

AT A GLANCE

Investment in content

£675m

total content spend (-3%)

£510m

record originated content investment (+2%)

£189m

record spend on production companies in the Nations and Regions (+12%)

309

producers across the UK (-3%)

Financial stability

£960m

corporation revenue (-4%)

£190m

cash reserves (-12%)

£17m

pre-tax deficit funded from our content reserve in order to sustain content investment (2016: £15m)

Digital innovation

£124m

record digital revenue (+22%)

719m

programme views initiated on-demand (+16%)

16.6m

viewers registered with All 4 (+11%)

WHAT IS CHANNEL 4?

Channel 4 is a publicly-owned and commercially-funded UK public service broadcaster, with a statutory remit to deliver high quality, innovative, alternative content that challenges the status quo.

Our twin goals as a content provider and business are to fulfil our remit and to be commercially self-sufficient.

WHAT MAKES US SPECIAL

We make a huge contribution to the UK's economy

17,000

jobs supported per annum across the UK

£1.1bn

contribution to GVA per annum

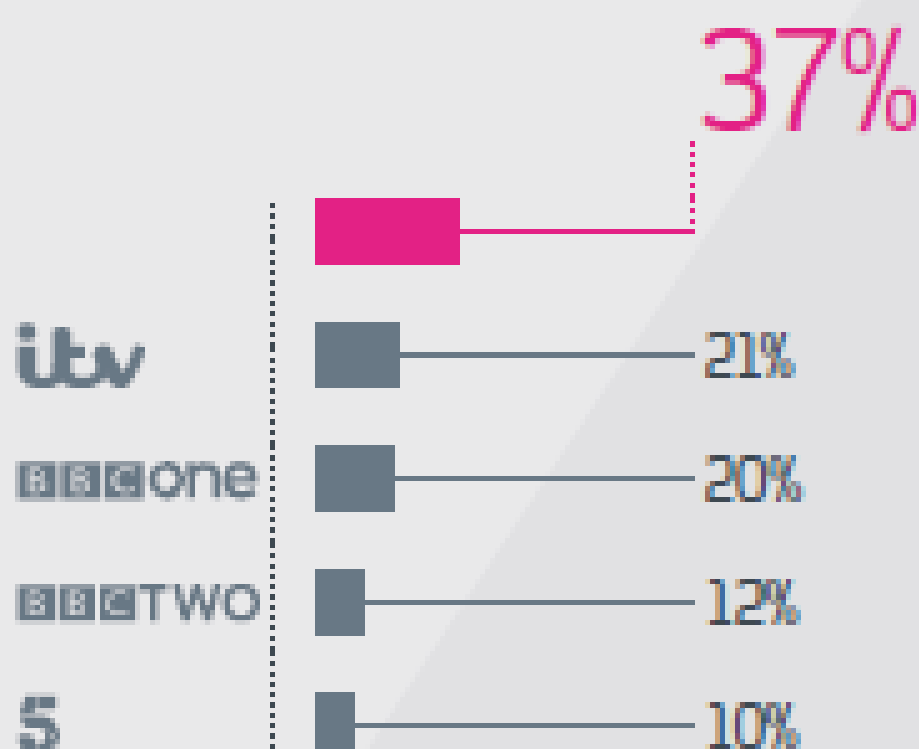
858

employees

Source: Channel 4, Oxford Economics

We support the independent production sector more than our competitors

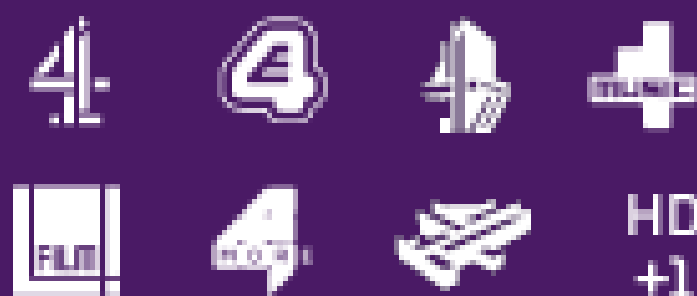
A higher proportion of our total spend goes to UK independent production companies



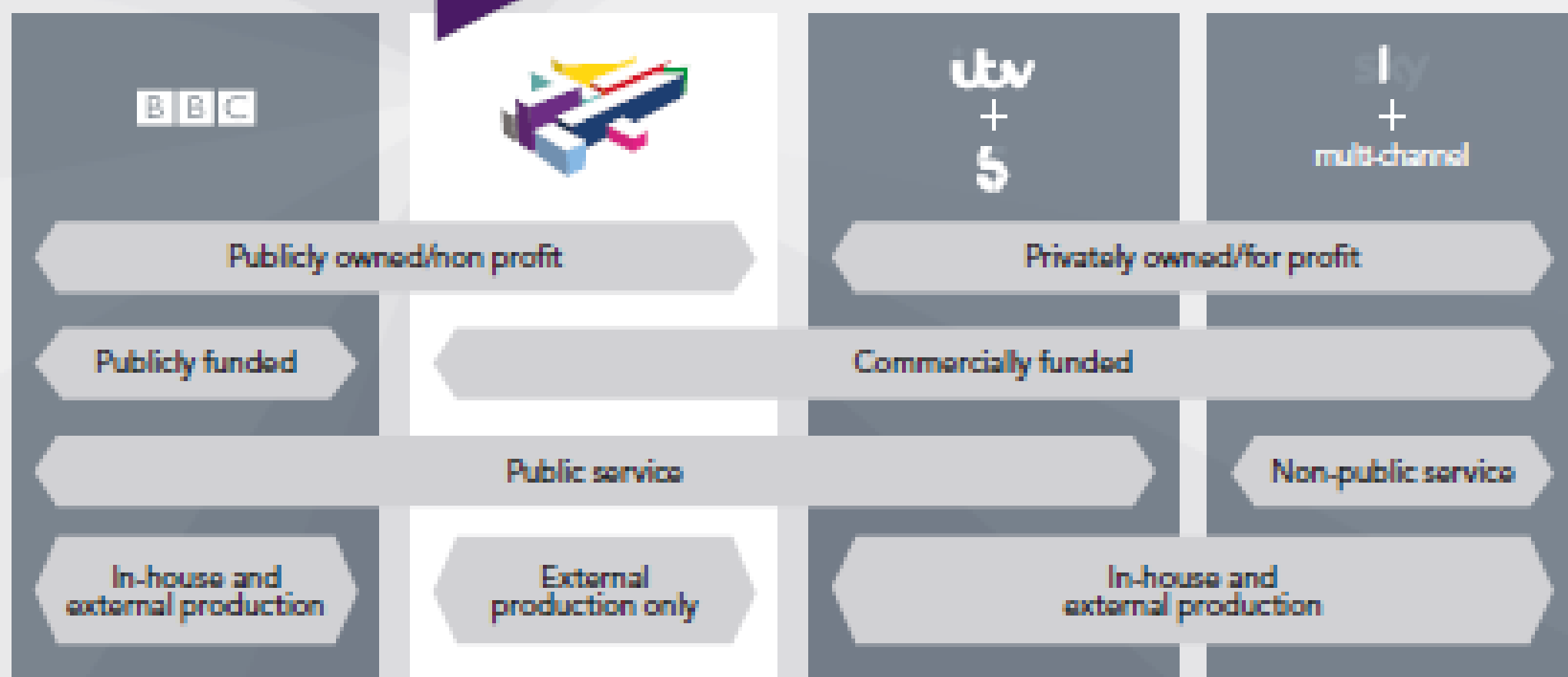
Source: Ofcom

OUR POSITION IN THE BROADCASTING ECOLOGY

Channel 4's portfolio of channels and services



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



We prioritise investment in innovative British programmes

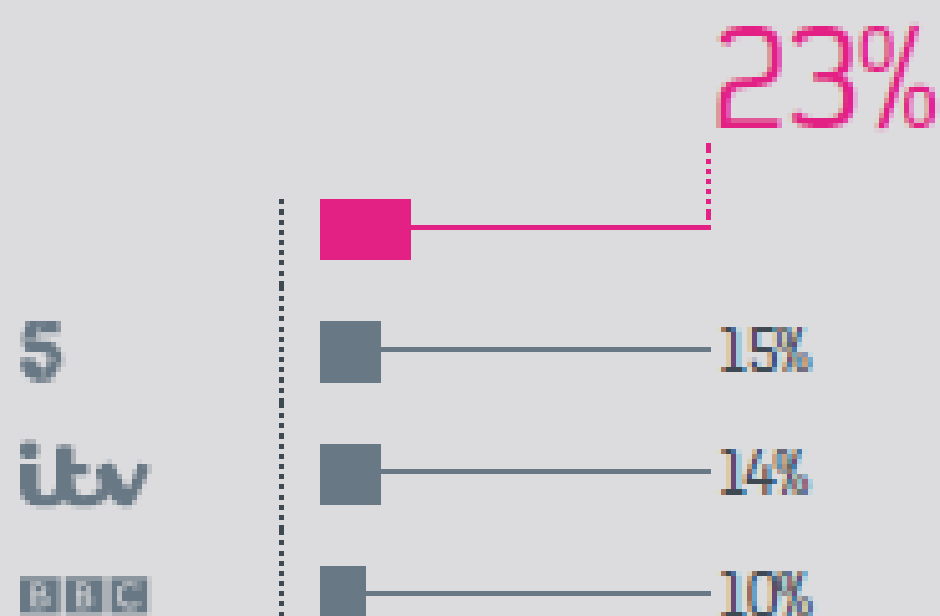
Almost two-thirds of income spent on content



Source: Oliver & Ohlbaum

We have a stronger relationship with young people than other PSBs

A significantly higher proportion of our total audience is aged 16-34 compared to any other PSB channel in the world, including the BBC and ITV



Source: BARB

REMIT

CHANNEL 4'S PUBLIC SERVICE
REMIT DRIVES ALL THAT WE DO

Everything that Channel 4 does is governed by our public service remit, which is agreed by Parliament and enshrined in legislation. It is the template that gives us our unique and important role in British life: to be an alternative and distinctive voice in broadcasting.

Our remit

Film

Distinctive

Invest in high quality content

Alternative views

Stimulate debate

Current affairs

News

Inspire change





◀ Ackley Bridge

◀ Digital

◀ Nurture talent

◀ Innovative

◀ Older children and young adults

◀ Work with cultural organisations

◀ Education

The remit, along with a set of public service broadcasting quantitative licence obligations that are set and monitored by Ofcom, covers a broad range of elements. Taken together, this framework shapes the types of programming and other content that we invest in, the people and companies we work with to supply this content and the positive impacts our content has on society.

Our public service remit is measured through the programmes that we commission and transmit (see Remit Performance chapters, starting on page 20) as well as through a set of quantifiable metrics (see Investing in Innovation from page 62 and Making an Impact from page 74).

Programming

Our content is required to be high quality and diverse, with a distinctive character. We also need to innovate and take risks. And we must engage in particular with older children and young adults, including through content that is educational in nature. The remit covers our output across the TV portfolio, in digital and in film.

People

We have a duty to support the development of creative talent in TV and film, including those at the start of their careers. Our programming must appeal to a culturally diverse society, which means the people making our programmes must also be diverse.

Production

Our publisher-broadcaster operating model and licence obligations require us to commission large volumes of originated programming from the UK's production sector, including companies based around the Nations and Regions. We provide direct support to new or growing companies as part of our commitment to innovation and creative talent.

Positive impact

Channel 4's programming can be a catalyst for social change. This means supporting and stimulating well-informed debate, promoting alternative views and new perspectives and inspiring changes in people's lives. Our ambition to make a positive difference informs our approach in all types of programming, including News and Current Affairs.

This Annual Report is composed of Channel 4's Statement of Media Content Policy ("SMCP") and our Financial Report and Statements. The SMCP is the means by which we meet our formal statutory duty to publish a report of performance against our remit.

NATIONS AND REGIONS

Channel 4 makes a substantial contribution to the UK's Nations and Regions in a number of ways. On screen, we portray people and places from all over the country, showing the different cultures, lifestyles and perspectives of people living in different parts of the UK.

And off screen, Channel 4 plays a vital role in supporting the creative economy across the UK, by working with the best creative talent and businesses around the country. We do this directly, through the programmes, films and digital content that we commission and also by providing support to help companies develop and grow, such as through our Growth Fund.

As a publisher-broadcaster, our investment in content goes further than that of other broadcasters in supporting the production community, as all of our programmes are commissioned externally. And a substantial number of these are commissioned from production companies in the Nations and Regions.

In the last decade, Channel 4 has spent over £1.5 billion on TV production in the Nations and Regions, with a record £189 million spent in 2017 – some £20 million more than in 2016. Of this, £39 million was spent on production in the Nations and £145 million was spent on production in the Regions.

We are the only public service broadcaster to commission 100% of our content from external suppliers and, in 2017, we worked with 309 companies across TV, film and digital media. In expenditure terms, 45% of our investment in first-run originated programming on the main channel came from suppliers outside London, a notable year-on-year increase of five percentage points.

In 2017, the Government launched a consultation looking at how Channel 4 could further increase its Impact in the Nations and Regions. We also organised our own consultation process – meeting with over 200 independent producers, local and regional representatives and creative businesses from across the UK – and launched our '4 All the UK' strategy in early 2018.

4 All the UK

'4 All the UK' includes a commitment to significantly increase our Nations and Regions content spend from our current quota of 35% to 50% by 2023 – a boost of over £250 million in the Nations and Regions; to establish three new creative hubs in 2019, including a new National HQ for Channel 4 – this represents 300 Channel 4 jobs, including key creative decision makers, based in the Nations and Regions; and Channel 4 News will also expand its footprint, opening three new bureaux across the UK and giving a huge boost to regional representation, and aiming to become the first peak-time national news programme to co-anchor from both London and the Nations and Regions from 2020.

These plans, which received the strong support of Government, represent the biggest operational change in Channel 4's history and will provide a huge boost to the creative economies of the Nations and Regions.

More than

£1.5bn

on TV production in the Nations and Regions over the last ten years

A RECORD OF

£189m

spent in 2017 –
some £20 million
more than in 2016

NIMBLE DRAGON

Nimble Dragon

Independent production company Nimble Dragon, headquartered in Cardiff, received Alpha Funding from Channel 4 in 2016 and again in 2017. Since then, the indie has won a commission for a 20 part hour long daytime series called Sun, Sea and Brides to Be.

We now have over 30 freelance and full time staff at our Cardiff Bay offices. Our daytime series currently in production for Channel 4 has given us the foundations to grow the company and we have since added a series with another broadcaster. It's an exciting time for the TV production sector in Wales, says Gareth Rees, MD of Nimble Dragon.

Tern TV Belfast

Tern TV Belfast, a Northern Irish independent production company, has worked closely with our Nations and Regions team to win more Channel 4 business. Programmes have included nine episodes of *Britain At Low Tide*, a pilot for *How To Live Well* and an RTS winning documentary film, *The Good Terrorist*.

Brandan Hughes, Head of Tern TV Belfast, explains:

Channel 4 has made a real, tangible effort at engaging in Northern Ireland over the last two years in particular. There is a sense that Channel 4 is engaged and wants to do more. So far, so good!

Tern



Firecrest

Firecrest Films

Based in Glasgow, independent production company Firecrest has grown rapidly since it received Channel 4 Alpha Fund support in 2012. The company tripled its turnover in 2017 following investment from the Channel 4 Indie Growth Fund in January and moved to expanded offices in May to accommodate its fast growing team.

Fundamental to our success has been the support of Channel 4, particularly through commissioning, but also from schemes and funds to support smaller indies and develop new talent," says Nicole Kleeman, MD of Firecrest Films.



HIGHLIGHT

The Great British Bake Off

A highlight of 2017 was *The Great British Bake Off*, which launched on Channel 4 to huge critical acclaim and some of the largest audiences in our history.

The amateur baking competition has become a quintessential British television staple and cultural reference. It is also one of the country's favourite shows, appealing to vast audiences across all demographics and bringing families together for a shared viewing experience.

Produced by Love Productions, *The Great British Bake Off* was moved from the BBC to Channel 4 in 2017. The innovative and uniquely Channel 4 line-up of presenters was instrumental to the programme's successful transfer, alongside the diverse cast of 12 amateur bakers.

In its new home, the programme welcomed restaurateur, food writer and novelist Prue Leith alongside Paul Hollywood as judges. Presenter, comedian and writer Sandi Toksvig and comedian and actor Noel Fielding also joined the expert judges to present the show, which premiered on Channel 4 in August.

The show was an unparalleled success for Channel 4. *The Great British Bake Off* was the most watched series of the year across all of British television amongst 16-34-year-olds, for both volume of viewers and primetime share.

The Great British Bake Off is also a strong example of Channel 4's business model, where superstar programmes help to bring in audiences – and therefore revenues – which help to fund public service programmes and deliver our public service remit.

Across the series, the programme attracted an average audience of nine million viewers, with an average share of 54.5% of 16-34-year-olds. The programme was also a hit on our on-demand platform All 4, with the first episode becoming the most watched programme ever on All 4, and the series breaking many of the platform's viewing and registration records. The programme was also a critical success, attracting favourable reviews in the press and strongly positive sentiment across social media by the public.

All ten episodes feature in the top 25 programmes shown on Channel 4 since modern reporting began. The series peaked at the final with 10 million viewers, which represented more than one in three TV viewers across the UK.

Our Christmas special, *The Great Christmas Bake Off*, was also a huge success on Christmas Day. It delivered an average audience of 4.8 million viewers and a 16.1% share, making it Channel 4's biggest Christmas Day audience since our modern records began.

The Great British Bake Off will return in 2018, alongside a suite of spin-off programmes, including after-show *The Great British Bake Off: An Extra Slice*, hosted by Jo Brand; *The Great Celebrity Bake Off for Stand Up To Cancer*, which sees celebrities enter the Bake Off tent to impress our judges with their baking skill; and *Bake Off: The Professionals*, where 12 professional duos from across the UK will go head to head in a series of competitive heats judged by celebrated pastry chefs Cherish Finden and Benoit Blin.



The Great British Bake Off

54.5%

Share of 16-34 year olds across the series

"On a new channel with a largely new cast, would this delicate confection still taste as sweet? The answer has proved to be an empathetic yes."

The Sunday Telegraph





INVESTMENT

IN HIGH QUALITY
CONTENT

Channel 4's primary function is to deliver its public service remit. Central to that remit is our investment in a broad range of high quality TV programmes, films and digital content.

Investing in content

£675m

total content spend (+3%)

£510m

originated content investment (+2%)

10.5%

viewing share across the TV channel portfolio (+)

73%

of the main channel peak time schedule devoted to first run originations (1pt)

Our approach to creativity distinguishes us from other broadcasters. We take more risks and we nurture and harness the best creative talent on and off screen, and from across the UK, 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 dramas that reflect the realities of contemporary Britain, to backing feature films with great potential, and much more.

Our ability to engage audiences and make an impact is dependent on great ideas being generated within a thriving and diverse production sector. Therefore, a core part of our mission is to strengthen the production sector both by supporting companies directly and by commissioning impactful, distinctive content that draws in sizeable audiences and revenues that can in turn be reinvested into more great content.

In 2017, despite a challenging advertising market, we increased our investment in new content. This enabled us to continue to deliver world class programmes across all genres and continue to support the UK production sector.

2018 ambitions

- 2018 will be a strong year for our scripted content, with a combination of returning titles, such as *Humans* and *No Offence*, alongside big new ambitious drama series. These include *The First*, created by Beau Willimon, about the first human mission to Mars, and *Kid*, a four-part drama set in Bristol about the abduction of a child, written by Jack Thorne and starring Sarah Lancashire.
- Film4 will continue to invest in proven, quality filmmakers with a unique vision. Film4-backed films launching in 2018 include Martin McDonagh's BAFTA and Oscar-winning *Three Billboards Outside Ebbing, Missouri*, Lynne Ramsay's *You Were Never Really Here*, and John Cameron Mitchell's *How To Talk To Girls At Parties*.

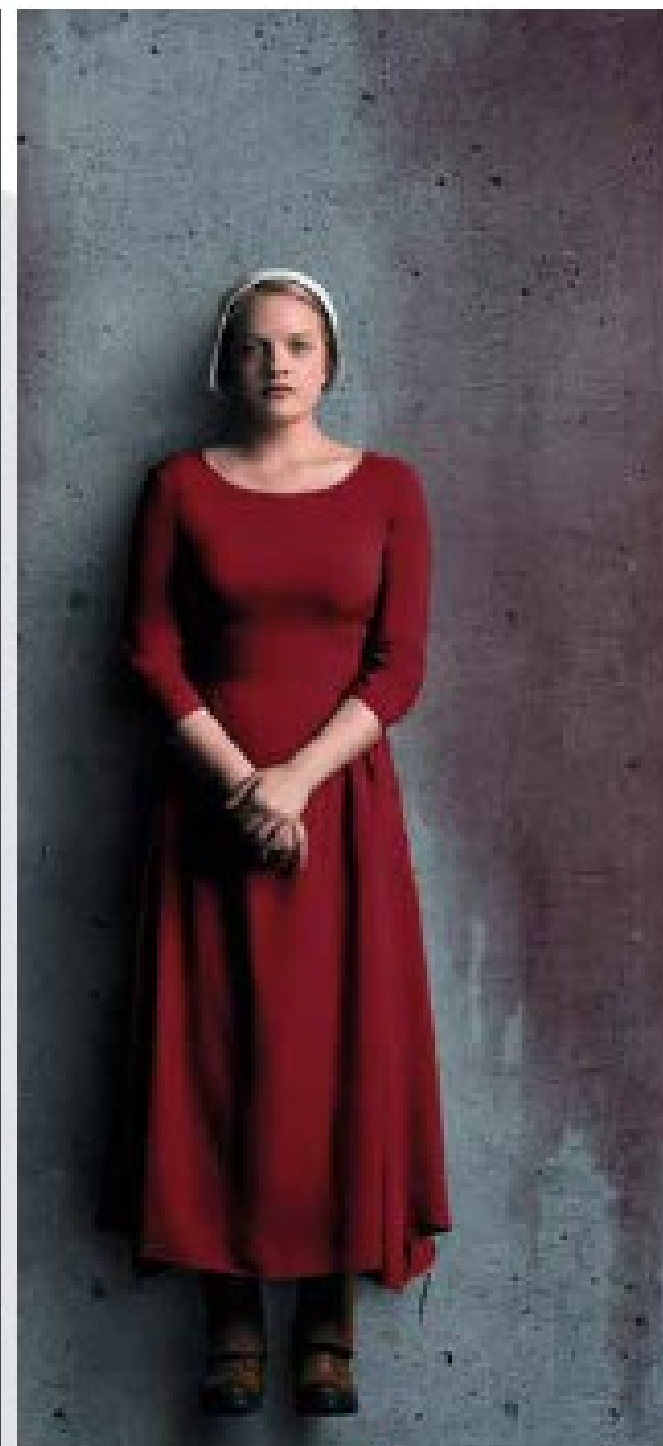
In 2017, Channel 4 protected its investment in the creative economy, despite a challenging economic backdrop, with the advertising market declining 3% year-on-year. We spent a total of £675 million on content, with a record £510 million spent on originated content.

Reflecting Britain's cultural diversity is central to all that we do at Channel 4, and we continued to showcase this diversity in many of our most popular hits, including *Educating Greater Manchester*, *First Dates* and *Gogglebox*. Successful new shows included *Ackley Bridge* (see case study on page 37), *Lego Masters* and *Loaded*, as well as the much-awaited transfer of *The Great British Bake Off* to its new home on Channel 4. Amongst a number of high quality acquisitions, *The Handmaid's Tale* was one of the most acclaimed shows of the year globally.

2017 was a year of many creative highlights, with returning and new programmes that stood out in an increasingly congested broadcasting landscape, which is a threat to Channel 4, as an incumbent. As a result, we maintained a strong lead over our public service broadcasting competitors on all of our key remit measures, and the public's perception of Channel 4 remains strong.

Our investment in quality content ensures that we can both deliver our remit as well as attract large, engaged audiences.

This is exemplified by our high-profile sports content, which delivered distinctive programming to viewers throughout the year. It peaked during a sensational summer of sport which featured the 2017 British Formula 1 Grand Prix, the London 2017 World Para Athletics Championships and the UEFA Women's EURO 2017 football championships.



▲
The Handmaid's Tale



A strong year for drama

Channel 4 is the home of innovative, high-profile drama. Taking on new work from the best-established and emerging writers, our drama slate offered a surprising, thought-provoking and entertaining alternative to the programmes shown on other channels and platforms.

Our dramas encourage audiences to look at the world through a different lens. This year, alongside our continuing series *Hollyoaks* and *No Offence*, we created a new hit in the shape of youth-focused *Ackley Bridge*, a new school-based series set in a multicultural academy in Yorkshire – our first Bpm drama since *The Mill*, in 2014. Other highlights included Philip K. Dick's *Electric Dreams*, an ambitious Amazon co-production that saw the stories of Philip K. Dick adapted by some of the UK and the US's most exciting talent, including Steve Buscemi, Sidse Babett Knudsen, Richard Madden, Bryan Cranston and Tuppence Middleton. Other highlights included *Loaded*, an original comedy-drama by Jon Brown; and *Born to Kill*, a haunting psychological thriller about family and psychopathy set in a rural British town.

We also launched one of the freshest and most talked-about programmes of 2017, *The End of the F***ing World*, one of our most 'binge-watched' programmes of the year, which was co-produced with Netflix and stunt-launched on Channel 4 and All 4.

Authorship is at the heart of our drama, and we are always searching for new, original voices in writing and filmmaking. In 2017, we continued to run a number of talent development programmes, including 4Stories, 4Screenwriting, The Channel 4 Playwright Scheme and The Channel 4 and Northumbria University Writing for TV Awards – read more about our talent initiatives on page 41.

Ackley Bridge



"The State shows that Channel 4 is the essential broadcaster, which runs the dramas and documentaries that others run from."

Nick Cohen
Standpoint (September 2017)

The State

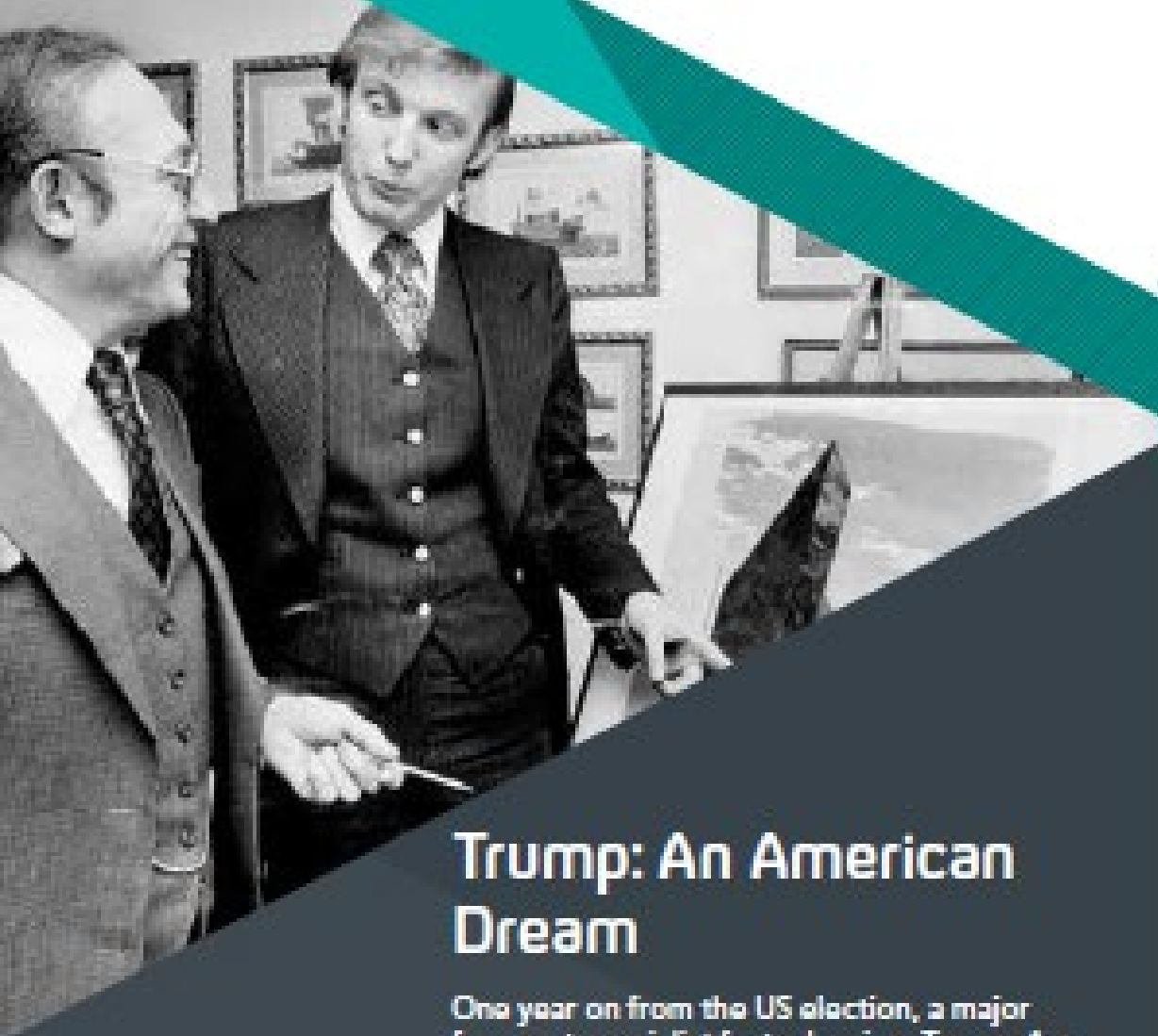
A compelling, fictional story based on extensive research, *The State*, which aired in August 2017, is a powerful four part drama that follows the experience of four young British men and women who leave their lives in the UK behind to join Isis.

