

Channel 4's model requires a distinctive approach that maximises public value within our commercial means

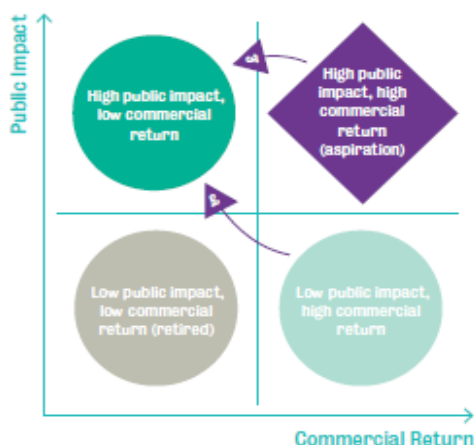
Investing in creativity

Channel 4 is unique. Publicly owned but commercially funded, our main priority is to fulfil our remit while funding our activities independently in the marketplace. This is an empowering model. It provides us with freedom from both Government and shareholder influence, enabling us to focus our energy and revenues on delivering our public purposes.

Our status requires a distinctive approach that maximises public value within our commercial means. In practice, this means a cross-subsidy model between different kinds of content (see graph). Put simply, the advertising income from some of our activities generates enough of a profit to support content that is more risky or less commercially focused. While our aspiration must be to find ideas that achieve high levels of both public and commercial value, our model enables us to continue providing challenging or specialist programming which is not commercially self-sustaining. Content that no longer delivers sufficient commercial or public value is retired.

Our reliance on commercial funding means that the amount we can invest in content depends directly on the revenues we can

How Channel 4's cross-subsidy model works



Creative Economy Impact

In addition to the public value delivered directly to audiences, Channel 4's considerable investment in television and digital media means we play a vital role in supporting the UK's creative industries. Oxford Economics estimates that Channel 4 contributed £1.1 billion to UK GDP in 2010 (vs £1.0 billion in 2009) and supported 28,000 jobs (vs 27,000 in 2009) through its own activities, procurement from its supply chain and increased consumer spending through the payment of wages.

generate in the market place. Channel 4's primary form of income remains advertising, driven primarily by our TV channels and increasingly from our online activities. With an advertising market that is highly responsive to fluctuations in the wider economy, as well as long commissioning lead times, setting a content budget is no easy feat. It demands that we take market forecasts into account alongside our overall content objectives.

In order to achieve the greatest impact, the scale of our investment in different services must reflect their reach. For this reason, the majority of our investment remains on the main channel, where audiences are significantly larger than for any other service. At the same time, in line with our enhanced remit in the Digital Economy Act, levels of investment in new content across digital channels and online are increasing.

Total content budget

Channel 4 spent a total of £578 million on content in 2010 across the main channel, digital TV channels and digital media. Despite unpromising market conditions at the start of the year, this was 5% more than was spent in 2009, and substantially higher than initial forecasts. This boost in our content spend was a consequence of an upturn in the advertising market in the second half of the year.

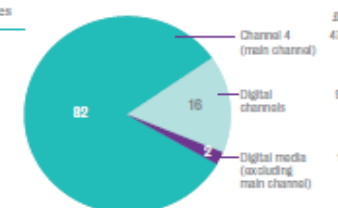
Any Human Heart



Investment in content

£578m
spent on content
across all services
5% on
last
year

Expenditure across the Channel 4 network on programming and digital content in 2010, % of total



Source: Channel 4

Expenditure on originated content

£362m
spent on originated
content across
all services
3% on
last
year

Total expenditure across the Channel 4 network on originated content, £m

	2010	2009	Total (£m)
Channel 4 (main channel)	322.6	300.0	361.6
Digital TV and online	34.0	27.0	87.0

Channel 4 (main channel) Digital TV and online

Digital TV and online expenditure on originated content, £m

	2010	2009	Total (£m)
Digital TV channels	27.0	12.0	39.0
Digital media (excl. main channel)	7.0	15.0	22.0

Source: Channel 4

Rounding differences may occur. See methodology document for more details

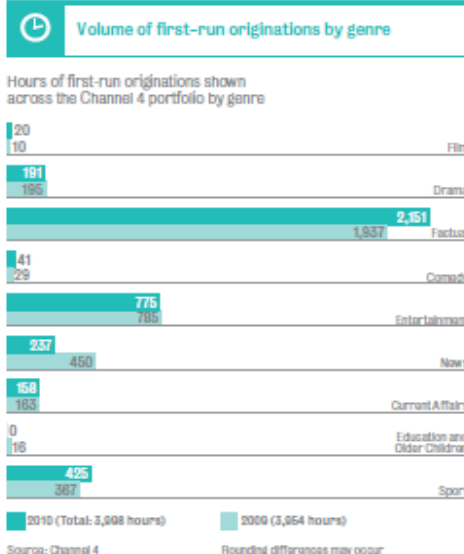
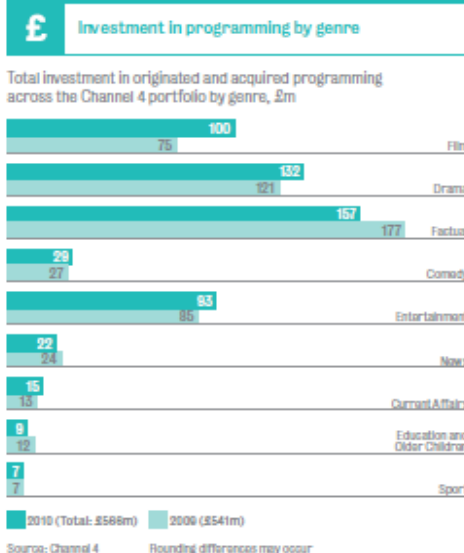
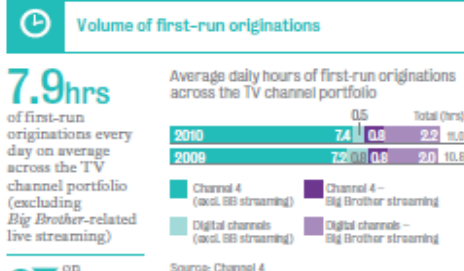
Of this total investment, £566 million was on television programming across all our channels, including originated and acquired content. A further £12 million was invested in digital media – up 46% on 2009. This was largely driven by increased investment in cross-platform content, increasing audience engagement with our programming.

This is in line with an overall rise in the proportion of our investment in digital services. 18% of our total content spend was on digital channels and online content, compared to 15% in 2009. £91 million was spent on the digital TV channels, up 20% year-on-year, of which £27 million went on originated content – up 14% from 2009.

Investment in original content

Originations continued to account for the majority of our content spend, with £362 million invested in originated content across all services in 2010. This was down 3% from 2009. This reflects the amount of time it takes to get commissions on-screen, meaning that while we were able to invest in some fast

Kirstie's Homemade Home



turn-around programmes, such as the live shows *Million Pound Drop* and *One Born At Christmas*, a disproportionate amount of the overall increase in the content budget was spent on acquisitions (originally planned for 2011). This provides us with greater commissioning flexibility in 2011, allowing us to maximise our commitment to original content as we undergo creative renewal in earnest.

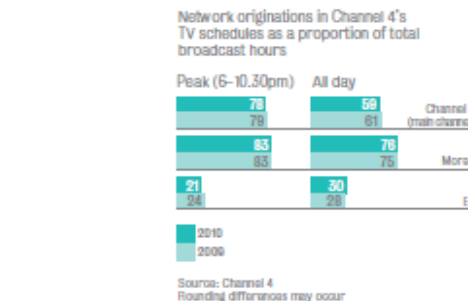
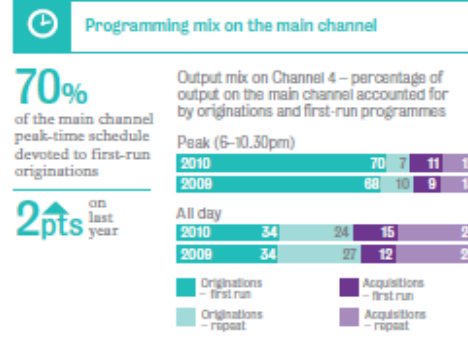
We were able to increase the hours of first-run originations on the main channel, as well as growing the proportion of first-run programming in peak-time on the main channel, as we sought to maximise the impact of our original commissions. While overall commissioning spend on the digital channels increased, the total number of first-run originated hours on these channels fell as a result of the ending of the high-volume *More4 News*. This meant that there was a slight fall in the average daily hours of first-run originations per day across the portfolio (excluding live streaming of *Big Brother*-related programmes).

We broadly maintained a mix of genres, with increases in first-run originated hours for factual and comedy. The volume of news dropped following the decision to cut *More4 News* and scale back the lunchtime bulletins on the main channel, as we sought to prioritise the main *Channel 4 News* programme and investment in news online. As a result of our education commissions moving wholly online in 2010 (see page 62), there were no first-run television hours in the Education and Older Children category.

Across the main channel, E4 and More4 programmes commissioned by the network as a whole ("network originations") accounted for 53% of all broadcast hours and 61% of all peak-time hours, broadly the same levels as in 2009. The breakdown for the individual channels is shown in the chart "Programming mix on the main channel".

Licence requirements

We met all our quantitative licence requirements in 2010, exceeding our obligations in areas such as production in the nations and regions, originated hours in peak-time and audio description.



Meeting Channel 4's licence obligations

Average hours per week	Compliance Minimum	2010	2009
News			
in peak time (6–10.30pm)	4	4	4
Current Affairs			
Overall	4	4	4
in peak time (6–10.30pm)	1.54	3	2
Hours per year			
Schools	0.5	21	377
Percentage			
Original production			
Overall	56	58	60
in peak time (6–10.30pm)	70	77	79
Independent production	25	86	85
European independent production	10	49	54
European origin	50	66	70
Subtitling for the deaf and hard of hearing	90	93	91
Audio description	10	14	12
Signing	5	5	5
Regional production	35	39	37
Regional hours	35	45	45
Production in the nations	3	4.5	N/A

Source: Channel 4

To deliver our remit effectively we need to challenge, provoke and inspire

Making an impact

It is not enough for Channel 4 simply to commission and distribute content. To deliver our remit effectively, we need it to have impact – to be different, to be innovative, to challenge, provoke and inspire.

By playing to their various strengths, different genres enable us to fulfil our remit and have an impact both on the audience and the wider world. Documentaries, dramas and comedy can all provide intimate insights into complex subject matter, highlight important issues and stimulate debate. Digital media allows audiences to engage and interact with content in new ways. News and current affairs stimulates debate that can drive real-world change.

Throughout this report we look at the different ways in which we have delivered impact in 2010. In *“Doing things the Channel 4 way”*, we illustrate how our commissioning ethos ensures our content is innovative and diverse, as well as outlining our impact on the creative industries of the UK. Individual chapters on the main genres explain our editorial intentions, highlight key programmes, strands and digital media projects, and assess our impact in these areas.

The way in which we reach people with our content – both the general population and specific audiences – is assessed in *“Engaging the Audience”*.

Across all these chapters, we draw on a range of research to assess how audiences respond to and engage with our content. This includes industry data on TV viewing and online usage, and our ongoing audience tracking statements which measure our reputation relative to the other public service broadcasters. We also present the results of bespoke research commissioned by Channel 4 examining the impact of particular programmes and projects.

Key reputational values

In this section, we focus on our overall brand reputation – an essential way of understanding audience impact. Here, we present eight tracking statements drawn from our regular audience surveys, which reflect important elements of our remit. Through face-to-face interviews and an online panel, viewers are asked to state which of the five main public service channels (BBC One, BBC Two, ITV1, Channel 4 and Five) is best for a series of statements covering different kinds of output.

The results show that we have maintained a strong reputation for promoting alternative views and for being distinctive, stimulating and inspiring – with significant leads over the other broadcasters in all of these areas. While it is encouraging in a year of transition that

there are few significant changes year-on-year, we have seen a marginal decline in our performance across the measures. It is important that audiences feel we are delivering on our remit, and as we refresh the schedule and inject more creative risk-taking and ambition into our commissioning in the coming years, we aspire to strengthen our lead over other channels in these key measures.

To reflect our remit to stimulate debate, we ask audiences which channels make them stop and think, and which are the most provocative. We performed strongly on these measures in 2010, with 24% of respondents selecting Channel 4 as being the channel that is best for showing programmes that made them stop and think (2009: 25%). Our lead over the next highest channel, BBC Two, widened. We increased our already strong reputation for being ‘provocative’, 39%

of respondents selecting Channel 4 in 2010, 29 points above the next highest channel, BBC One. Our current affairs and documentary strands – such as *Dispatches* and *Cutting Edge* – in particular contributed to our reputation in this area, while other programmes cited by respondents included *Big Brother*, *Hollyoaks* and *Shameless*.

In line with our remit to promote alternative views and new perspectives, we ask viewers to state which channel most allows people an alternative point of view. 26% of respondents chose Channel 4, level with 2009. We maintained a lead on this measure over both the average for the other main PSB channels and over the next highest channel, BBC One – although both leads fell year-on-year. A wide range of programmes contributed to Channel 4’s reputation in this area, including news, documentaries and

Amish: World’s Squarrest Teenagers



international current affairs strand
Unreported World.

Channel 4 continued to rank the highest in our key indicators for inspiring change – with 18% of respondents selecting it as being the best channel for giving them new ideas, and 22% selecting it as being best for making them ‘think about things in new and different ways’. However, we saw a slight decline in both our overall performance and our lead over other channels in this area, which we will seek to improve upon through our creative renewal process.

We broadly maintained our reputation for content that is distinctive – maintaining strong leads in all measures in this area. We strengthened our reputation for taking ‘a different approach to subjects compared to other channels’, with 33% of respondents selecting Channel 4 as being the best channel, 22 points above the next highest channel, BBC Two. 36% of people selected Channel 4 as being best for covering ‘ground that other channels wouldn’t’, level on 2009 and 23 points ahead of the closest competitor, Five.

Jamie's 30-Minute Meals



Channel reputations
People who believed Channel 4 is the channel to which the following statements most apply...

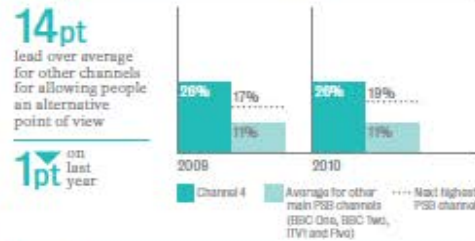
Shows programmes that make me stop and think



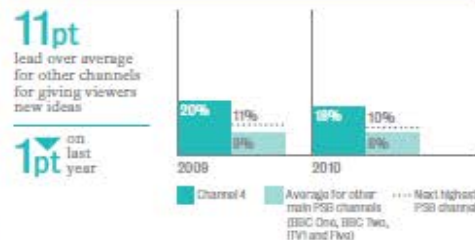
Is provocative



Allows people an alternative point of view



Gives me new ideas



Source: Ipsos MORI commissioned by Channel 4
Rounding differences may occur

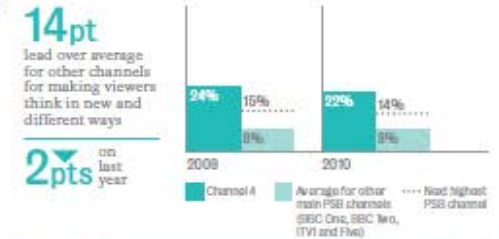
Note: The term ‘percentage points’ (and the abbreviation ‘pt’) refers to the absolute difference between the two percentages

Our documentaries were strong drivers of our reputation in this area, with *Dispatches* and *Big Brother* also cited by respondents.

