds fell by one percentage point, while the proportion of BAME viewers held steady.

Amidst growing concerns in society regarding the veracity of the news that citizens are exposed to through digital and social media, the main UK broadcasters' impartial and authoritative news services are more important than ever. Looking across the main TV news providers – the BBC, ITV, Channel 4, Channel 5 and Sky – Channel 4 News was the most highly regarded when regular viewers were asked if the news programmes they watch are independent from the government and from the influence of big businesses. While these broadcasters all registered substantial increases this year in their scores, Channel 4 News' perceived independence amongst its viewers was higher than that for the other main broadcasters' news programmes amongst their viewers. Moreover, its own scores were at their highest ever levels since these metrics were first reported in 2009: 91% of regular Channel 4 News viewers regarded it as being independent from the government (the first time any broadcaster has scored higher

than 90% on this metric since it was first reporting using the current methodology in 2009), and 88% of regular viewers agreed that it is independent from the influence of big businesses.

In Current Affairs, Channel 4 tracks five reputational statements covering the subject matter and approach taken by the main PSB channels in their programmes and strands in this genre. Overall, *Unreported World* and *Dispatches* were tied in joint first place with the highest average scores across these statements amongst the PSB channels in 2018. *Unreported World* ranked first on three of the five statements – for 'showing stories about parts of the world you would rarely see on British TV', 'giving a voice to groups that aren't always heard in mainstream media' and 'making me see something in a different light' – while *Dispatches* ranked in second place for four of the five statements. *Dispatches'* average score across the five reputational statements rose by two percentage points year-on-year, giving it its highest score since 2012, while *Unreported World's* average score dropped by one percentage point.

Online

As audiences – especially younger demographics – consume TV programmes ever more on demand, it is vital that Channel 4 evolves to meet this demand. Its dedicated All 4 app offers long-form programmes, live streaming and digital-first Originals and Exclusives on a wide range of PCs, smartphones, tablets, games consoles and connected TVs. As part of its strategy to encourage All 4 usage where possible – to ensure viewers have the best possible experience viewing video content on screens of all sizes – Channel 4 points website visitors towards the All 4 app when they try to watch video content on mobile platforms.

In 2018, Channel 4 attracted record levels of on-demand viewing: 915 million programme views were initiated through All 4-branded platforms. And it achieved its highest ever rates of growth: programme views were up by 26%, the highest growth in percentage terms since 2010; while in absolute terms this year's increase, of 188 million views, was the largest since Channel 4 began reporting this metric in 2008. Across individual devices, the most significant growth this year was on 'Big Screens' (connected TVs and streaming devices that plug into TVs).

Channel 4's performance was also very strong across its websites and apps. They attracted a total of 702 million visits in 2018, a new record level. Visits rose by 19%, the biggest annual percentage increase since 2012. And in absolute terms, the additional 114 million visits was, by a large margin, the biggest annual growth since Channel 4 began reporting this metric in 2011. Breaking down the two components of the total, visits to Channel 4's apps rose by 30% year-on-year, to 336 million, while visits to Channel 4's websites fell by 6%, to 166 million, reflecting the strategy to direct mobile viewers to All 4 apps for video viewing. Overall, app visits increased their share of total visits to All Channel 4's websites and apps from 70% of the total in 2017 to 76% in 2018.

Audience feedback

Each year, 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. Its audience research includes the 'Buzz' metric, derived from a daily sample of 3,000 people, which indicates 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 this year was 56%. Current Affairs programmes accounted for two of the three most talked-about programmes this year: *Breastfeeding Uncovered* investigated why Britain has some of the worst breastfeeding rates in the world, and *The Real Brexit Debate* brought together four politicians ahead of a parliamentary vote on the Prime Minister's deal with Brussels last December.

Different voices

22pt

lead over average for other channels for showing different cultures and opinions

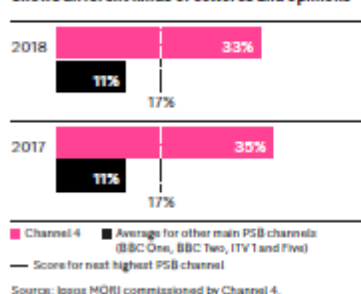
Down 2pts
on last year

Channel reputations – shows different kinds of cultures and opinions

Channel 4 maintained a strong reputation as being best for showing different kinds of cultures and opinions in 2018. The main channel was selected by 33% of all respondents, giving it a substantial 22 percentage point lead over the average for the other main PSB channels, and a 16 percentage point lead over the next highest-scoring channel, BBC One.

Channel 4's performance fell back a little relative to the best-ever scores achieved last year. All three of the main scores – the proportion of respondents selecting Channel 4, its lead over the average for the other main PSB channels and its lead over the next highest-scoring channel – fell by two percentage points year-on-year, but remained within a stable range.

Shows different kinds of cultures and opinions



23pt

lead over average for other channels for challenging prejudice

Down 3pts
on last year

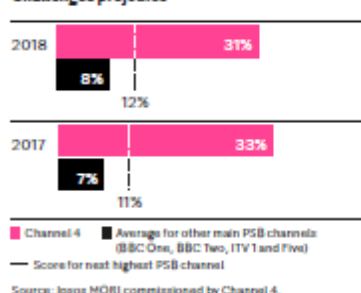
Channel reputations – challenges prejudice

In 2018, 31% of respondents chose Channel 4's main channel as the one they most associate with challenging prejudice. Channel 4 had a significant lead, of 23 percentage points, over the average score for the other main PSB channels, while its lead over the next highest channel, BBC One, was 19 percentage points.

After reaching a record high in the previous two years, the proportion of people selecting Channel 4 dropped by two percentage points this year, remaining within a stable range.

While Channel 4's lead over the average for the other main PSB channels, and its lead over the next highest-scoring channel, both fell by three percentage points, these leads remained within the ranges achieved in the previous five years.