Written and directed by Golden Globe and BAFTA Award winner Peter Kosminsky, and produced by Archery Pictures, the drama is a prime example of Channel 4 investing in distinctive, high quality content.

The *State* was always going to be a controversial drama and one intended to stimulate debate. Independent research found that three quarters of viewers believe that this is the sort of programme Channel 4 should be showing.

The programme was a success with the public, reaching a total of 5.5 million viewers, or 9.2% of the TV population. It was particularly successful at attracting BAME viewers, who were up by 134% against the slot average.

Although it proved a difficult watch for many, a notable eight out of ten viewers polled by research agency Other Lines agreed that it was good to see controversial yet important issues – such as modern extremism – being confronted and explored through a mainstream drama in a way that they hadn't seen before on TV. 65% of viewers also said that the drama made them think about the process of radicalisation in a different way (rising to 69% with younger viewers).



Trump: An American Dream

One year on from the US election, a major four part specialist factual series, *Trump: An American Dream*, charted President Donald Trump's long rise to power across five decades as a businessman, developer and media star before reaching the White House.

Commissioned by Channel 4 and co-produced with Netflix, *Trump: An American Dream* was made by UK indie producer 72 Films, as an epic exploration of one of modern America's most extraordinary lives.

Through the eye witness testimony of 50 friends and enemies, and with a treasure trove of rare and revelatory archive, the series helped viewers to better comprehend the Trump phenomenon and stimulated debate on a range of issues surrounding his rise to power.

This documentary series is a good example of the co-production model, with the external financing enabling us to produce a more substantial and in-depth documentary than we otherwise would have been able to. The four episodes captured the attention of UK audiences, attracting 6.4 million viewers across the series, before being released by Netflix outside of the UK.

**"A well-made
account of an
unusual ascent."**

The Telegraph

Catastrophe



Co-productions

2017 saw a rise in the number of programmes that were co-produced with partners, a key part of our content strategy as budgets in genres such as drama are rising.

Co-productions enable us to work with on-demand platforms and distributors – such as Netflix, Hulu, all3media and FremantleMedia – to make innovative, world-class content together. In each of our co-productions, we ensure we retain editorial control over these programmes which, after premiering on Channel 4, may move on to SVOD services, or other platforms in the UK and sold internationally by distributors.

A growing number of scripted and non-scripted genres tap into this innovative model, including Drama (Philip K. Dick's *Electric Dreams*, co-produced with Sony Pictures Television and Left Bank Pictures, and *The End of the F***ing World*, co-produced with Netflix) and Documentaries (*Trump: An American Dream*, co-produced with Netflix).

This trend towards co-productions illustrates the appeal of Channel 4's distinctive editorial input and taste: our co-production partners are investing in our expertise, knowledge and network of talented writers, producers and actors. For platforms looking to appeal to similar demographics to our audiences, Channel 4's taste palate and experience is attractive. For us, these partnerships enable us to bring larger-scale and ambitious productions to our audiences.



Free Fire

Three Billboards Outside Ebbing, Missouri

Investment in film

Our investment in film continued in 2017 with a bold and diverse slate of films. As a vital supporter of British film, Film4 has a strong track record of working with the most distinctive and innovative talent in the UK, developing and co-financing many award-winning films, including past Academy Award-winners such as Lenny Abrahamson's *Room*, Asif Kapadia's *Amy*, Steve McQueen's *12 Years a Slave*, Phyllida Lloyd's *The Iron Lady*, and Danny Boyle's *Slumdog Millionaire* among others.

Film4's investment strategy, which was expanded in 2016, now allows us to take a bigger financial stake in films such as Martin McDonagh's *Three Billboards Outside Ebbing, Missouri* (released in the UK in early

2018), which was co-financed on an equal basis with Fox Searchlight and looks set to do excellent international business.

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

Film4-backed films released in UK cinemas in 2017 include: Ang Lee's *Billy Lynn's Long Halftime Walk*, Ben Wheatley's *Free Fire*, Rungano Nyoni's *I Am Not A Witch*, Danny Boyle's *T2 Trainspotting*, Yorgos Lanthimos's *The Killing of a Sacred Deer* and Adam Smith's *Trespass Against Us*.

Film4 has a strong slate for 2018, including both new and established filmmakers with distinctive stories that aim to resonate with UK and international audiences. Upcoming titles include Martin McDonagh's *Three Billboards Outside Ebbing, Missouri*, Clio Barnard's *Dark River*, Andrew Haigh's *Lean on Pete*, Stephen Merchant's *Fighting With My Family* and Lynne Ramsay's *You Were Never Really Here*. Films still in production include Mike Leigh's *Peterloo*, Steve McQueen's *Widows* and Lenny Abrahamson's forthcoming adaptation of Sarah Waters' acclaimed wartime ghost story *The Little Stranger*.



T2 Trainspotting

"Film4 is known as a home for high quality commercial and critically successful titles and is a major developer of talent."

Deadline

SUPPORTING

CRE- ATIVE

BUSINESSES





As a publisher-broadcaster, we don't make any of our programmes in-house, but commission from hundreds of independent production companies right across the UK – giving opportunities to British creative talent and supporting a thriving and world-renowned production sector.

Working with independent production companies

£496m

Investment in first run external commissions across our TV portfolio (+2%)

171

Independent TV production partners across our commissions in TV, film and digital media out of 309 suppliers (+7%)

Investment in the Nations and Regions

£189m

spent on production companies based outside of London (+£80m)

57%

of hours of first run originated programmes came from suppliers outside of London (+2pts)

2018 ambitions

- We will continue to support production companies across the UK, with regionally produced programmes such as new comedy series *Derry Girls*, filmed and produced in Northern Ireland, as well as returning factual series, including *999: What's Your Emergency?* and *Supervet*.
- Our content will reflect the lives of people throughout the UK, with programmes including returning dramas *No Offence* and *Ackley Bridge*, long-running soap *Hollyoaks*, as well as ensuring a breadth of regional diversity in our popular Features and Daytime formats.
- We will continue to nurture talent throughout the UK: with Indies via producer briefings and our Alpha Fund Investment, and with young people via our C4 Pop Ups and higher education partnerships.

We're proud of our influential and disproportionately impactful role in the UK's creative economy. Our remit to be innovative, distinctive and experimental means we give creative people a unique place to bring bold, new ideas.

This adds up to an economic legacy that will last long into the future. We support 17,000 jobs throughout the UK, contributing £1.1 billion in Gross Value Added each year.

Supporting creative businesses and those who work across all parts of the industry is an intrinsic part of our business model and our purpose, helping Britain maintain its position as a global creative powerhouse.

37%

of all UK spending on indies by
public service broadcasters

For over 35 years, we have successfully balanced the twin goals of delivering a public service whilst being commercially self-sufficient. It's a powerful business model that enables us to maintain our editorial and financial independence, and to continuously reinvest our revenues back into high quality British content and creative businesses.

In 2017, we worked with 309 companies across our portfolio, investing £510 million in originated content from British producers, an increase of 2% on the previous year.

The independent producers that we work with typically retain the secondary rights to the programmes that they create (beyond Channel 4's first-run window). This ensures that our investment has a multiplier effect, whereby our production partners can go on to sell their content in secondary windows and internationally, generating additional revenue streams for them. Through this model, in which both the risks and rewards can be significant, Channel 4 helps to foster entrepreneurialism within the UK's creative industries.

Indeed, Channel 4 accounts for 37% of all UK spending on indies by the main public service broadcasters. This is a higher proportion than BBC One and BBC Two combined.

Our spend in the Nations and Regions is growing: In 2017, the Nations and Regions accounted for a record 57% (55% in 2016) of hours, and we invested £189 million on programmes from the Nations and Regions, £20 million more than in 2016. For the fifth successive year, more than half of all first-run originations were from suppliers outside of London (57%, up two percentage points year-on-year).

Regional Indies continue to deliver successful returning hits, including *No Offence* (Manchester's Abbotsvision); *Extreme Cake-makers* (Cardiff's Boom Cymru); *Homes by the Sea* (Leeds' True North); *Supershoppers* (Glasgow's Firecrest); and *Hollyoaks* (Liverpool's Lime Pictures), which has now been on Channel 4 for more than 20 years (read our full case study, page 30).

Some of our most significant new commissions this year came from Indies in the Nations and Regions, including *Staph and Dom's One Star to Five Star* (Wales' Blink Entertainment); *Lego Masters* (Suffolk's Tuesday's Child East); *How to Stay Well* (Glasgow's Tern Television); and *The World's Most Expensive Cars* (Northern Ireland's Waddell Media).

Our investment in programming made in the Nations and Regions isn't just about economic impact – it's also integral to ensuring that we reflect stories, experiences and voices from all over the UK.

Many of our programmes are strongly rooted in the locations in which they are based, with the storylines and characters or contributors in the programmes reflecting their locations' culture and diversity. For example, new drama *Ackley Bridge* tells the story of a diverse school in Yorkshire, grappling with the challenges of cultural integration in a segregated community. Meanwhile, *Confessions of a Junior Doctor*, filmed in Northampton General Hospital, examined the struggles faced by young doctors in an NHS hospital.

Some of our most popular returning series reflect the diversity of the UK at their cores. For example, *Location, Location*, *Location* is filmed in many parts of the UK. Each episode of *Gogglebox* features families drawn from a range of locations across the UK, including Merseyside, Clacton-on-Sea, Wiltshire and Wales.

LEEDS



True North Productions

Leeds based indie True North was set up in 2001 by producers Andrew Sheldon and Jess Fowle in a bid to build a truly indigenous and sustainable TV production business outside of London. In 2014, it was one of the first companies Channel 4 invested in through its new £20 million Indie Growth Fund.

Following our strategic investment, we worked with True North to help it become one of the biggest factual Indies in the country and to establish an important training ground for new and diverse creative talent in the north of England. As part of its growth strategy, the company focused on developing formatted factual entertainment shows – these include *A New Life in the Sun* (for Channel 4), *Junior Vets* (CBBC), *Homes by the Sea* (More4) and *Teen Mom UK* (MTV).

In January 2017, True North became the first successful exit for our Indie Growth Fund, delivering a profit on sale.

"They're investing in us and we're investing in them. The Nations and Regions team have been great champions of ours and have always had our back. There's no doubt that their support has helped secure commissions."

Jane Muirhead
MD of Glasgow-based Raise the Roof Productions

A dedicated Nations and Regions team

Our investment in content in the Nations and Regions is supported by best-in-class development funding, outreach, skills and training from our dedicated Nations and Regions team.

Based in Glasgow, the team is a strategic arm of the Channel 4 Commissioning division, delivering programmes of outreach work to support production companies from the Nations and Regions. This work is particularly aimed at small and emerging businesses, prioritising strategic input and partnership, in order to help them win commissions.

In 2017, our Nations and Regions team worked with 84 Indies on a monthly basis, supporting them in a number of ways, including working with their development team, giving advice, helping to shape ideas and introducing them to Channel 4 commissioners. In addition, the Nations and Regions team spent £450,000 through our Alpha Fund, to provide development funding to seven Indies in the English regions, five companies in Northern Ireland, three companies in Wales and three in Scotland.

The number of Nations and Regions commissioner briefings increased from 16 events in 2016 to 21 events this year. These were attended by 311 individuals from 139 companies from the Nations and Regions. The briefings were tailored to improve existing supplier growth as well as to connect with new Indies.

The Nations and Regions team developed a number of partnerships with other organisations in 2017, including with RTS Yorkshire, RTS Midlands, Glasgow College, University of South Wales and Creative Access. These partnerships, which gave students access to Channel 4 Briefing Days and work experience at those events, provided another way for the team to further embed their work into the wider creative community. In total, the Nations and Regions team sponsored 14 festivals, award ceremonies and talent schemes.



Meet Deborah Dunnett, Nations and Regions Manager

"Diversity of supply is at the heart of Channel 4's remit. We strive to work with new production talent and compelling, diverse voices from across the UK.

"My team is there to support that talent and to help their companies succeed. We maximise the Indies' commissioning potential by embedding ourselves within the commissioning teams, helping to shape ideas and providing regular commissioner engagement and intelligence – all with a dedicated development fund to back our work up.

"If we're working with an indie that is new to Channel 4, we help make introductions and partner them with the appropriate commissioner, coaching them on how we work as a business and helping them to get in a position to win their first commission with Channel 4. If we're working with an existing indie partner, we look at expansion – introducing them to new commissioners or partnering them with new genres, giving them business advice and helping them with talent.

"It's thrilling to be with our Indies as they grow and to see their region's economy grow alongside them. In fact, a large part of our current focus is to increase our partnerships with each wider creative community, to help strengthen each hub and its talent."

£450,000
spent through our Alpha Fund



“Channel 4’s commitment to *Hollyoaks* has enabled Lime Pictures to sustain over 300 permanent roles, meaningfully invest in the local infrastructure and talent, providing a stable foundation for the creation and retention of a strong craft base.”

Claire Poyser
Joint Managing Director, Lime Pictures

Lime Pictures

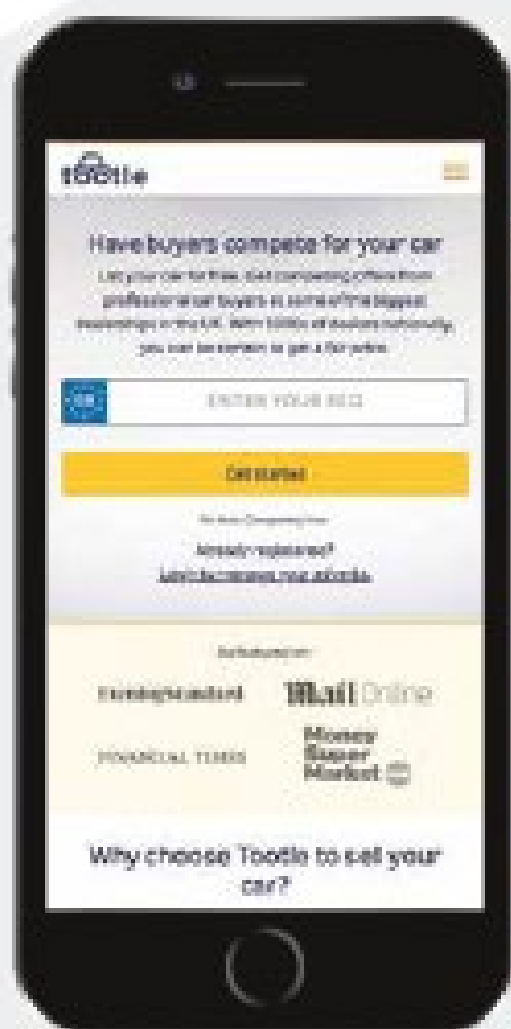
Lime Pictures – originally founded as Mersey Television – has produced *Hollyoaks* for 21 years and previously made Channel 4’s first ‘soap’, *Brookside*, until 2003.

Filmed on a dedicated set on Lime Pictures’ campus in Childwall, Liverpool, *Hollyoaks* is Channel 4’s biggest Nations and Regions-commissioned programme. Now running at five episodes a week, *Hollyoaks* is also one of our most popular and enduring shows. As well as providing entertaining storylines that appeal to hard-to-reach young viewers, it delivers impactful, important public service messages to this core audience on challenging subjects including rape, teen pregnancy, substance abuse, eating disorders, mental health problems, HIV, body dysmorphia and LGBT issues.

The scale of Channel 4’s investment in *Hollyoaks* provides Lime Pictures with a stable platform from which to build and invest in talent over a sustained period of time. Having developed a stable of writers and directing talent, Lime Pictures has become one of the most successful British production companies, producing programmes for other broadcasters including *The Only Way Is Essex* for ITV2, *Geordie Shore* for MTV and Disney’s *Evermoor*.

Lime Pictures’ success brings further economic benefits to its local economy: it is an important local employer, with half of its entire Childwall-based staff living within a 20-minute drive of the campus. And it has helped to ensure a rich and varied talent pool in the Liverpool area, many of whom will go on to build successful careers in the creative economy.

Lime Pictures works actively with Channel 4 on a number of talent development initiatives, such as the Northern Writers’ Award, which offered winner Sharma Wallall a placement on *Hollyoaks*. Lime also supports Channel 4’s diversity ‘storylining’ initiative, offering two 12-week placements on the *Hollyoaks* team for people from a BAME background or with a disability.



◀ Tootle

Growth Funds

Our two main investment funds – the Indie Growth Fund and Commercial Growth Fund – continue to support UK business growth through their targeted investments.

Launched in 2014, the £20 million Indie Growth Fund was established to nurture the independent sector by providing access to funding for small and medium-sized UK independent production companies. The aim was to help these businesses grow and develop without the need to consolidate with other production companies. The fund has invested in 13 companies across the UK.

In 2017, we successfully divested two companies in which the Indie Growth Fund had taken stakes. Renowned Films, a BAME-led production company, was sold to Critical Content, while True North Productions, a Leeds-based indie, was sold to Sky (see case study, page 28).

Meanwhile, our Commercial Growth Fund, which we launched in 2015 following our success with the Indie Growth Fund, continues to invest in start-ups, offering 'media for equity' to high-growth-potential companies.

This represents an alternative route for companies to access valuable Channel 4 airtime in exchange for shares. The Commercial Growth Fund focuses on consumer growth-phase companies, with a bias towards highly disruptive companies that are aligned to Channel 4's audience profile. As TV continues to be the biggest medium for mass reach, reaching 97% of the UK population each month, the Commercial Growth Fund proposition remains attractive for start-ups looking to gain more visibility.

Since it launched in 2015, the Commercial Growth Fund has completed ten equity investments. The Fund has quickly found success. Most notably, one of its earlier investments, Eve Sleep, successfully listed on the AIM Exchange in May 2017.

In 2017, Commercial Growth Fund investments included: HundredRooms, a meta search engine for booking holiday homes; Get Agent, an online comparison service for estate agents; and Tootle, an online marketplace for pre-owned car sales.

Supporting exports

Our most significant means of supporting the health and growth of the UK's globally successful indie sector is through the ongoing investment in content by our commissioning teams. Channel 4 commissions enable production companies to build their profile and their businesses, allowing them to win business from other clients, both in the UK and internationally.

As the indies that we work with own the intellectual property behind their programmes, they are able to sell on their programmes and formats around the world. Indies have done this with great success over the years – in 2015-2016, the UK was the second-largest exporter of television formats in the world, with total revenues from TV exports worth more than £1.3 billion per year.

Channel 4 was set up to take risks, innovate and invest in talent. Our model – as a publisher-broadcaster that commissions all of our programmes from outside suppliers, and reinvests our profits into programmes – enables us to take risks on creative ideas and people that other organisations with different models might not.

Those risks pay off in the long term to the benefit of UK plc, as is evident from Channel 4's strong track record of developing the early careers of internationally successful British talent. This includes world-renowned film directors Danny Boyle, Steve McQueen and Martin McDonagh, as well as many TV presenters, comedians and actors who started on Channel 4 before moving to more mainstream channels. And it is evident from the many television formats that were initially developed for Channel 4 and which production companies have then gone on to sell around the world, such as Gogglebox, which has been exported to over 35 territories from the USA to Japan.




▲ Gogglebox

REMIT PERFORMANCE



YOU

NG PEOPLE



Maintaining and growing our connection with young people is now, more than ever, a key focus for Channel 4. Across all our output, our alternative and distinctive approach to subjects appeals strongly to young audiences, and our programmes tend to focus on themes that are particularly relevant to young people. Factual programmes especially often contain educational content that helps young people develop life skills, bridging the knowledge gap between what is taught in the classroom and at home, and supporting young people, especially 14-19-year-olds, as they transition from childhood to adulthood.

Engaging young people

16.4%

portfolio viewing share among
16-34-year-olds (+1%)

5.2%

viewing share for E4 among
16-34-year-olds (+5%)

3rd

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

7.5%

Channel 4 has a share of 7.5%
of 16-34-year-olds (+1%)

2018 ambitions

- We will grow our emphasis on young-skewing popular Factual, Education and Entertainment content with new programmes including *Class of Mum* and *Dad plus* extended returning series such as *Ackley Bridge* and *Lego Masters*. We will also launch new titles that appeal to 10-14-year-olds, including *Postcode Playdates*. Meanwhile, new series *Derry Girls* will showcase an array of new on-screen talent from Northern Ireland.
- We will further build on our successful online strategy to engage young people in News and Current Affairs and explore issues that impact their lives, while our Education content will continue to focus on life skills for teens.

This approach results in disproportionately strong viewing figures relative to other public service broadcasters, particularly in our factual genres. In 2017, Channel 4 programmes accounted for seven of the top ten factual entertainment shows among young audiences, with *The Great British Bake Off* attracting higher viewing figures and share amongst 16-34-year-olds than any other series.

Our factual genres are one of the most effective ways to engage with young people. Of our ten top-performing programmes among 16-34-year-olds, eight were original commissions and seven came from factual genres.

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. In 2017, our programmes tackled serious subjects such as cyber bullying (*Hollyoaks*, *Ackley Bridge*), sexuality (*50 Shades of Gay*, *Is Love Racist?*, *The Sex Testers*), and fake news (*The Fake News Show*).

Viewing amongst 16-34-year-olds was particularly strong in Factual genres this year. In Factual Entertainment, seven of the UK's top ten programmes amongst 16-34-year-olds were shown on Channel 4. New launches such as *The Great British Bake Off*, *Celebrity Hunted* and *First Dates Hotel* complemented existing titles such as *The Island*, *Gogglebox*, *The Undateables* and *Travel Man*.

Overall, the main channel's share of 16-34-year-olds grew by one percentage point in 2017, in a highly competitive market. Indeed, for the first time, ITV2 overtook E4 in terms of 16-34-year-old viewing share in 2017, largely due to ITV2's success with *Love Island*. Our dedicated youth-focused digital channel, E4, saw a 5% rise in viewing amongst 16-34-year-olds, thanks to the continued success of shows such as *Made in Chelsea*, *Tattoo Fixers* and *Celebs Go Dating*.

Our flagship soap *Hollyoaks* has run on Channel 4 for more than 20 years and continues to be the youngest-skewing soap on British television. 65% of its audience on E4 were under the age of 35, whilst across Channel 4 and E4 it reached 50% of 16-34-year-olds in 2017, or 7.2 million young viewers. With storylines in *Hollyoaks* featuring a range of important contemporary themes in 2017 – including mental health, sexuality and relationships – the soap continues to provide a platform to tackle important social issues.



 Hollyoaks

50%

Hollyoaks reached 50% of the 16-34-year-old TV-viewing population in 2017

7.2m

Hollyoaks viewers under 35

Older children strategy – focusing on prime time

Our strategy for older children is to provide content that reflects their lives and interests while also having popular mainstream appeal amongst broader age groups. This was exemplified by *Child Genius*, an annual competition to find the UK's child prodigies.

In 2017, we sought to develop successful returnable formats for this audience. *Lego Masters* was a new commission that put children's Lego design and construction skills to the test. It aired at 8pm on Thursdays in August and September, forming part of a deliberate strategy to schedule programmes that appeal to 10-14-year-olds in the pre-watershed 8pm time slot. This strategy was extremely successful, with a 38% increase in viewing share amongst 10-14-year-olds in this time slot, a bigger increase than for any other age group.

Lego Masters will return as an extended series in 2018, along with *Postcode Playdates*, in which families with children from the same neighbourhood but across social divides will open their doors to their neighbours' offspring for a playdate for the very first time.

As well as programmes made specifically for 10-14-year-olds, Channel 4 engages this age group with a wide range of programming, including programmes for young audiences more generally (such as *Ackley Bridge*) and programmes with broad family appeal, such as *The Secret Life of 4 and 5 Year Olds* and *The Great British Bake Off*.

Channel 4's appeal to older children was evidenced by Ofcom research in 2017 which found that 48% of 10-14-year-olds "like or love" the Channel 4 family, rising to 63% among regular Channel 4 viewers.

SUSSEX



Lego Masters

New format *Lego Masters* attempted to find Britain and Ireland's most talented amateur Lego builders. Hosted by Melvin Odoom, eight pairs of children competed against one another by designing and building intricate Lego masterpieces.

The programme was developed with the aim both to appeal to the tastes of older children and also to meet our renewed strategy to develop strong returnable formats that are educational and entertaining. It performed strongly with a series average audience of two million viewers and a 9.7% viewing share.

The series became Channel 4's biggest prime time series for children by viewers since 2014: it gained a 24.2% viewing share for 10-15 year olds (27.2% higher than the slot average) and a 22.7% share of 4-9 year olds (25.4% above the slot average). The programme will return in 2018.

Our strategy has been to develop strong returnable formats that are not just educational – but also watchable.



The Secret Life of 4 and 5 Year Olds



The Great British Bake Off

Fake News Week

It's never been easier to spread fake news stories. In the last year, new websites have sprung up posting unverified and untrue information, which has been shared widely on social media. Channel 4 dedicated a week-long season of programming in February 2017 to look at the 'post-truth' world.

Working with its award-winning Fact Check team, Channel 4 News explored where fake news comes from and the implications of the spread of fake news in a special programme. It also hosted an interactive Q&A on the subject using Facebook Live. The season also included two documentaries that looked at different aspects of the manipulation of truth (*Confessions of A Paparazzi* and *Britain's Greatest Hoaxer*)

as well as entertainment programmes, such as the one-off comedy panel show *The Fake News Show*, which dissected the outlandish headlines and wild lies that have pushed 'post-truth' to the front pages.

The Fake News season reached a total of 7.5 million viewers across the week, 1.6 million of whom were young people. This equates to 11.3% of 16-34-year-olds across the UK.

Channel 4 News' special programme performed especially strongly with young people, with a 40% boost in viewing share amongst 16-34-year-olds relative to its slot average, and an even higher 51% increase vs slot average for 16-24-year-olds.

Channel 4 News



57%

of 16-24 year olds
state they are
worried about the
effects of fake news

1.6m

viewers were
young people

11.3%

of 16-34 year olds across the UK

Viewers across the week

7.5m

"Judging by the way things are going, it might be a good idea to make this programme a permanent fixture."

Radio Times
(The Fake News Show)

Ackley Bridge

Ackley Bridge, a new drama launched in June 2017 in an 8pm prime time slot, was developed as part of Channel 4's commitment to new talent and regional production. It formed the centrepiece of our educational content provision for 14-19 year olds.

Targeted at young people, the programme is set in a fictional Yorkshire mill town, home to a largely divided white and Asian population. Based on real schools in Lancashire and Yorkshire that merged in order to unite culturally divided communities, the six-part drama follows storylines at the fictional brand new academy *Ackley Bridge College*. The series had a strong educational element, focusing on subjects that affect young people, such as bullying, poverty, sexuality, social integration and racism.

Filmed in Halifax, West Yorkshire, production company The Forge worked with Calderdale, Kirklees, Bradford and Leeds city councils during the development of the series.

Many of the supporting actors in the series were 'street cast' alongside professionals. These local residents – who were talent scouted in local boxing clubs, schools and community groups – provided the show with extra authenticity and grit. The production company also gave work experience placements to local students throughout the preparation and production of the show.

Ackley Bridge was one of Channel 4's most successful dramas of 2017, reaching 5.5 million viewers over the series. The show performed very strongly with younger audiences, securing an 18.5% share of 16-34 year olds. It connected more strongly still with teen audiences, achieving a 21.8% share amongst 14-19 year olds, a 446% increase on the Wednesday 8pm slot average for this age group. And amongst older children aged 10-14, its share was 441% above the slot average.

Not only was the first series of *Ackley Bridge* popular, it was also impactful. A notable 72% of 10-15 year olds said that they had spoken about the show with friends, while 65% said they had spoken to their parents about issues tackled in the programme – such as diversity and integration, bullying, personal development and identity. A further 15% were motivated to talk to a teacher about aspects of *Ackley Bridge*.

Ackley Bridge returns for an extended second series in early 2018.

"All the threads of a great series come together for a brilliant finale, bring it back soon Channel 4!"

The Sun



Q&A interview: 17-year-old Nazmeen Kauser, who played Razia in *Ackley Bridge*

Q

Why was *Ackley Bridge* so successful with young people?

A

The topics and storylines of *Ackley Bridge* are like modern life; when you watch it, you see today's society – it shows how we speak and how we deal with things. It's just bang on about how we live today, as kids and teenagers. It shows all our tricks!

It's a drama series, but it's just like reality – it shows what real life is like for us. Most of the young people who worked on the show came from the same background as the characters they played.

Q

How did you end up with a role on *Ackley Bridge*?

