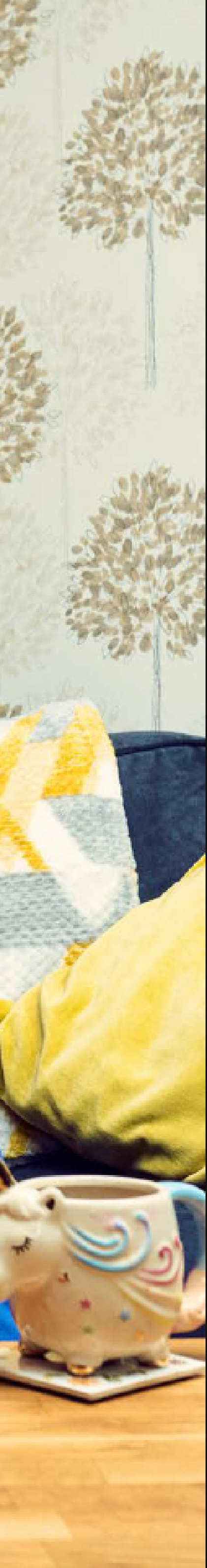
↑ **Gogglebox**



FINANCIAL REPORT AND STATEMENTS

STRATEGIC REPORT

GOVERNANCE

CONSOLIDATED FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

Financial key performance indicators

Significant progress against our Fast Forward strategy as we navigate the transition from linear to digital, while delivering near breakeven result for 2024 before exceptional items

- **Streaming views** grew by 13%, outpacing the market average of 8%
- **Digital advertising revenue** at 30% of total, hitting the 2025 target one year early
- **Operating costs** tightly controlled, with difficult but necessary choices made

CORPORATION REVENUES

£1.04BN

Up 1% on 2023 despite macroeconomic headwinds

Description and significance

Corporation revenues represent Channel 4's total trading income for the year across all revenue sources, from traditional advertising to diversified revenue sources. While Channel 4 transacts advertising sales on behalf of our partners UKTV and Warner Bros. Discovery, we only recognise our commission on these sales within Corporation revenues.

Analysis

- 2024 saw positive revenue growth achieved despite macroeconomic, budgetary and political uncertainty continuing to impact the overall size of the TV advertising market
- Linear advertising revenues remained resilient (down 1% year on year at £635 million; 2023: £642 million)
- The challenging trading environment underlines the importance of diversifying Channel 4's revenues, with 39% of revenue now generated from non-linear streams (2023: 37%)

CONTENT SPEND

£643M

Investing in British IP, whilst increasing our Nations & Regions spend by 4%

Description and significance

Channel 4's unique creative remit is funded solely from commercial revenues, and we seek to optimise returns from our commercial activities and minimise our overheads in order to maximise our spend on screen. Our headline content spend metric quantifies creative investment making its way on screen during the financial year, with cash investment throughout the commissioning pipeline captured on the Group's balance sheet during the lead time to broadcast.

Analysis

- We continued to prioritise investment in homegrown content and genres that drive streaming growth: we channelled more of our commissioning spend into the Nations and Regions (up by 4% on 2023), supporting another strong year of remit delivery and ensuring all Ofcom quotas were met or exceeded
- Reflecting our strategic focus on streaming-friendly genres and optimising our linear schedule (including scaling back daytime spend), overall content spend was 3% lower year on year (2023: £663 million) – albeit, at 62% of our revenues, a higher proportion invested than our key competitors

PRE-TAX DEFICIT BEFORE EXCEPTIONAL ITEMS

-£2M

Sharp focus on non-content costs has delivered a near breakeven result on an adjusted basis

Description and significance

As a not-for-profit public service media organisation, our aim is to be commercially self-sufficient in the long term, generating surpluses and maintaining a strong balance sheet. This model allows us to ensure that surpluses are appropriately reinvested as they arise, planning deficits in certain years (for example, to make upfront investment in digital transformation via our Fast Forward strategy). Clear decision making parameters are in place to ensure a surplus/cash-positive position over the financial planning cycle as a whole. Adjusting for exceptional items where these arise provides stakeholders with additional relevant information to ensure transparency around the underlying performance of the business.

Analysis

- Channel 4 achieved strong financial and operational results in 2024, increasing revenue and reducing the deficit by £50 million before exceptional items (2023: £52 million deficit, with no exceptional items)
- This performance was underpinned by another year of strong digital revenue growth, combined with a sharp focus on controlling non-content costs
- As we transform into a digital-first public service streamer, we streamlined the business, resulting in around 150 employees leaving Channel 4. We incurred a £10 million one-off exceptional item relating to our transformation programme, with these costs highlighting our commitment to ensuring a sustainable, agile operating model – and resulting in a £12 million final pre-tax deficit

NET CASH RESERVES

£111M

Up £15 million on 2023, providing a firm foundation for the future

Description and significance

Net cash reserves reflect the sum of the Group's cash and cash equivalents and other financial assets, net of any cash borrowings if these exist at the balance sheet date. Net cash reserves are presented as an alternative performance measure ('APM') with further details provided on page 181. Channel 4's net cash reserves are representative of our capacity for investment in our strategy and resilience in the event of future economic shocks.

Analysis

- Our improved closing cash position of £111 million (2023: £96 million), plus a £150 million revolving credit facility ('RCF'), provides a strong base for future investment and resilience amid continued economic headwinds
- Year-on-year cash improvement was created as a result of playing out content from an already well-stocked balance sheet position at the end of 2023 (+£50 million), offset by the 2024 deficit (-£12 million after exceptional items), pension contributions (-£10 million) and capital expenditure (-£5 million)
- While Channel 4 utilised its RCF in the course of 2024 to manage planned in-year working capital fluctuations, the facility was not drawn as at the year end

NET ASSETS

£472M

External economic factors resulted in moderate reduction in net assets

Description and significance

Channel 4's net assets indicate the value the organisation has generated over time and underpin its long-term sustainability, ensuring we continue to deliver on our remit well into the future.

Analysis

- Horseferry Road was valued at £76 million at the end of the year, £7 million lower than 2023, due to property market pressures. We remain committed to our long-term plan to exit Horseferry Road, with no firm announcements on next steps to make at this stage
- We also recognised a £7 million net loss on revaluation of certain Channel 4 Ventures investments, given the challenging trading environment
- We saw a £50 million net reduction in programme and film rights and their associated creditors as these titles were played out during 2024, partially offset by our improved closing cash position for the year

Consolidated income statement

for the year ended 31 December

	Note	2024 £m	2023 £m
Revenue	1	**1,036**	1,023
Cost of transmission and sales	2	**(996)**	(1,034)
Gross surplus/(deficit)		**40**	(11)
Other operating expenditure	3	**(47)**	(44)
Operating deficit		**(7)**	(55)
Net finance income	5	**1**	3
Gain on sale of investments	7	**5**	–
Impairment losses on investments	7	**(1)**	–
Deficit before tax and exceptional items	page 181	**(2)**	(52)
Exceptional items	3	**(10)**	–
Deficit before tax		**(12)**	(52)
Income tax credit	6	**3**	13
Deficit for the year		**(9)**	(39)

Consolidated statement of comprehensive income

for the year ended 31 December

	Note	2024 £m	2023 £m
Deficit for the year		**(9)**	(39)
Net remeasurement deficit on pension scheme	19	**–**	(3)
Revaluation of freehold land and buildings	9	**(7)**	(16)
Deferred tax on pension scheme	12	**–**	1
Loss on revaluation of investments	8	**(3)**	(12)
Other comprehensive expense for the year		**(10)**	(30)
Total comprehensive expense for the year		**(19)**	(69)

None of the items in other comprehensive income/expense will be reclassified to the income statement.

Consolidated statement of changes in equity

for the year ended 31 December

	Retained earnings £m	Revaluation reserve £m	Total equity £m
At 1 January 2023	521	39	560
Deficit for the year	(39)	–	(39)
Other comprehensive expense	(14)	(16)	(30)
Total comprehensive expense for the year	(53)	(16)	(69)
At 31 December 2023	**468**	**23**	**491**
At 1 January 2024	**468**	**23**	**491**
Deficit for the year	**(9)**	–	**(9)**
Other comprehensive expense	**(3)**	**(7)**	**(10)**
Total comprehensive expense for the year	**(12)**	**(7)**	**(19)**
At 31 December 2024	**456**	**16**	**472**

Consolidated balance sheet

as at 31 December

	Note	2024 £m	2023 £m
Assets			
Investments accounted for using the equity method	7	**8**	10
Other investments	8	**62**	50
Property, plant, and equipment	9	**86**	95
Right-of-use assets	11	**10**	8
Intangible assets	10	**33**	32
Deferred tax assets	12	**27**	22
Employee benefits – pensions	19	**24**	13
Total non-current assets		**250**	230
Programme and film rights	13	**355**	472
Trade and other receivables	14	**157**	173
Other financial assets	15	**–**	–
Cash and cash equivalents	15	**111**	96
Total current assets		**623**	741
Total assets		**873**	971
Liabilities			
Employee benefits – pensions	19	**–**	–
Trade and other payables	16	**(15)**	(34)
Lease liabilities	11	**(11)**	(9)
Deferred tax liabilities	12	**(10)**	(8)
Provisions	17	**(1)**	(1)
Total non-current liabilities		**(37)**	(52)
Trade and other payables	16	**(362)**	(428)
Current tax payable		**–**	–
Provisions	17	**(2)**	–
Borrowings	15	**–**	–
Total current liabilities		**(364)**	(428)
Total liabilities		**(401)**	(480)
Net assets		**472**	491
Revaluation reserve		**16**	23
Retained earnings		**456**	468
Total equity		**472**	491

