

**UK FILM | COUNCIL**

(formerly Film Council)

# Lottery Annual Report and Financial Statements

for the year ended 31 March 2004

Company no: 3815052

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# Foreword to the Lottery financial statements for the year ended 31 March 2004

## INTRODUCTION

The UK Film Council is the Government-backed strategic agency for film in the UK. Its main aim is to stimulate a competitive, successful and vibrant UK film industry and culture, and to promote the widest possible enjoyment and understanding of cinema throughout the nations and regions of the UK. Overall, the UK Film Council is responsible for encouraging both cultural and commercial film activity. The organisation was renamed in May 2003 from the Film Council to provide a single, identifiable entity able to raise the industry profile, both at home and overseas.

The UK Film Council is responsible for all Department for Culture, Media and Sport Grant-in-aid expenditure for film (except the National Film and Television School). It is also designated a National Lottery distributor under the National Lottery Acts 1993 and 1998 and is responsible for Lottery funding for film production and development, training and certain other initiatives. Arts Council England continues to have responsibility for stabilisation funding and other schemes but joint objectives were agreed during the year for Lottery funding for film capital projects. There are also separate Lottery funding distributors in Wales, Scotland and Northern Ireland.

The UK Film Council's launch document *Towards a Sustainable UK Film Industry*, published in May 2000, was the first public statement of the organisation's overall industrial and cultural aims, its objectives and its initial funding programmes. *Three Years On – A Consultation on our Funding and Policy Priorities, April 2004 to March 2007*, published in October 2003, set out the longer-term aims to develop and consolidate the UK as a centre of global film activity.

The Lottery programmes are now well established and comprise three film production funds – the Premiere Fund, the New Cinema Fund and the Development Fund. First Light, a delegated funding scheme through Hi8us First Light, based in Birmingham, continued awards to enable children and young people to experience film-making and explore their talents using low-cost technology.

In September 2003 the UK Film Council announced the future skills development strategy, *A Bigger Picture*, in partnership with Skillset, the Sector Skills Council for the Audiovisual sector. The strategy covers all sectors of the film industry providing resource through a new and specific Film Skills Fund, supported by £6.5 million of Lottery money, the existing skills levy on film production and by the industry. The fund, which commenced in April 2004, is managed by Skillset on a delegated basis. The UK Film Council's existing Training Fund, which supported training opportunities for scriptwriters, development executives and producer/filmmakers was subsumed within the Film Skills Fund so ceased making further awards.

The Regional Investment Fund for England (RIFE), launched in June 2001 created nine Regional Screen Agencies in England. These independent bodies support cultural and industrial film initiatives in their respective regions supported by the UK Film Council funding of £7.5 million, which includes £3 million in delegated Lottery funds. In addition, the UK Film Council co-operates and collaborates with Scottish Screen (for Scotland), Sgrin Cymru Wales (for Wales) and the Northern Ireland Film Commission on all aspects of film policy.

During the year the UK Film Council introduced specific schemes for the Specialised Distribution and Exhibition sector to expand opportunities for more people across the UK to see a broader range of films. A Specialised Print and Advertising Fund (£1 million a year) and the UK Film Distribution Programme (£1 million a year) were launched to offer direct support to distributors' costs in increasing the number of cinemas showing specialised films. In addition, schemes were announced to improve facilities for cinema-goers with hearing and sight impairments (Cinema Access Fund – £500,000) and provide facilities to film clubs and societies and local communities (Digital Fund for Non-Theatrical Distribution – £500,000), both from Arts Council England delegated film capital funds. In addition, the UK Film Council announced a proposal to create a network of screens dedicated to the exhibition of specialised films in locations where there currently is no such provision (Digital Screen Network £13 million). The network scheme will be launched in 2004/05.

A pilot Lottery-supported Publications Fund of £100,000 was established in the year to broaden readership, increase editorial range and sustainability of film related publications and the scheme is repeated in 2004/05.

These accounts are for the National Lottery funding and have been prepared in accordance with the Accounts Direction given by the Secretary of State for Culture, Media and Sport and in the form directed by the Secretary of State with the consent of Treasury, in accordance with Sections 35(2) and 35(3) of the National Lottery etc Act 1993. The Accounts Direction is available from the Company Secretary at 10 Little Portland Street, London W1W 7JG.

## DIRECTORS

The UK Film Council is constituted as a company limited by guarantee, the sole guarantee of £1 is provided by the Secretary of State for Culture, Media and Sport.

The governing body of the UK Film Council is the Board of Directors, which consists of a Chairman, Deputy Chairman and up to 13 other Directors. All Directors were appointed by the Secretary of State for Culture, Media and Sport and, unless stated below, remained Directors throughout the year. The directors as at 31 March are as follows

<b>Sir Alan Parker CBE*</b>	Chairman (retired by rotation 30.7.04)
<b>Stewart Till CBE*</b>	Deputy Chairman (appointed Chairman 30.7.04)
<b>Tim Bevan</b>	(retired by rotation 31.8.04)
<b>Colin Brown</b>	(appointed 26.2.04)
<b>Gurinder Chadha</b>	(appointed 26.2.04)
<b>Mark Devereux*</b>	(appointed 26.2.04)
<b>Nigel Green</b>	
<b>John Hill</b>	(retired by rotation 31.8.04)
<b>Stephen Knibbs</b>	
<b>James Lee</b>	(retired by rotation 31.8.04)
<b>Anthony Mingella CBE</b>	
<b>Heather Rabbatts CBE</b>	(appointed 26.2.04)
<b>Sarah Radclyffe</b>	(retired by rotation 31.8.04)
<b>Iain Smith*</b>	(retired by rotation 31.8.04)
<b>Parminder Vir OBE*</b>	

In addition to the Directors listed above; Chris Auty, Duncan Kenworthy OBE\* and Paul Webster served as Directors until 31 August 2003 at which point they retired at the end of their term of appointment.

\* Directors who served on the Audit Committee in the year ending 31 March 2004.

## REGISTERED AND PRINCIPAL OFFICE

The registered and principal office is 10 Little Portland Street, London W1W 7JG. The UK Film Council Ltd is a company registered in England and Wales, number 3815052.

## AUDITORS

The Comptroller and Auditor General  
c/o National Audit Office, 157-197 Buckingham Palace Road, Victoria, London SW1W 9SP.

The Comptroller and Auditor General was appointed as the statutory auditor under the National Lottery etc Act (1993) as amended. Note 3 provides details of the cost of audit services provided by the Comptroller and Auditor General.

## INTERNAL AUDITORS

AHL Business Assurance Ltd, 1 Park Place, Canary Wharf, London E14 4HJ.

## SOLICITORS

Withers, 16 Old Bailey, London, EC4M 7EG

## BANKERS

Barclays Media Banking Centre, Soho Square, London W1A 4WA.

## Foreword to the Lottery financial statements continued

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The UK Film Council is the Government body responsible for developing the film industry and film culture in the UK and is one of the bodies designated to distribute funds under the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998).

Funds from the National Lottery are distributed in accordance with directions issued under the Act by the Secretary of State for Culture, Media and Sport.

The UK Film Council works at arm's length from Government and has the status of a Non-Departmental Public Body. It is regulated in accordance with Financial Memoranda issued by the Secretary of State for Culture, Media and Sport.

The deficit for the year, after taxation, amounted to £3.3 million (2003: £1.6 million).

### FUTURE DEVELOPMENTS AND POST BALANCE SHEET EVENTS

The UK Film Council's Chairman, Sir Alan Parker, retired from the Board at the end of his term of appointment on 30 July 2004. Stewart Till CBE was appointed Chairman from the same date.

### EMPLOYMENT AND TRAINING POLICIES AND STAFF PARTICIPATION

The UK Film Council is committed to a policy of equality of opportunity of its employment practices and continues to develop a culturally diverse workforce. The UK Film Council's training and development programmes are designed to encourage and support all employees in improving performance. In particular the UK Film Council aims to ensure that no potential or actual employees receive more favourable treatment on the grounds of race, colour, ethnic origin, marital status, age, gender, sexual orientation, disability or religious beliefs.

The UK Film Council ensures that there are arrangements to promote effective consultation and communications with all staff. All departments have regular staff meetings at which matters relating to the UK Film Council's activities are discussed and staff are regularly briefed on the matters discussed at management and Board meetings. Meetings of all staff are held regularly. Also

during the year the UK Film Council concluded a Recognition Agreement with Amicus/MSF in the interests of furthering the best possible relationship with staff.

The UK Film Council seeks to ensure that the requirements of health and safety legislation are met in the workplace.

### CHANGE OF NAME

On 13 May 2003 the Film Council became United Kingdom Film Council and on 15 May 2003 the name change from United Kingdom Film Council to the UK Film Council, was agreed by Companies House.

### BETTER PAYMENT PRACTICE CODE

The UK Film Council attempts to abide by the Better Payment Practice Code and in particular to settle bills in accordance with contract. Invoices are normally settled within suppliers' standard terms. The average payment terms taken were 17 days (2003:14) and 96% of undisputed invoices were paid within 30 days of receipt into the Finance Department (2003: 99%).



**JOHN WOODWARD**  
Chief Executive Officer  
10 September 2004

## Statement of Directors' responsibilities in respect of the financial statements

Under its legislative framework the UK Film Council is required to prepare a statement of financial statements for the financial period in the form and on the basis directed by the Secretary of State for Culture, Media and Sport, with the consent of HM Treasury. The financial statements are to be prepared on an accruals basis and to show a true and fair view of the UK Film Council's state of affairs at the year-end and of its income and expenditure and cash flows for the financial year.


Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the UK Film Council and of the surplus or deficit of the UK Film Council for that period.

The Directors of the UK Film Council are required to:

- Observe the Accounts Direction issued by the Secretary of State, which sets out accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the UK Film Council will continue in operation.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the UK Film Council and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In addition the Accounting Officer for the Department for Culture, Media and Sport has designated the Chief Executive Officer as Accounting Officer for the UK Film Council. The relevant responsibilities as Accounting Officer, including the responsibility for the propriety and regularity of the finances for which the Chief Executive Officer is answerable and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officers' Memorandum, issued by HM Treasury.



**JOHN WOODWARD**  
Chief Executive Officer  
10 September 2004



**Stewart Till CBE**  
Chairman  
10 September 2004

# Statement on the system of internal control

## SCOPE OF RESPONSIBILITY

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the UK Film Council's policies, aims and objectives, whilst safeguarding the public funds and the UK Film Council's assets for which I am personally responsible in accordance with the responsibilities assigned to me in Government Accounting.

I also have responsibility, as defined in the UK Film Council's Funding Agreement and Management Statement and Financial Memorandum, for leading and managing the work of the UK Film Council to meet its objectives and upholding its values. I report to the Board of Directors of the UK Film Council.

## THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the UK Film Council policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place for the period ended 31 March 2004 and up to the date of approval of the annual report and financial statements and accords with Treasury guidance.

## CAPACITY TO HANDLE RISK

As Accounting Officer I have overall responsibility for the UK Film Council's risk management framework, and am supported in its implementation by the Senior Management Team. Guidance is provided through the relevant decision approval processes.

The Audit Committee gives independent advice and guidance to me, in my role as Accounting Officer, and to the Board of Directors on the adequacy of audit arrangements (internal and external) and on the implications of assurances provided in respect of risk and control at the UK Film Council and oversees the work of the internal auditors.

## THE RISK AND CONTROL FRAMEWORK

A risk management policy has been established setting out the UK Film Council's attitude to risk in the achievement of our objectives.

The UK Film Council has incorporated risk management in planning and decision making and maintains an organisation wide risk register. Policy and operation risks are identified through our annual business planning cycle, and are evaluated by senior management and myself. Risk management and the system of internal control are considered on a regular basis through the Senior Management Team's agenda and the risks identified are monitored and controlled through a system of key performance and risk indicators, which are reported through the Quarterly Performance Review process.

The work of the UK Film Council's Internal Audit service, who operate to standards defined in the Government Internal Audit Standards, is defined by an analysis of risk to which the UK Film Council is exposed and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the UK Film Council's Audit Committee and are approved by me.

## REVIEW OF EFFECTIVENESS

As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the senior management within the UK Film Council who have responsibility for the development and maintenance of the internal control framework, and comment made by the external auditors in their management letters and other reports. I have been advised on the implications of the results of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and a plan to address any weaknesses and ensure continuous improvement is in place.

In respect of risk management the responsibilities of the Senior Management Team are to:

- Manage risk in their own areas of responsibility through the implementation of risk mitigation processes and by following the UK Film Council's risk policy;
- Translate the risk register into day-to-day operational planning within teams; and
- Report to me on the status of risks and controls.

The Board receive periodic reports from the Chairman of the Audit Committee and regular reports from managers, on the steps taken to manage risks in their areas of responsibility, including progress reports on key activities and projects.

At regular intervals throughout the year the Internal Auditors provide me with reports on the areas of activity within the UK Film Council subject to audit. The reports include the Internal Auditor's independent opinion on the adequacy and effectiveness of the UK Film Council's system of internal control during the report period together with recommendations for improvement.



**JOHN WOODWARD**

Chief Executive Officer and Accounting Officer  
10 September 2004

# Auditor's report

## UK FILM COUNCIL LOTTERY DISTRIBUTION ACTIVITIES

### THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE SCOTTISH PARLIAMENT

I certify that I have audited the financial statements on pages 82 to 115 under the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998). These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 84 to 86.

### RESPECTIVE RESPONSIBILITIES FOR THE DIRECTORS, CHIEF EXECUTIVE OFFICER AND AUDITOR

As described on page 77 the Board of Directors and the Chief Executive Officer are responsible for the preparation of the financial statements in accordance with the National Lottery etc. Act 1993 (as amended) and directions made thereunder by the Secretary of State for Culture, Media and Sport, with the consent of HM Treasury, and for ensuring the regularity of financial transactions. The Board and the Chief Executive Officer are also responsible for the preparation of the Foreword. My responsibilities, as independent auditor, are established by statute and I have regard to the standards and guidance issued by the Auditing Practices Board and the ethical guidance applicable to the auditing profession.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the National Lottery etc. Act 1993 (as amended) and directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the UK Film Council has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on pages 78 and 79 reflects the UK Film Council's compliance with Treasury's guidance on the statement of internal control. I report if it does not meet the requirements specified by Treasury,

or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider nor have I considered whether the Accounting Officer's statement of internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the UK Film Council's corporate governance procedures or its risk and control procedures.

### BASIS OF OPINION

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors and Chief Executive Officer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the UK Film Council's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I have also evaluated the overall adequacy of the presentation of information in the financial statements.

### OPINION

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the UK Film Council's Lottery distribution activities at 31 March 2004 and of the deficit for the period, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998) and directions made there under by the Secretary of State for Culture, Media and Sport; and
- in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.



