

Annual Report and Accounts
2022-23

For the period
01 April 2022 to
31 March 2023

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HC 1344

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Introducing S4C

S4C serves the audience with content that entertains, excites and reflects Wales in all its diversity.

As a public service broadcaster we have a duty to create the platform and ecosystem to stimulate the creative industries in Wales, to create ambitious and unique content that appeals to all ages, backgrounds and linguistic abilities.

S4C aims to be a destination for creative, engaging and attractive Welsh language content, available to enjoy on a variety of platforms in Wales and beyond.



S4C's History

Before the creation of S4C, a limited number of Welsh language programmes were broadcast on BBC 1 and ITV.

During the 1970s, the UK government decided a fourth television channel would be established alongside BBC 1, BBC 2 and ITV. This proposed fourth channel was seen by many as an opportunity for a new beginning in public service broadcasting in Wales. Following intensive campaigning, S4C was established by the 1980/1981 Broadcasting Acts.

S4C (Sianel Pedwar Cymru – Channel Four Wales) started broadcasting at 18:00 on Monday, 01 November 1982. To begin with, 22 hours of Welsh language programmes were broadcast every week, alongside English programmes from the Channel 4 service.

Today, S4C is a wholly Welsh language channel broadcasting over 115 hours of programmes each week on the linear service. S4C also publishes content on a variety of other platforms.

S4C's main offices are in Canolfan S4C Yr Egin, Carmarthen. There are also S4C offices in Caernarfon, Gwynedd, and in Central Square, Cardiff.

How to watch and contact S4C

On television in Wales



Freeview: 4
(including HD on 104)

Sky: 104
(including HD)

Freesat: 104
(including HD)

Virgin TV: 104
(HD)

On television in England, Scotland, and Northern Ireland



Sky: 134
(including HD)

Freesat: 120
(including HD)

Virgin TV: 164
(HD)

Online across the UK



S4C Clic

www.s4c.cymru/clic
and through the app where available via your device's app store.

BBC iPlayer:

www.bbc.co.uk/tv/s4c
and through the app where available via your device's app store.

Contact S4C...

S4C is always pleased to hear our viewers' opinions.

If you want to share your opinion about our programmes or if you want further information, we'd be happy to hear from you.

You can contact S4C by phone, email, social media, or by letter.



Website:
www.s4c.cymru



E mail:
s4c@s4c.cymru



Call:
0370 600 4141

Carmarthen office:
Canolfan S4C Yr Egin, College Road,
Carmarthen, SA31 3EQ

Caernarfon office:
S4C, Doc Fictoria, Caernarfon, LL55 1TH

Cardiff office:
S4C, 3 Central Square, Cardiff, CF10 1FS

You are welcome to contact S4C in Welsh, and if you do so we will respond in Welsh and this will not lead to any delays.

Chair's Introduction

Rhodri Williams



On behalf of the S4C Unitary Board, I am delighted to present the S4C Annual Report and Accounts for the year ended 31 March 2023.

During the reporting year, S4C marked 40 years since its launch in November 1982. Much has changed over the past forty years, and the challenges facing S4C are very different in today's digital world. S4C now exists in an extremely competitive market, with content from all corners of the world fighting for viewers' attention.



S4C must therefore respond positively to the current environment and take advantage of the opportunities available to us. We must now seek out the audience and catch their attention, rather than expect viewers to come to us.

In preparing to celebrate the channel's birthday, during March 2022, the Board approved S4C's new strategic priorities for the period from April 2022. I and my colleagues on the Unitary Board are grateful to S4C staff and to the production sector for their support of these new priorities, and their commitment to S4C's renewal so that it remains relevant for the next period in its history.

Our new strategic priorities set out a clear direction for S4C's transformation from a linear channel to a digital publisher. An outline of the rationale for this new direction appears elsewhere within this Annual Report.

In evaluating progress against these strategic priorities after the first year of its implementation, it is good to see that they are already succeeding.

The reach of S4C's content has increased over the past year – particularly among younger viewers who would not traditionally watch the linear channel. This is to be welcomed, and it is vital that we continue to commission engaging content to keep attracting and retaining this audience.

It is our use of a wider range of platforms that has contributed in part to reaching the younger audience. Viewing of S4C content through Clic and iPlayer streaming platforms is becoming more and more popular, and increasing numbers are encountering our content through our presence on social media.

“

It's an exciting time as S4C transforms into a public service publisher in the digital world. This will be an on-going process, with S4C continuing to transform as our audiences' expectations develop further over the years.

”

This fact is highlighted as our content is given a second life after coming to the attention of different audiences. A series such as 'Pen Petrol' is an example of this – originally only released on our digital platforms, it has, due to its popularity, now been published on a wider range of platforms, including the linear service.

Similarly, international attention given to our dramas following their broadcast on our linear service is leading to an increase in the numbers viewing them on demand on Clic and iPlayer. The drama 'Dal y Mellt' is a prime example, with an increase in the numbers viewing on demand following the announcement that the drama would be distributed via Netflix in the UK.

It is therefore essential that we invest in our presence on these – and future – platforms, so that S4C content reaches viewers on the platform of their choice and offers the best experience.

In recent months, S4C has worked to make the Clic app available on a wider range of platforms. In addition, the app was launched with a more modern appearance to coincide with S4C's birthday. The new design is already available on platforms including iOS, YouView, and Amazon Fire Stick; and it will reach further platforms over the coming months.

The Unitary Board itself has reviewed its governance structures and arrangements to ensure that we are sufficiently agile to support delivery of the strategic aims. We have reviewed the composition and terms of reference of our committees, and the new arrangements have worked well over the past year.

Membership of the Unitary Board has remained fairly consistent during the reporting year. Anita George's term of office as a non-executive Board member ended in early July 2022, and Suzy Davies was appointed as a new non-executive member in early August 2022. With respect to the executive members, Llinos Griffin-Williams became a member of the Board when she joined S4C as Chief Content Officer at the beginning of the reporting year.

The governance arrangements of our commercial activities were also reviewed to facilitate the delivery of the new commercial strategy agreed during 2022-23 to align with the strategic priorities. The commercial strategy is outlined in this Annual Report, and we will continue to refine the governance of commercial activities while implementing the new strategy.

Delivery of the strategic aims has been greatly facilitated by the financial security that S4C has had since April 2022. Indeed, the certainty of funding through the Licence Fee has allowed us to be more ambitious.

S4C is very grateful in this regard to the Department for Digital, Culture, Media and Sport (DCMS) as it was, and to the then Secretary of State, for confirming in January 2022 that S4C would receive an additional £7.5m funding through the Licence Fee from April 2022. This additional funding enables us to invest in our strategic priorities, including transforming the Clic app and expanding the availability of the app on different devices.

Over the coming months, we look forward to working further with DCMS officials on the proposed Media Bill. We very much hope that the Bill will ensure the prominence and availability of S4C's services, in order to facilitate reaching viewers.

The proposed Media Bill will also enable the remaining recommendations made by the late Euryng Ogwen Williams in his Independent Review of S4C – Building an S4C for the future – prepared for the DCMS in March 2018. The outstanding recommendations to be addressed through the Media Bill include:

- Updating S4C's public service remit to include digital and online services and removing the current geographical broadcasting restrictions;
- Amending current approval requirements to give S4C greater freedom to invest and generate commercial revenue; and
- Replacing the S4C Authority with a new Unitary Board comprising executive and non-executive directors (although we already have approval from the Secretary of State to operate as a shadow Unitary Board on an administrative basis).

Despite the financial security offered through the Licence Fee, the funding that S4C now receives is static for the first two years, before increasing in line with inflation in subsequent years. This has created a challenging situation for us in the face of recent inflation levels. The Board has therefore taken steps to minimise internal costs as much as possible to safeguard budgets for commissioning content. We are also very grateful to our partners in the sector for their willingness to work with us, and with each other, to ensure the best value for money for our audiences.

It's an exciting time as S4C transforms into a public service publisher in the digital world. This will be an on-going process, with S4C continuing to transform as our audiences' expectations develop further over the years.

The Board and I are very grateful to S4C staff, our partners in the sector, and everyone else for their support on the journey as S4C looks forward to the next 40 years.

2022-27 Strategy

On 17 March 2022, the Unitary Board approved S4C's new strategy for the five years from 01 April 2022. The new strategy follows months of discussion at Unitary Board and Management Team level, and internal consultation.



The past few years have been a period of major change for S4C, with the headquarters moving to Carmarthen and co-locating S4C's technical broadcast services with those of BBC Wales in Central Square, Cardiff. In addition, as a result of the 2018 Eyrn Ogwen Williams Review, we have begun to develop our digital service, laying a strong foundation for our plans for the future. However, our business model must continue to adapt and evolve over the coming years.



Since 01 April 2022, all S4C public money comes through the Licence Fee. This budgetary certainty for the period to the end of March 2028 – together with the additional £7.5m per annum announced to S4C by the Secretary of State for Digital, Culture, Media and Sport in January 2022 – offers us the opportunity to transform S4C for the future.

Our new strategy is based on S4C's evolution from traditional Public Service Broadcaster to a Public Service Media Publisher, which is ultimately relevant to modern international media.

It requires S4C to transform, moving from 'linear or digital' considerations, in order to commission content for distribution across multiple platforms. In that respect, it is a bold scheme that challenges the traditional models that S4C and other broadcasters have followed for decades.

We will therefore reprioritise our spend towards more multi-platform content, maximising value for money for our audience across a range of platforms, including our current linear channel.

Gwesty Aduniad

Our Strategic Priorities



Prominence and Availability

Like the rest of the public service broadcasters, the S4C linear TV service relies heavily on the prominence it receives on digital terrestrial, cable and satellite television in Wales. Ensuring viewers in Wales see the services that are relevant to them at the start of electronic programme guides is an important part of getting the best value from the investment made in the content. As viewing habits develop and increasingly rely on digital platforms, it is essential that S4C is given prominence on digital user interfaces on fair and reasonable terms.

Our strategy prioritises how we distribute our content on a wider range of platforms than the traditional linear service in order to respond to audience demands.

Wales and the Welsh Language

The Welsh language is central to S4C and its services. Our content in the Welsh language is the reason our audience wants to come to us and we must ensure that they want to spend time with our content and stay with us.

Promoting the Welsh language with relevant content therefore remains a fundamental priority for S4C and is central to our existence. We need to ensure that we facilitate access to and use of the Welsh language for everyone of all ages and linguistic abilities.

The Welsh Government's strategy 'Cymraeg 2050: A million Welsh speakers' emphasises the importance of S4C in that regard and, undoubtedly, S4C has a prominent role to play in leading the way across the three main themes of the Cymraeg 2050 strategy, namely: to increase the number of Welsh speakers, increase the use of the Welsh language and create favourable conditions to ensure the prosperity of the Welsh language.

In confirming S4C's financial settlement from the Licence Fee for the period 01 April 2022, the Secretary of State at the time acknowledged the key contribution that S4C can make to the delivery of the Cymraeg 2050 strategy. We are therefore working closely with the Welsh Government, and other key partners on delivering this vital strategy.

By establishing S4C as the home of the national experiences of Wales, we can take ownership of national events – from music to sport – and leading the conversation around them. As a result of these national events, we can attract more diverse audiences and new speakers, offering them access to a wider range of S4C content that they would not normally consider, thus increasing the amount of Welsh they see and hear.



Our Audience

Broadcasting is more competitive than ever before, with a range of international publishers now seeking to attract audiences to their content across a range of platforms.

The creativity and needs of our audience must therefore be at the heart of everything S4C does – a focal point for our opportunities and strategic decisions, and central to the way S4C commissions, schedules, distributes, develops, sells and communicates. Creativity should drive our decisions.

Understanding our audience by collecting relevant data on their habits is a vital part of the process, allowing us to personalise the experiences of individuals in their involvement with S4C content. Similarly, we will continue to gather regular feedback on appreciation and feelings towards S4C from different representative groups, as well as looking at the overall performance of our content.

We have a good idea of the demographics of our audience, but there is a need to continue this analysis and scrutiny to identify further their characteristics.

All the data we collect will be drawn together in a clear dashboard, to be used to inform all our decisions – in order to ensure what we do is for the benefit of the audience.

By getting to know our audience better, and building relationships with them as individuals, we can tailor our content to ensure we meet their needs.

In addition, special focus on reaching a greater proportion of younger viewers in mixed-language households will be an important element of broadening the audience, and helping to ensure S4C's continued relevance in a linguistic landscape that is always changing.

Colleen Ramsey: Bywyd a Bwyd



Publishing Our Content

The combination of new digital platforms, together with new global content providers, has revolutionised viewing habits in Wales, as everywhere else. Welsh language content distributed by S4C has to compete with content from some of the world's leading production companies.

In recent years, we have seen our content – particularly our dramas – sold to other broadcasters and platforms around the world. We want this to continue, by commissioning content of the highest standard, that is internationally recognised.

At the same time, we must extend our reach and grow the impact of our service within communities. By commissioning engaging content which gives rise to conversations, we aim to reach a wider audience locally. In that respect, we will continue to prioritise drama, sport, and content for children – which have already proved successful in attracting a wider audience to S4C.

S4C content on whatever platform it is distributed must be compelling and of high quality. S4C content must also be distributed in the appropriate formats and on the platforms that are popular with users. We do not think of S4C as a linear television channel from now on, but as a distributor of Welsh language content on a range of platforms (with the linear service being one of those platforms).

As a result of that evolution, our content strategy will also evolve to better serve our audience. Using consumer data to drive our commissioning decisions we will publish bold, engaging content that seeks to meet the needs of our audience and stimulates the mind.

We will also consider the target audience at the beginning of the commissioning process, in order to decide on which platform or combination of platforms the content should be published for their attention in order to reach the greatest possible proportion of that audience. Varying the commissioning process in this way will facilitate our commitment to creating more digital-first and digital-only content.

In addition, the communication and promotion around the commission will also be discussed at the beginning of the development process, to ensure that a creative package is developed at the outset to meet the needs of the audience, and to reach them in the most effective way.

Supporting the Economy

As a public institution, S4C has a responsibility to maximise the benefit to Wales from our influence and resources.

Creating and maintaining purposeful partnerships with other broadcasters and various other organisations will be an increasingly important part of S4C's future. There is a need to take a more strategic and long-term approach by grasping the strengths and abilities of others from different sectors to drive our creativity and innovation and to help us address some of the biggest challenges.

Alongside this corporate strategy, we also developed a new strategy for S4C's commercial activities. This commercial strategy will ensure that we identify partners across the world in order to obtain new markets for our content, and place an emphasis on co-producing content of the highest quality in Wales to bring additional investment to the sector and best value to S4C's audience.

Maintaining interesting partnerships – both in Wales and internationally – will be an effective way of developing talent, improving skills, ensuring diversity and empowering Welsh communities to feel that they want to be part of S4C.



Diversity, Inclusion and Representation

Diversity, inclusion and representation are central to all S4C's activities.

Everyone in Wales and beyond who watch S4C content, on any platform, must feel that they are reflected in our range of content.

We also want our workforce and our suppliers' workforce to include the widest range of people, and are working with production companies and other partners to attract new talent to the sector.



Ffyrnig

Our New Strategy



2022-27 Strategy

Our purpose

is to ensure that the Welsh language is an important part of everyone's life in Wales by providing bold and innovative content that celebrates our contemporary culture.



Our vision

is of a Wales where the language belongs to us all, and of uniting the nation through our content.



As we set out to implement our new strategy, we will pay due attention to our values as an organisation, namely:



- Diversity
- Engagement
- Innovation
- Ambition

Get to know, and build a relationship with our audience

- Use data to ensure that the audience informs all our decisions.
- Understand our audience and personalise their experiences.
- Create a clear dashboard to measure our value and performance.

In order to realise these objectives, we will:

- ✓ Define our measurements - set clear targets that we can measure reliably;
- ✓ Create a dashboard and set up a 'listen to our audience' programme; and
- ✓ Use data to personalise experiences, and build relationships with our audience.



Create noise with bold content

- Understand our audience and produce content that creates the conversation and is internationally recognised.
- Extend our reach and increase the impact of our service within communities.
- Prioritise drama, sport and children.

In order to realise these objectives, we will:

- ✓ Follow the model: Identify the Audience > Commission Content which appeals to the audience > Publish on the most appropriate Platform to reach the audience;
- ✓ Define our priorities based on audience needs;
- ✓ Develop long-term content strategies - for the drama, sport, children genres; and
- ✓ Create a plan for partnerships, co-productions, and developing international markets.



Establish ourselves as the home of Welsh national experiences

- Take ownership of national events and hold the conversation around them; from music to sport.

In order to realise these objectives, we will:

- ✓ Plan a comprehensive programme of events across Wales; and ensure a prominent presence for S4C;
- ✓ Develop our use of social media - create noise, and communicate our purpose; and
- ✓ Launch our new brand.



“Welsh belongs to all of us” – working with others to reach a million Welsh speakers

- Work with our partners to achieve the million and double usage, and ensure that we are seen as a prominent partner contributing to the prosperity of the Welsh language.

In order to realise this objective, we will:

- ✓ Define and formalise our relationship with our partners, to create a clear partnership strategy; and
- ✓ Play a leading role in the growth of the Welsh language, and lead the way forward.

“Provide your content on your platform”

- Ensure prominence and availability across the main viewing platforms.
- Schedule content across all platforms, rather than take a ‘linear-first’ approach.
- Build commercial relationships with our partners.
- Develop talent to convey digital content.
- Ensure prominence to our diverse communities on and off screen.

In order to realise these objectives, we will:

- ✓ Schedule the publication of content across all platforms;
- ✓ Increase the availability and prominence of our content across contemporary viewing platforms;
- ✓ Refine our processes to reflect our new publishing strategy; and
- ✓ Work with the sector to develop a training strategy.



Reflect Wales in all its diversity

- Ensure we reflect Welsh communities by setting clear diversity targets, both internally and across our productions.

In order to realise this objective, we will:

- ✓ Work with the sector to ensure we reflect our communities in all their diversity; and
- ✓ Set clear targets for diversity in our content, and measure against these targets.



Create value using our resources

- Create a clear corporate plan with specific objectives.
- Identify commercial opportunities to help us realise the true value of our products.

In order to realise these objectives, we will:

- ✓ Develop a new commercial strategy;
- ✓ Identify alternate markets for our content;
- ✓ Refine our funding processes to reflect our new multiplatform strategy;
- ✓ Define our shopping list, and protect our rights; and
- ✓ Refine our procurement processes to reflect our strategy.



Inspire and nurture talent in Wales

- Support our partners in the sector to inspire and develop new talent in Wales, through partnership across the creative sector.

In order to realise this objective, we will:

- ✓ Invest in resources to enable us to understand the needs of the production companies, and the wider sector; and
- ✓ Ensure a clear path for new talent, and develop our skills and capacity to deliver our strategy.

Chief Executive's Report

(incorporating the annual performance review)

Chief Executive's Report

(incorporating the annual performance review)

Siân Doyle

The past year has been a special time to be part of the S4C team.

It has been an exciting year as we begin to implement the 2022–27 Strategy. We are grateful to the Department for Digital, Culture, Media and Sport (DCMS) for the additional settlement of £7.5m from the Licence Fee since April 2022, which has enabled us to develop the new strategy. As a result, we have a transformation programme to ensure that the service meets the needs of the audience – both in Wales and beyond – so that S4C remains relevant and prominent in the multi-platform world.



And of course, it was also a year in which S4C celebrated – the service's 40th anniversary; and our role as Wales' football home as we followed and shared every step of Wales' journey to the World Cup in Qatar.

S4C staff must be thanked for their commitment during a particularly busy year, and to the sector for responding so positively to the 2022–27 Strategy, as we evolve the service to keep S4C and the Welsh language at the forefront for the next 40 years.

Strategy 2022-27

When S4C launched in 1982, there were only four channels. Today, there are hundreds, and our strategy and priorities reflect the significant transformation that all broadcasters face today, as audience expectations increase in how they want to watch and choose their content, within a sea of content for them to choose.

It is encouraging to see that the priorities of our new strategy – attracting new and younger audiences to the service – are already succeeding, with many of these measures having increased significantly.

While viewing of linear TV is falling across all channels, we have seen an increase in take-up of S4C. Our weekly reach was at its highest for five years, up 8% on last year. The contribution of the 16-44 age group to our viewing hours increased significantly, which is now at its highest for a decade.



**Get to know, and build a relationship
with our audience**

Create noise with bold content

**“Provide your content on your
platform”**

**Establish ourselves as the home of
Welsh national experiences**

“Welsh belongs to all of us” – working with others to reach a million Welsh speakers

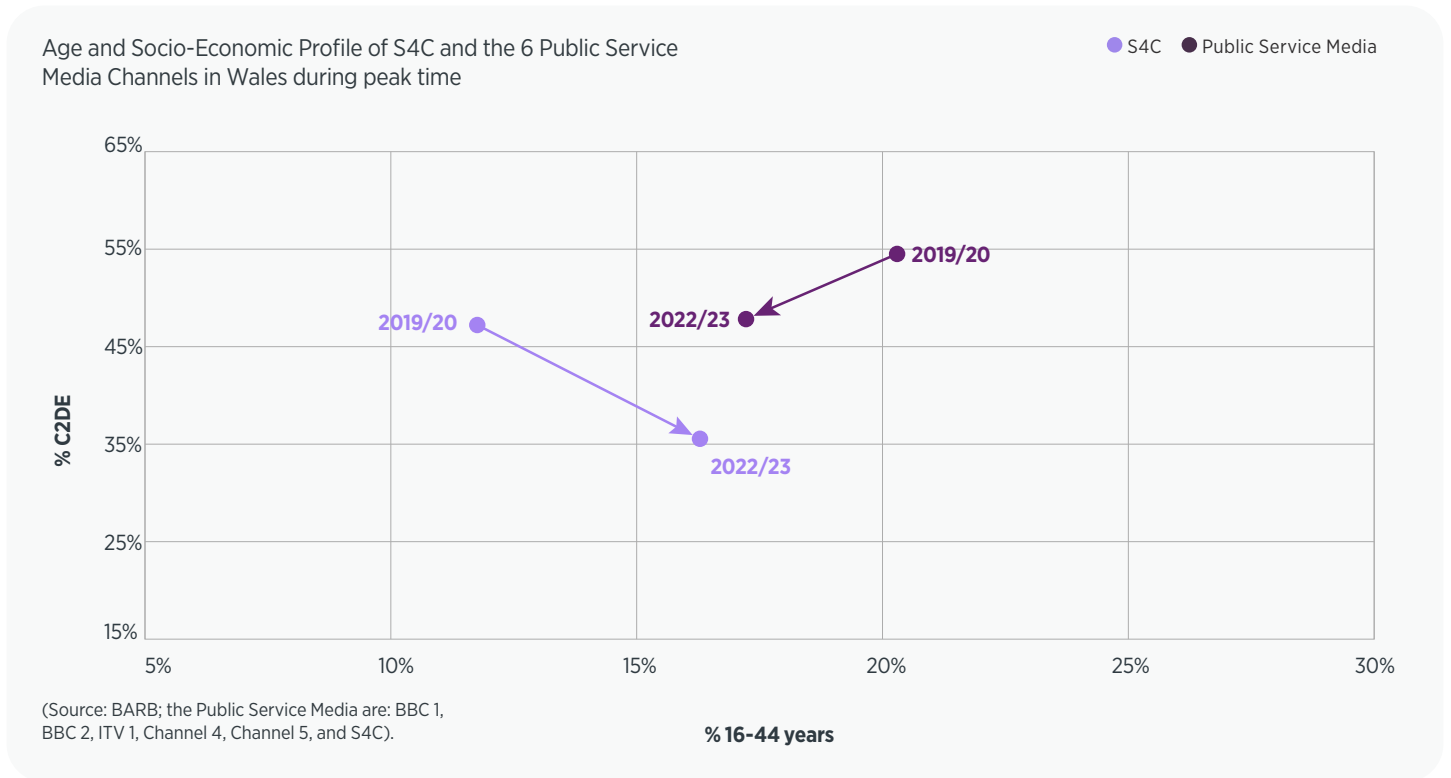
Creating value using our resources

Inspire and nurture talent in Wales

Reflect Wales in all its diversity

Indeed, over the past five years, as the average audience profile of the six public service media channels in Wales gets older, the age profile of S4C's audience has become younger.

At the same time, the socio-economic profile of the S4C audience has deviated away from the C2DE group at a slightly faster rate than the average for the public service media channels. As a result, our content strategy over the next period includes offering programmes that will appeal to this important group.



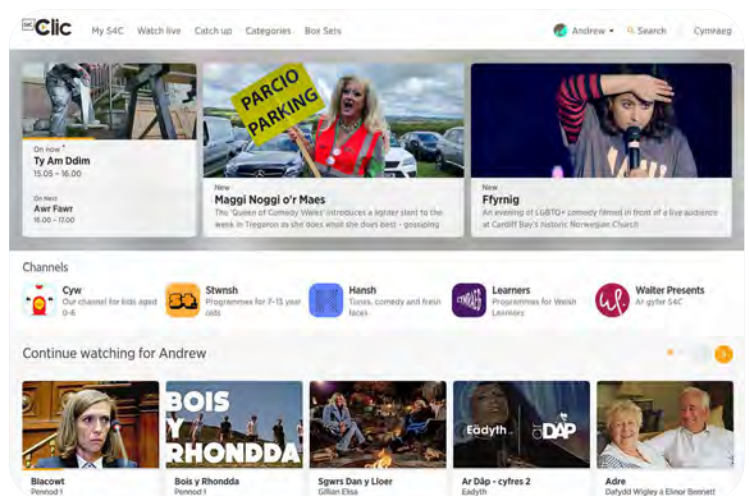
Bringing S4C content to the audience

The challenge today is how S4C can be loud and bold enough to compete with the endless hours of content from hundreds of channels, streamers and other platforms around the world. Research by Enders found that in 2010 there were fewer than 5,000 hours of content available for the audience to choose from – by 2023, there are over 120,000 hours available to choose as more platforms are launched.

Despite all the competition, there are opportunities – and we have to take advantage of them.

S4C had only one linear channel when the service was launched. Now, with all the different platforms available, there is great opportunity for S4C to share its content further. Enders estimate that half of 16-24 year olds will no longer watch content on the traditional TV set. We must therefore ensure that everyone can enjoy S4C content on their chosen platform – whether by watching catch-up, box sets, on Clic or iPlayer, or finding S4C on YouTube and other social media.

We are indebted to DCMS for the additional settlement from the Licence Fee that has enabled our transformation programme, which includes developing our presence on different platforms to reach the audience. The launch of Clic 2.0 offered an opportunity to update the look and feel of the app, while also introducing additional features for the benefit of the audience. It is pleasing to see that S4C/Clic is now available on 67% of smart TVs, with work continuing at pace to further increase this availability, and facilitate S4C's prominence in the multi-platform world.



Top: The old Clic
Clic 2.0

Provide content on the audience's platforms of choice

As well as reaching new platforms, we also need to know our audiences, and what they want to watch. And there is much thanks to the research team for the work that has been done over the past year – developing a new dashboard that has enabled us to deliver a commissioning process that is more flexible and better meets audience viewing needs.

As we build our platforms strategy, the audience has responded positively.

The increasing use of S4C content across the various platforms therefore undoubtedly means that scheduling content across those platforms is now as important as scheduling on traditional linear television.

It is good to see S4C's formats also going further afield, many of which have been sold and adapted successfully during 2022–23, such as *Gwesty Aduniad* (*Darlun*) which is now on the BBC as *Reunion Hotel*. And as we attract younger audiences over the period, it's been great to see the *Hansh* brand go from strength to strength

Our viewing figures on Clic and iPlayer is at an all-time high with a 10% increase since last year. When our *Dal y Mellt* drama was released in October 2022, 50% of viewing after the linear broadcast day was via different catch-up methods. And other series have seen similar trends, such as *Goglebocs Cymru* where 60% of the series' viewing hours were on-demand after the original broadcast, reflecting the viewing habits of young people. *Goglebocs Cymru* is also noteworthy due to the very high appreciation of the series amongst younger audiences (and particularly 16–24s).

Creating noise with our content

Bold content that grabs audience attention is essential, and marking the 40th anniversary of the channel's birth was a moment to celebrate and reflect on the next 40 years of the service.

