

review

CHANNEL FOUR TELEVISION CORPORATION
REPORT AND FINANCIAL STATEMENTS 2000

MORE THAN
A TELEVISION
CHANNEL



MEDIA WEEK'S
MEDIA BRAND OF
THE YEAR

Channel 4 is like no other media organisation – commercially funded with a public service remit to foster creativity, diversity and innovation in its programmes and services at no cost to tax-payers or licence fee-payers. This combination of cultural and commercial objectives has created one of the world's most distinctive and admired television channels; the UK's leading independent film company and one of the most enduring and potent media brands.

Channel 4's dedication to innovative and quality content attracts to the core channel a discerning audience of particular appeal to advertisers. This audience regards Channel 4 as *its* channel, and is also the audience that is most likely to adopt digital television, the internet and interactive services, so that Channel 4 is well placed among UK media companies to take advantage of these new media platforms.

The launch of E4 and the continued success of FilmFour demonstrate Channel 4's strategy of building new cross-platform brands based on core reputations to serve the changing demands of our audience. Channel Four Interactive is also taking these core reputations and building them into destinations and businesses of real value on the internet, backed by the strength of these brands on other platforms, Channel 4's marketing expertise and its long tradition of creative excellence.

The commitment to innovate has also led Channel 4 to explore the potential of new platforms in a more effective and imaginative way than its competitors. The success of **Big Brother** last summer illustrated how traditional and new media – planned and developed together – can create genuinely innovative and successful programming across multiple platforms. The same imaginative cross-platform approach is brought to Channel 4's multicultural and educational output.

In recognition of the changing nature of its business, Channel 4 has established a new subsidiary – 4 Ventures. While this incorporates all new channels and interactive services, it will also act as the corporate entity through which future new product development, joint ventures and alliances can be considered. The creation of 4 Ventures will help protect and enhance the core channel at a time of rapid change in the market.

The aim is to ensure that Channel 4's creativity and brand values remain as vital and salient in the next ten years of convergence as they have been in the last ten years of broadcasting and that the core channel continues to be the foundation on which we build.

A portrait of a woman with red hair and a crown, overlaid with a white grid. The woman has red hair styled in curls, blue eyes, and is wearing a dark, ornate dress with a high collar. The crown is made of gold and features several large, dark, pointed feathers or leaves, along with pearls and other jewels. The background is a solid orange color. The text "MORE THAN A TELEVISION CHANNEL" is written in large, white, sans-serif capital letters across the bottom of the image.

MORE THAN A TELEVISION CHANNEL

'ALIG FOR PM'

NEW STATESMAN

**'AT LEAST CHANNEL 4 IS DOING SOMETHING
TO KEEP ALIVE THAT PRECIOUS HABIT
OF DISTRUSTING THOSE IN AUTHORITY
AND THINKING FOR YOURSELF.'**

FINANCIAL TIMES

**'WHEN CHANNEL 4
DOES A TEST MATCH,
BOY DOES CHANNEL 4
DO A TEST MATCH.'**

DAILY TELEGRAPH

**'BIG BROTHER HAS COMPLETED
THE CHANNEL'S TRANSFORMATION
FROM AN ECCENTRIC OUTSIDER TO A
POWERFUL PIONEER AT THE HEART
OF BRITISH BROADCASTING.'**

THE GUARDIAN

**'SHOCK! HORROR!
THE MAIL NOW
LOVES CHANNEL 4.'**

DAILY MAIL

review

Report and Financial Statements 2000

- 4 Chairman's statement
- 6 Chief Executive's report

THE YEAR IN REVIEW

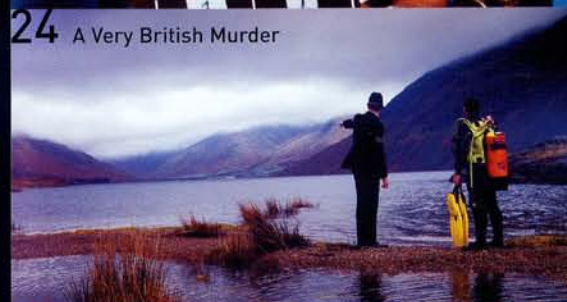
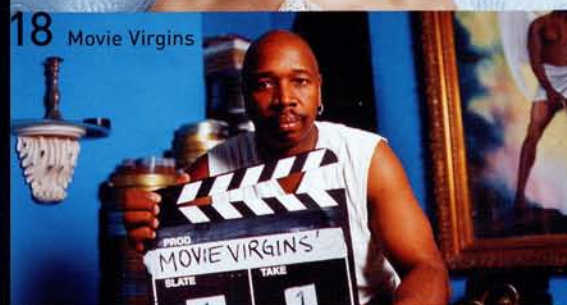
- 8 Introduction
- 10 Documentaries
- 11 Features
- 12 News and current affairs
- 14 Drama
- 15 Entertainment
- 16 Caribbean summer
- 18 Arts and music
- 19 History, religion and science
- 20 Big Brother
- 22 4 Learning
- 24 Diversity
- 26 Talent

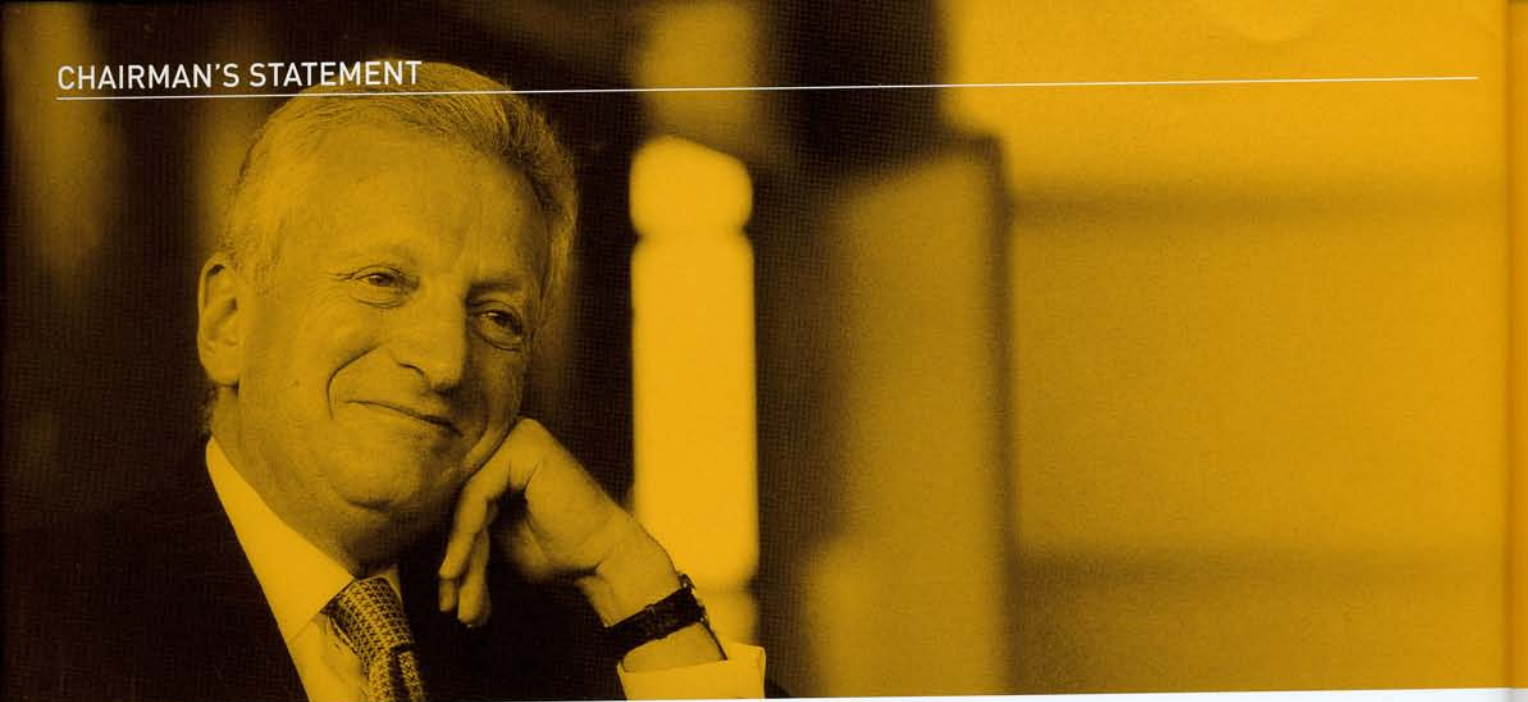
4 VENTURES

- 28 Introduction
- 30 FilmFour Ltd
- 32 FilmFour channel
- 33 E4
- 34 Go Racing
- 35 Channel Four Interactive
- 36 Channel Four International
- 37 Commercial Development

FINANCE

- 38 Financial highlights
- 40 Operating and financial review
- 42 Report of the members
- 44 Report of the auditors
- 45 Consolidated profit and loss account
- 45 Statement of total recognised gains and losses
- 46 Balance sheets
- 47 Consolidated cash flow statement
- 48 Principal accounting policies
- 49 Notes to the financial statements
- 64 Programmes and the licence
- 67 Corporate governance
- 70 Report on members' remuneration
- 72 Historical record
- 74 Members
- 75 Contact details





Vibrant, brimming with creative energy, hungry for fresh challenges, fired by a commitment to quality – the account of Channel 4's editorial and business achievements in 2000, laid out in this report, could be a benchmark for any media organisation anywhere in the world. Put simply, Channel 4 works.

It works because as a corporation with no shareholders it can take greater creative risks with its programmes, attracting viewers sought after by advertisers, and then recycling the profits directly back into programmes and new services. It is a major cultural asset for a culturally diverse Britain, commercially financed without public funding. No wonder *The Times* recently described it as 'a British experiment in broadcasting, envied and admired throughout the world.'

Most would see this report of our activities in 2000 as a compelling argument for maintaining our current status. However we are engaged in a privatisation debate, with the Conservative Party making an election pledge to sell off the channel while maintaining its public service remit by regulation.

Whilst welcoming the Conservatives' recognition of Channel 4's distinctive role, we made a rapid and robust rebuttal of their proposal, pointing out that privatisation would inevitably divert substantial funds into dividends to shareholders and possible spectrum charges, and would fundamentally change the channel's distinctive character. We were grateful that our view was powerfully endorsed by the Independent Television Commission (ITC) and many media commentators.

In private hands, Channel 4 would no longer be such a stimulus to Britain's creative economy, with economics dictating that it would work with far fewer than the hundreds of independent producers whose programmes it transmits annually. Most importantly, it would be forced to reduce creative risk, drifting towards safe and formulaic programming and in the process diminishing consumer choice.

ITC

We are grateful for the ITC's continued support for Channel 4, and welcome the ITC's positive assessment of Channel 4's performance in 2000 when they said 'the channel succeeded not only in building the size of its audience in a very competitive market, but in delivering its remit for programmes that are diverse and distinctive'.

FUTURE STRATEGY

Our strong and consistent opposition to privatisation does not imply resistance to change.

In a multi-channel, multi-platform environment a single-channel broadcaster has a diminishing future. We recognise that Channel 4 must diversify and grow if it is to remain a salient commercial force and a pioneer of the public service values of innovation, diversity and creativity.

The new mixed economy of pay TV, free-to-air and online services demands a careful reiteration of the channel's role and structure. As part of our emerging strategy, we decided, during 2000, to group all our secondary businesses into a single company, 4 Ventures (see page 28), so that we can finance and develop them more effectively whilst strengthening the central importance of the core channel.

CREATIVE ENERGY

4 Ventures, which will have its own representative on the Channel 4 Board, will help us to diversify the corporation's revenue base – an essential safeguard as the advertising sales market changes and consolidates. The new channels and services under 4 Ventures will work together with Channel 4's core channel to ensure the most original ideas from the creative community are reflected across our different output.

We see 4 Ventures as a vital element in building Channel 4's presence in multi-channel and digital homes and ensuring, in the words of the Government's White Paper on Communications, that public service broadcasting has 'an even more important role' in the digital age than it has now.

RESULTS FOR 2000

The financial results for 2000 were encouraging and are set out from page 38. The operating profit for the year was £33.8 million, a reduction from £44.9 million in 1999. This reflects Channel 4's increased but modest investment in diversification, which amounted to 4% of turnover.

CURRENT TRADING

The television advertising sales market has shown an uncertain start in 2001, with an overall decline in the first quarter, reflecting to some extent the strong revenues from dot.com advertising in the same period of 2000. Despite this, Channel 4 has achieved revenue growth in this first quarter, but uncertainties remain over the rest of calendar year 2001. The competition for audiences is fierce.

FilmFour channel continues to grow in line with expectations, and E4 launched well on 18 January 2001 and is meeting its targets.

COMMUNICATIONS WHITE PAPER

Our evolving strategy was vindicated by the Government's Communications White Paper which, while it gave a strong vote of confidence to Channel 4's present performance and structure,

also indicated the Government's recognition that broadcasting is undergoing fundamental change. We welcomed the proposal for a single regulator, the continued commitment to public service broadcasting, and the proposals for self-regulation that will give the Board greater freedom and responsibility to interpret the public service remit in an increasingly competitive and complex environment.

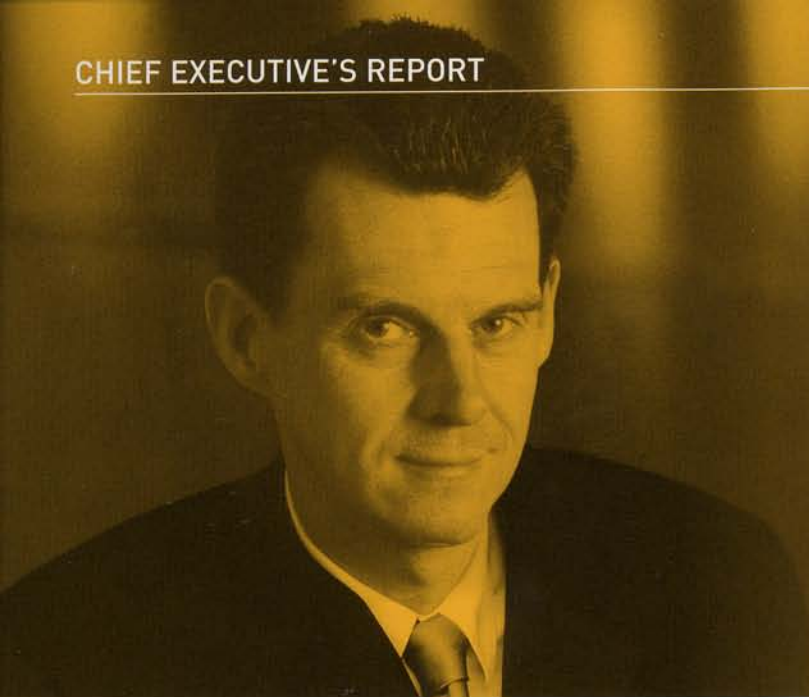
SUPPLIERS AND STAFF

Our editorial and commercial success is built on our staff, and suppliers in the independent production sector, who make Channel 4 the most singular and sought-after brand in British media. Each year our debt to them grows. Everyone who contributed to the most fruitful and eventful year in Channel 4's history should feel proud of their involvement and I would like to thank them, on behalf of the Board, for their hard work, creative inspiration and commitment to Channel 4 and its ethos.

VANNI TREVES

Chairman

9 April 2001



For Channel 4, success cannot be measured solely in bald statistics – making waves is as important to us as making money; maximising viewers' interests married to maximising the returns on our investments.

For me the success of 2000 for Channel 4 was its clarity of purpose. As the Royal Television Society's Fleming Lecturer for 2000, I likened managing a modern media company to being a 'map maker in an earthquake zone'. While some of our rivals show signs of losing their way, Channel 4 has never lost sight of who our viewers are and what they want and expect from us.

The Channel 4 schedule was studded with programmes that broke through the mundane and formulaic nature of most modern television to capture the public's imagination. **Ali G, The Day the World Took Off, Trigger Happy TV, Test Cricket, Black Books, White Tribe, Never Never, Generation Sex, Dispatches, Jam** and many others reinforced Channel 4's reputation as the home of innovative, distinctive event television. **Big Brother** was the media phenomenon of the year. Behind the scenes it was a hugely complex, multi-platform project which, in the words of one national newspaper, marked the moment when 'the internet came of age in Britain'.

The benefits of Channel 4's not-for-profit structure have never been clearer. Our dividend to viewers is greater creative risk, a higher proportion of income invested back into programmes and services and a far more diverse range of programmes than other commercial broadcasters. Channel 4 engages an audience that is young-in-spirit with public service values and makes those values relevant in the modern world. We do more to sustain the creative economy than other broadcasters, by commissioning our output mainly from independent producers. And now we do all this across multiple media platforms.

The converged media world is full of surprises, and especially full of challenges for Channel 4 as we re-think our role in the light of the changes going on. We can have only a limited future as a single television channel. At our launch in 1982 we were one amongst four; now Channel 4 is one of 200 available in the 36% of British households that are already digital and multi-channel.

Last year, against all the odds, we increased our share of audience in those multi-channel homes from 6.9% to 7.2% – an outstanding achievement but certainly no cause for complacency when compared with the 12.7% share we enjoy in conventional five-channel terrestrial homes.

4 VENTURES

If we are to maintain our salience in that fast-growing multi-channel environment and bring the values of innovative, culturally diverse programming to a new generation of viewers who, to a great extent, are passing traditional public service broadcasting by, then we not only need to invest to maintain the quality of the main channel but also we have to extend the range and creative quality of what we offer. This we are now beginning to do. Our new digital entertainment channel, E4, available in nearly seven million households, had the highest rating programme on any multi-channel service on its launch night and promises to follow the success of FilmFour channel which, with almost half a million subscribers, is itself being expanded from one channel to four.

In their start-up phase these new services require investment. In the longer term they will help keep the profile of Channel 4 visible and the public service alive. They will also allow us to

MAKING WAVES

diversify our revenue base, something we must consider as the advertising market enters a period of uncertainty, with the possibility, when competition policy allows, of further consolidation of the ITV companies.

Along with our burgeoning initiatives in interactivity, broadband and online services we have grouped our new television services into a new company, 4 Ventures (see page 28), which was established at the start of 2001. That company now also houses our film production and distribution company, FilmFour Ltd, which, while it continues to develop new talent with its Lab and multicultural talent initiatives, has raised its game, and the ambitions of the whole industry, by entering into major co-production alliances with the German company Senator, Spain's Alta and Hollywood's Warner Bros.

COMMERCIAL AND CULTURAL

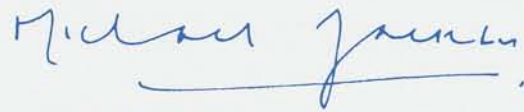
Channel 4's commercial success over the last two years has allowed us to build new services and brand strength, but we cannot assume the future will be so favourable. The diversity of the schedule, the fulfilment of the remit, the success of our education services (now representing £70 million of annual expenditure on-screen, online and in print), our support for hundreds of independent production companies and our extensive industry training and development programmes – all these essential elements of Channel 4's identity and purpose are dependent on winning audiences in sufficient numbers to pay our way. Drama, news, current affairs, cutting-edge entertainment and most of our multicultural output do not do so. If, as we wish, they are to continue at the heart of what we do – and what we represent – then we have to invest and diversify. The combination of commercial and cultural entrepreneurship, that has been at the heart of our success as a television channel, must now be scaled up to meet the challenge of a wider media environment.

THE FUTURE

Channel 4 has to survive and compete within the disciplines of the commercial market. It is testament to the creative skills

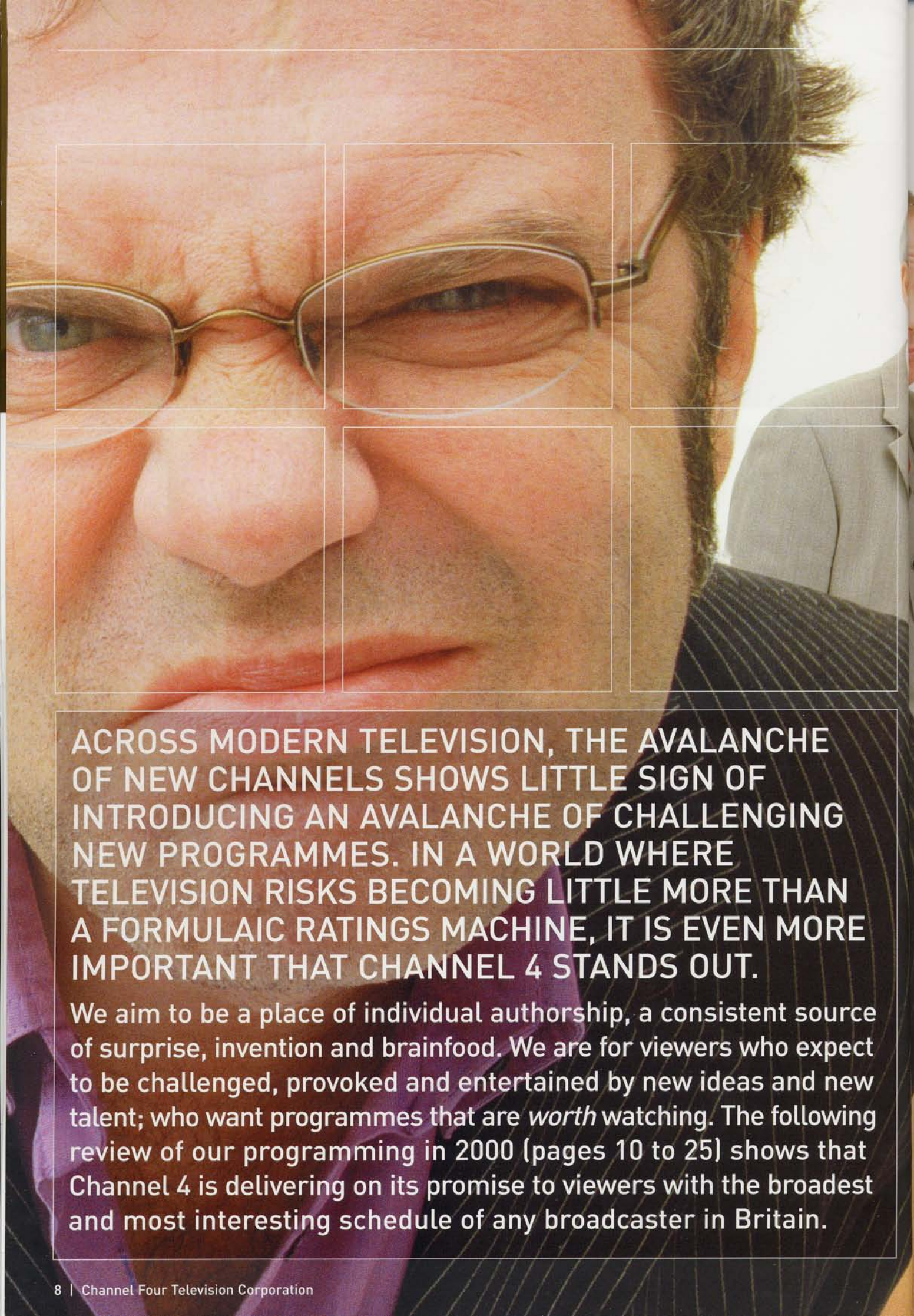
of our commissioning teams and supplier companies, and thanks to the extraordinary energy of our advertising sales team, that we are well positioned for the coming years.

At the very end of the year the Government's White Paper on the future of communications provided a ringing vote of confidence in Channel 4 and accorded us a central role in the development and re-invention of creativity, innovation and diversity in the digital age. We look forward with confidence and enthusiasm to fulfilling that role.