JOHN BOURN

Comptroller and Auditor General  
10 September 2004

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London SW1W 9SP

# Income and expenditure account for the year ended 31 March 2004

	NOTES	2003/04 £000	2002/03 RESTATED £000
<b>Income</b>			
Proceeds from the National Lottery	8	26,410	27,994
NLDF Investment Income	8	1,968	4,422
Recoupment income			
– Arts Council England portfolio	2	1,183	267
– The UK Film Council portfolio	2	553	152
<b>Total income</b>		<b>30,114</b>	<b>32,835</b>
Regional awards		(3,490)	(2,984)
First Light scheme		(1,000)	(1,000)
Training awards		(997)	(1,531)
Distribution and exhibition awards		(975)	–
Skillset delegation		(501)	–
Publications awards		(100)	–
<b>Non-film rights awards</b>		<b>(7,063)</b>	<b>(5,515)</b>
Arts Council England pre-committed expenditure		46	50
Costs apportioned from grant-in-aid	3	(7,515)	(6,540)
Provisions against film rights	6	(19,047)	(22,504)
<b>Total other expenditure</b>		<b>(26,516)</b>	<b>(28,994)</b>
<b>Total expenditure</b>		<b>(33,579)</b>	<b>(34,509)</b>
<b>Operating deficit</b>		<b>(3,465)</b>	<b>(1,674)</b>
Bank interest receivable		227	144
Other financing income	5	7	9
<b>Interest and financing</b>		<b>234</b>	<b>153</b>
Deficit on ordinary activities before taxation		(3,231)	(1,521)
Taxation charge	7	(68)	(48)
<b>Retained deficit for the financial period</b>		<b>(3,299)</b>	<b>(1,569)</b>

There were no material acquisitions or disposals during the year (2003: nil). All activities were on an ongoing basis.

# Statement of total recognised gains and losses for the year ended 31 March 2004

	NOTES	2003/04	2002/03 RESTATED
Deficit for the financial period		(3,299)	(1,569)
Actual return less expected return on pension assets	5	120	(228)
Experience losses arising on the scheme liabilities	5	(5)	(10)
<b>Actuarial gain/(loss) in pension plan</b>		<b>115</b>	<b>(238)</b>
<b>Total recognised gains and losses relating to the year</b>		<b>(3,184)</b>	<b>(1,807)</b>

These accounts incorporate a prior year adjustment resulting from the introduction of FRS 17: Retirement Benefits. As a result shareholders' funds at 1 April 2003 have been reduced by £77,000 and the provision for retirement benefits has been increased by £77,000. Surplus for the current year has been increased by £161,000 as a result of the change in the accounting policy.

# Balance sheet as at 31 March 2004

	NOTES	2004 £000	2003 RESTATED £000
<b>Current assets:</b>			
Film rights	6	34,616	25,837
Balance at National Lottery Distribution Fund	8	44,280	75,573
Debtors	9	2,305	930
Cash at bank and in hand		9,244	3,475
		<b>90,445</b>	<b>105,815</b>
<b>Creditors : amounts falling due within one year</b>			
Commitments to filmmakers	11	5,931	15,289
Creditors	12	927	3,594
<b>Total current liabilities</b>		<b>6,858</b>	<b>18,883</b>
<b>Net assets excluding pension asset/(liability)</b>		<b>83,587</b>	<b>86,932</b>
Pension asset/(liability)		84	(77)
<b>Net assets including pension asset/(liability)</b>		<b>83,671</b>	<b>86,855</b>
<b>Capital and reserves</b>			
Brought forward 1 April 2003	16	86,855	88,662
Deficit for the year	16	(3,184)	(1,807)
		<b>83,671</b>	<b>86,855</b>

  
JOHN WOODWARD  
Chief Executive Officer  
10 September 2004

  
STEWART TILL CBE  
Chairman  
10 September 2004

# Statement of cashflows

## for the year ended 31 March 2004

	NOTES	2003/04 £000	2002/03 £000
<b>Operating activities</b>			
Funds received from the National Lottery Distribution Fund		59,671	24,498
Arts Council England portfolio income		3,458	231
The UK Film Council portfolio income		1,241	6,815
Other cash receipts		2,856	2,602
Overheads payments		(7,842)	(4,447)
Payment of hard commitments		(47,441)	(28,477)
Other cash payments		(6,329)	(2,166)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>15a</b>	<b>5,614</b>	<b>(944)</b>
Tax paid		(43)	(388)
<b>Return on investments and servicing of finance</b>			
Bank interest received		198	134
<b>Net cash inflow/(outflow)</b>	<b>15b</b>	<b>5,769</b>	<b>(1,198)</b>

## Notes to the financial statements

### NOTE 1: ACCOUNTING POLICIES

#### A) BASIS OF FINANCIAL STATEMENTS

These financial statements are prepared under the modified historical cost convention. The difference between the value of fixed assets and stocks determined on a historical cost basis and on a current cost basis is not material.

The financial statements have been prepared in accordance with the Accounts Direction issued by the Secretary of State for Culture, Media and Sport, and they meet the requirements of the Companies Acts 1985, except that certain headings have been amended in order to reflect special circumstances of the company, and in accordance with applicable Accounting Standards.

In accordance with the directions issued by the Secretary of State for Culture, Media and Sport accounts have also been prepared for the UK Film Council group as a whole.

A copy of the Accounts Direction is available from the Company Secretary, The UK Film Council, 10 Little Portland Street, London, W1W 7JG.

In preparing the financial statements for the current year, the

UK Film Council has adopted FRS 17 *Retirement Benefits*. Under FRS17, the defined scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increase in the present value of the liabilities of the company's defined benefit pension scheme expected to arise from employee service in the period is charged against operating profit. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in finance costs. Actuarial gains and losses are recognised in the Statement of Total Recognised Gains and Losses. The company recognises an asset in respect of any surplus, being the excess of the value of the assets in the scheme over the present value of the scheme's liabilities only to the extent that it is able to recover the surplus.

Independent actuaries prepare full valuations of the defined benefit scheme at least every four years in line with public sector guidance.

The change in accounting policy has resulted in a prior year adjustment. Shareholders' funds at 1 April 2003 have been reduced by £77,000. The provision

### NOTE 1: ACCOUNTING POLICIES (CONTINUED)

for retirement benefits has been increased by £77,000. Surplus for the current year has been increased by £161,000 as a result of the change in the accounting policy.

#### B) ACCRUALS CONVENTION

Income and expenditure is accounted for on a receivable basis except for recoupment income which is upon notification of amounts due to the UK Film Council.

As required by the Secretary of State, a distinction is made in respect of Lottery awards between "hard commitments" and "soft commitments". Where the UK Film Council has made a firm offer of a grant which, together with the relevant conditions, has been accepted by the recipient, the award is accounted for as a "hard commitment". Where the UK Film Council has agreed in principle to fund a scheme and made an offer, but the offer and associated conditions have not been accepted the award is accounted for as a "soft commitment". Hard commitments are recognised in the financial statements whereas soft commitments are recognised by way of note.

Hard commitments payable within one year of the balance sheet date are recognised in the balance sheet as current liabilities. Those payable more than one year from the balance sheet date are shown as commitments to filmmakers payable over more than one year, however these are extremely unlikely in the normal course of business. Commitments for future years have been entered into taking into account income forecasts provided by the Department for Culture, Media and Sport. These forecasts take a prudent view of future income.

#### C) FIXED ASSETS

All fixed assets owned by the UK Film Council are included in the Grant-in-aid fund. Usage by the Lottery Fund is accounted for by means of a capital recharge from the Grant-in-aid fund.

#### D) NATIONAL LOTTERY DISTRIBUTION FUND

Balances held in the National Lottery Distribution Fund

remain under the stewardship of the Secretary of State for Culture, Media and Sport. The share of these balances, attributable to the UK Film Council is as shown in the financial statements and at the balance sheet date, has been notified by the Secretary of State for Culture, Media and Sport as being available for distribution by the UK Film Council in respect of current and future commitments (see note 8). The amount attributable to the UK Film Council has been treated as income within these financial statements.

#### E) APPORTIONED COSTS

The UK Film Council incurs costs which are shared between activities funded from Grant-in-aid and activities funded from the National Lottery. The UK Film Council is required to apportion costs in accordance with good accounting practice.

The notes to the income and expenditure account show the apportioned costs separately from those directly incurred by the Lottery operation.

#### F) FILM RIGHTS

Film rights represent loans paid and advances paid and payable to filmmakers and are included in the balance sheet, with provisions raised against the value of an advance to the extent that full repayment is not expected. The amount payable is also recorded as a liability on the balance sheet.

All advances to filmmakers are repayable under certain conditions. Where a feature film made with the assistance of the UK Film Council is successfully released, the UK Film Council is entitled to participate in revenues generated by that success, securing repayment of the investment in full, together with a share of the profits generated by the film.

Provisions are made to the extent that full repayment of an advance, through actual receipts and the value of future estimated receipts, is considered doubtful. Advances for development and short film awards are fully provided against in the year of award unless there is a reasonable expectation of repayment. Provisions against film rights shown in the income and expenditure account reflect the net effect of these movements.



# Notes to the financial statements continued

## NOTE 1: ACCOUNTING POLICIES (CONTINUED)

### G) FILM RECOUPMENT INCOME

Income received from a film right is offset against the value of the right on the balance sheet. Income in excess of the original value of the right is taken to the income and expenditure account as film recoupment income.

All income received from the rights in the portfolio of films transferred from Arts Council England is taken directly to the income and expenditure account as these rights are recognised on the UK Film Council balance sheet at zero value. This reflects Arts Council England's accounting policy to write off the value of all advances in the year of award and the fact that no consideration was paid for the rights transfer by the UK Film Council.

### H) OTHER LOTTERY AWARDS

Lottery awards other than those for film rights are taken in full to the income and expenditure account in the year in which the commitment of these awards crystallises.

### I) FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income and expenditure account.

### J) LEASING COMMITMENTS

Rentals payable under operating leases are charged in the income and expenditure account on a straight-line basis over the lease term.

### K) FINANCIAL INSTRUMENTS

The group's principal financial instruments are cash and holdings in the National Lottery Distribution Fund. The group has various other financial instruments such as trade debtors and trade creditors that arise directly from its operations. The main risks arising from the group's financial instruments are interest rate risk, liquidity risk and foreign currency risk.

### L) PENSIONS

The UK Film Council is an admitted body of the Local Government Pension Scheme, which operates a defined benefit scheme for those UK Film Council employees who wish to join. It is a statutory, funded pension scheme and its benefits are defined and guaranteed in law. The scheme is administered by the London Pensions Fund Authority, a statutory body established on 31 October 1989, responsible to the Mayor of London and accountable to Parliament and the Greater London Assembly for its actions. The scheme is contributory for both employee and employer. Employer contributions are determined by a qualified actuary on the basis of quadrennial valuations using the projected unit method.

The contributions to the defined benefit scheme were £0.2m in the year to 31 March 2004 (2002: £0.14m), all relating to current service costs.

## NOTE 2 : RECOUPMENT INCOME

### ARTS COUNCIL ENGLAND

Under the transfer agreement with Arts Council England, the UK Film Council receives all future income generated from rights in the portfolio of films transferred from Arts Council England. In the year ended 31 March 2004, 22 of the transferred titles recouped income.

Titles in receipt of income, identifying those over £100,000, in the year ended 31 March 2004:

	£000
Billy Elliott	307
Creatures	181
Strictly Sinatra	578
Titles with income below £100,000	117
	<b>1,183</b>

## NOTE 2 : RECOUPMENT INCOME (CONTINUED)

### UK FILM COUNCIL

In the year ended 31 March 2004, 40 of the UK Film Council titles received income, which was taken against film rights on the balance sheet:

	£000
Bright Young Things	386
Crush	111
Girl With A Pearl Earring	149
In This World	260
L'homme du train	101
Long Time Dead	197
Miranda	122
Mission Pictures Slate	128
Once Upon a Time In The Midlands	191
The Magdalene Sisters	219
The Parole Officer	514
Titles with income below £100,000	888
	<b>3,266</b>

Income received on titles in surplus is taken to the income and expenditure account:

	£000
Bend It Like Beckham	417
Blind Flight	15
Good Bye Lenin!	90
The Swimming Pool	31
	<b>553</b>

## NOTE 3: COSTS APPORTIONED FROM GRANT-IN-AID

These costs include:

	2003/04 £000	2002/03 £000
Audit costs: National Audit Office	16	16
Capital recharge	211	200
Staff travel and subsistence – domestic	21	22
Staff travel and subsistence – foreign	62	74
Agency fees, freelance staff and secondments	33	101
Hospitality	40	28
Legal costs	213	337
Other professional fees	260	59

## NOTE 4: SALARY COSTS

Directors' remuneration (including daily allowances) attributable to the Lottery Fund is:

	2003/04 £	2002/03 £
Joan Bakewell CBE (resigned 31.12.02)	–	1,121
Colin Leventhal (resigned 30.8.02)	–	641
Sarah Radclyffe (resigned 31.8.03)	1,444	1,121
Parminder Vir OBE	1,765	1,761
Paul Webster (retired 31.8.03)	1,123	–
	<b>4,332</b>	<b>4,644</b>

Salary costs of staff working wholly on Lottery activities are reflected within the costs apportioned from the Grant-in-aid figure in the income and expenditure account.

The costs of staff working wholly on lottery activities are:

	2003/04 £000	2002/03 £000
Wages and salaries	2,065	1,723
Social Security costs	220	169
Other pension costs	155	124
	<b>2,440</b>	<b>2,016</b>

The average number of staff wholly employed on Lottery activities during the year was 40 (2002/03: 36).

The remuneration of the Chief Executive Officer and the costs attributable to Lottery during the year is:

	2003/04 £	ATTRIBUTABLE TO LOTTERY %	£
<b>John Woodward</b>			
(Age: 43)			
Salary and benefits	130,175		107,655
Bonus	44,169		36,528
<b>Total</b>	<b>174,344</b>	<b>82.7%</b>	<b>144,183</b>
Pension contribution	20,828		17,225

# Notes to the financial statements

## continued

### NOTE 4: SALARY COSTS (CONTINUED)

For senior staff members, remuneration, pension contributions or pension entitlements, together with the share of these costs attributable to Lottery, are shown below. The information in the table is disclosed in ranges in accordance with DCMS guidance.