To mark the occasion, the film *Y Sŵn* (*Joi*) was commissioned telling the story of the battle to establish S4C. Thousands had the opportunity to enjoy *Y Sŵn* in cinemas across the UK before S4C broadcast it, which is something that we intend to emulate with *Sinema Cymru*. This is our new film partnership with *Cymru Greadigol* supported by *Ffilm Cymru*, which will create a Welsh film every year and put Wales on screen at international festivals. In support of the scheme, we also launched *O'r Sgript i'r Sinema*, a ground-breaking course with *National Film* and *TV School Cymru*, to develop a new wave of writers who will be able to write these new films with the ambitious aim of following the footsteps of *TG4* and the achievements of *An Cailín Cúin* this year.

We had a landmark year with drama, including the first Welsh drama on Netflix after the streamer purchased *Iwan 'Iwacs' Roberts'* adaptation of his *Dal y Mellt* novel for S4C (*Vox / Abacus*). We were pleased to see *Y Golau* (*Triogl / Duchess Productions*), our first drama co-production with *Channel 4* receiving great acclaim before also selling internationally. This was the most watched drama on *Channel 4* during the period, showing that S4C's vision of stories about and from Wales travels and holds audiences. It was also the first production that actor *Joanna Scanlan* made in Welsh following her appearance on our successful Welsh language learning format *laith ar Daith* (*Boom Cymru*) in 2021, while also demonstrating how we can attract well-known talent to S4C and support new speakers.

We did not just see successes in drama. S4C and our production partners also brought accolades back to Wales through major awards – *Broadcast Award for Drych: Fi Rhyw ac Anabledd* (*Wildflame*); and a *New Voice Award* for our *Hansh Tisio Fforc?* series (*Afanti*).

We are also particularly pleased this year to see our excellent brands continue to entertain, including *Am Dro* (*Cardiff Productions*), *Priodas Pum Mil* (*Boom Cymru*), and *Cân i Gymru* (*Afanti*).

Measuring performance and viewing on other platforms is also core, and new performance measures have been agreed during the period, and are outlined in this report for the first time. One of the key objectives of the 2022–27 Strategy is to offer the content people want to watch on the platforms they use. So as we expand the opportunities to engage with the service on different platforms and devices, it is very encouraging to see that the audience is growing too.

Our children's content continued to attract consistent audiences across all platforms. *Cyw hatched Cywion Bach* to support new speakers and the language transmission of younger viewers and their families, and we saw the success of new dramas such as *Y Goleudy* (*Boom Cymru*) and *Itopia* (*Boom Cymru*) for older children – through the support of the UK Government's *Young Audiences Content Fund* – also make their mark and win nominations and awards.



Y Golau

Wales' National Experiences

In the historic World Cup year, it was a privilege to be part of Jambori'r Urdd with 330k children singing to celebrate Wales reaching the World Cup for the first time since 1958.

Sport is a core part of our output for Welsh audiences as we reflect this important part of our culture. And it also introduces S4C to new audiences who enjoy our sports brands such as Sgorio (Rondo Media).

However, S4C is not just the home of Welsh football. Our sports content continued to attract great audiences across all sports. We were proud to broadcast prestigious football matches – from the Wrexham women's game against Connah's Quay to Wales' World Cup qualifier against Ukraine.

Our rallying broadcasts always bring great audiences on our social media channels, and a loyal cohort following the Giro d'Italia, Tour de France and Triathlon Cymru in the Welsh language through S4C.

And rugby continues to be a favourite as we broadcast all Six Nations matches, from the men's team to the under-20s.

S4C's coverage of live events are evolving from television-only broadcasting to multi-platform streaming offering a fuller service to audiences across Wales and beyond. We were proud to be live streaming from three platforms in the Urdd in 2022, and as the main broadcaster of the Royal Welsh Show we broke records in terms of audiences reached through Facebook, YouTube and on television. We broadcasted a comprehensive programme from Tafŵyl for the first time, and our coverage from the National Eisteddfod was once again multi-platform.

As the war in Ukraine shattered lives, there was a special fundraising concert on S4C, in partnership with the Disasters Emergency Committee (DEC) Cymru, to show our support to the people of Ukraine. And there were special reports from the front line on Newyddion S4C (BBC Wales) and on Y Byd ar Bedwar (ITV Wales) with content receiving nominations for RTS Cymru awards.

Our new digital news service is also going from strength to strength, with steady increases in app downloads, and growth in service reach on Facebook and Instagram. In the coming year we will be launching a new news service on TikTok.



“The Welsh language belongs to us all”

Throughout the reporting period we have provided strategic resources to ensure that our content confirms what we offer as the national broadcaster for Wales.

The new role of the Welsh Language Strategy Lead will implement a new memorandum of understanding with the Welsh Government which outlines S4C's role in the objective of a million speakers and doubling use by 2050. The memorandum was launched as our impressive series Stori'r Iaith (Rondo Media) arrived on screens in February 2023, with four different presenters – Sean Fletcher, Alex Jones, Elis James and Lisa Jên – discussing their relationship with the language. The series is already used within education and stimulates the conversation about what the Welsh language is today.

During the reporting period, I am pleased that we have increased our provision of subtitles in Welsh as per our commitment, including on our children and live programmes, such as Heno (Tinopolis). 46% of our programmes now have Welsh subtitles – an increase of 21% on the previous year.



Heno

Reflecting Wales and Growing Talent

Through our content, and the workforce that creates it for us, it is vital that S4C reflects Wales as a whole. We have continued with this important objective of ensuring that we improve our representation and diversity – both on screen and behind the cameras.

We integrate these principles into everything we do in S4C, as well as with our partners in the sector. During the year, the post of Diversity, Sustainability and Social Purpose Lead was created to implement this aim. And S4C continued to work with valued partners including It's My Shout, Screen Alliance Wales, Culture Connect Cymru, rad Cymru, and set up the first S4C advisory panels (on race and ethnicity). The process of joining the Diamond project, which measures diversity and representation on and behind screen for UK broadcasters, has also been initiated, so that we have robust data and a foundation for improvement.

Creating value through our resources

A number of the elements of the 2022–27 Strategy stem from recommendations made in the independent report to the DCMS that the late Ewyn Ogwen Williams published in 2018. We have continued to realise these recommendations, and reviewed and relaunched S4C Masnachol so that we create value through our resources. After the successful sale of Parc Tŷ Glas and our historic investment in Wildseed, there is now a clear focus on the future strategy. We were delighted to be a partner with Cymru Greadigol and Rondo to launch the Aria studios on Anglesey in February 2023. This year we will also be launching a Content Fund and Growth Fund to build our resources here in Wales through clear and purposeful investment.

Thanks to our partners

So many of our services are enriched by our strategic partnerships and we are so pleased that these relationships have evolved strategically over the past year.

We were delighted to work with the Football Association of Wales, the Urdd, BBC Wales, and the Welsh Government as part of Team Wales around the World Cup at Qatar. As part of S4C's support, the successful Cymru yn America concert (Orchard Media) was held in New York where Rob McElhenney and Ryan Reynolds received a 'Diolch y Ddraig' award from the Welsh Government for their contribution to Wales.

We saw amazing engagement around the world with S4C's content from the concert, with one clip from the red carpet – originally broadcast on the Heno (Tinopolis) programme – attracting 383k viewing sessions on TikTok. Other clips from the red carpet and the presentation of the 'Diolch y Ddraig' award attracted over 50k viewing sessions each on Facebook; and an interview with Rob and Ryan after receiving the award received over 70k viewing sessions on YouTube.

S4C also welcomes our partnership with DCMS, and we are so pleased to see that the draft Media Bill has been published in Westminster. This will take steps to give S4C and Welsh language content formal prominence on new platforms. This – and giving status to public broadcasters and the Welsh language for the first time – is very welcome.

We are indebted to all our production partners – 70 of them in 2022–23 – who create and produce content for S4C that continues to win prizes and entertain the audience. Nearly 80% of our budget is spent on commissioning content, with over 98.4% of this content produced in this creative sector here in Wales.

Performance review 2022–23

At the end of the first year of the 2022–27 Strategy I am therefore very pleased to report positive progress with highlights such as:

- S4C's weekly reach (in Wales) has increased to 324,000 – 8% higher than last year and the highest for five years;
- S4C's weekly reach to Welsh speakers is 150,000, which is 14% higher than last year and also the highest for five years;
- Viewing of S4C's peak-time programming up 16% since last year, and our 16–44 age audience was at its highest for a decade, and 45–64 at its highest for 9 years;
- S4C's share of viewing at its highest for a decade, showing we are performing well against other channels;
- S4C catch-up audience (1–7 days after broadcast day) at record levels;
- An increase of 10% in viewing of S4C programmes across Clic and iPlayer; and
- S4C's viewing hours on YouTube almost doubled.

More detail on different aspects of our performance over the past year can be found in the following pages.

Priorities for 2023–24

As we look towards the second year of the Strategy, our priorities in 2023–24 will remain constant and will build on this year's successes. We will continue to:

- Create bolder content to attract a younger audience and a C2DE audience;
- Embed the transition to a multi-platform world and maintain the momentum of implementing our platform strategy; and
- Implement our 'OUR culture' programme to create a S4C which is among the best in the world.

In the middle of S4C's fortieth birthday year, it is a matter of pride to see these achievements and progress as we embark on the next period in the history of the service – but this is just the first step on our journey to deliver the 2022–27 Strategy. Putting the Welsh language at the heart of everything we do whilst offering the best possible service is essential.

A big thank you to S4C staff, and to all partners across Wales and beyond, who support and enable this.



S4C Content's Reach

S4C television viewing figures

The graphs below sets out the reach (on television) of the S4C service on a weekly and annual basis, plus S4C's average audience in the peak hours. The percentages quoted indicate the change compared to the previous year.

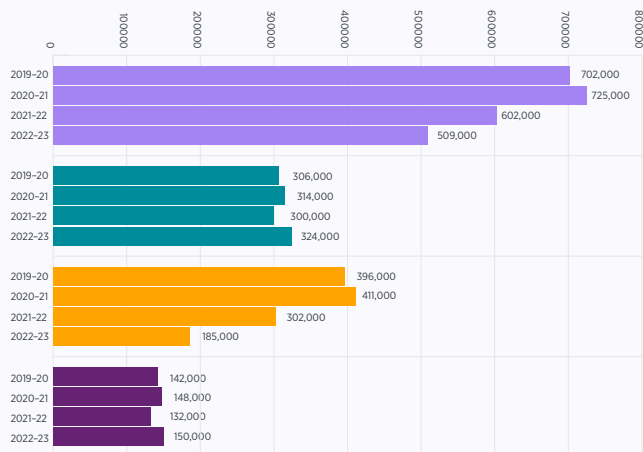
● UK ● Wales ● Outside Wales ● Welsh Speakers in Wales

While viewing of linear TV is falling across all channels, we have seen an increase in take-up of S4C. Our weekly reach in Wales and amongst Welsh Speakers in Wales were at their highest for five years.

Weekly reach (at least 3 consecutive minutes)

(Source: BARB)

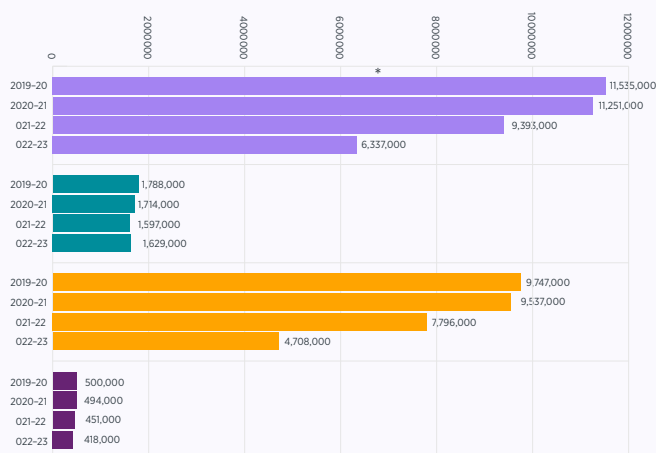
An 8% increase on last year in weekly reach in Wales - the highest in five years



Annual reach (at least 3 consecutive minutes)

(Source: BARB)

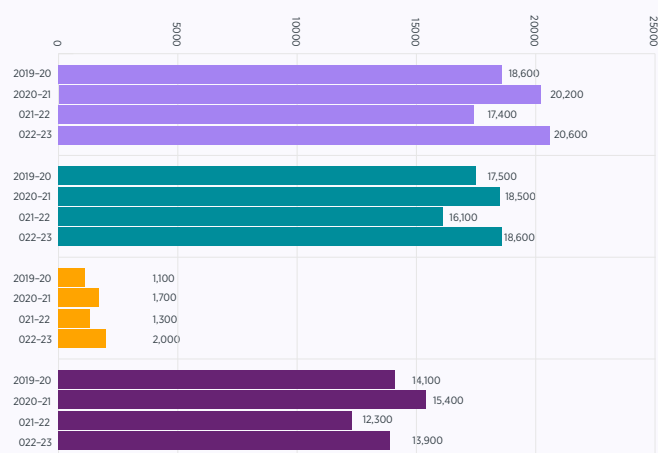
A 2% increase in annual reach in Wales



S4C's average audience in the peak hours (7pm-10pm)

(Source: BARB)

An 18% increase on last year in across the UK, and an increase of 16% in Wales - the highest in five years



S4C Content's Reach

S4C Online Viewing

The graphs below set out viewing hours for S4C's online services across the UK.

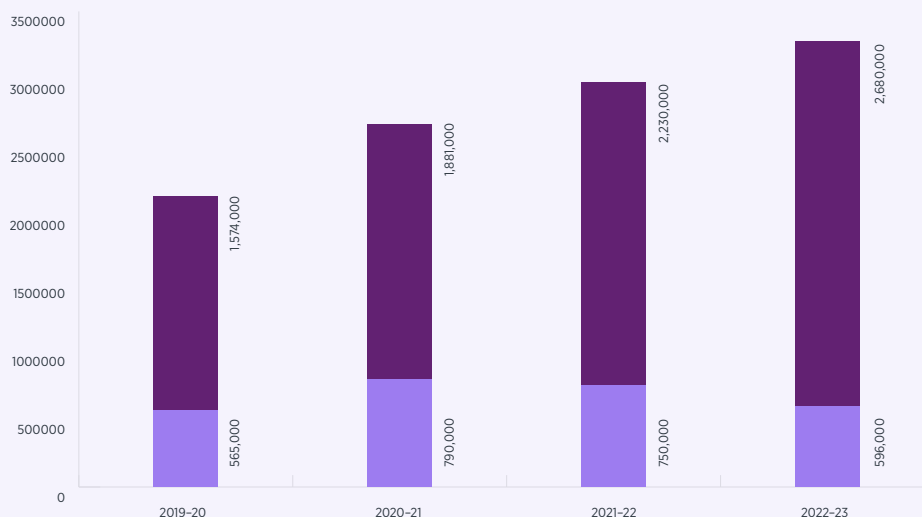
A significant increase in the use of S4C's on-line services was seen across the UK once again during 2022-23, with the patterns emerging over recent years continuing to develop as S4C offers more programmes and content on social media - such as YouTube - and via new delivery methods including box set dramas.

Our viewing figures on Clic and iPlayer is at an all-time high with a 10% increase since last year.

On YouTube, S4C's viewing hours have almost doubled.

Hours viewed on S4C Clic and BBC iPlayer

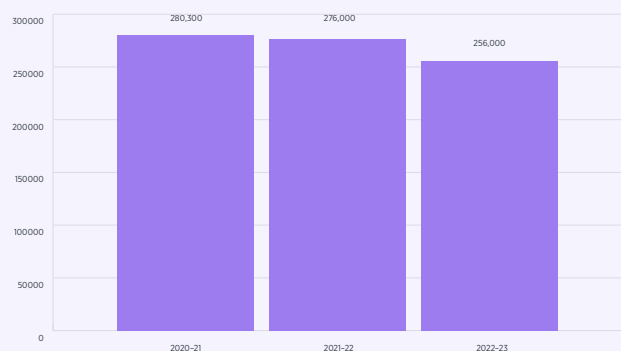
● S4C Clic ● BBC iPlayer



(Source: S4C & BBC)

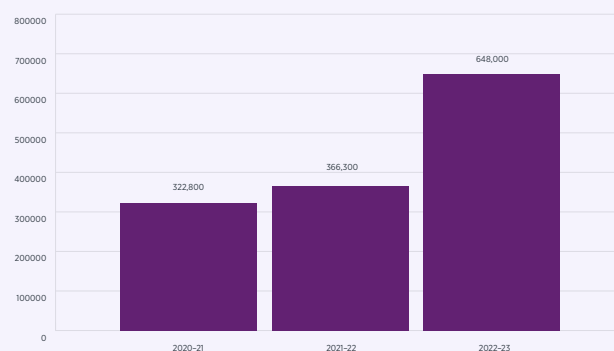
In line with industry standards, viewing hours for S4C Clic and BBC iPlayer presume that 1.5 persons watch each stream of content on television, with 1.0 person watching each stream on other devices (laptop, tablet and smartphone).

Hours viewed of every S4C Facebook page



(Source: Facebook)

Hours viewed of every S4C YouTube channel

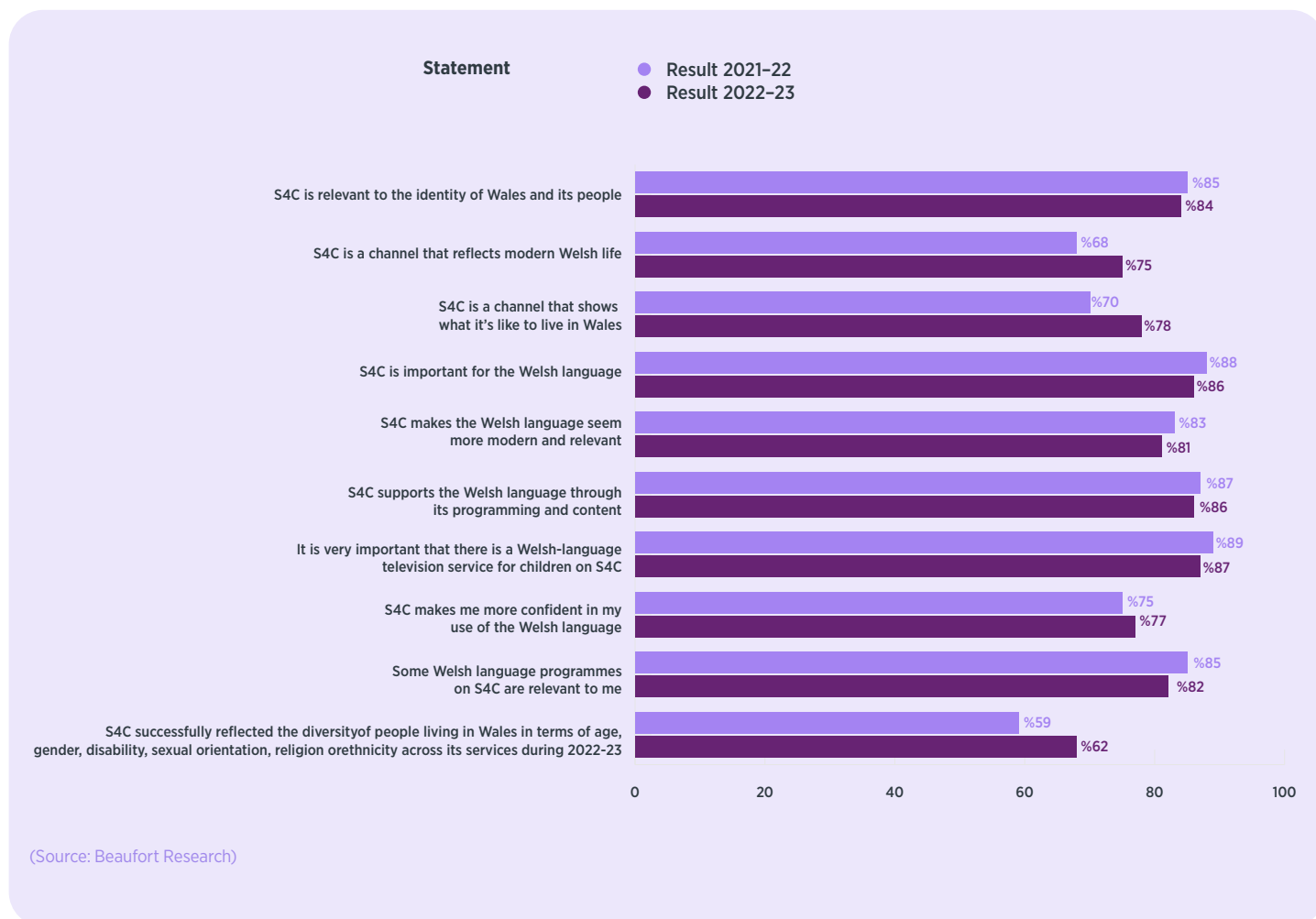


(Source: YouTube)

Tracking S4C's Image

S4C undertakes an annual survey which tracks the service's image – including amongst Welsh speaking S4C viewers.

During 2022-23, the S4C Image Tracking Survey found that the percentage of S4C viewers who can speak Welsh agreed with the following statements:



This year's results have all increased or remained relatively equal to last year, which provides a positive reflection of S4C's public perception.

S4C's Top 10 programmes on television during 2022-23



	Programme	Genre	Date	Reach
1	Sgorio Rhyngwladol: Cynghrair y Cenhedloedd (Belgium v Wales)	Sport	22/09/2022	456,000
2	Sgorio Rhyngwladol: Grwpiau Cwpan Ewrop (Croatia v Wales)	Sport	25/03/2023	408,000
3	Cwpan FA: Coventry v Wrecsam	Sport	07/01/2023	320,000
4	Rygbi Ewrop: Cwpan Pencampwyr Ewrop (Leicester v Ospreys)	Sport	20/01/2023	195,000
5	Cwpan Y Byd 2022 (Wales v USA)	Sport	21/11/2022	188,000
6	Clwb Rygbi: Pencampwriaeth Unedig Rygbi (Ospreys v Leinster)	Sport	07/01/2023	186,000
7	Clwb Rygbi Rhyngwladol Dan 20 (Wales v Ireland)	Sport	03/02/2023	184,000
8	Sgorio Rhyngwladol: Grwpiau Cwpan y Byd (Wales v Ukraine)	Sport	05/06/2022	160,000
9	Patrôl Pawennau	Children	29/08/2022	137,000
10	Gogglebocs Cymru	Entertainment	02/11/2022	135,000
11	Taith yr Haf 2022 (South Africa v Wales, second test)	Sport	09/07/2022	130,000
12	Eisteddfod Genedlaethol 2022: Mwy o'r Maes	Events	31/07/2022	123,000
13	Rygbi Ewrop: Cwpan Her Ewrop (Scarlets v Brive)	Sport	31/03/2023	119,000
14	Y Wal Goch	Entertainment	03/06/2022	115,000
15	Llofruddiaeth Logan Mwangi	Current Affairs	30/06/2022	113,000
16	Clwb Rygbi Rhyngwladol: Chwe Gwlad (Cymru v Lloegr)	Chwaraeon	25/02/2023	97,000
17	Y Tîm tu ôl i'r Tîm	Dogfen	20/11/2022	93,000
18	Cân i Gymru	Cerddoriaeth	03/03/2023	92,000
19	Garddio a Mwy	Adloniant	25/07/2022	91,000
20	Y Golau	Drama	15/05/2022	89,000
21	Clwb Rygbi Rhyngwladol: Chwe Gwlad Menywod (Cymru v Ffrainc)	Chwaraeon	22/04/2022	85,000
22	Sgwrs Dan y Lloer	Ffeithiol	22/12/2022	83,000
23	Tlws FA: Bromley v Wrecsam	Chwaraeon	22/05/2022	83,000
24	Ralio+	Chwaraeon	19/09/2022	81,000
25	Priodas Pum Mil	Adloniant	29/01/2023	79,000

Content

To our partners in the production sector – diolch!

We are very grateful to our partners in the production sector for their continued support of S4C.

During 2022–23, we worked with the following producers on content for our linear service and the various digital platforms:

Al Touring Ltd t/a Targed

Atebol Cyfyngedig

Avanti Media Ltd t/a Afanti

Barn Media Ltd

BBC Studios Productions Ltd

Beastly Media Ltd

Boom Pictures Productions Ltd

British Broadcasting Corporation

Captain Jac Ltd

Cardiff Productions Ltd

Carlam Ltd

Ceidiog Cyf

Chwarel Cyf

Cloth Cat Animation Limited

Copa90

Craith 3 Ltd

Cwmni Da

Cynhyrchiadau Alpha Productions Ltd

Cynrychiadau Twt Productions Ltd

Dal Y Mellt Cyfyngedig

Darlun Cyf

DocShed Ltd

Dream Team Television Ltd

Eisteddfod Genedlaethol Cymru

Ffilmiau Twm Twm Cyf

Fiction Factory

Fresh Catch Films

Gogglebocs Cymru Cyf

Gorilla TV Ltd t/a Bait Studio

Grandpa Productions Ltd

Gritty Productions Ltd

Hall of Mirrors Ltd

Hello Deer Productions Ltd

Hoho Rights Ltd

Its My Shout Productions Ltd

ITV Broadcasting Ltd (Production)

ITV Services Ltd

Jet TV Ltd

Joio

Kailash Films

Kreu Media Ltd

Lefel Dau Cyf

Limegreentangerine Ltd

Little Bird Films Ltd

Llywodraeth Cymru

Media Atom Ltd

Men Who Sing

Moilin Cyf

Mona Films Ltd

Nerth dy Ben

Nimble Dragon Ltd

Opra Avanti Ltd

Orchard Media & Events Group

PRS For Music Ltd

PYST Cyf

Rondo Media Cyf

Sain Cyf

Slam Media

South Wind Blows Ltd

Sunset & Vine Productions Ltd

Swnllyd Cyfyngedig

Telesgop

Tinopolis

Tinopolis Interactive Ltd

Tree on the Hill Films Ltd

Wes Glei Cyf

Whisper Films Ltd

Wildflame Productions Ltd

Y Golau Cyf

Yellow Barrels Ltd

Every effort has been made to identify and list all suppliers who worked with us – on content published during 2022–23, or due over the next period – and we apologise for any accidental omissions.

Film and Television Awards 2022– 23

S4C's content win national and international awards and nominations.

Winning an award or nomination in a film or television festival is a recognition of the quality of programmes produced by the independent production companies for S4C.