A

I was cast on the street! I was walking home after being excluded from school for a day (for refusing to take my jacket off in winter!), when I bumped into Penny Woolcock, *Ackley Bridge*'s director, and she asked if I wanted to audition for a TV show.

Obviously, in real life, a normal, young person from West Yorkshire like myself would never expect to get a main part in a TV series – but I did, and it's been fantastic. It was a bit mad, but the *Ackley Bridge* set became like a second home to me.

TAKE IT TO THE NEXT LEVEL



Identifying and nurturing talent is a vital part of Channel 4's role: our remit to experiment and take risks means that a core part of our business strategy is to support emerging and established talent alike across TV, film and digital media. This ensures we can produce the best quality content and bring through the brightest and best of the next generation, both in front of the camera and in the production teams behind the scenes. Supporting new talent in particular helps keep our output distinctive and strengthens our appeal to younger audiences.

Nurturing young talent

618

young people attended
C4 Pop Ups (.5%)

More than

50%

of our work experience cohort
came from outside of London (.)

17

apprentices were employed
by Channel 4 in 2017 from
a pool of 2,379 applicants
(+5 apprentices)

56

young people were offered
work experience placements
at Channel 4 in 2017, half of
which came from the Nations
and Regions

2018 ambitions

- We will continue to cultivate new talent and bring new voices to British screens, for example with our new series *Lee & Dean*, written by new comedy talents Mark O'Sullivan and Miles Chapman, and new projects with Big Narstie and Jamali Madidik.
- Within Channel 4, we will continue to take action on tackling the gender gap, improving BAME representation at all levels and breaking down social mobility barriers. We will also super-charge our 4Talent Initiatives to engage young, diverse people in a career in media, taking our C4 Pop Ups to towns across the UK. More of our apprenticeships will be based in the Nations and Regions.

We are committed to ensuring that people from different backgrounds and walks of life can successfully pursue careers in the media industry, both on and off screen, 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'.

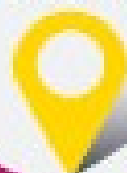
Our strategy for nurturing talent is targeted at people at every stage on the career ladder, including the earliest stages. We are committed to finding new on and off screen talent, from the grassroots, providing practical hands on experience through our paid apprenticeships and production training schemes, through to mentoring and outreach programmes.

We also take pride in working with and helping develop talent as they progress through their careers, developing long lasting relationships which ensure that Channel 4 and the talent we work with share in mutual success.

Channel 4's output in 2017 demonstrates the depth of our commitment to talent – forging long-term relationships, helping established talent move in new directions and discovering and championing new UK talent.



NATIONAL



Comedy Blaps

Comedy Blaps is Channel 4's vehicle for piloting comedy online. Blaps are entry level, grassroots series of four minute pieces comprising brand new comedy ideas that allow talent to find their creative feet. Open to anyone, Comedy Blaps has proved very successful at identifying and breaking exciting comedy talent early in their careers and introducing them to large audiences on All 4.

In the seven years since the annual Comedy Blaps scheme was launched, seven series have been picked up for development by Channel 4 and E4 – a phenomenal success rate.

In 2017, two of our comedy programmes stemmed from Comedy Blaps: Michaela Cole's *Chewing Gum* – the first comedy series written by a BAME performer on Channel 4, which has won multiple awards – and Róisín Conaty's *Game Face*, which was initially created as a Comedy Blap four years ago.

One of the TV drama highlights this year was *The State*, from renowned director Peter Kosminsky. Channel 4 has worked with Peter for many years, giving him the time, space and editorial support to make a number of complex and challenging films about modern Britain, including *The Government Inspector* (2005), *Blitz* (2007) and *The Promise* (2011).

There is always a risk of creative talent being pigeon-holed, and the diversity of our output allows us to help talented individuals expand their horizons across different genres or in different media. Comedian Richard Ayoade found new audiences in 2017 when he fronted the revival of *The Crystal Maze*. Richard's earliest collaborations with Channel 4 were on scripted comedy productions, including *The Mighty Boosh*, *Nathan Barley* and *The IT Crowd*. Film4 Productions supported his feature film directorial debut with the comedy-drama *Submarine* (2011). And in television, Channel 4 worked with Richard to apply his comedic talents in new genres with the launch of factual entertainment show *Travel Man* in 2015, the latest series of which also aired this year.

In 2017, Film4 teamed up again with leading film director Danny Boyle on *T2 Trainspotting*, the long-awaited sequel to his 1996 classic *Trainspotting*. Danny made his first two feature films with Film4 Productions (the ground-breaking *Shallow Grave* (1994) and *Trainspotting* (1996)), and has returned to make films with us a number of times since, including the Oscar-winning *Slumdog Millionaire* (2008).

Meanwhile, in Drama, we continued to develop new talent in 2017, giving breakthrough roles to Jack Rowan (*Born to Kill*) and Jessica Barden (*The End of the F***ing World*).



T2 Trainspotting

Talent at Channel 4

Our activity around talent is underpinned by a clear business rationale as well as by wider advocacy within – and beyond – our sector. Why is this important to us? It's an important part of our remit, but it's also absolutely essential for ensuring our continued creative and commercial success.

At the heart of our talent strategy is social mobility, which we have 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 are able to use those opportunities to further their careers.

Over the past few years, we have launched a number of industry-leading schemes tailored to early outreach.

The Channel 4 Pop Ups are a national outreach programme of skills workshops and challenges taking place across the UK, which deliberately target young people from disadvantaged backgrounds. In 2017, 618 young people attended our Pop Ups in Belfast, Birmingham, Bristol, Glasgow, London and Manchester. We succeeded in attracting a more diverse group of young people than in 2016, with 31% of attendees from a BAME background, 16% identifying as LGBT and 8% as disabled.

Our Work Experience Scheme provides training and hands-on experience of working in a team at Channel 4. This attracted 2,216 applications in 2017 and we offered 56 work placements across the year. Of these, half of the placements were offered to young people from the Nations and Regions, who we supported financially during their placement.

We also continued our partnership with the Royal Television Society, offering five grants worth £1,000 each per year through the RTS Technology Bursary Scheme, as well as mentoring. These bursaries aim to encourage talented engineering and computer science graduates from low-income backgrounds to consider a career in TV through placements and support.

The cornerstone of our 'getting in' strategy is our Apprenticeship Scheme. Apprentices spend 12 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 2017, we welcomed 17 young apprentices for year-long placements, out of a pool of 2,379 applicants.

Turning to the 'getting on' strand, we 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 Birmingham, Bristol, Glasgow, Liverpool, Manchester and Newry. Of our trainees graduating in 2017, 77% are now working full time in the industry, including at production companies such as The Garden, North One, BBC Three and Firecracker.

BIRMINGHAM



Testimonial: Ella Powell, Pop Up attendee and Work Experience Trainee at North One Television

"After attending the Production Pop Up in Birmingham, I reached out to North One for work experience and was grateful to be given a week with the team. I was put in the Channel 4 Travel Man team and got to see how the pre-production worked as well as taking part in administrative tasks.

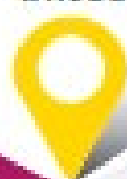
"I wouldn't have been able to get this opportunity without attending the Pop Up."

"I wouldn't have been able to get this opportunity without attending the Pop Up. The event helped me understand how to get started and get into the industry. Without a doubt, I was better prepared because of the event. Without the Pop Up, I wouldn't have been able to network and meet North One's Production Manager, and therefore wouldn't have had the opportunity to do the work experience."





WALES



“Rungano Nyoni’s debut feature is comic, poignant and captivatingly beautiful.”

Mark Kermode
The Observer

Rungano Nyoni’s *I Am Not A Witch*

Born in Zambia and raised in Wales, Rungano Nyoni – the writer and director of *I Am Not A Witch* – is a perfect example of how we identify and cultivate talent from across the UK.

Our Film4 team first came across Rungano when she was a screenwriter on a separate film project and we quickly started exploring the possibility of working on her directorial feature debut. She submitted her script for *I Am Not A Witch* in May 2016 and, alongside BFI and Ffilm Cymru Wales, we helped to develop and co-finance the film, which tells the story of nine-year-old Shula, exiled to a travelling witch camp. She is told that if she tries to escape, she will be transformed into a goat. As she navigates through her new life, she must decide whether to accept her fate or risk the consequences of seeking freedom.

The film has been a critical success following its world premiere at Cannes in May 2017, winning multiple awards at the British Independent Film Awards, Africa International Film Festival, Stockholm Film Festival, Mumbai Film Festival and Adelaide Film Festival among others.

And in 2018, Rungano won the prestigious BAFTA Award for Outstanding Debut – which undoubtedly marks the start of a long, prosperous career.



▲
I Am Not A Witch

Professional development

The quality of our programming is dependent on the people that we work with, both in front of the camera (e.g. actors and presenters) and behind the scenes (e.g. directors, producers and writers). Everyone plays their part in turning brilliant ideas into well-made original content.

Our commissioning teams work hand-in-hand with independent production companies to find and cultivate new talent from all walks of life. We run a number of schemes across different genres that provide a platform to showcase new creative, artistic writing and directing talent. Examples include *First Cuts* and *Cutting Edge* (Documentaries); *Comedy Blaps* (Comedy); *Random Acts* (Arts); and *4Stories* (Drama).

On the production side, our Commissioning Mentor Network focuses on identifying diverse rising stars and helps to elevate them to more senior posts in commissioning and production, both at Channel 4 and within independent production companies. This has created a reservoir of diverse talent: there are now 140 rising stars in the Network, of which 89% come from a range of diverse backgrounds.

The Network is supplemented by the Northern Writers’ Award, a scheme launched in 2014 by Northumbria University in partnership with Channel 4, to identify raw and diverse talent from the north of England. Channel 4’s Alpha Fund also spent £450,000 in 2017 on supporting start-ups, BAME-led and regionally based companies as well as projects with diverse talent attached. Eighteen companies received Alpha Funding, of which five were based in Northern Ireland, three in Wales, three in Scotland and seven in the English regions.

On the film side, Film4 has also continued to support new talent, nurturing diverse voices across its film slate. Debut films supported by Film4 in 2017 include Rungano Nyoni’s *I Am Not A Witch*, which won three British Independent Film Awards (case study, left). 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.



Educating new talent

Our training scheme for budding investigative journalists continued in 2017. We have now trained 40 journalists since we launched the junior scheme six years ago, from a wide range of backgrounds. Of these, 14 journalists trained in the Nations and Regions and 12 were from diverse sections of the community.

We have also trained 16 more advanced journalists on the senior scheme, which helps people to make the jump to produce and direct their own current affairs documentaries. We also continued to sponsor the RTS Technology Bursary scheme, a development programme for highly talented technologists from low-income families.

2017 saw the first graduates of the MA degree in Investigative Journalism that we set up in partnership with De Montfort University in Leicester. Many of the degree's first cohort of seven students, who joined the course in October 2016, have already secured journalism jobs, including one young man who has joined Hardcash Productions, working as a researcher for Channel 4's *Dispatches* programme, and another who now works at the BBC.

Demand for places on the programme is strong, with the second intake of MA students expanding to a group of 13 students, six of whom are from diverse backgrounds.

16

advanced journalists trained on our senior scheme

40

journalists trained through our junior scheme in six years

Q&A interview: Jack Rowan

Q

What has been the effect on your career of starring in *Born to Kill*?

A

Born to Kill changed my life – it's been my golden ticket and it's now my calling card. Since it aired, I've appeared on the BBC's *Peak* and *Blind* and have also signed with an agent in the US.

As well as being a success on TV, *Born to Kill* was a success within the industry because it was so different to everything else. It was the first time that I'd ever gotten a lead role, and this has helped to make casting directors and producers aware of me.

For me, as a young actor, *Born to Kill* has been the seed from which the tree keeps on growing.

Q

How did you prepare for the role?

A

In addition to being the biggest role I've ever had, it was also the most demanding.

It wasn't easy – I had to do a lot of preparation, as I knew this was an amazing opportunity and I didn't want to waste it. I read a lot of material to understand more about teenage psychopathy – what happens in the brain, what are psychopathic tendencies? I also watched many documentaries to see how real people with psychopathy act. So I took bits from everywhere – the softness, the anger, the intelligence – to mould my character.

Q

Why do you think the programme was so successful?

A

Born to Kill worked so well because Channel 4 was not afraid to take risks – it was very raw and rough and told a story that had never been seen on British TV. Plus, highlighting the issue of teenage psychopathy, the programme also made sure to do it in a very British way.

Q

What advice would you give to young talent that also wants to break through?

A

I would just say, don't be lazy! If you get an audition, do your best, even if you don't think the part is necessarily right for you, as you never know who will be in the room. Also have confidence in your future – put in the work and you will get rewarded. If you want something that badly, you'll get it!

REMIT PERFORMANCE

AL- CAT- YST

FOR SOCIAL
CHANGE



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

Inspiring change

65%

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

33%

of viewers said that Channel 4 is the TV channel they associate the most with challenging prejudice (-)

Alternative views

37%

of viewers said Channel 4 is the home for alternative voices (-)

34%

of viewers said that Channel 4 is the best channel to show the viewpoints of minority groups in society (-)

2018 ambitions

- As Britain navigates through political and economic uncertainty, we will continue to produce programmes that challenge viewers and stimulate debate, such as Jack Thorne's *Kle*, a four-part drama set in Bristol about the abduction of a child, starring Sarah Lancashire.
- Through our flagship News and Current Affairs programmes, such as Channel 4 News, *Dispatches* and *Unreported World*, we will hold those in power to account, investigating key issues affecting people at home and further afield.
- We will also continue our support of parasport. In 2018, with 100 hours of coverage of the PyeongChang 2018 Paralympic Winter Games in South Korea, plus ongoing parasport coverage across the year.

In News and Current Affairs, we pushed boundaries and took risks, continuing to deliver long-form programmes in peak-time whilst also forging new modes of connection with young people through digital platforms.

On the global stage, we tracked the highs and lows of the first tempestuous year of Donald Trump's presidency, continued to shine a light on the war in Syria, and exposed the plight of the Rohingya people in Myanmar.

Closer to home, across a mix of genres – including Drama, Documentaries and Factual – we provoked debate and offered a platform for alternative views. By stimulating debate and covering thought-provoking issues that affect people's day-to-day lives, our content is a powerful catalyst for social change.

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.



Dispatches: Syria's Disappeared

Channel 4 News is the only hour-long news programme in peak-time on the main PSB channels; the extended running time enables stories to be covered in more depth and from more angles. Channel 4 News was watched by an average of 8.2 million viewers each month in 2017. It has particular appeal to young adults, with 16-34-year-olds making up 13% of viewers this year. The programme also performed well amongst BAME groups, who accounted for 15% of viewers. Its viewing share rose by 3% in 2017, a fourth consecutive year of growth.

Channel 4 News was the news programme that viewers most associated with being independent from Government and from the influence of big businesses in 2017, more than the news on the BBC, ITV or Sky.

A window on the world

The strength of our News and Current Affairs helped us to win our third International Emmy for News in five years. In 2017, this was for our coverage of the Syrian civil war, which featured exclusive reports from inside Syria that showed the turmoil and destruction of war and brought it to the attention of the wider British public.

One of our most impactful films was Syria's *Disappeared*, a documentary from our *Dispatches* series, which was transmitted in March. The film offered extraordinary access to survivors of detention, families of detainees, regime defectors and international war crimes investigators.

It told the hidden story of the tens of thousands of men, women and children who have been 'disappeared' in Syria by the Assad regime into a network of clandestine detention centres. Among those giving testimony were former captives Manzan Alhumada, a human rights activist who was brutally tortured, and Mansour al-Omar, who courageously smuggled out details of other prisoners written on scraps of cloth in rust and blood.

The *Inside Aleppo* films, produced by Channel 4 News' Waad al-Kateab, also had a major impact. Her coverage prompted discussion around the world, with the Deputy Secretary General of the UN, Amina Mohammed, stating they were "heart-breaking".

The reach of our award-winning investigative films was extended by our multi-platform strategy. Films were not only aired on Channel 4, they were also watchable online and were shared widely on social media, helping them to reach a younger audience. The *Inside Aleppo* films received close to half a billion views online and were shared millions of times on social media, which made them the most watched reports on Aleppo by a single filmmaker ever.

"Brilliant and sickening...
important, superbly constructed
and focused documentary...
required viewing for MPs."

The Times

Across 28 films, our flagship *Dispatches* strand investigated the things that matter to communities that are often neglected by the state and ignored by the media. The programme aired almost entirely in a peak-time 8pm slot, bringing large audiences to its domestic investigations on topics such as the gig economy, the housing crisis and welfare reforms.

Across the year, *Dispatches* averaged 1.1 million viewers per episode, with the most successful programme, *Secrets of Coca-Cola* – about Coca-Cola's opposition to the sugar tax and its close ties to influential scientists – pulling in 1.7 million viewers.

28

Dispatches films were aired in 2017

1.7m

Viewers of *Secrets of Coca-Cola*

Dispatches: Under Lock and Key

Under Lock and Key, which aired in March 2017, illustrates how our *Dispatches* films can have powerful real life impacts.

The film focused on life inside one of Britain's largest psychiatric hospitals, St Andrew's in Northampton, showing how people with learning disabilities and autism are still being held in institutions that do not meet their needs, make them better or – in some cases – even keep them safe.

Without being granted personal access to the hospital, filmmaker Alison Millar relied on three families to tell their stories from outside the hospital's walls. The film painted a damning picture of medical neglect, inadequate treatment and the exclusion of families from decision making.

Following its transmission, the Government was pressed in Parliament about the investigation, with Minister for Care David Mowat acknowledging that the current care situation was "not good enough". Chief Nursing Officer Jane Cummings convened the programme's key contributors to discuss the issues raised in the film. The programme is now being used as a teaching resource across the care industry to help change the way that vulnerable adults are treated.



"Intriguing – and potentially pivotal. One lethal, unexpected question, or one fluffed answer, can undo the best-laid plans."

The Observer
(May vs Corbyn Live: The Battle for Number 10)



5.3m

Viewers of May vs Corbyn Live:
The Battle for Number 10

Engaging young people in the election

Compared to the relatively traditional coverage on other channels, Channel 4 seeks new ways to bring elections to life, particularly for younger audiences. Our programming in the run up to the 2017 General Election combined tough talking current affairs with comedy and entertainment to engage viewers and stimulate debate on the big issues.

The centrepiece of our pre-election coverage was *May vs Corbyn Live: The Battle for Number 10*, in which Jeremy Paxman interviewed the chief contenders for Prime Minister. The 90-minute live programme, which was broadcast simultaneously on Channel 4 and Sky News, allowed viewers to hear directly from the two party leaders, who answered questions from a live studio audience. The programme succeeded in informing and engaging viewers, particular younger ones amongst whom the propensity to

vote proved especially important in this election. It reached a total of 5.3 million viewers over its 90 minutes on Channel 4. Viewing share was a substantial 40% above slot average for 16-34 year olds.

Research conducted after the programme aired found that the majority of 18-24 year old viewers felt more engaged with the General Election after watching the programme. 69% of them said that they felt more informed about the Labour and Conservative policies. And 20% of 18-24 year olds stated that they were more likely to go out and vote having watched the programme.

On the night of the election, our *Alternative Election Night* programme was hosted by Jeremy Paxman, David Mitchell and Richard Osman, with additional guests in the studio and across the country plus the Channel 4 News team on the ground in key electoral battlegrounds. This all-night feast of reaction, comment and analysis offered a lively and irreverent alternative to the more staid coverage elsewhere. It reached 3.8 million people, with a viewing share of 8.1% amongst 16-34 year olds.

Challenging perceptions

Beyond News and Current Affairs, our Drama commissions also helped to stimulate debate among the British public in 2017. *The State* followed the experiences of four British men and women who joined Isis in Syria. It reached 5.5 million viewers and was largely credited as being a thought-provoking, gripping and "frighteningly realistic" piece of drama by critics and viewers. Although a challenging watch, 69% of viewers polled by research agency Other Lines – and 76% of Muslim viewers – agreed that the programme had value for society as a whole, as programmes like these serve to open up discussions surrounding the radicalisation of young British Muslims in society today.

Many of our documentaries also raised thought-provoking or challenging issues. Filmed at the height of the junior doctors' crisis at the NHS, during which one in every ten junior doctors quit over a system they felt was being pushed to breaking point, *Confessions of a Junior Doctor* raised important questions over the future of the NHS.

Confessions of a Junior Doctor ▶

The four-episode series, transmitted in April, reached 5.9 million people (9.9% of the TV-viewing population). Nine out of ten viewers said that the programme succeeded in raising awareness of the increasing pressures that young doctors face, while 55% said that their opinion of NHS staff had improved as a result of the programme.

In March, we challenged perceptions of Muslim people in a three-part documentary series *Extremely British Muslims*.

Filmed over a year, the series captured the day-to-day lives of Birmingham Central

Mosque's 6,000 worshippers. It focused on three themes: finding a partner, the identity crisis facing young Muslim men, and the challenges faced by some British Muslims as they try to reconcile the rules of their faith with life in Britain.

With eight out of ten Muslim people feeling unfairly represented by mainstream PSBs, this programme helped to dispel myths and stereotypes. The series drew a large audience, reaching close to four million people. 85% of Muslim viewers agreed that programmes such as this one helped to overcome prejudice and break taboos.



Food Unwrapped ▼



Food for thought

Our lifestyle programming can also act as a catalyst for change in people's lives. In 2017, a range of informative series set out to reflect how we live now and how we can live life better, inspiring positive change among our viewers.


Healthy living was a key theme across the year. New series *How to Get Fit Fast* aimed to help viewers find the most effective exercise regime, reaching 3.4 million across the series. 36% of those surveyed stated that the programme made them think about changing something in their own life.

The promotion of positive lifestyles also featured in popular returning series *Food Unwrapped*, *How To Lose Weight Well* and *Superfoods: The Real Story*. These health-focused lifestyle programmes together reached a remarkable 28 million people across 2017 (47% of the UK TV-viewing population).

REMIT PERFORMANCE



REMIT UNIVERSITY



For Channel 4, more than any other broadcaster, diversity is at the heart of everything we do, on and off screen. In 2017, we further consolidated our reputation as a diversity leader, not only in broadcasting but in industry generally.

Diversity on and off screen

129hrs

of first-run originations covering diversity issues on the main channel (-48%*)

* 2016 figures were notably higher due to the 2016 Rio Paralympics

69hrs

of first-run programmes covering international topics (-10%)

10%

portfolio viewing share among BAME audiences (-2%)

32%

of output on the Film4 channel came from outside the US – and 17% were British films (-)

2018 ambitions

- We will continue to showcase diversity in all of its forms across all of our genres, including Factual Entertainment with *Genderquake*, which will explore gender fluidity; Comedy with *The Bisexual*, written by Desree Aihavan, which explores ambiguity in sexuality; and Specialist Factual with Grayson Perry: *Rites of Passage*, which explores the landmark events that mark a person's life.
- Three years on from the launch of our 360° Diversity Charter, we will conduct a strategic review of our approach to diversity. In order to develop a new, next generation diversity and inclusion plan for the future.

Diversity has always been important to us and we know that we will need to work constantly in order to become the diverse and inclusive organisation that we aspire to be – it is a journey that never ceases. It is enshrined in our statutory remit, which asks us “to appeal to the tastes and interests of a culturally-diverse society”. Many of the most iconic Channel 4 moments over the years have had diversity at their heart: from Brookside’s pre-watershed lesbian kiss to our gold-standard Paralympic sport coverage.

Through our work and our partnerships with others, we aim to fully reflect the diversity of Britain today in our output, and in the people who make these programmes.

We want our employees to feel that their individual talents are appreciated, that they can be themselves and be different. And we want our independent production partners to feel that Channel 4 enables them to tell the widest range of stories from different parts of society.

Our remit on diversity empowers us and drives our approach, which is to commission programmes that showcase exceptional talent drawn from the widest talent pools. We not only seek to entertain our audiences but also endeavour to show modern, diverse Britain in all of its forms on screen.

This is done across all genres, from Sport (UEFA Women's Euros, World Para Athletics Championships), to Features (The Autistic Gardener, Can I Catch It?), Entertainment (The Last Leg, The Crystal Maze), Factual Entertainment (The Undateables, Gogglebox), Drama (Ackley Bridge, Born to Kill) and Specialist Factual (Random Acts, Grayson Perry: Divided Britain). The fall, by 48%, in hours of first-run originated diversity content in 2017 is attributable to the greater number of hours in 2016 broadcast for the 2016 Rio Paralympics.

In 2017, 86% 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 three years ago, and it has led to greater on-screen diversity in programmes such as 8 Out Of 10 Cats, First Dates, How to Get Fit Fast and Food Unwrapped. This has also resulted in more people from diverse backgrounds working behind the camera, in programmes such as The Secret Life of 4 and 5 Year Olds, Ackley Bridge, The Undateables and our First Cut documentary strand.

Our programmes also appealed to diverse audiences. Factual programmes specifically covering diversity issues had a particularly strong pull for our BAME audiences, including The Truth About Muslim Marriage (18% BAME viewing share vs 5.2% share for all individuals), My Week As A Muslim (24.7% BAME share vs 8.5% share for all individuals) and Extremely British Muslims (15.6% BAME share vs 5.6% share for all individuals).

This appeal was not limited to diversity-related documentaries and applied also to a range of programmes in other genres, such as Child Genius (17.4% BAME share vs 8.7% share across all individuals) and May vs Corbyn: The Battle for Number 10 (14.7% BAME share vs 11.9% share for all individuals).



Helen Lawal

Born in Nigeria and having grown up in Leeds, Dr Helen Lawal is a GP and sexual health specialist. One of our rising diverse talents, she was introduced to British audiences in 2017 as the co presenter of our myth busting prime time health programme How To Stay Well alongside Dr Javid Abdelmoneim and Dr Phil Kieran.

Dr Helen went on to present hit series Food Unwrapped, which saw her travel the world to explore the industry secrets behind our favourite foods. This series did particularly well at engaging BAME

people, with two episodes ranking in our top ten shows for BAME audiences, showing that the subjects tackled by Dr Helen were relevant across all demographics.

In total across 2017, Food Unwrapped and its specials reached 17.1 million people (or 34% of the UK TV viewing population), with 30% of viewers saying that they went on to talk about the programme with others. Meanwhile, How To Stay Well reached 4.9 million people, with 80% of viewers saying they felt informed by the programme.

360° Diversity Charter

2017 was a year of meaningful progress towards our 360° Diversity Charter commitments, which are designed to put diversity at the heart of everything we do. One of the Charter's commitments was to apply for EY's National Equality Standard, the UK's most forensic third-party diversity audit. In January 2017, we became the first company ever to reach the highest of the five possible levels of attainment – an achievement that we are very proud of, and one that cements our reputation as a diversity leader in UK industry.

In March, we launched our 360° Diversity Charter – Two Years On report in Parliament, with a keynote speech delivered by actor Riz Ahmed (whose career has progressed from Film4's *Four Lions* to global blockbuster *Star Wars: Rogue One*), who spoke alongside The Rt Hon Matt Hancock MP, the current Secretary of State for Digital, Culture, Media and Sport, and Helen Grant MP. This event garnered significant media coverage.

We also held the second D.I.V.E.R.S.E. Festival at Channel 4's headquarters, bringing together game-changers from outside the industry, including from the worlds of politics, professional services, music and the third sector. Speakers included Sally Phillips, Ruth Hunt, RJ Mitte and Tommy Jessop.

In August, we became the first media company to ever achieve Disability Confident Leader Status, awarded by the Department for Work and Pensions.

And in September, we were confirmed as the most diverse public service broadcaster in Ofcom's first *Diversity and Equal Opportunities in Television* report, with higher proportions of female; black, Asian and minority ethnic (BAME); disabled; and LGBT employees than any other broadcaster.

Among our employees, we increased our proportion of BAME staff to 17.9%, and remain on track to hit our 2020 target of 20%. We grew our proportion of disabled employees, reaching 10.9% at the end of 2017 (close to double our 2020 target of 6%) and the proportion of LGBT employees reached 6.2% (above our 2020 target of 6%). We exceeded all of our 2017 diversity targets among our leaders group.

For the third consecutive year, our 4Talent Grassroots programme went on the road to find young talent and promote our Production Training Scheme, Apprenticeship Scheme and Work Experience Placements. 618 diverse young people attended six

Channel 4 Pop Up events held across the UK – including three in Birmingham, Bristol and Belfast. Across all attendees, 31% were BAME, 16% LGBT and 8% were disabled.

We also boosted our Deputy Commissioning Editor commitment, where we fund a number of Deputy Commissioning Editors over two years, including one year within the Channel 4 commissioning team. In 2017, we supported four diverse commissioning executives (up from three in 2016), who completed a 12-month Immersive commissioning experience with our Factual Entertainment, Features, Comedy and Specialist Factual departments. We also retained one of 2016's candidates in our Drama department, who now works on programmes including *Hollyoaks* and *Ackley Bridge*.

Spotlight on diverse directors

As part of our Spotlight on Directors initiative, our Creative Diversity team funded and worked with Marian Mohamed to help her transition from being a Shooting Assistant Producer (AP) to Director.

Marian explains: "I was funded by Channel 4 for three months to work with BAFTA winning filmmakers Pete Beard and Dave Nath at their new Independent production company Story Films.