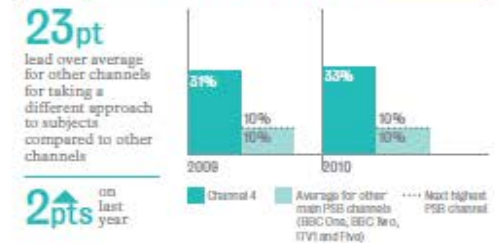
As the main PSB channels find it particularly challenging to engage younger audiences with public service content, our reputation for being ‘youthful’ is also a key point of distinctiveness. 32% of people selected Channel 4 as being the most youthful of the main channels, slightly down on 2009 but still markedly ahead of the other channels. However, our leads on these latter two measures fell slightly. Creating content that feels unique will continue to be a priority in the years ahead as we look to improve upon these results.

Channel reputations
People who believed Channel 4 is the channel to which the following statements most apply...

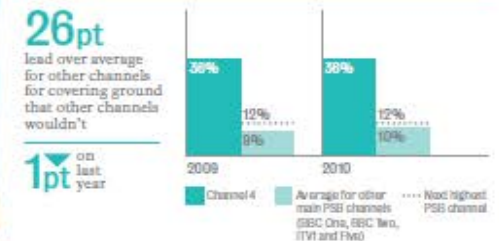
Makes me think about things in new and different ways



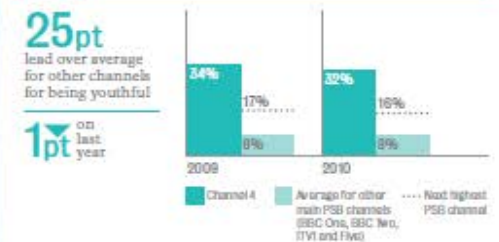
Takes a different approach to subjects compared to other channels



Covers ground other channels wouldn't



Is youthful



Source: Ipsos MORI commissioned by Channel 4
Rounding differences may occur

Channel 4 tracks audience perceptions of the main PSB channels using face-to-face and online interviews. The face-to-face interviews take place over five waves during the year. The online interviews, which take place over three waves during the year, have a larger sample size and enable the responses of people from different demographic groups to be examined.

Facejacker





Doing things the Channel 4 way

Channel 4 exists to offer something different – to surprise, to challenge established orthodoxies, to pioneer fresh approaches. In a world of increasing homogeneity we aim to bring originality and innovation, and breathe life into new ideas. Our distinctiveness on-screen stems from the ethos of creative diversity that lies at the heart of everything we do.



We can best achieve our creative ambitions by working with the broadest pool of talent, taking risks, partnering with a wide range of organisations, innovating in the form and distribution of creative ideas and representing the diversity of the UK. For Channel 4, diversity is not a question of ticking boxes. It is much more fundamental; it stems from the range of people we work with and the blend of content we commission, as well as the different groups we represent.

When we get this right, it is what makes us home to ideas and voices that would not be found anywhere else.

Diversity of supply

Creative diversity begins with diversity of supply: we aim to work with the widest possible mix of talent from across the UK and from a range of backgrounds. The broader the production base, the more wide-ranging the experience will be for viewers.

The main Channel 4 service invested £321 million in first-run external UK commissions in 2010 – a slight fall from 2009 (see pages 10–11). The latest industry data (for 2009) shows that we spent more on the external production sector than any other commercially funded public service broadcaster, and worked with more independent suppliers than any other broadcaster. Our own figures show that we commissioned programmes across the channel portfolio from 266 different companies in 2010, more than 10% of which

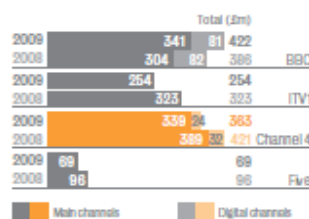
Broadcasters' investment in the production sector

£321m

investment in first-run external UK commissions on the main channel in 2010

5% on last year

Expenditure by public service broadcasters on first-run external commissions, £m



Source: Channel 4, Ofcom (Other channels)
2010 data not available for other channels

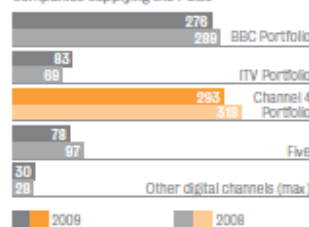
Diversity of supply base

266

production companies supplying programming to the Channel 4 portfolio in 2010

9% on last year

Number of independent production companies supplying the PSBs



Source: Channel 4, Broadcast (Other channels)
2010 data not available for other channels

were new to the organisation. We hope these numbers will increase in future years as the new Creative Diversity department works to broaden our supply base. In addition, we are also building relationships with a range of new digital companies. Across digital media we worked with 91 suppliers in 2010, commissioning many companies, such as *Fish in A Bottle* in the West Midlands and *Tag Games* in Scotland, for the first time.

To broaden our supply base, we look for talented suppliers across the country. This benefits the creative economy whilst enabling us to better represent life in different parts of the UK on-screen. In 2010 we increased both the value and volume of first-run originated content on the main channel that comes from the nations and regions of the UK. Across the channel portfolio, we spent £125 million on companies based outside London. A particular priority was to expand supply from Scotland, Wales and Northern Ireland. Thanks to major commissions including *4thought.tv* (Belfast), *That Paralympics Show* (Cardiff) and *Frankie Boyle's Tramadol Nights* (Glasgow) our expenditure in the Nations accounted for 4.5% of our first-run originated spend on the main channel (exceeding our 3% quota) and 11% of our portfolio spend outside London. This was a significant increase from 2009 – with an additional £4.4 million spent across the portfolio on projects in Scotland alone. We have also looked to broaden the spread of our digital commissioning, including projects in Bath, Dundee and Sheffield. From 2011, we have committed to spending at least 35% of our digital media commissioning budget outside London.

Our desire to broaden our supply base extends to communities that are under-represented in the industry. In 2010 we worked with production companies such as Maroon Productions and Juniper Communications, which draw their talent from diverse ethnic backgrounds, as well as placing a special emphasis through our online education projects on working with female writers and developers, a group still under-represented in the digital media sector. We also developed initiatives, such as the Production Trainee Scheme, giving talent from marginalised backgrounds experience in the industry.

At the culmination of two years in which Channel 4 chaired the Cultural Diversity

Channel 4's investment in the nations and regions

Output from suppliers based outside London:

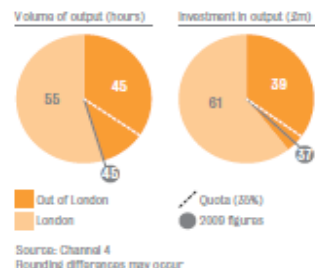
45% of first-run originated programme hours

1pt on last year

39% of the value of first-run originations

3pts on last year

Proportion of Channel 4's first-run originated output and spend on the main channel made in the nations and regions in 2010



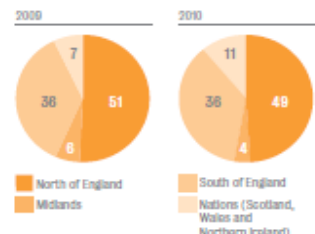
Channel 4's investment in the production sector outside London

£125m

spent on production companies based outside London

= Level with last year

Percentage of Channel 4's expenditure across the TV channel portfolio outside London by region



The data presented in this chart represents spend outside London for all channels in the Channel 4 portfolio; 2009 data has been restated to include the digital channels

'It's all about backing creative teams and people, and Channel 4 certainly put their money where their mouth was'

Shane Meadows, Director

Network, 280 production companies had signed the CDN Pledge to improve diversity within the broadcasting industry.

Diverse voices

Channel 4 has a specific remit to cater to diverse audiences. We deliver this not by relegating cultural diversity to the niche but bringing it into our mainstream output in imaginative and compelling ways. In 2010 we increased the volume of originated programming on the main channel that addressed religion, multiculturalism, disability or sexuality, and significantly increased hours in peak-time – up 23% from 2009. Our tracker statements recognised our distinctiveness in this area, with significant leads over other channels for showing different kinds of cultures and opinions and challenging prejudice. As outlined below, we are also substantially ahead of other channels for reflecting the viewpoints of gays and lesbians, different ethnic groups and disabled people. However, despite the increase in output, in all these cases both our overall performance and our leads over other channels were down. In 2011 and beyond we will continue to reflect and cater to diverse groups, and will seek to understand and improve audience perceptions of our work in this area.

We sought to reflect diverse cultures and perspectives in every part of the schedule in 2010, from *My Big Fat Gypsy Wedding's* portrayal of a misunderstood community to *I Am Slave's* story of a Sudanese domestic slave in modern Britain and *The Family's* in-depth insight into a black British home. In our tracker statements, we continued to have a significant lead over other PSB channels for showing the views of different ethnic groups. This was stronger still amongst Black and Minority Ethnic (BAME)

Diversity output on the main channel

120hrs

of first-run originations covering diversity issues on the main channel

6% on last year

Total hours of programming covering diversity issues shown on the main channel (2010 with trends relative to 2009)



Channel reputations

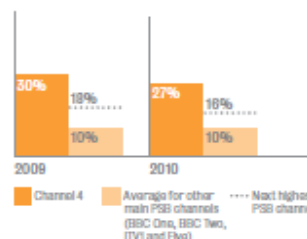
People who believed Channel 4 is the channel to which the following statements most apply...

Shows different kinds of cultures and opinions

17pt

lead over average for other channels for showing different cultures and opinions

2pts on last year

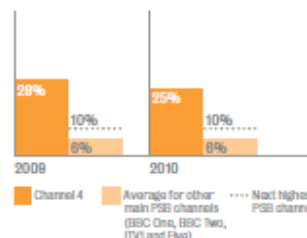


Challenges prejudice

19pt

lead over average for other channels for challenging prejudice

3pts on last year



The Family

This BAFTA-nominated observational documentary strand returned for its third series in 2010, filming the Nigerian-born Adesinas around the clock over eight weeks. The series continued our commitment to show, in peak time, the diverse cultures of Britain, documenting the trials and tribulations of family life in Britain's Black African community and the impact of changing values between the generations.



respondents – with a 23 point lead over the average for other PSB channels compared to a 16 point lead across all respondents.

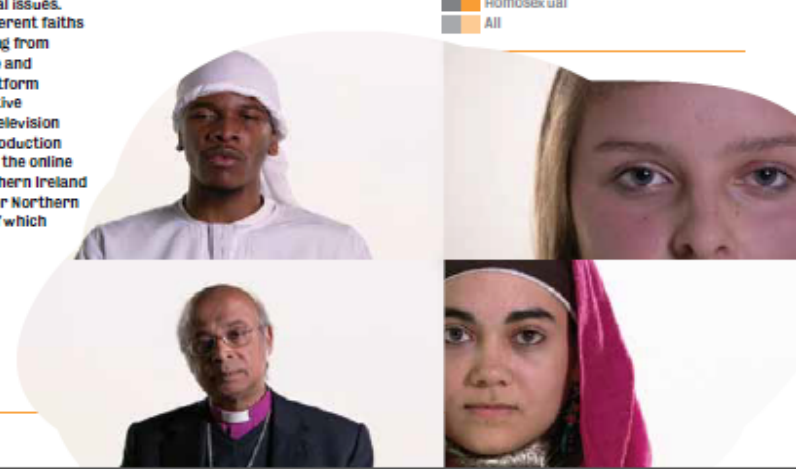
At the start of 2010 Channel 4 won the television rights to the London 2012 Paralympic Games – a unique opportunity to transform the way disability sport and disability itself is perceived in the UK. We kicked off the build-up to 2012 with several Paralympics-related programmes, such as *Inside Incredible Athletes*, and a nation-wide search for disabled presenters and reporters. Our goal is for people with a disability to provide more than 50% of the reporting team for the Games themselves and build careers in front of the camera beyond 2012.

Our vision for the Paralympics reflects our long-running commitment to bringing disability into the mainstream. In 2010, participants with disabilities contributed to some of our most popular peak-time series, including a student with cerebral palsy in *Location Location* and three women with physical disabilities in the series *How To Look Good Naked...With A Difference*. This series attracted a large mainstream audience and succeeded in challenging preconceptions: reaching a peak audience of 2.6 million viewers, and 45% of respondents to a bespoke survey saying that it changed the way they think about disabled people. Our ongoing tracking survey showed that viewers still believed Channel 4 was the best of the main



4thought.tv

Provocative, powerful and moving, 4thought.tv provides a platform for religious believers and sceptics to reflect on religious and ethical issues. It offers viewpoints from different faiths and cultures on issues ranging from abortion, sexuality, marriage and euthanasia. A true cross-platform initiative, it represents creative diversity in action, with the television content made by a Belfast production company, Waddell Media, and the online elements, supported by Northern Ireland Screen, provided by two other Northern Ireland companies, neither of which had previously worked with a UK broadcaster.



Channel reputations

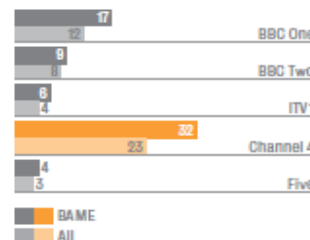
People who believed Channel 4 is the channel to which the following statements most apply...

Shows the viewpoints of different ethnic groups

16pt

lead over average for other channels for showing the viewpoints of different ethnic groups

2pts on last year

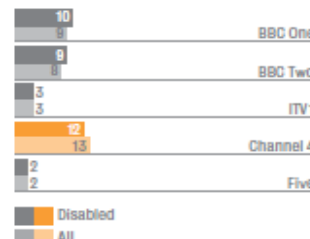


Shows the viewpoints of disabled people

8pt

lead over average for other channels for showing the viewpoints of disabled people

2pts on last year



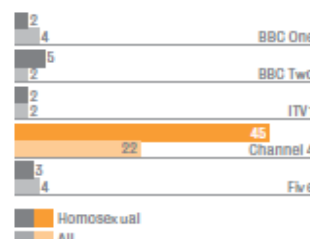
Source: Ipsos MORI commissioned by Channel 4. Rounding differences may occur.

Shows the viewpoints of gays and lesbians

20pt

lead over average for other channels for showing the viewpoints of gays and lesbians

5pts on last year



public service channels for showing the viewpoints of disabled people. The narrowing of this lead from 2009 highlights the challenge we face to make more of a noise about disability.

Channel 4 has by far the strongest reputation of any broadcaster for portrayal of the lesbian and gay community. This was shown in our own tracking survey and reflected in two external reports published in 2010 (by the BBC and Stonewall). Teen sexuality was a priority area for us: *Skins* continued to develop a lesbian storyline, *Hollyoaks* featured the arrival of a transgender teenager and *Sexperience* gave frank insights into the challenges of coming out. Our tracking survey showed that Channel 4's lead over the other main PSB channels for showing the viewpoints of gays and lesbians fell in 2010 back to 2008 levels, after a particularly strong year editorially in 2009.