RTS Wales Awards 2022

Winners

News and Current Affairs

John Owen: Cadw Cyfrinach (Wildflame)

Breakthrough 2022

Rachael Solomon (Boom Cymru)

Digital

Yn y Garej: Philip Mills (Tinopolis)

Made in Lockdown

Tŷ am Ddim / The Great House Giveaway (Chwarel / Channel 4)

Nominations

Breakthrough

Justin Melliush – Craith / Hidden (Severn Screen)

Breakthrough

Euros Llŷr Morgan – DRYCH: Galar yn y Cwm (Carlam)

Children

Deian a Loli: Digwyl y Meirw (Cwmni Da)

Children

Mabinogiogi: Clustiau'r March (Boom Cymru)

Digital

Pa Fath o Bobl (Boom Cymru)

Drama 2020

Un Bore Mercher / Keeping Faith (Vox Pictures)

Drama 2021

Yr Amgueddfa (Boom Cymru)

BAFTA Wales Awards 2022

Winners

Entertainment

Bwyd Byd Epic Chris (Cwmni Da)

TV Film

Grav (Regan Developments / Tarian)

Children

Hei Hanes! (Cwmni Da)

Single Documentary

Y Parchedig Emyr Ddrwg (Docshed)

Factual

Ysgol Ni: Y Moelwyn (Darlun)

Presenter

Chris Roberts – Bwyd Byd Epic Chris (Cwmni Da)

Director – Factual

Dylan Williams – Y Côr (Cwmni Da)

Short Film

Y Cythraul Celf / Affairs of the Art (Beryl Productions International Ltd)

Nominations

Entertainment

6 Gwlad Shane ac Ieuan (Orchard)

Entertainment

Am Dro! (Cardiff Productions)

Entertainment

laith ar Daith (Boom Cymru)

Children

Bex (Ceidiog)

Children

Deian a Loli (Cwmni Da)

Children

Efaciwis (Wildflame)

News and Current Affairs

Covid, y Jab a Ni (Cloud Break Pictures)

Factual

Gwesty Aduniad (Darlun)

Single Documentary

John Owen: Cadw Cyfrinach (Wildflame)

TV Drama

Yr Amgueddfa (Boom Cymru)

Breakthrough

Lemar! Freckleton – Curadur (Orchard)

Presenter

Elin Fflur – Sgwrs Dan y Lloer (Tinopolis)

Nominations

Presenter

Jason Mohammad – Trelai, y Terfysg a Jason Mohammad (Hall of Mirrors)

Author

Owen Thomas – Grav (Regan Developments / Tarian)

Editing – Factual

Alun Edwards – John Owen: Cadw Cyfrinach (Wildflame)

Editing – Factual

John Gillanders – Huw Edwards yn 60 (Rondo)

Editing – Fiction

Urien Deiniol – Enid a Lucy (Boom Cymru)

Photography and Lighting – Fiction

Ryan Eddleston – Grav (Regan Developments / Tarian)

Photography and Lightning – Factual

Mei Williams – Peter Moore: Dyn Mewn Du (Kaliash Films)

Sound

John Markam – Cyngerdd Tangnefedd Llangollen (Rondo Media)

Broadcast Sports Awards 2022

Nominations

Best social media campaign
Wales v Ukraine

C21 International Drama Series Pitch Awards

Nominations

C21 Drama Series Pitch
Pigeon (Triongl)

Broadcast Awards 2022

Winners

Best 'multichannel' programme
DRYCH: Fi, Rhyw ac Anabledd (Wildflame)

Nominations

Factual
Ysgol Ni: Y Moelwyn (Darlun)

Children
Efaciwis (Wildflame)

Best short-form format
Tisho Fforc? (Afanti)

Celtic Media Festival – Torch Awards 2022

Winners

Children
Sol (Antena)

Current Affairs
Prif Weinidog mewn Panedmig (Zwwm Films)

Nominations

Children
Deian a Loli: Digwyl y Meirw (Cwmni Da)

Children
Mabinogiogi: Clustiau'r March (Boom Cymru)

Current Affairs
Llofruddiaeth Mike O'Leary (ITV Wales)

Comedy
Rybish (Cwmni Da)

Live Music
Curadur: Lemfreck (Orchard)

Factual Entertainment
Bwyd Epic Chris (Cwmni Da)

Feature Documentary
John Owen: Cadw Cyfrinach (Wildflame)

Individual Documentary
DRYCH: Byw Heb Freichiau (Zwwm Films)

Nominations

Individual Documentary
DRYCH: Chwaer Fach Chwaer Fawr

Drama Series
Yr Amgueddfa (Boom Cymru)

Single Drama
Grav (Regan Developments / Tarian)

Short Drama
Hen Wragedd a Ffyn (It's My Shout)

History
Terfysg yn y Bae (Tinopolis)

Sports Documentary
Stori Jimmy Murphy (Docshed)

'Spirit of the Festival'
Blwyddyn Covid: Lleisiau Cymru (Kailash Films)

S4C listening to our viewers

Ensuring a regular dialogue and relationship with the audience is very important to S4C.

Throughout the year, the audience engages with S4C's programmes on social media and through Gwifren Gwylwyr, S4C's viewers' helpline.



Bois y Pizza



Gwifren Gwylwyr (Viewers' Hotline)

Our viewers can contact S4C directly by either phoning, emailing, via social media or sending a letter to Gwifren Gwylwyr. The bilingual service is available from 09:00 until 22:00 seven days a week.

The Gwifren Gwylwyr team usually work in S4C's office in Caernarfon every day of the year. Every comment received about programmes and services is logged and stored. The team prepares a summary of comments received for officers and members of the Board.

8,894 contacts were received by S4C's Gwifren Gwylwyr in 2022-23. Of these 3,952 were complimentary about programmes while 1,001 were complaints or criticism of some form.

Audience Reaction Panel

In addition to collecting viewer feedback through the Gwifren Gwylwyr, S4C has an Audience Reaction Panel that consists of 1,400 individuals, recruited to reflect the population of Wales.

The panellists provide S4C with their opinion about and appreciation scores for S4C's programming.

Ensuring value for audiences

S4C aims to ensure that the highest possible percentage of S4C's public income is spent on content and services that are comparable in terms of quality with that of other UK networks, whilst ensuring programmes are produced in the most efficient way and ensuring S4C's overheads remain low.

Value for money is the relationship between S4C's cost and performance as a service and as an organisation. For a public service broadcaster, this means providing a high quality, comprehensive service on television and online platforms that is used and valued by the audience, and doing so efficiently in terms of the financial resources available.

S4C's first priority is to provide high quality services, on television and

on relevant online platforms, which meet the needs of the audience. It is also important to ensure that the investment in S4C's services ensures appropriate value for money. It is therefore a key objective to ensure that the highest possible percentage of S4C's public income is spent on programmes and content.

Ensuring that S4C's running costs as an organisation continue to be a small percentage of S4C's spending is another aspect of this objective.

S4C has delivered significant efficiencies and cost savings over recent years with staffing, estate and technological rationalisation. As a result, administration and overheads are now just 3% of S4C's total spend – a figure which has continued on a downward trend since 2018–19 – with the remainder of spend supporting content creation and distribution.

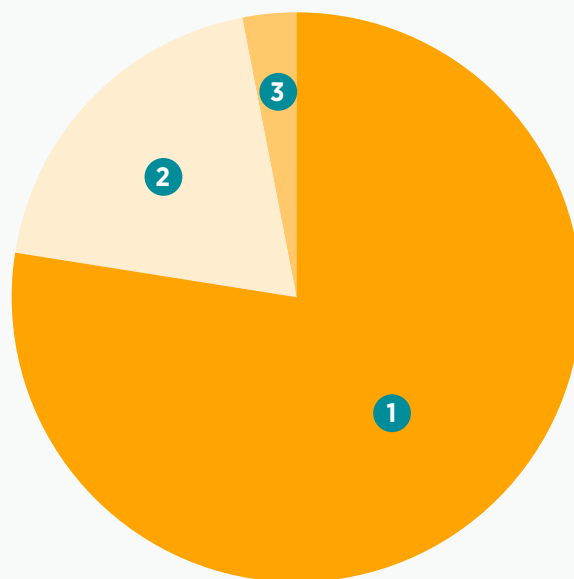
Prioritising spending on programmes and content – allocation of S4C's expenditure

Most of S4C's public finance is invested in programmes and content.

The allocation of the S4C Public Service Fund during 2022–23 shows that the majority of S4C's expenditure continues to be directly invested in its programmes and content, which represents both investment in the services provided for the audience and investment in the production sector in Wales.

1. Cost of programmes transmitted	77.67%
2. Costs associated with transmission and distribution of S4C's programme service	19.29%
3. Operating and administration costs	3.04%

More information on S4C's expenditure can be found in the Statement of Accounts.



S4C is one of the most cost-efficient public service broadcasters in the UK

By working closely with producers to manage the cost of producing each hour of content, S4C has a proud record of commissioning cost-effective programmes and has managed to protect the number of hours that are broadcast, as well as the range, variety and quality of the service.

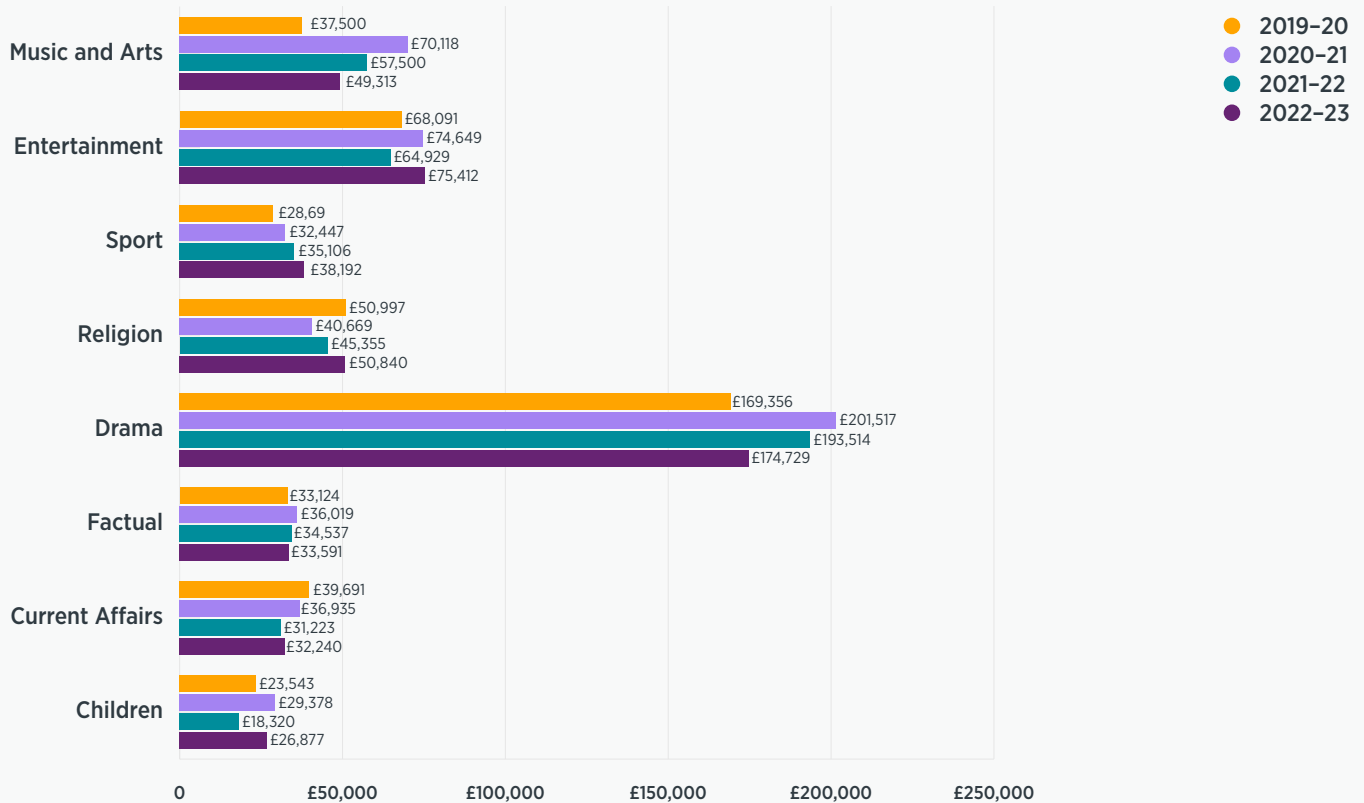
S4C is one of the most cost-efficient PSBs in the UK with a cost per hour significantly lower than other broadcasters, commissioning at a fraction (typically 25 - 33%) of similar genre rates applied by other public service broadcasters.

However, we know that the cost of making programmes is increasing, with global spending on some genres – particularly scripted drama – rising to unprecedented levels. This places greater pressure on future budgets as we compete for on- and off-screen talent. Recent trends in the creative industries have also had inflationary effects on production costs.

We continue to work with TAC (Teledwyr Annibynnol Cymru) and individual production companies to obtain the best value for audiences from our public funding.

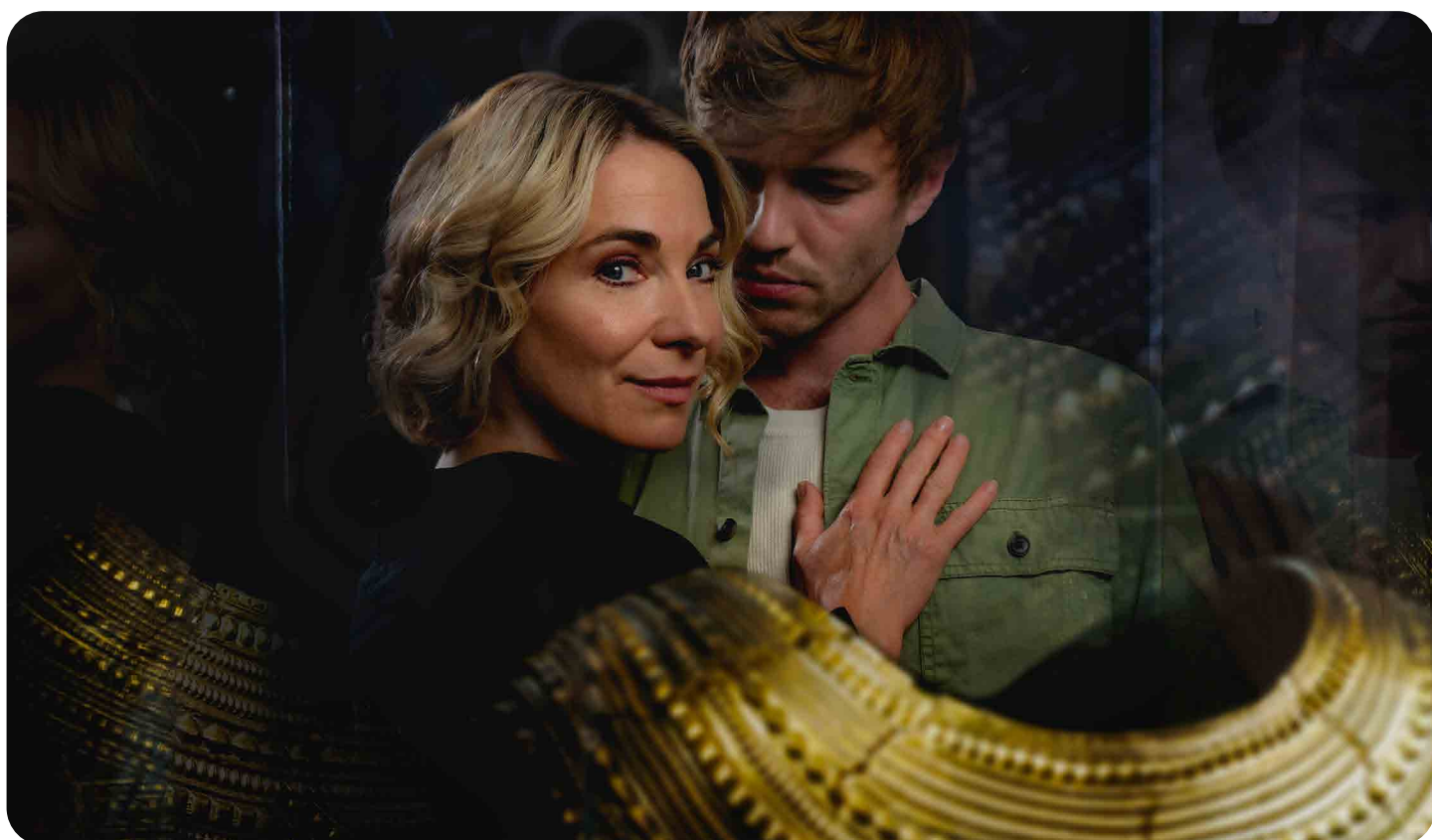
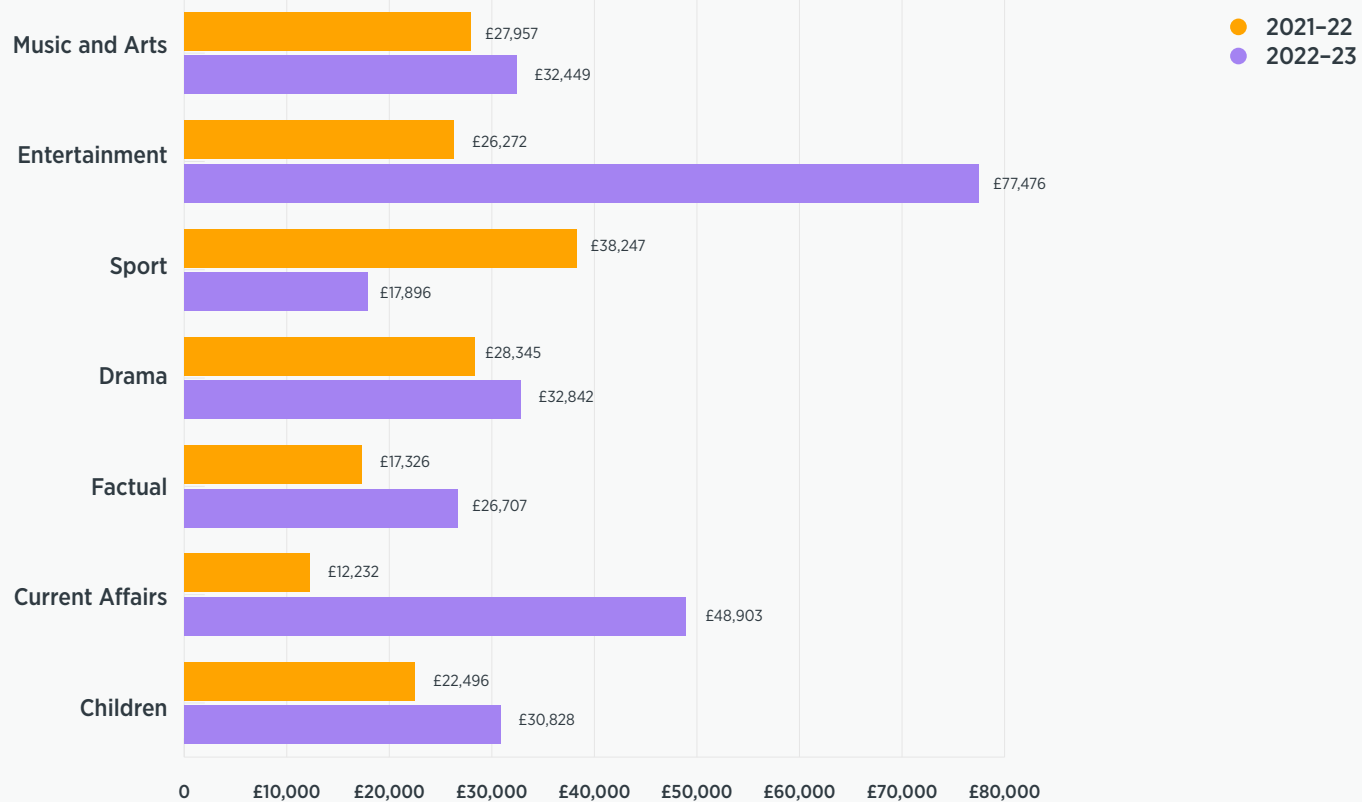


Cost per hour – programmes commissioned by S4C (excluding digital only and digital first)



The effect of Covid-19, alongside the change in S4C's VAT status, has resulted in substantial increases or decreases over recent years in the cost per hour of some genres – in particular drama, arts and culture, and religion.

Cost per hour – digital only and digital first content commissioned by S4C (excluding social media content)



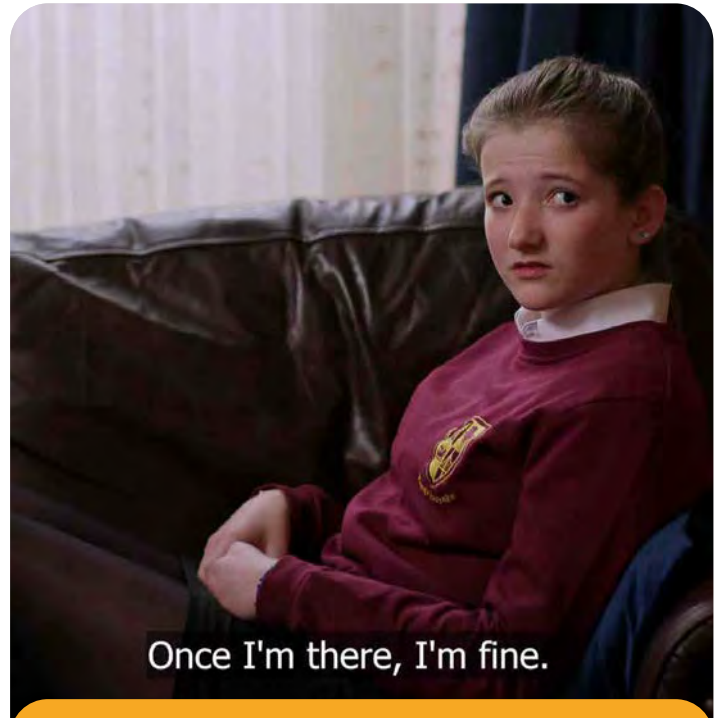
Welcoming everyone to watch S4C – support services for our audience

Making S4C’s content available to the widest possible audience is very important to S4C.

Access services continue to provide an important means to enable S4C to expand its audience and its appeal.

Subtitling in Welsh and English, together with signing, audio description and descriptive second screen services provide a range of services that enhance S4C’s offering and make content available to those with particular needs as well as to a wider community of Welsh speakers, non-Welsh speakers and learners of all levels of fluency.

The following services were provided during the year:



Welsh subtitles

These subtitles are provided primarily for d/Deaf and hard of hearing people who understand Welsh as well as for people learning to speak Welsh. Welsh language subtitles were provided on 45% of programmes. Welsh language and English language subtitles are also available on the S4C Clic service, and English subtitles are available on the BBC iPlayer.

English subtitles

The aim of this service is to enhance the appeal of programmes to non-Welsh speaking, and d/Deaf and hard of hearing viewers. By pressing the “subtitle” button on the remote control, subtitles can be accessed on all kinds of programmes, including live programmes. Some programmes were broadcast with automatic on-screen subtitles. These are usually repeats of popular programmes. During the year, subtitles were available on 79.35% of programmes (Ofcom’s target is 53%).

Audio Description

The audio description service on selected programmes provides a commentary in Welsh to fill the gaps during periods when there is no dialogue in programmes. It includes additional description that assists blind or partially sighted users. The service was provided on 11.98% of programmes (Ofcom’s target is 10%).

Signing

A number of programmes, usually at weekends and lunchtimes during the week, are broadcast with BSL (British Sign Language) for d/Deaf viewers and those who use BSL. The service was available on 6.10% of programmes (Ofcom’s target is 5%).

Content 2023–24

Programme Policy Statement 2023–24

**S4C's Chief Content Officer,
Llinos Griffin-Williams, outlines
S4C's content priorities for
the coming year.**



S4C is transforming

S4C is stepping into its 40s with confidence, passion and ambition as we create bold and powerful content that represents contemporary Wales.

Providing a voice for communities across Wales and beyond, we will reflect a diverse nation with comprehensive and popular content that welcomes new and existing Welsh speakers – inspiring people to hear, see and speak Welsh in Wales, the UK and beyond.

A lively, exciting offer will entertain our loyal viewers and engage with a new audience by providing a Welsh perspective on the world. We have a clear strategy to appeal to viewers in the 25–44 age group and the C2DE socio-economic group, which guides content commissioning decisions for 2023–24, as well as forward planning for content in 2024–25.

S4C will also be a creative, engaging partner for co-productions as S4C aims to attract younger and wider audiences.

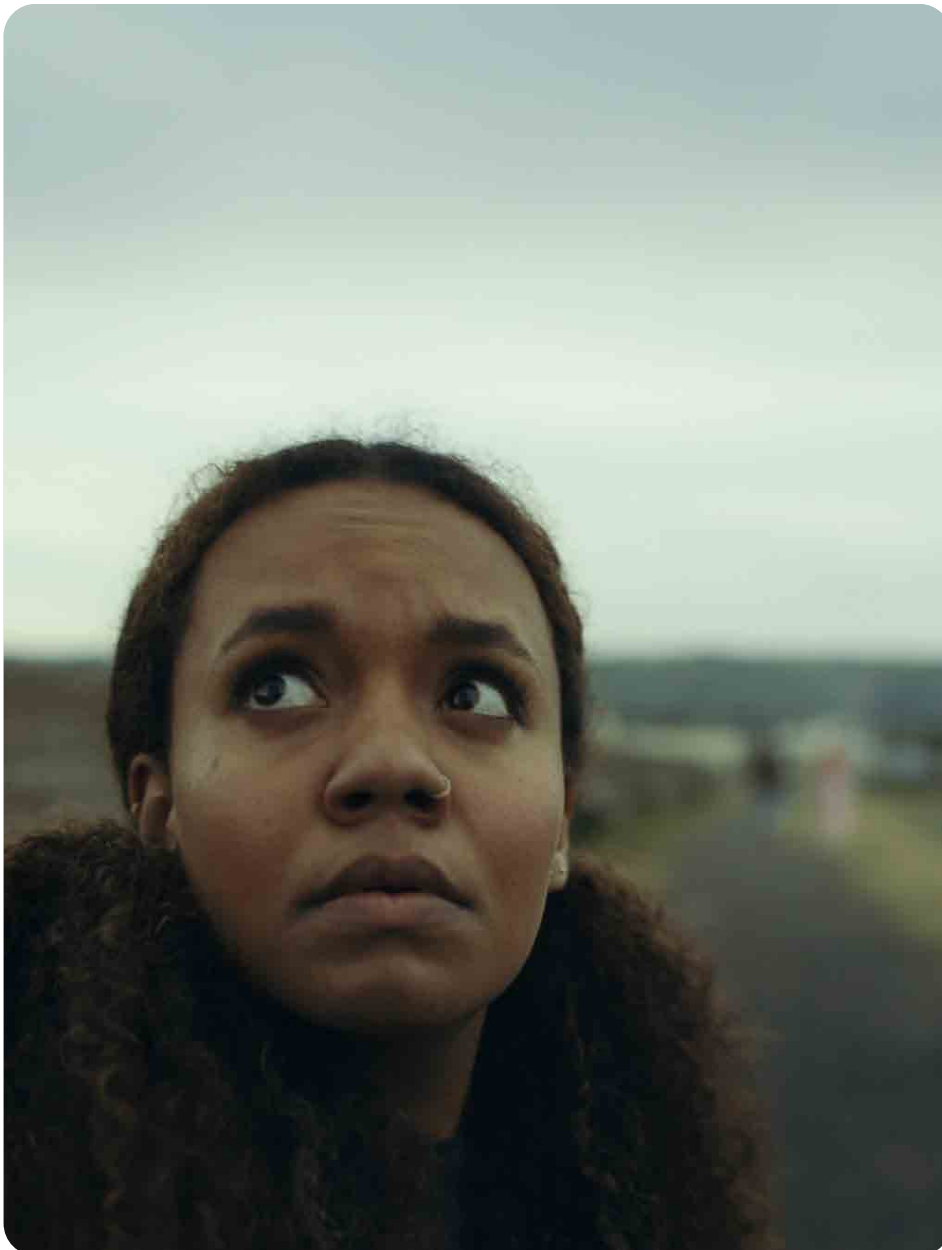
Above all, we will target one of three purposes with content that:

- ✓ Educates;
- ✓ Inspires; and
- ✓ Offers escapism.

Recognising that our viewers face various challenges in their lives, as a public service broadcaster we will extend refuge and support through our content.

We will therefore create opportunities for our viewers – of whatever age – to understand more about the world around us – from living costs to climate change. We'll give a voice to inspiring stories and characters as we reach different communities, unique lives and locations. And we'll offer some escapism with exciting, innovative, ambitious and new content across our platforms.

While the linear channel will cater for all, our various platforms – offering opportunities to view S4C content on TV, on-line, on demand, and many others – will be available at any time and cater for different audiences.



Create talked-about content

As we realise a content strategy that focuses on the audience in the 25–44 age group, new commissions are beginning to see success – such as *Goglebocs Cymru* which tripled the numbers watching through the catch-up platforms on a weekly basis since the launch of the first series this year.

We are therefore looking for well-known brands that can add to our entertainment provision, but offer a Welsh personality. In addition, we are investing significantly in the development of original new formats that appeal to the whole family.

The channel's well-known brands will continue, but with an emphasis on targeting a new audience. We therefore look forward to welcoming back *Am Dro*, *Gwesty Aduniad*, *Priodas Pum Mil*, *Jonathan and Sgwrs Dan y Lloer* over the coming months.

In response to the expectations of our target audience, we will be launching a number of new non-script formats that push the creative boundaries. As part of this, we will analyse topics through a different lens and challenge prejudices, as we increase the emphasis on commissions reflecting the diversity of Wales: from *Colli Cymru i'r Môr* that investigates the impact of climate change on Wales, to *Saith Person* which sees individuals revisiting those who have influenced their lives.

Ni yw'r Cymry will reflect what it is to be Welsh today, and in *Arwyr Anabl* (working title) we will be looking at the history of disability in Wales. These series offer us the opportunity to invest in exciting new talent and seek ways of developing well-known talent. This will build on *Stori'r Iaith*, a highly successful and noisy series led by Alex Jones, Ellis James, Sean Fletcher and Lisa Jên, while also giving us an opportunity to see new talent and voices in the series.

Our provision of noisy premium content will see investment with stunning short series *Gwir-Drosedd* telling amazing stories as we push creative boundaries with the history of *Y Twyllwr*, *Llofruddiaeth Niwclear*, and *Hoover: Lle ma' fy ngwyliau?*



Substantial commissions of popular series *Y Llinell Las* and *Y Fets* will give a different flavour of life in communities across Wales.

