



Knowledge Network Corporation

**SERVICE PLAN
2011/12 TO 2013/14**

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Accountability Statement

The 2011/12 – 2013/14 Knowledge Network Corporation service plan was prepared under the Board's direction in accordance with the Budget Transparency and Accountability Act and the B.C. Reporting Principles. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported.

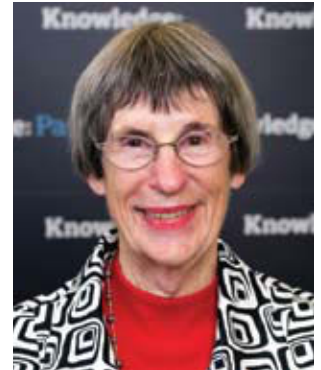
All significant assumptions, policy decisions, events and identified risks, as of January 2011, have been considered in preparing the plan. The performance measures presented are consistent with Knowledge Network Corporation's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of Knowledge Network Corporation's operating environment, forecast conditions, risk assessment and past performance.

The Honourable Mary McNeil, Minister of Citizens' Services

On behalf of the Board of Directors of Knowledge Network Corporation, I am pleased to present our 2011/12 to 2013/14 Service Plan.

Knowledge Network is where stories live that speak to our time. Through our network of storytellers, we enhance the public educational broadcasting experience for British Columbians across the province.

Four strategic goals direct us in our planning, which will see us build long-term stability for Knowledge Network while improving our service for British Columbians. Revenue generation is a high priority, as we look towards further complementing government funding in the coming years.



Nini Baird, Chair

1. Diversify and grow revenue.

Entrepreneurial Partnerships

Knowledge Network has been working with the BBC (British Broadcasting Corporation), a global leader in the development of high-quality content, on a partnership to operate a national digital children's channel. Our digital broadcast platform and our business infrastructure has the capability to operate additional broadcast services.

Expand Donors and Donations

Knowledge Network has a strong and loyal donor base with over 33,000 Knowledge Partners. To build on this success, we are putting into effect new ways to engage with our donors. How we track and manage our relationships with donors, audiences and communities will greatly improve through the introduction of a new constituent relationship management database (CRM) in spring 2011. New opportunities for increasing our marketing and fundraising efforts will also be available through the CRM. The capital base of our endowment fund continues to grow, as awareness of our legacy gifts program increases.

2. Deliver our broadcast service on multiple digital platforms to engage our audience anytime, anywhere.

The media environment in which Knowledge Network operates is experiencing change and disruption as the demand for content on internet, mobile and high definition (HD) platforms continues to grow. To remain relevant and competitive, we are committed to offering content on multiple digital platforms. Knowledge Network content is available on mobile and Knowledge.ca; our focus now shifts to launching an HD channel within the next three years. The demand for HD programming is growing, and will accelerate after the system-wide switch to digital broadcasting in September 2011 (as mandated by the CRTC).

3. Create original content for multi-platform delivery through partnerships with independent producers.

Knowledge Network will continue to support B.C.'s independent production community as the creation of original content moves beyond television to web and mobile. We are committed to helping B.C.-based filmmakers access international co-financing and co-production opportunities through the Storyville Vancouver forum at the Vancouver International Film Festival and the Canada Media Fund.

4. Increase awareness by marketing the Knowledge Network brand.

In the coming year, we will continue implementation of an integrated marketing plan to broaden community support and awareness across the province. We now have board representation from across British Columbia, including Chilliwack, Kamloops, Kelowna, Prince George, Sidney, Vancouver, Victoria, and West Vancouver. We know that they will help us immensely in our community outreach efforts.

I would like to take this opportunity to thank Dr. Ron Burnett, past Chair of Knowledge Network Corporation, who served from April 2006 to July 2010. Dr. Burnett played a pivotal role in establishing a new strategic direction for Knowledge Network, which has put in place a strong foundation from which to grow. During his time, Knowledge Network transformed from an analogue service to an all-digital, multi-platform broadcaster.

