

S4C

**Annual Report and
Accounts 2021-22**
for the period 01 April 2021
to 31 March 2022
HC 389





**S4C Annual report and
accounts 2021-22**

Presented to Parliament pursuant to paragraphs 13(1) and 13(2) of schedule 6 to the Broadcasting Act 1990.

Laid before the Welsh Parliament in accordance with a resolution of the Parliament under Standing Order 15.1(v).

HC 389

Ordered by the House of Commons to be printed on Wednesday, 20 July 2022.

This Annual Report and Statement of Accounts has been prepared in a form directed by the Secretary of State for Digital, Culture, Media and Sport with the approval of the Treasury.

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This document is also available in Welsh.

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ISBN 978-1-5286-3506-6
E02762333 07/22

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.

Stad

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.

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



S4C: 2021-22



5.5 million

Number of viewing sessions on Hansh accounts (across Facebook, Twitter and YouTube)

17,400

was the average audience in the peak hours



300,000

people in Wales watched S4C on TV each week

602,000

people watched S4C on TV every week throughout the UK



575,000

Average number of times S4C's content viewed each day (Facebook, Twitter and Instagram)

21.3 million

Number of viewing sessions across all S4C Facebook accounts

688,100

viewing sessions for the most popular content on all S4C Facebook accounts: 'Phil Mills & Viking Motorsports' Howard Davies yn y Garej



8.4 million

Number of viewing sessions across all S4C YouTube channels



366,300

Number of hours viewed across all S4C YouTube channels

9,800

Hours viewed for the most popular content on S4C YouTube channels: Cymru o'r Awyr

271,935

Clic registrations by the end of 2021-22



11.3 million

viewing sessions on S4C Clic and BBC iPlayer

2.98 million

of hours viewed on S4C Clic and BBC iPlayer

Rhodri Williams

Chair's Introduction



“
Expectations and audience engagement with broadcaster content have certainly changed as a result of the pandemic, and we at S4C have seen this shift through increased viewing on a range of platforms increasing over the past year.
”

2021–22 was again a period of change for S4C. The pandemic continued to affect our activities and those of the wider sector as we responded to changes in Covid restrictions during the year. This, of course, led to an increase in production costs, but I am particularly grateful to the sector for continuing to respond quickly and offering alternative ways of producing content of the standard that S4C viewers expect.

Expectations and audience engagement with broadcaster content have certainly changed as a result of the pandemic, and we at S4C have seen this shift through increased viewing on a range of platforms increasing over the past year.

Over 271,000 are now registered to watch on S4C Clic, and viewing sessions for our content on Clic and iPlayer are growing by around 11.6% a year between them, with children's programmes, sports and drama leading the way. It's good to note that 60% of viewing on Clic and iPlayer is from those under 55, and 35% are under 35 years old. These platforms therefore appeal to younger viewers who wouldn't otherwise watch S4C.

The use of other viewing platforms is also increasing. During 2021–22, 366,300 hours of content was viewed across S4C's YouTube channels – an increase of 13.5% compared to the previous year – while there were 688,100 viewing sessions for the Phil Mills and Viking Motorsport (Yn y Garej gyda Howard Davies) video on Facebook. Increasing the availability of our content on a variety of platforms will continue to be our aim over the next few years, and this will become a better measure of our success than the use of our linear channel alone.

The need to evolve, to meet the needs of the audience on their platform of choice, was central to S4C's request to the Department for Digital, Culture, Media and Sport (DCMS) as part of the licence fee negotiations for the period April 2022 onwards. From that point, S4C will be fully funded through the licence fee, and I am particularly pleased that the Secretary of State confirmed in January 2022, that S4C will receive an additional £7.5m per annum as part of that new licence fee settlement towards developing our digital offer.

This settlement reflects the confidence of the DCMS and the Secretary of State in S4C's vision for the new licence fee settlement period. Given the economic climate, this financial settlement provides S4C with a good basis to plan for the next period. We thank the Secretary of State and her officials for a constructive and positive process that has shown support for S4C's ambition. I see the additional money as an investment in S4C and the Welsh language and the challenge for us now is to demonstrate the value of that investment.

I and the Board are also particularly grateful to Owen Evans for his contribution as Chief Executive of S4C in leading discussions with DCMS and making the case for future investment in S4C. Owen also led on agreeing a Memorandum of Understanding with Creative Wales at the end of 2021, which sets out a vision for a sustainable and innovative creative sector in Wales. S4C and the Welsh Government will contribute up to £1m each year towards developing films in Welsh, together with collaboration on developing talent and skills more widely.

Since January 2022, we're pleased to welcome Siân Doyle as the new Chief Executive of S4C. Siân is a leader with a wealth of experience in devising and implementing ambitious and successful strategies and understanding and meeting the needs of users. I and the Board fully trust Siân's ability to build on the strong foundations that Owen has left and seize the opportunities that the digital world is creating.

The financial certainty for the next period has offered the Board the opportunity to work with Siân and the Management Team to develop a new Strategy for the period April 2022 onwards. We outline the Strategy's priorities later on in this Annual Report. Over the coming months, we will agree suitable measures to measure the delivery of the Strategy, against which we will report in our Annual Reports for 2022–23 onwards.

The S4C Unitary Board continues to act as a shadow board while we await an opportunity for DCMS to introduce legislation to formalise the new way of working. We hope that the legislation will also enable us to deliver on many of the other recommendations made by the late Euryng Osgwen Williams in his Independent Review of S4C in March 2018.

In terms of the membership of the Unitary Board, we said good-bye to Hugh Hesketh-Evans and Siân Lewis as non-executive members during 2021–22. We are very grateful to them for their contributions to S4C over recent years.

Finally, I would like to thank S4C staff for all their work during the year. The Board values their continuing efforts to ensure that S4C serves the audience during this period.

Siân Doyle

Chief Executive's Introduction

It is a great privilege to join the S4C team at such a critical time in the history of the broadcaster. The past year has been crucial in terms of laying the foundations for the future as we emerge from the pandemic. The landscape has changed so fast, and our audience's viewing habits have evolved to embrace the growth of streaming video services, and competition for viewers' time is as fierce as ever.

Content that was traditionally featured on a linear service on the television set has now evolved to various platforms. Our challenge is to attract and retain viewers amongst the younger generations, who have been brought up with smartphones, social media, and video games, all of which offer social, interactive and immersive experiences.

But even with the viewing landscape changing before our eyes, the majority of our audience still watches live during our peak hours between 7pm and 10pm. Although the number of viewers for live linear television is decreasing each year - especially among younger viewers - there is still a desire for ambitious and high-quality content provision.

However, S4C's audience trends are no different to other UK and international broadcasters - all public service broadcasters have announced a reduction in their live-viewing audiences, as viewers migrate to on-demand and digital platforms.

If we look at the past year, I would like to congratulate and say a sincere thank you to the team at S4C and to the production sector for their

commitment to continuing to provide a service to the Welsh audience throughout the pandemic. As we move forward from this period, and as the world of broadcasting changes so rapidly, we at S4C are excited as a team to face the challenges with our new strategy for 2022-2027.

Confirmation came at the beginning of the year of the financial settlement that S4C will receive through the license fee for the period 2022-2028. I am extremely grateful to my predecessor, Owen Evans, for making the case for increasing S4C's budget and to DCMS for their support. With the settlement now in place, we can work together and with our partners to deliver our new strategy - and we have prepared a work plan to transform our activities to ensure that we can meet the needs of our audience in the future.

Our purpose as a broadcaster in Wales is as important as ever. S4C is vital to the success of the Welsh language, to help the Welsh language and culture to thrive.



In approving our financial settlement, I am extremely grateful to the Secretary of State for confirming that S4C has a duty to work with the Welsh Government and other partners to contribute to reaching a million Welsh-speakers by 2050, and to double the number of people that use the Welsh language more generally. The channel's content will support 'education plans' and 'new Welsh speakers' during the next period, and our contribution is central to the Welsh Government's ambition. It is therefore important that we ensure that our service is diverse and accessible, to reflect the population of Wales, and to reach households less familiar with the language.

We will have key strategies in place to focus on content and provision for new Welsh speakers and will work tirelessly with the Welsh Government and other partners to develop the agenda to support new Welsh speakers. The success of programmes such as *Iaith ar Daith*, where celebrities undertake a car journey to learn Welsh, and *Hei Hanes!* are examples of content aimed at adults and children to help new Welsh speakers to learn the language.

S4C must make sure that we provide a home for everyone - regardless of the individuals and their linguistic ability in Welsh. S4C represents a Wales where the language belongs to all of us and unites our nation through our content.

For 40 years, S4C has provided a home for Welsh language entertainment, and we are delighted to have continued to broadcast key events to Welsh audiences over the past year, and that our content is of a standard which wins international prizes.

A number of original and new programmes, developed here in Wales for S4C, have won awards and have been exported worldwide over the past year:

- *Am Dro*, a popular format where four outdoor enthusiasts discover Wales' best walking trails and locations while competing to showcase their favourite local spots, has been sold to over six countries in Europe as well as BBC Two.
- *Gwesty Aduniad*, a programme where people reunite in a hotel, reconnecting individuals with their past, which is now being produced for broadcast on the BBC network.
- *Tŷ am Ddim*, a series that gives two people a house for free to renovate for 6 months, which is a co-production with Channel 4, which won three awards during 2021-2022, including the 'Best Daytime Programme' at the Broadcast, RTS, and BAFTA awards, against programmes such as *This Morning*.

Over the past year, our news service and digital News App have met the needs of the Welsh audience by providing timely information and challenging views. We saw ground-breaking documentaries that offered great insight as we followed the First Minister and Wales' Health Minister leading the Welsh Government's response during the pandemic. The documentary *Prif Weinidog mewn Pandemig* won an award at the 2022 Celtic Media Festival.

Drama is an essential genre for S4C, and we have a tradition of creating world-class drama. We are successfully attracting new audiences to S4C from all corners of the World through our drama provision, and it was therefore pleasing to see an increase in the hours of drama broadcast during 2021-22. Boom's production of *Yr Amgueddfa* was particularly successful and was sold to BritBox in the US and Canada, and the AXN channel in Japan.

Our children's content is an integral part of our provision. The Christmas film *Mabinogi-ogi*, and *Deian a Loli - Dygwyl y Meirw* over the Halloween period were highlights. *Cyw*'s provision is an important part of the foundation phase education curriculum, and we were delighted to be involved in an innovative pilot with Carmarthenshire County Council and the Welsh Government to develop plans on how our provision for children can support the Welsh language in schools.

A short film broadcast on S4C over the 2021 Christmas period, *Y Cythraul Celf*, was nominated for an Oscar in the Best Animated Short Film category. It also won in the animation category at the Celtic Media Festival 2022. Directed by Joanna Quinn, the film has already won numerous awards worldwide. Film will be an important part of our plans in the coming years with a valuable partnership with Creative Wales to create *S4C:Ffilm*, which will focus on developing a film every year, while also nurturing new talent.

One of the cornerstones of S4C is our sports provision, and we are delighted to have secured the exclusive rights to broadcast a wide range of different sports on S4C over the last few years. 437 hours of sport was broadcast on S4C during 2021-22, with each of the Six Nations rugby matches broadcast, with a reach of over 100,000 each, with over 10,000 viewing sessions each on *Clic* and the *iPlayer*.

Producing the content that we have seen over the last year has been challenging due to the pandemic, and I would like to thank all of the partners who supported S4C and the audience during this time by continuing to create and produce unique programmes and content in Wales. We look forward to working with our innovative and supportive partners to create bold and exciting content over the next period.

Getting to know our audiences better by meeting and listening to them, and using data better, is one of our top priorities over the coming years. We aim to provide content for everyone on whatever platform they choose, and which best suits their needs.

2021-22 saw a 5% decline in audience viewing of S4C through television, as measured by our traditional weekly reach. This compares to a decline of 10% in weekly reach on average across the other five UK public service broadcasters. In terms of viewers aged between 25 and 44 years of age, S4C's decline in weekly reach was 10% compared to a drop of 22% on average across the other public service broadcasters.

However, we have seen an overall increase in our audiences using our catch-up services, with viewing sessions on *Clic* and *iPlayer* increasing by around 11.6% a year. As we increased our presence on social media channels, we saw a 13% increase in the hours watched across S4C's YouTube channels during 2021-22. We will increase our investment in new viewing platforms, and introduce new methods of measuring the number of people turning to S4C on those platforms.

As we continue to move towards broadcasting on different viewing platforms and new services, we will review our metrics to ensure that we understand the latest viewing trends, to allow us to target and personalize our content to the appropriate audience. Our service for 16- to 24-year-olds, *Hansh*, is an example of how this route is already succeeding as we announced 37 hours of content during 2021-22, with a steady increase in the number of people viewing *Hansh* content year on year.

In addition, S4C's main social media accounts across Facebook, Twitter and YouTube achieved record viewing hours in 2021-22, recording a 42% year-on-year increase.

While our linear service is still important, it is only one platform of many that S4C's audience uses. The *Pen Petrol* series (produced by Rondo) is an example of multi-platform content originally broadcast on our YouTube channel, which was subsequently broadcast on the linear service, reaching different audiences on both platforms.

Our audience is at the heart of every decision we make, and we want to be in regular contact with our audience so that we can create, commission and curate our content to meet the audience's needs.

Over the next few years, in realizing our new strategy for the future, we will ensure that S4C offers a home to everyone, regardless of who they are or whether they speak Welsh or not; and promotes diversity and inclusion across all types of households. S4C represents Wales where the language belongs to all of us. Our programmes will offer something for everyone, and we will make them available to everyone by using methods such as subtitling that make it easier for new viewers in Wales and beyond to enjoy our content. We will focus on increasing Welsh and English subtitles across S4C, so that anyone can enjoy our content, whatever their background.

As we look to the future, we will continue to bring bold content to Wales and reflect major Welsh events to the population of Wales and beyond. We want S4C to be home to Wales' national experiences, with our content recognized on the international stage, helping the Welsh language to thrive in Wales, the UK and in the global marketplace.

It is certainly an exciting time for S4C - especially as we prepare to celebrate the 40th anniversary of our establishment as Wales' only national channel. I very much look forward to working with my colleagues, the S4C Unitary Board, and our key partners, to lead S4C into the next era in its history.

“
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”

S4C's Contribution to Society

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 the wider society.

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

Key partners

As the national broadcaster for Wales, working in partnership with others is important to S4C. During the period, we have continued to work with other organisations in Wales to secure social value for Wales and the audience as we carry out our duties as a broadcaster.

We are particularly proud of our partnership with the Welsh Government across a number of areas.

In December 2021, a memorandum of understanding was published with Creative Wales, a Welsh Government agency, to support the creative industries in Wales. The memorandum outlines how both parties will work together strategically to ensure added value to the Welsh language screen sector across areas such as economic growth, talent development, raising the profile and improving the portrayal of Wales and promoting the Welsh language. One of the main aspects is a scheme to support Welsh language films and this is currently being developed.

We have also collaborated with the Welsh Government on the ambition of a million Welsh speakers by 2050, including through a Welsh Language Promotion Group which brings together Welsh language organisations to work on a strategic level. This has included having input into the work of supporting and improving representation in Welsh, with S4C leading on elements of the work through its Diversity and Inclusion Officer – a post created by S4C in 2020 as part of the broadcaster's commitment to reflect the Wales of today on-screen and behind-the-scenes.

Our partnership with the National Centre for Learning Welsh is also a very important one for S4C, and is a clear way for us to work towards fulfilling one of the objectives of the January 2022 licence fee settlement to support the aim of a million Welsh speakers by 2050.

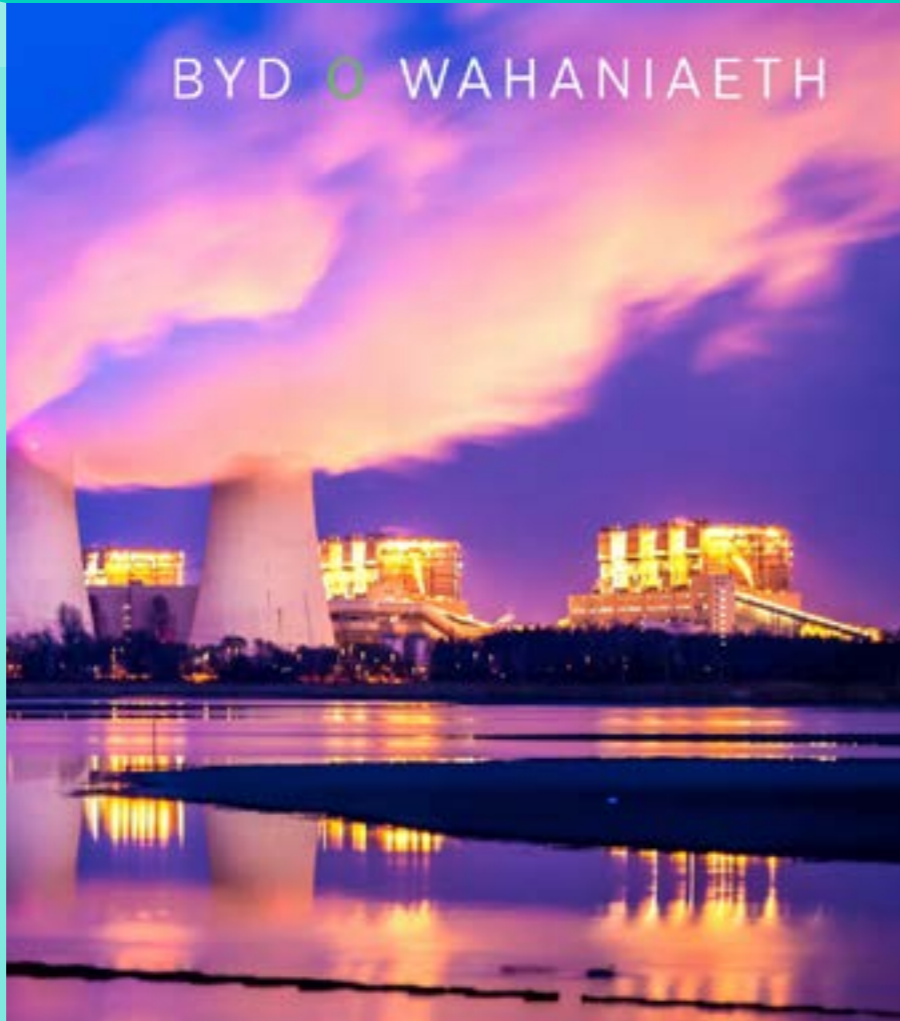
Once again in 2021-22, our Cyw content supported Clwb Cwtsh, Mudiad Meithrin's scheme to introduce the Welsh language to parents or carers of young children. Partnership has been central to the success of the Croeso Cyw pilot in Carmarthenshire, with the Welsh Government and Carmarthenshire County Council and others working together for the first time to support language transmission. We hope that this will be a model that can be developed and used again.

Wider partnerships, including BAFTA Cymru and the Royal Television Society, have also brought S4C content to wider audiences.

S4C and the Environment

We...

- Have formed a partnership with albert, and we are working with our content-producing companies to help us to be sustainable and minimise the impact on the environment.
- Have committed to the Climate Content Pledge, using our content to inspire and shape sustainable choices amongst our audience.
- Are working to minimise the environmental impact of S4C's internal activities.



