CHANNEL 4 ANNUAL REVIEW 2007

1. Major Themes in 2007

Channel 4 experienced mixed fortunes in its 25th anniversary year. After bucking market trends in recent years to hold its audience in the face of increasing multichannel competition, the core channel suffered its first significant loss of share, from 9.8% to 8.7% year-on-year. The decline in peak was less severe, from 9.7% to 9.1%. The multichannel and multiplatform strategy and an entirely free-to-air digital channel offer brought share across all Channel 4 services close to 2006 levels and, at 11.8%, comfortably above the 11% target set in the 2007 Statement of Programme Policy.

Nevertheless, the overall trend is inescapable. With audience fragmentation Channel 4 must work even harder to attract audiences, particularly in the ABC1 and 16-34 groups, whilst sticking to the values and ambitions that distinguish it from others in an increasingly crowded market.

Channel 4's values and ambitions – to innovate, experiment and challenge were much in evidence during 2007. Examples range from the *Lost for Words* season, to *Channel 4 News* coverage of Iraq, Iran and China, to programmes as diverse, contrary and thought-provoking as *The Mark of Cain, Britz, The Lie of the Land, The Great Global Warming Swindle, Seven Sins of England* and *Exodus from Margate.* Innovation in drama and comedy is always particularly risky, but *Skins* and *Fonejacker* were breakthrough successes during 2007.

The Channel proved its commitment to new talent by investing £4.9 million in strands ring-fenced for new talent as well as supporting a wide range of new talent training schemes. On the main channel alone Channel 4 commissioned more new titles (175) and worked with more suppliers (312) than any other broadcaster.

The four key themes identified for 2007 were challenging political, social and ethical subject matter; strong and distinctive authorship; support for new talent; and new formats and cross-genre initiatives. These were achieved across the Channel 4 portfolio, and are reported on in more detail below. Channel 4 spent £528.6 million on programmes for the core channel, significantly more than promised in the 2007 Statement of Programme Policy, with an additional £23 million on new media and £96.4 million on digital channels More4, E4 and Film4.

Take-up of Channel 4 content via new media expanded considerably. The relaunch of the news and current affairs website increased use by 35%, and in the first full year of 4oD more than 2.3 million households accessed the tv service, and 0.8 million used the pc service to view over 77 million items.

Many of Channel 4's achievements were overshadowed by the controversy surrounding *Celebrity Big Brother* early in the year. Thousands of viewers complained about alleged racism and bullying. Ofcom sanctioned Channel 4, ruling that it was not wrong to broadcast the material but that there should have been more contextualising and reprimands for the housemates. Channel 4 accepted that mistakes had been made, and after a comprehensive inquiry, new referral and intervention processes were put in place for future series.

Channel 4 was caught up in the wider industry crisis over premium rate phone competitions, and was found to be in breach of the Ofcom Broadcasting Code in its conduct of viewer competitions. Channel 4 was fined £1 million in relation to *You Say, We Pay* and £500,000 in relation to *Deal or No Deal*. During the year, in addition to offering a refund to all viewers whose calls had not been entered into the You Say, We Pay competition, Channel 4 donated £900,000 to charity representing the profit made on improperly handled calls. Channel 4 also announced that telephone voting would in future be carried out on a not for profit basis and ceased all phone entry competitions.

The appointment of Julian Bellamy as Head of Programmes in March 2007 strengthened the editorial management team. He made clear the Channel's

commitment to creative renewal and started the process of retiring many of the established 9pm factual brands to make way for new ideas.

2. Significant Changes

There were no significant changes in 2007.

3. Innovation, Experiment and Creativity

Channel 4 maintained its reputation for championing the new in 2007, with more than 175 new titles - more than any other UK channel – and £10 million spent on development. This strategy was risky in a multichannel world where it is increasingly difficult to bring viewers to new titles and one off programmes, but Channel 4 believed support for new talent and ideas was key to its public service role.

During 2007, Channel 4 offered a platform to many alternative voices and encouraged new formats in the key 9pm weekday slot. *Dumped, Millionaires' Mission* and the return of *Secret Millionaire* were all innovative formats on serious subjects. The Channel prompted national debates, with *The Great Global Warming Swindle, Clapham Junction* and *Bringing up Baby* airing contentious views on the vital contemporary issues of global warming, homophobic violence, and parenting.

Channel 4 cemented its commitment to new documentary talent with a new strand, *First Cut*, a series of half-hours devoted to first time film-makers. Together with *New Shoots* and *3 Minute Wonders*, this extended Channel 4's support for new and diverse entrants to the industry. Online, FourDocs encouraged people to showcase their films on the web, making use of expert advice from film-makers and commissioners.

Entertainment and comedy continued to champion emerging writers and performers with *Comedy Lab* and the *Funny Cuts* strand, and invested £1.5

million in *Comedy Playhouse*. *Fonejacker* was a comedy hit with newcomer writer/performer Kayvan Novak.