Challenges prejudice



Different voices

24pt

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

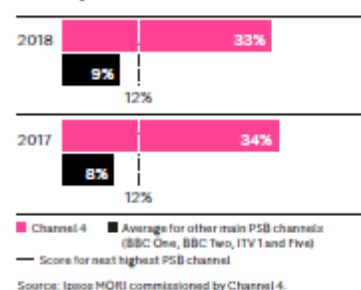
Down 2pts
on last year

Channel reputations – shows the viewpoints of minority groups in society

Channel 4 gives a voice to diverse groups, including those that are often under-represented on TV. In 2018, 33% of viewers selected Channel 4's main channel as being the best for showing the viewpoints of minority groups in society. This gave Channel 4 a substantial 24 percentage point lead over the average for the other channels, and a 21 percentage point lead over the next highest channel, BBC One. After achieving a joint-record score last year, Channel 4's performance fell back slightly in 2018: the proportion of people selecting the main channel, and its lead over the next highest PSB channel, both fell by one percentage point, while its lead over the average of the other PSB channels fell by two percentage points.

Channel 4 continued to significantly outperform the other PSBs for showing the viewpoints of individual minority groups. The main channel was selected by 31% of viewers as being best for showing the viewpoints of different ethnic groups in the UK (one percentage point down year-on-year), giving it a lead of 22 percentage points over the average for the other main PSB channels. 34% of viewers thought Channel 4 was best for showing the viewpoints of lesbian, gay, bisexual and transgender people (again down by one percentage point), 27 percentage points above the average of the other PSB channels. And 29% of viewers thought Channel 4 was best for showing the viewpoints of disabled people (down by two percentage points), giving it a 21 percentage point lead over the average of the other PSB channels. While these scores fell slightly this year, all three remain within the ranges achieved over the previous five years.

Shows the viewpoints of minority groups in society



26pt

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

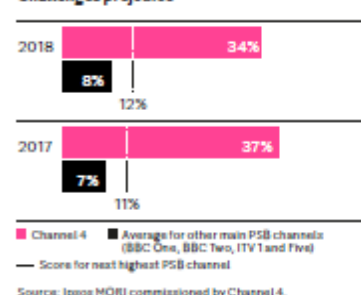
Down 4pts
on last year

Channel reputations – home for alternative voices

With ever greater societal concerns that digital and social media cause people to retreat into "filter bubbles" that constrain the range of viewpoints and perspectives they encounter, Channel 4 makes a vital contribution to plurality by providing a mainstream platform for alternative voices. In 2018, 34% of respondents selected Channel 4's main channel as being the home for alternative voices. This gave Channel 4 substantial leads over both the average for the other main PSB channels (of 26 percentage points) and the proportion selecting the next highest channel, Channel 5 (of 22 percentage points).

After achieving record scores in the last two years, Channel 4's performance on this metric fell back in 2018, in part due to recent improvements by Channel 5 as the next highest channel (albeit from a very low base). The proportion of people selecting Channel 4 fell by three percentage points, while its leads over the average for the other main PSB channels and over the next highest-scoring channel both fell by four percentage points.

Challenges prejudice



Distinctive approaches

13pt

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

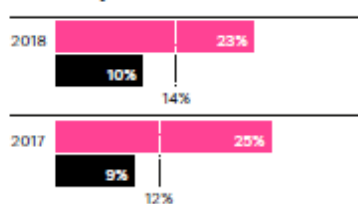
Down 3pts on last year

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

In 2018, 23% of respondents selected Channel 4's main channel as being best for making people think about things in new and different ways. After achieving its highest ever score on this metric last year, the proportion choosing Channel 4 fell back a little this year, by two percentage points.

Nonetheless, Channel 4 still had a sizeable lead, of 13 percentage points, over the average for the other main PSB channels, while its lead over the next highest channel, BBC One, was nine percentage points. Compared to 2017, these two leads fell year-on-year, by three percentage points and four percentage points, respectively, but remained within the ranges achieved over the last five years.

Makes me think about things in new and different ways



■ Channel 4 ■ Average for other main PSB channels (BBC One, BBC Two, ITV 1 and Five)
— Score for next highest PSB channel

Source: Ipsos MORI commissioned by Channel 4.

32pt

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

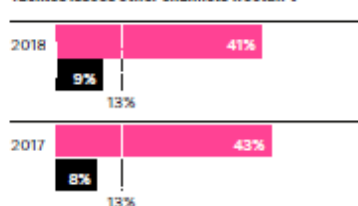
Down 3pts on last year

Channel reputations – tackles issues other channels wouldn't

In 2018, Channel 4's main channel was selected by 41% of respondents as being best for tackling issues that other channels wouldn't. This huge score is more than three times that achieved by the next highest channel, Channel 5 (chosen by 13% of respondents), resulting in a 28 percentage point lead for Channel 4's main channel. The other main PSB channels were chosen by 9% of people on average, giving Channel 4 a 32 percentage point lead over this average.

While Channel 4's performance against this metric fell back a little in 2018 – the proportion selecting Channel 4's main channel, and its lead over the next highest channel, each fell by two percentage points, while its lead over the average for the other main PSB channels was three percentage points down – this metric remains very strong: it is one of two reputational statements for which Channel 4 has a score above 40% and a lead over other channels in excess of 30%.

Tackles issues other channels wouldn't



■ Channel 4 ■ Average for other main PSB channels (BBC One, BBC Two, ITV 1 and Five)
— Score for next highest PSB channel

Source: Ipsos MORI commissioned by Channel 4.

Distinctive approaches

27pt

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

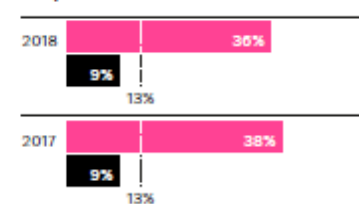
Down 2pts on last year

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

In 2018, 36% of people associated Channel 4's main channel, more than any of the other main PSB channels, with taking a different approach to subjects compared with other channels. This gave Channel 4 a substantial lead, of 27 percentage points, over the average for the other main PSB channels, and a lead of 23 percentage points over the next highest channel, Channel 5.

After reaching record highs in 2017, Channel 4's scores on this metric fell back a little this year: the proportion of people selecting the main channel, and its leads over the average for the other main PSB channels and over the next highest channel, were all two percentage points down year-on-year. Nonetheless, Channel 4's performance remains within the range at which it has stabilised in recent years following an earlier period of greater fluctuations.