The financial statements on pages 175 to 201 were approved by the Members of the Board on 1 May 2025 and were signed on its behalf by:

Dawn Airey
Interim Chair

Alex Mahon
Chief Executive

Consolidated cash flow statement

for the year ended 31 December

	Note	2024 £m	2023 £m
Cash flow from operating activities			
Deficit for the year		(9)	(39)
Adjustments for:			
Income tax credit	6	(3)	(13)
Depreciation	9, 11	9	8
Amortisation of intangibles	10	1	3
Net finance income	5	(1)	(3)
Gain on sale of investments	7	(5)	–
Non-cash transactions[1]		(14)	(14)
Impairment losses on investments	7	1	–
Operating cash flows before movements in working capital		(21)	(58)
Decrease in programme and film rights	13	117	20
Decrease in trade and other receivables	14	16	17
Decrease in trade and other payables	16	(85)	(119)
Adjustment for non-cash transactions[1]		(1)	1
Increase in provisions, excluding unwinding of discounts	17	2	–
Cash generated/(used in) by operations		28	(139)
Defined benefit pension contributions	19	(10)	(10)
Tax repaid	6	-	4
Net cash flow from/(used in) operating activities		18	(145)
Cash flow from investing activities			
Acquisition of investments	7	(1)	(1)
Proceeds on sale of investments	7, 8	5	–
Purchase of property, plant, and equipment	9	(5)	(9)
Internally developed software	10	(2)	(4)
Interest received and foreign exchange gain	5	1	3
Decrease in other financial assets[2]	15	-	50
Net cash flow from investing activities		(2)	39
Cash flow from financing activities			
Proceeds from borrowings	15	40	-
Repayment of borrowings	15	(40)	-
IFRS 16 payments on lease principal	11	(1)	(1)
Net cash flow used in financing activities		(1)	(1)
Net increase/(decrease) in cash and cash equivalents		15	(107)
Cash and cash equivalents at 1 January		96	203
Cash and cash equivalents at 31 December[3]		111	96

1 The impact of certain transactions relating to investing activities has been removed from the cash flow statement as a reflection of the non-cash nature of these balances.
2 Amounts invested in term deposits of three months or longer and other funds with time-restricted access.
3 Please refer to page 181 for a reconciliation of cash and cash equivalents to total net cash reserves of £253 million, presented as an alternative performance measure.

Group accounting policies

Introduction

Channel Four Television Corporation ('Channel 4') is a statutory corporation domiciled in the United Kingdom. The consolidated financial statements of Channel 4 for the year ended 31 December 2024 comprise Channel 4 and its subsidiaries (together referred to as the 'Group') and the Group's investments accounted for using the equity method. Channel 4's Corporation financial statements present information relating to Channel 4 as a separate entity and not about its Group.

The financial statements were authorised for issue by the Members on 1 May 2025. The registered office of Channel 4 is 124 Horseferry Road, London SW1P 2TX.

Basis of preparation

The financial statements of the Group have been prepared and approved by the Members in accordance with UK-adopted international accounting standards ('UK-adopted IFRS'). The Corporation's individual financial statements have been prepared under Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The financial statements as a whole have been prepared in a form directed by the Secretary of State for Culture, Media and Sport with the approval of HM Treasury, and are principally prepared under the historical cost convention (except that freehold properties, derivatives and certain financial instruments are stated at fair value). In line with IFRS 13, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The financial statements are presented in Pounds Sterling, rounded to the nearest million.

Critical accounting judgements and sources of estimation uncertainty

In applying the Group's accounting policies (as described in this section), the Members are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised, and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Members have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

- The following aspects of our programme and film rights policy require judgement (see further detail on page 184):
  - Transmission profile over which to amortise programme and film rights
  - Assessment of programme value with reference to the quality of programme that has ultimately been delivered and its expected viewing performance
  - Assessment of the future revenues from distribution when evaluating the carrying value of film rights held for exploitation
- Management's application of IFRS 16 'Leases' requires judgement regarding the classification of transponder contracts under the standard. Management has concluded that these contracts do not constitute leases under the definition given by IFRS 16, as the Group does not control these assets due to the nature of the operation of these assets and due to certain rights which the supplier retains based on the detailed terms provided in the contracts. Further details of these contracts (including remaining term and estimated payments) are disclosed in note 11
- Management applies judgement in recognising deferred tax assets based on its expectation of available future taxable profit (see below)

Key sources of estimation uncertainty

Under IAS 12 'Income Taxes', deferred tax assets are recognised to the extent it is probable that future taxable profit will be available against which they can be recognised. Management applies estimates in calculating the deferred tax assets with regard to the level of future taxable surpluses that are expected, meaning significant changes to our estimation of forecast profitability over a ten-year forecast horizon could lead to a material change in the valuation of deferred tax assets (£27 million; 2023: £22 million). A reduction in future profitability over the lookout period of over 40% may result in a material change in the valuation of the deferred tax asset recognised (i.e. of more than £10 million).

Alternative performance measures

In reporting financial information the Group presents alternative performance measures ('APMs') which are not defined or specified under the requirements of IFRS. The Group believes that the presentation of APMs provides stakeholders with additional and helpful information on the performance of the business, but does not consider them to be a substitute for, or superior to, IFRS measures. APMs are also used to enhance the comparability of information between reporting periods, by adjusting for uncontrollable factors which affect IFRS measures, to aid users in understanding the Group's performance.

The Group reports its surplus before tax and exceptional items (also noted as pre-tax surplus before exceptional items) as an APM. This measure is intended to provide stakeholders with additional relevant information to ensure transparency around the underlying performance of the business. During 2024, we recognised exceptional items around the organisational transformation programme which took place during the year, predominantly in relation to redundancy and associated professional costs; we did not recognise any exceptional items for the 2023 financial year.

The APM is calculated in 2024 and 2023 as follows:

	2024 £m	2023 £m
Deficit before tax	**(12)**	(52)
Add back exceptional items		
Organisation transformation programme	**10**	–
Deficit before tax and exceptional items	**(2)**	(52)

The Group also presents net cash reserves as an APM, which reflects the sum of the Group's cash and cash equivalents and other financial assets, net of any cash borrowings if these exist at the balance sheet date. This measure does not reflect the impact of other debt held on the balance sheet, such as lease liabilities under IFRS 16. This provides stakeholders with additional relevant information relating to the overall cash resources available to the Group, rather than just those categorised as cash and cash equivalents. This APM is calculated in 2024 and 2023 as follows:

	2024 £m	2023 £m
Cash and cash equivalents	**111**	96
Other financial assets	**–**	–
Borrowings	**–**	–
Net cash reserves	**111**	96

Going concern

The annual financial statements have been prepared on a going concern basis as the Members have a reasonable expectation that the Group will continue in operational existence, as set out in the Report of the Members.

As part of our 2025 budget and three-year plan, we have considered the potential impact of several downside scenarios. These include a market shock similar to that experienced during Covid-19, a more severe impact from new advertising restrictions versus our current base-case projections, or lower-than-targeted savings achieved as a result of rationalising our operations. Even in the most severe case considered (deemed plausible but outside the range of scenarios currently anticipated by management), analysis shows that we remain within our covenants and retain sufficient liquidity within our existing facilities, with a further range of contingency plans also remaining available to mitigate any further impacts if required. A range of management actions remains available to control spend and cash flows, including a further drawdown of our extended revolving credit facility to increase our available liquidity if required.

Our revolving credit facility was also extended in early 2024 (to £150 million, from £75 million previously); this facility runs until March 2027, providing additional flexibility to withstand a market shock or economic downturn. While we have not drawn down on this further facility during 2024 and do not expect to do so in the foreseeable future, the additional headroom provided reinforces Channel 4's financial sustainability in an uncertain climate, underpinning our assessment of the Group's position as a going concern. There are no changes to the Group's existing covenants as a result of the extension to this facility.

During 2024, Ofcom renewed Channel 4's broadcast licence for a ten-year period to 2034; as well as securing its role as a key part of the UK's linear broadcasting landscape for the foreseeable future, the terms of the new licence are designed to support Channel 4's digital-first strategy, while safeguarding its investment in distinctive UK content.

Our scenario analysis and the resources available to Channel 4 (as well as the review of the Group's business activities, future strategy, and other factors likely to affect its future financial performance, position and cash flows throughout the Strategic report on pages 132 to 133) indicate that the Group will be able to continue to operate for at least 12 months from the date that this Annual Report is approved. Accordingly, the Group continues to adopt the going concern basis in preparing its financial statements.

Basis of consolidation

A subsidiary is an entity that is controlled by the Group. Control exists when the Group has exposure, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee by directing the relevant activities of the investee (i.e. the activities that significantly affect the investee's returns). The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences to the date that control ceases.

The Corporation financial statements note where the Members have taken the exemption under Companies Act s479A from having an audit of the financial statements for certain subsidiaries controlled and consolidated by the Group.

Investments in associates and joint ventures are accounted for using the equity method. Associates are those entities over which the Group has significant influence. Where the Group holds 20% or more of the voting power (directly or through subsidiaries) of an investee, it will be presumed the Group has significant influence unless it can be clearly demonstrated that this is not the case. If the holding is less than 20%, it will be presumed the Group does not have significant influence unless such influence can be clearly demonstrated. Significant influence exists when the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

Joint arrangements are those entities over whose activities the Group has joint control. Joint control is established by a contractual agreement whereby the decisions about the relevant activities (i.e. the activities that significantly affect the investee's returns) of the entity require the unanimous consent of the two or more parties sharing joint control of the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Under equity accounting, the consolidated financial statements include the Group's share of the total recognised gains and losses of associates and joint ventures on an equity-accounted basis, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases, or until the associate or joint venture is classified as held for sale.