Our challenge moving forward is to sustain our gains while keeping our service current with advances in digital delivery. We will continue to engage our public and private supporters throughout B.C., building on our 30 years of service throughout the province.

Sincerely,

A handwritten signature in black ink, appearing to read 'Nini Baird', with a stylized, flowing script.

Nini Baird
Chair, Knowledge Network Corporation Board of Directors

Organizational Overview

Knowledge is British Columbia's public educational broadcaster. Our mission is to provide all British Columbians with a trusted alternative for the commercial-free exploration of life, connecting them to the world through television, internet, and mobile platforms.

Vision

Knowledge Network, as British Columbia's public educational broadcaster, supports lifelong learning by providing quality programming to all British Columbians through television, the web and other emerging technologies.

Enabling Legislation

Knowledge Network is a Crown corporation, created in 2008 under the Knowledge Network Corporation Act.

Our Mandate

The Knowledge Network Corporation Act lists the purposes of Knowledge Network as:

- to carry on the business of broadcasting and communications to provide unique, quality educational programming to British Columbians,
- to promote lifelong learning in British Columbia by providing quality educational programming,
- to inform and educate British Columbians about their province and about issues that are relevant to them,
- to provide British Columbians with a unique television experience, and
- to collaborate with the independent television and web media production sectors in British Columbia.

How Knowledge Network Serves British Columbians

Public educational broadcasting encourages active citizenship and public engagement. Knowledge Network offers content that informs and inspires, presenting relevant issues from local and global perspectives. We do this by:

- distributing commercial-free, educational content to all British Columbians through television, internet, and mobile platforms,
- researching, filtering, licensing, and packaging content from British Columbia, Canada, and around the world that supports lifelong learning,
- commissioning, preclicensing, and developing original content for television, internet, and mobile platforms, and
- building and managing the charitable arm of Knowledge Network, including donations, legacy gifts, and bequests.

Core Business Areas

Our core business areas are defined through our management structure (page 5).

Principal Partners, Clients, and Stakeholders

As a public educational broadcaster, Knowledge Network serves all British Columbians. Our key stakeholders include the Government of British Columbia, our 33,000 Knowledge Partners, the independent production community, and the Canadian Radio-television and Telecommunications Commission (CRTC).

Values

Knowledge Network is guided by these values:

Trust We serve the public interest and deliver on our brand promise.

Integrity We work to the best of our abilities, engaging in principled decision-making and ensuring independence in programming.

Respect We demonstrate due regard for everyone and strive to reflect diverse points of view.

Accountability We are open, responsible, and transparent in the conduct of our business.

Quality We strive for excellence in the selection, presentation, and distribution of our programming and in our interactions with all those we serve.

Benefit to British Columbians

Knowledge Network is trusted by British Columbians to provide information that helps them see the world in new ways and from different perspectives. We give British Columbians a sense of place, connecting them to the rich history, arts and culture of our province. We nurture their intelligence by engaging a global network of storytellers: artists, dramatists, explorers, historians, naturalists, and performers.

Our cultural, economic, and social benefits to British Columbians include:

Literacy and Early Childhood Development

Knowledge Network provides B.C.'s children with a safe, trusted, healthy environment in which to learn and grow.

Economic Development

Knowledge Network's commissioning and licensing of original content helps B.C.'s independent production sector attract additional financing from provincial, national, and international sources.

Creative Economy

Independent production companies supported by Knowledge Network employ writers, directors, editors, performers, technicians, and support personnel. Further, through development funding and formal internships with colleges and universities, we reach out to new and emerging talent, providing unique opportunities for professional development in the television and new media workplace.

B.C. Content

Knowledge Network offers programs of direct relevance to British Columbians, cultivating dialogue and encouraging participation in our culturally diverse, vibrant, and dynamic province.

Viewer Supported, Viewer Focused

The citizens of British Columbia contribute to the success of Knowledge Network. As a viewer-supported public broadcaster, we deliver significant, high-quality content that is informed by the interests of our audience.

Accessible and Commercial-free

Knowledge Network has mandatory carriage on cable and direct-to-home satellite. Our programming has no interruptions and no commercial advertising.

