

7. Investments accounted for using the equity method

The carrying value of the Group's investments accounted for using the equity method is as follows:

	Indie Growth Fund £m
Carrying value at 1 January 2019	10
Acquisitions	2
Disposals	(2)
Impairment loss	(2)
Fair value loss	(1)
Total carrying value at 31 December 2019	7
Carrying value at 1 January 2020	7
Acquisitions	2
Disposals	(3)
Total carrying value at 31 December 2020	6

The Indie Growth Fund

In 2020, Channel 4 invested £2 million (2019: £2 million) in the Indie Growth Fund. Investment activity during 2020 reflected the new investment strategy set by the Fund in 2019, geared to fast-growing independent production companies in the Nations and Regions as well as digital and diverse businesses across the whole of the UK.

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

During 2020, Channel 4 sold its stake in two Indie Growth Fund entities - Whisper Films Limited (for consideration of £3 million, recognising a gain on disposal of £1 million) and Eleven Film Limited (for consideration of £6 million, recognising a gain on disposal of £4 million). During 2019, Channel 4 sold its stake in Barcroft Studios Limited for a total consideration of £6 million to Future plc, recognising a total gain on disposal of £4 million. The consideration received comprised cash of £4 million and a £2 million equity shareholding in Future plc (see note 8).

The Indie Growth Fund investments are assessed annually to identify any indicators of impairment, and if any are noted then a full impairment review is performed. Management has not identified any indicators of impairment relating to the Indie Growth Fund companies at 31 December 2020. During 2019 an impairment loss of £2 million was recognised in non-operating expenditure. Channel 4 also recognised a fair value loss of £1 million through other comprehensive income in 2019 on one Indie Growth Fund entity which was not accounted for as an associate.

Of the £522 million (2019: £660 million) total of programme rights recognised as expenses in 2020 (note 13), Channel 4 commissioned £15 million (2019: £17 million) of content from Indie Growth Fund companies. Channel 4 owed the Indie Growth Fund companies £nil in respect of these transactions at 31 December 2020 (2019: £nil).

Channel 4 had committed £nil for subsequent investment in the Indie Growth Fund entities as at 31 December 2020 (2019: £2 million).

7. Investments accounted for using the equity method continued

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

Company	Activity	Registered address	Proportion of equity owned at 31 December	
			2020	2019
Dial Square 86 Limited	TV programme production activities	Somerset House, Strand, London WC2R 1LA	4.7%	4.7%
Eleven Film Limited	TV programme production activities	14-18 Great Titchfield Street, 4th Floor, Great Titchfield House, London W1W 8BD	-	20.0%
Lightbox Media Limited	TV programme production activities	Regina House, 124 Finchley Road, London NW3 5JS	22.0%	22.0%
Spelthorne Community Television Limited	TV programme production activities	2nd Floor, 63-64 Margaret Street, London W1W 8SW	25.0%	25.0%
Voltage TV Productions Limited	TV programme production activities	5 Elstree Gate, Borehamwood, Herts WD6 1JD	15.0%	15.0%
Whisper Films Limited	Motion picture production activities	Unit B South Avenue Studios, 7 South Avenue, Richmond, Surrey TW9 3EL	-	25.0%
Parable Ventures Limited	TV programme production activities	64 New Cavendish Street, London W1G 8TB	18.0%	18.0%
Firecrest Films Limited	TV programme production activities	Fairfield, 1048 Govan Road, Glasgow G51 4XS	25.0%	25.0%
Two Rivers Media Limited	TV programme production activities	1st Floor, Tontine Building, 20 Trongate, Glasgow G1 5ES	17.0%	10.0%
Candour Productions Limited (formerly True Vision Yorkshire Limited)	TV programme production activities	18 The Glasshouse Studios, Fryern Court Road, Bursgata, Fordingbridge, Hampshire SP6 1QX	25.0%	16.0%
Five Mile Films Limited	TV programme production activities	Lower Ground Floor, 2 St Pauls Road, Clifton, Bristol BS8 1LT	18.0%	18.0%
Eagle Eye Drama Limited	TV programme production activities	35 Soho Square, London W1D 3QX	25.0%	2.5%
Yeti Media Limited	TV programme production activities	Lon Cae Ffynnon Unit 1i, Cibyn Industrial Estate, Caernarfon LL55 2BD	16.7%	-
Proper Content Limited	TV programme production activities	6th Floor Charlotte Building, 17 Gresse Street, London W11 1QL	20%	-

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

Summary annual financial information of Indie Growth Fund investments

	Current assets £m	Non-current assets £m	Current liabilities £m	Long-term liabilities £m	Revenue £m	(Loss)/profit from continuing operations £m
2020	27	-	(20)	(4)	40	(2)
2019	28	1	(16)	(2)	72	2

Other

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

Company	Activity	Registered address	Proportion of equity owned at 31 December	
			2020	2019
European Broadcaster Exchange (EBX) Limited	Television programming and broadcasting activities	6th Floor, 65 Gresham Street, London EC2V 7NQ	25%	25%

8. Other investments

Commercial Growth Fund

	Commercial Growth Fund £m	Other £m	Total £m
Carrying value at 1 January 2019	16	-	16
Acquisitions	8	2	10
Fair value movement	2	-	2
Impairment loss	(1)	-	(1)
Disposals	(5)	-	(5)
Total carrying value at 31 December 2019	20	2	22
Carrying value at 1 January 2020	20	2	22
Acquisitions	3	4	7
Fair value movement	(1)	(1)	(2)
Disposals	(6)	(1)	(7)
Total carrying value at 31 December 2020	16	4	20

Commercial Growth Fund

During 2015, Channel 4 launched the Commercial Growth Fund, a fund with the aim of attracting new advertisers to TV and stimulating existing sectors. The Commercial Growth Fund exchanges advertising airtime in return for equity shareholdings or convertible loan instruments. During 2020, the Corporation invested a further £3 million (2019: £8 million) in the Commercial Growth Fund.

The Commercial Growth Fund investments are recorded at fair value. The Group elected to recognise any movement in the fair value of the Commercial Growth Fund investments through other comprehensive income from 1 January 2018 when it adopted IFRS 9 'Financial Instruments'. Fair value has been assessed against quoted prices in active markets where available or against other observable inputs. A net fair value loss of £1 million (2019: gain of £2 million and impairment loss of £1 million) have been recognised in other comprehensive income during 2020.

There were no other transactions with the Commercial Growth Fund companies in 2020 (2019: none).

Other investments

During 2020 Channel 4 acquired a £4 million equity shareholding in BritBox SVOD Limited.

During 2019 Channel 4 acquired a £2 million equity shareholding in Future plc as consideration relating to the sale of Barcroft Studios Limited, one of its Indie Growth Fund investments. The Group disposed of this holding during 2020.