When the Group's share of losses exceeds its interest in an associate or joint venture, the Group's carrying amount is reduced to £nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate or joint venture.

Intra-Group balances and any unrealised gains and losses or income and expense arising from intra-Group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the equity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Group accounting policies cont.

Accounting policies

A summary of the Group and Channel 4 significant accounting policies that are material in the context of the financial statements is set out on the next page. All accounting policies have been applied consistently in all material respects to all periods presented in these financial statements.

There are no new standards that became effective during 2024 that have had a significant effect on the consolidated financial statements of the Group.

There are no new standards that will become effective during 2025 that are expected to have a significant effect on the consolidated financial statements of the Group.

Revenue recognition

Revenues are stated net of value-added tax and are recognised when a contract with a customer has been identified and as each of the Group's performance obligations are fulfilled. Contract assets and liabilities are recognised on the balance sheet as accrued income and deferred income, respectively. Each of the Group's significant revenues are recognised as described below:

Linear and digital advertising revenues

Revenues are stated net of advertising agency commissions and rebates.

Linear and digital advertising revenues are recognised on transmission of the advertisement. Revenue from sponsorship of the Group's programmes and films is recognised on a straight-line basis in accordance with the transmission schedule for each sponsorship campaign, reflecting the satisfaction of the Group's performance obligations.

Commission revenue earned from advertising representation for third parties is recognised on transmission of the related advertisements in line with contractual arrangements. Following the adoption of IFRS 15 'Revenues from Contracts with Customers', the Group reviewed its treatment of this revenue stream, concluding that it does not control the specified goods or services in these transactions before they are transferred to the customer, and therefore acts as an agent for these parties. The gross advertising sales of these arrangements are not recognised in revenue, but the commission earned by the Group in its capacity as agent is.

Revenues are recognised from barter and other similar contractual arrangements involving advertising when the services exchanged are dissimilar. Revenues are measured with reference to the fair value of the goods or services received; judgement is required in assessing the fair value of the goods or services received.

Non-advertising revenues

Revenues earned from syndicating content to third-party online platforms are typically generated from some or all of the following contractual arrangements:

- Licence fee income – revenue is recognised on a straight-line basis over the contract term as performance obligations are met
- Pence-per-view or revenue share – revenues are calculated based on the number of content views and are recognised when the amounts can be reliably measured

Revenues generated from the exploitation of programme rights are recognised when the rights are transferred to the customer, reflecting the fact that the Group's performance obligations have been fulfilled.

Revenues generated from the exploitation of developed film rights (for example, from theatrical box office releases) are recognised when revenues can be reliably measured.

The Group's contracts with customers do not contain significant financing components or material aspects of variable consideration.

Segment reporting

IFRS 8 'Operating Segments' requires the segment information presented in the financial statements to be that which is used internally by the chief operating decision maker to evaluate performance and allocate resources.

The Group has determined that the Board of Members is its chief operating decision maker, and the financial statements are presented in aggregate as a single operating segment consistent with how the Board evaluates performance and allocates resources.

Taxation

Tax on the surplus or deficit for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is also recognised directly in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets and liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries and joint ventures to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Investments in associates and joint ventures

Investments in associates and joint ventures are recognised using the equity method, where the investment is recorded at cost and adjusted thereafter to include the Group's share of profit or loss and other comprehensive income and dividends received.

Other investments

Other investments include equity holdings without significant influence, as well as investments made via other financial instruments, such as convertible loan notes. Equity investments are normally carried at fair value in accordance with IFRS 13 'Fair Value Measurement'. Level 1 and Level 2 inputs under IFRS 13 can be obtained for certain investments and are used where available for assessing their fair value. Where only Level 3 inputs are available (that is, where an active market value or other observable indicators of fair value cannot be obtained), the investment is recorded at cost less provision for impairment. The Members believe that this valuation reflects a reasonable approximation of fair value. In line with IFRS 9 'Financial Instruments', the Group elects at initial recognition to recognise any changes in the fair value of its other equity investments through other comprehensive income ('FVTOCI'), reflecting the fact that the management of these investments is not part of the Group's core activities. If applicable, changes in the fair value of other financial instruments are recognised through the income statement.

Property, plant, and equipment

Freehold land and buildings are stated at open market valuation (fair value, using Level 2 inputs per IFRS 13) and are revalued at 31 December each year. Directions from the Secretary of State for Culture, Media and Sport require freehold land and buildings to be valued at current value. The Members believe that the fair open market value approximates the current value.

Any gain arising from a change in fair value is recognised directly in other comprehensive income, unless the gain reverses an impairment of the same asset previously recognised in the income statement, in which case it is also recognised in the income statement. Any loss arising from a change in fair value is charged directly to other comprehensive income to the extent of any credit balance existing in the revaluation surplus of that asset. Otherwise, the loss is recognised in the income statement.

Fixtures, fittings, and equipment are stated at cost less accumulated depreciation. Depreciation is calculated so as to write off the cost or valuation of the asset evenly, on a straight-line basis, over its estimated useful life. Useful lives are estimated taking into account the rate of technological change and the intensity of use of each asset. The annual rates used for this purpose are as follows:

Freehold buildings	2%
Computer hardware	25%-50%
Office equipment and fixtures and fittings	25%
Technical equipment	14%-25%

Freehold land is not depreciated.

The carrying values of property, plant, and equipment are reviewed for impairment when events or other changes in circumstances indicate that the carrying values may not be recoverable. Where an indicator of impairment exists, an estimate is made of the recoverable amount. Where the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to the recoverable amount.

Intangible assets

Expenditure on internally developed computer software applications is capitalised to the extent that the project is technically and commercially feasible, sufficient resources exist to complete the development and it is probable that the asset will generate future economic benefits. The expenditure capitalised includes the cost of software licences, direct staff costs and consultancy costs.

Amortisation of capitalised software development costs is charged to the income statement on a straight-line basis over the estimated useful lives of the assets from the date that they are available for use. For capitalised computer software, the estimated useful life is between two and five years.

Other intangible assets acquired by the Group, including network distribution rights, are stated at cost less accumulated amortisation and any provision for impairment. Network distribution rights are amortised over an estimated useful life of 16 years. Broadcast licences are amortised over a useful life of seven years. Where assets are considered to have finite lives, amortisation is charged to the income statement on a straight-line basis over their estimated useful life. Brand intangibles are deemed to have an indefinite useful life and are tested annually for impairment.

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities, and contingent liabilities of the entity recognised at the date of acquisition.

Goodwill is initially recognised as an asset at cost and subsequently measured at cost less any accumulated impairment losses. Goodwill is not subject to amortisation but is tested annually for impairment.

A gain realised on bargain purchase arising on the acquisition of an entity represents the excess of the Group's interest in the net fair value of the identifiable assets, liabilities, and contingent liabilities of the entity recognised at the date of acquisition over the cost of acquisition.

Any gain realised on bargain purchase is recognised in the income statement in the year that it arises.

Impairment

An impairment charge is recognised if the carrying value of an asset or a cash-generating unit exceeds its estimated recoverable amount. Impairment charges are recognised in the income statement (with the exception of impairments which the Group has elected to recognise in other comprehensive income under IFRS 9 'Financial Instruments').

The carrying values of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. Value in use is determined by discounting the future net cash flows for the specific asset, or, if the asset does not generate independent cash flows, the discounted future net cash flows for the cash-generating unit to which it belongs.

Estimates are used in deriving these cash flows and the discount rate that reflects current market assessments of the risks specific to the asset and the time value of money. The complexity of the estimation process, including projected performance, discount rate, and long-term growth rate applied, affects the value-in-use calculation and amounts reported in the financial statements.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Reversal of impairments

An impairment charge in respect of freehold land and buildings is reversed in the event of a subsequent increase in fair value. Such a gain is recognised in other comprehensive income, unless the gain reverses an impairment of the same asset previously recognised in the income statement, in which case it is also recognised in the income statement. An impairment charge in respect of goodwill is not reversed. In respect of other assets, an impairment charge is reversed when there is an indication that the impairment may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

Group accounting policies cont.

Programme and film rights

All programme and film rights are valued at the lower of their direct cost (as applicable to the relevant type of rights; see further detail on next page) and value to the Group. Development expenditure is included in programme and film rights after charging any expenditure that is not expected to lead to a commissioned programme, or a 'greenlit' film, directly to the income statement.

Programme and acquired film rights

Direct cost – commissioned rights

Direct cost is defined as payments made or due to programme suppliers.

Payments for programme and film rights made in advance of taking delivery and/or of the legal right to broadcast the programmes are recorded in programme and film rights, but are separately identified as in the course of production. Before being included in programme rights, the rights are disclosed as contractual commitments (see note 18).

Direct cost – acquired programme and film rights

Direct cost is defined as the total expected value of the acquired rights over the life over the associated contract.

Value to the Group

Consistent with Channel 4's business model, in which programmes that generate more revenue cross-subsidise programmes with a higher public but sometimes lower commercial value, the value to the Group of the programme and acquired film rights portfolio is assessed on an aggregate basis.

This assessment is overlaid by an evaluation of individual programmes when there is an indicator that the value of these specific programmes may be less than originally envisaged. Value to the Group of individual programmes is assessed both qualitatively and quantitatively, with reference to both the quality of programme that has ultimately been delivered and its expected viewing performance.

In certain instances, Channel 4 is committed to funding the acquisition or production of specific programmes where the value to the Group no longer warrants the level of expenditure to which the Group is committed. In these instances, provision is first made against the costs incurred to date and then a liability is recognised to reflect the unavoidable costs in relation to the remaining commitment.