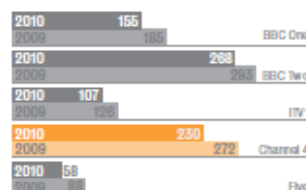
New and one-off programmes

230

new or one-off programmes shown on Channel 4 between 6pm and midnight

15% on last year

Number of new and one-off programmes shown on the main PSB channels between 6pm and midnight



Source: Attentional commissioned by Channel 4

Innovation

Innovation is a central element of Channel 4's remit and our commitment to trying new things was evident in much of our output, whether in format or new approaches to technology. *Blitz Street* and *Inside Nature's Giants* brought bold new approaches to the traditional genres of history and science. *One Born Every Minute* explored the potential of fixed cameras to provide unprecedented intimacy to an observational documentary, and in *Seven Days* we sought to push the boundaries of reality itself, enabling viewers to influence real-life events using interactive tools. Overall we showed 230 new and one-off programmes in 2010 – fewer than BBC Two but a higher volume than either BBC One or the commercial public service channels. The 15% decline year on year was largely due to the replacement of *3 Minute Wonder*, which contributed a large volume of individual one-off programmes, with the *4thought.tv* strand.

2010 also saw further developments in digital innovation, with a range of dedicated digital projects. This included *The Curfew*, an immersive educational game about civil liberties, and *Such Tweet Sorrow* – a critically acclaimed partnership with the Royal Shakespeare Company and the Birmingham-based digital agency Mudlark, which retold the story of Romeo and Juliet through the medium of Twitter. These and other digital projects brought Channel 4 an impressive 37 nominations at the British Interactive Media Awards.



Inside Incredible Athletes

Inside Incredible Athletes formed the centre piece of Channel 4's programmes to introduce viewers to the Paralympic Games. Using state-of-the-art scientific testing and cinematography it revealed the inside story of how Paralympic athletes achieve sporting excellence. The programme showed viewers how the bodies of these elite athletes can adapt to their disabilities, enabling them to achieve extraordinary levels of performance. Nine out of ten viewers surveyed by us agreed that the programme opened their eyes to the talents of disabled athletes, as well as the challenges they face, while two out of three said that it had changed their perception of disability sport.

Channel reputations

People who believed Channel 4 is the channel to which the following statements most apply...

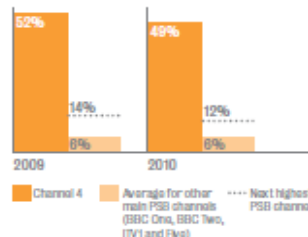


Takes risks with programmes that others wouldn't

44pt

lead over average for other channels for taking risks that others wouldn't

2pts on last year

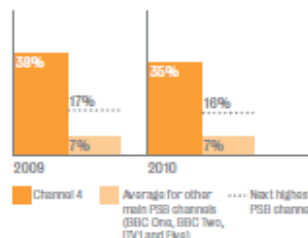


Is experimental

28pt

lead over average for other channels for being experimental

3pts on last year

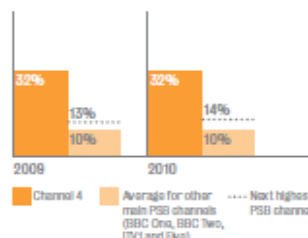


Always trying something new

22pt

lead over average for other channels for always trying something new

1pt on last year

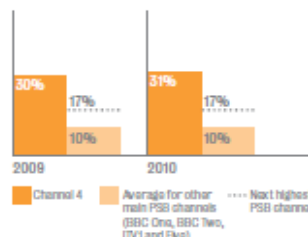


Trend-setting

20pt

lead over average for other channels for being trend-setting

Level with last year



Source: Ipsos MORI commissioned by Channel 4
Rounding differences may occur

'Smashes though preconceptions about disabled athletes to deliver a portrait that is visually beautiful and scientifically fascinating'

The Sunday Telegraph



Audiences recognise and appreciate Channel 4's commitment to innovation. In our ongoing tracker survey, we maintained significant leads in 2010 over the other main public service channels for taking 'risks with programmes that others wouldn't', for 'always trying something new', and for being 'trend-setting' and 'experimental'. However there was a small decline in our lead on several of these statements, a trend we hope to reverse in coming years as we introduce more risk-taking and experimentation to our commissioning.

Next generation of creative talent

Channel 4 works with creative talent throughout their careers, whether giving established voices the opportunity to try something new, or providing newcomers with their first break. In 2010, we commissioned producer Phil Bowker to write and direct his first series, *PhoneShop*, while *The IT Crowd*'s Richard Ayoade worked with Film4 to direct his first feature film *Submarine*. We also gave emerging comedian Morgana Robinson a debut solo show on the strength of her audition tape.

We dedicated 21 hours of first-run originated programming on the main channel to new talent. This is a fall of 51% from 2009, largely due to our replacement of the long-running talent strand *3 Minute Wonder*. This decision enabled us to prioritise investment in strands such as *First Cut*, that give more extended opportunities to emerging film-makers, while also enabling us to refresh the slot with the introduction of the faith, ethics and opinion strand *4thought.tv*. This provided a vital new platform for diverse voices and through-provoking ideas. We continued to nurture



New talent strands on Channel 4

21hrs

of first-run
originations in
strands dedicated
to new talent

51% on
last
year

Strands dedicated to new talent across
Channel 4's television network (2010)

New talent strand	Slots	Hours
Channel 4 (main channel)		
<i>3 Minute Wonder</i>	36	3
<i>First Cut</i>	18	8
<i>Coming Up</i>	7	4
<i>Comedy Labs</i>	7	4
<i>The Morgana Show</i>	5	3
Total first-run	73	21

Corresponding 2009 Totals 245 43

Source: Channel 4
Rounding differences may occur



Submarine



'PhoneShop is modern,
fresh, and doesn't
sound like too much
else on mainstream TV'

Broadcast

new writers and directors with schemes such as *Cinema Extreme* (with WarpX) and *Future Perfect* (with Paines Plough Theatre). We also added to our long-running pilot series *Comedy Lab* with online comedy project *This Just In*, which put a spotlight on new comedians and their writers, helping them prepare for a first foray into television.

Off-screen, a variety of training and work-related learning programmes gave opportunities to those already working in the sector and to young people at the very beginning of their careers who may not otherwise consider a career in the media. These included several award-winning learning initiatives and work experience placements for students. A partnership with the Media Trust invited 16–25 year olds to make their own short films in celebration of Black History Month and offered mentoring advice to the winning contributors. We continued to support the wider development of training and skills in the industry through our funding of the National Film and Television School, The Research Centre and Skillset. We also worked with partners across the industry – from the Channel 4 BRITDOC Foundation to regional screen agencies – to identify and support creative talent from all over the UK.



Dundee games

Two companies from Dundee's vibrant digital games sector, Tag Games and Dynamo, were commissioned to make apps for the hit television series *Peep Show* and *Come Dine With Me*, and for a new online game, *Beauty Town*. This investment typifies Channel 4's approach to creative diversity by expanding the online presence of some of our key television programmes, working with partner organisation Creative Scotland and, at the same time, helping to grow innovative companies in the UK's Nations.

'I owe the channel virtually my entire career and feel incredibly fortunate to have worked with such amazing people'

Jack Thorne, co-writer, *This Is England '86*

£233m

Film and Drama spend on originations and acquisitions broadcast in 2010

Film & Drama



Good storytelling is one of the most powerful tools for Channel 4 to deliver its social purpose. Great film and drama engages audiences emotionally with stories that entertain, provoke, inspire and prompt reflection. With our films and dramas, we encourage writers, directors and actors to push the boundaries – whether they are pillars of the creative landscape or completely untested voices.

2010 was a pivotal year for film at Channel 4. For the first time ever, investing in and screening film was introduced into our public service remit and we celebrated this with a lift to Film4's budget, announced as two of its films – *Never Let Me Go* and *127 Hours* – were selected to open and close the London Film Festival. Since our birth we have been one of the most creative and successful champions of British film because we have always believed in backing the most exciting creative talent, the most distinctive ideas and the most contemporary themes and issues. As well as investing in film production, we continued to be a showcase for independent cinema – with the best of British and international film-making on the Film4 channel and on-demand.

In drama we sought to back dynamic, distinctively authored pieces that offered viewers new angles on British life. *Mo* and *This Is England '86* broke viewing records for drama on Channel 4, and we punched above our weight in terms of reputation – maintaining our lead for distinctive drama despite commissioning less than the BBC and ITV. E4 continued to provide a home for dramas that captivate young audiences on-air and go on to build dedicated communities of fans, and we continued to experiment with new ways of engaging with these younger audiences (see pages 42–43).

Distinctive voices

Channel 4 has long standing relationships with some of Britain's most original and idiosyncratic storytellers, directors, producers and actors. Our readiness to take risks and back new ideas gives creative people the space and freedom to realise their vision. In 2010 Shane Meadows made his TV debut with *This Is England '86* and Film4 supported many television stars to make their feature debuts, from *Brass Eye*'s Chris Morris to *The IT Crowd*'s Richard Ayoade and *The Adam and Joe Show*'s Joe Cornish. The Film4 channel continued this support, with retrospectives of some of Channel 4's most celebrated and distinctive directors, including Danny Boyle and Mike Leigh.

We also maintained our commitment to finding the talent that we believe will be worthy of retrospectives in twenty years' time. Our *Coming Up* strand is a compelling way to find new writers and directors. 2010 saw the release of the *Scouting Book for Boys* – a Film4 production written by two graduates of the scheme, Jack Thorne and Tom Harper. In November we also launched 4Screenwriting, aimed at giving emerging writers experience in television drama.



This is England '86

With his eagerly awaited follow up to the BAFTA-winning film *This Is England* (2007), Shane Meadows broke the boundaries of how television drama usually feels. His four-part *This Is England '86* series had the kind of hard-hitting plot lines and cinematography rarely seen on the small screen. With his co-writers and co-directors Jack Thorne (*The Scouting Book for Boys*, *Skins*, *Shameless*) and Tom Harper (*The Scouting Book for Boys*, *Misfits*), Shane exemplifies Channel 4's commitment to developing and nurturing talent, from his films *Once upon a Time in the Midlands* (2002), to *Dead Man's Shoes* (2004) and *This Is England*. Funded in partnership with Screen Yorkshire, the distinctive Sheffield location of the series also demonstrated our commitment to reflecting regional voices. Most importantly, the audience loved it and it proved to be Channel 4's most successful original drama launch ever, averaging 3.2 million television viewers per episode. On-demand, the series totalled 2.7 million views.

16x uplift

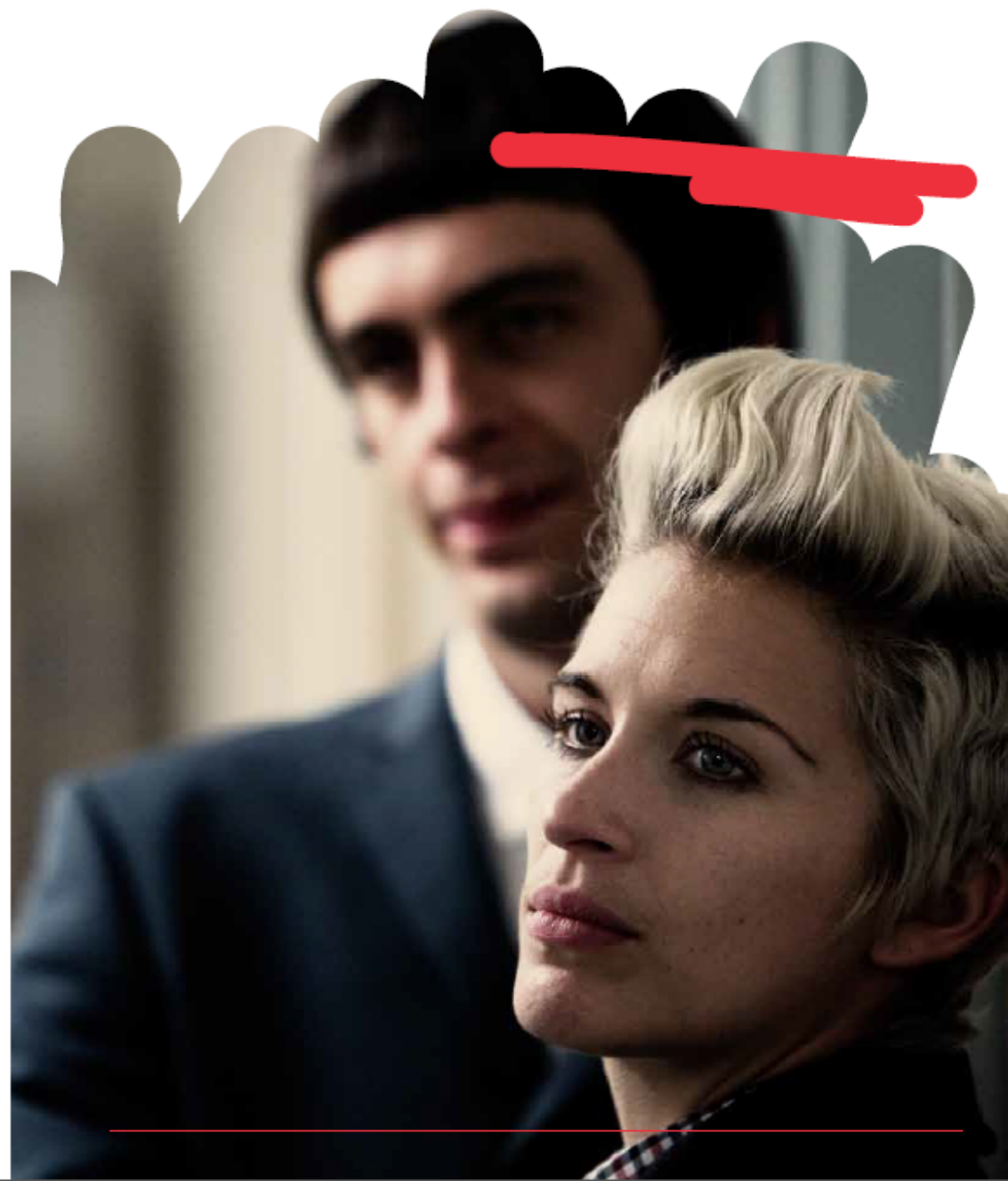
Film4's early involvement helped to attract total funding worth 16 times its own investment for feature films released in 2010

'Delicate, finely wrought film-making and the best drama on British television this year'

The Observer

'Channel 4's support and investment, along with some leaps of faith from some brave commissioners has been invaluable'

Tom Harper, co-director, *This Is England '86*





“...will undoubtedly ruffle some feathers but in making the modern bogeyman a figure of fun he may yet redress an imbalance in our collective attitude’

The Times

Returning audiences

Long-running returning drama series are often crucial to defining a channel brand. They build loyal audiences and can play a vital commercial role. For Channel 4 they provide a balance to the overall tone of the drama slate, with heavy-hitting single dramas complemented by series that are lighter and more mischievous in tone. In 2010 our returning series had mixed success. In its seventh series, *Shameless* equalled its biggest ever audience, and *Misfits* grew its audience by 86% from its launch in 2009. But viewers to *Hollyoaks* declined, leading to a dramatic revamp of the series with new branding, producers, cast members and storylines. Long-running series may be reliable, but they must be constantly re-invented and re-energised to keep them popular, relevant and distinctive.