It is crucial that environmental sustainability is an integral part of the way in which S4C programmes are produced.

We have a duty to ensure that we keep our environmental impact to a minimum. Our aim is to do all we can to help and encourage the producers we work with to prioritise the environment whilst producing programmes.

BAFTA albert

Since September 2021, S4C has partnered with the BAFTA albert consortium, a society of some of the UK's largest broadcasters and production companies, in order to achieve this duty, 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).

Eligible productions can use the albert logo.

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

Climate Content Pledge

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 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.

Internal activities

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. We encourage the use of public transport as much as possible.

In 2021–22, 88% of the electricity used by S4C at Yr Egin came from renewable sources. 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.

A group of S4C staff representing a cross section of different departments is now leading on policy development to reduce the environmental impact of S4C's internal activities.

S4C – A Platform for the Welsh Language

We...

- Have a leading role in the growth of the Welsh language, and are supporting the Welsh Government's aim of a million Welsh speakers by 2050.
- Are working in strategic partnership with the National Centre for Learning Welsh and other partners.



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.

S4C offers the opportunity to hear and enjoy the Welsh language across all genres with content ranging from Cyw – our pre-school stream, to Stwnsh, and Hansh – our online youth brand, alongside drama, sport, news, entertainment, factual programming, faith and more. There is no other broadcaster commissioning and creating content like S4C, and our existence ensures that Welsh language content is not banished to the dark corners of the broadcasting schedule.

In January 2022, we heard encouraging news about the future of the service with the announcement of the licence fee settlement from April 2022. This financial settlement allows S4C to play a more prominent role in the aim of a million Welsh speakers, and supporting the audience – wherever they are on their linguistic journey – is central to our new strategy. S4C's content, which provides an opportunity to hear and enjoy the Welsh language across different platforms, is essential to the prosperity of the language.

We continue to work in strategic partnership with the National Centre for Learning Welsh on developing content that is suitable for learners. The fruits of this partnership can be found on screen and in the wealth of resources to support online learners.

One of the highlights this year again was the hugely popular Iaith ar Daith series which introduces the Welsh language to new audiences and promotes the use of the language. Many of the celebs and their mentors – including Kate Bottley and Jason Mohammad, Richard Parks and Lowri Morgan – generated a buzz about the series before it began broadcasting in April 2022.

Reflecting Wales – in all its diversity

We...

- Are working with the sector to ensure that we reflect our communities in all their diversity, encouraging equality and inclusion.
- Are developing clear diversity and representation targets, both internally and across our productions.



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.

59% of Welsh-speaking viewers believe that S4C successfully reflected the diversity of people living in Wales in terms of age, gender, disability, sexual orientation, religion or ethnicity across its services during 2021–22 (Source: S4C Image Tracking Survey of Welsh speaking viewers, Beaufort Research, 2022). Although this figure is slightly lower than that achieved last year, we are pleased that S4C continues to score higher than any other public service broadcaster in Wales and we are committed to improving our performance against this metric during the coming year.

S4C is committed to equality, diversity, inclusion and fair representation.

In order for S4C to continue to serve and grow its audience, as well as contributing to a strong broadcasting sector, the long-term commitment to ensuring on-screen and behind-the-scenes representation remains, and is of vital importance.

S4C has a number of strategies that contribute to this work, including a diversity strategy and a training strategy. Diversity and representation is also an essential cornerstone of the new 2022 Strategy.

During 2021–22, we approved Adlewyrchu Cymru, S4C's new diversity and inclusion strategy which is being implemented from 2022–23.

During 2021–22:

- Work continued internally to ensure that S4C is an inclusive workplace, through: joining employer schemes to support recruitment processes and policy updates; advertising jobs more widely; and developing the Agored staff network that holds monthly events and internal communications on inclusion and diversity issues.
- Our training partnership with TAC (Teledwyr Annibynnol Cymru – representing the independent television production companies in Wales) continued and emphasised the need to offer training on diversity and inclusion issues to the sector widely.
- The Hansh service continues to provide a platform for younger viewers, and during 2021 the Medru Hansh scheme was held to develop skills and offer a platform to various disabled or Deaf young people. The scheme brought specific content from new creators, including the establishment of the Probcast. The scheme has been well-received and is being developed further.
- The factual series Drych has continued to inform the viewers about stories from Wales, including a film about asylum seekers in Wales, and a film about a young person's experience of disability and gender.
- The Curadur series has introduced us to the huge variety of music available in Wales, and entertainment series have continued to represent contributors from across Wales.
- Among exciting content for children, series such as Oli Wyn and Pablo have paid particular attention to neurodiversity by offering content that is inclusive of the experiences of children with autism.

S4C remains committed to social mobility, and a number of partnerships – including with the Screen Alliance Wales, Careers Wales, Literature Wales, Theatr Genedlaethol Cymru, and the Urdd – support the development of skills and opportunities for individuals from a variety of backgrounds, including those considered to be from deprived areas.

Educational Content



We...

- Provide content to support learners at all levels.
- Work with the Welsh Government and other partners to develop educational content to support the curriculum in Wales.
- Are partners of the National Centre for Learning Welsh, which advises us on the use of language in our content so that learners benefit the most from them.

Each S4C piece of content supports different sections of the audience. But S4C's functions as the Welsh language public content service mean that we can also carry out specific work to support – particularly educational content.

In 2021-22, we have continued to increase the number of S4C programmes available on HWB – the Welsh Government's learning platform – so that pupils and teachers can use our content in lessons and when learning. S4C content (Y Gwyll and Y Weithred) will also form part of the Welsh GCSE specification from this year onwards as a result of the partnership with the Welsh Joint Education Committee.

In early 2021, the Croeso Cyw pilot scheme was implemented between S4C, Carmarthenshire County Council, Moilin, Say Something in Welsh, and Slam Media, with the support of the Welsh Government. The initiative was designed to use the Cyw brand to help language acquisition amongst foundation stage children, using activities on various platforms and face-to-face to reach the children's parents / carers. Two teachers worked with S4C on the initiative, regularly visiting schools to support teachers in using and developing Cyw resources and learning through play. The pilot has been successful and we are evaluating it before deciding how we can implement the model in the future.

For older learners, we have continued to work with the National Centre for Learning Welsh, with the Centre continuing to provide advice on language use in our programmes so that learners benefit most from them. The Centre is creating some resources to accompany S4C content, and we have a section on Clic for programmes that specifically support learning. We are discussing with the Centre how this relationship will work in the future, to work more effectively to support new speakers through the content of S4C.



Supporting the economy across Wales

We...

- Support production companies across Wales.
- Are preparing to develop a new commercial strategy during 2022-23.
- Are working to identify alternative markets.

Alongside our cultural impact, S4C has a significant economic impact on the Welsh economy.

Nearly 80% of S4C's public finance is invested in programmes and content, which represents both investment in the services provided for the audience and investment in the production sector in Wales. We invest and commission our cross-platform content from production companies across Wales and our supply chain companies in turn play a major role in their local economies.

Economic Impact

In December 2020, S4C commissioned Arad Research to review S4C's expenditure during 2019-20 and undertake an economic impact assessment on S4C's contribution to the economy of the UK and Wales.

According to Arad's research, in 2019-20 S4C 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 income received by S4C in 2019-20, we created the following economic impact:

- £2.03 in the UK Economy
- £1.45 in the Welsh Economy
- £0.19 in the Carmarthenshire economy (where S4C's headquarters are located)

Supporting production companies across Wales

S4C is very proud of the creative partnership that exists with the independent production sector.

S4C invests and commissions content from production companies across Wales, including Caernarfon, Llanelli, Swansea and Cardiff.

As a result, S4C's economic impact is spread across communities in north, west and south east Wales. Production companies have a significant impact on their local economies and beyond as productions travel the country to film content that reflects Wales.

The production companies also contribute to a highly skilled workforce that underpins a world class production sector in Wales which attracts television, film and digital content from countries around the world.

Regional Spending	2021/22
North Wales (2020/21: 28%)	29%
South Wales (2020/21: 49%)	51%
West Wales (2020/21: 22%)	19%
Outside Wales (2020/21: 1%)	1%
Total	100%



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

S4C Lleol

During the reporting year 2021-22, a pilot scheme was carried out for a potential 'local' S4C Lleol service, working with local producers in three particular areas:

- TeliMôn, originally established with European funding and with offices in Llangefni;
- Shwmae Sir Gâr, a completely new initiative and a unique partnership between Yr Egin, University of Wales Trinity St David, Menter Iaith Gorllewin Sir Gâr and young TV company Carlam; and
- Clwyd TiFi, newly established to respond to the challenge of S4C Lleol by the company Nerth dy Ben.

The purpose of the pilot was to strengthen the relationship between S4C and the audience on the ground in Wales by enabling the creation of content relevant to those communities.

Over the pilot period, the service was seen 670,000 times in Wales and across the world with content about very specific people, stories and habitats.

The network has been an effective way for S4C to discover, identify and build relationships with an audience and for that audience to discover that there is room for them, and their stories on S4C.

With the pilot due to come to an end by April 2022, the Unitary Board commissioned a review of the pilot during spring 2022.

In reviewing the success of the pilot, it was clear that it had been a valuable experiment with a number of clear benefits – including widening access to the industry. It was therefore agreed that the lessons learned would be shared with the relevant teams within S4C and with external stakeholders as appropriate.

S4C intends to continue with the relationships already established with the local producers in order to identify potential opportunities for them to produce suitable content for S4C.

Developing Skills and Talent

We...

- Support our partners in the sector to develop new talents in Wales, through partnerships across the creative sector.



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.

Over the past year, we have refreshed our core training partnership with TAC, offering workforce development training in areas including safeguarding children (in partnership with the NSPCC), creating factual and entertainment voiceover, managing the risk of productions and a music agreement workshop with the Performing Rights Society.

We have continued our partnership with BBC Cymru and Channel 4 to develop senior factual producers through Factual Fast-Track Wales, with Welsh Government's Creative Wales also funding for the first time. Half of the trainees in the current group are either Welsh speakers or learners.

Our skills and talent work is strongly linked to S4C's objectives to create a sector which is representative of Wales today. We have supported the Culture Connect Wales (CCW) pilot which supports diverse talent to find opportunities in the film and television sector in Wales. And during 2021-22 RAD Cymru Wales was launched in partnership with other broadcasters, Creative Wales and TRC to provide paid work experience and training to people from under-represented backgrounds in the sector.

We have continued to work with Screen Alliance Wales and Careers Wales to stimulate the interest of young people in the sector. And partnerships with It's My Shout, Theatr Genedlaethol Cymru, Urdd Gobaith Cymru and Literature Wales have also provided training and development opportunities for new talent from all walks of life.

We have also continued to offer a route into the industry with the Hansh Dim Sbin journalist training scheme, with ITV Wales, which has an emphasis on attracting talent from under-represented communities.

Content Highlights

2021-22



It was a year of change and preparation for the transformation of S4C's content and publication strategy. One chapter ending, with another starting. Saying goodbye to one Chief Executive and Director of Content, and welcoming a new team to lead the channel on the next journey and a funding settlement that provides a foundation for the future.

◀
Enid a Lucy

As expected, the change in viewing habits continued with the shift of live viewing to S4C Clic and iPlayer platforms. And in response to our viewers' habits, the S4C News app was launched to bring you the latest stories in your pocket.

The Covid restrictions ended and the Ukraine war began. Once again, S4C brought heart-rending stories that define our lives, and broadcast a special Wales Ukraine fundraising concert from Aberystwyth.

S4C has been home to major national experiences with the effort of the national football team to reach the World Cup a highlight.

And we remembered one of the stalwarts of the channel and of the Welsh countryside, Dai Jones Llanilar. A character who was as popular on new media as he had been throughout his television career.



Film and Television Awards 2021–22

S4C's programmes 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.

BAFTA Wales 2021		Celtic Media Festival - Torc Awards 2021		New York TV and Film Festival 2021	BAFTA UK 2021	Broadcast Awards 2022
Winners	Nominations	Winners	Nominations	Winners	Winner (Channel 4)	Winner (Channel 4)
Entertainment Dolig Ysgol Ni: Maesincla (Darlun)	Entertainment Am Dro! (Cardiff Productions)	Sports Documentary 47 Copa (Cwmni Da)	Factual Entertainment Iaith ar Daith (Boom)	Bronze Award for a documentaries which portray communities Bethesda: Pobol y Chwarel	Best Daytime The Great House Giveaway – Channel 4 (Tŷ am Ddim, Chwarel)	Best Daytime The Great House Giveaway – Channel 4 (Tŷ am Ddim, Chwarel)
Children Deian a Loli (Cwmni Da)	Entertainment Priodas Pum Mil (Boom)	Entertainment Côr Digidol Rhys Meirion (Cwmni Da)	Drama 35 Diwrnod (Boom)	Grierson Awards 2021	Broadcast Awards 2021	
News and Current Affairs Pawb a'i Farn: Black Lives Matter (Tinopolis)	Entertainment Sgwrs Dan y Lloer: Kristoffer Hughes (Tinopolis)	Children Nadolig Deian a Loli (Cwmni Da)	Short Drama Cyswllt (Vox)	Nominations Chwaer Fach, Chwaer Fawr (Dogma)	Winner Best Lockdown Programme: News, Documentary and Factual Dim Ysgol: Maesincla (Darlun)	
Breakthrough Michael Kendrick Williams: Tân ar y Bont (Rondo)	Presenter Elin Fflur (Sgwrs Dan y Lloer, Tinopolis)		Individual Documentary - 'Spirit of the Festival' Eirlys, Dementia a Tim (Cwmni Da)			
	Drama Un Bore Mercher (Vox)		History Tân ar y Bont (Rondo)			
	Children Mabinogi-ogi (Boom)		Arts DRYCH Y Côr (Cwmni Da)			
	News and Current Affairs Llofruddiaeth Mike O'Leary (ITV Cymru)		Comedy Rybish (Cwmni Da)			
	Writer Barry Jones (Rybish, Cwmni Da)		Live Music Sioe yr Eisteddfod Goll (Orchard)			
	Factual Director Nia Dryhurst: DRYCH Chwaer Fach, Chwaer Fawr (Dogma)		Short Form Dilynwy'r (ITV Cymru)			
			News and Current Affairs Pawb a'i Farn: Black Lives Matter (Tinopolis)			



Drama

Although Covid restrictions still affected the industry in Wales, S4C continued to serve the audience with our soap operas, Pobol y Cwm and Rownd a Rownd, and top-quality dramas.

The original new drama Yr Amgueddfa began in May 2021 and offered S4C viewers a brand new genre as they had the opportunity to enjoy an art crime thriller on the service for the first time. Not only has it received great praise from the audience and British press (such as Radio Times and the Sunday Times) the drama was sold to Brit Box in the United States and Canada, and to the AXN channel in Japan.

In September, a special film was broadcast telling the story of Welsh rugby legend Ray Gravell. The GRAV TV film, directed by Marc Evans, was very emotional and not only resonated with the core audience but reached a new audience.

As the days became shorter, and with autumnal chills in the air, it was the perfect time to enjoy the third series of the dark and disturbing drama Craith. The popular and intriguing series, known for thrills, was once again a success with viewers both on linear television and online; and it was inspiring to see the emergence of the neurodivergent actor Justin Melliush in the main role.

Enid a Lucy came back in early 2022. This energetic series was a tonic for viewers after a difficult period of Covid. And the new series of STAD was also a tonic. After the success of the old Tipyn o Stad boxsets over lockdown, it was an opportunity to re-connect with the troubles of the Maes Menai estate ten years later, with a couple of new faces joining the cast. The series was released as a boxset on Clic, and appealed to a young audience with 70% of those viewers aged 16-44.

In our effort to discover, nurture and develop new talent, the popular HER FILM FER scheme was held for the third time, two films were broadcast through the It's My Shout inclusive scheme, and the new PAIR scheme was also launched in partnership with Theatr Genedlaethol Cymru. PAIR is a great new opportunity to encourage freelance artists in the arts sector to come together to develop multi-platform original work.

Led by S4C, Arts Council of Wales, Ffilm Cymru Wales and the BFI Cymru Network, the third stage of Y Labordy was launched. This time the innovative training scheme focuses on developing film, theatre and TV producers.

A Memorandum of Understanding was signed between S4C and Creative Wales at the end of 2021 to support the development of a dynamic screen sector in the Welsh language. One of the MoU's main aims is to create cinematic films that underline S4C's commitment to quality dramas that will bring Welsh talent to the world and bring the world's attention to Wales.



▲ Gêm Gyfartal Laura MacAllister

Sport

The effects of the pandemic stretched into the sporting year of 2021-22. The Pro14 rugby season resumed with rearranged fixtures and competitions carrying on late into July trying to recoup for lost time. S4C's cameras also travelled to South Africa for highlights of the British Lions Tour. Presenter Sarra Elgan's impressive teaching skills came to the fore as South African rugby great Bryan Habana embraced the Welsh language.

In July, Wales rugby returned to the Principality Stadium with the visit of Argentina. S4C had live coverage of two of the three test matches. Both live games reached over 215,000 viewers in the UK and received over 50,000 Clic and iPlayer sessions.

Better late than never the Tour de France and the Giro d'Italia were squeezed in before the year's end and highlights of the Newport Marathon saw thousands of runners take to the road together for the first time in two years.

November launched a new Rugby Autumn Nations series. With Wales' live games behind a paywall, S4C offered comprehensive highlights on the day of every match, keeping the national team on Free-to-Air television. The rebranded Pro14 now the United Rugby Championship returned to the Clwb Rygbi with S4C securing an impressive 27 live matches each season.

The Six Nations returned with crowds in February along with three games in the 6 Nations Under 20s tournament. Each match attained a reach of over 100,000, with over 10,000 viewing sessions on S4C Clic and iPlayer.

On the Welsh club scene, S4C launched a new series with a live game every week from the Indigo Premiership league. The series is part of a growing portfolio of live sport offered on our social platforms and on S4C Clic. Welsh club rugby and football can be found on S4C YouTube and Facebook channels every week including the showcase of the stars of the future with Rygbi Pawb, which consistently attracts a young audience (16-24) to S4C Clic.

S4C's streaming of live sport is increasingly popular with a significant number of viewers for our coverage in March of the Wales C v England C football fixture.

For petrol lovers, Ralio, also available on S4C social platforms, is attracting a growing audience. Following the progress of Elfyn Evans in the World Rally Championship makes up a large part of the series, but additional motorsport programming, including the unmissable Howard yn y Garej are proving enormously popular.

Women's competitive sport continues to be a priority for S4C. The opening game of the football season in the newly-branded Adran Premier was live on S4C. Over 70% of the presentation and commentary team on the production were female and there was also diversity behind the cameras with a female producer and an LGBT+ director/executive producer. Laura MacAllister's Gêm Gyfartal was an important and timely documentary looking at the women's game in Wales.

Two of the five Women's Six Nations fixtures were live on S4C, part of shared arrangement with BBC Sport and a new weekly vodcast from inside the women's camp, Y Sgarms Ddigidol was a great way to get to know the women's rugby stars of the future.