Takes a different approach to subjects compared with other channels



■ Channel 4 ■ Average for other main PSB channels (BBC One, BBC Two, ITV 1 and Five)
— Score for next highest PSB channel

Source: Ipsos MORI commissioned by Channel 4.

144

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

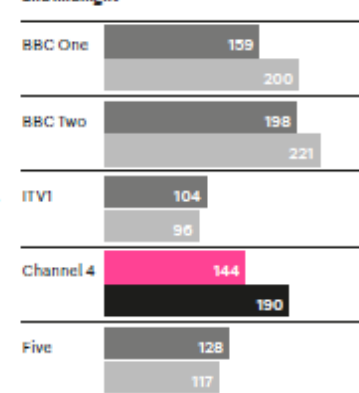
Down 24% on last year

New and one-off programming

Channel 4's commitment to experimentation is demonstrated in part by the number of new and one-off programmes that it offers. This metric focuses on the number of such programmes in the evening schedules, when audiences are at their highest levels. In 2018, Channel 4 showed 144 new and one-off programmes on the main channel between 6pm and midnight, more than the other commercially-funded PSB channels, ITV (104 programmes) and Channel 5 (128 programmes). Of the main PSB channels, only the licence-fee funded BBC channels showed more new and one-off programmes (159 on BBC One and 198 on BBC Two).

The number of new and one-off programmes in the evening schedules on Channel 4 fell by 24% year-on-year. The reduced content budget this year meant that there were fewer commissions in general, leading to fewer new documentary series and a fall in the number of one-off Features. In addition, the 2018 schedule included a raft of returning series that were successfully introduced last year, including *Ackley Bridge*, *Lego Masters* and *The Great British Bake Off*.

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



■ 2018 ■ 2017

Source: Attentional commissioned by Channel 4.

Distinctive approaches

33pt

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

Down 5pts

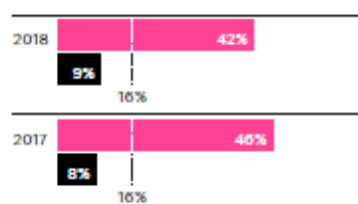
on last year

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

Risk-taking lies at the heart of Channel 4's public remit, and its success in delivering on this component of its remit is reflected in its scores when respondents are asked which channel is best for taking risks with programmes that others wouldn't. In 2018, Channel 4's main channel was selected by 42% of respondents on this metric, its highest score on any of the reputational statements. This gave Channel 4 substantial leads over other channels: its lead over the average of the other main PSB channels was 33 percentage points, while the main channel was 26 percentage points ahead of the next highest channel, Channel 5.

Channel 4's scores on this metric fell back in 2018: the proportion of people selecting Channel 4's main channel, and its lead over the next highest channel, each fell by four percentage points, while its lead over the average for the other main PSB channels was five percentage points down. This five-point drop was the biggest decline across all the reputational statements, in part reflecting the huge baseline scores on this metric.

Takes risks with programmes that others wouldn't



■ Channel 4 ■ Average for other main PSB channels (BBC One, BBC Two, ITV1 and Five)
— Score for next highest PSB channel

Source: Ipsos MORI commissioned by Channel 4.

26pt

lead over average for other channels for being experimental

Down 3pts

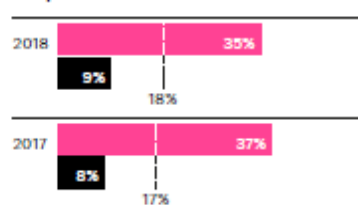
on last year

Channel reputations – is experimental

Channel 4's commitment to trying new things drives its role as Britain's creative greenhouse. In 2018, 35% of respondents associated its main channel, more than any other channel, with being experimental – making this one of the highest-scoring performing reputational statements. This also resulted in substantial leads over the other channels: the proportion of people choosing Channel 4 was 26 percentage points higher than the average for the other main PSB channels, while its lead over the next highest channel, Channel 5, was 17 percentage points.

After reaching a score last year that was just one percentage point short of its all-time high (of 38% in 2009), Channel 4's performance on this metric fell back a little in 2018, falling by two percentage points year-on-year. Its lead over the average for the other main PSB channels and over the next highest channel both fell by three percentage points.

Is experimental



■ Channel 4 ■ Average for other main PSB channels (BBC One, BBC Two, ITV1 and Five)
— Score for next highest PSB channel

Source: Ipsos MORI commissioned by Channel 4.

Film

26pt

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

Equal

with last year

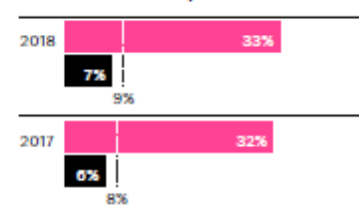
Channel reputations – is best for modern independent film

Channel 4 strengthened its reputation for showing modern independent films in 2018. 33% of respondents picked its main channel, over the other main PSB channels, as being best for modern independent film, up one percentage point year-on-year. This was the second-highest score since Channel 4 began reporting this metric in 2008, and just one point short of the all-time record of 34% in 2013.

Channel 4's 26 percentage point lead over the average for the other main PSB channels (level with last year) was the joint-highest lead since 2008. It also had a substantial lead, of 24 percentage points, over the next highest channel, Channel 5 (also level with last year). Amongst the top-rated films on Channel 4 this year, the premiere of *Film4* production *Suffragette* in February, as part of a season marking the 100th anniversary of women's suffrage, attracted 1.8 million viewers and an impressive 9.2% audience share.

Channel 4's performance against this metric continued to be stable: annual variations in its scores and its leads over other channels have remained within the range of ± 1 percentage point for the last four years.

Is best for modern independent film



■ Channel 4 ■ Average for other main PSB channels (BBC One, BBC Two, ITV1 and Five)
— Score for next highest PSB channel

Source: Ipsos MORI commissioned by Channel 4.