	SALARY YEAR ENDED 31 MARCH 2004		ATTRIBUTABLE TO LOTTERY	ATTRIBUTABLE PENSION CONTRIBUTION	ATTRIBUTABLE PENSION ACCRUED AT 65 AT 31 MARCH 2004	CASH EQUIVALENT TRANSFER VALUE (CETV) AS AT 31 MARCH 2003	CETV AS AS AT 31 MARCH 2004	REAL INCREASE IN CETV AFTER ADJUSTMENTS FOR INFLATION ETC	SALARY YEAR ENDED 31 MARCH 2003
	£000	%	£000	£000	£000	£000	£000	£000	£000
<b>Robert Jones</b>	160-165	100	160-165	15-20	2.5-5	30-35	45-50	10-15	155-160
Head of Premiere Fund									
<b>Paul Trijbits</b>	115-120	100	115-120	10-15	2.5-5	30-35	40-45	10-15	100-105
Head of New Cinema Fund									
<b>Jenny Borgars</b>	100-105	100	100-105	10-15	0-2.5	0-5	10-15	10-15	95-100
Head of Development Fund									
<b>Peter Buckingham</b>	110-115	100	110-115	10-15	0-2.5	0-5	15-20	10-15	45-50
Head of Distribution & Exhibition									
<b>Will Evans</b>	135-140	100	135-140	10-15	-	-	-	-	75-80
Head of Business Affairs									
<b>Alan Bushell</b>	100-105	82.7	80-85	5-10	2.5-5	20-25	40-45	15-20	95-100
Chief Operating Officer									
<b>Iain Hepplewhite</b>	90-95	82.7	75-80	5-10	0-2.5	0-5	15-20	10-15	45-50
Head of Communications									

John Woodward and Will Evans are both members of private pension schemes to which monetary contributions were made during the year.

Otherwise pension payments are to the Local Government Pension Scheme of which the UK Film Council is a member. Pension benefits accrue as a result of the period of employment at the UK Film Council and are payable on retirement. The scheme also provides for lump sum payments on retirement of three times final pension.

### NOTE 5: PENSIONS BENEFITS

The UK Film Council is an admitted body of the Local Government Pension Scheme, which operates a defined

benefit scheme for those UK Film Council employees who wish to join. It is a statutory, funded pension scheme and its benefits are defined and guaranteed in law. The Scheme is administered by the London Pensions Fund Authority, a statutory body established on 31 October 1989, responsible to the Mayor of London and accountable to Parliament and the Greater London Assembly for its actions. The scheme is contributory for both employee and employer. Employer contributions are determined by a qualified actuary on the basis of quadrennial valuations using the projected unit method.

The contributions to the defined benefit scheme were £0.2 million in the year to 31 March 2004 (2003: £0.14 million), all relating to current service costs.

### NOTE 5: PENSIONS BENEFITS (CONTINUED)

#### FRS 17 DISCLOSURE

All public bodies have to account in full for pensions benefits in 2003/04 under the disclosure requirements of FRS17. Therefore as at 31 March 2004, a pensions asset of £83,560 is disclosed on the UK Film Council lottery balance sheet. In accordance with FRS 17 a prior year adjustment has been made to reflect the UK Film Council pension liability as at 31 March 2003 of £77,000 with consequent alterations to the income and expenditure account and the cashflow. These figures have all been restated under these requirements.

Pension assets/liabilities disclosed in these financial statements relate only to those staff working solely on the lottery activities of the UK Film Council. Any pension assets/liabilities relating to other staff are disclosed in the UK Film Council Group financial statements. In the 2002/03 published accounts this split was not necessary and therefore the disclosure in the prior year Lottery accounts covered the pension benefits for the UK Film Council as a whole.

For FRS 17 disclosure the valuation at 31 March 2001 had been updated by the actuaries Hymans Robertson to assess the liabilities of the scheme as at 31 March 2004. Scheme assets are stated at their market value as at 31 March 2004 and the assets and liabilities of the London Pensions Fund Authority and the expected rate of return as at 31 March 2004 are:

ASSETS (WHOLE FUND)	LONG TERM RETURN % PER ANNUM	FUND VALUE AT 31 MARCH 2004 £000	EXPECTED RETURN PER ANNUM £000
Equities	7.7%	1,137,200	87,564
Bonds	5.1%	173,400	8,843
Property	6.5%	52,000	3,380
Cash	4.0%	21,900	876
		<b>1,384,500</b>	<b>100,663</b>

MAIN ASSUMPTIONS	31 MARCH 2004 % PER ANNUM	31 MARCH 2003 % PER ANNUM
Price increases	2.9%	2.5%
Salary increases	4.4%	4.0%
Pension increases	2.9%	2.5%
Discount rate	6.5%	6.1%

Net pension assets for the UK Film Council:

	31 MARCH 2004 £000	31 MARCH 2003 £000
Estimated UK Film Council share of the assets	1,078	598
Present value of scheme liabilities attributable to the UK Film Council	994	675
Total value of liabilities	994	675
<b>Net pension (liability)/asset attributable to the UK Film Council</b>	<b>84</b>	<b>(77)</b>

Analysis of the amount charged to operating profit:

	31 MARCH 2004 £000	31 MARCH 2003 £000
Service Cost	157	135
Curtailment and Settlements	-	-
<b>Total Operating Charge</b>	<b>157</b>	<b>135</b>

Analysis of the amount credited to other financial income

	2003/04 £000	2002/03 £000
Expected return on employer assets	56	34
Interest on Pension Scheme liabilities	(49)	(25)
<b>Net Return</b>	<b>7</b>	<b>9</b>
<b>Net Revenue Account Cost</b>	<b>150</b>	<b>126</b>

# Notes to the financial statements continued

## NOTE 5: PENSIONS BENEFITS (CONTINUED)

### Analysis of amount recognised in Statement of Total Recognised Gains and Losses (STRGL)

The actuarial loss as disclosed in the Statement on Total Recognised Gains and Losses is as follows:

	2003/04 £000	2002/03 £000
Actual return less expected return on pension assets	120	(228)
Experience gains and losses arising on the scheme liabilities	(5)	(10)
<b>Actuarial loss in pension plan</b>	<b>115</b>	<b>(238)</b>
Increase/(decrease) in irrecoverable surplus from membership fall and other factors	–	–
<b>Actuarial gain/(loss) recognised in STRGL</b>	<b>115</b>	<b>(238)</b>

## NOTE 6: FILM RIGHTS

	GROSS £000	PROVISION £000	REPAYMENT £000	NET £000
At 1 April 2003	79,838	(44,617)	(9,384)	25,837
Hard commitments made in the year	31,632	(12,740)	(25)	18,867
Movements on prior year commitments	–	(6,307)	(3,241)	(9,548)
Decommitments	(540)	–	–	(540)
<b>At 31 March 2004 (schedule 1)</b>	<b>110,930</b>	<b>(63,664)</b>	<b>(12,650)</b>	<b>34,616</b>

## NOTE 5: PENSIONS BENEFITS (CONTINUED)

### Movement in surplus/(deficit) during the year

	2003/04 £000	2002/03 £000
(Deficit)/Surplus brought forward at 1 April	(77)	142
Current service cost	(157)	(135)
Employer contributions	196	145
Net return on assets	7	9
Actuarial gains/(losses)	115	(238)
<b>Surplus/(deficit) at 31 March</b>	<b>84</b>	<b>(77)</b>

### History of experience gains and losses

	2003/04 £000	2002/03 £000
Difference between the expected and actual return in assets	120	(228)
Value of assets	1,078	598
<b>Percentage of assets</b>	<b>11.1%</b>	<b>(38.1%)</b>
Experience losses on liabilities	(5)	(10)
Present value of liabilities	994	675
<b>Percentage of the present value of liabilities</b>	<b>(0.5%)</b>	<b>(1.5%)</b>
Actuarial gains/(losses) recognised in STRGL	115	(238)
Present value of liabilities	994	675
<b>Percentage of the present value of liabilities</b>	<b>11.6%</b>	<b>(35.3%)</b>

## NOTE 7: TAX ON PROFIT ON ORDINARY ACTIVITIES

	2004 £000	2003 £000
Corporation tax payable for current year	68	43
Underprovision in respect of 1999/2000	–	5
	<b>68</b>	<b>48</b>

Taxation is payable on the interest earned by the UK Film Council at the rate of 30% (2002/03: 30%)

## NOTE 8: BALANCE AT THE NATIONAL LOTTERY DISTRIBUTION FUND

The movement in balances held at the National Lottery Distribution Fund is:

	2004 £000	2003 £000
Opening balance held at the National Lottery Distribution Fund	75,573	67,655
Income received from the Lottery	26,410	27,994
Investment income earned	1,968	4,422
<b>Available for distribution</b>	<b>103,951</b>	<b>100,071</b>
Cash drawn down	(59,671)	(24,498)
<b>Market Value at 31 March 2004</b>	<b>44,280</b>	<b>75,573</b>

At 31 March 2004 the cost of the fund was £44.83m (2003: £75.96m). Income received from the Lottery shown above is after charging unrealised losses of £0.55m (2003: £0.39m).

The funds are invested on behalf of the National Lottery Distribution Fund by the National Debt Commissioners. The UK Film Council's distribution is in accordance with Sections 22 and 23 of the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998). The UK Film Council is required by statute to show on the balance sheet the lower of the market value or the cost as at the year end.

The UK Film Council has published its plans for the next three years. The plan assumes the UK Film Council will continue to make the level of commitments in each of the next three years at similar levels to its first three

year plan. As a consequence the UK Film Council will make commitments over 2004/07 in excess of its Lottery income and this will reduce cash balances over this period. The NLDF balance at the end of 2006/07 is expected to be below £10 million and the position will be closely monitored to ensure overtrading does not occur.

## NOTE 9: DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £000	2003 £000
VAT debtor	1,259	683
Other debtors	532	247
Prepayments	514	–
	<b>2,305</b>	<b>930</b>

## NOTE 10: FINANCIAL RISKS

FRS 13 Derivatives and other financial instruments require disclosure of the role that the financial instruments have had during the period in creating or changing the risks the UK Film Council Lottery Fund faces in undertaking its role.

### LIQUIDITY RISKS

In 2003/04, £26.41 million (79%) (2003: £27.99 million, 85%) of the UK Film Council Lottery Fund's income was derived from the National Lottery. The remaining income comprises investment returns from the balance held with the National Lottery Distribution Fund £1.97 million (6%) (2003: £4.42 million, 13%), recoupment income from film rights £3.3 million (10%) (2003: £0.26 million, 1%), surplus on the UK Film Council investments, bank interest and sundry income £1.9 million (6%) (2003: £0.29 million, 1%). The Board considers that as the National Lottery Distribution Fund balance notified by the Secretary of State for Culture, Media and Sport and the UK Film Council's own cash holdings amount to £53.52 million (2003: £79.05 million) at the balance sheet date, sufficient liquid resources are available to cover all current hard and soft commitments totalling £29.32 million (2003: £56.35 million).

# Notes to the financial statements

## continued

### NOTE 10: FINANCIAL RISKS (CONTINUED)

#### INTEREST RATE RISKS

The UK Film Council's largest financial asset is retained in the National Lottery Distribution Fund, which invests in a narrow band of low risk assets such as government bonds and cash. Neither the UK Film Council nor its Board has any control over these investments. The interest rate risks in respect of these financial assets are disclosed in the accounts of the National Lottery Distribution Fund. At the year-end the balance sheet value of the Council's investment in the National Lottery Distribution Fund was £44.28 million (2003: £75.57 million) and the average return on these investments was 3.13% (2003: 6.2%)

Cash balances drawn from the fund to pay awards and operating costs are held in variable rate bank accounts and the average interest rate return for the year was 3.84% (2003: 3.5%). The cash balance at the year end was £9.24 million (2003: £3.48 million). The Board consider that in respect of these funds the UK Film Council is not exposed to significant interest rate risks.

#### FOREIGN CURRENCY RISK

The UK Film Council Lottery Fund is not exposed to any material foreign exchange risks, as long term balances are only held in sterling.

### NOTE 11: AWARD COMMITMENTS

#### SOFT COMMITMENTS

	2004 £000	2003 £000
Brought forward at 1 April	41,057	53,743
Commitments made	29,433	26,881
Transferred back from hard commitments	400	298
Soft decommitments	(8,706)	(2,487)
Transferred to hard commitments (38,796)	(37,378)	
<b>Balance carried forward at 31 March</b>	<b>23,388</b>	<b>41,057</b>

#### HARD COMMITMENTS

	2004 £000	2003 £000
Brought forward at 1 April	15,289	6,854
Commitments made	38,796	37,378
Hard decommitments	(313)	(167)
Transferred to soft commitments	(400)	(298)
Amounts paid	(47,441)	(28,478)
<b>Balance carried forward at 31 March</b>	<b>5,931</b>	<b>15,289</b>

Soft Decommitments arise when an offer of an award approved by the UK Film Council falls in before the award is accepted by the recipient organisation.

Of the £23.4 million soft commitments as at 31 March 2004, £17.9 million is the outstanding element relating to the three franchises (2003: £31.78 million).

New hard commitments made during the year comprise:

	2004 £000	2003 £000
Film rights	31,632	31,858
Regional awards	3,490	2,984
Training awards	1,098	1,536
First Light award	1,000	1,000
Distribution and exhibition awards	975	–
Skillset delegation	501	–
Publication awards	100	–
	<b>38,796</b>	<b>37,378</b>

#### AGEING OF HARD COMMITMENTS

	2004 £000	2003 £000
2002/03	–	15,289
2003/04	5,931	–
	<b>5,931</b>	<b>15,289</b>

It is expected that all outstanding hard commitments as at 31 March 2004 will be fully paid by 31 March 2005.

### NOTE 12: CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £000	2003 £000
Corporation tax	68	43
Due to Grant in aid fund	830	3,537
Other creditors	29	14
	<b>927</b>	<b>3,594</b>

### NOTE 13: LEASES

At 31 March 2004 the Lottery fund had no commitments under non-cancellable operating leases. The UK Film Council (non-Lottery) had annual commitments under a non-cancellable operating lease as set out below:

	LAND & BUILDINGS 2004 £000	LAND & BUILDINGS 2003 £000
<b>Operating lease which expires in over five years</b>	<b>315</b>	<b>315</b>

A proportion of this was charged to the Lottery Fund under Note 1(e).