It has been incredibly exciting having the freedom to develop my own film ideas with both of them, while also working across in-house drama and factual development. The transition period from AP to Director can be challenging, so to be able to work towards that with Pete and Dave – who I deeply respect as filmmakers – has been a real privilege.



Four New Frontiers

Where 2016 had an additional focus as the 'Year of Disability', 2017 was a year of 'Four New Frontiers', which allowed us to make an impact in four new areas. These were BAME progression, diverse directors, diversity in advertising and social mobility.

We recorded many achievements on screen, in production and inside our organisation in 2017. The Four New Frontiers helped us to identify areas that we will continue to develop in the future, to ensure that we retain our position as the UK's most diverse broadcaster.

The 360° Diversity Charter has now been in operation for three years and it has served its purpose very effectively, kick-starting a more comprehensive and, above all, energetic approach to diversity – impacting our content, the diversity of Channel 4's workforce and of our overall supply chain.

It is also now possible to see that the example we set as a business and as an employer – to our competitors and partners, in other areas of the private and public sectors, in the UK and across the world – has acted as a significant catalyst for others to change.

Notwithstanding these achievements, we recognise that our journey to becoming a truly diverse and inclusive organisation has only just begun. Channel 4 might perform well within the industry, but that does not mean to say it performs well enough. This is certainly true for BAME inclusion: internal research in 2017 showed us that retention and progression of BAME staff are particular issues. We have therefore announced a strategic review of our approach to diversity, to be completed in 2018, to develop a new, next generation diversity and inclusion plan for the future, which will include greater levels of ambition in the targets that we set ourselves on screen, in production and in our own organisation.

"Our journey to becoming a truly diverse and inclusive organisation has only just begun."

Embedding diversity between our programmes

One of our Four New Frontiers in 2017 was to boost diversity between our programmes – such as in advertisements, our idents and promotional films – in order to improve the diversity of TV advertising and incentivise the industry to change. Across our ad sales and marketing departments, we developed innovative ways to engage audiences with diversity between our programmes.

We launched a competition offering £1 million worth of airtime to the advertiser that develops the best advert championing diversity. Lloyds Banking Group, the winner, will see its advert air in 2018.

We also formed a task force bringing together advertisers, agencies and trade bodies to build a strategy for change and launched innovative diversity-led campaigns for a variety of clients.

Finally, we also improved diversity in our own major marketing campaigns. Channel 4's new idents celebrated inclusion, diversity, Britain, youth and our alternative voice.

We will continue to champion diversity between our programmes in 2018 and beyond.



Channel 4's new diverse idents



Lloyds Banking Group's diversity advert

"We're delighted to have attracted the largest-ever TV audience for a women's international match."



UEFA Women's EURO 2017

As a programme genre, Sport provides fertile opportunities to make significant advances in on screen diversity, both through the range of sporting events that are transmitted and the approach taken to their coverage on TV. Channel 4 has transformed the coverage of disability sports over the last decade. This year, our decision to broadcast the UEFA Women's EURO 2017 tournament helped to address the significant imbalance between coverage of men's and women's football on the main UK TV channels.

During UEFA Women's EURO 2017, we committed to live coverage of all of the knock-out games featuring England and Scotland, and all of the quarter finals, semi finals and final on Channel 4 and More4. Moreover, every single tournament match was available live on All 4, which also hosted a daily highlights show of the best action.

Match coverage benefited from a first class line up of diverse commentators, which included Clare Balding, Ian Wright, Jermaine Jenas and three of the women's game's most capped players – Chelsea Ladies' Eni Aluko, Arsenal Ladies' Heather O'Reilly and England's record goalscorer Kelly Smith.

Our coverage was well received by the UK public, with the championships reaching a total of 15.7 million people, equivalent to 28% of the TV population. TV audiences were substantially higher than those for the last tournament four years ago: viewing was up by 55% compared to the Women's EURO 2013, which aired on BBC Two and BBC Three.

Viewers praised the fact that a mainstream broadcaster was covering the tournament in prime time, with 74% of viewers describing the coverage as "entertaining" and 71% stating it was "high quality".

Our most viewed match, the England vs Netherlands semi final, averaged 3.4 million viewers, peaking with 4.2 million, making it the biggest ever women's football game on UK television by a margin of over one million.

Our coverage was an unrivalled success for Channel 4 and helped to raise the profile of women's football in the UK.

INNOVATION

A young man and woman are standing in a forest. The man is on the left, wearing a dark plaid shirt over a black t-shirt. The woman is on the right, wearing a light blue t-shirt and dark jeans. A large, semi-transparent purple and white geometric shape, resembling a stylized 'V' or a large letter 'A', is overlaid on the image. The text 'INNOVATION' is written in large, white, sans-serif capital letters across the center of the image, partially obscured by the geometric shape.

Channel 4 has a unique operating model – a publicly-owned organisation that is entirely self-funding, with a remit to experiment and take risks. That means that, for us, innovation is about pushing the boundaries both commercially and creatively. This drives our commissioning decisions, informs how we use technology to reach audiences, and encourages us to find new commercial approaches.

A record year for All 4

719m

programme views initiated on All 4 (+16%)

16.6m

registered users on All 4 (+11%)

190

new and one off programmes were shown (between 6pm and midnight) (+9%)

1.98bn

Channel 4 News video views on Facebook and YouTube

Innovation drives our creative strategy. We commission more programme titles than any other broadcaster, taking more risks with new programme ideas to find winning formats and programmes.

In 2017, we remained at the cutting edge of innovation in the media sector: experimenting with new programme formats in order to produce fresh, original and accessible content; forging new commercial partnerships to ensure we remain competitive within an increasingly crowded marketplace; and harnessing technology so that we continue to best serve and reach audiences.

2018 ambitions

- All 4 will remain a standalone content destination and explore new curated channels that offer the very best must-watch content from our 35-year library of programmes alongside new handpicked acquisitions. We will also continue to showcase the best international drama via Waller Presents.
- Our News and Current Affairs team is exploring virtual reality technology that will offer fully immersive experiences for viewers, bringing the world to their fingertips.
- We will continue to experiment with innovative programmes, such as *Kiss Me First*, the first mainstream British TV drama to combine live action with state-of-the-art computer-generated virtual world sequences.

All 4

Since relaunching in 2015, our online channel All 4 has continued to grow strongly. With 16.6 million registered users by the end of 2017, viewing increased by 16% in 2017 on our All 4 apps and platforms, with a record 719 million video views over the year.



In 2017, we completed the roll-out of a new version of the platform, with personalisation at its heart. This personalised experience is based on viewing history, ensuring that recommended content is tailored to our users' viewing habits – it is based on what users watch and what people like them watch, rather than on who they are.

This new version of All 4 comes with mandatory sign-in, leading to an increase in the frequency of use and an increase in engagement, with log-ins reaching four million per month by the end of the year.

'Stunt' launches were a successful innovation for All 4 in 2017, whereby the first episode of a programme is aired on television to whet viewers' appetites, with the remainder of the series made available online. These were primarily used with Walter Presents, our curated channel dedicated to quality foreign language programming. Every month in 2017, a Walter Presents title was stunt-launched on Channel 4, before the box set was distributed through All 4.

We also did our first stunt launch for Channel 4 originated content last year, with *The End of the F***ing World* (TEOTFW), an eight-part darkly comic road trip tale co-produced with Netflix.

The first episode of TEOTFW premiered on Channel 4 in October, after which the rest of the box set became immediately available on All 4. By stunt-launching the programme, we were able to introduce it to a wider audience than it would otherwise attract. This strategy proved very successful, with the series being

viewed by 3.1 million users within 100 days of the programme launching. It also became our most binge-watched series ever, with 69% of those who watched episode two on All 4 – following the stunt launch on E4 – finishing the whole series on the same day.

Careful curation

All 4's popularity has been driven by a mixture of expert curation, catch-up programming and programmes available exclusively on the platform, such as the entire back catalogue of *Dawson's Creek*, *The Island USA with Bear Grylls* and *Comedy Blaps*. None of the other main PSBs offers such a varied mix of content on their on-demand services.

Research shows that 35% of TV viewers say they will only try a new show if they're confident that it is "great", so curation forms a key part of All 4's proposition.

This is exemplified by the popularity of Walter Presents, which combines Channel 4's creative, technical and commercial innovation. Handpicked by Walter Iuzzolino, these carefully selected world dramas are exclusively available free to UK viewers, with no subscription required. It is now the go-to destination for fans of world drama and those curious to discover more. Without Walter Presents, most – if not all – of these titles would not be available in any form to UK viewers.

The service now includes 61 titles from 17 countries and its library features around 643 hours of curated content, including Mexican thriller and International Emmy-winner *Mr Ayala*, Czech historical drama and Czech Lion award-winner *Burning Bush* and the hit German drama *Deutschland 83*, which will return for a second series in 2018. In March 2017, Walter Presents also premiered in the US through a venture between Channel 4 and Global Series Network, with 34 series available to view from 12 countries.

Building on this success, All 4 will continue to develop this strategy in the future, anticipating the launch of new curated channels in addition to Walter Presents, mining Channel 4's 35-year library of programmes and featuring new handpicked acquisitions to create collections of the very best must-watch programmes.

"The series as a whole is a brilliant, concise and emotionally charged bit of British dramedy. It is an effing triumph."

Radio Times
(*The End of the F***ing World*)

The full box set of *The End of the F***ing World* became immediately available on All 4

3.1m

users watched the series within 100 days of the programme launching

69% finished the whole series in the same day



 The End of the F***ing World

Walter Presents 



Innovative programme making

As well as constantly refreshing and updating much-loved programmes in the schedule, Channel 4 brought hundreds of new shows to the screen in 2017. On the main channel alone, in the evening period when most people are watching (between 6pm and midnight), 190 new and one-off programmes were shown this year. Innovative new shows covered a range of topics, including citizenship and social issues.

One example was *The Trial: A Murder in the Family*, a ground-breaking five-part series in which a fictional crime was subject to an authentic trial by a team including eminent practicing QCs, a genuine judge and a jury of 12 members of the public. The only actors were the accused – a man who was pleading not guilty to the murder of his wife – the deceased and some of the witnesses.

This drama-documentary hybrid, directed by BAFTA-winner Nick Holt, hooked viewers with the real twists and turns of a criminal murder trial and revealed the inner workings of the justice system as never seen before. This innovative concept was successful, particularly among 16-34-year-olds, with viewing share amongst this demographic 44% higher than the slot average. In total, the programme reached six million people (10.2% of the population).

Other programmes helped to bring British history to younger audiences through innovative formats, as with *Mutiny*.

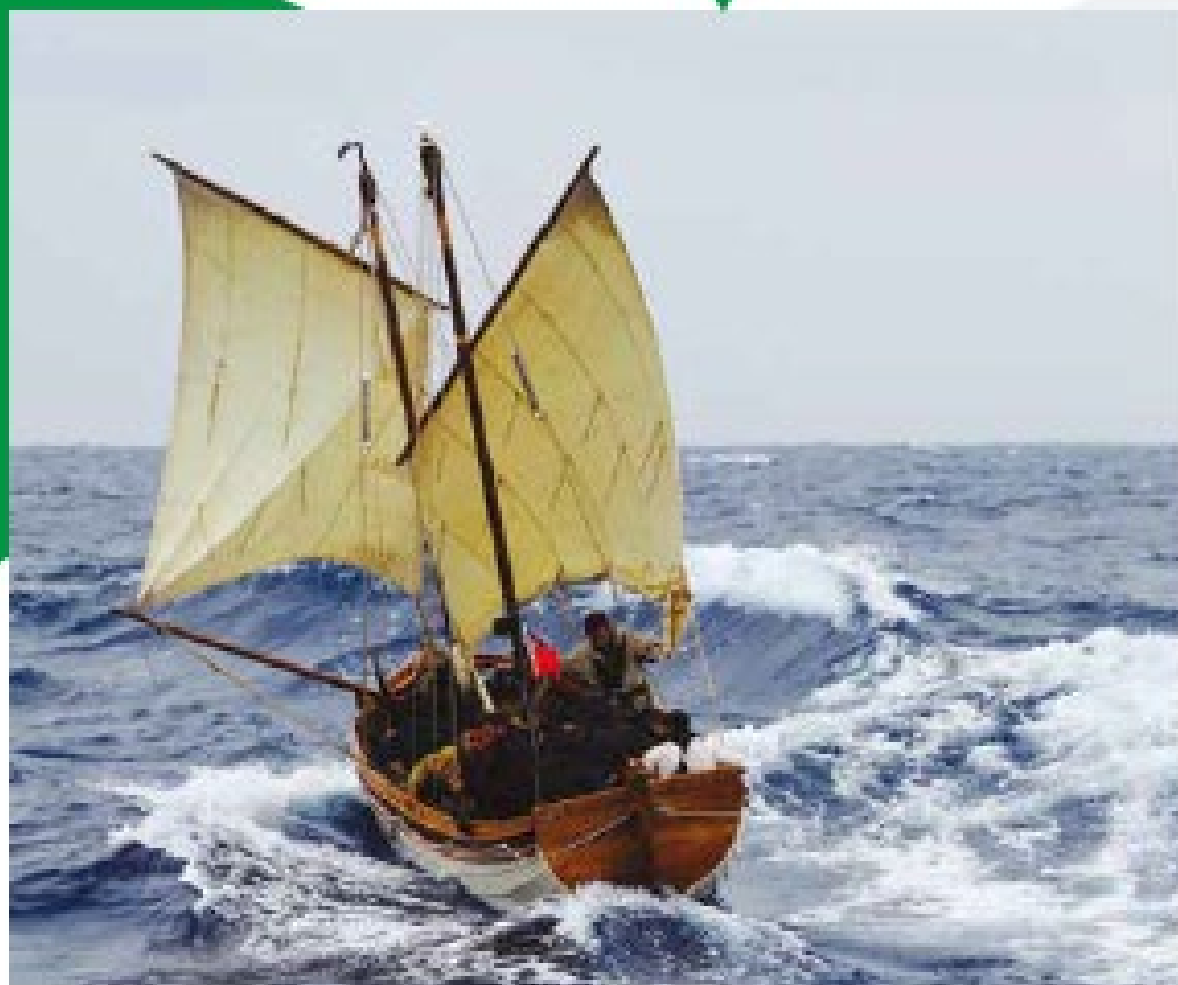
230 years ago, British navy ship HMS *Bounty* was sailing from Tahiti to the West Indies when, during the 17-month voyage, a mutiny broke out and the ship's captain, Captain William Bligh, along with a handful of loyal men, were forced into a tiny open boat. Instead of dying as expected, Captain Bligh and his crew navigated 4,000 miles to safety, through some of the world's most remote and unforgiving seas.

Mutiny was a unique experiment that followed the ups and downs of nine modern men, who travelled across the Pacific Ocean in a replica 23-foot open wooden boat, with the same equipment and rations of food and water as Captain Bligh and his shipmates.

In addition to being an intense survival challenge, the programme was also an exciting new way of getting under the skin of one of history's great adventure stories.

The programme performed well, averaging two million viewers across the five episodes. *Mutiny* performed particularly well for older children (viewing amongst 10-14-year-olds was 26% above slot average) and 16-34-year-olds (viewing share was 18% above slot average), demonstrating how innovative approaches can engage younger audiences in genres such as history.

Mutiny



Innovation in advertising

Innovation runs through the entire Channel 4 business – from experimental production techniques and programme formats, right through to ground-breaking advertising breaks and commercial firsts.

An example of this is our partnership with the Royal National Institute of Blind People ('RNIB') and five advertisers during National Eye Health Week in September, when we launched a unique campaign to raise awareness of the importance of eye care. Broadcast during *The Undateables*, the ads enabled viewers to 'see' an ad break through the eyes of those living with sight loss conditions.

The application of different visual filters across ads for O2, Paco Rabanne, Amazon Echo, Freeview and Specsavers illustrated the five most common eye conditions in the UK: macular degeneration (which affects the central part of a person's vision), cataracts (which cause sight to become cloudy), eye conditions caused by diabetes (which can affect the blood vessels at the back of the eye), hemianopia (in which people lose half of their vision) and glaucoma (a condition that damages the optic nerve).

The fully audio-described ad break was an industry first, developed through our creative arm PL4Y and produced by our award-winning in-house creative agency, 4Creative. Each brand – which took on significant risk to allow their own crafted adverts to be "distorted" by the visual filters – also donated 10% of their production fee to the RNIB, in support of National Eye Health Week.

Towards the end of the year, we also announced our investment in the European Broadcaster Exchange ('EBX'), becoming its unique UK partner. Expected to launch trading in early 2018, the EBX is a digital multi-territory ad sales joint venture between ProSiebenSat.1 (Germany), TF1 (France), Mediaset (Italy and Spain) and Channel 4.

Our investment allows us to cater for the exponential demand in the programmatic, on-demand video ad market, which grew at an annual rate of 45% in 2017 in Western Europe. It has the added benefit of forging closer strategic and commercially successful partnerships with key broadcasters in European markets which, in turn, will generate new digital revenues for Channel 4 to reinvest back into the UK creative sector.

6.5bn



Views across Facebook, Instagram and YouTube

4.3bn



Facebook views across Channel 4's three top channel brands

Leading the field in social media

Channel 4 News continues to be one of the UK's biggest video news brands on social media. In 2017, videos across the Channel 4 News portfolio received 1.98 billion views across Facebook and YouTube.

In addition, *Unreported World* now has its own YouTube channel, with new videos being uploaded every Wednesday and Sunday – from the current series plus re-publishing classics from its 20-year archive – with some videos garnering in excess of one million views.

Building on the success of Channel 4 News' video content in social media, Channel 4, E4 and All 4 have also experienced explosive growth on social media this year. This has resulted in Channel 4 being ranked 47th globally for social video at year end – higher than much bigger organisations such as Netflix, Amazon, ITV and Sky and higher also than key challenger brands such as Vice. This success is crucially important in showing that Channel 4 can engage with younger audiences in new ways.

It was a record-breaking year for our pages on social media, with our entire network's video content being viewed over 6.5 billion times across Facebook, Instagram and YouTube – this is more than double the number in 2016. The content also amassed 111.5 million engagements – such as likes, comments and sharing – in 2017, against 55.2 million in 2016.

"Innovation runs through the entire Channel 4 business – from experimental production techniques and programme formats, right through to ground-breaking advertising breaks and commercial firsts."



Our approach to social video has been an iterative process to test, learn and roll out best practice. This strategy has paid dividends: on Facebook, with a combined 4.3 billion views, Channel 4's three top channel brands (Channel 4, E4 and All 4) together generated 83% more views than the BBC's top three (BBC One, BBC Two and BBC Three) combined in 2017.

Channel 4's reach on Twitter also continued to grow in 2017, showing that our programmes stimulate debate online, particularly among young people – indeed, more than half of Twitter users are aged 16-34. Our most tweeted programme of the year, *The Great British Bake Off*, was mentioned in close to one million tweets. This was followed by *May vs Corbyn Live: The Battle for Number 10* (with 862,000 tweets) and *Hollyoaks* (515,000 tweets).

INVESTING IN INNOVATION

Channel 4's commitment to innovation underpins everything it does – spanning the full range of its creative output, the geographical spread of its supplier base, the diversity of voices and perspectives it brings to the screen, and its technological innovation on digital platforms.


Innovation through content

Channel 4 invested £675 million in originated and acquired content across its TV and digital portfolio in 2017. Its total content budget fell back slightly (by 3%) after reaching record levels in 2016, but was still the second-highest ever. Spend on Channel 4's own commissions rose by 2% to £510 million in 2017, the largest sum in Channel 4's history. After three years of increases, it is now £80 million above its 2014 level.

Channel 4 broadcast 8.5 hours of first-run originations every day on average across the TV portfolio in 2017. This was 9% down on last year, when output was boosted by Rio 2016 Paralympics coverage. This also accounted for the 11% decline in new commissions on the main channel. Conversely, continued investment beyond the main channel prompted a 17% increase in the volume of new commissions on the digital channels. In peak-time (8-10.30pm), when the biggest audiences are watching TV, first-run originated programmes accounted for 73% of hours on the main channel – one percentage point down on 2016, but still the joint second-highest figure since 2003. Including repeats, 81% of peak-time hours were taken up with originations (level with 2016).

Across the TV portfolio, Factual, Drama and Entertainment were the genres with the biggest content budgets in 2017. Investment in Factual, the biggest genre, rose by 21% to £254 million, helping to fund the acclaimed relaunch of *The Great British Bake Off*, along with new series such as *Eden* and *Escape*. There were 1,545 hours of first-run originated Factual programmes across the TV portfolio, 11% up year-on-year. In Drama, key commissions this year included *The State* and *Ackley Bridge*. While the budget fell by 4% to £87 million, as *Indian Summers* was not replaced, the volume of programming held steady (172 hours, a 0% change). A highlight of this year's £86 million Entertainment budget was the revival of Channel 4 classic *The Crystal Maze*. Investment in this genre was down by 17% year-on-year, and the volume of first-run originations fell by 12%, as *Deal or No Deal* was not replaced and there was less Alan Carr programming than in 2016. The other significant year-on-year movement in volume was in Sport: with no comparable event of the scale of the Rio 2016 Paralympics, Sports output this year fell by 53%.



 *Ackley Bridge*



 *The Great British Bake Off*

Innovation through diversity

Channel 4 maintained its vital support for the UK's production sector in 2017, as the only PSB that commissions 100% of its content from external suppliers. It spent £440 million on first-run external commissions on the main channel (level with 2016 in percentage terms). On the digital channels, spend rose by a substantial 21% to £56 million. Overall, across the TV portfolio, Channel 4 invested £496 million in first-run originations from external suppliers, a year-on-year increase of 2%. Channel 4 worked with 309 creative partners across its commissions in TV, film and digital media, slightly down on 2016 (by 3%). 48 of these suppliers were new to Channel 4, a 31% decline, with All 4 investing in a smaller number of bigger-budget commissions online.

In a London-centric industry, Channel 4 is committed to increasing regional diversity, commissioning content from across the Nations (Northern Ireland, Scotland and Wales) and the English Regions. In 2017, 57% of hours of first-run originated programmes on the main channel came from suppliers based outside London, two percentage points more than in 2016. Channel 4 has now sourced more than 50% of its first-run commissions from outside London in each of the last five years. In expenditure terms, 45% of Channel 4's investment in first-run originated programming on the main channel was on programmes from suppliers outside London, a notable year-on-year increase of five percentage points. Across the TV portfolio, Channel 4 spent a record £189 million on programmes from production companies based outside London, £20 million more than in 2016 (a 12% rise). Of this total, expenditure on content from companies based in the Nations rose by 9% to £39 million.

Turning to on-screen diversity, in 2017 Channel 4 showed 253 hours of originated programmes on the main channel whose subject matter covered issues relating to religion, multiculturalism, disability and sexuality. 129 of these originated hours were first-run programmes and 91 of the first-run hours related to programmes shown in peak-time. After big jumps last year, due to Channel 4's coverage of the Rio 2016 Paralympics, these three figures fell back in 2017 – by 29% (total originations), 48% (first-run originations) and 12% (first-run originations in peak-time) – but still remained higher than in 2013, 2014 or 2015. Programme highlights this year included a season to mark the 50th anniversary of the partial decriminalisation of male homosexuality, with films offering both historic (*Epidemic: When Britain Fought AIDS*) and contemporary (*50 Shades of Gay*) perspectives on gay life.

Channel 4's international programming also contributes to the diversity of its schedules. There were 69 hours of first-run non-news programmes covering international topics on the main channel and in the cross-channel *True Stories* documentary strand in 2017. After 2016's coverage of the US presidential election race, this was 10% down year-on-year, but remained above the 2014 and 2015 levels. Following the launch of *Walter Presents* in 2016, the opening episodes of 14 foreign language TV series were premiered on Channel 4's main channel in 2017. With some series also shown on *More4*, *Walter Presents*-branded titles showcased on the TV portfolio reached 9.4 million people this year. Meanwhile, the *Film4* channel continued to offer a diverse and international slate: 32% of its output came from outside the US, with British films accounting for 17% of total output.

Parasport



INNOVATION THROUGH CONTENT

£675m

SPENT ON CONTENT ACROSS ALL SERVICES

-3% ON LAST YEAR

● INVEST IN HIGH QUALITY CONTENT

£663m

INVESTED IN ORIGINATED AND ACQUIRED PROGRAMMING ACROSS THE CHANNEL 4 TV PORTFOLIO (ALL GENRES)

-3% ON LAST YEAR

● INVEST IN HIGH QUALITY CONTENT

INVESTMENT IN ALL CONTENT

After reaching record levels in 2016, Channel 4’s total content budget across its services fell back slightly in 2017, but was still the second-highest in the broadcaster’s history. Channel 4 spent £675 million on the main channel, digital TV portfolio and digital media. 81% of the total budget (£544 million) was spent on content for the main channel, which continued to attract larger audiences than any other channel or service in the portfolio. £119 million was spent on the digital TV channels, and a further £12 million on digital media, which includes Channel 4’s websites, cross-platform content and investment in All 4 content, including foreign language TV service Walter Presents.

Content expenditure on the main channel fell slightly, by £9 million, a 2% decline relative to the 2016 record figure. There were bigger year-on-year changes, in percentage terms, in spend on the digital services. For the digital TV channels, while content investment was down by £12 million (a 9% reduction), with less expenditure on original content and US acquisitions, this still represented the second-highest ever spend on the digital channels. Spend on digital media rose in 2017, by £1 million, equivalent to an annual increase of 15% – taking it to a new record high.

In 2017, £663 million was invested in originated and acquired programming across Channel 4’s TV portfolio – the main channel and digital channels – 3% below the 2016 figure of £684 million. £254 million was spent on Factual programming, making it the biggest single genre by a considerable margin. Investment in Factual rose substantially this year, by 21%, the biggest single increase in any genre, and this was the sixth successive year in which Channel 4 has increased its spend on this key genre. The additional £45 million of funds supported major new series such as *The Great British Bake Off*, *Eden and Escape*. The next three biggest genres in terms of content investment were Drama (£87 million), Entertainment (£86 million) and Film (£81 million). The Drama budget fell slightly by 4% (a £4 million drop), as *Indian Summers* was not replaced. Key commissions this year included *The State and Ackley Bridge*. Investment in Entertainment was down by 17% (equivalent to £17 million), as *Deal or No Deal* was not replaced and there was less Alan Carr programming than in 2016. Highlights this year included the revival of Channel 4 classic *The Crystal Maze*. The Film budget fell by 12% year-on-year, an £11 million reduction, with fewer high-cost US titles. UK theatrical premieres of Film4 productions this year included *Free Fire* and *The Killing of a Sacred Deer*.

In other genres, the content budget for Education (14-19-year-olds) rose from £2 million to £10 million. *Ackley Bridge* accounted for the five-fold rise, the largest of any genre this year in percentage terms. There were also small increases in investment in News (up £1 million to £27 million, a 3% rise) and programmes which appeal to Older Children (up £1 million to £7 million, a 15% rise) – the latter due to series such as *Lego Masters* and *Gogglesprogs*. Content investment declined in other genres, reflecting the small decline in the overall budget and the increased investment in Factual programming. The largest decline – in both absolute and percentage terms – was in Sport. After a big increase in 2016 to cover the Rio 2016 Paralympics, the Sport budget fell back by 36% (equivalent to £25 million) to £43 million. Major events shown this year included Formula 1, the UEFA Women’s EURO 2017 and the London 2017 World Para Athletics Championships. The other notable decline in spend was in Comedy: investment was down by £16 million to £43 million, a 27% fall, in part due to *Derry Girls* being pushed back to early 2018. Following extensive coverage of the Brexit referendum and US election in 2016, spend on Current Affairs programmes fell by 11% this year to £25 million (a £3 million drop from its record level last year).

