

Chief Executive's Statement

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Channel 4 exists to do things differently – from the kind of content we create to the way in which we go about our business. This report demonstrates that Channel 4 continues to have a significant impact on audiences and the UK's creative sector.

2015 was a year in which Channel 4 spent a record £629 million on content as a whole. Working in partnership with a wide array of production companies across the UK, £455 million was spent on originally commissioned TV, film and digital content, which was another record. We generated record Corporation revenue of £979 million, with Digital revenues growing by 30%. This performance stands us in very good stead to maintain levels of investment in content built on our strategy of Investing in Innovation.

Audiences have told us they appreciate what we're doing. Crucially, the public's view of how we are delivering the remit strengthened yet further. Across the 12 audience metrics we use to measure delivery of various aspects of the remit, such as innovation, being alternative, taking risks, we were either stable or up. Results were particularly strong in challenging prejudice, making people think in new and different ways and the independence of Channel 4 News, with three of these metrics reaching their highest ever levels and four maintaining the highest ever levels.

For the first time in nine years, the main channel – where we primarily deliver the remit – saw an increase in share across all hours. Our share of viewing across the portfolio in peak-time grew for all individuals, 16–34-year-olds and ABC1s in 2015. We have continued to see robust growth in our on-demand offering, relaunched as All 4, bringing together all live, catch up and bespoke online content in one place. The viewing by young people across our TV portfolio and All 4 underlines Channel 4's important role in connecting this group with public service content. This was done to particularly good effect in our distinctive take on the General Election and record-breaking drama launches for *Indian Summers* and *Humans*. Our digital-first strategy for News and Current Affairs is also bearing fruit, with total video views up very significantly.

The programmes that we showcase in this report such as *Catastrophe*, *Murder Detectives* and *Escape from ISIS*, demonstrate that Channel 4 is living true to the remit across our output. We deliver this remit through programmes at the heart of the schedule, from Channel 4 News, the UK's only daily hour long news programme that provides in-depth political and foreign affairs coverage, to drama such as *Humans* that reflect on big societal questions of our time. In film we continue to support and invest in challenging, popular and highly acclaimed film-making such as the Bafta and Oscar-winning *Room* and *Amy*. The remit also lives through the games and online commissions we make, as well as in the cutting edge marketing campaigns that bring audiences to our programmes. In 2015 we refreshed the identity of the main channel, bringing a new look and feel to these campaigns as well as our on-screen idents for the first time in ten years.

Support for the UK's creative sector was one of the founding objectives for Channel 4 when we were set up by Margaret Thatcher's Conservative Government in 1982. Our role as a catalyst and a distinctive place for creative people to bring ideas is central to what we're about. We are proud to have worked with 295 companies over the course of the year, including 53 new companies, and to have increased our output from the companies based in the UK's Nations and Regions. In line with our focus on digital content, we saw an 18% increase in the number of digital producers we worked with. Successful creative renewal has had the effect of marginally reducing the total number of companies that we work with. But it's important that we stay in touch with producers even when they are not involved in a commission with us. We have met with many producers over the course of the year, including some 450 in two days at a commissioning open day and regular visits to production companies across the Nations and Regions.

I'd like to thank everyone in the production sector for their brilliant ideas and working with us to achieve such outstanding creative results. The range of programmes and films that have been recognised with awards this year is testament to the quality of their work.

Since we launched the Indie Growth Fund in 2014, we have now committed to invest £9 million in nine companies, and I was particularly pleased that in 2015 we invested £1.6 million in BAME-led companies, Voltage TV, Renowned and Whisper. The Commercial Growth Fund was established this year and is proving an innovative and pioneering new area for commercial partnerships.

In January 2016 we published the 360° Diversity Charter: One Year On report, which includes our performance against the 30 commitments we set out in 2015 in our bid to lead the way in improving diversity on and off screen. While there remains more to do, we made significant progress during the year including hosting a milestone DIVERSE industry festival at Channel 4 in January. We are now looking forward to 2016 as the Year of Disability and the 2016 Rio Paralympic Games.

While online viewing continues to grow, we have seen some structural change in the market place that has had an impact on digital channels in particular, with the growth of connected televisions and catch-up viewing having its strongest impact on services like E4, More4 and Film4 which offer audiences opportunities to catch up on originated content that we have commissioned or acquired from outside the UK. Daytime audiences are also changing their viewing behaviour and continue to be a challenge on Channel 4. These factors are informing the balance of our investment decisions in 2016 and beyond.

2016 has already started very positively. We've launched a world first with *Walter Presents*, attracting audiences to the best of world drama. Throughout the year we will continue to improve diversity on and off screen, with a particular emphasis on disability within our programmes and in the teams of people who make them. Through our increased financial commitment to film we're working on an exciting range of projects – including bold partnerships and co-financing investments. We are also looking forward to welcoming *Formula One* to the schedules. On top of which the commissioning team have many other treats in store, including the third *Stand Up to Cancer* and of course the 2016 Rio Paralympic Games in September.

We are doing all this in a climate of some uncertainty about the future of Channel 4, as the Government considers options for our future. Whatever the outcome of that process, the Channel 4 team and I remain focused on ensuring we run the organisation in a way that best delivers our remit and maintains our financial stability, building on all the success of 2015.