### NOTE 14: CAPITAL COMMITMENTS

At 31 March 2004 the Lottery Fund had no contracted capital commitments (31 March 2003: nil)

### NOTE 15: NOTES TO THE STATEMENT OF CASHFLOWS

#### a) Reconciliation of operating surplus to net cashflow from operating activities

	2003/04 £000	2002/03 (RE-STATE) £000
Operating deficit	(3,465)	(1,674)
Increase in film rights	(8,779)	(2,109)
Decrease/(Increase) in debtors	29,947	(7,615)
(Decrease)/Increase in creditors	(12,050)	10,464
Movement in pension asset/(liability)	(39)	(10)
<b>Net cash inflow/(outflow) from Operating Activities</b>	<b>5,614</b>	<b>(944)</b>

#### b) Reconciliation of net cashflow to movements in funds

	2004 £000	2003 £000
Funds at 1 April	3,475	4,673
Increase/(decrease) in cash	5,769	(1,198)
<b>Funds at 31 March</b>	<b>9,244</b>	<b>3,475</b>

### NOTE 16: MOVEMENT IN LOTTERY FUND RESERVE

	PENSION RESERVE £000	I&E RESERVE £000	TOTAL LOTTERY RESERVE £000
Brought forward at 1 April 2003 (as previously stated)	–	86,932	86,932
Prior year adjustment	(77)	–	(77)
<b>At 1 April 2003 as restated</b>	<b>(77)</b>	<b>86,932</b>	<b>86,855</b>
Surplus/(deficit) for the year	46	(3,345)	(3,299)
STRGL movements for the year	115	–	115
<b>Carry forward at 31 March 2004</b>	<b>84</b>	<b>83,587</b>	<b>83,671</b>

### NOTE 17: RECONCILIATIONS OF TRANSACTIONS WITH DELEGATE BODIES

During 2003/04, delegation agreements were signed with the last two Regional Screen Agencies and Skillset, the Sector Skills Council for the audiovisual industry, for the purpose of distribution of lottery funds. Transactions in these financial statements relating to these delegations reconcile to transactions in the financial statements of these organisations as follows:

#### TRANSACTIONS IN UK FILM COUNCIL ACCOUNTS:

	HARD COMMITMENTS IN 2003/04 £000	DELEGATE BODY CREDITOR AT 31 MARCH 2004 £000
EM Media	118	–
Film London	–	396
Hi8us First Light	759	31
Northern Film & Media	390	8
North West Vision	270	–
Screen East	260	–
Screen South	279	–
Screen West Midlands	227	81
Screen Yorkshire	359	–
South West Screen	314	–
	<b>2,976</b>	<b>516</b>

# Notes to the financial statements continued

## NOTE 17: RECONCILIATIONS OF TRANSACTIONS WITH DELEGATE BODIES (CONTINUED)

The following is extracted from the financial statements of the organisations for the year-ended 31 March 2004:

	RESERVES AT 1 APRIL 2003 £000	INCOMING FUNDS : UK FILM COUNCIL £000	INCOMING FUNDS: OTHER £000	OUTGOING FUNDS £000	RESERVES AT 31 MARCH 2003 £000
EM Media	211	322	4	(229)	308
Film London	–	520	–	(124)	396
Hi8us First Light	548	1,000	–	(935)	613
Northern Film & Media	320	390	13	(559)	164
North West Vision	231	330	1	(380)	182
Screen East	386	390	2	(569)	209
Screen South	130	405	–	(416)	119
Screen West Midlands	297	413	1	(354)	357
Screen Yorkshire	266	300	–	(411)	155
South West Screen	181	420	1	(491)	111
<b>Total</b>	<b>2,570</b>	<b>4,490</b>	<b>22</b>	<b>(4,468)</b>	<b>2,614</b>

Schedule 3 lists the individual lottery awards made from these delegates during the year.

## NOTE 18: RELATED PARTIES

The UK Film Council maintains a publicly available register of Board Directors' interests. Board Directors declare any direct interest in award applications made to the Council and commercial relationships with the Council. They exclude themselves from the relevant application appraisal, discussion and decision process within the Council.

The following related party transactions occurred during the period:

ORGANISATION	NAME	RELATIONSHIP TO RECIPIENT ORGANISATION	AWARD	AWARD OUTSTANDING 31 MARCH 2004
<b>Directors of the UK Film Council</b>				
Civilian Content Plc (Parent company of The Film Consortium and The Works)	John Christopher Auty (retired 31.8.2003)	Director	£2,386,388	£4,500
Carlton TV Ltd	Parminder Vir	Employee	£39,000	£39,000
Entertainment Film Distribution Ltd	Nigel Green	Director	£147,216	£nil
Jigsaw Films Ltd	Sarah Radclyffe	Director	£158,050	£107,550
National Film and Television School	Tim Bevan Duncan Kenworthy (retired 31.8.2003) Stewart Till	Governor Governor Trustee	£12,000	£nil
Odeon Ltd	Nigel Green	Director	£135,000	£135,000
Vue Entertainment Ltd	Stephen Knibbs	Director	£68,740	£68,740
Moonstone	Anthony Minghella	Advisor	£100,000	£5,000
Script Factory	Anthony Minghella	Artistic Advisor	£119,750	£11,975
<b>Employees of the UK Film Council</b>				
B3 Media	Marc Boothe (resigned 16.2.2004 on joining the UK Film Council)	Director	£12,300	£12,300
Script Factory	Robert Jones	Director	£119,750	£11,975

The single share in the UK Film Council is owned by the Secretary of State for Culture, Media and Sport and the UK Film Council is sponsored by this department.

# Schedules to the financial statements

## SCHEDULE 1: FILM RIGHTS AT 31 MARCH 2004

PRODUCER	DESCRIPTION	GROSS AWARD	BAL AT 1 APRIL '03	NEW COMMS*	RECPT **	DECOMMS ***	PROV'NS ****	BAL AT 31 MAR '04
<b>SINGLE PROJECT HARD COMMITMENTS IN 2003/4</b>								
<b>Feature Film Awards</b>								
Adventure Pictures (Yes) Ltd	Yes	-	-	449,500	-	-	(200,000)	249,500
Ariel Films Ltd	Sylvia aka Ted & Sylvia	-	-	37,643	-	-	(37,643)	-
Autonomous Ltd	Sex Planet	-	-	10,000	-	-	(10,000)	-
AWOL Films Ltd	A Way of Life	-	-	422,000	-	-	(275,000)	147,000
Café Productions Ltd	Big Blue aka Game Over aka Kasparov and the Machine	-	-	178,117	-	-	(125,000)	53,117
Code 46 Films Ltd and Revolution Films Ltd	Code 46	-	-	10,799	-	-	(10,799)	-
Cowboy Films Ltd	Wasp	-	-	34,325	-	(2,600)	(31,725)	-
Creep Films Ltd	Creep	-	-	48,000	-	-	(48,000)	-
Dan Films Ltd	Creep	-	-	1,260,000	-	-	(230,000)	1,030,000
Devotion Films Ltd	Sex Lives of the Potato Men	-	-	147,217	-	-	(47,217)	100,000
Ex Nihilo SARL and Bluelight L'école Ltd	L'école	-	-	397,330	-	-	(300,000)	97,330
Gambit Films Ltd	Big Blue aka Game Over aka Kasparov and the Machine	-	-	16,333	-	-	(16,333)	-
Giant Films Ltd	Anatomy of Grief	-	-	9,980	-	-	(9,980)	-
Intrepido Ltd	Floating : Cinema Extreme	-	-	25,000	-	-	(25,000)	-
Intrepido Ltd	One Minute Past Midnight : Cinema Extreme	-	-	25,000	-	-	(25,000)	-
JSB Production Ltd	Lila Says	-	-	400,000	-	-	(260,000)	140,000
Ladies In Lavender Ltd	Ladies In Lavender	-	-	1,979,850	-	-	(600,000)	1,379,850
Lifesize Pictures Ltd	Short Film Programme Management	-	-	114,477	-	-	(114,477)	-
Little Bird Company Ltd and In My Father's Den Production Ltd	In My Father's Den	-	-	405,000	-	(11,905)	(270,000)	123,095
Magnet Films Ltd	The Story of . . . . .	-	-	10,000	-	-	(10,000)	-
Mayavision International Ltd	Mayavision Shorts Completion	-	-	22,750	-	-	(22,750)	-
Northern Souls Films Ltd	Love and Hate	-	-	802,903	-	-	(300,000)	502,903
One For The Road Films Ltd	One for the Road	-	-	11,100	-	-	(11,100)	-
Parallax (Blind Flight) Ltd	Blind Flight	-	-	20,223	-	-	(20,223)	-
Picture Farm Ltd	Get The Picture	-	-	28,153	-	-	(28,153)	-
Potboiler Productions Ltd	Taste of Rain	-	-	10,000	-	-	(10,000)	-
Rainmaker Films Ltd	Diameter Of The Bomb	-	-	181,003	-	-	(124,550)	56,453
Sandfairy Productions Ltd	Five Children and It	-	-	2,100,000	-	-	(470,000)	1,630,000
Shine Ltd	Bullet Boy	-	-	450,000	-	-	(285,000)	165,000
Shylock Trading Ltd	The Merchant of Venice	-	-	604,720	-	-	-	604,720

\* New Commitments \*\* Recoupment \*\*\* Decommitments \*\*\*\* Provisions

PRODUCER	DESCRIPTION	GROSS AWARD	BAL AT 1 APRIL '03	NEW COMMS	RECPT	DECOMMS	PROV'NS	BAL AT 31 MAR '04
Stink Ltd	A Changed Man : Cinema Extreme	-	-	6,050	-	-	(6,050)	-
Stones in His Pockets Ltd	Stones In His Pockets	-	-	1,638	-	-	(1,638)	-
The Bureau Film Company Ltd	Noi the Albino	-	-	5,872	-	-	(5,872)	-
The Bureau Ltd	Cinema Extreme	-	-	12,500	-	(12,500)	-	-
Third Films Ltd	Love Me Or Leave Me Alone: Cinema Extreme	-	-	950	-	-	(950)	-
Third Rock Ltd	AKA	-	-	104,045	-	-	(40,000)	64,045
This is not a Company Ltd and Simon Beaufoy	This Is Not A Love Song	-	-	54,536	-	-	(54,536)	-
Touching the Void Ltd	Touching the Void	-	-	57,351	(7,429)	-	-	49,922
Untitled '03 Ltd	Vera Drake aka Untitled Mike Leigh	-	-	1,277,632	-	-	(380,000)	897,632
Wild Horses Film Company Ltd	Kiss of Life aka Helen of Peckham	-	-	7,113	-	-	(7,113)	-
Yaffle Films Ltd	The Bypass : Cinema Extreme	-	-	26,088	-	-	(26,088)	-
Young Adam Productions Ltd	Young Adam	-	-	1,955	-	-	(1,955)	-

### Short film awards

B3 Media Ltd	Digital Shorts	-	-	90,000	-	-	(90,000)	-
EM Media Ltd	Digital Shorts	-	-	98,800	-	-	(98,800)	-
Glasgow Media Access Centre Ltd	Digital Shorts	-	-	98,800	-	-	(98,800)	-
London Film and Video Development Agency	Digital Shorts	-	-	94,000	-	-	(94,000)	-
Northern Film & Media Ltd	Digital Shorts	-	-	98,800	-	-	(98,800)	-
Northern Ireland Film Commission	Digital Shorts	-	-	4,000	-	-	(4,000)	-
North West Vision Ltd	Digital Shorts	-	-	94,000	-	-	(94,000)	-
Screen East Ltd	Digital Shorts	-	-	54,800	-	-	(54,800)	-
Screen West Midlands Ltd	Digital Shorts	-	-	54,800	(469)	-	(54,331)	-
Screen Yorkshire Ltd	Digital Shorts	-	-	50,000	-	-	(50,000)	-
Shine Ltd	Comedy Shorts	-	-	2,270	-	-	(2,270)	-
South West Films Ltd	Digital Shorts	-	-	94,000	-	-	(94,000)	-
Yorkshire Media Production Agency	Digital Shorts	-	-	4,000	-	-	(4,000)	-

# Schedules to the financial statements continued

## SCHEDULE 1: FILM RIGHTS AT 31 MARCH 2004 (CONTINUED)

PRODUCER	DESCRIPTION	GROSS AWARD	BAL AT 1 APRIL '03	NEW COMMS	RECPT	DECOMMS	PROV'NS	BAL AT 31 MAR '04
<b>Development slate awards</b>								
Autonomous Ltd	Slate funding	-	-	125,000	-	-	(62,500)	62,500
CFF Enterprises Ltd	Slate funding	-	-	100,000	-	-	(100,000)	-
Company Pictures Ltd	Slate funding	-	-	130,000	-	-	(65,000)	65,000
Fragile Films Ltd	Slate funding	-	-	200,000	-	-	-	200,000
Impact Pictures Ltd	Slate funding	-	-	108,500	-	-	(81,375)	27,125
Little Bird Company Ltd	Slate funding	-	-	250,000	(1,422)	-	-	248,578
National Film and Television School	Slate funding	-	-	12,000	-	-	(12,000)	-
October Films Ltd	Slate funding	-	-	165,000	-	-	(165,000)	-
Passion Pictures Ltd	Slate funding	-	-	100,000	-	-	(75,000)	25,000
Qwerty Films Ltd (previously Kuhn & Co Ltd)	Slate funding	-	-	250,000	-	-	-	250,000
Recorded Pictures Company Ltd	Slate funding	-	-	150,000	-	-	(37,500)	112,500
Riverchild Films Ltd	Slate funding	-	-	65,000	-	-	(48,750)	16,250
Robert Fox Ltd t/a Fox Phillips	Slate funding	-	-	120,000	-	-	(90,000)	30,000
Ruby Films Ltd	Slate funding	-	-	285,000	-	-	(71,250)	213,750
Samuelson Productions Ltd	Slate funding	-	-	50,000	-	-	(25,000)	25,000
Tall Stories Ltd	Slate funding	-	-	150,000	-	-	(112,500)	37,500

### Development awards

<b>50 Cannon</b>								
Entertainment UK Ltd	The Box of Delights	-	-	10,000	-	-	(10,000)	-
50 Cannon UK Ltd	The Stand-In	-	-	81,875	-	-	(81,875)	-
Andrew Clyde	Shoeless Joe	-	-	12,500	-	-	(12,500)	-
Ashley Pannell	Me and My Frog	-	-	12,500	-	-	(12,500)	-
AWOL Films Ltd	A Way of Life	-	-	10,000	(10,000)	-	-	-
Big Pond Productions Ltd	Hunky Dory	-	-	19,040	-	-	-	19,040
Celtic Films Entertainment Ltd	Chance	-	-	36,750	-	-	-	36,750
Century Films Ltd	Trafficked	-	-	7,332	-	-	(7,332)	-
Chris Denne and Matt Winn	Storage	-	-	12,500	-	(5,000)	(7,500)	-
Cougar Films Ltd	@	-	-	46,000	-	-	(46,000)	-
Cougar Films Ltd	Black Ice	-	-	9,660	-	-	(9,660)	-
Cougar Films Ltd	Jean Lee	-	-	50,416	-	-	(50,416)	-
Cougar Films Ltd	Reputation	-	-	82,897	-	-	(82,897)	-
Cougar Films Ltd	The Handsomest Sons in the World	-	-	22,080	-	-	(22,080)	-
Crab Apple Films Ltd	Sweet Milk	-	-	8,253	-	-	(8,253)	-
Crab Apple Films Ltd	The Darkest Hour	-	-	8,253	-	-	-	8,253
David Aukin Productions Ltd	West Bank	-	-	64,500	-	-	(64,500)	-
Deep Blue River Films Ltd	One Fine Day in the Middle of the Night	-	-	1,000	-	-	(1,000)	-