Having followed Wales to Baku, Rome and Amsterdam for UEFA's Euro 2020 Championship, the Sgorio team ended the year on a high with live coverage of Wales' win in the FIFA World Cup semi-final play-off against Austria. A UK reach of 391,000 was the highest for any football match shown on S4C since the World Cup qualifying game in 2017 against the Republic of Ireland. On an unforgettable night at the Cardiff City stadium, with the crowd in full song, these are the moments made for a national free to air broadcaster. In the fast changing world of broadcast rights, S4C is committed to showing these moments more than ever.

Following a significant increase in demand for news and current affairs on all platforms as a result of the pandemic, the S4C News digital service was launched. The number of users has grown steadily over the year with eight thousand having downloaded the app. Over six months the number of video views on the service's social media on Facebook and Twitter was 2.6 million. As well as curating news from around the world through different sources, the team also produces original news stories and repackages content from the S4C Newyddion programme.

With the Welsh Parliament Election in May 2021, a vibrant election results programme was skilfully fronted by Bethan Rhys Roberts from the BBC's new home in Central Square, Cardiff. It was a 9-hours long programme which returned the following day for the final results.

Byd yn ei Le has also been an important forum to hold politicians to account with the political future of Boris Johnson at stake following the Downing Street lockdown parties. And as the Covid restrictions eased, Pawb a'i Farn was able to travel to the people on the ground again.

With huge pressure continuing on the health service as a result of Covid, the Gweinidog Iechyd mewn Pandemig (Health Minister in a Pandemic) programme gave us a unique insight into the difficult decisions faced by Eluned Morgan and the Welsh Government. There were also special current affairs documents, Covid, y Jab a Ni and 9/11: Diwrnod wnaeth newid fy mywyd.

After the pandemic continued to attract viewers consistently to S4C's flagship News programme, the news agenda completely changed direction when the war began in Ukraine. Newyddion S4C and Byd ar Bedwar reporters went to the border to tell the story of the people who were fleeing, with some trying to reach their families in Wales for asylum.





Factual

The past year has been a time of trying to re-engage in productions without the Covid restrictions. With some stability returning, some of our most popular formats – Tŷ Am Ddim, Gwesty Aduniad, Y Fets and Am Dro – returned to the screen and a new photography format was also piloted in Yn y Ffrâm. Am Dro was adapted and sold as a format for BBC Two, and Gwesty Aduniad will become an English and Welsh co-production with the BBC.

Several individuals and organisations celebrated their birthday over the year and in Eryri: Pobol y Parc 70 years of Snowdonia National Park was celebrated, while Cymru, HIV ac Aids noted 40 years since the first incident of Aids.

2021 was also an important year for Dechrau Canu Dechrau Canmol and Huw Edwards – both turning 60 – and the documentary Huw Edwards yn 60 created a lively conversation on social media and attracted numerous viewers.

As our crime strand developed several powerful documents were produced – John Owen : Cadw Cyfrinach, Peter Moore :Y Dyn mewn Du, Bryn Fon: Chwilio Am Feibion Glyndŵr, and Y Parchedig Emyr Ddrwg. Within the Drych series Jason Mohammad returned to his home on the trail of the Ely Riots of 1991, there were honest and personal documentaries in Fi, Rhyw ac Anabledd and Frank Letch: Byw heb Freichiau, while Lloches gave refugees who have settled in Wales a voice to tell their story. Cyfrinach y Bedd Celtaidd recorded the history of one of Wales' most exciting archaeological finds, and was produced in collaboration with Smithsonian and Discovery Science. And Chwaer Fach Chwaer Fawr was nominated for the Grierson Award.

The continuation of Covid restrictions meant that people were still taking holidays close to home, and several programmes brought Wales to the viewer – Cynefin, Nofio Adre with Gareth Jones swimming across Wales, and Cymru Dad a Fi, where father and son Wayne and Connagh Howard explored the Welsh islands.



Entertainment and Comedy

Despite the challenges of Covid, we saw the importance of entertainment and comedy within the output, with commissions full of diversity, creativity and entertainment.

We made the most of our successful brands during 'Beach Week' in July. Among them, Sgwrs Dan y Lloer with Elin Fflur interviewing the popular performer Max Boyce from his favourite beach in the Gower area. The highlight of the week was the bold decision to host Priodas Pum Mil live from Trefor beach, and fortunately it was held on the warmest evening of the year.

The series Ysgol Ni returned, this time from Ysgol y Moelwyn, Blaenau Ffestiniog. This content certainly created a conversation with amazing access to the close knit community of Blaenau Ffestiniog in unprecedented times. The series attracted the highest average year-wide viewing on Clic and iPlayer (beyond sport and drama content).

The best performing entertainment series was Jonathan with nearly half of the audience non-Welsh speakers. Again, combining rugby and entertainment, there was a great response to 6 Gwlad Shane ac Ieuan. The two legendary rugby

wingers visited the six cities of the Six Nations, reminiscing and meeting old friends. This series also attracted a different audience across the platforms, with nearly half either less fluent or non-Welsh speakers.

In terms of comedy, the Rybish series was nominated for a number of awards, and there were edgy and ironic performances by Tudur Owen and Sian Harries in O'r Diwedd. The Jam comedy, combining the drag and adoption worlds, also appealed to people of all ages and audiences from all levels of fluency.

Music and Events

Again this year a number of important events were postponed, or held in a different form, due to Covid. However, through working closely with our partners it was possible to respond and take appropriate creative risks to ensure that the spirit of the usual event was retained as much as possible.

Eisteddfod T returned, but this time the digital and live performance elements were interwoven, taking advantage of the special location of the Urdd camp at Llangrannog to hold the event in a hybrid manner. The National Eisteddfod took place in Central Square, Cardiff and the colourful Gorsedd ceremonies were broadcast live in the evening to honour the winners.

Despite the challenges, it was good to welcome more live music this year across the platforms. The Year of Wales was celebrated at the Celtic Connections Festival, Glasgow with a programme of folk highlights hosted by Gwilym Bowen Rhys and Eve Goodman, in partnership with Wales Arts International and Visit Wales.

Noson Lawen gave a platform to a host of popular and new artists across Wales and the family audience returned to enjoy the popular Cân i Gymru event. Again this year social media was very busy as viewers responded live to the competition.

Due to the challenges of Covid and three years since the last competition, one of the musical pinnacles of the year without doubt was welcoming Côr Cymru back to the Aberystwyth Arts Centre. This is an important brand for the channel, celebrating the best of Welsh choral talent. The final was a highlight, not only as an excellent competition, but in terms of being able to perform in front of an audience once again. In addition, everyone was captivated by the special performance of Amelia Anisovych, a seven-year-old girl from Ukraine who travelled to Aberystwyth to sing on the night and lit the stage. Amelia had come to the world's attention with a viral video of her singing in a bomb shelter in Kyiv.

Due to the horrors of Ukraine, the Wales and Ukraine Concert was organised to raise funds for the DEC Cymru appeal. Hosted by Elin Fflur, there were emotional performances by a host of Welsh and Ukrainian talents, including baritone Yuriy Yurchuk and tenor Gwyn Hughes Jones.

The contemporary music scene featured prominently across the platforms, under our LŴP music brand. The Curadur series has been an opportunity to celebrate Welsh music and culture as artists such as Lemfreck, Aleighcia Scott, Heledd Watkins and Cate Le Bon have curated and introduced us to a wide and exciting range of performances.





Online content and young people

This year was a significant year for Hansh moving forward with a new strategy to commission longer content for audiences aged 16-34, and growing viewing on video-on-demand platforms, as well as serving them on social media.

The Limbo sitcom series, 'gonzo' journalism in Pa Fath of Bobol..., the north-west Wales noisy motor culture in Pen Petrol and two brand new entertainment series in the guessing game Celwyddgi and the naughty dating series Tisio Fforc? Series such as Pen Petrol and Pa Fath o Bobl found a good audience online as well as on linear TV.

This year's social media landscape was a story of tectonic changes with huge movements of younger audiences, particularly between 16-25, towards the Tik Tok platform, where Hansh's greatest viewing growth has occurred. There we see that entirely new talent is simmering through. Hansh wants to ensure that it is at the heart of this important corner of Welsh culture by shifting an increasing emphasis there in terms of creating and discovering content.

In current affairs and news, the GRID series returned with many profound portrayals of young people in Wales, culminating in SOBRI's touching and honest documentary about the experience of a young man from Gwynedd with alcohol dependency. The views of young people in Wales were heard at the Welsh Parliament elections in Taswn i'n Brif Weinidog Cymru, and the young journalist training scheme Hansh Dim Sbin focused on the environment in the year of COP26.

Our commitment to diversity and inclusion continued with the Deaf and disabled creators scheme Medru. 10 short videos were produced with new disabled talent and training was offered to many more. A new series of the Probcast podcast was announced, which gave four witty young women who happened to have disabilities a platform to put the world to rights. Following the success of the scheme, MEDRU will be mainstreamed into Hansh's annual work ensuring disabled and Deaf talent has consistent opportunities, not just an occasional scheme.

S4C supported the music scene as it emerged from the lack of gigs and events during the pandemic through holding online series.

Children

In another challenging year for everyone as Covid guidelines were alternately relaxed and tightened, S4C's children and young people content has once again responded swiftly in order to entertain and educate the youth of Wales.

With schools back there was desire to include children in outdoor series and this is reflected in series such as *Awyr Iach* for Cyw and *Gwrach y Rhibyn* for Stwnsh. Community centres and places of worship were able to open for the filming of the *Dathlu* series which reflects the diversity of our communities and the celebrations within them. And we filmed the *Efaciwis* series over Summer 2021 by bringing eight children from English cities to the community of Llanuwchllyn for three weeks to live life like the evacuees of the second world war.

There was a Christmas movie *Mabinogi-ogi*, and after such a long time without being able to hold events it was wonderful to be able to organise a successful cinema tour to show *Deian a Loli - Dygwyl y Meirw* over Halloween.

By the end of the year, guidance allowed groups from different schools to be brought to the studio together and *Ahoi* with Ben Dant could once again be filmed.

Guidance didn't allow everything to go back to normal so there was a hybrid approach for *Stwnsh Sadwrn*. Producing the series during lockdown has showed that Zoom has enabled much more involvement.

The success of *Eisteddfod T* was built upon with a hybrid scheme for 2021 which combined competition at home with live ceremonies in *Llangrannog* and performances from *Glan-Ilyn*, with *Eisteddfod T* again being a huge success.

During lockdown *Boom Plant* invested in developing new scriptwriters and in 2021-22 the results of the work were seen in the popular *Chwarter Call* comedy series, and the zombies drama series *Itopia* - a series that enabled us to have our first children's boxset on *Clic* which has been a success in establishing a pattern for the future.

S4C has benefited greatly from the YACF (Young Audience Content Fund) fund and in 2021-22 it broadcast *Hei Hanes!*, *Bex* - a series relating to children's mental health problems, *Byd Tad-cu*

- which is a co-production with Channel 5, and *Y Gyfrinach* and *PersonA* - bold cross-platform content for 13-plus young people.

This year the sci-fi drama series *Y Goleudy* has also begun to be produced, a series supported by the YACF which was postponed due to Covid last year but which will again be ambitious and exciting.

During the year, the appetite for S4C's content as an education resource continued to grow. The creation of a S4C channel on HWB (the Welsh Government education platform available to all pupils in Wales) in early 2021 was an extremely important step and the beginning of a long-term partnership. 2021-22 has seen the transfer of more content to the platform as schools prepare for a new curriculum and the Welsh Government is looking at the potential of producing educational resources to complement S4C's content.

At the beginning of 2022, S4C was part of the *Croeso Cyw* education initiative, a scheme between S4C and Carmarthenshire County Council funded by the Welsh Government. Two teachers from Carmarthenshire were seconded to S4C to work with five schools in the county over a three-month period. The pilot was designed to use the *Cyw* brand to help language acquisition amongst foundation stage children, and to use activities, apps, competitions, events and Facebook to reach the children's parents / carers. Through the scheme, it would therefore be possible to extend *Croeso* to the whole school community which in turn raises the profile and awareness of S4C content. The pilot has been a success and the perception of *Cyw* as a result has increased in those schools.

Building on language acquisition *Cyw* is expanding to include *Cywion Bach* for babies 0-2 and their parents. The aim is that the content shared on several platforms will increase awareness of *Cyw* and S4C, which will in turn see children receiving Welsh-medium education.

Across the digital platforms there has been a huge growth this year again in viewing S4C content. On YouTube, *Caru Canu*, an animated series of funny rhymes, continues to attract and entertain younger children and during the year the provision expanded to *Caru Canu a Stori*. Children also flock to the *Cyw* website to play games.



Mabinogi-ogi



New Speakers

This is an important audience for S4C, and it's good to see that they are so supportive and engaged with the content.

S4C's offer is for new speakers in many forms, and on several platforms – from specific series produced by Boom Cymru, to news programme Yr Wythnos from BBC Wales, to varied and comprehensive content via the S4C Learn Welsh website and the content on YouTube, Instagram, and Facebook.

Our service for Welsh learners is delivered in partnership with the National Centre for Learning Welsh and Say Something in Welsh, and these partners lead at the linguistic level.

In the Centre's focus groups, it became apparent that Clic was popular as a viewing platform because it was possible to have Welsh and English subtitles in order to help understanding.

2021-22 saw opportunities to develop on the provision for new speakers, despite the challenges Covid presented in terms of filming guidelines and location availability.

Series such as Adra and Dan Do were as popular as ever, and were greatly appreciated by those involved in learning, as were formats that show the landscape of Wales such as Am Dro and Cynefin.

In 2021, the laith ar Daith series once again attracted viewers to the channel. The most recent series, broadcast in April 2022, built on this by offering English language content from the series on YouTube and this too attracted new viewers.

In 2021-22, the online content that sits specifically on YouTube developed significantly, with up to five minutes of new video content produced weekly.

The content is a combination of clips from S4C series together with new original content created for the different language levels.

All videos contain subtitles that have been simplified or provide additional information to what is on screen. Each video also includes on-screen vocabulary to help with an unusual or different word.

A triangle has been introduced in the corner of each video where the colour corresponds to the level of Welsh according to the National Centre for Learning Welsh curriculum (yellow = access level; green = foundation level; red = intermediate level) and the language checked by a language advisor.

The brand was also aligned in terms of the appearance of the videos with different colours indicating different content. In addition, playlists were created on YouTube and the videos can be easily accessed through the search service.

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.

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.

9,613 contacts were received by S4C's Gwifren Gwylwyr in 2021-22. Of these 4,438 were complimentary about programmes while 1,220 were complaints or criticism of some form.

Usually, Viewers' Evenings play an important part within S4C's communication activities but because of the pandemic none were held during 2021-22 year. It was therefore necessary to identify other ways to give the audience an opportunity to be involved in S4C's provision and a chance to voice their opinions about S4C's service.

Whilst Facebook Live sessions were popular during 2020-21, it became apparent that Facebook Live events were gradually losing their popularity. One was held during the reporting period with the Chief Executive Owen Evans, the Director of Content Amanda Rees, and the Drama Commissioner, Gwenllian Gravelle. There were 36 written comments, 32 reactions and the video was viewed 4,800 times.

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.



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 25 hours of programmes a week on average. 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 77.29% 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 13.65% 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 7.23% of programmes (Ofcom's target is 5%).

Gwifren Gwylwyr (Viewers' Hotline)

Our viewers can contact S4C directly by either phoning, emailing, via social media or sending a letter to Gwifren Gwylwyr. Gwifren Gwylwyr's contact details are available at the back of this report. The bilingual service is available from 9:00 until 22:00 seven days a week.

Measuring S4C's Performance

S4C's services are evaluated using a range of performance measures.

These include viewing figures for television and online services, qualitative indicators that present a wider picture of usage, appreciation and the impact and value of S4C's services.



Usage & Reach



Appreciation



Impact



Value for Money

How does S4C assess the performance of the service?

Since S4C first broadcast in November 1982, it has grown from a single, part-time linear television channel to a full, multi-platform service, giving the Welsh language in all its shapes and forms a voice and a stage.

Ensuring that S4C's Welsh language services respond to the audience's expectations, and are valued and regularly used by the widest audience is key to S4C's mission.

The S4C Board has a duty to ensure that S4C's services respond to the needs of our audience. The Board regularly assesses the performance of S4C's services. The performance assessment presented is based on the performance measurement framework and S4C's Strategic Priorities for the period to the end of March 2022.

S4C's activities are guided by four strategic priorities that have been developed to provide direction to S4C's work and to ensure that S4C's services respond to the needs of the audience:

1: Provide a high quality and popular service across a range of contemporary platforms, ensuring that the content can be accessed and viewed at anytime and anywhere.

2: Strengthen our understanding of the audience, its requirements and its response to the S4C service and ensure that this is central to S4C's operation.

3: Ensure an effective and creative relationship with suppliers and other partners.

4: Continue to deliver value for money and make the most of commercial opportunities.

In assessing the performance of the S4C service, it is necessary to consider a range of factors, including television and online viewing figures, appreciation and audience response to content and programmes, the wider impact created by S4C and its service, and the value and support that S4C can provide to partners and other stakeholders in Wales.





Usage & Reach

Measuring S4C's viewing figures

Measuring the size of S4C's audience now includes viewers on traditional television platforms, in Wales and across the UK, viewers on the main online platforms, S4C Clic and BBC iPlayer, and in addition those who watch S4C's content on a range of online platforms, including social media. Assessing viewing across all platforms, and on devices other than just television, provides a more comprehensive and accurate picture of the use of all our services.

In order to gain a comprehensive picture of all S4C's viewing, it is important to take into account television data collected by BARB, and also viewing statistics for S4C Clic and BBC iPlayer and on a range of social media platforms.

Viewing on television is measured by the 'reach' of a service. Reach is the term used to identify how many individual people watch S4C's services on television (and where indicated on other platforms) over a given period. The standard measure of reach is limited to measuring television viewing and therefore the television reach data set out below does not include online use of S4C content on tablet, laptop or mobile phone.