Amortisation

Programme and acquired film rights are exploited by transmission on the Channel 4 suite of channels and availability on the Group's streaming platform. The cost of broadcast programmes and acquired films are wholly written off on first transmission, except for certain feature films, sports rights, and certain acquired series, the costs of which are written off over more than one transmission in line with the expected value to the Group. Content exclusive to Channel 4 streaming is written off in line with the anticipated viewing profile and therefore expected value generation by the Group.

Developed film rights

Direct cost

Direct cost is defined as payments made or due to the film producer.

Direct cost of developed film rights is recorded on the balance sheet as these amounts fall contractually due, from the point that the Group commits to financing a film and expect this to proceed to production.

Value to the Group

Developed film rights are exploited both through broadcast on Channel 4's suite of channels and through distribution.

Broadcast film rights are assessed in the same way as programme and acquired film rights.

To the extent that developed film rights are expected to generate revenue, where Channel 4's share of the distribution revenues that the film is anticipated to earn does not support the associated cost held within inventory, provision is made. The main assumptions employed to estimate future distribution revenues are minimum guaranteed contracted revenues and sales forecasts by territory.

Amortisation

Developed film rights expected to generate future revenues from distribution are held on the balance sheet and expensed to the income statement in the proportion that the revenue in the year bears to the estimated ultimate revenue, after provision for any anticipated shortfall. Management has rebutted the presumption under IAS 38 'Intangible Assets' and concluded that a revenue-based amortisation profile is appropriate for developed film rights as the revenue and consumption of economic benefits embodied in the film rights are highly correlated and management does not consider there to be any methodology that is more appropriate.

Trade and other receivables

Trade and other receivables are classified as at FVTOCI under IFRS 9. For trade and other receivables with a remaining life of less than one year, the Group applies the practical expedient under IFRS 9 'Financial Instruments' to assume that there is no significant financing component, and the receivables are therefore initially measured at the transaction price. All other receivables are recognised at fair value, estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date. These balances are reflected net of any expected credit loss; changes in the carrying amount of these receivables as a result of foreign exchange gains and losses, or impairment losses, are recognised in the income statement, in line with how these amounts would otherwise be recognised if these receivables were held at amortised cost. Any other changes in the fair value of these assets are recognised in other comprehensive income and reclassified to the income statement at the point the assets are derecognised. Financial assets are derecognised at the point that risks and rewards are deemed to be substantially transferred in line with IFRS 9, with historical trend analysis and current risk profile considered in this judgement if required.

Trade and other payables

Trade and other payables are recognised as current if due for payment in less than one year, or as non-current if settled over a longer period. Trade and other payables are recognised based on contractual cash flows, and no differences have been identified between the book value of trade and other payables and their fair value.

Other financial assets

Other financial assets comprise deposits of three or more months' duration and other funds with time-restricted access, and are stated at fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits of less than three months' duration from the date of placement, including money market funds repayable on demand.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Derivative financial instruments

The Group transacts primarily in Sterling but also in Euros and US Dollars. Certain exposures to fluctuations in exchange rates are managed by transactions in the forward foreign exchange markets. These derivative financial instruments are stated at fair value based on quoted market rates. Changes in the fair value of these derivative financial instruments are recognised in the income statement. The Group does not hold or issue derivative financial instruments for trading purposes.

Channel 4 has not sought to apply hedge accounting treatment for any of its foreign exchange hedging activity in either of the years presented. As a result, changes in the fair value of hedging instruments have been recognised in the income statement as they have arisen.

Where Channel 4 has identified forward foreign exchange derivative instruments within certain contracts (embedded derivatives), these have been included in the balance sheet at fair value. Fair value of these derivatives is determined by reference to quoted market rates. The value of the derivatives is reviewed on an annual basis or when the relevant contract matures.

Leases

The Group adopted the lessee accounting model required under IFRS 16 'Leases' on 1 January 2019. This removes the distinction between finance leases and operating leases previously reflected in the Group's accounting policy.

On adoption of the standard (and at the inception of subsequent new leases) a right-of-use asset is recognised in the Group's financial statements reflecting its right to control the underlying lease assets and use them to generate future economic benefits. A corresponding lease liability is also recognised in line with the principal and interest to be repaid over the lease term. These amounts are determined based on the present value of the minimum lease payments to be made over the contract term, discounted using the rate implicit in the lease if this can be determined, and otherwise using the Group's incremental borrowing rate.

The Group subsequently recognises depreciation relating to the right-of-use asset, as well as interest accrued on the lease liability, in the income statement.

The Group applies the practical expedients provided in IFRS 16 to exclude short-term and low-value lease contracts from the new accounting model, and these are presented as operating costs.

Employee benefits – pensions

Defined benefit scheme

The Group maintains a defined benefit pension scheme. The net obligation under the scheme is calculated by estimating the future benefits that employees have earned in return for their service in the current and prior periods, discounting to determine a value at today's prices, and deducting the fair value of scheme assets at bid price. The assumed discount rate for the liabilities is the current rate of return of high-quality corporate bonds with similar maturity dates.

The calculation is performed by a qualified actuary using the projected unit credit method.

Remeasurement gains and losses that arise in calculating the Group's obligation in respect of the plan are recognised directly in other comprehensive income within the statement of comprehensive income in the period in which they arise. The finance cost is recognised in the income statement.

Defined contribution scheme

Obligations under the Group's defined contribution scheme are recognised as an expense in the income statement as incurred.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is significant, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Before provisions are established in relation to onerous contracts, impairment reviews are carried out and impairment charges recognised on assets dedicated to the contract.

Notes to the consolidated financial statements

1. Revenue

	2024 £m	2023 £m
Linear advertising revenue	**635**	642
Digital advertising revenue	**306**	280
Non-advertising revenue	**95**	101
Total revenue	**1,036**	1,023

The Group had two individual external customers with gross revenues comprising more than 10% of the Group's overall revenues in 2024 (2023: no individual customers comprising more than 10%). The Group's major customers are all media buying agencies. Approximately 4% of the Group's revenues (2023: 5%) are attributable to external customers outside the UK and these are therefore not separately presented.

The Group has material contracts with customers with a duration of more than one year, relating to partnerships and distribution of channels and services. The aggregate amount of the transaction price for these contracts allocated to performance obligations which are still unfulfilled as at 31 December 2024 is £47 million (2023: £60 million). The Group expects to recognise £29 million of revenue relating to these performance obligations in 2025 (2023: £27 million to be recognised in 2024), with the remainder recognised on a straight-line basis until 2026.

The Group recognised £40 million of revenue during 2024 that was recorded as a contract liability at the previous year end (2023: £42 million).

2. Cost of transmission and sales

	2024 £m	2023 £m
Content	**643**	663
Other content-related costs	**112**	119
Broadcast and transmission costs	**102**	98
Other cost of sales	**139**	154
Total cost of transmission and sales	**996**	1,034

The Group's cost of transmission and sales is reported here as one segment as described in the 'Group accounting policies' section on page 182. Other cost of sales includes direct costs of linear and digital advertising and rights, marketing, technology, and audience research costs.

3. Other operating expenditure

Other operating expenditure includes:

	2024 £m	2023 £m
Depreciation of property, plant, and equipment (notes 9, 11)	**9**	8
Amortisation of intangible assets (note 10)	**1**	3
Other administrative expenses	**37**	33
Other operating expenditure	**47**	44

In 2024, other operating expenditure relating to operational transformation and amounting to £10 million was recognised as an exceptional item and disclosed separately to the above (see further detail on page 181). In 2023, there were no restructuring costs expensed to the income statement in respect of initiatives to increase operational efficiency within the Group.

Auditor's remuneration

Fees in respect of services provided by the auditor were:

	2024 £000	2023 £000
Audit of these financial statements	**427**	437
Amounts receivable by auditor and their associates in respect of:		
Audit-related assurance services	**63**	63
Auditor remuneration	**490**	500

4. Employee expenses and information

A detailed analysis of Members' remuneration, including salaries and variable pay, is provided in the Members' Remuneration report.

The direct costs of all employees, including Members, appear below:

	2024 £m	2023 £m
Aggregate gross salaries	**102**	105
Employer's National Insurance contributions	**11**	11
Employer's defined contribution pension contributions	**7**	7
Total direct costs of employment	**120**	123

The Executive Members are considered to be the key management of the Corporation. As disclosed in the Members' Remuneration report on page 162, the total remuneration of the Executive Members for the year ending 31 December 2024 is £2,858,000 (2023: £2,156,000).

The salary multiple of the highest paid Executive Member to employees at the 25th, 50th, and 75th percentiles was as presented below. The Chief Executive was the highest paid Executive Member in 2023 and 2024.

	2024 £000	2023 £000
Total remuneration of highest paid Executive Member (page 162)	**1,290**	993
Total remuneration of employee at 75th percentile	**105**	95
Total remuneration of employee at 50th percentile	**74**	65
Total remuneration of employee at 25th percentile	**51**	46
Multiple of highest paid Executive Member to employee at 75th percentile	**12.3**	10.5
Multiple of highest paid Executive Member to employee at 50th percentile	**17.5**	15.3
Multiple of highest paid Executive Member to employee at 25th percentile	**25.1**	21.6

Total remuneration is defined as base salary, variable pay, employer pension contribution, and other benefits. The total remuneration of employees in the 25th, 50th, and 75th percentiles is calculated based on the methodology set out under Option A provided in the Companies (Miscellaneous Reporting) Regulations 2018. The increase in these pay multiples from 2023 to 2024 reflects the higher bonus award across the organisation in 2024, and the relative proportion of base to variable pay for the highest paid Executive Member in line with the Group's remuneration policy on page 167.