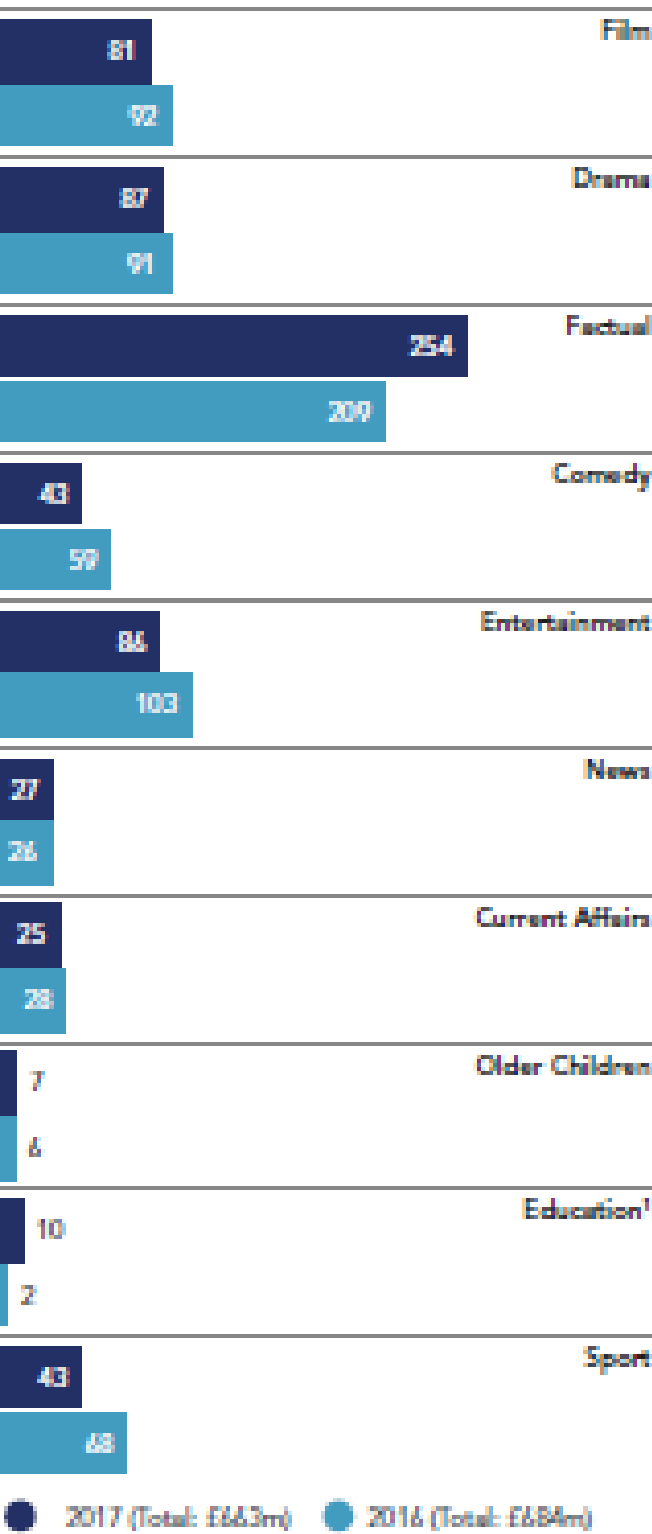
Spend across the Channel 4 network on all content (£m)

				Total (£m)
2017	544	119	12	675
2016	553	131	11	695

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

Source: Channel 4

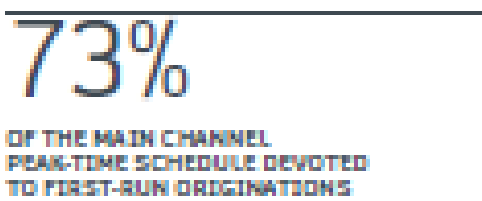
Total investment in originated and acquired programming across the Channel 4 TV portfolio by genre (£m)



Source: Channel 4

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

INNOVATION THROUGH CONTENT

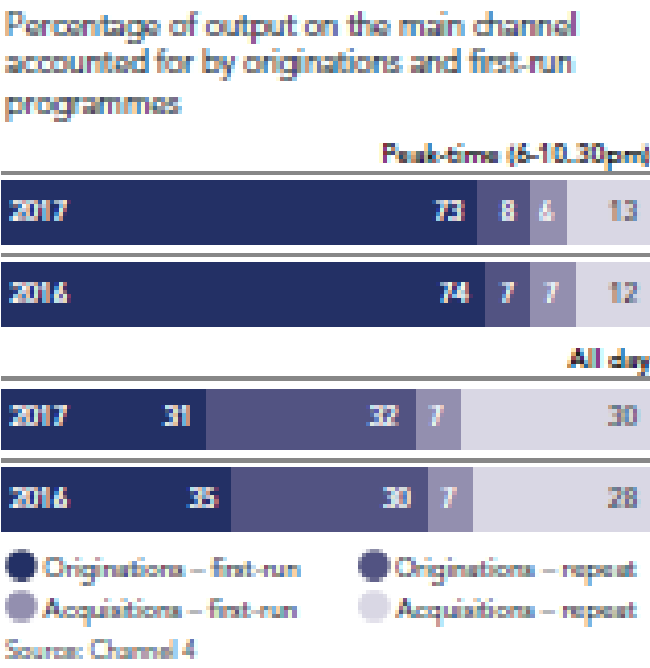


-1PT ON LAST YEAR

● INVEST IN HIGH QUALITY
CONTENT

OUTPUT MIX ON CHANNEL 4
Channel 4 broadcasts most of its new original programming 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 2017, 73% of all peak-time hours on the main channel were made up of first-run originated programming. While this is a slight (one percentage point) decline on the 2016 level, it nonetheless represents the joint second-highest figure since 2003. Repeats of original programming accounted for another 8% of peak-time output, meaning that originations comprised a total of 81% 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 2017, again well above the relevant Ofcom quota (of 56%).

There was little year-on-year variation in these figures in peak-time: the proportion of originated programming on Channel 4’s main channel in 2017 remained at 2016 levels, with the one percentage point decrease in first-run originations offset by a corresponding one percentage point rise in originated repeats. Across the whole day, the proportion of originated programming on the main channel was down by two percentage points year-on-year.



+2% ON LAST YEAR

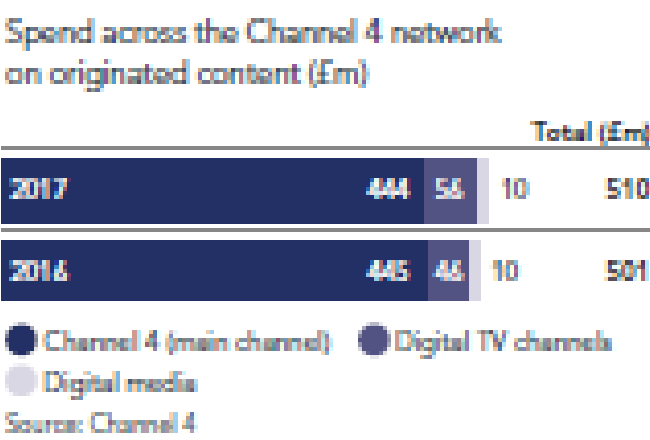
● INVEST IN HIGH QUALITY
CONTENT

INVESTMENT IN ORIGINATED CONTENT
Channel 4 delivers its public remit – and distinguishes its output from that of other broadcasters – primarily through the original content that it commissions and invests in. In 2017, its total expenditure on originated content across its TV channels (covering first-run transmissions and repeats) and online services was £510 million, the largest sum in Channel 4’s history. With new records being set in each of the last three years, Channel 4’s original content investment is now £80 million higher than it was in 2014.

The main channel continues to account for the large majority of Channel 4’s originated content budget: its £444 million expenditure in 2017 was 87% of the total spend on originations. Of this total, £193 million was spent on News, Current Affairs, Education programming, Comedy, Drama series and single dramas (including Film4 productions), Arts and Religion – up 3% year-on-year. This does not include the full range of programming genres e.g. Factual or Sport, where Channel 4 also delivers important public service content.

Beyond the main channel, £56 million was spent on original content for the digital channels, and a further £10 million on digital media content (including websites and cross-platform content).

There was a £9 million increase in Channel 4’s total spend on original content in 2017, 2% up year-on-year. This increase was directed entirely towards the digital TV channels, which benefited from a £10 million boost to their original content budget (up 21%), to a new record high. There were minimal variations elsewhere: the main channel’s budget fell slightly, by £1 million, while spend on digital media content was level with the 2016 figure.



INNOVATION THROUGH CONTENT

8.5hrs

OF FIRST-RUN ORIGINATIONS EVERY DAY ON AVERAGE ACROSS THE CHANNEL 4 PORTFOLIO

-9% ON LAST YEAR

● INVEST IN HIGH QUALITY CONTENT

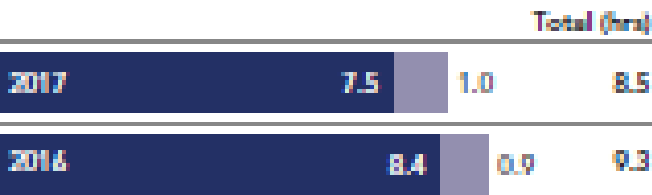
ORIGINATED OUTPUT ACROSS CHANNEL 4 TV PORTFOLIO

Channel 4 broadcast an average of 8.5 hours of new commissioned programmes (first-run originations) every day in 2017 across the main channel, E4, More4 and Film4. The main channel accounted for 7.5 of these daily hours, with the other 1.0 hours on the digital channels.

The volume of first-run originations across the TV portfolio fell by 9% in 2017, returning to similar levels to 2014 and 2015 (8.3-8.7 hours), after a big increase in 2016 when Channel 4's extensive coverage of the Rio 2016 Paralympic Games took the total to 9.3 hours.

The volume of new commissions on the main channel was down 11% year-on-year, while on the digital channels it increased by 17%, with new series such as *Celebs Go Dating*, *Bizarre ER* and *Body Fixers*.

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



● Channel 4 (main channel) ● Digital TV channels
Source: Channel 4

3,103hrs

OF FIRST-RUN ORIGINATIONS ACROSS THE PORTFOLIO

-9% ON LAST YEAR

● INVEST IN HIGH QUALITY CONTENT

VOLUME OF FIRST-RUN ORIGINATIONS BY GENRE

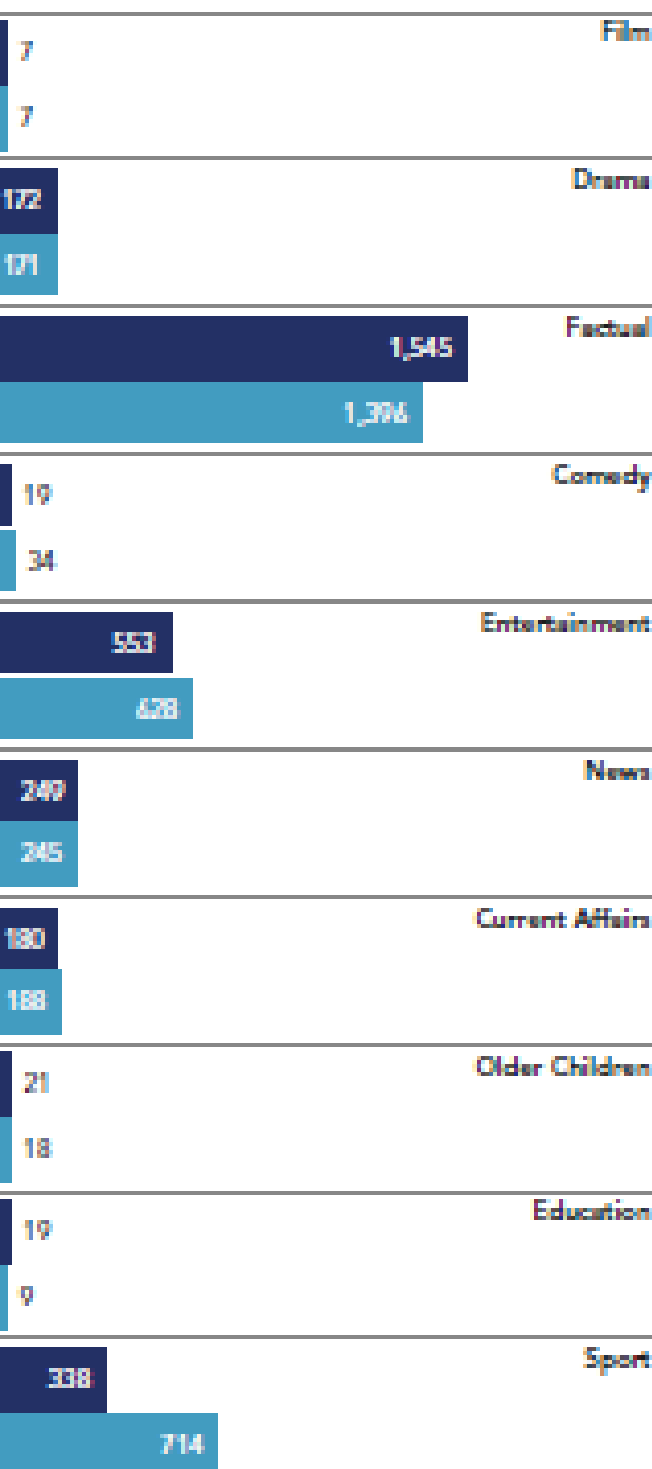
Channel 4 broadcast 3,103 hours of first-run originated programming across its TV portfolio (main channel and digital channels) in 2017. The genres with the largest volumes of first-run originations were Factual (accounting for 1,545 hours), Entertainment (553 hours) and Sport (338 hours).

There was a 9% fall in the total volume of first-run originations this year, equivalent to 307 hours. The most significant factor accounting for this was the reduced amount of Sport programming: with no comparable event of the scale of the Rio 2016 Paralympic Games, coverage of which contributed to a 70% rise in the volume of Sport programming last year, output this year fell by 53%, or 376 hours – larger than the total year-on-year decline across all genres. Two other genres experienced substantial changes in the volume of first-run originations in 2017. There were 75 fewer hours of Entertainment programming, a 12% decline, as there was less Alan Carr programming and programmes such as *Host the Week* did not return. Offsetting this was a large increase in Factual programming, with 149 additional hours, an 11% increase, due primarily to *The Great British Bake Off*, *Eden* and *Escape*. These three genres – the net impact of which was a fall of 302 hours – accounted for 98% of the overall variation in 2017.

Year-on-year changes were much smaller in other genres in terms of the number of hours. Of the genres with increases in the amount of first-run originated programming in 2017, in percentage terms the most notable changes were in Education (99% increase, more than doubling from 9 to 19 hours), due to *Ackley Bridge*, and programmes for Older Children (a rise of 18%, or 3 hours), with the new series of *Gogglesprogs*. There were also small increases in News (2% up, or 4 hours) and Drama (flat in percentage terms, up 1 hour in absolute terms).

Turning to the other genres for which the amount of first-run originated programming fell year-on-year, the biggest decline was in Comedy (43% down, or 15 hours), due to some titles being pushed back to 2018. The amount of Current Affairs programming fell by 4%, or 8 hours, as coverage of the snap General Election was less extensive than that relating to the Brexit referendum in 2016. Film was down by 7% but level in absolute terms; premieres this year included *X-Men* and *Lucy*.

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



● 2017 (Total: 3,103hrs) ● 2016 (Total: 3,410hrs)
Source: Channel 4

INNOVATION THROUGH CONTENT

MEETING CHANNEL 4'S LICENCE OBLIGATIONS

Average hours per week		Compliance minimum	2017	2016
News	In peak time (6-10.30pm)	4	4	4
Current Affairs	overall	4	6	6
	In peak time (6-10.30pm)	2	3	3
Hours per year	schools*	1	20	29
Percentage				
Origination production	overall	56	63	65
	In peak time (6-10.30pm)	70	81	81
Independent production		25	51	59
European independent production		10	30	30
European origin		50	71	70
Subtitling for the deaf and hard of hearing		90	100	100
Audio description		10	36	31
Signing		5	6	6
Regional production		35	45	40
Regional hours		35	57	55
Production in the Nations		3	9	8
Nations hours		3	12	9

* Figures for 2016 include titles attributed to content that appeals to the tastes of Older Children (10-14-year-olds) and Education titles (14-19-year-olds). To provide greater clarity on our licence delivery, 2017 figures are attributed to Education titles (14-19-year-olds) only.

INNOVATION THROUGH DIVERSITY

£440m

INVESTMENT IN FIRST-RUN
EXTERNAL COMMISSIONS ON
THE MAIN CHANNEL IN 2017

-0.2% ON LAST YEAR

● NURTURE TALENT

BROADCASTERS' INVESTMENT IN THE PRODUCTION
SECTOR

Channel 4 has no in-house production base, sourcing 100% of its original programming from external suppliers. This investment, which is an intrinsic part of the Channel 4 model, provides vital support for the independent production sector. In 2017, Channel 4 spent £440 million on first-run originations for the main channel, level with 2016 in percentage terms (the absolute figure was marginally down, by £1 million). 48% of this total was spent on qualifying independent production companies. On the digital channels, Channel 4's corresponding expenditure was £56 million, a substantial year-on-year increase of 21%. As a result, Channel 4's total £496 million investment in first-run originations from external suppliers across its TV portfolio rose by 2% in 2017.

Channel 4 plays a disproportionately important role in supporting the independent production sector, as Ofcom's cross-industry data for the PSBs demonstrates. In 2016, the most recent year for which Ofcom's data is available, Channel 4's £441 million expenditure on first-run external commissions on the main channel exceeded that of any of the other PSBs on their network channels – including BBC One and BBC Two combined. Looking across their entire TV portfolios, Channel 4's £487 million expenditure on first-run external commissions was £58 million more than the BBC's corresponding investment across all of its TV channels, £239 million more than the corresponding figure for ITV's portfolio and £364 million more than that for Channel 5's portfolio.

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

Total (£m)				
2016	378	51	429	BBC
2015	357	82	441	
2016	248		248	ITV
2015	247		247	
2016	441	46	487	Channel 4
2015	403	39	441	
2016	123		123	Channel 5
2015	108		108	

- Main channels (BBC main channels are BBC One and BBC Two)
- Digital channels

Source: Channel 4, Ofcom (other channels)
2017 data not available for other channels

INNOVATION THROUGH DIVERSITY

309

COMPANIES WORKING WITH CHANNEL 4 PORTFOLIO ACROSS TV, FILM AND DIGITAL MEDIA IN 2017, OF WHICH 171 WERE INDEPENDENT TV PRODUCTION COMPANIES

-3% ON LAST YEAR

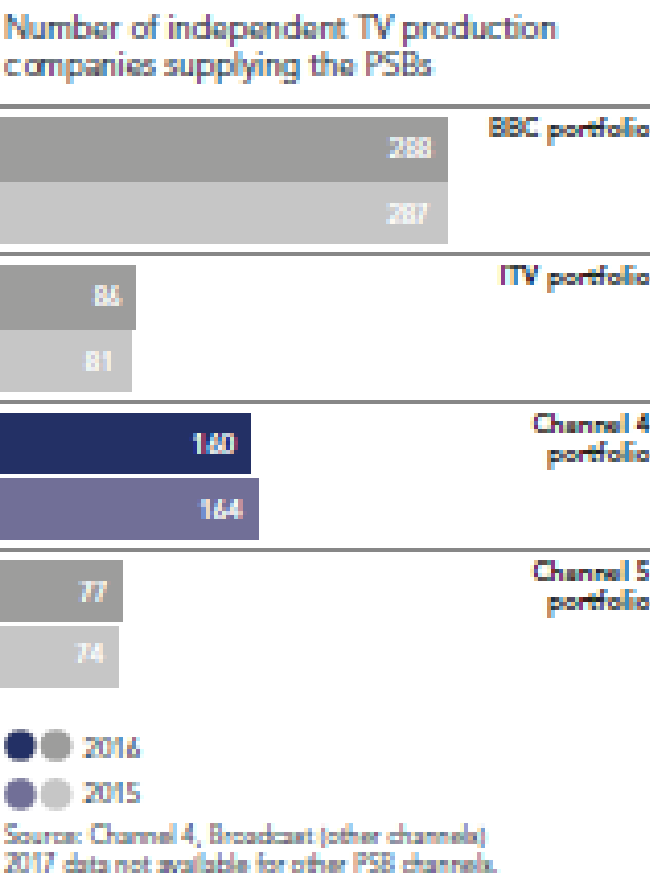
● NURTURE TALENT

DIVERSITY OF SUPPLY BASE

Cross-industry data allows comparisons to be drawn between the number of independent TV production companies each of the public service broadcasters work with across their TV portfolios (see chart on the right). In 2016, the most recent year that comparative TV industry data is available, Channel 4 worked with 160 independent TV production companies, behind only the BBC (288 companies), and significantly more than either ITV or Channel 5 (86 and 77 companies, respectively).

Turning to Channel 4's data across its entire portfolio for 2017, 309 companies supplied the TV, film and digital media content that it commissioned this year. In TV, this total included 171 independent production companies, and a further 41 non-independent producers, giving a total of 212 suppliers of TV programmes. In other media, there were 84 online suppliers and 71 film companies (some suppliers worked across TV, film and online). Across all types of content, 48 companies were new suppliers to Channel 4.

The number of TV suppliers rose by 12% in 2017 (including an 8% rise in the number of independent TV production companies, notwithstanding ongoing consolidation in the sector). There was a 25% fall in the number of online suppliers (with All 4 investing in a smaller number of bigger-budget commissions), while the number of film companies held steady. The 309 companies that Channel 4 worked with overall was down slightly year-on-year, by 3% (2016: 317), while the number of new suppliers fell by 31%, returning to levels comparable to those in 2014-2015 (of 49-53) after a jump in 2016 to 70.



57%

OF FIRST-RUN ORIGINATED PROGRAMME HOURS

+2PTS ON LAST YEAR

22PTS ABOVE OFCOM QUOTA

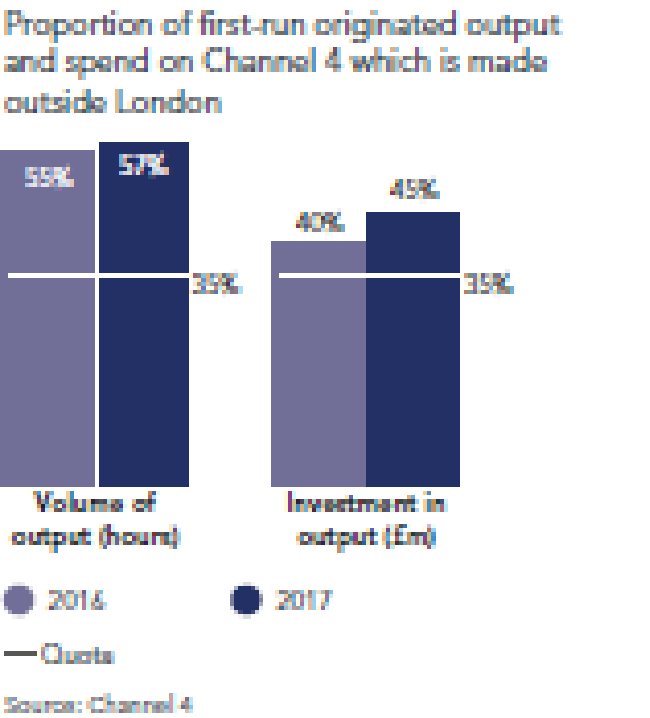
● NURTURE TALENT

INVESTMENT IN THE NATIONS AND REGIONS (MAIN CHANNEL)

In 2017, Channel 4 sourced a greater proportion of the volume of first-run originated programmes on its main channel from suppliers based outside London than ever before. 57% of first-run originated programming hours on the main channel came from out-of-London suppliers, an increase of two percentage points year-on-year, and the highest figure that Channel 4 has achieved in its history. This figure has now grown for three consecutive years, and has exceeded 50% for the last five years (the corresponding figure was less than 50% for each of the five preceding years).

In spend terms, 45% of Channel 4's expenditure on first-run originated programming on the main channel was on programmes from suppliers outside London in 2017. This represents a marked year-on-year increase of five percentage points.

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



45%

OF THE VALUE OF FIRST-RUN ORIGINATIONS

+5PTS ON LAST YEAR

10PTS ABOVE OFCOM QUOTA

● NURTURE TALENT

INVESTING THROUGH DIVERSITY

12%

OF FIRST-RUN ORIGINATED PROGRAMME HOURS

+3PTS ON LAST YEAR
9PTS ABOVE OFCOM QUOTA

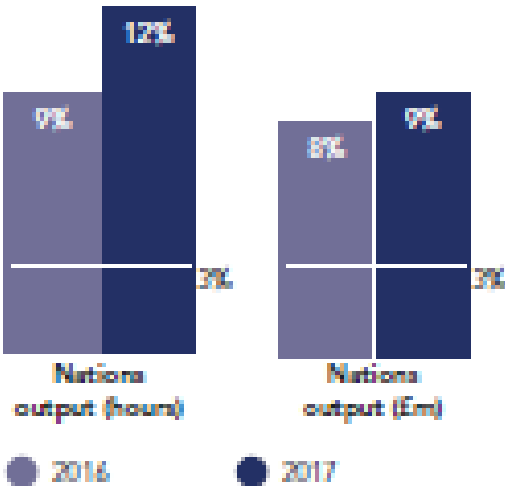
NURTURE TALENT

INVESTMENT IN THE NATIONS (MAIN CHANNEL)
In 2017, Channel 4's investment in the Nations reached new record levels in terms of both volume and spend. Commissions in the Nations represented just over 12% of total hours of first-run originated programming on Channel 4's main channel: of this, Scotland accounted for 8.6%, Wales 2.7% and Northern Ireland 0.7%. In spend terms, the Nations represented more than 9% of the total budget for first-run originated programmes on the main channel (with 6.8% spent in Scotland, 2.2% in Wales and 0.5% in Northern Ireland). The Nations' share of first-run originated programming hours on Channel 4's main channel rose by three percentage points year-on-year (2016: 9%), and is now double the corresponding 6% figure from 2014. Their share of investment rose by one percentage point (2016: 8%) for the third consecutive year.

Commissions from the Nations provided 298 hours of first-run programming on the main channel in 2017, 15% up year-on-year. In Scotland, the corresponding volume of programming rose by 21% to 214 hours (up from 177 in 2016), while total investment was up by 31% to £27.4 million (2016: £21.0 million). This increase was accounted for by a mixture of returning daytime shows like *Fifteen To One* and peak-time titles such as *Eden*. In Wales, the volume of programme commissions fell by 4% to 66 hours in 2017 (2016: 69 hours), while total investment was 20% down, to £9.0 million (from £11.3 million in 2016), as *Inside Birmingham Children's Hospital* did not return this year. Turning to Northern Ireland, new 10-part daytime series *World's Most Expensive Cars* contributed to the 40% increase in the volume of programmes to 18 hours (2016: 13 hours), while investment rose slightly, by 4%, to £2.1 million (2016: £2.0 million).

In both volume and spend terms, these figures exceed by some margin the 3% licence quotas set by Ofcom (they also meet the increased 9% quotas which come into effect in 2020).

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



Source: Channel 4

9%

OF THE VALUE OF FIRST-RUN ORIGINATIONS

+1PT ON LAST YEAR
6PTS ABOVE OFCOM QUOTA

NURTURE TALENT

£189m

SPENT ON PRODUCTION COMPANIES BASED OUTSIDE LONDON

+12% ON LAST YEAR
NURTURE TALENT

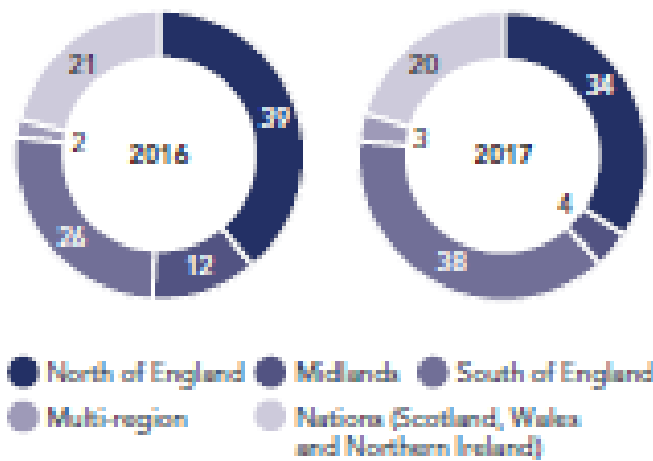
SPEND BY REGION ACROSS THE CHANNEL 4 TV PORTFOLIO
Across its TV portfolio, Channel 4 spent a record £189 million in 2017 on content that was commissioned from production companies based in the Nations and the English Regions. This investment outside London has risen by £20 million in each of the last two years, with this year's increase translating to a 12% rise (2016: £169 million).

Expenditure on content from production companies in the Nations rose by 9% in 2017, to £39 million (2016: £36 million). New programmes this year included *Best Laid Plans* (from Scotland), *Confessions Of A Junior Doctor* (Wales) and *Britain's Ancient Tracks with Tony Robinson* (Northern Ireland). The largest component of expenditure in the Nations, £27.6 million, was spent in Scotland, 28% up year-on-year (2016: £21.9 million). A further £9.0 million was spent in Wales – while this was 20% down on last year (2016: £11.3 million), it was still higher than in any year prior to 2016. The remaining £2.1 million was spent in Northern Ireland, 13% down on last year (2016: £2.4 million).

Turning to the English Regions, Channel 4's TV portfolio spend was £145 million in 2017, 12% up on last year (2016: £130 million). This increase was primarily due to *The Great British Bake Off*. Major commissions from the English Regions this year included the likes of *A Place in the Sun* (South of England), *My Kitchen Rules* (Midlands), and *Hollyoaks* (North of England). A further £6 million was spent on multi-region content in 2017, up from £4 million in 2016.