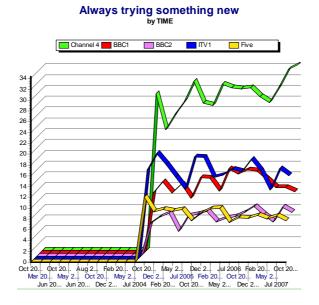
In drama, *Skins* was the breakthrough hit on E4, helped by its innovative use of the web in advance of the TV premiere.

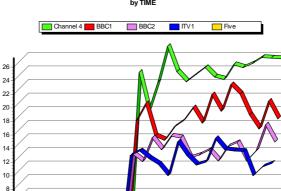
Arts experimented with new ways to involve the public with Channel 4 projects. Penny Woolcock's film *Exodus from Margate* was a bold project in collaboration with Artangel and the people of Margate and artists including Anthony Gormley. With new media, the award-winning Big Art Mob used mobile phone technology to bring hundreds of participants into the *Big Art* project.

News and current affairs innovated with a much improved website to complement *Channel 4 News*, using the RTS award-winning *Dispatches: War Torn* to bring new depth to personal stories from the war in Iraq.

Channel 4 spent £10 million specifically on new talent in 2007, with £4.9 million ring-fenced for slots and a huge range of other training and talent initiatives. There were specific schemes for regional, ethnic minority and disabled talent, as well as core funding for Skillset and the National Film and Television School. Channel 4 funded the British Documentary Film Foundation with £1 million. The 4Talent website relaunched in 2007, with 4Talent Networks offering regional events alongside online opportunities. On the digital channels *E4 Music Zone, E4 School of Performing Arts* and drama *Nearly Famous* all highlighted young talent.

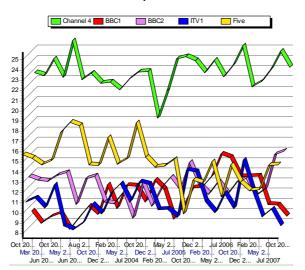
Channel 4 tracked viewers' perceptions through the year, and Channel 4 maintained - and in some cases improved - its reputation for innovation and creativity compared with other public service broadcasters.



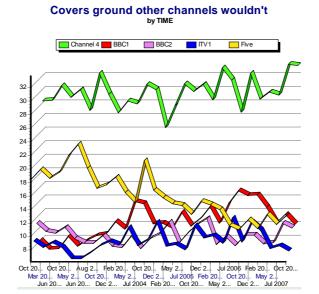


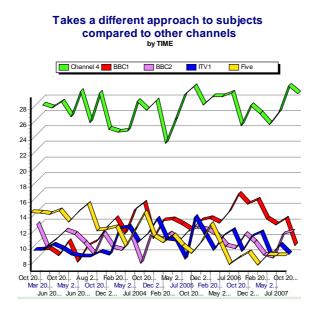
Allows people an alternative point of view $_{\mbox{\scriptsize by TIME}}$

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Caters for audiences other channels don't cater for $_{\mbox{\scriptsize by TIME}}$





Channel 4 also tracked viewers' perceptions of originality and difference. The top 20 'original and different' titles included programmes from across the output, including documentary, drama, science, comedy and entertainment. *Autopsy : Emergency Room* topped the list with a score of 86%, *The Mummy* Diaries was 79%, and *Not Forgotten* scored 78%.

4. Tier 2 Arrangements

Channel 4 met or exceeded all its quantitative requirements in 2007: Independent production (requirement 25%) 87% Programmes of European origin (requirement 50%) 72% Original production all hours (requirement 60%) 64% Original production in peak (requirement 70%) 76% News in peak (requirement 208 hours) 209 hours Current affairs all hours (requirement 208 hours) 241 hours, 123 hours in peak Regional production (target 30% by hours and spend) 43% of hours, 35% of spend.

5. Programme Offer

NEWS

News and current affairs remained at the heart of the schedule throughout 2007. Amongst numerous awards, *Channel 4 News* won the RTS News Event award for coverage of the Lebanon war and Jon Snow was awarded RTS Presenter of the Year: "a *formidable journalist… a man of passion, energy and huge presence who makes this news programme unmissable*".

International reporting was a distinguishing feature of *Channel 4 News*. There was a consistent focus on the Iraq conflict, and investment in coverage of Iran since 2006 was recognised with an RTS Specialist Journalism award as well as an exclusive live interview with President Ahmadinejad in September. *Channel 4 News* had the only reporter filing video reports from Burma during the height of the September demonstrations. The international dimension was extended by programmes from the Arctic and from India.

Strong domestic political and social affairs reporting included breaking the story of the doctors' recruitment website fiasco and anticipating the credit crunch some months before the emergence of Northern Rock's difficulties.

Independent production companies supplied valuable journalism beyond the main news agenda. These included investigations of carbon trading, tax benefits for private equity partners, and a poll among British Muslims showing widespread belief in 9/11 conspiracy theories.

News at Noon strengthened its financial reporting with a dedicated reporter, creating a more distinctive agenda from the evening programme.

More 4 News featured reports on neglected areas of UK and world affairs, including an exclusive report on criminality among EU migrants in the UK, and

a debate on Britain's nuclear policy. The programme increased its audience in 2007 and was the most viewed 8pm TV news programme.