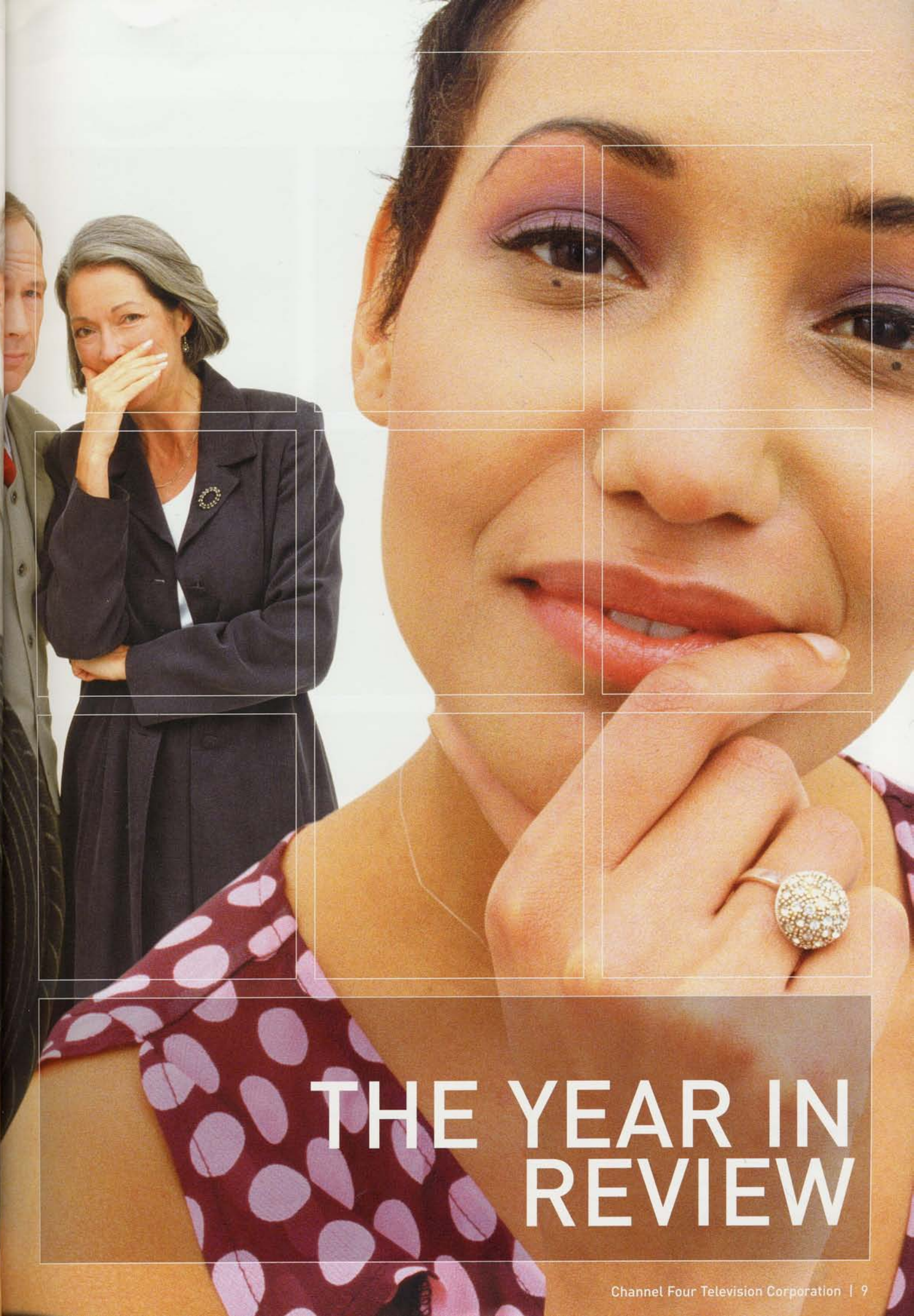
MICHAEL JACKSON
Chief Executive

9 April 2001



ACROSS MODERN TELEVISION, THE AVALANCHE OF NEW CHANNELS SHOWS LITTLE SIGN OF INTRODUCING AN AVALANCHE OF CHALLENGING NEW PROGRAMMES. IN A WORLD WHERE TELEVISION RISKS BECOMING LITTLE MORE THAN A FORMULAIC RATINGS MACHINE, IT IS EVEN MORE IMPORTANT THAT CHANNEL 4 STANDS OUT.

We aim to be a place of individual authorship, a consistent source of surprise, invention and brainfood. We are for viewers who expect to be challenged, provoked and entertained by new ideas and new talent; who want programmes that are *worth* watching. The following review of our programming in 2000 (pages 10 to 25) shows that Channel 4 is delivering on its promise to viewers with the broadest and most interesting schedule of any broadcaster in Britain.



THE YEAR IN REVIEW

Cutting Edge – Base Jumpers



DEFINING

DOCUMENTARIES

By allowing a sense of individual authorship, linked with campaigning commitment, Channel 4 has continued to produce the kind of contemporary documentary programmes which have all but vanished from other channels. Some of the results have made for uncomfortable but compelling viewing. Leo Regan's highly personal film on racism **100% White** documented the lives of a group of neo Nazis he had photographed ten years before. Another programme in the feature-length documentary strand **True Stories** was **Babitsky's War**, one of a series of three films on Putin's Russia, and a powerful account of the kidnapping of a Russian journalist in Chechnya by the Russian Army after he exposed too much about the horrors of war in that region. And in **Mr Death**, Errol Morris told the extraordinary story of an American engineer's attempt to prove that the Holocaust never happened.

Cutting Edge lived up to its name with a series of sharp and energetic films on life in Britain today, including Paul Watson's **A Wedding in the Family** and Penny Woolcock's **The Five Of Us**, set in a household of people living with learning difficulties.

Fifteen helped re-define modern British culture with a series that gave a troublesome, interrogative voice to emerging young Britain. **Faking It** gave its subjects the chance to become somebody else



The Gambler



True Stories, 100% White



Fifteen

and cleverly combined the popular and the intelligent whilst tackling contemporary social issues.

Slavery was a campaigning feature-length documentary from the makers of **The Dying Rooms** about the growth of the modern slave trade. As a result of the programme, a working party was set up by the cocoa industry to attempt to eradicate slavery from its production processes. **A Very British Murder** was a major series exploring contemporary British murder cases, which included the first on-camera interview with Tony Martin, the Norfolk farmer who murdered a burglar in his home.

The Gambler followed inveterate chancer Jonathon Rendall on a global gambling spree. **The Man Who Bought Mustique** was a humorous portrait of the irascible Lord Glenconner returning to the Caribbean island of Mustique to hold court with Princess Margaret.

In 2000 Channel 4 launched **Alt tv**, a peaktime initiative to find the next generation of factual programmes and documentary filmmakers.

Nigella Bites



FEATURES

Channel 4 put renewed emphasis in 2000 on finding documentary subjects within popular culture and was rewarded with two of the most talked about programmes of the year. In **Victoria's Secrets**, Victoria Beckham turned interviewer in the rarefied world of celebrity and wittingly, or unwittingly, offered an insight into the everyday aspects of fame. The programme was Channel 4's fourth highest rating programme of the year with 4.6 million viewers. **Coked Up** was a short season of programmes looking at the prevalence of cocaine use within modern, British society. Bold, uncensorious and timely, the season generated debate and an enthusiastic critical response.

Nigella Lawson was launched as a fully-fledged face of Channel 4 with her own show **Nigella Bites** and promptly became an omnipresent media personality. **Driven**, in its third series, broke through the two million audience barrier and regularly beat its established rival Top Gear. It is now regarded by the industry as *the* motor show to watch.

A new consumer property show **Location, Location, Location** debuted with a strong first series, and **She's Gotta Have It** gained fresh impetus from a new presenter, Jayne Middlemiss, and a new peaktime slot.

Time Team proved its enduring popularity and maintained its audience share in an increasingly competitive market to become one of Channel 4's top 30 rated programmes in 2000. **Time Team** also produced four days of live archaeology from Canterbury over the August Bank Holiday weekend and successfully established a new **Time Team** documentary strand with **The Mystery of Mine Howe** and **The Mystery of Seahenge**. Both performed well in peak, as did various **Time Team** specials.

Can You Live Without...? was a first-time collaboration between Channel 4's Features and Current Affairs departments, which investigated whether people could cope without the 'essentials' of everyday life including make-up, cars and TV. **Celebrity Frock Ups** launched a new genre in archive programming and was one of Channel 4's top 20 programmes of the year, proving that half-hour programmes can still punch through in an increasingly competitive schedule.

In daytime, both newly commissioned property show **A Place in the Sun** and **Great Estates** proved consistently popular and earned an outing in the peaktime schedule.

Just William... and Ffion

INTOXICATING VIEWING

Good journalism costs time and money. It takes commitment. While other broadcasters seem unwilling to pay that price, Channel 4's journalism just keeps on getting stronger. The reward has been a 15% increase in news audiences and the satisfaction of stories that change Government policy and influence national debate.

News and current affairs have always been one of the primary signifiers of Channel 4's public service purpose, a true point of distinction between the channel and other commercial broadcasters. In 2000 the strength of the channel's journalism was shown in even sharper relief.

The year on Channel 4 had, as a spine, a series of campaigns mapping the social pressure points of Britain – **Adoption, Eating Disorders, Teenage Sexuality, Why Doctors Make Mistakes, and Stress.** Combining current affairs with education and a real campaigning edge, seasons of this type have become a Channel 4 hallmark, illustrating the channel's commitment to having a positive impact on the lives of its viewers.

Channel 4's current affairs output was at the forefront of the best television journalism in 2000. Channel 4's current affairs flagship **Dispatches** scored some notable hits, exposing British Airway's pilots drinking to excess before flying passenger flights in **Flying Under The Influence.** The follow-up coverage from the programme prompted the Government to speed through legislation on alcohol limits for pilots. In **Children of the Secret State**, Ahn Chol risked his life to bring to world attention the shame of the brutal North Korean regime that is abandoning its children to starvation, disease and even cannibalism.

Coverage of international affairs was also prominent on Channel 4 in 2000. In August the channel found itself bound up in a major political international incident when a camera crew from Insight News, filming in Liberia for **Soriosis Samura's Africa** – the centrepiece of Channel 4's Africa season – was arrested and thrown in jail on the instructions of President Charles Taylor. After a week of diplomatic activity and international pressure, the four men were released and returned to recount their captivity at a press conference at Heathrow.

The Africa season also featured **The Hunger Business**, looking at the failures of international aid programmes. **Unreported World** told four vivid stories about the effects of globalisation from the flash points of a rapidly shrinking world.

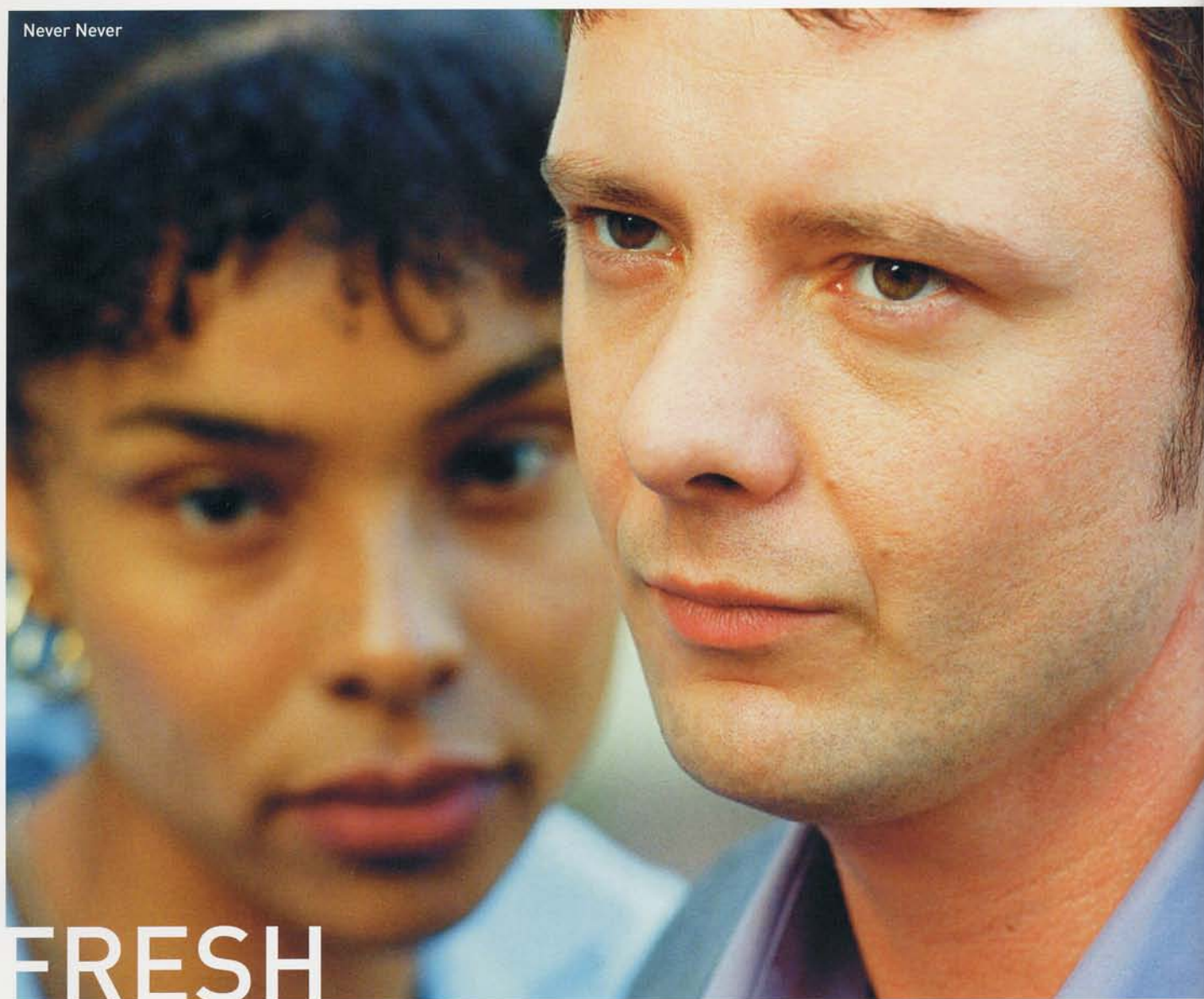
Current affairs output typified Channel 4's appetite for innovative approaches to difficult subjects. Peter Kosminsky's two-hour factual drama, **Innocents**, recounted the story of the baby heart surgery scandal at Bristol Royal Infirmary. **Innocents** formed part of a **Doctors on Trial** season, which also featured **Why Doctors Make Mistakes** scrutinising the errors of the medical profession.

Borrow a Baby, in which teenage couples were given babies to look after in a controlled experiment, headlined current affairs' contribution to the successful **Generation Sex** season and a campaigning season on **Adoption** was also broadcast at the start of the year. For the third year running Channel 4 put New Labour under the spotlight on the anniversary of the party's ascent to power and Nick Cohen's **Tony's New Boy Network** was the stand-out political programme of the year. Channel 4 also gained exclusive access to William Hague for a revealing profile, **Just William... and Ffion.**

Channel 4 solidified its commitment to **Channel 4 News** adding an extra bulletin on Sundays, making it the only serious news programme on British television seven days a week. Audiences responded with a 15% year-on-year increase in the programme's ratings.

The success of **Channel 4 News** as television's fastest growing news bulletin was built on the strength and determination of its journalism. The team was consistently ahead of the story with its reporting and analysis of key stories such as the fuel crisis and the causes of the Hatfield rail disaster. It covered the last days of 14-year-old CJD victim, Zoë Jeffries, and gained an exclusive interview with her mother Helen on the eve of Lord Phillips's report into BSE.

Innovation was a distinctive part of the bulletin's appeal in 2000, with Naomi Klein's visually arresting 25 minute film on global branding provoking debate when it was shown shortly after anti-capitalist demonstrations in Prague. **Channel 4 News** also broke new ground in court reporting, using actors to re-enact the evidence on each day of the court case surrounding Siamese twins, Jodi and Mary. Gaby Rado contributed the first, definitive anatomy of the fall of Milosevic.



DRAMA

In the multi-channel environment, new and original drama, on all channels, has a hard task breaking through to capture the attention of a wide audience. Channel 4 drama has been at its most successful when it has sought a distinctive and individual voice rather than easy ratings.

Charles Sturridge's two-part adaptation of Dava Sobel's bestselling book, **Longitude**, with a renowned cast led by Michael Gambon and Jeremy Irons, brought to life this extraordinary true story of adventure, intrigue and power on the high seas of 18th century England. **Longitude** stood out as a truly innovative piece of drama and a television event.

Another highlight of the year was Tony Marchant's gritty two-part drama **Never Never**, which dealt with the harsh, and usually unseen, realities of debt on an ordinary housing estate in Britain.

The department also tackled the classics as well as more contemporary fiction. David Blair's direction gave an adaptation of Tolstoy's classic novel **Anna Karenina** a very contemporary feel, following the narrative through the vast panorama of 19th century Russia – from the decadent social milieu of St Petersburg's palaces to the hard simplicities of rural life.

North Square took a fresh, witty and irreverent look at the legal profession and won many fans for its colourful portrayal of a group of highly paid, fiercely competitive and not always scrupulous young barristers. **Queer as Folk 2** gave a slightly different view of today's 20 and 30-somethings in a two-part special, which picked up with the Canal Street boys where the original series left off.

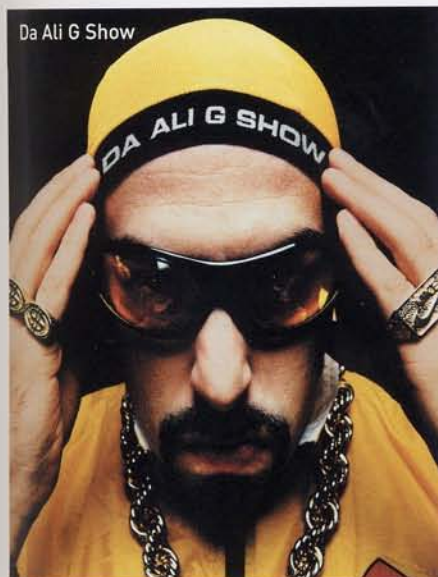
In collaboration with **4Later** the drama department brought together the best of the country's new writing and directing talent in **Dogma TV** – a brand new series of raw, funny and edgy low budget films which took the Danish Dogme filmmakers' manifesto as inspiration. The series proved that Channel 4 can successfully provide representation to a wide range of new voices.

Brookside celebrated its 18th birthday with an improved ratings performance and some good story lines. **Hollyoaks** also passed a landmark during 2000 – completing its fifth year on air – and has become one of the mainstays of the Channel 4 schedule, combining massive appeal for the 16 to 34-year-old audience with much-admired treatment of tricky social issues.

So Graham Norton



Da Ali G Show



Trigger Happy TV



ENTERTAINMENT

Channel 4's commitment to finding the next generation of comic talent paid dividends in 2000 with the launch of four brand-new series to instant acclaim.

The highlight of an outstanding year for the entertainment department was the phenomenal impact of Ali G, with Sacha Baron Cohen's comic creation graduating to front his own vehicle, **Da Ali G Show**, which secured some of the best ratings of the year. Despite giving just one interview – to the *Staines and Egham News* – Ali G became the year's most written about television character, provoking an outbreak of Gangsta patois in the national press and a rash of Tommy Hilfiger-clad lookalikes.

Equally gratifying were the ratings and critical success of **Trigger Happy TV**, fronted by Dominic Joly and reinventing Candid Camera for a new generation. Peter Kay, another graduate of Channel 4's new talent showcase, **The Comedy Lab**, revealed his huge potential in **That Peter Kay Thing**, which was judged Best New Comedy at the British Comedy Awards for its sharp but affectionate portrayal of northern life. **Black Books**, co-written by and starring Dylan Moran, was that rare thing – a sitcom that made the reviewers (and the viewers) laugh.

Chris Morris delivered his latest insight into the human condition in **Jam**, a dark comedy widely acknowledged as an original and groundbreaking piece of television.

So Graham Norton continued as the lynchpin of Channel 4's Friday night schedule – a triumph of ratings and a reinvention of the talk show. **Top 10s** delivered similar success on Saturday nights by mining a rich vein of nostalgia.

Channel 4 also scored notable hits with younger audiences, with **Shipwrecked** kicking off the reality TV phenomenon early in the year. **T4** became television's premier brand for teenagers and at the start of 2001 added early Friday evenings and Saturday lunchtimes to its regular Sunday morning slot.

Music continued to grow in stature and airtime on Channel 4 with **4Music** the only regular, credible music programming on terrestrial TV. A number of entertainment specials throughout the year, including David Blaine, Rory Bremner, **100 Greatest TV Moments** and **John Lennon Night**, reinforced the range and quality of comedy and entertainment output.

CRICKET JUST GOT BETTER

The buzz is back in English cricket. The revitalised performance of the national team has coincided with revitalised television coverage on Channel 4. Channel 4 has helped rekindle the public's enthusiasm for cricket, with concerts, events, eye-catching promotions, grassroots and schools initiatives and great television coverage all helping to introduce new fans to the joys of the summer game.

A chorus of questions greeted Channel 4's acquisition of the rights to Test match cricket in 1998, with critics lining up to ask how the traditional image of the game was consistent with the channel's remit to be different. By the end of a compelling summer of cricket and Caribbean culture last year, the doubts had been replaced by praise from all quarters.

Marketing Week led the way: 'When Channel 4 wrested the cricket rights from the BBC two years ago, it not only introduced new ways of covering the game, but also promised to help market cricket to a new, younger and more multicultural audience. This season – the second – has shown that promise coming to fruition.'

Innovation was again at the heart of Channel 4's coverage of the five match Test series against the West Indies in 2000, with the production and commentary team once more winning plaudits for their technological wizardry and fresh but knowledgeable approach to the game. During the year, Channel 4's **Test Cricket** coverage picked up a BAFTA for Best Sports Coverage, two Royal Television Society awards and a variety of other prizes. But true to the spirit on which all its successes have been built, Channel 4 added another dimension to its coverage of the nation's summer game.

Inspired by the West Indian visitors' love of cricket and music, Channel 4 devised a series of events and initiatives to supplement its televised coverage. For the first time, live concerts were held in the Test match grounds during the lunch intervals. Reggae band Third World showed the way to the other Caribbean music acts that followed, with a lively performance in front of the members' pavilion at Lord's.

Channel 4 also created a carnival atmosphere outside the Test cricket grounds, with 12,000 people attending a party and concert on Clapham Common and enjoying live music as well as coverage of the Oval Test match via giant screens. Bob Marley's band, The Wailers, played to a full house at London's Astoria. The mood was captured by bold off-air marketing, including a memorable poster that repainted the Union Jack in the Rastafarian colours of red, gold and green.

As part of its commitment to bring new, young audiences to the game, Channel 4 toured the country with its Beach Cricket Roadshow. Over 26,000 children around the country took part in this grassroots programme and received coaching from, among others, the West Indies players themselves. Channel 4 also sponsored a project to create a new inner-city cricket facility in the London Borough of Lambeth.

In partnership with the England and Wales Cricket Board, Channel 4 has launched a £2 million Community Cricket initiative, giving a fresh spin to the game for primary and secondary school girls and boys, including dozens of inter-school tournaments. One-day workshops in inner-city schools and classroom packs have allowed teachers to use cricket scores, teamwork, the history of the game and the geography of cricketing nations in a variety of lessons. Special roadshows across the country combined music with screenings of matches, while on television, fast bowler Darren Gough presented two series of his **Cricket Academy** for young players.

Also on screen, Channel 4 dedicated a week of programming to all things Caribbean. **Rebel Music** was a definitive documentary on the life and work of Bob Marley with unseen footage and new tracks; **Dancehall Queens** followed British dancehall fans as they travelled to soak up the Jamaican dancehall scene; and in **Trouble in Paradise**, Darcus Howe returned to the country of his birth to deliver an uncompromising state-of-the-nation assessment.

The reward for Channel 4's imaginative investment in the **Caribbean Summer** was a 42% share of the viewing audience during Test match cricket coverage and 70% of the ABC1 male market. Channel 4's dedicated website **cricket4.com** notched up seven million page views during August.

Caribbean Summer showed Channel 4 at its best – bold, innovative, exuberant and truly cross-platform. It turned a traditional sport into a modern cultural event that sprang out of the schedules in the quiet television days of summer and hooked an army of new cricket fans.