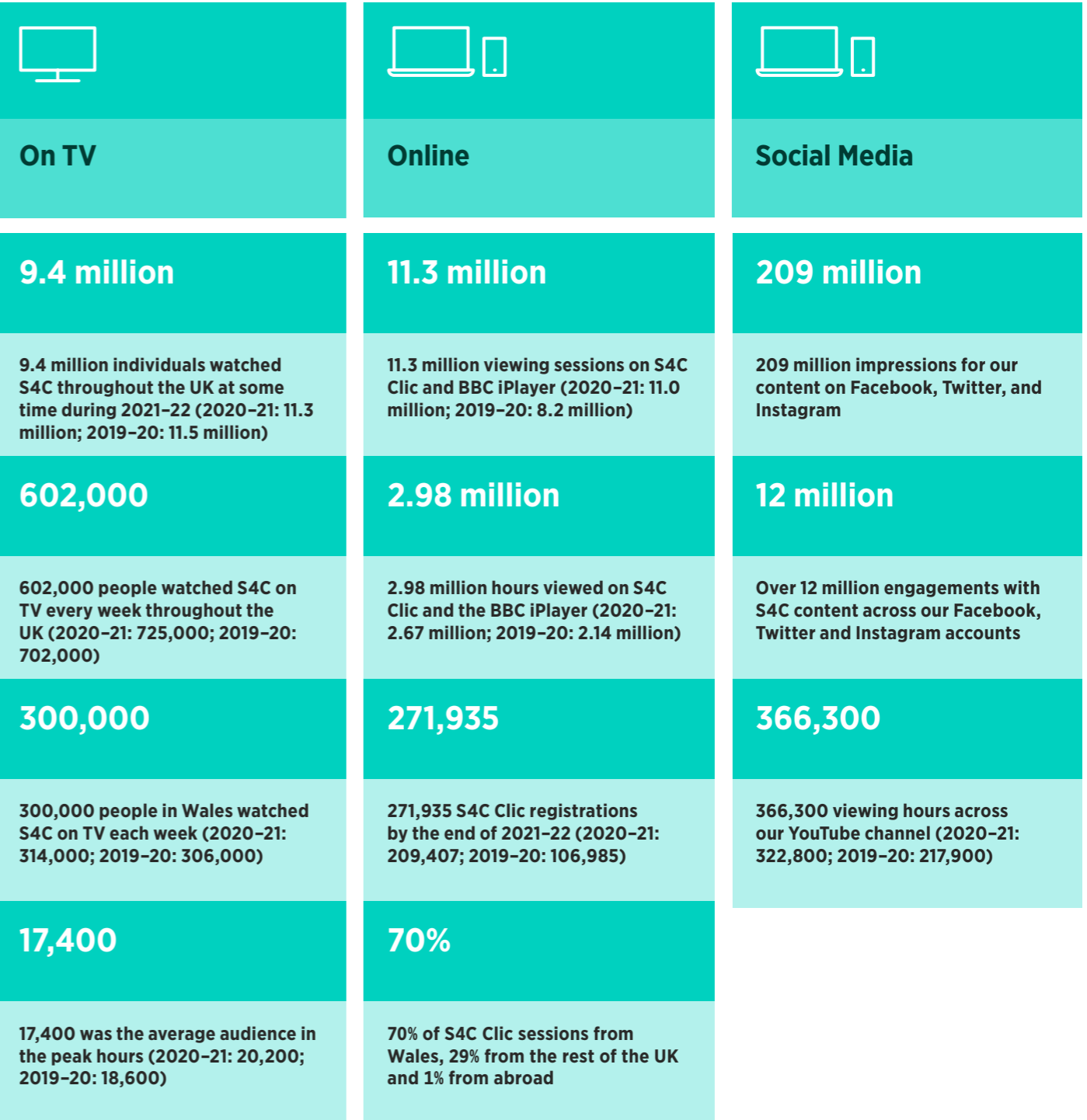
The assessment of television viewing is based on the BARB standard 3 minute weekly reach measure, which is the most suitable measure for a service such as S4C's, as a linear channel with a varied schedule during the year, and a channel that broadcasts advertisements. We monitor other reach criteria, as well as average hours of viewing to S4C on television and on S4C Clic and BBC iPlayer.

The use made of S4C's content on digital platforms is an important consideration, hence this is also reported on using industry standard metrics.

The Impact of Covid

The reporting year 2020-21 was unusual, with a number of extended lockdowns in response to the Covid-19 pandemic. Viewing trends were therefore different during that period.

In reporting on the usage and reach of S4C's services during 2021-22, we are providing comparative figures for 2020-21 as well as 2019-20, to provide a comparison against the previous year, as well as the year before Covid influenced the data. This provides us with a more comprehensive overview of viewing trends.





The audience consuming S4C's content on the platform of their choice

S4C is seeing similar viewing trends to the other public service broadcasters in the UK, with an increasing number watching on demand or on other platforms, at the expense of the traditional linear television service.

During 2021-22, 1.6 million watched S4C's content on television in Wales at some point, and 300,000 in Wales viewed our content each week. This is a decrease of 4% over the past year in terms of weekly reach, and 7% in yearly reach.

Due to the impact of the Covid lockdowns on the 2020-21 figures, it's worth comparing against the pre-pandemic data. Comparing the most recent year with 2019-20, there was an 11% decrease in yearly reach, but only a 2% reduction in weekly reach for our content in Wales. This compares favourably with the 12% fall in weekly reach in Wales experienced by the five other public service broadcasters over the past two years.

Across the UK, 9.4 million watched S4C's content on television at some point during 2021-22. However, S4C's weekly reach has fallen by 14% since 2019-20, and annual reach by 18% over the same period.

At the same time, the use of our other platforms continues to increase.

The use of S4C Clic and BBC iPlayer continues to increase year on year. Overall, there was a 12% increase in the hours watched on S4C Clic and BBC iPlayer during 2021-22, and a 39% increase against 2019-20.

On YouTube, there has been a 68% increase in the number of hours watched across S4C's various channels since 2019-20. This all highlights the need for S4C to be available on an increasing number of platforms as the audience expects to be able to find S4C on traditional platforms, on demand, and on social media.

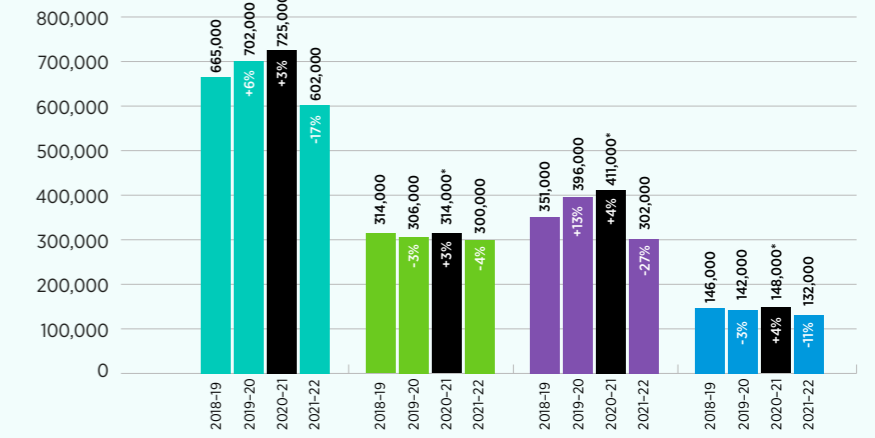
S4C television viewing figures

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
 Covid Lockdown Periods

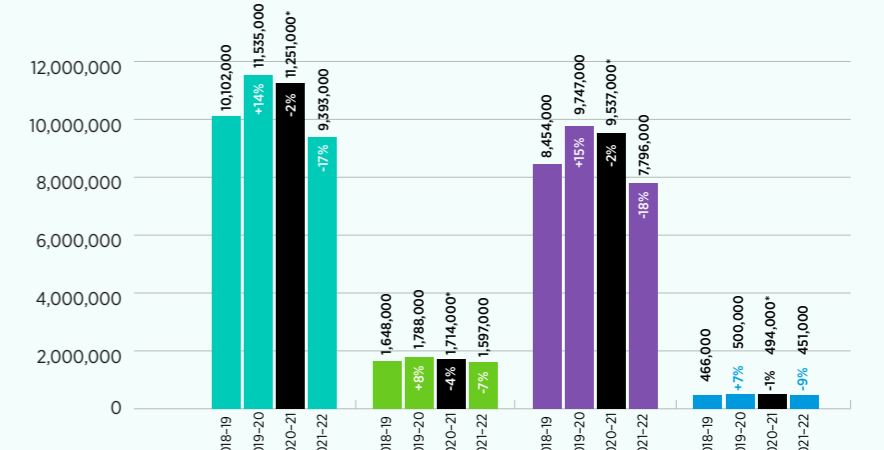
Weekly reach (at least 3 consecutive minutes)

(Source: BARB)



Annual reach (at least 3 consecutive minutes)

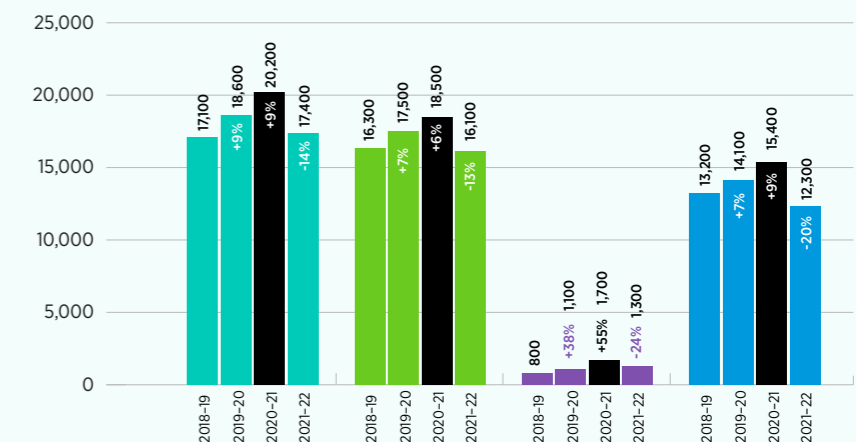
(Source: BARB)



* S4C's reach for 2020-21 has been revised from that included in the 2020-21 Annual Report due to the misappropriation of other viewing to S4C's overnight broadcasts by BARB. This came to S4C's attention during autumn 2021.

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

(Source: BARB)





The importance of offering 'live experiences', which attracts a wider audience to S4C's content, is clearly seen in the list below.

	Programme	Genre	Date	Reach
1	Sgorio Rhyngwladol: Cwpan y Byd (Cymru v Awstria)	Sport	24/03/2022	391,000
2	Sgorio Rhyngwladol: Cwpan y Byd: Grwpiau (Cymru v Gwlad Belg)	Sport	16/11/2021	277,000
3	Clwb Rygbi Rhyngwladol: Taith yr Haf (Ariannin v Cymru)	Sport	17/07/2021	216,000
4	Clwb Rygbi: Pencampwriaeth Unedig Rygbi (Leinster v Scarlets)	Sport	16/10/2021	188,000
5	Patrôl Pawennau	Children	02/04/2021	173,000
6	Cwpan FA (Caerdydd v Preston North End)	Sport	09/01/2022	170,000
7	Clwb Rygbi: Cwpan Ewrop (Scarlets v Bryste)	Sport	22/01/2022	163,000
8	Sgorio Rhyngwladol: Gem Gyfeillgar (Ffrainc v Cymru)	Sport	02/06/2021	161,000
9	Yr Amgueddfa	Drama	04/07/2021	158,000
10	Rygbi: Cyfres y Cenhedloedd (Uchafbwyntiau Cymru v Seland Newydd)	Sport	30/10/2021	148,000

UK reach on a continuous 3 minute basis for any screening within 7 days of the first broadcast. Only the highest individual programme within a series is listed, with sports events set in series by competition.





S4C online viewing

A significant increase in the use of S4C's on-line services was seen across the UK during 2021-22, with the patterns emerging during 2020-21 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.

Hours viewed on S4C Clic and BBC iPlayer

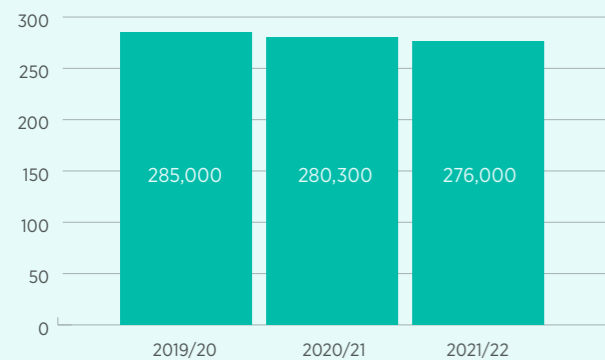


(Source: S4C & BBC)

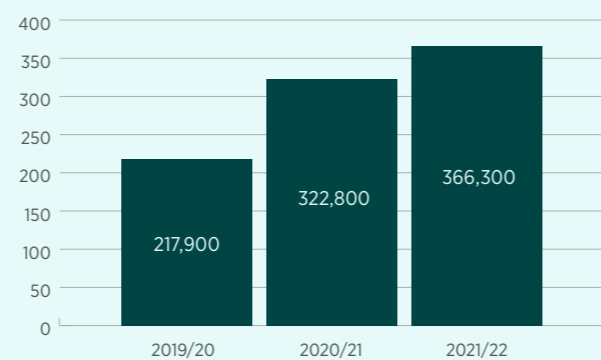
The method for measuring was revised during 2021 to exclude viewing sessions that were unrealistically long.

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



Hours viewed of every S4C YouTube channel



Newyddion S4C service and App

The Newyddion S4C (NS4C) App was launched on 06 April 2021. Use of the NS4C service has increased significantly since.

During 2021-22:

7,890	2.2million	160,000	1.5million
the NS4C App was downloaded 7,890 times	there were 2.2 million page views across the NS4C service:	Over 160,000 visitors to the NS4C website came through social media:	NS4C content achieved over 1.5 million engagements and 19m impressions on Facebook and Twitter
	1.5 million page views via the App, and	145,000 through Facebook, and	
	0.7 million on the NS4C website	15,000 through Twitter	





Appreciation

Appreciation of S4C's services

An appreciation measure of S4C's programmes is used as the basis for measuring and evaluating the quality of the S4C service as a whole and its specific genres. This measure is referred to as an "AI" measure (Appreciation Index) - a score out of 100.

Discussions about S4C's content on social media are also a measure of audience appreciation. The AI measure provides a qualitative assessment of programme performance on the television service, and assists the Board in assessing the performance of the S4C service as a whole and in terms of specific genres.

Appreciation of S4C's service generally remains very high amongst the audience, and amongst Welsh speaking viewers in particular.

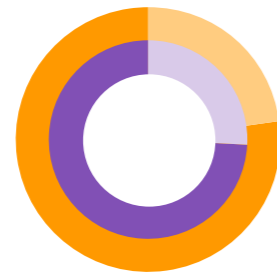
However, we acknowledge that we need to increase efforts to ensure that S4C offers unique experiences that the audience cannot get anywhere else, and our new Strategy will help address this aspect.

83

Appreciation of S4C's service among Welsh-speaking viewers in Wales: 83 (2020-21: 82).

The comparable result for other public service broadcasters in Wales: 78 (2020-21: 78). (Source: TRP)

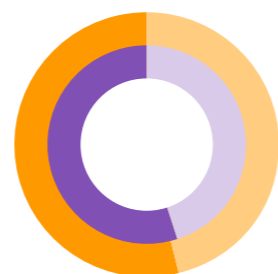
S4C's Image Tracking Survey found that S4C's Welsh speaking viewers believe that:



2021/22 77%

2020/21 74%

The quality of Welsh language programming on S4C is improving



2021/22 45%

2020/21 51%

S4C is a channel that gives me a unique experience that I can't get anywhere else

(Source: S4C Image Tracking Survey - Welsh speaking viewers, Beaufort Research)





Highest appreciation scores for programmes in 2021-22

The list below sets out the appreciation scores from Welsh speakers for the top 10 series or individual programmes first broadcast in 2021-22 and also a comparison with the relevant genre average.

The list includes a wide range of genres and programmes that demonstrate the variety within the service and the appreciation of the service provided.

Series	AI	(+/-) Compared to Genre
Drych: Byw Heb Freichiau	91	+6
Cofio Mei Jones	91	+6
Cwmni Theatr Maldwyn yn 40	90	+5
Awr Fawr	90	+8
Stori Jimmy Murphy	89	+3
Laura McAllister: Gêm Gyfartal	89	+2
Dai Llanilar... O Sion a Siân i'r Sioe	89	+5
Cofio Dai Llanilar	89	+4
Drych: Jason Mohammad: Trelai, y Terfysg a Fi	89	+4
Zelensky: Arlywydd Mewn Rhyfel	89	+2

(Source: TRP) (Based on Welsh speakers 16+, and programmes with a sample of 25 or more)

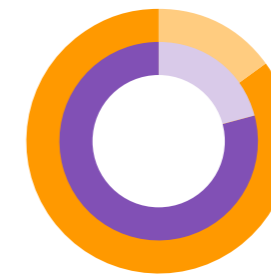


Appreciation

While the audience continues to believe that S4C is relevant to the identity of Wales and its people, the proportion that feels that S4C reflects modern Welsh life reduced during 2021-22. Nevertheless, the score that S4C received across Wales remains higher than any other public service broadcaster.

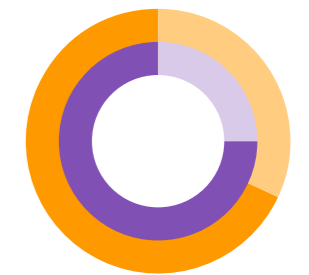
We are already working with the production sector to ensure that S4C's content continues to reflect our communities in all their diversity, and shows what it's like to live in Wales.

S4C's Image Tracking Survey found that S4C's Welsh speaking viewers believe that:



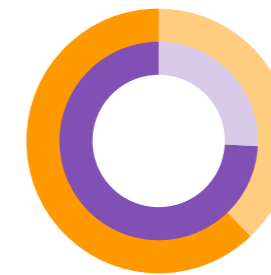
2021/22 85%
2020/21 79%

S4C is relevant to the identity of Wales and its people



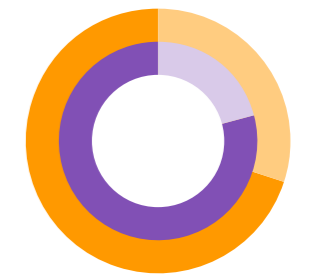
2021/22 68%
2020/21 75%

S4C is a channel that reflects modern Welsh life



2021/22 62%
2020/21 74%

S4C is a channel that has educated me in some way about Wales and its people



2021/22 70%
2020/21 79%

S4C is a channel that shows what it's like to live in Wales

Byw Heb Freichiau

(Source: S4C Image Tracking Survey - Welsh speaking viewers, Beaufort Research)



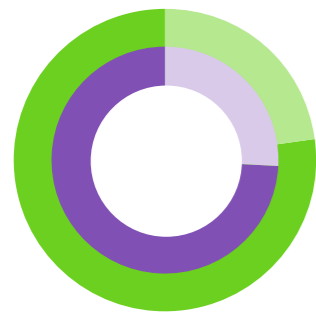
Impact

Impact

S4C plays an important role in supporting and promoting the Welsh language and culture.

Welsh-speaking S4C viewers state that S4C has a positive impact on their awareness of Welsh culture and the development of the Welsh language.

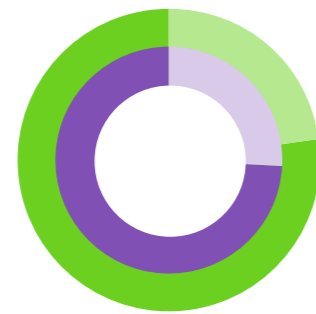
S4C's Image Tracking Survey found that S4C's Welsh speaking viewers believe that:



2021/22 88%

2020/21 81%

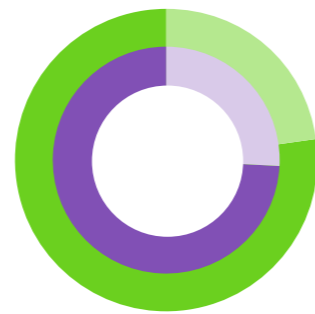
S4C is important for the Welsh language



2021/22 83%

2020/21 78%

S4C makes the Welsh language seem more modern and relevant



2021/22 87%

2020/21 83%

S4C supports the Welsh language through its programming and content

(Source: S4C Image Tracking Survey - Welsh speaking viewers, Beaufort Research)

S4C's strong commitment to providing Welsh language services for children and young people - on television, online and in live shows across Wales continues to be appreciated by our viewers.