The *Channel 4 News* website re-launched in March and increased use by 35% with up-to-the-minute world news, a seven-day catch-up service, up to 50 new video clips every week, FactCheck, newsroom blogs and Jon Snow's daily newsletter, Snowmail.

CURRENT AFFAIRS

There were forty *Dispatches* films in peak with first class journalism across the domestic and international agendas. Among the highlights were Sean Langan's films from Afghanistan with unique access to British and American troops and to Taliban fighters ("*Langan has produced a film that gets us as close to the messy, nerve-jangling reality of fighting as any of us ever want to*" *Times*), *China's Stolen Children ("Heartbreaking …one of the few documentaries I'll never forget" Michelle Hanson, Guardian*), and *Afghanistan Unveiled ("A really important film" Paddy Ashdown)* which continued the Channel's commitment to examining the role of women in Afghanistan. *Iraq's Death Squads* won the RTS International Current Affairs award.

Strong domestic investigations included Undercover Mosque, Undercover Prisoner, Immigrants: The Inconvenient Truth and When Did You Last Beat Your Wife? Green issues were highlighted in Greenwash and The Great Green Smokescreen (followed by The Great Green Debate). The Dispatches brand extended online with the launch of Dispatches Late Night and Live. Dispatches also won the RTS Innovation and Multimedia award for War Torn: Stories of Separation.

The Iraq Commission ("a rare opportunity to see an issue of paramount importance analysed in depth" Times) was a major enterprise emulating the US Baker Commission. Sixteen hours of televised hearings culminated in a 90-minute special.

Unreported World aired twenty films, including an undercover report from Zimbabwe, an investigation into China interests in Africa, and an insight into a Kosovo still seething with ethnic tensions.

There was polemical journalism with Peter Hitchens' portrait of David Cameron and Peter Oborne on Gordon Brown. Andrew Rawnsley authored a three-part series on *The Rise and Fall of Tony Blair ("A masterly overview" Guardian). The Insider* introduced new authors and viewpoints on a range of domestic issues including personal debt, child obesity and funding the Territorial Army.

The Times critic noted: "With politics dominated by a bland jostling for the middle ground, Channel 4 is turning into a powerful voice of dissent".

EDUCATION

Channel 4's commitment to Education represented an investment of £70 million in 2007 with peak time factual programmes, series for 14-19 year olds in the mornings, off-air support for programmes, and a growing range of new media projects. These are described here and in the following sections on Schools, History, Science, Religion, Arts and Social Issues.

The key education season in 2007 was *Lost for Words* on child literacy. *Last Chance Kids* followed the progress of Dagenham primary school children learning to read over a year, with a *Dispatches* special and *Richard and Judy's Best Kids' Books* making distinctive contributions. Parents and schools were offered online resources as well as free synthetic phonic packs and events in shops, supermarkets and libraries, and 90,000 people visited the website in October.

Audience research showed viewers rated Channel 4 highly for programmes with educational value. *Miracles in the Womb, Once Upon a Time in Iran, The Great Global Warming Swindle* and *Time Team* topped the list of 'programmes that taught you something' alongside episodes of *Dispatches.*

SCHOOLS

In 2007 Channel 4 improved access to its range of educational content for 14 to 19 year-olds. A large number of educational programmes were made available free via the 4oD service, and the reach of Channel 4's education archive was enhanced through a deal with educational publisher Espresso.

Channel 4 continued its on-air commitment to 14 to 19 year olds with two major seasons in its morning schedule. The *Gay Teen Sexuality* season tackled different aspects of gay sexuality for teens, including bullying and homophobia, with *Batty Man, Coming Out To Class, My First Gay Prom* and *Mum's Gone Gay.* The *Media Unmasked* season included *TV Is Dead?* on the rapid changes underway in media consumption, Greg Dyke's *Get Me the Producer,* and *Who Really Rules the World?* on media conspiracy theories.

The schedule tackled a wide variety of subjects and issues for 14 – 19s. *KNTV Philosophy* offered a radically new approach to the world's greatest philosophers, and *Takeaway My Takeaway* explored globalisation. *Vocation, Vocation, Vocation* examined career dilemmas, *Welcome to My World: Parents and Teens* looked at relationships with parents, and *The Lowdown on Getting High* was a straight-talking film on drugs.

The Education Advisory Board was created, bringing leading educators together to advise the Channel on programmes and strategy. Channel 4 also acted as a catalyst bringing different groups across the education spectrum together for events including the *Literacy* debate, *Into The Wild* on the future of Education and *Teen Rage*.

Channel 4 has developed a new Education strategy for its 14-19 content for 2008. Research and consultation had uncovered little awareness or use of programmes in the morning schedule. Accordingly, work started with a range of television and digital partners to develop new cross-platform projects for 2008 focussing on media literacy, entrepreneurship, careers, history, and personal and social issues facing 14 to 19 year-olds.