Four Lions

Featuring a wealth of British talent including Kayvan Novak (*Facejacker*) and Riz Ahmed (*Britz*, *Road to Guantánamo*), Chris Morris' directorial debut *Four Lions* brilliantly and brutally satirised the distorted world view of some very amateur Jihadists. By alternately mocking and humanising the confused and incompetent members of the wannabe terrorist cell, the film broke almost every taboo in the book. Made by Warp Films with the support of Film4 at every stage of production and distribution, *Four Lions* became a critical and commercial hit, winning Chris Morris a BAFTA for Outstanding Debut and earning close to £3 million at the UK box office.

£11.6m

Invested in feature film production and development in 2010

Reflecting society and challenging taboos

Fiction can be just as powerful as investigative journalism in revealing truths about the modern world, by telling stories that stimulate curiosity about contemporary Britain and beyond. In 2010 the BAFTA-winning drama *Mo* gave a double insight into Mo Mowlam's private life and her public role as Secretary of State for Northern Ireland during the peace negotiations that led to the Good Friday Agreement. *Any Human Heart* charted the history of the 20th century through the eyes of one man and *I Am Slave* examined domestic slavery. *Shameless* and *Four Lions* demonstrated that even such sober and weighty issues as poverty and terrorism can be illuminated by the power of comedy.

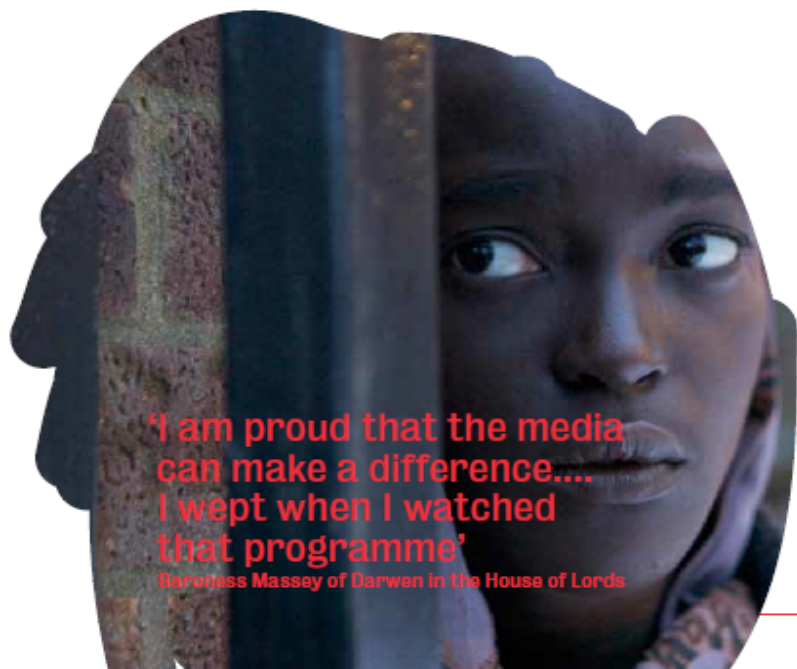
Elsewhere, the Film4 channel brought viewers the work of acclaimed film-makers from around the world. Highlights included *The British Connection*, a season of independent British films in primetime slots. Films from further afield included three classics from the Japanese director Yasujiro Ozu, the award-winning Greek film *Dogtooth*, which was seen by more people on Film4 than saw it in UK cinemas, and undiscovered gems from such far-flung places as Kazakhstan. Overall the Film4 channel showed 704 hours of films from countries other than the UK and the US in 2010, up 4% year-on-year (see pages 66–67).

Innovating with distribution

In addition to our investment in film development and production, Channel 4's TV channels offer showcases for independent cinema. Dedicated monthly seasons on the Film4 channel helped to create a sense of occasion around the schedule and contributed to an impressive growth of 25%



Any Human Heart



‘I am proud that the media can make a difference.... I wept when I watched that programme’

Baroness Massey of Darwen in the House of Lords



I Am Slave

The Home Office estimate that there may be as many as 5,000 people trafficked into the UK as slaves. This shocking statistic was the starting point of the film *I Am Slave* which told the harrowing story of a Sudanese woman forced into domestic slavery in modern day Britain. Filmed on location in Africa and the UK, it reflected Channel 4's commitment to tackling difficult subject matter and putting little-talked about issues on the public agenda. The film triggered several press investigations into domestic slavery and was praised in the House of Lords during a debate on international trafficking. Another example of our commitment to partnership and creative talent, the film was funded in partnership with the UK Film Council and the Film Agency for Wales, directed by Gabriel Range (*Death of a President*) and written and produced by the team behind Film4's Oscar-winning *The Last King of Scotland*.



'I can't imagine how my life would have been without Film4. And it gets better and better – ever friendlier, more supportive and above all, warm and loving'

Mike Leigh, Director, *Another Year*

in the channel's share during 2010. Tie-ins with retailers helped reach wider audiences; for example Film4's *World Cinema New Horizons* season, which highlighted classic international youth films such as *Y Tu Mamá También* and *City of God*, was promoted across HMV's 279 UK stores.

As part of our remit to innovate with new forms of distribution, we updated the Film4 website and launched an online on-demand film rental service with Filmflex. More than 500 films were available to view at launch, including the latest Hollywood releases, British classics and cult independent and foreign-language films. The service reflects our aim to develop new commercial business models whilst also maintaining a commitment to making independent film accessible.



Another Year

Following the success of the Oscar-nominated *Happy-Go-Lucky*, Film4 continued its long relationship with director Mike Leigh with *Another Year*, a film touching on the universal themes of family, friendship and ageing. Premiered in the UK at the London Film Festival, it won great critical acclaim – nominated for the Palme d'Or in Cannes as well as receiving Academy Award and BAFTA nominations.

Key data

Our key measures show that audiences valued our distinctive approach to film and drama in 2010.

In drama, Channel 4's output is distinct in terms of its subject matter and its appeal to younger audiences. Our audience tracking survey showed that the proportion of viewers choosing Channel 4 as being 'best for drama programmes that are different from other channels' was 8 points higher than the average for the other main PSB channels. Channel 4 was chosen by more people than chose BBC One or ITV1, even though they commission more output in this genre. 16–34 year olds

accounted for a substantially higher proportion of viewing to Channel 4's peak-time dramas than to those on the other main PSB channels.

In film, countering the market focus towards US studio movies, almost 40% of the Film4 channel schedule was devoted to British, other European and international films in 2010. This eclectic approach is matched across Channel 4's portfolio – 33% of respondents claimed that the main channel is 'best for modern independent film', substantially more than chose any other channel.

Channel reputations

People who believed Channel 4 is the channel to which the following statements most apply...

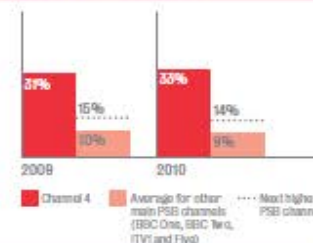


Is best for modern independent film

23pt

lead over average for other channels for being the best for modern independent film

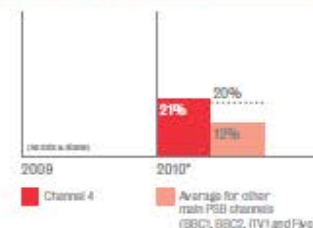
2pts on last year



Is best for drama programmes that are different from other channels

8pt

lead over average for other channels for being the best for drama programmes that are different from other channels



Source: Ipsos MORI commissioned by Channel 4
Rounding differences may occur

*New tracker statement for 2010. Data represents one wave of research only. No prior year data is available



Diversity of Film4 channel schedule

39%

of output on the Film4 channel devoted to British, other European and international films

1pt on last year

Percentage of output on Film4 channel by region of origin



Source: Channel 4

Rounding differences may occur



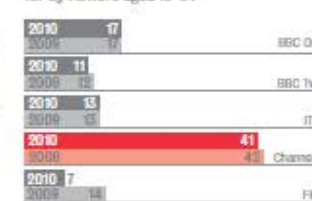
Drama viewing by young audiences

41%

of viewing to originated drama programmes on Channel 4 between 6pm and midnight accounted for by 16–34 year olds

1pt on last year

Percentage of viewing to originated drama programmes on the main PSB channels between 6pm and midnight accounted for by viewers aged 16–34



Source: BARB

'A stunning documentary into a way of life that is almost totally unknown to outsiders'

Daily Express

£157m

Factual spend on originations and acquisitions broadcast in 2010

Factual



Channel 4's factual content goes beyond the topical headlines of current affairs and reflects everyday life, finding the extraordinary in the ordinary. It seeks not just to reflect contemporary life in Britain and elsewhere, but also to help shape it – inspiring change, challenging established points of view and creating a lasting legacy in the world beyond the programme.

Our factual output makes a vital contribution to Channel 4's public value and to our commercial success, with brand-defining hits that also help deliver our obligations to inform, challenge and inspire audiences. Where some other channels rely more heavily on entertainment and drama, factual programming is at the heart of what we do, representing the majority of our original commissioning spend and featuring prominently in our peak-time schedule.

From traditional documentaries to innovative formatted programming, our factual output in 2010 was dedicated to exploring what makes society tick – through intimate portraits of family life, history, public institutions and the world beyond Britain. We also aimed to bring subjects to life with engaging formats and groundbreaking online content, such as the Emmy-nominated online show *Embarrassing Bodies Live*. This approach has enabled us to reach an elusive young adult audience with content that has a social and educative purpose.

2010 was a fruitful year for piloting and experimentation, with several outstanding single films providing the blueprint for longer-running television series in 2011.



One Born Every Minute

One Born Every Minute gave audiences unprecedented access to the highs and lows of childbirth, from the perspectives of soon-to-be parents and hospital staff. As well as insights into differing styles of parenting and the modern family it gave a fascinating eyewitness view of life in the NHS. It was hugely popular, averaging 3.8 million viewers across its 8 episodes. It was also a great critical success, winning the 2010 BAFTA for Best Factual Series. A dedicated website supported the series with exclusive clips and expert advice.

'...raw, unadorned humanity on display ...it was tremendous'

The Daily Telegraph



'A superb programme that makes you feel smarter for just having watched it'

The Times

Reflecting modern Britain

Across the year we aimed to give audiences a wide-ranging view of the values and institutions of contemporary Britain. Revolutionary camera techniques provided fresh perspectives on life in all its complexities – from the hospital ward (*One Born Every Minute* and *The Hospital*) to the police station (*Coppers*) and the family home (*The Family* and *Seven Days*). As is inevitable with pioneering ideas, not all these shows fulfilled our ambitions. For example, while *Seven Days* broke new ground by giving viewers direct influence over the series through social media, it proved less successful as a programme format. This provided a lesson for future attempts at integrating television and digital tools – viewers are drawn to the new and the experimental, but still want storylines and characters that can engage and entertain in traditional ways.

Elsewhere in the schedule, *Titanic: The Mission*, *Genius of British Art* and *Genius of Britain* opened up significant moments in Britain's past. *4thought.tv* and *The Family* explored the diverse make-up of modern British society. *How The Other Half Live* and *Tower Block of Commons* looked at the reality of poverty and its social consequences, while the impact of unemployment during a recession was the subject of *The Fairy Jobmother*.



Genius of Britain

In this landmark series, leading scientific figures told the stories of British scientists and inventors who have helped shape our modern world. Experts of the stature of Stephen Hawking and David Attenborough introduced viewers to the people behind the development of the steam engine, the splitting of the atom, the theory of evolution and the invention of the world-wide web. The series had a considerable educational impact – with 81% of respondents to a bespoke survey on the programme agreeing that they learned a lot about scientific discoveries from it, and 88% agreeing that it had made them more interested in science.

9 out of 10

viewers surveyed by Channel 4 agreed that *Genius of Britain* was entertaining as well as educational.

'A fascinating bout of myth-busting and enlightening science'

The Mail On Sunday



Bringing learning to life

Much of Channel 4's factual content has an educational dimension running through it – from informing people about what goes into the food they buy to providing new ways of making specialist subjects in history, science and the arts more accessible. 2010 was no exception. We sought to bring original perspectives to what are usually regarded as dry topics – for example, biology in *Inside Nature's Giants*, or history in *Bloody Foreigners*. We used real explosives and innovative technology to conjure up the reality of war in *Blitz Street*. This proved to be an engaging experience for viewers, with 52% of respondents to a survey commissioned for Channel 4 saying the programme had made them think about history in a new way.



Inside Nature's Giants

The BAFTA-winning *Inside Nature's Giants* returned for a second series in 2010. Scientists took their dissection tools to a great white shark, a Burmese python, a lion, a tiger and a giant squid, unravelling how these animals hunt, eat and breed. The series has generated a legacy of ambitious research for the scientific community, while giving viewers an opportunity to observe natural history with a rare immediacy.

Alternative perspectives

Channel 4 seeks to give space to opinions and cultures that seldom surface in mainstream media. *Amish: World's Squarest Teenagers* explored diverse values and faiths, and *My Big Fat Gypsy Wedding*, one of our highest-rating programmes of the year, took a vastly entertaining and informative approach to the values and rituals of one of Britain's least understood and most maligned communities, winning a Cultural Diversity Network award in the process. Much of our programming shares a similar ambition to challenge preconceived ideas, as demonstrated by programmes on disability and a variety of series that probed some of society's most sensitive social taboos. *The Sex Education Show* examined pornography, underage sex and the intimate relationships of disabled and older people. Angus Macqueen's polemical *War on Drugs* questioned the entrenched positions that underpin public policies on drugs.

Making a difference

From Jamie Oliver and Sarah Beeny to Gok Wan and Dr Pixie McKenna, Channel 4's factual presenters are experts in their respective fields, giving trusted advice and inspiring ideas on anything from the food we eat to the homes we live in. Audience research shows that viewers strongly associate Channel 4 with programmes that inspire change; for example, almost a third of the viewers of *Supersize vs Superskinny* said it made them think about changing something in their lives. 65% of viewers to *Jo Frost's Extreme Parental Guidance* said that they learnt something new about parenting and bringing up children. The website for *Embarrassing Bodies* continued to feature comments on how its open and honest advice had prompted people to seek potentially life-saving medical advice.

68%

of viewers said that Channel 4's factual programmes inspired change in their lives



Amish: World's Squarest Teenagers

This series followed five young Amish people as they left their closed communities in the USA to spend time with young people in Britain whose views and values were radically different from their own. As much as it afforded a window onto a little-known faith community, the series also provided an unusual prism through which to view the faith, morality and values of young people in contemporary Britain. The result was a fascinating cultural exchange, for participants and audiences alike. Both the Amish and the British participants said they learnt from each other and found the experience eye-opening and informative, while one viewer wrote in to tell us "it turned my understanding of how the Amish live upside down".