Also among the broad slate will be new provocative series such as *Y Prif* and *Gwasanaeth Prawf*, that will provide special access to public services.

Offering the audience an opportunity to escape their daily lives will be new series following well-known faces. Former Wales player Mike Phillips will follow Welsh people overseas in *Croeso i Dubai*; while Beti George and Huw Stephens will be visiting unique hotels in luxury series *Cysgu o Gwmpas*.

We look forward to a second series of *Bywyd a Bwyd* with *Colleen Ramsey*; *Chris, Al and Kiri* will be travelling across New Zealand on an adventure; and a range of interesting factual series and documentaries will support the Rugby World Cup provision in the Autumn.

Above: Osian & Nayema, Caernarfon

New voices

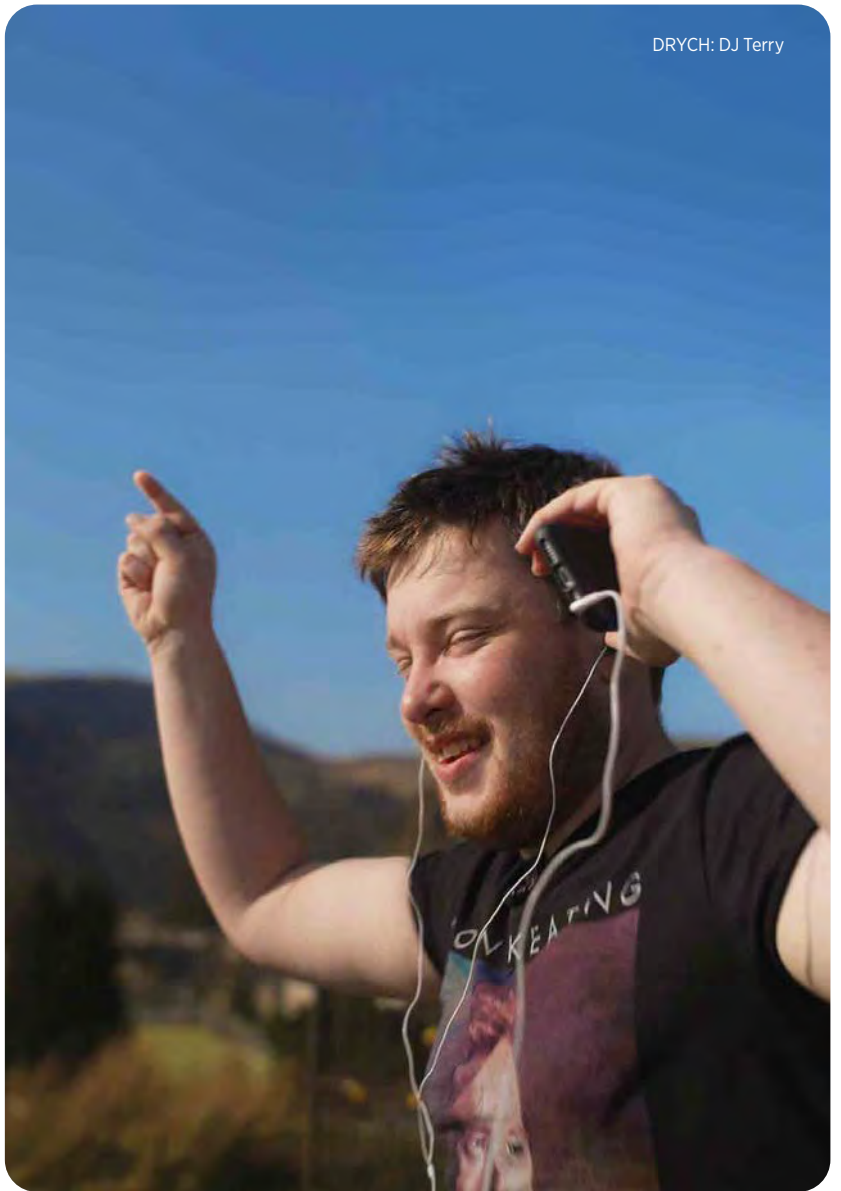
Following the success of documentaries like *Drych: Fi, Rhyw ac Anabledd* and *Ysgol Ni: Moelwyn* there will be an opportunity to reflect contemporary Wales in our documentary provision. We are looking for bold, challenging and emotional stories that push the discussion forward and give a different perspective on life.

We are keen to reflect more voices from the valleys and north-east Wales with programmes such as *Wrecsam: Clwb Ni* which looks at the history of the football club with Rob McElhenney and Ryan Reynolds.

Also, unique documentaries with familiar faces will provide an opportunity to meet unique characters with programmes on Bethan Elfyn: *Trawsblaniad*; Alex: *Epilepsi a Fi*; and Sage Todz: *Brodyr Brodorol*.

Building on digital-first commissions, *Byw y Freuddwyd* will be a YouTube commission following a couple who have sold everything to fulfil their dream of living without a mortgage in west Wales. Two linear programmes will form part of 12 x 15' YouTube programmes.

Mwy na Daffs a Taffs, Gemma Collins



HANSH: Creating trouble (in a good way!)

A platform for young Welsh voices and talent, Hansh will become prominent across S4C platforms from TikTok to Instagram, YouTube to Clic and the iPlayer.

Hansh has continued to grow in terms of viewers and followers month on month since its launch, and there will be further investment in S4C's digital offer for the young.

Hansh's campaign will take the brand's mischievous content beyond its loyal viewers, as we build our coverage of multi-genre mid- and long-form provision on the platform.

The new series *Mwy na Daffs a Taffs* will launch on Clic and iPlayer, following some of Britain's biggest influencers and trying to dispel their prejudices about Wales. In addition, the challenging love series *Tishio Fforc?* returns.

Home of Welsh sports

We saw the incredible success of the Cartref Pêl-droed Cymru campaign in autumn 2022 as we released a bumper slate of special content that supported the World Cup campaign. In the middle of a historic era for the national team, S4C saw the best reach ever across our digital platforms, breaking every record for the platforms with our bold content.

From children's provision with the Jambori where more than 200,000 children in Wales sang in unity (and half of those in second-language schools) to documentary programmes Yma o Hyd and Cewri Cwpan y Byd, from Cyngerdd Efrog Newydd to Gemau Byw, S4C's content appealed around the world with millions of on-line viewing sessions, and succeeded in doubling the number of viewers compared to the previous Euro games.

We will launch the Cartref Chwaraeon Cymru campaign during 2023-24 to coincide with the Six Nations rugby contest, and the Rugby World Cup in France. This will respond to the passion of the nation with content such as a special documentary on Ken Owens as well as a new format O'r Soffa i'r Sgrym with Robin McBryde and his son who will be following a group of young lads from north-east Wales and the valleys coming together to play a game in France. Also, there will be two Jonathan programmes live from France.

In terms of our provision to coincide with the Rugby World Cup, we will be at the heart of the excitement in France, with Jason Mohammad, Sarra Elgan and Mike Phillips as the faces of our campaign.



From script to screen

This year we will launch the Sinema Cymru fund in partnership with Creative Wales and Ffilm Cymru, with the aim of investing in one film per year and developing exciting scripts with Welsh talent.

Y Sŵn will lead the way into cinemas across Wales, telling the story of the establishment of S4C, before the film is broadcast on the linear service. Then a horror film Gwledd – which has already been on Hulu and in cinemas – will be shown on S4C on Halloween Night.

Following the success of our first joint-production with Channel 4, Y Golau, there is a strong slate of drama this year with Rownd a Rownd continuing to grow its audience, and Pobol y Cwm celebrating its 50th birthday in 2024.

We will be launching the comedy drama series Anfamol, which is an adaptation of a popular theatre show, as well as Creisis following a young man in Pontypridd who is dealing with a crisis in his personal life and at work.

There will also be a joint-production of Pren ar y Bryn with BBC Cymru; as well as a spin-off series from the soap opera Rownd a Rownd - Bariau; and a second series of the popular drama Stad.



We continue to invest significantly in our dramas. 12 scripts / ideas were awarded development funding to foster new production and writing talent with companies le le Productions, Fiction Factory, Three Tables, BBC Studios and Boom Cymru. Furthermore, Severn Screen is committed to producing a drama each year for S4C for the next three years with the Welsh talent who is working extensively with Netflix these days, Gareth Evans.

We are also continuing to call for new ideas as we launch our Interactive Drama co-production with the Wales Interactive gaming company.

And our dramas continue to sell internationally, as Britbox buys Yr Amgueddfa, and Netflix offers Dal y Mellt.

Home of Wales live events - LWP

We will be revamping our live events provision. A range of content will be provided around Y Sioe Fawr as we extend the content across entertainment, food and competition, and stream elements across our platforms. Eisteddfod yr Urdd and the Eisteddfod Genedlaethol will also be streamed through our players.

With S4C sponsoring the PRIDE Cymru Welsh language stage, a lot of LGBTQ+ content will be part of our provision throughout the year, with coverage increasing further during the celebrations.

We will also be pushing our LWP brand as the home of contemporary Welsh music. As a result, we will take a leading role in events including Tafwyl, Green Man, and the Eisteddfod, while also developing the content of Curadur, Uchafbwyntiau'r Haf, LWP Sessions and LWP Music Videos. This will be a further significant investment for the Welsh music scene and will further develop new musical talent.



Welsh for all

With new appointments within the Content and Publishing team, the Welsh Language Strategy Lead and Education Content Executive will be assisting us to launch the Welsh for All campaign, which will welcome new speakers and learners to engage us through our content.

At the same time, we will look at how we can deliver content more effectively within the education sector, targeting mixed households, second-language parents, schools, colleges and universities.

S4C's Contribution to Society and the Economy

S4C's Contribution to Society and the Economy

Since S4C was established in 1982, it has been very aware of its contribution to Wales and more widely.

As a public service broadcaster, we have an important role and responsibility as a facilitator and enabler, using our resources to maximise the benefits to our viewers and to society more widely.

By working with a range of partners, we are working hard to contribute to the future of the Welsh language, culture, environment and economy.

Policy Statement

In December 2022, the Unitary Board approved a policy statement that brings together S4C's existing activities in terms of social and economic contribution.

This policy statement aligns with the new corporate strategy approved earlier in the reporting year, and the policy priorities reflect elements of the corporate strategy – which underlines how S4C's social and economic contribution is at the heart of the organisation's wider activities.

The new post of Diversity, Sustainability and Social Purpose Leader was created in spring 2023. Among the responsibilities of the Leader will be to lead S4C's activities within this new policy statement, and to develop relevant strategies as necessary.



S4C's Social Purpose: To ensure that the Welsh language is part of everyone's life in Wales

Policy Priorities

1. "The Welsh language belongs to all of us"

- Increase the numbers engaging with S4C's content in Welsh, to help reach the million (and double the daily usage).

2. Reflecting the Wales in all its diversity

- Reflect Welsh communities by setting clear diversity targets, both internally and across our productions.

3. Creating Value Sustainably

- Create value through our resources to support the local economy; and in doing so, to work towards reducing the carbon footprint of all our activities.

4. Developing Talent

- Use our resources and influence to develop talent within S4C and the wider sector, as well as to support skills development.

“The Welsh language belongs to us all”

Since 1982, the Welsh language has been central to the existence of S4C and a key focus for all its provision. The vital role S4C plays in maintaining and promoting the Welsh language is at the heart of its unique public purpose, and this was formalised as S4C received confirmation of its Licence Fee settlement from April 2022 onwards.

We now have a significant contribution to offer towards realising the objectives of the Welsh Government’s strategy ‘Cymraeg 2050: a million Welsh speakers’, namely: to increase the number of Welsh speakers, to increase the use of the Welsh language and to create favourable conditions to ensure the Welsh language flourishes.

We are therefore – through our content – seeking to facilitate access to and use of the Welsh language for everyone of all ages and linguistic abilities.

This is particularly important in relation to education, and we are working with key partners to develop educational content to support the curriculum in Wales and to ensure that S4C content can be used by learners – whatever their age. To achieve these objectives, we have appointed to two new posts during 2022-23, namely the Welsh Language Strategy Lead, and the Education Content Executive.

Alongside facilitating access to our content for new speakers, it is vital that Welsh speakers of all linguistic abilities choose to watch S4C content regularly.

To evaluate our contribution in this respect, we will be looking over the coming years to increase ‘habit’ among our audience – namely the percentage who choose to watch S4C content on one or more platforms, for at least two hours, and across three or more days per month.



Reflecting Wales in all its diversity

It is essential that S4C portrays and celebrates Wales in all its diversity and working towards this remains a priority for S4C. The audience sees this as an important aspect of S4C's work.

68% of viewers who speak Welsh consider S4C to be a channel that successfully reflected the diversity of people living in Wales in terms of age, gender, disability, sexual orientation, religion or ethnicity across its programmes during 2022-23 (Source: S4C Image Tracking Survey, Beaufort Research, 2023). In the same survey the previous year, the comparable figure was 59%.

In order for S4C to continue to serve and grow its audience, as well as contribute to a strong broadcasting sector, the long-term commitment to ensure that representation on and behind the cameras continues and is crucial.

We are therefore working with the production sector to ensure that our content reflects our communities in all their diversity.

S4C is joining the Diamond system which is co-ordinated by the Creative Diversity Network. This is the system established by a number of leading UK broadcasters to collect consistent diversity and representation data on the programmes they commission. S4C's intention in adopting the system is to increase diversity on and behind the 'scenes' in the content of S4C in order to reflect Wales today.

In evaluating our progress, we will compare the data from the Diamond system on S4C content against the 2021 Census diversity results for Wales. We will report on our progress once the Diamond system is in place.

As well as taking steps to ensure that our content reflects Wales in all its diversity, we are also working to increase diversity, equality and inclusion across our corporate activities.



Creating Value Sustainably

Alongside our social contribution, S4C is making a significant contribution to the Welsh economy.

Almost 80% of S4C's public funding is invested in programming and content. This represents investment in the services provided to the audience and in the production sector in Wales.

We invest and commission our content from production companies across Wales and our supply chain companies in turn play an important role in their local economies.

We are also keen to support the sector to develop, and assist companies to realise their potential. This in turn will strengthen our supply chain. The steps we have taken so far include facilitating more collaboration between the larger and smaller companies – such as by encouraging the use of production equipment and resources by smaller companies when they are not required by the larger companies that own them.

At the same time, S4C's new commercial strategy aims to contribute to Wales' economic prosperity by, amongst other objectives, establishing a growth fund to invest in companies with potential to grow, and which align with S4C's purpose.

Taken together, all this activity therefore means that S4C's contribution to the Welsh economy is substantial – and it is important that this contribution is felt across Wales.

Our objective is to spend over 95% of our content budget with producers based in Wales. In 2022–23, we succeeded in spending 98% of the content budget within Wales (2021–22: 99%)



Within Wales, our regional spend on content was as follows:

Region	2021-22	2022-23	Trend
North Wales	29%	26%	↓
South Wales	51%	55%	↑
West Wales	19%	17%	↓
Outside Wales	1%	2%	↑
Total	100%	100%	

(The above data relates to the location of the production company offices, and does not reflect production activity or expenditure in locations across Wales)



Our objective over the coming years is to ensure a more even distribution of content spend across Wales.

In December 2020, S4C commissioned Arad Research to review S4C's expenditure during 2019–20 and to undertake an economic impact assessment on S4C's contribution to the UK and Welsh economy. Arad calculated that S4C, during the financial year in question, created an economic impact of £197.4m on the UK economy, and £141.1m on the Welsh economy.

This means that for every £1 of public income S4C received in 2019–20, we created the following economic impact:

- £2.03 in the UK Economy; and
- £1.45 in the Welsh Economy.

In approving the policy statement on S4C's Social and Economic Contribution, the Unitary Board committed to commissioning an assessment of S4C's economic and social impact every two years, to ensure an independent evaluation of that impact.

During spring 2023, Wavehill was appointed to undertake an independent evaluation of S4C's economic and social impact during the reporting year 2022–23. Wavehill is expected to report to the Unitary Board on their findings in autumn 2023.

Of course, in supporting and investing in the economic growth of Wales, S4C is acutely aware of the need to do so in an environmentally sustainable way.

Since September 2021, S4C has partnered with the BAFTA albert consortium – which brings together some of the UK's largest broadcasters and production companies – in order to achieve this, and to incorporate sustainability into our production process by:

- Enforcing the use of the albert carbon footprint calculator for all the content we commission; and
- Encouraging productions to complete the albert certification process.

From 01 January 2022, it became mandatory for companies producing content for S4C to comply with the above requirements (unless the production is a series under 15 minutes long and / or the total budget is less than £50,000).

During 2022–23, some 92% of S4C productions complied with albert requirements – a result that was lower than was projected as a result of the number of sports broadcasts during the reporting year.

The BAFTA albert consortium also offers free training covering climate change, its implications for the TV industry and what individuals can do to make a difference.

As a result of our partnership with albert, S4C was one of 12 broadcasters and streamers who came together in November 2021 to sign up to the Climate Content Pledge, organised by albert. This was the first time the industry has worked together on such a statement.

S4C and other signatories – including the BBC, BBC Studios, BritBox International, Channel 4, Channel 5 / ViacomCBS, Discovery

UK and Eire, ITV, RTE, Sky, STV, and UKTV – are committed to using our content to help audiences understand what tackling climate change could mean for them, as well as informing and inspiring sustainable choices.

Off screen, S4C is working to reduce the impact of our corporate activities on the environment.

In recent years, we have taken steps to reduce unnecessary travel and increase the use of video conferencing. The use of public transport is encouraged as much as possible.

In 2022–23, 100% of the electricity used by S4C at Yr Egin came from renewable sources (2021–22: 88%). Furthermore, the majority of our office waste was recycled during the same period.

S4C has prepared a separate Sustainability Report, which appears in the 'Operational Reports' section of this Annual Report.

Our aim is to reduce the carbon footprint of our corporate activities over the coming years, and agree a target date to complete the transition to net zero-based operation.

Developing Talent

Since the very beginning, S4C has played a crucial role in developing talent and skills within the sector in Wales.

The nature of S4C's commissioning as a non-content creating broadcaster has enabled our content partners to invest in the skills development of their staff over the years – and S4C itself continues to invest and lead the way to support this aim.

Supporting people from all backgrounds to come to work in the sector is also a priority for S4C. We are therefore pleased to have continued to work with partners such as It's My Shout, Screen Alliance Wales and Careers Wales during the reporting period to realise this, and to have been involved in the RAD Cymru Wales pilot – a paid training scheme for those from under-represented backgrounds.

We have also formalised our partnership with Sgil Cymru, and jointly invested with Creative Wales in the Criw scheme to enable more apprentice opportunities on S4C productions.

And Hansh: Dim Sbin, our pioneering training partnership with ITV Wales established in 2018, has also continued successfully

All these activities help us to maintain a highly skilled workforce that underpins a world-class production sector in Wales and attracts TV production, film and digital content from around the world.



Evaluating The Social and Economic Contribution of S4C

Our intention is to report on our progress against the new policy priorities in our annual reports from 2023-24 onwards.

To allow evaluation of progress, a series of bespoke indicators are being developed. The relevant targets have not yet been agreed for each of the metrics.

Status	Measure	Target	Current result	Measure Date / Period
"The Welsh language belongs to us all"				
●	S4C content chosen often amongst Welsh speakers, aged 16 and over	25%	28%	March 2023
●	S4C content chosen often amongst Welsh speakers, aged 25 – 44	15%	12%	March 2023
Reflecting Wales in all its diversity				
●	S4C content which includes individuals with a disability (based on Diamond system data)	21.1%	We will report on our progress once the Diamond system is in place.	
●	S4C content which includes individuals from an ethnic group other than 'White' (based on Diamond data)	6.2%		
●	S4C content which includes individuals with LGB+ sexual orientation (based on Diamond system data)	3%		
Creating Value Sustainably				
●	Percentage of content budget spent with producers based in Wales	95%	98%	Reporting year 2022-23
●	To ensure a more equal distribution of content spend across Wales (data: north Wales / south Wales / west Wales)	33% / 33% / 33%	26% / 55% / 17%	Reporting year 2022-23
●	Percentage of our content that meets the requirements of ALBERT (with the exception of series under 15 minutes and/or the total budget is less than £50,000)	100%	c92%	Reporting year 2022-23
●	To reduce the carbon footprint of our corporate activities annually, in order to reach net zero by the target date.	Work to agree on the target date has started.	We will report on progress once the target date has been agreed.	
Developing Talent				
●	The number of apprenticeships on S4C productions (during the reporting year)	Target to be developed in consultation with TAC	We will report on progress once the target is agreed.	

Commercial Activities

S4C Masnachol, S4C's commercial division is responsible for a variety of commercial activities and investments that are designed to create an additional sustainable income stream for S4C's public service.

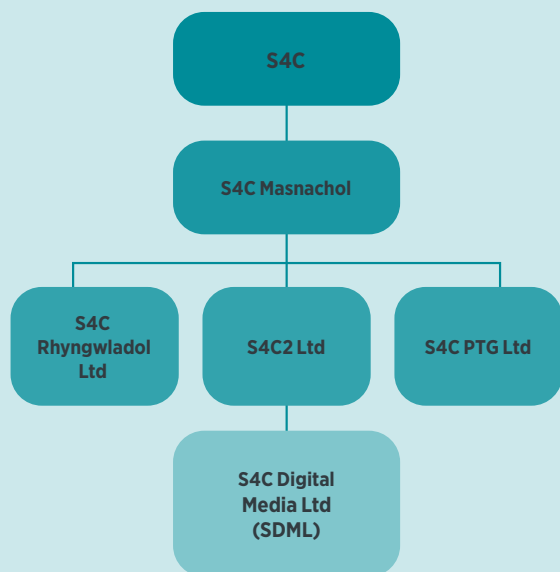
S4C's commercial activities contribute an average of approximately £1m per year to S4C's public service fund. Although a small percentage of S4C's total income, this is an important financial contribution which enables S4C to invest in content and services that would otherwise not be possible. The money held in S4C's commercial reserve is money that has been generated by S4C's commercial activities in the past.

The Independent Review of S4C (Building an S4C for the future) published in March 2018 recommended that the Government should amend current approval requirements to give S4C greater freedom to invest and generate commercial revenue. This recommendation was accepted by the UK Government, with the intention of updating the current framework in the forthcoming Media Bill.

S4C Masnachol

Structure of S4C's commercial activities

There are currently 5 companies in S4C's commercial group. They are all subsidiaries of S4C, directly or indirectly. The structure ensures that the income from our commercial activities is separate from the public money S4C receives through the licence fee.



S4C Masnachol Ltd

This acts as a holding company and is a non-trading company. It has three direct subsidiaries: S4C Rhyngwladol Ltd; S4C2 Ltd; and S4C PTG Ltd.

S4C Masnachol Ltd pays dividends to S4C on receipt from S4C Rhyngwladol Ltd, S4C2 Ltd, and S4C PTG Ltd.

S4C Rhyngwladol Ltd

The company is responsible for the majority of S4C's commercial activities, including:

- Selling advertising, sponsorship and telesales airtime (via Sky Media as advertising agent);
- Licensing goods for brands such as Cyw;
- Receiving income from commercial exploitation of S4C's back catalogue;
- Receiving income from co-productions in which S4C has invested in the past;
- Funding an English language soundtrack on some of S4C's sports and events programmes (where an increase in advertising income can be shown as a result).

S4C2 Ltd

This was the company that used to provide the S4C2 channel, but the channel was closed some years ago.

S4C2 still has an agreement to use a single TV stream in Wales on Freeview. However, this stream is used by another broadcaster through a sub-contract with S4C2. This arrangement was renewed during 2022-23, with the existing sub-contract now in place until 2026.

S4C Digital Media Ltd (SDML)

SDML invested in SDN, the licence-holding company for Multiplex A on Freeview, in 1998. SDML sold its shares in SDN in 2005, and invested the sale proceeds.

SDML now has the following investments:

- Equity investments in content and digital sector companies; and
- investment funds managed by an external fund manager.

S4C PTG Ltd

This company was created in 2019 for the acquisition of the Parc Tŷ Glas estate, S4C's previous headquarters, and to run the business of renting units to tenants.

During 2022-23, the sale of the Parc Tŷ Glas estate was completed.

2022-23 Financial Performance

The net assets of the commercial division as at 31 March 2023 were £19m (31 March 2022: £20m) and there was a loss on ordinary activities before taxation for the year ended 31 March 2023 of £0.154m (31 March 2022: £1.05m). This loss included an unrealised loss in an investment fund held within the group. The profit before the change in market value of the investment fund, tax and dividend transfer was £0.816m.

The performance of the commercial subsidiaries are reported within the Group financial statements section of this Annual Report.

During 2022-23, S4C's commercial activities contributed £0.825m to S4C's public service fund (2021-22: £0.701m).

Governance

The directors of the S4C commercial subsidiaries are appointed by the Unitary Board, and these directors serve on the Board of the Commercial Group.

The Commercial Group Board is responsible to the Unitary Board for developing S4C's commercial strategy, and for overseeing S4C's commercial activities in accordance with that strategy.

Membership of the Commercial Group Board

Membership of the Commercial Board includes some non-executive members of the Unitary Board, independent non-executive directors, and S4C executives.

The Commercial Board is chaired by S4C's Chief Executive.

During 2022–23, the following served as the directors of S4C's commercial subsidiaries (and hence on the Commercial Board):

- Siân Doyle, S4C Chief Executive – Chair of the Commercial Group Board
- Anita George, non-executive member of the Unitary Board (until 01 July 2022)
- Adele Gritten, non-executive member of the Unitary Board
- Chris Jones, non-executive member of the Unitary Board
- Elin Morris, Chief Operating Officer S4C
- David Sanders, independent non-executive member (until 30 June 2022)
- Gwyn Roberts, independent non-executive member
- Sharon Winogorski, Chief Finance Officer S4C

With two members coming to the end of their terms as directors of the commercial subsidiaries during 2022–23, the Unitary Board agreed to amend the constitution of the Commercial Board.

In future, S4C's Chief Executive, three non-executive members, and up to two executive members will form the Commercial Board, and serve as directors of the commercial subsidiaries.

The S4C Board Secretary attends meetings of the Commercial Group Board on behalf of the Unitary Board. The Chair of the Unitary Board may also attend as required.

Commercial Strategy

During 2022–23, S4C undertook a review of its commercial strategy with the assistance of external advisors. This resulted in a new commercial strategy being approved by the Unitary Board on 20 October 2022.

This new commercial strategy for S4C has been designed with a clear purpose: to deliver financial and strategic value to S4C, its audience and to Wales.

The strategy is intended to deliver greater financial returns; to enhance on-screen value and S4C's creative reputation; to build stronger direct relationships with S4C's audience; and to support economic growth and skills development in Wales.

The strategy sets out 6 areas of commercial activity for S4C Masnachol:

- Co-production – where S4C increases the volume and value of co-produced content;
- Content IP – where S4C increases the value it generates from content and intellectual property;
- Business growth investment – increasing strategic and financial returns from growth investment by establishing an investment fund to take stakes in businesses close to S4C's remit, that have growth potential;
- Advertising and Sponsorship – developing exciting and enduring opportunities across S4C's platforms to increase income from advertising and sponsorship;
- Brands – adopting a cross-organisation approach to consumer brand building, to generate financial and audience value from S4C's current and future brands; and
- Digital – create a base for a commercial digital strategy, including investing in products and tools that support S4C's digital strategy and have additional commercial application.

These activities are closely aligned to S4C's core objectives and support the overarching 2022–27 Strategy.

The new commercial strategy intends to both increase the annual financial contribution from S4C's commercial activities to the public service fund, and grow the value of the commercial fund over time to support future reinvestment.

The sale of Parc Tŷ Glas, as well as strategic divestment by SDML of some historic equity investments, has provided additional funds in the commercial reserves to support the implementation of the new commercial strategy from 2023–24 onwards.



Operational Reports

Governance Report

S4C is a statutory corporation responsible for the provision of high quality public service television and digital services through the medium of Welsh, mainly for the audience in Wales, but also for the wider audience that wishes to use S4C's Welsh-language service.

An independent public body, S4C's constitutional structure and duties are set out in statute in the Communications Act 2003 and the Broadcasting Acts of 1990 and 1996.

This Governance Report sets out S4C's corporate governance framework and explains: how S4C's Board conducts its business, how the Board's members are appointed, how the Board assesses its performance and effectiveness and how the Board delegates responsibilities to the Management Team and Chief Executive whilst ensuring appropriate accountability.