The Wailers



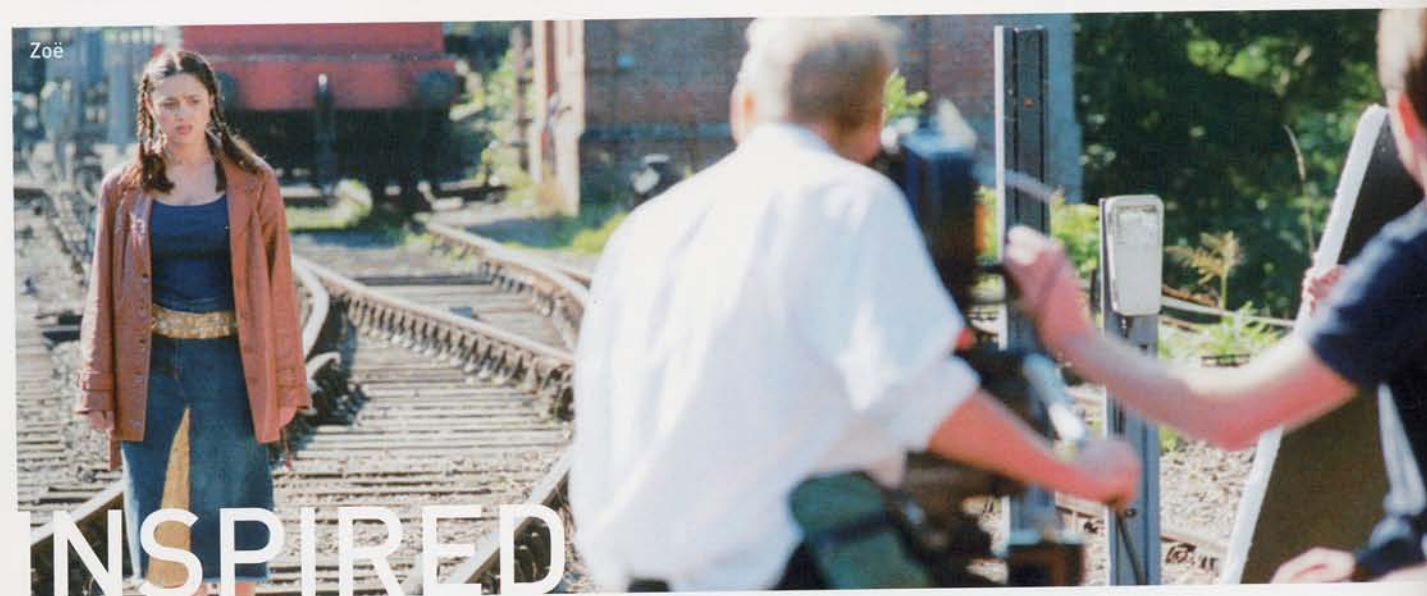
Test Cricket



Sir Viv Richards conducts a Channel 4 street cricket session



Howard Goodall's Big Bangs



ARTS AND MUSIC

Channel 4 continued to build its reputation as a major patron of cultural life in Britain with a new initiative to showcase architecture alongside its arts and literary coverage of the Turner and Booker prizes. A series of documentaries on the buildings nominated for the **RIBA Stirling Prize** in 2000 culminated in a Channel 4 sponsored awards ceremony with viewers invited to cast votes for their favourite building via channel4.com. **The Shock of the Old**, Piers Gough's idiosyncratic guide to the story of architecture, provided the channel with another distinctive voice. His mixture of authority and fun was quintessentially Channel 4.

Following the success of **This is Modern Art** in 1999, Channel 4 again cleared its Sunday night schedules for another major, authored arts series. **Howard Goodall's Big Bangs** rose to the challenge of exploring the complexities of musical history and theory in a way that invited the audience in, but did not dumb down, and was rewarded with a powerful critical response.

Alain de Botton explored how the teaching of great thinkers can make people happier in **Philosophy: A Guide to Happiness**. Directed by Oscar winner Kevin Macdonald, **Humphrey Jennings: The Man Who Listened To Britain**, grew out of the filmmaker's personal passion for the subject matter and jumped off the screen as a result.

Starstruck was a witty and engaging series on the pleasures and pitfalls of the acting profession, showing it is possible to make arts programmes with genuine audience appeal that retain intelligence and style. In **Movie Virgins** two very different tyro filmmakers struggled to break through into cinematic success.

In 2000 Channel 4 was at the forefront of original live arts programming, encouraging fresh and filmic ways of bringing performance to the screen. Andrea Andermann's groundbreaking version of **La Traviata** was filmed live in real Parisian locations and scheduled across a weekend. **Zoë**, an opera performed by teenagers, was aimed boldly at a young audience and illustrated Channel 4's continuing commitment to new music and new talent. Channel 4 scored another major coup by bringing the acclaimed Royal Shakespeare Company's production of **Macbeth** to the small screen using a hand-held documentary style of filmmaking that emphasised the rawness of the play.

Our arts coverage was endorsed by the ITC, who stated in their review of our performance: 'given the difficulty of attracting audiences to the arts on television, the channel's achievements in 2000 were impressive'.



Living on Light

HISTORY

The major history event of the year was **Elizabeth**, presented by David Starkey, which attracted audiences of more than three million and provoked front-page comment as a result.

The Holocaust on Trial blended drama, analysis and testimony of victims to place in context the arguments surrounding historian David Irving's controversial views of the Holocaust. Made while his libel trial was proceeding and shown shortly after, it was a commission only Channel 4 would have had the courage to undertake and which went to the heart of the best TV history – helping us understand how we got here.

Wallis Simpson: The Demonised Duchess, The Real Queen Mother and **Crawfie, The Nanny Who Wouldn't Keep Mum**, formed a three part series marking the Queen Mother's 100th birthday in characteristically angular Channel 4 style.

When Money Went Mad transposed the story of the 18th century's South Sea Bubble financial disaster against current anxieties about dot.com mania and was one of the most original history programmes of the year.

RELIGION

As television moves towards greater self-regulation, Channel 4 has looked for new ways of addressing issues of spirituality,

measuring what we do in terms of impact rather than hours, aiming for programmes whose scale and approach make them stand out in the schedules and hold the attention of viewers. One such was James Runcie's **My Father**, a frank and intimate portrait of the former Archbishop of Canterbury, Lord Runcie, filmed only weeks before his death. **Witness** contributed some distinctive one-off films to the schedule including **The Cult That Couldn't Stop Killing** and **Living on Light**.

SCIENCE

One of the most stylistically innovative programmes of the year, **The Day the World Took Off**, employed a team of historical investigators to explore the origins of the Industrial Revolution and Britain's role within it.

Neanderthal captured press attention by bringing to life the language, rituals and habits of man's closest ancestral relative. **Escape from Colditz** covered the wartime history of the notorious Prisoner of War camp and set modern day army recruits the task of replicating the inmates' celebrated escape attempts. **Scrapheap Challenge** returned with its combination of adventure and technological challenge.

Anatomy of Disgust explored the essence of the most powerful of human feelings while the Royal Institution's Christmas Lectures made their debut on Channel 4 with Professor Kevin Warwick's **Rise of the Robots**.



United we watch

DAILY STAR, Friday August 18, 2000

NICK YOU'RE A

What house mates told Big Brother sly schemer

Mind games hid his plotting



BAGS OF TROUBLE

From Page One
In his first bid to win the £70,000 prize, Nick Bateson, 28, has been accused of plotting to win the game by using his housemates as pawns in a complex game of mind games.

Peace

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson

By Nick Bateson



CRAIG: Threatened to quit



NICHOLA: Shocked



EXIT: Fred Nick Bateson

It all ends in tears for Big Brother's



'Nasty' Nick is evicted for his double-dealing

By Tom Leonard, Media Correspondent
The eviction of Nick Bateson from the Channel 4 fly-on-the-wall show leaves it without its greatest attraction. In a tearful scene, Nick was told to leave the house after being accused of double-dealing.

IT'S CRAIG



He wins TV's Big Brother



Facing the music: Nick is confronted by two of his housemates yesterday



Harro

OFFICIAL BIG BRUV PAPER

CRAIG WINS

He edges out Anna by just 2 per cent



Hard habit to break... Craig hugs winner Anna last night



NASTY NICK KICKED OUT

Big Brother bust-up as he's caught cheating

By NICHOLA SHEVCHENKO
TV editor
The eviction of Nick Bateson from the Channel 4 fly-on-the-wall show leaves it without its greatest attraction. In a tearful scene, Nick was told to leave the house after being accused of double-dealing.

EXCLUSIVE: OFFICIAL BIG BROTHER PAPER



NASTY NICK MY IS H

BIG BROTHER B £70,000 FOR BR

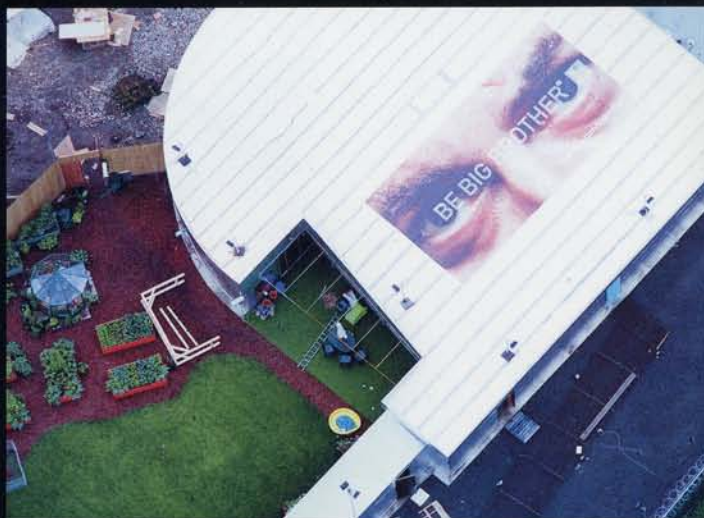


MAVE: Smiling Jo dreams of having the heart and lung up to allow her to live a more normal life

Show donates vote line profits

By NICHOLA SHEVCHENKO, TV Editor
BIG Brother bosses yesterday voted to match the generosity of viewer Craig Phillips and give £70,000 to a Down's syndrome teenager.

Big Brother was the TV programme that everyone wanted to talk about last year. The most compelling and celebrated, the most analysed and debated, the most interactive and imitated, the most hated and berated – **Big Brother** was the TV event of this or any other year.



PHENOMENAL

With the benefit of hindsight, **Big Brother** may look to have been a sure-fire winner from the start, but in truth it represented a significant risk for Channel 4. The channel's reward for staying true to its spirit of innovation and committing itself fully to the experiment was to create the TV event of the year and the ultimate example of talked about television.

The format was in many ways the simplest aspect of **Big Brother**. Ten people in a house for nine weeks, their every move – almost – captured by a sophisticated multi-camera set up, with one member of the house voted out each week by the viewers at home and the last one standing collecting a £70,000 prize. But the logistics involved in turning that idea into some 50 episodes across 63 days, with 24-hour live webcasts throughout, required months of preparation and constant monitoring.

A site was secured in Bromley by Bow, the house was built, miles of cable were laid, a studio built on site and a production team of more than 150 was hired by the producer, Endemol UK. Over 40,000 people applied to be in the **Big Brother** house – after regional auditions and a series of rigorous tests a shortlist was chosen.

The introductory show on 18 July peaked at 4.1 million viewers (20% share of the available audience) between 9 pm and 10 pm, with subsequent weekday episodes at 11 pm settling in with audiences of around three million viewers. But press interest in the show – fed by a 24-hour hotline – was already growing out of all proportion to the initial ratings. A huge word of mouth effect was also building up behind **Big Brother** as viewers followed every move in the house via the **Big Brother** website. Within a week it had become the UK's most popular site, averaging 2.5 million page impressions per day.

These factors collided on 17 August, when **Big Brother**'s most compulsive character 'Nasty' Nick Bateman was evicted for cheating. The website recorded 7.5 million page impressions and a world

record jump for an individual site as viewers watched the day's events unfolding live on the internet. Nick's antics were splashed across the front page of every national newspaper the day after – excluding *The Financial Times*, which devoted most of page 3 in its next edition.

After 6.9 million viewers tuned in to see Nick's post eviction interview on 18 August the ratings never looked back and peaked at 9.9 million during the final show. 38 million people watched **Big Brother** at least once and an average of 4.7 million (26.3% of the available audience in the timeslot) watched each episode. Nearly 80% of 16 to 34-year-olds tuned in to the show at least once. **Big Brother** broke records online and off-screen with more than 200 million page impressions – making it Europe's number one website – and 7.4 million people voting in the final phone poll between Anna, Darren and the eventual winner, Craig, making it the biggest ever UK televote.

Beyond the numbers, **Big Brother** reinforced Channel 4's position as a pioneering broadcaster. By being unpredictable, risky, ambitious, engaging and interactive it was broadly recognised as the first mass appeal, interactive, cross-media concept.

The programme will be remembered as one of the most integrated producer/broadcaster projects ever embarked upon. For Channel 4, the press and publicity department deployed every member of staff and handled more than 15,000 calls from UK and international journalists. The commissioning team moved to the production site; the legal team, advertising and commercial development, marketing and engineering, information systems and Channel Four Interactive all collaborated closely with their counterparts at Endemol UK and the production team to ensure the project's success.

The last word must go to *The Guardian*. 'Big Brother has completed Channel 4's transformation from an eccentric outsider to a powerful pioneer at the heart of British broadcasting.'

homeworkhigh.com



MOTIVATING

4 LEARNING

In 2000 Channel 4 undertook a root and branch review of its education policy and provision. The result was the creation of a new internal division, 4 Learning, bringing together all the channel's educational interests and activities – the schools' programme service, schools' publishing, stand-alone websites and programme support for adult education programmes.

This organisational development is enabling 4 Learning to move towards a fully multi-media future, using new ideas and technologies to give more people a window on a bigger world. It will also ensure that all of Channel 4's education activities are infused with the same sense of purpose.

That purpose was clear across the full range of Channel 4's educational output in 2000. The channel's innovative approach helps many young people and adults overcome the barriers they feel stand between them and educational achievement. Most of all, Channel 4 believes it has a particular role in assisting people at times of transition in their lives. Not only does the channel produce five of the top ten primary schools programmes, it also supports young people who are leaving school, becoming sexually active, getting a job. These choices and dilemmas are a cue for Channel 4 to be imaginative, ambitious and useful in its education proposition.

Launched in January 2000, **homeworkhigh.com** was one of Channel 4's most significant successes in any medium during the year. Offering 9 to 16-year-olds online help with their homework, the service now regularly receives more than two million hits each week. **homeworkhigh.com** is the only free online homework service that guarantees answers to accepted questions by the end of the session. Over 100 qualified teachers work across six subjects offering expert help in real time, but encouraging children to work out their own solutions. The service has built up a databank of 35,000 previously answered questions that can be accessed at any time. The website has become the most talked about homework help service and won many prestigious awards in 2000 including a BAFTA for Best Online Education site.

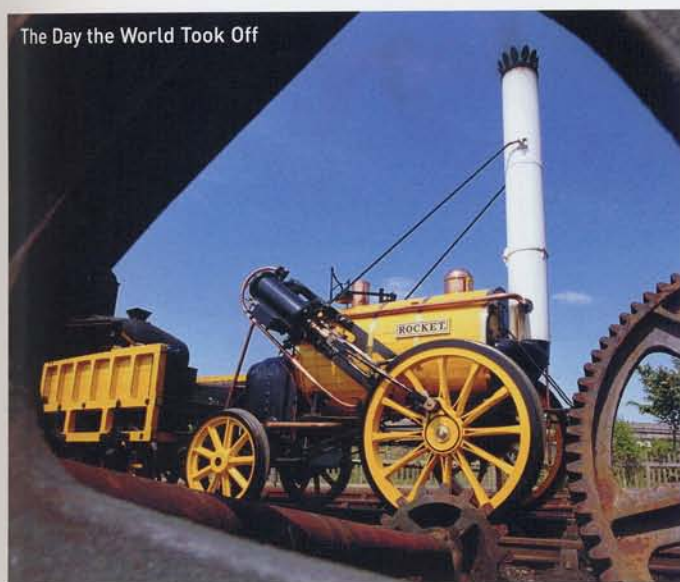
In 2000, a new stand-alone website, **channel4.com/brilliantcareers**, was launched to help introduce people to work in the creative industries. As well as factual information the site gives access to digital mentors and profiles of creative industry experts to inspire and educate.

The channel's **Generation Sex** season of programmes focused on the knowledge gap in British sex education. Online – and confidentially – teenagers were able to put questions to qualified

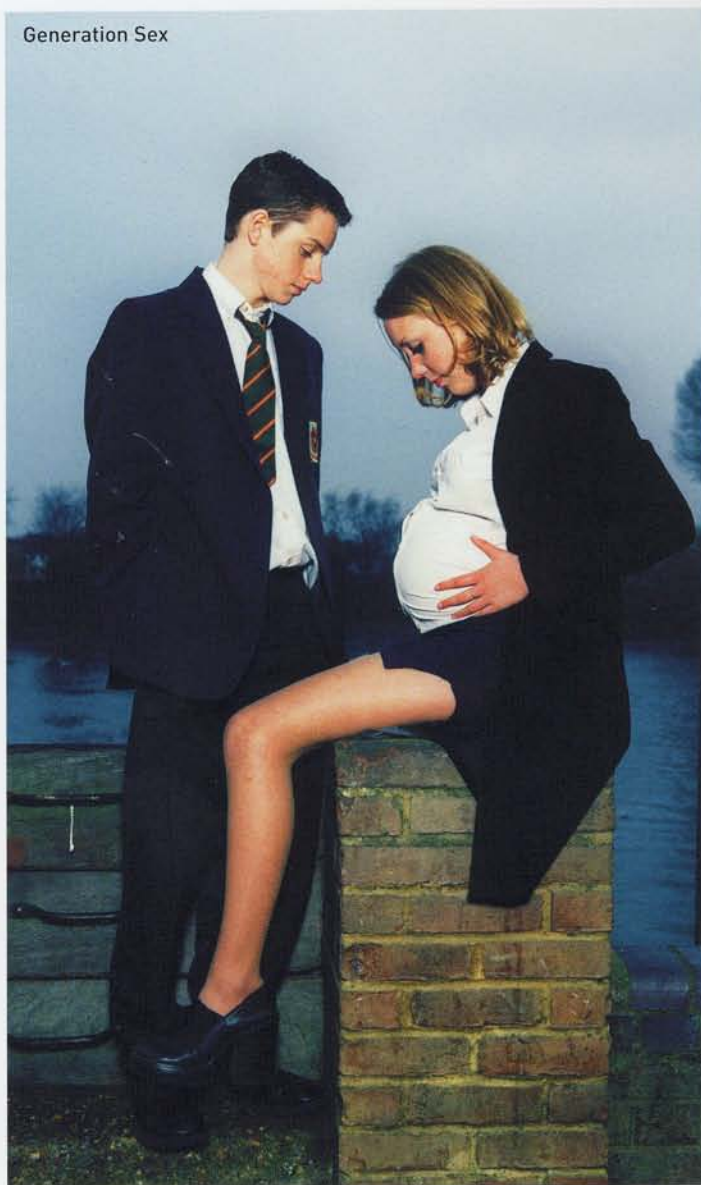
Stop, Go Home



The Day the World Took Off



Generation Sex



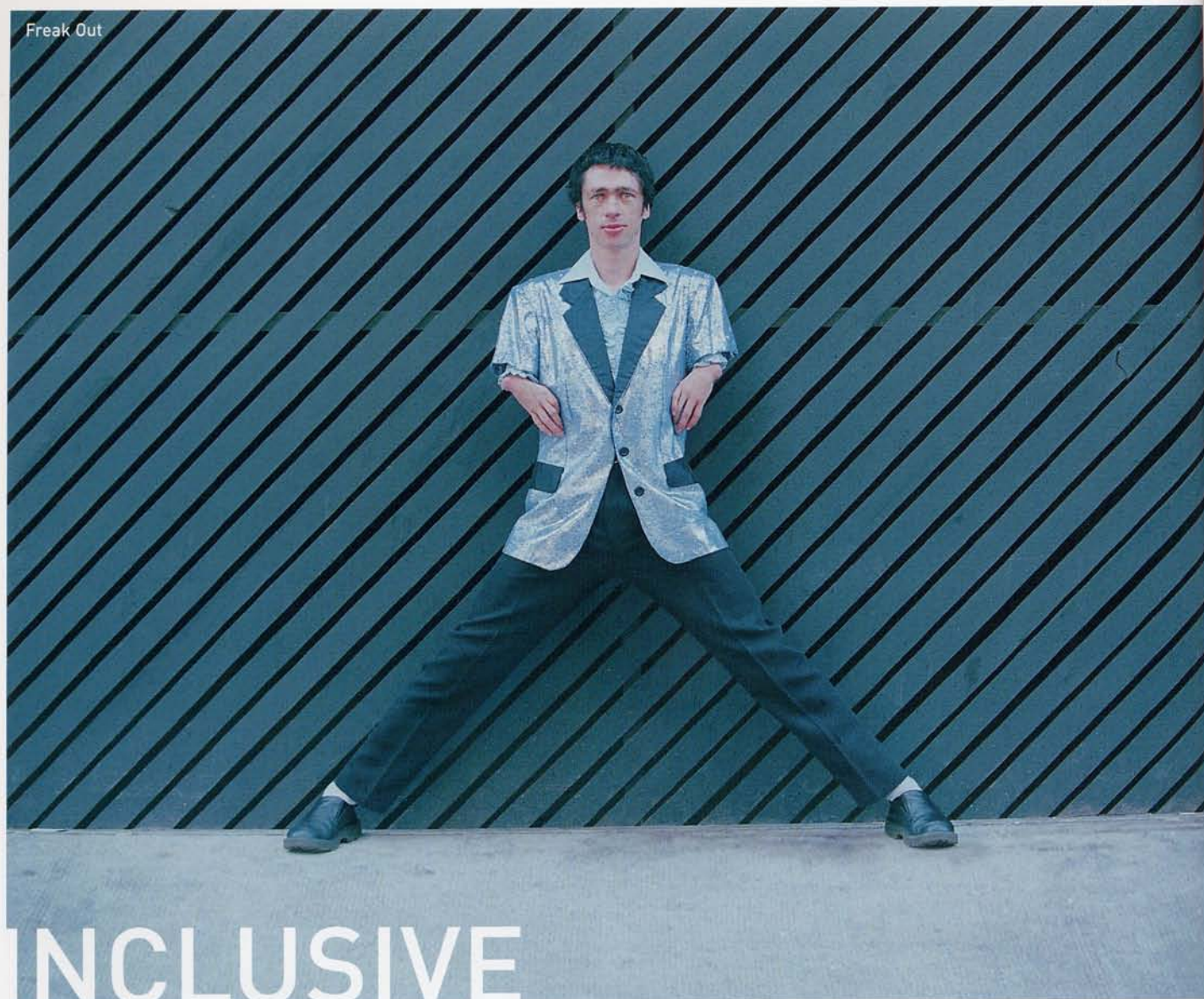
advisers on the issues that concerned them. Some 850,000 leaflets were distributed in schools and in popular teen magazines, and over 13,000 calls were taken on a supporting helpline.

In 2000 Channel 4 devoted 286 hours of its peaktime schedule to first run education programming and won over 20 major awards. The channel's educational ambitions are not confined to certain genres or formats, but inform every part of its editorial output. Dramas like **Never Never**, dealing with debt and loan sharks, or story lines in **Brookside**, all add to and are informed by the channel's attitude to learning. Some of the channel's outreach work is linked to programmes not traditionally thought of as 'education', like a multi-million pound investment in inner-city grassroots cricket, and trailblazing series such as **Generation Sex** and **The Day the World Took Off**.

Health continued to be another major area for Channel 4's education work across all media in 2000. Responding to the fact that the British work longer hours than anyone else in Europe – the **Stop, Go Home** season examined a stressed-out nation's obsession with work. The channel also tackled **Eating Disorders** in a well-received season of programmes, which included **The Real Lena Zavaroni**, **Diet Diaries** and **Three Thin Ladies**.

Working with new technology Channel 4 can now respond to learning needs in the way that suits the learner, whatever age. Through a multi-media service of television programmes, online resources, CD-ROMs (and, shortly, DVD-ROMs) the channel combines ambition and expertise to create winners such as **Number Crew**, **Maths 4 Real** and **Your Family Counts** – all part of a campaign which established 4 Learning as a major influence in the teaching and learning of mathematics, both in the formal education sector and in improving numerical skills for adults.

Freak Out



NATIONS AND REGIONS

Channel 4 continued to make substantial progress in 2000 in its work in the nations and regions of the UK, investing £102 million in original production outside London and transmitting programmes supplied by 153 regional companies.