The average monthly number of employees, including Executive Members, was as follows:

	2024 Number	2023 Number
Commercial	**257**	274
Creative	**458**	503
Operational	**524**	525
4Talent	**45**	49
Total	**1,284**	1,351

The headcount calculation reflects the actual proportion of hours worked in a week for each individual employee. The employee information disclosed in this note excludes a small number of on-screen talent who are remunerated via Channel 4's payroll.

5. Net finance income

Net finance income recognised in the year comprised:

	2024 £m	2023 £m
Interest receivable on short-term deposits	**3**	2
Net interest income on pension scheme (note 19)	**1**	1
Other finance expense	**(3)**	–
Net finance income	**1**	3

Notes to the consolidated financial statements cont.

6. Income tax credit

The taxation charge is based on the taxable profit for the year and comprises:

	2024 £m	2023 £m
Current tax:		
Current year	–	–
Prior year	–	(3)
Deferred tax: origination and reversal of temporary differences (note 12)		
Current year	**(3)**	(12)
Prior year	–	2
Total income tax credit	**(3)**	(13)

Corporation tax is charged at an effective standard UK rate of 25% for the year (2023: 23.5%).

Reconciliation of income tax:

	2024 Rate	2024 £m	2023 Rate	2023 £m
Deficit before income tax		**(12)**		(52)
Income tax using the UK corporation tax rate	**25.0%**	**(3)**	23.5%	(12)
Effects of:				
Non-deductible expenses		**1**		1
Recognition of deferred tax on trading losses carried forward		–		(1)
Other tax adjustments		**(1)**		(1)
Total income tax expense		**(3)**		(13)

The income tax expense excludes the Group's share of income tax of investments accounted for using the equity method of £nil (2023: £nil), which has been included in the Group's share of post-acquisition profits, net of income tax (note 7).

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 2023	9
Acquisitions	1
Disposals	–
Impairment loss	–
Total carrying value at 31 December 2023	10
Carrying value at 1 January 2024	**10**
Acquisitions	**1**
Disposals	**(2)**
Impairment loss	**(1)**
Total carrying value at 31 December 2024	**8**

Indie Growth Fund

In 2024, Channel 4 invested £1 million (2023: £1 million) in the Indie Growth Fund. Investment activity during 2024 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 businesses. 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 2024, Channel 4 sold its stake in one Indie Growth Fund entity – Eagle Eye Drama Limited (for total consideration of £7 million of which £2 million deferred to future years, recognising a gain on disposal of £5 million). There were no exits from the Fund during 2023.

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. £1 million of impairment losses were recognised in non-operating expenditure during 2024 (2023: impairment loss of £nil).

Of the £643 million (2023: £663 million) total of programme rights recognised as expenses in 2024 (note 13), Channel 4 commissioned £8 million (2023: £20 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 2024 (2023: £nil).

Channel 4 had committed £nil for subsequent investment in Indie Growth Fund entities as at 31 December 2024 (2023: £nil).

The Indie Growth Fund comprises the following entities incorporated in the United Kingdom:

Company	Activity	Registered address	Proportion of equity owned at 31 December 2024	2023
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%
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	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%
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%**	25.0%
Salamanda Media Limited	TV programme production activities	135 Church Street, Horwich, Bolton BL6 7BR	**25.0%**	25.0%
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	**25.0%**	25.0%
Rockerdale Studios Limited	TV programme production activities	99 Levison Way, London N19 3XF	**25.0%**	25.0%
Warp Films Limited	TV programme production activities	37 Gilbert South Street, Park Hill, Sheffield S2 5QY	**20.0%**	20.0%
Studio Crook Limited	TV programme production activities	Europa House, Goldstone Villas, Hove BN3 3RQ	**25.0%**	20.0%

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

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
2024	**15**	**1**	**(10)**	**(6)**	**78**	**2**
2023	28	1	(10)	(3)	78	–

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.

			Proportion of equity owned at 31 December	
Company	Activity	Registered address	**2024**	2023
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

	Channel 4 Ventures £m	Other £m	Total £m
Carrying value at 1 January 2023	45	4	49
Acquisitions	13	–	13
Fair value movement	(8)	(4)	(12)
Disposals	–	–	–
Total carrying value at 31 December 2023	50	–	50
Carrying value at 1 January 2024	**50**	–	**50**
Acquisitions	**19**	–	**19**
Fair value movement	**(7)**	–	**(7)**
Disposals	–	–	–
Total carrying value at 31 December 2024	**62**	–	**62**

During 2015, Channel 4 launched the Commercial Growth Fund (now renamed 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 2023, the Corporation invested a further £19 million (2023: £13 million) in Channel 4 Ventures holdings.

Channel 4 Ventures investments are recorded at fair value. In line with IFRS 9 'Financial Instruments', the Group elects at initial recognition to recognise any changes in the fair value of its equity investments through other comprehensive income, reflecting the fact that the management of these investments is not part of the Group's core activities. If applicable, changes in the fair value of other financial instruments are recognised through profit and loss. The fair value of equity holdings was £43 million as at 31 December 2024 (2023: £42 million), with £19 million held as other financial instruments (2023: £8 million). Fair value has been assessed against quoted prices in active markets where available or against other observable inputs. A net fair value loss of £7 million (2023: a net fair value loss of £8 million) has been recognised in 2024 of which £3 million through other comprehensive income and £4 million to offset associated working capital amounts on the balance sheet in 2024.

There were no other transactions with the Channel 4 Ventures companies in 2024 (2023: none).

Other investments

Other investments brought forward at 1 January 2023 related to certain other airtime-for-equity shareholdings outside the remit of Channel 4 Ventures. Channel 4 exited these holdings during 2023, recognising a loss in fair value of £4 million through other comprehensive income.

9. Property, plant, and equipment

	Freehold land and building £m	Fixtures, fittings, and equipment £m	Assets under construction £m	Total £m
Cost or valuation				
At 1 January 2023	90	50	6	146
Additions	1	3	5	9
Transfers	9	3	(9)	3
Revaluation	(17)	–	–	(17)
At 31 December 2023	83	56	2	141
At 1 January 2024	**83**	**56**	**2**	**141**
Additions	**–**	**5**	**–**	**5**
Transfers	**1**	**–**	**(1)**	**–**
Revaluation	**(8)**	**–**	**–**	**(8)**
At 31 December 2024	**76**	**61**	**1**	**138**
Depreciation				
At 1 January 2023	–	41	–	41
Charge for the year	1	6	–	7
Revaluation	(1)	–	–	(1)
At 31 December 2023	–	46	–	46
At 1 January 2024	**–**	**46**	**–**	**46**
Charge for the year	**1**	**6**	**–**	**7**
Transfers	**–**	**–**	**–**	**–**
Revaluation	**(1)**	**–**	**–**	**(1)**
At 31 December 2024	**–**	**52**	**–**	**52**
Net book value				
At 1 January 2024	**83**	**10**	**2**	**95**
At 31 December 2024	**76**	**9**	**1**	**86**
At 1 January 2023	90	9	6	105
At 31 December 2023	83	10	2	95

The Group had no committed expenditure on property, plant, and equipment at the balance sheet date (2023: £nil). No assets have been pledged for security (2023: none).

Valuation of freehold property

The freehold property at 124 Horseferry Road, London SW1P 2TX was valued at 31 December 2024 by independent valuers CBRE Limited, in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. CBRE Limited has appropriate qualifications and recent experience in the fair value measurement of properties in the location in question. The property was valued on the basis of open market value, which the Members believe approximates to current value. In reaching their conclusions, the valuers paid attention to comparable transactions which had taken place in recent months within the Victoria area of London. They also took into account ongoing repair work to the building in arriving at their valuation.

The open market value for this property was £76 million (2023: £83 million). After additions made to the building during 2024 and depreciation charged on the open market value at 31 December 2024 (£1 million), a loss on revaluation of £7 million has been recognised in the statement of other comprehensive income (2023: loss on revaluation of £16 million).

If freehold property had not been revalued it would have been included in the financial statements at the following amounts:

	2024 £m	2023 £m
Cost	**107**	97
Additions	**–**	1
Transfers	**1**	9
Accumulated depreciation	**(47)**	(46)
Impairment	**(6)**	(6)
Net book value based on cost	**55**	55

It was announced in January 2024 that Channel 4 intends to move out of the Horseferry Road property in the coming years as part of its new Fast Forward strategy. As at the date of this report, management are continuing to assess options for future workspace including a potential sale or lease of Horseferry Road. The property has therefore not been treated as held for sale under IFRS 5 at the year-end date.

Notes to the consolidated financial statements cont.

10. Intangible assets

	Goodwill £m	Developed software £m	Broadcasting licence £m	Software under construction £m	Network distribution rights £m	Brands £m	Total £m
Cost							
At 1 January 2023	2	29	5	6	27	1	70
Additions	–	–	–	4	–	–	4
Transfer	–	(3)	–	–	–	–	(3)
Disposal	–	–	–	–	–	–	–
At 31 December 2023	2	26	5	10	27	1	71
At 1 January 2024	**2**	**26**	**5**	**10**	**27**	**1**	**71**
Additions	–	–	–	**2**	–	–	**2**
Transfer	–	–	–	–	–	–	–
Disposal	–	–	–	–	–	–	–
At 31 December 2024	**2**	**26**	**5**	**12**	**27**	**1**	**73**
Amortisation							
At 1 January 2023	–	22	5	–	8	–	35
Amortisation for the year	–	1	–	–	1	1	3
Transfer	–	1	–	–	–	–	1
At 31 December 2023	–	24	5	–	9	1	39
At 1 January 2024	–	**24**	**5**	–	**9**	**1**	**39**
Amortisation for the year	–	–	–	–	**1**	–	**1**
Transfer	–	–	–	–	–	–	–
At 31 December 2024	–	**24**	**5**	–	**10**	**1**	**40**
Carrying amount							
At 1 January 2024	**2**	**2**	–	**10**	**18**	–	**32**
At 31 December 2024	**2**	**2**	–	**12**	**17**	–	**33**
At 1 January 2023	2	7	–	6	19	1	35
At 31 December 2023	2	2	–	10	18	–	32

Goodwill represents goodwill arising on the acquisition of Global Series Network Limited ('GSN') on 30 July 2015. GSN holds the rights to the Walter Presents foreign language content transmitted across the Channel 4 portfolio.