Factual

20pt

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

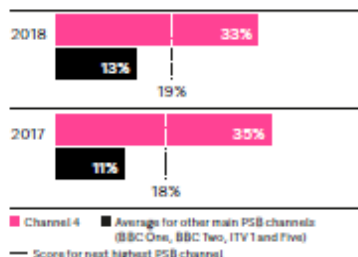
Down 4pts
on last year

Channel reputations – is best for documentaries that present alternative views

Channel 4 seeks to differentiate its documentary programming from that of other broadcasters through its subject matter and approach, with a particular focus on offering alternative viewpoints less frequently seen on television. In 2018, 33% of respondents selected its main channel as being best for documentaries that present alternative views. This gave Channel 4 a significant lead over the average for the other main PSB channels, of 20 percentage points, and its lead over the next highest channel, BBC One, was 14 percentage points.

While Channel 4's performance on this metric fell back this year, its scores remained comparable with those from the last five years. There were also declines in Channel 4's lead over the average for the other main PSB channels, by four percentage points, and in its lead over the next highest channel, by three percentage points. Its leads this year are at the bottom end of the ranges achieved since 2013 but are still markedly higher than those in earlier years.

Is best for documentaries that present alternative views



Source: Ipsos MORI commissioned by Channel 4.

71%

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

Up 6pts
on last year

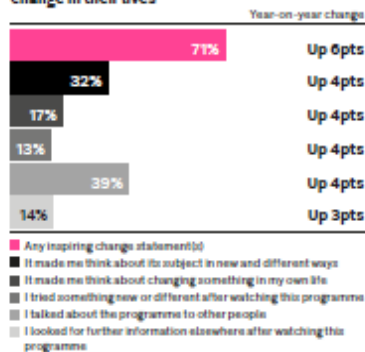
Inspiring change through Factual programming

Channel 4's Factual programming seeks to inspire people to make changes in their lives and encourages them to think about things in new and different ways. Some programmes inspire active engagement, e.g. by encouraging people to talk to others about their subject matter, to seek out further information or – at their most engaging – to actually try something new or different.

In 2018, Channel 4's Factual slate was the most inspiring since 2009, when this metric was first reported. 71% of viewers said that Channel 4's Factual programmes inspired them in one or more ways. This was a significant rise, of six percentage points, over the 2017 figure: the biggest year-on-year change over the last decade. The 2018 figure was the second-highest-ever score for this metric, behind only the 73% level achieved in 2009. Moreover, the scores for all five individual "inspiring change" statements rose in 2018, by between three and four percentage points each. This is only the second time in the last decade that scores for all five statements have risen (the previous occasion being in 2016), and the increases are bigger this time (they ranged from one to three percentage points in 2016).

The highest-scoring individual programme across all the statements this year, with a score of 86%, was *How To Get Fit Fast*, which helped viewers find the perfect fitness regime. Top-scoring programmes on individual statements included *Old People's Home for 4 Year Olds* (63% of viewers talked about the programme to other people) and *Are You Autistic?* (34% of people looked for further information elsewhere after watching this programme).

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



Source: Ipsos MORI commissioned by Channel 4.

News and Current Affairs

91%

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

Up 7pts
on last year

Independence of TV news

At a time when citizens are increasingly concerned about the spread of 'fake news' and of the veracity of the news that they are exposed to in digital and social media, the impartial and authoritative news services provided by the main UK broadcasters are more important than ever. In 2018, the BBC, ITV, Channel 4, Channel 5 and Sky all registered substantial increases in their scores for being independent from the government and from the influence of big businesses. And, with its highest ever scores on these metrics, Channel 4 News was the most highly regarded news provider overall across the two metrics.

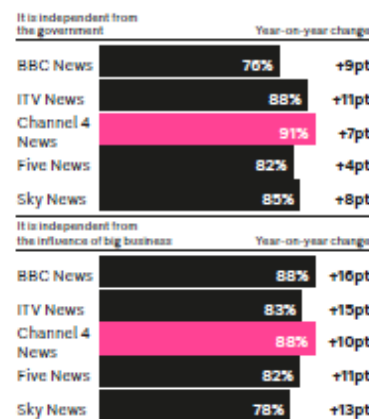
A huge 91% of regular viewers to Channel 4 News regarded it as being independent from the government. This is the first time any broadcaster has scored higher than 90% on this metric since it was first reported using the current methodology in 2009. Channel 4's score is seven percentage points higher than its previous record score (84% in 2011 and 2017). It is eight percentage points more than the average for the other main news programmes (those from the other public service broadcasters and Sky News), and three percentage points more than the corresponding figure for the next highest-scoring news programme.

88% of regular viewers to Channel 4 News agreed that it is independent from the influence of big businesses. Again, this is a record score for the broadcaster, a full ten percentage points more than its previous high of 78% last year. It scored five percentage points more than the average for the other main news programmes. With BBC News also experiencing a significant increase, the two broadcasters shared the joint-highest score (so Channel 4 had a zero percentage point lead over the next highest-scoring news programme).

With greater audience recognition of the value of independent TV news, all broadcasters increased their scores this year, with a slight convergence in their performance at this higher level. As a result, while Channel 4 News' own scores increased year-on-year by seven to ten percentage points across the two metrics (as detailed above), its leads over the other channels declined. For independence from the government, its lead over the average for the other main news programmes fell by one percentage point, and its lead over the next highest-scoring news programme (ITV News in 2018 and 5 News in 2017) fell by three percentage points. For independence from the influence of big businesses, Channel 4 News' leads over the average for the other main news programmes and over the next highest-scoring news programme (BBC News in both years) fell by four and six percentage points respectively.

After four years of consecutive growth, Channel 4 News' viewing share declined by 8% in 2018.

Percentage of regular viewers to TV news programmes in 2018 who agree with the following statements:



Source: Ipsos MORI commissioned by Channel 4.