To emphasise this commitment to production outside London, three prime-time series – **Football Stories**, **Public Enemy Number 1** and **Hidden Love** – were ring-fenced for producers with a base outside the M25. **A Very British Murder**, an anthology strand on crime, showed how stories from a local landscape could inform and enrich the network.

Three dramas stood out as having major regional significance. The return of **Queer as Folk** captured gay lifestyle against the backdrop of post-industrial Manchester. **The Secret Life of Michael Fry** presented a unique if controversial portrait of life in mid-Wales. And the legal series **North Square** was set in the aspirational Leeds of today. The continuing success of Mersey Television's **Hollyoaks** and **Brookside** delivered more than 500 jobs in Liverpool in 2000.

A number of the channel's major popular factual strands were made outside London such as **Location, Location, Location** from Glasgow-based Ideal World and **Embarrassing Illnesses** by Maverick in Birmingham.

Channel Four Interactive joined forces with the Nations and Regions team to host 'Cross Creative', a two-day laboratory in Glasgow bringing games developers, web designers and TV producers together to discuss their cross-platform ambitions with broadcasters. Channel 4 has already taken a few of these projects further. **4car.co.uk** – a joint venture with Ideal World – is proving to be a popular online destination for car enthusiasts and a joint venture for games on mobile media was struck with the Dunfermline-based WAP producer, Digital Bridges.

MULTICULTURAL

A key part of Channel 4's commitment to reflecting the diversity of modern British life is its multicultural output. In recent years, the channel has sought to infuse all aspects of its programming with a multicultural perspective and enjoyed success in that respect last year with **The Richard Blackwood Show** from entertainment and the **Caribbean Summer** season accompanying the West Indies cricket tour.

Notable programmes on specific issues of race included Darcus Howe's **White Tribe**, a provocative and incisive polemic on what it means to be white in multicultural, post-devolution Britain, and **The Difference**, a groundbreaking series exploring the latest research into links between race and genetics. Both typified the channel's reputation for angular and risk-taking factual programmes.

The Richard Blackwood Show



Channel 4 again led other television companies in the Campaign for Racial Equality's Race In the Media Awards, picking up three prizes including Best Drama for **Nightshift**, a drama devised in conjunction with Asian teenagers in Birmingham.

To commemorate Black History Month 2000, Channel 4's **Untold** season looked at the little explored contributions of black and Asian Britons to major events in this country's history, through a series of programmes including **Extraordinary Ancestors**. Communities from across the UK investigated the histories of their own areas to create the first ever online black and Asian history map of Britain on Channel 4's website. Key discoveries were the subject of short films.

DISABILITY

The year 2000 was notable for the growth in opportunities for disabled talent – both on and off screen. **Freak Out**, a new factual entertainment series, was presented by Mat Fraser and Ash Atalla, and employed a disabled researcher and director. The half-hour documentary **Your Voice Your Vote** was presented by leading disabled campaigner, Simone Aspis.

Access All Areas was a night of programmes both featuring and made by disabled people. It included **Forbidden Pleasures**, researched by disabled writer and presenter Lara Masters;

Two Crippled Heroes, a film starring two disabled kung-fu actors; and three short films by disabled animators.

Disabled people were employed across all disability programmes but also made an impact in other programming. **Channel 4 News** carried three substantial reports presented by wheelchair user Andrew Slorance.

Off-screen, Channel 4 further expanded the Four All database – **fourall.org** – linking producers with disabled performers, producers and craft professionals, and employed a new part-time Deaf Adviser.



Turner Prize – Wolfgang Tillmans, *I don't want to get over you*
Courtesy Maureen Paley / Interim Art, London

INVOLVED

Talent is the lifeblood of television, as it is for all creative industries. With its reputation and its public service remit both resting on its ability to be innovative and distinctive, Channel 4 keeps talent development at the heart of all it does. Channel 4's aim is to be 'the R&D lab of the creative economy', nurturing new talent and new ideas in every region and community of Britain.

In 2000, Channel 4 supported 30 initiatives designed to find, develop and celebrate talent, both on and off-air. These had a combined value of more than £3 million and included: MESH, the first national scheme to develop new talent in computer generated digital animation; 'So You Think You're Funny', a competition to find the best new stand-up comedy talent in the UK; and 'Cross Creative', a pioneering programme of workshops for new media companies in Scotland. Channel 4 also supported more than a dozen schemes for developing scriptwriting and comic talent, on and off-air, four major animation programmes, and a series of development and production deals aimed at ethnic minority filmmakers.

Channel 4 regularly sponsors cultural events that aim to discover and showcase talent across different creative areas. Some of these are major events, which make a substantial contribution to Britain's cultural life, such as the **Turner Prize** and the Edinburgh International Film Festival. But they include smaller, cutting-edge events ranging from the Canongate Literary Prize for new writing, to Fashion East, a show of the best four up-and-coming fashion designers held during London's Fashion Week, and FilmiFundas, a unique festival of the work of young Indian film directors.

Last year Channel 4 also co-funded 30 industry-wide training initiatives. These included specialist courses for deaf and disabled trainees, bursaries for students in creative and craft disciplines related to all forms of media, and a variety of experimental digital labs.

Channel 4 is a major sponsor of The Research Centre for Television and Interactivity, which is run from its Glasgow office. In 2000 one of its most successful schemes was the Researcher Development Project - funded in partnership with the producers' association PACT - which invested £300,000 in 12 successful regional companies in

order to improve their research and development. As a result of the scheme, £3.5 million of new network commissions have been won by the selected production companies. In 2001 there are plans for Channel 4 to become the sole sponsor and to extend the project to 16 companies, increasing its scope and broadening its range to encourage more ethnic diversity. The scheme has also been refined to specifically benefit producers in Northern Ireland. In September, four companies benefited from a Channel 4-led initiative to improve network production in the region, in partnership with Northern Ireland's leading economic development agency LEDU.

IN-HOUSE TALENT

This wide ranging commitment to identifying and building talent around the country is mirrored by systematic attention to the quality of Channel 4's own staff and the need to open up career opportunities that help them and the channel grow. In 2000 Channel 4 became the first major broadcaster to achieve the Government approved Investors In People standard, in recognition of its commitment to improved staff training and development. During the year Channel 4 provided more than 1,450 training courses, ranging from Deaf Awareness to Negotiation Skills. A new, revamped intranet site providing news, information and online learning modules for staff; a new policy of funding study leave; and the Step4ward career development programme for assistants, are further examples of Channel 4's commitment to its in-house talent.

SUPPORTING VIEWERS

Channel 4 also supports the talent and ambitions of its viewers and service users. In 2000 Channel 4 operated 140 separate programme-related websites giving viewers information and advice and, altogether, ran 350 learning-related projects in support of particular programmes. The **Time Team** Club is one of the biggest history societies in the UK.



Channel 4 is a multi-channel, multi-platform media business with free-to-air and pay TV channels, online and mobile services, a film production and distribution company, a print publisher and an international distribution subsidiary. 4 Ventures is the new holding company for all Channel 4's businesses other than the main channel, 4 Learning and 124 Facilities.

The following pages (30 to 37) contain a report of the activities in 2000 of Channel 4's new media businesses. Segmental analysis of these businesses can be found on pages 49 and 50 in the financial section of this report.

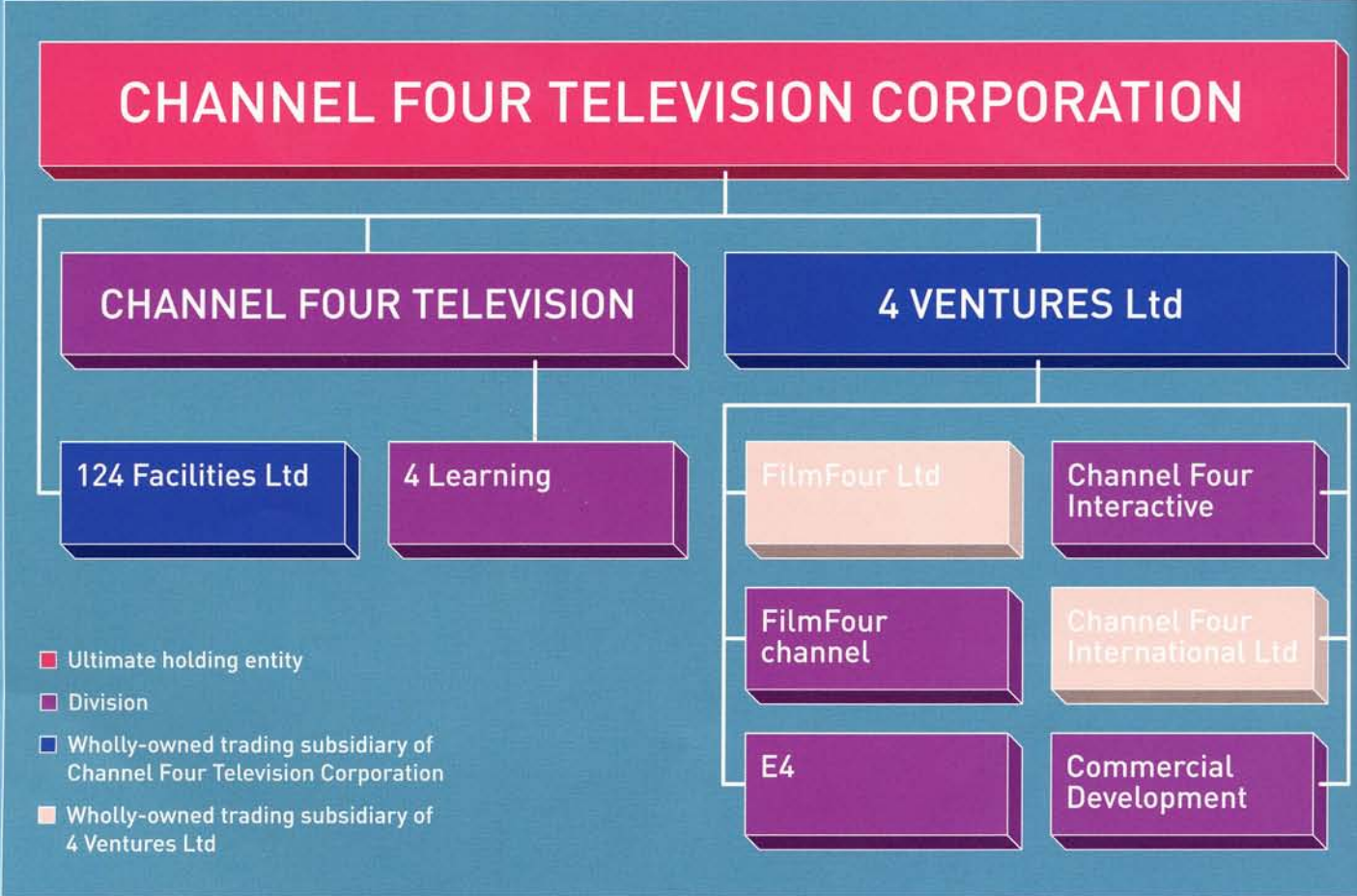
As well as managing Channel 4's existing businesses – the FilmFour and E4 channels, FilmFour Ltd, Channel Four Interactive, Channel Four International and Commercial Development – 4 Ventures will also develop new ones based on Channel 4's core purpose, designed to strengthen and extend the

Channel 4 brand. The company will have its own Managing Director, who will also sit on the Channel 4 Board.

The creation of 4 Ventures is the next stage of Channel 4's strategy to transform from a single television channel into a network of media businesses on a range of platforms. This strategy is parallel to those adopted by the BBC, ITV and BSkyB in response to the rapid spread of digital technology, which is transforming television and opening up new means of distributing content. In a universe of 200 channels, Channel 4 has a declining

future as a single, terrestrial-only network. It must grasp the opportunities presented by digital television, interactivity, broadband and the internet, if the Channel 4 brand is to remain as visible and relevant in the next ten years as it is now.

By consolidating these business activities into one company, they can be managed more aggressively to ensure that targets are surpassed and that they become a net cash contributor to Channel 4, moderating the competitive pressures of the digital era.





4 VENTURES

FILMFOUR LTD



Lucky Break



FilmFour Ltd achieved considerable success on the production side of its business in 2000, with 12 feature films and three low budget FilmFour Lab films commencing production, with FilmFour funding £33 million of their production and development spend. Together with external co-finance, this enabled FilmFour to participate in films with total production costs of £102 million.

The production slate in 2000 helped FilmFour deliver on its strategic aim of working with more established and proven film talent and funding bigger budget films of greater ambition. Star names signed to FilmFour's productions in 2000 included Cate Blanchett, Billy Crudup and Gillian Armstrong (**Charlotte Gray**); Peter Cattaneo (**Lucky Break**); Ian Holm (**Emperor's New Clothes**); Andie MacDowell (**Crush**); and Joaquin Phoenix, Ed Harris, Scott Glenn and Anna Paquin (**Buffalo Soldiers**).

The raising of FilmFour's profile has been matched by improved working relationships with overseas partners, who are helping to co-finance and distribute the company's films worldwide. The key development in this respect in 2000 was the establishment of a relationship with US studio Warner Bros, which will be distributing **Charlotte Gray** in North America and with whom FilmFour has formed a partnership for further projects. Universal also picked up many of the rest-of-the-world rights on **Charlotte Gray**, FilmFour's most expensive film to date. FilmFour's long-term output relationship with Senator in Germany continued to work well.

In 2000 FilmFour made further strides towards its goal of achieving worldwide distribution for its films, especially in the most difficult market – the USA. To assist its US production and distribution business the company opened an office in Los Angeles based on the Warner Bros lot. This is expected to contribute significantly in 2001 to finding US partners and in sourcing new projects and finance for films.

FilmFour's UK distribution arm had a difficult year theatrically and despite considerable effort there was no break out hit on a par with 1999. As a result, the company recorded a loss of £3 million in 2000, compared with a profit of £0.5 million in 1999. The real success story in 2000 was in video distribution and DVD rental. FilmFour had a 5.2% share of the video rental market (up from 1.8% in 1999) – its highest ever figure. **East Is East** led the way, heading the weekly charts and becoming the fourth

most frequently rented of all films released in 2000. In the independent titles top 10 for the year, FilmFour had nine titles. FilmFour was awarded the status of Video Distributor of the Year at the 2000 RIVA awards, the first time this award has been given to a non-major.

On the awards front FilmFour garnered nominations and prizes across the world. There were 131 nominations for 24 different films and 33 prizes. Notable results included **Dancer in the Dark**, winning two awards at the Cannes Festival (Best Actress and Best Film) and three at the European Film Awards (Best Actress, Best Director and Best Film). **East Is East** picked up a total of nine awards including Best Film at the Evening Standard Awards and the Alexander Korda award for the year's outstanding British Film at BAFTA. **Red Violin** won an Oscar for best original score.

A major initiative in 2000 was the launch of Spirit Dance UK – a joint venture with Forest Whitaker's US company Spirit Dance. The company's purpose is to develop and make feature films with British ethnic minorities. This partnership, with someone of such stature in the film business, will encourage and develop the talents that undoubtedly lie in the UK's black and Asian communities.

Six low budget feature films were committed to in 2000 mostly through the FilmFour Lab initiative, all of which involved first time directors and some with first time producers. Two of these, **Jump Tomorrow** and **My Brother Tom**, have already been rewarded with selection for the Sundance and Rotterdam festivals in 2001.

Another new talent initiative was launched through the commissioning of 30 one-minute digital short films, made by musicians and artists, as well as by established filmmakers. Artists of the calibre of Michael Stipe and Howie B have contributed and the films premiere on the filmfour.com website.

FILMFOUR



FILMFOUR CHANNEL



Hilary and Jackie

The FilmFour channel continued to grow its subscriber base in 2000 and again ended the year ahead of forecast – with more than 405,000 subscribers – and substantially ahead of budget.

The channel recorded some exceptional viewing figures during the year thanks to its continued strong emphasis on British and non-formulaic films together with a commitment to more challenging and controversial material, foreign language films and shorts. Highlights in 2000 included the television premieres of **Human Traffic** and the award winning FilmFour productions **Elizabeth** and **Hilary and Jackie**, and the month of November devoted to extreme cinema including **Ai No Corrida**, **Driller Killer** and **The Texas Chainsaw Massacre**.

FilmFour was launched in November 1998 with a fully costed business plan that projected a total maximum investment of £66 million and breakeven by 2005. Results to date and latest projections leave Channel 4 confident of meeting these targets, so that the film channel will become a net cash contributor. Losses of £20 million in 1999 reduced

to less than £15 million in 2000, and are forecast to decline to £11 million in 2001 and £7 million in 2002.

FilmFour contributes to the funding of Channel 4's film production business and promotes the take-up of digital television. To this end, more than £15 million of the total £66 million investment will contribute to film production and more than £13 million will contribute to Channel 4's cost of operating its digital terrestrial multiplex.

FilmFour is proving to be one of the most successful channels on the ONdigital platform and, in the move towards digital, in 2000 it ceased analogue transmissions on satellite and Telewest. Channel 4 undertook arrangements with those platform operators for FilmFour channel to be used as a digital only incentive to encourage customers to switch from analogue to digital television.

In April 2001, FilmFour launched three new digital services – a time-shifted version of the existing channel and two themed channels dedicated to extreme and world cinema. These three new FilmFour channels will be provided to subscribers for no additional cost and will be financed within FilmFour's original overall business plan and projections.

FILMFOUR



E4



At launch E4 was available in 6.5 million homes with distribution on Sky Digital, ONdigital, ntl digital and Telewest's digital and analogue networks.

E4 is provided at no additional cost to basic tier multi-channel subscribers. Part of the basic tier on all digital platforms, E4 will rely as much on advertising as platform subscription fees to pay its way.

Launched on 18 January 2001, E4 required months of collaboration and planning, with departments from across Channel 4 involved in its conception alongside the dedicated pay TV team. The channel burst on air at 8.15 pm with opening links from Ali G and an exciting new programme genre in the form of interactive game show **Banzai**. It scored a remarkable 1.5% share of viewing in multi-channel homes on its first night, topping Sky One with the highest rating programme on a multi-channel service for the day – **Friends** with 628,000 viewers (6% share of viewing in multi-channel homes).

E4 was launched with a business plan that projects maximum total net investment of £80 million (£42 million

of which will be incurred in 2001, reducing to £20 million in 2002 and profitability by 2005). The channel represents a major investment in new talent and entertainment programming, with a programme budget of more than £40 million in its first year and £13 million annual spend on original commissions – a 25% increase in Channel 4's commissioning spend on prime time entertainment. Through E4 commissions in 2001 Channel 4 is also doubling its new entertainment output.

Like FilmFour, E4 is operated as a fully costed, separate business and aims to drive the take-up of digital television in UK homes.

Offering the same, distinctive brand of cutting-edge entertainment pioneered over the last two decades by Channel 4, E4 is the next logical step in Channel 4's cross-platform strategy. It will protect and develop the Channel 4 brand in an

increasingly fragmented and competitive television landscape and reinforce Channel 4's reputation as the home of cutting-edge entertainment and the best new comic talent.



GO RACING



Cheltenham Gold Cup

Channel 4 has pioneered an integrated rights proposal for horseracing – covering terrestrial, pay and interactive television and the internet.

At the start of 2000, in partnership with cable operator ntl, Channel 4 bid against BSkyB for all media rights to the 'Super 12' group of leading racecourses. This Channel 4-led consortium won a period of exclusive negotiation with those 12 courses but that deal could not be concluded because it did not gain acceptance by the whole racing industry.

In November, Channel 4 re-entered the fray as part of the Go Racing consortium alongside former rival BSkyB and racecourse-owner Arena Leisure plc. The joint venture was pitched against Carlton Communications, a late entrant to the bid battle which was waged long and very publicly before the Racecourse Association (RCA) recommended to its 59 members that they enter a period of exclusive negotiation with Go Racing.

At the time of writing this report, Go Racing was in advanced negotiations with the RCA and anticipating issuing a rights contract to Britain's 59 racecourses.

Together with our consortium partners, BSkyB and Arena, Channel 4 aims to build Go Racing into a major business, developing new revenue streams through interactive betting on television and online. In addition to normal annual rights fees for its main channel coverage, Channel 4's proposed financial commitment to Go Racing's funding is £23 million.

Go Racing represents an exciting opportunity to develop Channel 4's longstanding coverage of British racing.

CHANNEL FOUR INTERACTIVE



The online highlight of 2000 was the success of the Big Brother website, which Channel Four Interactive steered from its inception through innumerable technical and creative challenges. For the nine weeks of the show, the site was Europe's most visited destination, generating more than 200 million page impressions.

Channel 4 also transmitted its first television and web simulcast, with **Show Me the Money** being simultaneously available for viewing on both media. The online trading game associated with the show was a great success for **channel4.com** and proved how interactive platforms can take television viewers into deeper relationships with programming.

Together with E-world, Channel Four Interactive and the Commercial Development department have created a leading destination on the internet for car enthusiasts. The site is focused on providing useful information to consumers purchasing a new or used vehicle and now delivers two million page impressions per month and supports Channel 4's motoring programmes. Offering a blueprint for other online ventures, **4car.co.uk** is operated as a joint venture with E-world, a subsidiary of Ideal World which produces **Driven** and **Deals on Wheels**.

Other notable events last year included the launch of cricket site, **cricket4.com**.

The focus for Channel Four Interactive in 2000 was building a solid foundation for the future. Channel Four Interactive has made a significant investment in the development of a technical platform that will support its operation and launch of businesses in the online, interactive television, broadband and mobile arenas.

2001 is a key year for launching and establishing Channel Four Interactive businesses online. **e4.com** is a standalone entertainment destination. The relaunched **filmfour.com** extends the FilmFour brand online to become a significant film portal. 2001 will see the launch of innovative interactive television content.

Revenue generation for these interactive sites is the top priority for 2001. Exploiting opportunities in advertising, sponsorship, e-commerce (on web, television and mobile platforms), content syndication and pay-per-view will be on Channel Four Interactive's agenda.

In 2000, Channel 4 invested £15 million in its interactive activity. This will rise to £23 million in 2001. Whilst small in relation to its competitors, that expenditure is carefully focused and has delivered significant success and impact.

In a market of considerable dot.com uncertainty, Channel 4's ability to harness terrestrial television to create new cross-platform brands and events will become increasingly important.

CHANNEL FOUR INTERNATIONAL



4 Play – The Samuel Beckett Season

Channel Four International ended 2000 with a healthy 23% increase in turnover from £19 million in 1999 to £23 million. The profit contribution, after payment of £13 million to Channel 4 and independent producers for the rights sold, was £2 million.



Cinderella

Top selling programmes of the year included the original eight-part series of **Queer as Folk**, which was also remade during 2000 for US cable channel Showtime; **Anna Karenina**; Channel 4 Schools' innovative 90-minute version of **Cinderella**, directed by Beban Kidron and starring Kathleen Turner; and two episodes of **True Bible Stories: Sodom & Gomorrah** and **The Lost Ark of the Covenant**.

Channel Four International also continued to broaden its sales portfolio to include rights to third party programming as well as one-offs, series and serials that have appeared on Channel 4. In 2000, Channel Four International was the international sales agent for several ITV dramas and also represented a strand of biographies for US cable channel, Bravo. The company now has a number of international strategic partnerships with networks and media companies worldwide, including Discovery and A&E, and the company's first co-production deal with US network NBC.