Developed software represents amounts capitalised on internally developed computer software, principally in relation to the management of advertising and sponsorship revenues, and programme scheduling applications meeting the recognition criteria for internally generated intangible assets.

The network distribution rights arose during 2018 on the acquisition of Box Plus Network Limited, with the carrying value reflecting rights still in use by the Group.

11. Lease assets and liabilities

Right-of-use assets

	Property £m	Total £m
At 1 January 2023	9	9
Additions and changes in terms	–	–
Charge for the year	(1)	(1)
At 31 December 2023	8	8
At 1 January 2024	**8**	**8**
Additions and changes in terms	**4**	**4**
Charge for the year	**(2)**	**(2)**
At 31 December 2024	**10**	**10**

The Group expenses short-term leases and low-value assets as incurred in accordance with the exemption permitted by IFRS 16. These expenses amounted to £0.2 million in 2024 (2023: £0.2 million).

11. Lease assets and liabilities continued

Lease liabilities

	Property £m	Total £m
Current		
Within one year	1	**1**
Non-current		
Between two to five years	4	**4**
Greater than five years	6	**6**
Total	11	**11**

The interest expense relating to lease liabilities under IFRS 16 was £0.4 million in 2024 (2023: £0.2 million).

12. Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised at 25% (2023: 25%) reflecting the corporation tax rate substantively enacted as at 31 December 2024.

	Assets 2024 £m	Assets 2023 £m	**Liabilities 2024 £m**	Liabilities 2023 £m	**Net 2024 £m**	Net 2023 £m
Property, plant, and equipment	**3**	2	**–**	–	**3**	2
Employee benefits	**–**	–	**(6)**	(3)	**(6)**	(3)
Trading losses	**24**	20	**–**	–	**24**	20
Temporary differences on acquired intangible assets	**–**	–	**(4)**	(5)	**(4)**	(5)
Total deferred tax assets/(liabilities)	**27**	22	**(10)**	(8)	**17**	14

A deferred tax asset is only recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised (either now or in later accounting periods). At 31 December 2024, based on long-term forecasts, and in line with the Group's aim to remain commercially self-sustainable in the long term and the launch of its Fast Forward strategy, management considers it probable that future taxable profit will be available against which to recognise these assets. Unrecognised deferred tax assets include losses carried forward that the Group is not yet able to utilise.

Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised in respect of:

	2024 £m	2023 £m
Carried-forward capital losses	**3**	2
Carried-forward trading losses	-	–
Tax assets	**3**	2

Movements in temporary differences during the year

The amount of deferred tax recognised in the income statement or other comprehensive income in respect of each type of temporary difference is as follows:

	Balance at 1 January 2024 £m	**Recognised in income £m**	**Recognised in other comprehensive income £m**	**Balance at 31 December 2024 £m**
Property, plant, and equipment	**2**	**1**	**–**	**3**
Employee benefits	**(3)**	**(3)**	**–**	**(6)**
Trading losses	**20**	**4**	**–**	**24**
Temporary differences on acquired intangible assets	**(5)**	**1**	**–**	**(4)**
Total deferred tax assets/(liabilities)	**14**	**3**	**–**	**17**

	Balance at 1 January 2023 £m	Recognised in income £m	Recognised in other comprehensive income £m	Balance at 31 December 2023 £m
Property, plant, and equipment	4	(2)	–	2
Employee benefits	(1)	(3)	1	(3)
Trading losses	5	15	–	20
Temporary differences on acquired intangible assets	(5)	–	–	(5)
Total deferred tax assets/(liabilities)	3	10	1	14

Notes to the consolidated financial statements cont.

13. Programme and film rights

	2024 £m	2023 £m
Programmes and films completed but not transmitted	**118**	126
Acquired programme and film rights	**138**	180
Programmes and films in the course of production	**99**	166
Total programme and film rights	**355**	472

Certain programmes and film rights may not be utilised within one year but are expected to be consumed during the normal operating cycle and are therefore disclosed as current assets. The proportion of total programme and film rights not expected to be utilised within one year is 26% (2023: 35%).

Programmes and films in the course of production are disclosed within programme and film rights, rather than within prepayments, as management believes this most clearly reflects the total value of current assets relating to the production of content and that it is most useful to the readers of the financial statements to include the total value of current assets relating to the production and acquisition of content in one line on the balance sheet.

Programme and film rights to the value of £643 million were recognised as expenses in the year across the main and digital television channels (2023: £663 million). Of this amount, obsolete programmes and developments written off totalled £13 million (2023: £15 million).

Programme and film rights include £33 million (2023: £36 million) in respect of developed film rights.

14. Trade and other receivables

	2024 £m	2023 £m
Trade receivables	**131**	143
Prepayments	**15**	20
Accrued income	**11**	10
Total trade and other receivables	**157**	173

There is no difference between the fair value and book value of trade and other receivables. Trade receivables are shown net of impairment charges amounting to £nil (2023: £nil).

Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

(i) Trade receivables

Credit risk with respect to trade receivables is principally related to amounts due from advertising agencies and retailers. A risk strategy exists to protect these receivables including insurance for most customers. Exposure is monitored continually and reviewed on a weekly basis, and any issues are formally reported. Based on credit evaluation and discussions with insurers, customers may be required to provide security in order to trade with the Group.

The Group may establish an allowance for impairment that represents our expected credit loss in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures. Losses with regard to these receivables are historically low as advertising revenue is either protected by trade credit insurance or pre-paid prior to transmission. The Group's expected lifetime credit loss at 31 December 2024 was £nil (2023: £nil).

(ii) Counterparty

See interest rate risk and exposure in note 15.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure at the balance sheet date in relation to trade receivables was £131 million for the Group (2023: £143 million), with £nil of other financial assets (2023: £nil), and cash and cash equivalents of £111 million (2023: £96 million). The exposure to credit risk all arises in the UK.

Trade receivables of £131 million for the Group (2023: £143 million) were aged under six months or were not yet due under standard credit terms at the balance sheet date. £115 million of the receivables were insured at the balance sheet date (2023: £124 million) and £130 million (2023: £139 million) has been collected by the Group since the balance sheet date.

15. Net cash reserves

	2024 £m	2023 £m
Bank balances	**50**	39
Money market funds[1]	**61**	57
Money market deposits with initial maturity of less than three months	**–**	–
Cash and cash equivalents	**111**	96
Money market deposits with initial maturity of more than three months	**–**	–
Investment funds	**–**	–
Other financial assets[2]	**–**	–

1 Amounts held in money market funds are repayable within seven days.
2 Other financial assets comprise deposits of three or more months' duration and other funds with time-restricted access, and are stated at fair value.

There is no difference between the fair value and book value of cash, cash equivalents, and other financial assets.

Cash flow information

	2024 £m	2023 £m
Cash and cash equivalents at 1 January	**96**	203
Other financial assets at 1 January	**–**	50
Borrowings at 1 January	**–**	–
Total net cash reserves[1] at 1 January	**96**	253
Net cash flow generated from/(used in) operating activities	**18**	(145)
Net cash flow used in investing activities	**(2)**	(11)
Net cash flow used in financing activities	**(1)**	(1)
Total cash flow	**15**	(157)
Cash and cash equivalents at 31 December	**111**	96
Other financial assets at 31 December	**–**	–
Total net cash reserves[1] at 31 December	**111**	96

1 The Group presents net cash reserves as an alternative performance measure; an explanation of this APM is provided on page 181. Net cash reserves represents the total of Cash and cash equivalents and Other financial assets above net of any cash borrowings.

Interest rate risk and exposure

The Group invests surplus cash in fixed-rate money market deposits, high-interest bank accounts, and variable and constant net asset value money market funds. Funds are invested only with an agreed list of counterparties that carry a minimum of an A- credit rating or equivalent from Standard & Poor's and Moody's credit rating services with government support, or with money market funds that have an AAA credit rating from either of these credit rating services.

It is estimated that if interest rates had been 0.5% lower/higher throughout the year, with all other variables held constant, the Group's surplus before tax would have been £0.3 million lower/higher (2023: £0.4 million).

At the balance sheet date the Group had no debt and was not exposed to fluctuations in interest rates. In 2022, the Group renewed its revolving credit facility ('RCF'). The RCF is for a five year term until March 2027 and provides £150 million of additional liquidity; the facility was extended in early 2024 from £75 million previously. The facility is unsecured and is committed with a single tangible net worth covenant.

The Channel 4 Finance Committee granted approval in 2022 to increase the current limits in relation to our money market investment funds ('LVNAVs') from £75 million to £80 million per fund.