How to Look Good Naked
...With A Difference

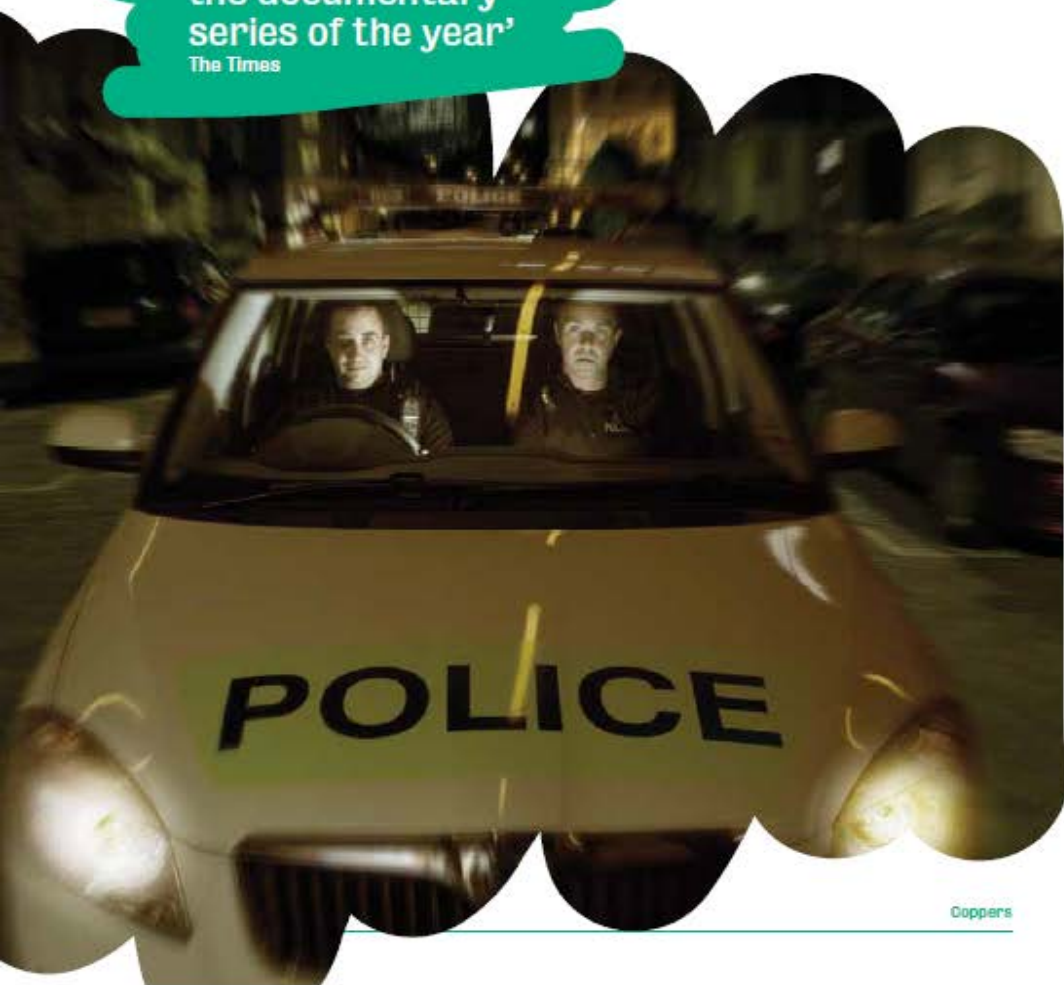
As well as inspiring change in individuals, many Channel 4 programmes look to make a broader social impact. In 2010 we gave a platform to a range of campaigns, from Gok Wan's efforts to get body image lessons on the national curriculum in *How To Look Good Naked* to David Bond's critique of the surveillance society in *Erasing David*. We harnessed the potential of digital media to bring people together, with Hugh Fearnley-Whittingstall's *Landshare* continuing to link food-growers with available open spaces. Other programmes aimed to leave an academic legacy – with shows such as *Time Team* and *Inside Nature's Giants* investing in ground-breaking historical and scientific research that nobody else in the world is doing.



Channel 4 BRITDOC Foundation
Channel 4 is the founding sponsor of the Channel 4 BRITDOC Foundation, an innovative organisation for documentary film-makers with something important to say. In 2010 we showed several of the foundation's award-winning feature films, including Grierson winner *Moving to Mars*, Berlin Film Festival winner *The Yes Men Fix The World* and the privacy campaign film *Erasing David*. In September we also pledged our support for the Foundation's new Puma Creative Catalyst Awards, a development fund to support international documentary ideas that highlight social justice, peace or environmental issues. Research on the social impact of 2009 Sundance hit *End of the Line* detailed the significant impact the film has had both on consumer behaviour and public policy.

'Might well be
the documentary
series of the year'

The Times



Coppers

Key data

Channel 4's factual output aspires to be distinctive, challenging and inspiring. Our tracker statements show that audiences appreciated Channel 4's points of difference in these areas in 2010.

29% of respondents cited Channel 4 as being best for provocative documentaries in 2010, substantially more than chose any of the other main PSB channels (BBC Two, in second place, scored 20%). In a new statement, 25% also said that Channel 4 was best for documentaries that present alternative views, ahead of BBC Two (22%) and 12 points ahead of the average for the main PSB channels.

Channel 4 seeks to inspire change through programmes covering leisure, life-skills and hobbies. The main channel showed 253 hours in these genres between 6pm and midnight in 2010, a 5% fall from 2009 but still more than any of the other main PSB channels. New audience research showed that Channel 4's factual programmes inspired 68% of respondents to think differently, try something new, seek more information or talk about the programme to others. As we refresh the schedule with new series that seek to inspire and challenge our audiences, we hope this will increase in future years.

Channel reputations

People who believed Channel 4 is the channel to which the following statements most apply...

Is best for provocative documentaries

16pt

lead over average for other channels for being the best for provocative documentaries

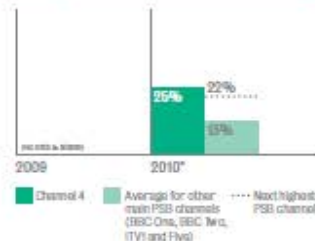
Level with last year



Is best for documentaries that present alternative views

12pt

lead over average for other channels for being the best for documentaries that present alternative views



Source: Ipsos MORI commissioned by Channel 4. Rounding differences may occur.

*New tracker statement for 2010. Data represents one wave of research only. No prior year data is available.



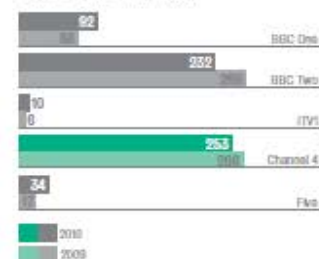
Programmes covering leisure, life-skills and hobbies

253hrs

of programmes covering leisure interests, life-skills and hobbies shown on Channel 4 between 6pm and midnight

5% on last year

Hours of originated programmes covering leisure, life-skills and hobbies shown on the main PSB channels between 6pm and midnight



Source: Attentional commissioned by Channel 4



Inspiring change through factual programming

68%

of viewers said that Channel 4's factual programmes inspired change in their lives

4pts on last year

Percentage of viewers who said that Channel 4's factual programmes inspired change in their lives (2010)



- Any inspiring change statement(s)
- It made me think about its subject in new and different ways
- It made me think about changing something in my own life
- I tried something new or different after watching this programme
- I talked about the programme to other people
- I looked for further information elsewhere after watching this programme

Source: Ipsos MORI commissioned by Channel 4

Spotlight on:



E4 plays an important commercial and creative role within Channel 4's portfolio. It is the home of some of our most exciting new comedy and drama, and is a favourite with the most elusive and fickle of all television audiences: 16–34 year olds. Despite an increasingly competitive market for young people's attention, 2010 was a record-breaking year for E4. It increased its overall share, remained the most popular digital channel amongst 16–34 year old viewers, won a raft of awards, including channel of the year at the Broadcast Awards and the Freetas Awards, and was responsible for some of the most talked about programmes on UK television – from *The Inbetweeners* to *Glee*.

E4's success stems in large part from its original commissions. These prove that young people have not lost interest in television – they just want content that they feel is relevant to

them. Despite a limited budget compared to the main channel, in 2010 we increased E4's hours of originations by 36% and the channel punched well above its weight in terms of impact. It remained the most popular digital channel for younger viewers, with audience share amongst 16–34 year old viewers ahead of any other digital channel and Five, with the gap closing on BBC Two.

The home for young comedy

In 2010 E4 strengthened its impressive reputation for new comedies, with series such as *PhoneShop* and *The Inbetweeners* attracting young audiences (see pages 49 and 50).

Contemporary teen drama

E4 has proved to be a successful launchpad for new ideas as well as demonstrating an ability to continually re-invent and re-energise

long-running drama series to keep them relevant and topical. The hugely popular *Skins* returned with a new series, tackling major social and personal issues such as mental illness and sexuality without sacrificing its sense of style and humour. *Hollyoaks* remained a high-profile show, premiering episodes from the main series as well as developing exclusive spin-offs – including an online drama, *Hollyoaks Freshers*, and late-night show *Hollyoaks Later*. Fans of E4 shows could also enjoy exclusive online content, video and games. The *Skins* site attracted a remarkable 55 million page views and 5 million video views in 2010 – with more than 2 million fans on its official Facebook page.

The best of US acquisitions

In addition to long-running US series such as *Scrubs*, *Big Bang Theory* and *One Tree Hill*, E4 brought British viewers the best new hits from America. This included *The Cleveland Show*, an animation that launched with great success in early 2010 and the musical drama *Glee*.

'E4 has been a trail-blazer... consistently entertaining, daring and different'

Broadcast

16–34 year olds

E4 is the digital channel 16–34 year olds feel closest to.

When asked to rate how close they feel to each channel, E4 is the digital channel 16–34 year olds feel closest to, based on a quantitative survey



The Inbetweeners

The third series of *The Inbetweeners* led to record-breaking audiences for E4 with an average audience of 4.1 million for every episode. The final episode was the channel's highest-rated show ever, averaging 4.2 million viewers, and the series helped E4's daily share amongst 16–34 year olds exceed 8% for the first time. The series won a string of awards in 2010, including the Rose d'Or for Best Sitcom, and is now being developed as a feature film.

Misfits

The BAFTA-winning series *Misfits* returned for a highly successful second series in autumn 2010, following the adventures of a group of ASBO teens as they came to terms with their superpowers. The comedy-drama doubled its first series audience and continued to explore innovative online approaches to storytelling – with new games, videos, Facebook and Twitter applications released every week to enable its fans to find out more about the characters and upcoming plot twists. A live Twitter interview with one of the characters became a UK trending topic. There were more than 10 million page views of the website on E4.com across the run of the second series and 280,000 plays of its immersive online game across the year.



Glee

Glee followed up its success in the US by quickly becoming a UK cultural phenomenon. It regularly beat both digital and terrestrial competitors, with its highest-rating episode averaging 2.8 million viewers. As with many of E4's shows, its online relationship with fans was as important as its on-air relationship, with 8.8 million catch-up views on 4oD, a website that attracted 4.2 million visits, hundreds of viewer comments from viewers on E4.com and thousands more across Twitter and Facebook. Audience research revealed that viewers identified strongly with *Glee*'s themes of social acceptance and that they found the series original and inspiring.



Most popular channels for young viewers

4.4%

viewing share for E4 amongst 16–34 year olds

1% on last year

Viewing share for the top 10 channels amongst 16–34 year olds as a percentage of total viewing by this age group

	Year on year change
BBC One	14.4 ▲ 3%
ITV1	13.5 = Level
Channel 4	9.2 ▲ 3%
BBC Two	4.5 ▼ 10%
E4	4.4 ▲ 1%
Five	4.1 ▼ 3%
ITV2	3.8 ▼ 4%
BBC3	2.8 ▲ 17%
CBeebies	2.3 ▼ 13%
Dave	1.0 ▼ 16%

Source: BARB



‘Channel 4 nurtures and takes a chance on young, bright talent and I am honoured to be part of its family’

Morgana Robinson

£122m

Comedy and Entertainment spend on originations and acquisitions broadcast in 2010

Comedy & Entertainment



Entertaining the nation is a serious matter for Channel 4. Hit comedy and entertainment shows are a vital part of defining our brand and our values, and provide some of our best-known faces. As with so much else we do, success in this area is about being distinctive – pioneering new formats, experimenting with new technology, finding and nurturing new talent, and taking the creative risks that other channels shy away from.



Our ambition is nothing less than to define comedy for a new generation. In 2010 this has meant investing significantly in new series, alongside the return of our four BAFTA-winning sitcoms and sketch shows. Commissioners spent much of the year piloting new ideas and developing new relationships with suppliers, and towards the end of the year a late upturn in advertising revenue meant we could bring forward the launch of several new comedy and entertainment titles. This included satire and sketch shows as well as entertainment 'event' formats that provide exciting ways for the digitally savvy to have fun online.

Comedy and entertainment will continue to be key areas of re-investment and renewal in 2011. While we will continue to be a home for distinctive 'cult' hits with dedicated communities of fans, we see part of our purpose as being to develop programmes that have the potential to break out and reach mainstream audiences.



Frankie Boyle's Tramadol Nights

The first solo series from the Glaswegian comic blended acerbic stand-up with absurdist sketches. Tackling social taboos in the realms of politics, disability and religion, the series set out to provoke and entertain in equal measure. While it polarised the audience, the first-night launch averaged more than 1.5 million viewers, demonstrating an appetite for comedy with the confidence to take risks. Made by a Scottish-based producer The Comedy Unit, and featuring one of Scotland's leading comedic talents, the programme also reflected our commitment to creative diversity.



'The Alternative
Election Night really
did have fresh policies
to offer'

The Independent



Alternative Election Night

Channel 4's Election coverage featured a special four-hour programme, hosted by David Mitchell, Jimmy Carr, Lauren Laverne and Charlie Brooker, which sought to give viewers an irreverent twist on the traditional results coverage on the BBC and ITV. Co-commissioned by the Comedy and Current affairs departments with the aim of engaging younger audiences with a political format, the programme enlivened the discussion of unfolding election results with comic perspectives. It proved to be a winning formula, peaking at 2.8 million viewers and beating ITV's more conventional coverage of the night's events. The programme proved especially successful in connecting with young people, with 45% of the audience aged 16-34, disproving the view that the young are disaffected with mainstream politics. We are developing this idea in 2011 with the launch of *10 O'Clock Live*, a 15-part weekly satire show made by the same team.

Alternative voices and breaking taboos

Comedy allows us to provoke debate and represent alternative views in different ways. Channel 4 has a long history of iconic, taboo-breaking shows, dating back to *Brass Eye* and *The 11 O'Clock Show*. In 2010 we set about re-asserting and refreshing our mischievous reputation, with Frankie Boyle's first solo series and *Alternative Election Night*, which offered satirical relief to viewers watching the General Election results.

Audience engagement and digital innovation

Digital innovation enables us to build audience participation into our programmes in new ways. The Entertainment department was one of the first in Channel 4 to integrate online commissioning, with highlights including Facebook games for *The IT Crowd* and *Pete Versus Life*. Digital media has helped us to revitalise live formats, allowing audiences to interact with programmes, and each other, as they watch. *Million Pound Drop* was a striking example of this kind of two-screen experience, which will continue to be a focus for innovation in 2011.