PRODUCER	DESCRIPTION	GROSS AWARD	BAL AT 1 APRIL '03	NEW COMMS	RECPT	DECOMMS	PROV'NS	BAL AT 31 MAR '04
Elysian Films Ltd	Skin	-	-	31,000	-	-	(31,000)	-
EM Media Ltd	Regional Writers Scheme	-	-	25,000	-	-	(25,000)	-
Feelgood Fiction Ltd	The Rose of Tralee	-	-	6,000	-	-	(6,000)	-
Fever Ltd	Fever	-	-	16,500	-	-	(16,500)	-
Fiesta Productions Ltd	Solid	-	-	46,350	-	-	(46,350)	-
George Webster	Bob's Ark	-	-	1,000	-	-	(1,000)	-
Holy Cow Films Ltd	Champagne Breakfast aka Richmond Project	-	-	5,500	-	-	(5,500)	-
Hot Property Ltd	Slow Motion Explosion	-	-	18,500	-	-	(18,500)	-
Ice Productions Ltd	Chasing Heaven	-	-	32,500	-	-	(32,500)	-
Ice Productions Ltd	Friends Forever	-	-	15,000	-	-	(15,000)	-
Icon Entertainment International	This Is Your Life	-	-	42,000	-	-	(42,000)	-
Impact Pictures Ltd	The Dark	-	-	64,341	-	-	-	64,341
Impact Pictures Ltd	Underground	-	-	29,250	-	-	(29,250)	-
Irena Brignull	The Best Woman	-	-	12,500	-	-	(12,500)	-
Jigsaw Films Ltd	Legendeer	-	-	98,050	-	-	(98,050)	-
Jodhi May	L'Amour Fou	-	-	15,500	-	-	(15,500)	-
Jolyon Symonds Productions Ltd	A Family Business	-	-	23,013	-	(17,250)	(5,763)	-
Juggernaut Pictures Ltd	Nightfall	-	-	26,500	-	-	-	26,500
Julian Unthank	Castle Rock	-	-	12,500	-	-	(12,500)	-
Kudos Film and Television Ltd	Spy By Nature	-	-	36,000	-	-	(36,000)	-
Litmus Productions Ltd	Patrick Robertson	-	-	45,895	-	-	(45,895)	-
Lotus Films Ltd	The Mutes	-	-	27,000	-	-	(27,000)	-
Magnet Films Ltd	Sshhhh	-	-	13,000	-	-	(13,000)	-
Marcel Theroux	Rent-a-Wife	-	-	10,000	-	-	(10,000)	-
Martin Pope Productions Ltd	Three Way Split aka Untitled Hunter/Hunsinger	-	-	54,000	-	-	(54,000)	-
Merchant Ivory Productions Ltd	Independent People	-	-	42,000	-	-	(42,000)	-
Michael Maynard	Free Style	-	-	12,500	-	-	(12,500)	-
Nick Ostler & Mark Huckerby	Population	-	-	12,500	-	-	(12,500)	-
North West Vision Ltd	Regional Writers Scheme	-	-	25,000	-	-	(25,000)	-
Northmen Productions Ltd	Outpost	-	-	52,750	-	(750)	(52,000)	-
Number 9 Films Ltd	Dan Leno and the Limehouse Golem	-	-	142,425	-	-	(142,425)	-
Number 9 Films Ltd	Hendrix	-	-	2,500	-	-	(2,500)	-
Number 9 Films Ltd	Perrier's Bounty	-	-	45,150	-	-	-	45,150
Orangetop Ltd	Waxers	-	-	1,500	-	-	(1,500)	-
Oscar Films Ltd	Little Sisters	-	-	18,610	-	-	-	18,610
Peter Hodge	Subterranea	-	-	12,500	-	-	(12,500)	-
Peter Michael Rosenberg	The Cleaner	-	-	12,500	-	-	(12,500)	-
Phil O'Shea	Air Guitar	-	-	12,500	-	-	(12,500)	-
Picture Farm Ltd	Passengers aka Mexico	-	-	38,481	-	-	(38,481)	-
Pipedream Pictures Ltd	Ghosthunter	-	-	90,000	-	-	(90,000)	-

# Schedules to the financial statements continued

## SCHEDULE 1: FILM RIGHTS AT 31 MARCH 2004 (CONTINUED)

PRODUCER	DESCRIPTION	GROSS AWARD	BAL AT 1 APRIL '03	NEW COMMS	RECPT	DECOMMS	PROV'NS	BAL AT 31 MAR '04
Pirate Productions Ltd	The Festival	-	-	28,300	-	-	-	28,300
Prospect Entertainment Ltd	My Soul To Keep	-	-	12,500	-	-	(12,500)	-
Rubicon Pictures Ltd	The Third Day	-	-	10,100	-	-	(10,100)	-
Rule 8 Productions Ltd	Happy Birthday Lubna	-	-	95,300	-	-	(95,300)	-
Samuelson Productions Ltd	Belly Dancer	-	-	8,500	-	-	(8,500)	-
Samuelson Productions Ltd	Devil's Assassin	-	-	1,333	-	(1,333)	-	-
Samuelson Productions Ltd	Peacock Manifesto	-	-	2,500	-	-	(2,500)	-
Scala Productions Ltd	Du Cane's Boys aka Du Quesne's Boys	-	-	28,506	-	-	-	28,506
Scarlet Pictures Ltd	Balance of Power	-	-	53,200	-	-	(53,200)	-
Scorpio Films Ltd	Stupid Cupid	-	-	14,000	-	-	(14,000)	-
Scorpio Films Ltd	The Pear Tree	-	-	59,750	-	-	(59,750)	-
Screen East Ltd	Regional Writers Scheme	-	-	25,000	-	-	(25,000)	-
Screen South Ltd	Regional Writers Scheme	-	-	25,000	-	-	(25,000)	-
Screen West								
Midlands Ltd	Regional Writers Scheme	-	-	25,000	-	-	(25,000)	-
Screen Yorkshire Ltd	Regional Writers Scheme	-	-	25,000	-	-	(25,000)	-
Seymour Films Ltd	Property Ladder	-	-	40,400	-	-	(40,400)	-
Simon Braithwaite and Paul Alexander	Egomania	-	-	12,500	-	-	(12,500)	-
Sixteen Films Ltd	Hoyland Common v Italy	-	-	19,275	-	-	(19,275)	-
South West Screen Ltd	Regional Writers Scheme	-	-	25,000	-	-	(25,000)	-
Starfield Productions Ltd	The Describers aka Untitled - Meera Syal	-	-	106,500	-	-	(106,500)	-
Stealth Films Ltd	Kidulthood	-	-	10,000	-	-	(10,000)	-
Stones In His Pockets Ltd	Stones In His Pockets	-	-	5,000	-	-	(5,000)	-
Straightheads Ltd	Straightheads	-	-	11,875	-	-	-	11,875
Suspect Device Ltd	Straightheads	-	-	3,000	-	-	-	3,000
Suzie Smith	Being Me	-	-	9,282	-	-	(9,282)	-
Taxi Productions Ltd	Monsieur Hire	-	-	73,000	-	-	-	73,000
The Bureau Film Company Ltd	A Green and Quiet River	-	-	31,532	-	-	(31,532)	-
The Hub Film Company Ltd	Mermaids	-	-	23,500	-	-	(23,500)	-
The Mob Film Company Ltd	The Bell	-	-	14,500	-	-	(14,500)	-
The Truth About Love Ltd	The Truth About Love	-	-	20,000	-	-	-	20,000
Tiger Aspect Pictures Ltd	Thylacine	-	-	43,715	-	-	(43,715)	-
Tigerlily Films Ltd	Crossed Wires	-	-	33,200	-	-	(33,200)	-

### Franchise Awards

DNA Ltd	DNA Management	-	-	200,000	-	-	(100,000)	100,000
DNA Ltd	A Way Through The Woods	-	-	1,474,635	-	-	(737,318)	737,317
Pathé Pictures Ltd	Enduring Love	-	-	1,799,000	-	-	(750,000)	1,049,000
Pathé Pictures Ltd	The Magic Roundabout	-	-	3,000,000	-	-	-	3,000,000
Pathé Pictures Ltd	Millions	-	-	2,000,000	(5,691)	-	(794,309)	1,200,000

## Franchise Awards (CONTINUED)

PRODUCER	DESCRIPTION	GROSS AWARD	BAL AT 1 APRIL '03	NEW COMMS	RECPT	DECOMMS	PROV'NS	BAL AT 31 MAR '04
Pathé Pictures Ltd	Bride & Prejudice (aka Pride & Prejudice - The Bollywood Musical)	-	-	2,000,000	-	-	-	2,000,000
The Film Consortium Ltd	Battle of Hastings	-	-	6,000	-	-	(6,000)	-
The Film Consortium Ltd	The Best Man	-	-	10,000	-	-	(10,000)	-
The Film Consortium Ltd	Bugs	-	-	33,750	-	-	-	33,750
The Film Consortium Ltd	Clean	-	-	370,300	-	-	(355,300)	15,000
The Film Consortium Ltd	Concrete Slippers	-	-	13,200	-	-	(13,200)	-
The Film Consortium Ltd	Deadline Beirut	-	-	373,403	-	-	(353,403)	20,000
The Film Consortium Ltd	Guy X	-	-	10,000	-	-	-	10,000
The Film Consortium Ltd	My Summer of Love	-	-	486,755	-	-	-	486,755
The Film Consortium Ltd	River Queen	-	-	2,354,388	-	-	(1,177,194)	1,177,194
The Film Consortium Ltd	A Woman Of No Importance	-	-	15,000	-	-	(15,000)	-
<b>Total hard commitments made in 2003/04</b>		<b>-</b>	<b>-</b>	<b>31,631,993</b>	<b>(25,011)</b>	<b>(51,338)</b>	<b>(12,739,533)</b>	<b>18,816,111</b>

## FILM RIGHTS AT 1 APRIL 2003

### Feature Film Awards

Antonine Films Ltd	The Magdalene Sisters aka Magdalene	600,000	155,000	-	(218,620)	-	63,620	-
Ariel Films Ltd	Sylvia a.k.a Ted & Sylvia	2,460,000	1,722,000	-	-	(10,000)	(1,600,000)	112,000
AWOL Films Ltd	A Way of Life	10,000	10,000	-	(10,000)	-	-	-
Bard Entertainment Ltd	Revenger's Tragedy	510,000	50,000	-	-	-	(50,000)	-
Cine B/Tubedale Films Ltd	L'Homme Du Train	500,000	250,000	-	(100,963)	-	-	149,037
Common Features Ltd	This Little Life aka Entering Blue Zone	241,000	87,500	-	(4,549)	(37,500)	(35,000)	10,451
Company of Wolves Ltd	Intermission	570,000	285,000	-	(75,682)	-	-	209,318
Company Pictures Ltd	Morvern Callar	500,000	99,712	-	(6,027)	-	(70,000)	23,685
Darlow Smithson Productions Ltd	Touching the Void	335,000	83,750	-	(83,750)	-	-	-
Devotion Films Ltd	Sex Lives of the Potato Men	1,808,372	1,455,128	-	(42,150)	-	(200,000)	1,212,978
Dragon Pictures Ltd	Very Annie Mary aka Untitled Wales	50,000	10,000	-	-	-	-	10,000
Fat Melon Films Ltd	Hangman's Apprentice	32,700	-	-	-	(14,400)	14,400	-
Feelgood Fiction Ltd	Miranda	849,315	111,382	-	(121,726)	-	10,344	-
Footprint Films Ltd	Wanted	319,149	64,933	-	-	-	(64,933)	-
Fragile Films Ltd	The Importance of Being Earnest	1,320,000	432,075	-	(78,788)	-	(200,000)	153,287
Fragile Films Ltd	Valiant	2,580,645	1,814,516	-	-	-	-	1,814,516



# Schedules to the financial statements

## continued

### SCHEDULE 1: FILM RIGHTS AT 31 MARCH 2004 (CONTINUED)

PRODUCER	DESCRIPTION	GROSS AWARD	BAL AT 1 APRIL '03	NEW COMMS	RECPT	DECOMMS	PROV'NS	BAL AT 31 MAR '04
Gayle Griffith Productions Ltd	Kiss of Life aka Helen of Peckham	500,000	117,500	-	-	-	(100,000)	17,500
Granada Films Ltd	Bloody Sunday	299,500	60,670	-	(6,598)	-	-	54,072
Hallmark Entertainment Ltd	Mike Bassett : England Manager	1,233,000	414,035	-	(82,024)	(9)	-	332,002
Home Movies Ltd	Tomorrow La Scala! aka Sweeney	247,406	47,406	-	-	(500)	-	46,906
Hot Property Ltd	Bodysong	350,000	75,000	-	-	-	(75,000)	-
Intermedia Film and Video (Nottingham) Ltd	One For The Road	240,000	96,000	-	(22,059)	-	(65,000)	8,941
Jamperswang Ltd	You Don't Know My Kids	27,000	-	-	-	(20,500)	20,500	-
Mariner Films Ltd	Pandaemonium	63,152	12,626	-	-	-	-	12,626
Martin Pope Productions Ltd	The Lawless Heart	200,000	22,635	-	(962)	-	-	21,673
One Love Films Ltd	One Love	899,827	224,957	-	-	-	(100,000)	124,957
Parallax Pictures Ltd	Blind Flight	450,000	112,500	-	-	-	(80,000)	32,500
Passion Pictures Ltd	Live Forever	212,249	60,562	-	(16,355)	-	(25,000)	19,207
Pipedream Pictures Ltd	A Certain Age a.k.a. Crush	875,000	48,604	-	(111,093)	-	62,489	-
Recorded Picture Company Ltd	Young Adam	501,955	250,000	-	-	-	(150,000)	100,000
Revolution Films Ltd	Code 46	1,565,063	1,252,050	-	-	-	(500,000)	752,050
Samuelson Productions Ltd	Devil's Assassin	51,333	-	-	-	(1,167)	1,167	-
Shine Ltd	Friends Forever	24,500	-	-	-	(15,000)	15,000	-
Slate Films Ltd	Once Upon A Time in the Midlands	750,000	282,160	-	(190,770)	-	(60,000)	31,390
Slate Films Ltd	Girls at War	30,210	-	-	-	(13,785)	13,785	-
Starfield Productions Ltd	Anita and Me	675,000	128,942	-	(14,711)	-	(55,000)	59,231
Stones In His Pockets Ltd	Stones In His Pockets	10,000	10,000	-	-	-	(10,000)	-
Sureshot Films Ltd	Ape	178,000	10,000	-	-	-	-	10,000
The Bureau Film Company Ltd	Noi the Albino	100,000	100,000	-	(21,756)	-	(40,000)	38,244
The Bureau Film Company Ltd	Cinema Extreme	112,500	-	-	-	(37,500)	37,500	-
The Illuminated Film Co Ltd	Wargame	400,000	86,896	-	(2,438)	-	(50,000)	34,458
The Jones Company Ltd	Simon Magus	21,730	1,730	-	-	-	-	1,730
WT2 Ltd	Long Time Dead	1,000,000	184,623	-	(197,102)	-	12,479	-

