

INDEPENDENT ASSURANCE REPORT TO THE CHANNEL FOUR TELEVISION CORPORATION ON THE STATEMENT OF MEDIA CONTENT POLICY

We have been engaged by the Directors of the Channel Four Television Corporation ('Channel 4') to conduct a limited assurance engagement relating to the Assured Disclosures concerning the Statement of Media Content Policy ('SMCP') performance information for the year ended 31 December 2017.

Our unqualified conclusion

Based on our work as described in this report, nothing has come to our attention that causes us to believe that the Assured Disclosures, which have been prepared in accordance with Channel 4's internal guidelines, materially misstate Channel 4's SMCP performance for the year ended 31 December 2017. The data has been prepared on the basis of the methodology set out in Channel 4's respective internal guidelines which can be seen on the Channel 4 website.

Respective responsibilities of the Directors and assurance provider

The Directors are responsible for preparing the SMCP Report, including the following Assured Disclosures as stated within the Appendix of this Assurance Report. Channel 4 is responsible for presenting the SMCP, including associated information and key measures, in accordance with their methodology. Channel 4 has developed the methodology and summaries for this accordingly, to cover the specific definitions, how data for measures were selected and the calculation methodology. It is Channel 4's responsibility to implement and maintain the appropriate systems, processes and controls for preparing the SMCP and ensuring information is free from material misstatement.

Our responsibility is to express a conclusion on the Assured Disclosures based on our procedures. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE 3000 revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board, in order to state whether anything had come to our attention that causes us to believe that the Assured Data have not been prepared, in all material respects, in accordance with

the applicable criteria. Our engagement provides limited assurance as defined in ISAE 3000 (Revised). The evidence gathering procedures for a limited assurance engagement are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

Our procedures consisted primarily of:

- interviewing managers at Channel 4's head office, including those with operational responsibility for the preparation of the Assured Disclosures;
- evaluating the processes and controls for managing, measuring, collating and reporting the Assured Disclosures, including the application of the methodology within the internal guidelines to underlying assumptions; and
- testing the compilation of a representative sample of Channel 4's SMCP data, selected on the basis of their inherent risk and materiality to Channel 4, from receipt from third party through to the presentation shown in the SMCP data.

For measures which are dependent on sources outside of Channel 4's operational boundary (source: BARB and TRP, Attentional, YouGov and Ipsos MORI), procedures are limited to corroboration with Channel 4 on how data is received and used within Channel 4 as part of the SMCP disclosure.

Limitations

Inherent limitations exist in all assurance engagements due to the selective enquiry of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Additionally non-financial information is subject to more inherent limitations than financial information, given the nature and methods used for determining, calculating and sampling or estimating such information.

Our work did not include:

- procedures to test the robustness of source data provided by those third parties (BARB and TRP, Attentional, YouGov and Ipsos MORI), their management of data including assumptions, consolidation, normalisation and reporting; or
- procedures to challenge the appropriateness of classification of presentation within the Assured Disclosures; or
- review of how the data parameters used to classify broadcasts are produced (originations or acquisitions; first-run or repeat; genre; broadcast time, duration or channel; regional or national production; and language).

Our report is made solely to Channel 4, in accordance with ISAE 3000 (revised). Our engagement provides limited assurance as defined in ISAE 3000. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Independence

We performed the engagement in accordance with Deloitte's independence policies, which cover all of the requirements of the International Federation of Accountants' Code of Ethics and in some areas are more restrictive. The firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

DELOITTE LLP
London

28 March 2018

APPENDIX

Deloitte have reviewed the following metrics on pages 64 to 89 of the 2017 Annual Report which form part of Channel 4's SMCP and are covered by our limited ISAE 3000 (Revised) assurance statement:

- Audience reach
- TV viewing share
- Share amongst hard-to-reach audiences – BAME
- Share amongst hard-to-reach audiences – 16-34-year-olds
- Most popular channels for young viewers
- Viewing to national news
- Reach of *Channel 4 News*
- Channel reputations: shows different kinds of cultures and opinions
- Channel reputations: challenges prejudice
- Channel reputations: shows the viewpoints of minority groups in society
- Channel reputations: home for alternative voices
- Channel reputations: makes me think about things in new and different ways
- Channel reputations: tackles issues other channels wouldn't
- Channel reputations: takes a different approach to subjects compared to other channels
- Channel reputations: takes risks with programmes that others wouldn't
- Channel reputations: is experimental
- Channel reputations: best for modern independent film
- Channel reputations: documentaries that present alternative views
- Inspiring change through factual programming
- Independence of TV news
- Programme reputations: current affairs
- Channel reputations – catering for audiences other channels don't cater for
- Producing talked-about TV
- Investment in all content
- Investment in programming by genre
- Output mix on Channel 4
- Investment in Originated Content
- Originated output across Channel 4 TV portfolio
- Volume of first-run originations by genre
- Broadcasters' investment in the production sector – Channel 4 (main channel)
- Broadcasters' investment in the production sector – Digital channels
- Diversity of supply base
- Investment in the Nations and Regions (main channel)
- Investment in the Nations (main channel)
- Spend by Region across the Channel 4 TV portfolio
- Range of international programming
- Diversity output on the main channel
- Diversity of Film4 channel schedule
- Commitment to long-form journalism
- On-demand viewing
- Total visits to Channel 4's websites and apps
- Viewing to network originations
- New and one-off programmes