Comedy and entertainment programmes were also responsible for a significant amount of our on-demand viewing, with record-breaking audiences in 2010 for *The Inbetweeners*, *The IT Crowd* and *Facejacker*. We have experimented with ways of providing the fan communities of these comedies with more opportunities to access the programmes they love – with exclusive online premieres ahead of transmission (see page 72).

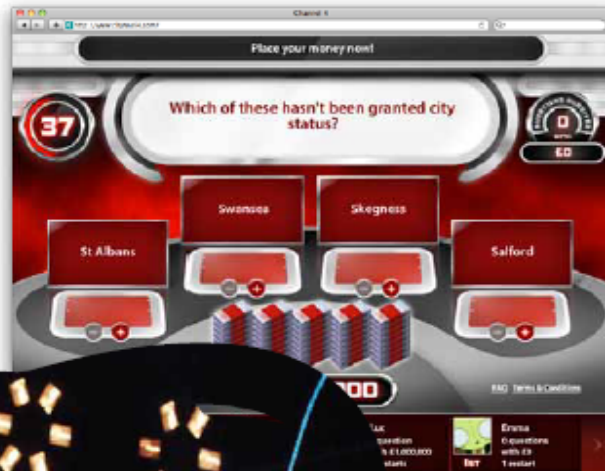
995,776

plays of *Million Pound Drop* game in second series



Million Pound Drop

A brand new entertainment format, *Million Pound Drop* was a live game show stripped across several nights. The series became a considerable hit, with a peak audience of 3.4 million viewers for its second series and the title becoming a number one global trending topic on Twitter. Retaining many traditional game show attributes, the live element, with questions based on events that had taken place on the day of each show, gave it a topical feel. An accompanying game became one of Channel 4's most successful online projects ever, with the second series attracting nearly 1 million individual players, and at its peak, more than 100,000 players a day. 7% of the programme's TV audience in October went online, compared with an average for that month of 3%. Few other broadcasters are combining online and television experiences in this way, and further two-screen experiments will be an important part of our future entertainment strategy.



Pete Versus Life



'It had me laughing out loud, frequently in fact'
The Independent

Launching careers

Channel 4 has launched the careers of many of UK television's most famous faces, and we are passionate about finding the next generation of comedy and entertainment stars. We have more talent schemes dedicated to comedy than to any other genre, with *Comedy Lab* trying out new emerging talent and *Comedy Showcase* providing a test-bed for new ideas. Beyond these schemes we gave new female comic Morgana Robinson her first solo series and *Comedy Gala* and *Stand Up for The Week* provided further opportunities for new and established stand-up talent to break through to new audiences.

We also provide well-known Channel 4 comedy faces with new opportunities across our schedule; for example, reinventing the identity of the BAFTA-winning *Fonejacker* in *Facejacker* and tripling its audience in the process. We are developing a feature film from *The Inbetweeners* television series and, as outlined on page 30, Film4 gave *Brass Eye*'s Chris Morris his directorial debut, with a script co-authored by yet more Channel 4 television talent, the writers of *Peep Show*.



Comedy Showcase

Channel 4's Comedy Showcase is a series of one-off comedy pilots aimed at pioneering new ideas and formats for Channel 4. In 2010 it found new series for Channel 4 (*Pete Versus Life*), E4 (*PhoneShop*) and the first ever comedy series for More4 (*The Increasingly Poor Decisions of Todd Margaret*), as well as the forthcoming *Campus* in 2011. *PhoneShop* is from a first-time writer and starred a talented but unknown cast. Set in a mobile phone shop in Sutton, this proved to be a cult hit amongst young audiences, with more than half of its viewers aged 16-34, and has been commissioned for a further series. *Pete Versus Life*, the story of a man whose every move is analysed by sports commentators, has also been re-commissioned and its star Rafe Spall has been cast to star alongside Anne Hathaway in Film4's *One Day*.



'the funniest sitcom on television'

The Daily Telegraph on Peep Show

Nurturing hits

Developing hit series and talent not only requires investment in new formats, but sometimes patience with existing ones. Our commitment to allowing a series the time and space to grow so it can build an audience, is proving successful. *Peep Show* started slowly but by 2010 had doubled its audience from its first series, and *The Inbetweeners* grew from an average audience of 500,000 in its first series to 4.1 million viewers for its third series in 2010. Other returning entertainment formats have continued to perform strongly, with *Alan Carr: Chatty Man* growing its audience in season four.



Key data

Channel 4's desire to do things differently is reflected in its comedy and entertainment output. Our audience tracker statements show audiences appreciated Channel 4's unique approach in 2010, while our focus on engaging younger audiences was reflected in the viewing profile of programmes in these genres.

24% of respondents chose the main channel as being 'best for cult comedy' in 2010, significantly ahead of all the other main PSB channels (BBC Two came second with 15%). 24% also regarded Channel 4 as being 'best for entertainment programmes you wouldn't see on other channels'. This again was significantly ahead of the average for the other

main PSB channels, and marginally ahead of the next highest channel, ITV1.

16-34 year olds accounted for a markedly higher proportion of viewing to entertainment and comedy programmes on Channel 4's main channel in peak-time than to corresponding programmes on the other main PSB channels.

As it seeks to encourage audience interaction online, Channel 4 was particularly successful in driving TV audiences for programmes in these genres to their websites (compared to its other genres). The conversion rate from TV audiences to programme websites rose by 65% year-on-year.

Channel reputations

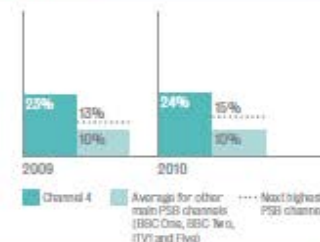
People who believed Channel 4 is the channel to which the following statements most apply...

Is best for cult comedy

14pt

lead over average for other channels for being the best for cult comedy

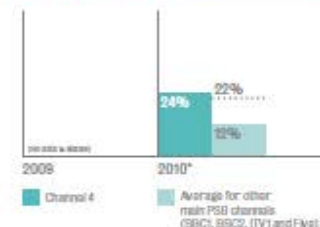
2pts on last year



Is best for entertainment programmes you wouldn't see on other channels

12pt

lead over average for other channels for being the best for entertainment programmes you wouldn't see on other channels



Source: Ipsos MORI commissioned by Channel 4. Rounding differences may occur.

*New tracker statement for 2010. Data represents one wave of research only. No prior year data is available.

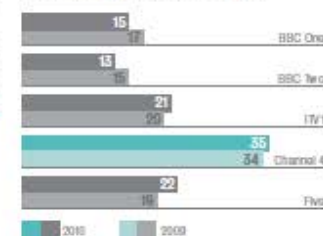
Comedy and entertainment viewing by young audiences

35%

of viewing to originated comedy and entertainment programmes on Channel 4 between 6pm and midnight accounted for by viewers aged 16-34

1pt on last year

Percentage of viewing to originated comedy and entertainment programmes on the main PSB channels between 6pm and midnight accounted for by viewers aged 16-34



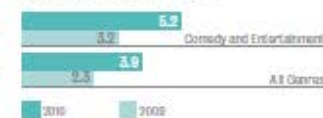
Source: BARB

Online engagement with Channel 4's comedy and entertainment content

5.2%

average conversion from TV to online across comedy and entertainment programmes on Channel 4

Conversion rate from TV audience to website visits in the comedy and entertainment genre compared to all Channel 4 programmes, %



Source: Channel 4

'Thank God for Channel 4 News
... utterly invaluable'

Time Out

£38m

News and Current Affairs
spend on originations and
acquisitions broadcast in 2010

News & Current Affairs

A commitment to fearless, challenging news and current affairs is central to fulfilling our remit to stimulate debate and provide a window on the wider world. With in-depth and challenging analysis of the biggest issues of the day and stories on important subjects that nobody else is covering, our journalism aims to deepen understanding of the modern world, give voice to those who would otherwise not be heard and inspire tangible change.



Channel 4 offers a distinctive approach to news and current affairs – with a greater focus on international stories, a willingness to challenge established views, and in-depth coverage of issues other broadcasters do not cover. In 2010 we set out to punch above our weight in terms of impact – with fewer, bigger current affairs films and more focus on powerful stories that herald real change. We regularly set the news agenda with our stories and garnered more RTS Journalism nominations than any other broadcaster.

With a long-established reputation for international news, we sought to strengthen our domestic output with more investigative journalism. This included penetrating analysis of the economic crisis, and investigations into some of the country's power elites, from politicians to media barons. We targeted new audiences, beyond the committed news-watchers, through programmes such as *Alternative Election Night*, a co-commission with our Comedy team. We increased our investment online, so that viewers could engage more actively with the news agenda and dig deeper into the issues they felt were most relevant to them.

Investigating the truth about contemporary Britain

Challenging established views and stimulating debate is a vital part of Channel 4's remit. In 2010 we increased investment in the kind of investigative journalism that goes beyond mere reportage to demand real responses from those in power. We presented exclusive stories about illegal workers in the NHS and exposed flaws in Ofsted reporting on allegations of child abuse. *Britain's Trillion Pound Horror Story* took a polemical look at the country's finances, and *What The Green Movement Got Wrong* challenged the conventional wisdom on how to respond to the big environmental issues of the day. *Dispatches* held politicians up to scrutiny and Jon Snow took Zac Goldsmith to task over his campaign expenses in a much talked-about interview on *Channel 4 News*.

'There's no doubting
Dispatches is on a
complete roll'
Sunday Express

17.4m

people watched *Dispatches*
in 2010 for at least
15 consecutive minutes



Dispatches

2010 was an outstanding year for investigations into UK domestic issues by flagship current affairs strand *Dispatches*. The decision to focus its budget on fewer, bigger films (from 38 first-run films in 2009 to 32 in 2010) enabled it to increase its investigative impact, with stories that regularly hit the headlines and shaped the news agenda. *Politicians for Hire* exposed inappropriate conduct by former Government ministers, a story that dominated the news agenda and led to two of the MPs involved being rebuked by the Commons Standards and Privileges Committee. *Dispatches* also explored some of the most sensitive areas of life in multicultural Britain, with a bold film on politics in *Tower Hamlets*, *Britain's Islamic Republic*, an exposé of inter-cousin marriage in the British Pakistani community in *When Cousins Marry*, and an undercover investigation of the plight of children in Britain's African communities in *Britain's Witch Children*.

Dispatches stimulated audience debate, generating nearly 10,000 comments on channel4.com across the year. We harnessed viewer engagement with supporting online content – for example, our season on numeracy, *Kids Don't Count*, featured an online maths quiz that compared players' ability with that expected of an 11 year old pupil. The quiz was played more than 200,000 times after the first programme and led to heated debate about teaching methods on Mumsnet and other internet forums.

Dispatches: Britain's Witch Children





'The first big social-media event of the election campaign'

Rory Cellan-Jones, BBC

Unpacking the economy

The British economy dominated the news agenda in 2010, and Channel 4 responded with a series of innovative live studio programmes that put the audience at the heart of the debate.

Ask the Chancellors saw the three men hoping to be in charge of the nation's purse strings set out their differences in the first televised debate of the Election campaign. This inspired considerable audience reaction, becoming a global trending topic on Twitter. Just before polling day we provided viewers with the facts behind the party leaders' claims on spending cuts in *What They'll Never Tell You* and, as Chancellor Osborne announced his spending review plans, we invited the audience to make their 'virtual' spending cuts on an interactive programme *How to Save £100 Billion Live*. Viewers at home played along online in a specially devised game, *Chop or Not*, and the results were fed live into the televised debate.

'Channel 4's current affairs output is often the best on British television'

The Daily Telegraph



Channel 4 News: Sri Lanka

For the second year running, *Channel 4 News* won the Amnesty Award for Television for its coverage of Sri Lanka's 30 year civil war. Despite being deported and banned from the country, the *Channel 4 News* team continued to pursue undercover investigations, with powerful testimony to the crimes allegedly committed by Government forces in the conduct of the war. A horrifying video that appeared to show Sri Lankan soldiers executing Tamils that had been broadcast by Channel 4 in 2009 and denounced by the Sri Lankan government as fake was declared, after extensive investigations by the UN, to be authentic. *Channel 4 News* subsequently obtained a longer uncut version of the film, which provided further information on the location and time of the incident and the names of those involved. This evidence, and the reports that followed it, have been instrumental in the establishment of a United Nations panel to gather evidence of possible war crimes in Sri Lanka.

Putting the world in focus

Channel 4 is renowned for its commitment to international stories, giving prominence to voices that are too often unheard in mainstream British media. Our *Unreported World* strand epitomises this approach and *Dispatches* also featured several award-winning international films in 2010, including *Afghanistan Behind Enemy Lines*, *Children of Gaza* and *Pakistan: City of Fear*. *The Slumdog Children of Mumbai* won a Rory Peck Professional Impact Award, having inspired viewers to send donations to the Mumbai charity it depicted, as well as money to support some of the orphans who were featured in the film.

Channel 4 News enhanced its reputation for international news stories with an investigation into the civil war in Sri Lanka and a special investigation into abduction and trafficking of women in Mexico, which prompted an investigation by US authorities. It also provided acclaimed coverage of Haiti in the aftermath of the earthquake.



Unreported World

The *Unreported World* strand gives British viewers the chance to find out about the millions of people around the world who live without basic human rights. It brings an alternative perspective to familiar news stories – such as Palestine and Afghanistan – and provides an insight into countries and societies that are neglected by mainstream journalism and utterly unfamiliar to most viewers. Its 20 films across the year included reports on child labour, the American exit from Iraq, overpopulation and witchcraft. In *Malawi's Child Tobacco Workers* and *Afghanistan's Child Drug Addicts* we looked at the plight of vulnerable children. *Zimbabwe's Blood Diamonds* revealed how Robert Mugabe's Zanu PF party uses gems from the world's biggest diamond fields to buy the military's loyalty. Increased investment gave *Unreported World* a strong online presence, with exclusive clips and behind the scenes interviews on the main Channel 4 site as well as a presence on Facebook.

'Compelling brave film-making'

The Daily Telegraph



Unreported World: Pakistan's Terror Central

Engaging audiences online

In recognition of the particular social impact and immediacy of online journalism, Channel 4 invested more of its online budget in news and current affairs in 2010 than in any other genre. As well as providing a forum for online comment on its programming, *Channel 4 News* launched an improved website, increased the use of social media and promoted key investigative online brands such as FactCheck. News video was made available on mobile platforms, iPads and other tablets.



Channel 4 News Online

The *Channel 4 News* website was relaunched in September 2010, with a sharper focus on the expertise and experience of the *Channel 4 News* team, particularly in the field of international affairs. As well as special online reports and in-depth analysis of key issues, we sought to give the audience a stronger, more personal relationship with the programme and its presenters through use of blogs and social media. Around 30,000 people follow the main *Channel 4 News* Twitter account and Factcheck doubled its audience in 2010 as a result of its relaunch as a blog. It achieved some significant successes, for example forcing Prime Minister Gordon Brown to admit he had quoted a wrong figure for the defence budget at the Iraq Inquiry after the site investigated his claim. The service was noted by the House of Commons library as a useful resource for political statistics and research. The relaunch of the overall site proved highly successful – with visits in the final quarter of the year up 41% from 2009 and video views up 273%.