How We Deliver Services

Knowledge Network delivers educational content to British Columbians via television through mandatory carriage on cable and direct-to-home satellite services, and at Knowledge.ca, Knowledgekids.ca, and mobile platforms. We develop, prelicense, and commission filmmaker-driven creative documentaries for broadcast on Knowledge Network. We serve as a resource for independent producers across traditional and interactive media sectors for the creation of multi-platform content.

Governance

The corporate status of Knowledge Network is governed by the Knowledge Network Corporation Act of British Columbia.

Minister of Citizens' Services Honourable Mary McNeil						
Board of Directors Nini Baird, Chair						
President and Chief Executive Officer Rudy Buttignol						
Director of Finance Jeffrey Lee Payroll, Facilities, Purchasing, Accounting	Director of Human Resources Tracey Balogh Recruitment and Training, Compensation, Employee Relations	Director of Independent Production and Presentation Murray Battle Programming and Presentation, Independent Production	Director of Business and Partnerships Sarah MacDonald Partnerships, Business Affairs	Director of Communications Glenna Pollon Government Affairs, Regulatory, Research, Communications	Director of Broadcast Operations Oliver Eichel Broadcast Operations, Engineering	Associate Director of Interactive Ravi Singh Interactive Media, Information Technology

Knowledge Network holds two other designations that inform our organizational and business decisions:

1. Knowledge Network is licensed through the Canadian Radio-television and Telecommunications Commission (CRTC) to broadcast educational programming in British Columbia.
2. Knowledge Network is a registered charity, engaging in fundraising activities through our Knowledge Partners program. Funds raised support the acquisition and production of educational and engaging content from British Columbia and around the world.

Board of Directors

The Board of Directors of Knowledge Network are appointed by the Lieutenant-Governor in Council. The Ministry of Citizens' Services is responsible for policy direction while the Board is responsible for operational policy and setting the strategic direction of the organization.

The Board also monitors performance based on the Province's planning and reporting principles. The Board delegates responsibility for the day-to-day leadership and management to the President and Chief Executive Officer. The Board has systems in place to ensure that their operations and decision-making processes are consistent with the Board Resource Development Office Guidelines. The Board's Best Practices resource document is in development and will be available on our website in the near future. Further information on Knowledge Network's Board Governance including biographies and Governance Principles are available at Knowledge.ca/about/governance.

Principles	How They Are Achieved
Ensure broad-based, relevant Board representation.	Recommend individuals from business, education, finance, law, new media, and other relevant disciplines.
Promote strategic macro-governance direction.	Work with management to ensure continuous improvement of service delivery.
Maximize value for money.	Operate by demonstrating effectiveness and efficiency in use of resources.
Listen to KNC partners.	Seek input from partners, stakeholders, and the provincial government and act on it.
Leverage best practices including the selection of performance measures and targets.	Support the CEO in the development, implementation, and evaluation of a Service Plan that meets goals and objectives set by the Board.

As of January 30, 2011, the Board of Directors at Knowledge Network are:

Nini Baird (Chair)

Mitchell Taylor (Vice Chair)

Beth Haddon (Secretary)

Kevin Brown

Clint Hames

Wendy Heshka

Sinclair Mar

Debbie MacMillan

Patricia Sollars

Marge Vandenberg

Committees

There are four standing Committees, and other ad hoc or standing committees, that support the role of the Board in fulfilling its obligations and responsibilities to further the goals of Knowledge Network.

Audit Committee

The purpose of the Committee is to ensure that the audit process, financial reporting, budgets, and risk management systems are reliable, efficient, and effective. Members: Sinclair Mar, Mitchell Taylor.

Governance Committee

The purpose of the Committee is to ensure that Knowledge develops and implements governance objectives and policies. Members: Sinclair Mar and Patricia Sollars.

Strategic Planning Committee

The purpose of the Committee is to ensure Knowledge Network's strategic direction meets the public policy objectives identified in the Knowledge Network Corporation Act. Members: Nini Baird, Beth Haddon and Mitchell Taylor.