The interest rate profile of the Group's cash and deposits at 31 December 2024 and 31 December 2023 is set out below:

	Effective interest rate 2024 %	Effective interest rate 2023 %	Total 2024 £m	Total 2023 £m
Interest-bearing deposits maturing in less than three months held in Sterling	**4.54**	5.04	**103**	88
Interest-bearing deposits maturing in less than three months held in foreign currencies	**5.68**	4.94	**8**	8
Total cash and cash equivalents	**4.63**	5.03	**111**	96
Money market deposits maturing after three months held in Sterling	**–**	–	**–**	–
Other financial assets	**–**	–	**–**	–

15. Net cash reserves continued

Foreign currency risk and derivative financial instruments

The Group is exposed to currency risk on sales and purchases that are denominated in currencies other than Sterling. The currencies that give rise to this risk are US Dollars and Euros. The Group uses forward exchange contracts and currency cash receipts to hedge its currency risk. Changes in the fair value of exchange contracts that economically hedge monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied are recognised in the income statement. Both the change in the fair value of the forward contracts and the foreign exchange gains and losses relating to monetary items are recognised as part of net finance expense (note 5).

The Group does not have any foreign subsidiaries and as a result is not exposed to foreign currency risk in this regard. The Group is exposed to currency movements on foreign cash holdings. Amounts held by currency are detailed above within the analysis of the Group's and Channel 4's cash and deposits.

At 31 December 2024, the total value of forward contracts used as economic hedges of monetary liabilities was £nil (2023: £nil). At 31 December 2024, these have been revalued with reference to forward exchange rates based on maturity. The change in fair value of £nil (2023: £nil) has been recognised in the income statement and the associated liability recorded on the balance sheet as at 31 December 2024. The forward contracts have been assessed as Level 2 in the fair value hierarchy under IAS 13 and assessed against observable market inputs.

	Maturity within 12 months of balance sheet date	Maturity within 12 months of balance sheet date	**Maturity more than 12 months after balance sheet date**	Maturity more than 12 months after balance sheet date	**Total**	Total
	2024 No.	2023 No.	**2024 No.**	2023 No.	**2024 No.**	2023 No.
Forward contracts to purchase US Dollars	**2**	–	–	–	**2**	–
Forward contracts to purchase Euros	–	–	–	–	–	–
Total forward contracts with fixed maturity dates	**2**	–	–	–	**2**	–

It is estimated that if Sterling had strengthened/weakened by 10% at the balance sheet date against other currencies, with all other variables held constant, the Group's deficit before tax would have been £2 million lower/higher (2023: £1 million).

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its assets and liabilities. These risks are managed by the Group's Treasury function as described below.

The Audit Committee is responsible for approving the treasury policy for the Group. The Group's policy is to ensure that adequate liquidity and financial resource is available to support the Group's continuing activities and growth while managing the risks described above. The Group's policy is not to engage in speculative financial transactions. The Group does not seek to apply hedge accounting. The Group's treasury and funding activities are undertaken by the Treasury function, whose work is overseen by the Treasury Risk Committee reporting to the Chief Financial Officer. Its primary activities are to manage the Group's liquidity, funding requirements, and financial risk, principally arising from movements in interest rates and foreign currency exchange rates within the parameters of the approved treasury policy.

16. Trade and other payables

	2024 £m	2023 £m
Current		
Trade payables	**20**	27
Taxation and social security	**1**	1
Other creditors	**47**	52
Programme and film creditors	**150**	198
Accruals	**75**	79
Deferred income	**43**	40
VAT	**26**	31
Total current trade and other payables	**362**	428
Non-current		
Programme and film creditors	**15**	34
Total non-current trade and other payables	**15**	34

Programme and film creditors represent amounts payable for both commissioned content (where this is due but not yet invoiced at the reporting date) and acquired content (not yet due but contractually committed).

There is no difference between the fair value and book value of trade and other payables. The contractual cash flows are equal to the carrying amount and (with the exception of certain programme and film creditors not yet due) are payable within six months or less at 31 December 2024 and 2023.

The Group endeavours to pay all invoices in accordance with contract terms and, unless agreed payment terms specify otherwise, the Group's standard payment terms are within 45 days of the date of the invoice, with the exception of certain programme and transmission costs with qualifying independent production companies which are on immediate payment terms. Any complaints about failure to pay on time should be addressed to the Chief Operating Officer, who will ensure that they are investigated and responded to appropriately.

The number of days taken to pay suppliers of services in 2024, as calculated using average trade payable balances, was eight (2023: ten). This is significantly lower than the Group's standard payment terms due to the impact of the immediate payment terms described above.

Liquidity risk

Liquidity risk is the risk that the Group fails to meet its financial obligations as they fall due. The management of operational liquidity risk aims primarily to ensure that the Group always has a liquidity buffer that is able, in the short term, to absorb the net effects of transactions made and expected changes in liquidity both under normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation. The cash balances held by the Group and the £150 million total revolving credit facility are considered to be sufficient to support the Group's medium-term funding requirements.

17. Provisions

	Onerous lease/ dilapidations £m	Restructuring costs £m	Total £m
At 1 January 2023	1	–	1
Utilised in the year	–	–	–
Charged to the income statement	–	–	–
At 31 December 2023	1	–	1
At 1 January 2024	**1**	–	**1**
Utilised in the year	–	–	–
Charged to the income statement	–	**2**	**2**
At 31 December 2024	**1**	**2**	**3**

Provisions have been analysed as current and non-current as follows:

	2024 £m	2023 £m
Current	**2**	–
Non-current	**1**	1
Total	**3**	1

Contingent liabilities

The Members are not aware of any legal or arbitration proceedings, pending or threatened, against any Member of the Group which give rise to a significant contingent liability.

18. Commitments

2024	**Due within 1 year £m**	**Due within 2–5 years £m**	**Due after 5 years £m**	**Total £m**
Programme commitments	**417**	**336**	–	**753**
Transmission contracts	**23**	**53**	**24**	**100**
Total	**440**	**389**	**24**	**853**

2023	Due within 1 year £m	Due within 2–5 years £m	Due after 5 years £m	Total £m
Programme commitments	416	267	–	683
Transmission contracts	31	50	36	117
Total	447	317	36	800

Transmission contracts represent committed capacity costs for transmission on the digital terrestrial and satellite network. Committed payments for digital terrestrial transmission capacity costs amounted to £23 million in 2024 (2023: £22 million). The digital terrestrial transmission contracts expire between 2025 and 2031. Committed payments for satellite transmission capacity costs were £7 million in 2024 (2023: £7 million). The satellite transmission contracts expire in 2026.

In addition to the above, the Group is party to the shareholder agreement for Digital 3 and 4 Limited. The Group is committed to meeting its share of contracted costs entered into by that company. The Group's share of Digital 3 and 4 Limited's committed payments was £29 million in 2024 (2023: £25 million) and is forecast to be £28 million in 2025. Digital 3 and 4 Limited has entered into long-term distribution contracts that expire in 2028 and 2034 and the Group is committed to funding its contractual share.

The Group's commitments for further subscriptions for minority shareholdings in companies in the Indie Growth Fund as at 31 December 2024 are disclosed in note 7.

19. Employee benefits – pensions

Prior to 2015, the Group operated a defined benefit pension scheme – the Channel 4 Television Staff Pension Plan (the 'Plan'), providing benefits based on final salary for employees. The scheme closed to future accrual with effect from 31 December 2015 without material impact to the Group's defined benefit obligation.

Nature of benefits, regulatory framework, and governance

The Plan is a registered defined benefit final salary scheme subject to the UK regulatory framework for pensions, including the Scheme Specific Funding requirements. The Trustees of the Plan are responsible for operating the Plan and have a statutory responsibility to act in accordance with the Plan's Trust Deed and Rules, in the best interests of the beneficiaries of the Plan, and in line with UK legislation (including Trust law). The employer has the power to set the contributions that are paid to the Plan, following advice from the scheme actuary. However, these contributions must be agreed by the Trustees to the extent required by Part 3 of the Pensions Act 2004 (Scheme Funding).

Risks to which the Plan exposes the employer

The nature of the Plan exposes the employer to the risk of paying unanticipated additional contributions to the Plan in times of adverse experience. The most financially significant risks are likely to be:

- members living for longer than expected;
- higher than expected actual inflation and salary increase experience;
- lower than expected investment returns; and
- the risk that movements in the value of the Plan's liabilities are not met by corresponding movements in the value of the Plan's assets.

The sensitivity analysis disclosed on page 200 is intended to provide an indication of the impact on the value of the Plan's liabilities of the risks highlighted.

In June 2023, the UK High Court issued a ruling in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes which may have implications for some defined benefit schemes in the UK. The Group is aware of this ruling and continues to monitor any potential impact on the scheme. However, based on an initial review the Trustees do not believe the Scheme is affected by the ruling and therefore no quantification of any potential impact has been determined.

Plan amendments, curtailments, and settlements

There were no material curtailments or settlements during the year.

Investment strategy

The Trustees' primary objectives are that the Plan should meet benefit payments as they fall due; and that the Plan's funding position should remain at an appropriate level. The Trustees are aware that there are various measures of funding, and have given due weight to those considered most relevant to the Plan.

The Trustees' investment objective is to target an appropriate return on the Plan's assets to meet the objectives above while managing and maintaining investment risk, taking into account the strength of the employer covenant.

The Trustees, with the help of their advisers and in consultation with Channel 4, undertake a review of investment strategy from time to time. This includes consideration of the broad split between growth and matching assets, as well as asset class and asset manager arrangements. The Trustees have also considered how social, environmental, and ethical factors should be taken into account in the selection, retention, and realisation of investments, given the time horizon of the Plan and its members.

The Trustees regularly seek advice from their investment adviser about the target asset allocation and consider opportunities to enhance the investment portfolio, taking into account market conditions and anticipated future cash flows.

