

**UK Film Council Group  
and Lottery Annual Report  
and Financial Statements  
for the year ended  
31 March 2010**

UK Film Council  
Group and  
Lottery Annual  
Report and  
Financial  
Statements for  
the year ended  
31 March 2010

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# Chief Executive Officer's review

2009/10 was a year of continued economic turmoil – and the UK film industry, like all sectors, was not immune. The UK Film Council has a responsibility to respond to the immediate challenges facing the entire film sector and to support the long term structural changes needed for the digital world. That demands striking a crucial balance.

UK film is now a success story, contributing more than £4.5 billion to Britain's GDP, supporting 100,000 jobs and generating well over £1 billion in exports. The industry also has an important role to play helping the UK out of recession, driving up productivity and creating highly-skilled jobs.

But the benefits of a thriving British film industry extend beyond the economy. Just as important is sustaining a vibrant British film culture, which is part of the fabric of people's lives, ensuring our cultural heritage is preserved and seen, and securing Britain's international reputation as a creative powerhouse.

It is the UK Film Council's mandate to get that balance right – to fund a range of cultural film initiatives, to support innovative creative businesses and to help UK film companies to meet the challenges of the digital age.

All those activities are united by one goal: to give as many people as possible the opportunity to make, discover, access and enjoy film and film culture.

To that end, in 2009/10, maybe more successfully and consistently than ever, we reaped the rewards of our cultural investments.

Sam Taylor-Wood, James Marsh and Clio Barnard joined directors such as Paul Greengrass, Kevin Macdonald and Noel Clarke, whose film careers we helped launch and who have gone on to become internationally regarded filmmakers. In funding Sam Taylor-Wood's first feature, *Nowhere Boy*, an enormously talented artist has developed into an acclaimed film director. James Marsh's *Man on Wire* took two of the world's top film honours with the Oscar® for Best Documentary and the Outstanding British Film BAFTA, while Clio Barnard was named Best New Documentary Filmmaker for *The Arbor* at Tribeca. Our Breakthrough Brits programme supported black and Asian actors, writers, directors and producers, all now poised for international success.

Andrea Arnold, whose career we have supported from the beginning, won her second Cannes Jury Prize with *Fish Tank*, whilst Armando Iannucci's *In the Loop* and Jane Campion's *Bright Star*, both of which we helped develop and produce, were Oscar® nominated. Newcomer Mohamed Al Daradji's *Son of Babylon* collected the Peace Film Award at Berlin and the Amnesty International Film Award. Our continued investment in emerging filmmakers saw Esther Campbell's *September* win BAFTA's Short Film Award and Daniel Elliott's *Jade* take Berlin's Best Short prize.

Looking ahead, we are pleased to have supported exciting and ambitious British films such as *Another Year*, *Made in Dagenham*, *Brighton Rock*, *The King's Speech*, *Tamara Drewe* and *Wuthering Heights*. They come hot on the heels of the UK's first 3D film, *Streetdance 3D*, which had the biggest ever UK box office opening for a UK Film Council-backed film, outperforming Hollywood blockbusters in the process. *Slumdog Millionaire*, *Harry Brown* and *In the Loop* all helped independent British films take an 8.5% share of the UK box office in 2009, the strongest performance of the decade and proof of the enduring enthusiasm for home-grown excellence.

Our Prints and Advertising Fund continued to give UK audiences the chance to enjoy a broader range of films than they would otherwise have been able to see – films such as *An Education*, *Coco Before Chanel*, *A Prophet* and *Broken Embraces*. The fund has helped to give UK audiences the chance to see foreign language, independent and classic films, increasing their box office by 18%.

Distribution funding also supported film companies using innovative digital and online tools to reach new audiences. *The Disappearance of Alice Creed*, for instance, saw over 7,000 fans vying through Facebook to host the film's UK premiere.

There are now 240 UK cinema screens with digital equipment funded by the UK Film Council, giving communities a greater choice of films and helping the UK lead Europe in the number of digital screens. We are now supporting a new UK Digital Funding Group, which is exploring a new business model for small and medium-sized commercial UK cinema operators to convert to digital technology. Our pilot rural strategy will also bring new films to rural communities in a trial period across North Yorkshire, Shropshire, and Wiltshire and the Test Valley.

# Chief Executive Officer's review

## continued

Working with private and public sector partners is central to achieving our goals for film. With UK Film Council investment, the nine Regional Screen Agencies (RSAs) in England have been able to develop talent, fund regional film production and champion a range of initiatives which support local film heritage and ensure British films reach all communities.

Our funding for film festivals has also given audiences the opportunity to see great films and put filmmakers in the spotlight in the process. 2009's BFI London Film Festival, of which the UK Film Council is the principal funder, screened almost 200 feature films and achieved record audiences of more than 124,000, securing London's place in the upper tier of global film festivals. The Edinburgh International Film Festival hosted 23 world premieres, while the Cinemagic World Screen Film and Television Festival for Young People has expanded into new locations and is now one of the world's leading festivals for young film lovers.

Film education also plays an important role in our strategy to engage with as wide an audience as possible and to help discover the next generation of filmmakers. We support FILMCLUB, which has established almost 3,000 film clubs in UK schools, bringing film to nearly 95,000 young people. More than 20,000 young people have now been involved in our First Light Movies scheme, enabling young people to make films.

Ensuring that the UK film industry's workforce has world class skills is vital to giving the UK a genuine competitive advantage and stimulating further economic growth. Skillset, our partner for skills development, supported more than 4,000 trainees last year, helping industry professionals to update their skills and bringing new entrants into the industry and students into film schools.

The BFI is a delivery partner for key parts of our cultural remit, particularly in relation to the archiving and preservation of films, which is why we worked hard to secure capital funding to stabilise UK film archives, including the BFI Archive.

Alongside the UK Film Council's role as a funder of these key cultural initiatives are a series of front-line industrial activities which support UK film in the wider world.

Our Office of the British Film Commissioner markets the UK and encourages international feature films such as *Robin Hood*, *Clash of the Titans* and *Harry Potter and the Deathly Hallows Part 1* to be made here, using Britain's highly-skilled workforce and production facilities. The UK film tax relief underpins this work, contributing £1.4 billion to the UK's GDP that would otherwise be lost. Such is the efficiency and value of the film tax relief that it generates £13 in GDP for every £1 invested. The UK's world-class talent, the tax relief and a favourable exchange rate combined to help inward investment reach an all-time high in 2009 of £753 million.

Separately, our funding enabled 40 UK film companies to exhibit at the key international film markets and festivals, generating business worth \$12.4 million. In addition, as part of an ongoing focus on emerging markets, our *From Blighty With Love* project screened independent UK films in cinemas across Mumbai, Bangalore and Delhi, helping build a UK film presence.

During the year, we also continued to provide leadership on issues which affect the future of film, for example the flexibility of film 'windows' and, with the BSI, scoping a British Standard for the environmental and social sustainability of film.

Tackling film theft and copyright infringement remains a key priority, which is why we championed the anti-piracy provisions in the Digital Economy Act and are pushing for the Code of Conduct to be put in place as quickly as possible. But we also recognise that the issue cannot be addressed by legislation alone. It requires new business models to meet changing consumer behaviour in a digital world. And it demands effective consumer education about the impact of piracy and the opportunities offered by new legal services. That's why we launched FindAnyFilm.com in 2009, a first-of-its-kind film search engine which gives millions of users information about where, when and how to find a film online legally in the UK.

During the year Stewart Till CBE stepped down after four years as Chair of the UK Film Council. Under his chairmanship, Stewart played a lead role transforming the film offer for UK audiences and building a more successful British film industry.

Under the new chairmanship of Tim Bevan CBE, in November 2009 we put forward proposals for the most significant revision of our activities since we were set up in 2000. Our core objective was – and always will be – supporting new filmmaking. We therefore created one unified Film Fund, launched in April 2010, to support UK filmmakers, and an Innovation Fund, which will launch in autumn 2010, to help UK film companies move into the digital world. In addition, we are currently working on proposals to help build more sustainable film companies of scale in the UK.

Planning for the next three years required difficult decisions, especially as we have had to find £25 million of savings to help pay for the 2012 Olympic and Paralympic Games. And in order to push as much money as we can into front-line activity we have cut our overhead by 20% and stopped a number of activities which, regrettably, are simply not high enough up the list of priorities in the current environment. The 3% in-year Grant-in-aid cuts announced in May 2010, the cancellation of the BFI Film Centre project and the likelihood of further substantial cuts in the autumn Spending Review mean that even tougher times lie ahead for public funding.

With continued effective investment, focus and an unwavering commitment to creative excellence, the UK Film Council, now in its tenth year, will remain open to new ideas and ready to adapt to new ways of working in order to ensure that British film continues to make a vital contribution to the economic and cultural lifeblood of the UK in the digital age.

**John Woodward**  
Chief Executive Officer



# The role and policy priorities of the UK Film Council

## Our role

The UK Film Council is the Government-backed lead agency for film in the UK ensuring that the economic, cultural and educational aspects of film are effectively represented at home and abroad.

The Board of Directors oversees the work of the UK Film Council and provides advice to Government on film.

## Our mission

To ensure that UK audiences can enjoy great films. We do this by:

- nurturing our film talent;
- assisting our film industry;
- celebrating and safeguarding our film culture.

## Our strategic objective for the next three years

To help ensure a successful transition into the digital age for UK film.

## Our six core activities

- Supporting British films and filmmakers
- Nurturing skills and creative talent
- Encouraging innovation for the digital age
- Improving access to films for UK audiences
- Conserving and making accessible for the UK's archival heritage
- Providing opportunities to learn about film

## Our values

- Advocacy and leadership
- Partnership and collaboration
- Competitiveness and enterprise
- Diversity and inclusion
- Excellence and innovation
- Transparency and accessibility

The UK Film Council works throughout the UK through its partnerships with National Screen Agencies in Scotland, Wales and Northern Ireland and nine Regional Screen Agencies in England. Its Board of Directors is appointed by the Secretary of State for Culture, Olympics, Media and Sport and includes senior industry and public figures.

The Board oversees the work of the UK Film Council and provides expert advice to Government. We invest the income we receive into film in order to deliver economic benefit and public value for British citizens.

# Summary of activity 2009/10

## Policy and funding priorities at a glance

|   |  |
|---|--|
| Diversity and inclusion                           | To help achieve a more diverse and inclusive workforce and film culture, and ensure that UK Film Council funds meet their diversity targets for women, black and minority ethnic groups, disabled people and regional applicants as well as overall content or portrayal targets.  |
| Education and literacy                            | <p>To advance the growth of a media literate population in the digital age ensuring these skills are key components in the Government's agenda for life-long learning.</p> <p>To put in place a UK-wide film and moving image education strategy to foster and increase understanding and appreciation of film.</p>  |
| Environmental sustainability                      | To help make the UK film industry a world leader in environmental good practice and to make the UK Film Council compliant with organisational best practice in energy use and waste reduction.   |
| Fiscal measures                                   | <p>To work with the UK Government and the EU to ensure effective long-term fiscal measures are in place to support UK film.</p> <p>To work with public and private sector partners to develop an initiative to provide film companies with better access to corporate finance.</p>   |
| Intellectual property and anti-film theft         | To assist the industry combat copyright theft and infringement, and to help Government put in place an IP regime that maximises access and the value of rights in the digital age.   |
| International                                     | <p>To work with the UK Government in modernising the UK's film co-production agreements and to assist the UK industry to benefit fully from these agreements.</p> <p>To help maximise inward investment through film production.</p> <p>To work with the UK Government and the EU to contribute to the development of a strong European audiovisual policy which benefits the UK.</p> <p>To create opportunities for UK film by building and strengthening European, US and international relationships.</p> |
| Regional film centres                             | To help develop and enhance key regional film centres as cultural and creative hubs.   |
| Public service broadcasters and digital platforms | To work with broadcasters and other platform operators to improve public access to British and specialised films.  |
| Research and statistics                           | To gather and publish statistics and market intelligence about the sector.   |

# Summary of activity 2009/10

## continued

| FUNDING PRIORITIES                   | GOALS   | FUNDS/YEAR  |
|--------------------------------------|---|-------------|
| British Film Institute               | To champion moving image culture, education and cinema heritage in all its richness and diversity for the benefit of as wide an audience as possible, and to deepen and encourage public debate about film.     | £16,000,000 |
| Development Fund                     | To broaden the quality, range and ambition of projects and talent being developed.  | £4,000,000  |
| Distribution and Exhibition          | To enable more to people enjoy and appreciate a wider range of films in the UK.   | £4,000,000  |
| Film Skills Fund                     | To ensure a strong, consistent supply of skilled and talented professionals in line with market demand.   | £5,400,000  |
| First Light Movies                   | To offer children and young people more opportunities to participate in and learn about filmmaking.   | £1,100,000  |
| International Festival Sales Support | To encourage the successful international distribution of UK films via promotion at selected international festivals.   | £70,000     |
| National Screen Agencies             | To co-ordinate film policy, strategy and delivery across the UK.  | £360,000    |
| Partnership Challenge Fund           | To identify new funding partnerships to help widen public participation in film.  | £1,000,000  |
| Premiere Fund                        | To assist the production of feature films that can attract audiences around the world.  | £8,000,000  |
| Publications Fund                    | To support discussion, information and debate about film culture.   | £100,000    |
| Regional Screen Agencies             | To co-ordinate film policy, strategy and delivery across England.   | £7,700,000  |
| Sponsorship                          | To help promote targeted showcase events and initiatives which benefit the UK industry and the British public.  | £860,000    |
| UK-wide Digital Film Archives Fund   | To support innovative programmes ensuring wider access to the UK's film heritage.   | £1,000,000  |
| UK-wide Film Festival Fund           | To ensure that audiences across the UK have access to a wide variety of film festivals which maximise audience choice, and that collectively these festivals contribute to a more competitive UK film industry. | £1,500,000  |

# Financial review of the business

## Summary of results

Group income in the year increased by £9.4 million (15%) to £72.6 million and expenditure increased by 14% (£9.6 million) to £80.9 million, resulting in an operational deficit on ordinary activities before interest and taxation of £8.3 million in the year, against £8.0 million in 2008/09.

This deficit is consistent with the commitments inherent in the UK Film Council's three year plan 2007/10, *Film in the Digital Age*, which included a gradual diminution of UK Film Council reserves.

In accordance with accounting practice and Treasury requirements, the UK Film Council has for the first time adopted International Financial Reporting Standards in full and in 2010 the total recognised loss for the year was £11.8 million (2008/09: £8.4 million).

## Income sources

Exchequer Grant-in-aid at £37 million is an increase of £7 million over the £30 million received in 2008/09. Core Grant-in-aid increased by £0.6 million to £25.3 million, only the second such increase since 2003. In addition, resource funding of £3.7 million was received for the FILMCLUB project (2008/09: £3.1 million), and, for the first time, £3 million for the Irish Language Broadcast Fund, to be administered through Northern Ireland Screen. Additional capital funding of £4.5 million (2008/09: £2.1 million) was received for the £25 million Screen Heritage allocation. A further £0.5 million was received towards the preliminary planning stages of the National Film Centre.

The UK Film Council receives 2.25% of the funding available to the Good Causes from the National Lottery in the year.

Total Lottery income at £34.2 million increased in the year by 6.7% (£2.2 million). This reflects an increase in funds received as the UK Film Council share of the proceeds from the National Lottery of £5.2 million (18%) to £33.4 million, offset by a reduction of £1.2 million in investment income due to the low rates of return available, and a fall of £1.5 million in recoupment from film rights.

British Screen Group income in the year was £0.6 million (2008/09: £0.5 million).

## Grant-in-aid awards

Grant in aid awards during the year totalled £35.5 million, an increase in value of 31% (£8.4 million).

The increase is predominantly due to the increased allocations made for FILMCLUB (£0.6 million) and the Screen Heritage project (£3.1m) along with the new allocations of funding to the National Film Centre (£0.5 million) and the Irish Language Film Board (£3 million). These projects are ring-fenced, so the UK Film Council passes on the allocation received from the Department for Culture, Media and Sport.

The largest award in the year was £16 million to the BFI to support the UK Film Council's cultural and educational objectives, as in 2008/09. The BFI also received a £0.5 million award towards the National Film Centre and £3.4 million for the Screen Heritage programme – receiving in total 56% of the UK Film Council Grant-in-aid award expenditure. Screen Yorkshire also received an award of £1.9 million for the Screen Heritage programme. The UK Film Council's Regional Investment Fund for England (RIFE) awarded £4.5 million (13%) to the nine Regional Screen Agencies. Awards totalling £0.4 million (1%) were made to the National Screen Agencies in Wales and Northern Ireland, the British Federation of Film Societies (BFFS) and the Independent Cinema Office (ICO). The award for the Irish Language Broadcast Fund of £3 million was passed to Northern Ireland Screen and £3.7 million was passed on to FILMCLUB.

The UK Film Council is committed to ensuring that equality and diversity are central to all strategies and activities and continues to implement the policies outlined in *Success through Diversity and Inclusion*. Awards totalling £0.6 million (2%) supported projects with specific diversity objectives.

The costs of the MEDIA Desk UK are jointly shared with the European Commission, and the UK Film Council's share was £0.15 million. A further £2 million was invested in international activities, including marketing activities and events to attract film production into the UK and to promote UK film overseas, including support of the UK Film Council US. £0.4 million was invested in the Research and Statistics Unit to provide data for the benefit of the UK film industry.

# Financial review of the business

## continued

### Lottery applications

The UK Film Council received 1,720 direct Lottery grant applications (2008/09: 1,827), a decrease of 6%. These applications requested grants in excess of £164 million (2008/09: £235 million).

Applications to partner organisations, operating under schemes on the UK Film Council's behalf under formal delegation agreements, showed an overall decrease. First Light Movies Ltd, which is responsible for young people's filmmaking initiatives, received 294 applications (2008/09: 170), an increase of 73% after a series of national road shows. The nine Regional Screen Agencies collectively received 1,487 applications (2008/09: 2,174), a decrease of 32%, for their local Lottery schemes under the RIFE programme. Skillset, which has delegated responsibility for the UK Film Council's film skills development activities, received 517 applications (2008/09: 549) – a decrease of 6% on prior year levels.

### Lottery awards

A new Lottery award is not binding until contracts are signed and all conditions precedent have been agreed and met. Until then awards are treated as a 'soft commitment'. In 2009/10, the UK Film Council made new Lottery awards classified as soft commitments of £38.8 million (2008/09: £41.4 million). This decrease primarily relates to lower commitments in 2009/10 to Skillset and the Regional Screen Agencies arising from the new three UK Film Council business plan *UK Film: Digital Innovation and Creative Excellence – UK Film Council Funding and Policy Priorities, April 2010-March 2013*.

Commitments exceeded the UK Film Council's share of Lottery income of £32.9 million by £5 million.

### Lottery awards (soft commitments) 2009/10:

|                               | NUMBER     | £000          |
|-------------------------------|------------|---------------|
| Feature films and development | 246        | 23,040        |
| Delegations                   | 11         | 8,450         |
| Distribution and exhibition   | 147        | 3,325         |
| Film festivals                | 1          | 1,888         |
| Rural cinema pilot            | 3          | 1,200         |
| Audience development          | 1          | 620           |
| Publications                  | 7          | 76            |
|                               | <b>416</b> | <b>38,599</b> |

This excludes soft commitments totalling £0.246 million where the award was made and fallen in within the year.

When fully contracted and once any conditions precedent have been fulfilled, the award is classified as a 'hard commitment' in the financial statements and charged to expenditure as Lottery non-film rights. Awards for feature films and development are classified as film rights and are disclosed as current assets with appropriate impairment for any reduction in value.

Lottery non-film awards charged to expenditure were £17.4 million (2008/09: £16.8 million). The increase primarily reflects the value of the award made to the Film Festivals Fund of £1.9 million (2008/09: £0.7 million) offset by the £1.1 million reduction in funds delegated for training in the year. Other awards were the delegated agreements to First Light (£1.1 million), the nine Regional Screen agencies (£3.2 million), Distribution and Exhibition awards (£3.7 million), the Digital Film Archive Fund (£1.6 million) and smaller awards for Film Education (£0.3 million) and 2012 Partnerships and Publications (both £0.1 million).

### Lottery film rights

New feature films and development awards classified as hard commitments in the year amounted to £21.6 million (2008/09: £14.9 million). These rights, and those from previous years, were valued at the end of the year at £20.8 million (2008/09: £15 million) after impairment against recoverability from future participation revenues. The net impairments for the year of £9.8 million (2008/09: £13.9 million) were charged to expenditure.

### National Lottery Distribution Fund (NLDF) balance

The UK Film Council benefits from participation in future revenues from the success of film rights awards. Receipts are credited against film rights on the balance sheet, with only receipts in excess of the award being taken to income. In 2009/10 £4.2 million in receipts was taken to film rights and a further £0.7 million was taken to income (2008/9: £8.3 million and £2.2 million respectively). These cash receipts are used before drawing down funds from the National Lottery Distribution Fund and allow the UK Film Council to plan future Lottery expenditure at levels above expected income from the National Lottery itself.

The UK Film Council made Lottery award payments of £41 million (2008/09: £34.5 million) which, when combined with operating expense payments and Lottery income and recoupment receipts, led to a total cash outflow of £50 million (2008/09: £43.7 million). The NLDF balance decreased during the year by 30%, with a closing balance of £31.2 million (2008/09: £44.5 million).

At the year end, outstanding hard and soft commitments totalled £29.3 million, representing 94% of the NLDF balance (2008/09: 76%)

### Transfer to the Olympic and Paralympic Games

In February 2008, a statutory instrument (SI 2008 No. 255 The Payments into the Olympic Lottery Distribution Fund etc Order 2008) was passed, which allowed for the transfer of up to £1,085 million from the National Lottery Distribution Fund to the Olympic Lottery Distribution Fund in order to meet some of the costs of hosting the 2012 Olympic and Paralympic Games.

The UK Film Council was committed to contribute up to £21.8 million in the period February 2009 to July 2012. The first transfer of funds took place on 1 February 2009 when the UK Film Council contributed £1.5 million. In 2009/10 there were four further quarterly transfers totalling £5.9 million.

All future quarterly transfers will be matched to income generated in the relevant year in which the transfer is made, and therefore the remaining commitment of £14.4 million is not recorded as a liability in the balance sheet as at 31 March 2010.

### Other operating expenses

These expenses cover the strategic activities of the UK Film Council, as well as the administration of the Group and its film portfolios. They also cover expenses to administer Grant and Lottery award schemes, including award application, assessment, approval, delivery monitoring, evaluation and reporting. Operating expenses were £8.3 million (£2008/09: £8.6 million) and the average headcount for the year was 94 (2008/09: 92). This ongoing stabilisation of costs represents the continuance of the efficiency review and a regime of tight cost control.

However two exceptional items arose in the year. In December 2009 an internal restructuring of the organisation was announced, centred around bringing the existing three Lottery film funds (Premiere, New Cinema Fund and Development) together into one operational unit, and in the light of the reduced future Lottery funding available, other appropriate restructuring to enable maximised operational efficiency and value for money. This will lead to a 20% reduction in budgeted overheads, with a consequent reduction in headcount, from 1 April 2010. £0.6 million of costs relating to the restructuring have been provided for in 2009/10 as an exceptional item.

Also, in September 2009, the DCMS announced that the options were to be reviewed for a potential merger of the UK Film Council with the BFI. The UK Film Council and the BFI were requested to work with the DCMS to undertake an options appraisal and set out an initial business plan. The costs incurred of £0.2 million are shown as an exceptional item.

### British Screen Group

The UK Film Council is responsible for managing the film rights and loan assets of British Screen Finance Ltd and its subsidiary companies. These assets produce receipts in terms of fee income for film rights and recoupment of film loans. Where these loans have been repaid, any further recoupment is profit and is taken to income. Income in the year was £0.6 million (2008/09: £0.5 million).

Recoverability of loans from future recoupment income is also assessed at each year end, and no impairments (2008/09: £0.2 million) were charged as expenditure in the year.

# Financial review of the business continued

## Reporting of personal data related incidents

In the light of Cabinet Office guidance in relation to information risk, the Chief Operating Officer has been appointed the Senior Information Risk Owner. Working with the internal auditor, all the systems and databases operated by the UK Film Council are reviewed and a periodic update provided to the Audit and Governance Committee.

**Table 1: Summary of protected personal data related incidents formally reported to the Information Commissioner's Office in 2009/10**

| DATE OF INCIDENT (MONTH)                  | NATURE OF INCIDENT  | NATURE OF DATA INVOLVED | NUMBER OF PEOPLE POTENTIALLY AFFECTED | NOTIFICATION STEPS |
|---|---|-------------------------|---------------------------------------|--------------------|
| Not applicable                            | There are no incidents to report  | Not applicable          | Not applicable                        | Not applicable     |
| <b>Further action on information risk</b> | The UK Film Council will continue to monitor and assess its information risks, in order to identify and address any weaknesses and to ensure continuous improvement of its systems. |                         |                                       |                    |

**Table 2: Summary of other protected personal data related incidents in 2009/10**

Incidents deemed by the Data Controller not to fall within the criteria for report to the Information Commissioner's Office but recorded centrally within the UK Film Council are set out in the table below. Small, localised incidents are not recorded centrally and are not cited in these figures.

| CATEGORY | NATURE OF INCIDENT  | TOTAL                            |
|----------|---|----------------------------------|
| I        | Loss of inadequately protected electronic equipment, devices or paper documents from secured Government premises.         | There are no incidents to report |
| II       | Loss of inadequately protected electronic equipment, devices or paper documents from outside secured Government premises. | There are no incidents to report |
| III      | Insecure disposal of inadequately protected electronic equipment, devices or paper documents.                             | There are no incidents to report |
| IV       | Unauthorised disclosure   | There are no incidents to report |
| V        | Other   | There are no incidents to report |

Incidents relating to the loss of personal data, the disclosure of which would in itself create an unacceptable risk of harm, may be excluded in accordance with the exemptions contained in the Freedom of Information Act 2000 or may be subject to the limitations of other UK information legislation.



# Report by the Board on remuneration

## The Remuneration Committee

The Board of the UK Film Council is responsible for determining the remuneration of the Chief Executive Officer and senior staff. It discharges this responsibility through a Remuneration Committee which is authorised within its terms of reference, to obtain independent professional advice if it considers this necessary and ensure that appropriate approvals are obtained from the Department for Culture, Media and Sport (DCMS).

The Remuneration Committee comprises a chairman, who is also chairman of the UK Film Council Board, and up to three other members of the Board, each appointed for a period of up to three years. The current members are:

Stewart Till CBE, Chairman  
(retired 29 July 2009)

Stephen Knibbs  
(retired 6 October 2009)

Tim Bevan CBE, Chairman  
(appointed to Committee 25 May 2010)

Mark Devereux  
(appointed to Committee 25 May 2010)

Heather Rabbatts CBE  
(appointed to Committee 25 May 2010)

The Remuneration Committee considers annually the performance of the Chief Executive Officer and senior staff, following reviews carried out by the Chairman and the Chief Executive Officer respectively and to determine their performance bonuses, as appropriate, in line with their contracts.

## Remuneration framework

Board Directors are entitled to draw a daily rate as established by HM Treasury for time spent working on behalf of the UK Film Council. Directors are not entitled to membership of any pension scheme by virtue of their appointment to the UK Film Council Board.

In determining appropriate levels of remuneration for senior staff, the UK Film Council follows the Government's policy to maximise value for money by paying enough to attract and retain suitably qualified senior staff, and salaries are based on the minimum required to recruit, retain and motivate senior staff of appropriate calibre.

All staff other than the Chief Executive Officer, are entitled to membership of the Local Government Pension Scheme (LGPS), which operates a defined benefit scheme for those UK Film Council employees who wish to join. A description of the scheme can be found in note 7 to the UK Film Council Group financial statements. Staff enrolled in the scheme, which is contributory, accrue a pension entitlement in the year at the rate of 1/60 of final pensionable salary, up to a limit of two-thirds of their final pensionable salary.

Where senior staff are entitled to contractual bonus payments these are assessed by the Remuneration Committee against objectives fundamental to the aims of the UK Film Council and their performance.

The staff pay bill for each year is subject to approval by the Remuneration Committee and the DCMS, under HM Treasury guidelines and limits for public sector pay.

## Contracts of Employment

Board Directors are appointed for a term of four years by the Secretary of State for Culture, Olympics, Media and Sport. There is no period of notice required for resignation from the Board.

Contractual terms for senior staff employed under closed contracts as at 31 March 2010 were:

|                   | DATE OF CONTRACT | EXPIRY OF CONTRACT |
|-------------------|------------------|--------------------|
| John Woodward     | 1/11/08          | 31/10/11           |
| Lenny Crooks      | 18/9/06          | 7/5/10             |
| Tanya Seghatchian | 1/5/07           | 31/3/10            |

From 1 April 2010 Tanya Seghatchian commenced a three year contract as Head of the Film Fund at a lower remuneration than in her previous contract.

In those cases where contractual terms are open ended the period of notice required for termination of contract is no greater than six months.



# Report by the Board on remuneration continued

## Audited information

### Directors' remuneration

Directors' remuneration (including daily allowances) paid in the year ending 31 March 2010:

|   | 2009/10<br>£  | 2008/09<br>£ |
|---|---------------|--------------|
| Pippa Cross<br>(appointed 21 November 2008)     | 3,225         | -            |
| Andrew Eaton<br>(retired 19 October 2008)       | -             | 645          |
| Rebecca O'Brien<br>(retired 2 April 2010)       | 2,795         | 2,580        |
| Heather Rabbatts CBE                            | 1,935         | 1,935        |
| David Sproxton CBE<br>(retired 19 October 2008) | -             | 1,392        |
| Amanda Walsh<br>(retired 31 January 2010)       | 2,580         | 2,150        |
|   | <b>10,535</b> | <b>8,702</b> |

No Directors received any additional benefits or performance related payments in addition to the above.

### Senior staff remuneration

Remuneration (excluding pension arrangements) for the senior staff for the year ending 31 March 2010:

|   | TOTAL<br>REMUNERATION<br>FOR THE YEAR<br>ENDED 31<br>MARCH 2010<br>£000 | TOTAL<br>REMUNERATION<br>FOR THE YEAR<br>ENDED 31<br>MARCH 2009<br>£000 |
|---|---|---|
| <b>John Woodward</b><br>Chief Executive Officer                           | 205-210   | 195-200   |
| <b>Sally Caplan</b><br>Head of Premiere Fund<br>(to 31.3.10)              | 165-170   | 165-170   |
| <b>Tanya Seghatchian</b><br>Head of Development Fund                      | 165-170   | 150-155   |
| <b>Will Evans</b><br>Head of Business Affairs                             | 155-160   | 155-160   |
| <b>Colin Brown</b><br>British Film Commissioner                           | 140-145   | 140-145   |
| <b>Peter Buckingham</b><br>Head of Distribution<br>& Exhibition           | 135-140   | 140-145   |
| <b>Lenny Crooks</b><br>Head of New Cinema Fund                            | 115-120   | 110-115   |
| <b>Alan Bushell</b><br>Chief Operating Officer                            | 110-115   | 110-115   |
| <b>Oliver Rawlins</b><br>Head of Communications<br>(from 14.4.09)         | 65-70   | -   |
| <b>Rachel Grant</b><br>Head of Communications<br>(from 17.1.08 to 1.2.09) | -   | 60-65   |

At 31 March 2010 the UK Film Council undertook an internal restructure. Sally Caplan received compensation of £77,397 in respect of the termination of her contract as Head of the Premiere Fund as from that date.

In addition to the above, each year staff receives the benefit of a £250 allowance for cinema tickets and are entitled to £100 towards membership of gym facilities.

## Senior staff pension arrangements

The following senior staff were all members of the LGPS during the year

|   | REAL INCREASE IN ACCRUED PENSION BENEFITS 2009-10 £000 | ATTRIBUTABLE PENSION ACCRUED AT 65 AT 31 MARCH 2010 £000 | CASH EQUIVALENT TRANSFER VALUE (CETV) AS AT 31 MARCH 2009 £000 | CETV AS AT 31 MARCH 2010 £000 | REAL INCREASE IN THE CETV AFTER ADJUSTMENTS FOR INFLATION ETC IN 2009-10 £000 |
|---|--|--|--|-------------------------------|---|
| <b>Lenny Crooks</b><br>Head of New Cinema Fund                    | 5-7.5<br>(lump sum 5-7.5)                              | 45-47.5<br>(lump sum 115-117.5)                          | 920  | 1,032                         | 84  |
| <b>Colin Brown</b><br>British Film Commissioner                   | 2-2.5<br>(lump sum 0-2.5)                              | 5-7.5<br>(lump sum 5-7.5)                                | 71   | 106                           | 26  |
| <b>Alan Bushell</b><br>Chief Operating Officer                    | 2.5-5<br>(lump sum 0-2.5)                              | 17.5-20<br>(lump sum 17.5-20)                            | 290  | 333                           | 24  |
| <b>Tanya Seghatchian</b><br>Head of Development Fund              | 2.5-5<br>(lump sum 0-25)                               | 7.5-10<br>(lump sum 7.5-10)                              | 49   | 86                            | 17  |
| <b>Peter Buckingham</b><br>Head of Distribution & Exhibition      | 0-2.5<br>(lump sum 0-2.5)                              | 12.5-15<br>(lump sum 25-27.5)                            | 190  | 223                           | 22  |
| <b>Oliver Rawlins</b><br>Head of Communications<br>(from 14.4.09) | 0-2.5<br>(lump sum 0-2.5)                              | 0-2.5<br>(lump sum 0-2.5)                                | -  | 5                             | 1   |

The accrued pensions are the amounts eligible at retirement if the staff member left service at the relevant date. The transfer values do not represent a sum paid or payable to the individual, but rather a potential liability of the pension scheme. They have been calculated using assumptions certified by a qualified actuary.

In the year to 31 March 2010, all senior staff with the exception of John Woodward, Will Evans and Sally Caplan were members of the LGPS. Pension contributions during the year were made to a money purchase occupational scheme for John Woodward and to private pension schemes for Will Evans and Sally Caplan and payments were £27,227, £15,660 and £16,529 respectively. Upon joining the UK Film Council, Lenny Crooks transferred all his pension rights to the LPFA arising from prior public sector employment.