#### Short film awards

Tigerlily Films Ltd	Bright As Fire aka Lambeth Marsh	40,000	1,000	-	-	-	(1,000)	-
Screen Yorkshire Ltd	YMPA - Digital Shorts	40,000	-	-	-	(10,000)	10,000	-

PRODUCER	DESCRIPTION	GROSS AWARD	BAL AT 1 APRIL '03	NEW COMMS	RECPT	DECOMMS	PROV'NS	BAL AT 31 MAR '04
<b>Development awards</b>								
Fat Melon Films Ltd	Gods of War	16,000	16,000	-	-	-	(16,000)	-
Fugue Films Ltd	Revolving Doors	74,000	74,000	-	-	-	(74,000)	-
Kismet Film Company Ltd	Ugly Streakers	18,750	18,750	-	-	(250)	(18,500)	-
Kiss It Productions Ltd	Kiss It	19,625	19,265	-	-	(2,500)	(16,765)	-
Number 9 Films Ltd	Hendrix	94,000	94,000	-	-	-	(94,000)	-
S Films Ltd	Fever	3,480	3,480	-	-	-	(3,480)	-
Scala Productions Ltd	Du Quesne's Boys	23,800	23,800	-	-	-	-	23,800
Trademark Films Ltd	Godparents	49,500	49,500	-	-	(17,000)	(32,500)	-
Watermark Films Ltd	Man and the Mysteries of the Female Orgasm	27,430	27,430	-	-	-	(27,430)	-

#### Development slate awards

Autonomous Ltd	Slate Funding	216,000	104,687	-	-	-	(52,344)	52,343
Fragile Films Ltd	Slate Funding	400,000	100,000	-	-	-	(50,000)	50,000
Kuhn and Co Ltd	Slate Funding	250,000	62,500	-	-	-	(31,250)	31,250
Littlebird Company Ltd	Slate Funding	150,000	75,000	-	(75,000)	-	-	-
Mission Pictures Ltd	Slate Funding	250,000	62,500	-	(127,611)	-	65,111	-
Recorded Picture Company Ltd	Slate Funding	300,000	75,000	-	-	-	(37,500)	37,500

#### Franchise awards

DNA Films Ltd	Heartlands	1,430,000	715,000	-	-	-	-	715,000
DNA Films Ltd	The Parole Officer	2,000,000	1,457,406	-	(514,072)	-	-	943,334
DNA Films Ltd	Twenty Eight Days Later	3,225,000	3,225,000	-	-	-	-	3,225,000
Pathé Pictures Ltd	A Romantic Comedy About Divorce	100,000	100,000	-	-	-	(100,000)	-
Pathé Pictures Ltd	A Semester Abroad	34,250	34,250	-	-	(7,250)	(27,000)	-
Pathé Pictures Ltd	Churchill, the Hollywood Years	1,100,000	1,081,899	-	(2,926)	-	(500,000)	578,973
Pathé Pictures Ltd	Feet Up	41,750	-	-	-	(3,250)	3,250	-
Pathé Pictures Ltd	Fires of Mademoiselles	100,000	100,000	-	-	-	-	100,000
Pathé Pictures Ltd	Girl With A Pearl Earring	2,000,000	1,225,393	-	(148,588)	-	-	1,076,805
Pathé Pictures Ltd	Hawksmoor	36,670	-	-	-	(10,917)	10,917	-
Pathé Pictures Ltd	It Was An Accident	75,251	2,249	-	-	-	-	2,249
Pathé Pictures Ltd	Max aka Hoffmann	1,971,830	50,750	-	(31,951)	-	-	-18,799
Pathé Pictures Ltd	Dear Frankie aka Natural History	900,000	500,000	-	(637)	-	200,000	699,363
Pathé Pictures Ltd	Suzie Gold	700,000	322,120	-	(487)	-	(162,120)	159,513
Pathé Pictures Ltd	The Abduction Club	1,500,000	160,852	-	-	-	(150,000)	10,852
Pathé Pictures Ltd	The Blitz	100,000	100,000	-	-	-	-	100,000
Pathé Pictures Ltd	The Hole	1,500,000	278,535	-	(68,868)	-	(150,000)	59,667
Pathé Pictures Ltd	The One and Only	1,750,000	70,150	-	-	-	(70,000)	150

# Schedules to the financial statements continued

## SCHEDULE 1: FILM RIGHTS AT 31 MARCH 2004 (CONTINUED)

PRODUCER	DESCRIPTION	GROSS AWARD	BAL AT 1 APRIL	NEW COMMS	RECPT	DECOMMS	PROVNS	BALANCE TO DATE
<b>Franchise awards (continued)</b>								
Pathé Pictures Ltd	Thunderpants	2,053,867	180,591	-	(67,169)	-	(50,000)	63,422
Pathé Pictures Ltd	Tunnel Vision	36,500	36,500	-	-	(12,250)	(24,250)	-
Pathé Pictures Ltd	Untitled – Bollywood	41,500	41,500	-	-	-	-	41,500
Pathé Pictures Ltd	Untitled – Simon Beaufoy	50,000	-	-	-	(22,500)	22,500	-
Pathé Pictures Ltd	With Prejudice	46,530	46,530	-	-	-	-	46,530
The Film Consortium Ltd	51st State	2,000,000	529,900	-	(87,038)	-	-	442,862
The Film Consortium Ltd	A Christmas Carol	1,607,526	270,869	-	-	(44,012)	(50,000)	176,857
The Film Consortium Ltd	Best Man	23,000	11,500	-	-	-	(11,500)	-
The Film Consortium Ltd	Bright Young Things	3,000,000	1,452,500	-	(385,739)	(175,000)	(891,761)	-
The Film Consortium Ltd	Bugs	1,000,000	500,000	-	-	-	-	500,000
The Film Consortium Ltd	Country Of My Skull	2,425,000	939,688	-	-	-	-	939,688
The Film Consortium Ltd	Dust	1,982,500	144,832	-	(62,903)	-	(15,890)	66,039
The Film Consortium Ltd	Haroun and the Sea of Stories	60,000	-	-	-	(11,500)	11,500	-
The Film Consortium Ltd	How to Rob Banks	17,500	8,750	-	-	-	(8,750)	-
The Film Consortium Ltd	In This World aka Silk Road	662,804	331,402	-	(260,129)	-	-	71,273
The Film Consortium Ltd	Innocence	1,158,000	250,000	-	-	-	(250,000)	-
The Film Consortium Ltd	Large	590,000	112,993	-	-	-	(112,993)	-
The Film Consortium Ltd	Quiz Night	13,600	-	-	-	(500)	500	-
The Film Consortium Ltd	Republic of Love	1,022,222	324,556	-	-	-	(324,556)	-
The Film Consortium Ltd	Room to Rent	80,000	428	-	-	-	-	428
The Film Consortium Ltd	Seven Against the West	34,000	-	-	-	(850)	850	-
The Film Consortium Ltd	Transgressions	15,000	-	-	-	(156)	156	-
The Film Consortium Ltd	Twenty Four Hour Party People	2,767,842	194,245	-	-	(20,000)	-	174,245
<b>Total hard commitments made in prior years</b>		<b>64,928,333</b>	<b>25,837,192</b>	<b>-</b>	<b>(3,241,241)</b>	<b>(488,296)</b>	<b>(6,307,454)</b>	<b>15,800,201</b>
<b>Total Film Rights at 31 March 2004</b>			<b>25,837,192</b>	<b>31,631,993</b>	<b>(3,266,252)</b>	<b>(539,634)</b>	<b>(19,046,987)</b>	<b>34,616,312</b>

## SCHEDULE 2: LOTTERY AWARDS MADE IN YEAR ENDING 31 MARCH 2004 FILM AWARDS TO NON-FRANCHISES DISCLOSED AS SOFT COMMITMENTS

PRODUCER	FILM	£
50 Cannon UK Limited	The Stand-In	81,875
50 Canon Entertainment UK Ltd	The Box of Delights	10,000
Academy Features Ltd	Pobby & Dingan	900,000
Adventure Pictures (Yes) Ltd	Yes	449,500
Albert Kodagolian	Moving On : Completion Fund	6,504
Andrew Clyde	Shoeless Joe	12,500
Andrew Wilson	03/08/2003 : Completion Fund	1,939
APT Films and Television Ltd.	Little Ashes	12,000
Archer Street Tigerlily Ltd	Slate Funding	73,750
Ariel Films Ltd	Sylvia	37,643
Ashley Pannell	Me and My Frog	12,500
Autonomous Ltd	Slate Funding	125,000
AWOL Films Ltd	A Way of Life	10,000
B3 Media Limited	Digital Shorts Tier One	54,800
Big Talk Productions Ltd	Tashkent Girls	12,500
Bolex Brothers Ltd	The Day of the Subgenius : Completion Fund	1,250
Cannon and Morley Productions Ltd	Stalin My Neighbour : Completion Fund	5,750
Carlton Television Ltd	The Prince of Dalston	39,000
Celtic Films Entertainment Ltd / AV Pictures Ltd	Chance	36,750
CFF Enterprises Ltd	Slate Funding	100,000
Chris Denne & Matt Winn	Storage	7,500
Cinema Extreme Ltd	Love Me Or Leave Me Alone : Cinema Extreme	950
Clockwork Pictures Ltd	Traffic Warden : Completion Fund	6,947
Code 46 Films Ltd	Code 46 - Disability	10,799
Coded Pictures Ltd	One Wish	5,000
Cofe Ltd	The Scholar	36,325
Cougar Films Ltd	@	46,000
Cougar Films Ltd	Black Ice	9,660
Cougar Films Ltd	Jean Lee	50,416
Cougar Films Ltd	Reputation	82,897
Cougar Films Ltd	The Handsomest Sons in the World	22,080
Cowboy Films Ltd	Wasp	34,325
Crab Apple Films Ltd	Sweet Milk	8,253
Crab Apple Films Ltd	The Darkest Hour	8,253
Creep Films Ltd	Creep	1,308,000
Deep Blue River Films Ltd	One Fine Day In The Middle Of The Night	3,500
Devotion Films Ltd	Sex Lives of the Potato Men	147,217
Diameter Productions Ltd	Diameter of the Bomb - Additional Insurance	4,550
Elysian Films Ltd	Skin	31,000
EM Media Ltd	Digital Shorts	54,800
Ex Nihilo	School (L'école)	397,330
Feelgood Fiction Ltd	The Rose of Tralee	6,000
Fiesta Productions Ltd	Solid	46,350
Film London Ltd	Digital Shorts	54,800
Fragile Films	Slate Funding	200,000
Gambit Films Ltd	Game Over: Kasparov and the Machine	16,333
George Webster	Bob's Ark	1,000

# Schedules to the financial statements continued

## FILM AWARDS TO NON-FRANCHISES DISCLOSED AS SOFT COMMITMENTS (CONTINUED)

PRODUCER	FILM	£
Glasgow Media Access Centre Ltd	Digital Shorts	98,800
Greenpoint Productions Ltd	Only Human (Seres Queridos)	298,724
Gruber Films	Slate Funding	100,000
Hanthum Films Ltd	Run	29,154
Holy Cow Productions Ltd.	Champagne Breakfast aka The Richmond Project	3,000
Holy Cow Productions Ltd.	Chemins du Traverse	431,207
Hot Property Ltd	Slow Motion Explosion	18,500
Ice Productions Ltd	Chasing Heaven	32,500
Ice Productions Ltd	Friends Forever	15,000
Ice Productions Ltd	Steerwood	11,250
Icon Entertainment International	This Is Your Life	23,250
Impact Pictures Ltd	The Dark	15,675
Impact Pictures Ltd	Underground	29,250
Intrepido Ltd	One Minute Past Midnight : Cinema Extreme	25,000
Irena Brignull	The Best Woman	12,500
Jigsaw Films Ltd	The Edge Chronicles	36,150
Jigsaw Films Ltd	The Legendeer	98,050
Jigsaw Films Ltd	The Legendeer	98,050
Jigsaw Films Ltd	Young Santa	23,850
Joshua Neale	Flowers & Coins : Completion Fund	3,740
JSB Production Ltd	Lila Says	400,000
Juggernaut Pictures Ltd	Nightfall	26,500
Julian Unthank	Castle Rock	12,500
Kaleidoscope UK Ltd	The Rising	968,750
Koninck Studios PTE Ltd	The Piano Tuner of Earthquakes	275,862
Ladies in Lavender Ltd	Ladies in Lavender	1,979,850
LFVDA Ltd	Digital Shorts	44,000
Lifeseize Pictures Ltd	Short Film Programme	114,477
Lighthouse Arts and Training Ltd	Digital Shorts	4,800
Litmus Productions Ltd	Patrick Robertson	52,395
Little Bird Company Ltd	Slate Funding	250,000
Little Bird Ltd	In My Father's Den	405,000
Liverpool Film Consortium Ltd	déjà vu	8,500
Liverpool Film Consortium Ltd	Raising the Necessary	8,500
Lotus Films Ltd	The Mutes	27,000
Magnet Films Ltd	Ssshhh	13,000
Magnet Films Ltd	Pilot - The Story of _____	10,000
Marcel Theroux	Rent-A-Wife	10,000
Martin Pope Productions Ltd	Three Way Split aka Untitled Hunter/Hunsinger	55,000
Mayavision International Ltd	Completion Fund Strand	12,750
Mayavision International Ltd	Completion Fund training programme	10,000
Mayavision International Ltd	Mercy	7,800
Michael Maynard	Freestyle	12,500