The investment portfolio includes exposure to UK and global equities, infrastructure and fixed income and a multi-asset mandate. The Plan also maintains a liability-driven investment ('LDI') portfolio, designed to partially track changes in the assessed value of the Plan's liabilities due to movements in long-term interest rate and inflation assumptions.

At the date of this report, the Plan's latest Actuarial Valuation, in respect of the position as at 31 December 2024, was ongoing. Prior to this, the previous actuarial valuation occurred in respect of the position as at 31 December 2021. In the interim period between the two Actuarial Valuation dates, the Trustees have

- Undertaken various rebalancing activities to keep the Plan's investment portfolio broadly in line with target allocations
- Amended the Plan's target allocations to reflect an improvement in the Plan's funding level (its ratio of assets to liabilities). This change involved reducing the Plan's target exposure to global equities in favour of lower-risk fixed income investments

To help reduce longevity risk (that is, the risk that members of the Plan live for longer than expected over time), the Trustees entered into a c.£45 million bulk annuity policy with Just Retirement in March 2018. This provides income to match the requirements of certain pensioner liabilities (providing protection against interest rates, inflation and longevity risks).

Amounts recognised in the consolidated balance sheet

	2024 £m	2023 £m
Present value of funded obligations	**(321)**	(365)
Fair value of Plan assets	**345**	378
Recognised asset for defined benefit obligations	**24**	13

Movements in the fair value of Plan assets recognised in the balance sheet:

	2024 £m	2023 £m
Fair value of scheme assets at 1 January	**378**	362
Interest income on Plan assets	**17**	18
Return on Plan assets (excluding amounts in interest income)	**(48)**	(1)
Employer contributions net of charges	**10**	10
Benefits paid	**(12)**	(11)
Fair value of scheme assets at 31 December	**345**	378

The fair value of the Plan assets at the balance sheet date is comprises the following:

	2024 £m	2023 £m
Overseas and emerging markets equity	**13**	12
Total equity securities	**13**	12
Corporate bonds	**62**	59
Infrastructure	**51**	49
Total debt securities	**113**	108
Multi-asset absolute return funds	**30**	30
Liability-driven investments	**163**	200
Total investment funds	**193**	230
Cash and cash equivalents	**3**	2
Annuity policy buy-in	**23**	26
Fair value of scheme assets at 31 December	**345**	378

The Plan assets do not include any directly or indirectly owned financial instruments issued by the Corporation. The valuation of the assets above is based on Level 1 inputs in the IFRS 13 fair value hierarchy, with the exception of the infrastructure assets and annuity policy buy-in which are valued based on relevant Level 3 inputs.

All equities and bonds are held as part of investment portfolios which have quoted prices in active markets.

Movements in the present value of scheme liabilities for defined benefit obligations recognised in the balance sheet:

	2024 £m	2023 £m
Present value of scheme liabilities at 1 January	**365**	357
Interest expense on pension scheme liabilities	**16**	17
Remeasurement gain on plan liabilities arising from changes in demographic assumptions	**(4)**	(7)
Remeasurement (gain)/deficit on plan liabilities arising from changes in financial assumptions	**(46)**	9
Experience remeasurement	**2**	–
Benefits paid	**(12)**	(11)
Present value of scheme liabilities at 31 December	**321**	365

19. Employee benefits – pensions continued

Income recognised in the income statement arose as follows:

	2024 £m	2023 £m
Net interest income	1	1
Net credit to income statement	**1**	**1**

The remeasurement deficit recognised in other comprehensive income arose as follows:

	2024 £m	2023 £m
Remeasurement gain/(deficit) on plan liabilities	48	(2)
Remeasurement deficit on plan assets (excluding amounts in interest income)	(48)	(1)
Net remeasurement deficit on pension scheme	**–**	**(3)**

The cumulative amount of net remeasurement deficits/gains recognised in the statement of changes in equity since transition to IFRS is a £87 million deficit (2023: £87 million deficit).

Principal actuarial assumptions at the balance sheet date

	2024 %	2023 %
Discount rate	5.50	4.55
Rate of increase in salaries	2.40	2.25
Rate of increase in pensions	2.95	2.95
Inflation	3.10	3.00

	2024 years	2023 years
Life expectancy from 65 (now aged 45) – male	23.4	23.4
Life expectancy from 65 (now aged 45) – female	26.2	26.2
Life expectancy from 65 (now aged 65) – male	22.8	22.7
Life expectancy from 65 (now aged 65) – female	25.0	24.9

These assumptions were adopted in consultation with the independent actuary to the Channel Four Television Staff Pension Plan. If experience is different from these assumptions, or if the assumptions need to be amended in future, there will be a corresponding impact on the net pension scheme liability recorded on the Group balance sheet. The expected returns on Plan assets are set by reference to historical returns, current market indicators, and the expected long-term asset allocation of the Plan.

Sensitivity analysis

The table below sets out the sensitivity of the scheme's pension liabilities to changes in actuarial assumptions, showing the revised present value of scheme liabilities in each scenario:

	2024 £m	2023 £m
0.5% decrease in discount rate	344	395
1 year increase in life expectancy	334	379
0.5% increase in salary assumptions	322	366
0.5% increase in inflation (and inflation-linked) assumptions	336	386

The sensitivities disclosed are calculated using approximate methods taking into account the duration of the Plan's liabilities.

Funding arrangements

The Plan was closed to future accrual with effect from 31 December 2015. The Corporation's contributions to the scheme are determined by a qualified independent actuary (the 'Actuary to the Plan') on the basis of triennial valuation using the projected unit method. The most recent triennial valuation was carried out as at 31 December 2021. The results of the valuation at 31 December 2021 showed that the scheme's assets represented 85% of the benefits that had accrued to members, reflecting a deficit of £96 million. The next triennial valuation was due as at 31 December 2024 and is being carried out over the course of 2025.

Following the valuation and discussions with the Actuary to the Plan, the Trustees and the Board agreed a revised schedule of contributions to reduce the Plan's funding deficit of £10 million per annum from January 2022 until April 2028.

The weighted average duration of the Plan's defined benefit obligation is approximately 16 years. The majority of the Plan's benefits are to be paid as annuities from retirement of a member until their death.

In accordance with the fund rules, the Corporation can realise any surplus on the winding up of the scheme after all other benefits have been paid. As a result, no adjustment is required in respect of IFRIC 14 IAS 19, 'The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction'.

20. Related party transactions

Members

Details of transactions in which Members have an interest are disclosed in the Report of the Members (page 143).

Details of Members' remuneration are shown in the Members' Remuneration report (page 162).

Key management personnel

The Executive Members are considered to be the key management of the Group.

Joint ventures and associates

Details of transactions between the Group and its joint ventures and associates as at 31 December 2024 are disclosed in note 7.

Other

The Group also contributes to the funding of the following organisations, each of which is incorporated in the United Kingdom. The table below presents the Group's ownership of the entities, or legal guarantee (indicated with *), and transactions with them during the year. These transactions were negotiated at arm's length on normal commercial terms with the Group.

				Services received		Funding and services provided	
Name	Nature of business	Share class	Ownership interest	**2024 £m**	2023 £m	**2024 £m**	2023 £m
Broadcasters' Audience Research Board Limited	Research	*	–	–	–	**3**	3
Clearcast Limited	Regulator	Ordinary, deferred	25.0%	–	–	**1**	2
Digital 3 and 4 Limited	Operator	'A' Ordinary	50.0%	**1**	1	**29**	25
DTV Services Limited	Marketing	Ordinary	20.0%	**3**	6	**1**	4
Everyone TV Limited (formerly Digital UK)	Marketing	*	–	**4**	–	**7**	4
Thinkbox Limited	Marketing	Ordinary	20.0%	**1**	1	**2**	1
YouView Limited	Platform	Voting, non-voting	14.3%	–	–	**1**	1

The Group had £2 million trade payables remaining with the organisations listed above at 31 December 2024 (2023: £3 million). The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No dividends were received in 2024 (2023: £nil) from the related parties listed above.

These related party disclosures are also applicable to the Channel 4 financial statements.

Channel 4 balance sheet

as at 31 December

	Group note	Channel 4 note	2024 £m	2023 £m
Assets				
Property, plant, and equipment	9		**86**	95
Right-of-use assets	11		**10**	8
Intangible assets		2	**27**	26
Other investments		3	**–**	–
Deferred tax assets	12		**27**	22
Employee benefits – pensions	19		**24**	13
Total non-current assets			**174**	164
Programme and film rights		4	**348**	466
Trade and other receivables		5	**150**	169
Other financial assets		6	**–**	–
Cash and cash equivalents		6	**104**	91
Total current assets			**602**	726
Total assets			**776**	890
Liabilities				
Employee benefits – pensions	19		**–**	–
Trade and other payables		7	**(15)**	(34)
Lease liabilities	11		**(11)**	(9)
Deferred tax liabilities	12		**(10)**	(8)
Provisions	17		**(1)**	(1)
Total non-current liabilities			**(37)**	(52)
Trade and other payables		7	**(430)**	(509)
Current tax payable			**–**	–
Provisions	17		**(2)**	–
Borrowings	15		**–**	–
Total current liabilities			**(432)**	(509)
Total liabilities			**(469)**	(561)
Net assets			**307**	329
Revaluation reserve			**16**	23
Other retained earnings			**291**	306
Total equity			**307**	329

As permitted by section 408 of the Companies Act 2006, the Corporation has not presented its own income statement. A deficit of £15 million has been recognised in relation to the Corporation in 2024.

The financial statements on pages 202 to 207 were approved by the Members of the Board on 1 May 2025 and were signed on its behalf by:

Dawn Airey
Interim Chair

Alex Mahon
Chief Executive

The notes on pages 205 to 207 form part of these financial statements.