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

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



Source: Channel 4

£39m

SPENT ON PRODUCTION COMPANIES IN THE NATIONS

+9% ON LAST YEAR
NURTURE TALENT

DIFFERENT VOICES

69hrs

OF FIRST-RUN PROGRAMMES COVERING INTERNATIONAL TOPICS ON CHANNEL 4 (EXCLUDING NEWS) AND TRUE STORIES ACROSS THE PORTFOLIO

-10% ON LAST YEAR

● ALTERNATIVE VIEWS

204hrs

OF FIRST-RUN FOREIGN LANGUAGE CONTENT ACROSS THE PORTFOLIO

+ 26% ON LAST YEAR

● ALTERNATIVE VIEWS

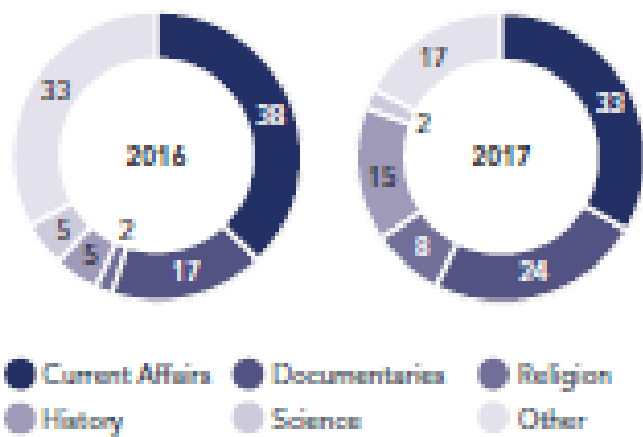
RANGE OF INTERNATIONAL PROGRAMMING

With stories from around the world of ever-greater relevance to UK citizens, Channel 4's coverage of international themes extends across all parts of the schedule. Excluding Channel 4 News, there were 69 hours of first-run programmes in 2017 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. After a big jump in 2016, when international programming included extensive coverage of the US presidential election race, this fell back by 10% year-on-year, although the amount of international coverage remained above the levels in 2014 and 2015.

The biggest single genre in 2017 was Current Affairs, which accounted for 33% of total first-run hours of non-news international programming (down from 38% in 2016, but level with the 2015 figure). Alongside the long-running Unreported World strand, Dispatches covered a range of international topics, exploring the new Trump presidency with films such as *Russia: Sex, Spies and Scandal* and *President Trump: How Scared Should We Be?*, and shining a light on major conflicts in Syria's *Disappeared: The Case Against Assad* and *Isis and the Battle for Iraq*. The next biggest genre was Documentaries (24% of the total, up from 17% in 2016). From *Russia to Iran: Crossing Wild Frontiers* was a four-part series following a 2,600-mile trek across the mighty Caucasus mountains, while *Women Who Kill* explored the motivations of female murderers, and *Delhi Cops* went behind the scenes with the overworked police in India's most dangerous city. The other biggest single genre was History (15% of the total, up from 5% last year), with films such as *Isis: The Origins of Violence* and *Angry, White and American*. Programmes in other genres included *Three Wives, One Husband* (Religion, 8% of the total, up from 2% in 2016), *Man Made Planet: Earth from Space* (Science, 2% of the total, down from 5% in 2016) and *Escape to Costa Rica* (included within the Other category, 17% of the total, down from 33% in 2016).

Channel 4 continues to offer UK audiences a diverse range of content from around the world through its acquired TV programmes and films. Following the 2016 launch of Walter Presents – the innovative on-demand service curating the best foreign language TV shows – the launch episodes of 14 series were premiered on Channel 4's main channel in 2017, with viewers being pointed to Walter Presents on All 4 to watch the rest of the series. The most popular title, Dutch drama *The Swingers*, attracted 778,000 viewers. A further four series were shown in their entirety on More4, with pan-European co-production *The Team* averaging 355,000 across eight episodes. Both these figures are impressive for foreign language titles. Taken together, the Walter Presents-branded foreign language dramas shown on the main channel and More4 reached 9.4 million people, equivalent to 15.9% of the population, in 2017. Overall, there were 204 hours of first-run foreign language TV shows and films across the TV portfolio, 26% more than in 2016 (161 hours). This figure has now increased for the last three years. On the Film4 channel, a total of 701 hours of films from outside the UK and US were shown in 2017, 6% up year-on-year (this figure includes first-runs and repeats, and films shown both in the English language and in foreign languages).

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



Source: Channel 4

DIFFERENT VOICES

129hrs

OF FIRST-RUN ORIGINATIONS
COVERING DIVERSITY ISSUES
ON THE MAIN CHANNEL

-48% ON LAST YEAR

● CULTURAL DIVERSITY

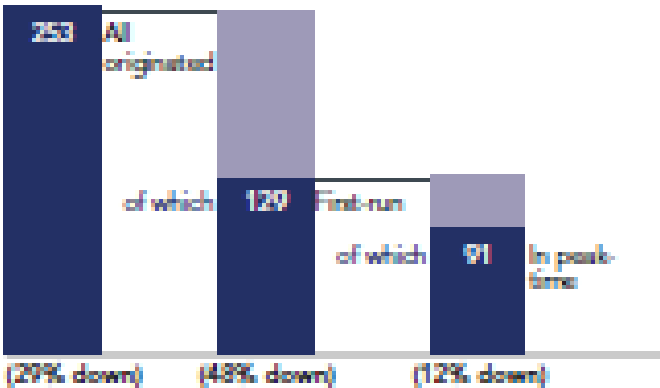
DIVERSITY OUTPUT ON THE MAIN CHANNEL
Channel 4 aims to reflect the diversity of the UK across all its output. As part of that, it shows programmes whose subject matter specifically covers diversity issues. In 2017, Channel 4 showed 253 hours of originated programmes on the main channel whose subject matter covered diversity issues (relating to religion, multiculturalism, disability and sexuality). 129 of these originated hours were first-run programmes (the others being repeats), and 91 of the first-run hours related to programmes shown in peak-time (6-10.30pm, as defined by Ofcom). These included *Three Wives*, *One Husband* (Religion), *Extremely British Muslims* and *Is Love Racist?*, *The Dating Game* (multiculturalism), and the return of popular series *The Last Leg* and *The Undateables* (disability). A highlight this year was Channel 4's season to mark the 50th anniversary of the partial decriminalisation of male homosexuality: programmes on the main channel included *Extraordinary Teens: My Gay Life*, *Epidemic: When Britain Fought AIDS* and *50 Shades of Gay*, and there were additional shows on More4 and All 4.

After a significant increase in the amount of diversity programming last year, due to Channel 4's coverage of the Rio 2016 Paralympics, overall levels fell back in 2017. There was a 29% fall in total originations, a 48% decline in the volume of first-run originations and a 12% drop in first-run originations in peak-time. Despite these declines, all three metrics were higher than in 2013, 2014 or 2015, i.e. the years between the last two Paralympic Games (in 2012 and 2016) when this metric always peaks.

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 on screen, off screen and as an employer. In 2017, it updated its 360° Diversity Charter with Four New Frontiers, which enabled it to have an impact in four new areas: BAME progression, diverse directors, diversity in advertising and social mobility. Channel 4 also continues to improve access to opportunity for those from different backgrounds, via its C4 Pop Ups, Production Training Scheme and work experience and apprenticeship programmes.

In addition, Channel 4 was one of the launch partners on Diamond, the new cross-industry diversity monitoring system developed through the Creative Diversity Network, which went live in 2016 and published its first report in August 2017. Read more about our work on diversity on pages 50-55.

Total hours of programming covering diversity issues shown on the main channel (2017 with trends relative to 2016)



Source: Channel 4

FILM

32%

FROM OUTSIDE THE US

- WITH LAST YEAR
- CULTURAL DIVERSITY

17%

FROM THE UK

- 1PT ON LAST YEAR
- CULTURAL DIVERSITY

DIVERSITY OF FILM4 CHANNEL SCHEDULE
The Film4 channel – which grew its share of individuals in 2017 in an increasingly competitive market for feature film – showcases a diverse and alternative range of films from the UK and around the world. Whereas mainstream film channels rely mostly on Hollywood studio titles, non-US films accounted for almost one-third of the Film4 channel’s schedule this year.

Breaking this down, 17% of the Film4 channel’s output (in terms of hours of programming in the schedule) was made up of British films, including those co-funded by Film4 Productions (one percentage point down on the 2016 figure). A further 15% of the schedule comprised films from continental Europe and other parts of the world outside the United States. So overall, films from countries other than the US together accounted for 32% of hours of output on the channel, level with the corresponding figure for 2016. (Note that this figure includes films that were co-productions between the US and other countries; in 2017, 5% of output on the channel comprised US/non-US co-productions, level with the 2016 figure.)

The world cinema slate continued to be the strongest and most diverse available on free television; films representing 37 different countries appeared on the channel, with Argentinian favourite *Wild Tales* making its network premiere in the 9pm slot. Film4 also brought the entire feature film output of Andrei Tarkovsky back to television as well as to All 4, with the first film of the season playing on what would have been the director’s 85th birthday. The strength of Film4 Productions was shown by titles which played on the channel for the first time, including the award-winning *Carol*, the Oscar-winning *Ex Machina*, and a season of Ben Wheatley films scheduled around the network premiere of his radical black comedy *High-Rise*. The channel was also home to the feature debuts of a number of first-time British directors in 2017, amongst them Alice Lowe’s *Provence*, Gareth Tunkey’s *The Ghouls*, Joe Stephenson’s *Chicken* and Steve Oram’s unclassifiable *Aaaaaaaah!*

NEWS AND CURRENT AFFAIRS

364

LONG-FORM NEWS AND
CURRENT AFFAIRS
PROGRAMMES IN PEAK-TIME

-2% ON LAST YEAR

● STIMULATE DEBATE

COMMITMENT TO LONG-FORM JOURNALISM

The transmission of News and Current Affairs programmes with extended running times allows topics to be covered in greater depth, and enables these programmes to offer higher levels of rigour and analysis. Channel 4 believes this to be especially valuable at a time of growing concerns about the accuracy of news – both in traditional media and, particularly, in digital and social media – and the corresponding impact on trust in news sources.

For the purpose of this metric, which focuses on the News and Current Affairs output on the main PSB channels, ‘long-form’ programmes are defined as those running for at least 45 minutes for News and 15 minutes for Current Affairs. In 2017, Channel 4’s main channel showed 364 ‘long-form’ News and Current Affairs programmes in peak-time (between 6pm and 10.30pm, as defined by Ofcom). While this fell slightly year-on-year, by 2%, it remains the second-largest figure since 2012 (the oldest year using the current methodology). Channel 4 showed substantially more long-form News and Current Affairs programmes in peak-time than the other main PSB channels combined (between them, they showed 272 programmes in 2017).

Given that some News and Current Affairs programmes are broadcast later in the evening (most notably Newsnight on BBC Two, which usually begins at 10.30pm), this metric also considers output over a longer period running up to midnight so that these programmes can be captured. Between 6.30pm and midnight, Channel 4 showed 431 ‘long-form’ News and Current Affairs programmes on its main channel in 2017. Again, this was 2% down on the 2016 figure, but remained the second-largest figure since 2012 (there was one fewer post-peak-time title on the main channel this year). Channel 4’s total in the period between 6pm and midnight was greater than the corresponding figure for any of the other main PSB channels. The channel with the next highest number of titles was BBC Two: it showed 317 ‘long-form’ News and Current Affairs programmes, 114 fewer than Channel 4. The bulk of BBC Two’s total was accounted for by Newsnight, with only 52 of its programmes in peak-time.

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

		Total		
2017	<div><div>128</div><div>106</div></div>	234	BBC One (BARB)	
2016	<div><div>107</div><div>93</div></div>	200		
2017	<div><div>52</div><div>265</div></div>	317	BBC Two (BARB)	
2016	<div><div>92</div><div>266</div></div>	358		
2017	<div><div>92</div><div>32</div></div>	124	ITV (BARB)	
2016	<div><div>81</div><div>24</div></div>	105		
2017	<div><div>364</div><div>67</div></div>	431	Channel 4 (Internal)	
2016	<div><div>370</div><div>68</div></div>	438		
2017	<div><div>0</div><div>0</div></div>	0	Channel 5 (BARB)	
2016	<div><div>1</div><div>0</div></div>	1		

● Peak-time (6-10.30pm)
● Post-peak-time (10.30pm-midnight)

Source: Channel 4, BARB (other channels)

MAKING AN IMPACT

Channel 4 occupies a unique position in the broadcasting ecosystem. It is a mass-market channel that reaches large audiences every day, including under-served groups that other public service broadcasters ('PSBs') struggle to connect with. It measures its impact by considering both the numbers of people who view its programmes across different audience groups and the public value it achieves by delivering its remit to be alternative and diverse, take risks, challenge preconceptions and inspire change.

Reputational impact

Channel 4 assesses its public value impact by looking at audience perceptions of 12 reputational statements linked to its public service remit and comparing its main channel's performance to that of the other main PSB channels (BBC One, BBC Two, ITV and Channel 5). As Channel 4 typically leads the other channels on these metrics by a significant margin, we look at annual variations in performance by highlighting the main channel's leads over the average for the other main PSB channels.

Averaged across the 12 statements, Channel 4's lead over the average for the other main PSB channels was 27.0 percentage points in 2017 – slightly below the all-time record of 27.3 points achieved in 2016, but still the second-highest lead since Channel 4 began reporting the reputational trackers in 2008. This year, Channel 4's most emphatic leads over the average for the other main PSB channels were for "taking risks that others wouldn't" (a lead of 38 percentage points), "tackling issues other channels wouldn't" (35 points) and being the "home for alternative voices" (30 points). There was very little year-on-year variation across the reputational trackers: Channel 4's lead was the same as in 2016 for six of the 12 statements, and for the other six statements its lead changed by no more than one percentage point.

Television

While audience fragmentation continued in the UK television market, viewing to Channel 4's TV portfolio was stable in 2017, with the main channel actually growing its share slightly, to 5.9% – level with 2016 when reported to one decimal place, and 1% up year-on-year based on the unrounded figures.

This is only the second time in the last decade that the main channel's share has increased. The digital channels had a combined viewing share of 4.6% (2016: 4.6%), giving a total TV portfolio viewing share of 10.5% (also level with 2016). Share was stable amongst the individual digital channels, with variations of no more than 0.1 percentage point.

Channel 4's portfolio was watched by 81.4% of all television viewers every month on average in 2017, behind only the BBC and ITV. Reach fell by 2.1 percentage points this year, in line with the declines experienced by the other PSBs (whose portfolios all saw declines of between 1.7 and 2.2 percentage points).

A key Channel 4 strength is its ability to engage with hard-to-reach audiences, including young adults and black and minority ethnic ('BAME') groups. We are the only PSB to attract a disproportionately high share of viewing amongst 16-34-year-olds: In 2017, TV portfolio viewing share amongst this age group was 16.4%, an increase of 1% relative to the 2016 share. Amongst BAME audiences, Channel 4's portfolio share was 10.0%. While this was 2% down on the 2016 figure, BAME audiences continued to account for a larger proportion of Channel 4's audience than for the audiences of the other PSBs.



Old People's Home for 4 Year Olds



Dispatches

News and Current Affairs lie at the heart of Channel 4's remit. In 2017, Channel 4 News was watched by an average of 8.2 million people each month. This figure was 2% down year-on-year; this may be attributed to declines in the overall UK TV audience, with Channel 4 News' TV viewing share rising by 2% this year (its fourth successive annual increase).

Channel 4 News also has a particular appeal to young adults and BAME viewers: 16-34-year-olds accounted for 13% of Channel 4 News viewing in 2017, above their 7%-9% shares of viewing to the national news programmes on the other main PSB channels. And viewers from BAME groups represented 15% of Channel 4 News viewing, the second-highest figure since 2009, and well ahead of the corresponding 8%-9% shares for the other PSB channels' news programmes. The proportion of viewing to Channel 4 News accounted for by 16-34-year-olds fell by two percentage points in 2017, while the proportion of BAME viewers was down by one percentage point. These declines are due in part to falling TV viewing amongst young people in general (this also affects BAME viewing, which skews young).

Channel 4 seeks to differentiate its News and Current Affairs output from that of other broadcasters through its independent and distinctive approach. On its independence, Channel 4 News performed particularly strongly in 2017: the proportion of its viewers who agree it is independent from the Government was at its joint-highest ever level, while its perceived independence from the influence of big business was higher than at any time since these metrics were first reported in 2009. On both measures, Channel 4 News' perceived independence amongst its viewers was higher than that for the other main broadcasters' news programmes amongst their viewers.

In Current Affairs, Channel 4 tracks five reputational statements covering the approach and subject matter of the main PSB channels' programmes and strands in this genre. Across these statements, *Unreported World* and *Dispatches* had the highest average scores amongst the PSB channels. The leader, *Unreported World*, ranked first 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 both strands' average scores fell slightly in 2017, by one to two percentage points, *Dispatches* extended its lead over the next highest-scoring programme or strand (BBC One's *Panorama*).



Online

Channel 4's dedicated All 4 app, which launched in 2015, 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. Channel 4's strategy is to encourage All 4 usage where possible to ensure viewers have the best possible experience viewing video content on screens of all sizes. It achieves this in part by pointing website visitors towards the All 4 app when they try to watch video content on mobile platforms, hastening a migration from website usage to the All 4 app.

In 2017, a record 719 million programme views were initiated across the full range of All 4-branded platforms, a significant year-on-year increase of 16%. The strongest growth this year was on 'Big Screens' (connected TVs and streaming devices that plug into TVs).

Channel 4's websites and apps attracted a total of 588 million visits in 2017. This was 13% more than in 2016, the biggest annual increase since 2012. Visits to Channel 4's apps rose by an impressive 27% year-on-year, to 411 million. Conversely, visits to Channel 4's websites fell by 11%, to 177 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 62% of the total in 2016 to 70% in 2017.



Channel 4 increasingly uses digital and social networks to deliver news content to audiences, especially younger ones, and Channel 4 News is one of the UK's biggest news brands for video on social media. In 2017, its videos received 1.98 billion views across Facebook and YouTube.

Audience feedback

Channel 4 draws on feedback from a variety of sources: its Viewer Enquiries Centre, monitoring of social media traffic, bespoke audience research, and information provided by registered online users, including the Core4 community. Alongside these, the 'Buzz' metric indicates which programmes people have talked about the most, face-to-face or on social media (a new supplier in 2017 tripled the sample to 3,000 people daily). The average 'Buzz' score for the 10 most talked-about programmes this year was 60%. The top ten was dominated by a diverse range of Factual shows, including the uplifting *Old People's Home for 4 Year Olds* and a fascinating hidden history of women's football in the UK, *When Football Banned Women*.

DIFFERENT VOICES

24pt

LEAD OVER AVERAGE FOR OTHER CHANNELS FOR SHOWING DIFFERENT CULTURES AND OPINIONS

- WITH LAST YEAR

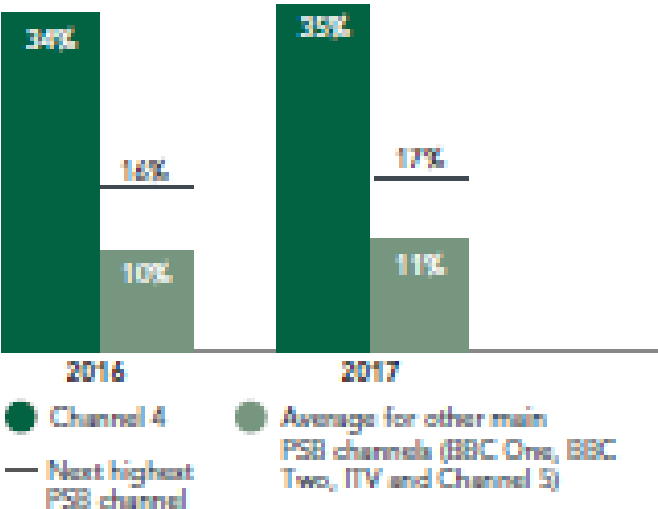
CULTURAL DIVERSITY

CHANNEL REPUTATIONS – SHOWS DIFFERENT KINDS OF CULTURES AND OPINIONS

Channel 4’s reputation as being best for showing different kinds of cultures and opinions was stronger than ever in 2017. The main channel was selected by 35% of all respondents, the highest score it has achieved since Channel 4 began reporting this metric in 2008. This equated to a substantial 24 percentage point lead over the average for the other main PSB channels, and an 18 percentage point lead over the next highest-scoring channel, BBC One.

The proportion of respondents selecting Channel 4 rose by one percentage point year-on-year, while its leads over the average for the other main PSB channels and the next highest-scoring channel were both the same as in 2016. Channel 4’s creative renewal, which began to impact on the schedules in 2012, has helped this metric to stabilise at a higher level: between 2013 and 2017, the proportion of people choosing the main channel was between 33% and 35%, compared to 27%-32% in the previous five years (2008-2012).

Shows different kinds of cultures and opinions



Source: Ipsos MORI, commissioned by Channel 4

26pt

LEAD OVER AVERAGE FOR OTHER CHANNELS FOR CHALLENGING PREJUDICE

-1PT ON LAST YEAR

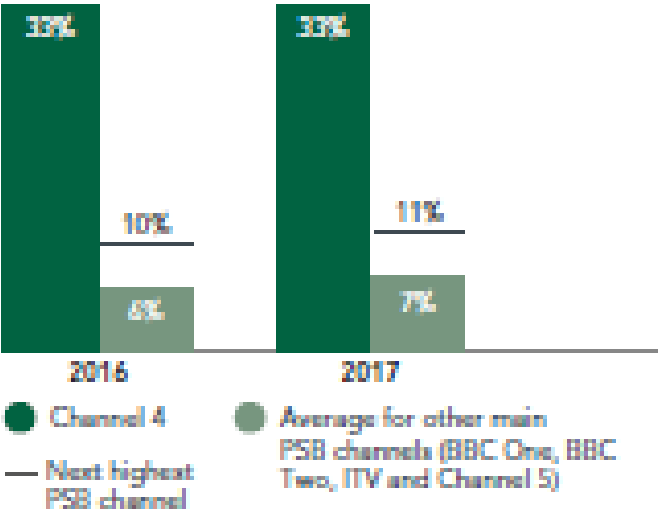
CULTURAL DIVERSITY

CHANNEL REPUTATIONS – CHALLENGES PREJUDICE

When asked which of the main TV channels they most associate with challenging prejudice, 33% of respondents chose Channel 4’s main channel in 2017 – a joint-record figure since this metric was first reported in 2008. Between 2013 and 2017, the proportion of people selecting Channel 4 has been in the range of 29%-33%, compared to 25%-29% over the previous five years (2008-2012).

In 2017, Channel 4 had a significant lead of 26 percentage points over the average score for the other main PSB channels, and of 22 points over the next highest channel, BBC One. Both of these leads were marginally down, by one percentage point each, relative to their 2016 figures.

Challenges prejudice



Source: Ipsos MORI, commissioned by Channel 4

26pt

LEAD OVER AVERAGE FOR OTHER CHANNELS FOR SHOWING THE VIEWPOINTS OF DIFFERENT MINORITY GROUPS

-1PT ON LAST YEAR

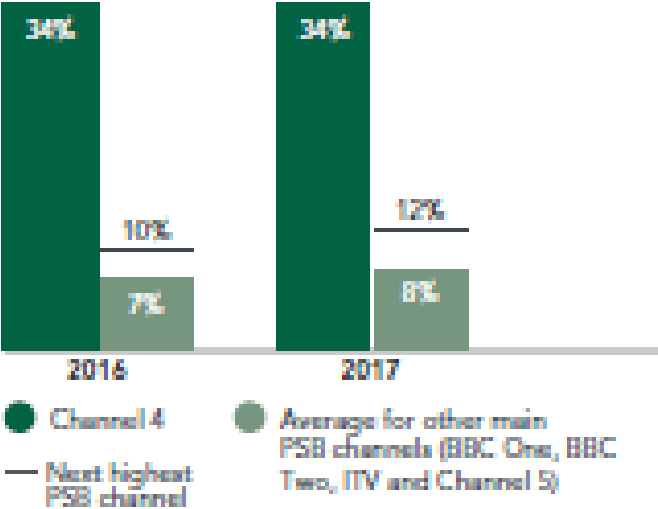
CULTURAL DIVERSITY

CHANNEL REPUTATIONS – SHOWS THE VIEWPOINTS OF MINORITY GROUPS IN SOCIETY

Channel 4 seeks to give a voice to a diverse range of groups, including those that are often under-represented on TV. In 2017, 34% of viewers selected Channel 4’s main channel over the other main PSB channels when asked which channel is best for showing the viewpoints of minority groups in society. This was level with the corresponding figure over the previous two years, and is Channel 4’s joint-highest score since this metric was first reported in 2012. Channel 4 had a substantial 26 percentage point lead over the average for the other channels (one percentage point down on 2016), and a 22 percentage point lead over the next highest channel, BBC One (two points down year-on-year).

Channel 4’s main channel also significantly outperforms the other PSBs for showing the viewpoints of individual minority groups. It was selected by 32% of viewers as being best for showing the viewpoints of different ethnic groups in the UK (one percentage point up year-on-year), giving it a lead of 24 percentage points over the average for the other main PSB channels. 35% of viewers thought Channel 4 was best for showing the viewpoints of lesbian, gay, bisexual and transgender people (again up by one percentage point), 30 percentage points above the average of the other PSB channels. And 31% of viewers thought Channel 4 was best for showing the viewpoints of disabled people, giving it a 24 percentage point lead over the average of the other PSB channels. While the proportion of respondents selecting Channel 4 was marginally down year-on-year, by one percentage point, it remained higher than the corresponding figures in the previous three years (of 26%-28%).

Shows the viewpoints of minority groups in society



Source: Ipsos MORI, commissioned by Channel 4

DIFFERENT VOICES

30pt

LEAD OVER AVERAGE FOR OTHER CHANNELS AS THE HOME FOR ALTERNATIVE VOICES

-1PT ON LAST YEAR

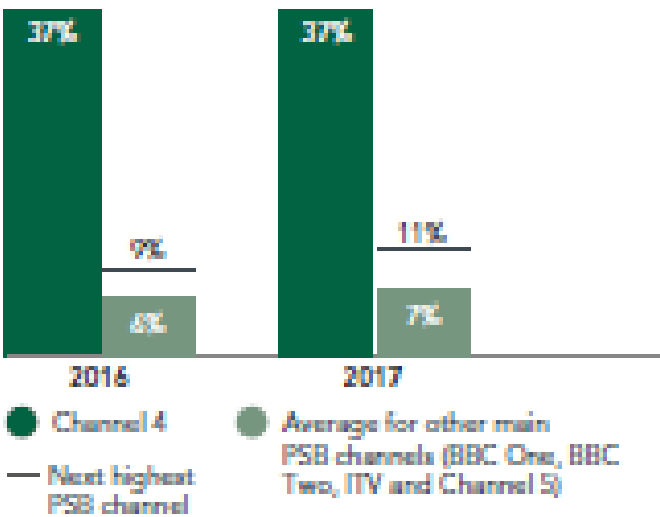
● ALTERNATIVE VIEWS

CHANNEL REPUTATIONS – HOME FOR ALTERNATIVE VOICES

At a time when ‘filter bubbles’ in digital and social media risk constraining the range of viewpoints and perspectives that people encounter, Channel 4 makes a vital contribution to plurality by providing a mainstream platform for alternative voices. 37% of respondents selected Channel 4’s main channel as being the home for alternative voices in 2017, level with 2016 and the joint-highest figure since this metric was first reported in 2013. This figure is more than three times larger than the proportion selecting the next highest channel, Channel 5 (11% of people), and a huge 30 percentage points higher than the average for the other main PSB channels.

Channel 4’s main channel’s lead over the average for the other main PSB channels fell marginally year-on-year, by one percentage point, while its lead over the next highest PSB channel fell by two percentage points.

Home for alternative voices



Source: Ipsos MORI, commissioned by Channel 4

DISTINCTIVE APPROACHES

16pt

LEAD OVER AVERAGE FOR OTHER CHANNELS FOR MAKING VIEWERS THINK IN NEW AND DIFFERENT WAYS

+1PT ON LAST YEAR

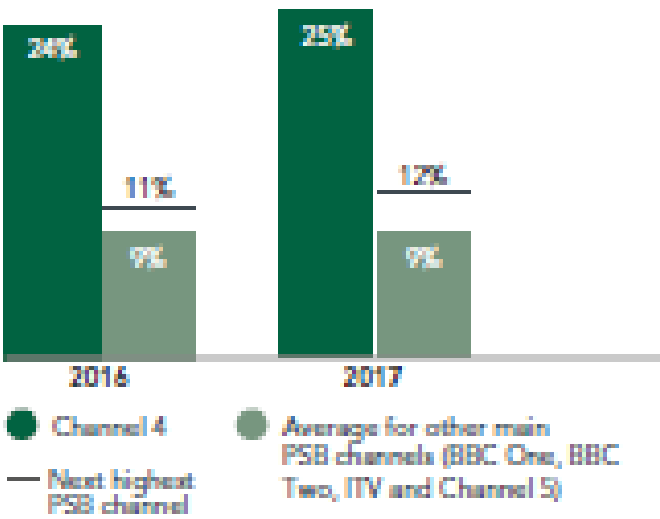
● INSPIRE CHANGE

CHANNEL REPUTATIONS – MAKES ME THINK ABOUT THINGS IN NEW AND DIFFERENT WAYS

Channel 4 achieved its highest ever scores for making people think about things in new and different ways in 2017. 25% of respondents selected its main channel as being the best of the main PSB channels on this metric, the highest figure since Channel 4 began reporting it in 2008. This corresponded to a lead over the average for the other main PSB channels of 16 percentage points, also a higher lead than in any earlier year. Its 13 percentage point lead over the next highest channel, BBC One, was the joint-highest level since 2008.