EDUCATION PROGRAMME SUPPORT AND NEW MEDIA

The Channel invested in new cross-platform and interactive public service projects during 2007. Interactive online resource FourDocs - which won the 2007 BAFTA Interactive Innovation award – was joined by cross-platform initiatives including the *Big Art* project and an interactive family history site to accompany *Empire's Children*. Key black and Asian figures contributed to the Race Debate on the Origination site on channel4.co.uk. To support programmes on environmental issues and engage viewers in debate and positive action, the Channel 4 Green portal launched in September.

Channel 4 has continued to provide extensive programme support online and via helplines. In 2007 Channel 4 invested £35,000 in providing helplines on subjects as diverse as abortion, drug addiction and phobias, with 2600 calls responding to the eating disorder storyline in Hollyoaks. Channel 4 also funded website improvements for Winston's Wish to coincide with *The Mummy Diaries.*

CHILDREN'S PROGRAMMES

Channel 4 did not make programmes specifically for children in 2007.

SCIENCE AND HISTORY

History strategy for 2007 was three pronged: authored series, drama documentaries and popular reality formats to bring history to a wider audience.

Over two million people watched *The Relief of Belsen*, a harrowing but meticulous dramatic reconstruction conveyed by a strong cast. Other effective drama documentaries brought the Partition of India (*"impressively realised… tells its tale with admirable economy" Financial Times*), the Hindenburg disaster and Saddam Hussein's rise to power (*"a fascinating take on a story we are aware of but perhaps do not know well" Evening Standard*). Major authored series included David Starkey's *Monarchy*, Bettany Hughes'

Athens ("everything serious popular TV should be" Financial Times), and Neil Oliver's Face of Britain.

Diana: the Witnesses in the Tunnel caused controversy and prompted correspondence with representatives of Princes William and Harry, but Ofcom subsequently ruled the use of the photographs from the tunnel was justified. *Bringing up Baby* was controversial for different reasons, revealing how fiercely child care theories are still contested today. *Empire's Children ("eyeopening" Daily Mail)* and *The Last Slave ("genuinely fascinating, not least for the issues it raises of white guilt and black culpability" Time Out)* were key multicultural commissions.

Time Team continued to reach big audiences, but the second series of *Codex* proved less popular with viewers.

Science programmes majored on polemics such as Richard Dawkins' *Enemies of Reason* and *The Great Global Warming Swindle*, engaging big audiences with key scientific and ethical issues and prompting fierce and ongoing debate. The beautiful *Human Footprint* brought to life just how much each human uses in a lifetime (*"it is good to be reminded of just how enchanting a medium television can be at its best" Daily Telegraph*, and *Miracles in the Womb* was another accessible and visual treat. Channel 4 tackled major medical issues with 'factual theatre' events including *Gunter's ER* and *Britain's Deadliest Addictions*, and used a new format *Animal Farm* to explore the transgenic manipulation of animals.

There were high profile adventure drama documentaries with a strong factual basis in the *Edge of Endurance* season, including the award winning *Deep Water*, *The Beckoning Silence* and *When Hell Freezes*.

RELIGION AND OTHER BELIEFS

The strategy for 2007 was to schedule religion alongside other related Channel 4 programmes for maximum impact.

The two films in *Battle for the Holy Land* (one fronted by Lord Ashdown, the other by Rod Liddle) marked the 40th anniversary of the Six Day War, and to coincide with this series *Sharia TV* was recorded in Jerusalem.

Two editions of *Dispatches*, *Between the Mullahs and the Military* and *The Indian Miracle?* looked at modern India and Pakistan as part of the *Partition* season.

Scheduled with other opinionated films on climate change, Mark Dowd's *God is Green* challenged the world's religions to respond to the crisis and prompted the Bishop of London to pledge not to fly for a year.

Religion has also worked hard to engage a broader range of viewers. *Sharia Street* was an ambitious format to make Islam accessible to a wider audience. In *Amir Khan's Angry Young Men*, Khan used his faith, his family values and the discipline of boxing to give six men with anti-social behaviour a chance to overcome their problems.

SOCIAL ISSUES

Channel 4 tackled the key social issues of migration and the changing face of the family with major dramas and documentaries during 2007.

Nick Broomfield's *Ghosts* and Ken Loach's *It's a Free World* were dramas on different aspects of migrant labour in Britain. In *My New Home* child migrants described their new lives in the UK.

The theme of the family recurred through the year. You're Not Splitting Up My Family ("an extremely powerful example of how documentary can present a picture of family life in a troubled environment without requiring staged-fortelevision conflict or egging on the subjects to play up to the cameras" Evening Standard) followed social services working with a family over ten years. Mum Versus Dad had unique access to the family courts; Wait Till Your Father Gets Home reunited fathers and sons separated by divorce; Baby Love looked at post natal depression. Mum's Gone Gay was a drama aimed at teenagers. Long term projects included Child Genius and Born to be

Different on families with severely disabled children. *The Mummy Diaries* tackled child bereavement and the taboos surrounding. The documentary initiative *The Family* was postponed to 2008.

Molly Dineen's *The Lie of The Land* gave a haunting insight into rural life, revealing the hidden costs of producing cheaper food.