S4C's Image Tracking Survey found that S4C's Welsh speaking viewers believe that:

It is very important that there is a Welsh-language television service for children on S4C



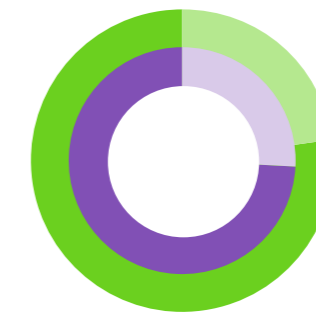
2021/22



2020/21

(Source: S4C Image Tracking Survey - Welsh speaking viewers, Beaufort Research)

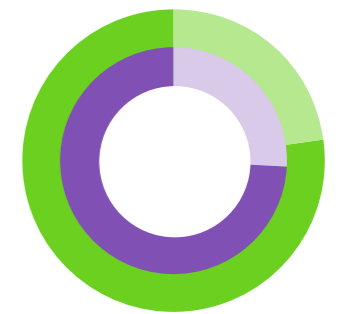
S4C's Image Tracking Survey found that S4C's Welsh speaking viewers believe that:



2021/22 75%

2020/21 71%

S4C makes me more confident in my use of the Welsh language



2021/22 85%

2020/21 76%

Some Welsh language programmes on S4C are relevant to me

(Source: S4C Image Tracking Survey - Welsh speaking viewers, Beaufort Research)

Welsh learners, or those who are interested in learning Welsh, are an important part of S4C's audience.



Value for Money

Ensuring Value for Money is a very important priority for S4C.

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 a strategic 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 3.2% of S4C's total spend, with the remainder supporting content creation and distribution.

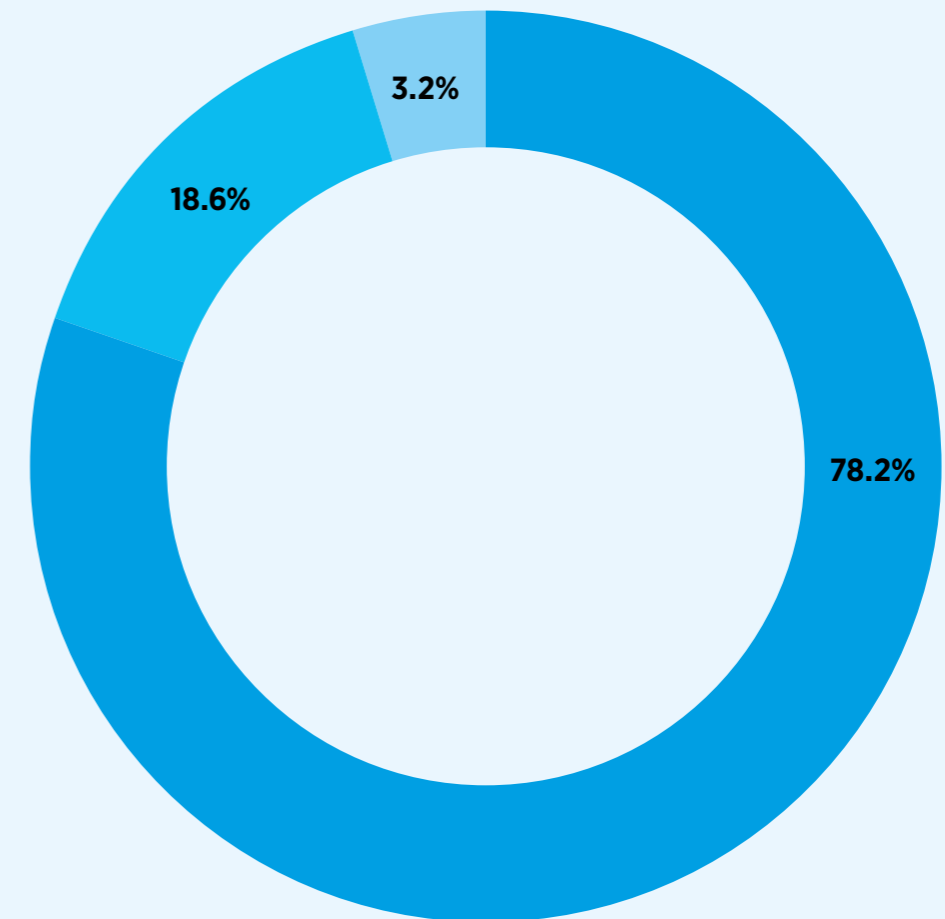


Prioritising spending on programmes and content - allocation of S4C's expenditure

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

The allocation of the S4C Public Service Fund during 2021-22 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.

Cost of programme service	78.2%
Costs associated with transmission and distribution	18.6%
Operating and administration costs	3.2%



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



S4C is one of the most cost-efficient PSBs in the UK

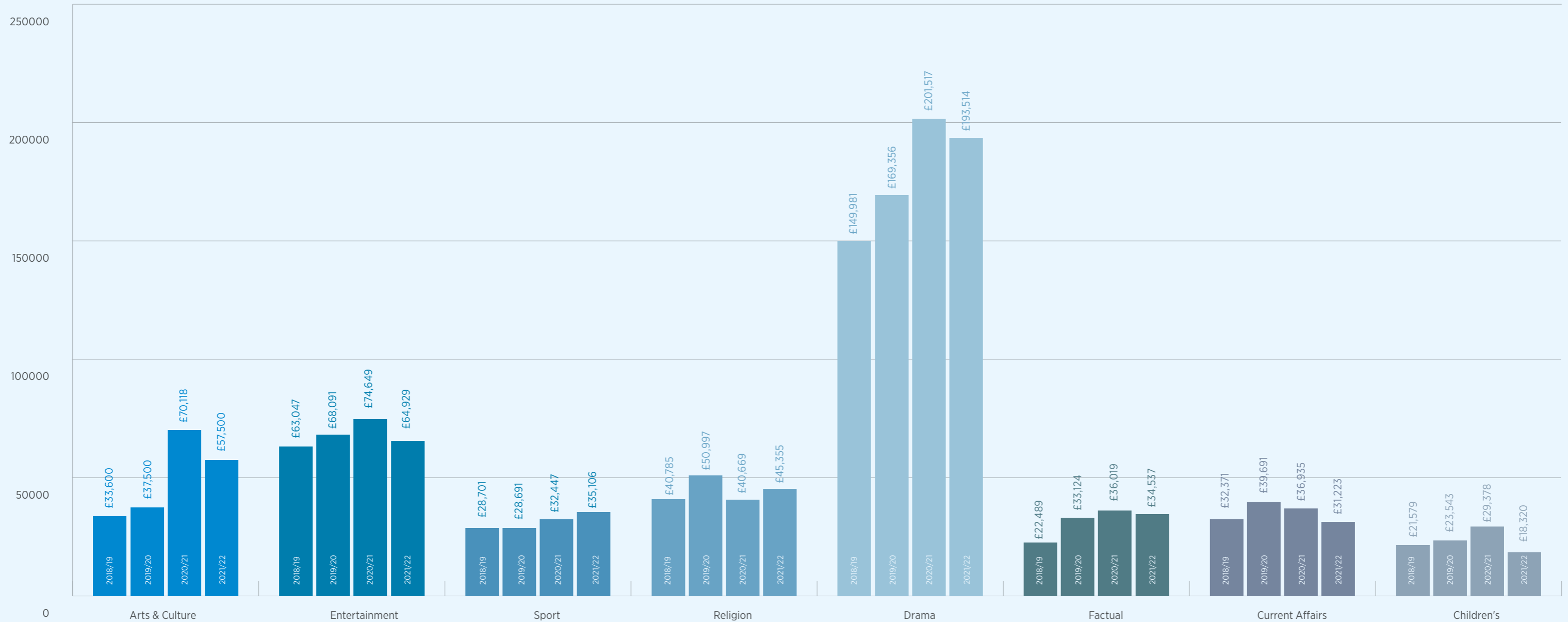
Value

By working closely with producers to lower 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 PSBs. This is confirmed by the 2021 Arad study where production companies highlighted the good value for money provided by S4C productions and reporting that budgets for producing S4C outputs are significantly lower than for other 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 behind screen talent. Recent trends in the creative industries have also had inflationary effects on production costs.

Again during 2021-22, some planned programme transmission had to be delayed due to Covid-19, while some content which was originally planned for 2020-21 was broadcast. Therefore, the mix of programmes transmitted during 2021-22 was quite different to previous years. This alongside the change in S4C's VAT status has resulted in substantial increases or decreases in the cost per hour of some genres, in particular drama, arts and culture, and religion.

Cost per hour - programmes commissioned by S4C (excluding digital content)



Operating Reports 2021-22



S4C's partnership with the BBC

S4C and the BBC have worked in partnership since the creation of S4C in 1982, and since 2013, most of S4C's public funding has come from the licence fee.

This partnership provides the opportunity to share resources and expertise to enhance delivery, drive efficiencies and value for money through collaboration, and work together to maximise prominence and consolidate influence in a global market.

In November 2017, S4C and the BBC published a new Partnership, Funding and Accountability Agreement, which set out our commitment to working together to deliver high quality public services for Welsh speaking audiences for the duration of the BBC Royal Charter until the end of 2027.

The current partnership spans the following areas:

Programme supply

Since 1982, BBC Cymru Wales has supplied a number of key elements of S4C's service, including Pobol y Cwm, news provision, some sports provision and extensive coverage of the National Eisteddfod of Wales. This provision – which is based on a statutory requirement – requires the BBC to provide a minimum of 10 hours per week of programming to S4C, free of charge (therefore a minimum of 520 hours per year). The range of programmes within this provision, which is agreed between S4C and the BBC each year, is an important part of S4C's daily schedule. Under the Partnership Agreement between the BBC and S4C, the financial value of the BBC's contribution is £19.4m per annum.

Creative

Both broadcasters regularly collaborate to provide greater value for Welsh language audiences. During 2021-22, S4C continued to work in partnership with the BBC on bilingual drama co-productions such as Craith / Hidden.

Technology and platforms

The presence of S4C programmes on the BBC's iPlayer continues to be a very important tool in offering our content to an extensive audience. The iPlayer gives S4C a presence across a wide range of devices that would otherwise not be available to S4C and a significant increase in viewing to its online content.

We are also pleased that, through our partnership with the BBC, S4C has recently become available in HD on Freeview in Wales. The BBC reorganised its HD capacity in connection with the re-launching of BBC Three on television. It agreed to allocate HD capacity for S4C in Wales, recognising the importance of HD quality video for viewers of S4C as a Welsh language service.

Co-location of technical broadcast services

Since January 2021, S4C has co-located its broadcast and technical activities with BBC Cymru Wales in Central Square, Cardiff. By combining teams and operations, this is expected to deliver operational efficiencies for both broadcasters.

Funding and accountability partnership

During the year, S4C provided the BBC's Audit committee with biannual Financial Accountability Reports to confirm that funding received from the licence fee has been used in accordance with S4C's statutory remit.



◀
Stad

▶
BBC Cymru Wales, Central Square,
Cardiff

Sustainability Report

From the 2021-22 reporting year onwards, S4C is required to produce an annual Sustainability Report. This is the first such report, and our intention in future years is to include a comparison of performance on various sustainability metrics against that of previous years.

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 opposite relates to S4C's emissions and consumption at Yr Egin during a period which saw 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 will be higher, reflecting the resumption of usual business practices.

Greenhouse Gas Emissions			
		2021-22	Measurement
Scope 1 Direct GHG emissions	Total gross emissions: Scope 1	19	tCO2e
	Emissions from:		
	Gas	19	tCO2e
	Oil	0	tCO2e
	Fuel (including LPG)	0	tCO2e
Scope 2 Energy indirect emissions	Total gross emissions: Scope 2	8	tCO2e
	Emissions from:		
	Electricity	8	tCO2e
Scope 3 Official travel emissions	Total gross emissions: Scope 3	18	tCO2e
	Emissions from:		
	Domestic and international business travel	18	tCO2e

Energy Consumption			
		2021-22	Measurement
Total Electricity		8,000	kWh
Electricity	Renewable	7,000	kWh
	Non-Renewable	1,000	kWh
Gas		19,000	kWh
LPG		0	kWh
Other		0	kWh

Waste			
		2021-22	Measurement
Total waste disposed		1.00	tonnes
Hazardous waste disposed		0.00	tonnes
Hazardous waste disposed	Landfill	0.00	tonnes
	Recycled	1.00	tonnes
	ICT waste recycled, reused and recovered (externally)	0.00	tonnes
	Composted	0.00	tonnes
	Incinerated with energy recovery	0.00	tonnes
	Incinerated without energy recovery	0.00	tonnes

Finite Resource Consumption			
		2021-22	Measurement
Water consumption Office estate)	Supplied	52	m3
	Abstracted	0	m3
	Collected	0	m3
Water consumption Non-office Estate)	Supplied	0	m3
	Abstracted	0	m3
	Collected	0	m3
Paper consumption - A4	Supplied	40	Reams of paper
Paper consumption - A3	Supplied	0	Reams of paper

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

The S4C Estate

With the continued impact of Covid-19, this was another strange year with the majority of our staff working from home for much of the year in accordance with Welsh Government guidelines. Ensuring that broadcasting could continue was a key priority throughout 2021–22. As Covid restrictions were gradually lifted, staff started to return to our offices, where appropriate Covid measures were put in place in accordance with our risk assessments.

As we fully reopen our offices following Covid, we have adopted a Hybrid Working Policy which gives our staff more flexibility to share their time between working in the office and working remotely, subject to meeting the needs of the business.

S4C now has a presence across three locations:

Carmarthen

S4C has its headquarters at Canolfan S4C Yr Egin, Carmarthen, under a long term lease from the University of Wales Trinity Saint David. Around 77 members of S4C staff are based at Yr Egin and meetings of the Unitary Board and its committees are normally held there. Our headquarters are also home to a range of companies working in the creative industries and a location for creative activities, including filming some of S4C's programmes.

A study by Arad Research in 2021 found that S4C's relocation to Yr Egin has led to a range of quantifiable economic impacts on Carmarthenshire. Arad reported that S4C generated an economic impact of £18.2m in the economy of Carmarthenshire in 2019–20, including a direct impact of £14.0m through S4C's spending on goods, services and wages (including freelancers) in the area.

Cardiff

2021–22 was the first full year of broadcasting the S4C channel from Central Square, Cardiff, under our partnership with BBC Cymru Wales to co-locate the technical broadcast services of both broadcasters. Alongside the technical services agreement, S4C has taken a licence from the BBC to occupy office space and a meeting room at Central Square. Around 30 members of S4C staff are normally based there.

One of S4C's commercial subsidiaries (S4C PTG Cyf) now owns S4C's former headquarters and broadcast site at Parc Tŷ Glas, Llanishen, Cardiff. This is let out as offices and units to a range of tenants, as described further in the section on S4C's commercial activities.

Caernarfon

S4C's important presence in north Wales continues, with an office in Victoria Dock, Caernarfon under a lease until 2028. The office is home to 17 members of staff.



S4C's Commercial Activities

S4C Masnachol, S4C's commercial division (which is separate from S4C's public funding) 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.

These activities include the sale of advertisements and sponsorship on S4C's services (working with Sky Media, S4C's advertising agent), licensing merchandise for brands such as Cyw and investing in a balanced investment portfolio. This portfolio currently consists of:

- equity investments in companies active in the content and digital sectors;
- investment in the Parc Tŷ Glas estate, Llanishen, Cardiff, and letting offices and units to a range of tenants;
- investment funds managed by an external fund manager.

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 net assets of the commercial division as at 31 March 2022 were £20m (31 March 2021: £19.7m) and the profit on ordinary activities before taxation for the year ended 31 March 2022 was £1.05m (31 March 2021: £3.15m).

The Independent Review of S4C (Building and 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.

In 2022–23 we will undertake a review of our commercial strategy. We will evaluate how best to use our commercial powers and resources to support S4C's updated core purposes and identify how we can create additional value within current markets.

S4C's Commercial Board

S4C's Commercial Board is responsible for overseeing the S4C's commercial activities. These include airtime sales and sponsorship, commercial investments and the development, implementation and oversight of S4C's commercial strategy.

Members of the Commercial Board are appointed by the S4C Board.

Members of the S4C Board that are members of the Commercial Board

The S4C Board is represented on the board of S4C's Commercial Group by three non-executive members who are appointed as non-executive directors of S4C's wholly owned subsidiaries:

Anita George

Adele Gritten (from 1 April 2021)

Chris Jones (from 1 April 2021)

Other Directors

The following S4C executives have also acted as directors of S4C's commercial subsidiaries during the year:

Siân Doyle (from 9 February 2022)

Owen Evans (until 31 December 2021)

Elin Morris

Sharon Winogorski

David Sanders and **Gwyn Roberts** served as independent non-executive directors during the year.

Independent Review of S4C

In March 2018 the Independent Review of S4C – Building an S4C for the future – prepared for the Department for Digital, Culture, Media and Sport (DCMS) by Euryng Ogwen Williams was published along with the UK Government’s response. This was the culmination of a process of discussing the future of S4C, including its remit, future strategy and a number of structural and governance issues.

S4C welcomed the Review, together with the Government’s response to the recommendations. Since then, S4C has been actively implementing the recommendations and significant progress has been made over the last few years. We continue to work closely with DCMS and other key partners, and an update on progress is provided below.