# Report by the Board on remuneration continued

## Employees earning more than £50,000 in the year:

The number of employees (full-time equivalent) earning in excess of £50,000 at 31 March each year was:

| SALARY BANDING   | NUMBER OF STAFF 2009/10 | NUMBER OF STAFF 2008/09 |
|------------------|-------------------------|-------------------------|
| £170,000-180,000 | 1                       | 1                       |
| £160,000-169,999 | 2                       | 2                       |
| £150,000-159,999 | 1                       | 1                       |
| £130,000-139,999 | 1                       | 1                       |
| £120,000-129,999 | 1                       | 1                       |
| £110,000-119,999 | 2                       | 2                       |
| £80,000-89,999   | 4                       | 4                       |
| £70,000-79,999   | 3                       | 2                       |
| £60,000-69,999   | 12                      | 13                      |
| £50,000-59,999   | 7                       | 6                       |

**Tim Bevan CBE**

Chairman, Remuneration Committee

29 June 2010

# Monitoring and evaluation

## Introduction

Monitoring and evaluation activity is undertaken across all UK Film Council activities, both internally delivered and also those delivered by partner organisations, to ensure delivery against both the organisation's strategic and policy priorities and also the strategic priorities of the Department for Culture, Media and Sport (DCMS).

Monitoring is undertaken at various stages of programmes, awards and activities. For example, at the application stage, monitoring helps to assess the reach and type of applicants and that the stated processing times are being achieved. During the life of a project, monitoring is undertaken to ensure the project delivers its stated outcomes on time and against budget. Following completion, monitoring is undertaken to ensure that the financial, public value, creative and cultural outcomes have and continue to be delivered.

During 2009/10, additional monitoring activity was undertaken to assess performance of the UK Film Council's main activities to help inform the Board and partners in setting the new strategic plan, which was published in April 2010. The second *Overview of Progress towards the UK Film Council Goal* was also delivered, charting progress made towards the UK Film Council's goal to help make the UK a global hub for film in the digital age with the world's most imaginative, diverse and vibrant film culture, underpinned by a flourishing, competitive film industry.

## Customer care

In April 2005, the UK Film Council, along with all the other UK-wide National Lottery distributors, signed up to a common Customer Service Charter. Under the Charter, each Lottery distributor is requested to publish a statement on progress against the customer service standards.

During 2009/10 the UK Film Council confirms, that to the best of its knowledge, it has complied with the Charter.

## Additionality

Lottery funding is distinct from Government funding and adds value. Although it does not substitute for Exchequer expenditure, where appropriate it complements Government and other programmes, policies and funding.

In deciding to allocate Lottery money into the range of programmes identified, the UK Film Council has satisfied itself that such activity is not currently provided as statutory responsibilities of Government, nor does Government currently fund such activity.

The following tables indicate our performance against the objectives as set out in our funding agreement with the DCMS.

# Monitoring and evaluation continued

## Film sector in the UK indicators

|  |                         | 2009          | 2008           |
|--|-------------------------|---------------|----------------|
| Film production in the UK                            | number of films         | 125           | 126            |
|  | value of production     | £957 million  | £613 million   |
| Film exports (value)                                 |                         | not available | £1,341 million |
| UK cinema admissions (all films)                     |                         | 174 million   | 164 million    |
| UK film share of box office                          | in the UK               | 17%           | 31%            |
|  | internationally         | 7%            | 15%            |
| UK film revenues across platforms<br>(UK films only) | theatrical              | £160 million  | £261 million   |
|  | DVD/video rental        | £41 million   | £48 million    |
|  | DVD/video sales         | £275 million  | £349 million   |
|  | pay TV                  | £93 million   | £76 million    |
|  | terrestrial TV          | £58 million   | £60 million    |
|  | 'free' multi-channel TV | £59 million   | £57 million    |
|  | video on demand         | £26 million   | £29 million    |

## Foreign language cinema in UK

|   |     |     |
|---|-----|-----|
| Number of films released  | 161 | 188 |
| Box office share  | 2%  | 3%  |
| Provision for sensory impaired audiences (number of accessible cinemas) | 303 | 261 |
| Films certified as British (under the Cultural Test or co-production)   | 152 | 104 |
| Award wins by British films and talent                                  | 36  | 32  |

## Film sector in the UK indicators

|  |                          | 2009/10       | 2008/09       |
|--|--------------------------|---------------|---------------|
| Level of income to UK Film Council (both public and other sources)   |                          | £72.6 million | £72.2 million |
| UK Film Council National Lottery Distribution Fund Balance   |                          | £31.2 million | £44.5 million |
| Lottery application processing time (including delegates)  |                          | 35 days       | 33 days       |
| Satisfaction ratings (% satisfied)   | applicants               | 92%           | 86%           |
|  | stakeholders             | 82%           | not available |
| Diversity of projects and talent supported   | ethnic minority (BME)    | 11%           | 17%           |
|  | female                   | 41%           | 38%           |
|  | with a disability        | 0.3%          | 2%            |
|  | talent outside of London | 32%           | 40%           |
| Delivery of key strategies   |                          | 1 delivered   | 1 delivered   |
| Award wins by funded feature films *   |                          | 4 wins (2009) | 5 wins (2008) |
| Administration costs for each completed application  |                          | £2,356        | £2,788        |
| Staff sickness / absence (average per employee)  |                          | 3             | 4             |
| Response time for all queries  |                          | Within target | Within target |
| Number of applications outstanding at the end of the year (as a percentage of applications received in the year) |                          | 1.3%          | 16%           |

\*Awards won for UK Film Council funded feature films are expressed by calendar year.

# Monitoring and evaluation continued

## Number of people benefiting from activity to encourage more widespread enjoyment of culture, media and sport

|                                   | 2009/10    | 2008/09    |
|-----------------------------------|------------|------------|
| Total number of people benefiting | 33,301,868 | 27,039,238 |

## Number of people benefiting from activity to support talent and excellence in culture, media and sport

|                                   | 2009/10 | 2008/09 |
|-----------------------------------|---------|---------|
| Total number of people benefiting | 7,382   | 8,159   |

## Lottery administrative costs for the last five years

| FINANCIAL YEAR | ACTUAL OPERATING COSTS | INFLATED OPERATING COSTS |
|----------------|------------------------|--------------------------|
| 2005/06        | £7.69 million          | £7.69 million            |
| 2006/07        | £7.71 million          | £7.89 million            |
| 2007/08        | £7.83 million          | £8.11 million            |
| 2008/09        | £7.89 million          | £8.31 million            |
| 2009/10        | £7.64 million          | £8.52 million            |

## Diversity of Lottery funds applicants and awarded applicants 2009/10

|                                   | ALL APPLICANTS | AWARDED APPLICANTS |
|-----------------------------------|----------------|--------------------|
| <b>Ethnic background</b>          |                |                    |
| White                             | 65%            | 72%                |
| BME                               | 35%            | 28%                |
| <b>Gender</b>                     |                |                    |
| Male                              | 71%            | 70%                |
| Female                            | 29%            | 30%                |
| <b>Disability</b>                 |                |                    |
| Applicants declaring a disability | 2%             | 1%                 |

# Employment statistics

1. Under Article 5(1), 5(2) and 5(3) of the Race Relations Act 1976 (Statutory Duties) Order 2001, the UK Film Council has a duty to monitor, by reference to the racial groups to which they belong, and to report the following annually:

The numbers of:

- staff in post; and
- applicants for employment, training and promotion, from each such group

2. Results of monitoring carried out in 2009/10.

## 2.1 Staff in post as at 31 March 2010

Ethnic origin and gender of all employees at 31 March 2010 and employment statistics for all employees, including part-time staff, in post at 31 March 2010.

| ETHNIC ORIGIN                  | ALL EMPLOYEES |              | WOMEN     |             | MEN       |             |
|--------------------------------|---------------|--------------|-----------|-------------|-----------|-------------|
|                                | TOTAL         | % OF TOTAL   | TOTAL     | % OF TOTAL  | TOTAL     | % OF TOTAL  |
| Unknown                        | 10            | 11.4%        | 9         | 10.2%       | 1         | 1.1%        |
| White                          | 65            | 73.9%        | 42        | 47.7%       | 23        | 26.2%       |
| Mixed                          | 3             | 3.4%         | 2         | 2.3%        | 1         | 1.1%        |
| Asian or Asian British         | 5             | 5.7%         | 3         | 3.4%        | 2         | 2.3%        |
| Black or black British         | 4             | 4.5%         | 2         | 2.3%        | 2         | 2.3%        |
| Chinese or other ethnic group  | 1             | 1.1%         | 1         | 1.1%        | 0         | 0%          |
| <b>Total</b>                   | <b>88</b>     |              | <b>59</b> |             | <b>29</b> |             |
| <b>Total (minority ethnic)</b> | <b>13</b>     | <b>14.8%</b> | <b>8</b>  | <b>9.1%</b> | <b>5</b>  | <b>5.7%</b> |



# Employment statistics continued

## 2.2 Applications for employment 2009/10

| ETHNIC GROUP                  | PROCESSED    | SHORTLISTED | % OF PROCESSED | APPOINTED | % OF APPOINTED |
|-------------------------------|--------------|-------------|----------------|-----------|----------------|
| Not stated                    | 92           | 11          | 11.9%          | 4         | 26.7%          |
| White                         | 904          | 61          | 6.7%           | 6         | 40%            |
| Mixed                         | 67           | 6           | 8.9%           | 3         | 20%            |
| Asian or Asian British        | 117          | 3           | 2.5%           | 0         | 0%             |
| Black or black British        | 89           | 4           | 4.4%           | 1         | 7%             |
| Chinese or other ethnic group | 31           | 2           | 6.4%           | 1         | 7%             |
| <b>Total</b>                  | <b>1,300</b> | <b>87</b>   |                | <b>15</b> |                |
| <b>Total (BME)</b>            | <b>304</b>   | <b>15</b>   | <b>5%</b>      | <b>5</b>  | <b>33.3%</b>   |

## 2.3 Applications for, and numbers of, staff receiving training

| ETHNIC ORIGIN                 | APPROVED APPLICATIONS | NUMBER OF STAFF RECEIVING TRAINING | % OF GROUP RECEIVING TRAINING |
|-------------------------------|-----------------------|------------------------------------|-------------------------------|
| Unknown                       | 17                    | 4                                  | 50%                           |
| White                         | 129                   | 57                                 | 87.7%                         |
| Mixed                         | 5                     | 3                                  | 100%                          |
| Asian or Asian British        | 9                     | 4                                  | 80%                           |
| Black or black British        | 9                     | 4                                  | 100%                          |
| Chinese or other ethnic group | 1                     | 1                                  | 100%                          |
| <b>Total</b>                  | <b>167</b>            | <b>74</b>                          | <b>84%</b>                    |

## 2.4 Applications for internal promotion

All posts are advertised internally and externally. Of the posts recruited in 2009/10, there were four internal promotions.

# **Group Report and Financial Statements**

**for the year ended 31 March 2010**

Company no: 3815052

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# Foreword to the financial statements for the year ended 31 March 2010

## 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, and provides a single, identifiable entity able to promote the industry at home and overseas.

The UK Film Council is responsible for all Grant-in-aid expenditure for film from the Department for Culture, Media and Sport (DCMS), with the exception of the National Film and Television School. It is also a designated 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 have been agreed for Lottery funding for film capital projects. There are also separate Lottery funding distributors in Wales, Scotland and Northern Ireland.

*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. It was followed by *Our Second Three Year Plan – Funding and Policy Priorities, April 2004 to March 2007* which set out the longer-term aims to develop and consolidate the UK as a centre of global film activity. *Film in the Digital Age, UK Film Council Policy and Funding Priorities, April 2007 to March 2010* was published in May 2007.

This plan incorporated continuity throughout the period of the established Lottery programmes which comprised three film production funds – the Premiere Fund, the New Cinema Fund and the Development Fund. However, the UK Film Council also works closely with a number of partners across the sector and this year has seen the organisation support a broad spectrum of successful programmes. For example, First Light Movies, based in Birmingham, continued awards to enable children and young people to experience filmmaking and explore their talents using low-cost digital technology.

The year saw the continuation of the Films Skills Fund administered by Skillset, the Sector Skills Council for

Creative Media, on a delegation basis. The fund covers all sectors of the film industry supported by a combination of resources including £5.4 million of Lottery money in the year, the existing skills levy on film production, and by the industry itself.

During the year the Prints and Advertising Fund (£4 million) continued to offer direct support to distributors' costs in increasing the number of cinemas showing specialised films, thus providing more opportunities for more people across the UK to see a broader range of films. In addition, the Festivals Fund continued into its third year.

The Regional Investment Fund for England (RIFE), continued to support the nine Regional Screen Agencies in England. These independent bodies support cultural and industrial film initiatives in their respective regions supported by £8 million of UK Film Council funding, which includes £3.5 million in delegated Lottery funds. The UK Film Council continues to co-operate and collaborate with Scottish Screen, the Film Agency for Wales and Northern Ireland Screen on all aspects of film policy.

Alongside the £25 million Screen Heritage award from the DCMS, the UK Film Council continued expenditure from its own Lottery funded Digital Film Archive Fund in the year, delegating funding to the Regional Screen Agencies to support local archival work.

The UK Film Council's international activities continued through the year including the Office of the British Film Commissioner's work to encourage overseas filmmakers to locate their production in the UK, co-production initiatives for British filmmakers to build international partnerships, and the export promotion of British film, talent and services.

The British Film Institute (BFI) continued to receive £16 million core funding. In October 2009 the allocation of £45.65 million towards the costs of the proposed new National Film Centre on the Southbank was announced, with £0.5 million to be spent in 2009/10.

This was also the second full year of operation of FILMCLUB, which received £3.7 million in the year from the Department for Children, Schools and Families (from 1 April 2010, the Department for Education). The UK Film Council also received £3 million in the year from the DCMS towards the Irish Language Broadcast Fund, operated through Northern Ireland Screen.

The UK Film Council is committed to ensuring that equality and diversity are central to all strategies and

activities, and continued its work in implementing the policies outlined in *Success Through Diversity and Inclusion* to encourage diversity in all areas: in the workforce, on-screen portrayal and for all audiences.

However this huge range of activity is set against a background of increasing financial constraint. In February 2008 a Statutory Instrument (SI 2008 No. 255 The Payments into the Olympic Lottery Distribution Fund etc. Order 2008) was passed which allowed for the transfer of up to £1,085 million from the National Lottery Distribution Fund to the Olympic Lottery Distribution Fund in order to meet some of the costs of holding the 2012 games. The UK Film Council was committed to contributing up to £21.8 million in the period to July 2012. In the financial year four quarterly instalments were deducted totalling £5.8 million, bringing the total contribution to date to £7.3 million. Subsequent quarterly transfers will be matched to income generated in the relevant year in which the transfer is made, and therefore this commitment is not recorded in the statement of financial position as at 31 March 2010.

In November 2009 a consultation was launched, leading to the publication in April 2010 of the next three year plan *UK Film: Digital Innovation and Creative Excellence – Policy and Funding Priorities April 2010 to March 2013*, taking into account the reduced available funding. This plan, active from 1 April 2010, incorporates a new structure for Lottery funding for film, with a single centralised £15 million Film Fund, alongside the creation of a new £5 million Innovation Fund. Many other funding streams continue but at a reduced level and in order to maximise the funding available for front-line film activities, budgeted overheads and administration costs have been reduced by 20% from 1 April 2010.

### 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, Olympics, 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 14 other Directors. All Directors were appointed by the Secretary of State for Culture, Olympics, Media and Sport and, unless stated below, remained Directors throughout the year. The Directors during the year are as follows:

Stewart Till CBE – Chairman\* (retired 29 July 2009)  
Tim Bevan CBE – Chairman\* (appointed 30 July 2009)

Mark Devereux – Deputy Chairman\*

Josh Berger  
Barbara Broccoli OBE  
Pippa Cross  
Greg Dyke  
Gail Egan  
Nigel Green (retired 6 October 2009)  
Thomas Hoegh \*  
Beeban Kidron  
Stephen Knibbs \* (retired 6 October 2009)  
Elisabeth Murdoch  
Rebecca O'Brien (retired 2 April 2010)  
Heather Rabbatts CBE \*  
Amanda Walsh (retired 31 January 2010)

\* Directors who have served on the Audit and Governance Committee in the year ending 31 March 2010. In addition, John Graydon was co-opted onto the committee from April 2007

Appointments to the Board are currently frozen awaiting resolution of the proposed merger with the British Film Institute and the changes in governance that would arise from this. Those Directors who retired during the year remained on the Board with observer status.

### Chief Executive Officer

The Chief Executive Officer and Accounting Officer is John Woodward.

### Company Secretary

The Company Secretary is Alan Bushell.

### Registered and principal office

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

### Auditors

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

### Internal auditors

Moore Stephens LLP, 150 Aldersgate Street, London EC1A 4AB.

### Solicitors

Withers, 16 Old Bailey, London EC4M 7EG.

### Bankers

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

Lloyds TSB Bank, 32 Oxford Street, London W1A 2LD.

# Directors' report for the year ended 31 March 2010

The Directors present their report and financial statements for the year ended 31 March 2010.

## Results

The deficit for the year, after taxation, amounted to £8.3 million (2009: £7.5 million deficit).

## Principal activity and review of the business

The UK Film Council is the Government-backed body responsible for developing the film industry and film culture in the UK. It receives Grant-in-aid from the Department for Culture, Media and Sport (DCMS) 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).

## UK Film Council indicators

|  | 2009/10       | 2008/09       |
|--|---------------|---------------|
| Level of income to UK Film Council (both public and other sources)   | £76.8 million | £71.5 million |
| UK Film Council National Lottery Distribution Fund balances  | £31.2 million | £44.5 million |
| Lottery application processing time  | 35 days       | 33 days       |
| Satisfaction ratings (% satisfied)   |               |               |
| applicants   | 92%           | 86%           |
| stakeholders   | 82%           | Not available |
| Diversity of projects and talent supported   |               |               |
| ethnic minority (BME)  | 11%           | 17%           |
| female   | 41%           | 38%           |
| with a disability  | 0.3%          | 2%            |
| talent outside of London   | 32%           | 40%           |
| Delivery of key strategies   | 1 delivered   | 1 delivered   |
| Award wins for funded feature films*   | 4             | 5             |
|  | 2009          | 2008          |
| Administration costs for each completed application  | £2,356        | £2,788        |
| Staff sickness days taken (average per employee)   | 3             | 4             |
| Response times for all queries   | Within target | Within target |
| Number of applications outstanding at the end of the year (as a percentage of applications received in the year) | 1.3%          | 16%           |

\*Award wins for UK Film Council funded feature films are expressed by calendar year.

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, Olympics, Media and Sport and financial statements are prepared in accordance with the Accounts Direction which is available from the Company Secretary at 10 Little Portland Street, London W1W 7JG. Separate financial statements are also prepared for the Lottery fund.

## Key performance indicators

The following key performance indicators have been agreed against current DCMS priorities and indicate the overall growth and depth of UK Film Council activities both within the year and on a cumulative basis.

**Number of people benefiting from activity to encourage more widespread enjoyment of culture, media and sport**

|                                   | 2009/10    | 2008/09    |
|-----------------------------------|------------|------------|
| Total number of people benefiting | 33,301,868 | 27,039,238 |

**Number of people benefiting from activity to support talent and excellence in culture, media and sport**

|                                   | 2009/10 | 2008/09 |
|-----------------------------------|---------|---------|
| Total number of people benefiting | 7,382   | 8,159   |

**Environmental policy**

The UK Film Council has been working to an environmental agenda throughout the year, both externally across the industry as a whole and internally within the organisation. Key actions taken include:

- the launch of a dedicated website to help film businesses take practical action to reduce carbon emissions;
- the establishment of a joint film industry/British Standards Institution (BSI) working group currently drafting a 'BS' standard for sustainability for the whole film industry;
- setting up an EU and UK Film Council supported 'Low Carbon Initiative' run jointly by Screen East and the University of East Anglia Low Carbon Unit, with the intention of exploring techniques of low-carbon film production, distribution and exhibition; and
- a successful strategy within the UK Film Council to reduce its own carbon emissions and waste generation.

**Social and community policies**

The UK Film Council has a mandate to help develop the UK film industry and film culture, and to ensure that people have the opportunity to enjoy UK films and to benefit from the investment of public money in film. Ensuring equality and diversity are central to all of our strategic work and the activities we support is a core objective, for example:

- First Light targets young people from disadvantaged backgrounds and more than 20,000 young people have been involved in the project;
- FILMCLUB has established almost 3,000 film clubs in UK schools, bringing film to nearly 95,000 young people;
- every feature film that receives UK Film Council investment has to be made available to cinemas in formats accessible to people with sight and hearing impairments;

- the rural cinema project is bringing film to people in areas which are deprived of the opportunity to see films; and
- our skills development strategy is enabling people to enter the film industry and build careers who might otherwise not have the opportunity to do so.

**Future developments and events since the statement of financial position date**

On 1 April 2010 the UK Film Council published its new three year plan *UK Film: Digital Innovation and Creative Excellence – Policy and Funding Priorities April 2010 to March 2013*.

After the general election on 6 May 2010, the new Government announced immediate "in year" reductions in funding across the public sector in the year to 31 March 2011, along with a Comprehensive Spending Review in the autumn of 2010, to set levels of Grant-in-aid funding for the period 2011-2014. The Department for Culture, Media and Sport (DCMS) subsequently announced a 3% reduction in Grant-in-aid funding to the UK Film Council in the year – equating to a reduction in available funds of £1.3 million.

On 21 May 2010 the DCMS started a formal consultation with regard to "restoring the National Lottery to its original purpose". National Lottery Distribution Funds for each of the good causes of sport, heritage and the arts are proposed to be restored to 20% from the current level of 16.66% on a phased basis commencing 2011/12.

On 17 June 2010, the DCMS announced a reduction of £2.5 million in the £25 million allocation for the Film Heritage project specifically against the digital access elements. It was also announced that the previously approved £45 million for the National Film Centre would no longer be available in the light of the general economic situation.

On 22 June 2010, the DCMS issued a statement announcing that, following preliminary work, the new Government has no current plans to pursue the proposed merger of the UK Film Council and the British Film Institute.

**Principal risks and uncertainties of the group**

The UK Film Council reviews the principal risks and uncertainties to the business on a periodic basis, and considers necessary actions and controls in place to mitigate these. The principal risks as embedded in the three year plan *Film in the Digital Age* have been reviewed subsequently as part of the UK Film Council's ongoing risk management. These principal risks in the year were:

- any potential reduction in public funding available in the next Comprehensive Spending Review
- uncertainty regarding future Lottery income trends due to the impact of the 2012 London Olympic and Paralympic Games;
- recoupment targets from UK Film Council investments not being met through the consistent failure to support successful projects, thereby limiting future available funds; and
- failure to keep pace with technological change and the subsequent changes across the value chain of a film.

Note 16 of the financial statements outlines the liquidity, interest rate, other price and foreign currency risks to which the UK Film Council is exposed. In summary:

- the Board considers that the National Lottery Distribution Fund balance and the cash holdings as at 31 March are sufficient liquid reserves to cover all Lottery hard and soft commitments outstanding as well as all other related and remaining payables;
- 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, with neither the UK Film Council nor its Board having any control over these investments. All other cash holdings are in variable rate bank accounts. The Board therefore considers that, in respect of its funds, the UK Film Council is not exposed to significant interest rate risk;
- the UK Film Council's film rights are accounted for on a fair value basis, reviewed throughout the year, with values being impaired or adjusted as a result of expert review. There is no significant other price risk; and
- the UK Film Council's financial assets are not exposed to material foreign exchange risks, as long-term balances are held in sterling.

### Employment and training policies and staff participation

The UK Film Council is committed to a policy of equality of opportunity in its employment practices and continues to develop a culturally diverse workforce. Its training and development programmes are designed to encourage and support all employees in improving performance. In particular, the organisation aims to ensure that no potential or actual employees receive more or less favourable treatment on the grounds of race, colour, ethnic or national 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 UK Film Council activities are discussed and staff are regularly briefed on the matters discussed at management and Board meetings. Meetings of all staff are held regularly and a recognition agreement is in place with Unite fostering 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.

### 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 our suppliers' standard terms. The average payment terms taken were 16 days (2009: 17) and 96% of undisputed invoices were paid within 30 days of receipt by the Finance Department (2009: 96%). Creditor days in the year were 18 working days (2009: 15 working days).

### Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Group's auditor, each Director has taken all the steps that he/she is obliged to take as a Director in order to make himself/herself aware of any relevant information and to establish that the auditor is aware of that information.

### Annual general meeting

Pursuant to the Companies Act 2006, the Company may dispense with holding annual general meetings and the laying of financial statements before the Company in annual general meetings.

### Auditors

An elective resolution is in force pursuant to S485 of the Companies Act 2006, allowing the Company to dispense with the obligation to appoint auditors annually.

By order of the Board

**Alan Bushell FCA**

Company Secretary

29 June 2010



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

Under its legislative framework, the UK Film Council is required to prepare financial statements for the period in the form and on the basis directed by the Secretary of State for Culture, Olympics, 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 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 that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, and disclose and explain any material departures in the financial statements; and
- 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 financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company, 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.

The Accounting Officer of the UK Film Council is responsible for preparing financial statements which give a true and fair view and for making available to the auditors all relevant information for their purposes. So far as the Accounting Officer is aware, there is no relevant audit information of which the UK Film Council's auditors are unaware. Further, the Accounting Officer has taken all necessary steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the UK Film Council's auditors are aware of that information.

**John Woodward**  
Chief Executive Officer  
29 June 2010

**Tim Bevan CBE**  
Chairman  
29 June 2010



# Statement on internal control

## Scope of responsibility

As Accounting Officer and as Chairman of the Board, we have responsibility for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives set by the Department for Culture, Media and Sport (DCMS), whilst safe-guarding the public funds and UK Film Council's assets for which we are responsible in accordance with the responsibilities assigned to us in Managing Public Money.

We also have responsibility, as defined in the UK Film Council's funding agreement with the DCMS and the Management Statement and Financial Memorandum, for leading and managing the work of the UK Film Council to fulfil its policies, aims and objectives, and upholding its values. The Accounting Officer reports to the Board of Directors of the UK Film Council and we formally meet regularly with DCMS.

## The purpose of the system of internal control

The system of internal control is designed to manage to a reasonable level – rather than to eliminate – the 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 UK Film Council policies, aims and objectives, to evaluate the likelihood of those risks being realised and should they be realised, to manage them efficiently, effectively and economically. The system of internal control includes adequate arrangements for detecting and responding to inefficiency, conflict of interest and fraud, and prioritises those risks associated with the custody of assets and potential loss of Exchequer and Lottery grants. The system of internal control has been in place for the year ended 31 March 2010 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 and Chairman of the Board we have overall responsibility for the UK Film Council's risk management framework, and are supported in its implementation by the Senior Management Team and staff who are trained and equipped to assess and manage risk in a way appropriate to their authority and duties.

The Audit and Governance Committee, chaired by Stewart Till CBE until July 2009 and thereafter by Heather Rabbatts CBE, gives independent advice and guidance to us, in our roles as Accounting Officer and

Chairman of the Board, and to the Board of Directors as a whole, on the adequacy of audit arrangements (both internal and external), 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, as well as providing guidance as to best practice.

The Remuneration Committee provides oversight and approval of remuneration and performance for senior staff members including the Accounting Officer.

Further advice and guidance as to best practice is received from the internal and external auditors (who attend meetings of the Audit and Governance Committee), the DCMS, and other comparable organisations.

## 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 operational risks both in the organisation and from external factors are identified through our three year business planning cycle and the annual operational planning cycle, and are evaluated by the Senior Management Team. We also consider the risks associated with holding and safeguarding information for operational or financial reporting purposes.

In 2009/10 the risk register agreed by the Audit and Governance Committee, updated in January 2010, included ten corporate risks. These included:

- financial risk, including the potential reduction in public funding available in the next Comprehensive Spending Review and any fall in Lottery income, or our recoupment from film investments reducing the level of proposed activity;
- governance and management risk, including that arising from timely transition of the organisation to support the implementation of the new strategic plan from April 2010 and any increased expectations on the organisation in relation to transitional work towards the proposed merger with the British Film Institute;
- political risk, and in particular a failure to respond to a changing political map;
- grant making risk associated with the failure to deliver outcomes or achieve targets;
- communications risks associated with any failure, for instance, of the new strategic plan to satisfy the needs of the industry or culture; and

- reputational risk associated with the failure to assist and provide leadership to the industry, for instance in relation to technological changes.

Risk management and internal control are embedded in the processes of the organisation and are considered and reviewed on a regular basis by management.

For example, the Production Finance Committee (PFC), which ultimately signs off on Lottery commitments, comprises representatives of the relevant fund, finance and business affairs and is independently chaired by the Accounting Officer or the Chief Operating Officer. Any perceived risks arising in making an award are thus discussed at the time the funding decision is made and appropriate mitigating action taken, whilst allowing the decision-making, oversight and control to be maintained by the respective fund. The committee is updated on the progress of the funded projects to allow timely action to mitigate risks, protect funds and ensure the ultimate purpose of the award is fulfilled.

For the regularly funded organisations, such as the BFI, Skillset and First Light, alongside regular oversight and monitoring, a series of regular formal governance meetings are held with the recipients throughout the year to discuss progress against key performance and risk indicators, which are initially incorporated in their business plans and funding agreements.

In addition, assurance is sought from all delegated organisations that they in turn have suitable processes in place to ensure their systems and procedures are acceptable and fit for the purpose of distributing funds, and that they have the necessary skilled resources in place to implement these systems.

The risks identified as a result of the above processes are monitored and controlled within the organisation 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, provided by Moore Stephens LLP, which operates to standards defined in the Government Internal Audit Standards, is defined by an analysis of the risks to which the UK Film Council is exposed and the assurance sought, and annual internal audit plans are based on this analysis. Thus internal audit reviews any fundamental changes in the processes of the organisation, for instance in changes to the decision-making or operational processes.

In 2009/10 internal audit reports covered:

- the implementation of a new electronic expenses system;
- record retention policies;
- oversight of FILMCLUB;
- common themes from review work undertaken across the Regional Screen Agencies; and
- the new awards database at North West Vision, one of our delegate bodies.

The analysis of risk and the internal audit plans are endorsed by the UK Film Council's Audit and Governance Committee and are approved by the Accounting Officer.

In light of Cabinet Office guidance in relation to information risk, the Chief Operating Officer has been appointed the Senior Information Risk Owner. Working with the internal auditor, all the systems and databases operated by the UK Film Council will be reviewed and periodic updates provided to the Audit and Governance Committee.

In addition to the above, the UK Film Council has in place a wide range of policies, for instance relating to corporate governance, conflicts of interest, financial management (including fraud), health and safety, training and development and information technology. These are periodically reviewed and updated.

The internal communications process ensures that all staff are informed about key decisions on a timely basis through appropriate means. There is also an external communications strategy that ensures stakeholders, Parliament, press, funded organisations and projects, the industry at large, and members of the general public receive appropriate and reliable information.

Progress in achieving objectives set in the strategic corporate plan is monitored by the Board and Senior Management. The Board receives appropriate regular financial reporting, enabling monitoring against financial targets.

### Review of effectiveness

As Accounting Officer and Chairman of the Board, we have responsibility for reviewing the effectiveness of the system of internal control. Our review 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.

We have been advised on the implications of the results of our review of the effectiveness of the system of internal control by the Board and the Audit and Governance 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 the Accounting Officer on the status of risks and controls.

The Board receives reports from the Chairman of the Audit and Governance Committee, and from the Accounting Officer and managers, on the steps taken to manage risks, including progress reports on key activities and projects, as well as on new risks that may arise both internally within the organisation and due to external factors such as the political and economic environment of both the industry and the public sector.

Amongst the considerations of the Audit and Governance Committee and Senior Management are the risks associated with the increased expectations on the organisation in relation to transitional work towards the proposed merger with the BFI. These are regularly reviewed in the light of the ongoing transitional process; in particular the potential financial and staffing implications for the organisation are considered to ensure that the risks to the ongoing activities of the UK Film Council are mitigated. These risks are also discussed with the Department for Culture, Media and Sport which is leading on the proposal.

The Internal Auditors annually provide 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.

We take assurance from the ongoing assessment of the risk register of the organisation, from the business and budget planning cycle, from the decision approval and operational processes in place, and from the reviews of, and assurance received from, delegate bodies that appropriate risk management processes are in place.

We can confirm that in our opinion:

- the UK Film Council complies with its current Financial Directions, Funding Agreement, Management Statement and Financial Memorandum;
- adequate audit arrangements, both internal and external, are in place to support us in reviewing the systems of internal control;
- adequate arrangements are in place to detect and respond to inefficiency, conflicts of interest and fraud and to minimise losses of Lottery and other funds;
- the UK Film Council has drawn up and maintains risk assessment and control procedures and risk registers;
- the UK Film Council has complied with Cabinet Office guidance on information risk and has suffered no protected personal data incidents during 2009/10 or during previous years, and has made no reports to the Information Commissioners Office; and
- the systems of internal control were fully operational during the year and no significant weaknesses have been uncovered.

**John Woodward**  
Chief Executive Officer  
29 June 2010

**Tim Bevan CBE**  
Chairman  
29 June 2010

# Independent Auditor's report to the Members of the UK Film Council Ltd

I have audited the group and parent company financial statements (the "financial statements") of the UK Film Council Ltd for the period ended 31 March 2010. These comprise the Group and Company Statements of Financial Position, the Statement of Comprehensive Income, the Group and Company Statements of Cash Flow, the Group Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is set out therein.

## Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practice Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the UK Film Council Ltd and the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the UK Film Council Ltd; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements of UK Film Council Ltd have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## Opinion on the financial statements

In my opinion:

- the financial statements give a true and fair view of the group's and the parent company's affairs as at 31 March 2010 and of the Group's deficit for the period then ended;
- the financial statements have been properly prepared in accordance with the accounting standards set out therein; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

## Opinion on regularity

In my opinion, in all material respects the expenditure and income of the UK Film Council Ltd have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## Opinion on other matters prescribed by the Companies Act 2006

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I am required to report by exception**

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- I have not received all the information and explanations I require for my audit.