Another major strategy was finding popular formats to tackle big issues. *Dumped* followed ten volunteers living for three weeks on Britain's biggest rubbish dump, producing a thought-provoking series that attracted 2.3 million viewers. *Millionaires' Mission* graphically illustrated the conundrums of international aid when Britain's rich and powerful were challenged to improve the lot of Uganda's poorest people.

Innovation was vital to tackling social issues, and *The Seven Sins of England* ("brilliantly imaginative" Times) proved a highly original approach to the bad behaviour at the heart of British working class identity. In another high-risk venture, *Meet the Natives* showed Vanuatu tribesmen experiencing and commenting on life in modern Britain. *Forgotten Heroes: The Not Dead* allowed returning servicemen to air their views in poetry and interviews.

A short season of programmes, *40 Years Out,* marked the decriminalisation of male homosexual acts in 1967 with drama-documentary *A Very British Sex Scandal,* contemporary drama *Clapham Junction,* and documentaries *How Gay Sex Changed the World* and *Queer as Old Folk.* Thought-provoking single documentaries *Virgin School* and *The Castration Cure* upheld Channel 4's honourable tradition of challenging received views on sex.

There were ten films in the *Cutting Edge* strand, and the *Only Human* strand returned to reflect the experience of people usually invisible on television.

INTERNATIONAL COVERAGE

Thoughtful coverage of international issues continued to be a distinguishing feature of the Channel 4 service. Tony Marchant's powerful drama, *The Mark*

of Cain ("television at its very, very best" Guardian), based on the real-life experiences and moral dilemmas of British soldiers in Iraq, provoked immediate debate. Once Upon a Time in Iran ("Intelligent, articulate, passionate ...an extraordinary portrait" Daily Telegraph) by award winning film-maker Kevin Sim examined the martyrdom philosophy at the heart of the Shia faith in Iran.

True Stories: Sisters in Law (first shown on More4 in 2006 and on the main channel in 2007), showed women's search for justice in a Cameroon courtroom and won the RTS Single Documentary award: *"one of the freshest and most revelatory the jury had seen for years…ground-breaking in every respect".*

Ghosts and *It's a Free World* (see Social Issues) showed the personal cost of globalisation for migrant workers in the UK.

DRAMA

The priorities for Drama in 2007 were commissioning audacious and entertaining series and tackling subjects other broadcasters would avoid.

Channel 4 was very successful with its drama for younger audiences. *Skins* was a major innovation (*"TV at its best – feisty, polarising and compelling" Times*) for E4 and then Channel 4. Fast paced and full of angst-ridden fun, *Skins* was launched with ground breaking online marketing and became one of the most talked-about series of the year. *Hollyoaks* had a successful year, with new story lines tackling major issues such as eating disorders. For late night, *Dubplate Drama* was a twelve part interactive drama set in London's urban music scene; each episode posed a moral dilemma that the audience could respond to.

Shameless returned with a strong series in January, and held its audience. The dark new eight-part series, *Cape Wrath*, attempted a high concept series with a strong cast but was less successful with viewers.

Channel 4's single dramas tackled issues rarely addressed on UK television. Secret Life ("a bleak masterpiece" Guardian) empathised with a child abuser just released from prison and Boy A ("one of the best dramas I've seen on British tv", Guardian/Views From The Blog), tackled the dilemmas in rehabilitating convicted children. Kevin Elyot's Clapham Junction unflinchingly exposed contemporary homophobic violence as part of a season marking the anniversary of the decriminalisation of homosexuality. The Mark of Cain ("contains important and painful truths" Max Hastings Daily Mail) showed the painful moral dilemmas facing young soldiers in Iraq. Peter Kosminsky's controversial Britz explored issues of family, loyalty and security for Muslims in post-9/11 Britain.

COMEDY AND ENTERTAINMENT

The strategy in comedy and entertainment was to showcase new talent and to appeal to a wide audience by balancing mainstream titles (for example *The Charlotte Church Show* and *8 Out of 10 Cats*) with more experimental and cultish pieces (*Peep Show* and *Modern Toss*). Friday nights strengthened in 2007 with acquisitions such as *Ugly Betty* working alongside commissions such as *The IT Crowd* and *Friday Night Project.*

Investment in new talent increased considerably in 2007, with the tenth series of *Comedy Lab* and a second series of *Funny Cuts* on E4. *Comedy Showcase* was a major investment to mark the Channel's 25th anniversary and featured a mix of established and new talent in a series of one-off scripted comedies. The experiment has already borne fruit in new comedy commissions for 2008.

Despite commissioning far less scripted comedy than the BBC, Channel 4 achieved a consistent hit rate. The second series of *Star Stories ("sick, twisted and hilarious" Sunday Times)* regularly attracted over three million viewers. *The IT Crowd ("the second series has established it as one of the funniest programmes on TV" Guardian*) continued to strengthen editorially and grow its audience. Two series of *Bremner, Bird and Fortune* and a one-off special, *Tony Blair: My Part in His Downfall,* remained one of the last bastions of political satire on television.