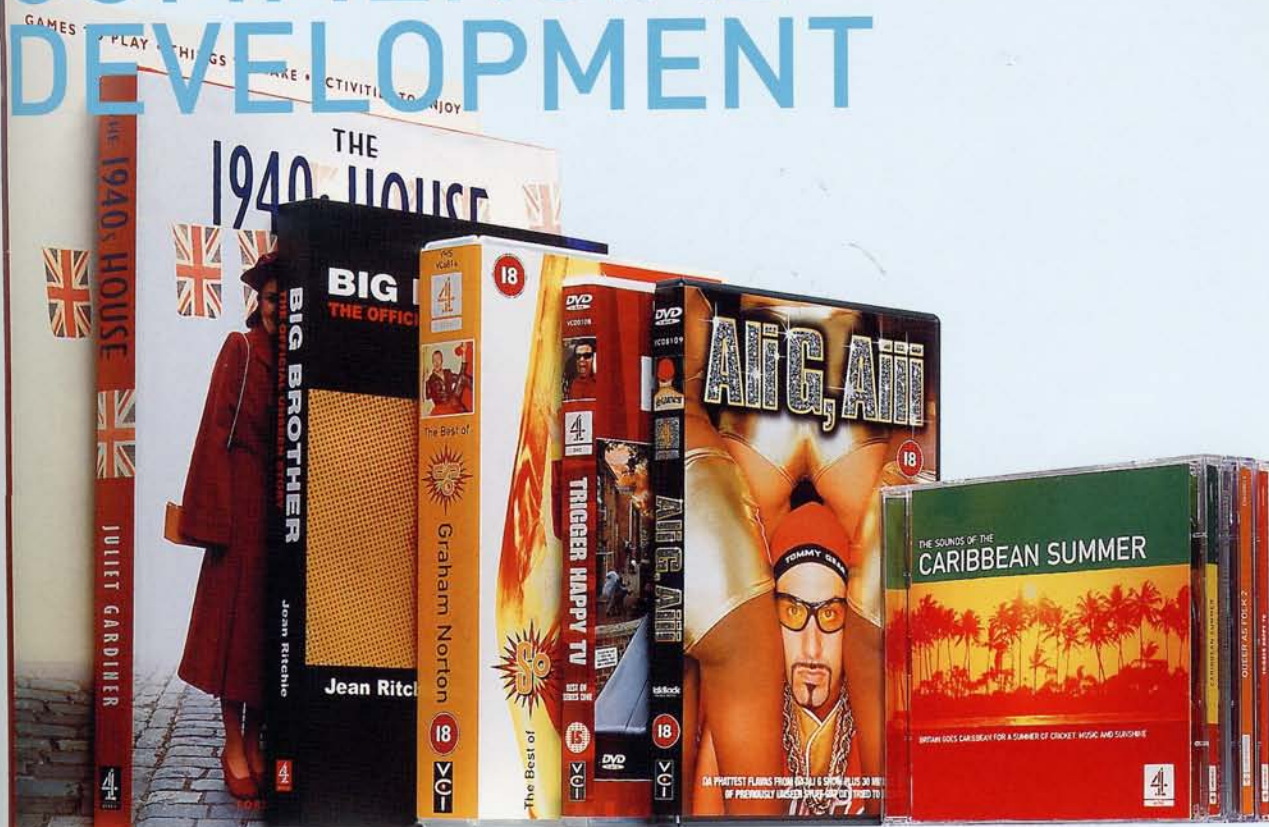
Channel Four International scored a coup by securing international distribution rights to the 19 plays of Samuel Beckett, which have been produced for television by Irish state broadcaster, RTE, in a major co-production partnership with Channel 4.

In 2000, Channel Four International showed other distributors the way forward in marketing and client relations, by creating and launching a unique website that allows buyers to order screening cassettes and view clips of shows directly from the internet. The company also pioneered an innovative approach to marketing, introducing portable viewing kiosks that travel to international sales markets and can be used to browse the current Channel Four International sales catalogue.

CHANNEL FOUR
INTERNATIONAL



COMMERCIAL DEVELOPMENT



Producing significant hits in all genres across all areas of rights exploitation, Channel 4's Commercial Development department proved itself the partner of choice for independent producers in 2000 and ensured the ubiquity of the Channel 4 brand off air.

Turnover rose significantly to £7.6 million (1999: £2.5 million) and Commercial Development contributed net profit to Channel 4 of £2.2 million (1999: loss of £0.3 million).

Music activities expanded beyond licensing to include the establishment of Channel 4 Music as an independent record label, which sold 377,000 CD units in 2000 achieving income of £1.9 million. The highlight of the year was the release of the **Big Brother** theme which reached number four in the singles charts, selling 193,000 units.

Channel 4 Video enjoyed its best ever year with five major releases – **Ali G Innit** (615,000 units), **Trigger Happy TV** (235,000), **Ali G, Aiii** (261,000), **So Graham Norton** (63,000) and **Queer as Folk 2** (37,000).

Channel 4 Books, an imprint established in 1998 with Macmillan, passed sales of 2.9 million books since launch. The biggest

single publication was the **Big Brother** book, which sold 302,000 copies and gave the imprint its first number one paperback.

In August, Commercial Development set up the Channel 4 shop, to offer viewers the opportunity to buy Channel 4 merchandise both online and by phone. More than 25,000 products have been sold and orders received from more than 19,000 customers.

Commercial Development also manages the provision of premium and non-premium rate telephone services for programmes. Again the most notable success was **Big Brother** with 20 million calls to the vote lines during the series. Programmes as varied as **Test Cricket**, **Collectors Lot** and **The Big Breakfast** all used premium rate telephone numbers to provide competitions, votes and live-to-air services.



Advertising and
sponsorship

+ 8%

£652 million in 2000

Other
revenue

+ 52%

£64 million in 2000

Programme
costs

+ 8%

£423 million in 2000

Film
investment

+ 35%

£33 million in 2000

Investment in
training

+ 7%

£5 million in 2000

Investment in
education

+ 9%

£70 million in 2000

Investment in
regional production

+ 20%

£102 million in 2000

FilmFour
subscriber income

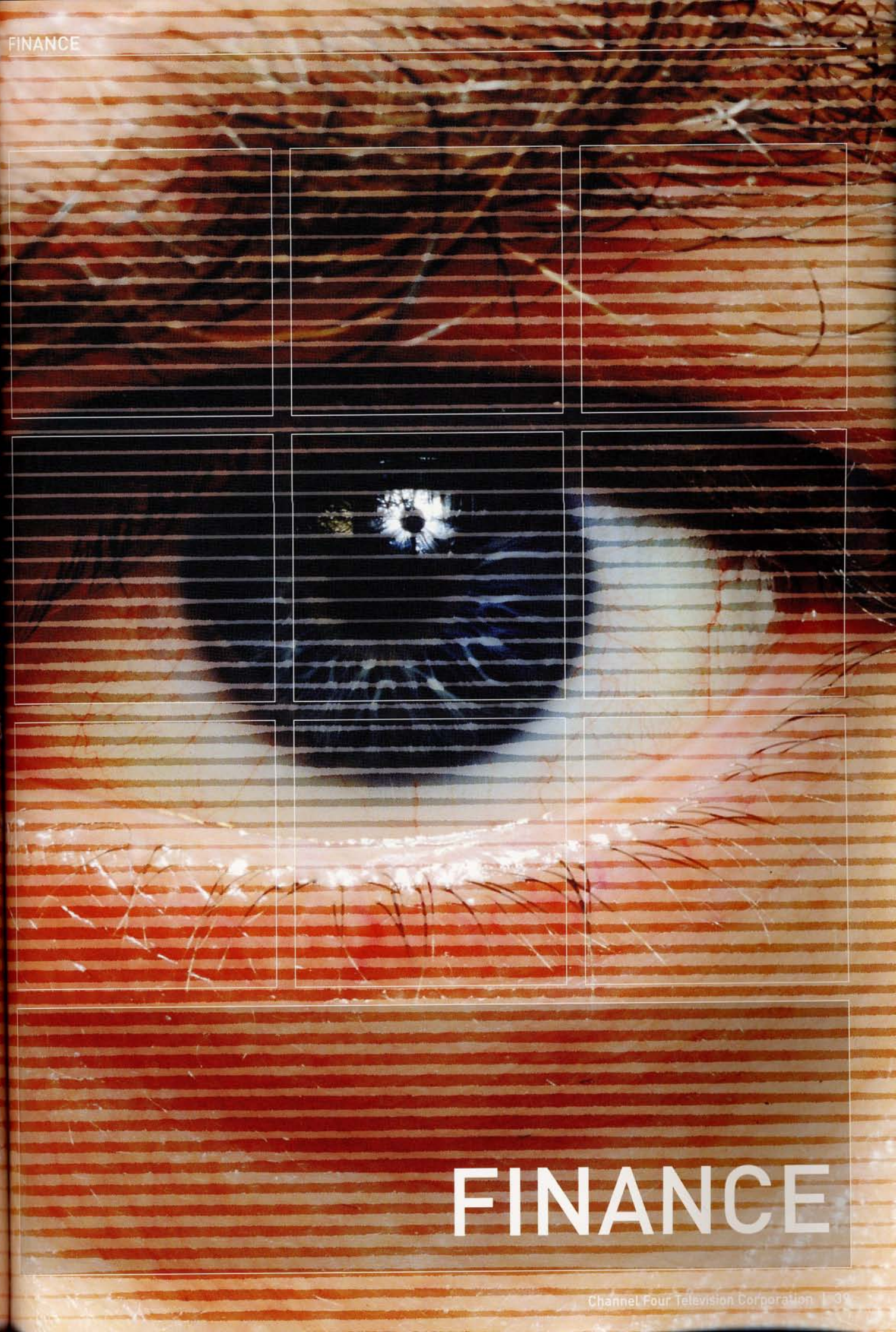
+ 115%

£8.2 million in 2000

FilmFour
subscribers

+ 62%

405,000 at 31 December 2000



FINANCE

OPERATING AND FINANCIAL REVIEW

Turnover

Group turnover for the year increased by 12% to £716 million (1999: £642 million). Of this turnover 91% (1999: 94%) was generated by advertising and sponsorship revenue, the remaining 9% represents the increasing contribution from Channel 4's other activities.

Profit

The group's operating profit for the year was £33.8 million (1999: £44.9 million). The reduction year on year of £11.1 million is as a consequence of the increased investment in 4 Ventures' businesses, which increased from £21 million in 1999 to £30.4 million in 2000.

Advertising and sponsorship

Channel 4's main service performed strongly in 2000, with its share of total television viewing increased to 10.5% (1999: 10.3%). Advertising and sponsorship revenue increased by 8% to £652 million (1999: £600 million).

With its unique sales proposition of quality, targeted programming, Channel 4 is particularly effective at delivering those audiences most sought by advertisers. Channel 4 again registered increases in viewing share of ABC1 adults, 16 to 24-year-olds and light commercial viewers. This success is reflected in Channel 4's ability to outstrip the industry average in its delivery of share of impacts – the number of times viewers see commercials. For ABC1 adults, the share of impacts based on the all share index was 116, that is 16% better delivery than the industry average. Similarly, for 16 to 24-year-olds this figure was 140, up from 131 in 1999. For the most elusive group, the light commercial viewers, Channel 4 enjoyed a 36% better delivery than the industry average.

Channel 4 traded with 962 advertising clients in 2000, a 5% increase on 1999. Channel 4's portfolio of websites was utilised by 62 advertisers in 2000, increasing online advertising revenue significantly year on year.

Channel 4's programme sponsorship team had another successful year, with revenues up 30% on 1999. Notable deals in excess of £1 million included StepStone with **Sport on 4**, Southern Comfort sponsoring **Big Brother** and Renault teaming up with Channel 4 Drama. Demand for FilmFour channel sponsorship was also high with new 12-month deals secured with *The Guardian*, Stella Artois, Renault and Sony.

Campaign magazine named Channel 4's advertising sales team the best of any medium in their annual review of the year.

Programmes

The 8% increase in advertising sales and sponsorship revenue helped to deliver an 8% rise in the cost of programme transmissions on the main channel, reaching £423 million for the year (1999: £391 million).

As detailed on pages 64 to 66, Channel 4 exceeded all of its licence requirements and transmitted 490 more hours of Channel 4 originated programming than in 1999. Originated programmes accounted for 66% of the hours of Channel 4's overall output (1999: 60%). Within peaktime (6 pm to 10.30 pm) originated programming amounted to 81% (1999: 76%). First run programming amounted to 62% (1999: 60%) of our output. During peaktime it represented 82% (1999: 81%).

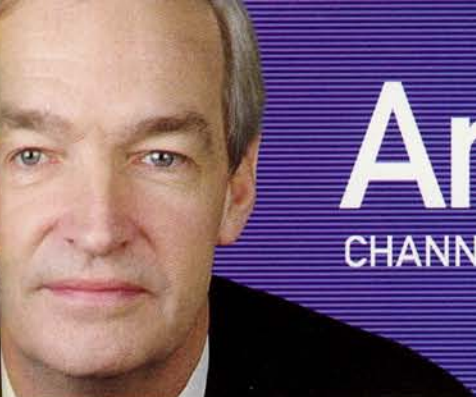
As in previous years, the continuing consolidation of the independent production sector has led to a fall in the proportion of qualifying hours supplied by independent production companies – 66% in 2000 (1999: 76%). Major Channel 4 suppliers who surrendered their independent status during the year were Ginger Productions, GMG Endemol, Planet 24, Regent Productions and Talkback Productions.

Progress was made towards our 2002 target of 30% of Channel 4's originated programming being supplied by production companies from Scotland, Northern Ireland, Wales and the English regions. In 2000, £102 million of Channel 4's originated programming was produced by production companies outside of London. This represented a 20% increase on 1999 and 29% of total originated programming output in 2000 (1999: 27%).

4 Ventures

Looking forward, all of the main terrestrial broadcasters expect to see erosion in their share of television advertising revenues as digital cable and satellite services continue to grow. Faced with this competition, Channel 4's strategy is to continue its transformation from a single terrestrial television channel into a network of media businesses delivered on a range of different platforms. Key to this will be maintaining the strong main channel at the centre connecting with the core values of our viewers whilst leveraging our brand strength to build sustainable cross-platform media businesses for the future.

The consolidation on 1 January 2001 of our secondary businesses into 4 Ventures Ltd will provide clear transparency on the development of those businesses. The performance and prospects of the key 4 Ventures businesses are described on pages 28 to 37 of this report. Segmental disclosure of their performance has been provided within the notes to the financial statements (notes 1 and 2 on pages 49 and 50).



AnswerTime

CHANNEL 4 NEWS. SEVEN NIGHTS A WEEK.



The UK's
fastest growing
news programme

OPERATING AND FINANCIAL REVIEW

The operating profits/(losses) of the constituent parts of the 4 Ventures businesses were as follows:

	2000 £m	1999 £m
FilmFour Ltd	(3.0)	0.5
FilmFour channel	(14.8)	(20.4)
E4	(2.1)	-
Channel Four Interactive	(14.9)	(2.3)
Channel Four International Ltd	2.2	1.5
Commercial Development	2.2	(0.3)
	(30.4)	(21.0)

This investment in these businesses amounted to 3% and 4% of group turnover in 1999 and 2000 respectively – a modest investment to develop businesses to strengthen Channel 4's brand, relationship with audiences and competitive position for the future. With the launch of E4 in 2001, it is planned that this investment in new businesses will rise to 10% of turnover.

Administrative expenses

Administrative expenses increased by £5 million to total £29 million. This increase is due in part to the release in 1999 of a £1 million provision following the satisfactory conclusion of a claim with a building contractor, relating to the construction in 1994 of the Horseferry Road building. Excluding this provision release, the year on year increase of £4 million reflects costs incurred in order to accommodate the development of Channel 4's secondary businesses.

Treasury

Objectives, policies and strategies

Channel 4's treasury management objective is to minimise currency exposures deriving from its business operations and maximise returns from available funds without exposing Channel 4 to unnecessary risk. Channel 4 never takes speculative positions in its treasury management.

This objective is achieved by the use of forward exchange contracts for foreign currency requirements and fixed rate money market deposits and borrowings in managing operational funding needs. These policies have been followed throughout the year and have been reflected in the financial statements at 31 December 2000.

All material exposures are considered and managed by the group treasury function and reported regularly to management. The treasury strategies and policies are agreed with the Managing Director and operate within clear parameters approved by the Board.

Cash deposits and borrowings

Channel 4 funds are deposited only with an agreed list of organisations that carry an A1/P1 rating by the major credit rating agencies.

Channel 4 has a £55 million syndicated loan facility with a maturity date of April 2004. This facility provides financing flexibility to support the group's short to medium term liquidity needs. It was not utilised at 31 December 2000.

The group did not have any significant borrowings at the year end, although during the year money market borrowings were undertaken to meet short-term business requirements. The rates of interest on these borrowings are fixed and based on UK money market interest rates prevailing at the time of borrowing.

Channel 4 had net cash deposits at 31 December 2000 of £49 million (1999: £44 million).

Overall, there was a net cash inflow in 2000 of £5 million (1999: £27 million outflow) as shown in note 14 on page 59.

Currency management

Channel 4 buys and sells programmes and films in the international markets and leases satellite transponder capacity. As a result, Channel 4 is a net purchaser of both US dollars and euros. The group has no significant exposure to other foreign currencies. Exposure to fluctuations in exchange rates are managed by transactions in the forward foreign exchange markets.

Forward foreign currency exchange contracts at 31 December 2000 are detailed in note 18 on page 62.

Taxation

Channel 4 is subject to corporation tax on profits. The tax charge for 2000 was £14 million, giving an effective rate of 40%. The effective tax rate has increased above the corporate tax rate due to disallowable provisions and expenditure, and a prior year charge.

Euro

The Board does not at this stage foresee any significant cost or impact arising on the operations of the group resulting from the UK introducing the euro.



ALI G, DA TV SHOW



STARTS FRI 31 MARCH AT 10.30

REPORT OF THE MEMBERS

Principal activities

Channel 4 is the only public service broadcaster in the world funded solely from commercial revenues which it earns.

The Broadcasting Act 1990 (the 1990 Act) established Channel Four Television Corporation to secure the continued provision of the television broadcasting service known as Channel 4, which started transmissions in 1982, and to carry out any activities which are incidental or conducive to the operation of Channel 4. On 1 January 1993 Channel 4 inherited, under the terms of the 1990 Act, the business, assets and liabilities of Channel Four Television Company Limited, which had provided the Channel 4 service from 1982 to 1992.

On 1 January 1993 the ITC issued a broadcasting licence under the terms of the 1990 Act for Channel 4 to broadcast for the ten calendar years 1993 to 2002. That licence was amended by the ITC, which published revised programme requirements in February 1998, details of which are summarised on page 66 of this report.

The Broadcasting Act 1996 (the 1996 Act) broadened Channel 4's powers so that it may be involved in the UK or any other country with 'the provision of one or more services which are licensed by the ITC or by the Radio Authority or which, if provided in the UK, would be required to be so licensed.'

Channel 4's broadcasting licence will be renewed from 1 January 2003 to reflect the forthcoming broadcasting legislation presaged by the Government's White Paper on Communications, which was published in December 2000.

The group has three commercial subsidiary companies involved in film financing and distribution, international programme sales and co-financing, and studio and post production facilities. Additionally, the group has a subscription television channel, FilmFour, a basic tier entertainment channel, E4 and continues to develop other commercial activities such as merchandising, book and music publishing and online activities.

Business review

The Chairman's statement on pages 4 and 5, the Chief Executive's report on pages 6 and 7 and the operating and financial review on pages 40 and 41 form part of this report and provide information on the development of Channel 4's activities during the year and outlook for the future. The group's results are set out on pages 45 to 63.

Members

The present members of Channel 4 are listed on page 74.

Since 1 January 2000, the following members have been appointed to, or retired from, the Board:

Appointments	Date of appointment
Millie Banerjee	1 January 2000
Ian Ritchie	1 January 2000
Peter Bazalgette	1 April 2001
Retirement	Date of retirement
Frank McGettigan	31 January 2000

Members' interests

Channel 4 fully embraces the principles of good corporate governance and, to this end, makes full disclosure of all members' interests, irrespective of the materiality those interests may have to Channel 4 or to the members concerned.

During 2000 four members were interested in contracts negotiated at arms length on normal commercial terms with Channel 4:

- Vanni Treves is a partner in the city solicitors Macfarlanes. In 2000 the group instructed Macfarlanes to provide legal advice (without any involvement on the part of Vanni Treves). The cost of services provided by Macfarlanes during the year amounted to £14,283.
- In addition to non-executive member fees, as disclosed on page 70, Barry Cox's company, Mapledene TV Productions Ltd, received £10,200 and Andrew Graham received £7,350 during 2000 for consultancy services relating to Channel 4's analysis of policy concerning the forthcoming new broadcasting legislation.
- Robin Miller is Chairman of EMAP plc. In 2000 the group advanced £0.5 million to Slam Digital Ltd, a new company in which Channel 4 and EMAP plc each own 50% of the shares, as noted on page 55.

Two members' partners transacted business with Channel 4 at arms length on normal commercial terms during 2000:

- Michael Jackson's partner Sheree Folkson was the executive producer of the series **Starstruck** and director of the **Lock Stock** series. The fees paid to her in 2000 for these series were £11,550.
- Andy Barnes' wife, Linda Stevens, owns the majority share of a specialist recruitment agency, The Stevens Company, which received £62,700 from Channel 4 in 2000 for recruitment services.



TURNER PRIZE 2000
LIVE FROM TATE BRITAIN
TUESDAY 28 NOVEMBER, 8PM

REPORT OF THE MEMBERS

Liability insurance

A liability insurance policy has been effected for members and officers in respect of their duties.

Employment policy

Channel 4 is an equal opportunities employer and does not discriminate on grounds of sex, sexual orientation, marital status, race, colour, ethnic origin, disability, age or political or religious belief in its recruitment or other employment policies. The ethos of Channel 4 for both job applicants and staff is that everyone matters.

Channel 4 has established an ethnic monitoring system for its recruitment and the ethnic composition of its staff. The representation of ethnic minorities amongst its permanent staff was 8% (1999: 9%) and women continue to form the majority of its staff at 56% (1999: 56%).

Channel 4 encourages applications from people with disabilities. The policy is to recruit, train and provide career development opportunities to disabled people, whether registered as such or not, on the same basis as that of other staff.

Employee involvement and consultation

The quality, commitment and effectiveness of Channel 4's staff are crucial to its continued success. As noted on page 27, Channel 4 has continued to invest significantly in its staff through training and development.

During 2000 Channel 4 attained the Investors In People standard.

Channel 4 informs and consults with its employees through:

- meetings hosted by executive members where staff are briefed on recent developments and strategic plans.
- regular departmental meetings where information is disseminated and staff have an opportunity to air their views.
- recognition of trade unions. A minority of Channel 4's employees are in membership of one of two recognised trade unions, BECTU or Equity.
- an internal intranet information service available to all members of staff.

Research and development

Channel 4 devotes substantial resources to the development of scripts and programme outlines for possible commissioning. Script and programme development expenditure charged to the profit and loss account in 2000 amounted to £7.0 million (1999: £6.8 million).

Charitable donations

During 2000 Channel 4 donated £23,778 to charities (1999: £26,008).

Channel 4 website

In keeping with our strategy to connect with viewers across all platforms, Channel 4 has published this report on its website, channel4.com. This report has been published in accordance with applicable UK law and accounting standards governing the preparation of financial statements within the UK only, and may differ from legislation relevant within other jurisdictions.

Going concern

Based on normal business planning and control procedures, the members have a reasonable expectation that Channel 4 has adequate resources to continue in operational existence for the foreseeable future. For this reason, the members continue to adopt the going concern basis in preparing the financial statements.

Auditors

PricewaterhouseCoopers have been appointed as auditors by Channel 4 with the approval of the Secretary of State for Culture, Media and Sport in accordance with the requirements of paragraph 12(2) of schedule 3 of the Broadcasting Act 1990.

PricewaterhouseCoopers have expressed their willingness to continue in office.

MICHAEL JACKSON

Chief Executive

9 April 2001



Parental guidance no longer required.

REPORT OF THE AUDITORS

Independent auditors' report to the members of Channel Four Television Corporation (Channel 4)

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of members and auditors

The members' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out on page 67.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Broadcasting Act 1990 and direction thereunder by the Secretary of State. We also report to you if, in our opinion, the report of the members is not consistent with the financial statements, if Channel 4 has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding members' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the members' report, the chairman's statement, and the operating and financial review.

We review whether the statement on page 67 reflects Channel 4's compliance with those provisions of the Combined Code specified for our review relevant to a statutory corporation and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or to form an opinion of the effectiveness of Channel 4's corporate governance procedures or its risk and control procedures.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to Channel 4's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of Channel 4 and the group at 31 December 2000 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Broadcasting Act 1990 and directions made thereunder by the Secretary of State.

PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
London

9 April 2001

BE BIG BROTHER 4

channel4.com/bigbrother

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER

	Notes	2000 £m	1999 £m
Turnover	1	716.4	642.1
Cost of transmissions and sales	2	(643.1)	(564.1)
Gross profit		73.3	78.0
Administrative expenses		(29.0)	(24.4)
Depreciation	7	(10.5)	(8.7)
Operating profit	1 and 3	33.8	44.9
Net interest receivable	5	2.0	1.1
Profit before taxation		35.8	46.0
Taxation	6	(14.3)	(13.1)
Retained profit for the year	16	21.5	32.9

All activities are continuing. There is no material difference between the profits reported above and their historical cost equivalents.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER

	Notes	2000 £m	1999 £m
Profit for the year	16	21.5	32.9
Unrealised surplus on revaluation of buildings	7 and 16	5.6	5.3
Total recognised gains for the year		27.1	38.2

The notes on pages 49 to 63 form part of these financial statements.
Report of the Auditors – page 44.



MORE EMBARRASSING LEAKS



MY GOVERNMENT AND I
RORY BREMNER ON SUNDAY 19 NOVEMBER AT 9PM

BALANCE SHEETS

AT 31 DECEMBER

	Notes	2000 Group £m	1999 Group £m	2000 Channel 4 £m	1999 Channel 4 £m
Fixed assets					
Tangible assets	7	95.2	89.2	95.2	89.2
Current assets					
Stock and work in progress	9	219.3	185.4	169.4	138.4
Debtors	10	89.5	78.9	133.3	115.2
Investments	11	–	10.1	–	10.1
Cash at bank and in hand	14	49.5	34.0	49.2	33.7
		358.3	308.4	351.9	297.4
Creditors – amounts falling due within one year	12	(111.6)	(82.0)	(106.5)	(75.0)
Net current assets		246.7	226.4	245.4	222.4
Total assets less current liabilities		341.9	315.6	340.6	311.6
Provisions for liabilities and charges	13	(7.4)	(8.2)	(7.4)	(8.2)
Net assets		334.5	307.4	333.2	303.4
Profit and loss account	16	232.8	211.1	231.5	207.1
Statutory reserve	16	84.8	84.8	84.8	84.8
Revaluation reserve	16	16.9	11.5	16.9	11.5
		334.5	307.4	333.2	303.4

VANNI TREVES

Chairman

JANET WALKER

Director of Finance and Business Affairs

These financial statements were approved by the Board of Members on 9 April 2001.
The notes on pages 49 to 63 form part of these financial statements.
Report of the Auditors – page 44.



Urban Cheek



THE RICHARD BLACKWOOD SHOW
STARTS WEDNESDAY 3 MAY AT 11.00PM

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER

	Notes	2000 £m	2000 £m	1999 £m	1999 £m
Net cash inflow from operating activities	14		27.7		64.4
Subsidy paid to ITV			-		(66.0)
			27.7		(1.6)
Returns on investments and servicing of finance					
Interest received	5	2.0		1.2	
Interest paid		-		(0.2)	
			2.0		1.0
Taxation					
UK corporation tax paid		(13.5)		(14.4)	
Overseas tax paid		(0.3)		(0.5)	
			(13.8)		(14.9)
Capital expenditure					
Payments to acquire tangible fixed assets		(11.4)		(12.3)	
Receipts from sales of tangible fixed assets		0.9		1.1	
			(10.5)		(11.2)
Net cash inflow/(outflow) before management of liquid resources	14		5.4		(26.7)
Management of liquid resources					
Decrease in short-term investments	14		10.1		25.5
Decrease in money market borrowings	14		-		(15.8)
Increase/(decrease) in cash in the year	14		15.5		(17.0)

The notes on pages 49 to 63 form part of these financial statements.
Report of the Auditors – page 44.

Anatomy Of Disgust



A MAJOR 3 PART SERIES INVESTIGATING THE FORGOTTEN EMOTION
STARTS TUESDAY 15 AUGUST AT 10P

PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified by the revaluation of freehold properties. The financial statements have been prepared in a form as directed by the Secretary of State for Culture, Media and Sport with the approval of the Treasury and meet the requirements, insofar as they are applicable, of the Companies Act 1985 and UK accounting standards.

Accounting policies

A summary of the more important accounting policies, all of which have been applied consistently, is set out below.

Basis of consolidation

The consolidated financial statements comprise the financial statements for Channel Four Television Corporation and all of its subsidiary undertakings and associates made up to 31 December 2000.

Advertising revenue

Advertising revenue is stated net of advertising agency commission paid.

Sale of programme and film rights

Revenue is recognised on contracts for the sale of rights of completed programmes and films as payments under the contracts become due.

Deferred tax

Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates prevailing at the balance sheet date or the contracted rate where the underlying exposure has been hedged using a forward exchange contract. Any resultant gain or loss on exchange is shown as part of the profit for the year.

Channel 4 buys and sells programmes and films in the international markets and leases satellite transponder capacity. As a result, the group is a net purchaser of both US dollars and euros. Exposure to fluctuations in exchange rates are managed by transactions in the forward foreign exchange markets. The group does not hold or issue derivative financial instruments for financial trading purposes. Changes in the fair value of derivative financial instruments are not recognised in the financial statements until these hedged transactions mature.

Stock and work in progress

Stocks are valued at the lower of cost or net realisable value.

Programme and film rights are stated at direct cost incurred up to the balance sheet date after making provision for expenditure on programmes or films which are unlikely to be transmitted or sold. Direct cost is defined as payments made or due to programme suppliers.

Research and development expenditure, consisting of funds spent on projects prior to a final decision being made on whether a programme will be commissioned, is included in programme and film rights but is fully provided for. Where research and development expenditure leads to the commissioning of a programme, such expenditure is transferred to programme cost and the provision is released.

The cost of programme and film broadcasting rights is wholly written off on first transmission.

Fixed assets

Fixed assets, other than the freehold land and buildings which are shown at valuation, are stated at cost, together with any incidental expenses of acquisition, less depreciation.

Depreciation is calculated so as to write off the cost or valuation of the asset evenly, on a straight line basis, over its estimated useful life from the date of its first utilisation. The annual rates used for this purpose are as follows:

Freehold buildings	2%
Computer hardware	25% – 50%
Office equipment and fixtures and fittings	25%
Technical equipment	20% – 25%

Financial Reporting Standard 15, Tangible Fixed Assets, addresses the measurement, valuation and depreciation of tangible fixed assets. Compliance with this standard has not given rise to any restatement of figures reported in prior periods.

Pensions

Channel 4 maintains a defined benefit pension scheme. Pension costs are determined by external actuaries and charged against profits each year so as to spread the expected cost of pensions over the employees' working lives with the group.

Fixed asset investments

Fixed asset investments are stated at cost, less any provision for diminution in value.

Leases

The rental costs arising from operating leases are charged to the profit and loss account in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

1. Segmental analysis

Analysis of turnover, operating profit and net assets by activity:

	Turnover		Operating profit/(loss)		Net assets	
	2000 £m	1999 £m	2000 £m	1999 £m	2000 £m	1999 £m
Channel 4*	662.1	606.6	71.4	66.8	399.8	335.5
4 Learning*	3.4	3.8	(5.1)	(0.6)	(5.0)	(0.4)
124 Facilities Ltd	4.1	3.9	0.1	0.1	(0.4)	(0.5)
4 Ventures						
FilmFour Ltd	42.7	32.0	(3.0)	0.5	(2.8)	(0.6)
FilmFour channel*	8.8	4.4	(14.8)	(20.4)	(43.0)	(28.2)
E4*	–	–	(2.1)	–	(2.1)	–
Channel Four Interactive*	0.7	–	(14.9)	(2.3)	(17.2)	(2.3)
Channel Four International Ltd	22.8	18.6	2.2	1.5	8.0	6.4
Commercial Development*	7.6	2.5	2.2	(0.3)	0.7	(1.5)
Consolidation adjustments	(35.8)	(29.7)	(2.2)	(0.4)	(3.5)	(1.0)
	716.4	642.1	33.8	44.9	334.5	307.4

*The activities identified above make up the constituent parts of Channel Four Television Corporation as at 31 December 2000. The table above represents these activities under the new group structure, which came into effect on 1 January 2001 (see note 8).

On 1 July 2000 the trade, assets and liabilities of Channel Four Learning Ltd were transferred into 4 Learning, a new division of Channel Four Television Corporation and the company ceased to trade from that date. The figures for 4 Learning set out in the table above include the results for the six months to 30 June 2000 for Channel Four Learning Ltd and for the six months to 31 December 2000 for 4 Learning.

FE, FI, FO, FUM.



ENGLAND V WEST INDIES
LIVE FROM 15 JUNE

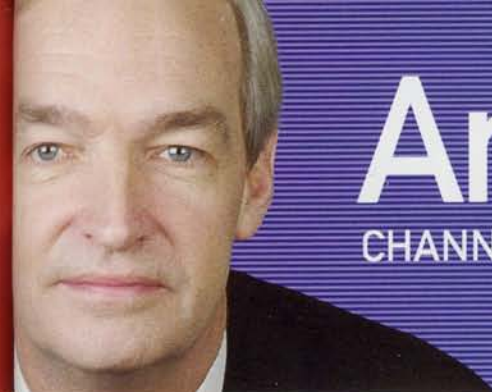


NOTES TO THE FINANCIAL STATEMENTS

2. Cost of transmissions and sales

	Programme costs £m	Transmitter and regulatory costs		Indirect programme costs £m	Cost of sales £m	Cost of marketing £m	Total £m
		Analogue £m	Digital £m				
2000							
Channel 4	423.3	29.0	11.5	48.0	29.8	16.1	557.7
4 Learning	-	-	-	3.3	4.1	0.7	8.1
124 Facilities Ltd	-	-	-	-	3.9	0.1	4.0
4 Ventures							
FilmFour Ltd	-	-	-	-	38.2	5.1	43.3
FilmFour channel	10.4	1.7	4.1	1.7	0.5	4.7	23.1
E4	-	-	-	0.9	0.8	0.1	1.8
Channel Four Interactive	-	-	-	15.7	-	-	15.7
Channel Four International Ltd	-	-	-	-	17.7	0.5	18.2
Commercial Development	-	-	-	-	5.4	-	5.4
Consolidation adjustments	-	-	-	(0.6)	(33.6)	-	(34.2)
	433.7	30.7	15.6	69.0	66.8	27.3	643.1
1999							
Channel 4	390.6	29.4	11.4	44.5	22.2	13.1	511.2
4 Learning	-	-	-	-	3.2	0.7	3.9
124 Facilities Ltd	-	-	-	-	3.7	0.1	3.8
4 Ventures							
FilmFour Ltd	-	-	-	-	24.7	5.2	29.9
FilmFour channel	9.2	5.8	3.1	1.5	0.5	4.2	24.3
E4	-	-	-	-	-	-	-
Channel Four Interactive	-	-	-	2.3	-	-	2.3
Channel Four International Ltd	-	-	-	-	14.2	0.6	14.8
Commercial Development	-	-	-	-	2.8	-	2.8
Consolidation adjustments	-	-	-	(1.0)	(27.9)	-	(28.9)
	399.8	35.2	14.5	47.3	43.4	23.9	564.1

The consolidation adjustments within the cost of sales disclosure above, and the turnover analysis disclosed in note 1 on page 49, primarily relate to intra-group sales between Channel 4, FilmFour Ltd and Channel Four International Ltd.



AnswerTime

CHANNEL 4 NEWS. SEVEN NIGHTS A WEEK.



The UK's
fastest growing
news programme

NOTES TO THE FINANCIAL STATEMENTS

3. Operating profit

Operating profit is stated after charging/(crediting):

	2000 £m	1999 £m
Depreciation of fixed assets (note 7)	10.5	8.7
Research and development	7.0	6.8
Training	4.6	4.3
Members' remuneration (page 70)	2.3	2.5
Equipment hire	0.4	0.3
Other operating lease rentals	2.9	0.4
Profit on disposal of fixed assets	(0.2)	(0.1)

Channel 4 has taken advantage of the legal exemption not to present its own profit and loss account. Of the retained profit after tax of £21.5 million (1999: £32.9 million) recorded in the consolidated profit and loss account for the year, £24.2 million (1999: £32.3 million) was dealt with in Channel Four Television Corporation's accounts.

Fees in respect of services provided by the auditors were:

	2000 £000	1999 £000
Statutory audit:		
Channel 4	39	38
Subsidiaries and associates	26	26
Pension Plan	5	4
Non-audit fees for other services	373	1,028
	443	1,096

4. Employee information

A detailed analysis of members' remuneration, including salaries and performance-related bonuses, is provided in the report on members' remuneration on page 70.

	2000 £m	1999 £m
Aggregate gross salaries of all employees		
Aggregate gross salaries	41.0	35.2
Employer's national insurance contributions	3.8	3.1
Employer's pension contributions (note 19)	4.8	3.9
Total direct costs of employment	49.6	42.2



THE JOY OF SIX.



ENGLAND V WEST INDIES
LIVE AND EXCLUSIVE

www.cricket4.com

NOTES TO THE FINANCIAL STATEMENTS

4. Employee information (continued)

The average number of employees, including executive members, was as follows:

	2000	1999
Channel 4		
Programme commissioning	200	195
Transmission and engineering	121	123
Advertising and sponsorship sales and research	111	108
Operational management	97	86
Information systems	79	54
Corporate affairs and press office	37	32
4 Learning	35	30
124 Facilities Ltd	33	29
Marketing and creative services	31	29
	744	686
4 Ventures		
FilmFour Ltd	55	48
FilmFour channel	45	35
E4	14	-
Channel Four Interactive	34	4
Channel Four International Ltd	25	24
Commercial Development	17	11
	190	122
Total employees	934	808
Permanent employees	901	746
Contract staff	33	62
	934	808
Male	408	358
Female	526	450
	934	808
Travel, subsistence and hospitality expenditure was as follows:		
	2000	1999
	£000	£000
Members	261	245
Other employees	2,161	2,042
	2,422	2,287
Staff loans outstanding at 31 December were as follows:		
	2000	1999
	£000	£000
Season ticket loans	113	114
Other loans	-	7
	113	121

There were no loans to members.

lock, stock...



fun loving criminals

NOTES TO THE FINANCIAL STATEMENTS

5. Net interest receivable

	2000 £m	1999 £m
Interest receivable on short-term deposits	2.0	1.2
Interest payable on bank loans and overdrafts repayable within five years	-	(0.1)
Net interest receivable	2.0	1.1

6. Taxation

The taxation charge is based on the taxable profit for the year and comprises:

	2000 £m	1999 £m
UK corporation tax @ 30% (1999: 30.25%)	13.2	15.1
Less relief for overseas taxation	(0.2)	(0.5)
Overseas taxation	0.2	0.5
Adjustment in respect of prior years	1.1	(2.0)
	14.3	13.1

7. Tangible fixed assets

Channel 4 and group Tangible assets

	Freehold properties £m	Equipment and furniture £m	Total £m
Cost or valuation			
At 1 January 2000	83.4	62.1	145.5
Additions	-	11.6	11.6
Disposals	(0.1)	(12.5)	(12.6)
Revaluation	5.6	-	5.6
At 31 December 2000	88.9	61.2	150.1
Depreciation			
At 1 January 2000	12.1	44.2	56.3
Charge for the year	1.8	8.7	10.5
Disposals	-	(11.9)	(11.9)
At 31 December 2000	13.9	41.0	54.9
Net book value			
At 1 January 2000	71.3	17.9	89.2
At 31 December 2000	75.0	20.2	95.2

DESTINY'S CHILD
 CRAIG DAVID
 DR DRE FEAT. SNOOP DOGG
 SISQO
 DONELL JONES
 TONI BRAXTON
 EMINEM
 Q-TIP
 DODGE
 SONIQUE
 SAMANTHA MUMBA
 JAMELIA
 JIGS
 JENNIFER LOPEZ
 MACY GRAY
 GEORGE BENSON
 ARTFUL DODGER
 CHRIS GOLDFINGER
 GLAMMA KID
 BUJU BANTON
 TIMBALAND
 M J COLE
 KEVIN "SHE'KSPERE" BRIGGS
 WOOKIE
 DJ 279
 BAM BAM
 MATT WHITE
 JENNY FRANCIS
 STEVE SUTHERLAND
 DJ SWING
 THE DREEM TEEM
 DAMAGE
 LYNDEN DAVID HALL
 SANTANA
 DMX
 YOUSOU N'DOUR
 DJ LUCK AND MC NEAT FEAT. JJ
 PETE TONG
 MOS DEF



EXCLUSIVE TO CHANNEL 4
THURSDAY 5 OCTOBER 2000

NOTES TO THE FINANCIAL STATEMENTS

7. Tangible fixed assets (continued)

Valuation of freehold properties

The net book value of freehold properties shown at cost or valuation comprises:

	2000 £m	1999 £m
Office, studio and transmission centre	69.5	66.7
76 Charlotte Street	4.8	3.8
Other properties (at cost)	0.7	0.8
	75.0	71.3

The property at 76 Charlotte Street accommodates FilmFour Ltd. The other properties are used as permanent location sets for programme series.

If freehold properties had not been revalued they would have been included in the financial statements at the following amounts:

	2000 £m	1999 £m
Cost	67.0	67.1
Accumulated depreciation	(8.4)	(7.1)
Net book value based on cost	58.6	60.0

The freehold property comprising the office, studio and transmission centre at Horseferry Road, London SW1 was valued as at 31 December 2000 by external valuers, Fuller Peiser Property Consultants, in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. The parts of the property occupied by Channel 4 were valued on a depreciated replacement cost basis. The remainder of the property was valued on the basis of open market value. Attention was drawn to the fact that the value reported on the depreciated replacement cost basis is in excess of open market value for use of the whole premises as conventional office accommodation. The open market value for the property was £58.2 million (1999: £53.5 million).

The property at 76 Charlotte Street was valued as at 31 December 2000 by Fuller Peiser, on the basis of existing use value.

The surplus of £5.6 million (1999: £5.3 million) arising from these revaluations has been transferred to the revaluation reserve (note 16).



QUEER AS FOLK 2

Back with a bang



TUESDAY 15 AND 22 FEB
FIGHTING THE FORCES OF BOREDOM

NOTES TO THE FINANCIAL STATEMENTS

8. Fixed asset investments

The cost of fixed asset investments at 31 December was:

	2000 £000	1999 £000
Subsidiary companies	9	4
Associated companies	1	1
	10	5

Associated companies

Digital 3 and 4 Ltd

Channel 4 holds 1,000 A class ordinary £1 shares in Digital 3 and 4 Ltd, representing 50% of the share capital. ITV Network Ltd owns the other 50%. This company, incorporated in England, has been granted a licence by the ITC to operate the Channel 3 and Channel 4 digital terrestrial multiplex. At 31 December 2000, Channel 4's share of the net assets of Digital 3 and 4 Ltd amounted to £1,000. The company acts as an agent for its shareholders.

British Screen Finance Ltd (British Screen)

In 2000 Channel 4 sold its holding of 1,800,030 ordinary £1 and 1,842,141 B class £1 shares in British Screen (representing 43% of the ordinary share capital and 39% of the total capital) to the new Film Council for a price of £1. Channel 4 had previously recognised its share of the accumulated losses of British Screen and this investment was held in the balance sheet at nil value prior to disposal.

Slam Digital Ltd

During the year Channel 4 advanced £0.5 million to Slam Digital Ltd, a new company in which Channel 4 and EMAP plc each own 50% of the shares. The activities of this company are to develop digital content and applications aimed at the teen market. Channel 4 has charged in the profit and loss account its advance to this company as development expenditure.

Other fixed asset investments

Channel 4 holds one ordinary £20 share representing 12% of the share capital in the Parliamentary Broadcasting Unit Ltd, a non-profit making company which provides the television pictures of the sittings of both Houses of Parliament.

During the year Channel 4 acquired:

- at a cost of £1 million, 11.5% of the share capital of Fingertips Ltd – an online personalisation and recommendation service. Channel 4 has provided for the full cost of this investment within the profit and loss account for the year. In consideration of making this investment, Channel 4 has acquired an irrevocable royalty free licence to the software which has been written, and which will be deployed during 2001 on our interactive services.
- for nil cost, 3% of the share capital of PopWorld Ltd – a company developing a website and associated services relating to popular music.



The most successful human ever



NEANDERTHA

Starts Monday 4 December, 9p

NOTES TO THE FINANCIAL STATEMENTS

8. Fixed asset investments (continued)

Subsidiary undertakings

Channel 4 owns the whole of the issued share capital of the following companies, each of which is incorporated in England:

	Issued ordinary £1 shares
Trading	
4 Ventures Ltd (from 1 January 2001)	1,000
Channel Four International Ltd	1,000
FilmFour Ltd	1,000
124 Facilities Ltd	1,000
Channel Four Learning Ltd*	1,000
Dormant	
E4 Television Ltd	1,000
E4.com Ltd	1,000
Four Ventures Ltd	1,000
Go Racing Ltd	1,000
Channel Four Television Company Ltd	100
Film on Four Ltd	100
Channel Four Racing Ltd	2
Sport on Four Ltd	2

*On 1 July 2000 the business, assets and liabilities of Channel Four Learning Ltd were transferred to 4 Learning, a new division of Channel Four Television Corporation, and the company ceased trading from that date.

Group restructuring

On 1 January 2001 4 Ventures Ltd became the operating company for the FilmFour and E4 channels, Channel Four Interactive and Commercial Development, and acquired on that date 100% of the share capital of FilmFour Ltd and Channel Four International Ltd.

9. Stock and work in progress

	2000 Group £m	1999 Group £m	2000 Channel 4 £m	1999 Channel 4 £m
Programmes and films completed but not transmitted	68.1	39.2	53.8	23.8
Purchased programme and film rights	63.5	62.7	49.4	48.2
Programmes and films in the course of production	87.7	70.4	66.2	53.3
Assets acquired for resale	–	13.1	–	13.1
	219.3	185.4	169.4	138.4

Due to the uncertainty of programme scheduling, certain programme and film rights may not be realised within one year.



Urban Cheek



THE RICHARD BLACKWOOD SHOW
STARTS WEDNESDAY 3 MAY AT 11.00PM

NOTES TO THE FINANCIAL STATEMENTS

10. Debtors

	2000 Group £m	1999 Group £m	2000 Channel 4 £m	1999 Channel 4 £m
Trade debtors	77.2	62.3	64.0	54.3
Prepayments and accrued income	12.1	15.0	11.4	10.3
Value added tax	0.2	1.6	0.4	1.5
Amounts due from subsidiaries	–	–	57.5	49.1
	89.5	78.9	133.3	115.2

Amounts due from subsidiaries are unsecured and interest free.

11. Investments

	2000 £m	1999 £m
Channel 4 and group		
Short-term cash deposits:		
Deposited for fewer than three months	–	10.1

12. Creditors – amounts falling due within one year

	2000 Group £m	1999 Group £m	2000 Channel 4 £m	1999 Channel 4 £m
Trade creditors	10.5	14.0	10.2	12.4
Accruals	86.7	56.4	80.7	50.8
National insurance	1.6	1.3	1.5	1.2
Other creditors	4.9	3.0	3.1	1.3
Amounts due to subsidiaries	–	–	2.8	2.0
Corporation tax	7.9	7.3	8.2	7.3
	111.6	82.0	106.5	75.0

Amounts due to subsidiaries are unsecured and interest free.

Channel 4 aims to work within the guidelines of the Department of Trade & Industry's Better Payment Practice code, details of which can be obtained from DTI Publications Orderline, Admail 528, London SW1W 8YT.

Channel 4 endeavours to pay all invoices in accordance with contract terms and, unless agreed payment terms specify otherwise, within 30 days of the date of the invoice. Any complaints about failure to pay on time should be addressed to the Director of Finance and Business Affairs, who will ensure that they are investigated and responded to appropriately.

The average number of days to pay suppliers of services other than programmes in 2000 was 27 (1999: 28). Programme suppliers are generally paid more quickly as Channel 4's cash advances are usually required promptly to meet production needs.

SMACK THE PONY

A NEW SERIES



STARTS FRIDAY 14 APRIL AT 9.30PM

NOTES TO THE FINANCIAL STATEMENTS

13. Provisions for liabilities and charges

	Deferred taxation £m	Provision for rental deficits £m	Total £m
Channel 4 and group			
At 1 January 2000	4.2	4.0	8.2
Utilised in the year	–	(0.2)	(0.2)
At 31 December 2000	4.2	3.8	8.0
Of which:			
Amounts falling due within one year	–	0.6	0.6
Amounts falling due after one year	4.2	3.2	7.4

Deferred taxation

The amounts of deferred taxation provided and the full potential liability at 31 December were as follows:

	2000 £m	1999 £m
Accelerated capital allowances	4.2	4.2

No provision has been made in respect of the gain on the revalued properties due to the long-term life of these assets.