### **Amanda Measures**

Senior Statutory Auditor

15 July 2010

for and on behalf of the  
Comptroller and Auditor General (Statutory Auditor)

157-197 Buckingham Palace Road  
Victoria  
London SW1W 9SP

# UK Film Council

## Group statement of comprehensive income for the year ended 31 March 2010

|   | NOTES | 2009/10<br>£000 | 2008/09<br>£000 |
|---|-------|-----------------|-----------------|
| Lottery turnover  | 3     | 34,248          | 32,038          |
| Grant-in-aid turnover                                       | 3     | 37,034          | 30,064          |
| British Screen Finance turnover                             | 3     | 579             | 513             |
| European turnover   | 3     | 154             | 150             |
| Other turnover  | 3     | 555             | 463             |
| <b>Total turnover</b>                                       |       | <b>72,570</b>   | <b>63,228</b>   |
| <b>Expenditure</b>  |       |                 |                 |
| Awards  |       |                 |                 |
| – Grant-in-aid  |       | (35,514)        | (27,184)        |
| – Lottery – non-film rights                                 |       | (17,380)        | (16,800)        |
| MEDIA Desk UK   |       | (275)           | (289)           |
| International marketing                                     |       | (1,570)         | (1,868)         |
| Research and Statistics Unit                                |       | (380)           | (385)           |
| Certification   |       | (242)           | (225)           |
| Cost of sales   |       | (422)           | (436)           |
| Impairments   |       |                 |                 |
| – Impairments against film rights                           | 4     | (12,402)        | (16,690)        |
| – Impairments written back                                  | 4     | 2,644           | 2,709           |
| Depreciation  |       | (248)           | (240)           |
| Other operating expenses                                    | 8     | (8,259)         | (8,378)         |
| Transfer of funds to the Olympics Lottery Distribution Fund |       | (5,866)         | (1,466)         |
| Movement in fair value of National Film Trustee Corporation | 15    | (104)           | -               |
| Exceptional item: restructuring costs                       | 8     | (650)           | -               |
| Exceptional item: costs associated with proposed merger     | 8     | (221)           | -               |
| <b>Total expenditure</b>                                    |       | <b>(80,889)</b> | <b>(71,252)</b> |
| <b>Operating deficit</b>                                    |       | <b>(8,319)</b>  | <b>(8,024)</b>  |
| Bank interest receivable                                    |       | 42              | 712             |
| Notional cost of capital                                    | 9     | (306)           | (291)           |
| Other finance costs   |       | (105)           | (2)             |
| <b>Deficit after notional costs</b>                         |       | <b>(8,688)</b>  | <b>(7,605)</b>  |
| Reversal of notional capital costs                          |       | 306             | 291             |
| <b>Deficit on ordinary activities before taxation</b>       |       | <b>(8,382)</b>  | <b>(7,314)</b>  |
| Tax on deficit on ordinary activities for the year          | 10    | 32              | (158)           |
| <b>Deficit for the year</b>                                 |       | <b>(8,350)</b>  | <b>(7,472)</b>  |
| <b>Other comprehensive income</b>                           |       |                 |                 |
| Actuarial loss in the year                                  |       | (3,380)         | (1,035)         |
| Movement in fair valuation reserve                          |       | (55)            | 107             |
| <b>Total other comprehensive income</b>                     |       | <b>(3,435)</b>  | <b>(928)</b>    |
| <b>Total comprehensive income</b>                           |       | <b>(10,665)</b> | <b>(8,400)</b>  |

All activities, other than those of the National Film Trustee Company were on a continuing basis. The notes to the accounts on pages 43 to 66 form part of the audited financial statements. The deficit for UK Film Council Ltd in the year was £8.3 million (2008/09: £7.5 million).

# UK Film Council

## Group statement of changes in taxpayers' equity for the year ended 31 March 2010

| GROUP                              | GENERAL RESERVE<br>£000 | GRANT-IN-AID RESERVE<br>£000 | LOTTERY RESERVE<br>£000 | FAIR VALUATION RESERVE<br>£000 | PENSION RESERVE<br>£000 | TOTAL<br>£000   |
|------------------------------------|-------------------------|------------------------------|-------------------------|--------------------------------|-------------------------|-----------------|
| <b>Balance at 31 March 2008</b>    | <b>7,868</b>            | <b>1,112</b>                 | <b>64,460</b>           | <b>480</b>                     | <b>(76)</b>             | <b>73,844</b>   |
| Surplus/(deficit) for the year     | 424                     | 247                          | (8,115)                 | -                              | (30)                    | (7,474)         |
| Actuarial loss in the year         | -                       | -                            | -                       | -                              | (1,035)                 | (1,035)         |
| Movement in fair valuation reserve | -                       | -                            | -                       | 107                            | -                       | 107             |
| <b>Balance at 31 March 2009</b>    | <b>8,292</b>            | <b>1,359</b>                 | <b>56,345</b>           | <b>587</b>                     | <b>(1,141)</b>          | <b>65,442</b>   |
| Surplus/(deficit) for the year     | 70                      | (1,339)                      | (7,060)                 | -                              | (21)                    | (8,350)         |
| Actuarial loss in the year         | -                       | -                            | -                       | -                              | (3,380)                 | (3,380)         |
| Movement in fair valuation reserve | -                       | -                            | -                       | (55)                           | -                       | (55)            |
| <b>Balance at 31 March 2010</b>    | <b>8,362</b>            | <b>20</b>                    | <b>49,285</b>           | <b>532</b>                     | <b>(4,542)</b>          | <b>(53,657)</b> |

The 'general reserve' represent profits within British Screen Group, being recoupment and profits receivable from its historic portfolio of films, netted by related costs.

The 'Grant-in-aid reserve' is retained funds at the year end relating to the Grant-in-aid funding and other miscellaneous income received by the UK Film Council, netted by all awards allocations and related expenditure.

The 'Lottery reserve' primarily represents the carrying value of film investments made by the UK Film Council, and uncommitted funds held at the National Lottery Distribution Fund, netted by all outstanding award liabilities.

The 'fair valuation reserve' represents the carrying value of those Lottery film investments which have fully recouped the original sum invested and the value represents the anticipated future recoupment from these investments over a three year period, and is released against income as it is received. In the year £0.41 million was released against income and additional fair value adjustments of £0.35 million were made.

The 'pension reserve' represents the asset or liability arising on the valuation of the UK Film Council pension fund at year end, as notified by the actuaries.



# UK Film Council

## Group statement of financial position as at 31 March 2010

|  | NOTES | 2010<br>£000    | 2009<br>£000    | 2008<br>£000    |
|--|-------|-----------------|-----------------|-----------------|
| <b>Non current assets</b>  |       |                 |                 |                 |
| Property, plant and equipment  | 11    | 851             | 1,010           | 973             |
| <b>Total non current assets</b>  |       | <b>851</b>      | <b>1,010</b>    | <b>973</b>      |
| <b>Current assets</b>  |       |                 |                 |                 |
| Film rights  | 12    | 20,891          | 15,056          | 23,086          |
| National Lottery Distribution Fund   | 13    | 31,225          | 44,549          | 44,041          |
| Trade and other receivables falling due within one year  | 14    | 3,282           | 6,324           | 5,765           |
| Trade and other receivables falling due after one year   | 14    | 115             | -               | 3,269           |
| Cash and cash equivalents  |       | 15,793          | 16,432          | 17,100          |
| <b>Total current assets (excluding non current assets classified as held for sale)</b>           |       | <b>71,306</b>   | <b>82,361</b>   | <b>93,261</b>   |
| Non-current assets classified as held for sale   | 15    | 685             | -               | -               |
| <b>Total current assets</b>  |       | <b>71,991</b>   | <b>82,631</b>   | <b>93,261</b>   |
| <b>Total assets</b>  |       | <b>72,842</b>   | <b>83,371</b>   | <b>94,234</b>   |
| <b>Current liabilities</b>   |       |                 |                 |                 |
| Trade and other payables   | 17    | (3,335)         | (1,954)         | (2,000)         |
| Other payables – award commitments   | 18    | (11,151)        | (13,160)        | (15,047)        |
| <b>Total current liabilities (excluding non-current liabilities classified as held for sale)</b> |       | <b>(14,486)</b> | <b>(15,114)</b> | <b>(17,047)</b> |
| Liabilities directly associated with non-current assets held for sale                            | 15    | (157)           | -               | -               |
| <b>Total current liabilities</b>   |       | <b>(14,643)</b> | <b>(15,114)</b> | <b>(17,047)</b> |
| <b>Net current assets</b>  |       | <b>58,199</b>   | <b>68,257</b>   | <b>77,187</b>   |
| <b>Non-current liabilities</b>   |       |                 |                 |                 |
| Other payables – award commitments   | 18    | (-)             | (1,674)         | (3,269)         |
| Pension liability  | 6     | (4,542)         | (1,141)         | (76)            |
| <b>Total non current liabilities</b>   |       | <b>(4,542)</b>  | <b>(2,815)</b>  | <b>(3,345)</b>  |
| <b>Assets less liabilities</b>   |       | <b>53,657</b>   | <b>65,442</b>   | <b>73,842</b>   |
| <b>Capital and reserves</b>  |       |                 |                 |                 |
| General reserve  |       | 8,362           | 8,292           | 7,868           |
| Pension reserve  |       | (4,542)         | (1,141)         | (76)            |
| Fair valuation reserve   |       | 532             | 587             | 480             |
| Grant-in-aid reserve   |       | 20              | 1,359           | 1,112           |
| Lottery reserve  |       | 49,285          | 56,345          | 64,458          |
|  |       | <b>53,657</b>   | <b>65,442</b>   | <b>73,842</b>   |

**John Woodward**  
Chief Executive Officer  
29 June 2009

**Tim Bevan CBE**  
Chairman  
29 June 2009



# UK Film Council

## Company statement of financial position as at 31 March 2009

|   | NOTES | 2010<br>£000    | 2009<br>£000    | 2008<br>£000    |
|---|-------|-----------------|-----------------|-----------------|
| <b>Non current assets</b>                               |       |                 |                 |                 |
| Property, plant and equipment                           | 11    | 851             | 1,007           | 967             |
| <b>Current assets</b>                                   |       |                 |                 |                 |
| Film rights   | 12    | 20,891          | 15,056          | 23,086          |
| National Lottery Distribution Fund                      | 13    | 31,225          | 44,549          | 44,041          |
| Trade and other receivables falling due within one year | 14    | 3,374           | 6,356           | 5,831           |
| Trade and other receivables falling due after one year  | 14    | 115             | -               | 3,269           |
| Cash and cash equivalents                               |       | 7,781           | 7,982           | 8,949           |
| <b>Total current assets</b>                             |       | <b>63,386</b>   | <b>73,943</b>   | <b>85,176</b>   |
| <b>Total assets</b>                                     |       | <b>64,237</b>   | <b>74,950</b>   | <b>86,143</b>   |
| <b>Current liabilities</b>                              |       |                 |                 |                 |
| Trade and other payables                                | 17    | (3,249)         | (1,825)         | (1,776)         |
| Other payables – award commitments                      | 18    | (11,151)        | (13,160)        | (15,047)        |
| <b>Total current liabilities</b>                        |       | <b>(14,400)</b> | <b>(14,985)</b> | <b>(16,823)</b> |
| <b>Net current assets</b>                               |       | <b>49,837</b>   | <b>58,958</b>   | <b>68,353</b>   |
| <b>Non-current liabilities</b>                          |       |                 |                 |                 |
| Award commitments                                       | 18    | (-)             | (1,674)         | (3,269)         |
| Pension liability                                       | 6     | (4,542)         | (1,141)         | (76)            |
| <b>Total non current liabilities</b>                    |       | <b>(4,542)</b>  | <b>(2,815)</b>  | <b>(3,345)</b>  |
| <b>Assets less liabilities</b>                          |       | <b>45,295</b>   | <b>57,150</b>   | <b>65,974</b>   |
| <b>Capital and reserves</b>                             |       |                 |                 |                 |
| Pension reserve   |       | (4,542)         | (1,141)         | (76)            |
| Fair valuation reserve                                  |       | 532             | 587             | 480             |
| Grant-in-aid reserve                                    |       | 20              | 1,359           | 1,112           |
| Lottery reserve   |       | 49,285          | 56,345          | 64,458          |
|   |       | <b>45,295</b>   | <b>57,150</b>   | <b>65,974</b>   |

**John Woodward**  
Chief Executive Officer  
29 June 2010

**Tim Bevan CBE**  
Chairman  
29 June 2010

# UK Film Council

## Group statement of cashflows for the year ended 31 March 2010

|  | NOTES    | 2010<br>£000  | 2009<br>£000  |
|--|----------|---------------|---------------|
| Cash receipts from the National Lottery Distribution Fund      |          | 41,003        | 27,584        |
| Arts Council England delegated funds received                  |          | 2,750         | 3,100         |
| Arts Council England portfolio income                          |          | 54            | 230           |
| UK Film Council portfolio income                               |          | 4,987         | 10,133        |
| Cash receipts from the Department for Culture, Media and Sport |          | 37,034        | 30,064        |
| Other cash receipts  |          | 4,833         | 4,631         |
| Payments of Lottery hard commitments                           |          | (41,071)      | (34,562)      |
| Payments of Grant-in-aid awards                                |          | (34,914)      | (27,184)      |
| Other payments   |          | (14,613)      | (14,880)      |
| <b>Net cash outflow from operating activities</b>              | <b>5</b> | <b>63</b>     | <b>(884)</b>  |
| <b>Returns on investments and servicing of finance</b>         |          |               |               |
| Bank interest received   |          | 43            | 712           |
| <b>Taxation</b>  |          |               |               |
| Tax paid   |          | (60)          | (218)         |
| <b>Capital expenditure and financial investment</b>            |          |               |               |
| Payments to acquire tangible fixed assets                      | 11       | (88)          | (278)         |
| <b>Decrease in cash</b>  |          | <b>(42)</b>   | <b>(668)</b>  |
| Net funds at 1 April   |          | 16,432        | 17,100        |
| <b>Net funds at 31 March</b>                                   |          | <b>16,390</b> | <b>16,432</b> |
| <b>Net funds at 31 March</b>                                   |          |               |               |
| Cash within non-current assets classified as held for sale     |          | 597           | -             |
| Cash   |          | 15,793        | 16,432        |
| <b>Net funds at 31 March</b>                                   |          | <b>16,390</b> | <b>16,432</b> |

# UK Film Council

## Company statement of cashflows for the year ended 31 March 2010

|  | NOTES     | 2010<br>£000 | 2009<br>£000   |
|--|-----------|--------------|----------------|
| <b>Operating activities</b>                                    |           |              |                |
| Cash receipts from the National Lottery Distribution Fund      |           | 41,003       | 27,584         |
| Arts Council England delegated funds received                  |           | 2,750        | 3,100          |
| Arts Council England portfolio income                          |           | 54           | 230            |
| UK Film Council portfolio income                               |           | 4,987        | 10,133         |
| Cash receipts from the Department for Culture, Media and Sport |           | 37,034       | 30,064         |
| Other cash receipts  |           | 4,414        | 4,119          |
| Payments of Lottery hard commitments                           |           | (41,071)     | (34,562)       |
| Payments of Grant-in-aid awards                                |           | (34,914)     | (27,184)       |
| Other payments   |           | (14,375)     | (14,488)       |
| <b>Net cash outflow from operating activities</b>              | <b>5</b>  | <b>(119)</b> | <b>(1,004)</b> |
| <b>Returns on investments and servicing of finance</b>         |           |              |                |
| Bank interest received   |           | 22           | 431            |
| <b>Taxation</b>  |           |              |                |
| Tax paid   |           | (16)         | (119)          |
| <b>Capital expenditure and financial investment</b>            |           |              |                |
| Payments to acquire tangible fixed assets                      | <b>11</b> | (88)         | (275)          |
| <b>Decrease in cash</b>  |           | <b>(201)</b> | <b>(967)</b>   |
| Net funds at 1 April   |           | 7,982        | 8,949          |
| <b>Net funds at 31 March</b>                                   |           | <b>7,781</b> | <b>7,982</b>   |

# Notes to the financial statements

## Note 1: Accounting policies

### a) Basis of preparation

These financial statements are prepared under the historical cost convention, and in accordance with the Accounts Direction issued by the Secretary of State for Culture, Olympics, Media and Sport. They meet the requirements of the Companies Act 2006 and applicable Accounting Standards, except certain headings have been amended in order to reflect special circumstances of the company. The requirements of the National Lottery etc. Act 1993 have been followed for the treatment of hard and soft commitments.

Full implementation of International Financial Reporting Standards (IFRS) has taken place in the year commencing 1 April 2009, in line with Treasury proposals for the adoption of IFRS.

The financial statements have been prepared in accordance with the 2010 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the UK Film Council for the purpose of giving a true and fair view has been selected. The particular policies adopted by the UK Film Council are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

There are no standards and interpretations in issue but not yet adopted that the Directors anticipate will have a material effect on the reported income or net assets of the group.

In accordance with the Directions issued by the Secretary of State for Culture, Olympics, Media and Sport, financial statements have also been prepared for the UK Film Council Lottery activities as a whole.

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

### b) Basis of consolidation

The Group financial statements consolidate the financial statements of the UK Film Council and all its subsidiary undertakings drawn up to 31 March 2010. A statement of comprehensive income is not presented for the UK Film Council Ltd as permitted by section 408 of the Companies Act 2006.

### c) Accruals convention

Income and expenditure is accounted for on a receivable basis, except for recoupment income which is accounted for upon notification of amounts received by the UK Film Council, and commitments which are reported as per the National Lottery Act etc. 1993.

As required by the Secretary of State for Culture, Olympics, Media and Sport, 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, and the conditions of the grant have been fully met, the award is accounted for as a 'hard commitment'. Where the UK Film Council has agreed in principle to fund a scheme or project and made an offer, but the offer has not been accepted and the associated conditions precedent met, 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 statement of financial position are recognised in the statement as current liabilities. Those payable more than one year from the statement of financial position are shown as commitments to filmmakers payable over more than one year, however such commitments are extremely unlikely in the usual 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 conservative view of future income.

### d) Other Lottery awards

Lottery awards other than those for film rights are taken in full to the statement of comprehensive income in the year in which the hard commitment is recognised.

# Notes to the financial statements

## continued

### e) Depreciation and plant, property and equipment

Depreciation is provided on all plant, property and equipment calculated at rates to write off the cost less estimated residual value of each asset systematically on a straight line basis over its expected useful life as follows:

- leasehold improvements: over the life of the lease; and
- IT and office equipment: over four years.

The carrying values of plant, property and equipment is reviewed for impairment in the period if events or changes in circumstances indicate that the carrying value may not be recoverable.

Plant, property and equipment has a capitalisation threshold of £500.

### f) National Lottery Distribution Fund

Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Culture, Olympics, Media and Sport. The share of these balances attributable to the UK Film Council is as shown in the financial statements and, at the date of the statement of financial position, has been notified by the Secretary of State for Culture, Olympics, Media and Sport as being available for distribution by the UK Film Council in respect of current and future commitments. The amount attributable to the UK Film Council has been treated as income within these financial statements.

### g) Financial instruments

The Group account's principal financial instruments are cash and holdings in the National Lottery Distribution Fund and film rights which, with the adoption of IAS 32 (Financial Instruments: Presentation), 39 (Financial Instruments: Measurement and Recognition) and IFRS 7 (Financial Instruments: Disclosure), fall within the definition of financial instruments.

The Group accounts have various other financial instruments such as trade receivables and trade payables that arise directly from its operations. The main risks arising from the Group accounts' financial instruments are interest rate risk, liquidity risk, foreign currency risk and other price risk.

### h) Film rights

Film rights represent loans paid and advances paid and payable to filmmakers. 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. This can lead to repayment of the investment in full, together with a share of the profits generated by the film.

With the adoption of the International Financial Reporting Standards relating to Financial Instruments (IAS 32, 39 and IFRS 7) film rights fall within the definition of financial instruments; within that, they meet the definition of 'available for sale financial assets' and are therefore shown in the statement of financial position at fair value.

At the point at which the advance is made (satisfying the definition of hard commitments in (c) above) it is taken to the statement of financial position initially at the full value of the award made.

This valuation is reviewed on a rolling basis to ensure that fair value is maintained.

Impairments are made against film rights 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 impaired in the year of award, unless there is a reasonable expectation of repayment.

The impairment may be reversed in part or in full if the valuation understates the fair value of the film right.

Movements in impairments shown in the statement of comprehensive income reflect the net effect of increases and decreases in impairments against film rights in the year.

If the valuation of the film right is in excess of the amount of the initial investment (i.e. estimated receipts are likely to be in excess of the original award), then this is taken to a fair value reserve, and released to income as the recoupment is received.

The fair value on those films where the full investment has been (or is expected to be) recovered is based upon estimated recoupment over the next three financial years.

### **i) Film recoupment income**

Income received from a film right is offset against the value of the right on the statement of financial position.

Income in excess of the original value of the right is taken to the statement of comprehensive income as film recoupment income via any fair value reserve as noted above, if appropriate.

### **j) Grant-in-aid**

Grant award allocations from the Department for Culture, Media and Sport, are accounted for as income, and taken to the statement of comprehensive income as funding is drawn. Grant-in-aid awards are taken to the statement of comprehensive income in the year in which the award is made.

### **k) Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the date of the statement of financial position, where transactions or events have occurred at that date will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not, that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted; and
- deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the date of the statement of financial position.

### **l) Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the date of the statement of financial position. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of comprehensive income.

### **m) Leasing commitments**

Rentals payable under operating leases are charged in the statement of comprehensive income on a straight-line basis over the lease term.

### **n) 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 Pension Fund Authority, a statutory body established on 31 October 1989, responsible to the Mayor of London and accountable to Parliament and the Greater London Authority 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. Independent actuaries prepare full valuations of the scheme at least every four years, in line with public sector guidance, and perform updates based on the most recent full valuation on an annual basis.

The UK Film Council complies with IAS 19, under which the defined benefit 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 year is charged against operating profit. The expected return on the scheme's assets and the increase during the year 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 changes in taxpayers' equity. 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. Any deficit is likewise recognised as a liability on the statement of financial position.

# Notes to the financial statements

## continued

### Note 2: First-time adoption of IFRS

#### a) Reconciliation of Group statement of financial position at 1 April 2009

£000

|   |               |
|---|---------------|
| <b>Group statement of reserves under UK GAAP</b>                      | <b>65,539</b> |
| Increase in trade and other payables regarding accrued staff benefits | (97)          |
| <b>Group statement of reserves under IFRS</b>                         | <b>65,442</b> |

Trade and other payables within current liabilities has been increased by £97,000 being the accrued value of holiday benefits due to staff as at 31 March 2009, and not previously accounted for, but now required under IAS 19. £89,000 of this is considered to be attributable to the overheads relating to Lottery activities and is therefore taken against the Lottery reserve, the remaining £8,000 being taken against the Grant-in-aid reserve.

#### b) Reconciliation of Group statement of financial position at 1 April 2008

The transition to IFRS has no impact upon the Group statement of reserves as at 1 April 2008, as previously published in the Annual Report and Financial Statements as at 31 March 2009. Following HM Treasury guidance these accounts already include any re-statements arising from the requirement to account for IAS 32, 39 and IFRS 7 re financial instruments.

#### c) Reconciliation of Company statement of financial position at 1 April 2009

£000

|   |               |
|---|---------------|
| <b>Company statement of reserves under UK GAAP</b>                    | <b>57,247</b> |
| Increase in trade and other payables regarding accrued staff benefits | (97)          |
| <b>Group statement of reserves under IFRS</b>                         | <b>57,150</b> |

Trade and other payables within current liabilities has been increased by £97,000 being the accrued value of holiday benefits due to staff as at 31 March 2009, and not previously accounted for, but now required under IFRS 19. £89,000 of this is considered to be attributable to the overheads relating to Lottery activities and is therefore taken against the Lottery reserve, the remaining £8,000 being taken against the Grant-in-aid reserve.

#### d) Reconciliation of Company statement of financial position at 1 April 2008

The transition to IFRS has no impact upon the Company statement of reserves as at 1 April 2008, as previously published in the Annual Report and Financial Statements as at 31 March 2009. Following HM Treasury guidance these accounts already include any re-statements arising from the requirement to account for IAS 32, 39 and IFRS 7 re financial instruments.

#### e) Reconciliation of Group cashflow for the year 2008/09

No reconciliation is presented, as the requirement to recognise cash equivalents in the cashflow did not lead to any adjustments or re-statement. The only changes are purely presentational.

### Note 3: Turnover

| Comprises:  | 2009/10<br>£000 | 2008/09<br>£000 |
|---|-----------------|-----------------|
| <b>UK Film Council Lottery funding</b>                            |                 |                 |
| Share of proceeds   | 33,360          | 28,148          |
| Net investment income from the National Lottery Distribution Fund | 185             | 1,410           |
| Recoupment income   |                 |                 |
| – UK Film Council portfolio                                       | 647             | 1,955           |
| – Arts Council England portfolio                                  | 56              | 230             |
| Other income  | -               | 295             |
|   | <b>34,248</b>   | <b>32,038</b>   |
| <b>UK Film Council grant-in-aid funding</b>                       |                 |                 |
| Voted by Parliament and paid in full – revenue                    | 30,284          | 26,064          |
| Voted by Parliament and paid in full – capital                    | 6,750           | 4,000           |
|   | <b>37,034</b>   | <b>30,064</b>   |
| <b>British Screen Finance group income</b>                        |                 |                 |
| Sales of film rights  | -               | 25              |
| Interest received from film loans                                 | 29              | 22              |
| Recoupment income   | 384             | 325             |
| Fees receivable   | 166             | 141             |
|   | <b>579</b>      | <b>513</b>      |
| <b>Other income</b>   |                 |                 |
| Other income – European income                                    | 154             | 150             |
| Other income  | 555             | 463             |
|   | <b>709</b>      | <b>613</b>      |
| <b>Total turnover</b>   | <b>72,570</b>   | <b>63,228</b>   |

Turnover represents the amount derived from the provision of services which fall within the group's continuing ordinary activities, stated net of VAT. The Group's turnover originates wholly within the United Kingdom, apart from the £154,000 European funding of the MEDIA Desk UK.

### Note 4: Impairments against film rights

|                                   | 2009/10<br>£000 | 2008/09<br>£000 |
|-----------------------------------|-----------------|-----------------|
| <b>Impairments made</b>           |                 |                 |
| UK Film Council film awards       | 12,402          | 16,690          |
|                                   | <b>12,402</b>   | <b>16,690</b>   |
| <b>Impairments written back</b>   |                 |                 |
| British Screen Finance loans      | 61              | 157             |
| European Co-production Fund loans | 28              | 15              |
| UK Film Council film awards       | 2,555           | 2,537           |
|                                   | <b>2,644</b>    | <b>2,709</b>    |

### Note 5: Statement of cashflows

#### Group: Reconciliation of operating deficit to net cash flows from operating activities

|   | 2009/10<br>£000 | 2008/09<br>£000 |
|---|-----------------|-----------------|
| Operating deficit                         | (8,319)         | (8,024)         |
| (Increase)/decrease in film rights        | (5,838)         | 8,030           |
| Decrease in trade receivables             | 14,972          | 2,202           |
| Decrease in trade payables                | (773)           | (3,122)         |
| Movement in pension liability             | 21              | 30              |
| <b>Net cash from operating activities</b> | <b>63</b>       | <b>(884)</b>    |

#### Company: Reconciliation of operating deficit to net cash flows from operating activities

|   | 2009/10<br>£000 | 2008/09<br>£000 |
|---|-----------------|-----------------|
| Operating deficit                         | (8,453)         | (8,076)         |
| (Increase)/decrease in film rights        | (5,835)         | 8,030           |
| Decrease in trade receivables             | 15,820          | 2,236           |
| Decrease in trade payables                | (1,672)         | (3,224)         |
| Movement in pension liability             | 21              | 30              |
| <b>Net cash from operating activities</b> | <b>(119)</b>    | <b>(1,004)</b>  |



# Notes to the financial statements

## continued

### Note 6: Staff costs

#### Directors' remuneration (including daily allowances)

|  | 2009/10<br>£  | 2008/09<br>£ |
|--|---------------|--------------|
| Pippa Cross (from 21 Nov 2008)               | 3,655         | -            |
| Andrew Eaton<br>(retired 19 Oct 2008)        | -             | 645          |
| Rebecca O'Brien                              | 2,795         | 2,580        |
| Heather Rabbats CBE                          | 1,935         | 1,935        |
| Amanda Walsh                                 | 2,580         | 2,150        |
| David Sproxtton CBE<br>(retired 19 Oct 2008) | -             | 1,392        |
|  | <b>10,965</b> | <b>8,702</b> |

#### Remuneration of the Chief Executive Officer

|                      | 2009/10<br>£   | 2008/09<br>£   |
|----------------------|----------------|----------------|
| <b>John Woodward</b> |                |                |
| Salary and benefits  | 170,171        | 165,445        |
| Bonus                | 38,289         | 32,498         |
| <b>Total</b>         | <b>208,460</b> | <b>197,943</b> |
| Pension contribution | 27,227         | 26,472         |

#### Costs of all staff working within the UK Film Council

| As at 31 March 2010:                             | PERMANENT<br>STAFF £000 | OTHER<br>STAFF £000 | TOTAL<br>STAFF £000 |
|--|-------------------------|---------------------|---------------------|
| Wages and salaries                               | 4,788                   | 68                  | 4,856               |
| Social Security costs                            | 451                     | 7                   | 458                 |
| Pension service costs and<br>other pension costs | 440                     | 6                   | 446                 |
|  | <b>5,679</b>            | <b>81</b>           | <b>5,760</b>        |

| As at 31 March 2009:                             | PERMANENT<br>STAFF £000 | OTHER<br>STAFF £000 | TOTAL<br>STAFF £000 |
|--|-------------------------|---------------------|---------------------|
| Wages and salaries                               | 4,989                   | 19                  | 5,008               |
| Social Security costs                            | 478                     | 2                   | 480                 |
| Pension service costs and<br>other pension costs | 443                     | -                   | 443                 |
|  | <b>5,910</b>            | <b>21</b>           | <b>5,931</b>        |

#### Average number of staff employed (full time equivalent) during the year

|                                | 2009/10   | 2008/09   |
|--------------------------------|-----------|-----------|
| Management and administration: |           |           |
| Permanent staff                | 92        | 87        |
| Other staff                    | 2         | 5         |
|                                | <b>94</b> | <b>92</b> |

## Note 6: Staff costs continued

### Salary and entitlements of senior staff members of the UK Film Council

|  | AGE | TOTAL REMUNERATION YEAR ENDED 31 MARCH 2010<br>£000 | PENSION ACCRUED AT 65 YEAR ENDED 31 MARCH 2010<br>£000 | INCREASE TO PENSION ACCRUED YEAR ENDED 31 MARCH 2010<br>£000 | TOTAL REMUNERATION YEAR ENDED 31 MARCH 2009<br>£000 |
|--|-----|---|--|--|---|
| <b>Sally Caplan</b><br>Head of Premiere Fund (to 31 March 2010)      | 52  | 165-170   | -  | -  | 165-170   |
| <b>Tanya Seghatchian</b><br>Head of Development Fund                 | 42  | 165-170   | 7.5-10   | 0-2.5  | 150-155   |
| <b>Will Evans</b><br>Head of Business Affairs                        | 55  | 155-160   | -  | -  | 155-160   |
| <b>Colin Brown</b><br>British Film Commissioner                      | 60  | 140-145   | 5-7.5  | 0-2.5  | 140-145   |
| <b>Peter Buckingham</b><br>Head of Distribution & Exhibition         | 54  | 135-140   | 12.5-15  | 0-2.5  | 140-145   |
| <b>Lenny Crooks</b><br>Head of New Cinema Fund                       | 57  | 119-120   | 45-47.5  | 2.5-5  | 110-115   |
| <b>Alan Bushell</b><br>Chief Operating Officer                       | 59  | 110-115   | 17.5-20  | 0-2.5  | 110-115   |
| <b>Oliver Rawlins</b><br>Head of Communications (from 14 April 2009) | 29  | 65-70   | 0-2.5  | 0-2.5  | -   |

The position of the Head of the Development Fund ceased on 31 March 2010. From 1 April Tanya Seghatchian took up the post of Head of the Film Fund at a reduced salary.

Pension contributions during the year were to a money-purchase occupational scheme for John Woodward and to private pension schemes for Sally Caplan and Will Evans.

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.

Upon joining the UK Film Council, Lenny Crooks transferred all his pension rights arising from prior public sector employment to the London Pension Fund Authority (LPFA) Superannuation Scheme.

A number of directors and employees have interests in award applications which have been fully disclosed in note 25.

# Notes to the financial statements

## continued

### Note 7: Pensions benefits

The company participates in the London Pension Fund Authority Superannuation Scheme (LPFA). The majority of the company's staff are members of the scheme.

The pension scheme is of the defined benefit type and is funded by employees and employers at actuarially determined rates. Employer contributions charged for members of the scheme amounted to £0.273 million (2009: £0.256 million)

Following the advice of the consulting actuaries to the LPFS, the UK Film Council's initial employer contributions (as a percentage of the pensionable salary) were set at 12.1% throughout the year (2009: 12.1%). It is anticipated that employer contributions will remain at this rate in the coming financial year.