Human Resources Committee

The purpose of the Committee is to ensure Knowledge Network's compensation and human resource philosophies and strategies are in keeping with our mission, values, and key goals, as well as our legislative and government policy guidelines and requirements. Members: Committee of the whole.

Strategic Context

As a federally licensed broadcaster and a provincially mandated public service, Knowledge Network operates in a dynamic environment. Our Service Plan supports both our federal and provincial commitments, and identifies the opportunities and risks we face moving forward.

Knowledge Network's mission is to provide a trusted alternative for the commercial-free exploration of life, connecting British Columbians to the world through television, internet, and mobile platforms. We have four strategic goals that direct the organization's work in support of this mission:

Goal #1: Diversify and grow revenue through entrepreneurial and philanthropic partnerships.

Goal #2: Deliver our broadcast service on multiple digital platforms to engage our audience anytime, anywhere.

Goal #3: Create original content for multi-platform delivery through partnerships with independent producers.

Goal #4: Increase awareness by marketing the Knowledge Network brand.

Each year, the senior management team at Knowledge Network conducts a risk analysis process to determine the main factors that will affect our ability to achieve intended results.

There are three primary risks that may have an impact on our service over the next three years: advanced technology, revenue generation and business continuity.

The following table outlines the opportunities and mitigation strategies we have in place to address these risks.

Risks, Opportunities, and Mitigating Strategies

Area of Risk	Risk Factors and Sensitivities	Opportunity	Mitigating Strategies
Advanced Technology	To remain relevant and competitive, Knowledge Network must offer a High Definition channel to its viewers across the province within the next five years.	A High Definition channel will increase viewership and donations.	Establish a timeframe for securing a High Definition broadcast license. Secure funding for capital investment in digital facility upgrades.
Revenue Generation	Economic uncertainty may negatively impact philanthropic giving in B.C. Funding for new strategic initiatives is required from new revenue sources.	By leveraging our internal technological resources, new sources of revenue growth may come from entrepreneurial partnerships.	Diversify revenue streams by utilizing our digital facility to operate new digital channels and expand media partnerships.
Business Continuity	In the event that additional heat (generated from servers) exceeds certain levels in the broadcast operations centre, equipment will shut down and we will go off the air.	Provide uninterrupted cooling during a power failure. Ensure required levels of cooling in the broadcast operations centre year round.	Secure funding for capital investment in an HVAC system.

Our Strengths

We have a number of strengths that will help us achieve our goals and fulfill our mandate.

Knowledge Network:

- is available on-air, online at Knowledge.ca, and on mobile devices,
- averages a 3.5% audience share for our primetime schedule (BBM Canada Fall 2010),¹
- is in good standing with the Canadian Radio-television and Telecommunications Commission,
- operates using a state-of-the-art digital platform,
- maintains strong relationships with the independent production sector in British Columbia and Canada,
- has access to international documentary markets to help finance and promote B.C. documentaries,
- has extensive experience in researching, licensing, and packaging educational digital content,
- has dedicated staff with unique skills and expertise that support our strategic direction, and
- generates revenue through donations from 33,000 loyal Knowledge Partner households, our endowment fund, and media partnerships.

1. Share is the percentage of the total viewing audience that are tuned in to a particular station. It is based not only on Knowledge Network's performance, but also the performance of other stations in our market.

Goals, Strategies, Measures, Targets, and Benchmarks

Benchmarks

Knowledge Network performance measures are benchmarked against past performance. As of December 2010, there are four public educational broadcasters in Canada each using distinct measures of success based on their provincial mandates. We continue to explore opportunities to incorporate external benchmarks.

Adjustments

Two new performance measures have been introduced. Under Goal #2, Total Time on Site replaces Number of Full-Length Videos Played. The rapid advancement of digital technologies and audience engagement are resulting in new reporting standards for web activity. This performance indicator measures, in hours, the total aggregate time spent on knowledge.ca by all visitors in B.C.

Number of Program Guides Circulated in B.C. has been added under Goal #4. The Knowledge Network Program Guide is a benefit to Knowledge Partners, and extends our Knowledge Network brand across the province. It is a mature platform, but very relevant to and consistent with our overall marketing strategies.

