

Notes to the consolidated financial statements **cont.**

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 2021	6
Acquisitions	4
Disposals	(1)
Impairment loss	(1)
Total carrying value at 31 December 2021	8
Carrying value at 1 January 2022	8
Acquisitions	3
Disposals	(1)
Impairment loss	(1)
Total carrying value at 31 December 2022	9

The Indie Growth Fund

In 2022, Channel 4 invested £3 million (2021: £4 million) in the Indie Growth Fund. Investment activity during 2022 reflected the Fund's strategy 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 2022, Channel 4 sold its stake in one Indie Growth Fund entity – Voltage TV Productions Limited (for consideration of £1 million, recognising a gain on disposal of £1 million). During 2021, Channel 4 sold its stake in Lightbox Media Limited for a total consideration of £1 million, recognising a total gain on disposal of £nil.

The Indie Growth Fund investments are assessed annually to identify any indicators of impairment, and if any are noted then a full impairment review is performed. An impairment loss of £1 million (2021: £1 million) was recognised in non-operating expenditure.

Of the £713 million (2021: £671 million) total of programme rights recognised as expenses in 2022 (note 13), Channel 4 commissioned £24 million (2021: £11 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 2022 (2021: £nil).

Channel 4 had committed £nil for subsequent investment in the Indie Growth Fund entities as at 31 December 2022 (2021: £nil).

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	
			2022	2021
Dial Square 86 Limited	TV programme production activities	Somerset House, Strand, London WC2R 1LA	4.7%	4.7%
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%
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	James Miller Building, 4th Floor, 98 West George Street, Glasgow G2 1PJ	17.0%	17.0%
Candour Productions Limited (formerly True Vision Yorkshire Limited)	TV programme production activities	Springfield Mill, Unit 15, 1(E) Bagley Lane, Farsley, Pudsey LS28 5LY	25.0%	25.0%
Five Mile Films Limited	TV programme production activities	Lower Ground Floor, 2 St Pauls Road, Clifton, Bristol BS8 1LT	17.5%	17.5%
Eagle Eye Drama Limited	TV programme production activities	35 Soho Square, London W1D 3QX	25.0%	25.0%
Yeti Media Limited	TV programme production activities	Lon Cae Ffynnon Unit 1i, Cibyn Industrial Estate, Caernarfon LL55 2BD	25.0%	25.0%
Proper Content Limited	TV programme production activities	6th Floor, Charlotte Building, 17 Gresse Street, London W1T 1QL	25.0%	25.0%
Uplands Television Limited	TV programme production activities	93 Chatterton Road, Bromley BR2 9QQ	25.0%	25.0%
Big Deal Films Limited	Artistic creation	Unit 6, 58–60 Minerva Road, London NW10 6HJ	25.0%	25.0%
Duck Soup Films Limited	Motion picture production activities	2nd Floor South, Marshall Court, Leeds LS11 9YP	25.0%	25.0%
Paper Entertainment Limited	TV programme production activities	39 Long Acre Covent Garden, London WC2E 9LG	25.0%	20.0%
Salamanda Media Limited	TV programme production activities	135 Church Street, Horwich, Bolton BL6 7BR	20.0%	20.0%
Spirit Media Studios Limited	Video production activities	PO Box 484, Teddington TW11 1DU	25.0%	25.0%
Freedom Scripted Entertainment Limited	TV programme production activities	G/A Atlantic Chambers, 45 Hope Street, Glasgow G2 6AE	20.0%	–
Rockerdale Studios Limited	TV programme production activities	99 Levison Way 99 Levison Way, London N19 3XF	25.0%	–
Warp Films Limited	TV programme production activities	37 Gilbert South Street, Park Hill, Sheffield S2 5QY	20.0%	–

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

Notes to the consolidated financial statements cont.

7. Investments accounted for using the equity method continued

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
2022	20	(1)	(15)	(2)	60	(1)
2021	20	-	(15)	(4)	45	(1)

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	
			2022	2021
European Broadcaster Exchange (EBX) Limited	Television programming and broadcasting activities	6th Floor, 65 Gresham Street, London EC2V 7NQ	25%	25%

8. Other investments

Channel 4 Ventures (formerly Commercial Growth Fund)

	Channel 4 Ventures £m	Other £m	Total £m
Carrying value at 1 January 2021	16	4	20
Acquisitions	18	-	18
Fair value movement	(3)	-	(3)
Disposals	(1)	-	(1)
Total carrying value at 31 December 2021	30	4	34
Carrying value at 1 January 2022	30	4	34
Acquisitions	20	-	20
Fair value movement	(5)	-	(5)
Disposals	-	-	-
Total carrying value at 31 December 2022	45	4	49

Channel 4 Ventures

During 2015, Channel 4 launched the Commercial Growth Fund (now renamed as Channel 4 Ventures), a fund with the aim of attracting new advertisers to TV and stimulating existing sectors. Channel 4 Ventures exchanges advertising airtime in return for equity shareholdings or convertible loan instruments. During 2022, the Corporation invested a further £20 million (2021: £19 million) in Channel 4 Ventures holdings.

Channel 4 Ventures investments are recorded at fair value. The Group elected to recognise any movement in the fair value of the Channel 4 Ventures 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 £5 million (2021: a net fair value loss of £3 million) has been recognised in other comprehensive income during 2022.

There were no other transactions with the Channel 4 Ventures companies in 2022 (2021: none).

Other investments

Other investments relates to certain other airtime-for-equity shareholdings outside the remit of Channel 4 Ventures.