A valuation for IAS19 purposes as at March 2010 was carried out by a qualified independent actuary. The assumptions used by the actuary for IAS19 valuation purposes were:

| <b>Financial assumptions</b>         | <b>2010</b><br>% | <b>2009</b><br>% |
|--------------------------------------|------------------|------------------|
| Rate of increase in salaries         | 5.4              | 4.6              |
| Rate of increase in pension payments | 3.9              | 3.1              |
| Discount rate                        | 5.5              | 6.9              |
| Inflation assumption                 | 3.9              | 3.1              |

| <b>Average life expectancy at 65</b> | <b>MALES</b> | <b>FEMALES</b> |
|--------------------------------------|--------------|----------------|
| Current pensioners                   | 19.6 years   | 22.5 years     |
| Future pensioners                    | 20.7 years   | 23.6 years     |

| <b>The fair value of the scheme assets and the expected rate of return, the present value of the scheme liabilities and the resulting deficit</b> | <b>2010</b><br><b>LONG TERM RATE</b><br><b>OF RETURN EXPECTED</b> |                | <b>2009</b><br><b>LONG TERM RATE</b><br><b>OF RETURN EXPECTED</b> |                |
|---|---|----------------|---|----------------|
|   | <b>%</b>  | <b>£000</b>    | <b>%</b>  | <b>£000</b>    |
| Equities  | 7.5   | 5,383          | 7.0   | 3,335          |
| Bonds   | 5.5   | 769            | 5.5   | 585            |
| Property  | 6.5   | 1,077          | 6.0   | 1,463          |
| Cash  | 3.0   | 384            | 4.0   | 468            |
| Corporate bonds   | 5.5   | 77             |   |                |
| <b>Total market value of assets</b>   |   | <b>7,690</b>   |   | <b>5,851</b>   |
| Present value of scheme liabilities   |   | (12,232)       |   | (6,992)        |
| <b>Net pension deficit</b>  |   | <b>(4,542)</b> |   | <b>(1,141)</b> |

The overall expected rate of return on scheme assets is projected by the scheme actuaries using modelling techniques, with reference to key assumptions and the relative weighting of scheme assets

## Note 7: Pensions benefits continued

### The amounts recognised in the statement of comprehensive income

|                              | 31 MARCH 2010 | 31 MARCH 2009 |
|------------------------------|---------------|---------------|
|                              | £000          | £000          |
| Current service cost         | 292           | 321           |
| Interest cost                | 483           | 494           |
| Expected return on employers | (378)         | (492)         |
| Past service costs           | -             | 83            |
| <b>Total</b>                 | <b>397</b>    | <b>406</b>    |
| Actual return on plan assets | (1,725)       | (1,481)       |

### Amount recognised in Statement of Changes in Tax-payers Equity (SOCTE)

|   | 2010           | 2009           |
|---|----------------|----------------|
| Actuarial losses                            | (3,380)        | (1,035)        |
| <b>Actuarial losses recognised in SOCTE</b> | <b>(3,380)</b> | <b>(1,035)</b> |
| Cumulative actuarial losses in SOCTE        | (4,629)        | (1,249)        |

### Changes in the present value of the defined benefit obligation

|   | 2010<br>£000  | 2009<br>£000 |
|---|---------------|--------------|
| Opening defined benefit contribution      | 6,992         | 6,863        |
| Current service cost                      | 292           | 321          |
| Interest cost                             | 483           | 494          |
| Contributions by members                  | 273           | 256          |
| Actuarial losses/(gains)                  | 4,727         | (965)        |
| Past service costs                        | -             | 83           |
| Benefits paid                             | (535)         | (60)         |
| <b>Closing defined benefit obligation</b> | <b>12,232</b> | <b>6,992</b> |

### Changes in the fair value of the plan

|   | 2010<br>£000 | 2009<br>£000 |
|---|--------------|--------------|
| Opening fair value of employer assets   | 5,851        | 6,787        |
| Expected return on assets               | 378          | 492          |
| Contributions by members                | 273          | 256          |
| Contributions by employer               | 376          | 376          |
| Actuarial gains/(losses)                | 1,347        | (2,000)      |
| Benefits paid                           | (535)        | (60)         |
| <b>Closing value of employer assets</b> | <b>7,690</b> | <b>5,851</b> |

# Notes to the financial statements

## continued

### Note 7: Pensions benefits continued

#### A history of experience gains and losses

|   | 2010<br>£000 | 2009<br>£000 |              |
|---|--------------|--------------|--------------|
| Fair value of employer assets               | 7,690        | 5,851        |              |
| Present value of defined benefit obligation | (12,232)     | (6,992)      |              |
| Deficit                                     | (4,542)      | (1,141)      |              |
| Experience gains/(losses) on assets         | 1,347        | (1,967)      |              |
| Experience losses on liabilities            | -            | -            |              |
|   |              |              |              |
|   | 2008<br>£000 | 2007<br>£000 | 2006<br>£000 |
| Fair value of employer assets               | 6,787        | 5,662        | 4,394        |
| Present value of defined benefit obligation | (6,863)      | (6,836)      | (4,712)      |
| Deficit                                     | (76)         | (1,174)      | (78)         |
|   |              |              |              |
| Experience gains on assets                  | 118          | 48           | 560          |
| Experience losses on liabilities            | -            | -            | (22)         |

## Note 8: Other operating expenses

|  | 2009/10<br>£000 | 2008/09<br>£000 |
|--|-----------------|-----------------|
| <b>This comprises</b>                        |                 |                 |
| Staff costs                                  | 5,132           | 5,112           |
| Agency staff                                 | 95              | 106             |
| Travel, subsistence and entertainment costs  | 239             | 350             |
| Operating lease rentals – land and buildings | 515             | 512             |
| Other building and facilities costs          | 590             | 666             |
| Professional fees (including audit fees)*    | 1,245           | 1,250           |
| Foreign Exchange loss/(gain)                 | 1               | (7)             |
| Other operating costs                        | 442             | 389             |
|  | <b>8,259</b>    | <b>8,378</b>    |

### \*Audit fees

|   |    |    |
|---|----|----|
| Auditor's remuneration – internal                   | 21 | 20 |
| Auditor's remuneration – National Audit Office      | 15 | 15 |
| Audit of subsidiaries – National Audit Office       | 13 | 13 |
| Audit of Lottery – National Audit Office            | 20 | 20 |
| Audit of transition to IFRS – National Audit Office | 5  | 5  |

Using the definitions as being used by the Department for Culture, Media and Sport for medium and long term planning the overheads can be apportioned as follows:

|  | 2009/10      |               | 2008/09      |               |
|--|--------------|---------------|--------------|---------------|
|  | £000         | % OF TURNOVER | £000         | % OF TURNOVER |
| Front-line service delivery            | 2,512        | 3.46          | 2,722        | 4.31          |
| Support to front line service delivery | 4,295        | 5.91          | 4,322        | 6.84          |
| Management and administration          | 1,452        | 1.98          | 1,334        | 2.11          |
| <b>Total overheads</b>                 | <b>8,259</b> |               | <b>8,378</b> |               |

Front-line service delivery relates to the leadership function of the three production funds and distribution and exhibition funding activities, as well as the associated share of costs of Communications, the Diversity Unit, and the Research and Strategic Development Unit.

Support to front-line service delivery is the costs of running the Lottery and Grant-in-aid programmes – and thus includes costs of all those departments involved in the distribution of Lottery funds including Production Finance and Business Affairs as well the apportioned share of the costs of the Chief Executive's Office.

Management and administration are those elements of apportioned costs relating to Facilities, IT, Corporate Finance and HR.

Exceptional items of expenditure were the costs incurred relating to the restructuring of the Lottery and other funds (£0.65 million) announced in January 2010 and implemented from 31 March; and the work undertaken at the request of the Department for Culture, Media and Sport for the proposed merger of the British Film Institute and the UK Film Council (£0.22 million).

# Notes to the financial statements

## continued

### Note 9: Notional cost of capital

Notional cost of capital is calculated, on the advice of HM Treasury, on the average net assets employed in the year, excluding the balances in the National Lottery Distribution Fund, film rights and the matching Lottery award liabilities. The interest on DCMS grant assets was 3.5% (2009: 3.5%) and Lottery assets 0% (2009: 0%)

### Note 10: Taxation

|  | 2009/10<br>£000 | 2008/09<br>£000 |
|--|-----------------|-----------------|
| Corporation Tax (repayable)/payable for current year | (32)            | 158             |

The taxation assessed for the year varies from the standard rate of Corporation Tax in the UK (28%). This is because the UK Film Council and the European Co-production Fund Ltd are taxed solely on interest receivable, while the remaining companies within the British Screen group are taxable on their full trading activities.

| The differences are:  | 2009/10<br>£000 | 2008/09<br>£000 |
|---|-----------------|-----------------|
| Deficit on ordinary activities before taxation  | (7,262)         | (7,314)         |
| Deficit on ordinary activities multiplied by standard rate of UK Corporation Tax of 28% (2009: 28%) | (2,033)         | (2,048)         |
| Effects of:   |                 |                 |
| UK Film Council deficit not chargeable to UK Corporation Tax  | 2,078           | 2,297           |
| Adjustments regarding British Screen group:   |                 |                 |
| Unrelieved tax losses brought forward   | (56)            | (68)            |
| Lower rate of Corporation Tax   | -               | (15)            |
| Other timing differences  | (1)             | (3)             |
| <b>Corporation Tax payable</b>  | <b>-</b>        | <b>163</b>      |
| Tax over-provision in previous years  | (32)            | (5)             |
| <b>Current tax (credit)/charge for the year</b>   | <b>(32)</b>     | <b>158</b>      |

## Note 11: Plant, property and equipment

| GROUP                    | SHORT LEASEHOLD<br>IMPROVEMENTS<br>£000 | INFORMATION<br>TECHNOLOGY<br>£000 | OFFICE<br>EQUIPMENT<br>£000 | TOTAL<br>£000 |
|--------------------------|---|-----------------------------------|-----------------------------|---------------|
| <b>Cost:</b>             |   |                                   |                             |               |
| <b>At 1 April 2008</b>   | <b>1,675</b>                            | <b>712</b>                        | <b>421</b>                  | <b>2,808</b>  |
| Additions                | 121                                     | 119                               | 38                          | 278           |
| Disposals                | -                                       | -                                 | -                           | -             |
| <b>At 1 April 2009</b>   | <b>1,796</b>                            | <b>831</b>                        | <b>459</b>                  | <b>3,086</b>  |
| Additions                | 4                                       | 15                                | 69                          | 88            |
| Disposals                | -                                       | -                                 | (17)                        | (17)          |
| <b>At 31 March 2010</b>  | <b>1,800</b>                            | <b>846</b>                        | <b>511</b>                  | <b>3,157</b>  |
| <b>Depreciation:</b>     |   |                                   |                             |               |
| <b>At 1 April 2008</b>   | <b>864</b>                              | <b>579</b>                        | <b>392</b>                  | <b>1,835</b>  |
| Provided during the year | 133                                     | 93                                | 14                          | 240           |
| Disposals                | -                                       | -                                 | -                           | -             |
| <b>At 1 April 2009</b>   | <b>997</b>                              | <b>672</b>                        | <b>406</b>                  | <b>2,075</b>  |
| Provided during the year | 133                                     | 78                                | 37                          | 248           |
| Disposals                | -                                       | -                                 | (17)                        | (17)          |
| <b>At 31 March 2010</b>  | <b>1,130</b>                            | <b>750</b>                        | <b>426</b>                  | <b>2,306</b>  |
| <b>Net book value:</b>   |   |                                   |                             |               |
| At 1 April 2008          | 811                                     | 133                               | 29                          | 973           |
| At 1 April 2009          | 799                                     | 159                               | 53                          | 1,010         |
| <b>At 31 March 2010</b>  | <b>670</b>                              | <b>96</b>                         | <b>85</b>                   | <b>851</b>    |



# Notes to the financial statements

## continued

### Note 11: Plant, property and equipment

continued

| COMPANY                  | SHORT LEASEHOLD<br>IMPROVEMENTS<br>£000 | INFORMATION<br>TECHNOLOGY<br>£000 | OFFICE<br>EQUIPMENT<br>£000 | TOTAL<br>£000 |
|--------------------------|---|-----------------------------------|-----------------------------|---------------|
| <b>Cost:</b>             |   |                                   |                             |               |
| <b>At 1 April 2008</b>   | <b>1,584</b>                            | <b>667</b>                        | <b>401</b>                  | <b>2,652</b>  |
| Additions                | 118                                     | 119                               | 38                          | 275           |
| Disposals                | -                                       | -                                 | -                           | -             |
| <b>At 1 April 2009</b>   | <b>1,702</b>                            | <b>786</b>                        | <b>439</b>                  | <b>2,927</b>  |
| Additions                | 4                                       | 15                                | 68                          | 87            |
| Disposals                | -                                       | -                                 | (17)                        | (17)          |
| <b>At 31 March 2010</b>  | <b>1,706</b>                            | <b>801</b>                        | <b>490</b>                  | <b>2,997</b>  |
| <b>Depreciation:</b>     |   |                                   |                             |               |
| <b>At 1 April 2008</b>   | <b>780</b>                              | <b>537</b>                        | <b>368</b>                  | <b>1,685</b>  |
| Provided during the year | 128                                     | 93                                | 14                          | 235           |
| Disposals                | -                                       | -                                 | -                           | -             |
| <b>At 1 April 2009</b>   | <b>908</b>                              | <b>630</b>                        | <b>382</b>                  | <b>1,920</b>  |
| Provided during the year | 128                                     | 78                                | 37                          | 243           |
| Disposals                | -                                       | -                                 | (17)                        | (17)          |
| <b>At 31 March 2010</b>  | <b>1,036</b>                            | <b>708</b>                        | <b>402</b>                  | <b>2,146</b>  |
| <b>Net book value:</b>   |   |                                   |                             |               |
| At 1 April 2008          | 804                                     | 130                               | 33                          | 967           |
| At 1 April 2009          | 795                                     | 156                               | 57                          | 1,007         |
| <b>At 31 March 2010</b>  | <b>670</b>                              | <b>93</b>                         | <b>88</b>                   | <b>851</b>    |

## Note 12: Film rights

| GROUP                              | BRITISH SCREEN<br>FINANCE LTD<br>£000 | EUROPEAN<br>CO-PRODUCTION<br>FUND LTD<br>£000 | UK FILM COUNCIL<br>£000 | TOTAL<br>£000 |
|------------------------------------|---------------------------------------|---|-------------------------|---------------|
| <b>At 1 April 2008</b>             | -                                     | -   | <b>23,086</b>           | <b>23,086</b> |
| Advances                           | -                                     | -   | 14,898                  | 14,898        |
| Repayments                         | (157)                                 | (15)  | (8,261)                 | (8,433)       |
| Decommitments                      | -                                     | -   | (620)                   | (620)         |
| Fair value adjustments in the year | -                                     | -   | 106                     | 106           |
| Impairments written back           | 157                                   | 15  | 2,537                   | 2,709         |
| Impairments                        | -                                     | -   | (16,690)                | (16,690)      |
| <b>At 1 April 2009</b>             | -                                     | -   | <b>15,056</b>           | <b>15,056</b> |
| Advances                           | -                                     | -   | 21,593                  | 21,593        |
| Repayments                         | (61)                                  | (28)  | (4,209)                 | (4,298)       |
| Decommitments                      | -                                     | -   | (1,648)                 | (1,648)       |
| Fair value adjustments in the year | -                                     | -   | (55)                    | (55)          |
| Impairments written back           | 61                                    | 28  | 2,555                   | 2,644         |
| Impairments                        | -                                     | -   | (12,401)                | (12,401)      |
| <b>As at 31 March 2010</b>         | -                                     | -   | <b>20,891</b>           | <b>20,891</b> |

  

| COMPANY                            | 2009/10<br>£000 | 2008/09<br>£000 |
|------------------------------------|-----------------|-----------------|
| <b>At 1 April</b>                  | <b>15,056</b>   | <b>23,086</b>   |
| Advances                           | 21,593          | 14,898          |
| Repayments                         | (4,209)         | (8,261)         |
| Decommitments                      | (1,648)         | (620)           |
| Fair value adjustments in the year | (55)            | (106)           |
| Impairments written back           | 2,555           | 2,537           |
| Impairments                        | (12,401)        | (16,690)        |
| <b>As at 31 March</b>              | <b>20,891</b>   | <b>15,056</b>   |

Repayment of outstanding film rights is dependent upon a number of factors, including the performance of the films at the box office and in ancillary markets. For these reasons it is not possible to state when the loans will be repaid.

With the adoption of the International Accounting Standards relating to Financial Instruments (IAS 32 and 39 and IFRS 7) film rights fall within the definition of financial instruments; and within that meet the definition of 'Available for sale financial assets' and are shown in the statement of financial position at fair value.

If the valuation of the film right is in excess of the amount of the initial investment (ie estimated receipts are likely to be in excess of the original award), then this is taken to a fair value reserve, and released to income as the recoupment is received.

The fair value on those films where the full investment has been (or is expected to be) recovered is based upon estimated recoupment over the next three financial years.

# Notes to the financial statements

## continued

### Note 13: National Lottery Distribution Fund

Movement in balances held at the National Lottery Distribution Fund

|  | 2010<br>£000  | 2009<br>£000  | 2008<br>£000  |
|--|---------------|---------------|---------------|
| Opening balance held at the National Lottery Distribution Fund | 44,549        | 44,041        | 37,394        |
| Income received from the Lottery                               | 33,360        | 28,148        | 27,093        |
| Transfer to the Olympic Lottery Distribution Fund              | (5,866)       | (1,466)       | -             |
| Investment income earned                                       | 185           | 1,410         | 2,250         |
| <b>Available for distribution</b>                              | <b>72,228</b> | <b>72,133</b> | <b>66,737</b> |
| Cash drawn down  | (41,003)      | (27,584)      | (22,696)      |
| <b>Balance as at 31 March</b>                                  | <b>31,225</b> | <b>44,549</b> | <b>44,041</b> |

At 31 March 2010, the cost of the investment in the fund was £31.2 million (2009: £44.5 million). Income received from the Lottery shown above is after charging unrealised losses of £0.05 million (2009: £0.05 million).

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 statement of financial position the lower of the market value or the cost of the investment as at the year end.

In February 2008, a statutory Instrument (SI 2008 No. 255 The Payments into the Olympic Lottery Distribution Fund etc. Order 2008) was passed which allowed for the transfer of up to £1,085 million from the National Lottery Distribution Fund to the Olympic Lottery Distribution Fund in order to meet some of the costs of holding the 2012 games. This comprises £410 million as originally envisaged when the Government decided to support London's Olympic bid in 2003, and a proposed further £675 million arising from the subsequent budget review.

The UK Film Council was committed to contribute up to £9.6 million in the original bid and this order allows for the transfer of up to a further £12.2 million making a total of £21.8 million.

Four transfers of funds under the statutory instrument took place during the financial year with the UK Film Council contributing a total of £5.9 million. Further transfers are anticipated at quarterly intervals until July 2012.

Because this commitment is only seen to be crystallising at the point of the three monthly transfers, the remaining commitment of £14.5 million is not recorded in the statement of financial position as at 31 March 2010.

The UK Film Council has published its plans for the period 2010-2013. The plan assumes that the UK Film Council will continue to make an increased level of commitment over this period. As a consequence the UK Film Council will make total commitments over the period in excess of its Lottery income and this will reduce cash balances and reserves over this period. The National Lottery Distribution Fund balance is expected to fall below £5 million by March 2012 and the Board will be closely monitoring the position.

## Note 14: Trade and other receivables

| GROUP  | 2010<br>£000 | 2009<br>£000 | 2008<br>£000 |
|--|--------------|--------------|--------------|
| <b>Trade and other receivables falling due within one year</b> |              |              |              |
| Trade receivables  | 0            | 59           | 33           |
| Prepayments and accrued income – EU funding                    | 34           | 30           | 30           |
| Prepayments and accrued income – other                         | 677          | 1,024        | 581          |
| VAT receivable   | 654          | 429          | 474          |
| Other receivables  | 1,917        | 4,782        | 4,647        |
|  | <b>3,282</b> | <b>6,324</b> | <b>5,765</b> |
| <b>Trade and other receivables falling due after one year</b>  |              |              |              |
| Other receivables  | 115          | -            | 3,269        |
|  | <b>3,397</b> | <b>6,324</b> | <b>9,034</b> |
| <b>Analysis of Group trade and other receivables</b>           |              |              |              |
| Payable by central government – Arts Council England           | 1,485        | 4,235        | 7,335        |
| Payable by central government – HM Revenue and Customs re VAT  | 721          | 429          | 474          |
| Payable by local authorities                                   | -            | 127          | -            |
| Payable by bodies external of government                       | 1,191        | 1,533        | 1,225        |
|  | <b>3,397</b> | <b>6,324</b> | <b>9,034</b> |
| <b>COMPANY</b>   |              |              |              |
| <b>Trade and other receivables falling due within one year</b> |              |              |              |
| Receivables from subsidiary undertakings                       | 4            | 120          | 148          |
| Prepayments and accrued income                                 | 710          | 910          | 566          |
| VAT receivable   | 652          | 424          | 469          |
| Other receivables  | 2,008        | 4,902        | 4,648        |
|  | <b>3,374</b> | <b>6,356</b> | <b>5,831</b> |
| <b>Trade and other receivables falling due after one year</b>  |              |              |              |
| Other receivables  | 115          | -            | 3,269        |
|  | <b>3,489</b> | <b>6,356</b> | <b>9,100</b> |
| <b>Analysis of Company trade and other receivables</b>         |              |              |              |
| Payable by central government – Arts Council England           | 1,485        | 4,235        | 7,335        |
| Payable by central government – HM Revenue and Customs re VAT  | 719          | 424          | 469          |
| Payable by local authorities                                   | -            | 127          | -            |
| Payable by bodies external of government                       | 1,285        | 1,570        | 1,296        |
|  | <b>3,489</b> | <b>6,356</b> | <b>9,100</b> |

# Notes to the financial statements

## continued

### Note 15: Non-current assets held for sale

At 31 March 2010 the National Film Trustee Company (NFTC), a wholly owned subsidiary of British Screen Finance Ltd, and a continuing operation was held as a company for sale and is disclosed accordingly in these accounts.

The decision was taken after a review of this business which had been loss making for many years and a consideration of its place in the activities of the Group as a whole.

It has hence been excluded from the consolidated Group figures and is reflected as a non-current asset at fair value, after an impairment within the year to reflect this valuation. The NFTC was sold on 5 May 2010.

As at 31 March 2010 the balance sheet, stating the fair value applied to the organisation was:

|  | £'000        |
|--|--------------|
| <b>Plant, property and equipment</b>   | <b>1</b>     |
| Trade payables and other receivables   | 86           |
| Cash                                   | 597          |
| <b>Total current assets</b>            | <b>683</b>   |
| Trade payables                         | (53)         |
| Other payables – fair value impairment | (104)        |
| <b>Total trade and other payables</b>  | <b>(157)</b> |
| <b>Total net assets</b>                | <b>527</b>   |

### Note 16: Financial risks

Financial Reporting Standards require disclosure of the role which financial instruments have had during the period, in creating or changing the risks that the UK Film Council faces in undertaking its role.

#### Liquidity risks

In 2009/10, £33.4 million (46%) (2008/09: £28.1 million, 45%) of the UK Film Council's income was derived from the National Lottery. £37.0 million (51%) arose from grant-in-aid funding allocated by the Department for Culture, Media and Sport (2008/9 £30.1 million, 48%). The remaining income derived from: investment returns from the balance held with the National Lottery Distribution Fund £0.2 million (0%) (2009: £1.4 million, 2%); recoupment income from film rights £0.7 million (1%) (2009: £2.2 million, 3%); income arising from British Screen group £0.6 million, 1% (2009: £0.5 million, 1%); and bank interest and sundry income £0.8 million (1%) (2009: £1.6 million, 3%).

The Board considers that, as the National Lottery Distribution Fund balance notified by the Secretary of State for Culture, Olympics, Media and Sport and the UK Film Council's own Lottery cash holding amount to £38.1 million at the date of the statement of financial position (2009: £51.1 million), sufficient liquid resources are available to cover all current hard and soft commitments totalling £29.3 million (2009: £33.9 million) and any related trade and other payables. In addition, the year end cash balances not attributable to the Lottery of £9.4 million (2009: £9.8 million) are deemed sufficient to cover remaining trade and other payables.

#### 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 financial statements of the National Lottery Distribution Funds. At the year end the market value of the Council's investment in the National Lottery Distribution Fund was £31.2 million (2009: £44.5 million) and the average investment return for the year was 0.6% (2009: 3.7%).

Cash drawn down from the Grant-in-aid allocation held at the Department for Culture Media and Sport or from the National Lottery Distribution Fund, or received from other sources, to pay grant commitments and operating costs are held in variable rate bank accounts and the average interest rate return for the year was 0.1% (2009: 5.2%). The Group cash balance at the year-end was £16.4 million (2009: £16.4 million). The Board considers that, in respect of these funds the UK Film Council is not exposed to significant interest rate risks.

### Credit risk

In 2009/10 the UK Film Council did not loan any funds and therefore had no credit risk.

### Other price risks

With the adoption of those international financial reporting standards relating to Financial Instruments (IAS 32, 39 and IFRS 7), film rights fall within the definition of financial instruments, and within that meet the definition of 'Available for sale financial assets' and are therefore shown in the statement of financial position at fair value.

The valuation of film rights are subject to ongoing review to ensure a fair value is maintained with any impairments being charged as expenditure. Any increase in the fair value beyond the original investment value is taken to reserves and only released as income on the actual receipt of funds.

Film rights at 31 March 2010 have a valuation of £20.9 million (2009: £15.0 million) and the Board considers that the UK Film Council is not exposed to significant other price risks.

### Foreign currency risks

UK Film Council financial assets are not exposed to material foreign exchange risks, as long-term balances are held in sterling.

## Note 17: Trade and other payables

| GROUP                              | 2010<br>£000 | 2009<br>£000 | 2008<br>£000 |
|------------------------------------|--------------|--------------|--------------|
| Trade payables                     | 412          | 340          | 395          |
| Accruals and deferred income       | 2,880        | 1,563        | 1,388        |
| Corporation Tax                    | 18           | 49           | 133          |
| Other payables and Social Security | 25           | 2            | 84           |
|                                    | <b>3,335</b> | <b>1,954</b> | <b>2,000</b> |

Analysis of trade and other payables between:

|   |              |              |              |
|---|--------------|--------------|--------------|
| Payable to central government (Corporation Tax and Social Security) | 18           | 2            | 84           |
| Payable to local authorities  | -            | -            | -            |
| Payable to bodies external of government                            | 3,317        | 1,952        | 1,916        |
|   | <b>3,335</b> | <b>1,954</b> | <b>2,000</b> |

### COMPANY

|                                    |              |              |              |
|------------------------------------|--------------|--------------|--------------|
| Trade payables                     | 407          | 336          | 365          |
| Accruals and deferred income       | 2,809        | 1,471        | 1,259        |
| Corporation Tax                    | 8            | 18           | 75           |
| Other payables and Social Security | 25           | -            | 77           |
|                                    | <b>3,249</b> | <b>1,825</b> | <b>1,776</b> |

Analysis of trade and other payables between:

|   |              |              |              |
|---|--------------|--------------|--------------|
| Payable to central government (Corporation Tax and Social Security) | 8            | -            | 77           |
| Payable to local authorities  | -            | -            | -            |
| Payable to bodies external of government                            | 3,241        | 1,825        | 1,699        |
|   | <b>3,249</b> | <b>1,825</b> | <b>1,776</b> |

# Notes to the financial statements

## continued

### Note 18: Other payables – award commitments

| SOFT COMMITMENTS                           | 2010<br>£000  | 2009<br>£000  | 2008<br>£000  |
|--|---------------|---------------|---------------|
| Brought forward at 1 April                 | 19,131        | 12,754        | 19,978        |
| Commitments made                           | 38,845        | 41,108        | 26,157        |
| Transferred back from hard commitments     | -             | 22            | 46            |
| Soft decommitments                         | (619)         | (1,758)       | (401)         |
| Transferred to hard commitments            | (39,214)      | (32,995)      | (33,026)      |
| <b>Balance carried forward at 31 March</b> | <b>18,143</b> | <b>19,131</b> | <b>12,754</b> |

| HARD COMMITMENTS                           | 2010<br>£000  | 2009<br>£000  | 2008<br>£000  |
|--|---------------|---------------|---------------|
| Brought forward at 1 April                 | 14,834        | 18,316        | 20,857        |
| Commitments made                           | 39,214        | 32,995        | 33,026        |
| Hard decommitments                         | (1,826)       | (1,893)       | (2,938)       |
| Transferred to soft commitments            | -             | (22)          | (46)          |
| Amounts paid                               | (41,071)      | (34,562)      | (32,583)      |
| <b>Balance carried forward at 31 March</b> | <b>11,151</b> | <b>14,834</b> | <b>18,316</b> |

Soft decommitments arise when the conditions of the terms of the award are not met.

### New hard commitments made during the year

|                                    | 2010<br>£000  | 2009<br>£000  | 2008<br>£000  |
|------------------------------------|---------------|---------------|---------------|
| Film rights                        | 21,613        | 14,898        | 14,637        |
| Regional awards                    | 3,200         | 3,200         | 3,500         |
| First Light Movies award           | 1,100         | 1,135         | 1,100         |
| Distribution and exhibition awards | 5,860         | 5,683         | 7,194         |
| Digital Archive Fund               | 1,500         | 1,397         | -             |
| Training awards                    | 5,600         | 6,500         | 6,515         |
| Film Education                     | 250           | -             | -             |
| 2012 Partnership awards            | 15            | 100           | -             |
| Publication awards                 | 76            | 82            | 80            |
|                                    | <b>39,214</b> | <b>32,995</b> | <b>33,026</b> |

Regional awards are the delegated sum to the nine Regional Screen Agencies created under the Regional Investment Fund for England (RIFE).

### Ageing of hard commitments

|         | 2010<br>£000  | 2009<br>£000  | 2008<br>£000  |
|---------|---------------|---------------|---------------|
| 2008/09 | -             | -             | 15,047        |
| 2009/10 | -             | 13,160        | 2,374         |
| 2010/11 | 11,151        | 1,674         | 895           |
|         | <b>11,151</b> | <b>14,834</b> | <b>18,316</b> |

### Note 19: Deferred taxation

The Group had no potential liability to deferred taxation at 31 March 2010 (31 March 2009: £nil).

## Note 20: Leases

As at 31 March 2010, the UK Film Council (non-Lottery) had total minimum payments under a non-cancellable operating lease relating to land and buildings as set out below:

|  | 2010<br>£000 | 2009<br>£000 | 2008<br>£000 |
|--|--------------|--------------|--------------|
| Amounts payable within one year          | 315          | 315          | 315          |
| Amounts payable within two to five years | 1,260        | 1,260        | 1,260        |
| Amounts payable beyond five years        | 630          | 945          | 1,260        |

As at 31 March 2010, the UK Film Council (non-Lottery) held a further operating lease relating to land and buildings, which is renewable on an annual basis for the years to 2015.

## Note 21: Capital commitments

As at 31 March 2010, the UK Film Council had no capital commitments outstanding (31 March 2009: £nil).

## Note 22: Grant-in-aid commitments for future years

The majority of the Grant-in-aid allocation voted annually to the UK Film Council by Parliament is passed into the film sector by means of awards and grants within the relevant financial year. However, in some cases, to enable recipient organisations to undertake longer-term business and financial planning, commitments are made at an earlier date, subject to the receipt of funding by the UK Film Council itself.

As at 31 March 2010, the UK Film Council had Grant-in-aid commitments for 2010/11 as follows:

|                              |             |
|------------------------------|-------------|
| British Film Institute (BFI) | £16,000,000 |
| Regional and national awards | £3,600,000  |

## Note 23: Investments

### UK Film Council's subsidiary undertaking at 31 March 2010

|                            | ORDINARY SHARES<br>OF £1 EACH | HOLDING |
|----------------------------|-------------------------------|---------|
| British Screen Finance Ltd | 4,200,078                     | 100%    |

As the subsidiary was acquired by the UK Film Council at a cost of £8, there is no carrying value of the investment recorded on the statement of financial position.

British Screen Finance Ltd is a company that manages a current and historic portfolio of investments in commercial film development and production. British Screen Finance Ltd, in addition, holds the following investments:

|                                      | ORDINARY SHARES<br>OF £1 EACH | HOLDING |
|--------------------------------------|-------------------------------|---------|
| <b>Subsidiary undertakings</b>       |                               |         |
| National Film Trustee Company Ltd    | 100                           | 100%    |
| National Film Finance Consortium Ltd | 100                           | 100%    |
| European Co-production Fund Ltd      | 2                             | 100%    |
| British Screen Rights Ltd            | 2                             | 100%    |
| The Greenlight Fund Ltd              | 2                             | 100%    |
| <b>Associated undertakings</b>       |                               |         |
| British Film-Makers Ltd              | 50                            | 50%     |

The National Film Trustee Company Ltd is a collection agency for film revenues. The National Film Finance Consortium Ltd is a dormant company. The European Co-production Fund Ltd was a company that made loans to films produced by European co-producers. British Screen Rights Ltd acquired and sold rights in feature films. The Greenlight Fund Ltd managed the investment of some National Lottery proceeds into feature films on behalf of Arts Council England and is now dormant. British Film-Makers Ltd collects and distributes film revenues on behalf of British Screen Finance Ltd and third parties. Its results are not material to the Group.

|                                   | 2010<br>£000 | 2009<br>£000 |
|-----------------------------------|--------------|--------------|
| <b>British Screen Finance Ltd</b> |              |              |
| Aggregate of capital and reserves | 8,510        | 8,285        |
| Profit in the year                | 229          | 411          |

## Note 24: Segmental reporting

The UK Film Council reports to the Board and chief operating decision maker, and is managed as a single entity. Thus in the context of IFRS8 no additional disclosure of segmental reporting is deemed appropriate.



# Notes to the financial statements

## continued

### Note 25: Related parties

The UK Film Council maintains a publicly available register of Board Directors' interests. Given their broad experience across the film sector, it is inevitable that Board Directors will have connections with or interests in projects and organisations that may from time to time come to the UK Film Council for funding. All Board Directors are therefore required to declare any direct interest in and commercial relationships with award applications made to the UK Film Council and they have no role in the award making process. Similarly, UK Film Council employees are excluded from decision-making around any relevant application involving any organisation or company in which they have a declared interest.

During the year the Group entered into transactions, in the ordinary course of business, with related parties. Grant-in-aid awards are written off in the year of the award in accordance with the Group's accounting policy. National Lottery awards are included in film rights at the date of the statement of financial position or written off to expenditure within the year.

All awards outstanding are payable upon the meeting of conditions precedent within individual contracts.