Our viewership and web measures have been realigned to Goal #2 from Goal #4, as they support our engagement of audiences anytime, anywhere.

Goal #1: Diversify and grow revenue through entrepreneurial and philanthropic partnerships.

An unfavourable economic climate coupled with negative trends in charitable giving compel us to find innovative, and creative ways to help finance our operation and ensure a sustainable future. We can fuel our growth by leveraging internal technological resources in new ways, by fostering the spirit of entrepreneurship in the organization and by redefining how we engage with our donors.

Strategies

1. Engage in partnerships to operate new digital channels.
2. Secure one major media partnership sponsor annually by developing and marketing a comprehensive sponsorship package that includes an enhanced set of integrated benefits, and by capitalizing on our new website and the increased traffic that will result.
3. Encourage solicitation activities to build a core group of volunteers for ongoing fundraising initiatives. Challenge all our Partners to become volunteer champions and recruit more Partners.
4. Acquire customer relationship management capability, enabling online account management for our Partners, and providing a new channel to increase our marketing and fundraising.

Measures

Knowledge Partner Donations

We measure this activity by tracking Knowledge Partner gross revenues through our financial software system and donor database.

Endowment Investment Revenue

Our measurement for investment revenue follows an investment strategy based on an average return of 4%.

Media Partnerships Revenue

We measure this activity annually by the revenue generated through schedule underwriting and sponsorship initiatives.

Revenue Generated by Entrepreneurial Initiatives

Overall revenue generated from entrepreneurial initiatives is tracked annually through our financial software system.

Performance Measures	2009/2010 Actuals	2010/2011 Forecast	2011/2012 Target	2012/2013 Target	2013/2014 Target
Knowledge Partner Donations	\$2.35M	\$2.3M	\$2.4M	\$2.49M	\$2.59M
Endowment Investment Revenue	\$7,000	\$14,000	\$18,000	\$22,000	\$25,000
Media Partnerships Revenue	\$79,563	\$20,000	\$50,000	\$75,000	\$100,000
Revenue Generated by Entrepreneurial Initiatives	N/A ²	\$140,000	\$150,000	\$175,000	\$200,000

2. Partnerships to operate new digital channels were still in development in 2009/2010.

Goal #2: Deliver our broadcast service on multiple digital platforms to engage our audience anytime, anywhere.

In the midst of significant technological change within our industry and among consumers, Knowledge Network will leverage its digital broadcast platforms to ensure our content is available to our audiences when they want it and where they want it.

Strategies

1. Expand streaming video on the internet with content licensed from external sources.
2. Launch a High Definition (HD) Channel.
3. Continue to deliver Knowledge Network to an expanding number of mobile platform opportunities.

Measures

Average Weekly Reach in B.C. (TV Audience)

We measure average weekly reach across our entire broadcast schedule for four broadcast seasons using data from BBM Canada, the national provider of TV, radio, and consumer information. Average weekly reach is the unduplicated number of people aged two years or older viewing at least one minute of programming in British Columbia. BBM Canada estimates are based on 95% confidence interval.

Number of Hours of Programs Available Online

This is a new measure that we will track annually by capturing all programs with online streaming rights that have been broadcast on Knowledge.ca.

Total Time on Site

We track this measure using a customized report that measures the total aggregate time spent on Knowledge.ca by all visitors in B.C. in hours.

Web Visits in B.C.

We measure Knowledge Network web usage in British Columbia annually. We track visits or sessions to our website, defined as a period of interaction between a visitor's browser and a particular website, ending when the browser is closed or shut down.

Page Views in B.C.

A *page view* is defined as a view of a page on a site that is being tracked by a tracking code. If a visitor hits reload after reaching the page, this will be counted as an additional page view. If a user navigates to a different page and then returns to the original page, a second page view will be recorded as well.