9,792

viewer comments on
channel4.com for *Dispatches*

'Factcheck...
is an invaluable
service'
Evening Standard



Key data

Channel 4 News was watched (for at least 15 consecutive minutes) by an average of 11.2 million people each month in 2010. It was disproportionately popular amongst young and Black, Asian and Minority Ethnic news viewers. Annual viewing trends showed a mixed pattern: viewing fell by 2% overall. While the proportion of the *Channel 4 News* audience represented by young people rose by 5 points, there was a 2 point decline in the proportion of BAME audiences.

According to regular viewers to each of the main news bulletins, *Channel 4 News* continued to be regarded as more independent – from the Government and from the influence of big businesses – than the other main providers of TV news in 2010.

Extended running times enable topical issues to be covered in greater depth. Across the year, *Channel 4* showed 279 "long-form" news and current affairs programmes – defined as those running for more than 45 minutes – in peak time (6–10.30pm), more than the combined number on the other main PSB channels. The number of these programmes rose by 9% in 2010, with new series such as *Coppers* and *Tower Block of Commons* more than offsetting a small decline in the number of editions of *Dispatches*.

Independence of TV news

83%
of *Channel 4 News*
viewers regard it
to be independent
from Government

Percentage of regular viewers to
TV news programmes in 2010 who
agree with the following statements:

Year on year change	
BBC News	85
ITV News	89
Channel 4 News	83
Five News	89
Sky News	77

'It is independent from the
influence of big businesses'

Year on year change	
BBC News	88
ITV News	58
Channel 4 News	72
Five News	57
Sky News	80

Source: Ipsos MORI commissioned by Channel 4
Rounding differences may occur

Audience reach of *Channel 4 News*

11.2m
people watched
Channel 4 News
each month

Percentage of TV news viewers
who watch *Channel 4 News*

All news viewers	
2010	25
2009	26
News viewers aged 16-34	
2010	27
2009	26
BAME news viewers	
2010	30
2009	33

Source: BARB

Viewing to National News

23%
of viewing to
Channel 4 News
programmes on the main channel
in 2010 accounted
for by viewers aged 16-34

Percentage of viewing to national news
programmes on the main PSB channels
in 2010 accounted for by viewers aged 16-34
and BAME viewers

Viewers aged 16-34		Year on year change
BBC One	10	Level
BBC Two	14	2pts
ITV1	11	1pt
Channel 4	23	3pts
Five	12	1pt

BAME viewers		Year on year change
BBC One	4	Level
BBC Two	7	1pt
ITV1	4	1pt
Channel 4	10	2pts
Five	5	2pts

Source: BARB

Commitment to long-form journalism

279
long-form news
and current affairs
programmes in peak

Number of news and current affairs
programmes with a duration of 45 minutes
or longer shown on the main PSB channels
between 6pm and midnight

TOTALS		
2010	58	114
2009	67	133
2010	63	228
2009	53	207
2010	77	14
2009	88	14
2010	279	280
2009	257	280
2010	141	141
2009	74	74

Peak (6-10.30pm) Post-peak (10.30pm-midnight)

Source: Channel 4, BARB (other channels)

'The Channel 4 Education slate consists of imaginative and engaging games and web projects... and highlights some of the UK's best indie games and creative talent'

The Guardian

£9m

2010 spend including online projects and broadcast schools programming

Education & Older Children



Alongside the compelling educational content shown across the schedule, we have a special responsibility to provide educational and schools-related material for teenagers. From 2010 we also have a new remit to cater for older children and young adults. We aim to connect with these audiences by wrapping educational subjects – from Second World War history to sexual health advice – within entertaining, playful and immersive formats that feel relevant to young people.

Online games, video and websites formed the focus of our 2010 investment in educational and schools-related projects for 14–19 year olds, addressing issues that affect young people's lives and using participative tools to inspire and promote life-skills.

In recognition that a linear morning schools schedule is not always the most effective way to reach young people, agreement was reached with Ofcom that the schools quota applying to the main channel should be reduced to a nominal level, with investment for 2010 focused on digital projects across a range of platforms.

The year also marked the introduction of a new remit to cater to older children and young adults, recognising that this group is particularly underserved with high-quality UK content. We decided to integrate this responsibility into one department, as we believe the 10–14 year old age group faces similar issues and consumes media in similar ways to the older teenagers we already cater for.

Our Education team also played an important role in bringing new digital talent to Channel 4 – by giving emerging digital developers their first national network commissions, and by working with groups who are currently under-represented in the digital media sector, including women and those from minority ethnic backgrounds.

Making education relevant

As with our specialist factual programming outlined earlier in the report, Channel 4's online education projects sought to make specialist educational subjects engaging and relevant. The web game *303 Squadron* was based on the diary entries of the Polish soldiers who fought for Britain in the Second World War. The game, which was complemented by a primetime documentary, *The Untold Battle of Britain*, presented wartime history in a way designed to appeal to younger audiences.

There was also a greater focus this year on informal learning, with projects exploring issues that affect young people's lives, in particular the transition from teenager to adulthood. Promoting life-skills was a major theme, with a project to help young people gain emotional resilience, *SuperMe*, and an online comic *Alien Ink* (a first-time commission from Pressure Comics) which featured storylines about real-life pressures experienced by teens today, from relationships and parents to sex and alcohol. *The Curfew*, a groundbreaking game set in a fictional modern Security State, aimed to introduce young people to issues of privacy and civil liberties. The game won two British Interactive Media Awards, including Best Educational Project.

62%

of users surveyed said that they learned something new from *SuperMe*



SuperMe

An interactive format exploring mental health and resilience, *SuperMe* uses quizzes, videos, celebrity interviews and games to teach young people about emotional resilience and the best ways of dealing with challenges that life may throw at you. Audience research demonstrated both the popularity and impact of the project – with 62% of users surveyed saying that they learned something new from *SuperMe*, 73% saying that they would recommend it and 75% saying that the quizzes on the site made them think about their actions.

'SuperMe breaks down barriers and shows teenagers that it is ok to talk about their emotions'

Sarah Brennan, YoungMinds



Privates

Privates was a downloadable sex education game designed to educate users about STIs and contraception. A first-time commission from Liverpool-based games developer Zombie Cow, the game was specifically targeted at post-pubescent boys, a group that is notoriously hard to reach with educational content, and particularly medical information, but who are active users of computer games. Channel 4 gave copies of *Privates* away with gaming magazine PC Gamer, enabling us to reach users that educational providers may not otherwise reach. Online the game attracted more than 85,000 downloads and also won a BIMA for Best Game.

Empowering young people

Using interactive media to turn viewers into active participants has remained a vital element of our strategy in 2010 – with projects such as *Battlefront* aimed at harnessing the power of digital tools to inspire action and tangible social change.

Reaching new audiences

Channel 4's authenticity of voice and its commitment to tackling difficult subjects enables it to connect with young people in particularly effective ways. Engaging audiences that formal education providers may find hard to reach was a central objective in 2010 – whether it was commissioning projects for older children, targeting boys with sexual health advice or engaging 'reluctant readers'.



Battlefront

The award-winning political participation project returned for a second season, following 12 teenagers as they campaigned on issues close to their heart – from our attitudes towards disability to bullying in schools. Highlights included getting celebrity backing for a campaign against airbrushing and several campaigners meeting the Prime Minister at Number 10. The project featured a dedicated online hub that tracked the progress of the campaigners, including blogs, videos (which generated over 90,000 views in 2010), Facebook and Twitter activity. The site also gave the audience a platform to set up their own campaigns, including advice on how to make the most impact. Qualitative research on the project showed it can be effective at making people think about things differently, with 18 out of 20 respondents strongly agreeing that "*Battlefront* has helped me realise that there are lots of things that young people care about". 11 out of 20 strongly agreed that "as a result of visiting *Battlefront* I've become more interested in certain causes or issues". As the project evolves it will seek fresh ways of maximising its impact and extending its reach, including through television exposure.

'Battlefront is fronted by a range of spirited young enthusiasts, each with a different passion'

The Daily Telegraph



We will continue to seek new ways for our education projects to reach new groups, including harnessing the power and reputation of the Channel 4 brand amongst young people, in order to increase impact. We will be tying more commissions in with our programming themes and will look to partner with brands such as *T4* and *Hollyoaks* that already have a strong presence with the teen audience.

'Channel 4 have been completely amazing... There's pretty much free reign to be as blisteringly creative as you like'

Dan Marshall, Founder, Zombie Cow Studios



Older children

The Digital Economy Act has for the first time given Channel 4 a remit to provide content to older children, who are broadly underserved with high-quality UK content. We define this group as those within the 10-14 year old age group. In 2010 we commissioned research into the habits and pastimes of this group discovering, that, as with older teens, we can engage them effectively through games and online activity. In 2010 we started to commission educational formats for this younger audience. The results will mostly be seen in 2011, but the media literacy game *Cover Girl* was an early example - launching at the end of the year and allowing young girls to explore for themselves the way photographs and adverts in magazines are airbrushed and adjusted. Players were invited to 'enhance' photos for a fictional fashion magazine, encouraging a better understanding of the methods used by magazines and advertisers to sell beauty products.



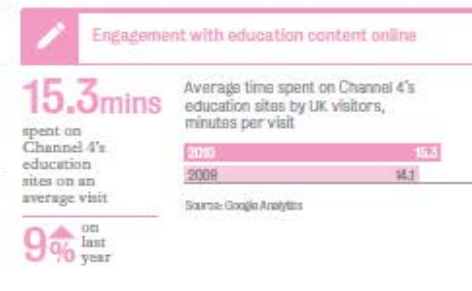
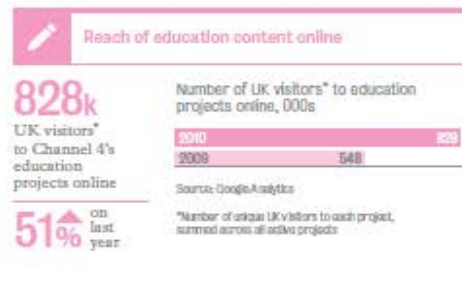
Key data

Reflecting Channel 4's focus on delivering its Education commitments for young people through digital media, we have developed new measures that assess engagement with these online projects. In 2010, eight new Education projects were launched, and a further eight from previous years continued to be available. The number of unique UK visitors, summed across these projects, was just over 828,000, a 51% increase on the corresponding 2009 figure. This substantial rise was due both to the larger number of projects (just four were launched in 2009, with another four available from 2008) and to a 26% rise in the average number of UK visitors per project.

"Dwell time" measures how long visitors spent online for those projects that had websites (all projects other than *Privateer*, which was a game offered as a download). In 2010, the average dwell time for the Education projects exceeded 15 minutes per visit, 9% higher than the 2009 figure.

Evolving the way we assess and understand our online impact will be an area of focus for Channel 4 going forward. We hope to develop additional Education measures as part of this work.

Note: the key measures exclude a 2008 project, *Bow Street Runner*, for which complete and reliable data are not available.



Spotlight on:

International

Channel 4's new remit includes a responsibility to reflect the wider world. Most prominently we do this through our news and current affairs programming, which brings British viewers coverage of the most pressing international issues. This includes our daily *Channel 4 News* programme and around 60 hard-hitting documentaries in *Unreported World* and *True Stories*. Channel 4 aims to do more than just report from international battlegrounds, though – we want to examine and celebrate foreign cultures in all of their diversity, and stimulate curiosity about the wider world across the whole of our schedule.

In 2010 our output included original drama commissions such as *I Am Slave*, engaging factual entertainment formats such as *Gordon's Great Escape* and *My Family's Crazy Gap Year*, and the best of international cinema showcased on the Film4 channel. We increased our output of first-run international programmes in 2010, showing 65 hours of first-run programmes covering international topics on the main channel and 71 hours of *True Stories* on More4 – a combined total of 136 hours of first-run originated programmes across Channel 4 and More4, in addition to an extensive range of feature films on Film4.



Film4: World Cinema
The Film4 channel's commitment to world cinema was demonstrated this year with award-winning international films and a regular slot highlighting the world's greatest auteurs – including classics from Jean Renoir, Ingmar Bergman and Yasujiro Ozu. Across the schedule the channel featured films from countries as diverse as Japan, Russia, Mali, South Korea, Argentina, Greece and Kazakhstan.



Range of international programming

136hrs

of first-run programmes covering international topics on Channel 4 (excluding news) and *True Stories* on More4

3% on last year

Genres covered by international-themed originations on Channel 4 (main channel) as a percentage of total first-run hours



Source: Channel 4
Rounding differences may occur

Key:

- Film and drama
- Factual
- News & Current Affairs (excluding daily news)



Indian winter season



In a season that sought to explore India, we brought together film, news & current affairs and factual programming, examining its rich culture, culinary traditions and the human stories that shape one of the world's most diverse and captivating countries. In a survey commissioned by Channel 4, 68% of season viewers agreed that Channel 4 is the leading TV channel for raising awareness of global issues.

True Stories Mugabe and the White African



The *True Stories* strand on More4 showcases the best of international documentaries, 52 weeks a year. 2010 saw the strand increase its audience by 21% and show a range of critically acclaimed films. This included multi-award winning *Mugabe and the White African*, which followed one brave family's attempt to protect their farm and workers during Mugabe's violent 'Land Reform' programme.

My Family's Crazy Gap Year
Six ordinary British families uproot to travel the globe in search of life-changing experiences. From Nepal to South Africa, Cambodia to Australia, this observational series captured their travels on camera as they swapped the day-to-day grind and conventional routines for treks and adventures in exotic and remote corners of the world.

Our audience is at the centre of everything we do. We aim to produce high-quality public service content with a broad appeal, while also catering to diverse groups within society. Across the year we sought to extend our impact on all our audiences and across all platforms, with digital channels and new online services affording viewers a chance to engage with us, and each other, in new ways.

A photograph of a busy hospital corridor. In the center, a nurse in a dark blue uniform with a gold medal stands smiling, holding two green folders. To her left, a group of women are holding and lifting their babies. In the foreground, a baby is lying in a clear plastic crib, reaching out. To the right, a man in a red shirt sits in a chair, looking up. In the background, other staff and patients are visible, including a woman holding a baby high in the air. The scene is brightly lit with a cool blue tint.

**Engaging
the
audience**

We measure audience engagement with Channel 4's content in a variety of ways, from the big picture figures of TV viewing and online visits, to the personal feedback we get from individual viewers and the audience research outlined in this report.

Television

Television remains a hugely powerful and popular medium, and Channel 4 continues to be important to its viewers. Total TV viewing was resilient in 2010, and Channel 4 remained the third most viewed broadcaster in the UK after the BBC and ITV.

Almost 90% of television households watched Channel 4's TV channels every month in 2010 (for at least 15 consecutive minutes of viewing) and average daily viewing of Channel 4's programmes rose slightly year-on-year.