The following related party transactions occurred during the period:

### Lottery awards

| RECIPIENT OF FUNDING                    | NAME                 | RELATIONSHIP TO RECIPIENT OF FUNDING   | NEW AWARDS MADE 2009/10<br>£ | BALANCE OUTSTANDING 31 MARCH 2010<br>£ |
|---|----------------------|--|------------------------------|--|
| <b>Directors of the UK Film Council</b> |                      |  |                              |  |
| AG@Cross Street Films Ltd               | Beeban Kidron        | Partner of applicant   | 110,000                      | 60,000                                 |
| Arts Alliance Ltd <sup>(1)</sup>        | Thomas Hoegh         | Director   | -                            | 769,279                                |
| British Film Institute <sup>(2)</sup>   | Greg Dyke            | Chair  | 1,908,098                    | 957,209                                |
|   | Elisabeth Murdoch    | Partner of Governor  |                              |  |
| Film Education                          | Stephen Knibbs       | Director of Cinema Exhibitors' Association which also funds the recipient                    | 250,000                      | -                                      |
| First Light Movies Ltd <sup>(3)</sup>   | Barbara Broccoli OBE | Chair  | 1,100,000                    | -                                      |
| Icon Films Ltd                          | Rebecca O'Brien      | Producer of <i>Nowhere Boy</i>   | 125,500                      | 31,375                                 |
| Kaleidoscope Films Ltd                  | Pippa Cross          | Co-producer of <i>Chalet Girls</i>   | 800,000                      | 720,000                                |
| Kudos Pictures Ltd                      | Elisabeth Murdoch    | Director   | 2,567,083                    | 1,565,031                              |
| Mango Films Ltd                         | Rebecca O'Brien      | Director   | -                            | 16,501                                 |
| Met Films Ltd                           | Thomas Hoegh         | Director   | -                            | 9,250                                  |
| Nuban Productions Ltd                   | Gail Egan            | Business partner of Producer and Executive Producer of <i>I am Slave</i> (aka <i>Slave</i> ) | 610,000                      | 77,000                                 |
| Potboiler Productions Ltd               | Gail Egan            | Director   | 80,000                       | 59,250                                 |
| Screen South Ltd <sup>(4)</sup>         | Pippa Cross          | Director   | 695,000                      | 185,000                                |
| Slate Films Ltd                         | Gail Egan            | Partner in business and Executive Producer of <i>I am Slave</i> (aka <i>Slave</i> )          | 55,600                       | -                                      |
| Skillset <sup>(5)</sup>                 | Stewart Till CBE     | Deputy Chair   | 5,400,000                    | 804,043                                |
| South West Screen <sup>(4)</sup>        | Rebecca O'Brien      | Director   | 575,000                      | -                                      |
| Untitled 09 Ltd                         | Gail Egan            | Director and Executive Producer of <i>Another Year</i> (aka <i>Untitled 09</i> )             | 1,200,000                    | -                                      |
| Vue Entertainment Holdings (UK) Ltd     | Stephen Knibbs       | Chief Operating Officer  | -                            | 181,508                                |

## Note 25: Related parties continued

### Lottery awards

| RECIPIENT OF FUNDING                    | NAME              | RELATIONSHIP TO RECIPIENT OF FUNDING  | NEW AWARDS MADE 2009/10<br>£ | BALANCE OUTSTANDING 31 MARCH 2010<br>£ |
|---|-------------------|---|------------------------------|--|
| <b>Employees of the UK Film Council</b> |                   |   |                              |  |
| Apocalypso Films                        | Tanya Seghatchian | Director of the project receiving funding and Tanya Seghatchian are Co-Directors and share-holders in Apocalypso Pictures Ltd, a separate company | -                            | 42,965                                 |
| Coded Pictures Ltd                      | Tanya Seghatchian | Director of the project receiving funding and Tanya Seghatchian are co-directors and shareholders in Apocalypso Pictures Ltd, a separate company  | 35,000                       | 6,000                                  |
| Glyn Maxwell                            | Jon Croker        | Working relationship with recipient on non-UK Film Council funded activities  | 10,000                       | -                                      |
| Revolver Entertainment Ltd              | Lizzie Francke    | Co-Producer of <i>Vinyan</i>  | 32,000                       | 8,000                                  |
| Verve                                   | Lenny Crooks      | Partner of Producer of <i>Red Road</i>  | -                            | 5,000                                  |

# Notes to the financial statements

## continued

### Note 25: Related parties continued

#### Grant-in-aid awards

The vast majority of the UK Film Council's Grant-in-aid awards go to non-commercial film sector bodies which serve a wider educational, cultural, industry or other purpose. Grant-in-aid awards are not used to fund the development or production of specific films.

| RECIPIENT OF FUNDING                    | NAME              | RELATIONSHIP TO RECIPIENT OF FUNDING | NEW AWARDS MADE 2009/10<br>£ | BALANCE OUTSTANDING 31 MARCH 2010<br>£ |
|---|-------------------|--------------------------------------|------------------------------|--|
| <b>Directors of the UK Film Council</b> |                   |                                      |                              |  |
| British Film Institute <sup>(2)</sup>   | Greg Dyke         | Chair                                | 19,902,880                   | -                                      |
|   | Elisabeth Murdoch | Partner of Governor                  |                              |  |
| FILMCLUB <sup>(6)</sup>                 | Beeban Kidron     | Director                             | 3,700,000                    | -                                      |
| First Light Movies Ltd <sup>(3)</sup>   | Barbara Broccoli  | Chair                                | 35,000                       | -                                      |
| Screen South <sup>(4)</sup>             | Pippa Cross       | Director                             | 432,000                      | -                                      |
| Slate Films Ltd <sup>(7)</sup>          | Gail Egan         | Partner in business                  | 20,000                       | -                                      |
| South West Screen <sup>(4)</sup>        | Rebecca O'Brien   | Director                             | 451,000                      | -                                      |
| <b>Employees of the UK Film Council</b> |                   |                                      |                              |  |
| FILMCLUB <sup>(6)</sup>                 | John Woodward     | Director                             | 3,700,000                    | -                                      |

<sup>(1)</sup> Arts Alliance Ltd is the provider of digital equipment for the digital screen network.

<sup>(2)</sup> The British Film Institute, a charity established by Royal Charter, receives UK Film Council funding to assist in its championing of moving image culture, education and heritage. In 2009/10 it received funding for core activities, for the Screen Heritage capital project and specific Lottery awards for the release of archive films.

<sup>(3)</sup> First Light Movies is a charity, receiving UK Film Council funding to offer children and young people more opportunities to participate in and learn about filmmaking.

<sup>(4)</sup> Screen South and South West Screen are two of the Regional Screen Agencies. These were established to co-ordinate film policy, strategy and delivery across England.

<sup>(5)</sup> Skillset is the Sector Skills Council (SSC) for Creative Media and receives UK Film Council funding to implement the Bigger Future Skills Strategy to provide training across the industry.

<sup>(6)</sup> FILMCLUB received funding from the UK Film Council, specifically provided by the Department for Children, Schools and Families, to support after school Film Clubs in the UK.

<sup>(7)</sup> Slate Films received Grant-in-aid funding for a diversity related project.

In addition £320,249 was paid to Olswang Solicitors for professional services rendered in the year. Mark Devereux, a Director of UK Film Council, is a Senior Partner in this firm.

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, Olympics, Media and Sport, who is the ultimate controlling party.

# Schedules to the financial statements

## Schedule 1: Grant-in-aid awards in the year ending 31 March 2010

| PROJECT/RECIPIENT  | AWARD      | PROJECT/RECIPIENT                         | AWARD     |
|--|------------|---|-----------|
| Awards under £5,000  | 27,517     | IFP No Borders                            | 11,038    |
| Ateliers du Cinema Européen award  | 32,000     | Images of Black Women Festival            | 5,000     |
| Babylon 2009   | 10,000     | Iris Prize Fund Festival                  | 20,421    |
| BAFTA Orange Film Awards   | 12,000     | Irish Language Broadcast Fund             | 3,000,000 |
| BAFTA Wales  | 5,000      | Media Blank Slate 2009/10                 | 15,395    |
| Birds Eye Festival and Regional Pitch  | 50,000     | Media Literacy                            | 20,840    |
| Breakthru Brits  | 114,483    | National Film Centre                      | 500,000   |
| British Animation Awards   | 58,000     | New Producers Alliance                    | 27,500    |
| British Federation of Film Societies/ Independent Cinema Office              | 130,000    | NFFS                                      | 25,000    |
| British Film Institute   | 16,000,000 | North West Vision – regional award        | 525,000   |
| Chatroom project   | 22,260     | Northern Film & Media – regional award    | 400,000   |
| Connecting Brands  | 50,000     | Northern Ireland Screen                   | 200,000   |
| Critics' Circle (NSPCC) Film Awards  | 7,000      | Oska Bright Film Festival                 | 15,000    |
| Cross Arts Venues  | 600,000    | OTM award                                 | 6,768     |
| Digital Heat   | 32,518     | Pink Portrait                             | 18,092    |
| Digital Shorts   | 32,000     | Production Finance Market                 | 20,000    |
| Edinburgh International Film Festival – Michael Powell and Short Film Awards | 30,000     | Rolling With Laughter project             | 6,859     |
| EM Media – other awards  | 25,000     | Rotterdam Film Festival                   | 13,993    |
| EM Media – regional award  | 590,000    | Screen East – other awards                | 20,000    |
| Encounters Festival  | 18,000     | Screen East – regional award              | 530,000   |
| Film Agency for Wales  | 160,000    | Screen England                            | 30,000    |
| Film Education   | 25,000     | Screen Heritage awards – BFI              | 3,402,880 |
| Film London – other awards   | 20,000     | Screen Heritage awards – Screen Yorkshire | 1,917,000 |
| Film London – regional awards  | 700,000    | Screen South – other awards               | 20,000    |
| FILMCLUB   | 3,700,000  | Screen South – regional award             | 432,000   |
| First Light Movie Awards   | 35,000     | Screen West Midlands – regional award     | 250,000   |
| Fulbright Award  | 37,500     | Screen Yorkshire – regional award         | 472,000   |
| Green project  | 13,000     | Sex & Drugs & Rock & Roll project         | 30,000    |
| Grierson Awards  | 8,000      | Shifty Diversity Programme                | 8,500     |
|  |            | Slate Films Ltd                           | 20,000    |

# Schedules to the financial statements

## continued

### Schedule 1: Grant-in-aid awards in the year ending 31 March 2010 continued

| PROJECT/RECIPIENT                  | AWARD             |
|------------------------------------|-------------------|
| South West Screen – regional award | 601,000           |
| UK Film Council US                 | 350,000           |
| Untitled 09 Ltd                    | 12,922            |
| Want to see more of me?            | 26,126            |
| WFTV (Script) Award                | 8,000             |
| <b>Total</b>                       | <b>35,514,362</b> |

All awards listed above with the exception of that to the British Film Institute are to private sector recipients.

## Schedule 2: Lottery awards in the year ending 31 March 2010

| PRODUCER/ORGANISATION                        | FILM/PROJECT                                  | £         |
|--|---|-----------|
| <b>Single project film awards</b>            |   |           |
| 011 Productions Ltd                          | Couple in a Hole                              | 10,500    |
| 104 Films Ltd                                | Digital shorts                                | 40,000    |
| 104 Films Ltd                                | Production vision award                       | 30,000    |
| 2am Films Ltd                                | Disco (short)                                 | 15,000    |
| 44 Steel Mill Ltd                            | Cherry Tree Lane (aka 44 Alexandra Hall Road) | 155,000   |
| A Man's Story Films Ltd                      | A Man's Story                                 | 190,000   |
| Abbott Vision LLP                            | Messenger                                     | 12,897    |
| Abigail Blackmore                            | Blind Date                                    | 3,550     |
| Africa United Ltd                            | Africa United                                 | 500,000   |
| AG@Cross Street Films Ltd                    | For the End of Time                           | 100,000   |
| Anupama Chandrasekhar /<br>Indhu Rubasingham | Free Outgoing                                 | 10,000    |
| Arbor Films Ltd                              | The Arbor                                     | 128,885   |
| Archer St Ltd                                | How to Start your Own Country                 | 21,750    |
| Artevents Ltd                                | Patience (after Sebald)                       | 20,000    |
| Ascension Entertainment Ltd                  | The White Tiger                               | 77,500    |
| Asitha Ameresekere                           | Kin   | 8,000     |
| ATB Pictures Ltd                             | Attack the Block                              | 1,085,788 |
| Autonomous Ltd                               | Cirkus Columbia                               | 455,800   |
| Autonomous Ltd                               | Day of the Dead                               | 20,500    |
| Autonomous Ltd                               | Narrow Frame of Midnight                      | 10,250    |
| B3 Media Ltd                                 | Digital shorts                                | 40,000    |
| Bard Entertainments Ltd                      | Between the Dogs and the Crows                | 10,000    |
| Big Hat Stories Ltd                          | The Angel of Ferrara                          | 17,500    |
| Big Talk Pictures Ltd                        | The Flawless Skin of Ugly People              | 23,750    |
| Blue Horizon Productions Ltd                 | One Day Like This                             | 5,000     |
| Bluelight Neds Ltd                           | Neds  | 650,000   |
| Blueprint Pictures Ltd                       | Between Earth and Sky                         | 16,750    |
| Blueprint Pictures Ltd                       | Posh  | 53,750    |
| Blueprint Pictures Ltd                       | Production vision award                       | 75,000    |
| Blueprint Pictures Ltd                       | War Reporting for Cowards                     | 2,500     |
| Bonafide Films Ltd                           | Gee Gee (short)                               | 15,000    |
| Boxing Day Productions Ltd                   | Boxing Day                                    | 100,000   |
| Brighton Rock Productions Ltd                | Brighton Rock                                 | 1,000,000 |
| Brilliant Films Ltd                          | Box of Delights                               | 48,000    |
| Broken Spectre Ltd                           | Native Son (short)                            | 25,000    |
| Canal + Image UK Ltd                         | Brighton Rock                                 | 52,083    |

# Schedules to the financial statements

## continued

### Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION        | FILM/PROJECT   | £       |
|------------------------------|--|---------|
| Carson Films Ltd             | Albion   | 15,000  |
| Catherine Shepherd           | Like a Virgin  | 1,000   |
| Canderblinks (Vibes) Ltd     | Good Vibrations (pilot)                                | 15,000  |
| Century Films Ltd            | Boy George: The Autobiopic                             | 10,000  |
| Century Films Ltd            | Brian Hill Africa project                              | 10,000  |
| Chalet Girl Films Ltd        | Chalet Girl  | 800,000 |
| Chestermead Ltd              | Miracle  | 45,000  |
| Chris Cunningham Company Ltd | Monkenstein and Franster                               | 89,490  |
| Christian Spurrier           | Bunny and George                                       | 25,000  |
| Cloud Nine Films Ltd         | Telemark   | 97,750  |
| Cloud Nine Films Ltd         | Tell Her   | 74,750  |
| Coded Pictures Ltd           | We are Now Beginning our Descent                       | 35,000  |
| CONNECTfilm Ltd              | Let Me Sing  | 10,000  |
| Cowboy Films Ltd             | Chalk (aka The Gymnasts)                               | 25,000  |
| Cowboy Films Ltd             | The Optimists (aka The Predictive Text)                | 29,500  |
| Cross Street Films Ltd       | Sex, Death and the Gods                                | 10,000  |
| Cyclone Productions Ltd      | Cycle  | 45,000  |
| Dagenham Girls Ltd           | Made in Dagenham (aka We Want Sex, aka Dagenham Girls) | 927,154 |
| Dan Films Ltd                | Creeping Zero (pilot)                                  | 15,000  |
| Dan Films Ltd                | Severance II   | 37,750  |
| Dan Films Ltd                | Production vision award                                | 75,000  |
| Daybreak Pictures Ltd        | Family Man   | 21,500  |
| Daybreak Pictures Ltd        | The Spare  | 105,087 |
| DD Films Ltd                 | On Your Own (short)                                    | 7,000   |
| Destiny Ekaragha             | A Destiny Ekaragha Project                             | 10,000  |
| Digicult Ltd                 | Cutting Loose (short)                                  | 10,000  |
| Digicult Ltd                 | Digital shorts   | 40,000  |
| Digicult Ltd                 | Foxy and Marina (short)                                | 10,000  |
| DJ Films Ltd                 | Belle and Bette  | 25,500  |
| DJ Films Ltd                 | Fast Girls   | 20,000  |
| DJ Films Ltd                 | Release (pilot)  | 15,000  |
| Dorian Gray Ltd              | Dorian Gray  | 19,297  |
| Ecosse Films Ltd             | Production vision award                                | 75,000  |
| Edge City Films Ltd          | Lore   | 18,500  |
| Element Pictures UK Ltd      | The Guard  | 264,920 |
| EM Media                     | Digital shorts   | 40,000  |

## Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION                        | FILM/PROJECT   | £       |
|--|--|---------|
| EM Media                                     | Fck that Sht (short)   | 10,000  |
| Emu Films LLP                                | The Pizza Miracle  | 25,000  |
| Endor Productions                            | The Clear Road Ahead (short)                                       | 15,000  |
| Escape Films Ltd                             | The Vanishing Worlds   | 15,000  |
| Feelgood Fiction Ltd                         | Man Bears (aka Suburban Shootout, aka Untitled Beckett and Martin) | 17,200  |
| Fiesta Productions Ltd                       | 30 Odd Miles up the East Lancs Rd                                  | 20,500  |
| Fiesta Productions Ltd                       | Production vision award  | 75,000  |
| Film London                                  | Digital shorts   | 40,000  |
| Film London                                  | Follow (short)   | 10,000  |
| Film London                                  | Rite (short)   | 16,000  |
| First Grader Productions Ltd                 | The First Grader   | 600,000 |
| Forthcoming Productions Ltd                  | Ophelia  | 15,000  |
| Fragile Films Ltd                            | Nightwork  | 99,333  |
| Free Range Films Ltd                         | Out the Window (aka Perpetual Commotion)                           | 50,000  |
| Free Range Films Ltd                         | Production vision award  | 75,000  |
| Free Range Films Ltd / Feet Films Ltd        | White Rose Rebel   | 5,000   |
| Glendale Picture Co Ltd                      | Cowards & Monsters   | 9,350   |
| Glyn Maxwell                                 | Mimi and the Stalker   | 10,000  |
| GreenAcre Films Ltd                          | A Midsummer Night's Dream  | 25,000  |
| Headline Pictures (Peter Pan in Scarlet) Ltd | Invisible Woman  | 7,500   |
| HeyDay Films Ltd                             | The Thirteenth Tale  | 100,000 |
| Hot Property Ltd                             | Brand New-U  | 25,000  |
| HSI London Ltd                               | Defoe (short)  | 4,500   |
| HSI London Ltd                               | The Archaeologist (short)  | 15,000  |
| Human Film Ltd                               | Kosher   | 9,500   |
| Human Film Ltd                               | Um-Hussein (aka Son of Babylon)                                    | 150,000 |
| Idiotlamp Productions Ltd                    | All Quiet on the Orient Express                                    | 50,000  |
| Illuminations Films Ltd                      | The Berberian Sound Studio   | 25,000  |
| Impossible TV Ltd                            | They're All Out to Get Hugh!                                       | 17,143  |
| Independent Film Productions Ltd             | Azincourt  | 50,000  |
| Inflammable Films Ltd                        | The Journey Man  | 35,000  |
| Intolerant Films Ltd                         | Ancient Athens Confidential (working title)                        | 25,000  |
| Jack Thorne                                  | 1989   | 25,000  |
| Janina Samoles                               | Shell & Katie 4EVA   | 3,000   |
| Jason La Motte                               | The Terms  | 3,966   |
| Jonathan van Tulleken                        | Off Season (short)   | 5,050   |



# Schedules to the financial statements

## continued

### Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION           | FILM/PROJECT   | £         |
|---------------------------------|--|-----------|
| Jones Company (Productions) Ltd | Trap for Cinderella                                      | 16,000    |
| Jump Monk Films Ltd             | Place  | 20,000    |
| Jump Monk Films Ltd             | Self Made  | 10,000    |
| Jump Monk Films Ltd             | South  | 25,000    |
| Kasander (Development) Ltd      | Cross My Mind  | 17,000    |
| Kevin Films Ltd                 | We Need to Talk about Kevin                              | 718,510   |
| Kudos Pictures Ltd              | Salmon Fishing in the Yemen                              | 1,515,000 |
| La Plante Films                 | The Rocketeers (working title)                           | 28,000    |
| Laura Rees                      | Colette (short)  | 4,500     |
| Left Bank Pictures Ltd          | Strictly Professional                                    | 20,000    |
| Left Bank Pictures Ltd          | Production vision award                                  | 75,000    |
| Lifesize Pictures Ltd           | Short film programme management                          | 226,472   |
| Luc Rioche                      | The Loop   | 4,250     |
| Luke Rogers                     | Missing  | 3,360     |
| Made Up North Productions Ltd   | Waving at Trains (short)                                 | 5,250     |
| Mann Made Projects Ltd          | The Call   | 25,000    |
| Marlborough Films Ltd           | The Song of Names  | 24,858    |
| Metzfilm Ltd                    | The Love Interest  | 27,750    |
| Minnow Films Ltd                | The Monster Hunters                                      | 15,000    |
| Minnow Films Ltd                | The X + Y Factor   | 14,500    |
| Missing in Action Films Ltd     | Balaclava Sands  | 15,700    |
| Missing in Action Films Ltd     | With In  | 9,500     |
| Modern Films Ltd                | Under the Skin   | 2,500     |
| Modus Operandi Films Ltd        | Cameraman (aka Jack Cardiff Documentary)                 | 150,000   |
| Momac Films Ltd                 | Untitled Boarding School Film (aka Magnificent Amberson) | 17,500    |
| Motion Pictures (UK) Ltd        | In Close Up  | 17,500    |
| Moving Stone Productions Ltd    | Mary Stuart  | 22,000    |
| Nathan Parker                   | Don't Change a Thing                                     | 25,000    |
| NDF Productions Ltd             | Last Passenger   | 10,000    |
| Neil Jaworski                   | The Way to a Whole New You                               | 15,000    |
| Neon Films Ltd                  | Now You See It   | 12,000    |
| New Boots and Panties 2 Ltd     | Sex & Drugs & Rock & Roll                                | 30,993    |
| Nicholas Horwood                | Gurk the Slayer!   | 10,000    |
| North West Vision and Media     | Digital shorts   | 40,000    |
| Northern Film & Media           | Happy Clapper (short)                                    | 10,000    |
| Northern Film & Media           | Digital shorts   | 40,000    |

## Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION         | FILM/PROJECT                            | £       |
|-------------------------------|---|---------|
| Northern Film & Media         | Compulsion                              | 10,000  |
| Northern Ireland Screen       | Digital shorts                          | 40,000  |
| Nuban Productions Ltd         | I am Slave (aka Slave)                  | 688,100 |
| Number 9 Films (Slate) Ltd    | Strangers                               | 88,988  |
| Numerous Productions Ltd      | The Bounty Hunter                       | 15,000  |
| Odd Girl Out Productions Ltd  | Life in Transit                         | 25,000  |
| Origin Pictures Ltd           | The First Grader                        | 35,500  |
| Origin Pictures Ltd           | Vision Award                            | 75,000  |
| Origin Pictures Ltd           | Xcalibre                                | 50,250  |
| Pablo Films Ltd               | East of Acre Lane (aka Brixton 81)      | 32,750  |
| Parallax East Ltd             | Bite                                    | 11,000  |
| Parallax East Ltd             | ID2                                     | 25,000  |
| Parallax East Ltd             | Jimmy Buddha (aka Buddha Da)            | 4,000   |
| Parkville Pictures Ltd        | Thomas                                  | 7,500   |
| Paul Cotter                   | Down and Out in Dover                   | 6,000   |
| Potboiler Productions Ltd     | Kodak Cowboy                            | 20,000  |
| Potboiler Productions Ltd     | Production vision award                 | 75,000  |
| Progression Media Ltd         | 3 Hours                                 | 7,500   |
| Project Nim Ltd               | Project Nim                             | 556,685 |
| Qwerty Films Ltd              | Suite Française                         | 55,000  |
| Qwerty Films Ltd              | Production vision award                 | 75,000  |
| Rebecca Johnson               | Honey                                   | 12,000  |
| Recorded Picture Co Ltd       | Hard Stop                               | 28,750  |
| Recorded Picture Co Ltd       | The Talking Cure                        | 95,000  |
| Red and Black Films Ltd       | Cyrano                                  | 8,000   |
| Red Bag Pictures Ltd          | Fourteen (short)                        | 6,263   |
| Red Head Films Ltd            | Untitled Andrea Arnold projects         | 50,000  |
| Red Production Company Ltd    | Untitled Matthew Greenhalgh project     | 15,000  |
| Redwave Films (UK) Ltd        | Ghosts                                  | 43,000  |
| Revolution Films Ltd          | The Optimists (aka The Predictive Text) | 21,875  |
| Revolution Films Ltd          | Production vision award                 | 75,000  |
| Riley Productions Ltd         | Slow Down Arthur, Stick to Thirty       | 19,000  |
| Rocket Pictures Ltd           | Emily Jane: Secret Mom                  | 18,250  |
| Ross Munro Dunsmore           | You are Here                            | 5,000   |
| Ruby Films (Chatroom) Ltd     | Chatroom                                | 739,860 |
| Ruby Films (Tamara Drewe) Ltd | Tamara Drewe                            | 780,000 |

# Schedules to the financial statements

## continued

### Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION         | FILM/PROJECT   | £         |
|-------------------------------|--|-----------|
| Ruby Films Ltd                | Corsica 72   | 21,000    |
| Ruby Films Ltd                | Tamara Drewe   | 45,000    |
| Ruth McCance                  | Capital  | 1,500     |
| Sarmad Masud                  | Untitled Sarmad Masud                                | 11,100    |
| Screen East                   | Digital shorts                                       | 41,000    |
| Screen East                   | Jumping for Joy (short)                              | 10,000    |
| Screen South                  | Digital shorts                                       | 40,000    |
| Screen West Midlands          | Digital shorts                                       | 40,000    |
| Screen West Midlands          | Endings (short)                                      | 10,000    |
| Screen Yorkshire Ltd          | Digital shorts                                       | 40,000    |
| See Saw Films Ltd             | The King's Speech                                    | 21,080    |
| See Saw Films Ltd             | Production vision award                              | 75,000    |
| Seefood Ltd                   | Girl Like Me (aka Wasted, short)                     | 1,000     |
| Self Made Productions Ltd     | Self Made  | 250,000   |
| Shona Films Ltd               | 500 Men with the Bullet                              | 38,875    |
| Sigma Films Ltd               | Aberdeen Angus                                       | 6,000     |
| Sigma Films Ltd               | Production vision award                              | 75,000    |
| Silent War Films Ltd          | A Spy By Nature                                      | 99,271    |
| Sister Films Ltd              | Baby (short)   | 25,000    |
| Slate Films Ltd               | Half of a Yellow Sun                                 | 12,250    |
| Slate Films Ltd               | Stiff  | 25,250    |
| Slinky Pictures Ltd           | Bad Night for the Blues                              | 10,000    |
| South West Screen             | Digital shorts                                       | 40,000    |
| Speaking Film Productions Ltd | The King's Speech                                    | 1,000,000 |
| Stagereel Ltd                 | Face   | 15,000    |
| Stefan Golaszewski            | Stefan Golaszewski Speaks about a Girl he Once Loved | 10,000    |
| Steve McLean                  | Postcards from London                                | 10,000    |
| Streetdance Distribution Ltd  | Streetdance 3D                                       | 1,038,239 |
| Susanna Wallin                | Electric Light Wonderland (short)                    | 4,500     |
| Synergy London Ltd            | Mother's Milk  | 25,000    |
| Tate Enterprises Ltd          | Tate Media Feature Film Development Fund             | 20,000    |
| Tempo Productions Ltd         | The Lancashire Witches                               | 37,000    |
| The Bureau Film Company Ltd   | Another World  | 20,000    |
| The First Film Company Ltd    | Bomber   | 47,250    |
| The People's Republic Ltd     | Imaginary Friend (short)                             | 4,652     |
| The Script Connection Ltd     | The Script Connection – feedback service             | 15,000    |

## Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION                            | FILM/PROJECT                               | £                 |
|--|--|-------------------|
| Thomas Thomas Films Ltd                          | Four Working Days (pilot)                  | 15,000            |
| Three Rivers Ltd                                 | The House of Sleep                         | 5,000             |
| Tigerlily Films Ltd                              | Remainder                                  | 10,000            |
| Timothy Walker, Jason Morell, Marc Teitler       | Stuck on a Sunday                          | 25,000            |
| Tony Pictures Ltd                                | Tony                                       | 127,590           |
| Trademark Films Ltd                              | My Week with Marilyn                       | 3,000             |
| Treasure Entertainment Ltd                       | Olga                                       | 10,000            |
| Troika LLP                                       | Pitch Black Heist (short)                  | 15,000            |
| Unstoppable Entertainment Ltd                    | Liberation (pilot)                         | 10,000            |
| Untitled 09 Ltd                                  | Another Year (aka Untitled 09)             | 1,200,000         |
| Vertigo Films Ltd                                | Production vision award                    | 75,000            |
| Wall to Wall Media Ltd                           | The Dream Project                          | 3,330             |
| Warp (Submarine) Ltd                             | Submarine                                  | 700,000           |
| Warp Films Ltd                                   | A Gun for George (short)                   | 10,000            |
| Warp Films Ltd                                   | Production vision award                    | 75,000            |
| Westerly Islands Film Company Ltd                | Winchester Races                           | 5,000             |
| Wilder Films (Laid Off) Ltd                      | Laid Off                                   | 315,400           |
| Wilder Films Ltd                                 | Act of Love                                | 10,000            |
| Wildgaze Films Ltd                               | Madame Depardieu and the Perfect Strangers | 15,000            |
| Wildgaze Films Ltd                               | The Babymakers                             | 10,000            |
| Workhorse Entertainment Ltd                      | La Mula                                    | 75,000            |
| Wuthering Heights Films Ltd                      | Wuthering Heights                          | 300,000           |
| Yann Demange                                     | The Agency                                 | 10,000            |
| <b>Total single project film awards 2009/10</b>  |  | <b>23,039,692</b> |
| <b>Film Festivals Fund awards</b>                |  |                   |
| British Film Institute                           | The Times BFI London Film Festival         | 1,888,000         |
| <b>Total Film Festivals Fund awards 2009/10</b>  |  | <b>1,888,000</b>  |
| <b>Audience development awards</b>               |  |                   |
| Blue Barracuda Marketing Ltd                     | Audience development scheme                | 620,000           |
| <b>Total Audience development awards 2009/10</b> |  | <b>620,000</b>    |

# Schedules to the financial statements

## continued

### Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION                     | FILM/PROJECT   | £      |
|---|--|--------|
| <b>Prints and Advertising Fund awards</b> |  |        |
| 104 Films Ltd                             | The Magic Hour   | 5,000  |
| Adventure Pictures Ltd                    | Rage   | 67,050 |
| African Film Tour (UK) Ltd                | Disoriented Generation                                   | 5,000  |
| Arrow Film Distributors Ltd               | Departures   | 5,000  |
| Axiom Films International Ltd             | Frozen River   | 5,000  |
| Axiom Films International Ltd             | Lion's Den   | 5,000  |
| Axiom Films International Ltd             | Nightwatching  | 5,000  |
| Axiom Films International Ltd             | Sugar  | 5,000  |
| Axiom Films International Ltd             | The Kreutzer Sonata                                      | 5,000  |
| Breakthru Films Ltd                       | The Flying Machine                                       | 30,000 |
| BritFilms Distribution Co Ltd             | Crying with Laughter                                     | 5,000  |
| British Film Institute                    | A Single Man / The Disappearance of Alice Creed          | 775    |
| British Film Institute                    | Late Autumn (Akibiyori 1960)                             | 4,850  |
| British Film Institute                    | Letter from an Unknown Woman                             | 4,260  |
| British Film Institute                    | London Lesbian and Gay Film Festival – two feature films | 800    |
| British Film Institute                    | Rashomon   | 4,650  |
| British Film Institute                    | Went the Day Well?                                       | 4,760  |
| Carey Films Ltd                           | The Spell  | 5,000  |
| Cinefile Ltd                              | Welcome  | 5,000  |
| Cinemax Distribution Ltd                  | The Disappearance of Alice Creed                         | 30,000 |
| Clam Harbour Entertainment Ltd            | The Sicilian Girl  | 5,000  |
| DFT Enterprises Ltd                       | 31 North 62 East   | 5,000  |
| Dogwoof Ltd                               | Bananas!   | 3,440  |
| Dogwoof Ltd                               | Burma VJ   | 5,000  |
| Dogwoof Ltd                               | Crude  | 5,000  |
| Dogwoof Ltd                               | Dirty Oil  | 5,000  |
| Dogwoof Ltd                               | Food Inc   | 5,000  |
| Dogwoof Ltd                               | Mugabe and the White African                             | 5,000  |
| Dogwoof Ltd                               | No Impact Man  | 5,000  |
| Dogwoof Ltd                               | The End of the Line                                      | 5,000  |
| Dogwoof Ltd                               | The Milk of Sorrow                                       | 5,000  |
| Dogwoof Ltd                               | The Yes Men Fix the World                                | 5,000  |
| Dogwoof Ltd                               | Vanishing of the Bees                                    | 5,000  |
| Dogwoof Ltd                               | Videocracy   | 5,000  |
| Dogwoof Ltd                               | We Live in Public  | 5,000  |

## Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION               | FILM/PROJECT                       | £       |
|-------------------------------------|------------------------------------|---------|
| Drakes Avenue Pictures Ltd          | Am I Black Enough For You?         | 4,550   |
| E1 Entertainment (UK) Ltd           | An Education                       | 125,000 |
| E1 Entertainment (UK) Ltd           | MICMACS                            | 100,000 |
| Green Lions Ltd                     | Erasing David                      | 5,000   |
| Guerilla Films Ltd                  | Charles Dickens' England           | 4,940   |
| Guerilla Films Ltd                  | The Calling                        | 4,800   |
| Hazeldine Films Ltd                 | Exam                               | 5,000   |
| High Fliers Films Plc               | City of Life and Death             | 5,000   |
| High Fliers Films Plc               | New Town Killers                   | 5,000   |
| High Fliers Films Plc               | Silent Army                        | 5,000   |
| Hurricane Films Ltd                 | Under The Mud                      | 5,000   |
| ICA Films Ltd                       | Disgrace                           | 5,000   |
| ICA Films Ltd                       | OSS 117: Lost in Rio               | 5,000   |
| ICA Films Ltd                       | Skin                               | 5,000   |
| Icon Film Distribution Ltd          | Looking for Eric                   | 125,500 |
| Icon Film Distribution Ltd          | Nowhere Boy                        | 150,000 |
| Kaleidoscope Home Entertainment Ltd | Colin                              | 5,000   |
| Kaleidoscope Home Entertainment Ltd | Winter in Wartime                  | 5,000   |
| Lions Gate UK Ltd                   | Heartless                          | 30,000  |
| Lions Gate UK Ltd                   | The Imaginarium of Dr Parnassus    | 120,000 |
| Manga Entertainment Ltd             | Ghost in the Shell                 | 5,000   |
| Manga Entertainment Ltd             | Sky Crawlers                       | 5,000   |
| Matchbox Films Ltd                  | Beautiful Kate                     | 5,000   |
| Metrodome Distribution Ltd          | Anything for Her                   | 100,000 |
| Metrodome Distribution Ltd          | Bustin' Down The Door              | 5,000   |
| Metrodome Distribution Ltd          | Cherry Tree Lane                   | 5,000   |
| Metrodome Distribution Ltd          | First Day of the Rest of Your Life | 5,000   |
| Metrodome Distribution Ltd          | I Am Love                          | 110,990 |
| Metrodome Distribution Ltd          | Lebanon                            | 5,000   |
| Metrodome Distribution Ltd          | Mark of an Angel                   | 5,000   |
| Metrodome Distribution Ltd          | Motherhood                         | 30,000  |
| Metrodome Distribution Ltd          | Thirst                             | 5,000   |
| Metrodome Distribution Ltd          | Three Miles North of Molkom        | 49,800  |
| Momentum Pictures Ltd               | 44 Inch Chest                      | 110,000 |
| Momentum Pictures Ltd               | The Girl with the Dragon Tattoo    | 42,100  |
| Network Distributing Ltd            | I Know You Know                    | 4,833   |