The *Perfect Night In* strand featured some of the UK's best known comedians.

Returning series included Friday Night Project, Derren Brown and The Law of the Playground.

The digital channels E4 and More 4 offered new opportunities in comedy and entertainment. Russell Brand's *Ponderland* was a new venture, and *Fonejacker* quickly became a successful new comedy brand - a rare achievement in the digital world. On More4 Alison Jackson's *Blaired Vision ("savage and subversive, entirely convincing" Times)* celebrated Tony Blair's legacy after ten years in power.

Big Brother remained a major force in the summer of 2007 in spite of the controversies over *Celebrity Big Brother* at the start of the year. Whilst audiences were down overall on 2006 the programme still had a fiercely loyal audience.

ARTS AND MUSIC

In 2007 Channel 4 commissioned new work in all areas of the arts - opera, dance, animation, the visual arts and sculpture - and developed its online presence through the Big Art Mob and Picture This websites. Two major More4 seasons celebrated the work of Derek Jarman and Stanley Kubrick, and launched a new film prize, The Film London/Film4 Jarman Award, to start in 2008.

Arts commissions are designed for on-screen impact and to have a life around and beyond transmission. With *This is Civilisation* Matthew Collings picked up where Kenneth Clark left off, and the series had off-air links at the National Gallery.

In preparation for *Big Art* in 2008, a giant 4 was unveiled in Horseferry Road and the Big Art Mob website invited viewers to upload their images of public art.

Continuing the Channel's tradition of contemporary opera performances, *Man in the Moon,* a new opera by Jonathan Dove and Nicholas Wright explored the first moon landing and its effect on astronaut Buzz Aldrin and his family. Other major commissions for 2007 included *War Oratorio,* an ambitious music film for More4 set in Uganda, Kashmir and Afghanistan, *Carry on Up the Bolshoi,* which included a complete performance of Chris Weeldon's first production for the company, and *Exodus from Margate,* a re-telling of the Old Testament story in a Margate amusement park.

As part of Channel 4's continuing commitment to the Turner Prize, and in association with the Tate, 2007-nominated artists commissioned their own short films, and a documentary looked at the public response to the Prize's move to Liverpool.

FEATURE FILMS

Channel 4 invested £8 million in film in 2007. Channel 4-funded films are distinguished by a strong sense of authorial voice, telling stories with particular resonance for British audiences. They have become the home of leading film-makers including Kevin MacDonald, Shane Meadows, Michael Winterbottom and Danny Boyle.

Channel 4 enjoyed significant critical and box office success during the year. *The Last King of Scotland* took \$45 million worldwide and won a Best Actor Oscar for Forrest Whittaker and three BAFTAs. *Venus* and *This Is England* were also commercial and critical successes. David Mackenzie's *Hallam Foe* picked up a Special Jury award at Berlin and won the Golden Hitchcock for Best Film at Dinard; Sarah Gavron's *Brick Lane* won the Dinard Audience Award. And *When Did You Last See Your Father*? was well received critically.

To encourage emerging talent, the low budget studio Warp X produced three films, and to engage younger people and discover new directing talent, the

MyMovieMashup project launched with a competition on MySpace to make a short feature. The winning entry, *Faintheart*, went into production in 2007.

Other projects in production during the year were *The Lovely Bones*, *In Bruges, How To Lose Friends and Alienate People* and *Hunger*.

SPORT

Channel 4 Sport won the RTS award for the Best Sports Programme for its coverage of the Cheltenham Gold Cup. Racing benefited from on-air improvements, a revamped website and new sponsorship from Dubai Holdings. Despite declining weekend viewing, Channel 4's racing output bucked the trend with a year-on-year increase in its Saturday afternoon audiences.

New ventures included a series of sport-related documentaries, the World Air Race series on Saturday afternoons, and the first live indoor tennis tournament. More4 showed its first ever sports coverage in the form of the Velux Five Oceans sailing race and a critically acclaimed documentary on the dramatic Southern Ocean rescue of British sailor Alex Thomson. Other innovations included airing a new triathlon series, coverage of the UK School Games and a late night comedy football chat show *Fanbanta*.

Improvements to the Channel 4 Sport website brought more synergy to online and on-air coverage.

LEISURE INTERESTS

Channel 4's priorities for 2007 were health, food, useful information for viewers (particularly on diet and beauty), and finding new talent. This was achieved through a mix of established favourites and new ventures.

Embarrassing Illnesses returned to deal with common but awkward health problems and had an appreciative response from viewers, some of whom were prompted to seek medical help for serious conditions for the first time.

How to Look Good Naked made room for more consumer information. *Toxic* Beauty Addict and *Toxic Kids* exposed the unnecessary chemicals hidden in everyday products and foods.

New formats such as *The Wild Gourmets* and *Cook Yourself Thin* featured new talent including Thomasina Myers and Guy Grieve.