S4C's Corporate Governance Structure

The legislation that established S4C refers to one statutory body and television service. This report is consistent with these statutory definitions. S4C's board of directors is referred to as the (S4C) Board or the Unitary Board, and the service is referred to as S4C.

The Board has a responsibility to ensure that S4C's statutory functions, in a public and commercial service environment, are carried out in accordance with the Board's policies, relevant legislative requirements, the Ofcom Broadcasting Code, and the Partnership, Funding and Accountability Agreement with the BBC.

The Shadow Unitary Board

The independent review of S4C published in March 2018 recommended that S4C's corporate governance structure should be based on a unitary board comprising executive and non-executive members, with clearly defined roles and responsibilities, where the executive directors and senior officers manage, and the non-executive members scrutinise and advise.

In autumn 2018, with the agreement of the Secretary of State, S4C implemented interim arrangements on an administrative basis to facilitate the governance recommendations within the current statutory provisions. The Board ratified new Standing Orders that put in place a shadow Unitary Board as recommended by the independent review of S4C.

The shadow Unitary Board comprises the non-executive members of the Board appointed by the Secretary of State, together with the Chief Executive, and two other executive members appointed by the non-executive members in accordance with the Standing Orders.

These interim provisions will continue on an administrative basis until legislation is brought forward to confirm the proposed changes and amend S4C's governance framework. During this period, S4C will continue to operate formally in accordance with the current statutory provisions.

Further information regarding the shadow Unitary Board can be found in S4C's Standing Orders on S4C's website.

S4C's Accounting Officer

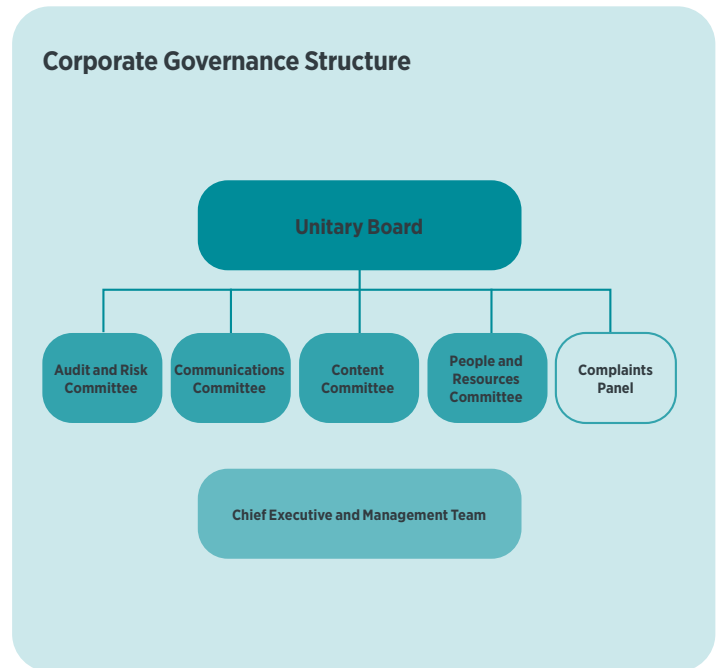
The Chief Executive is designated as Accounting Officer for S4C.

During 2022-23, the Accounting Officer was responsible to the Department of Digital, Culture, Media and Sport (DCMS) in respect of the statutory funding of S4C and, as such, was the person responsible for the proper use of Licence Fee funding paid to S4C as directed by the Secretary of State.

The Chief Executive and the Management Team

The Board delegates a number of specific functions to the Chief Executive and their officers, as set out in the Board's Standing Orders. The Chief Executive is accountable to the Board for exercising these functions.

It is the responsibility of the Chief Executive, officers and staff of S4C to manage and maintain S4C on a day to day basis. This responsibility includes the provision of S4C's television and online services.



The Unitary Board

The shadow Unitary Board comprises up to nine non-executive members, together with the Chief Executive, and two other executive members.

Detailed information on the membership of the shadow Unitary Board can be found later in this report.

The non-executive members of the Board do not participate in S4C's day-to-day decisions. In particular, the non-executive members of the Board are not involved in any commissioning or editorial decisions. This practice has existed since 1982. It ensures that the Board remains at arm's length from decisions made by officers – especially in the case of programme content.

Effectiveness and Evaluation

The Board undertakes an annual evaluation of its own performance and the work of its committees and members.

An external assurance review of governance and the Board's effectiveness was undertaken during 2020 by TIAA (S4C's Internal Auditors). TIAA are independent of S4C and the review considered the high level arrangements in place through discussions with Board members and comparison to best practice guidance, in order to determine the effectiveness of the new Unitary Board. TIAA made several recommendations, and these have since been fully implemented by the Board during this reporting year.

During 2022–23, in accordance with best practice, the Board and sub-committees engaged in a self-assessment of their performance, and the feedback received will inform meeting arrangements from 01 April 2023 onwards.

Responsibilities of the Board

The Board's main responsibilities include:

- providing S4C's television and digital & online services;
- ensuring compliance of the services with the relevant regulatory requirements, including the Ofcom Broadcasting Code;
- taking into account the audience's views regarding S4C's provision;
- approving S4C's strategy, annual budget and long term financial plans;
- overseeing, approving and scrutinising the proper management of S4C;
- operating as a public body;
- acting as regulator in a limited number of areas relating to S4C's online services;
- preparing annual reports and accounts; and
- appointment of the Chief Executive and Secretary.

Further information regarding the Board's procedures and responsibilities can be found in its Standing Orders on the www.s4c.cymru website.

Annual Report and Statement of Accounts

The Board has a specific duty to submit an Annual Report and Statement of Accounts of S4C's activities to the UK Parliament each year.

In addition, the Board has agreed to present S4C's Annual Report and Statement of Accounts before the Welsh Parliament.

Regulatory Compliance

A significant number of regulatory responsibilities were transferred to Ofcom, the UK's communications regulator by the Communications Act 2003.

S4C's television service is regulated by Ofcom. Under these provisions S4C is required to comply with a wide range of regulatory requirements set out in legislation, and also by Ofcom.

S4C has a statutory duty to comply with the Ofcom Broadcasting Code and other regulatory requirements. Ofcom has a wide range of regulatory powers and sanctions relating to S4C's television services.

As part of the annual reporting process to Ofcom, S4C pays Ofcom a Regulatory Fee and provides a wide range of information to Ofcom, including financial information, quantitative information about the performance of the service and information regarding compliance with Ofcom's relevant quotas.

The Unitary Board continues to exercise a limited number of regulatory responsibilities that relate to S4C's online services that are outside the provisions of the Ofcom Broadcasting Code.

The Board has agreed and published S4C's Complaints Process which details how complaints relating to compliance or regulatory matters in relation to S4C content are considered.

Where complainants wish to appeal against a decision taken by the Chief Executive under S4C's Complaints Process, the matter is considered by the Board's Complaints Panel, which is convened as required. The Complaints Panel is comprised of three non-executive members of the Unitary Board.

Audience opinions

The Board has a statutory duty to make arrangements for ascertaining the state of public opinion concerning programmes published by S4C, any effects of such programmes on the attitudes or behaviour of viewers as well as the types of programmes that members of the public would like to see on S4C.

The arrangements put in place by the Board include: a Viewers' Panel, which provides weekly feedback on programmes broadcast by S4C; an annual survey on the audience's perception of S4C; and consideration of relevant data collated via BARB, S4C Clic and the BBC iPlayer.

The Board is also responsible for ensuring that appropriate provisions exist to enable viewers to complain to S4C about the service's programmes. Information regarding submitting a complaint about S4C's programmes can be found on the www.s4c.cymru website.

Financial Functions

Budget Preparation and long term financial plans

S4C's budget for each financial year (and any subsequent amendments to it) is approved by the Board. The Board also considers and approves a projected five-year financial plan that sets the long term direction.

The Chief Executive and Management Team are responsible for considering in detail S4C's draft annual budget, along with long-term financial plans and recommending such budgets and plans to the Board for consideration and approval.

Audit Functions

The Board has a statutory duty to ensure proper audit arrangements for all aspects of S4C's financial matters. The audit function is divided into two agreements – for External Audit and Internal Audit.

External Audit arrangements

Following the recommendation of the Independent Review of S4C relating to S4C's audit arrangements, an agreement was reached in October 2019 between S4C and the NAO, facilitating the appointment by the Secretary of State of the Comptroller and Auditor General as S4C's external auditors, until the relevant legislation has been amended. A Letter of Engagement between the NAO and S4C is in place.

External Auditors' Report

The External Auditors' Report to the Unitary Board can be found within the financial statements for 2022-23.

Internal Audit

Following a public tendering process, TIAA were appointed as S4C Internal Auditors in September 2019 for a period of three years (until the end of the 2021-22 financial year). On 16 February 2022, TIAA were appointed for a further term following a public tendering process. They will now serve as S4C's Internal Auditors for a three-year period commencing 01 April 2022, with the possibility of two further one-year extensions as appropriate.

An internal audit function has been maintained throughout the year to provide assurance as to the operation and validity of the system of internal control. The Internal Auditors independently review the control process implemented by management and report to the Accounting Officer and the Audit and Risk Committee.

Should there be weak or inappropriate controls in place, thus creating an element of risk to the organisation, the relevant planned corrective actions are independently monitored by the Audit and Risk Committee for timely completion.

Risk Management and Internal Control

The identification and management of risks is at the heart of the Board's work. The Board and the Management Team have a clear responsibility for the identification of risks facing S4C and for putting in place procedures to monitor and mitigate such risks. The Board and the Management Team operate a risk management framework for identifying, evaluating and managing significant risks faced by S4C. This framework has been developed in accordance with relevant good practice guidance on internal controls and risk management.

Following publication of guidance for directors on internal control, Internal Control; Guidance for Directors on the Combined Code (the Turnbull guidance), the Board confirms there is an ongoing process for identifying, evaluating and managing the significant risks faced by the group, which has been in place for the year under review and up to the date of approval of the Statement of Accounts, and that this process is regularly reviewed by the Unitary Board and the Audit and Risk Committee and accords with the guidance.

The key elements of the system of internal control are as follows:

Financial Management

S4C operates a comprehensive management reporting system that includes preparing annual budgets for each cost centre. These budgets are approved by the Board as part of the overall budget for the year. The results of the cost centres are reported monthly and compared to the budget. Significant variances from budget are investigated as appropriate. Forecasts of commitments are prepared regularly throughout the year.

Financial Reports

The Board has established systems of internal control and risk management systems that relate to the group's financial reporting process and the group's process for the preparation of consolidated accounts. The Audit and Risk Committee is responsible for overseeing and monitoring these processes, which are designed to ensure that the Board complies with relevant reporting and regulatory provisions.

Whistleblowing Arrangements

S4C has a 'whistle-blowing' (disclosure) policy to facilitate the confidential communication of relevant information or any incident in confidence. This policy is published on the S4C intranet site. The Audit and Risk Committee, on behalf of the Board, is responsible for ensuring that there are appropriate arrangements in place for the proportionate investigation of matters reported and for appropriate follow-up action.

Monitoring of Business Controls and Risks

The Board has delegated the task of identifying and evaluating significant business-related risks to the Management Team, together with the planning and implementation of appropriate internal controls. These risks are assessed on a continuous basis and may be associated with a variety of internal or external sources including control breakdowns, disruption in information systems, competition, natural disasters and regulatory requirements.

The Chief Executive reports regularly to the Board and the Audit and Risk Committee on risk management issues, and the Committee considers the Strategic Risk Register at every meeting. The Chief Finance Officer also provides quarterly financial performance information to the Board.

The Chief Executive reports to the Board on behalf of the Management Team on significant changes in the business and the external environment that affect significant risks. Where areas for improvement in the system are identified, the Board considers recommendations made by the Management Team and the Audit and Risk Committee.

Assessing Main Risks, Uncertainties and Opportunities

S4C's Strategic Risk Register is based on an assessment of S4C's Strategic Priorities and the risks that can affect the delivery of these priorities. Officers provided regular reports during the year for the Audit and Risk Committee to monitor risk management and enhancements to the risk register. In addition, relevant reports and assurances were provided by the internal auditors thus enabling the committee to critically assess S4C's risk profile during the year.

The risk assessment set out below contains the principal risks and uncertainties identified during the year, and the actions taken to mitigate these risks. These risks are intended to capture at a strategic level the potential risks that could have significant impact upon S4C's ability to deliver its statutory obligations.

The main areas of risks identified remain similar to the previous year and can be categorised as being related to the provision and quality of the service, and strategic, financial and governance matters.

1. The Audience and Service Performance

S4C's primary duty is to provide a Welsh language digital television service consisting of a broad range of high quality and diverse programming. To provide such a service, the Board must ensure that it listens to the needs of its audience, that S4C responds appropriately to these needs and that the independent production sector is able to deliver high quality content.

The Board actively monitored the quality and performance of the service throughout the year, using a wide range of independent information sources and consulting widely with the audience through a range of different methods.

Working closely with independent producers, S4C has discussed audience comments and identified ways of improving the programme output whilst also securing value for money through this collaboration.

Given the rapid development of media platforms, S4C

needs to ensure that it can address viewing patterns and audience requirements for content across various current and future digital platforms, including online services, High Definition and other content formats. The Board is satisfied that S4C has the processes in place to monitor and analyse the performance of the S4C across the various services it provides. However, meeting increasing viewer expectations including the cost of providing more choice and quality content on as many platforms and devices as possible requires continued investment, and this will continue to form part of budgetary discussions.

S4C's technical infrastructure is required to deliver its content over an increasing range of platforms, to deliver a very high level of service availability and quality on a 24/7 basis. Business continuity plans within S4C are designed to ensure that these technical systems are robust and that appropriate and proportionate arrangements are in place to deal with major technical incidents.

Since January 2021, S4C has co-located technical broadcast services with those of BBC Cymru Wales at Central Square, Cardiff.

2. Strategic and Financial

Since April 2022, S4C's public funding has been provided entirely through the Licence Fee, with all future funding decisions made as part of the Licence Fee funding settlement.

Prior to the new funding arrangements coming into effect, in January 2022, the Secretary of State wrote to S4C to confirm the 2022 Licence Fee settlement – and in doing so, recognised S4C's unique cultural and social position as the only Welsh language broadcaster in the UK, playing a vital role in the future of the Welsh language and the Welsh Government's ambition for one million Welsh speakers by 2050.

The Secretary of State's determination confirmed that from 01 April 2022, S4C would see the consolidation of its previous Licence Fee funding (£74.5 million per annum) together with the grant income from DCMS (£6.85 million per annum). A further £7.5 million per annum was awarded from the Licence Fee to support S4C's digital development.

In total, this provided S4C with approximately £88.85 million in Licence Fee funding from 01 April 2022, with this amount to increase annually in line with CPI inflation from 01 April 2024 until the end of the settlement period (31 March 2028).

Despite this certainty of funding over the medium period, the Unitary Board is very mindful of the particular risks posed by inflation – both in the content production sector and the wider economy. Appropriate steps are therefore being taken by the Management Team to work with the independent production sector to manage costs and ensure value for money for audiences.

3. Governance and Structure

The Board's system of and procedures for corporate

governance are formally reviewed to ensure that they are robust and fit for purpose.

An assurance review of governance and the Board's effectiveness was undertaken during 2020 by TIAA (the Internal Auditor). The review considered the high level arrangements in place through discussions with Board Members and comparison to best practice guidance, in order to determine the effectiveness of the new Unitary Board. The Board has since implemented all recommendations made by TIAA.

The Board has continued to implement a number of the recommendations of the independent review of S4C published in March 2018 relating to the structure and governance of S4C. This includes the appointment of the Comptroller and Auditor General as S4C's external auditor in 2019, and ongoing discussions with DCMS about making changes in primary legislation to deliver on the recommendations of the Review.

A Partnership, Funding and Accountability Agreement between S4C and the BBC has been in place since November 2017. The Board has introduced reporting processes for the provision of financial assurance to the BBC and has presented the required Financial Assurance Reports to the BBC's Audit Committee.

S4C Unitary Board Membership

The shadow Unitary Board comprises the Chair and up to eight non-executive members; the Chief Executive and up to two further executive member.

Non-executive members of the S4C Board are appointed by the Secretary of State for Culture, Media and Sport, following consultation with the Secretary of State for Wales, and the Welsh Government.

Non-executive positions on the Board are advertised publicly, and appointments are made in accordance with the public appointments process.

The non-executive membership bring a breadth of experience and knowledge and are independent of the Management Team and of any business or other relationship which could interfere with the exercise of their independent judgment. This structure ensures that the members' decision making cannot be dominated by an individual or small group.

The Chief Executive is an ex officio member of the shadow Unitary Board, while any other executive members of the shadow Unitary Board are appointed by the non-executive members, in accordance with the provisions of S4C's Standing Orders.

Diversity

Diversity within the Unitary Board membership is considered as part of the selection process run by DCMS. Diversity within the organisation is key to ensuring that S4C's service reflects its audience and their needs.

Training and Board Members' Induction Programme

A tailored induction programme is provided to all new Board members.

The induction process includes meetings with key individuals within S4C and the Board, the provision of core information relating to directors' duties, information relating to the operation of S4C's business, the media sector and also the principal risks and uncertainties facing S4C.

During 2022–23, training and development opportunities were provided to Board members on various topics, including:

- Risk Management processes, and the development of a corporate Risk Appetite statement and matrix;
- Access Services, including the requirements of S4C and our current performance against targets;
- Internal processes for commissioning content, and related activities to manage cost pressures;
- The independent production sector in Wales, which included visits to various companies and production facilities.

Additionally, members have been offered opportunities to participate in Non-Executive Director development sessions provided by the UK Government Cabinet Office.

Members' Interests

A register of members' external interests can be found on S4C's website, www.s4c.cymru.

During the period no non-executive members had an interest in contracts with S4C.

Members' Remuneration

Details of the remuneration of the Board's members can be found in a note to the Statement of Accounts.

Membership 2022–23

The composition of the Unitary Board remained relatively static during the reporting year.

Anita George reached the end of her term as a non-executive member in early July 2022; and Suzy Davies was appointed to the Board as a new non-executive member the following month.

In terms of executive membership, Llinos Griffin-Williams joined the shadow Unitary Board at the start of the reporting year upon assuming the role of S4C’s Chief Creative Officer.

Lead Non-Executive Member

The role of Lead Non-Executive Member was created by the Board in 2016 following advice given by DCMS to its sponsored bodies.

Anita George undertook this role between November 2018 and the end of her term on the Board in July 2022.

On 08 December 2022, Chris Jones was subsequently appointed by the Board as the new Lead Non-Executive Member.

The Lead Non-Executive Member’s responsibilities include providing advice and assistance to the Chair; gathering feedback from Board members on the Chair’s performance as part of the DCMS-led annual Chair’s appraisal; where difficulties or tensions exist in the relationship between the Chair and the Chief Executive, to be responsible for facilitating a resolution of such matters; and working with the Chair and other Board members to seek resolution of any material issues or disputes that impact upon the Board’s work.

Skills

Upon appointment, and once a year, all members of the Board are invited to declare the skills and experiences they can draw upon to make the most effective contribution to S4C and the work of the Board.

The skills balance within the Unitary Board membership is considered as part of the selection process run by DCMS.

As at 31 March 2023, shadow Unitary Board members possessed direct skills and experiences in the following areas:

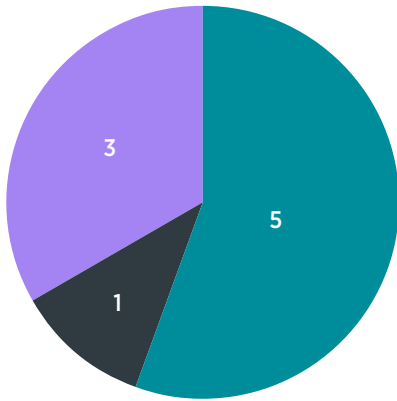


Diversity

During 2022-23, shadow Unitary Board members were invited to declare information to enable relevant data on the diversity of the membership to be collected.

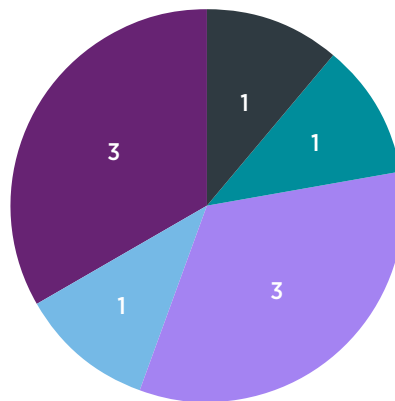
The diversity of the shadow Unitary Board as at 31 March 2023 was as follows:

Sex



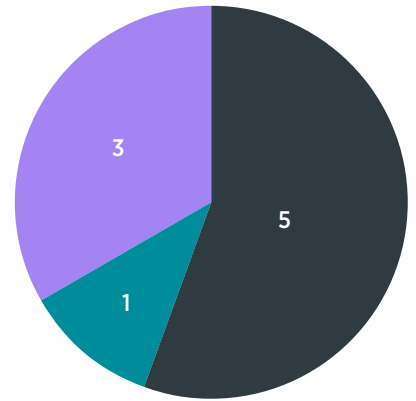
- Male
- Female
- Not Declared

Age



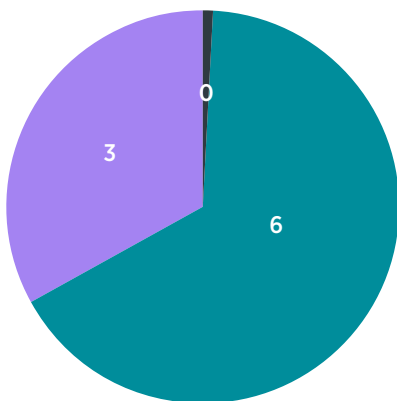
- 30 - 39
- 40 - 49
- 50 - 59
- 60 - 69
- Not Declared

Background



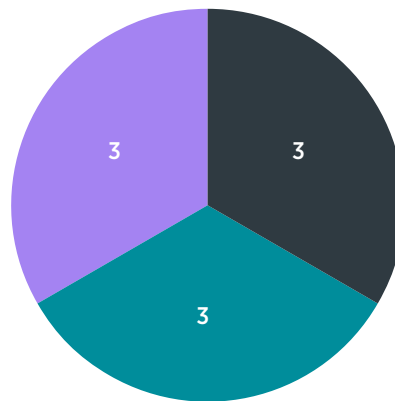
- White (British)
- White (other)
- Not Declared

Disability



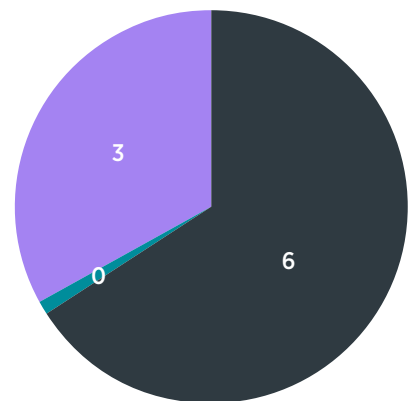
- With a disability
- Without a disability
- Not Declared

Parental Education



- University Degree
- Not educated to University Degree level
- Not Declared

School attended



- State school
- Independent school
- Not Declared



**Rhodri Williams – Chair
Non-Executive Member**

**Term of appointment: 02.07.2018 – 31.03.2024
(Chair 01.04.2020 – 31.03.2024)**

Rhodri is non-executive member of the Board of the Consumer Council for Water and the Chair of its Wales Committee. He was Ofcom’s Director in Wales between 2004 and 2018. He co-founded Agenda Television in 1990 and before that was a member of ITV’s Y Byd ar Bedwar team. His previous non-executive positions include Member and Chair of the Welsh Language Board (1997-2004) and a member of the Board of Visitors at Her Majesty’s Prison, Cardiff.



**Guto Bebb
Non-Executive Member**

Term of appointment: 01.02.2021 – 31.01.2025

Guto has been Chief Executive of the Farmers’ Union of Wales Insurance Services since 2020 and Chief Executive of the Farmers’ Union of Wales Group as a whole since February 2021. Prior to that, he was Member of Parliament for Aberconwy for a decade and served as a Minister in the Wales Office and the Ministry of Defence.

A native of Flintshire, Guto has lived in Caernarfon for around forty years. Prior to his election to Westminster he ran various businesses including an economic development consultancy and a bookshop.



**Suzy Davies
Non-Executive Member**

Term of appointment: 01.08.2022 – 31.07.2026

A qualified lawyer, Suzy followed careers in arts marketing and as a senior solicitor with ten years’ service as a Member of the Senedd, which included a term as Shadow Minister for Culture, Heritage and the Welsh Language.

Since then, she has been an advocate for tourism in Wales, as Chair of the Wales Tourism Alliance, and continues to campaign on greater equality as a board member with Women’s Equality Network. She is also a member of Colegau Cymru board and the Children’s Commissioner’s audit and risk board. A founder member of the Wales International Film Festival, she is now a member of the Iris Film Festival Board.

Born in Swansea, Suzy was raised in Bridgend, the Cynon Valley, Cardiff and Brecon. After working in Swansea, Newton and Aberystwyth, she settled in the Dyfi Valley where her family has a farm and tourism business, and where she learnt Welsh.



**Anita George – Lead Non-Executive Member (until
01.07.2022)
Non-Executive Member**

Term of appointment: 02.07.2018 – 01.07.2022

Anita George is a lawyer with extensive operational and board experience in the private, public and not-for-profit sectors.

She has worked as in-house counsel across several highly regulated sectors in both Hong Kong and the UK and, more recently, as an independent consultant advising financial services businesses on corporate governance and organisational change.



**Adele Gritten
Non-Executive Member**

Term of appointment: 01.02.2021 – 31.01.2025

Adele was born and bred in Swansea and is an experienced Board level Executive having worked in senior management roles for a range of media, marketing and research consultancies for over 20 years, including YouGov.

Adele Joined Local Partnerships LLP as its Chief Executive in November 2022, a company jointly owned by the Local Government Association, HM Treasury and the Welsh Government.

A proven, respected and trusted leader, Adele holds an MA in Social and Political Science from the University of Cambridge.



**Chris Jones – Lead Non-Executive Member (from
08.12.2022)
Non-Executive Member**

Term of appointment: 01.02.2021 – 31.01.2025

Chris was a co-founder of Glas Cymru Cyf, which acquired Welsh Water in 2001 to create the UK’s only non-shareholder owned utility company. He was CFO of Welsh Water from 2001 to 2013, and then Chief Executive until he stepped down in May 2020.

He is currently an Non-Executive Director of Xoserve Limited (the central data services provider for Britain’s gas market) and is a former Non-Executive Director of the Principality Building Society. He is Lay Member of the Council of Cardiff University and has had a range of trustee and advisory roles with third sector organisations, including the Prince’s Trust, the Institute of Welsh Affairs, Water UK and CBI Wales.

Chris learned Welsh as an adult. He was awarded a CBE in the Queen’s Birthday Honours List in 2020.



Denise Lewis Poulton
Non-Executive Member

Term of appointment: 01.04.2021 – 31.03.2025

Denise is an experienced strategic communications, brand and corporate affairs specialist.

Born and bred in Newcastle Emlyn, she was educated at Llandysul Grammar School and King's College, University of London.

She spent her corporate career primarily as a senior director at international telecommunications companies such as Bell Canada plc, Cable & Wireless Communications plc and Orange plc.

She went on to set up a consultancy business advising a number of cultural, media and public sector organisations including the Welsh Government, the Welsh Parliament, S4C, and the Millennium Centre in Cardiff.

She has served as a Trustee and Non-Executive Director with several national cultural organisations including The Welsh National Opera, the Hay Literary Festival, and The Wallace Collection in London. She is an Honorary Lifetime Fellow of BAFTA.

In March 2023, Denise was appointed Trustee of the National Lottery Heritage Fund and National Heritage Memorial Fund and was appointed Chair of the Wales Committee.



Siân Doyle – Chief Executive
Executive Member

Siân Doyle took up the post of S4C's Chief Executive and Accounting Officer in January 2022.

Prior to joining S4C, Siân had extensive experience in the telecommunications and retail sectors in the UK, Canada and the United States. She was a Managing Director with telecommunications company TalkTalk, and was previously Retail Director with EE. She was also Senior Vice President of Retail at Comcast Cable in Philadelphia.

Educated at Ysgol Glan Clwyd, St Asaph, Siân graduated in History and Politics from Cardiff University.



Llinos Griffin-Williams – Chief Content Officer
Executive Member

Before joining S4C in April 2022, Llinos was Creative Director of Cardiff based independent production company, Wildflame.