## FILM AWARDS TO NON-FRANCHISES DISCLOSED AS SOFT COMMITMENTS (CONTINUED)

PRODUCER	FILM	£
Midfield Films Ltd	Storage	19,750
Northern Ireland Film and Television Commission	Digital Shorts	4,000
National Film and Television School	Slate Funding	12,000
Nick Ostler & Mark Huckerby	Population	12,500
North West Vision Ltd	Digital Shorts	54,800
Northern Film and Media Ltd	Digital Shorts	98,800
Northern Souls Ltd	Love & Hate	802,903
Northmen Productions Ltd	Outpost	52,750
Number 9 Films Ltd	Dan Leno and The Limehouse Golem	142,425
Number 9 Films Ltd	Hendrix / Crosstown Traffic	2,500
Number 9 Films Ltd	Perrier's Bounty	45,150
October Films Ltd	Slate Funding	90,000
Odyssey Entertainment Ltd	The Libertine	1,562,500
One For the Road Films Ltd	One For the Road	11,100
Oscar Films Ltd	Little Sisters	3,500
Parallax (Blind Flight) Ltd	Blind Flight	20,224
Passion Pictures Ltd	Slate Funding	100,000
Pear Tree Productions Ltd	Stupid Cupid	14,000
Peter Hodge	Subterranea (aka The Last Tube)	12,500
Peter Michael Rosenberg	The Cleaner	12,500
Phil O'Shea	Air Guitar	12,500
Picture Farm Ltd	Get the Picture : Cinema Extreme	28,153
Picture Farm Ltd	Hotel Infinity : Completion Fund	9,549
Picture Farm Ltd	Passengers (aka Mexico)	38,481
Pirate Productions	The Festival	28,300
Pistachio Pictures Ltd	Bushido: The Way of the Warrior : Completion Fund	3,386
Potboiler Productions	Taste of Rain	10,000
Prospect Entertainment Ltd	My Soul to Keep (aka Northern Soul)	12,750
Prussia Lane Productions Ltd	Jamaica : Completion Fund	2,532
Qwerty Films Ltd	Slate Funding	250,000
Rainmaker Films Ltd	Diameter of the Bomb	176,453
Recorded Picture Company Ltd	Slate Funding	150,000
Recorded Picture Company Ltd	Young Adam	1,955
Riverchild Films Ltd	Slate Funding	130,000
Robert Fox Ltd t/a Fox Phillips	Slate Funding	120,000
Rocliffe Ltd	No Deposit, No Return : Completion Fund	4,360
Rubicon Pictures Ltd	The Third Day	10,100
Ruby Films Ltd	Slate Funding	285,000
Rule 8 Productions Ltd	Happy Birthday Lubna (aka Ranx)	95,300
Samuelson Productions Ltd.	Belly Dancer	8,500
Samuelson Productions Ltd.	Slate Funding	50,000
Samuelson Productions Ltd.	The Devil's Assassin	1,333
Samuelson Productions Ltd.	The Peacock Manifesto	2,500

# Schedules to the financial statements continued

## FILM AWARDS TO NON-FRANCHISES DISCLOSED AS SOFT COMMITMENTS (CONTINUED)

PRODUCER	FILM	£
Sandfairy Productions Ltd	Five Children & It	2,100,000
Scala Productions Ltd	Du Canes Boys (aka Du Quesne's Boys)	28,506
Scarlet Pictures Ltd	Balance of Power	58,700
Scorpio Films Ltd	The Pear Tree	59,750
Screen East Ltd	Digital Shorts	54,800
Screen West Midlands Ltd	Digital Shorts	54,800
Screen Yorkshire Ltd	Digital Shorts	94,800
Seymour Films Ltd	Property Ladder	40,400
Shine Ltd	Bullet Boy	450,000
Shine Ltd	Comedy Shorts	2,270
Shylock Trading Ltd	The Merchant of Venice	1,214,288
Silver Fox Films Ltd	Water Warriors	39,770
Simon Braithwaite and Paul Alexander	Egomania	12,500
Sixteen Films Ltd	Hoyland Common vs Italy	19,275
South West Screen Ltd	Digital Shorts	98,800
Starfield Productions Ltd	The Describer aka Meera Syal's Untitled	5,000
Stealth Films Ltd	Kidulthood	15,868
Stink Ltd	A Changed Man	6,050
Stones in His Pockets Ltd	Stones in His Pockets	5,000
Straightheads Ltd	Straightheads	11,875
Suspect Device Ltd	Straightheads	3,000
Suzie Smith	Being Me	9,282
Tall Stories Ltd	Slate Funding	150,000
Tantrum Films Ltd	A Way of Life	422,000
Taxi Productions Ltd	Monsieur Hire	73,000
The Bureau Film Company Ltd	A Green and Quiet River	31,532
The Bureau Film Company Ltd	Cinema Extreme	12,500
Intrepido Ltd	Floating : Cinema Extreme	25,000
The Hub Film Company	Mermaids	23,500
The Mob Film Company Ltd	The Bell	14,500
The Truth About Love Ltd	The Truth About Love	564,104
Third Rock Ltd	A.K.A	104,045
This is not a company Ltd and Simon Beaufoy	This Is Not A Love Song	54,536
Tiger Aspect Pictures Ltd	Thylacine	43,715
Tigerlily Films Ltd	Crossed Wires	33,200
Touching the Void Ltd	Touching the Void	7,348
Trademark Films Ltd	Noir	27,750
Vestry Films Ltd	A Woman in Winter	31,500
Wild Horses Film Company Ltd	Kiss of Life aka Helen of Peckham	7,113
Yaffle Films	The Bypass : Cinema Extreme	26,088
Zik Zak Filmworks CV	Little Trip To Heaven	250,000
<b>Total single film project awards</b>		<b>21,487,599</b>

## TRAINING AWARDS (NON-BURSARIES)

COMPANY	COURSE	£
Arista	Adept II	140,000
B3 Media Ltd	Digital shorts training	7,500
Bournemouth Media School	MA screen writing scholarships	10,000
Film London Ltd	Digital shorts training	7,500
First Film Foundation	Development Plus	57,615
Glasgow Media Access Centre	Digital shorts training	7,500
Goldsmiths College	MA screen writing scholarships	4,000
Kulturveranstaltungen des Bundes	Berlin Talent Campus	73,299
Leeds Metropolitan University	MA screen writing scholarships	8,000
Lighthouse Arts and Training Ltd	Exit training masterclass	2,271
Lighthouse Arts and Training Ltd	Script Naked 2003	21,123
Lighthouse Arts and Training Ltd	Script Naked 2004	21,123
Liverpool John Moores University	MA screen writing scholarships	5,299
Liverpool John Moores University	Scholarships	999
London College of Printing	MA screen writing scholarships	7,560
London College of Printing	Scholarships	900
Master School Drehbuch	Berlin Talent Campus	2,595
North West Vision Ltd	Digital shorts training	7,050
Qwerty Films Ltd	Inside Pictures 2003	15,000
Qwerty Films Ltd	Inside Pictures 2004	270,000
Royal Holloway – University of London	MA screen writing scholarships	8,098
Sanford Lieberman	Berlin Talent Campus	12,000
Screen East Ltd	Digital shorts training	6,900
Screen East Ltd	Story Lab	23,000
Screen Yorkshire Ltd	Digital shorts training	7,000
South West Screen Ltd	Digital shorts training	7,050
The Bureau Ltd	Cinema Extreme	20,175
To be continued	Operational award	17,574
University of East Anglia	MA screen writing scholarships	3,989
<b>Total Training awards (non-bursaries)</b>		<b>775,120</b>

## Training awards (bursaries)

**132 awards < £10,000** **62,446**

## SPECIALISED PRINT & ADVERTISING AWARDS

COMPANY	FILM	£
Alliance Atlantic Releasing Ltd	Raising Victor Vargas	75,000
Artificial Eye Film Co Ltd	Barbarian Invasions	49,900
Artificial Eye Film Co Ltd	Zatoichi	70,000
Buccaneer Film Distribution Ltd	Emotional Backgammon	60,000
Buena Vista International (UK) Ltd	The Station Agent	100,100

# Schedules to the financial statements continued

## SPECIALISED PRINT & ADVERTISING AWARDS (CONTINUED)

COMPANY	FILM	£
Icon Film Distribution Ltd	Whale Rider	100,000
Metro Tartan Distribution Ltd	Belleville Rendez-vous	80,000
Metro Tartan Ltd	Respiro	110,415
Optimum Releasing Ltd	American Splendor	60,000
Optimum Releasing Ltd	Spirited Away	40,000
Parasol Peccadillo Releasing Ltd	Krampack (Dani and Nico)	15,000
Pathé Distribution Ltd	Girl With A Pearl Earring	70,000
Tartan Film Distribution Ltd	Capturing The Friedmans	66,764
UGC Film UK Ltd	Good Bye Lenin!	90,000
UGC Film UK Ltd	Swimming Pool	70,000
Verve Pictures Ltd	Code 46	75,000
Warner Bros Distributors Ltd	Young Adam	60,000
<b>Total specialised print and advertising awards</b>		<b>1,192,179</b>

## UK FILM DISTRIBUTION AWARDS

COMPANY	COURSE	£
Icon Entertainment Ltd	Bright Young Things	300,000
Compleat Female Stage Beauty	Compleat Female Stage Beauty	300,000
<b>Total UK distribution awards</b>		<b>600,000</b>

## CINEMA EQUIPMENT AWARDS

COMPANY	FILM	£
Apollo	4 screens nationwide	12,974
Barbican Centre (London)	Barbican Centre (London)	3,500
Cineworld	8 screens nationwide	34,774
Exeter Picturehouse (Exeter)	Exeter Picturehouse (Exeter)	2,454
Forum Cinema (Hexham)	Forum Cinema (Hexham)	5,000
Light House (Wolverhampton)	Light House (Wolverhampton)	4,441
Lounge Cinema (Leeds)	Lounge Cinema (Leeds)	5,000
Odeon	27 screens nationwide	135,000
Plaza Cinema (Workington)	Plaza Cinema (Workington)	5,000
Ritzy Cinema (London)	Ritzy Cinema (London)	2,454
Stratford Picturehouse (London)	Stratford Picturehouse (London)	4,460
thefilmworks	2 screens nationwide	3,810
UCI	9 screens nationwide	27,805
UGC Cinemas	5 screens nationwide	25,000
Warner Village Cinemas	14 screens nationwide	68,740
West End Cinema (Boston)	West End Cinema (Boston)	5,000
Derek Brandon	Your Local Cinema.com	50,000
<b>Total cinema equipment awards</b>		<b>395,412</b>

## PUBLICATION AWARDS

COMPANY	PUBLICATION	£
First Film Foundation	First Facts	16,000
Shooting People Productions Ltd	Wide Shot	14,000
Vertigo Publications Ltd	Vertigo	16,000
Black Filmmaker Publications Ltd	BFM – Black Film & TV	17,000
Scriptwriter Magazine (Scriptease) Ltd	Scriptwriter	17,000
Landor	Cinemas Magazine	15,000
Surrey Institute of Art and Design	Interstices	5,000
<b>Total Publication awards</b>		<b>100,000</b>

## OTHER LOTTERY AWARDS

ORGANISATION		£
EM Media Ltd	Regional lottery award	322,000
Film London Ltd	Regional lottery award	350,000
Hi8us FirstLight Ltd	First Light scheme	1,000,000
North West Vision Ltd	Regional lottery award	330,000
Northern Film & Media Ltd	Regional lottery award	390,000
Screen East Ltd	Regional lottery award	390,000
Screen South Ltd	Regional lottery award	405,000
Screen West Midlands Ltd	Regional lottery award	413,000
Screen Yorkshire Ltd	Regional lottery award	300,000
Skillset Ltd	Training scheme	500,673
South West Screen Ltd	Regional lottery award	420,000
<b>Total other lottery awards</b>		<b>4,820,673</b>

**Total new soft commitments 2003/04** **29,433,429**

## AWARDS TO FRANCHISE PROJECTS DISCLOSED AS SOFT COMMITMENTS

COMPANY	FILM	£
DNA Ltd	A Way Through The Woods	1,474,635
DNA Ltd	Allon Reich & Assistant	200,000
Pathé Ltd	Enduring Love	1,799,000
Pathé Ltd	Getting & Spending	29,148
Pathé Ltd	Millions	2,000,000
Pathé Ltd	Bride & Prejudice – The Bollywood Musical	2,000,000
Pathé Ltd	The Magic Roundabout	500,000
The Film Consortium Ltd	A Woman of No Importance	15,000
The Film Consortium Ltd	Bugs!	18,750
The Film Consortium Ltd	Bugs!	18,750
The Film Consortium Ltd	Clean	370,300
The Film Consortium Ltd	Concrete Slippers	13,200
The Film Consortium Ltd	Guy X	920,000
The Film Consortium Ltd	Guy X – Development Funding	10,000
The Film Consortium Ltd	My Summer of Love	486,755
The Film Consortium Ltd	River Queen	2,354,388
The Film Consortium Ltd	The Battle of Hastings	6,000
The Film Consortium Ltd	The Best Man	10,000
<b>Total Franchise Awards</b>		<b>12,225,926</b>

**Total Lottery Awards 1 April 2003 to 31 March 2004** **41,659,355**

# Schedules to the financial statements continued

## SCHEDULE 3: LOTTERY AWARDS MADE FROM UK FILM COUNCIL DELEGATIONS IN THE YEAR ENDING 31 MARCH 2004

### EM MEDIA

ORGANISATION	PROJECT	£
Active Ingredient	Moon Radio Web TV	13,488
Shehzad Chaudhary	Taxi	10,000
First Movement	Level Centre Development	14,562
Forum Cinema	Programme enhancement	12,995
Nick Hamer	A Man Possessed	10,000
Intermedia Film and Video	Building the Foundations	40,000
Leicester City Council	Leicester Moving Image Centre	40,000
Dena Smiles	Empty	10,000
24 Miscellaneous Awards < £10,000 each		53,767
<b>Total</b>		<b>£204,812</b>

### FILM LONDON

ORGANISATION	PROJECT	£
Cineclub	Operating costs	10,000
Dothouse	London Docs	12,200
Film & Video Workshop	Animate	10,000
London Borough of Tower Hamlets	Raindance East	10,000
5 Miscellaneous Awards < £10,000 each		31,085
<b>Total</b>		<b>£73,285</b>

### NORTHERN FILM & MEDIA

ORGANISATION	PROJECT	£
Animex	Animex 2004/06/07	10,000
AV Partnership	AV Festival	16,000
Colin & Bob Films	The Half Nelson	10,000
Middlesbrough Council	Film Hub	10,000
Queens Hall Arts	Screen 01	15,500
Side Cinema	2003/4 award	16,500
Tyneside Cinema	Outreach Projects Producer	15,780
Tyneside Cinema	Creating success	17,023
136 Miscellaneous awards < £10,000		273,988
<b>Total</b>		<b>£384,791</b>

### NORTH WEST VISION

ORGANISATION	PROJECT	£
Box Animation Ltd	El Matador	20,000
Commonwealth Film Festival	Film Festival	15,000
Nasir Butt	Death of a Socialist	10,000