Provision for rental deficits

The provision relates to rental deficits on two buildings which Channel 4 no longer occupies in Charlotte Street, London W1. The provision represents the future net rental commitments to the end of the current leases in 2006 and 2014, based on current market conditions.

What's the secret
of a lasting
marriage?

Owning a strip club and having a mistress.



The Sopranos

THE NEW SERIES STARTS THURSDAY 12 OCT AT 10.30 PM

NOTES TO THE FINANCIAL STATEMENTS

14. Cashflow

Reconciliation of continuing operating profit to net cash inflow from operating activities

	2000 £m	1999 £m
Operating profit	33.8	44.9
Depreciation	10.5	8.7
Increase in stock and work in progress	(33.9)	(17.8)
(Increase)/decrease in debtors	(10.6)	12.0
Increase in creditors and provisions	28.1	16.7
Profit on disposal of fixed assets	(0.2)	(0.1)
Net cash inflow from operating activities	27.7	64.4

Reconciliation of net cashflow to movement in net funds

	2000 £m	1999 £m
Increase/(decrease) in cash for the year	15.5	(17.0)
Decrease in liquid resources	(10.1)	(25.5)
Decrease in money market borrowings	-	15.8
Increase/(decrease) in net funds	5.4	(26.7)
Net funds at 1 January	44.1	70.8
Net funds at 31 December	49.5	44.1

Analysis of changes in net funds

	1 January 2000 £m	Cashflow 2000 £m	31 December 2000 £m
Cash at bank and in hand (current account)	34.0	15.5	49.5
Current assets: investments	10.1	(10.1)	-
	44.1	5.4	49.5

NOTES TO THE FINANCIAL STATEMENTS

15. Derivatives and other financial instruments

The currency and interest rate profile of the group's financial assets and liabilities at 31 December were:

	Cash at bank and in hand 2000 £m	Total 1999 £m
Currency profile		
Sterling	48.0	42.2
US dollar	1.5	1.9
	49.5	44.1

These cash deposits at 31 December 2000 were all at floating rates of interest.

The above numbers are stated after taking into account all financial instruments at 31 December 2000.

There were no significant foreign currency denominated short-term debtors and creditors at 31 December 2000 and hence they are excluded from the above disclosure.

Fair value equates to the book value for Channel 4's assets and liabilities disclosed above.

Gains and losses on hedging contracts

Channel 4 purchases forward foreign exchange contracts to hedge exposure on commitments in dollars and euros for programme, film and other purchases. The objective is to minimise the currency fluctuation between the commitment made and the future purchase price.

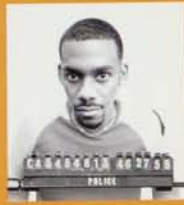
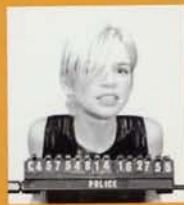
The fair value of undelivered forward foreign exchange contracts held at 31 December 2000 was £79.9 million based on redemption value. There were no significant net unrealised gains or losses on hedging contracts as at the balance sheet date.

Currency exposures on monetary assets and liabilities

As explained in the operating and financial review on page 41, Channel 4's policy is, where practicable, to hedge all material exposures on monetary assets and liabilities.

Borrowing facilities

Details of Channel 4's UK syndicated loan facility are disclosed in the operating and financial review on page 41.



ESSENTIAL
ENTERTAINMENT

WANTED: For fighting the forces of boredom.

NOTES TO THE FINANCIAL STATEMENTS

16. Reserves

	Profit and loss account £m	Statutory reserve £m	Revaluation reserve £m	Total £m
Group				
At 1 January 2000	211.1	84.8	11.5	307.4
Retained profit for the year	21.5	–	–	21.5
Surplus on revaluation of property	–	–	5.6	5.6
Transfer of realised profits	0.2	–	(0.2)	–
At 31 December 2000	232.8	84.8	16.9	334.5
Channel 4				
At 1 January 2000	207.1	84.8	11.5	303.4
Retained profit for the year	24.2	–	–	24.2
Surplus on revaluation of property	–	–	5.6	5.6
Transfer of realised profits	0.2	–	(0.2)	–
At 31 December 2000	231.5	84.8	16.9	333.2

The statutory reserve was established under the terms of the 1990 Broadcasting Act, as amended by subsequent Parliamentary Orders.

The revaluation reserve arises on the revaluation of freehold property, details of which are disclosed in note 7.

17. Programme and film commitments

At 31 December, Channel 4 had committed future expenditure for programmes and films due for payment as follows:

	2000 Group £m	1999 Group £m	2000 Channel 4 £m	1999 Channel 4 £m
Within one year	235.2	243.3	221.0	224.5
After one year	210.0	137.6	209.8	137.4
	445.2	380.9	430.8	361.9



ALI G, DA TV SHOW



STARTS FRI 31 MARCH AT 10.30PM

NOTES TO THE FINANCIAL STATEMENTS

18. Other commitments

	2000 £m	1999 £m
Capital expenditure		
Channel 4 and group		
Amounts contracted but not provided for in the financial statements	1.6	0.2
Amounts authorised for expenditure but not contracted at 31 December	15.1	13.8

Forward foreign exchange contracts

At 31 December 2000, Channel 4 had entered into commitments to purchase foreign currencies amounting to £79.9 million (1999: £43.4 million), maturing throughout 2001, in order to fix the sterling cost of satellite transponder capacity and of certain foreign programme and film purchase commitments.

Digital 3 and 4 Ltd

Under the terms of the shareholder agreement for Digital 3 and 4 Ltd, Channel 4 is committed to meeting its share of contracted costs entered into by that company. Digital 3 and 4 Ltd has contractually committed £18 million per annum over the next 10 years for digital transmission and distribution. The exact annual monetary commitment will be dependent upon the time and coverage of roll-out of the digital transmission network. Channel 4's share is estimated to amount to £10 million per annum.

Operating lease commitments

At 31 December the group had annual commitments under operating leases – all of which were for land and buildings – as set out below:

	2000 £m	1999 £m
Operating leases which expire:		
within one year	0.8	1.3
after one year and within five years	0.2	0.2
after five years	3.6	3.2
	4.6	4.7



TURNER PRIZE 2000
LIVE FROM TATE BRITAIN
TUESDAY 28 NOVEMBER, 8PM

NOTES TO THE FINANCIAL STATEMENTS

19. Pension costs

Channel 4 operates a contributory pension scheme providing benefits based on final pay. The assets of the scheme are held separately from those of Channel 4, being invested through Legal & General Assurance (Pensions Management) Ltd. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with Channel 4.

The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent independent valuation was as at 31 December 1999. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pension. It has been assumed that investment returns will outstrip salary increases by 1.75% per annum and that present and future pensions will increase at the rate of 3.75% per annum.

The pension charge for 2000 was £4.8 million (1999: £3.9 million).

The actuarial valuation at December 1999 showed that the market value of the scheme's assets was £74 million and that the actuarial value of those assets represented 118% of the benefits which had accrued to members, after allowing for expected future increases in earnings. The contributions of Channel 4 and employees remain at 15.3% and 6% of earnings respectively.

20. Related party transactions

Details of transactions in which members have an interest are disclosed on page 42.

Details of arrangements with associated companies are disclosed in notes 8 and 18.

BE BIG BROTHER



channel4.com/bigbrother

PROGRAMMES AND THE LICENCE

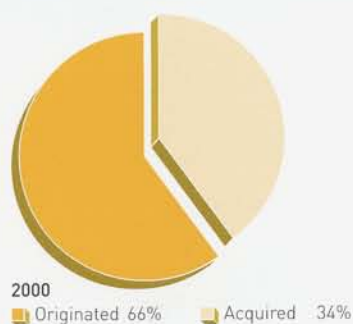
Channel 4 commissions programmes from a wide range of suppliers, including independent producers and the ITV companies and purchases programmes in the international markets.

Independent production companies are the most important source of originated programmes. 391 independent companies provided programmes transmitted on Channel 4 in 2000 (1999: 412). This reduction in independent producers supplying programmes to Channel 4 has been caused in part by consolidation within the independent production sector and the acquisition of some of those companies by television broadcasters, which results in a loss of independent producer status.

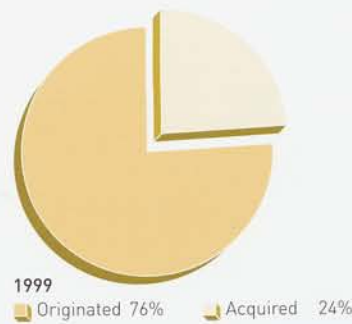
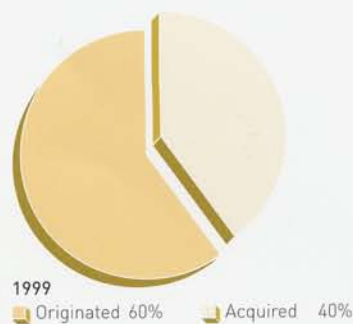
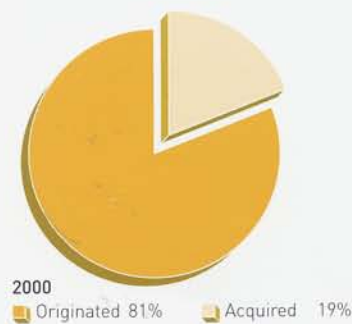
The source and cost of the programmes transmitted on Channel 4 in 2000 are shown in the table below:

	2000 Hours	1999 Hours	2000 £m	1999 £m
Originated				
Independents	3,638	3,785	226.5	242.1
Other	2,132	1,495	118.5	74.0
Acquired	5,770	5,280	345.0	316.1
Total	8,784	8,760	423.3	390.6

Source of programmes as a percentage of total transmission hours



Source of programmes as a percentage of peak transmissions (6 pm to 10.30 pm)





Elizabeth.First.



A season of film
premières begins
Sunday 3 September, 9pm

PROGRAMMES AND THE LICENCE

Channel 4 broadcast 8,784 hours in 2000 – 24 hours each day. The hours and costs of the channel's wide range of programme transmissions were as follows:

Channel 4 main service: hours and costs of programmes

	2000 Hours	1999 Hours	2000 £m	1999 £m
Drama	1,001	936	92.4	78.1
Entertainment	1,702	1,537	88.8	82.1
Education	1,000	915	61.6	60.0
Sport	1,036	883	36.3	26.1
Feature films	1,100	1,356	28.2	28.8
Other factual	467	521	20.7	17.5
News	305	300	19.2	19.1
Current affairs	247	234	17.6	17.8
Documentaries	310	385	14.2	15.1
Arts and music	247	278	13.0	14.0
Multicultural	231	218	11.4	12.6
Quiz and gameshows	345	309	8.5	8.2
Children	721	819	6.7	7.5
Religion	72	69	4.7	3.7
	8,784	8,760	423.3	390.6

Annual performance review

The ITC's review of Channel 4's performance in 2000 states:

'Channel 4 both built its audience in 2000 and delivered its remit for diverse and distinctive programmes. There were landmark series in a number of programme genres, including drama (**Longitude** and **Never Never** for example), education (**Elizabeth**), multicultural (the **Untold** season) and comedy (the surreal **Jam** and the **Black Books** sitcom).'

FilmFour channel

The FilmFour channel broadcast for 4,456 hours in 2000 (1999: 4,337) with 53% of these hours being subtitled.

E4

E4 did not commence broadcasting until 18 January 2001 and accordingly no programme cost in respect of the E4 service was charged to the profit and loss account during 2000.



HOLLYOAKS

PROGRAMMES AND THE LICENCE

Channel 4 main service: the licence

The wide range and diversity of programmes shows that the remit is central to Channel 4's programming policy. The channel takes pride and pleasure in the challenge of fulfilling it in different ways each year. Our licence from the ITC, in addition to stipulating the need to meet the remit, places certain specific programme obligations on Channel 4.

Principal licence requirements

	Compliance minimum	2000	1999
Average hours per week			
Education	7	11	10
News	4	5	5
Current affairs	4	5	4
Multicultural	3	4	4
Religion	1	1	1
Hours per year			
Schools	330	380	396
Percentage			
Original production			
– overall	60	66	60
– in peaktime (6 pm to 10.30 pm)	70	81	76
First run			
– overall	60	62	60
– in peaktime	80	82	81
Independent production*	25	66	76
European independent production*	10	41	42
European origin	50	70	65
Subtitling for the deaf and hard-of-hearing	60	69	62
Production expenditure outside London	30 (by 2002)	29	27
Training and development (% of qualifying revenue)	0.5	0.7	0.7

*There are material differences in the definitions contained in the European and UK legislation for qualifying independent production.

ITC

The ITC monitors compliance with broadcasters' licence obligations (including compliance with its regulatory codes) and entertains complaints about programmes. The ITC recorded 11 breaches of its code by Channel 4 in 2000 (1999: six), but none was judged serious enough to merit a sanction.

Broadcasting Standards Commission

The Broadcasting Standards Commission entertains complaints:

- about unfair treatment and/or infringement of privacy. In 2000, no complaints about Channel 4's programmes were upheld (1999: four) and two were partially upheld (1999: none).
- concerning standards of taste and decency, and in 2000 six were upheld (1999: 15) and six partially upheld (1999: nine).



Parental guidance no longer required.

FROM TUESDAY
7 MARCH AT 9PM



FIFTEEN
THE REALITY OF TEENAGE LIFE

CORPORATE GOVERNANCE

Channel 4 is committed to high standards of corporate governance throughout the group.

Channel 4's corporate governance procedures, adopted by the Board, have been designed to enable the group to comply with the Combined Code and the Turnbull Working Party recommendations. These procedures define the duties, constitution and responsibilities of the Board and the various Board committees.

The Board has full responsibility for maintaining high standards of corporate governance. The information and statements below describe how the principles identified in the Combined Code and the Turnbull Working Party recommendations, relevant to a statutory corporation without shareholders, were applied by Channel 4.

Statement of compliance

The Board believes that the group has, throughout the accounting period, complied with the provisions set out in Section 1 of the Combined Code except that, given its constitution, Channel 4 cannot sensibly have a formal nomination committee. However, the following formal nomination procedures are in place:

- non-executive members are appointed for fixed terms by the ITC following consultation with Channel 4's Chairman and the approval of the Secretary of State for Culture, Media and Sport.
- the Chief Executive is appointed by the Board.
- other executive members are appointed to the Board after nomination by the Chief Executive and the Chairman acting jointly.

The Board

The members, who constitute the Board, have full responsibility for ensuring that, in a changing public service and commercial broadcasting environment, the statutory functions of Channel 4 are discharged in accordance with the broadcasting licence issued by the ITC and policies regulated by the Board and in accordance with arrangements and procedures which have, to the extent required, the approval of the ITC.

The Board meets regularly and consists of between 13 and 15 members of whom the majority are independent non-executives. It has a formal schedule of matters reserved to it for decision and information is supplied to it in a timely manner. The roles of Chairman and Chief Executive are separate with a clear division of responsibilities between them. The division of these roles and the presence of a non-executive Deputy Chairman as senior independent director ensure there is a strong independent element to the Board and no one individual has unfettered powers of decision. All other non-executive members are of equal standing. Biographical details of the present members are given on page 74.

The non-executive members carry significant weight in Board decisions. They bring an independent judgement to bear on issues of strategy, performance and resources.

On appointment, all members are advised that they have access to advice and the services of the Corporation Secretary and, additionally, that they are entitled to seek independent professional advice in the furtherance of their duties, if necessary, at Channel 4's expense.

As a statutory corporation certain principles and provisions of the Combined Code in respect of relations with shareholders are not directly applicable. However, for those principles and provisions disclosed in Section C of the Combined Code that are relevant to Channel 4, the following procedures are in place:

- the ITC publishes an annual review of Channel 4's performance and compliance with the provisions as laid out in the broadcast licence.
- Channel 4's annual report is sent to the Secretary of State who lays copies of it before each House of Parliament.
- the terms of employment of the executive members are subject to the approval of the remuneration committee.

Statement of members' responsibilities

Channel 4 is required by the Broadcasting Act 1990 to keep proper accounts and proper records in relation to the accounts, and to prepare financial statements in respect of each financial year in a form as directed by the Secretary of State for Culture, Media and Sport with the approval of the Treasury. The members therefore prepare financial statements in compliance with this direction and, to the extent applicable, with the provisions of the Companies Act 1985, and accounting standards currently in force, that give a true and fair view of the state of affairs of Channel 4 and the group as at the end of the financial year and of the profit or loss of the group for that year.

The members confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2000. The members also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The members are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of Channel 4 and the group, and to prevent and detect fraud and other irregularities.



Film Fear

a horror weekend



featuring SCREAM and
THE TEXAS CHAINSAW MASSACRE
28-29 October

CORPORATE GOVERNANCE

Board committees

The Board has established the following three committees which each meet at least once every year:

Audit committee

The audit committee's purpose is:

- to satisfy itself on all matters of financial propriety and procedure.
- to review the scope, results and cost effectiveness of the audit, the objectivity and independence of the auditors, and additionally the nature, extent and value for money of non-audit services supplied by the auditors.
- to discuss with Channel 4's external auditors any matters of concern arising out of their audit.
- to review the draft annual report and financial statements before presentation to the full Board.
- to monitor and ensure compliance with the Turnbull Working Party's guidance on internal control.
- to review Channel 4's continuous efficiency project which seeks to ensure that the group is incurring only appropriate expenditure and is obtaining full value for services provided.

Three non-executive members, Vanni Treves (Chairman), Joe Sinyor and Robin Miller, form the membership of the audit committee.

At the Chairman's invitation, Michael Jackson, David Scott, Janet Walker and the PricewaterhouseCoopers audit partner attend meetings of the committee. The audit partner has direct access to the Chairman at all times.

Budget committee

The budget committee's purpose is to examine and discuss the details of the group's annual budget and any other significant financial matters which the full Board may wish to refer to the budget committee for detailed consideration.

The budget committee has six members: Vanni Treves (Chairman), Michael Jackson, David Scott, Janet Walker, Joe Sinyor and Robin Miller.

The budget committee reports to the Board, which retains the right of approval of the annual budget and business plan.

Remuneration committee

The remuneration committee's purpose is to approve, in relation to the employees of Channel 4 and its subsidiary companies:

- the level of any general salary increases.
- merit or market rate increases for individuals.
- the group's pension fund arrangements and related employee benefits.

Fees payable to the non-executive Board members are determined by the ITC.

The remuneration committee consists entirely of non-executive members. Its members are Vanni Treves (Chairman), Andrew Graham, Barry Cox and Robin Miller. Michael Jackson, David Scott and Janet Walker attend meetings as appropriate.

No executive member attends meetings of the remuneration committee at times when any aspect of his or her remuneration or terms of employment are being discussed. The report on members' remuneration is provided on pages 70 and 71.

Pension plan

There are six trustees of the Channel 4 Pension Plan who meet with the Plan's investment managers, Legal & General Assurance (Pensions Management) Ltd, several times each year. The Chairman of the trustees is Vanni Treves. The trustees include an independent member, Louise Botting; two of Channel 4's executives, David Scott and Peter Meier; and two employee representatives, Andrew Brenson and Julie Bunn.

Reporting

The Board believes that the 2000 report and financial statements present a true and fair view of the state of affairs of Channel 4 and the group as at the end of the financial year and of the profit of the group for that year.

Internal control

The Board has overall responsibility for Channel 4's system of internal control and for reviewing its effectiveness whilst the role of management is to implement Board policies on risk and control. The system of internal control is designed to manage rather than eliminate the risk of failure in the achievement of business objectives. In pursuit of these objectives, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss. The key procedures that the Board has established can be summarised under the following headings:



MORE EMBARRASSING LEAKS



MY GOVERNMENT AND I
RORY BREMNER ON SUNDAY 19 NOVEMBER AT 9PM

CORPORATE GOVERNANCE

Control environment

Clear management responsibilities are established for the executive members. These are laid down in Channel 4's manual of operating procedures and terms of reference.

Risk management

Management has a clear responsibility for the identification of risks facing the business and for putting in place procedures to monitor and mitigate such risks. In 1998, the Board initiated a group-wide, internal control and business risk evaluation process. This process is designed to identify, evaluate and ensure effective management of significant business, operational and financial compliance risks. This business risk evaluation process accords with the Turnbull guidance on internal controls and is reviewed by the audit committee on an annual basis.

Management systems

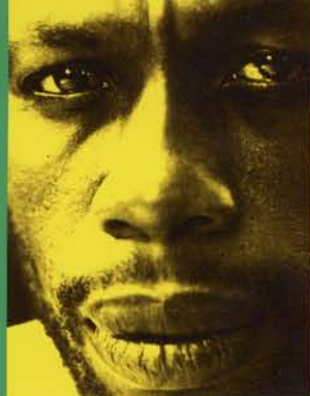
Detailed annual budgets and business plans are prepared for each area of the business, and are approved by the budget committee and the Board. Detailed monthly management reports are produced, comparing actual income and expenditure with budgets and prior year, with full year forecasts prepared quarterly throughout the year. These reports are monitored by the members, and explanations are provided for all significant variances.

Control procedures

All expenditure has to be authorised in line with limits set out in a comprehensive authorisation manual. Authorisation and payment duties are strictly segregated, and bank signatory limits are clearly defined by bank mandate.

Monitoring system

The financial controls are monitored by management review and by the audit committee.



FE, FI, FO, FUM.

ENGLAND V WEST INDIES
LIVE FROM 15 JUNE

REPORT ON MEMBERS' REMUNERATION

Remuneration policy for executive members of the Board

The remuneration of executive Board members is determined by the remuneration committee, the membership and terms of reference of which are detailed on page 68. In framing its remuneration policy, the committee has given full consideration to the best practice provisions of the Combined Code.

Channel 4 aims to attract, motivate, and retain high calibre staff and executive Board members by rewarding them with competitive salary and benefit packages. These are established by reference to those salaries and benefit packages prevailing for executives of comparable status elsewhere in the television industry (albeit without any of the share option schemes available elsewhere).

Any bonus payments made to executives are based on performance and recommended and approved by the remuneration committee.

Andy Barnes participates in the advertising sales bonus scheme, which is linked to advertising revenue targets. These targets are

agreed by the remuneration committee before the start of each financial year.

Service contracts

Each of the six executive members has a service contract subject to one year's notice.

Taxable benefits

Executive members are eligible for a range of taxable benefits which include the provision of a company car and payment of its operating expenses; membership of a private medical insurance scheme, which is open to all staff; and the provision of a television and video for home use. These benefits are not pensionable.

Remuneration policy for non-executive members of the Board

The ITC appoints non-executive Board members for fixed terms and determines their fees. They are entitled to the provision of a television and video for home use, and to reimbursement of travelling and accommodation expenses incurred in connection with attending Board meetings.

	2000 Salary and fees £000	2000 Bonus £000	2000 Benefits £000	2000 Total £000	1999 Total £000
Executive members					
Michael Jackson	476	45	15	536	494
David Scott	333	30	17	380	357
Andy Barnes	242	119	15	376	385
David Brook	242	30	15	287	269
Tim Gardam	225	25	12	262	227
Janet Walker	231	25	1	257	221
Non-executive members					
Vanni Treves	62	-	-	62	61
Barry Cox	19	-	-	19	17
Andrew Graham	15	-	-	15	14
Robin Miller	15	-	-	15	13
Joe Sinyor	15	-	-	15	14
Millie Banerjee	15	-	-	15	-
Ian Ritchie	15	-	-	15	-
Retired members					
Frank McGettigan	17	-	-	17	223
Murray Grigor	-	-	-	-	14
Usha Prashar	-	-	-	-	14
Sarah Radclyffe	-	-	-	-	14
	1,922	274	75	2,271	2,337

Frank McGettigan left the company on 31 January 2000. Full disclosure of the £206,000 compensation received by him for loss of office was made in the report for 1999.

QUEER AS FOLK 2

Back with a bang



TUESDAY 15 AND 22 FEB
FIGHTING THE FORCES OF BOREDOM

REPORT ON MEMBERS' REMUNERATION

Pension

Executive members are eligible for membership of the Channel 4 Pension Plan on the same basis as all other members of staff. The plan is contributory, at 6% of pensionable salary, and provides members with a pension based on 1/50th of final pensionable pay for each year of service up to a maximum of two thirds of final pensionable earnings.