During her tenure at the award-winning Welsh indie, she helped spearhead the company's move into international content development with contracts from global broadcasters including Discovery+, Paramount+, Smithsonian Channel/ViacomCBS and Science Channel as well as selling content to Amazon Prime, Acorn, BritBox and Nat Geo.



Elin Morris – Chief Operating Officer
Executive Member

Elin hails originally from Llanrhystud, Aberystwyth. She was a lawyer in the Corporate Department of Geldards for over 18 years.

She was appointed Corporate and Commercial Director at S4C in 2009, becoming Chief Operating Officer in 2018.

Attendance

The table below notes attendance at meetings of the shadow Unitary Board and its committees.

April 2021 - March 2022					
	Unitary Board	Audit and Risk Committee	Communications Committee	Content Committee	People and Remuneration Committee
Number of meetings during the year	6	5	3	4	2
Rhodri Williams	6/6	X	3/3	4/4	2/2
Guto Bebb	6/6	4/5	1/3	4/4	X
Suzy Davies	4/5	3/3	3/3	X	X
Anita George	1/1	1/1	X	X	X
Adele Gritten	6/6	X	X	4/4	2/2
Chris Jones	6/6	5/5	X	X	2/2
Denise Lewis Poulton	4/6	X	3/3	3/4	X
Siân Doyle	6/6	X	3/3	4/4	2/2
Elin Morris	6/6	X	X	X	2/2
Llinos Griffin-Williams	5/6	X	1/3	4/4	X

Attendance is expressed as the number of meetings attended as a formal member / the number of meetings that the member was expected to attend.

The Management Team

The Board delegates a number of specific functions to the Chief Executive and their officers, who form S4C's Management Team in accordance with the relevant Standing Orders.

The Management Team is responsible for the day to day operation of S4C, and is accountable to the S4C Board through the Chief Executive.

The Board is responsible for approving appointments to the Management Team. The membership of, appointments, changes to and terms and conditions of the Management Team are proposed to the Board by the Chief Executive, via the People and Remuneration Committee.

Membership 2022–23

During the reporting year, there were changes to the composition and membership of the Management Team. Some processes to appoint new members were ongoing at the end of March 2023.

The following served on the Management Team during 2022–23:



Siân Doyle Chief Executive

Siân Doyle took up the post of S4C's Chief Executive and Accounting Officer in January 2022.

Prior to joining S4C, Siân had extensive experience in the telecommunications and retail sectors in the UK, Canada and the United States. She was a Managing Director with telecommunications company TalkTalk, and was previously Retail Director with EE. She was also Senior Vice President of Retail at Comcast Cable in Philadelphia.

Educated at Ysgol Glan Clwyd, St Asaph, Siân graduated in History and Politics from Cardiff University.



Rhidian Dafydd Director of Projects Member of the Management Team between 01.09.2022 and 25.09.2022

Rhidian Dafydd attended Ysgol Gyfun Gymraeg Glantaf before studying for a Law degree at University College, London.

He has experience of directing a number of large scale strategic change programmes – including at S4C, and previously at Velindre Cancer Centre.

Rhidian is also a member of Yr Urdd's Busnes Board.



Owen Derbyshire Director of Marketing and Digital Member of the Management Team until 13.10.2022

Prior to joining S4C's Management Team in March 2021, Owen was founder and Chief Executive of the Datblygu Cymru Group.

He sat on the Welsh Language Partnership Council, Welsh Government's Welsh Language Technology Board, and was a trustee of housing and homelessness charity Shelter Cymru.



Geraint Evans Director of Content and Publishing Strategy

Prior to his appointment as Director of Content and Publishing Strategy in spring 2022, Geraint Evans was S4C's Commissioner for News and Current Affairs.

Before joining the S4C, he was a journalist with ITV Wales for 25 years. A Correspondent on the current affairs series Y Byd ar Bedwar, then Editor of the series and Head of ITV's Welsh Language Programmes.

At ITV, he developed a number of new factual and current affairs series, such as Y Byd yn ei Le, Y Ditectif, and Ein Byd. He has received the Bafta Cymru award for best news and current affairs programme a number of times and has won the same recognition from the Celtic Media Festival.

Since joining S4C in 2019 he relaunched the popular discussion programme Pawb a'i Farn, he has commissioned a number of powerful current affairs documentaries such as Llofruddiaeth Mike O'Leary, Prif Weinidog mewn Pandemig, and Cadw Cyfrinach and has been responsible for leading S4C's News provision into the digital age by developing a new digital news service for S4C.



Llinos Griffin-Williams
Chief Content Officer

Before joining S4C in April 2022, Llinos was Creative Director of Cardiff based independent production company, Wildflame.

During her tenure at the award-winning Welsh indie, she helped spearhead the company's move into international content development with contracts from global broadcasters including Discovery+, Paramount+, Smithsonian Channel/ViacomCBS and Science Channel as well as selling content to Amazon Prime, Acorn, BritBox and Nat Geo.



Elin Morris
Chief Operating Officer

Elin hails originally from Llanrhystud, Aberystwyth. She was a lawyer in the Corporate Department of Geldards for over 18 years.

She was appointed Corporate and Commercial Director at S4C in 2009, becoming Chief Operating Officer in 2018.



Amanda Rees
Director of Platforms

Amanda directed, produced and executive produced a wide range of factual programmes for broadcasters across the world before forming her own company in 2012. Her programme Finding Mum and Dad (for Channel 4) was nominated for Grierson and Broadcast awards in 2015.

Amanda was appointed Director of Content at S4C in October 2016. Since December 2021, Amanda has served as S4C's Director of Platforms.



Catrin Whitmore
Human Resources Director
Member of the Management Team since 01.09.2022

Having started her career in the independent sector, Catrin later joined the BBC, where she worked on various productions before leading the Talent function within Wales and Bristol for BBC Studios.

Originally from the Rhondda, Catrin is passionate about nurturing talent and developing the creative sector within Wales.



Gwyn Williams
Director of Corporate Communications
Member of the Management Team until 11.11.2022

Gwyn began his career in the media, working for Radio Cymru in Bangor. Thereafter he worked for Newyddion 7 for the BBC and Hel Straeon before starting his own production company.

He was a founding member of the production company Cwmni Da before being appointed chief executive of Barcud resources company in Caernarfon.

Prior joining S4C, he was Director of Communications, with the Welsh Language Commissioner.



Sharon Winogorski
Chief Finance Officer

Sharon is a chartered accountant. Prior to joining S4C in 1998, Sharon worked for a number of companies and organisations.

She was appointed to S4C's Management Team in October 2018. She is responsible for S4C's Finance Department and financial and budgetary issues for both S4C's public and commercial entities.

Sharon is a Welsh learner.

The S4C Board's Work Structure

The shadow Unitary Board meets as required, and at least six times each year. Two further 'strategy days' are typically held each year, in addition to the formal meetings.

As well as the non-executive and executive Board members, other senior members of S4C's Management Team and the Board Secretary also attend the Board's meetings and take part in the Board's discussions.

The Board's Standing Orders include provisions relating to the operation of the shadow Unitary Board system, and in particular, provisions relating to status of the executive members, the quorum requirements and voting rights of the shadow Unitary Board members. These provisions will continue until the relevant statutory provisions relating to S4C's governance framework are amended.

The Management Team provides the Board members with appropriate and timely information, and Board members are free to seek any further information they consider necessary.

All members have access to advice from the Secretary and independent professionals at S4C's expense.

Board members scrutinise S4C's performance in meeting agreed goals and objectives and monitor performance reporting. They satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and implemented appropriately.

Subject to periodic review by the shadow Unitary Board of the delegation of powers and responsibilities to the Management Team and the Board's overriding statutory responsibilities, responsibility for the formulation and operation of detailed policy, in accordance with S4C's remit and Content Strategy and the conduct of the affairs of S4C, has been delegated to the Chief Executive and through them to the Management Team.

During 2022–23, the matters considered by the Unitary Board included:

- Progress on implementing 2022 Strategy, and approval of a dashboard on the delivery of the Strategy for submission to DCMS on a quarterly basis;
- Development of new metrics for monitoring the performance of S4C content;
- Development of a new risk appetite matrix;
- Considering the impact of inflation on content production costs, the actions being taken in response to this, and activities to control S4C's own costs;
- Approval of S4C's budget for the year 2023–24, and considering the financial forecasts for the period thereafter;
- Approval of the Annual Report and Financial Statements for 2021–22;
- Approval of a new Commercial Strategy;
- Approving a programme plan for the 10 hours of content the BBC will provide to S4C in 2023–24;
- Responding to the allegations in relation to the implementation of S4C's procurement policy;
- Receiving reports on the development of the Media Bill and the implications for S4C, and offering guidance where relevant;
- Considering S4C's strategy for responding to discussions on the future of the Licence Fee, the future of public service broadcasting, and the devolution of responsibility for broadcasting in Wales;
- Approval of a new Policy Statement on S4C Contribution to Society;
- Amending various policies, including the Complaints Procedure; and
- Holding an annual meeting with representatives from TAC.

The S4C Board's Committees

The Board has established a number of committees to oversee different aspects of S4C's work.

The committees regularly report to the Board, with the Board approving the committees' recommendations.

To coincide with the approval of a new corporate strategy, the committee structure was reviewed and rationalised. The revised structure came into force on 01 April 2022.

The Board now has four main committees which support effective governance processes.

In addition to the formal committee membership – which includes non-executive and executive Board members as appropriate – other senior members of S4C's Management Team and the Board Secretary also attend committee meetings and contribute to discussions.

In addition, a Complaints Panel is convened as required by the Board to consider matters raised in relation to S4C's Complaints Process.

The Board has also established a Commercial Group Board, to oversee S4C's Commercial Activities. Information on this Commercial Board is provided separately.

Audit and Risk Committee

The Audit and Risk Committee supports the Board and Chief Executive (as Accounting Officer for S4C) in relation to the organisation's internal control and assurance arrangements.

During 2022–23, the following were members of the committee:

- Chris Jones – Chair
- Guto Bebb
- Suzy Davies (from 01.08.2022)
- Anita George (until 01.07.2022)

During the reporting year, the matters considered by the committee included:

- Approval of annual plans and receiving relevant reports from the internal and external auditors;
- Review of the Management Team's updates to the Risk Register;
- Receipt of specific assurance reports on: value for money, cyber security arrangements, co-location, and arrangements for publishing expenses;
- Reviewing the Procurement Policy;
- Evaluation of how the Committee operates against the NAO's good practice criteria;
- Commendation of the Annual Report and Financial Statements for 2021–22 to the Unitary Board, including the review of the Governance Statement.

Communications Committee

The Communications Committee is responsible for overseeing the strategy and performance of S4C's corporate communications and marketing activities on behalf of the Unitary Board.

During 2022–23, the following were members of the committee:

- Denise Lewis Poulton – Chair
- Guto Bebb
- Suzy Davies (from 01.08.2022)
- Siân Doyle, Chief Executive
- Anita George (until 01.07.2022)
- Llinos Griffin-Williams, Chief Content Officer

During the reporting year, the matters considered by the committee included:

- Updates on communications, marketing and promotional activities;
- Development of new personas for commissioning and marketing;
- The evolution of the S4C brand;
- The development of the Policy Statement on S4C's Social Contribution;
- Best practice of monitoring media coverage; and
- The structure and presentation of the Annual Report;

Content Committee

The Content Committee is responsible for overseeing the strategy and performance of S4C's content and services, to ensure they meet the needs of the audience.

During 2022–23, the following were members of the committee:

- Guto Bebb – Chair
- Siân Doyle, Chief Executive
- Llinos Griffin-Williams, Chief Content Officer
- Adele Gritten
- Denise Lewis Poulton

During the reporting year, the matters considered by the committee included:

- Detailed updates on the following genres: drama, sports, children, and digital news;
- Evaluation of the S4C Lleol pilot;
- Development of the multiplatform schedule;
- The new commissioning process;
- Quarterly performance reports; and
- Reports of meetings between S4C and the sector.

People and Remuneration Committee

The People and Remuneration Committee is responsible for overseeing S4C's employment arrangements and monitoring their effectiveness. It also advises the Board on senior appointments and, on behalf of the Board, and monitors the performance of senior managers.

During 2022–23, the following were members of the committee:

- Adele Gritten – Chair
- Rhodri Williams, Board Chair
- Siân Doyle, Chief Executive
- Chris Jones
- Elin Morris, Chief Operating Officer

None of S4C's employees – whether committee members or in attendance – were entitled to attend when the Committee considered any matter relating to their employment, including the outcome of their annual assessment and discussions about their salaries. In such situations, the individual concerned were asked to leave the meeting temporarily.

During the reporting year, the matters considered by the committee included:

- The annual pay settlement for S4C employees;
- The salary benchmarking process;
- The structure and membership of the Management Team; and
- Staffing data – including absence trends, starters and leavers, and training and development.

Report of the Audit and Risk Committee for the 2022–23 financial year

The following report was approved by the Audit and Risk Committee at its meeting on 16 May 2023, for presentation to the S4C shadow Unitary Board, and the Chief Executive as Accounting Officer.

Report of the Audit and Risk Committee for the 2022–23 financial year

This report sets out the responsibilities of the Audit and Risk Committee, and summarises the business undertaken by the Committee during the period 01 April 2022 to 31 March 2023.

The report also sets out how the Committee has assisted the shadow Unitary Board to review S4C's internal control environment, the work of the Committee in relation to reviewing the effectiveness of the internal and external auditors, as well as overseeing activities and processes to achieve value for money.

Committee membership

Members of the Committee have a wide range of experience in the fields of business, financial, governance and human resources that enables the Committee to fulfil its terms of reference in a robust and independent manner.

During the 2022–23 financial year, the following individuals served as members of the Committee:

- Chris Jones, Chair
- Guto Bebb
- Suzy Davies (from 01 August 2022)
- Anita George (until 01 July 2022)

S4C's Chief Executive, the Chief Operating Officer, the Chief Finance Officer, and S4C Board Secretary also attend committee meetings during the period in question.

Meetings were also attended by representatives of the internal and external auditors as appropriate.

All Committee members receive appropriate training and one-to-one information sessions with the Committee Chair, the S4C Board Secretary, and other relevant staff as part of their inductions.

Meetings

The Committee met five times during the year:

- 26 May 2022
- 08 July 2022
- 14 September 2022
- 17 November 2022
- 16 February 2023

All meetings were quorate.

All members of the shadow Unitary Board were invited to attend the meeting held on 08 July 2022 to receive the report of the National Audit Office (NAO) on the external audit of the Annual Report and Financial Statements for the year ended 31 March 2022.

In accordance with best practice, Committee members meet in private with the internal and external auditors annually – typically in advance of the meeting at which the audited Annual Report and Financial Statements are presented for consideration.

The Committee's minutes are formally reported to the Unitary Board after each meeting of the Committee.

Terms of Reference

The Committee's terms of reference were revised by the Unitary Board during the final quarter of 2021–22, in the context of a wider review of the committee structure.

Since 01 April 2022, responsibility for human resources and remuneration matters has transferred from the previous Audit and General Purposes Committee to a new People and Remuneration Committee. This Committee has since become known as the Audit and Risk Committee, with revised terms of reference agreed which align with recommended practice in the public sector. The reconfigured Audit and Risk Committee supports the Unitary Board and Chief Executive (as Accounting Officer for S4C) in relation to the organisation's internal control and assurance arrangements. It is accountable to the Unitary Board. The Committee's full terms of reference can be found at www.s4c.cymru.

The Committee has agreed an annual work plan which ensures that all responsibilities detailed in the terms of reference are considered at the appropriate point in the meeting cycle.

Internal Audit

Arrangements

During 2022–23, the Committee continued to oversee the work of S4C's internal auditors, TIAA, taking account of their reports, management's responses, and action plans as a result of relevant recommendations. The Committee also considered an assessment of S4C's audit needs and approved the internal auditors' annual work plan.

TIAA were originally appointed as S4C's internal auditors in 2019, for a period covering the three reporting years to 2021–22. Following a competitive tender process during early 2022, TIAA were reappointed by the Committee as internal auditors from 01 April 2022 for a period of three (and up to five) years.

Internal Audit Plan and Reports

TIAA presented its draft Internal Audit Plan for 2022–23 to the Committee on 26 May 2022. This had been developed in consultation with senior management and was the first session within the course of a three-year rolling programme (2022–23 to 2024–25) of auditing.

Five internal audits were completed by TIAA during 2022–23, in relation to:

- ICT Cyber Security;
- Human Resources – Performance and Development;
- Key Financial Controls;
- Risk Management Framework; and
- Governance – Strategic Control.

One of these audits was advisory in nature, with appropriate assurance assessments provided by TIAA for the remaining audits undertaken. All reports were presented to the Committee for consideration.

The Committee focussed on all weaknesses and recommendations reported by the Internal Auditors, but were particularly concerned with such areas where the conclusion significantly affected the assurance rating.

Recommendations Log

The log of outstanding recommendations has been regularly monitored by the Committee and updated. Members have been apprised of progress against all outstanding points, have been notified as to what issues have been resolved since the previous meeting, and which recommendations are still outstanding.

As part of the agreed Internal Audit Plan for the year, TIAA conducted a 'Follow-up' audit to consider progress against internal audit recommendations raised in 2021–22, as well as those raised in previous years but which remained outstanding.

Of the 11 recommendations which remained to be reviewed, the Follow-up Internal Audit found that four had been implemented, one had been considered further and a decision taken not to progress with implementation, four were outstanding but within a revised timescale agreed with the Committee, and two were outstanding and overdue for completion.

Committee members agreed to continue to monitor the implementation of the outstanding actions via the Recommendations Log at future meetings.

Internal Audit Performance and Assessment

In their Annual Report to the Committee on 16 May 2023, TIAA included a self-assessment of their performance during 2022–23. 100 per cent of the audits had been completed within the budgeted days agreed in the Internal Audit Plan for 2022–23 (2021–22: 100 per cent), while 100 per cent of final reports had been issued by TIAA within 10 working days of receipt of responses (2021–22: 95 per cent).

The Committee confirmed that it was content with the accuracy of the summary and with the Internal Auditors' overall performance for the year.

Internal Audit Annual Opinion 2022–23

The Head of Internal Audit's Annual Opinion for 2022–23 was presented to the Committee on 16 May 2023, and stated:

TIAA is satisfied that, for the areas reviewed during the year, S4C has reasonable and effective risk management, control and governance processes in place.

This opinion is based solely on the matters that came to the attention of TIAA during the course of the internal audit reviews carried out during the year and is not an opinion on all elements of the risk management, control and governance processes or the ongoing financial viability or (the institution's) ability to meet financial obligations which must be obtained by S4C from its various sources of assurance.

External Audit

The NAO were responsible for undertaking the external audit of the S4C Group for the year ended 31 March 2023.

The External Audit Plan was presented to the Committee on 16 February 2023. The resulting report – summarising the outcome of the audit process – was presented to the Committee on 29 June 2023. All Unitary Board members were invited to attend this meeting of the Committee to receive the NAO's report.

Elements of the Group's Annual Report and Financial Statements for the year ended 31 March 2023 – including the proposed Governance Report – were presented to the Committee on 16 May 2023 for consideration. Members provided feedback on these drafts.

Risk Management

Throughout 2022–23, the Chief Financial Officer presented reports and updates on developments in risk management within S4C together with copies of the Strategic Risk Register. Specific changes to risk ratings were reported and discussed as were mitigating factors.

During 2022–23, the key risks discussed by the Committee included:

- the co-location of technical broadcast services with the BBC;
- cyber-security arrangements, both in terms of protection offered through the outsourcing of key technological systems to the BBC, and the remaining systems organised by S4C directly;
- communications and marketing activities within S4C, including their resilience during a period of internal change; and
- third-party contracts, and the resilience of key providers.

Other Key Business

During the course of the reporting year, the Committee additionally considered the following key business:

Independent Review of Procurement Arrangements

In response to allegations made to the Comptroller and Auditor General with respect to procurement arrangements within S4C, the Committee commissioned an independent review of the arrangements in question by TIAA.

The review concluded that there was no evidence that S4C had breached the approved procurement rules. However, TIAA recommended that S4C tighten aspects of the procurement policy to clearly document the justification and independence of decisions.

The resulting report was presented to the Committee on 16 February 2023, with eight recommendations made with respect to clarification to process / policy. All recommendations have since been addressed by management.

Procurement Procedures

Revisions to S4C's Procurement Procedures were presented to the Committee on 16 February 2023 and were approved by members. These revisions partly related to the recommendations made by TIAA as part of the independent review of procurement arrangements within S4C.

Value for Money

The Committee considered an annual report on assessing and maintaining the value for money of S4C services.

The impact of inflation on the cost of producing content was also a key consideration for members during the year – both in terms of managing risk, and ensuring value for money – and a separate report was also presented to the Committee on this topic on 16 February 2023.

Reviewing how the Committee operates

During 2022–23, the Board Secretary reviewed how the Committee operates against a self-assessment checklist for Audit and Risk Committees published by the NAO. The resulting assessment was presented to the Committee for consideration on 16 February 2023.

Overall, members agreed that the Committee already complies with recommended practice to a large extent. However, a couple of minor action points were agreed to further align with best practice.

Conclusion and Assurance

During the period covered by this report, the Committee has reviewed reports by the internal auditors and other assurance providers, assessed the actions put in train by management to address any highlighted control issues, focussed on ensuring that agreed actions are introduced and monitored, and has considered other information presented to it.

On the basis of this work, and these assurances, the Audit and Risk Committee is able to give an assurance to the shadow Unitary Board that it can place reasonable reliance on the adequacy and effectiveness of S4C's internal controls, risk management systems and governance processes. The Committee can also assure the Unitary Board that the institution's arrangements for securing value for money are, overall, effective.

The Committee is satisfied that the completed audits provide reasonable assurance on controls in the areas covered, although it recognises that the role of the Audit and Risk Committee should not be a substitute for the operation of, and compliance with, internal controls, the responsibility for which rests with the S4C Management Team, and ultimately with the Unitary Board.



Employment Policy Report

S4C's Employment Policy Report

This report provides information relating to S4C's employment and remuneration policy, and gender pay report.

Equal opportunities

S4C is an equal opportunities employer. It does not tolerate discrimination based on gender, race, colour, disability, neurodiversity, ethnic or socio-economic background, age, family situation, marital status, part-time or full-time employment, religion, political beliefs, sexual orientation, use of language or any other irrelevant difference, and is committed to working with diversity in a positive way. The principles of fair and open competition apply and appointments are made on merit.

S4C operates an appraisal system which sets personal objectives for all members of staff including the Management Team. These objectives are based on S4C's annual corporate objectives and performance against these objectives by all members of staff is monitored and evaluated as part of S4C's staff appraisal system.

Under the remuneration policy and existing employment agreements, S4C does not operate any performance related pay arrangements and no bonus payments or discretionary salary elements are paid to S4C staff.

Remuneration of Non-Executive Board Members

The remuneration and period of appointment of the Chair and the non-executive members of the Board are determined by the Secretary of State for Culture, Media and Sport.

Details of the remuneration of the Chair and members are set out in Note 6 to the Statement of Accounts.

No remuneration increases were awarded by the Secretary of State to the Chair or Board members during the reporting period.

Remuneration of Executive Board Members

Remuneration of executive members of the Board is determined by the non-executive members of the Board, in accordance with the relevant statutory provisions and the Board's Standing Orders.

Remuneration of S4C staff

The remuneration of the Chief Executive, the Secretary and the members of the Management Team is determined by the Board. The salaries of other S4C members of staff are determined by the Chief Executive and the Management Team within the annual budget approved by the Board.

Any general salary increases for staff are ratified by the Board on the recommendation of the Chief Executive and Management Team. The median salary of all staff excluding the Management Team at 31 March 2023 was £36,867 (at 31 March 2022 - £33,757).

Remuneration Policy

During the 2022-23 reporting year, the Board approved the following annual pay settlement for S4C employees:

- Introduction of a minimum salary of £20,000 for current staff and for new roles in the future;
- A salary increase of £1,400 for employees earning under £40,000 a year;
- A 3.5% increase in basic salary for employees earning between £40,000 and £70,000;
- A 2% increase in basic salary for employees earning between £70,000 and £120,000 a year; and
- No increase in salary for those earning above £120,000 a year.

The pay settlement is intended to ensure a balance between recognising the contribution of all staff to the success of the service, with the need to ensure that S4C's total staff costs continue to account for a small percentage of S4C's total spend, providing value for money within the current funding settlement.

Remuneration of new appointments is benchmarked with comparable positions within the market to ensure S4C can attract suitably-qualified individuals.

Annual Report on Remuneration of the Chief Executive and Management Team

The median salary of the Management Team as at 31 March 2023 was £115,135 (at 31 March 2022 - £106,492). The salary of the highest paid director was 4.4 times the median remuneration of all staff excluding the Management Team (2021-22 - 4.8 times).

Details of the remuneration of the Chief Executive and Management Team are set out in Note 6 of the Statement of Accounts.

With the exception of the Chief Content Officer and the Director of Platforms, all members of the Management Team are employed on permanent contracts.

Performance of the Chief Executive and Management Team

The Chief Executive's performance is assessed annually by the Board. This process is led by the Chair.

S4C operates a system of performance assessment and personal and corporate objectives for Management Team members. These objectives are agreed between the Chief Executive and the individual members of the Management Team at the beginning of the year and their performance is assessed by the Chief Executive during and following the end of the year.

Composition of S4C's workforce

At 31 March 2023, S4C's workforce comprised of 62% women and 38% men (at 31 March 2022 - 59% women and 41% men).

The Trade Union (Facility Time Publication Requirements)

In accordance with the Trade Union (Facility Time Publication Requirements) Regulations 2017, this report sets out the amount of time spent by S4C employees on union facility time.

Relevant union officials

During the year, one employee acted as a relevant union official.

Percentage of time spent on facility time

The relevant employee spent 9 contracted hours on facility time.

Percentage of pay bill spent on facility time

Less than 1% of the total pay bill was spent on facility time.

Gender Pay Report

New gender pay legislation came into effect in April 2017, requiring all UK companies with over 250 employees to publish their gender pay gap. Although S4C does not have more than 250 employees we have decided to publish gender pay data.

A gender pay gap shows the difference between the average pay of all women and the average pay of all men, irrespective of any differences in the work they do. As a result, it is affected by the make-up of the workforce, including numbers in different types of jobs and at different levels within the organisation.

S4C's aim is to ensure that there is gender balance across our workforce, both in terms of seniority, remuneration and the nature of the work.

Across the whole organisation, S4C's overall mean gender pay gap was 12.2% (2021-22 - 12.2%) and the median gender pay gap was 23.3% (2021-22 - 22.0%).

The data below sets out the percentage of male and female staff and the pay gap within sectors known as quartiles (which are equally sized pay bands ranging from the lowest paid 25% of workers to the highest paid 25%).

During the year S4C's staff headcount increased resulting in a change to the number of staff in each quartile. The upper quartile continues to reflect an almost 50:50 gender balance. Whilst we have seen slight improvements in the upper, upper middle, and lower middle quartiles in terms of the median pay gap, the same indicator has increased over the past year in the lower quartile.

In the lower two quartiles there remains an imbalance in the gender split with more posts being undertaken by female employees.

To help address the gender imbalance S4C conducted Diversity and Equality training for all its staff. We also take appropriate steps to promote awareness and best practice more generally within the organisation. S4C offers flexible and hybrid working on all its job vacancies, in addition to ensuring the jobs are advertised on a broad range of platforms, and taking steps to reach people who are from backgrounds currently under-represented in the sector.

S4C has a personnel panel which meets regularly to discuss vacancies, changes to roles and remuneration. All salaries are benchmarked externally within similar industries.

S4C continues to take appropriate actions to further reduce the gender pay gap, including the initiatives mentioned above, alongside regular review of industry and wider corporate best practice.