But as digital switchover increased competition for viewer attention, our overall portfolio share fell slightly to 11.4% – down from 11.5% in 2009. It was an especially challenging year for the main channel, which saw a 6% decline in viewing share, reflecting

'What a brilliant, powerful story'

Viewer comment on Mo



Audience Reach

87.8%

of all TV viewers reached every month across Channel 4's TV channels

0.3pts on last year

Average monthly reach of public service broadcasters' TV portfolios

2010	85.8	BBC
2009	85.5	
2010	92.0	ITV
2009	91.8	
2010	87.8	Channel 4
2009	87.5	
2010	71.1	Five
2009	69.4	

Percentage reach of individual TV channels in Channel 4 portfolio

2010	82.1	Channel 4
2009	81.8	(main channel)
2010	38.8	E4
2009	40.1	
2010	38.4	More4
2009	35.0	
2010	31.7	Film4
2009	29.2	
2010	10.3	4Music
2009	10.0	

Source: BARB, 15 minute consecutive, average monthly reach, all people

Channel 4 (main channel) includes Channel 4+1 but excludes SAC. In all charts sourced from BARB in this section, figures prior to 2010 have been restated to exclude SAC



TV viewing share

11.4%

viewing share across the TV channel portfolio

1% on last year

Channel 4 portfolio share as a percentage of total TV viewing

	Channel 4 (main channel)	Digital channels	Total (%)
2010	7.0	4.4	11.4
2009	7.4	4.1	11.5
2008	8.1	3.7	11.8
2007	8.6	3.1	11.7
2006	9.6	2.3	11.9

Viewing share of digital channels as a percentage of total TV viewing

	E4	More4	Film4	4Music/The Hits	Total (%)
2010	1.6	1.1	1.2	0.5	4.4
2009	1.7	1.1	1.0	0.3	4.1
2008	1.6	0.9	0.9	0.2	3.7
2007	1.5	0.7	0.8	0.1	3.1
2006	1.5	0.6	0.4		2.5

Source: BARB

Data for Channel 4 includes Channel 4+1 and excludes SAC (see note above)

Rounding differences in the charts are due to reporting of channel shares and totals to one decimal place



Shameless

declining audiences to some of our longer-running series as well as the challenges faced by all other terrestrial channels from multi-channel competition.

Our digital channels grew their share by 8% in 2010. Film4 had a particularly strong year: its eclectic mix of films is especially popular on Freeview, contributing to a 25% growth in viewing. E4 also enjoyed significant growth, of 6%, although the 1% rise in viewing to More4 was not as strong as in previous years.

Medium-term trends show the important role played by the digital channels, with Channel 4 the only public service broadcaster to have grown its portfolio share over the five years up to 2010.

Channel 4's distinctiveness is derived in large part from our original content. The highest-rated shows in 2010 reflect the diversity of our original output, including entertainment programmes such as *Big Brother*, dramas such as *Shameless* and *Mo*, and factual content such as *My Big Fat Gypsy Wedding*, *Embarrassing Bodies* and *One Born Every Minute*. Original content commissioned by the network filled 53% of the hours on the main Channel 4 service, E4 and More4 and accounted for a disproportionately high 66% of total viewing across these channels.



Average daily television viewing

28mins

average daily viewing of Channel 4's TV channels

2mins on last year

Average daily minutes of viewing to the public service broadcasters' TV channels

47	41% less	BBC
35	26% less	ITV
21	18% more	Channel 4
10	29% less	Five

Viewers aged 16-54 (upper bars)
All viewers (lower bars)

Source: BARB

*Viewing by 16-54 year olds compared to viewing by all viewers

Data for Channel 4 includes Channel 4+1 and excludes SAC (see note on Page 70)



Medium-term viewing trends

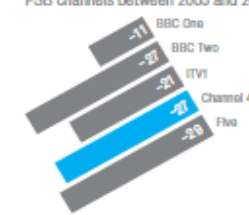
5%

growth in TV channel portfolio viewing share over the last five years – the only public service broadcaster to have grown its portfolio share over this period

Percentage change in viewing to the public service broadcasters' channel portfolios between 2005 and 2010



Percentage decline in viewing to main PSB channels between 2005 and 2010



Source: BARB

Data for Channel 4 includes Channel 4+1 and excludes SAC (see note on Page 70)



Viewing to network originations

66%

of total viewing across the main channel, E4 and More4 accounted for by network originations

Percentage of total TV viewing accounted for by network originations on Channel 4's TV channels

	Main channel	Digital channels	Total (%)
2010	5.1	1.5	2.9
2009	5.4	1.4	2.6

Network originations
Main channel
Digital channels

Source: Channel 4, BARB

In the chart, the digital channels are E4, More4, Film4 and 4Music. The main 66% figure is based on viewing to the main channel, E4 and More4 and excludes viewing to Film4 and 4Music

Data for Channel 4 includes Channel 4+1 and excludes SAC (see note on Page 70)

'A big thank you for broadcasting this wonderful, thought-provoking documentary'

Viewer comment on Amish: World's Squarest Teenagers

Digital media

Online viewing of our programmes rose significantly in 2010, as we continued to offer more ways to allow audiences to watch what they want, when they want. We extended the availability of our programming onto two new platforms in 2010, SeeSaw and PS3, alongside the likes of YouTube and channel4.com. Across all platforms, 31 million streams of full-length Channel 4 programmes were initiated each month on average in 2010; a total of 372 million views over the year. This was a remarkable 71% increase on 2009. The most popular programmes on our 4oD service were series aimed at younger audiences – *The Inbetweeners*, *Hollyoaks*, *Big Brother*, *Skins* and *Glee*. The latest series of *The Inbetweeners* achieved nearly 8 million views on channel4.com alone across the year, and broke our record for the number of on-demand views of a single episode in a single day. 4oD also proved to be a valuable way of engaging loyal audiences with their favourite content in new ways (see right).

Our online strategy is about much more than providing new ways of delivering television programmes. We also invest in exclusive online content to enhance our programmes and provide a range of specialist sites tailored to the interests of our viewers. Engagement online increased significantly in 2010 – with our websites attracting more than 30 million visits each month on average, equivalent to 360 million visits across the year; a 56% increase on 2009. Page views were up 34% on 2009, with an average of 136 million page views each month. We generated 652,000 comments on channel4.com and E4.com and the conversion rate from TV audiences to website visits averaged 19% – up 6 points from

Making Channel 4 programmes available on demand

372m

full-length programme views initiated on demand

71% on last year

Average monthly full-length Channel 4 programme views initiated, millions

	2010	2009	Total (m)
2010	26.6	1.4	28.0
2009	17.5	0.8	18.2

Programmes other than Big Brother

Big Brother

Source: Channel 4
Rounding differences may occur



4oD and The IT Crowd

Viewers of *The IT Crowd* were given the opportunity to view an exclusive online premiere of the first episode of the new series before it was broadcast on Channel 4. 168,000 people registered to view it, with a remarkable 69% of these "superfans" stating that they watched the episode again when it was broadcast. Experimenting with online premieres enables Channel 4 to build anticipation around key series and reward fan loyalty, and later in the year we launched new series of *Phone Shop* and *Peep Show* in a similar way. By asking viewers to register to watch the previews, we also gain insights into who they are and how we may be able to engage with them further. Developing this in-depth understanding of our viewers will be a strategic priority for Channel 4 in the future.

2009. *Skins* had the highest conversion rate in 2010 – with 40% of the television audience going on to visit the website.

Our online investment in 2010 prioritised multiplatform content. From *Million Pound Drop* to *Seven Days*, we gave users the opportunity to immerse themselves in the lives of characters, connect with other viewers, share information and contribute ideas. We added to the quality of viewers' experiences with exclusive online material, including videos, interviews, music and games.

Digital innovation fund 4iP commissioned a range of critically acclaimed projects, including *Such Tweet Sorrow* and *Papa Sangre*. In 2010 we announced moves to integrate Channel 4's online activities more closely with content commissioning, to maximise our impact across platforms. As part of this, Channel 4 merged 4iP into the wider online team at the end of 2010. We believe these changes will allow us to deliver greater impact with our digital content.

Catering to diverse audiences

Channel 4's remit requires it to commission content that specifically appeals to the tastes and interests of a culturally diverse society. Across the year we sought to reflect the lives and interests of people from different backgrounds, but in ways that also engage a wider audience. Our output in 2010 included a range of programming aimed at hard-to-reach groups including young adults, ethnic minorities and disabled people.

Ethnic minorities tend to be particularly high consumers of digital TV channels. As a result, viewing by BAME audiences to the public service broadcasters' channels is less than the viewing levels to those channels by the general population. In 2010 there was a smaller fall-off in viewing amongst BAME audiences to Channel 4's portfolio

'watching #millionpounddrop on Channel4, what a great quiz show. Playing along in tandem online is fun too'

Twitter comment on Million Pound Drop

Engagement with Channel 4 content online

360m

visits to Channel 4's websites

56% on last year

Average monthly visits to Channel 4's websites, millions

	2010	2009	Total (m)
2010	28.9	3.1	32.0
2009	17.4	1.8	19.2

Visits that do not include Big Brother

Visits that include Big Brother

Average monthly page views, millions

	2010	2009	Total (m)
2010	119	18	136
2009	82	10	92

Sites other than Big Brother

Big Brother

Source: Channel 4

Data for 2009 has been restated to include Amish.com and 4iP.com. Rounding differences may occur

Data for Channel 4 includes Channel 4+1 and excludes SAC (see note on Page 70)

Engaging Channel 4 viewers online

652k

comments on channel4.com and e4.com*

Programmes with most submitted comments on channel4.com and e4.com (2010)

Site	Comments
Big Brother	433,497
Embarrassing Bodies	33,394
Skins	32,064
The Sex Education Show	17,406
Seven Days	14,200
Dispatches	9,792
Hollyoaks	6,299
One Born Every Minute	6,103
Come Dine With Me	6,034
Channel 4 News Blog	5,079
Total for top 10 sites	563,867

*Only 9 months of data available for 2009 so full year-on-year comparison not possible

19%

average conversion rate from TV to online across the Top 10 programmes

6pts on last year

Channel 4 programmes with the highest conversion rate from TV audience to website visits (2010)

Site	Visits (000s)	Conversion from TV*
Skins	5,484	40.1%
Peep Show	2,756	29.6%
Misfits	2,618	25.6%
Gordon Ramsay's Cookalong USA	187	21.1%
Facejacker	1,414	17.1%
The IT Crowd	2,551	14.8%
The Morgana Show	542	13.5%
Ugly Betty	3,051	13.5%
Frankie Boyle's Tramadoc Nights	817	10.0%
The Ricky Gervais Show	1,305	9.7%

Source: Channel 4, BARB, third-party online service providers

*Visits per TV viewer per transmission. Not directly comparable with data in 2009 report; see methodology document for more details

than those of the other public service broadcasters. However, the main channel's share did fall from 2009, and going forward we hope to improve our share by developing engaging ways of reaching different ethnic groups, as we discuss on pages 19–20.

We also sought to cater to viewers with disabilities – both by creating programming that explored their lives and interests, as well as ensuring that our programming is as accessible as possible to the hearing and visually impaired. Beyond our formal quotas, Channel 4 made a voluntary commitment to provide subtitling on 100% of programmes on all channels by the beginning of 2011; and to provide audio description on 20% of programmes on all channels (compared to a statutory quota of 10%).

We retained our strong relationship with young audiences, a group that is traditionally hard-to-reach with public service content. We were the only public service broadcaster whose channels were viewed more by 16–34 year olds than by the general population, and we were the only public service broadcaster to have grown our share of that audience over the last five years across our whole portfolio of channels.

Overall, viewers regard Channel 4 as the lead broadcaster catering for audiences that other channels don't: in tracking studies conducted over the course of 2010, Channel 4 was 14 points ahead of the average for the other PSB channels and 11 points ahead of the nearest competitor, Five.

Reflecting audience opinion

During the year, our Viewer Enquires Centre was contacted 170,000 times, the majority being requests for further information. The remainder were a mixture of complaints (17,669) and appreciative comments (4,362). The single most praised programme was a *Channel 4 News* report on threats to Ahmadi



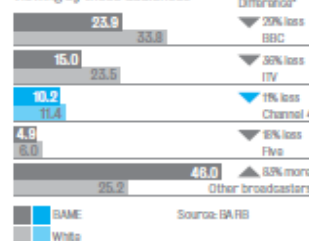
Viewing by ethnicity

10.2%

portfolio viewing share amongst BAME audiences

8% on last year

Public service broadcasters' portfolio viewing shares amongst white and BAME audiences as a percentage of total TV viewing by those audiences



Data for Channel 4 includes Channel 4+1 and excludes SAC (see note on Page 70)

*Viewing by BAME audiences compared to viewing by white audiences

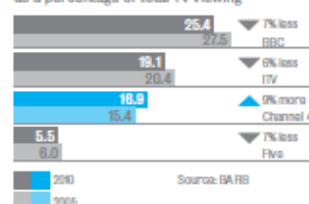


Medium-term trends in viewing amongst young audiences

9%

growth in portfolio viewing share amongst 16–34 year olds over the last five years

16–34 year olds' viewing share of the public service broadcasters' channel portfolios as a percentage of total TV viewing



Data for Channel 4 includes Channel 4+1 and excludes SAC (see note on Page 70)

Channel reputations

People who believed Channel 4 is the channel to which the following statements most apply...

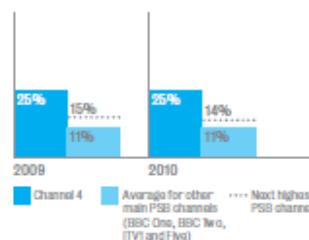


Caters for audiences other channels don't cater for

14pt

lead over average for other channels for catering to audiences that other channels don't cater for

1pt on last year



Muslims, while the most criticised was an advertisement for the Marie Stopes Clinic. *Dispatches: The Children of Gaza* attracted over 100 appreciative comments, while *Britain's Islamic Republic* prompted 50 positive comments and 833 complaints. *Frankie Boyle's Tramadol Nights* saw 56 viewers contacting us to express their appreciation and 701 to do the opposite. Other programmes and issues that received significant numbers of complaints included *The Godfather III* (following a technical hitch), the decision not to continue with the daily version of *The Daily Show*, and *The Taking of Prince Harry* (for which the majority were received before the programme transmitted). Notably appreciated programmes included *This is England '86*, *Mo, Amish: World's Squarest Teenagers* and *How to Look Good Naked... With a Difference*.

We also monitor audience comment on social media. *Big Brother*, *Skins*, and *Embarrassing Bodies* generated particularly high volumes of comments on channel4.com. Channel 4 programmes were also active on Twitter during 2010, with *Million Pound Drop* seeing nearly 50,000 tweets as the audience played along with the online game. *Misfits*, *Big Brother*, *Seven Days* and *The Inbetweeners* also inspired high levels of discussion on the platform.



Seven Days

Seven Days sought to break down the wall between television and its audience, using social media to allow viewers to interact with, and influence, the programme's real-life participants. These interactions were then reflected back into the programme itself. This approach inspired high levels of online engagement, with viewers enjoying the opportunity to discuss and become part of the lives of the people they were watching. More than 8% of the television audience went online to the programme's website and during its run, the series was one of the most talked about Channel 4 programmes on Twitter. Over one week the programme attracted 10 times as many comments on channel4.com as another popular show, *Embarrassing Bodies*.

'Thank you for Gok Wan's programme; helping disabled people learn to love themselves again'

Viewer comment on *How To Look Good Naked... With A Difference*

'C4 should be applauded for taking a risk where other broadcasters perpetually play it safe'

Broadcast