News and Current Affairs

44%

The average programme reputation statement for *Dispatches*

Up 2pts

on last year

44%

The average programme reputation statement for *Unreported World*

Down 1pt

on last year

Programme reputation statements – Current Affairs

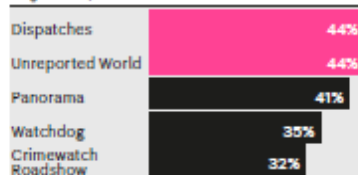
Channel 4's schedules include two longstanding Current Affairs strands, *Dispatches* and *Unreported World*. These are differentiated from other public service broadcasters' current affairs programmes in terms of their approach and subject matter: in particular, their emphasis on investigative journalism, 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. One-hour Current Affairs specials allow Channel 4 to deliver in-depth coverage of important stories.

Dispatches and *Unreported World*'s strengths in these areas are reflected in five audience reputational statements that assess perceptions of current affairs programming on the main PSB channels, covering regular strands on these channels as well as one-offs. In 2018, both of Channel 4's Current Affairs strands scored higher on average than any of the corresponding programmes and strands shown by the other PSBs. *Unreported World* and *Dispatches* were tied in first place, with the joint highest average scores across the five statements, of 44%. These strands each had three percentage point leads over the next-highest-scoring programme or strand, BBC One's *Panorama* (in third place with a 41% average score).

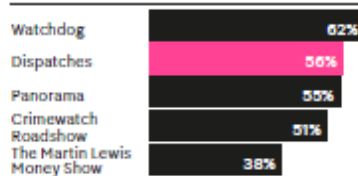
Unreported World scored higher than any other Current Affairs programme or strand on three of the five statements, for: "showing stories about parts of the world you would rarely see on British TV" (selected by 56% of respondents), "giving a voice to groups that aren't always heard in mainstream media" (47% of respondents), and "making me see something in a different light" (44% of respondents). Its average score across the five reputational statements was one percentage point lower than in 2017.

While not leading on any individual statement, *Dispatches* performed the most consistently across them, ranking in second place for four of the five statements: "uncovering the truth" (for which it was selected by 56% of respondents), "covering things in great depth" (49% of respondents), "making me see something in a different light" and "showing stories about parts of the world you would rarely see on British TV" (both 39% of respondents). *Dispatches*' average score across the five reputational statements rose by two percentage points year-on-year, giving it its highest score since 2012.

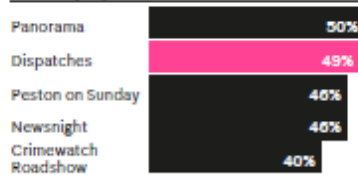
Programme reputation



Uncovering the truth



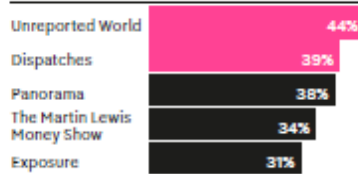
Covering things in great depth



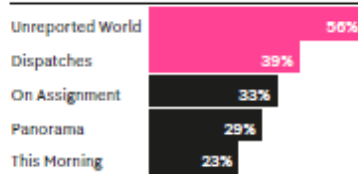
Giving a voice to groups that aren't always heard in mainstream media



Making me see something in a different light



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



■ Channel 4 show ■ Other broadcasters' shows

Source: Ipsos MORI commissioned by Channel 4.

Engaging the audience

78.7%

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

Down 2.7pts

on last year

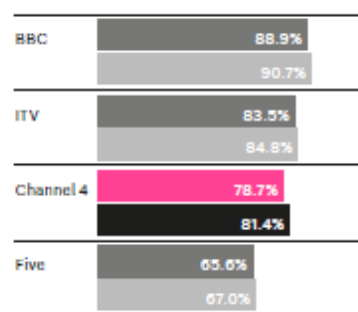
Audience reach

With more than three-quarters of UK viewers watching its TV channels every month, Channel 4 remains the third-biggest UK broadcaster in terms of audience reach, behind only the BBC and ITV.

In 2018, 78.7% of individuals in homes with a TV watched Channel 4's TV channels for at least 15 consecutive minutes each month on average. As viewing migrates away from the traditional broadcasters towards other linear TV channels and video-on-demand (VoD) services, the main PSBs all suffered declines in their reach in 2018 (as they did in 2017). This year, Channel 4 was worst hit, with a year-on-year decline in reach of 2.7 percentage points (equivalent to a 3% fall). This is due in large part to the fact that, of all the PSBs, Channel 4 has by far the highest proportion of young people in its audience (see 'Share among hard-to-reach audiences – 16-34-year-olds' on p135), and young people are the fastest adopters of VoD services. Across all TV channels, total viewing by 16-34-year-olds fell by 13% in 2018 compared to a fall of just 4% across all individuals.

Turning to the individual channels in the Channel 4 TV portfolio, reach for Channel 4's main channel was 71.1%, while Channel 4's digital TV channels together reached 55.8% of viewers (2017: 58.7%). The main channel experienced a year-on-year fall in reach of 2.7 percentage points. The digital channels all saw declines in reach ranging from 0.4 percentage points (4Music) to three percentage points (More4).

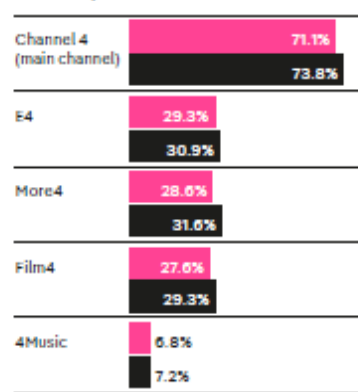
Average monthly reach of public service broadcasters' TV portfolios



■ 2018 ■ 2017

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

Percentage reach of individual TV channels in Channel 4 portfolio



■ 2018 ■ 2017

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

Engaging the audience

10.2%

viewing share across the TV channel portfolio

Down 3%

on last year

TV viewing share

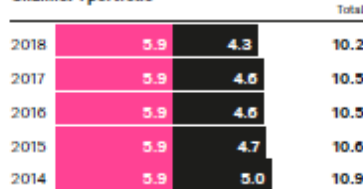
Channel 4 achieved a total viewing share of 10.2% across its TV channel portfolio in 2018. There was a small year-on-year decline in viewing, of 0.3 percentage points (a 3% fall).

Impressively – in the face of growing competition from digital TV channels and a summer in which the BBC and ITV received a World Cup boost – the main channel held its share this year: for the fifth consecutive year, it attracted 5.9% of total linear TV viewing.