Year	Total		Quartile 1 Upper		Quartile 2 Upper middle		Quartile 3 Lower middle		Quartile 4 Lower	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
% staff										
2022/23	38%	62%	45%	55%	65%	35%	16%	84%	27%	73%
2021/22	41%	59%	47%	53%	63%	37%	23%	77%	30%	70%
Salary % gap										
2022/23	£45,000	£34,528	£76,442	£73,268	£44,291	£45,914	£32,000	£32,843	£26,758	£25,450
Median % pay gap 2022/23	23.3%		4.2%		-3.7%		-2.6%		4.9%	
2021/22	£41,046	£32,000	£76,015	£71,112	£41,850	£44,361	£32,400	£30,518	£24,000	£23,948
Median % pay gap 2021/22	22.0%		6.5%		-6.0%		5.8%		0.2%	
Salary % gap										
2022/23	£50,399	£44,267	£77,073	£84,882	£45,693	£45,151	£32,860	£33,130	£26,447	£25,603
Average % pay gap 2022/23	12.2%		-10.1%		1.2%		-0.8%		3.2%	
2021/22	£47,606	£41,782	£76,641	£79,962	£43,061	£43,499	£31,871	£30,877	£24,274	£23,736
Average % pay gap 2021/22	12.2%		-4.3%		-1.0%		3.1%		2.2%	



Sustainability Report

Sustainability Report

Since the 2021–22 reporting year, S4C has been required to produce an annual Sustainability Report. This is the second such report, and provides a comparison of performance on various sustainability metrics against the previous year.

S4C does not produce its own content. Since September 2021, we have formed a partnership with the BAFTA albert consortium, and are working with our suppliers to ensure that content is produced sustainably and with minimal impact on the environment.

S4C was one of 12 broadcasters and streamers who came together in November 2021 to sign up to the Climate Content Pledge, organised by albert. We are committed to using our content to help audiences understand what tackling climate change could mean for them, as well as informing and inspiring sustainable choices.

In terms of S4C's corporate operations, the relocation of our headquarters to the Canolfan S4C Yr Egin – which achieved a BREEAM Excellent certificate for sustainability – and co-locating our broadcast technology operations with BBC Cymru Wales at their Central Square headquarters, have resulted in reduced energy consumption and emissions.

The data for 2021–22 related to S4C's emissions and consumption at Yr Egin during a period which included national restrictions in response to the Covid-19 pandemic, which included a requirement that staff work from home where possible. We therefore expect that the comparable figures reported for 2022–23 and future years to be higher, reflecting the resumption of usual business practices.

Greenhouse Gas Emissions					
		Measurement	2021–22	2022–23	Trend
Scope 1 Direct GHG emissions	Total gross emissions: Scope 1	tCO2e	19	19	–
	Emissions from:				
	Gas	tCO2e	19	19	–
	Oil	tCO2e	0	0	–
	Fuel (including LPG)	tCO2e	0	0	–
Scope 2 Energy indirect emissions	Total gross emissions: Scope 2	tCO2e	8	5	↓
	Emissions from:				
	Electricity	tCO2e	8	5	↓
Scope 3 Official travel emissions	Total gross emissions: Scope 3	tCO2e	18	57	↑
	Emissions from:				
	Domestic and international business travel	tCO2e	18	21	↑
	International business travel	tCO2e		36	↑

Energy Consumption

		Measurement	2021-22	2022-23	Trend
Total Electricity		kWh	8,000	21,000	↑
Electricity	Renewable	kWh	7,000	21,000	↑
	Non-Renewable	kWh	1,000	0	↓
Gas		kWh	19,000	82,000	↑
LPG		kWh	0	0	=
Other		kWh	0	0	=

Waste

		Measurement	2021-22	2022-23	Trend
Total waste disposed		tonnes	1.00	1.15	↑
Hazardous waste disposed		tonnes	0.00	0.00	=
Hazardous waste disposed	Landfill	tonnes	0.00	0.00	↓
	Recycled	tonnes	1.00	0.64	↑
	ICT waste recycled, reused and recovered (externally)	tonnes	0.00	0.00	=
	Composted	tonnes	0.00	0.00	=
	Incinerated with energy recovery	tonnes	0.00	0.51	↑
	Incinerated without energy recovery	tonnes	0.00	0.00	=

Finite Resource Consumption

		Measurement	2021-22	2022-23	Trend
Water consumption (Non-office Estate)	Supplied	m ³	52	97	↑
	Abstracted	m ³	0	0	=
	Collected	m ³	0	0	=
Water consumption (Non-office Estate)	Supplied	m ³	0	0	=
	Abstracted	m ³	0	0	=
	Collected	m ³	0	0	=
Paper consumption - A4	Supplied	Reams of paper	40	18	↓
Paper consumption - A3	Supplied	Reams of paper	0	0	=

Vehicles

		Measurement	2021-22	2022-23	Trend
Total Vehicles (Owned, Hired & Leased)		Number of vehicles	20	26	↑
% of vehicles categorised as Ultra Low Emission Vehicles (ULEV)		% of vehicles	0	70	↑



Accounts 2022-23

Statement of Accounts 2022/23

Report of S4C for the year ended 31 March 2023

Foreword

This report sets out S4C's Statement of Accounts for the year ended 31 March 2023, together with explanatory notes.

The Statement of Accounts of S4C for the year ended 31 March 2023 is presented in accordance with the Accounts Direction issued by then Secretary of State for Digital, Culture, Media and Sport to S4C in March 2020.

The Board presents a balanced assessment of S4C's position and prospects in the information required to be presented by statutory requirements.

Principal activities

S4C operates under Sections 203 to 207 (inclusive) and Schedule 12 of the Communications Act 2003. Section 204 provides that S4C shall have the function of providing television programme services of high quality with a view to them being available for reception wholly or mainly by members of the public in Wales. In carrying out that function, S4C must continue to broadcast the service provided in digital form referred to in legislation as S4C digital.

Group structure

Sub-paragraphs (2) and (3) of Paragraph 1 of Schedule 6 to the Broadcasting Act 1990 (as amended by Section 206 (6) of the Communications Act 2003) entitles S4C, to the extent that it appears to them incidental or conducive to the carrying out of their functions to do so, to carry out activities, including commercial activities, through S4C companies using commercial revenues only. Likewise, the transitional provisions contained in paragraph 27 of Schedule 18 to the Communications Act 2003 permit S4C to continue carrying on any activities, including commercial activities, which were being carried on immediately before the commencement of Section 206, either itself or through an S4C company.

Within this consolidated Statement of Accounts, the Public Service Fund is referred to as S4C and the total of both public service and commercial activities is referred to as the S4C Group. The assets of S4C that are not comprised in the Public Service Fund are referred to as the General Fund.

Funding

The provisions relating to the financial requirements of S4C are set out in Section 31 of the Public Bodies Act 2011. This places a statutory duty upon the Secretary of State to ensure that S4C is paid an amount which she considers sufficient to cover the cost to S4C each year of (a) providing S4C's public services (within the meaning of Section 207 of the Communications Act 2003); and (b) arranging for the broadcasting or distribution of those services. The Secretary of State for Culture, Media and Sport may discharge this duty by making payments herself or entering into an agreement with another person for that person to do so (or both). Such funding must be held in the Public Service Fund and be applied only for the purposes of providing S4C's public services. No subsidy is permitted from the Public Service Fund for any S4C subsidiary.

During the year S4C's funding was derived from the licence fee, through the BBC. S4C also generates commercial revenues through activities including advertising sales and programme sponsorship.

The provisions relating to the licence fee contribution for 2022/23 are set out in the BBC Framework Agreement published in December 2016 (as amended in May 2022) which includes the financial provisions that have been agreed between the BBC, the Secretary of State and S4C for the licence fee contribution from 2022/23 to 2026/27.

The Secretary of State has set out the sums that DCMS will contribute to S4C in 2022/23 in a Licence Fee settlement letter on 21 January 2022. This determination applies for the remainder of the settlement period until 31 March 2028.

Public Service Fund income and General Fund Turnover

Amounts receivable from the BBC during the period totalled £88.850m (period to 31 March 2022 - £81.351m from the BBC and then Department for Digital, Culture, Media and Sport). This income was used to finance the cost of commissioning and acquiring Welsh language programmes, the transmission costs of S4C, expenditure on fixed assets and overheads. The balance of this income, after the cost of programme transmission and operational and administrative expenses, therefore represents the principal means of financing the net assets of S4C and is treated as deferred income in the Public Service Fund. General Fund turnover was generated by sales of airtime, rights in television programmes, sponsorship, merchandising, publishing and investment activities. It totalled £1.922m during the period to 31 March 2023 (period to 31 March 2022 - £1.986m). Further details are given in note 3 to the Statement of Accounts.

Expenditure

Costs charged to the Consolidated Statement of Comprehensive Income during the period include £91.769m (period to 31 March 2022 - £82.842m) for the cost of the programme service and transmission and distribution costs, £0.930m for other direct costs (period to 31 March 2022 - £0.878m) and £3.225m (period to 31 March 2022 - £2.882m) for operational and administrative expenses. The costs of programmes transmitted included £72.985m (period to 31 March 2022 - £66.534m) in respect of the cost of programmes commissioned or acquired from programme suppliers and repeats. Transmission and distribution costs are incurred in respect of digital terrestrial and satellite platforms including video on demand services provided by contractors. The balance comprised the direct costs of programme commissioning and presentation, the operational costs of access services provided by S4C and other related costs of the programme service such as marketing costs and audience research.

Other direct costs include profit participation due to third parties in respect of programme sales, agency commission and playout costs relating to advertisements and digital costs relating to S4C2 Cyf's broadcasting capacity. Further details of the operational and administrative costs of S4C are given in note 4 to the Statement of Accounts.

Statement of Accounts 2022/23

Report of S4C for the year ended 31 March 2023

Income from the BBC is received in advance of all costs being charged to the Statement of Comprehensive Income. At the Balance Sheet date, any income received in advance is transferred to the Public Service Fund. £3.844m has been transferred from the Public Service Fund at 31 March 2023 (at March 2022 - £2.786m from the Public Service Fund).

Payment policy

It is S4C's policy to agree appropriate terms and conditions for its transactions with suppliers, and subject to their compliance, to make payments in accordance with these terms. Typically during the year, 91% (period to 31 March 2022- 92%) of supplier balances were paid within 30 days.

Hours transmitted and average cost per hour

The total hours of programmes transmitted by S4C during the period amounted to 6,544 (period to 31 March 2022 - 6,506), representing an average per week of 125.8 hours (period to 31 March 2022 - 125.1 hours).

The statutory hours supplied by the BBC, which included an element of repeat programmes, were provided to S4C under Section 58 (1) of the Broadcasting Act 1990 (as mentioned by Section 29 of the Broadcasting Act 1996) and were funded by the BBC out of the license fee revenue. S4C also made payments totalling £1.615m for the provision of sports programming and weather bulletins (period to 31 March 2022 - £0.7m for the provision of Pobol y Cwm and Weather bulletins) not provided as part of the statutory hours.

During 2022/23 the number of hours commissioned with the BBC increased due coverage of special events in 2022 - FIFA World Cup where Wales qualified for the first time since 1958 and additional programming associated with the Queen's death.

During the period 1,278 hours (period to 31 March 2022 - 1,278 hours) of Welsh language programmes were transmitted in the peak hours between 6.30 p.m. and 10.00 p.m. with a weekly average of 24.6 hours (period to 31 March 2022 - 24.6 hours).

The hours transmitted and average cost per hour is not covered by the Comptroller and Auditor General's opinion on the financial statements.

	2022/23		2021/22	
	Hours	Cost per hour £	Hours	Cost per hour £
Commissioned programmes				
Independent productions	1,477	46,667	1,428	43,863
BBC	103	15,678	52	13,015
	1,580	44,647	1,480	42,779
Acquired programmes	88	11,551	123	8,649
Repeats				
Independent productions	4,266	334	4,303	501
BBC	87	-	95	-
	6,021	12,122	6,001	11,087
BBC - Statutory hours	523	-	505	-
Total	6,544		6,506	
Average per week	125.8		125.1	

Transmitted programmes by category

	2022/23		2021/22	
	Hours	Cost per hour £	Hours	Cost per hour £
Commissioned programmes				
Drama	64	174,729	80	193,514
General Factual	498	33,591	517	34,537
Current Affairs and Weather	89	32,240	97	31,223
Light Music / Entertainment	156	75,412	124	64,929
Children's	265	26,877	312	18,320
Music and Arts	103	49,313	28	57,500
Sport	379	38,192	296	35,106
Religion	26	50,840	26	45,355
Total	1,580	44,647	1,480	42,779

Digital content published (excluding social media)

In addition to the commissioned content above, 58 hours of digital content was published in the year totalling £1.834m (73 hours totalling £1.699m in 2021/22).

	2022/23		2021/22	
	Hours	Cost per hour £	Hours	Cost per hour £
Drama	3	32,842	2	28,345
General Factual	5	26,707	7	17,326
Current Affairs and Weather	4	48,903	5	12,232
Light Music / Entertainment	2	77,476	7	26,272
Children's	28	30,828	29	22,496
Music and Arts	7	32,449	11	27,957
Sport	9	17,896	1	38,247
Local television	-	-	11	26,219
Total	58	31,621	73	23,277

	2022/23	2021/22
	Hours	Hours
Drama	63	71
News	246	219
Current Affairs and Factual	19	33
Light Entertainment	-	-
Youth and Children's	16	16
Music and Arts	89	24
Sport	90	142
Total	523	505

Statement of Responsibilities

Preparation of Financial Statements

In these financial statements directors refer to the S4C Board, S4C Accounting Officer and directors of the S4C commercial subsidiary companies.

- (a) There is an overriding requirement under United Kingdom company law for directors to ensure that financial statements are prepared for each financial year which give a true and fair view of the state of affairs of their company as at the end of the financial year and of the profit or loss for that period.
- (b) In addition, directors are required:
- to adopt appropriate accounting policies and apply them consistently;
 - to make judgements and estimates reasonably and prudently;
 - to comply with applicable accounting standards; and
 - to prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business.
- (c) It is the responsibility of directors to:
- ensure that adequate accounting records are maintained to safeguard the assets of the company; and
 - take reasonable steps to prevent and detect fraud and other irregularities.

In so far as the directors are aware:

- There is no relevant audit information of which the group's auditors are unaware; and the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.
- The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In the case of S4C, responsibility for the preparation of a Statement of Accounts is placed on S4C as a statutory body by the Broadcasting Act 1990 Schedule 6 paragraphs 12 and 13 (as amended).

The Chief Executive, as Accounting Officer, together with the Chief Finance Officer, have responsibility for ensuring that the Statement of Accounts is prepared and for the implementation of controls.

The Board confirms that S4C's Statement of Accounts complies with all appropriate requirements. The Board considers that it is discharging its responsibilities in all the above respects.

Going Concern

In relation to the assessment of the viability of the business, the Board has assessed the prospects of S4C's business for the period up to March 2027. This period is relevant to S4C's business as it relates to the Licence Fee settlement period up to 31 March 2027 including the provisions of clause 39 of the BBC Framework Agreement (approved in December 2016).

The Board has considered the statutory duty of the Secretary of State to ensure sufficient funding for S4C to enable it to provide its public broadcasting services and the funding settlement for the period 2022 to 2027.

In its overall assessment of the viability of S4C's business, the Board has:

- considered the statutory duty to ensure sufficient funding for S4C to enable it to provide its public broadcasting services;
- approved the S4C group budget to 31 March 2024 taking account of the Board's agreed risk appetite, S4C's strategy, and its remit under the Communications Act 2003. The budget included revenue and cost as well as its current financial position and cash resources.
- considered S4C's VAT arrangements;
- reviewed S4C's 2022/23 strategic objectives and content strategy. Following confirmation of the funding settlement for the period 2022 - 2027 the Board has approved a strategy for that period;
- reviewed audience expectation of S4C's services. The Board actively monitored the quality and performance of the service throughout the year and consulted widely with the audience through a range of different methods. Working closely with independent producers, S4C has discussed audience comments and identified ways of improving the programme output whilst also securing value for money through this collaboration.
- considered the strategic risk register and each of the principal risks and uncertainties noted in the Governance Report above, including how they are managed;
- considered S4C's Covid-19 plan and new ways of working following Covid-19;
- considered reports summarising business assurance work during the year; and
- reviewed performance updates in the normal course of business that provides the foundation to implement S4C's long-term strategy.

Statement of Responsibilities

Although this assessment does not consider all of the risks that S4C may face, the Board confirm that its assessment of the strategic risks facing S4C was robust.

Based on the results of their activities around principal risks and viability and the statutory provisions relating to the sufficient funding of S4C, the Board has a reasonable expectation that it will be able to continue to operate and meet its liabilities, as they fall due. For this reason, it continues to adopt the going concern basis in preparing the Statement of Accounts.

Independence of the external auditors

The Board maintains an appropriate relationship with external auditors.

External Auditors

The report of the external auditor, the Comptroller and Auditor General, on the Statement of Accounts is given on pages 95 to 96.

By order of the Board

Sián Doyle
Chief Executive

07 July 2023



THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE BOARD OF SIANEL PEDWAR CYMRU (S4C), ACKNOWLEDGING THAT THE HOUSES OF PARLIAMENT ALSO PLACES RELIANCE ON THE S4C ANNUAL REPORT AND ACCOUNTS

Opinion on financial statements

I certify that I have audited the financial statements of S4C Group, comprising the S4C Authority and its subsidiaries, for the year ended 31 March 2023.

The financial statements comprise S4C and its Group's:

- Consolidated and Group Balance Sheet as at 31 March 2023;
- Consolidated Statement of Comprehensive Income, Consolidated Cash Flow Statement and the Consolidated and S4C Statements of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the S4C Group financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Acceptable Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of S4C and its Group's affairs as at 31 March 2023 and its loss after taxation for the year then ended; and
- have been properly prepared in accordance with the Broadcasting Act 1990 and Secretary of State directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of S4C and its Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that S4C and its Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the S4C and its Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer and S4C Board of Directors with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises the information included in the Annual Report, but does not include the financial statements nor my auditor's certificate and report. The S4C Board of Directors and Accounting Officer are responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit, the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of S4C and its Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Statutory Other Information.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- Adequate accounting records have not been kept by S4C and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities of the S4C Board and Accounting Officer for the financial statements

As explained more fully in the Statement of Responsibilities, the S4C Board and Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within S4C and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with Secretary of State directions made under the Broadcasting Act 1990;
- ensuring that the annual report is prepared in accordance with Secretary of State directions directions made under the Broadcasting Act 1990; and

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE BOARD OF SIANEL PEDWAR CYMRU (S4C), ACKNOWLEDGING THAT THE HOUSES OF PARLIAMENT ALSO PLACES RELIANCE ON THE S4C ANNUAL REPORT AND ACCOUNTS

- assessing S4C and its Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by S4C and its Group will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion upon the financial statements in accordance with the Deed of Agreement between the Secretary of State and S4C dated 7 May 2019 pursuant to the requirements of the Broadcasting Act 1990, and International Standards on Auditing.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of S4C and its Group's accounting policies.
- inquired of management, S4C's Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to S4C and its Groups's policies and procedures on:
 - o identifying, evaluating and complying with laws and regulations;
 - o detecting and responding to the risks of fraud; and
 - o the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the S4C and its Group's controls relating to the S4C's compliance with the Broadcasting Act 1990 and Broadcasting Act 1996 and the Communications Act 2003;
- inquired of management, S4C's Head of Internal Audit and those charged with governance whether:
 - o they were aware of any instances of non-compliance with laws and regulations;
 - o they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team, including internal and external specialists, such as pensions specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within S4C and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the S4C and its Group's framework of authority and other legal and regulatory frameworks in which the S4C and its Group's operate. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the S4C and its Group. The key laws and regulations I considered in this context included the Broadcasting Act 1990 and Broadcasting Act 1996 and the Communications Act 2003, employment law and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the S4C Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal and external specialists, such as pensions specialists, and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
10 July 2023

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2023

The Consolidated Statement of Comprehensive Income, Balance Sheets, Statements of Changes in Equity and the Consolidated Cashflow Statement show the results and performance of both S4C and its commercial group of companies. Within this Consolidated Statement of Accounts, the Public Service Fund is referred to as S4C and the total of both public service and commercial activities is referred to as the S4C Group. The assets that are not comprised in the Public Service Fund are referred to as the General Fund.

	Note	2022/23	2021/22
		£000	£000
Public Service Fund Income and General Fund Turnover	3	90,933	83,526
Turnover of S4C		90,933	83,526
Cost of programme service		(87,677)	(79,405)
Transmission and distribution costs		(4,092)	(3,437)
Other direct costs		(930)	(878)
Gross loss		(1,766)	(194)
Operational and administrative costs	4	(3,225)	(2,882)
Operating loss	3	(4,991)	(3,076)
Sale of investments	8	582	-
		(4,409)	(3,076)
(Loss) / gain on investment	11	(970)	212
Investment income		202	190
Gain on investment property		-	135
Net interest		254	3
Loss on ordinary activities before taxation		(4,923)	(2,536)
Taxation on loss on ordinary activities	6	53	(40)
Loss after taxation		(4,870)	(2,576)
Actuarial gain on the pension scheme assets and liabilities	19	100	100
Other comprehensive profit		100	100
Total comprehensive loss for the year		(4,770)	(2,476)
Transfer from Public Service Fund (deferred income)	13	3,844	2,786
Retained in the General Fund	13	(926)	310

The Statement of Accounts was approved by the Board on 07 July 2023.
The notes on pages 102 to 119 form part of the Statement of Accounts.

Consolidated Balance Sheet


at 31 March 2023

	Note	At 31/03/23		At 31/03/22	
		£000	£000	£000	£000
Fixed Assets					
Tangible fixed assets	7	78		222	
Investments	8	156		552	
Investment property	8	-		3,640	
			234		4,414
Current Assets					
Stock	9	13,937		14,671	
Debtors - amounts falling due within one year	10	4,771		2,639	
Debtors - amounts falling due after more than one year	10	6,682		6,890	
Investments	11	12,646		13,693	
Cash at bank and in hand		19,529		20,255	
			57,565		58,148
Current Liabilities					
Creditors: amounts falling due within one year	12	(15,419)		(14,712)	
Creditors: amounts falling due after more than one year	12	(3,861)		(4,561)	
Net Current Assets			38,285		38,875
Total Assets less Total Liabilities					
			38,519		43,289
Reserves					
Public Service Fund	13		19,448		23,292
General Fund	13		19,071		19,997
Total Reserves			38,519		43,289

The Statement of Accounts was authorised for issue to comply with FRS 102 para 32.09. by the Board on 07 July 2023.

Rhodri Williams Chairman
Siân Doyle Chief Executive

The notes on pages 102 to 119 form part of the Statement of Accounts.



S4C Balance Sheet

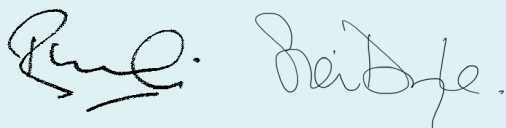
at 31 March 2023

	Note	At 31/03/23		At 31/03/22	
		£000	£000	£000	£000
Fixed Assets					
Tangible assets	7	78		222	
			78		222
Current Assets					
Stock	9	13,937		14,671	
Debtors - amounts falling due within one year	10	5,331		2,272	
Debtors - amounts falling due after more than one year	10	6,259		6,890	
Cash at bank and in hand		12,612		17,542	
			38,139		41,375
Current Liabilities					
Creditors - amounts falling due within one year	12	(14,908)		(13,744)	
Creditors - amounts falling due after more than one year	12	(3,861)		(4,561)	
Net current assets			19,370		23,070
Total Assets less Total Liabilities					
			19,448		23,292
Reserves					
Public Service Fund	13		19,448		23,292
General Fund	13		-		-
Total Reserves			19,448		23,292

The Statement of Accounts was authorised for issue to comply with FRS 102 para 32.09. by the Board on 07 July 2023.

Rhodri Williams Chairman
Siân Doyle Chief Executive

The notes on pages 102 to 119 form part of the Statement of Accounts.



Consolidated Statement of Changes in Equity at 31 March 2023

S4C Group	Retained earnings	Total equity
	£000	£000
At 1 April 2022	43,289	43,289
Loss for the year	(4,870)	(4,870)
Other comprehensive profit for the year	100	100
Total comprehensive income for the year	(4,770)	(4,770)
At 31 March 2023	38,519	38,519

Consolidated Statement of Changes in Equity at 31 March 2022

S4C Group	Retained earnings	Total equity
	£000	£000
At 1 April 2021	45,765	45,765
Loss for the year	(2,576)	(2,576)
Other comprehensive profit for the year	100	100
Total comprehensive income for the year	(2,476)	(2,476)
At 31 March 2022	43,289	43,289

S4C Statement of Changes in Equity at 31 March 2023

S4C	Retained earnings	Total equity
	£000	£000
At 1 April 2022	23,292	23,292
Loss for the year	(3,944)	(3,944)
Other comprehensive profit for the year	100	100
Total comprehensive income for the year	(3,844)	(3,844)
At 31 March 2023	19,448	19,448

S4C Statement of Changes in Equity at 31 March 2022

S4C	Retained earnings	Total equity
	£000	£000
At 1 April 2021	26,078	26,078
Loss for the year	(2,886)	(2,886)
Other comprehensive profit for the year	100	100
Total comprehensive income for the year	(2,786)	(2,786)
At 31 March 2022	23,292	23,292

Consolidated Cash Flow Statement

for the year ended 31 March 2023

Net cash flow from operating activities shows the cash generated from core activities before investment and financing.

		2022/23	2021/22
Cash flow from operating activities		£000	£000
Loss for the financial year		(4,923)	(2,536)
Net interest		(254)	(3)
Investment income		(202)	(190)
Unrealised loss/(gain) on investment	11	970	(212)
Unrealised gain on investment property	8	-	(135)
Depreciation and amortisation	7	151	180
Profit on sale of fixed assets		-	(44)
Profit on sale of investments		(582)	-
Decrease / (increase) in stock		734	(3,218)
Increase in debtors		(1,392)	(236)
Increase / (decrease) in creditors		342	(2,162)
Decrease in investments		77	62
Net cash outflow from operating activities		(5,079)	(8,494)
Cash flow from financing activities			
Investment income		202	190
Interest received		122	3
Loans recouped		-	5
Loans issued/repaid		(400)	(1,029)
Net cash outflow from financing activities		(76)	(831)
Cashflow from investing activities			
Purchase of tangible fixed assets	7	(7)	(3)
Purchase of Investments		(50)	(500)
Sale of fixed assets		4,486	128
Net cash inflow / (outflow) from investing activities		4,429	(375)
Decrease in cash		(726)	(9,700)
Unrealised (loss)/gain in investment	11	(970)	212
Management charges	11	(77)	(81)
Cash invested	11	-	500
Movement in net funds		(1,773)	(9,069)
Net funds at 1 April 2022	18	33,948	43,017
Net funds at 31 March 2023	18	32,175	33,948

Notes to the Accounts

for the year ended 31 March 2023

1. Accounting Policies

The principal accounting policies of S4C are set out below. Within this consolidated Statement of Accounts, the Public Service Fund is referred to as S4C and the total of both public service and commercial activities is referred to as the S4C Group. The assets of the S4C Group that are not comprised in the Public Service Fund are referred to as the General Fund. The presentation and functional currency of these financial statements is sterling. Rounding is to the nearest £000 with the exception of the salary and staff expenses disclosure.

The Board consider that S4C is a Public Benefit Entity as defined by FRS 102. A Public Benefit Entity is an entity whose primary objective is to provide goods or services for the general public, community or social benefits and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to producing a financial return to equity providers, shareholders or members.

The financial statements have been prepared on a going concern basis as described in the going concern and viability section on pages 93 to 94.

(a) Basis of preparation of Statement of Accounts

The financial statements have been prepared under the historical cost convention in compliance with paragraph 12 (1) of Schedule 6 to the Broadcasting Act 1990 (as amended), the Accounts Direction issued by the Secretary of State for Culture, Media and Sport, and in accordance with Financial Reporting Standard (FRS) 102, the Financial Reporting Standard (FRS) applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying S4C's accounting policies (see note 2).

The following principal accounting policies have been applied:

(b) Basis of consolidation

The consolidated Statement of Accounts incorporate those of S4C and of its subsidiary undertakings (see note 8) drawn up to 31 March 2023. Profits or losses on intra - group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

(c) Income

Income from the BBC is credited to the Statement of Comprehensive Income when it is received.

Other income, which includes income from sales of airtime, rights in television programmes, sponsorship, merchandising, publishing and investment activities, is recognised in the Statement of Comprehensive Income when the associated services are delivered.

(d) Cost of programmes

The cost of commissioned public service programmes is wholly written off on first transmission or as soon as it becomes apparent that no transmission will result.

(e) Programme and other stocks

Direct costs incurred in the commissioning or purchase of public service programmes as yet untransmitted are carried forward as stock, after

providing for expenditure on material which is unlikely to be transmitted. For a series of programmes, the allocation of stock between programmes completed but not yet transmitted and programmes in the course of production is based on total costs to date and the contractual cost per completed episode.