Performance Measures	2009/2010 Actuals	2010/2011 Forecast	2011/2012 Target	2012/2013 Target	2013/2014 Target
Average Weekly Reach Fall (TV)	1,447,000	1,457,000	1,467,000	1,477,000	1,487,000
Average Weekly Reach Winter (TV)	1,353,000	1,363,000	1,373,000	1,383,000	1,393,000
Average Weekly Reach Spring (TV)	N/A	1,361,000	1,371,000	1,381,000	1,391,000
Average Weekly Reach Summer (TV)	N/A	1,262,000	1,272,000	1,282,000	1,292,000
Number of Hours of Programs Available Online (Web)	311 (3 months of data only)	1,577	1,752	1,927	2,102
Total Time on Site (Hours - Web)	N/A	25,400	30,000	35,000	40,000
Web Visits in B.C.	89,626 (3 months of data only)	325,000	350,000	375,000	400,000
Page Views in B.C.	310,039 (3 months of data only)	1M	1.1M	1.2M	1.3M

Goal #3: Create original content for multi-platform delivery through partnerships with independent producers.

Knowledge Network will continue to play a vital role in supporting the development and production of multi-platform content at a time when the industry is threatened by unprecedented economic pressures. By building and strengthening key relationships, Knowledge Network can provide access to funding from the new Canada Media Fund to independent producers across traditional and interactive media sectors.

Strategies

1. Continue the enhanced level of financial commitment to multi-platform independent content development and production at Knowledge Network over three years.
2. Expand sources of financing available to producers, thereby leveraging Knowledge Network's investment, by strengthening relationships with Canadian public and private-sector funding bodies and international and domestic broadcasters.
3. Establish Knowledge Network as a player in digital content production, to facilitate creative and business partnerships between traditional producers and new media producers.

Measures

Percentage of all Knowledge Network Prelicenses that have a Multiplatform Component

We will track this measure using customized reports generated from our broadcast inventory software.

Prelicenses refer to the investment Knowledge Network makes in the development, production and broadcast of original Canadian programming.

Budget Commitment to Independent Production

Budget pressures continue to be a challenge; however, Knowledge Network is committed to maintaining funding for independent production for the creation of original content for both television, web and mobile platforms.

Performance Measures	2009/2010 Actuals	2010/2011 Forecast	2011/2012 Target	2012/2013 Target	2013/2014 Target
Percentage of all Knowledge Network Prelicenses that have a Multi-platform Component	N/A	44%	55%	65%	75%
Budget Commitment to Independent Production	\$800,000	\$850,000	\$850,000	\$850,000	\$850,000

Goal #4: Increase awareness by marketing the Knowledge Network brand.

Knowledge Network will strengthen its position as British Columbia's valued public educational broadcasting service by building new relationships with communities and opinion leaders all across the province.

Strategies

1. Develop and execute an integrated marketing plan that completes the Knowledge: Pass It On branding, and aligns it with the unique marketing needs of each business area.
2. Communicate with B.C.'s various communities and opinion leaders through public speaking opportunities, and participation in panels, forums, town halls, and other local events.

Measures

Public Awareness of Knowledge Network as a Public Broadcaster in B.C.

We conduct research each spring using Ipsos Reid's B.C. Reid Express Omnibus Surveys to measure awareness of Knowledge Network in British Columbia.

Total Number of Program Guides Circulated in B.C.

Our Program Guide is an important vehicle for extending the Knowledge Network brand across B.C. A benefit to Knowledge Partners, it is distributed to donors six times a year.

Performance Measures	2009/2010 Actuals	2010/2011 Forecast	2011/2012 Target	2012/2013 Target	2013/2014 Target
Public Awareness of Knowledge Network as a Public Broadcaster in B.C.	30%	33%	36%	38%	40%
Program Guide Distribution in B.C.	169,700	192,000	170,000	170,000	170,000

Shareholder's Letter of Expectations

Below are specific directions outlined in the Shareholder's Letter of Expectations and our plans moving forward.