Compared to 2016, the proportion choosing Channel 4’s main channel in 2017, and its lead over the average for the other main PSB channels, both rose by one percentage point. Its lead over the next highest channel was level year-on-year.

Makes me think about things in new and different ways



Source: Ipsos MORI, commissioned by Channel 4

35pt

LEAD OVER AVERAGE FOR OTHER CHANNELS FOR TACKLING ISSUES OTHER CHANNELS WOULDN'T

-1PT ON LAST YEAR

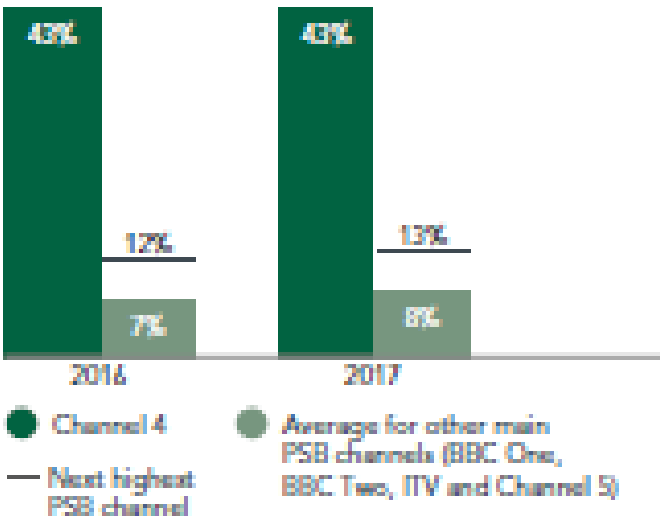
● DISTINCTIVE

CHANNEL REPUTATIONS – TACKLES ISSUES OTHER CHANNELS WOULDN'T

In 2017, Channel 4’s main channel was selected by 43% of respondents as being best for tackling issues that other channels wouldn’t, amongst the highest scores achieved in any of the reputational statements. This was more than three times the score achieved by the next highest channel, Channel 5: it was chosen by 13% of respondents, giving Channel 4’s main channel a 30 percentage point lead over it. The other main PSB channels were chosen by 8% of people on average, resulting in a massive 35 percentage point lead for Channel 4 over them.

Channel 4’s performance against this metric remains stable. The proportion of people selecting Channel 4’s main channel was level year-on-year, while its leads over the average for the other main PSB channels and the next highest channel each fell by one percentage point. Channel 4’s own scores have remained within the narrow range of 43%-44% since 2013.

Tackles issues other channels wouldn't



Source: Ipsos MORI, commissioned by Channel 4

DISTINCTIVE APPROACHES

29pt

LEAD OVER AVERAGE FOR OTHER CHANNELS FOR TAKING A DIFFERENT APPROACH TO SUBJECTS COMPARED TO OTHER CHANNELS

- WITH LAST YEAR

● DISTINCTIVE

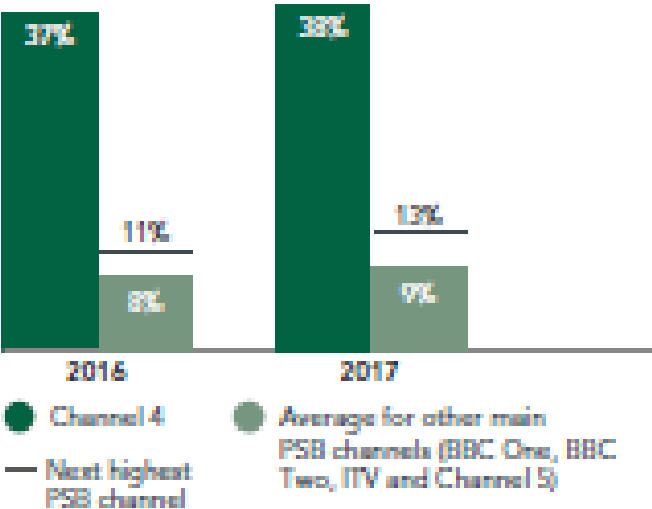
CHANNEL REPUTATIONS – TAKES A DIFFERENT APPROACH TO SUBJECTS COMPARED WITH OTHER CHANNELS

In 2017, 38% of people associated Channel 4's main channel with taking a different approach to subjects compared with other channels, its joint-highest score since Channel 4 began reporting this metric in 2008. This gave Channel 4 a substantial lead, of 29 percentage points, over the average for the other main PSB channels, also a joint-highest figure since 2008. Its lead over the next highest channel, Channel 5, was 25 percentage points.

Since 2014, annual variations in Channel 4's own score and its leads over the other main PSB channels have been within the range of ±1 percentage point. In 2017, the main channel's score was one percentage point up on the 2016 figure, its lead over the average for the other main PSB channels was level with the 2016 figure, and its lead over the next highest channel was one percentage point down year-on-year.

Following an earlier period of greater fluctuations, this metric has stabilised at higher levels over the last five years (2013-2017) since Channel 4's creative renewal began to impact the schedules. The main channel's scores have been in the range 36%-38% over this period, compared to scores of 29%-33% between 2008 and 2012. Its lead over the average for the other main PSB channels has stabilised within an even narrower range of 28%-29%, markedly higher than its leads of 19%-23% in the previous five years. While Channel 4's lead over the next highest channel has fallen slightly from 27% in 2013 to 25% in 2017, it remains significantly higher than the 19%-22% range in the previous five years.

Takes a different approach to subjects compared with other channels



Source: Ipsos MORI, commissioned by Channel 4

190

NEW OR ONE-OFF PROGRAMMES SHOWN ON CHANNEL 4 BETWEEN 6PM AND MIDNIGHT

+9% ON LAST YEAR

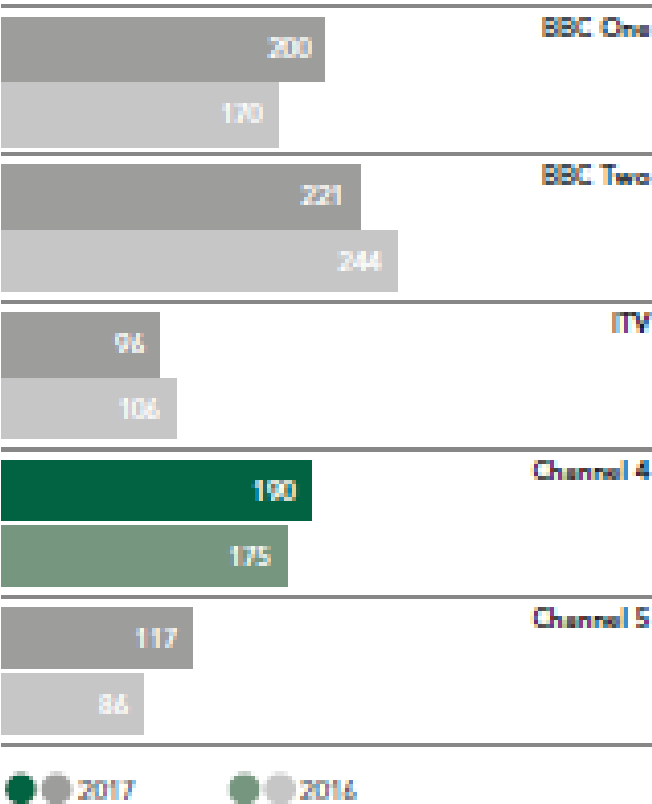
● INNOVATION

NEW AND ONE-OFF PROGRAMMING

As part of its commitment to experimentation, Channel 4 shows a large number of new and one-off programmes. This metric focuses on the number of such programmes in the evening schedules, when audiences are at their highest levels. In 2017, 190 new and one-off programmes were shown on the main channel between 6pm and midnight, 9% more than in 2016.

Looking at the other main PSB channels, BBC One and BBC Two each showed more new and one-off programmes in the evening schedule than Channel 4 this year (with 200 and 221 titles, respectively). However, Channel 4 remained well ahead of the other commercially-funded PSB channels, with almost double the 96 new and one-off titles on ITV and 73 more titles than Channel 5.

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



Source: Attentional, commissioned by Channel 4

DISTINCTIVE APPROACHES

38pt

LEAD OVER AVERAGE FOR OTHER CHANNELS FOR TAKING RISKS THAT OTHERS WOULDN'T

- WITH LAST YEAR

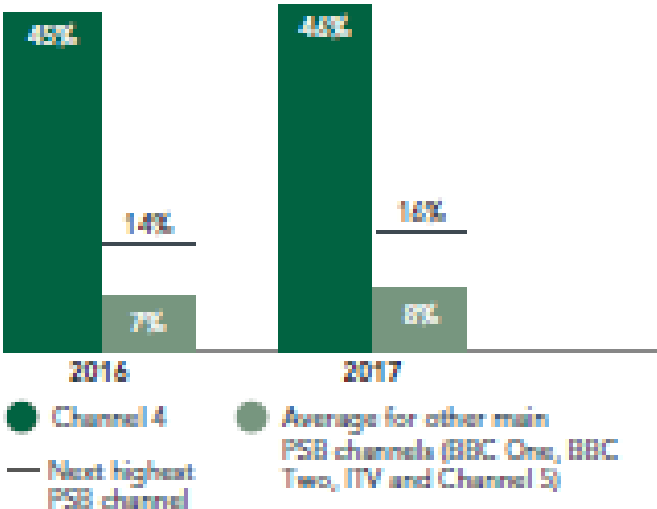
● DISTINCTIVE

CHANNEL REPUTATIONS – TAKES RISKS WITH PROGRAMMES THAT OTHERS WOULDN'T

Risk-taking is a central element of Channel 4's public remit, and its scores are particularly strong when respondents are asked which channel is best for taking risks with programmes that others wouldn't. In 2017, Channel 4's main channel was selected by 46% of respondents on this metric, and its lead over the average of the other main PSB channels was 38 percentage points – both figures were the highest achieved on any of the reputational statements. Channel 4 was 30 percentage points ahead of the next highest channel, Channel 5, the largest lead across the reputational statements this year.

Channel 4's performance against this metric remains stable, and annual variations continue to be within the range of ±1 percentage point. The proportion of people choosing Channel 4 rose by one percentage point year-on-year, its lead over the average for the other main PSB channels held level compared to the 2016 figure, while its lead over the next highest channel fell by one percentage point.

Takes risks with programmes that others wouldn't



Source: Ipsos MORI, commissioned by Channel 4

29pt

LEAD OVER AVERAGE FOR OTHER CHANNELS FOR BEING EXPERIMENTAL

- WITH LAST YEAR

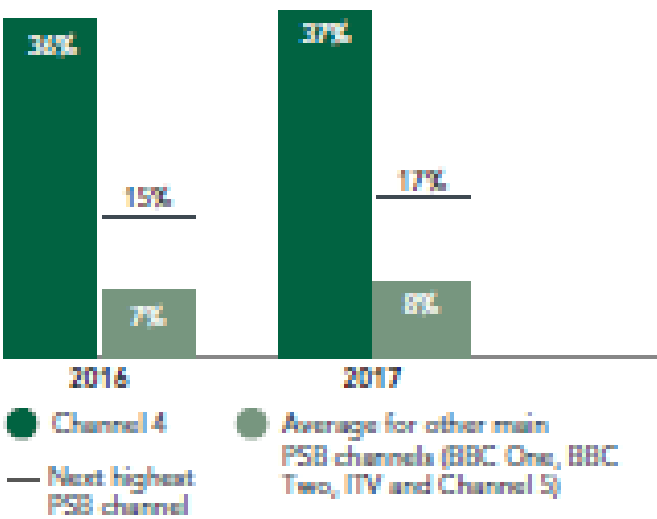
● INNOVATION

CHANNEL REPUTATIONS – IS EXPERIMENTAL

Channel 4's commitment to trying new things drives its role as Britain's creative greenhouse, and this is recognised by audiences. In 2017, 37% of respondents associated its main channel, more than any other channel, with being experimental. The proportion of people choosing Channel 4 was 29 percentage points higher than the average for the other main PSB channels, and 20 percentage points higher than the next highest channel, Channel 5.

Channel 4's performance against this metric remains stable. The proportion of people selecting the main channel in 2017 was one percentage point up year-on-year, and its lead over the average for the other main PSB channels was level with the 2016 figure. While its lead over the next highest channel fell slightly, by one percentage point, it remains just one point short of its highest figure (of 21%) since this metric was first reported in 2008. Annual variations in Channel 4's scores and leads over other channels have remained within the range of ±1 percentage point for the last four years.

Is experimental



Source: Ipsos MORI, commissioned by Channel 4

FILM

26pt

LEAD OVER AVERAGE FOR OTHER CHANNELS FOR BEING THE BEST FOR MODERN INDEPENDENT FILM

- WITH LAST YEAR

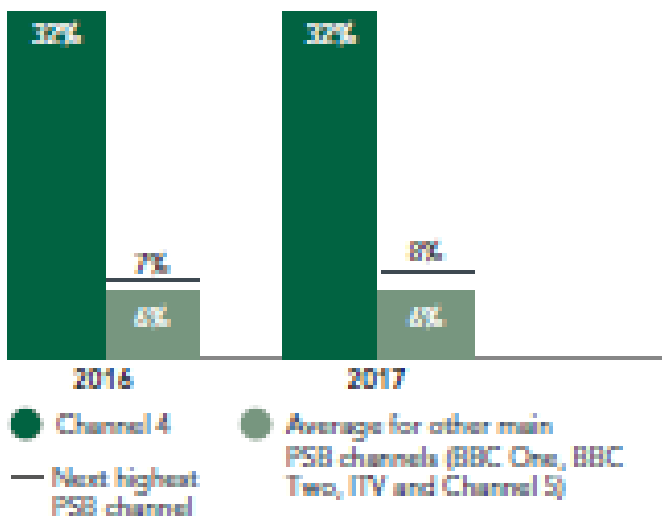
● DISTINCTIVE

CHANNEL REPUTATIONS – IS BEST FOR MODERN INDEPENDENT FILM

32% of respondents picked Channel 4’s main channel as being best for modern independent film in 2017. This gave it a lead of 26 percentage points over the average for the other main PSB channels, the joint-highest lead since Channel 4 began reporting this metric in 2008. Its lead over the next highest channel, Channel 5, was 24 percentage points (no other PSB channel was selected by more than 8% of respondents). The top-rated films on Channel 4 this year included the premiere of Film4 title *Room*, which drew an audience of 1.9 million viewers, with impressive audience shares of more than 10% of all individuals and 15% of 16-34-year-olds.

Channel 4’s performance against this metric continued to be stable. The proportion of people selecting the main channel in 2017, and its lead over the average for the other main PSB channels, both held steady year-on-year. Its lead over the next highest channel dropped by one percentage point, but remained just one point short of its highest figure (of 25%) since this metric was first reported in 2008. Annual variations in Channel 4’s scores and leads over other channels have remained within the range of ±1 percentage point for the last three years.

Is best for modern independent film



FACTUAL

24pt

LEAD OVER AVERAGE FOR OTHER CHANNELS FOR BEING THE BEST FOR DOCUMENTARIES THAT PRESENT ALTERNATIVE VIEWS

- WITH LAST YEAR

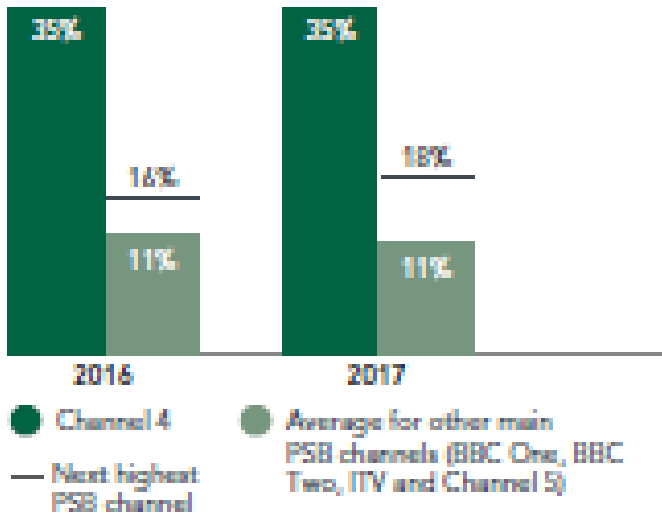
● ALTERNATIVE VIEWS

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. 35% of respondents selected Channel 4’s main channel as being best for documentaries that present alternative views in 2017, giving it a substantial lead, of 24 percentage points, over the average for the other main PSB channels. These figures were level with the corresponding ones in both 2015 and 2016, and represented the joint-highest levels since this metric was first reported in 2010. Channel 4’s lead over the next highest channel, BBC One, was 17 percentage points, two points down on its lead in 2016.

While this metric experienced a degree of volatility between 2010 and 2013, it has stabilised over the last four years. Since 2014, annual variations in Channel 4’s scores and leads over other channels have remained within the range of ±2 percentage points.

Is best for documentaries that present alternative views



FACTUAL

65%

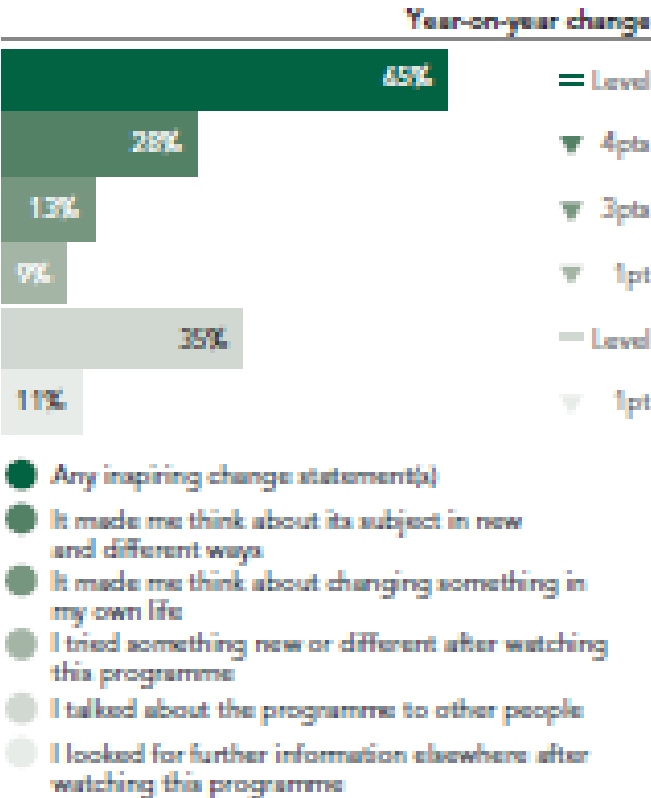
OF VIEWERS SAID THAT CHANNEL 4'S FACTUAL PROGRAMMES INSPIRED CHANGE IN THEIR LIVES

- WITH LAST YEAR
- INSPIRE CHANGE

INSPIRING CHANGE THROUGH FACTUAL PROGRAMMING
Reflecting its public remit, Channel 4 seeks to inspire people to make changes in their lives through its Factual programming. Programmes may encourage people to think about things in new and different ways, or think about making changes in their own lives. They may also inspire more active engagement: encouraging people to talk about the subjects of the programmes to other people, or to seek out further information. At their most engaging, programmes can lead to people actually trying something new or different. In 2017, 65% of viewers said that Channel 4's Factual programmes inspired them in one or more of these ways. With a score of 83%, *The Trouble With Dad* – which explored the relationship between comedian David Baddiel and his father, who has Pick's disease – was the best-performing programme of the year on this metric. Top-scoring programmes on individual statements included *Old People's Home for 4 Year Olds* (the most talked-about programme) and *How to Stay Well* (which inspired the most people to think about changing something in their lives).

The proportion of respondents who said that Channel 4's factual programmes inspired them in some way held steady in 2017, although there were year-on-year declines of up to four percentage points in the individual "inspiring change" statements.

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



Source: Ipsos MOR, commissioned by Channel 4

NEWS AND CURRENT AFFAIRS

84%

OF CHANNEL 4 NEWS VIEWERS REGARD IT TO BE INDEPENDENT FROM GOVERNMENT

- +7PTS ON LAST YEAR
- DISTINCTIVE

INDEPENDENCE OF TV NEWS
Audience recognition of the independence of the main UK broadcasters' news services was higher than ever in 2017, and of those, Channel 4 News continued to be the news programme that viewers most associated with being independent from the Government and from the influence of big businesses.

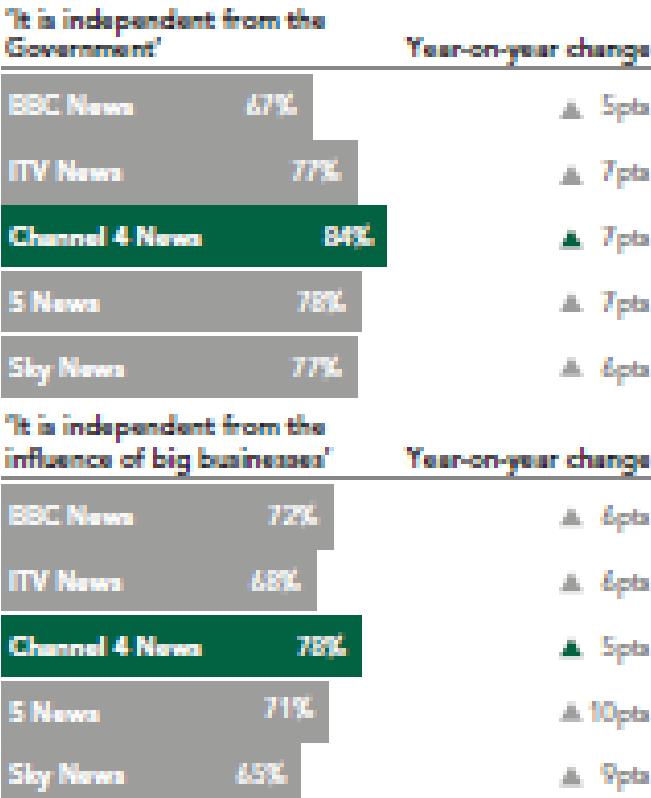
84% of regular viewers to Channel 4 News regarded it as being independent from the Government, its joint-highest score since this metric was first reported in 2009. This was nine percentage points more than the average for the other main public service broadcasters' news programmes and Sky News, and six percentage points more than the corresponding figure for the next highest-scoring news programme.

78% of regular viewers to Channel 4 News agreed that it is independent from the influence of big businesses, its highest score since 2009. This was also nine percentage points more than the average for the news programmes on the other main broadcasters' channels and six percentage points more than the corresponding figure for the next highest-scoring news programme.

Perhaps reflecting greater recognition of the value of TV news relative to other news sources, all the main broadcasters' news programmes achieved year-on-year increases in both metrics of at least five percentage points in 2017. For independence from the Government, Channel 4 News' score rose by seven percentage points, while its leads over the average for the other broadcasters' news programmes and over the next highest-scoring news programme (5 News in 2017, Sky News in 2016) both held steady year-on-year. For independence from the influence of big businesses, Channel 4 News' score rose by five percentage points, while its leads over the average for the other broadcasters' news programmes and over the next highest-scoring news programme (BBC News in both years) fell by three percentage points and one point respectively.

In 2017, Channel 4 News' viewing share increased by 2%, its fourth consecutive year of growth.

Percentage of regular viewers to TV news programmes in 2017 who agree with the following statements:



Source: Ipsos MOR, commissioned by Channel 4

NEWS AND CURRENT AFFAIRS

45%

THE AVERAGE PROGRAMME REPUTATION STATEMENT FOR UNREPORTED WORLD

-2PTS ON LAST YEAR

42%

THE AVERAGE PROGRAMME REPUTATION STATEMENT FOR DISPATCHES

-1PT ON LAST YEAR

● STIMULATE DEBATE

PROGRAMME REPUTATION STATEMENTS – CURRENT AFFAIRS

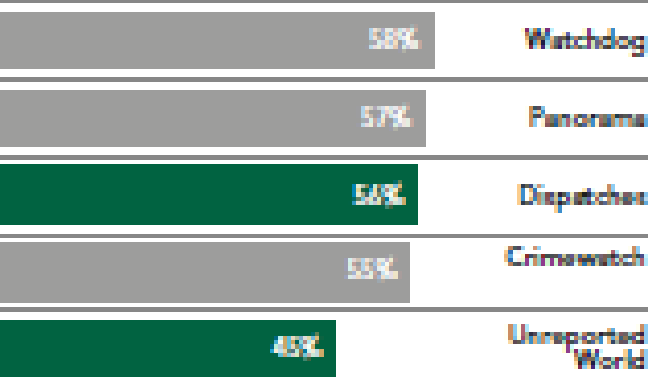
The public service broadcasters’ Current Affairs programmes are differentiated from each other in terms of their approach and subject matter. Channel 4’s longstanding Current Affairs strands, *Dispatches* and *Unreported World*, place a particular emphasis on investigative journalism, on challenging viewers to see things differently, on giving a voice to those who might not otherwise be heard and – especially in *Unreported World* – on providing a window on the wider world. In addition, one-hour Current Affairs specials allow Channel 4 to deliver in-depth coverage of important stories.

Channel 4’s strengths in these areas are reflected in five audience reputational statements that assess perceptions of the Current Affairs programmes on the main PSB channels, covering both regular strands and one-offs. In 2017, *Unreported World* and *Dispatches* continued to score higher on average than any of the other PSBs’ Current Affairs programmes and strands (with BBC One’s *Panorama* in third place).

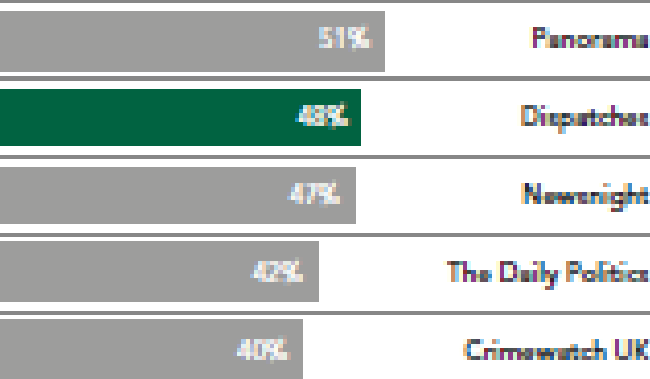
With an average score across the five reputational statements of 45%, *Unreported World* was the highest-scoring Current Affairs programme or strand on any of the main PSB channels in 2017. It scored higher than any other Current Affairs programme or strand on three of the five statements, for: “showing stories about parts of the world you would rarely see on British TV” (selected by 57% of respondents), “giving a voice to groups that aren’t always heard in mainstream media” (43% of respondents), and “making me see something in a different light” (42% of respondents). Its average score across the five reputational statements was two percentage points lower than in 2016.

Dispatches had an average score across the five statements of 42% in 2017, the second highest average score of all the Current Affairs programmes and strands, behind *Unreported World*. While its average score across the five reputational statements fell slightly year-on-year, by one percentage point, it extended its lead over the next highest-scoring programme or strand (*Panorama*) to three percentage points, up from one point in 2016.