Recommendation	Progress		
<p>1</p> <p>The government should update S4C’s public service remit to include digital and online services and remove the current geographical broadcasting restrictions. This will allow S4C to broaden its reach and offer its content on a range of new platforms in the UK and beyond.</p>	<p>On 28 April 2022, the UK Government published the Up next - the government’s vision for the broadcasting sector White Paper, which set out an intention to legislate to update S4C’s public service remit.</p> <p>We hope that sufficient parliamentary time will be available during the 2022–23 session to allow appropriate legislation to be introduced.</p>	<p>4</p> <p>S4C’s public funding should be provided entirely through the licence fee from 2022/23 onwards, with all future funding decisions made as part of the BBC licence fee funding settlement.</p>	<p>At the invitation of the Secretary of State, S4C presented a funding submission to DCMS in March 2021, for consideration as part of the latest licence fee settlement process.</p> <p>On 17 January 2022, the Secretary of State announced her Final Determination and confirmed that S4C would see the consolidation of its then licence fee and DCMS grant income in licence fee funding from 01 April 2022, with a further £7.5m per annum awarded from the licence fee to support S4C’s digital development. In total, S4C will receive approximately £88.85m in licence fee funding from 01 April 2022.</p> <p>This amount is due to increase annually in line with CPI inflation from 01 April 2024, until the end of the current licence fee settlement period (31 March 2028).</p>
<p>2</p> <p>S4C should establish an in-house digital hub to develop and improve S4C’s digital footprint and form the basis of a Welsh language digital cluster.</p>	<p>The S4C Board approved £3m towards a new digital programme in June 2018. The programme encompasses investment in new digital content, investment in digital infrastructure, and a dedicated digital team within S4C to lead the digital development. A Digital Project Board remained in place during 2021–22 to drive the programme and track progress.</p> <p>Further progress has been made in 2021–22, including enhancing the S4C Clic player. Since June 2019, when compulsory sign-in for S4C Clic was introduced on most devices, we’ve steadily increased our numbers of registered users. By March 2022 we had reached over 272,000 registered users, an increase of 36% on the previous year. This is now enabling S4C to better understand the needs of viewers, provide a more comprehensive and tailored service, and communicate with viewers on a one-to-one basis.</p> <p>S4C Clic gives a richer viewer experience with our ability to provide subtitle options in Welsh and English, exclusive dramas and Welsh language box sets, and bespoke ‘categories’ with curated content such as those for Welsh learners and for children and younger viewers.</p> <p>As well as transforming our own S4C Clic platform, we continue to innovate on global media platforms to ensure that S4C content is available through relevant platforms as trends change. S4C’s on-demand content can be viewed, predominantly, on S4C Clic and BBC iPlayer, with selected content also on social media channels. The S4C app can now be found on an increasing number of other platforms, including iOS, Android, web, Amazon Fire, and Xbox, as well as certain models of TV and set-top box equipment. We are working on a refresh for all these existing platforms to the latest version of S4C Clic, as well as launching on additional platforms.</p>	<p>5</p> <p>The government should consider amending current approval requirements to give S4C greater freedom to invest and generate commercial revenue.</p> <p>6</p> <p>The S4C Authority should be replaced with a new Unitary Board comprising executive and nonexecutive directors.</p>	<p>S4C developed and adopted a new commercial strategy and governance arrangements, designed to maximise S4C’s commercial opportunities, in accordance with the guidance provided by the Review of S4C.</p> <p>Constructive discussions with DCMS have continued during 2021–22 in relation to updating S4C’s commercial remit. In the White Paper on broadcasting published in April 2022, the Government has announced that the Media Bill will provide S4C with greater clarity on its ability to invest and generate commercial revenue.</p> <p>S4C has put in place interim arrangements to facilitate the governance recommendations within the current statutory provisions. In autumn 2018, the Board ratified new Standing Orders that put in place the shadow Unitary Board, and these remained in force during 2021–22. The shadow Unitary Board model will continue until legislation is brought forward to confirm the proposed changes and formally amend S4C’s governance framework in statute.</p> <p>The shadow Unitary Board comprises the non-executive members of the Board appointed by the Secretary of State, together with the Chief-Executive, Chief Operating Officer and Chief Content Officer. In February 2021, the Board welcomed three new non-executive members with a fourth joining in April 2021.</p> <p>Further details can be found in the Governance Report, and S4C’s revised Standing Orders that can be found on S4C’s website.</p> <p>A new structure has also been ratified implemented for the governance and operation of S4C’s commercial activities (see commercial strategy above).</p>
<p>3</p> <p>S4C should establish a language partnership with the Welsh Government and others to help deliver the Welsh Government’s commitment to reach 1 million Welsh language speakers by 2050.</p>	<p>During 2021–22, S4C continued to implement the Partnership Strategy approved by the Board in June 2018. Supporting learners, children and education are key themes of these partnerships.</p> <p>S4C and the Welsh Government continue to work together to ensure information and opportunities are shared and to support the aim of a million Welsh language speakers by 2050.</p> <p>In December 2021, S4C and Creative Wales signed a Memorandum of Understanding which detailed how both organisations will work in partnership. One of our shared ambitions will be to promote the Welsh language and to maximise the use of S4C content and commissions to support the Cymraeg 2050 strategy.</p> <p>S4C’s partnership with the National Centre for Learning Welsh on content and S4C Clic provision for adult learners also continues. S4C has also been actively developing its relationship with the Wales Book Council, and continues to work closely with Mudiad Meithrin, Urdd Gobaith Cymru, Y Coleg Cymraeg, the Mentrau Iaith and the National Eisteddfod.</p>	<p>7</p> <p>The government should consider whether S4C’s current financial audit arrangements are suitable, including whether it would be appropriate to appoint the Comptroller and Auditor General as S4C’s external auditor.</p>	<p>Following constructive discussions, an agreement was reached in October 2019 between S4C and the National Audit Office (NAO), facilitating the appointment by the Secretary of State of the Comptroller and Auditor General as S4C’s external auditors on an administrative basis, until the relevant legislation has been amended.</p> <p>A Letter of Engagement between the NAO and S4C was subsequently agreed pending an opportunity to introduce the required legislation.</p>

Governance Report



S4C is an independent public body 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.

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.

The report also sets out the Board's assessment of the primary risks facing S4C's business for 2021–22.

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 Board and the service is referred to as S4C.

In autumn 2018, the Board ratified new Standing Orders that put in place the shadow Unitary Board. 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. The shadow Unitary Board model will continue on an administrative basis until legislation is brought forward to confirm the proposed changes and amend S4C's statutory governance framework.

More information about S4C's structure and work can be found on S4C's website www.s4c.cymru

S4C Board Members

Non-executive Members of the S4C Board are appointed by the Secretary of State 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.

Executive Members of the shadow Unitary Board are appointed by the Non-Executive Members of the Board, in accordance with the provisions of S4C's Standing Orders.

At the beginning of April 2021, Denise Lewis Poulton was appointed a non-executive member of the Board.

Siân Lewis departed in July 2021, and Hugh Hesketh Evans in November 2021, when their terms as non-executive members of the Board came to an end. The process to appoint their successors commenced during summer 2021. We hope that new appointments will be approved by the Secretary of State during the early part of the 2022–23 reporting year.

In terms of the executive members, Owen Evans departed as Chief Executive at the end of December 2021, and Siân Doyle was appointed as his successor from 01 January 2022, thereby joining the Board as an executive member.

Amanda Rees' term on the Board came to an end when she left the role of Director of Content at the end of November 2021, and we welcomed Geraint Evans as an executive member of the Board in Amanda's place for the remainder of the reporting year as he served as interim Director of Content.

Members' Interests and Remuneration

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

Details of the remuneration of the Board's members can be found in Note 6 to the Statement of Accounts.

Conflict of Interests

During the period no Non-Executive Members had an interest in contracts with S4C.

Non-executive members of the S4C Board



Rhodri Williams – Chair

Term of appointment: 02.07.18 - 31.03.24
(Chair 01.04.20 – 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

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 (with the exception of a few periods wandering) for forty years. Prior to his election to Westminster he ran various businesses including an economic development consultancy and a bookshop. For a while, he was also a co-owner of a pub.



Anita George

(Lead Non-Executive Member)
Term of appointment: 02.07.18 – 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

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, including YouGov, for over 20 years.

Currently, she is engaged in economic development work for local government, including helping businesses diversify and pivot as part of pandemic recovery in Cambridgeshire where she resides.

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



Hugh Hesketh Evans

Term of appointment: 20.11.14 –19.11.21

Hugh was the Leader of Denbighshire County Council from November 2007 until May 2022, and has been a member of Llanfair DC and Gwyddelwern Community Council since June 2004.

He is also a member of the National Farmers Union (NFU), and Trustee and Treasurer of Garth Groes Consolidated Charity. He was awarded the OBE for services to Local Government in the Queen's Honours List 2012.



Siân Lewis

Term of appointment: 09.07.14 – 08.07.21

Siân has been chief executive of Urdd Gobaith Cymru since January 2018, and is a member of a number of national Welsh boards and partnership groups including those of the Welsh Government. Prior to this she was Chief Executive of the Cardiff and Vale of Glamorgan Language Initiatives.

Amongst her major successes whilst in the post were increasing Menter Caerdydd's turnover from £36k to £750K, in order to increase community services through the medium of Welsh in Cardiff and the Vale of Glamorgan, and establishing the Tafwyl festival.



Denise Lewis Poulton

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.

Alongside running her consulting firm, Denise is currently studying for a Masters degree in Cultural Leadership at the Royal Academy and Maastricht University.



Chris Jones

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 a 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.

Members of the Management Team who were also Executive Members of the shadow Unitary Board during 2021–22:



Owen Evans
Chief Executive (until 31.12.21)

Owen Evans was appointed S4C's Chief Executive and designated Accounting Officer in October 2017. Owen was educated at Ysgol Penweddig, Aberystwyth before graduating in economics from Swansea University. Prior to joining S4C, he was Deputy Permanent Secretary of the Welsh Government, responsible for Education and Public Services. Between 2008 and 2010 he was director of Business in the Community Wales and for 10 years before that he worked for BT, including as a member of the UK team developing BT's broadband strategy. He served as a member of the Welsh Language Board between 2005 and 2010.



Siân Doyle
Chief Executive (from 01.01.22)

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 is a former Managing Director of 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.



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. She is responsible for the Legal and Business, Human Resources, Finance, Technical and Commercial teams.



Amanda Rees
Director of Content (until 30.11.2021)

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.



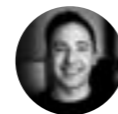
Geraint Evans
Acting Director of Content (from 01.12.2021)

Prior to joining the Management Team as the interim Director of Content, Geraint Evans was S4C's News and Current Affairs Commissioner.

He was a journalist with ITV Wales for 25 years before joining S4C – a reporter on the current affairs series Y Byd ar Bedwar, then editor of the series and Head of Welsh Language Programmes at ITV.

Since joining S4C in 2019, he has relaunched the popular discussion programme Pawb a'i Farn, and he has commissioned a number of powerful current affairs documents. He was also responsible for leading S4C's News provision into the digital age by developing a new digital news service for S4C.

Other members of the Management Team (who frequently attended meetings of the shadow Unitary Board):



Owen Derbyshire
Director of Marketing and Digital

Prior to joining S4C's Management Team in March 2021, Owen was founder and Chief Executive of the Datblygu Cymru Group. He sits on the Welsh Language Partnership Council, Welsh Government's Welsh Language Technology Board, and is a trustee of housing and homelessness charity Shelter Cymru.



Gwyn Williams
Director of Corporate Communications

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 to his current appointment, 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 speaker – having learnt Welsh to an advanced level since joining S4C.

Board members' attendance

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

April 2021 - March 2022					
	Unitary Board	Audit and General Purpose Committee	Complaints and Compliance Committee	Content Committee	Communications Committee
Number of meetings during the year	8	4	0	4	3
S4C shadow Unitary Board Members:					
Rhodri Williams	8/8	3/4	x	4/4	2/3
Sian Lewis	1/2	1/1	x	1/1	x
Hugh Hesketh Evans	3/4	1/2	x	x	x
Anita George	8/8	4/4	x	1/1	3/3
Chris Jones	8/8	4/4	x	3/3	x
Adele Gritten	7/8	1/1	x	3/3	3/3
Guto Bebb	8/8	4/4	x	x	2
Denise Lewis Poulton	8/8	1/1	x	2/3	3/3
Owen Evans	5/5	3/3	x	2/2	1/2
Siân Doyle	3/3	1/1	x	2/2	1/1
Elin Morris	8/8	4/4	x	x	x
Amanda Rees	3/4	x	x	2/2	x
Geraint Evans	4/4	x	x	2/2	x

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

S4C's Corporate Governance Structure

S4C is a statutory corporation. Its constitutional structure and duties are set out in statute in the Communications Act 2003 and the Broadcasting Acts of 1990 and 1996.

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 S4C implemented interim arrangements 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.

These interim provisions will continue 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. 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 that are appointed by the Non-Executive Members in accordance with the Standing Orders.

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

Compliance with the Corporate Governance Code

The Board is committed to using the highest corporate governance principles that are proportionate to its size. Although S4C is not a listed company, it has chosen to comply with the provisions of Section 1 of the UK Corporate Governance Code in so far as they apply to S4C. During the year, the Board has followed the good governance principles contained in the UK Corporate Governance Code.

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.

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.

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

The Board and its Members

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 Board comprises the Chair and up to eight non-executive members, appointed by the Secretary of State for Digital, Culture, Media and Sport, following consultation with the Secretary of State for Wales, and the Welsh Government. They 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. Provisions relating to the appointment of Executive Members of the shadow Unitary Board are set out in the Board's revised 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 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.

Lead Non-Executive Member

In November 2018, the Board appointed Anita George as Lead Non-Executive Member. This role was created in 2016 following advice given by DCMS to its sponsored bodies.

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.

Effectiveness and Evaluation

The Board undertakes a regular 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 (the Internal Auditor). 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 2021-22, in accordance with best practice, the Board and sub-committees engaged in a self-assessment of their performance, and the feedback received resulted in revisions to terms of reference and meeting arrangements from 01 April 2022 onwards.

Regulatory Compliance

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

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.

Audience opinions

The Board has a statutory duty to ascertain the state of public opinion concerning programmes broadcast on 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 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, and the Viewers' Hotline contact details are available at the back of this report.

Responsibilities of the Chief Executive and the Management Team

The Board delegates a number of specific functions to the Chief Executive and his officers (these matters are set out in the Board's Standing Orders, which can be found on S4C's website), and 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 S4C Board's Work Structure

The Board plans to hold ten meetings a year, including two "away day" strategy sessions. These meetings follow an annual work programme approved by the Board.

In addition to the Non-Executive Board members and Executive Members of the shadow Unitary Board, other senior members of S4C's Management Team and the 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 the 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.

S4C's Accounting Officer

The Chief Executive is designated as Accounting Officer for S4C. During 2021-22, the Accounting Officer was responsible to DCMS in respect of the statutory funding of S4C and, as such, was the person responsible for the proper use of funds paid to S4C by the Secretary of State for Digital, Culture, Media and Sport.

The S4C Board's Committees

The Board has established four committees that oversee different aspects of S4C's work, as well as a board of directors for S4C's commercial companies.

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

Communications Committee

The Communications Committee is responsible for overseeing the development of S4C's Marketing and Communications Strategy, including the brand and sub-brand strategy. The committee is also responsible for monitoring the quality and performance of S4C's main campaigns, and ensuring high standards and consistency across the service.

Committee Members:

Denise Lewis Poulton (Chair)
Rhodri Williams
Guto Bebb
Anita George
Adele Gritten

Content Committee

The Content Committee's responsibilities include overseeing and monitoring the performance of S4C's content and services. This is the committee that discusses S4C's programme provision and seeks to ensure that its offering meets the needs of the audience.

Committee members:

Rhodri Williams (Chair – from November 2020)
Sian Lewis (until July 2021)
Anita George (from November 2020 until May 2021)
Chris Jones (from May 2021)
Adele Gritten
Denise Lewis Poulton (from April 2021)

Audit and General Purpose Committee

Audit and Risk Management Responsibilities

The committee is responsible for overseeing S4C's internal and external audit activities as well as having responsibility for monitoring risk management within S4C. The committee is charged with scrutinising the draft Statement of Accounts and reporting back to the Board. The committee's responsibilities also include matters relating to value for money.

Personnel and Remuneration Responsibilities

The committee is responsible for overseeing S4C's personnel systems, including considering salaries and other terms and conditions relating to S4C staff, staff training and development needs, disciplinary and behavioural standards, equality of opportunity and monitoring that the relevant systems are working effectively and efficiently within S4C.

A separate report is included in this section by the Chair of the Audit and General Affairs Committee, on the Committee's activities during 2021–22.

Committee members:

Hugh Hesketh Evans (Chair – until November 2021)
Chris Jones (Chair – from November 2021)
Anita George
Rhodri Williams
Guto Bebb

Complaints and Compliance Committee

The Complaints and Compliance Committee is responsible for overseeing S4C's complaints systems and monitoring that they work efficiently. The committee also considers issues of compliance relating to S4C's programmes. In addition, the committee has duties within S4C's processes for responding to requests for information made under the Freedom of Information Act.

Committee members

Guto Bebb, Chair (member from February 2021, and Chair from July 2021)
Sian Lewis, Chair (until July 2021)
Hugh Hesketh Evans (until November 2021)
Adele Gritten

Other relevant matters to report on in relation to the 2021–22 year:

Russian Financial Sanctions

At the request of DCMS, S4C has undertaken a review of potential exposure to the Russian financial sanctions announced by the UK Government in response to the war in Ukraine.

S4C has consequently carried out a full assessment of any exposure to the UK financial sanctions (in force at the time of drafting this annual report), as per the sanctions list published by HM Treasury.

S4C has not identified any direct links with individuals or organisations which are subject to financial sanctions. S4C Digital Media Limited has identified a small potential exposure via an indirect investment in a pooled equity fund and has engaged with the relevant fund managers to discuss further.

Report of the Chair of the Audit and General Purpose Committee

This report sets out the responsibilities delegated to the committee by the Board, together with a summary of the work of the committee during the period 1 April 2021 - 31 March 2022.

The report also sets out how the committee has assisted the 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 the development of the value for money programme.

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.

Committee members:

Hugh Hesketh Evans (Committee Chair, until November 2021)
Chris Jones (Committee Chair, from November 2021)
Anita George
Rhodri Williams
Guto Bebb

S4C's Chief Executive, the Chief Operating Officer (with responsibility for personnel matters), the Chief Finance Officer and the Secretary to the Board also attend committee meetings.

Representatives from S4C's internal auditors (TIAA) and also, where relevant, S4C's external auditors (the NAO) also attend committee meetings. In addition, the committee meets in private with the internal and external auditors annually.

Committee's Terms of Reference

The Committee's annual work plan includes:

Audit and Risk Management Issues

- Reviewing and recommending for approval the Annual Statement of Accounts after discussion with the external auditors;
- Reviewing the scope of the internal and external audit functions and approving S4C's strategic audit needs;
- Consideration of the findings of the internal auditors, including in relation to core financial systems and reporting processes;
- Reviewing S4C's risk register, the process of identifying and recording risks, and of steps taken by the Management Team to control and mitigate risks and their consequences for S4C; and
- Overseeing value for money activities, and receiving assurances on the value for money provided by S4C's activities.

Personnel and Remuneration Issues

- Reviewing and monitoring S4C's personnel systems and their effectiveness;
- Advising the Board on senior appointments, including terms and conditions; and
- Advising the Board on all matters relating to staff remuneration and terms.

The committee works to a structured programme of activities with agenda items focused to coincide with key events of the annual financial reporting cycle, themes or areas of risk that the committee has identified, together with standing items that the committee is required to consider regularly under its terms of reference. The committee's minutes are formally reported to the Board after each meeting of the committee.

The committee met four times during the year.

Key areas of work for the committee during 2021–22 were:

Audit and Risk Management Issues

Internal Controls: The committee reviewed the effectiveness of the system of internal control, taking into account the findings of internal and external audit reports.

Financial reports

The committee reviewed the Board's financial statements, considered reports from the external auditors regarding compliance with accounting standards and legal and regulatory requirements, and scrutinised the appropriateness of the 'going concern' basis on which the financial statements are prepared.

Risk management

The committee considered processes for managing significant risks and uncertainties within S4C. The latest iteration of the organisation's strategic risk register was presented to each meeting of the committee, with members scrutinising the main risks facing S4C and the mitigating actions taken. During 2021–22, those key risks included the co-location of technical broadcast services with the BBC, options for the future maintenance of the in-house BSM broadcast management system, as well as wider cyber-security considerations.

Internal audit arrangements

During 2021–22, the Committee continued to oversee the work of S4C's internal auditors, TIAA, taking account of their reports, management's responses and action plans that responded to relevant recommendations. The Committee also considered an assessment of S4C's audit needs and approved the internal auditors' annual work plan.

Six internal audits were completed by TIAA during 2021–22, in relation to: Content Compliance; the Brand and Creative team; Key Financial Controls; Strategic Planning; the Legal Team; and the annual Follow-up.

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.

Relationship with the External Auditors

The Committee was responsible for overseeing the relationship with S4C's external auditors (the NAO), including the scope and approach to their work, their fees, performance and independence.