Specific Direction To The Corporation	Knowledge Network Action Plans
Make further progress toward the goals described in KNC's strategic plan which was submitted to the Ministry on July 25, 2007, with revisions provided August 25, 2008, and September 14, 2009. Specific to these goals, KNC will: Increase efforts to raise self-generated revenues.	Operate a national children's digital specialty service in partnership with BBC. Develop and market a comprehensive sponsorship package for media partnerships that includes enhanced, integrated benefits, capitalizing on Knowledge.ca. Implement customer relationship management capability, enabling online account management for our Partners, and providing a new channel to increase our marketing and fundraising.
Begin efforts to deliver broadcasting services on multiple digital platforms to reach a wider audience.	Increase the number of program offerings available at Knowledge.ca Develop plans for building on our digital foundation to provide High Definition TV service to British Columbians.
Continue to develop original television and internet programming that informs, engages and educates British Columbians about issues relevant to their lives by collaborating with British Columbia's independent media production sector.	Engage B.C. independent production and interactive sectors through development, commissions and prelicenses, creating content that is meaningful and relevant to British Columbians. Build on partnership with the Vancouver International Film Festival Trade Forum presenting Storyville Vancouver, connecting local documentary filmmakers with broadcasters from around the world.
Build upon recent achievements in branding Knowledge Network by marketing the broadcaster as the province's only independent, commercial-free educational media service.	Implement an integrated marketing plan that completes the Knowledge branding, Knowledge: Pass It On, and aligns it with the unique marketing needs of the organization.
Work to include public literacy television and internet programming focusing on the challenges facing the province, including: Seniors' demographic shifts;	Continue to offer documentaries with local and global perspectives that challenge conventions, invite collaboration, and share new ideas. Continue to offer commercial-free programs for boomers and older who are underserved by other broadcasters in the B.C. market.
Early learning initiatives;	Through Knowledge Kids, continue to acquire content that supports early learning development. Launch new Knowledge Kids website.
Asian trade and cultural awareness;	Strengthen our East Is East branded strand, acquiring content from the Asia Pacific region.
Health care sustainability;	Continue to acquire content for television and the internet that educates children and adults about healthy living. Engage in media partnerships with organizations that have public interest campaigns supporting healthy lifestyles.
First Nations communities, culture and issues;	Support aboriginal filmmakers in B.C. and Canada through prelicenses, commissions and acquisitions. Showcase aboriginal programming from local, national and global perspectives.

Specific Direction To The Corporation	Knowledge Network Action Plans
Challenges facing the environment, including climate change.	<p>As a commercial-free broadcaster with must-carry status in B.C. on cable and direct-to-home satellite, Knowledge Network uses its airwaves to educate British Columbians on challenges facing the environment, including climate change. We do this in two ways:</p> <ul style="list-style-type: none"> - through compelling and informative documentaries on environmental issues; - through media partnerships that broadcast messages in the public interest to encourage British Columbians to make positive changes in their lives. <p>Knowledge Network has developed a Climate Change Action Plan, focusing on two key activities:</p> <ol style="list-style-type: none"> 1) indirect emissions from office paper purchases – we are planning to reduce office paper usage over the next three years, and will be purchasing paper that has a higher percentage of recycled material. 2) procurement – we have updated our procurement processes to ensure energy-efficient protocols are in place for purchased goods and services.
Economic issues.	Continue the extensive, thematic programming on economic issues from local, national and global perspectives.
Where appropriate, work with the public education system to support educational programming and lifelong learning initiatives. Explore ways to expand opportunities for students through collaboration with public post-secondary institutions offering media, digital arts and other relevant programs.	Continue to liaise with representatives of B.C.'s post-secondary system to support lifelong learning.

Key Assumptions and Financial Risks

Knowledge Network operates on a commercial-free basis, funded through a provincial grant combined with self-generated revenue. The largest portion of our revenue is provided through our grant from the Ministry of Citizens' Services, with donations from Knowledge Partners and media partnerships revenue contributing to one-third of our overall budget.