# Schedules to the financial statements

## continued

### Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION       | FILM/PROJECT                                    | £       |
|-----------------------------|---|---------|
| Network Distributing Ltd    | No One Knows about Persian Cats                 | 5,000   |
| New Wave Films Ltd          | Helen   | 5,000   |
| New Wave Films Ltd          | Sleep Furiously                                 | 5,000   |
| Oopic Films Ltd             | Hell's Pavement                                 | 2,500   |
| Optimum Releasing Ltd       | A Prophet                                       | 150,000 |
| Optimum Releasing Ltd       | Coco Before Chanel                              | 125,000 |
| Optimum Releasing Ltd       | Is Anybody There?                               | 182,200 |
| Optimum Releasing Ltd       | The Railway Children                            | 5,000   |
| Park Circus Ltd             | Albert R Broccoli Centenary / James Bond Season | 25,675  |
| Park Circus Ltd             | Henri-Georges Clouzot's Inferno                 | 5,000   |
| Park Circus Ltd             | The Godfather (1972)                            | 5,000   |
| Park Circus Ltd             | The Red Shoes                                   | 5,000   |
| Park Circus Ltd             | This Sporting Life                              | 5,000   |
| Pathé Productions Ltd       | Bright Star                                     | 100,000 |
| Pathé Productions Ltd       | Broken Embraces (Los Abrazos Rotos)             | 125,000 |
| Pathé Productions Ltd       | Cheri   | 150,000 |
| Peccadillo Pictures Ltd     | Born in '68 (short)                             | 5,000   |
| Peccadillo Pictures Ltd     | Eyes Wide Open                                  | 5,000   |
| Peccadillo Pictures Ltd     | Give me your Hand                               | 2,100   |
| Poisson Rouge Pictures Ltd  | The Hide  | 5,000   |
| Revolver Films Ltd          | Shank   | 100,000 |
| Revolver Films Ltd          | The Infidel                                     | 30,000  |
| Revolver Films Ltd          | Vinyan  | 32,000  |
| Shooting Pictures Ltd       | Beyond the Pole                                 | 5,000   |
| Shorts International Ltd    | Oscar® Shorts 2010 (animation/live action)      | 5,000   |
| Soda Pictures Ltd           | Cloud 9   | 5,000   |
| Soda Pictures Ltd           | Double Take                                     | 5,000   |
| Soda Pictures Ltd           | Fugitive Pieces                                 | 5,000   |
| Soda Pictures Ltd           | Home  | 5,000   |
| Soda Pictures Ltd           | Le Danse: The Paris Opera Ballet                | 5,000   |
| Soda Pictures Ltd           | NBCQ project (1234, No Greater Love, Skeletons) | 5,000   |
| Soda Pictures Ltd           | Storm   | 5,000   |
| Soda Pictures Ltd           | Treeless Mountain                               | 5,000   |
| Soda Pictures Ltd           | Unmade Beds                                     | 5,000   |
| Soho Casting Studios Ltd    | Mr Right  | 4,900   |
| Sons of Cuba Ltd            | Sons of Cuba                                    | 4,684   |
| Terracotta Distribution Ltd | Breathless                                      | 4,900   |

## Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION                          | FILM/PROJECT   | £       |
|--|--|---------|
| The Artificial Eye Film Company Ltd            | Birdwatchers   | 5,000   |
| The Artificial Eye Film Company Ltd            | Fish Tank  | 70,000  |
| The Artificial Eye Film Company Ltd            | I'm Gonna Explode (Voy A Explotar)                             | 4,770   |
| The Artificial Eye Film Company Ltd            | Katalin Varga  | 5,000   |
| The Artificial Eye Film Company Ltd            | Katyn  | 4,710   |
| The Artificial Eye Film Company Ltd            | Life During Wartime  | 3,846   |
| The Artificial Eye Film Company Ltd            | Lourdes  | 4,748   |
| The Artificial Eye Film Company Ltd            | Mid August Lunch   | 5,000   |
| The Artificial Eye Film Company Ltd            | O'Horten   | 5,000   |
| The Artificial Eye Film Company Ltd            | Revanche   | 2,812   |
| The Artificial Eye Film Company Ltd            | The Beaches of Agnes   | 5,000   |
| The Artificial Eye Film Company Ltd            | The Father of my Children                                      | 4,936   |
| The Artificial Eye Film Company Ltd            | The Girl Cut in Two  | 5,000   |
| The Artificial Eye Film Company Ltd            | Vincere  | 4,697   |
| The Artificial Eye Film Company Ltd            | White Material   | 4,770   |
| The Roddick Foundation                         | In the Land of the Free  | 5,000   |
| The Works UK Distribution Ltd                  | 4.3.2.1  | 150,000 |
| The Works UK Distribution Ltd                  | Cold Souls   | 5,000   |
| The Works UK Distribution Ltd                  | Farewell (aka L'Affaire Farewell)                              | 5,000   |
| The Works UK Distribution Ltd                  | Fireflies in the Garden  | 5,000   |
| Trinity Filmed Entertainment Ltd               | Involuntary  | 5,000   |
| Trinity Filmed Entertainment Ltd               | London River   | 5,000   |
| Trinity Filmed Entertainment Ltd               | Samson & Delilah   | 5,000   |
| Trinity Filmed Entertainment Ltd               | Tales from the Golden Age                                      | 5,000   |
| Universal Pictures International UK & Eire Ltd | Psycho   | 5,000   |
| Universal Pictures International UK & Eire Ltd | Spartacus  | 5,000   |
| Vertigo Distribution Ltd                       | One Day  | 65,000  |
| Vertigo Distribution Ltd                       | The Cove   | 5,000   |
| Verve Pictures Ltd                             | American: The Bill Hicks Story                                 | 4,650   |
| Verve Pictures Ltd                             | Dogtooth   | 5,000   |
| Verve Pictures Ltd                             | Happy Ever Afters  | 4,218   |
| Verve Pictures Ltd                             | The Arbor  | 4,600   |
| Warner Music UK Ltd                            | Sounds Like Teen Spirit (aka Son of Eurovision aka Starstruck) | 29,000  |
| Warp Films Ltd                                 | All Tomorrow's Parties   | 4,745   |
| Warp Films Ltd                                 | Le Donk and Scor-Zay-Zee                                       | 4,745   |
| Yume Pictures Ltd                              | A Room and a Half  | 5,000   |



# Schedules to the financial statements

## continued

### Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION                                   | FILM/PROJECT  | £                |
|---|---|------------------|
| Yume Pictures Ltd                                       | Lake Tahoe  | 5,000            |
| Yume Pictures Ltd                                       | Machan  | 5,000            |
| <b>Total Prints and Advertising Fund awards 2009/10</b> |   | <b>3,114,304</b> |
| <b>Rural cinema pilot awards</b>                        |   |                  |
| Screen Yorkshire Ltd                                    | Rural cinema pilot  | 400,000          |
| South West Screen                                       | Rural cinema pilot  | 400,000          |
| The Thomas Adams School                                 | Rural cinema pilot  | 400,000          |
| <b>Total rural cinema pilot scheme awards 2009/10</b>   |   | <b>1,200,000</b> |
| <b>Digital Screen Network awards</b>                    |   |                  |
| Digital Funding Partnership LLP                         | Digital cinema scheme   | 194,500          |
| Poole Art Cinema Trust Ltd                              | Lighthouse, Poole Arts Centre   | 16,885           |
| <b>Total Digital Screen Network awards 2009/10</b>      |   | <b>211,385</b>   |
| <b>Publications Fund awards</b>                         |   |                  |
| Documentary Filmmakers Group                            | DFGDocs.Com   | 14,000           |
| Independent Cinema Office                               | At a Cinema Near You  | 10,000           |
| LUX   | Associations  | 10,000           |
| Media Education Association                             | PoV   | 10,000           |
| Power to the Pixel Ltd                                  | Power to the Pixel  | 20,000           |
| Shooting People   | Get Your Short Film Funded, Made and Seen                                 | 2,000            |
| UK FilmNet  | Pathways to Progression (UK Filmnet)                                      | 10,000           |
| <b>Total Publications Fund awards 2009/10</b>           |   | <b>76,000</b>    |
| <b>UK Partnerships awards</b>                           |   |                  |
| EM Media  | 2010/11 Regional Lottery awards, 2009/10 Digital Film Archive Fund awards | 349,831          |
| Film London   | 2010/11 Regional Lottery awards, 2009/10 Digital Film Archive Fund awards | 221,116          |
| First Light Movies                                      | 2010/11 First Light scheme  | 1,100,000        |
| North West Vision & Media                               | 2010/11 Regional Lottery awards, 2009/10 Digital Film Archive Fund awards | 398,000          |

## Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION                       | FILM/PROJECT  | £                 |
|---|---|-------------------|
| Northern Film & Media                       | 2010/11 Regional Lottery awards, 2009/10 Digital Film Archive Fund awards, Skillset regional post | 425,331           |
| Screen East                                 | 2010/11 Regional Lottery awards, 2009/10 Digital Film Archive Fund awards                         | 418,891           |
| Screen South                                | 2010/11 Regional Lottery awards, 2009/10 Digital Film Archive Fund awards                         | 349,000           |
| Screen West Midlands                        | 2010/11 Regional Lottery awards, 2009/10 Digital Film Archive Fund awards, Film Nation award      | 539,861           |
| Screen Yorkshire                            | 2010/11 Regional Lottery awards, 2009/10 Digital Film Archive Fund awards                         | 347,897           |
| Skillset                                    | Skillset (2010/11) and 2009/10 Digital Film Archive Fund awards                                   | 3,854,645         |
| South West Screen                           | 2010/11 Regional Lottery awards, 2009/10 Digital Film Archive Fund awards                         | 445,428           |
| <b>Total UK Partnerships awards 2009/10</b> |   | <b>8,450,000</b>  |
| <b>Total soft commitments 2009/10</b>       |   | <b>38,599,381</b> |

The above list excludes soft commitments totalling £246,025 where the award was made and fallen in within the year.



# Lottery Financial Statements

for the year ended 31 March 2010

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# Statement of Directors' responsibilities in respect of the accounts

Under its legislative framework, the UK Film Council is required to prepare financial statements for the period in the form and on the basis directed by the Secretary of State for Culture, Olympics, 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 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 that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, and disclose and explain any material departures in the financial statements; and
- 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 financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company, 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.

The Accounting Officer of the UK Film Council is responsible for preparing financial statements which give a true and fair view and for making available to the auditors all relevant information for their purposes. So far as the Accounting Officer is aware, there is no relevant audit information of which the UK Film Council's auditors are unaware. Further, the Accounting Officer has taken all necessary steps to ensure he is aware of any relevant audit information and to establish that the UK Film Council's auditors are also aware of that information.

**John Woodward**  
Chief Executive Officer  
29 June 2010

**Tim Bevan CBE**  
Chairman  
29 June 2010

# Statement on internal control

## Scope of responsibility

As Accounting Officer and as Chairman of the Board, we have responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives set by the Department for Culture, Media and Sport (DCMS), whilst safeguarding the public funds and the UK Film Council's assets for which we are responsible in accordance with the responsibilities assigned to us in Managing Public Money.

We also have responsibility, as defined in the UK Film Council's Funding Agreement with the DCMS and the Management Statement and Financial Memorandum, for leading and managing the work of the UK Film Council to fulfil its policies, aims and objectives, and upholding its values. The Accounting Officer reports to the Board of Directors of the UK Film Council and we formally meet regularly with the DCMS.

## The purpose of the system of internal control

The system of internal control is designed to manage to a reasonable level – rather than to eliminate – the 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 UK Film Council policies, aims and objectives, to evaluate the likelihood of those risks being realised and should they be realised, to manage the impact efficiently, effectively and economically. The system of internal control includes adequate arrangements for detecting and responding to inefficiency, conflict of interest and fraud, and prioritises those risks associated with the custody of assets and potential loss of Exchequer and Lottery grants. The system of internal control has been in place for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

## Capacity to handle risk

As Accounting Officer and Chairman of the Board we have overall responsibility for the UK Film Council's risk management framework, and are supported in its implementation by the Senior Management Team and staff who are trained and equipped to assess and manage risk in a way appropriate to their authority and duties.

The Audit and Governance Committee, chaired by Stewart Till CBE until July 2009 and thereafter by Heather Rabbatts CBE, gives independent advice and guidance to us, in our roles as Accounting Officer and Chairman of the Board, and to the Board of Directors as a whole, on the adequacy of audit arrangements (both internal and external), 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, as well as providing guidance as to best practice.

The Remuneration Committee provide oversight and approval of remuneration and performance for senior staff members including the Accounting Officer.

Further advice and guidance as to best practice is received from the internal and external auditors (who attend meetings of the Audit and Governance Committee), the DCMS, and other comparable organisations.

## 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 operational risks, both in the organisation and from external factors, are identified through our three year business planning cycle and the annual operational planning cycle, and are evaluated by the Senior Management Team. We also consider the risks associated with holding and safeguarding information for operational or financial reporting purposes.

In 2009/10 the risk register agreed by the Audit and Governance Committee and updated in January 2010 included ten corporate risks. These included:

- financial risk, including the potential reduction in public funding available in the next Comprehensive Spending Review and any fall in Lottery income, or our recoupment from film investments reducing the level of proposed activity;
- governance and management risk, including that arising from timely transition of the organisation to support the implementation of the new strategic plan from April 2010 and any increased expectations on the organisation in relation to transitional work towards the proposed merger with the British Film Institute;

- political risk, and in particular a failure to respond to a changing political map;
- grant-making risk associated with the failure to deliver outcomes or achieve targets;
- communications risks associated with any failure, for instance, of the new strategic plan to satisfy the needs of the industry or culture; and
- reputational risk associated with the failure to assist and provide leadership to the industry, for instance in relation to technological changes.

Risk management and internal control are embedded in the processes of the organisation and are considered and reviewed on a regular basis by management.

For example, the Production Finance Committee (PFC), which ultimately signs off on Lottery commitments, comprises representatives of the relevant fund, finance and business affairs and is independently chaired by the Accounting Officer or the Chief Operating Officer. Any perceived risks arising in making an award are thus discussed at the time the funding decision is made and appropriate mitigating action is taken, whilst also allowing the decision-making, oversight and control to be maintained by the respective fund. The Committee is updated on the progress of the funded projects to allow timely action to mitigate risks, protect funds and ensure that the ultimate purpose of the award is fulfilled.

For the delegated organisations, such as Skillsset and First Light, alongside regular oversight and monitoring, regular formal governance meetings are held through the year to discuss progress against key performance and risk indicators in their business plans and funding agreements.

In addition, assurance is sought that they in turn have suitable processes in place to ensure their systems and procedures are acceptable and fit for the purpose of distributing Lottery funds, and that they have the necessary skilled resources in place to implement these systems.

The risks identified as a result of the above processes are monitored and controlled within the organisation 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, provided by Moore Stephens LLP, which operates to standards set out in the Government Internal Audit Standards, is defined by an analysis of the risks to which the UK Film Council is exposed and the assurance sought, and annual internal audit plans are based on this analysis. Thus the internal audit reviews any fundamental changes in the processes of the organisation, for instance to the decision making or operational processes.

In 2009/10 internal audit reports covered:

- the implementation of a new electronic expenses system;
- record retention policies;
- oversight of FILMCLUB;
- common themes from reviews undertaken across the Regional Screen Agencies; and
- the new awards database in North West Vision, a delegate body.

The analysis of risk and the internal audit plans are endorsed by the UK Film Council's Audit and Governance Committee and are approved by the Accounting Officer.

In light of Cabinet Office guidance in relation to information risk, the Chief Operating Officer has been appointed the Senior Information Risk Owner. Working with the internal auditor, all the systems and databases operated by the UK Film Council will be reviewed and periodic updates provided to the Audit and Governance Committee.

In addition to the above, the UK Film Council has in place a wide range of policies, for instance relating to corporate governance, conflicts of interest, financial management (including fraud), health and safety, training and development and information technology. These are periodically reviewed and updated.

The internal communications process ensures that all staff are informed about key decisions on a timely basis through appropriate means. There is also an external communications strategy that ensures stakeholders, Parliament, press, funded organisations and projects, the industry at large and members of the general public receive appropriate and reliable information.

Progress in achieving objectives set in the strategic corporate plan is monitored by the Board and Senior Management. The Board receives appropriate regular financial reporting, enabling monitoring against financial targets.



# Statement on internal control

## continued

### Review of effectiveness

As Accounting Officer and Chairman of the Board, we have responsibility for reviewing the effectiveness of the system of internal control. Our review is informed by the work of the internal auditors and the Senior Management within the UK Film Council which 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. We have been advised on the implications of the results of our review of the effectiveness of the system of internal control by the Board and the Audit and Governance Committee, and a plan to address any weaknesses and ensure continuous improvement is in place.

The responsibilities of the Senior Management Team in respect of risk management 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 the Accounting Officer on the status of risks and controls.

The Board receives reports from the Chairman of the Audit and Governance Committee, and from the Accounting Officer and managers, on the steps taken to manage risks, including progress reports on key activities and projects, as well as on new risks that may arise both internally within the organisation and from external factors such as the political and economic environment of both the industry and the public sector.

Amongst the considerations of the Audit and Governance Committee and senior management are the risks associated with the increased expectations on the organisation in relation to transitional work towards the proposed merger with the BFI. These are regularly reviewed in the light of the ongoing transitional process. In particular the potential financial and staffing implications for the organisation are considered to ensure that risks to the ongoing activities of the UK Film Council are mitigated. These risks are also discussed with the Department for Culture, Media and Sport which is leading on the proposal.

The Internal Auditors annually provide us 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.

We take assurance from the ongoing assessment of the risk register of the organisation, from the business and budget planning cycle, from the decision approval and operational processes in place, and from the reviews of, and assurance received from, delegate bodies that appropriate risk management processes are in place.

We can confirm that in our opinion:

- the UK Film Council complies with its current Financial Directions, Funding Agreement, Management Statement and Financial Memorandum;
- adequate audit arrangements, both internal and external, are in place to support us in reviewing the systems of internal control;
- adequate arrangements are in place to detect and respond to inefficiency, conflicts of interest and fraud and to minimise losses of Lottery and other funds;
- the UK Film Council has drawn up and maintains risk assessment and control procedures and risk registers;
- the UK Film Council has complied with Cabinet Office guidance on information risk and has suffered no protected personal data incidents during 2009/10 or during previous years, and has made no reports to the Information Commissioner's Office; and
- the systems of internal control were fully operational during the year and no significant weaknesses have been uncovered.

**John Woodward**  
Chief Executive Officer  
29 June 2010

**Tim Bevan CBE**  
Chairman  
29 June 2010

# 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 of UK Film Council Lottery Distribution Fund for the year ended 31 March 2010 under the National Lottery Act 1993 (as amended). These comprise the Income and Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## Respective responsibilities of the Directors, Chief Executive and Auditor

As explained more fully in the Statement of Directors' Responsibilities the Directors and Chief Executive Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the UK Film Council Lottery Distribution Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the UK Film Council Lottery Distribution Fund; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## Opinion on regularity

In my opinion, 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.

## Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of UK Film Council Lottery Distribution Fund's affairs as at 31 March 2010 and of its deficit, changes in equity and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the National Lottery Act 1993 (as amended) and directions issued thereunder.

## Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the National Lottery Act 1993 (as amended) and directions issued thereunder; and
- the information given in the Chief Executive Officer's review; financial review of the business; and the monitoring and evaluation review; within the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

## Report

I have no observations to make on these financial statements.

**Amyas C. E. Morse**

Comptroller and Auditor General

15 July 2010

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

# Income and expenditure account for the year ended 31 March 2010

|   | NOTES | 2009/10<br>£000 | 2008/09<br>£000 |
|---|-------|-----------------|-----------------|
| <b>Income</b>   |       |                 |                 |
| Proceeds from the National Lottery                      | 9     | 33,360          | 28,148          |
| National Lottery Distribution Fund investment income    | 9     | 186             | 1,410           |
| Recoupment income:                                      |       |                 |                 |
| Arts Council England portfolio                          | 3     | 55              | 230             |
| UK Film Council portfolio                               | 3     | 647             | 1,955           |
| Other turnover  |       | -               | 295             |
|   |       | <b>34,248</b>   | <b>32,038</b>   |
| <b>Expenditure:</b>                                     |       |                 |                 |
| Awards:   |       |                 |                 |
| Regional awards   |       | (3,250)         | (3,200)         |
| First Light scheme                                      |       | (1,100)         | (1,135)         |
| Distribution and exhibition awards                      |       | (3,764)         | (3,707)         |
| Digital Film Archive Fund                               |       | (1,560)         | (1,398)         |
| 2012 Partnerships Fund                                  |       | (105)           | (100)           |
| Training awards   |       | (5,400)         | (6,500)         |
| Film festivals awards                                   |       | (1,888)         | (670)           |
| Film education awards                                   |       | (250)           | (-)             |
| Publications awards                                     |       | (63)            | (90)            |
| <b>Lottery – non film rights</b>                        |       | <b>(17,380)</b> | <b>(16,800)</b> |
| Statutory transfer to the Olympics                      | 9     | (5,866)         | (1,466)         |
| Impairments against film rights                         | 8     | (9,846)         | (14,153)        |
| Costs apportioned from Grant-in-aid                     | 6     | (7,480)         | (7,894)         |
| Other finance costs                                     |       | (73)            | (2)             |
| Exceptional item: restructuring cost                    | 6     | (568)           | -               |
| Exceptional item: costs associated with proposed merger | 6     | (110)           | -               |
| <b>Total expenditure</b>                                |       | <b>(41,323)</b> | <b>(40,315)</b> |
| <b>Operating deficit</b>                                |       | <b>(7,075)</b>  | <b>(8,277)</b>  |
| Bank interest receivable                                |       | 9               | 217             |
| <b>Deficit on ordinary activities before taxation</b>   |       | <b>(7,066)</b>  | <b>(8,060)</b>  |
| Tax on deficit on ordinary activities for the year      | 7     | (3)             | (65)            |
| <b>Deficit for the year</b>                             |       | <b>(7,069)</b>  | <b>(8,125)</b>  |

All activities were on a continuing basis. The notes to the accounts on pages 95 to 111 form part of the audited financial statements.

# Statement of changes in equity for the year ended 31 March 2010

|                                    | LOTTERY<br>RESERVE<br>£000 | FAIR VALUATION<br>RESERVE<br>£000 | PENSION<br>RESERVE<br>£000 | TOTAL<br>RESERVE<br>£000 |
|------------------------------------|----------------------------|-----------------------------------|----------------------------|--------------------------|
| <b>Balance at 31 March 2008</b>    | <b>64,460</b>              | <b>480</b>                        | <b>(51)</b>                | <b>64,889</b>            |
| Deficit for the year               | (8,115)                    | -                                 | (10)                       | (8,125)                  |
| Actuarial loss in the year         | -                          | -                                 | (741)                      | (741)                    |
| Movement in fair valuation reserve | -                          | 107                               | -                          | 107                      |
| <b>Balance at 31 March 2009</b>    | <b>56,345</b>              | <b>587</b>                        | <b>(802)</b>               | <b>56,130</b>            |
| Deficit for the year               | (7,060)                    | -                                 | (9)                        | (7,069)                  |
| Actuarial loss in the year         | -                          | -                                 | (2,423)                    | (2,423)                  |
| Movement in fair valuation reserve | -                          | (55)                              | -                          | (55)                     |
| <b>Balance at 31 March 2010</b>    | <b>49,285</b>              | <b>532</b>                        | <b>(3,234)</b>             | <b>46,583</b>            |

The amount included in the Lottery reserve primarily represents the carrying value of film investments made by the UK Film Council, and uncommitted funds held at the National Lottery Distribution Fund, netted by all outstanding award liabilities.

The 'fair valuation reserve' represents the carrying value of those Lottery film investments which have fully recouped the original sum invested. The value represents the anticipated future recoupment from these investments over a three year period, and is released against income as it is received. In the year £0.41 million was released against income and additional fair value adjustments of £0.35 million were made.

The 'pension reserve' represents the liability arising on the valuation of the UK Film Council pension fund at year end, as notified by the actuaries.

# Statement of financial position at 31 March 2010

|   | NOTES | 2010<br>£000    | 2009<br>£000    | 2008<br>£000    |
|---|-------|-----------------|-----------------|-----------------|
| <b>Current assets</b>                                   |       |                 |                 |                 |
| Film rights   | 8     | 20,891          | 15,056          | 23,086          |
| National Lottery Distribution Fund                      | 9     | 31,225          | 44,549          | 44,041          |
| Trade and other receivables falling due within one year | 10    | 2,394           | 5,682           | 5,712           |
| Trade and other receivables falling due after one year  | 10    | -               | -               | 3,269           |
| Cash and cash equivalents                               |       | 6,967           | 6,588           | 7,276           |
| <b>Total assets</b>                                     |       | <b>61,477</b>   | <b>71,875</b>   | <b>83,384</b>   |
| <b>Current liabilities</b>                              |       |                 |                 |                 |
| Trade and other payables                                | 12    | (509)           | (109)           | (128)           |
| Other payables – award commitments                      | 13    | (11,151)        | (13,160)        | (15,047)        |
| <b>Total current liabilities</b>                        |       | <b>(11,660)</b> | <b>(13,269)</b> | <b>(15,175)</b> |
| <b>Net current assets</b>                               |       | <b>49,817</b>   | <b>58,606</b>   | <b>68,209</b>   |
| <b>Net non-current liabilities</b>                      |       |                 |                 |                 |
| Other payables – award commitments                      | 13    | -               | (1,674)         | (3,269)         |
| Pension liability                                       | 5     | (3,234)         | (802)           | (51)            |
| <b>Total non-current liabilities</b>                    |       | <b>(3,234)</b>  | <b>(2,476)</b>  | <b>(3,320)</b>  |
| <b>Assets less liabilities</b>                          |       | <b>46,583</b>   | <b>56,130</b>   | <b>64,889</b>   |
| <b>Capital and reserves</b>                             |       |                 |                 |                 |
| Lottery reserve   |       | 49,285          | 56,345          | 64,460          |
| Fair valuation reserve                                  |       | 532             | 587             | 480             |
| Pension reserve   |       | (3,234)         | (802)           | (51)            |
|   |       | <b>46,583</b>   | <b>56,130</b>   | <b>64,889</b>   |

**John Woodward**  
Chief Executive Officer  
29 June 2010

**Tim Bevan CBE**  
Chairman  
29 June 2010

# Statement of cashflows for the year ended 31 March 2010

|   | NOTES     | 2010<br>£000 | 2009<br>£000 |
|---|-----------|--------------|--------------|
| <b>Cash inflows from operating activities</b>               |           |              |              |
| Cash receipts from National Lottery Distribution Fund       |           | 41,004       | 27,584       |
| Arts Council England delegated funds received               |           | 2,750        | 3,100        |
| Arts Council England portfolio income                       |           | 54           | 230          |
| UK Film Council portfolio income                            |           | 4,987        | 10,133       |
| Other cash receipts   |           | 1,525        | 1,698        |
| Payments of Lottery hard commitments                        |           | (41,071)     | (34,562)     |
| Other payments  |           | (8,859)      | (9,015)      |
| Tax paid  |           | (21)         | (102)        |
| <b>Net cash from operating activities</b>                   | <b>17</b> | <b>369</b>   | <b>(934)</b> |
| <b>Cashflows from investing activities</b>                  |           |              |              |
| Interest received   |           | 9            | 246          |
| <b>Net cash from investing activities</b>                   |           | <b>9</b>     | <b>246</b>   |
| <b>Cashflows from financing activities</b>                  |           |              |              |
| <b>Net cash used in investing activities</b>                |           | <b>-</b>     | <b>-</b>     |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |           | <b>378</b>   | <b>(688)</b> |
| Net cash and cash equivalents at 1 April                    |           | 6,588        | 7,276        |
| <b>Net cash and cash equivalents at 31 March</b>            |           | <b>6,966</b> | <b>6,588</b> |

# Notes to the financial statements

## Note 1: Accounting policies

### a) Basis of preparation

These financial statements are prepared under the historical cost convention, and in accordance with the Accounts Direction issued by the Secretary of State for Culture, Olympics, Media and Sport. They meet the requirements of the Companies Act 2006 and applicable Accounting Standards, except certain headings have been amended in order to reflect special circumstances of the company. The requirements of the National Lottery etc. Act 1993 have been followed for the treatment of hard and soft commitments.

Full implementation of International Financial Reporting Standards (IFRS) has taken place in the year commencing 1 April 2009, in line with Treasury proposals for the adoption of IFRS.

The financial statements have been prepared in accordance with the 2010 Government Financial Reporting Manual (FRM) issued by HM Treasury. The accounting policies contained in the FRM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FRM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the UK Film Council for the purpose of giving a true and fair view has been selected. The particular policies adopted by the UK Film Council are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

There are no standards and interpretations in issue but not yet adopted that the Directors anticipate will have a material effect on the reported income or net assets of the Group.

In accordance with the Directions issued by the Secretary of State for Culture, Olympics, Media and Sport, financial statements have also been prepared for the UK Film Council Group activities as a whole.

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

### b) Accruals convention

Income and expenditure is accounted for on a receivable basis, except for recoupment income which is accounted for upon notification of amounts received by the UK Film Council, and commitments which are reported as per the National Lottery etc. Act 1993.

As required by the Secretary of State for Culture, Olympics, Media and Sport, 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, and the conditions of the grant have been fully met, 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 has not been accepted and the associated conditions precedent met, 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 statement of financial position are recognised in the statement of financial position as current liabilities. Those payable more than one year from the statement of financial position are shown as commitments to filmmakers payable over more than one year, however such commitments are extremely unlikely in the usual 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 conservative view of future income.

### c) 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 hard commitment is recognised.

### d) 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. Costs wholly attributable to Lottery activities are distinguished and a calculation is performed on the basis of an individual department assessment of the costs attributable to Lottery activities of the service departments.

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

### e) Plant, property and equipment

All plant, property and equipment 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 (see note 6).

#### **f) National Lottery Distribution Fund**

Balances held in the National Lottery Distribution Fund remain under the stewardship of the Secretary of State for Culture, Olympics, Media and Sport. The share of these balances attributable to the UK Film Council is as shown in the financial statements and, at the statement of financial position date, has been notified by the Secretary of State for Culture, Olympics, Media and Sport as being available for distribution by the UK Film Council in respect of current and future commitments. The amount attributable to the UK Film Council has been treated as income within these financial statements (see note 9).

#### **g) Financial instruments**

The Lottery account's principal financial instruments are cash and holdings in the National Lottery Distribution Fund and film rights which, with the adoption of IAS 32 (Financial Instruments: Presentation), 39 (Financial Instruments: Measurement and Recognition) and IFRS 7 (Financial Instruments: Disclosure), fall within the definition of financial instruments.

The Lottery accounts have various other financial instruments such as trade receivables and trade payables that arise directly from its operations. The main risks arising from the Lottery accounts' financial instruments are interest rate risk, liquidity risk, foreign currency risk and other price risk.

#### **h) Film rights**

Film rights represent loans paid and advances paid and payable to filmmakers. 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. This can lead to repayment of the investment in full, together with a share of the profits generated by the film.

With the adoption of the International Financial Reporting Standards relating to Financial Instruments (IAS 32, 39 and IFRS 7) film rights fall within the definition of financial instruments; within that, they meet the definition of available for sale financial assets and are therefore shown in the statement of financial position at fair value.

At the point at which the advance is made (satisfying the definition of hard commitments in (b) above), it is taken to the statement of financial position initially at the full value of the award made.

This valuation is reviewed on a rolling basis to ensure that fair value is maintained.

Impairments are made against film rights 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 impaired in the year of award, unless there is a reasonable expectation of repayment.

The impairment may be reversed in part or in full if the valuation understates the fair value of the film right.

Movements in impairments shown in the income and expenditure account reflect the net effect of increases and decreases in impairments against film rights in the year.

If the valuation of the film right is in excess of the amount of the initial investment (ie estimated receipts are likely to be in excess of the original award), then this is taken to a fair value reserve, and released to income as the recoupment is received.

The fair value on those films where the full investment has been (or is expected to be) recovered is based upon estimated recoupment over the next three financial years.

#### **i) Film recoupment income**

Income received from a film right is offset against the value of the right on the statement of financial position. Income in excess of the original value of the right is taken to the income and expenditure account as film recoupment income via any fair value reserve as noted above, if appropriate.

#### **j) Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position 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.

#### **k) Leasing commitments**

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



# Notes to the financial statements

## continued

### I) 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 Pension Fund Authority, a statutory body established on 31 October 1989, responsible to the Mayor of London and accountable to Parliament and the Greater London Authority 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. Independent actuaries prepare full valuations of the scheme at least every four years, in line with public sector guidance, and perform updates based on the most recent full valuation on an annual basis.

The UK Film Council complies with IAS19, under which the defined benefit 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 year is charged against operating profit. The expected return on the scheme's assets and the increase during the year 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 changes in tax-payers' equity. 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. Any deficit is likewise recognised as a liability on the statement of financial position.

### Note 2: First time adoption of IFRS

#### Reconciliation of statement of financial position at 1 April 2009

|  | £000          |
|--|---------------|
| <b>Statement of reserves under UK GAAP</b>                     | <b>56,218</b> |
| Increase in trade and other payables re accrued staff benefits | (88)          |
| <b>Group statement of reserves under IFRS</b>                  | <b>56,130</b> |

Trade and other payables within current liabilities has been increased by £88,000 to account for the accrued value of holiday benefits due to staff attributable to Lottery activities as at 31 March 2009, and which has not previously been accounted for but is now required under IAS 19, and therefore taken against the Lottery reserve.