With viewing level on the main channel, changes in Channel 4's overall portfolio share were driven by the digital channels. These had a combined share of 4.3% in 2018, 0.3 percentage points down year-on-year. The bulk of this fall can be attributed to E4, whose share fell by 0.2 percentage points to 1.6%. Declines in viewing to some of its long-running titles and intensified competition from *Love Island* (ITV2) especially hit viewing by its target 16-to-34-year-old demographic (see 'Most popular channel for young viewers' on p136). Looking at the other individual channels, viewing to Film4 (1.4%) and More4 (1.1%) held steady in 2018, while 4Music's share fell by 0.1 percentage point to 0.2%.

The main channel accounted for 58% of total viewing to the Channel 4 TV portfolio in 2018 (up from 56% in 2017).

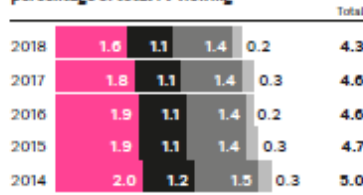
Percentage reach of individual TV channels in Channel 4 portfolio



■ Channel 4 (main channel) ■ Digital channels

Source: BARB.

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



■ E4 ■ More4 ■ Film4 ■ 4Music/The Hits

Source: BARB.

915m

programme views initiated on demand

Up 26%

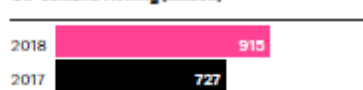
on last year

On-demand viewing

In 2018, Channel 4 achieved record levels of on-demand viewing and its highest ever rates of growth in this metric. The number of programme views initiated through All 4-branded platforms (which include PCs, smartphones, tablets, games consoles and connected TVs) rose by 26% to a new high of 915 million. This strong performance is important as audiences – especially younger demographics – are consuming TV programmes ever more via on-demand services, and it is vital that Channel 4's own services continue to evolve to meet this demand. And it is especially impressive, as the increase in on-demand programme views is the highest year-on-year rate of growth in percentage terms since 2010; while in absolute terms, this year's increase, of 188 million views, is the largest annual rise since Channel 4 began reporting this metric in 2008.

The strongest growth this year was on 'Big Screen' devices, i.e. connected TVs and streaming devices that plug into TVs, with viewing up by almost 50%. There was also strong growth on mobile platforms.

On-demand viewing (million)



Source: Channel 4.

Note: 2017 prior year comparison has been restated. Please see online methodology for further details.

Engaging the audience

9.5%

portfolio viewing share amongst BAME audiences

Down 6%

on last year

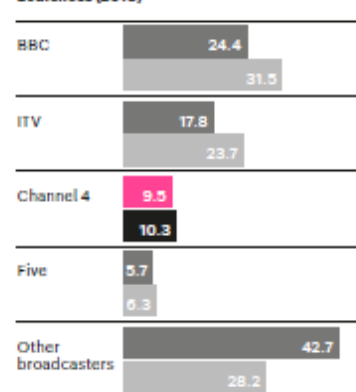
Share among hard-to-reach audiences – BAME

As part of Channel 4's remit to make programmes that appeal to people from different cultural backgrounds, it is especially important for the broadcaster to attract ethnic minority audiences. While the PSBs all typically have lower viewing shares amongst BAME audiences than white audiences, Channel 4 strives to make this differential as small as possible.

In 2018, Channel 4's TV portfolio enjoyed a 9.5% viewing share amongst BAME audiences. Relative to the 10.3% portfolio viewing share amongst white audiences, the viewing share differential between BAME and white audiences was 8%. By contrast, the BBC and ITV had much higher viewing share differentials between BAME and white viewers, of 23% and 25% respectively. Channel 5's viewing share differential, of 10%, was closer to, but still higher than, Channel 4's. Overall, as in recent years, BAME audiences represented a higher proportion of Channel 4's total audience than they did the total audience of the other PSBs.

Channel 4's TV portfolio viewing share amongst BAME audiences fell by 0.5 percentage points year-on-year (equivalent to a 6% decline). Its 8% differential in 2018 was bigger than last year's (when it was 5%), due in part to the absence from the 2018 schedule of some popular BAME-skewing titles such as *Child Genius*. Nonetheless, the differential remains within the range of 3% to 11% achieved over the last decade.

Public service broadcasters' portfolio viewing shares amongst white and BAME audiences as a percentage of total TV viewing by those audiences (2018)



■ BAME ■ White

Source: BARB.

15.9%

portfolio viewing share amongst 16-34-year-olds

Down 3%

on last year

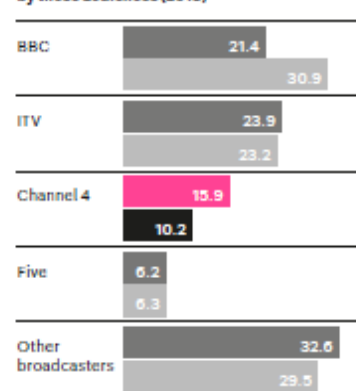
Share among hard-to-reach audiences – 16-34-year-olds

Channel 4's TV channels continue to attract a disproportionately large share of viewing amongst hard-to-reach 16-to-34-year-olds. In 2018, Channel 4's viewing share amongst this age group was 15.9% across its TV channel portfolio. This represented a small decrease, of 0.5 percentage points, relative to the 2017 share (a 3% fall in percentage terms).

Channel 4's viewing share amongst 16-to-34-year-olds was 56% higher than its corresponding all-audience share in 2018, making it the only PSB to attract significantly greater viewing amongst this age group than across the general population. By contrast, the BBC's 16-34-year-old share was a substantial 31% less than its all-audience portfolio share, highlighting its disproportionate appeal to older audiences. ITV and Channel 5 both had small viewing share differentials between all audiences and those aged 16-34, within the range ±3%.

Channel 4's relative appeal to young audiences was stable in 2018: the 56% differential between 16-34-year-olds and all audiences was the same as last year, and indeed has been at the same level for four of the last five years.