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

(f) Income received in advance of related expenditure

As a result of the above policies, income from the BBC is received in advance of all costs being charged to the Statement of Comprehensive Income. At the Balance Sheet date, any income received in advance is transferred to the Public Service Fund. As the related costs are charged, there is a corresponding transfer of the relevant income from the Public Service Fund to the Statement of Comprehensive Income. The Statement of Comprehensive Income therefore contains a net transfer to or from the Public Service Fund comprising these transfers.

(g) Investments in joint ventures

Investments in joint ventures are recognised initially in the Consolidated Balance Sheet at the transaction price and subsequently adjusted to reflect the group's share of total comprehensive income and equity of the joint venture, less any impairment.

(h) Debtors

Short term and long term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(i) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

(j) Financial instruments

S4C primarily enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that S4C would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(k) Creditors

Short term and long term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(l) Fixed asset investments

Fixed asset investments are held at historic cost less impairment.

(m) Tangible fixed assets

Tangible fixed assets are stated at cost, together with any incidental expenses of acquisition, less depreciation. Depreciation is calculated so as to write off the cost of the asset less its residual value on a straight line basis over its estimated useful life. The principal annual rates used for this purpose are as follows:

Plant and equipment 20%

Improvements to short leasehold buildings are depreciated on a straight line basis over the remaining period of the lease.

(n) Pension contributions **Defined benefit scheme**

A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The defined benefit obligation is calculated using the projected unit credit method. S4C engages independent actuaries to calculate the obligation annually. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discounted rate').

The fair value of plans assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with S4C's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gain on the pension scheme assets and liabilities.

Defined contribution scheme

S4C operates a defined contribution plan.

A defined contribution plan is a pension plan under which S4C pays fixed contributions into a separate entity. Once the contributions have been paid S4C has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet.

(o) Leased assets

Operating lease rentals are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

(p) Taxation

The tax expense for the year comprises current tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The Statement of Accounts is prepared on the basis that taxation is not levied in relation to amounts received by S4C from the BBC.

Profits generated by subsidiary undertakings are subject to corporation tax.

(q) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions are translated at the rate ruling at the date of the transaction. Exchange differences arising on translation and transactions in foreign currencies are dealt with through the Statement of Comprehensive Income.

(r) Current asset investments

Current Asset Investments are held at fair value with any change recognised in the profit and loss account.

(s) Exceptional items

Exceptional items are transactions that fall within the ordinary activities of S4C but are presented separately due to their size or incidence.

(t) Investment property

Investment properties for which fair value can be measured reliably without undue cost or effort on an on-going basis are measured at fair value annually with any change recognised in the profit and loss account.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Impairment of fixed asset investments

The carrying value of the strategic investments are assessed for potential impairment using a discounted cash flow model approved by management. Where formal forecasts are not available, other commonly used valuation techniques are used in the impairment model.

Stock

Direct costs incurred in the commissioning or purchase of public service programmes as yet untransmitted are carried forward as stock, after providing for expenditure on material which is unlikely to be transmitted.

Defined benefit scheme

The pension costs charged against the Statement of Comprehensive Income are based on the actuarial methods and assumptions designed to spread the anticipated pension costs over the service lives of the employees in the Plan, so as to ensure that the regular pension cost represents a substantially level percentage of the current and expected future pensionable payroll. Variations from regular cost are spread over the average remaining service lives of current employees in the scheme.

In the absence of any agreement to pay a refund to S4C and because the Plan is now closed to future service accrual, the Plan's surplus at 31 March 2023 is restricted in S4C's Balance Sheet to nil.

3. Public Service Fund income and General Fund turnover

Public Service Fund income is received in order that S4C may fulfil its public service responsibilities (within the meaning of Section 207 of the Communications Act 2003). General Fund turnover represents the income generated from commercial and other non-public service activities as permitted under Section 206 of the Communications Act 2003 and the transitional provisions contained in paragraph 27 of Schedule 18 to the Communications Act 2003.

The income from the licence fee is credited to the Consolidated Statement of Comprehensive Income when it is received. Other income, which includes income from sales of airtime, rights in television programmes, sponsorship, merchandising, publishing and investment activities, is recognised in the Consolidated Statement of Comprehensive Income on an accruals basis.

	2022/23		2021/22	
	£000	£000	£000	£000
Public Service Fund income				
Income received from the licence fee	88,850		74,500	
Income received from DCMS	-		6,851	
Other income	161		189	
		89,011		81,540
General Fund turnover				
Programme and airtime sales	1,336		1,324	
Publishing and merchandising	40		81	
Other including digital exploitation	546		581	
		1,922		1,986
Group turnover		90,933		83,526

An analysis of General Fund turnover by geographical market is given below:

	2022/23		2021/22	
	£000	£000	£000	£000
United Kingdom	1,854		1,967	
United States of America	56		4	
Rest of the World	12		15	
		1,922		1,986

Operating loss

Operating loss is the Public Service Fund deficit and the (loss)/gain from commercial activities before investment income, interest and tax.

An analysis of the operating loss of the S4C Group by activity is given below:

	2022/23		2021/22	
	£000	£000	£000	£000
Public Service Fund				
Public Service Fund activities	(4,957)		(3,590)	
		(4,957)		(3,590)
General Fund				
Programme and airtime sales	620		624	
Publishing and merchandising	25		81	
Other activities	(679)		(191)	
		(34)		514
		(4,991)		(3,076)

Other activities include the provision of management services to commercial subsidiaries by S4C Masnachol Cyf., the provision of digital broadcasting services by S4C2 Cyf. and property rental by S4C PTG Cyf.

Net assets

The net assets of the S4C Group is the total assets less total liabilities.

	2022/23		2021/22	
	£000	£000	£000	£000
Public Service Fund				
Public Service Fund activities	19,448		23,292	
		19,448		23,292
General Fund				
Programme and airtime sales	340		272	
Publishing and merchandising	10		16	
Administration	135		135	
Other trading activities	18,586		19,574	
		19,071		19,997
		38,519		43,289

4. Operating loss

Operating loss is the Public Service Fund deficit and the (loss)/gain from commercial activities before investment income, interest and tax.

Operating loss is stated after:	2022/23		2021/22	
	£000	£000	£000	£000
Cost of programme service				
Depreciation	85		109	
Staff costs	5,730		4,909	
Travel and subsistence	137		36	
Operational and administrative costs				
Staff costs	1,697		1,770	
Depreciation	66		71	
National Audit Office fee for the audit of the S4C's annual accounts	108		80	
Non-audit services with other auditors				
Taxation compliance services	17		9	
Internal audit services	13		7	
Other administrative costs:				
Operating lease costs	1,095		739	
Operating lease costs - Land and buildings	192		187	
Travel and subsistence	37		19	
		3,225		2,882

The operational and administrative costs can be analysed as follows:

	2022/23		2021/22	
	£000	£000	£000	£000
Public Service Fund costs	2,857		2,735	
General Fund costs	368		147	
		3,225		2,882

The National Audit Office did not provide any non-audit services during the year.

5. Members and employees

Total employee remuneration during the year comprised:

	2022/23	2021/22
	£000	£000
Gross salaries	5,646	5,175
Employer's NI contributions	651	543
Pension contributions	1,080	949
	7,377	6,667

During the year four payments were made under the redundancy scheme totalling £0.147m (2021/22 - three payments totalling £0.054m). Pension contributions include employer's contributions. S4C had no 'off payroll' engagements that fall within the criteria set out in HMT guidance with regards to tax arrangements of senior public appointees.

The average number of employees during the year was as follows:

	2022/23		2021/22	
	Number Male	Number Female	Number Male	Number Female
Commissioning	7	9	5	7
Publishing and distribution	12	19	11	17
Product development	6	2	4	2
Communications and data	17	22	18	24
Corporate and commercial policy	7	17	8	16
	49	69	46	66

Total travel and subsistence reimbursed to employees during the period ending 31 March 2023 was £163,049 (period to 31 March 2022 - £52,046).

Members' remuneration

Total remuneration of the Board members for the period was as follows:

	2022/23	2021/22
	£000	£000
Total remuneration	87	97

The remuneration of the Board members during the year is shown below:

	2022/23	2021/22
	£	£
Guto Bebb	9,650	9,650
Suzy Davies	5,629	-
Anita George	2,439	9,650
Adele Gritten	9,650	9,650
Hugh Hesketh Evans	-	6,139
Chris Jones	9,650	9,650
Siân Lewis	-	2,600
Denise Lewis Poulton	9,650	9,650
Rhodri Williams	40,000	40,000

Suzy Davies was appointed on 1 August 2022.

Anita George retired on 1 July 2022.

Hugh Hesketh retired on 19 November 2021.

Siân Lewis retired on 8 July 2021.

During the period, the Board members incurred the following expenses in the performance of their duties:

Board members' expenses	Travel	Accommodation & Subsistence	Hospitality	2022/23 Total	2021/22 Total
	£	£	£	£	£
Guto Bebb	651	395	-	1,046	367
Suzy Davies	160	136	-	296	-
Anita George	-	-	-	-	281
Adele Gritten	1,230	175	-	1,405	643
Chris Jones	622	156	-	778	350
Denise Lewis Poulton	686	228	-	914	362
Rhodri Williams	2,036	172	24	2,232	556
Total	5,385	1,262	24	6,671	2,559

Management Team Remuneration

The remuneration of the Management Team during the period is shown below:

	2022/23 Gross pay	2021/22 Gross pay
	£000	£000
Rhidian Dafydd	5	-
Owen Derbyshire	46	86
Siân Doyle	162	52
Geraint Evans	120	41
Owen Evans	-	141
Llinos Griffin Williams	124	-
Elin Morris	108	108
Amanda Rees	114	114
Catrin Whitmore	79	-
Gwyn Williams	48	84
Sharon Winogorski	92	86

Rhidian Dafydd joined the Management Team on 1 September 2022 and left on 25 September 2022

Owen Derbyshire left the Management Team on 13 October 2022

Siân Doyle joined the Management Team on 6 December 2021

Geraint Evans joined the Management Team on 11 October 2021

Owen Evans left the Management Team on 31 December 2021

Llinos Griffin Williams joined the Management Team on 4 April 2022

Catrin Whitmore joined the Management Team on 1 September 2022

Gwyn Williams left the Management Team on 1 November 2022. A payment was made in addition to the salary in the table above under the S4C redundancy scheme.

During the period, the Management Team members incurred the following expenses in the performance of their duties:

Management Team members' expenses	Travel	Accommodation & Subsistence	Hospitality	2022/23 Total	2021/22 Total
	£	£	£	£	£
Rhidian Dafydd	-	-	-	-	-
Owen Derbyshire	-	319	-	319	557
Siân Doyle	7,815	2,517	1,784	12,116	6,298
Geraint Evans	10,258	4,686	217	15,161	2,174
Owen Evans	-	-	-	-	2,067
Llinos Griffin Williams	6,590	6,321	240	13,151	-
Elin Morris	2,294	525	-	2,819	1,493
Amanda Rees	1,309	380	-	1,689	816
Catrin Whitmore	256	366	-	622	-
Gwyn Williams	534	177	4	715	2,092
Sharon Winogorski	102	120	-	222	226
Cyfanswm	29,158	15,411	2,245	46,814	15,723

Defined contribution scheme - S4C contributions

	2022/23	2021/22
	£000	£000
Rhidian Dafydd	1	-
Owen Derbyshire	7	13
Siân Doyle	25	8
Geraint Evans	27	6
Owen Evans	-	33
Llinos Griffin Williams	19	-
Elin Morris	31	30
Amanda Rees	28	27
Catrin Whitmore	12	-
Gwyn Williams	26	13
Sharon Winogorski	21	14

6. Taxation

The Statement of Accounts is prepared on the basis that taxation is not levied in relation to amounts received by S4C from the Department for Culture, Media and Sport and the BBC.

	2022/23	2021/22
	£000	£000
United Kingdom corporation tax at 19% (2022 - 19%)	-	-
Deferred tax	(53)	40
Current taxation for the period	(53)	40

	2022/23	2021/22
	£000	£000
Loss on ordinary activities before taxation	(4,923)	(2,536)
Loss on ordinary activities multiplied by standard rate of tax in the UK of 19% (2022 - 19%)	(935)	(482)
Effects of:		
Fixed asset differences	(49)	2
Expenses not deductible for tax purposes	363	4
Deferred tax asset not provided	990	1,780
Adjustments to tax charge in respect of previous periods	5	1
Income not taxable for tax purposes	504	(47)
Transfer to Public Service Fund	-	529
Capital losses utilised	-	-
Capital (losses)/gains	(679)	26
Difference in deferred tax rate	(252)	(1,346)
Timing differences	-	(427)
Movement in fair value	-	-
Current taxation for period	(53)	40

7. Tangible fixed assets

The S4C Group

	Land and Buildings		
	Total	Leasehold	Plant and Equipment
Cost	£000	£000	£000
At 1 April 2022	1,101	209	892
Additions	7	-	7
Disposals	(106)	-	(106)
At 31 March 2023	1,002	209	793
Depreciation			
At 1 April 2022	879	209	670
Charge for year	151	-	151
Disposals	(106)	-	(106)
At 31 March 2023	924	209	715
Net book amount			
At 31 March 2023	78	-	78
At 31 March 2022	222	-	222

Land and buildings

The short leasehold building is S4C's pavilion at the Royal Welsh Showground, Llanelwedd.

8. Fixed asset investments

The fixed asset investments below are held in the commercial group of companies.

Total fixed asset investments comprise:

	Investments in unlisted entities	Investments in joint ventures	Investment in associates	Total
Cost or valuation	£000	£000	£000	£000
At 1 April 2022	1,397	125	-	1,522
Additions	-	-	50	50
Disposal	(600)	-	-	(600)
At 31 March 2023	797	125	50	972
Impairment				
At 1 April 2022	845	125	-	970
Disposal	(154)	-	-	(154)
At 31 March 2023	691	125	-	816
At 31 March 2022	552	-	-	552
At 31 March 2023	106	-	50	156

Investment property

	S4C Group
Cost	£000
At 1 April 2022	3,640
Capital expenditure	122
Disposal	(3,762)
At 31 March 2023	-

During the year the investment property at Parc Ty Glas Llanishen, held in S4C PTG Cyf. was sold. The gain on disposal was £0.2m.

S4C Digital Media Limited entered into the following joint venture during 2015/16:

	Country of incorporation	Class of share capital held	Proportion held		Nature of business
			By parent undertaking	By the Authority	
Media Rocket Ltd	Wales and England	Ordinary	50%	50%	Investment company

Movements in joint venture investments in the year:

Cost	£000
At 1 April 2022	125
At 31 March 2023	125
Impairment	
At 1 April 2022	125
At 31 March 2023	125
Net book value	
At 31 March 2022	-
At 31 March 2023	-

Investments in associates

S4C Digital Media Limited has investments in the following associates:

Name	Registered	Class of shares	Holding
Aria Studios Cyf	England & Wales	Ordinary	40%

During the year, S4C Digital Media Limited invested £50,000 for a 40% holding in Aria Studios Cyf.

At 31 March 2023 the S4C Group held significant equity shareholdings of the following:

	Country of incorporation	Class of share capital held	Proportion held		Nature of business
			By parent undertaking	By the S4C Group	
S4C Masnachol Cyf	Wales and England	Ordinary	100%	100%	Provision of management services to subsidiaries
S4C Digital Media Ltd	Wales and England	Ordinary	-	100%	Investment company
S4C Rhyngwladol Cyf	Wales and England	Ordinary	-	100%	Selling of airtime and programmes
S4C2 Cyf	Wales and England	Ordinary	-	100%	Digital broadcasting and provision of digital broadcasting services
S4C PTG Cyf	Wales and England	Ordinary	-	100%	Investment Property

During the year S4C PTG Cyf. disposed of the investment properties held within the company. Following the sale the company has ceased trading, and has therefore produced its own accounts on a non going concern basis.

All of the subsidiary undertakings have been consolidated in the Statement of Accounts. All are wholly owned subsidiary undertakings. The Secretary of State for Culture, Media and Sport has a full right of access to the financial statements of all the S4C Group's subsidiary undertakings in existence now, or set up in the future.

9. Stock

Stock of untransmitted programmes and other stock comprise the following:

	S4C Group		S4C	
	At 31/03/23	At 31/03/22	At 31/03/23	At 31/03/22
	£000	£000	£000	£000
Programmes in course of production	13,878	14,408	13,878	14,408
Programmes completed but not yet transmitted	59	263	59	263
	13,937	14,671	13,937	14,671

10. Debtors

Debtors due within one year

	S4C Group		S4C	
	At 31/03/23	At 31/03/22	At 31/03/23	At 31/03/22
	£000	£000	£000	£000
Trade debtors	739	554	261	165
Amounts owed by group undertakings	-	-	1,279	283
Loans to employees	2	5	2	5
VAT	2,916	1,180	2,858	1,120
Prepayments and accrued income	1,114	900	931	699
	4,771	2,639	5,331	2,272

The loans to employees are under the Cycle to Work Scheme.

Debtors due after more than one year

	S4C Group		S4C	
	At 31/03/23	At 31/03/22	At 31/03/23	At 31/03/22
	£000	£000	£000	£000
Prepayments	6,259	6,890	6,259	6,890
Other debtors	423	-	-	-
	6,682	6,890	6,259	6,890

Prepayments relate to the co-location project and prepaid rent for S4C's new headquarters Yr Egin.

11. Current asset investments

Investment fund:

	S4C Group	
	At 31/03/23	At 31/03/22
	£000	£000
At 1 April	13,693	13,062
Cash invested	-	500
Change in market value of investment	(970)	212
Management charges	(77)	(81)
At 31 March	12,646	13,693

Current asset investments also includes co-production and digital investments at a value of £nil (2021/22 - £nil).

The investment fund comprises a portfolio of equities, bonds, cash and other assets managed on behalf of S4C Digital Media Ltd. by Sarasin & Partners LLP. The investment is measured at fair value through the profit and loss where the valuation of the fund at 31 March 2023 is through quoted market price in an active market.

The investment fund is only exposed to market risk and this is mitigated through the use of the fund manager.

The investment fund is classified as a current asset as S4C have the ability to withdraw and close down the fund with short notice.

12. Creditors

	S4C Group		S4C	
	At 31/03/23	At 31/03/22	At 31/03/23	At 31/03/22
Creditors due within one year	£000	£000	£000	£000
Trade creditors	1,183	540	1,180	247
Programme creditors	1,416	488	1,416	488
Other creditors	164	210	164	157
Prepaid and deferred income	213	159	-	-
Accruals	12,443	13,315	12,148	12,852
	15,419	14,712	14,908	13,744

Creditors due after more than one year

	S4C Group		S4C	
	At 31/03/23	At 31/03/22	At 31/03/23	At 31/03/22
	£000	£000	£000	£000
Advance Grant in Aid	3,861	4,561	3,861	4,561
	3,861	4,561	3,861	4,561

The Department for Culture, Media and Sport provided advance Grant in Aid to S4C to fund the co-location project with BBC Wales and relocation of S4C's headquarters to Yr Egin, Carmarthen. Repayments are to be made annually in line with an agreed payment schedule. A mechanism for payment is to be agreed with DCMS following the ceasing of Grant In Aid payments.

13. Reserves

The S4C Group reserves shown below are the reserves for both S4C, the Public Service Fund, and the commercial companies reserves, the General Fund. Other reserves include debtors, investments, cash less creditors. The General Fund reserves are used for investments and projects to enhance S4C's public service activities whilst also seeking a commercial return. Any commercial returns are paid as dividends to S4C for use in its public services.

S4C Group reserves

	Public Service -----Fund-----			General Fund	Total
	Fixed Assets	Stock	Other		
	£000	£000	£000	£000	£000
At 1 April 2022	222	14,671	8,399	19,997	43,289
General Fund deficit for the period	-	-	-	(101)	(101)
Public Service Fund transfer to profit and loss account	(144)	(734)	(3,791)	-	(4,669)
Transfer to Public Service Fund	-	-	825	(825)	-
At 31 March 2023	78	13,937	5,433	19,071	38,519

S4C reserves

The Public Service Fund reserves at 31 March 2023 are shown separately below:

	Public Service -----Fund-----			General Fund	Total
	Fixed Assets	Stock	Other		
	£000	£000	£000	£000	£000
At 1 April 2022	222	14,671	8,399	-	23,292
General Fund transfer for the year	-	-	-	825	825
Public Service Fund transfer to profit and loss account	(144)	(734)	(3,791)	-	(4,669)
Transfer to Public Service Fund	-	-	825	(825)	-
At 31 March 2023	78	13,937	5,433	-	19,448

In total £3.844m has been transferred from the Public Service Fund to the profit and loss account in 2022/23 (2021/22 - £2.786m from the Public Service Fund). This comprises the £0.825m (2021/22 - £0.701m) transfer from the General Fund and the £4.669m (2021/22 - £3.487m) Public Service transfer set out above.

14. Operating lease commitments

The S4C Group's future minimum lease payments under operating leases are as follows:

	At 31/03/23	At 31/03/22
	£000	£000
Land and Buildings	195	187
Less than one year	755	735
One-five years	2,277	2,383
Over five years	3,227	3,305

The S4C Group's future minimum lease receipts are as follows:

	At 31/03/23	At 31/03/22
	£000	£000
Land and Buildings	-	251
Less than one year	-	684
One-five years	-	778
Over five years	-	1,713

The S4C Group and S4C had no capital commitments at either 31 March 2023 or 31 March 2022.

At 31 March, the S4C Group and S4C had the following contractual commitments for expenditure on programmes:

	At 31/03/23	31/03/22
	£000	£000
Programme commitments	19,626	14,671

17. Financial instruments

	S4C Group		S4C	
	At 31/03/23	At 31/03/22	At 31/03/23	At 31/03/22
	£000	£000	£000	£000
Financial assets	36,255	35,686	17,012	19,115
Financial assets	36,255	35,686	17,012	19,115
Financial liabilities	(14,720)	(14,658)	(14,209)	(13,744)
Financial liabilities	(14,720)	(14,658)	(14,209)	(13,744)

Financial assets comprise investment funds measured at fair value through the profit and loss and cash, trade debtors (including VAT), amounts owed by group undertakings and other debtors measured at amortised cost less impairment.

Financial liabilities comprise trade creditors, amounts owed to group undertakings and accruals measured at amortised cost.

18. Analysis of changes in net funds

	At 01/04/22	Cashflow	Unrealised cash	At 31/03/23
	£000	£000	£000	£000
Cash in hand and at bank	20,255	(726)	-	19,529
Other liquid resources	13,693	-	(1,047)	12,646
	33,948	(726)	(1,047)	32,175

19. Pension scheme

Defined contribution scheme

The S4C Group operates a defined contribution pension scheme for the benefit of employees.

A defined contribution plan is a pension plan under which the S4C Group pays fixed contributions into a separate entity. Once the contributions have been paid S4C has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet.

The assets of the scheme are administered by trustees in individual funds independent of those of S4C. The pension charge for the year ended 31 March 2023 £1,080,069 (year to 31 March 2022 - £948,990).

Defined benefit scheme

The S4C Group operates a defined benefit scheme, which is part of the Ofcom (former ITC) Staff Pension plan. On 31 May 2011 the defined benefit scheme was closed to future accrual. All active members have been transferred into the defined contribution scheme. The assets of the scheme are administered by trustees in a fund independent from those of the S4C Group.

A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The defined benefit obligation is calculated using the projected unit credit method. The S4C Group engages independent actuaries to calculate the obligation annually. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discounted rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on place assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

Net pension surpluses are recognised to the effect that either assets can be recovered from the scheme, or lead to lower contributions in the future. Where these conditions are not met, the net surplus is not included on the Balance Sheet as is the case at 31 March 2023 and 31 March 2022.

Costs and liabilities of the scheme are based on actuarial valuations. The latest full actuarial valuation was carried out at 31 March 2018, by a qualified independent actuary.

The main assumptions used by the actuary were:

	At 31/03/23	At 31/03/22	At 31/03/21
Price inflation	3.3%	3.7%	3.3%
Discount rate for scheme liabilities	4.8%	2.8%	2.0%
Rate of increase in fully RPI-linked pensions	3.3%	3.7%	3.3%
Rate of increase in pensions with limited price indexation	3.1%	3.5%	3.2%

On the basis of the assumptions used for life expectancy, a male pensioner currently aged 60 would be expected to live for a further 26.5 years (2021/22 - 26.9 years). Allowance is made for future improvements in life expectancy.

The amount included in the Balance Sheet arising from the S4C Group's obligations in respect of the plan is as follows:

	At 31/03/23	At 31/03/22	At 31/03/21
	Value	Value	Value
	£000	£000	£000
Government bonds	800	800	700
Insured annuities	26,400	34,600	35,600
Cash	500	800	900

Following the completion of a buy-in for the remaining uninsured liabilities in the S4C Section in May 2019, the vast majority of the Section's assets are held in annuity policies which move in line with the Section's liabilities. The remainder of the Section's assets are invested in cash and index-linked gilts to cover running costs and any additional expenses that may arise from the buy-in.

	At 31/03/23	At 31/03/22	At 31/03/21
	£000	£000	£000
Total market value of assets	27,700	36,200	37,200
Present value of scheme liabilities	(26,500)	(34,900)	(35,900)
Net pension asset	1,200	1,300	1,300
Pension asset not recognised	(1,200)	(1,300)	(1,300)
Net balance sheet position	-	-	-

Under FRS 102, the scheme is represented on the balance sheet at 31 March 2023 as a net asset of £nil (at 31 March 2022 - £nil).

The amounts recognised in the income statement are as follows:

	At 31/03/23	At 31/03/22
	£000	£000
Current service cost		
Expected return on pension scheme assets	(1,000)	(700)
Running costs	100	100
Interest on pension scheme liabilities	1,000	700
Total operating charges	100	100

The amounts charged or credited to the Statement of Comprehensive Income were included in the operating income and charges and within interest payable.

Changes in the present value of the defined benefit obligation are as follows:

	At 31/03/23	At 31/03/22
	£000	£000
Opening defined benefit obligations	34,900	35,900
Interest on pension scheme liabilities	1,000	700
Benefits paid	(1,800)	(1,000)
Actuarial gain on liabilities	(7,600)	(700)
Closing defined benefit obligations	26,500	34,900

Changes in the market value of the scheme assets are as follows:

	At 31/03/23	At 31/03/22
	£000	£000
Market value of scheme assets at start of period	36,200	37,200
Expected return on scheme assets	1,000	700
Running costs	(100)	(100)
Benefits paid	(1,800)	(1,000)
Actuarial loss on assets	(7,600)	(600)
Market value of scheme assets at end of period	<u>27,700</u>	<u>36,200</u>

The major categories of investments of plan assets, as a % of total plan assets:

	At 31/03/23	At 31/03/22
Government bonds	3%	2%
Cash	2%	2%
Insured Annuities	95%	96%

Actual return on scheme assets:

	At 31/03/23	At 31/03/22
	£000	£000
Expected return on scheme assets	1,000	700
Actuarial loss on assets	(7,600)	(600)
Actual (loss)/gain on scheme assets	<u>(6,600)</u>	<u>100</u>

The amount recognised in the Statement of Other Comprehensive Income for the year ended 31 March 2023 is a gain of £0.1m. (year to 31 March 2022 gain - £0.1m).

The cumulative amount recognised within the Statement of Other Comprehensive Income as at 31 March 2023 is a loss of £10.367m (year to 31 March 2022 loss - £10.467m).

Historical analysis of asset values, scheme liabilities and overall surplus:

	At 31/03/23	At 31/03/22	At 31/03/21	At 31/03/20	At 31/03/19
	£000	£000	£000	£000	£000
Market value of scheme assets	27,700	36,200	37,200	31,900	53,500
Scheme liabilities	(26,500)	(34,900)	(35,900)	(30,800)	(38,300)
Surplus in scheme	<u>1,200</u>	<u>1,300</u>	<u>1,300</u>	<u>1,100</u>	<u>15,200</u>

20. Contingent liabilities – S4C Group and S4C

At 31 March 2023, there were no contingent liabilities (at 31 March 2022 - £nil).

21. Related party transactions

S4C's related parties are its wholly owned commercial subsidiaries, joint ventures, Board members and members of the Management Team.

Remuneration of the Board and Management Team members is disclosed in note 5.

No material related party transactions have been entered into during 2022/23 by members of the Board or Management Team.

All transactions and balances with S4C's wholly owned subsidiaries have been eliminated upon consolidation. S4C has taken advantage of the exemption under Financial Reporting Standard 102 from disclosing transactions with other group companies.