#### Reconciliation of statement of financial position at 1 April 2008

The transition to IFRS has no impact upon the statement of reserves as at 1 April 2008, as previously published in the Annual Report and Financial Statements for the year ending 31 March 2009. Following HM Treasury guidance these accounts already include any re-statements arising from the requirement to account for IAS 32, 39 and IFRS 7 regarding financial instruments.

#### Reconciliation of group cashflow for the year 2008/09

No reconciliation is presented as the requirement to recognise cash equivalents in the cashflow did not lead to any adjustments or re-statement, save for the £88,000 increase in both the year end deficit (the starting point of the cashflow) with the reverse adjustment being an increase in year end trade payables. The other changes are presentational in the move to the new format.

### Note 3: Film right receipts and 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.

Titles in receipt of income over £100,000 in the year ended 31 March 2010 (2008/09: totalling £230,000):

|                                      | £000      |
|--------------------------------------|-----------|
| 17 titles with income below £100,000 | 55        |
|                                      | <b>55</b> |

#### UK Film Council

In the year ended 31 March 2010, the UK Film Council received cash recoupment from 117 films (2009: 34), which was taken against film rights.

Film titles recovering over £100,000, in the year ended 31 March 2010 (2009/09: totalling £8,261,000) were:

|                                       | £000         |
|---------------------------------------|--------------|
| Adulthood                             | 195          |
| Bright Star                           | 387          |
| Creep                                 | 105          |
| The Escapist                          | 196          |
| Ealing Icon development slate         | 164          |
| The Last King of Scotland             | 140          |
| Number 9 Films development slate      | 144          |
| Notes on a Scandal                    | 103          |
| Self Made                             | 153          |
| St Trinian's                          | 385          |
| Sunshine                              | 105          |
| Tamara Drewe                          | 103          |
| This is England                       | 132          |
| Triangle                              | 150          |
| West is West                          | 110          |
| 102 titles with income below £100,000 | 1,637        |
|                                       | <b>4,209</b> |

Income received on titles where the initial investment has been recovered is taken into the income and expenditure account (2008/09: £1,955,000):

|                               | £000       |
|-------------------------------|------------|
| 28 Days Later                 | 231        |
| 28 Weeks Later                | 241        |
| Adulthood                     | 27         |
| The King's Speech             | 25         |
| The Last King of Scotland     | 49         |
| Little Ashes                  | 3          |
| Mike Bassett: England Manager | 2          |
| Of Time and the City          | 39         |
| Touching the Void             | 2          |
| West is West                  | 28         |
|                               | <b>647</b> |

# Notes to the financial statements

## continued

### Note 4: Staff costs

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

|   | 2009/10<br>£ | 2008/09<br>£ |
|---|--------------|--------------|
| Pippa Cross<br>(from 21 Nov 2008)           | 3,311        | -            |
| Andrew Eaton<br>(retired 19 Oct 2008)       | -            | 589          |
| Rebecca O'Brien                             | 2,532        | 2,356        |
| Heather Rabbatts CBE                        | 1,753        | 1,767        |
| David Sproxton CBE<br>(retired 19 Oct 2008) | -            | 1,271        |
| Amanda Walsh                                | 2,337        | 1,963        |

The appropriate portion of salary costs of staff working on Lottery activities is reflected within the costs apportioned from Grant-in-aid figure in the income and expenditure account.

#### The costs of staff working wholly on Lottery activities

|   | 2009/10<br>£000 | 2008/09<br>£000 |
|---|-----------------|-----------------|
| Wages and salaries                            | 2,136           | 2,184           |
| Social Security costs                         | 225             | 220             |
| Pension service costs and other pension costs | 196             | 191             |
|   | <b>2,557</b>    | <b>2,595</b>    |

#### The average number of staff (full-time equivalents) employed during the year

|                                | 2009/10   | 2008/09   |
|--------------------------------|-----------|-----------|
| Management and administration: |           |           |
| Permanent staff                | 31        | 36        |
| Other staff                    | 1         | -         |
|                                | <b>32</b> | <b>36</b> |

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

|                                | 2009/10<br>£   | %            | ATTRIBUTABLE<br>TO LOTTERY<br>£ |
|--------------------------------|----------------|--------------|---------------------------------|
| <b>John Woodward (Age: 50)</b> |                |              |                                 |
| Salary and benefits            | 170,171        |              | 154,175                         |
| Bonus                          | 38,289         |              | 34,690                          |
| <b>Total</b>                   | <b>208,460</b> | <b>90.6%</b> | <b>188,865</b>                  |
| Pension contribution           | 27,227         |              | 24,668                          |

|                      | 2008/09<br>£   | %            | ATTRIBUTABLE<br>TO LOTTERY<br>£ |
|----------------------|----------------|--------------|---------------------------------|
| Salary and benefits  | 165,445        |              | 151,050                         |
| Bonus                | 32,498         |              | 29,670                          |
| <b>Total</b>         | <b>197,943</b> | <b>91.3%</b> | <b>180,720</b>                  |
| Pension contribution | 26,472         |              | 24,169                          |

## Note 5: Pensions benefits

The company participates in the London Pension Fund Authority (LPFA) Superannuation Scheme. The majority of the company's staff are members of the scheme. Although membership of the scheme is open to all employees, only those costs and disclosures relating to staff directly employed on Lottery activities are given here.

The pension scheme is of the defined benefit type and is funded by employees and employers at actuarially determined rates. Employer contributions charged for members of the scheme amounted to £0.19 million (2009: £0.18 million)

Following the advice of the consulting actuaries to the scheme, the UK Film Council's initial employer contributions (as a percentage of the pensionable salary) were set at 12.1% throughout the year (2009: 12.1%). It is anticipated that employer contributions will remain at this rate in the coming financial year.

A valuation for IAS19 purposes as at March 2010 was carried out by a qualified independent actuary. The assumptions used by the actuary for IAS19 valuation purposes were:

| <b>Financial assumptions</b>         | <b>2010</b><br>% | <b>2009</b><br>% |
|--------------------------------------|------------------|------------------|
| Rate of increase in salaries         | 3.9              | 4.6              |
| Rate of increase in pension payments | 5.4              | 3.1              |
| Discount rate                        | 5.5              | 6.9              |
| Inflation assumption                 | 3.9              | 3.1              |

| <b>Average life expectancy at 65</b> | <b>MALES</b> | <b>FEMALES</b> |
|--------------------------------------|--------------|----------------|
| Current pensioners                   | 19.6 yrs     | 22.5 yrs       |
| Future pensioners                    | 20.7 yrs     | 23.6 yrs       |

The fair value of the scheme assets and the expected rate of return, the present value of the scheme liabilities and the resulting deficit is:

|                                     | <b>2010</b><br><b>LONG TERM</b><br><b>RATE OF RETURN</b><br><b>EXPECTED</b> |                | <b>2009</b><br><b>LONG TERM</b><br><b>RATE OF RETURN</b><br><b>EXPECTED</b> |              |
|-------------------------------------|---|----------------|---|--------------|
|                                     | %   | £000           | %   | £000         |
| Equities                            | 7.5   | 3,832          | 7.0   | 2,342        |
| Bonds                               | 5.5   | 548            | 5.5   | 411          |
| Property                            | 6.5   | 767            | 6.0   | 1,027        |
| Cash                                | 3.0   | 273            | 4.0   | 334          |
| Corporate bonds                     | 5.5   | 55             |   | -            |
| <b>Total market value of assets</b> |   | <b>5,475</b>   |   | <b>4,114</b> |
| Present value of scheme liabilities |   | (8,709)        |   | (4,916)      |
| <b>Net pension deficit</b>          |   | <b>(3,234)</b> |   | <b>(802)</b> |

The overall expected rate of return on scheme assets is projected by the scheme actuaries using modelling techniques, with reference to key assumptions and the relative weighting of scheme assets.

The amounts recognised in the income and expenditure account are as follows:

|                                      | <b>31 MARCH 2010</b><br>£000 | <b>31 MARCH 2009</b><br>£000 |
|--------------------------------------|------------------------------|------------------------------|
| Current service cost                 | 225                          | 283                          |
| Interest cost                        | 340                          | 332                          |
| Expected return on employer's assets | (266)                        | (330)                        |
| Past service costs                   | (290)                        | 58                           |
| <b>Total</b>                         | <b>9</b>                     | <b>343</b>                   |
| Actual return on plan assets         | 1,228                        | (1,306)                      |

# Notes to the financial statements

## continued

### Note 5: Pensions benefits continued

Amount recognised in statement of changes in equity

|  | 2010           | 2009         |
|--|----------------|--------------|
| Actuarial (losses)/gains   | (2,422)        | (741)        |
| <b>Actuarial (losses)/gains recognised in statement of changes in equity</b> | <b>(2,422)</b> | <b>(741)</b> |
| Cumulative actuarial losses in statement of changes in equity                | (3,345)        | (923)        |

Changes in the present value of the defined benefit obligation

|   | 2010<br>£000 | 2009<br>£000 |
|---|--------------|--------------|
| Opening defined benefit obligation        | 4,916        | 4610         |
| Current service cost                      | 208          | 225          |
| Interest cost                             | 344          | 346          |
| Contributions by members                  | 194          | 179          |
| Actuarial gains/(losses)                  | 3,428        | (460)        |
| Past service costs                        | -            | 58           |
| Estimated benefits paid                   | (381)        | (42)         |
| <b>Closing defined benefit obligation</b> | <b>8,709</b> | <b>4,916</b> |

Changes in the fair value of the plan

|  | 2010<br>£000 | 2009<br>£000 |
|--|--------------|--------------|
| Opening fair value of employer assets        | 4,114        | 4,558        |
| Expected return on assets                    | 269          | 344          |
| Contributions by members                     | 194          | 179          |
| Contributions by employer                    | 268          | 288          |
| Actuarial gains/(losses)                     | 1,011        | (1,259)      |
| Benefits paid                                | (381)        | (42)         |
| <b>Closing fair value of employer assets</b> | <b>5,475</b> | <b>4,114</b> |

A history of experience gains and losses is shown below

|   | 2010<br>£000   | 2009<br>£000 |
|---|----------------|--------------|
| Fair value of employer assets               | 5,475          | 4,114        |
| Present value of defined benefit obligation | (8,709)        | (4,916)      |
| <b>Deficit</b>                              | <b>(3,234)</b> | <b>(802)</b> |
| Experience gains/(losses) on assets         | 959            | (1,382)      |
| Experience losses on liabilities            | -              | -            |

|   | 2008<br>£000 | 2007<br>£000 | 2006<br>£000 |
|---|--------------|--------------|--------------|
| Fair value of employer assets               | 4,588        | 4,050        | 3,213        |
| Present value of defined benefit obligation | (4,610)      | (4,866)      | (3,251)      |
| <b>Deficit</b>                              | <b>(52)</b>  | <b>(816)</b> | <b>(38)</b>  |
| Experience gains/losses on assets           | 78           | 34           | 437          |
| Experience losses on liabilities            | (308)        | -            | (17)         |

## Note 6: Other expenditure apportioned from Grant-in-aid

|  | 2009/10<br>£000 | 2008/09<br>£000 |
|--|-----------------|-----------------|
| <b>This is stated after charging:</b>          |                 |                 |
| Auditor's remuneration – audit associated fees | 21              | 21              |
| Auditor's remuneration – IFRS transition       | 3               | 3               |
| Capital recharge                               | 205             | 214             |
| Staff travel and subsistence – domestic        | 21              | 12              |
| Staff travel and subsistence – foreign         | 78              | 91              |
| Agency fees, freelance staff and secondments   | 80              | 83              |
| Hospitality                                    | 25              | 43              |
| Legal costs                                    | 302             | 297             |
| Pension service cost                           | 225             | 321             |

Exceptional items of expenditure were a proportion of the costs incurred relating to the re-structuring of the Lottery funds (£0.47 million), announced in January 2010 and implemented from 31 March; and the work undertaken at the request of the Department for Culture, Media and Sport for the proposed merger of the British Film Institute and the UK Film Council (£0.1 million).

## Note 7: Taxation

|  | 2009/10<br>£000 | 2008/09<br>£000 |
|--|-----------------|-----------------|
| Corporation Tax payable for current year | 3               | 104             |

Taxation is payable on the interest earned by the UK Film Council at the rate of 28% (2009: 28%).

# Notes to the financial statements

## continued

### Note 8: Film rights

|  | GROSS<br>£000  | IMPAIRMENTS<br>£000 | REPAYMENT<br>£000 | NET<br>£000   |
|--|----------------|---------------------|-------------------|---------------|
| <b>At 1 April 2008</b>                 | <b>192,372</b> | <b>(120,001)</b>    | <b>(49,285)</b>   | <b>23,086</b> |
| Hard commitments made in the year      | 14,898         | (9,220)             | (110)             | 5,568         |
| Movements on prior year commitments    | -              | (4,933)             | (8,151)           | (13,084)      |
| Fair valuation adjustments in the year | 106            | -                   | -                 | 106           |
| Decommitments                          | (620)          | -                   | -                 | (620)         |
| <b>At 31 March 2009</b>                | <b>206,756</b> | <b>(134,154)</b>    | <b>(57,546)</b>   | <b>15,056</b> |
| Hard commitments made in the year      | 21,593         | (9,416)             | (650)             | 11,527        |
| Movements on prior year commitments    | -              | (430)               | (3,559)           | (3,989)       |
| Fair valuation adjustments in the year | (55)           | -                   | -                 | (55)          |
| Decommitments                          | (1,648)        | -                   | -                 | (1,648)       |
| <b>At 31 March 2010</b>                | <b>226,646</b> | <b>(144,000)</b>    | <b>(61,755)</b>   | <b>20,891</b> |

With the adoption of the International Financial Reporting Standards relating to Financial Instruments (IAS 32, 39 and IFRS 7) film rights fall within the definition of financial instruments; within that, they meet the definition of 'available for sale financial assets' and are shown in the statement of financial position at fair value.

## Note 9: National Lottery Distribution Fund

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

|  | 2010<br>£000  | 2009<br>£000  | 2008<br>£000  |
|--|---------------|---------------|---------------|
| Opening balance held at the National Lottery Distribution Fund | 44,549        | 44,041        | 37,394        |
| Income received from the Lottery                               | 33,360        | 28,148        | 27,093        |
| Transfer to the Olympic Lottery Distribution Fund              | (5,866)       | (1,466)       | -             |
| Investment income earned                                       | 186           | 1,410         | 2,250         |
| <b>Available for distribution</b>                              | <b>72,229</b> | <b>72,133</b> | <b>66,737</b> |
| Cash drawn down  | (41,004)      | (27,584)      | (22,696)      |
| <b>Balance as at 31 March</b>                                  | <b>31,225</b> | <b>44,549</b> | <b>44,041</b> |

At 31 March 2010, the cost of the investment in the fund was £31.2 million (2009: £44.5 million). Income received from the Lottery shown above is after charging unrealised losses of £0.05 million (2009: £0.05 million).

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 statement of financial position the lower of the market value or the cost of the investment as at the year end.

In February 2008, a Statutory Instrument (SI 2008 No. 255, The Payments into the Olympic Lottery Distribution Fund etc. Order 2008) was passed which allowed for the transfer of up to £1,085 million from the National Lottery Distribution Fund to the Olympic Lottery Distribution Fund in order to meet some of the costs of holding the 2012 Olympic and Paralympic Games. This comprises £410 million as originally envisaged when the Government decided to support London's Olympic bid in 2003, and a proposed further £675 million arising from the subsequent budget review.

The UK Film Council was committed to contribute up to £9.6 million in the original bid and this order allows for the transfer of up to a further £12.2 million making a total of £21.8 million.

Four transfers of funds under the statutory instrument took place during the financial year with the UK Film Council contributing a total of £5.9 million. Further transfers are anticipated at quarterly intervals until July 2012.

As this commitment is only seen to be crystallising at the point of the three monthly transfers, the remaining commitment of £14.5 million is not recorded in the statement of financial position as at 31 March 2010.

The UK Film Council has published its three year plan for the period 2010-2013. The plan assumes that the UK Film Council will continue to make an increased level of commitments over this period. As a consequence the UK Film Council will make total commitments over the period in excess of its Lottery income and this will reduce cash balances, and reserves, over this period. The National Lottery Distribution Fund balance is expected to fall below £5 million by March 2012 and the Board will be closely monitoring the position.



# Notes to the financial statements

## continued

### Note 10: Trade and other receivables

|  | 2010<br>£000 | 2009<br>£000 | 2008<br>£000 |
|--|--------------|--------------|--------------|
| <b>Trade and other receivables falling due within one year</b> |              |              |              |
| Prepayments and accrued income                                 | 80           | 327          | 273          |
| VAT receivable   | 538          | 341          | 366          |
| Other receivables – Arts Council England                       | 1,485        | 4,235        | 4,066        |
| Other receivables – Grant-in-aid                               | -            | 464          | 513          |
| Other receivables  | 291          | 315          | 494          |
|  | <b>2,394</b> | <b>5,682</b> | <b>5,712</b> |
| <b>Trade receivables falling due after one year</b>            |              |              |              |
| Other receivables – Arts Council England                       | -            | -            | 3,269        |
| <b>Total trade and other receivables</b>                       | <b>2,394</b> | <b>5,682</b> | <b>8,981</b> |

The Arts Council England receivable represents the undrawn delegated funds due to the UK Film Council. Funds are drawn down to meet the cash requirements under the delegation and it is expected that all funds will be drawn down by 31 March 2011.

### Analysis of trade and other receivables

|   | 2010<br>£000 | 2009<br>£000 | 2008<br>£000 |
|---|--------------|--------------|--------------|
| Payable by central government – Arts Council England          | 1,485        | 4,235        | 7,335        |
| Payable by central government – HM Revenue and Customs re VAT | 538          | 341          | 336          |
| Payable by local authorities                                  | -            | -            | -            |
| Payable by bodies external of Government                      | 371          | 1,106        | 78           |
|   | <b>2,394</b> | <b>5,682</b> | <b>1,610</b> |

## Note 11: Financial risks

International Financial Reporting Standards require disclosure of the role which financial instruments have had during the period, in creating or changing the risks UK Film Council faces in undertaking its role.

### Liquidity risks

In 2009/10, a net of £27 million (85%) (2008/09: £28.1 million, 70%) of the UK Film Council's income was derived from the National Lottery. The remaining income comprises investment returns from the balance held with the National Lottery Distribution Fund £0.2 million (1%) (2009: £1.4 million, 3%); recoupment income from film rights £4.0 million (12%) (2009: £8.2 million, 20%); and surplus on UK Film Council and Arts Council England investments, bank interest and sundry income £0.7 million (2%) (2009: £2.7 million, 7%).

The Board considers that, as the National Lottery Distribution Fund balance notified by the Secretary of State for Culture, Olympics, Media and Sport and the UK Film Council's own Lottery cash holding amount to £38.1 million at the statement of financial position date (2009: £51.1 million), sufficient liquid resources are available to cover all current hard and soft commitments totalling £29.3 million (2009: £33.9 million) and any related trade and other payables.

### 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 financial statements of the National Lottery Distribution Fund. The market value at year-end of the Council's investment in the National Lottery Distribution Fund was £31.2 million (2009: £44.5 million) and the average investment return for the year was 0.6% (2009: 3.7%).

Cash drawn down from the National Lottery Distribution Fund, or received from other sources, to pay grant commitments and operating costs are held in variable rate bank accounts and the average interest rate return for the year was 0.1% (2009: 5.2%) – reflecting the lower rates of return currently available. The cash balance at the year-end was £6.9 million (2009: £6.6 million). The Board considers that the UK Film Council is not exposed to significant interest rate risks in respect of these funds.

### Other price risks

With the adoption of those International Financial Reporting Standards relating to Financial Instruments (IAS 32 and 39 and IFRS 7) film rights fall within the definition of financial instruments, and within that meet the definition of 'Available for sale financial assets' and are therefore shown in the statement of financial position at fair value.

The valuation of film rights are subject to ongoing review to ensure a fair value is maintained with any impairments being charged as expenditure. Any increase in the fair value beyond the original investment value is taken to reserves and only released as income on the actual receipt of funds.

Film rights at 31 March 2010 have a valuation of £20.9 million (2009: £15.0 million) and the Board considers that the UK Film Council is not exposed to significant other price risks.

### Foreign currency risks

The UK Film Council's financial assets are not exposed to material foreign exchange risks, as long-term balances are held in sterling.

## Note 12: Other payables

|                 | 2010<br>£000 | 2009<br>£000 | 2008<br>£000 |
|-----------------|--------------|--------------|--------------|
| Corporation Tax | 3            | 21           | 50           |
| Other payables  | 506          | 88           | 78           |
|                 | <b>509</b>   | <b>109</b>   | <b>128</b>   |

### Analysis of trade and other payables

|   |            |            |            |
|---|------------|------------|------------|
| Payable to central government – HM Revenue and Customs re Corporation Tax | 3          | 21         | 50         |
| Payable to local authorities  | -          | -          | -          |
| Payable to bodies external of Government                                  | 506        | 88         | 78         |
|   | <b>509</b> | <b>109</b> | <b>128</b> |

# Notes to the financial statements

## continued

### Note 13: Other payables – award commitments

| <b>SOFT COMMITMENTS</b>                    | <b>2010<br/>£000</b> | <b>2009<br/>£000</b> | <b>2008<br/>£000</b> |
|--|----------------------|----------------------|----------------------|
| Brought forward at 1 April                 | 19,131               | 12,754               | 19,978               |
| Commitments made                           | 38,845               | 41,108               | 26,157               |
| Transferred back from hard commitments     | -                    | 22                   | 46                   |
| Soft decommitments                         | (619)                | (1,758)              | (401)                |
| Transferred to hard commitments            | (39,214)             | (32,995)             | (33,026)             |
| <b>Balance carried forward at 31 March</b> | <b>18,143</b>        | <b>19,131</b>        | <b>12,754</b>        |

| <b>HARD COMMITMENTS</b>                    |               |               |               |
|--|---------------|---------------|---------------|
| Brought forward at 1 April                 | 14,834        | 18,316        | 20,857        |
| Commitments made                           | 39,214        | 32,995        | 33,026        |
| Hard decommitments                         | (1,826)       | (1,893)       | (2,938)       |
| Transferred to soft commitments            | -             | (22)          | (46)          |
| Amounts paid                               | (41,071)      | (34,562)      | (32,583)      |
| <b>Balance carried forward at 31 March</b> | <b>11,151</b> | <b>14,834</b> | <b>18,316</b> |

Soft decommitments arise when the conditions of the terms of the award are not met.

### New hard commitments made during the year

|                                    | <b>2010<br/>£000</b> | <b>2009<br/>£000</b> | <b>2008<br/>£000</b> |
|------------------------------------|----------------------|----------------------|----------------------|
| Film rights                        | 21,613               | 14,898               | 14,637               |
| Regional awards                    | 3,200                | 3,200                | 3,500                |
| First Light Movies award           | 1,100                | 1,135                | 1,100                |
| Distribution and exhibition awards | 5,860                | 5,683                | 7,194                |
| Digital Archive Fund               | 1,500                | 1,397                | -                    |
| Training awards                    | 5,600                | 6,500                | 6,515                |
| Film Education                     | 250                  | -                    | -                    |
| 2012 Partnership awards            | 15                   | 100                  | -                    |
| Publication awards                 | 76                   | 82                   | 80                   |
|                                    | <b>39,214</b>        | <b>32,995</b>        | <b>33,026</b>        |

Regional awards are the delegated sum to the nine Regional Screen Agencies created under the Regional Investment Fund for England (RIFE).

### Ageing of hard commitments

|         | <b>2010<br/>£000</b> | <b>2009<br/>£000</b> | <b>2008<br/>£000</b> |
|---------|----------------------|----------------------|----------------------|
| 2008/09 | -                    | -                    | 15,047               |
| 2009/10 | -                    | 13,160               | 2,374                |
| 2010/11 | 11,151               | 1,674                | 895                  |
|         | <b>11,151</b>        | <b>14,834</b>        | <b>18,316</b>        |

## Note 14: Leases

As at 31 March 2010, the UK Film Council had total minimum payments under a non-cancellable operating lease relating to land and buildings, as set out below.

|  | 2010<br>£000 | 2009<br>£000 | 2008<br>£000 |
|--|--------------|--------------|--------------|
| Amounts payable within one year          | 315          | 315          | 315          |
| Amounts payable within two to five years | 1,260        | 1,260        | 1,260        |
| Amounts payable beyond five years        | 630          | 945          | 1,260        |

As at 31 March 2010, the UK Film Council held a further operating lease relating to land and buildings, which is renewable on an annual basis for the years to 2015.

A proportion of the costs relating to both leases forms part of the costs apportioned from Grant-in-aid.

## Note 15: Capital commitments

As at 31 March 2010, the UK Film Council had no capital commitments outstanding (31 March 2009: £nil)

## Note 16: Segmental reporting

The UK Film Council is required under the Lotteries Act to produce statutory accounts which cover its operations as a Lottery distributor. These are reported to the Board and the Chief Executive Officer as a stand-alone entity. Thus in the context of IFRS8 no additional disclosure of segmental reporting is deemed appropriate.

## Note 17: Notes to the statement of cashflows

Reconciliation of operating surplus to net cashflow from operating activities

|   | 2009/10<br>£000 | 2008/09<br>£000 |
|---|-----------------|-----------------|
| Operating deficit                         | (7,075)         | (8,277)         |
| (Increase)/decrease in film rights        | (5,835)         | 8,030           |
| Decrease in trade receivables             | 16,612          | 2,871           |
| Decrease in trade payables                | (3,342)         | (3,606)         |
| Movement in pension liability             | 9               | 48              |
| <b>Net cash from operating activities</b> | <b>369</b>      | <b>(934)</b>    |

# Notes to the financial statements

## continued

### Note 18: Reconciliations of transactions with delegate bodies

In 2009/10 delegation agreements with the Regional Screen Agencies, First Light Movies Ltd and Skillset were in place and fully operational for the purpose of distribution of Lottery funds. Transactions in these accounts relating to these delegations reconcile to transactions in the accounts of those organisations as follows:

#### Transactions in UK Film Council accounts

|                           | HARD<br>COMMITMENTS<br>IN 2009/10<br>£000 | DELEGATE BODY<br>PAYABLE AT<br>31 MARCH 2010<br>£000 |
|---------------------------|---|--|
| EM Media                  | 472                                       | -  |
| Film London               | 305                                       | -  |
| First Light Movies Ltd    | 1,100                                     | -  |
| Northern Film & Media     | 585                                       | -  |
| North West Vision & Media | 455                                       | 8  |
| Screen East               | 540                                       | -  |
| Screen South              | 655                                       | 185  |
| Screen West Midlands      | 678                                       | -  |
| Screen Yorkshire          | 450                                       | -  |
| Skillset                  | 5,600                                     | 803  |
| South West Screen         | 575                                       | -  |
|                           | <b>11,415</b>                             | <b>996</b>   |

The following is extracted from the accounts of the organisations for the year ended 31 March 2010

|                           | RESERVES AT<br>1 APRIL 2009<br>£000 | INCOMING FUNDS:<br>UK FILM COUNCIL<br>£000 | INCOMING FUNDS:<br>OTHER<br>£000 | OUTGOING FUNDS<br>£000 | RESERVES AT<br>31 MARCH 2010<br>£000 |
|---------------------------|-------------------------------------|--|----------------------------------|------------------------|--------------------------------------|
| EM Media                  | 394                                 | 472  | 5                                | (372)                  | 499                                  |
| Film London               | 329                                 | 305  | -                                | (315)                  | 319                                  |
| First Light Movies Ltd    | 623                                 | 1,100                                      | 48                               | (1,024)                | 747                                  |
| Northern Film & Media     | 377                                 | 540  | 1                                | (646)                  | 272                                  |
| North West Vision & Media | 480                                 | 392  | -                                | (450)                  | 422                                  |
| Screen East               | 532                                 | 540  | 16                               | (528)                  | 560                                  |
| Screen South              | 451                                 | 470  | 8                                | (469)                  | 460                                  |
| Screen West Midlands      | 370                                 | 568  | -                                | (568)                  | 370                                  |
| Screen Yorkshire          | 262                                 | 450  | 1                                | (366)                  | 347                                  |
| Skillset                  | 6,288                               | 6,676                                      | 30                               | (7,131)                | 5,863                                |
| South West Screen         | 254                                 | 570  | 7                                | (661)                  | 170                                  |
| <b>Total</b>              | <b>10,360</b>                       | <b>12,083</b>                              | <b>116</b>                       | <b>(12,530)</b>        | <b>10,029</b>                        |

Schedule 3 lists the individual Lottery awards made by these delegates during the year.

## Note 19: Related parties

The UK Film Council maintains a publicly available register of Board Directors' interests. Given their broad experience across the film sector, it is inevitable that Board Directors will have connections with or interests in projects and organisations that may from time to time come to the UK Film Council for funding. All Board Directors are therefore required to declare any direct interest in and commercial relationships with award applications made to the UK Film Council and they have no role in the award making process. Similarly, UK Film Council employees are excluded from decision making around any relevant application involving any organisation or company in which they have a declared interest.

During the year the UK Film Council entered into transactions, in the ordinary course of business, with related parties. National Lottery awards are included in film rights at the date of the statement of financial position or written off to expenditure within the year.

All awards outstanding are payable upon the meeting of conditions precedent within individual contracts.

The following related party transactions occurred during the period:

### Lottery awards

| RECIPIENT OF FUNDING                    | NAME                 | RELATIONSHIP TO RECIPIENT OF FUNDING   | NEW AWARDS MADE 2009/10<br>£ | BALANCE OUTSTANDING 31 MARCH 2010<br>£ |
|---|----------------------|--|------------------------------|--|
| <b>Directors of the UK Film Council</b> |                      |  |                              |  |
| AG@Cross Street Films Ltd               | Beeban Kidron        | Partner of applicant   | 110,000                      | 60,000                                 |
| Arts Alliance Ltd <sup>(1)</sup>        | Thomas Hoegh         | Director   | -                            | 769,279                                |
| British Film Institute <sup>(2)</sup>   | Greg Dyke            | Chair  | 1,908,098                    | 957,209                                |
|   | Elisabeth Murdoch    | Partner of Governor  |                              |  |
| Film Education                          | Stephen Knibbs       | Director of Cinema Exhibitors' Association which also funds the recipient                    | 250,000                      | -                                      |
| First Light Movies Ltd <sup>(3)</sup>   | Barbara Broccoli OBE | Chair  | 1,100,000                    | -                                      |
| Icon Films Ltd                          | Rebecca O'Brien      | Producer of <i>Nowhere Boy</i>   | 125,500                      | 31,375                                 |
| Kaleidoscope Films Ltd                  | Pippa Cross          | Co-producer of <i>Chalet Girls</i>   | 800,000                      | 720,000                                |
| Kudos Pictures Ltd                      | Elisabeth Murdoch    | Director   | 2,567,083                    | 1,565,031                              |
| Mango Films Ltd                         | Rebecca O'Brien      | Director   | -                            | 16,501                                 |
| Met Films Ltd                           | Thomas Hoegh         | Director   | -                            | 9,250                                  |
| Nuban Productions Ltd                   | Gail Egan            | Business partner of Producer and Executive Producer of <i>I am Slave</i> (aka <i>Slave</i> ) | 610,000                      | 77,000                                 |
| Potboiler Productions Ltd               | Gail Egan            | Director   | 80,000                       | 59,250                                 |
| Screen South Ltd <sup>(4)</sup>         | Pippa Cross          | Director   | 695,000                      | 185,000                                |
| Slate Films Ltd                         | Gail Egan            | Partner in business and Executive Producer of <i>I am Slave</i> (aka <i>Slave</i> )          | 55,600                       | -                                      |
| Skillset <sup>(5)</sup>                 | Stewart Till CBE     | Deputy Chair   | 5,400,000                    | 804,043                                |
| South West Screen <sup>(4)</sup>        | Rebecca O'Brien      | Director   | 575,000                      | -                                      |
| Untitled 09 Ltd                         | Gail Egan            | Director and Executive Producer of <i>Another Year</i> (aka <i>Untitled 09</i> )             | 1,200,000                    | 70,000                                 |
| Vue Entertainment Holdings (UK) Ltd     | Stephen Knibbs       | Chief Operating Officer  | -                            | 181,508                                |

# Notes to the financial statements

## continued

### Note 19: Related parties continued

#### Lottery awards

| RECIPIENT OF FUNDING                    | NAME              | RELATIONSHIP TO RECIPIENT OF FUNDING  | NEW AWARDS MADE 2009/10<br>£ | BALANCE OUTSTANDING 31 MARCH 2010<br>£ |
|---|-------------------|---|------------------------------|--|
| <b>Employees of the UK Film Council</b> |                   |   |                              |  |
| Apocalypso Films                        | Tanya Seghatchian | Director of the project receiving funding and Tanya Seghatchian are Co-Directors and share-holders in Apocalypso Pictures Ltd, a separate company | -                            | 42,965                                 |
| Coded Pictures Ltd                      | Tanya Seghatchian | Director of the project receiving funding and Tanya Seghatchian are Co-Directors and share-holders in Apocalypso Pictures Ltd, a separate company | 35,000                       | 6,000                                  |
| Glyn Maxwell                            | Jon Croker        | Working relationship with recipient on non-UK Film Council funded activities  | 10,000                       | -                                      |
| Revolver Entertainment Ltd              | Lizzie Francke    | Co-Producer of <i>Vinyan</i>  | 32,000                       | 8,000                                  |
| Verve                                   | Lenny Crooks      | Partner of Producer of <i>Red Road</i>  | -                            | 5,000                                  |

<sup>(1)</sup> Arts Alliance Ltd is the provider of digital equipment for the digital screen network.

<sup>(2)</sup> The British Film Institute, a charity established by Royal Charter, receives UK Film Council funding to assist in its championing of moving image culture, education and heritage. In 2009/10 it received specific Lottery awards for the release of archive films.

<sup>(3)</sup> First Light Movies Ltd is a charity, receiving UK Film Council funding to offer children and young people more opportunities to participate in and learn about filmmaking.

<sup>(4)</sup> Screen South and South West are two of the Regional Screen Agencies. These were established to co-ordinate film policy, strategy and delivery across England.

<sup>(5)</sup> Skillset is the Sector Skills Council (SSC) for Creative Media and receives UK Film Council funding to implement the Bigger Future Skills Strategy to provide training across the industry.