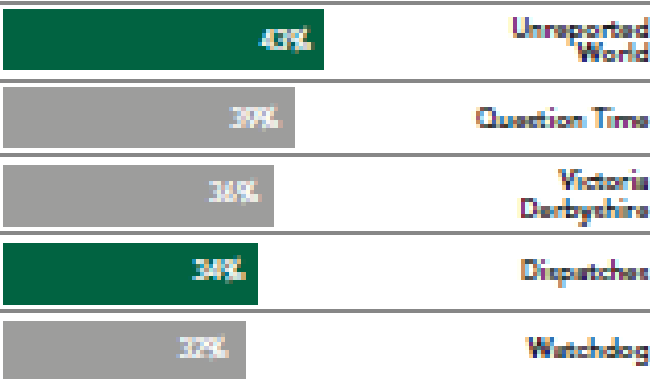
Uncovers the truth



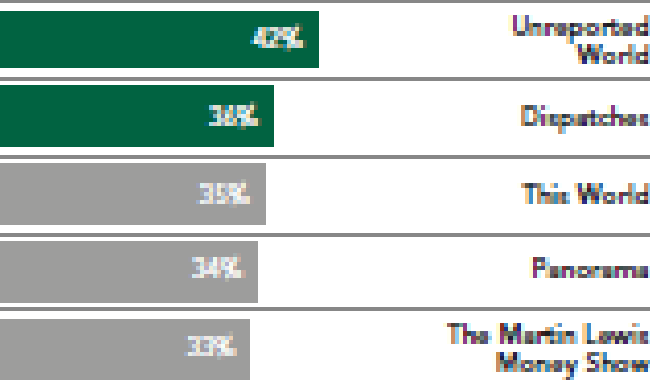
Covers things in great depth



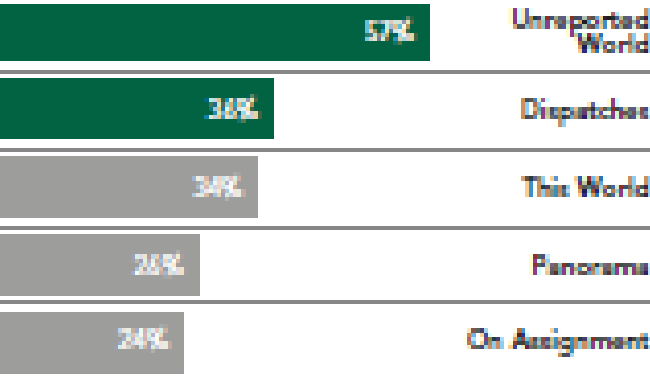
Gives a voice to groups that aren’t always heard in mainstream media



Made me see something in a different light



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



● Channel 4 shows ● Other broadcasters’ shows

Source: Ipsos MORI, commissioned by Channel 4

ENGAGING THE AUDIENCE

81.4%

OF ALL TV VIEWERS REACHED EVERY MONTH ACROSS CHANNEL 4'S TV CHANNELS

-2.1PTS ON LAST YEAR

AUDIENCE IMPACT

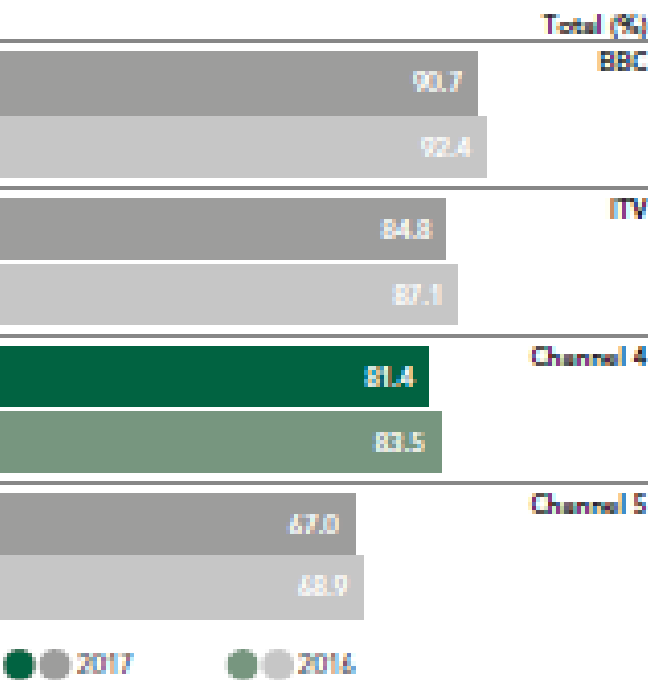
AUDIENCE REACH

Channel 4 remains the third-biggest UK broadcaster in terms of the audience reach of its TV channel portfolio, behind only the BBC and ITV. 81.4% of all TV viewers watched Channel 4's TV channels for at least 15 consecutive minutes each month on average in 2017. The BBC, ITV and Channel 4 were the only broadcasters that reached more than three-quarters of all UK viewers every month this year (fourth-placed Channel 5's portfolio reach trailed Channel 4's by almost 15 percentage points).

In a highly competitive digital TV landscape, the public service broadcasters have all experienced declines in the reach of their TV portfolios over the last five years, and their reach continued to decline in 2017 by between 1.7 and 2.2 percentage points (BBC and ITV respectively). Channel 4's portfolio reach fell by 2.1 percentage points.

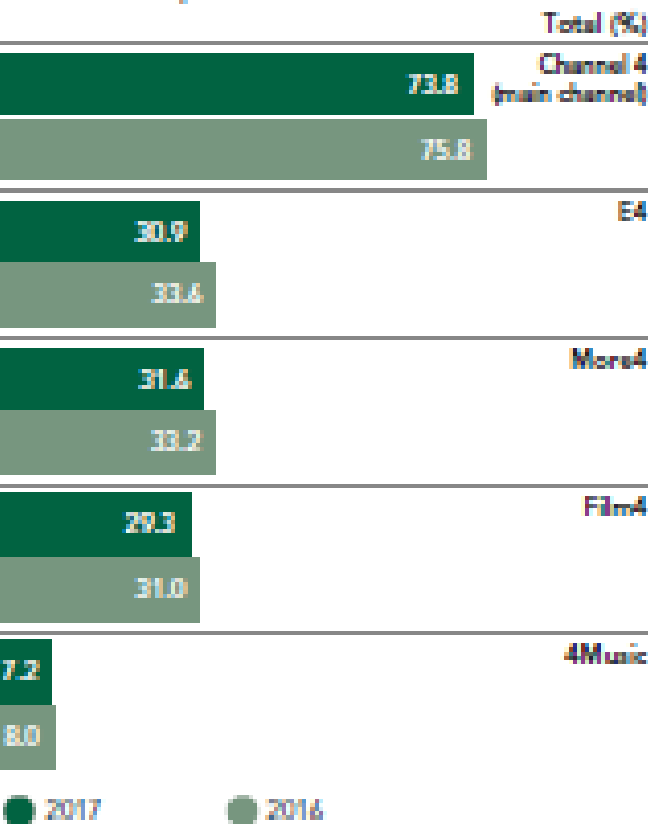
Looking at the individual channels in the Channel 4 TV portfolio, reach for Channel 4's main channel was 73.8%, while Channel 4's digital TV channels together reached 58.7% of viewers. The main channel experienced a year-on-year fall in reach of two percentage points. The digital channels all saw declines in their audience reach ranging from 0.8 percentage points (4Music) to 2.7 percentage points (E4). There was a marginal (0.1 percentage point) decrease in the digital channels' collective contribution to Channel 4's overall portfolio reach in 2017.

Average monthly reach of PSBs' TV portfolios



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

Percentage reach of individual TV channels in Channel 4 portfolio



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

ENGAGING THE AUDIENCE

10.5%

VIEWING SHARE ACROSS THE TV CHANNEL PORTFOLIO

- LAST YEAR

● AUDIENCE IMPACT

TV VIEWING SHARE

Channel 4's TV channel portfolio achieved a total viewing share of 10.5% in 2017, level with the 2016 figure. This was the first time since 2011 that the TV portfolio share has not declined year-on-year – a notable achievement given the fragmentation of viewing in the digital TV space.

The main channel's share was 5.9%, while the digital channels had a combined share of 4.6%. When reported to one decimal place, both of these figures held steady relative to 2016. The unrounded figures show a 1% year-on-year increase in the main channel's viewing share (from 5.87% to 5.92% of viewers) – only the second time in the last decade that its share has increased – and a 1% decrease in the digital channels' combined share.

There was very little variation in the individual digital channels' viewing share, with year-on-year changes in the range of ±0.1 percentage points. E4 was the biggest digital channel, with a 1.8% viewing share, 0.1 percentage points down on 2016. The other channels with viewing shares above 1%, Film4 (1.4% share) and More4 (1.1% share), both held steady year-on-year when reported to one decimal place, though the unrounded figures show that both channels registered increases in viewing in 2017, of 2% and 1% respectively. 4Music's share in 2017 was 0.3% (2016: 0.2%).

The main channel continued to account for 56% of total viewing to the Channel 4 TV portfolio in 2017 (level with the 2016 figure).

Channel 4 portfolio share as a percentage of total TV viewing

			Total
2017	5.9	4.6	10.5
2016	5.9	4.6	10.5
2015	5.9	4.7	10.6
2014	5.9	5.0	10.9
2013	6.1	4.9	11.0

● Channel 4 (main channel) ● Digital TV channels

Source: BARB
 See online methodology for further details

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

					Total
2017	1.8	1.1	1.4	0.3	4.6
2016	1.9	1.1	1.4	0.2	4.6
2015	1.9	1.1	1.4	0.3	4.7
2014	2.0	1.2	1.5	0.3	5.0
2013	1.9	1.2	1.5	0.3	4.9

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

Source: BARB
 See online methodology for further details

719m

PROGRAMME VIEWS INITIATED ON-DEMAND

+16% ON LAST YEAR

● DIGITAL

ON-DEMAND VIEWING

In 2017, viewing of Channel 4 content continued to rise through All 4, the on-demand service that replaced 4oD in 2015. 719 million programme views were initiated across all All 4-branded platforms, which include PCs, smartphones, tablets, games consoles and connected TVs. This represents a significant year-on-year increase, of 16%, to a new record level.

The strongest growth this year was on 'Big Screen' devices, i.e. connected TVs (such as Samsung TV) and streaming devices that plug into TVs. The latter includes Amazon Fire TV, which was the standout platform in 2017, with All 4 viewing more than trebling year-on-year.

Programme views initiated on All 4 (m)

2017	719
2016	620

Source: Channel 4

ENGAGING THE AUDIENCE

10%

PORTFOLIO VIEWING SHARE
AMONGST BAME AUDIENCES

-2% ON LAST YEAR

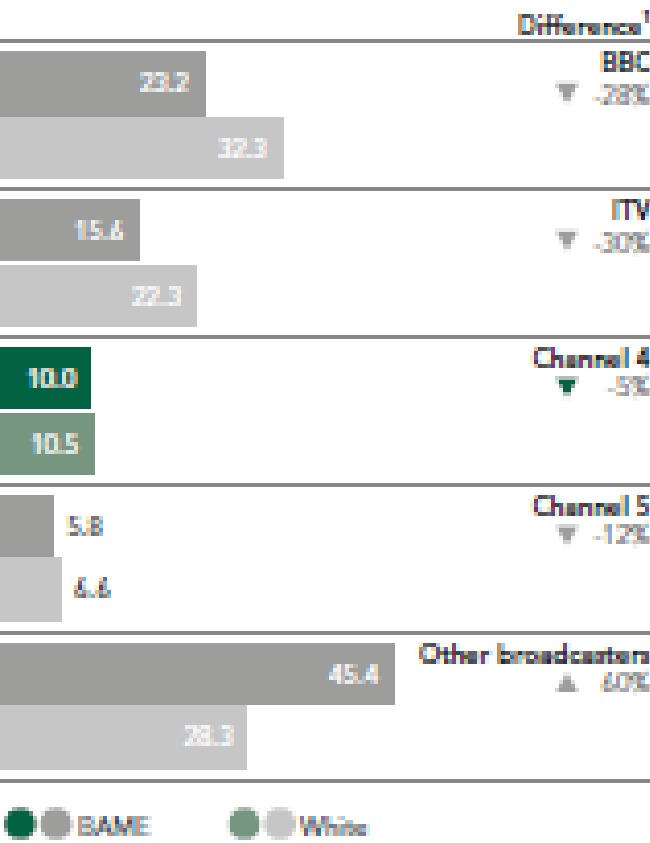
CULTURAL DIVERSITY

SHARE AMONG HARD-TO-REACH AUDIENCES – BAME
Channel 4’s remit requires it to make programmes that appeal to people from different cultural backgrounds, and it is especially important for the broadcaster to attract ethnic minority audiences. While all the PSBs have lower viewing shares amongst BAME audiences than white audiences, Channel 4’s ambition is to make this differential as small as possible.

In 2017, Channel 4’s TV portfolio viewing share amongst BAME audiences was 10%, a small decline of 2% (equivalent to 0.2 percentage points) on the 2016 figure. Relative to the viewing share amongst white audiences, which was 10.5% this year, the differential in viewing share between BAME and white audiences was 5%. While this differential is slightly bigger than in 2016 (when it was 4%), it remains equal to or lower than the corresponding differential in every previous year going back to 2009.

Channel 4 had a substantially smaller differential between its TV portfolio viewing shares amongst BAME and white viewers than any of the other PSBs this year. Its 5% viewing share differential compares to a corresponding figure of 12% for Channel 5 and much larger differentials of 28% and 30% for the BBC and ITV. As a result, BAME audiences represented a higher proportion of Channel 4’s total audience than they did of the total audience of the other PSBs.

Public service broadcasters’ portfolio viewing shares amongst white and BAME audiences as a percentage of total TV viewing by those audiences (2017)



Source: BARB

¹ Viewing by BAME audiences compared to viewing by white audiences

16.4%

PORTFOLIO VIEWING SHARE
AMONGST 16-34-YEAR-OLDS

+1% ON LAST YEAR

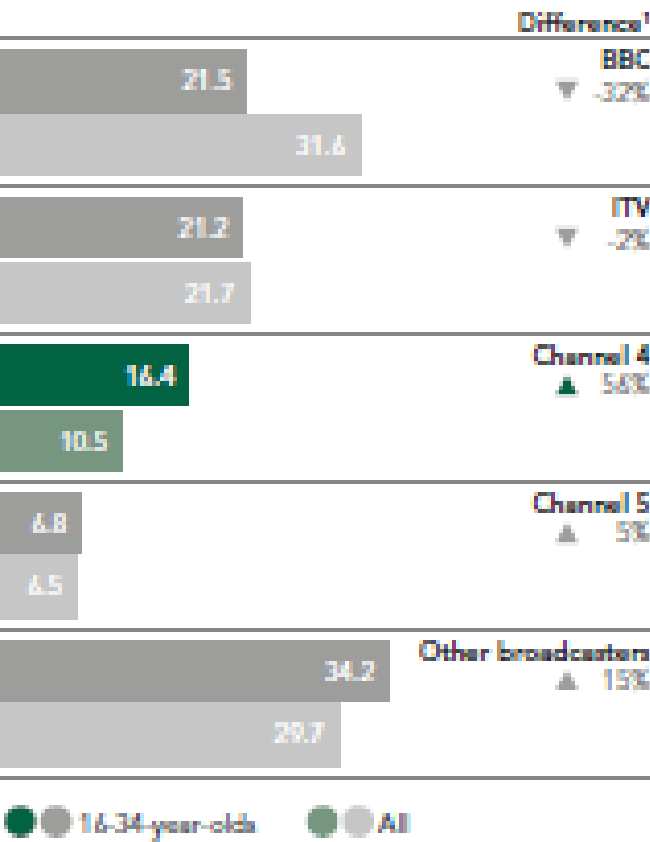
CULTURAL DIVERSITY

SHARE AMONG HARD-TO-REACH AUDIENCES – 16-34-YEAR-OLDS
A key distinguishing feature of Channel 4’s TV channels is that they consistently attract a disproportionately large share of viewing amongst hard-to-reach 16-34-year-olds. In 2017, Channel 4’s viewing share amongst this age group was 16.4% across its TV channel portfolio. This represented a 1% increase relative to the 2016 share (equivalent to a 0.2 percentage points rise year-on-year).

Channel 4’s viewing share amongst 16-34-year-olds was 56% higher than its corresponding all-audience share in 2017, making it the only PSB to attract significantly greater viewing amongst this age group than across the general population. By contrast, ITV’s 16-34-year-olds share was 2% less than its all-audience portfolio share, and the BBC’s was a substantial 32% less. The only other PSB that appealed more to 16-34-year-olds than to the overall population was Channel 5, albeit with a differential of just 5%.

Channel 4’s relative appeal to young audiences increased in 2017: the 56% differential between 16-34-year-olds and all audiences was two percentage points up on the 2016 figure, and was the joint-highest differential achieved since 2012, when this metric was first reported in the current format.

Public service broadcasters’ portfolio viewing shares among 16-34-year-olds and all audiences as a percentage of total TV viewing by those audiences (2017)



Source: BARB

¹ Viewing by 16-34-year-olds compared with all audiences

ENGAGING THE AUDIENCE

5.2%

VIEWING SHARE FOR E4
AMONGST 16-34-YEAR-OLDS

+5% ON LAST YEAR

● AUDIENCE IMPACT

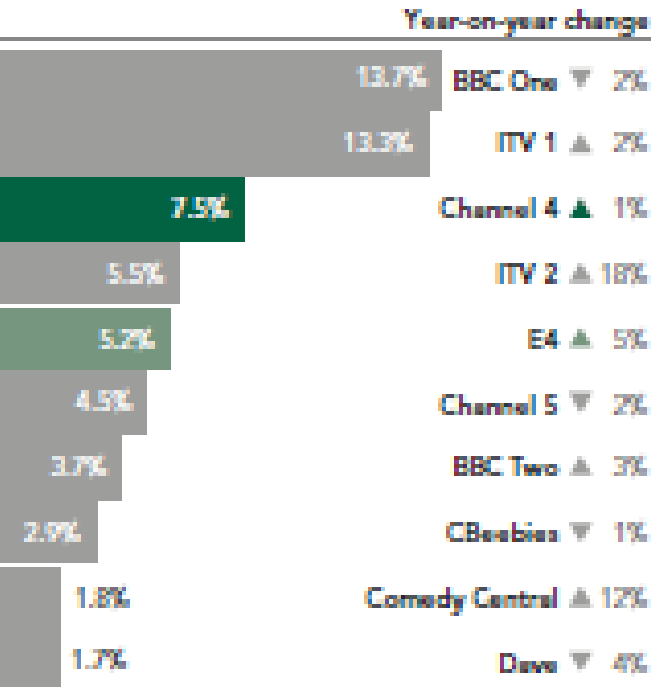
MOST POPULAR CHANNEL FOR YOUNG VIEWERS

In 2017, E4 grew its viewing share amongst 16-34-year-olds to 5.2%, its second-highest figure ever. Its share rose by 5% year-on-year, overturning two previous years of small declines, thanks to growth in viewing to *Hollyoaks* first-runs and successful new originations such as *Don't Tell the Bride*.

As in earlier years, this put E4 ahead of two of the main PSB channels, BBC Two and Channel 5, in terms of popularity amongst 16-34-year-olds. However, a surge in viewing to ITV2 put it ahead of E4 for the first time this year: ITV2's share rose 18% year-on-year, to 5.5%, driven by *Love Island* and repeats of US acquisitions such as *Family Guy*. As a result, E4 was the second most-watched digital TV channel in the UK, and the fifth most popular TV channel overall (slipping one place in the rankings on both measures).

Channel 4's main channel continued to perform disproportionately well in 2017 amongst 16-34-year-olds, for whom it was the third most popular TV channel. It increased its viewing share amongst this age group by 1%, giving it a 7.5% share.

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



Source: BARB

13%

OF VIEWING TO CHANNEL 4
NEWS PROGRAMMES ON THE
MAIN CHANNEL IN 2017
ACCOUNTED FOR BY VIEWERS
AGED 16-34

-2PTS ON LAST YEAR

15%

OF VIEWING TO CHANNEL 4
NEWS PROGRAMMES ON THE
MAIN CHANNEL IN 2017
ACCOUNTED FOR BY BAME
VIEWERS

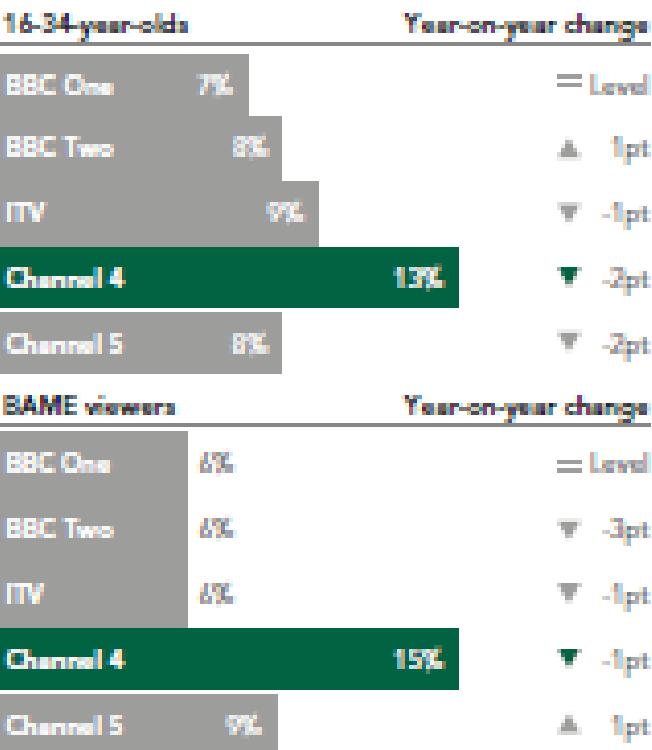
-1PT ON LAST YEAR

● DISTINCTIVE

VIEWING TO NATIONAL NEWS

Channel 4 News continues to have particular appeal to young and BAME audiences. 13% of its viewing in 2017 was accounted for by people aged 16-34, while BAME audiences represented 15% of viewing. Both these figures continue to be markedly higher than the corresponding ones for news programmes on the other main PSB channels. Year-on-year trends: compared to 2016, the proportion of viewing to Channel 4 News accounted for by viewers aged 16-34 was down two percentage points (2016: 15%, 2017: 13%) and the proportion of BAME viewers was down one percentage point (2016: 16%).

Percentage of viewing to national news programmes on the main PSB channels in 2017 accounted for by 16-34-year-olds and BAME viewers



Source: BARB

ENGAGING THE AUDIENCE

8.2m

PEOPLE WATCHED CHANNEL 4 NEWS EACH MONTH

-2% ON LAST YEAR

● DISTINCTIVE

REACH OF CHANNEL 4 NEWS

In 2017, Channel 4 News was watched (for at least 15 consecutive minutes) by an average of 8.2 million people each month. After two years of growth, this figure was down slightly year-on-year, by 2% (0.1 million viewers in absolute terms).

This small fall may be attributed to declines in the overall UK TV audience: in terms of share of TV viewing, Channel 4 News' performance was up in 2017. Its viewing share rose by 2% year-on-year, the fourth successive year in which its share has increased.

21pt

LEAD OVER AVERAGE FOR OTHER CHANNELS FOR CATERING FOR AUDIENCES THAT OTHER CHANNELS DON'T CATER FOR

-1PT ON LAST YEAR

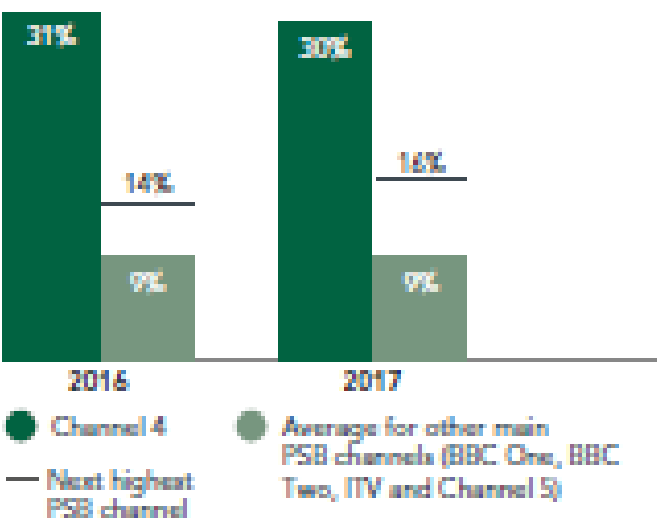
● CULTURAL DIVERSITY

CHANNEL REPUTATIONS – CATERING FOR AUDIENCES OTHER CHANNELS DON'T CATER FOR

After achieving its best ever scores in 2016 when audiences were asked which channel is best for catering for audiences other channels don't cater for, Channel 4's performance on this metric fell back a little this year. Nonetheless, 2017 was still one of the strongest years in the decade since this metric was first reported in 2008.

30% of respondents selected Channel 4's main channel over the other main PSB channels in 2017, just one percentage point behind the record set in 2016, and a higher proportion than in any other year going back to 2008. Channel 4's lead over the average of the other main PSB channels was 21 percentage points – again, just one point behind the 2016 record and a higher proportion than in any other year since 2008. Channel 4's lead over the next highest channel (Channel 5) was 14 percentage points; while this was two points down on the 2016 record, it was still the third-highest figure since 2008.

Caters for audiences other channels don't cater for



Source: Ipsos MORI, commissioned by Channel 4

588m

TOTAL VISITS TO CHANNEL 4'S WEBSITES, MOBILE SITES AND APPS

+13% ON LAST YEAR

● DIGITAL

TOTAL VISITS TO CHANNEL 4'S WEBSITES AND APPS

Channel 4's websites and apps attracted a total of 588 million visits in 2017. This was 13% more than in 2016, the biggest annual increase in visits since 2012.

Channel 4's strategy centres on the dedicated All 4 app, which launched in 2015, and is available on a wide range of smartphones, tablets and connected TVs. Channel 4 seeks to encourage app usage where possible to ensure viewers have the best possible experience when viewing content – achieving this goal by making the All 4 app ever more attractive (e.g. with regular feature updates) and by pointing visitors to its websites towards the All 4 app when they try to watch video content on mobile platforms.

This strategy is reflected in trends in visitor levels to Channel 4's apps and website. Visits to Channel 4's apps continued to enjoy double-digit growth in 2017, rising by an impressive 27% year-on-year, from 322 million in 2016 to 411 million. Conversely, visits to Channel 4's websites fell by 11%, from 200 million in 2016 to 177 million in 2017, with viewers being directed to All 4 apps for video viewing. As a result, app visits increased their share of total visits to all Channel 4's websites and apps from 62% of the total in 2016 to 70% in 2017.

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

			Total
2017	177	411	588
2016	200	322	522

Legend: ● Total annual visits to websites, ● Total annual visits to apps only

Source: Channel 4

ENGAGING THE AUDIENCE

60%

AVERAGE 'BUZZ' SCORE FOR
CHANNEL 4'S TEN MOST
TALKED-ABOUT PROGRAMMES

● STIMULATE DEBATE

PRODUCING TALKED-ABOUT TV

Channel 4 aims to make an impact with its programming in part by engaging viewers, inspiring conversations and stimulating debate – both in social media and the 'real' world. 'Buzz' scores help Channel 4 to assess audience reactions to its programmes through a daily survey that tracks the proportion of Channel 4 viewers who said they talked about programmes that they watched, or commented on them on social media such as Facebook and Twitter. At the end of 2016, Channel 4 switched to a new supplier (YouGov) and boosted the daily sample from 1,000 people to 3,000 people.

In 2017, the average 'Buzz' score for the ten most talked-about programmes across Channel 4's TV portfolio was 60%.

Current Affairs programmes accounted for two of the three most talked-about programmes of the year. *May vs Corbyn Live: The Battle for Number 10* saw Jeremy Paxman interrogate the main party leaders ahead of the General Election, attracting a 'Buzz' score of 74%. *Brexit: How to Get a British Passport* was a *Dispatches* investigation that revealed that hundreds of thousands of passport-less children are being thrown into a legal limbo in the wake of Brexit (66% 'Buzz' score).

There were also two Documentaries in the top ten. *When Football Banned Women* (68% 'Buzz' score) saw Clare Balding reveal the fascinating hidden history of women's football in the UK – from its success in the 1920s to it being outlawed by the FA. *Battling the Bailiffs* (55% 'Buzz' score) was a *Cutting Edge* film following a group of campaigners as they seek to defend people who stand to be evicted from their homes.

In Factual Entertainment, *First Dates USA*, the US version of the hit UK Channel 4 series, had a 'Buzz' score of 59%, while *Finding Me a Family* (55% 'Buzz' score) was a two-part series following children hoping to be adopted who meet prospective parents at potentially life-changing activity days.

Programmes in four other genres completed the top ten. In Entertainment, a Stand Up To Cancer celebrity special edition of *Gogglebox* generated a 'Buzz' score of 58%. In Education, *Old People's Home for 4 Year Olds* (also with a 58% 'Buzz' score) was an uplifting intergenerational experiment, in partnership with Age UK, in which pre-schoolers shared their classroom with pensioners for six weeks, bringing beneficial impacts to all involved. Channel 4's coverage of *Crufts*, the largest dog event in the world, was the most talked-about Sporting event (55% 'Buzz' score), giving host Clare Balding her second appearance in the top ten. Finally, *Grayson Perry: Divided Britain* was an Arts programme (also with a 55% 'Buzz' score) in which Grayson spoke to a range of people on both sides of the Brexit divide about their beliefs and desires, using the results to inspire his pots for Leave and Remain.

Note: the new methodology means that it is not appropriate to report year-on-year changes as the 2016 and 2017 data were collected under different surveys. Please refer to the methodology document for further details.

Programme	2017 Buzz (%)
May vs Corbyn Live: The Battle for Number 10	74
When Football Banned Women	68
Brexit – How to Get a British Passport: Channel 4 Dispatches	66
First Dates USA	59
Gogglebox: Celebrity Special for SU2C	58
Old People's Home for 4 Year Olds	58
Crufts 2017	55
Finding Me a Family	55
Battling the Bailiffs	55
Grayson Perry: Divided Britain	55
Average Buzz score for 2017 top ten programmes	60

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

ENGAGING THE AUDIENCE

71%

OF TOTAL VIEWING ACROSS
THE MAIN CHANNEL, E4 AND
MORE4 ACCOUNTED FOR BY
NETWORK ORIGINATIONS

+1PT UP 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 primarily through its investment in original content.

In 2017, network originations accounted for 71% of total viewing to the main channel, E4 and More4, an increase of one percentage point year-on-year. This is the fourth consecutive year that this figure has grown (from 63% in 2013), and represents a new record level: network originations account for a higher proportion of Channel 4's viewing than at any time since 2008, when this metric was first reported.

In volume terms, network originations represented 64% of all hours across the schedules of the main channel, E4 and More4 in 2017, one percentage point down on the record level set in 2016. A comparison of the viewing and output figures indicates that network originations were responsible for a disproportionately high share of Channel 4's overall viewing – outperforming acquired programmes – as they generated a higher share of viewing (71%) than their corresponding share of the volume of programming (64%).

Overall, Channel 4's network originations accounted for 6.3% of total TV viewing in the UK in 2017, level with the corresponding 2016 figure and the joint-highest viewing share since 2012.

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