Corporate governance

The committee continues to oversee the effectiveness of S4C's corporate governance arrangements and controls, including the implementation of the recommendations made in the 2021 internal audit of corporate governance structures.

Business continuity

The committee again considered S4C's business continuity arrangements during 2021–22, particularly as a result of the co-location and sharing of S4C and BBC Cymru's technical broadcasting functions at the new BBC Broadcasting Centre in Central Square Cardiff.

Value for money

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

Personnel and Remuneration Issues

During the period the Committee considered issues including the staff working arrangements put in place in response to the Covid pandemic, staff training and development provision, mental health initiatives, and the results and response to the annual Staff Survey.

Committee's Terms of Reference

The Committee's terms of reference were reviewed during the final quarter of 2021–22, in the context of a wider review of the Unitary Board's committee structures and responsibilities.

From 01 April 2022, the current Committee will become an Audit and Risk Committee, with responsibility for human resources and remuneration matters transferring to a new People and Remuneration Committee.

As part of the review of the Unitary Board's committee structure during 2021–22, the Committee considered its own effectiveness and agreed some changes to how it will approach its business as an Audit and Risk Committee – including holding regular 'deep dive' reviews of key institutional risks.

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 Non-Executive Members of the Board can be found on page 110.

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 to the committee 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 General Purpose Committee. Planned corrective actions are independently monitored by the Audit and General Purpose Committee for timely completion should there be weak or inappropriate controls in place thus creating an element of risk to the organisation.

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 (rather than eliminating) 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 General Purpose Committee and accords with the guidance.

This report sets out the relevant processes implemented to identify and manage risks and also identifies the key strategic risks identified by the Audit and General Purpose Committee and the Board during the year.

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 General Purpose 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 General Purpose 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 General Purpose Committee on risk management issues, and the Committee periodically considers the Strategic Risk Register. 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.

The Chief Finance Officer provides quarterly financial information to the Board, which includes key performance indicators. Where areas for improvement in the system are identified, the Board considers recommendations made by the Management Team and the Audit and General Purpose 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 General Purpose 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 by the Audit and General Purpose Committee during the year. These 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. While Viewers' Evenings could not be held during 2021-22 due to COVID-19 restrictions, a Facebook Live session was held in addition to response panels and focus groups. 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 different 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 will need to form part of future 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

During 2021-22 the Board's funding was derived from three sources, namely grant in aid from the Department for Digital, Culture, Media and Sport, from the licence fee and commercial income generated by S4C. From April 2022 onwards, S4C's public funding will be provided entirely through the licence fee, with all future funding decisions made as part of the licence fee funding settlement.

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 determination confirmed that from 01 April 2022 S4C will 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 will provide 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).

We were also pleased that the Chancellor announced on 9 March 2020 that the UK Government will bring S4C's VAT arrangements into line with UK wide broadcasters such as the BBC, and that S4C has been able to recover the VAT it pays on its costs from April 2021.

3

Governance and Structure

The Board's system of and procedures for corporate governance are continually 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 already implemented the majority of recommendations.

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. With S4C becoming fully funded from the licence fee in 2022, during the year both parties have been reviewing the shape of the relationship, with the aim of modernising the partnership, recognising the multi-media world and simplifying arrangements wherever possible. Discussions are ongoing and any proposed changes will need to be approved by the S4C Board and DCMS.

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, ethnic or socio-economic background, age, family situation, marital status, part-time or full-time employees, religion, political holdings, 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 Executive Board Members

Remuneration of Executive Members of the shadow Unitary 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 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 Digital, 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 Authority Board members during the period.

Remuneration of Executive Members of the shadow Unitary 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 2022 was £33,357 (at 31 March 2021 - £33,901).

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.

The median salary of the Management Team as at 31 March 2022 was £95,567 (at 31 March 2021 - £103,777). The salary of the highest paid director was 4.8 times the median remuneration of all staff excluding the Management Team (2020-21 - 4.7 times).

Remuneration Policy

The Board approved an annual pay settlement of 1% with a minimum of £400 which was awarded to staff during the year.

The increase 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 and provide 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

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 Executive, members of the Management Team employed before January 2012 are employed on permanent contracts. Appointments to the Management Team and Commissioning Team since January 2012 have been made on the basis of fixed term contracts, other than for those already employed by S4C prior to 2012 on pre-existing permanent contracts.

Composition of S4C's workforce

At 31 March 2022, S4C's workforce comprised of 61% women and 39% men (at 31 March 2020 - 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 3 contracted hours on facility time.

Percentage of pay bill spent on facility time

Less than 1% of the total pay bill was spend 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% (2020/21 - 22.5%) and the median gender pay gap was 22.0% (2020/21 - 30.6%).

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 there has been a slight improvement in the upper quartile the upper middle quartile shows a shift in the median pay gap towards females.

The lower middle quartile has improved reflecting a more balanced split. In the lower two quartiles there is an imbalance in the gender split with more posts being undertaken by female employees. However, the lower quartile is showing a balanced median pay gap.

To help address the gender imbalance S4C conducted Diversity and Equality training for all its staff. In addition, S4C's Diversity and Inclusion Officer continues to support the organisation in promoting awareness and best practice. 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

Year	Total		Upper Quartile		Upper middle		Lower middle		Lower Quartile	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
% staff 2021/22	41%	59%	47%	53%	63%	37%	23%	77%	30%	70%
% staff 2020/21	39%	61%	46%	54%	64%	36%	25%	75%	21%	79%
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%		10.0%		0.2%	
2020/21	£42,976	£29,840	£81,280	£69,088	£42,976	£41,961	£32,382	£29,159	£23,346	£23,230
Median % pay gap 2020/21	30.6%		15.0%		2.4%		5.8%		0.5%	
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%	
2020/21	£50,358	£39,025	£82,609	£72,494	£43,352	£41,643	£31,531	£29,864	£23,464	£23,759
Average % pay gap 2020/21	22.5%		12.2%		3.9%		5.3%		-1.3%	

Statement of Accounts 2021/22

Report of S4C for the year ended 31 March 2022

Foreword

This report sets out S4C's Statement of Accounts for the year ended 31 March 2022, together with explanatory notes.

The Statement of Accounts of S4C for the year ended 31 March 2022 is presented in accordance with the Accounts Direction issued by the 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 their 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 he 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 Digital, Culture, Media and Sport may discharge this duty by making payments himself 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 and grant in aid provided by DCMS. S4C also generates commercial revenues through activities including advertising sales and programme sponsorship.

The provisions relating to the licence fee contribution for 2021/22 are set out in the BBC Framework Agreement published in December 2016 which includes the financial provisions that have been agreed between the BBC, the Secretary of State and S4C for the licence fee contribution from 2017/18 to 2021/22.

The Secretary of State has set out the sums that DCMS will contribute to S4C in 2021/22 in a Funding Settlement Letter in March 2020.

Following a change in S4C's VAT status, DCMS paid additional grant in aid of £15m to S4C during 2020/21. From 1 April 2021 S4C has been included within Section 33 of the VAT Act 1994, allowing S4C to reclaim VAT on non-business expenditure.

Public Service Fund income and General Fund Turnover

Amounts receivable from the DCMS and the BBC during the period totalled £81.351m (period to 31 March 2021 - £96.351m). 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 £1.986m during the period to 31 March 2022 (period to 31 March 2021 - £2.110m). 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 £82.842m (period to 31 March 2021 - £87.188m) for the cost of the programme service and transmission and distribution costs, £0.878m for other direct costs (period to 31 March 2021 - £0.778m) and £2.882m (period to 31 March 2021 - £3.346m) for operational and administrative expenses. The costs of programmes transmitted included £66.534m (period to 31 March 2021 - £69.083m) 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 third party co-production funding advances, 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 2021/22

Report of S4C for the year ended 31 March 2022

Income from the BBC and the Department for Digital, Culture, Media and Sport 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. £2.786m has been transferred from the Public Service Fund at 31 March 2022 (at March 2021 - £7.372m to 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, 92% (period to 31 March 2021 - 91%) 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 6,506 (period to 31 March 2021 - 6,516), representing an average per week of 124.4 hours (period to 31 March 2021 - 125.3 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 licence fee revenue. S4C also made payments totalling £0.7m for the provision of Pobl y Cwm and Weather bulletins (period to 31 March 2021 - £0.1m for the provision of Weather bulletins) not provided as part of the statutory hours.

During the period 1,278 hours (period to 31 March 2021 - 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 2021 - 24.6 hours).

	2021/22		2020/21	
	Hours	Cost per hour £	Hours	Cost per hour £
Commissioned programmes				
Independent productions	1,428	43,863	1,428	46,123
BBC	52	13,015	20	5,443
	1,480	42,779	1,448	45,562
Acquired programmes	123	8,649	198	6,039
Repeats				
Independent productions	4,303	501	4,282	447
BBC	95	-	124	-
	6,001	11,087	6,052	11,415
BBC - Statutory hours	505	-	464	-
Total	6,506		6,516	
Average per week	125.1		125.3	

Transmitted programmes by category

	2021/22		2020/21	
	Hours	Cost per hour £	Hours	Cost per hour £
Commissioned programmes				
Drama	80	193,514	59	201,517
General Factual	517	34,537	520	36,019
Current Affairs and Weather	97	31,223	85	36,935
Light Music / Entertainment	124	64,929	162	74,649
Children's	312	18,320	277	29,378
Music and Arts	28	57,500	12	70,118
Sport	296	35,106	292	32,447
Religion	26	45,355	41	40,669
Total	1,480	42,779	1,448	45,562

Additional content published (excluding social media)

In addition to the commissioned content above, 73 hours of digital content was published in the year totalling £1.699m (91 hours totalling £1.213m in 2020/21).

	2021/22		2020/21	
	Hours	Cost per hour £	Hours	Cost per hour £
Drama	2	28,345	11	3,701
General Factual	7	17,326	14	7,777
Current Affairs and Weather	5	12,232	2	63,228
Light Music / Entertainment	7	26,272	7	20,936
Children's	29	22,496	50	14,478
Music and Arts	11	27,957	7	10,273
Sport	1	38,247	-	-
Religion	11	26,219	-	-
Total	73	23,277	91	13,330

BBC

	2021/22	2020/21
	Hours	Hours
Drama	71	47
News	219	216
Current Affairs and Factual	33	13
Light Entertainment	-	16
Youth and Children's	16	18
Music and Arts	24	6
Sport	142	148
Total	505	464

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 2023 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. The forecasts have been prepared considering Covid-19.
- 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 the audience's expectations 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. While Viewers' Evenings weren't possible due to Covid-19 restrictions, Facebook Live sessions were held in addition to response panels and focus groups. 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. In response to the Covid-19 pandemic, the Chief Executive and Director of Content continued to hold Facebook Live sessions. S4C has undertaken research with its audience in 2021 through questionnaires and range of focus groups;
- 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 detailing how it will respond to the challenges and risks posed by the pandemic: 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 110 to 111.

By order of the Board

Siân Doyle
Chief Executive

18 July 2022



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

Opinion on financial statements

I certify that I have audited the financial statements of the S4C Group, comprising the S4C Authority and its subsidiaries, for the year ended 31 March 2022 which comprise S4C and its Group's:

- Consolidated and S4C Balance Sheets as at 31 March 2022;
- Consolidated Statement of Comprehensive Income, Consolidated Cash Flow Statement, Consolidated and S4C Statements of Changes in 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 the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of S4C's and its Group's affairs as at 31 March 2022 and its loss after taxation for the year then ended; and
- have been properly prepared in accordance with the Broadcasting Act 1990 (as amended) 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 (ISAs) (UK), applicable law and Practice Note 10 Audit of Regulatory and Financial Statements of Public Sector Entities in the United Kingdom. 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 have also elected to apply the ethical standards relevant to listed entities. 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 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 directors with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's report thereon. The Board 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.

In connection with my audit of the financial statements, 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 Annual Report has been prepared in accordance with applicable legal requirements; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 Annual Report.

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 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 directors for the financial statements

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

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as directors determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- 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 directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on 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 (ISAs) (UK).

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, we considered the following:

- the nature of the sector, control environment and operational performance including the design of S4C's accounting policies, key performance indicators and performance incentives.
- Inquiring of management, S4C's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to S4C and its Group's policies and procedures relating to:
 - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - o the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including S4C's controls relating to S4C's compliance with the Broadcasting Act 1990, Broadcasting Act 1996, and the Communications Act 2003.
- discussing among the engagement team including significant component audit teams and involving relevant internal and external specialists, including property and pension experts, 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 S4C and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals 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 of controls.

I also obtained an understanding of the S4C and Group's framework of authority as well as other legal and regulatory frameworks in which S4C operates, focusing 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 S4C and its Group. The key laws and regulations I considered in this context included Broadcasting Act 1990, Broadcasting Act 1996, Communications Act 2003, Managing Public Money, Employment Law, Taxation Legislation and Pensions Legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing 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;
- enquiring of management and the Audit & Risk Committee concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal and external 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 report.

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions 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 that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies

18 July 2022

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 2022

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.

Following a change in S4C's VAT status, from 1 April 2021 S4C has been included within Section 33 of the VAT Act 1994, allowing S4C to reclaim VAT on its non-business expenditure. This change means that the 2021/22 figures in the accounts are net of VAT and the 2020/21 are gross of VAT.

	Note	2021/22	2020/21
		£000	£000
Public Service Fund Income and General Fund Turnover	3	83,526	98,581
Turnover of S4C		83,526	98,581
Cost of programme service		(79,405)	(82,675)
Transmission and distribution costs		(3,437)	(4,513)
Other direct costs		(878)	(778)
Gross (loss) / profit		(194)	10,615
Operational and administrative costs	4	(2,882)	(3,346)
Operating (loss) / profit	3	(3,076)	7,269
Gain on investment fund	11	212	2,417
Gain / (loss) on investment property		135	(333)
Investment income		190	203
Net interest		3	16
(Loss) / profit on ordinary activities before taxation		(2,536)	9,572
Taxation on (loss) / profit on ordinary activities	6	(40)	(13)
(Loss) / profit after taxation		(2,576)	9,559
Movement in irrecoverable element of pension surplus	19	-	(200)
Actuarial gain on the pension scheme assets and liabilities	19	100	300
Other comprehensive profit		100	100
Total comprehensive income for the year		(2,476)	9,659
Transfer from / (to) the Public Service Fund	13	2,786	(7,372)
Retained in the General Fund	13	310	2,287

The Statement of Accounts was approved by the Board on 18 July 2022.
The notes on pages 117 to 135 form part of the Statement of Accounts.

Consolidated Balance Sheet

at 31 March 2022

	Note	At 31/03/22		At 31/03/21	
		£000	£000	£000	£000
Fixed Assets					
Tangible assets	7	222		484	
Investments	8	552		552	
Investment property	8	3,640		3,485	
			4,414		4,521
Current Assets					
Stock	9	14,671		11,453	
Debtors - amounts falling due within one year	10	2,639		1,552	
Debtors - amounts falling due after more than one year	10	6,890		7,746	
Investments	11	13,693		13,062	
Cash at bank and in hand		20,255		29,955	
			58,148		63,768
Current Liabilities					
Creditors - amounts falling due within one year	12	(14,712)		(16,934)	
Creditors - amounts falling due after more than one year	12	(4,561)		(5,590)	
Net Current Assets			38,875		41,244
Total Assets less Current Liabilities			43,289		45,765
Reserves					
Public Service Fund	13		23,292		26,078
General Fund	13		19,997		19,687
Total Reserves			43,289		45,765

The Statement of Accounts was authorised for issue to comply with FRS 102 para 32.09. by the Board on 18 July 2022.

Rhodri Williams Chairman
Siân Doyle Chief Executive

The notes on pages 117 to 135 form part of the Statement of Accounts.

S4C Balance Sheet

at 31 March 2022

	Note	At 31/03/22		At 31/03/21	
		£000	£000	£000	£000
Fixed Assets					
Tangible assets	7	222		484	
			222		484
Current Assets					
Stock	9	14,671		11,453	
Debtors - amounts falling due within one year	10	2,272		2,076	
Debtors - amounts falling due after more than one year	10	6,890		7,741	
Cash at bank and in hand		17,542		26,183	
			41,375		47,453
Current Liabilities					
Creditors - amounts falling due within one year	12	(13,744)		(16,269)	
Creditors - amounts falling due after more than one year	12	(4,561)		(5,590)	
Net Current Assets			23,070		25,594
			23,292		26,078
Total Assets less Current Liabilities			23,292		26,078
Reserves					
Public Service Fund	13		23,292		26,078
General Fund	13		-		-
Total Reserves			23,292		26,078

The Statement of Accounts was authorised for issue to comply with FRS 102 para 32.09. by the Board on 18 July 2022.

Rhodri Williams Chairman
Siân Doyle Chief Executive

The notes on pages 117 to 135 form part of the Statement of Accounts.



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

Consolidated Statement of Changes in Equity at 31 March 2021

S4C Group	Retained earnings	Total equity
	£000	£000
At 1 April 2020	36,106	36,106
Profit for the year	9,559	9,559
Other comprehensive profit for the year	100	100
Total comprehensive income for the year	9,659	9,659
At 31 March 2021	45,765	45,765

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

S4C Statement of Changes in Equity at 31 March 2021

S4C	Retained earnings	Total equity
	£000	£000
At 1 April 2020	18,706	18,706
Profit for the year	7,272	7,272
Other comprehensive profit for the year	100	100
Total comprehensive income for the year	7,372	7,372
At 31 March 2021	26,078	26,078

Consolidated Cash Flow Statement

for the year ended 31 March 2022

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

		2021/22	2020/21
		£000	£000
Cash flow from operating activities		(2,536)	9,572
(Loss) / profit for the financial year		(3)	(16)
Net interest		(190)	(203)
Investment income		(212)	(2,417)
Unrealised (gain)/loss on investment	11	(135)	333
Unrealised (gain) / loss on investment property	8	180	269
Depreciation and amortisation	7	(44)	-
Profit on sale of fixed assets		(3,218)	1,798
(Increase) / decrease in stock		(236)	(2,455)
Increase in debtors		(2,162)	6,208
(Decrease) / increase in creditors		62	86
Decrease in investments		(8,494)	13,175
Net cash (outflow) / inflow from operating activities		(8,494)	13,175
Cash flow from financing activities		190	203
Investment income		3	16
Interest received		5	21
Loans recouped		(1,029)	(4,339)
Loans repaid		(831)	(4,099)
Net cash (outflow)/inflow from financing activities		(831)	(4,099)
Cashflow from investing activities		(3)	(82)
Purchase of tangible fixed assets	7	(500)	-
Purchase of Investments		128	-
Sale of fixed assets		(375)	(82)
Net cash outflow from investing activities		(9,700)	8,994
(Decrease) / increase in cash		212	2,417
Unrealised gain in investment	11	(81)	(73)
Management charges	11	500	-
Cash invested	11	(9,069)	11,338
Movement in net funds		(9,069)	11,338
Net funds at 1 April 2021	18	43,017	31,679
Net funds at 31 March 2022	18	33,948	43,017

The loan repaid of £1.029m (2020/21 - £4.339m) is repayment of advanced grant in aid funding received from DCMS for the upfront costs of the co-location with BBC Wales in Central Square Cardiff and re-location to Yr Egin in Carmarthen.