OTHER CHANNELS

MORE4

Watched by an average 1.9 million people every day and with a weekly reach of 8.4 million, More4 continues to grow its audience share – up by 34% in 2007 – and make a mark with ABC1 and younger viewers. More4 had a budget of almost £23 million in 2007, and though modest by the standards of the core channel, More4 attracted audiences of well over 500,000 for some of its 2007 event programmes including *The Trial of Tony Blair* and *Grand Designs: Trade Secrets.* Nick Broomfield's *Ghosts* premiered, together with Harold Pinter's *Celebration* and the specially commissioned music film *War Oratorio.* Stand-out event of 2006, *Death of a President,* won the RTS Digital Channel Programme award for being "an outstanding piece of work... brave, *clever and controversial*".

Two runs of *True Stories, Travels with My Camera* and innovative counselling/talk show format *Shrink Rap*, were among a substantial raft of factual series. Seasons on Arabic film and China added depth to the output and offered viewers a genuine alternative.

E4

Teen drama *Skins* and innovative comedy *Fonejacker* demonstrated in 2007 that E4 can develop original ideas and formats, as well as spin-offs from major Channel 4 brands like *Big Brother, Wife Swap* and *Supernanny*. Commissions in the £63.3 million schedule, some of which were repeated on the core channel, targeted 16-34 viewers: *High School Dance, Sex in Court* and *Better*

Off Wed among them. E4 Music Zone, E4 School of Performing Arts and drama Nearly Famous all highlighted young talent.

FILM4

Channel 4 invested £10.3 million in Film4 in 2007, which increased its viewing hours with a new earlier start time of 1pm. It again scheduled over 25% of British programming and showcased home grown films in its ongoing weekly *British Connection* slot. A two-week season celebrated Channel 4's 25-year association with film, with Jude Law introducing some of Film4's finest output, from *Trainspotting* and *My Beautiful Laundrette* to *Secrets and Lies* and *Sexy Beast.* A special season also marked the 40th anniversary of the decriminalisation of homosexuality.

World cinema again featured strongly, with a celebration of contemporary Chinese cinema including films never before seen on UK television, films from acclaimed French director Jean-Pierre Melville, Andrzej Wajda's Second World War trilogy and the UK TV premiere, in primetime, of Guillermo del Toro's multiple Oscar-winning *Pan's Labyrinth.*

NEW MEDIA

Channel 4's new media strategy in 2007 was to generate surpluses to support the core channel. Within that commercial context, new media platforms were used to launch new services, such as 4oD, which extended Channel 4's public value and offered viewers new ways to access its output. Over £23 million was invested in new media in 2007.

Channel 4's UK internet reach grew to 14% in 2007, a 2% growth, ranking it second only to the BBC among UK broadcasters. Users viewed 2.5 million video clips and 104 million pages on average every month. Use of public service Health and Science sites grew by 40% and 64% respectively during the year.

FourDocs and 4Laughs, *Empire's Children* site and *Big Art Mob* all used social networking and user-generated content to educate and involve the public.

Commissioners and programme makers were more actively involved in online forums in 2007, for example on issues raised by *Diana: Witness in the Tunnel*, *Clapham Junction* and *Dispatches Abortion: What We Need to Know*, writer/director Peter Kosminsky took part in a lively online debate with viewers following *Britz*.

On mobile, Channel 4 TV was simulcast on the web and on BT/Virgin Movio mobile, and a bespoke Channel 4 service was also available on Orange and Vodafone. Overall mobile spend (WAP portal and TV) exceeded £1 million.

The video on demand service 4oD made a big impact in its first full year of operation. Since launch late in 2006 more than 2.3 million households have used the 4oD tv service to view more than 66 million Channel 4 items, and the pc service has attracted 0.8 million unique users who viewed 11 million Channel 4 items. Consumers ranked it their favourite internet TV site in a Continental Research survey.

By the end of the year 4oD was on three TV platforms – Virgin Media, BT Vision and Tiscali – and was the only broadcaster-led service to offer a dedicated PC facility. Channel 4 was the first broadcaster in the UK to put all its commissioned content online. About 70 hours of catch-up content were made available each week, alongside a growing archive list of over 3000 hours online. Channel 4 also announced its participation in the Kangaroo project.

RADIO

The award of the second national commercial radio muliplex licence to 4 Digital Group in July marked Channel 4's formal entry into the radio market.

In 2007 Channel 4 Radio launched an online download and podcast service delivered through both iTunes and a dedicated website Channel4Radio.com.

Over twenty eight production companies helped deliver more than 17,000 minutes of bespoke music, news, comedy, sport, entertainment, arts and documentary programming. There were over 1.5 million downloads and Channel 4 Radio items topped the iTunes download chart twice.

The Morning Report offered a daily 30-minute downloadable news programme produced by Channel 4 News, which also aired on Oneword Radio at 7.30am each weekday. UK radio innovations included the first commercial radio live topical comedy show, *4Radio Weekly Show*, the first fully interactive co-created show, *SlashMusic*.

At the 2007 Sony Radio Awards *Popworld* won a Bronze for Best Music Programme, and *My Streets: A Rudeboy's Guide to Peckham* was awarded Bronze in the Internet Programme category.