Our Summary Financial Outlook is based on the following assumptions:

1. Financial information for Knowledge Network Corporation was prepared based on current Canadian Generally Accepted Accounting Principles (GAAP).
2. Knowledge Network continues to receive the annual operating grant from the Ministry of Citizens' Services.
3. British Columbians continue to support public educational broadcasting through individual donations and planned giving.
4. Knowledge Network generates new revenue from entrepreneurial partnerships starting in fiscal 2011/12.
5. Knowledge Network continues to have equitable access to the Canada Media Fund for original content.

Future Financial Outlook

Revenue generation has been identified as a risk moving forward, and continues to be a key priority over the next three years. Our plans for revenue generation include expanding revenue generation capacity, diversifying philanthropic initiatives and engaging in new entrepreneurial partnerships. Our new constituent relationship management database (CRM) will significantly enhance our marketing and fundraising efforts to expand donors and donations. Building a strategic partnership with the BBC to operate a national digital specialty channel will generate a new stream of revenue to support public educational broadcasting in BC. It will also ensure a long-term supply of core programming, and create UK-Canada co-production opportunities for BC producers.

In the Summary Financial Outlook, self-generated revenues from program royalties and the sale of production equipment are included under the miscellaneous revenue line item. We expect expenses to increase proportionally with self-generated revenues. Revenues from BBC Kids are not included in the Summary Financial Outlook as a decision from the CRTC is not expected until March 2011.

Our media partnership model is under review as revenues have been lower than anticipated. As a result, targets for this initiative have been revised with new strategies to be introduced in fiscal 2011/12.

Donations from Knowledge Partners support a significant portion of Knowledge Network programming. Our focus in the coming year is to develop our online marketing program to reach new donors across the province.

Building on our digital foundation to provide High Definition TV service is necessary for Knowledge Network to remain and competitive. We are continuing to pursue funding options for this initiative, and will be applying for a transitional HD broadcast license in the next year.

Subsidiary/Operating Segment Summary Information

Knowledge-West Communications Corporation (KWCC) was incorporated in 1981 and is owned by Knowledge Network Corporation. The BBC Kids channel will be owned and operated through KWCC; CRTC approval on this business transaction is expected in March 2011.

Summary Financial Outlook 2011/2012 to 2013/2014

	2009/2010 Actual	2010/2011 (Forecast)	2011/2012 (Budget)	2012/2013 (Budget)	2013/2014 (Budget)
Provincial Operating and Other Grants	6,909,506	6,409,506	6,409,506	6,409,506	6,409,506
Donations and Sponsorships	2,188,623	2,328,500	2,328,500	2,328,500	2,328,500
Amortization of Deferred Contributions	430,777	375,000	375,000	375,000	375,000
Interest, Sales, and Rental Fees	218,356	170,000	170,000	170,000	170,000
Other Revenue	102,608	339,000	339,000	339,000	339,000
Total Revenue	9,849,870	9,622,006	9,622,006	9,622,006	9,622,006

Salaries and Benefits	3,875,411	3,958,827	3,958,827	3,958,827	3,958,827
Amortization of Broadcast Rights	1,956,978	2,170,650	2,170,650	2,170,650	2,170,650
Purchased Services	1,172,236	1,401,220	1,401,220	1,401,220	1,401,220
Materials, Supplies, Postage, Travel, and Telephone	619,396	632,436	632,436	632,436	632,436
Amortization of Capital Assets	541,776	494,000	494,000	494,000	494,000
Facilities Rental and Maintenance	412,628	319,792	319,792	319,792	319,792
Satellite Transmission Services	374,312	374,600	374,600	374,600	374,600
Bank Charges, Training, Sponsorship, and Other Miscellaneous	137,009	270,481	270,481	270,481	270,481
Total Expenses	9,089,746	9,622,006	9,622,006	9,622,006	9,622,006

Excess (Deficiency) of Revenue over Expenses for the year	760,124				
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Extraordinary Items	-	-	-	-	-
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Capital Expenditure	407,790	-	-	-	-
Staffing (Actual and Budgeted FTE)	43.4	44.3	44.3	44.3	44.3
Total Debt	-	-	-	-	-
Unrestricted Net Assets	1,221,706	1,221,706	1,221,706	1,221,706	1,221,706

Knowledge: Network

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