S4C's cash balance has reduced. This reduction includes the transfer from the Public Service Fund, stock increase (forward payments relating to 2022/23 content), the loan repayment noted above and a decrease in creditors.

Notes to the Accounts

for the year ended 31 March 2022

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 108 to 109.

(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 Digital, 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 2022. 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 and the Department for Digital, Culture, Media and Sport 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 and the Department for Digital, Culture, Media and Sport 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 mature in no more than three months from the date of acquisition and 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%
- Freehold buildings over 40 years

Improvements to short leasehold buildings are depreciated on a straight line basis over the remaining period of the lease. Freehold land is not depreciated.

(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 Department for Digital, Culture, Media and Sport and 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.

Depreciation

Management exercise judgement to determine useful lives and residual values of tangible fixed assets. The assets are depreciated down to their residual values over their estimated useful lives.

Investment property

The valuation included within these financial statements has been derived from an external RICS valuation. Further details can be found in note 8.

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 2022 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 and the Department for Digital, Culture, Media and Sport 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.

Following a change in S4C's VAT status, DCMS paid additional grant in aid of £15m to S4C during 2020/21. From 1 April 2021 S4C has been included within Section 33 of the VAT Act 1994.

	2021/22		2020/21	
	£000	£000	£000	£000
Public Service Fund income				
Income received from the licence fee	74,500		74,500	
Income received from DCMS	6,851		21,851	
Other income	189		120	
		81,540		96,471
General Fund turnover				
Programme and airtime sales	1,324		1,483	
Publishing and merchandising	81		63	
Other	581		564	
		1,986		2,110
Group turnover		83,526		98,581

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

	2021/22		2020/21	
	£000	£000	£000	£000
United Kingdom	1,967		2,100	
United States of America	4		4	
Rest of the World	15		6	
		1,986		2,110

Operating (loss) / profit

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

An analysis of the operating (loss) / profit of the S4C Group by activity is given below:

	2021/22		2020/21	
	£000	£000	£000	£000
Public Service Fund				
Public Service Fund activities	(3,590)		6,408	
		(3,590)		6,408
General Fund				
Programme and airtime sales	624		783	
Publishing and merchandising	81		47	
Other activities	(191)		31	
		514		861
		(3,076)		7,269

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.

	2021/22		2020/21	
	£000	£000	£000	£000
Public Service Fund				
Public Service Fund activities	23,292		26,078	
		23,292		26,078
General Fund				
Programme and airtime sales	272		202	
Publishing and merchandising	16		9	
Administration	135		135	
Other trading activities	19,574		19,341	
		19,997		19,687
		43,289		45,765

4. Operating (loss) / profit

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

Following a change in S4C's VAT status, from 1 April 2021 S4C has been included within Section 33 of the VAT Act 1994, allowing S4C to reclaim VAT on its non-business expenditure. This change means that the 2021/22 figures in the accounts are net of VAT and the 2020/21 are gross of VAT.

Operating (loss) / profit is stated after:

	2021/22		2020/21	
	£000	£000	£000	£000
Cost of programme service				
Depreciation	109		189	
Staff costs	4,909		4,370	
Travel and subsistence	36		4	
		5,054		4,563
Operational and administrative costs				
Staff costs	1,770		1,749	
Depreciation	71		80	
National Audit Office fee for the audit of the S4C's annual accounts	80		78	
		1,921		1,907
Non-audit services with other auditors				
Taxation compliance services	9		15	
Internal audit services	7		5	
All assurance services not falling within the above	-		24	
		16		44
Other administrative costs:	739		1,239	
Operating lease costs				
Operating lease costs - Land and buildings	187		155	
Travel and subsistence	19		1	
		2,882		3,346

The operational and administrative costs can be analysed as follows:

	2021/22		2020/21	
	£000	£000	£000	£000
Public Service Fund costs	2,735		3,142	
General Fund costs	147		204	
		2,882		3,346

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:

	2021/22	2020/21
	£000	£000
Gross salaries	5,175	4,700
Employer's NI contributions	543	490
Pension contributions	949	833
	6,667	6,023

During the year three payments were made under the redundancy scheme totalling £0.054m (2020/21 - 1 payment totalling £0.006m). 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.

	2021/22		2020/21	
	Number Male	Number Female	Number Male	Number Female
Commissioning	8	11	8	10
Broadcast and Distribution	6	8	5	8
Communications and Digital	21	25	17	20
Finance, Administration and Human Resources	1	5	1	7
Business Affairs	2	6	2	6
Corporate and Commercial Policy	8	10	9	9
	46	65	42	60
Fixed term Archive Project	1	-	1	1
	47	65	43	61

Total travel and subsistence reimbursed to employees during the period ending 31 March 2022 was £52,046 (period to 31 March 2021 - £4,843).

Members' remuneration

Total remuneration of the Board members for the period was as follows:

	2021/22	2020/21
	£000	£000
Total remuneration	97	82

The remuneration of the Board members during the year is shown below:

	2021/22	2020/21
	£	£
Guto Bebb	9,650	1,608
Owen Derbyshire	-	8,068
Hugh Hesketh Evans	6,139	9,650
Anita George	9,650	9,650
Adele Gritten	9,650	1,608
Chris Jones	9,650	1,608
Siân Lewis	2,600	9,650
Denise Lewis Poulton	9,650	-
Rhodri Williams	40,000	40,000

Adele Gritten, Chris Jones and Guto Bebb were appointed on 1 February 2021.

Owen Derbyshire resigned on 1 February 2021.

Hugh Hesketh retired on 19 November 2021.

Siân Lewis retired on 8 July 2021.

Denise Lewis Poulton was appointed on 1 April 2021.

During the period, the Board members incurred the following expenses in the performance of their duties:

Board members' expenses	Travel	Accommodation & Subsistence	Hospitality	2021/22 Total	2020/21 Total
	£	£	£	£	£
Guto Bebb	230	137	-	367	-
Hugh Hesketh Evans	-	-	-	-	8
Anita George	206	75	-	281	-
Adele Gritten	486	157	-	643	-
Chris Jones	193	157	-	350	-
Denise Lewis Poulton	300	62	-	362	-
Rhodri Williams	440	116	-	556	289
Total	1,855	704	-	2,559	297

Management Team Remuneration

The remuneration of the Management Team during the period is shown below:

	2021/22	2020/21
	Gross pay	Gross pay
	£000	£000
Owen Derbyshire	86	5
Siân Doyle	52	-
Geraint Evans	41	-
Owen Evans	141	163
Elin Morris	108	105
Amanda Rees	114	113
Gwyn Williams	84	83
Sharon Winogorski	86	85

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

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	2021/22 Total	2020/21 Total
	£	£	£	£	£
Owen Derbyshire	344	213	-	557	-
Siân Doyle	4,016	1,684	598	6,298	-
Geraint Evans	1,366	808	-	2,174	-
Owen Evans	1,136	762	169	2,067	556
Elin Morris	1,093	400	-	1,493	60
Amanda Rees	573	243	-	816	109
Gwyn Williams	1,660	379	53	2,092	224
Sharon Winogorski	98	128	-	226	-
Total	10,286	4,617	820	15,723	949

Defined contribution scheme - S4C contributions

	2021/22	2020/21
	£000	£000
Owen Derbyshire	13	1
Siân Doyle	8	-
Geraint Evans	6	-
Owen Evans	33	40
Elin Morris	30	30
Amanda Rees	27	24
Gwyn Williams	13	13
Sharon Winogorski	14	13

S4C operates a defined contribution scheme for the benefit of its employees. S4C offers the option for staff to exchange salary into the defined contribution pension scheme. The pension contributions listed in the table above include the individual's salary exchange payments into the scheme.

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 Digital, Culture, Media and Sport and the BBC.

	2021/22	2020/21
	£000	£000
United Kingdom corporation tax at 19% (2021 - 19%)	-	-
Deferred tax	40	13
Current taxation for the period	40	13

	2021/22	2020/21
	£000	£000
(Loss) / profit on ordinary activities before taxation	(2,536)	9,572
(Loss) / profit on ordinary activities multiplied by standard rate of tax in the UK of 19% (2021 - 19%)	(482)	1,819
Effects of:		
Fixed asset differences	2	-
Expenses not deductible for tax purposes	4	3
Deferred tax asset not provided	1,780	40
Adjustments to tax charge in respect of previous periods	1	(5)
Income not taxable for tax purposes	(47)	(462)
Transfer to Public Service Fund	529	(1,382)
Capital losses utilised	-	13
Capital gains	26	-
Difference in deferred tax rate	(1,346)	-
Timing differences	(427)	-
Movement in fair value	-	(13)
Current taxation for period	40	13

7. Tangible fixed assets

The S4C Group	Land and Buildings		
	Total	Leasehold	Plant and Equipment
	£000	£000	£000
Cost			
At 1 April 2021	7,115	209	6,906
Additions	3	-	3
Disposals	(6,017)	-	(6,017)
At 31 March 2022	1,101	209	892
Depreciation			
At 1 April 2021	6,631	209	6,422
Charge for year	180	-	180
Disposals	(5,932)	-	(5,932)
At 31 March 2022	879	209	670
Net book amount			
At 31 March 2022	222	-	222
At 31 March 2021	484	-	484

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:

Cost or valuation	Investments in unlisted entities £000	Investments in joint ventures £000	Total £000
At 1 April 2021	1,397	125	1,522
At 31 March 2022	1,397	125	1,522
Impairment			
At 1 April 2021	845	125	970
At 31 March 2022	845	125	970
Net book value			
At 31 March 2021	552	-	552
At 31 March 2022	552	-	552

Investment property

	S4C Group £000
Cost	
At 1 April 2021	3,485
Capital expenditure	20
Fair value gain on revaluation	135
At 31 March 2022	3,640

The carrying value of the investment disclosed is based on an annual valuation by an independent valuer who holds an RICS professional qualification and has recent experience in the location and class of the investment property being valued.

The valuation has been carried out using the comparative and investment methods. The valuers have made an assessment on the basis of a collation and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the subject property. With the benefit of such transactions they have then applied these to the property, taking into account size, location, terms, covenant and other material factors.

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 2021	125				
At 31 March 2022	125				
Impairment					
At 1 April 2021	125				
At 31 March 2022	125				
Net book value					
At 31 March 2021	-				
At 31 March 2022	-				

At 31 March 2022 the S4C Group held 20% or more of the equity 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

All of the subsidiary undertakings have been consolidated in the Statement of Accounts. All are wholly owned subsidiary undertakings. The Secretary of State for Digital, 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 31/03/22	At 31/03/21	At 31/03/22	At 31/03/21
	£000	£000	£000	£000
Programmes in course of production	14,408	10,648	14,408	10,648
Programmes completed but not yet transmitted	263	805	263	805
	14,671	11,453	14,671	11,453

10. Debtors

Debtors due within one year

	S4C Group		S4C	
	At 31/03/22	At 31/03/21	At 31/03/22	At 31/03/21
	£000	£000	£000	£000
Trade debtors	554	758	448	1,414
Loans to employees	5	1	5	1
VAT	1,180	15	1,120	-
Prepayments and accrued income	900	778	699	661
	2,639	1,552	2,272	2,076

Included within S4C's trade debtors is £283,119 (2020/21 - £1,383,870) due from S4C's commercial group of companies.

The loans to employees are under the Cycle to Work Scheme.

Debtors due after more than one year

	S4C Group		S4C	
	At 31/03/22	At 31/03/21	At 31/03/22	At 31/03/21
	£000	£000	£000	£000
Prepayments	6,890	7,741	6,890	7,741
Other debtors	-	5	-	-
	6,890	7,746	6,890	7,741

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 31/03/22	At 31/03/21
	£000	£000
At 1 April	13,062	10,718
Cash invested	500	-
Change in market value of investment	212	2,417
Management charges	(81)	(73)
At 31 March	13,693	13,062

Current asset investments also includes co-production and digital investments at a value of £nil (2020/21 - £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 2022 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

Creditors due within one year

	S4C Group		S4C	
	At 31/03/22	At 31/03/21	At 31/03/22	At 31/03/21
	£000	£000	£000	£000
Trade creditors	540	443	247	483
Programme creditors	488	507	488	507
Other creditors	210	1,016	157	945
Prepaid and deferred income	159	228	-	-
Accruals	13,315	14,740	12,852	14,334
	14,712	16,934	13,744	16,269

Creditors due after more than one year

	S4C Group		S4C	
	At 31/03/22	At 31/03/21	At 31/03/22	At 31/03/21
	£000	£000	£000	£000
Advance Grant in Aid	4,561	5,590	4,561	5,590
	4,561	5,590	4,561	5,590

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 2021	484	11,453	14,141	19,687	45,765
General Fund surplus for the period	-	-	-	1,011	1,011
Public Service Fund transfer to profit and loss account	(262)	3,218	(6,443)	-	(3,487)
Transfer to Public Service Fund	-	-	701	(701)	-
At 31 March 2022	222	14,671	8,399	19,997	43,289

S4C reserves

The Public Service Fund reserves at 31 March 2022 are shown separately below:

	Public Service Fund			General Fund	Total
	Fixed Assets	Stock	Other		
	£000	£000	£000	£000	£000
At 1 April 2021	484	11,453	14,141	-	26,078
General Fund transfer for the year	-	-	-	701	701
Public Service Fund transfer to profit and loss account	(262)	3,218	(6,443)	-	(3,487)
Transfer to Public Service Fund	-	-	701	(701)	-
At 31 March 2022	222	14,671	8,399	-	23,292

In total £2.786m has been transferred to the Public Service Fund from the profit and loss account in 2021/22 (2020/21 - £7.372m to the Public Service Fund). This comprises the £0.701m (2020/21 - £0.849m) transfer from the General Fund and the £3.487m (2020/21 - £6.523m) 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 31/03/22	At 31/03/21
Land and Buildings	£000	£000
Less than one year	187	187
One-five years	735	746
Over five years	2,383	2,560
	3,305	3,493

The S4C Group's future minimum lease receipts are as follows:

	At 31/03/22	At 31/03/21
Land and Buildings	£000	£000
Less than one year	251	272
One-five years	684	711
Over five years	778	807
	1,713	1,790

15. Capital commitments

The S4C Group and S4C had no capital commitments at either 31 March 2022 or 31 March 2021.

16. Programme commitments

At 31 March, the S4C Group and S4C had the following contractual commitments for expenditure on programmes:

	At 31/03/22	At 31/03/21
	£000	£000

17. Financial instruments

	S4C Group		S4C	
	At 31/03/22	At 31/03/21	At 31/03/22	At 31/03/21
Financial assets	£000	£000	£000	£000
	35,686	43,790	19,115	27,598
Financial liabilities	(14,658)	(16,919)	(13,744)	(16,268)
	(14,658)	(16,919)	(13,744)	(16,268)

Financial assets comprise investment funds measured at fair value through the profit and loss and cash, trade debtors, 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 01/04/21	Cashflow	Unrealised cash	At 31/03/22
	£000	£000	£000	£000
Cash in hand and at bank	29,955	(9,700)	-	20,255
Other liquid resources	13,062	500	131	13,693
	43,017	(9,200)	131	33,948

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 2022 £948,990 (year to 31 March 2021 - £833,090).

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 2022 and 31 March 2021.

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 31/03/22	At 31/03/21	At 31/03/20
Price inflation	3.7%	3.3%	2.6%
Discount rate for scheme liabilities	2.8%	2.0%	2.5%
Rate of increase in fully RPI-linked pensions	3.7%	3.3%	2.7%
Rate of increase in pensions with limited price indexation	3.5%	3.2%	2.6%

On the basis of the assumptions used for life expectancy, a male pensioner currently aged 60 would be expected to live for a further 26.9 years (2020/21 - 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 31/03/22 Value £000	At 31/03/21 Value £000	At 31/03/20 Value £000
Government bonds	800	700	700
Insured annuities	34,600	35,600	30,500
Cash	800	900	700

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 31/03/22 £000	At 31/03/21 £000	At 31/03/20 £000
Total market value of assets	36,200	37,200	31,900
Present value of scheme liabilities	(34,900)	(35,900)	(30,800)
Net pension asset	1,300	1,300	1,100
Pension asset not recognised	(1,300)	(1,300)	(1,100)
Net balance sheet position	-	-	-

Under FRS 102, the scheme is represented on the balance sheet at 31 March 2022 as a net asset of £nil (at 31 March 2021 - £nil).

The amounts recognised in the income statement are as follows:

	At 31/03/22 £000	At 31/03/21 £000
Current service cost		
Expected return on pension scheme assets	(700)	(800)
Running costs	100	100
Interest on pension scheme liabilities	700	800
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 31/03/22 £000	At 31/03/21 £000
Opening defined benefit obligations	35,900	30,800
Interest on pension scheme liabilities	700	800
Benefits paid	(1,000)	(1,200)
Actuarial gain on liabilities	(700)	5,500
Closing defined benefit obligations	34,900	35,900

Changes in the market value of the scheme assets are as follows:

	At 31/03/22	At 31/03/21
	£000	£000
Market value of scheme assets at start of period	37,200	31,900
Expected return on scheme assets	700	800
Running costs	(100)	(100)
Benefits paid	(1,000)	(1,200)
Actuarial (loss) / gain on assets	(600)	5,800
Market value of scheme assets at end of period	36,200	37,200

The major categories of investments of plan assets, as a % of total plan assets:

	At 31/03/22	At 31/03/21
Government bonds	2%	2%
Cash	2%	2%
Insured Annuities	96%	96%

Actual return on scheme assets:

	2021/22	2020/21
	£000	£000
Expected return on scheme assets	700	800
Actuarial (loss) / gain on assets	(600)	5,800
Actual gain/(loss) on scheme assets	100	6,600

The amount recognised in the Statement of Other Comprehensive Income for the year ended 31 March 2022 is a gain of £0.1m. (year to 31 March 2021 gain - £0.3m).

The cumulative amount recognised within the Statement of Other Comprehensive Income as at 31 March 2022 is a loss of £10.467m (year to 31 March 2021 loss - £10.667m).

Historical analysis of asset values, scheme liabilities and overall surplus:

	At 31/03/22	At 31/03/21	At 31/03/20	At 31/03/19	At 31/03/18
	£000	£000	£000	£000	£000
Market value of scheme assets	36,200	37,200	31,900	53,500	52,200
Scheme liabilities	(34,900)	(35,900)	(30,800)	(38,300)	(38,900)
Surplus in scheme	1,300	1,300	1,100	15,200	13,300

20. Contingent liabilities – S4C Group and S4C

At 31 March 2022, there were no contingent liabilities (at 31 March 2021 - £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 2021/22 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.

How to watch S4C

S4C's service is available on Television and Online across a wide range of platforms and devices in Wales and across the UK.

On television in Wales:

Freeview 4
Sky 104 (including HD)
Freesat 104 (including HD)
Virgin TV 104 (HD)

In England, Scotland and Northern Ireland:

Sky 134 (including HD),
Freesat 120 (including HD)
Virgin TV 166 (HD)

Online across the UK

S4C Clic S4C.Cymru/Clic
BBC iPlayer bbc.co.uk/tv/s4c

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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 in Carmarthen or Caernarfon, by phone, email, twitter, facebook or by letter.

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E02762333
978-1-5286-3506-6

