

More than one side to every story

Chair's Statement



40 years on from its creation, Channel 4's role has never been more vital to the UK, as it delivers a unique public service for viewers, invests hundreds of millions of pounds into the creative economy and supports tens of thousands of jobs across the UK.

creating change

levelling in

Sir Ian Cheshire

creating change

levelling in



The Lateish Show with Mo Gilligan



Channel 4 directly invested £671 million into the creative economy in 2021 – our third-highest content spend ever, and above pre-pandemic levels as we reinvested our strong surplus from 2020 into the independent production sector.

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Chair's Statement continued

Entirely self-financed, Channel 4 generates all of its income through commercial activities, funding the delivery of its public remit and enabling it to commission all of its programmes from hundreds of the best independent producers across the UK.

I joined Channel 4 in April this year and I have been delighted by the organisation's laser focus on delivering a public service and spreading opportunity across the country, both on and off screen and throughout its supply chain. Channel 4 is levelling up the creative sector, creating new jobs and opportunities for all across the UK.

Channel 4 had a great 2021, delivering compelling content on screen, from dramas such as Russell T Davies' *It's A Sin* to Jack Thorne's *Help*, hard-hitting documentaries such as *Dispatches: The Black Maternity Scandal* or Davina McCall's *Sex, Myths and the Menopause*, and innovative new formats like *Murder Island*. Viewers responded positively to our content in 2021: across 12 remit tracker statements, we increased our average lead to 24 percentage points above the other main PSBs. Our remit is central to everything that we do, and it manifested itself across all of our platforms and genres.

Channel 4 directly invested £671 million into the creative economy in 2021 – our third-highest content spend ever, and above pre-pandemic levels as we reinvested our strong surplus from 2020 into the independent production sector. This investment into Britain's creative businesses – alongside our essential work in the Nations and Regions – is stimulating growth and innovation in one of the most dynamic and globally competitive sectors of our economy.

With TV advertising continuing to beat expectations in 2021, the organisation achieved record corporation revenues of £1.2 billion in 2021. Importantly, significant revenue growth stemmed from digital advertising (+40% year-on-year) and non-advertising revenues (+26%), reflecting the organisation's clear focus on digital growth and revenue diversification.

Through our exceptional financial performance, we have built a strong balance sheet and reserves. Channel 4 achieved a record pre-tax surplus for the second consecutive year in 2021, of £101 million – our first-ever three-figure surplus. Net assets grew by £114 million in 2021, to £556 million, which provides Channel 4 with a platform for further strategic growth and opens up new opportunities for longer-term investment in the coming years as we build on our ambitious Future4 strategy. This also underlines Channel 4's long-term sustainability, even through uncertain times.

Everybody's Talking About Jamie



As part of its Future4 strategy, Channel 4's digital transformation continued apace in 2021, ensuring that the channel remains relevant as a destination for the next generation of audiences and securing the organisation's long-term sustainability. Streaming views increased 21% in 2021, finishing the year on 1.5 billion views, reflecting the success of our digital-first approach. Channel 4's share of commercial impacts ('SOCl') among 16-34-year-olds decreased to 20.1% (2020: 21.3%) – a decline which had been anticipated given Channel 4's strategic digital-first focus, and as our competitors started to return key titles and live events to the schedule this year.

The marketplace in which Channel 4 operates remains highly competitive and dynamic, and the Board relentlessly monitors Channel 4's performance, potential risks and the changing landscape. It is our role to review the strategies and investment plans to ensure the continued delivery of Channel 4's remit and its long-term sustainability.

In April 2022, the Government published a White Paper in which it set out its intention to proceed with the privatisation of Channel 4. Channel 4 engaged in good faith with the Government throughout the consultation process, demonstrating how it can continue to commission much-loved programmes from the independent sector across the UK that represent and celebrate every aspect of British life as well as increase its contribution to society, while maintaining ownership by the public.

The proposal to privatise Channel 4 will require a lengthy legislative process and political debate, and inevitably has implications in terms of risks and opportunities for the organisation. We will continue to engage constructively with DCMS, Government and Parliament, whilst maintaining our focus on the delivery of our remit, to ensure Channel 4 carries on making its unique contribution to Britain's creative ecology and national life.

2021 saw changes to the Channel 4 Board. I would like to thank Althea Efunshile, Uzma Hasan, Fru Hazlitt, Tom Hooper and Stewart Purvis for their contribution during their terms. I would also like to thank Charles Gurassa for his stewardship of the Board since 2016. In addition, we welcome new Board members Dawn Airey, Tess Alps, David Kogan, Michael Lynton and Sarah Sands and look forward to working with them in the years ahead – they bring considerable relevant knowledge and expertise that will be invaluable to the Board going forward. Thank you to Dawn for acting as interim Chair until my appointment.

Finally, I thank all of my colleagues at Channel 4 for the outstanding results delivered this year, none of which would have been possible without their hard work, commitment and creative inspiration. As we embark on a new decade for this unique and beloved broadcaster, we have never been in better creative and commercial shape. I look forward with wonder to what the channel will achieve next.