Public service broadcasters' portfolio viewing shares amongst 16-34-year-olds and all audiences as a percentage of total TV viewing by those audiences (2018)



■ 16-34-year-olds ■ All

Source: BARB.

Engaging the audience

4.8%

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

Down 9%

on last year

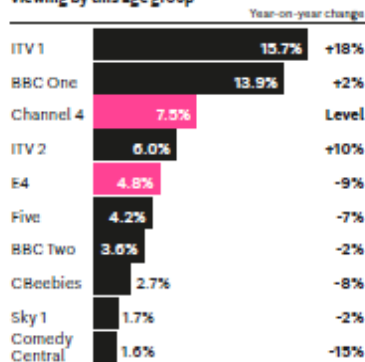
Most popular channel for young viewers

In 2018, E4's viewing share amongst 16-to-34-year-olds was 4.8%. It continued to be the second most-watched digital TV channel in the UK for this audience, behind only ITV2; and the fifth most popular TV channel overall, ahead of two of the main PSB channels, BBC Two and Channel 5.

Key successes on E4 this year included originations such as *Celebs Go Dating* as well as the launch of US series *Young Sheldon*. However, overall E4's 16-to-34-year-old viewing share fell by 9% year-on-year, due to a combination of factors, including declining ratings for some long-running titles and strong competition in the summer from the World Cup and ITV2's *Love Island*. In addition, Sky's reorganisation of channels in its electronic programme guide, with +1 channels moving into a new block, had a negative impact on viewing to E4+1 in Sky homes.

Channel 4's main channel enjoyed another disproportionately strong performance amongst 16-34-year-olds in 2018. Its viewing share amongst this age group held steady at 7.5% (the same level as in 2017), ensuring that it remained the third most popular TV channel, behind only ITV and BBC One.

Viewing share for the top 10 channels amongst 16-34-year-olds as a percentage of total viewing by this age group



Source: BARB.

12%

of viewing to
Channel 4 News
programmes on the
main channel in 2018
accounted for by
viewers aged 16-34

Down 1pt

on last year

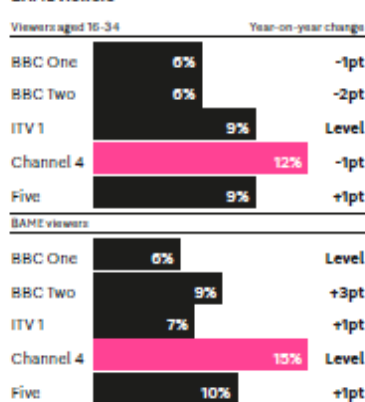
Viewing to national news

Channel 4 News has a particularly strong appeal to young and BAME audiences. In 2018, 16-to-34-year-olds accounted for 12% of viewing to this programme, well above the corresponding 6%-9% profile of the national news programmes on the other main PSB channels.

Channel 4 News' appeal is even more marked for BAME audiences, who represented 15% of its total viewing in 2018. This was the joint-second-highest figure since 2009, and broadly in line with this group's representation in the UK population (estimated to be around 13-14%). By contrast, the other main PSB channels' news programmes had a smaller profile of BAME viewing in the range 6%-10%.

Year-on-year variations in this metric were minimal. The proportion of viewing to *Channel 4 News* accounted for by 16-to-34-year-olds fell by one percentage point in 2018, while the proportion of BAME viewers held steady.

Percentage of viewing to national news programmes on the main PSB channels in 2018 accounted for by 16-34-year-olds and BAME viewers



Source: BARB.

15%

of viewing to
Channel 4 News
programmes on
the main channel in
2018 accounted for
by BAME viewers

Equal

with last year

Engaging the audience

7.4m

people watched
Channel 4 News
each month

Down 9%

on last year

Reach of *Channel 4 News*

In 2018, an average of 7.4 million watched *Channel 4 News* for at least 15 consecutive minutes each month. This figure was down by 9% year-on-year. In terms of share of TV viewing, *Channel 4 News*' performance also fell in 2018, by 8%.

These declines follow four years of relative stability, when annual fluctuations in reach were small, and share of TV viewing rose each year. A number of factors contributed to the declines this year. First, overall reach to the main channel was down, resulting in fewer viewers watching *Channel 4* overall (see 'Audience Reach' on p133). Second, there was increased competition in the 7-8pm weekday slot from the other PSBs, both in general (increased viewing to the soaps) and in *News* specifically (the launch of *Beyond 100 Days* on BBC Four has proved successful). Third, Brexit fatigue has disproportionately affected viewing to the main two in-depth news review programmes, *Channel 4 News* and the BBC's *Newsnight* (whose share fell by 7%). And fourth, news continues to be consumed increasingly on digital and social media.

In response to this last factor, *Channel 4 News* has actively grown its presence beyond the main channel in recent years. Its video views on YouTube in 2018 more than doubled to 113 million. Young people aged 16 to 34 accounted for almost two-thirds (64%) of viewing to *Channel 4 News*' YouTube page. Meanwhile, *Channel 4 News* videos generated another 113 million views on Twitter, 29% up year-on-year.

Channel 4 has put in place further initiatives to address these trends in 2019. As part of the broadcaster's relocation plans, a major new *Channel 4 News* hub will be established in Leeds, with the capability to co-anchor the programme from the new studio, providing a stronger regional voice that should strengthen the programme. *Channel 4* has also announced a new partnership with Facebook to produce *Uncovered*, a weekly news show for Facebook Watch.

Engaging the audience

17pt

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

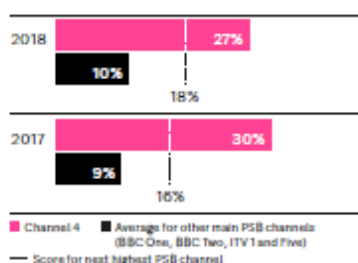
Down 4pts
on last year

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

In 2018, 27% of respondents selected Channel 4's main channel as being best for catering for audiences other channels don't cater for. This gave Channel 4 a 17 percentage point lead over the average of the other main PSB channels, and a nine percentage point lead over the next highest channel (Channel 5).