### NORTH WEST VISION (CONTINUED)

ORGANISATION	PROJECT	£
First Take Video Ltd	Shootback	20,000
First Take Video Ltd	Scriptwriting Around Regions	10,000
Northern Film Network	Network development	20,000
Pidgin Productions	Black Screen Film Festival	10,000
Radiator Films	Ho	10,000
Shoreline Films	3 Degrees Of Signal	10,000
Shoreline Films	Discovering Digital	10,000
Turn on TV	Uncovering digital talent	10,000
64 miscellaneous awards < £10,000		186,273
<b>Total</b>		<b>£331,273</b>

### SCREEN EAST

ORGANISATION	PROJECT	£
Fan International Animation Festival	FAN 2003	10,000
JH2 Ltd	Company development	15,000
Mosaic Films	Strawberry Fields	10,000
New Town Films	New Town Original	20,000
Random Character Productions	The Clerk of Madras	10,000
Random Character Productions	Slate development	10,000
Red Fox Productions	Company development	20,000
Red Rose Chain	Valentine's Day	10,000
Visions Community Association	Pukka	10,000
Wavelength Films Ltd	Company development	10,000
Wire Films Ltd	Production slate	10,000
29 miscellaneous awards < £10,000		143,580
<b>Total</b>		<b>£278,580</b>

### SCREEN SOUTH

ORGANISATION	PROJECT	£
City Screen (Oxford)	Film Education Pilot	10,000
Electric Palace	Shot By The Sea 2003	10,000
Ken Russell Productions Ltd	Pretty Boy Floyd	10,000
Kent Hot House	Project development	10,000
TAPS	Regional writers workshop	10,000
227 miscellaneous awards < £10,000		210,836
<b>Total</b>		<b>£260,836</b>

### SCREEN WEST MIDLANDS

ORGANISATION	PROJECT	£
Birmingham Film and Television Festival	Birmingham Screen Festival	60,000
Foxtrot Productions Europe Ltd	The Foxtrot Pilot	10,000
Rural Media Company	Borderlines Film Festival	15,000
Rural Media Company	Mediadev Training Programme	10,000
Script	Small Screen Visions	10,500
Staffordshire District Arts Council	2003/4 Programme	10,000
The Script Factory	Broad Street Stories	10,000
Vivid	Incubator	10,000
Miscellaneous awards < £10,000		130,025
<b>Total</b>		<b>£265,525</b>

# Schedules to the financial statements continued

## SCREEN YORKSHIRE

ORGANISATION	PROJECT	£
Access Moving Image Ltd	First Shot	10,000
Bradford Film Ltd	Bradford Animation Festival	10,000
Bradford Film Ltd	Bradford Film Festival	10,000
Chameleon Television Ltd	Peace's War	10,000
Debbie Ballin	Knitting a Love Song	10,000
Eye-cue Productions	Shop Window	19,733
Hull Film	Hull International Short Film Festival	16,680
LAP Films	LAP	20,000
Leeds Children and Young People's Film Festival	5th Festival	15,000
Lovebytes Ltd	Lovebytes Festival 2004	10,000
Media Trust	Castleford community programme making	15,000
Sheffield International Documentary Festival	Documentary Festival	10,000
Short Circuits	Short film training	16,000
Showcomotion	Showcomotion 2004	20,000
Harry Wootliff	Nits	18,000
4 Way Pictures Ltd	Hotel California	10,000
26 miscellaneous awards < £10,000		113,604
<b>Total</b>		<b>£334,017</b>

## SOUTH WEST SCREEN

ORGANISATION	PROJECT	£
Dartington Arts	The Barn Cinema	15,000
Encounters Film Festival	Brief Encounters 2003	15,000
Septimus Productions	The Adventures of Septimus Seagull	10,000
Somerset Film & Video Ltd	In Steam	23,000
Watershed Media Centre	Integrating Moving Image Development	161,610
16 miscellaneous awards < £10,000		69,335
<b>Total</b>		<b>£293,945</b>

## Hi8us FIRST LIGHT LTD

ORGANISATION	PROJECT	£
104 Films Ltd	Dis Life	29,962
Access Moving Image Ltd	First Shot 2	24,000
APE Apple Pie Enterprises Ltd	Comedy Shout Out	11,920
Cinetig	Cinetig First Light #2	12,000
Community Arts Workshop Ltd	Re-Generate	13,333
CSV Training Wales	Let's Call The Shots	10,000
Dothouse	You're 'Aving A Laugh	35,142
Ealing Film Festival	Ealing Stories	13,745
Exploding Pictures Ltd	Target Violence	11,409
Learning Lighthouse	Lighthouse Productions	22,509
Liberated Mindz	Films from Newham	10,993
Liverpool Biennial	Liverpool Biennial Studio	12,000
Media Learning Trust	A for Absent	36,000

## Hi8us FIRST LIGHT LTD (CONTINUED)

ORGANISATION	PROJECT	£
Mouth That Roars	Our Estates	28,550
Real Time Video Ltd	In Our Element	12,000
SHIFT	Shift/First Light Project 2004	36,000
Showroom Cinema	Split Screens	35,000
Signal Media Arts	Streetcine	19,993
Station House Media Unit	Station House	11,400
The Bridge New Deal	Made For You By You	12,010
The Living Archive	MovieDIRECTers	34,561
Vera Media	Peace	36,000
WFA media & cultural centre	SPARK 2	17,838
49 miscellaneous awards < £10,000		252,981
<b>Total</b>		<b>£739,346</b>

**Total lottery awards made through delegations in year ending 31 March 2004** **£3,166,410**

# Statutory background

## STATEMENT OF COMPLIANCE WITH THE GOVERNMENT'S LOTTERY POLICY AND FINANCIAL DIRECTIONS

### Financial directions

Under the National Lottery etc Act 1993, the Secretary of State for Culture, Media and Sport issued financial directions to the UK Film Council. The Directions are set out below. The UK Film Council confirms that, to the best of its knowledge, it complied fully with the financial directions in 2003/04.

(i) The UK Film Council ('the Body') shall comply with the requirements attached as an annex to these directions when carrying out its functions under section 25 of the National Lottery Act 1998 ('The Act'). Wherever specified in that annex, the UK Film Council must obtain the consent of the Secretary of State before carrying out certain activities. The UK Film Council has implemented procedures throughout the organisation to ensure the requirements of the statement of financial requirements are followed and the UK Film Council confirms that, to the best of its knowledge, it complied fully with the financial requirements in 2003/04. A copy of the statement of financial requirements is available from the UK Film Council.

(ii) The UK Film Council shall devise and abide by a procedure for handling potential conflicts of interest which may arise in the evaluation of applications by the body or individual members of that body. This procedure, together with a statement confirming the arrangements that have been applied, should be provided to the Secretary of State for Culture, Media and Sport ('the Secretary of State') before the distribution of any funds under section 25 of the Act, and thereafter at the beginning of each financial year.

The UK Film Council has in place written procedures for dealing with conflicts of interest and maintains a register of interests for all Board Directors and staff.

### Policy directions

Under the National Lottery etc Act 1993, the Secretary of State issued policy directions in April 2000, which the UK Film Council must take into account in distributing National Lottery funds. These are set out below with a short explanation of how the directions have been met.

**A. The need to ensure that money is distributed under section 25(1) for projects which promote the public good**

or charitable purposes and which are not intended for private gain.

This direction is reflected, as appropriate, in application guidelines and criteria for funding for all National Lottery funds run by the UK Film Council or any of its delegate bodies. The criteria for determining public benefit include the creative and technical quality of the project and its contribution towards the UK Film Council's strategic objectives. The UK Film Council will only fund projects with an element of private gain where any such gain is incidental and subsidiary to wider public benefit. In the event that the UK Film Council approves applications made by companies limited by shares which distribute profits, rigorous conditions are imposed to ensure that no undue financial gain can accrue to any individual.

**B. The need to foster as a prerequisite for a healthy film culture, the development of a sustainable film industry, by pursuing the following strategic goals:**

- Attracting more private finance into film in order to catalyse the emergence of commercially sustainable structures;
- Improving the quality of British films and raising their profile in the market place;
- Ensuring the industry takes full advantage of digital technologies; and
- Helping to ensure an adequate supply of skills and new talent.

The allocation of National Lottery funds by the UK Film Council is influenced by the need to strengthen the industry's structure and workforce and to improve the quality and commercial viability of British films. The aim of the UK Film Council's funds is to develop a number of these key areas including script development, UK feature films and training.

**C. To ensure that the UK Film Council considers applications, which relate to the complete range of its activities and in respect of which it has the power to distribute money, taking into account:**

- Its assessment of the needs of film and its priorities for the time being for addressing them;

- The need to ensure that all parts of the country have access to funding;
- The need to promote access to film for people from all sections of society; and
- The scope for reducing economic and social deprivation at the same time as creating benefits for film.

The UK Film Council's Lottery Strategic Plan 2000 set out the UK Film Council's priorities for its first three years, which were informed by an assessment of the needs of the film sector. The extent to which these priorities are being met is considered in greater detail elsewhere in this review. The potential economic and social benefits of the UK Film Council's funds are considered as the criteria for funding are established.

During 2003/04 the UK Film Council published a consultation document *Three Years On* which details the policy and funding priorities for the second stage (Stage Two) of activity for the period April 2004 to March 2007. *Three Years On* was widely distributed, seeking both the views of the industry and wider community on the priorities identified. Responses to the feedback helped to shape and refine the future plan which will be published in November 2004.

All parts of the country have access to the UK Film Council Lottery funding through applications for training, development and production funding. The Regional Investment Fund for England is channelled through the nine strategic agencies across England, and First Light works on projects in areas across the UK.

In 2003/04 a number of new programmes were introduced through the UK Film Council Distribution & Exhibition Fund and after detailed consultation with the industry in 2001 and 2002. The overall objectives of the Fund is to broaden audiences for specialised film and to promote access (in all its forms) to, and world cinema.

**D. To develop film culture, improve education and encourage creative excellence.**

The UK Film Council activity in film development and production is aimed at encouraging creative excellence through fostering new talent; and formal experimentation and challenging audiences. It is also focused on skills development through training initiatives.

The UK Film Council works with a diverse range of partners in the UK Nations and the English regions in order to advance its objectives. The most notable partners are the nine Regional Screen Agencies, three National Screen Agencies and the British Film Institute (*bfi*). The UK Film Council and its partners work both as deliverers of services direct to the public and as a resource upon which other partners and organisations are able to draw.

**E. To promote knowledge and appreciation of film by children and young people.**

Children and young people are specific targets of a range of the UK Film Council Lottery Fund programmes. Most notably, the First Light project involves a range of children's and young people's film activities in the UK. In addition, during 2003/04 the Training Fund complemented the other funds in developing young British talent in the areas of writing and script development.

During the year, the UK Film Council working in partnership with Skillset (the Sector Skills Council for the audiovisual industry) published *A Bigger Strategy*, a complete training and education strategy for the British film industry. The implementation of the strategy, starting in April 2004, will be handled by Skillset and will be financed in part through Lottery funding delegated from the UK Film Council.

**F. To further the objectives of sustainable development.**

Technological development is supported through encouraging the use of digital production techniques, shooting on videotape/DV rather than film and its associated chemical development process.

In location filming of any Lottery-funded films, it is expected producers are sensitive to the needs of the environment and the use of natural resources. This means locations are returned to their original state in environmental terms.

**G. The need for money to be distributed to projects only where they are for specific, time limited purpose.**

Funding is either provided on a specifically time limited basis or, as in the case of the Training Fund, will only benefit individuals while they remain within the definition of the particular programme.



# Statutory background continued

## H. The need:

- In all cases, for applicants to demonstrate the financial viability of the project for the period of the funding;
- Where setting-up costs are sought, for a clear business plan beyond the period of the funding, incorporating provision for associated running and maintenance costs; and
- In other cases, for consideration to be given to the likely availability of other funding to meet any continuing costs for a reasonable period of the Lottery award, taking into account the size and nature of the project, and for Lottery funding to be used to assist progress towards viability beyond the period of the award, wherever possible

Financial viability is a key factor in the assessment of the UK Film Council Lottery applications and these questions are examined against appropriate criteria for all funded applications in the context of assessing the potential risk of each Lottery award. Each potential recipient of Lottery funding has to demonstrate that its finances are secure and, in respect of larger projects, sufficient to ensure project exploitation after the funding period.

## I. The desirability of supporting the development of the long-term financial and managerial viability of film organisations and companies.

Some of the UK Film Council Lottery funding schemes are structured to encourage private finance into the industry and to enable film companies to achieve longer-term funding over a number of years. For example the Development Fund's support of companies through funding for slates of film projects. Investment in skills through training and enabling film companies to develop expertise through participation in filmmaking enhances their long term viability.

## J. The need to require an element of partnership funding and/or contributions in kind from other sources, commensurate with the reasonable ability of different kinds of applicants, or applicants in particular areas to obtain such support.

The UK Film Council requires all applications to include an element of partnership funding, to demonstrate commitment to the project. The level of partnership

funding required depends on each fund and the activity being supported.

## K. The desirability of working with other organisations, including other distributors, where this is an effective means of delivering elements of its strategy.

The UK Film Council is increasing its partnership working with other Lottery distributors, most notably with Arts Council England. The UK Film Council delegates funding to Regional Screen Agencies in England in support of its strategic objectives so that the agencies can deliver locally along with regional objectives.

## L. The need to ensure that its powers to solicit applications are used in connection with the pursuit of strategic objectives.

These powers are used sparingly and in accordance with the direction.

## M. To obtain such information as it considers necessary to make decisions on each application, including independent expert advice.

The UK Film Council reserves the right to request that applicants provide any additional information that may be required in order to properly assess such application, in addition to the requirements set out in the application guidelines. It also seeks, where necessary, the confidential, independent and objective views of expert advisers. As a publicly accountable body, the UK Film Council has a duty to ensure that National Lottery funds are properly spent and accounted for, that risk is minimised and that fraud is avoided.

The UK Film Council undertakes an appraisal of each application for funding prior to final decision.

## N. To require recipients of awards to pay the set contributions towards the Skills Investment Fund (SIF).

All relevant awards (i.e. those for feature film production) carry the requirement to pay the levy to the Skills Investment Fund.

## O. The need for recipients of awards to comply with recognised industry best practice and agreements relating to pay and the employment of trainees.

All those in receipt of awards (for feature film production) are required to comply with industry best practice and to report on compliance as part of the UK Film Council monitoring requirements.

## P. The need to conserve and expand the national film heritage by requiring the deposit of Lottery-funded films and selected materials in the collections of the British Film Institute or regional archives.

All recipients of awards for feature film production are required to deliver material for deposit in the *bfi's* collection.

## Q. The need for film development and production projects to be capable of qualifying as 'relevant films' as defined by the Films Act 1985.

The UK Film Council seeks confirmation from potential awardees that projects are capable of qualification under the Act.