

CHANNEL 4 BALANCE SHEET AS AT 31 DECEMBER

	Group note	Channel 4 note	2014 £m	2013 £m
Assets				
Property, plant and equipment	9		103	90
Intangible assets	10		2	3
Investments in subsidiaries and joint ventures		2	28	28
Deferred tax assets	11		18	11
Total non-current assets			151	132
Programme and film rights and other inventories	12		242	224
Trade and other receivables	13		196	182
Corporation tax			–	1
Other financial assets	14		70	107
Cash and cash equivalents	14		152	131
Total current assets			660	645
Total assets			811	777
Liabilities				
Employee benefits – pensions	18		(73)	(39)
Provisions	16		(1)	(2)
Deferred tax liabilities	11		(5)	(3)
Total non-current liabilities			(79)	(44)
Trade and other payables		3	(431)	(417)
Provisions	16		(1)	(1)
Total current liabilities			(432)	(418)
Total liabilities			(511)	(462)
Net assets			300	315
Revaluation reserve			39	28
Retained earnings:				
Content reserve			30	–
Other retained earnings			231	287
Total equity			300	315

The financial statements on pages 159 to 162 were approved by the Board of Members on 25 March 2015 and were signed on its behalf by:

Lord Burns
Chairman

David Abraham
Chief Executive

The notes on pages 161 to 162 form part of these financial statements.

CHANNEL 4 STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER

	Retained earnings			Total equity £m
	Other retained earnings £m	Content reserve £m	Revaluation reserve £m	
At 1 January 2013	303	–	18	321
Deficit for the year	(15)	–	–	(15)
Other comprehensive (cost)/income	(1)	–	10	9
Total comprehensive (cost)/income for the year	(16)	–	10	(6)
At 31 December 2013	287	–	28	315
At 1 January 2014	287	–	28	315
Surplus for the year	3	–	–	3
Reserve transfer	(30)	30	–	–
Other comprehensive (cost)/income	(29)	–	11	(18)
Total comprehensive (cost)/income for the year	(56)	30	11	(15)
At 31 December 2014	231	30	39	300

CHANNEL 4 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention, except that freehold properties, derivatives and certain financial instruments are stated at fair value, and are presented in pounds Sterling, rounded to the nearest million.

The financial statements have been prepared under the Financial Reporting Standard 101 Reduced Disclosure Framework. The Corporation's financial result and balance sheet are included in the consolidated financial statements presented on pages 130 to 158. As permitted by the Financial Reporting Standard 101, the Corporation has not presented its own cashflow statement and has not provided the disclosures required by IFRS 7 Financial Instruments: Disclosures.

As permitted by section 408 of the Companies Act 2006, Channel Four Television Corporation has not presented its own income statement. A surplus of £3 million (2013: £15 million deficit) was recorded in relation to the Corporation. Accounting policies applied in the preparation of the Corporation's financial statements are consistent with the Group policies presented on pages 134 to 138, except as stated below.

Investments in subsidiaries

Investments in subsidiaries are carried at historical cost less provision for impairment.

Investments in associates and joint ventures

Investments in associates and joint ventures are carried at historical cost less provision for impairment.

Equity investments

Equity investments represent equity holdings without significant influence. Equity investments are normally carried at fair value. Where an active market value is not available, the Members believe that valuation at cost less provision for impairment is a reasonable approximation of fair value.

Trade and other receivables

Trade receivables are reflected net of an estimated impairment for doubtful accounts if applicable.

NOTES TO THE CHANNEL 4 FINANCIAL STATEMENTS

1. Operating expenditure

Auditor's remuneration

Fees in relation to the audit of the Corporation financial statements and additional fees paid to the auditors for the year ended 31 December 2014 are presented in note 3 to the consolidated financial statements on page 141.

Staff costs

All staff costs are borne by Channel 4 and are presented in note 4 to the consolidated financial statements on page 141.

2. Investments in subsidiaries and joint ventures

Joint ventures

The investment in The Box Plus Network Ltd is recorded on Channel Four Television Corporation's balance sheet at historical cost. The balance as at 31 December 2014 was £28 million.

Subsidiaries

The cost of investments at 31 December was:

	2014 £000	2013 £000
4 Ventures Ltd	1	1

4 Ventures Ltd is a 100% owned subsidiary of Channel 4.

At the balance sheet date 4 Ventures Ltd owned more than 50% of the issued share capital of the following companies each of which was incorporated in Great Britain:

	Activity	Issued ordinary £1 shares	Ownership %
FilmFour Ltd	Film distribution	1,000	100
Channel Four Investments Ltd	Growth Fund	1	100

FilmFour Ltd sells rights from its film library to Protagonist Pictures Ltd (Group note 19).

3. Trade and other payables

	2014 £m	2013 £m
Trade payables	15	13
National insurance	1	1
Other creditors	48	43
Amounts due to subsidiaries	145	148
Accruals	200	195
VAT	22	17
Total trade and other payables	431	417

The number of days taken to pay suppliers of services in 2014, as calculated using average payable balances, was 7 (2013: 6). This is significantly lower than the Group's standard payment terms of 30 days due to the payment arrangements required for programme and transmission costs.

Included within trade and other payables is £nil to be settled in more than 12 months.