Channel 4's performance on this metric fell back this year. While the proportion of people selecting the main channel, and its lead over the average of the other main PSB channels, were both down by four percentage points, its 2018 scores remained within the ranges achieved over the previous five years (27%-30% and 17-22 percentage points respectively), and ahead of the scores in the five years prior to 2013, when the creative renewal began (21%-26% and 10-15 percentage points respectively). Channel 4's lead over the next highest channel fell further in 2018, by five percentage points, largely due to Channel 5 strengthening its reputation on this metric.

Caters for audiences other channels don't cater for



Source: Ipsos MORI commissioned by Channel 4.

Engaging the audience

702m

total visits to Channel 4's websites, mobile sites and apps

Up 19%
on last year

Total visits to Channel 4's websites and apps

Channel 4 continued to generate significant growth in consumption of its content in digital media in 2018. Its websites and apps attracted a total of 702 million visits this year, a new record level, thanks to impressive growth rates. This year's figure is 19% more than that for 2017, the biggest annual percentage increase in visits since 2012. The equivalent increase in absolute terms – of 114 million visits, relative to last year's figure of 588 million – is, by a large margin, the biggest annual growth since Channel 4 began reporting this metric in 2011.

In 2018, Channel 4 continued to encourage usage of its dedicated All 4 app – which is available on a wide range of smartphones, tablets and connected TVs – to ensure viewers have the best possible experience viewing content. As part of this strategy, website visitors are pointed towards the All 4 app when they try to watch video content on mobile platforms. As a result, visits to Channel 4's websites continued to fall this year, although the 6% decline was the smallest decline in the last five years. And it was more than offset by a 30% rise in visits to Channel 4's apps this year. As an indication of the overall impact of the strategy to migrate viewers of video content to its apps, Channel 4's apps accounted for 76% of total visits to all Channel 4's websites and apps in 2018, up from 70% in 2017.

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

	Website and mobile sites	Apps	Total
2018	166	536	702
2017	177	411	588

Source: Channel 4.

Engaging the audience

56%

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

Down 4%

on last year

Producing talked about TV

Channel 4 aims to make an impact in part by engaging viewers, inspiring conversations and stimulating debate – both in the 'real' world and on social media (Facebook, Twitter, etc). 'Buzz' scores are a research tool that assesses audience reactions to Channel 4's programmes through a daily survey that tracks the proportion of its viewers who said they talked about programmes that they watched, or commented on them on social media. In 2018, the average 'Buzz' score for the ten most talked-about programmes across Channel 4's TV portfolio was 56% (down four percentage points on the corresponding 2017 figure of 60%).

The most talked-about programme of the year was *Breastfeeding Uncovered*, a *Dispatches* episode that explored the scientific benefits of breast milk and investigated why Britain has some of the worst breastfeeding rates in the world. The programme was transmitted during World Breastfeeding Week, and was supported by charities such as Unicef. Current Affairs programmes accounted for two of the three most talked-about programmes of the year, the other one being *The Real Brexit Debate*: after Theresa May and Jeremy Corbyn declined to appear together on TV, Channel 4 offered a robust debate with four politicians ahead of a crunch parliamentary vote on the Prime Minister's deal with Brussels last December.

Sports programmes made up half of the top ten shows with the highest 'Buzz' scores, indicating the enduring value – to viewers and to the sports themselves – of live coverage of sporting events on the main free-to-air channels. Channel 4's coverage of Crufts, the largest dog event in the world, took up two slots, with the *Best In Show* programme the second most talked-about programme of the year; while live coverage of a rugby union international and the *Live Reaction* broadcasts that followed two Formula 1 Grands Prix (including the British Grand Prix) also featured.

Three Factual Entertainment programmes rounded off the top ten: two Christmas specials, for popular series *First Dates* and *The Undateables*, and *The Circle*, Channel 4's innovative new reality show, which followed a group of contestants living in separate apartments in a block of flats who communicated with each other solely through a custom-built social media platform.

Top ten most talked about programmes across the Channel 4 portfolio (2018)

Programme	2018 Buzz (%)
Breastfeeding Uncovered: Channel 4 Dispatches	67%
Crufts 2018: Best in Show	60%
The Real Brexit Debate	57%
Rugby Union: Ireland v New Zealand Live	56%
Crufts 2018	54%
First Dates at Christmas	54%
The Undateables: A Festive Proposal	53%
Formula 1: British Grand Prix Live Reaction	53%
The Circle	53%
Formula 1: Austrian Grand Prix Live Reaction	52%
Average Buzz score for 2018 top ten programmes	
	56%

Source: YouGov commissioned by Channel 4.

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

Engaging the audience

72%

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

Up 1pt

on last year

Viewing to network originations

Channel 4's output can be divided between 'network originations' – i.e. programmes commissioned by Channel 4 and transmitted on any of the channels in its TV portfolio – and programmes that were acquired by Channel 4 (primarily US content). The former category is important as Channel 4 delivers its public remit for the most part through its investment in original content: these are the programmes over which it has creative and editorial influence in partnership with the production companies that Channel 4 commissions to make them.

In 2018, network originations accounted for 72% of total viewing to the main channel, E4 and More4, an increase of one percentage point year-on-year. This figure has grown for each of the five years, and is now nine percentage points higher than its level in 2013 (63%). Moreover, the 2018 figure sets a new record: network originations represented a higher proportion of Channel 4's viewing than at any time since 2008, when this metric was first reported.

In volume terms, the amount of network originations in the schedules is stable: they represented 64% of all hours across the schedules of the main channel, E4 and More4 in 2018, the same as the previous year. Looking at the viewing and output figures together shows that network originations were responsible for a disproportionately high share of Channel 4's overall viewing this year, outperforming acquired programmes: they generated a higher share of viewing (72%) than their corresponding share of the volume of programming (64%).

Please note that:

1. The Film4 channel is excluded from this metric as, by its nature, its output is primarily made up of acquired feature films.
2. Network originations differ from the narrower Ofcom definition of "originations", which only count programmes on the individual channel that commissioned them. Network originations better reflect the multichannel world by taking into account the multiple opportunities broadcasters can provide viewers to catch up on programmes across their digital TV portfolios.