Non-executive members are not eligible for membership of the Channel 4 Pension Plan.

The executive members of the plan during 2000 were as follows:

	Month of start of pensionable service	Members' contributions during 2000 £000	Increase in accrued pension entitlement during 2000 £000	Total accrued pension entitlement at 31 December 2000 £000
Michael Jackson	July 1997	9	3	11
David Scott	November 1981	20	12	125
Andy Barnes	December 1991	9	2	63
David Brook	December 1997	9	3	9
Tim Gardam	January 1999	9	3	6
Janet Walker	May 1998	9	3	8

- the pension entitlement shown is that which would be paid annually on retirement from the age of 60 but based on service to the end of 2000.
- the increase in accrued pension during the year excludes any increase for inflation.
- the accrued benefits for Michael Jackson, Andy Barnes, David Brook, Tim Gardam and Janet Walker, each of whom joined the scheme after June 1989, have been restricted as a result of the impact of the Inland Revenue's 1989 'earnings cap'.
- members who are not subject to the earnings cap have the option to pay Additional Voluntary Contributions (AVCs) to a separate scheme. Neither the AVCs made nor the resulting benefits accrued have been included in the above table.

The benefits provided to all members of the Channel 4 Staff Pension Plan are as follows:

- normal retirement age is 60.
- there is a spouse's pension of one half of a scheme member's pension in the event of death in retirement and of one half

of a scheme member's present expected pension in the event of death in service. There is an additional benefit equal to one half of the benefit payable to the spouse in respect of each child up to the age of 18, or 23 if in full time education, subject to a maximum of two children.

- pensions in course of payment, in excess of the Guaranteed Minimum Pension, increase at 5% per annum compound, or the increase in the retail prices index if lower.
- scheme members who leave before completing two years' service receive a refund of their own contributions. Scheme members who leave having completed at least two years' service receive a benefit from normal retirement date preserved within the scheme, calculated as above, but relating to pensionable service and pensionable earnings up to date of leaving.
- an early retirement option exists from the age of 50. Any scheme member taking an early retirement option receives a pension at a discounted rate.
- there is a provision for a member to exchange part of the retirement pension for cash.



Elizabeth.First.



A season of film
premières begins
Sunday 3 September, 9pm

HISTORICAL RECORD

Profit and loss account

For the year ended 31 December

	1993 £m	1994 £m	1995 £m	1996 £m	1997 £m	1998 £m	1999 £m	2000 £m
Turnover	343.9	408.4	464.0	518.6	552.7	590.5	642.1	716.4
Cost of transmissions and sales	(278.4)	(285.7)	(309.0)	(358.1)	(406.9)	(467.4)	(564.1)	(643.1)
Gross profit	65.5	122.7	155.0	160.5	145.8	123.1	78.0	73.3
Administrative expenses	(15.4)	(17.1)	(19.1)	(20.6)	(21.2)	(25.7)	(24.4)	(29.0)
Depreciation	(5.7)	(8.4)	(7.7)	(7.6)	(7.9)	(8.9)	(8.7)	(10.5)
Exceptional relocation expenses	–	(9.4)	–	–	–	–	–	–
Operating profit	44.4	87.8	128.2	132.3	116.7	88.5	44.9	33.8
Net interest	(5.5)	(4.2)	(0.1)	2.0	2.4	3.8	1.1	2.0
Profit before ITV subsidy and taxation	38.9	83.6	128.1	134.3	119.1	92.3	46.0	35.8
Subsidy payable to ITV	(38.2)	(57.3)	(74.0)	(87.1)	(89.9)	(66.0)	–	–
Profit before taxation	0.7	26.3	54.1	47.2	29.2	26.3	46.0	35.8
Taxation	0.6	(4.4)	(19.3)	(17.9)	(10.7)	(8.6)	(13.1)	(14.3)
Retained profit for the year	1.3	21.9	34.8	29.3	18.5	17.7	32.9	21.5

LONGITUDE



ONE MAN CAN CHANGE
THE WORLD FOR ALL TIME

NEW DRAMA FROM FOUR
2ND AND 3RD JANUARY 2000

HISTORICAL RECORD

Advertising and sponsorship revenue

	1993	1994	1995	1996	1997	1998	1999	2000
	£m	£m	£m	£m	£m	£m	£m	£m
Channel 4	330.1	393.9	448.0	490.4	513.4	559.6	600.5	651.7
ITV, GMTV, S4C and Channel 5	1,483.1	1,602.7	1,693.4	1,762.2	1,876.8	2,023.0	2,176.9	2,315.7
	1,813.2	1,996.6	2,141.4	2,252.6	2,390.2	2,582.6	2,777.4	2,967.4
	%	%	%	%	%	%	%	%
Channel 4	18.2	19.7	20.9	21.8	21.5	21.7	21.6	22.0
ITV, GMTV, S4C and Channel 5	81.8	80.3	79.1	78.2	78.5	78.3	78.4	78.0
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Audience share

	1993	1994	1995	1996	1997	1998	1999	2000
	%	%	%	%	%	%	%	%
BBC 1	32.7	32.4	32.2	32.5	30.8	29.5	28.4	27.2
BBC 2	10.2	10.6	11.1	11.5	11.6	11.3	10.8	10.8
ITV and GMTV	40.0	39.5	37.3	35.1	32.9	31.7	31.2	29.3
Channel 4 and S4C	11.0	10.7	10.9	10.7	10.6	10.3	10.3	10.5
Channel 5	-	-	-	-	2.3	4.3	5.3	5.7
Satellite and cable	6.1	6.8	8.5	10.2	11.8	12.9	14.0	16.5
	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: BARB all individuals

How do you know
what your man
was up to
last night?

Watch the morning news.



The Sopranos

THE NEW SERIES STARTS THURSDAY 12 OCT AT 10.30 PM

TM & © 2000 WARNER BROS. ALL RIGHTS RESERVED

MEMBERS

Non-executive members

Chairman

Vanni Treves (age 60)

Appointed Chairman in January 1998. His appointment runs to the end of 2001. He is a partner in the City solicitors, Macfarlanes, and Chairman of The Equitable Life Assurance Society and of the London Business School.

Deputy Chairman

Barry Cox (age 58)

Appointed Deputy Chairman in February 1999. His appointment runs until 31 January 2003. He is a former director of the ITV Association. He is a consultant with ITN and United Broadcasting and Entertainment and chairs the Advisory Board on DTT Frequency Planning.

Millie Banerjee (age 53)

Joined the Board in January 2000. Her appointment runs until the end of 2003. She is an independent consultant in the telecommunications field, non-executive director of the management Board of the Cabinet Office and a member of the Nurses Pay Review Board.

Peter Bazalgette (age 47)

Joined the Board on 1 April 2001. His appointment runs until 31 March 2004. He is creative director of Endemol Entertainment UK Ltd and a non-executive director of Brighter Pictures Ltd, Victoria Real Ltd and Zeppotron Ltd.

Andrew Graham (age 58)

Joined the Board in April 1998. His appointment runs until 31 March 2004. He is Acting Master and Master Elect of Balliol College, Oxford.

Robin Miller (age 60)

Joined the Board in February 1999. His appointment runs until 31 January 2003. He is Chairman of EMAP plc, and a director of the Horserace Totalisator Board and the Moss Bros Group.

Ian Ritchie (age 50)

Joined the Board in January 2000. His appointment runs until the end of 2003. He is the non-executive Chairman of four technology start-up companies and serves on the board of Scottish Enterprise.

Joe Sinyor (age 43)

Joined the Board in April 1998. His appointment runs until 31 March 2002. He is Chief Executive, Newspapers, for Trinity Mirror plc.

Executive members

Michael Jackson (age 42)

Chief Executive since July 1997. He is Chairman of 4 Ventures Ltd and FilmFour Ltd and a non-executive director of EMI Group. Prior to joining Channel 4 he was an independent producer (1981 to 1989); with the BBC as editor of The Late Show (1989); Head of Music and Arts (1991); Controller of BBC 2 (1993); and Director of Television and Controller of BBC 1 (1996).

David Scott FCA (age 46)

Managing Director since January 1997, having been Director of Finance since 1988. He is Chairman of Go Racing Ltd and 124 Facilities Ltd, Deputy Chairman of FilmFour Ltd, a director of 4 Ventures Ltd and a member of the British Screen Advisory Council. He joined Channel 4 as Controller of Finance in 1981. Prior to that he was with Peat Marwick Mitchell (1972 to 1981).

Andy Barnes (age 45)

Commercial Director since July 1997. He is a director of British Audience Research Bureau Ltd (BARB). He joined Channel 4 in 1991 as Head of Advertising Sales. Prior to that he was Deputy Sales Director of TVS.

David Brook (age 40)

Director of Strategy and Development since November 1997 and a director of 4 Ventures Ltd. Prior to joining Channel 4 he was Director of Marketing and Communications at Channel 5 (1996 to 1997) and Marketing Director at the Guardian Media Group (1990 to 1996).

Tim Gardam (age 44)

Director of Programmes since December 1998. He is Chairman of Channel Four International Ltd, and a director of 4 Ventures Ltd. Prior to joining Channel 4 he was Controller, News and Current Affairs and Documentaries for Channel 5 (1996 to 1998) and Head of Current Affairs for the BBC (1993 to 1996). He is a former Editor of Newsnight and Panorama and Executive Producer of Timewatch.

Janet Walker ACA (age 47)

Director of Finance and Business Affairs since April 1998. She is a director of Channel Four International Ltd and 4 Ventures Ltd, and a governor of the National Film and Television School. She was Deputy Director of Finance at Channel 4 between 1990 and 1994, Financial Controller, BBC Regional Broadcasting (1994 to 1996) and Finance Director of Granada Media Group (1996 to 1998).

Secretary

Andrew Brann

The ages shown above are at 31 December 2000.

Anatomy Of Disgust



A MAJOR 3 PART SERIES INVESTIGATING THE FORGOTTEN EMOTION
STARTS TUESDAY 15 AUGUST AT 10PM

CONTACT DETAILS

Channel Four Television Corporation

124 Horseferry Road London SW1P 2TX

Telephone

Facsimile

Website

020 7396 4444

020 7306 8347

www.channel4.com

Regional and national editorial office

227 West George Street Glasgow G2 2ND

Telephone

Facsimile

0141 568 7100

0141 568 7103

Viewers' enquiries

Telephone

E-mail

Facsimile

020 7306 8333

viewersenquiries@channel4.co.uk

020 7306 8347

FilmFour subscriber hotline

Telephone

Website

0800 44 1234

www.filmfour.com

Regional and national advertising sales offices

Belfast

Elmwood House 46 Elmwood Avenue Belfast BT9 6AZ

Telephone

Facsimile

028 9068 1311

028 9068 1317

Dublin

Media Link 15 Windsor Place (off Pembroke Street) Dublin 2

Telephone

Facsimile

00 353 1 6622 444

00 353 1 6614 989

Edinburgh

Hudson House 8 Albany Street Edinburgh EH1 3QB

Telephone

Facsimile

0131 473 2322

0131 473 2327

Manchester

Colwyn Chambers 19 York Street Manchester M2 3BA

Telephone

Facsimile

0161 237 3796

0161 237 3797

Designed & produced by

Sheppard Day

15 Parental guidance no longer required.

TURNER PRIZE 2000
LIVE FROM THE BRITISH AIRPORT
THURSDAY 18 SEPTEMBER 9PM

THE REALITY OF TECHNOLOGY

BACK LIVE ONLINE 18 SEPTEMBER

Go on.
Jump.

CONFESSIONS OF A BASE JUMPER
CUTTING EDGE
Tuesday
14 November, 9pm

TURN IT UP

MOBO AWARDS 2000

MASTERCARD MOBO AWARDS
EXCLUSIVE TO CHANNEL 4
THURSDAY 5 OCTOBER AT 10PM

What makes the British murder?

A VERY BRITISH MURDER
Starts Tuesday 5 September, 9pm

Go on.
Jump.

CONFESSIONS OF A BASE JUMPER
CUTTING EDGE
Tuesday
14 November, 9pm

Film Fear
a horror weekend

Featuring SCREAM and THE TEXAS CHAINSAW MASSACRE
26-27 October

What makes the British murder?

A VERY BRITISH MURDER
Starts Tuesday 5 September, 9pm

CARIBBEAN SUMMER

A SEASON OF PRECIOUSNESS
FROM JULY 14

ALI G, DA TV SHOW

STARTS FRI 31 MARCH AT 10.30PM

Answer Time

CHANNEL 4 NEWS. SEVEN NIGHTS A WEEK.

The UK's fastest growing news programme

THE JOY OF SIX.

ENGLAND V WEST INDIES
LIVE AND EXCLUSIVE

Gritty and real doesn't have to be grim and ugly.

HOLLYOAKS

Heroine or Harlot?

ANNA KARENINA
A MAJOR NEW DRAMA SERIES
STARTS TUESDAY 9 MAY

SMACK THE PONY

A NEW SERIES
STARTS FRIDAY 16 APRIL AT 7.30PM

What makes the British murder?

A VERY BRITISH MURDER
Starts Tuesday 5 September, 9pm

FE, FI, FO, FUM.

ENGLAND V WEST INDIES
LIVE FROM 19 JUNE

Anatomy Of Disgust

A MAJOR 3 PART SERIES INVESTIGATING THE FORGOTTEN EMOTION
STARTS TUESDAY 15 AUGUST AT 10PM

TURN IT UP

MOBO AWARDS 2000

MASTERCARD MOBO AWARDS
EXCLUSIVE TO CHANNEL 4
THURSDAY 5 OCTOBER AT 10PM

BE BIG BROTHER

channel4.com/bigbrother

Answer Time

CHANNEL 4 NEWS. SEVEN NIGHTS A WEEK.

The UK's fastest growing news programme

What makes the British murder?

A VERY BRITISH MURDER
Starts Tuesday 5 September, 9pm

TURN IT UP

MOBO AWARDS 2000

MASTERCARD MOBO AWARDS
EXCLUSIVE TO CHANNEL 4
THURSDAY 5 OCTOBER AT 10PM

Elizabeth. First.

A SEASON OF PRECIOUSNESS
SUNDAY 2 OCTOBER AT 10PM

ALI G, DA TV SHOW

STARTS FRI 31 MARCH AT 10.30PM

CARIBBEAN SUMMER

A SEASON OF PRECIOUSNESS
FROM JULY 14

What makes the British murder?

A VERY BRITISH MURDER
Starts Tuesday 5 September, 9pm

ALI G, DA TV SHOW

STARTS FRI 31 MARCH AT 10.30PM

Answer Time

CHANNEL 4 NEWS. SEVEN NIGHTS A WEEK.

The UK's fastest growing news programme

What makes the British murder?

A VERY BRITISH MURDER
Starts Tuesday 5 September, 9pm

Anatomy Of Disgust

A MAJOR 3 PART SERIES INVESTIGATING THE FORGOTTEN EMOTION
STARTS TUESDAY 15 AUGUST AT 10PM

Answer Time

CHANNEL 4 NEWS. SEVEN NIGHTS A WEEK.

The UK's fastest growing news programme

TURN IT UP

MOBO AWARDS 2000

MASTERCARD MOBO AWARDS
EXCLUSIVE TO CHANNEL 4
THURSDAY 5 OCTOBER AT 10PM

15 Parental guidance no longer required.

THE REALITY OF TECHNOLOGY

MORE EMBARRASSING LEAKS

MY GOVERNMENT AND I
ROBY BREENER ON SUNDAY 19 NOVEMBER AT 1PM

What makes the British murder?

A VERY BRITISH MURDER
Starts Tuesday 5 September, 9pm

THE JOY OF SIX.

ENGLAND V WEST INDIES
LIVE AND EXCLUSIVE

15 Parental guidance no longer required.

THE REALITY OF TECHNOLOGY

WANTED: For fighting the forces of boredom.

CARIBBEAN SUMMER

A SEASON OF PRECIOUSNESS
FROM JULY 14

Go on.
Jump.

CONFESSIONS OF A BASE JUMPER
CUTTING EDGE
Tuesday
14 November, 9pm

ALI G, DA TV SHOW

STARTS FRI 31 MARCH AT 10.30PM

CARIBBEAN SUMMER

A SEASON OF PRECIOUSNESS
FROM JULY 14

TURN IT UP

MOBO AWARDS 2000

MASTERCARD MOBO AWARDS
EXCLUSIVE TO CHANNEL 4
THURSDAY 5 OCTOBER AT 10PM

How do you know what your man was up to last night?

Watch the morning news.

The Sopranos
THE NEW SERIES STARTS THURSDAY 10 OCT AT 10PM PM

Answer Time

CHANNEL 4 NEWS. SEVEN NIGHTS A WEEK.

The UK's fastest growing news programme

What makes the British murder?

A VERY BRITISH MURDER
Starts Tuesday 5 September, 9pm

What makes the British murder?

A VERY BRITISH MURDER
Starts Tuesday 5 September, 9pm

FE, FI, FO, FUM.

ENGLAND V WEST INDIES
LIVE FROM 19 JUNE

What makes the British murder?

A VERY BRITISH MURDER
Starts Tuesday 5 September, 9pm

BACK LIVE ONLINE 18 SEPTEMBER

Anatomy Of Disgust

A MAJOR 3 PART SERIES INVESTIGATING THE FORGOTTEN EMOTION
STARTS TUESDAY 15 AUGUST AT 10PM

lock, stock...
fun loving criminals

lock, stock... the tv series starts monday 29 may 9pm

www.home.work.high.com

BACK LIVE ONLINE 18 SEPTEMBER

4

Answer Time
CHANNEL 4 NEWS. SEVEN NIGHTS A WEEK.

The UK's fastest growing news programme

4

What makes the British murder?

A VERY BRITISH MURDER
Starts Tuesday 5 September, 9pm

4

LONGITUDE

ONE MAN CAN CHANGE THE WORLD FOR ALL TIME

NEW DRAMA FROM FOUR
2ND AND 3RD JANUARY 2000

4

Go on. Jump.

CONFESSIONS OF A BASE JUMPER

CUTTING EDGE
Tuesday
14 November, 9pm

4

SMACK THE PONY

A NEW SERIES

STARTS FRIDAY 14 APRIL, 9.30PM

4

CARIBBEAN SUMMER

A SEASON OF PRESENTMENTS
FROM JULY TO SEPTEMBER

4

Anatomy Of Disgust

A MAJOR 3 PART SERIES INVESTIGATING THE FORGOTTEN EMOTION
STARTS TUESDAY 19 AUGUST AT 10PM

4

www.home.work.high.com

BACK LIVE ONLINE 18 SEPTEMBER

4

15 Parental guidance no longer required.

THE REALITY OF FREEDOM

4

TURNER PRIZE 2000

LIVE FROM THE BALTIC, BRISTOL
TUESDAY 10 NOVEMBER, 8PM

4

TURN IT UP

MOBO AWARDS 2000

MASTERCARD MUSIC AWARDS

EXCLUSIVES TO CHANNEL 4
THURSDAY 7 DECEMBER AT 10PM

4

Urban Cheek

THE RICHARD BLACKWOOD SHOW
STARTS WEDNESDAY 3 MAY AT 11.00PM

4

THE JOY OF SIX.

ENGLAND V WEST INDIES
LIVE AND EXCLUSIVE

4

What's the secret to a lasting marriage?

Owning a strip club and having a mistress.

The Sopranos

THE NEW SERIES STARTS THURSDAY 19 OCT AT 10.30PM

4

TURN IT UP

MOBO AWARDS 2000

MASTERCARD MUSIC AWARDS

EXCLUSIVES TO CHANNEL 4
THURSDAY 7 DECEMBER AT 10PM

4

ALI G, DA TV SHOW

STARTS FRI 31 MARCH AT 10.30PM

4

CARIBBEAN SUMMER

A SEASON OF PRESENTMENTS
FROM JULY TO SEPTEMBER

4

FE, FI, FO, FUM.

ENGLAND V WEST INDIES
LIVE FROM 15 JUNE

4

"A GREAT BRITISH MOVIE & A CRACKING COMEDY"

purelyBELTER.

IN CINEMAS NOVEMBER 3

4

15 Parental guidance no longer required.

THE REALITY OF FREEDOM

4

Answer Time
CHANNEL 4 NEWS. SEVEN NIGHTS A WEEK.

The UK's fastest growing news programme

4

www.home.work.high.com

BACK LIVE ONLINE 18 SEPTEMBER

4

Gritty and real doesn't have to be grim and ugly.

HOLLYOAKS

4

CARIBBEAN SUMMER

A SEASON OF PRESENTMENTS
FROM JULY TO SEPTEMBER

4

Anatomy Of Disgust

A MAJOR 3 PART SERIES INVESTIGATING THE FORGOTTEN EMOTION
STARTS TUESDAY 19 AUGUST AT 10PM

4

FE, FI, FO, FUM.

ENGLAND V WEST INDIES
LIVE FROM 15 JUNE

4

www.home.work.high.com

BACK LIVE ONLINE 18 SEPTEMBER

4

What makes the British murder?

A VERY BRITISH MURDER
Starts Tuesday 5 September, 9pm

4

BE BIG BROTHER

channel4.com/bigbrother

4

What makes the British murder?

A VERY BRITISH MURDER
Starts Tuesday 5 September, 9pm

4

Answer Time
CHANNEL 4 NEWS. SEVEN NIGHTS A WEEK.

The UK's fastest growing news programme

4

Anatomy Of Disgust

A MAJOR 3 PART SERIES INVESTIGATING THE FORGOTTEN EMOTION
STARTS TUESDAY 19 AUGUST AT 10PM

4

SMACK THE PONY

A NEW SERIES

STARTS FRIDAY 14 APRIL, 9.30PM

4

QUEER AS FOLK 2

Back with a bang

THURSDAY 19 JANUARY 8PM
FIGHTING THE FORCES OF BIGOTRY

4

What makes the British murder?

A VERY BRITISH MURDER
Starts Tuesday 5 September, 9pm

4

TURNER PRIZE 2000

LIVE FROM THE BALTIC, BRISTOL
TUESDAY 10 NOVEMBER, 8PM

4

ALI G, DA TV SHOW

STARTS FRI 31 MARCH AT 10.30PM

4

LOVE DESTROYED. WAR RESTORED.

SWORD OF HONOUR

A TWO PART DRAMA 2 & 3 JANUARY AT 9PM

4

The most successful human ever

NEANDERTHAL

Starts Monday 4 December, 9pm

4

15 Parental guidance no longer required.

THE REALITY OF FREEDOM

4

Answer Time
CHANNEL 4 NEWS. SEVEN NIGHTS A WEEK.

The UK's fastest growing news programme

4

Anatomy Of Disgust

A MAJOR 3 PART SERIES INVESTIGATING THE FORGOTTEN EMOTION
STARTS TUESDAY 19 AUGUST AT 10PM

4

Urban Cheek

THE RICHARD BLACKWOOD SHOW
STARTS WEDNESDAY 3 MAY AT 11.00PM

4

www.home.work.high.com

BACK LIVE ONLINE 18 SEPTEMBER

4

Elizabeth. First.

A SEASON OF FILM
FROM JULY TO SEPTEMBER

Starts 1 September, 9pm

4

TURN IT UP

MOBO AWARDS 2000

MASTERCARD MUSIC AWARDS

EXCLUSIVES TO CHANNEL 4
THURSDAY 7 DECEMBER AT 10PM

4

FE, FI, FO, FUM.

ENGLAND V WEST INDIES
LIVE FROM 15 JUNE

4

Answer Time
CHANNEL 4 NEWS. SEVEN NIGHTS A WEEK.

The UK's fastest growing news programme

4

www.home.work.high.com

BACK LIVE ONLINE 18 SEPTEMBER

4

Anatomy Of Disgust

A MAJOR 3 PART SERIES INVESTIGATING THE FORGOTTEN EMOTION
STARTS TUESDAY 19 AUGUST AT 10PM

4

ALI G, DA TV SHOW

STARTS FRI 31 MARCH AT 10.30PM

4

CARIBBEAN SUMMER

A SEASON OF PRESENTMENTS
FROM JULY TO SEPTEMBER

4

TURNER PRIZE 2000

LIVE FROM THE BALTIC, BRISTOL
TUESDAY 10 NOVEMBER, 8PM

4