6. Additional Matters

DISABILITY

Channel 4 continued to engage a broad audience with disability issues, with films showing disabled people doing everything from negotiating relationships and coping with the loss of a parent to joining a striptease act. Highlights included *New Shoots,* a series of 12 documentaries made by disabled directors, dramas *Richard is My Boyfriend* and *The Spastic King, Cutting Edge: Blind Young Things,* and *Born to be Different,* the long-term study of six disabled children and their families. Notable documentaries included *The Magnificent Stubo,* about a promising 17 year-old Eton schoolboy with cystic fibrosis and *The Not Dead,* about post-traumatic stress disorder and the effects of war on the mind.

Channel 4 spent over £200,000 on training initiatives for disabled people. The first five disabled students on the Researcher Training Programme graduated and three subsequently won jobs on BBC and Channel 4 programmes; the *Channel 4 News* traineeship entered its second year; the one-year trainee

development producer placement at Warp X gained a job in BBC Drama; and the *New Shoots* strand provided training and support for disabled directors.

MULTICULTURAL

Channel 4's multicultural strategy in 2007 was to make programmes that reflect the reality of Britain's cultural diversity and to put these at the heart of the schedule.

Many of these programmes have been mentioned elsewhere in this Review, including *Sharia Court* and *Sharia Street*, *The Last Days of the Raj, Empire's Children, Britz, Ghosts, The Last Slave, Batty Man, Exodus, God's Waiting Room,* Darcus Howe's *This is My Country, Dubplate Drama,* and a number of *Dispatches* editions including *Immigration: the Inconvenient Truth.* Two new projects represented a significant investment in multicultural programming: *My New Home* marked the start of a five-year documentary project following child migrants to the UK; and in *Boyz to Men*, ten bright Black British boys were taken to the University of the West Indies to 'hothouse' the next generation of black thinkers and leaders.

More than £500,000 was invested in ethnic minority training and employment. This funded three Deputy Commissioning Editor attachments, the Channel 4 Researcher Trainee Programme (now in its fourth year after training more than 50 people), a bursary scheme for two students on City University's MA in News and Television Journalism course with six months paid work experience with *Channel 4 News*, and bespoke funding of individuals from minority backgrounds across the industry.

INDEPENDENT PRODUCER AND REGIONAL DEVELOPMENT

2007 was a successful year for Channel 4 production outside London. Licence requirements were exceeded and £124.9 million was invested in original content, representing 35% of the budget available for originated programmes. Regional production included some of Channel 4's most critically and

commercially successful programmes including *Shameless, Skins* and *How to Look Good Naked*.

Channel 4's regional development strategy continued to invest in small production companies, often in partnership with local regional development agencies (RDAs). Among the companies supported by direct investment were Double Band (Belfast), Noble's Gate (Edinburgh), Testimony (Bristol), Freeform (Manchester) and Demus (Glasgow).

Channel 4's Glasgow office hosted The Research Centre which delivered regional support such as start-up business support packages and a range of subsidised support schemes to 22 companies. These included a researcher training programme, and a programme to support company leaders seeking to break into international markets.

During 2007 Channel 4 negotiated partnership funding via a range of national agencies including Scottish Screen, Scottish Enterprise, Screen Yorkshire, the Northern Ireland Film and Television Commission, South West Screen and North West Screen's Regional Attraction Fund.

Channel 4 also invested a further £350,000 with smaller companies in both the regions and London through targeted funding for development teams, executive producers and business planning.

REPEATS

Channel 4 minimised the number of repeats in peak in line with overall editorial strategy, and fulfilled its licence commitments on originated programmes.

MEDIA LITERACY

Channel 4 Education made a major contribution to media literacy with 12 hours of programmes for the morning schedule and available on 4oD. The *Media Unmasked* season is described in the Schools section. The *What's*

This Channel 4? website was relaunched to coincide with the season. Channel 4 invited students and media executives to discuss the issues in a *TV is Dead*? event in October, and hosted the Media Literacy Task Force Media Summit in December.

The off-air resource 4Talent also contributed to media literacy with regional and online opportunities for people wanting to know more about the creative industries.

Channel 4 provided viewers with clear information in listings and other media, on the EPG, with additional information on the website, and backed up with an established system of on-air and teletext announcements and warnings.

PUBLIC INPUT

Channel 4 launched *The TV Show* in 2007, a new television series and online service to enable viewers to communicate with the Channel. It also appointed its first Viewers' Editor, a senior figure who will represent viewers and contribute to editorial discussions at the highest level.

Channel 4's Research and Insight department conducted extensive quantitative and qualitative audience research projects in 2007. The findings were discussed at regular intervals with commissioning editors and senior managers.

New media offered a range of interactive opportunities for viewers, ranging from the innovative *Dispatches Live and Late,* FourDocs and 4Laughs, to online forums on controversial programmes such as *Diana: Witness in the Tunnel.* The public was also encouraged to contribute to the major public art project *Big Art,* and to participate in programmes as varied as *Empire's Children* and *Location, Location: Best and Worst.*

Kevin Lygo Director of Television and Content