In addition £320,249 was paid to Olswang Solicitors for professional services rendered in the year. Mark Devereux, a Director of UK Film Council, is a Senior Partner in this firm.

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, Olympics, Media and Sport, who is the ultimate controlling party.

# Schedules to the financial statements

## Schedule 1: Film rights as at 31 March 2010

| AWARD RECIPIENT                           | FILM/PROJECT  | GROSS AWARD | BALANCE AS AT 1 APRIL 2009 | NEW COMMS | RECPT    | DECOMMS  | PROVS     | FAIR VALUATION MOVEMENT | BALANCE AS AT 31 MARCH 2010 |
|---|---|-------------|----------------------------|-----------|----------|----------|-----------|-------------------------|-----------------------------|
| <b>Premiere Fund awards</b>               |   |             |                            |           |          |          |           |                         |                             |
| 1939 Ltd                                  | 1939  |             |                            | 20,000    |          |          | (20,000)  |                         | -                           |
| Big Talk Pictures Ltd                     | Attack the Block                                      |             |                            | 1,085,788 |          |          | (347,452) |                         | 738,336                     |
| Blast Films Ltd                           | One Day   |             |                            | 8,850     |          |          | (8,850)   |                         | -                           |
| Boyle Film Productions Ltd                | The Guard   |             |                            | 250,000   |          |          | (107,500) |                         | 142,500                     |
| Canal + Image UK Ltd                      | Brighton Rock   |             |                            | 1,052,083 |          |          | (210,417) |                         | 841,666                     |
| Centurion Films Ltd                       | Centurion   |             |                            | 1,200,000 | (83,361) |          | (240,000) |                         | 876,639                     |
| Chalet Girl Films Ltd                     | Chalet Girl   |             |                            | 800,000   |          |          | (320,000) |                         | 480,000                     |
| Dagenham Girls Ltd                        | Made in Dagenham (aka We Want Sex aka Dagenham Girls) |             |                            | 850,000   |          |          |           |                         | 850,000                     |
| Dan Films Ltd                             | Creeping Zero   |             |                            | 15,000    |          |          | (15,000)  |                         | -                           |
| DJ Films Ltd                              | Sex & Drugs & Rock & Roll                             |             |                            | 15,000    |          |          | (15,000)  |                         | -                           |
| Dorian Gray Ltd and Dorian Gray Films Ltd | Dorian Gray   |             |                            | 19,297    |          |          | (19,297)  |                         | -                           |
| Footprint Films Ltd                       | Africa United   |             |                            | 500,000   |          |          | (125,000) |                         | 375,000                     |
| Numerous Productions Ltd                  | The Bounty Hunter                                     |             |                            | 15,000    |          |          | (15,000)  |                         | -                           |
| Ruby Films (Tamara Drewe) Ltd             | Tamara Drewe  |             |                            | 780,000   |          |          | (390,000) |                         | 390,000                     |
| See Saw Films Ltd                         | The King's Speech                                     |             |                            | 1,000,000 |          |          |           |                         | 1,000,000                   |
| Streetdance Ltd                           | Streetdance 3D  |             |                            | 1,038,239 |          |          |           |                         | 1,038,239                   |
| Thomas Thomas Films Ltd                   | Four Working Days                                     |             |                            | 15,000    |          |          | (15,000)  |                         | -                           |
| Tracker Productions Ltd                   | Tracker   |             |                            | 971,291   |          |          | (466,220) |                         | 505,071                     |
| Triangle Films Ltd                        | Triangle  |             |                            | 82,000    |          | (82,000) |           |                         | -                           |
| Untitled 09 Ltd                           | Another Year (aka Untitled 09)                        |             |                            | 1,200,000 |          |          | (600,000) |                         | 600,000                     |
| <b>Development Fund awards</b>            |   |             |                            |           |          |          |           |                         |                             |
| 011 Productions Ltd                       | Couple in a Hole                                      |             |                            | 10,500    |          |          | (10,500)  |                         | -                           |
| 104 Films Ltd                             | Production vision award                               |             |                            | 30,000    |          |          |           |                         | 30,000                      |
| Abbott Vision LLP                         | Messenger   |             |                            | 12,896    |          |          | (12,896)  |                         | -                           |
| AG@Cross Street Films Ltd                 | For the End of Time                                   |             |                            | 100,000   |          |          | (100,000) |                         | -                           |
| AL Films Ltd                              | Gertrude and Alice                                    |             |                            | 89,000    |          |          | (89,000)  |                         | -                           |
| Apocalyspo Films Ltd                      | Epic  |             |                            | 70,000    |          |          | (70,000)  |                         | -                           |
| Archer Street Ltd                         | Frostbite   |             |                            | 33,750    |          |          | (33,750)  |                         | -                           |
| Archer Street Ltd                         | How to Start your Own Country                         |             |                            | 21,750    |          |          | (21,750)  |                         | -                           |
| Ascension Entertainment Ltd               | The White Tiger                                       |             |                            | 77,500    |          |          | (77,500)  |                         | -                           |
| Autonomous Pictures Ltd                   | Cirkus Columbia                                       |             |                            | 20,800    |          |          |           |                         | 20,800                      |
| Autonomous Pictures Ltd                   | Day of the Dead                                       |             |                            | 20,500    |          |          | (20,500)  |                         | -                           |
| Autonomous Pictures Ltd                   | The Narrow Frame of Midnight                          |             |                            | 10,250    |          |          | (10,250)  |                         | -                           |



# Schedules to the financial statements

## continued

### Schedule 1: Film rights as at 31 March 2010 continued

| AWARD RECIPIENT                              | FILM/PROJECT   | GROSS AWARD | BALANCE AS AT 1 APRIL 2009 | NEW COMMS | RECPT | DECOMMS  | PROVS     | FAIR VALUATION MOVEMENT | BALANCE AS AT 31 MARCH 2010 |
|--|--|-------------|----------------------------|-----------|-------|----------|-----------|-------------------------|-----------------------------|
| Ben Hervey                                   | The Mysteries  |             |                            | 10,150    |       |          | (10,150)  |                         | -                           |
| Big Hat Stories Ltd                          | The Angel of Ferrara   |             |                            | 17,500    |       |          | (17,500)  |                         | -                           |
| Big Talk Pictures Ltd                        | The Flawless Skin of Ugly People                             |             |                            | 23,750    |       |          |           |                         | 23,750                      |
| Blueprint Pictures Ltd                       | Between Earth and Sky  |             |                            | 16,750    |       |          | (16,750)  |                         | -                           |
| Blueprint Pictures Ltd                       | Posh   |             |                            | 53,750    |       |          | (53,750)  |                         | -                           |
| Blueprint Pictures Ltd                       | The Outcast  |             |                            | 43,250    |       |          | (43,250)  |                         | -                           |
| Blueprint Pictures Ltd                       | Production vision award                                      |             |                            | 75,000    |       |          | (56,250)  |                         | 18,750                      |
| Blueprint Pictures Ltd                       | War Reporting on Cowards                                     |             |                            | 2,500     |       |          | (2,500)   |                         | -                           |
| Brilliant Films Ltd                          | Box of Delights  |             |                            | 48,000    |       |          | (48,000)  |                         | -                           |
| Catherine Shepherd                           | Like a Virgin  |             |                            | 1,000     |       |          | (1,000)   |                         | -                           |
| Century Films Ltd                            | Brian Hill Africa Project                                    |             |                            | 10,000    |       |          | (10,000)  |                         | -                           |
| Chris Cunningham Company Ltd                 | Monkenstein and Franster                                     |             |                            | 89,490    |       |          | (89,490)  |                         | -                           |
| Cloud Nine Films Ltd                         | Tell Her   |             |                            | 74,750    |       | (55,706) | (19,043)  |                         | -                           |
| Coded Pictures Ltd                           | We are Now Beginning our Descent                             |             |                            | 35,000    |       |          | (35,000)  |                         | -                           |
| Company Films Ltd                            | Spanish Assassins  |             |                            | 52,000    |       |          | (52,000)  |                         | -                           |
| Connect Film Ltd                             | Let Me Sing  |             |                            | 10,000    |       |          | (10,000)  |                         | -                           |
| Cowboy Films Ltd                             | The Optimists (aka The Predictive Text)                      |             |                            | 29,500    |       |          | (29,500)  |                         | -                           |
| Cross Street Films Ltd                       | Sex, Death and the Gods                                      |             |                            | 10,000    |       |          | (10,000)  |                         | -                           |
| Cuba Pictures Ltd                            | Island of the Aunts  |             |                            | 9,750     |       |          | (9,750)   |                         | -                           |
| Dan Films Ltd                                | Severance II   |             |                            | 37,750    |       |          | (37,750)  |                         | -                           |
| Dan Films Ltd                                | The Double   |             |                            | 44,875    |       |          | (44,875)  |                         | -                           |
| Daybreak Pictures Ltd                        | Family Man   |             |                            | 21,500    |       |          | (21,500)  |                         | -                           |
| Daybreak Pictures Ltd                        | The Spare  |             |                            | 105,087   |       |          | (105,087) |                         | -                           |
| Destiny Ekaragha                             | Destiny Ekaragha   |             |                            | 10,000    |       |          | (10,000)  |                         | -                           |
| DJ Films Ltd                                 | Belle and Bette  |             |                            | 25,500    |       |          | (25,500)  |                         | -                           |
| Ecosse Films Ltd                             | Production vision award                                      |             |                            | 75,000    |       |          | (56,250)  |                         | 18,750                      |
| Feelgood Fiction Ltd                         | Man Bears (aka Urban Shootout aka Beckett & Martin Untitled) |             |                            | 17,200    |       |          | (17,200)  |                         | -                           |
| Fiesta Productions Ltd                       | 30 Odd Miles Up the East Lancs Rd                            |             |                            | 20,500    |       |          | (20,500)  |                         | -                           |
| Fiesta Productions Ltd                       | Production vision award                                      |             |                            | 75,000    |       |          | (37,500)  |                         | 37,500                      |
| Fragile Films Ltd                            | Nightwork  |             |                            | 99,333    |       |          | (99,333)  |                         | -                           |
| Free Range Films Ltd                         | Production vision award                                      |             |                            | 75,000    |       |          | (56,250)  |                         | 18,750                      |
| Free Range Films Ltd / Feet Films Ltd        | White Rose Rebel   |             |                            | 5,000     |       |          | (5,000)   |                         | -                           |
| Glyn Maxwell                                 | Mimi and the Stalker   |             |                            | 10,000    |       |          | (10,000)  |                         | -                           |
| Headline Pictures (Peter Pan in Scarlet) Ltd | Invisible Woman  |             |                            | 7,500     |       |          | (7,500)   |                         | -                           |

## Schedule 1: Film rights as at 31 March 2010 continued

| AWARD RECIPIENT               | FILM/PROJECT  | GROSS AWARD | BALANCE AS AT 1 APRIL 2009 | NEW COMMS | RECPT    | DECOMMS | PROVS     | FAIR VALUATION MOVEMENT | BALANCE AS AT 31 MARCH 2010 |
|-------------------------------|---|-------------|----------------------------|-----------|----------|---------|-----------|-------------------------|-----------------------------|
| Headline Pictures Ltd         | The Recycler  |             |                            | 72,800    |          |         | (72,800)  |                         | -                           |
| Heyday Films Ltd              | The Thirteenth Tale   |             |                            | 100,000   |          |         | (100,000) |                         | -                           |
| Heyman Hoskins                | Lee Miller  |             |                            | 116,500   |          |         | (116,500) |                         | -                           |
| Hope Dickson Leach            | English Rose  |             |                            | 16,000    |          |         | (16,000)  |                         | -                           |
| Idiotlamp Productions Ltd     | All Quiet on the Orient Express                               |             |                            | 50,000    |          |         |           |                         | 50,000                      |
| Illumination Films Ltd        | The Berberian Sound Studio                                    |             |                            | 25,000    |          |         |           |                         | 25,000                      |
| Impossible TV Ltd             | They're All Out to Get Hugh!                                  |             |                            | 17,143    |          |         | (17,143)  |                         | -                           |
| Independent Talent Group Ltd  | Bunny & George  |             |                            | 25,000    |          |         | (25,000)  |                         | -                           |
| Indhu Rubasingha Ltd          | Free Outgoing   |             |                            | 10,000    |          |         | (10,000)  |                         | -                           |
| Inflammable Films Ltd         | The Journeyman  |             |                            | 35,000    |          |         |           |                         | 35,000                      |
| Jack Thorne                   | 1989  |             |                            | 25,000    |          |         | (25,000)  |                         | -                           |
| James Watkins                 | Methuselah / In Character / The Rector's Daughter             |             |                            | 45,000    |          |         | (45,000)  |                         | -                           |
| Janina Samoles                | Shell & Katie 4EVA  |             |                            | 3,000     |          |         | (3,000)   |                         | -                           |
| Jigsaw Films Ltd              | Kensuke's Kingdom   |             |                            | 30,000    |          |         | (30,000)  |                         | -                           |
| Jones Company Productions Ltd | Trap for Cinderella   |             |                            | 16,000    |          |         |           |                         | 16,000                      |
| Jump Monk Films Ltd           | Place   |             |                            | 20,000    |          |         | (20,000)  |                         | -                           |
| Jump Monk Films Ltd           | Self Made   |             |                            | 10,000    | (35,000) |         | 25,000    |                         | -                           |
| Jump Monk Films Ltd           | South   |             |                            | 25,000    |          |         | (25,000)  |                         | -                           |
| Kasander Development Ltd      | Cross My Mind   |             |                            | 17,000    |          |         | (17,000)  |                         | -                           |
| Keel Films Ltd                | Maps for Lost Lovers  |             |                            | 11,500    |          |         | (11,500)  |                         | -                           |
| La Plante Films Ltd           | The Rocketeers  |             |                            | 28,000    |          |         | (28,000)  |                         | -                           |
| Left Bank Pictures (Film) Ltd | Production vision award                                       |             |                            | 75,000    |          |         |           |                         | 75,000                      |
| Little Comet Film and TV Ltd  | Dexter's Diamonds   |             |                            | 21,000    |          |         | (21,000)  |                         | -                           |
| Marlborough Films Ltd         | The Song of Names   |             |                            | 24,858    |          |         | (24,858)  |                         | -                           |
| Met Film                      | How to Change the World                                       |             |                            | 10,000    |          |         |           |                         | 10,000                      |
| Metzfilm Ltd                  | The Love Interest   |             |                            | 27,750    |          |         | (27,750)  |                         | -                           |
| Minnow Films Ltd              | The Monster Hunters   |             |                            | 15,000    |          |         | (15,000)  |                         | -                           |
| Missing in Action Films Ltd   | Balaclava Sands   |             |                            | 15,700    |          |         | (15,700)  |                         | -                           |
| Missing in Action Films Ltd   | With In   |             |                            | 9,500     |          |         | (9,500)   |                         | -                           |
| Modern Films Ltd              | Under the Skin  |             |                            | 2,500     |          |         | (2,500)   |                         | -                           |
| Momac Films Ltd               | Untitled Boarding School Film (aka The Magnificent Ambersons) |             |                            | 17,500    |          |         | (17,500)  |                         | -                           |
| Motion Pictures (UK) Ltd      | In Close Up   |             |                            | 17,500    |          |         | (17,500)  |                         | -                           |
| Moving Stone Productions Ltd  | Mary Stuart   |             |                            | 22,000    |          |         | (22,000)  |                         | -                           |
| Nathan Parker                 | Don't Change a Thing  |             |                            | 25,000    |          |         |           |                         | 25,000                      |

# Schedules to the financial statements

## continued

### Schedule 1: Film rights as at 31 March 2010 continued

| AWARD RECIPIENT              | FILM/PROJECT                            | GROSS AWARD | BALANCE AS AT 1 APRIL 2009 | NEW COMMS | RECPT     | DECOMMS | PROVS    | FAIR VALUATION MOVEMENT | BALANCE AS AT 31 MARCH 2010 |
|------------------------------|---|-------------|----------------------------|-----------|-----------|---------|----------|-------------------------|-----------------------------|
| NDF Productions Ltd          | Last Passenger                          |             |                            | 10,000    |           |         |          |                         | 10,000                      |
| Neil Jaworski                | The Way to a Whole New You              |             |                            | 15,000    |           |         | (15,000) |                         | -                           |
| Nicholas Horwood             | Gurk the Slayer                         |             |                            | 10,000    |           |         | (10,000) |                         | -                           |
| Number 9 Films (Slate) Ltd   | Strangers                               |             |                            | 88,988    |           |         | (88,988) |                         | -                           |
| Odd Girl Out Productions Ltd | Life in Transit                         |             |                            | 25,000    |           |         | (25,000) |                         | -                           |
| Origin Pictures Ltd          | The First Grader                        |             |                            | 35,500    | (35,500)  |         |          |                         | -                           |
| Origin Pictures Ltd          | Production vision award                 |             |                            | 75,000    | (15,000)  |         | (56,250) |                         | 3,750                       |
| Pablo Films Ltd              | East of Acre Lane (aka Brixton 81)      |             |                            | 32,750    |           |         | (32,750) |                         | -                           |
| Parallax East Ltd            | Bite                                    |             |                            | 11,000    |           |         | (11,000) |                         | -                           |
| Parallax East Ltd            | ID2                                     |             |                            | 25,000    |           |         |          |                         | 25,000                      |
| Parallax East Ltd            | Jimmy Buddha (aka Buddha Da)            |             |                            | 4,000     |           |         | (4,000)  |                         | -                           |
| Picture Farm Ltd             | Father Figure                           |             |                            | 25,000    |           |         | (25,000) |                         | -                           |
| Potboiler Productions Ltd    | Kodak Cowboy                            |             |                            | 5,000     |           |         | (5,000)  |                         | -                           |
| Potboiler Productions Ltd    | Production vision award                 |             |                            | 75,000    |           |         |          |                         | 75,000                      |
| Project Nim Ltd              | Project Nim                             |             |                            | 49,900    | (49,900)  |         |          |                         | -                           |
| Qwerty Films Ltd             | Production vision award                 |             |                            | 75,000    |           |         |          |                         | 75,000                      |
| Rebecca Johnson              | Honey                                   |             |                            | 12,000    |           |         | (12,000) |                         | -                           |
| Recorded Picture Company Ltd | The Talking Cure                        |             |                            | 95,000    |           |         |          |                         | 95,000                      |
| Red Production Company Ltd   | Untitled Matthew Greenhalgh             |             |                            | 15,000    |           |         |          |                         | 15,000                      |
| Revolution Films Ltd         | The Optimists (aka The Predictive Text) |             |                            | 21,875    |           |         | (21,875) |                         | -                           |
| Riley Productions Ltd        | Slow Down Arthur, Stick to Thirty       |             |                            | 25,000    |           |         | (25,000) |                         | -                           |
| Rocket Pictures Ltd          | Emily Jane: Secret Mom                  |             |                            | 18,250    |           |         | (18,250) |                         | -                           |
| Rocking Horse Films Ltd      | Untitled Lynne Ramsey                   |             |                            | 50,000    |           |         | (37,500) |                         | 12,500                      |
| Ruby Films Ltd               | Chatroom                                |             |                            | 39,860    | (39,860)  |         |          |                         | -                           |
| Ruby Films Ltd               | Tamara Drewe                            |             |                            | 45,000    | (102,625) |         | 57,625   |                         | -                           |
| Ruby Films Ltd               | The Seagull                             |             |                            | 5,000     |           |         | (5,000)  |                         | -                           |
| Ruth McCance                 | Capital                                 |             |                            | 1,500     |           |         | (1,500)  |                         | -                           |
| Scrimpo Productions Ltd      | Natural Flights of the Human Mind       |             |                            | 14,500    |           |         | (14,500) |                         | -                           |
| Shimmer Productions Ltd      | Been So Long                            |             |                            | 25,000    |           |         | (25,000) |                         | -                           |
| Shona Films Ltd              | 500 Men with the Bullet                 |             |                            | 38,875    |           |         | (38,875) |                         | -                           |
| Sigma Films Ltd              | Aberdeen Angus                          |             |                            | 6,000     |           |         | (6,000)  |                         | -                           |
| Sigma Films Ltd              | Production vision award                 |             |                            | 75,000    |           |         |          |                         | 75,000                      |
| Silent War Films Ltd         | A Spy by Nature                         |             |                            | 99,271    |           |         | (99,271) |                         | -                           |
| Slate Films Ltd              | Half of a Yellow Sun                    |             |                            | 12,250    |           |         | (12,250) |                         | -                           |
| Slate Films Ltd              | Slave                                   |             |                            | 55,600    | (55,600)  |         |          |                         | -                           |
| Slate Films Ltd              | Stiff                                   |             |                            | 16,250    |           |         | (16,250) |                         | -                           |

## Schedule 1: Film rights as at 31 March 2010 continued

| AWARD RECIPIENT                                | FILM/PROJECT   | GROSS AWARD | BALANCE AS AT 1 APRIL 2009 | NEW COMMS | RECPT    | DECOMMS | PROVS    | FAIR VALUATION MOVEMENT | BALANCE AS AT 31 MARCH 2010 |
|--|--|-------------|----------------------------|-----------|----------|---------|----------|-------------------------|-----------------------------|
| Speaking Film Ltd                              | The King's Speech                                    |             |                            | 21,080    | (21,080) |         |          |                         | -                           |
| Sprout Productions Ltd                         | Hallelujah!  |             |                            | 25,000    |          |         |          |                         | 25,000                      |
| Starfield Productions Ltd                      | Untitled Omid & George Project                       |             |                            | 36,750    |          |         | (36,750) |                         | -                           |
| Stefan Golaszewski                             | Stefan Golaszewski Speaks About a Girl he Once Loved |             |                            | 10,000    |          |         | (10,000) |                         | -                           |
| Steve McLean                                   | Postcards from London                                |             |                            | 10,000    |          |         | (10,000) |                         | -                           |
| Stone City Films Ltd                           | Electricity  |             |                            | 35,000    |          |         | (35,000) |                         | -                           |
| Tempo Productions Ltd                          | The Lancashire Witches                               |             |                            | 37,000    |          |         | (37,000) |                         | -                           |
| The Bureau Film Company Ltd                    | Another World  |             |                            | 20,000    |          |         | (20,000) |                         | -                           |
| The Bureau Film Company Ltd                    | Kingsland  |             |                            | 35,229    |          |         | (35,229) |                         | -                           |
| The First Film Company Ltd                     | Bomber   |             |                            | 47,250    |          |         |          |                         | 47,250                      |
| The Script Connection                          | Feedback service tender                              |             |                            | 15,000    |          |         | (15,000) |                         | -                           |
| The Script Factory                             | Development Fund feature film lecture programme      |             |                            | 9,400     |          |         |          |                         | 9,400                       |
| Third Films Ltd                                | Bypass   |             |                            | 22,500    |          |         | (22,500) |                         | -                           |
| Tigerlily Films Ltd                            | Apples   |             |                            | 22,600    |          |         | (22,600) |                         | -                           |
| Timothy Walker, Jason Morrell and Marc Teitler | Stuck on a Sunday                                    |             |                            | 25,000    |          |         | (25,000) |                         | -                           |
| Trademark Films Ltd                            | My Week With Marilyn                                 |             |                            | 3,000     |          |         | (3,000)  |                         | -                           |
| Vertigo Films Ltd                              | Production vision award                              |             |                            | 75,000    | (20,000) |         | (37,500) |                         | 17,500                      |
| Vicki Patterson                                | Untitled Sarmad Masud                                |             |                            | 11,100    |          |         | (11,100) |                         | -                           |
| Wall to Wall Media Ltd                         | The Dream Project                                    |             |                            | 15,036    |          |         |          |                         | 15,036                      |
| Westerly Islands Film Company Ltd              | Winchester Races                                     |             |                            | 5,000     |          |         | (5,000)  |                         | -                           |
| Wilder Films Ltd                               | Laid Off   |             |                            | 5,400     |          |         | (5,400)  |                         | -                           |
| Wildgaze Films Ltd                             | Madame Depardieu and the Perfect Strangers           |             |                            | 15,000    |          |         | (15,000) |                         | -                           |
| Wildgaze Films Ltd                             | The Babymakers                                       |             |                            | 94,750    |          |         | (94,750) |                         | -                           |
| Willow Films Ltd                               | Random   |             |                            | 22,500    |          |         | (22,500) |                         | -                           |
| Workhorse Entertainment Ltd                    | La Mula  |             |                            | 75,000    |          |         |          |                         | 75,000                      |
| <b>New Cinema Fund awards</b>                  |  |             |                            |           |          |         |          |                         |                             |
| 104 Films Ltd                                  | Digital shorts                                       |             |                            | 40,000    |          |         | (40,000) |                         | -                           |
| A Man's Story Ltd                              | A Man's Story  |             |                            | 190,000   |          |         | (95,000) |                         | 95,000                      |
| Abigail Blackmore                              | Blind Date   |             |                            | 3,550     |          |         | (3,550)  |                         | -                           |
| Andrew Ryder                                   | Hay Bales  |             |                            | 7,600     |          |         | (7,600)  |                         | -                           |
| Artangel Media Ltd                             | The Arbor  |             |                            | 128,885   |          |         | (64,443) |                         | 64,442                      |
| Artificial Eye Film Company Ltd                | Fish Tank  |             |                            | 74,000    | (74,000) |         |          |                         | -                           |
| Autonomous Pictures Ltd                        | Cirkus Columbia                                      |             |                            | 5,000     |          |         | (5,000)  |                         | -                           |

# Schedules to the financial statements

## continued

### Schedule 1: Film rights as at 31 March 2010 continued

| AWARD RECIPIENT   | FILM/PROJECT                             | GROSS AWARD | BALANCE AS AT 1 APRIL 2009 | NEW COMMS | RECPY     | DECOMMS | PROVS     | FAIR VALUATION MOVEMENT | BALANCE AS AT 31 MARCH 2010 |
|---|--|-------------|----------------------------|-----------|-----------|---------|-----------|-------------------------|-----------------------------|
| B3 Media Digital Films Ltd                                | Digital shorts                           |             |                            | 40,000    |           |         | (40,000)  |                         | -                           |
| Bluelight Neds Ltd  | Neds                                     |             |                            | 650,000   |           |         | (325,000) |                         | 325,000                     |
| Broken Spectre Ltd  | Native Son (short)                       |             |                            | 25,000    |           |         | (25,000)  |                         | -                           |
| Cowboy Films Ltd  | Chalk (aka The Gymnasts)                 |             |                            | 25,000    |           |         | (25,000)  |                         | -                           |
| ddfirms   | On Your Own (short)                      |             |                            | 7,000     |           |         | (7,000)   |                         | -                           |
| Digicult Ltd  | Digital shorts                           |             |                            | 40,000    |           |         | (40,000)  |                         | -                           |
| EM Media Ltd  | Digital shorts                           |             |                            | 40,000    |           |         | (40,000)  |                         | -                           |
| Emu Films LLP   | The Pizza Miracle                        |             |                            | 25,000    |           |         | (25,000)  |                         | -                           |
| Film London Ltd   | Digital shorts                           |             |                            | 40,000    |           |         | (40,000)  |                         | -                           |
| HSI London Ltd  | Defoe (short)                            |             |                            | 4,500     |           |         | (4,500)   |                         | -                           |
| HSI London Ltd  | The Archaeologist (short)                |             |                            | 15,000    |           |         | (15,000)  |                         | -                           |
| Human Film Ltd  | Um Hussein (aka Son of Babylon)          |             |                            | 150,000   |           |         | (75,000)  |                         | 75,000                      |
| It's My Shout Productions Ltd                             | Digital shorts                           |             |                            | 40,000    |           |         | (40,000)  |                         | -                           |
| Jason La Motte  | The Terms                                |             |                            | 3,966     |           |         | (3,966)   |                         | -                           |
| Jonathan van Tulleken                                     | Off Season (short)                       |             |                            | 5,050     |           |         | (5,050)   |                         | -                           |
| Jump Monk Films Ltd                                       | Self Made                                |             |                            | 250,000   | (117,827) |         | (7,173)   |                         | 125,000                     |
| Laura Rees  | Colette (short)                          |             |                            | 4,500     |           |         | (4,500)   |                         | -                           |
| Lifesize Pictures Ltd                                     | Short film programme management          |             |                            | 226,472   |           |         | (226,472) |                         | -                           |
| Luc Rioche  | The Loop                                 |             |                            | 4,250     |           |         | (4,250)   |                         | -                           |
| Made Up North Productions Ltd                             | Waving at Trains (short)                 |             |                            | 5,250     |           |         | (5,250)   |                         | -                           |
| Modus Operandi Films Ltd                                  | Cameraman (aka Jack Cardiff Documentary) |             |                            | 150,000   |           |         |           |                         | 150,000                     |
| New Boots and Panties Ltd and New Boots and Panties 2 Ltd | Sex & Drugs & Rock & Roll                |             |                            | 30,993    |           |         |           |                         | 30,993                      |
| No Paper Cuts Ltd   | The Chapel                               |             |                            | 3,785     |           |         | (3,785)   |                         | -                           |
| North West Vision and Media Ltd                           | Digital shorts                           |             |                            | 40,000    |           |         | (40,000)  |                         | -                           |
| Northern Film and Media Ltd                               | Digital shorts                           |             |                            | 40,000    |           |         | (40,000)  |                         | -                           |
| Northern Ireland Film and Television Commission           | Digital shorts                           |             |                            | 40,000    |           |         | (40,000)  |                         | -                           |
| Northernlight Productions Ltd                             | The Elemental (short)                    |             |                            | 7,120     |           |         | (7,120)   |                         | -                           |
| Oliver Refson   | The Hardest Part (short)                 |             |                            | 2,500     |           |         | (2,500)   |                         | -                           |
| Origin Pictures Ltd                                       | The First Grader                         |             |                            | 600,000   |           |         | (311,250) |                         | 288,750                     |
| Piggott Bettinga Filmproduktion GbR                       | Together (short)                         |             |                            | 6,730     |           |         | (6,730)   |                         | -                           |
| Project Nim Ltd   | Project Nim                              |             |                            | 510,095   |           |         | (255,048) |                         | 255,047                     |
| Red Bag Pictures Ltd                                      | Fourteen (short)                         |             |                            | 6,263     |           |         | (6,263)   |                         | -                           |
| Revolution Films Ltd                                      | Good Vibrations (pilot)                  |             |                            | 15,000    |           |         | (15,000)  |                         | -                           |
| Ruby Films Ltd  | Chatroom                                 |             |                            | 700,000   |           |         | (350,000) |                         | 350,000                     |
| Screen East Ltd   | Digital shorts                           |             |                            | 40,000    |           |         | (40,000)  |                         | -                           |

## Schedule 1: Film rights as at 31 March 2010 continued

| AWARD RECIPIENT                              | FILM/PROJECT                                | GROSS AWARD | BALANCE AS AT 1 APRIL 2009 | NEW COMMS         | RECPT            | DECOMMS          | PROVS              | FAIR VALUATION MOVEMENT | BALANCE AS AT 31 MARCH 2010 |
|--|---|-------------|----------------------------|-------------------|------------------|------------------|--------------------|-------------------------|-----------------------------|
| Screen West Midlands Ltd                     | Digital shorts                              |             |                            | 40,000            |                  |                  | (40,000)           |                         | -                           |
| Screen Yorkshire Ltd                         | Digital shorts                              |             |                            | 40,000            |                  |                  | (40,000)           |                         | -                           |
| Seefood Ltd                                  | Girl Like Me (aka Wasted, short)            |             |                            | 1,000             |                  |                  | (1,000)            |                         | -                           |
| Sister Films Ltd                             | Baby (short)                                |             |                            | 25,000            |                  |                  | (25,000)           |                         | -                           |
| Slate Films Ltd                              | Slave                                       |             |                            | 610,000           |                  |                  | (305,000)          |                         | 305,000                     |
| Slinky Pictures Ltd                          | Bad Night for the Blues (short)             |             |                            | 10,000            |                  |                  | (10,000)           |                         | -                           |
| Steel Mill Pictures Ltd                      | Cherry Tree Lane (aka 44 Alexandra Hall Rd) |             |                            | 155,000           |                  |                  | (77,500)           |                         | 77,500                      |
| Susanna Wallin                               | Electric Light Wonderland (short)           |             |                            | 4,500             |                  |                  | (4,500)            |                         | -                           |
| Thing Corp Ltd                               | Junk (short)                                |             |                            | 7,805             |                  |                  | (7,805)            |                         | -                           |
| Three Pillows Ltd                            | Unmade Beds                                 |             |                            | 5,000             |                  |                  |                    |                         | 5,000                       |
| Tony Pictures Ltd                            | Tony  |             |                            | 127,590           |                  |                  | (52,295)           |                         | 75,295                      |
| Unstoppable Entertainment Ltd                | Liberation (short)                          |             |                            | 10,000            |                  |                  | (10,000)           |                         | -                           |
| Vanessa Arden-Wood                           | Furnace Four (short)                        |             |                            | 4,685             |                  |                  | (4,685)            |                         | -                           |
| Warp Films Ltd                               | Submarine                                   |             |                            | 700,000           |                  |                  | (350,000)          |                         | 350,000                     |
| Warp X Ltd                                   | I Spit on Your Rave                         |             |                            | 35,630            |                  |                  | (35,630)           |                         | -                           |
| Wilder Films Ltd                             | Act of Love (short)                         |             |                            | 10,000            |                  |                  | (10,000)           |                         | -                           |
| <b>Total commitments made in 2009/10</b>     |   |             |                            | <b>21,592,812</b> | <b>(649,753)</b> | <b>(137,707)</b> | <b>(9,416,139)</b> |                         | <b>11,389,214</b>           |
| <b>Film rights as at 1 April 2009</b>        |   |             |                            |                   |                  |                  |                    |                         |                             |
| <b>Premiere Fund awards</b>                  |   |             |                            |                   |                  |                  |                    |                         |                             |
| 1939 Ltd                                     | 1939  | 950,000     | 541,500                    |                   |                  |                  | (541,500)          |                         | -                           |
| Alienate Ltd                                 | How to Lose Friends and Alienate People     | 1,344,000   |                            |                   |                  | (106)            | 106                |                         | -                           |
| Ariel Films Ltd                              | Sylvia (aka Ted & Sylvia)                   | 2,497,463   | 10,000                     |                   | (604)            |                  | (9,396)            |                         | -                           |
| Becoming Jane Films Ltd                      | Becoming Jane                               | 335,127     | 89,024                     |                   | (84,221)         |                  |                    |                         | 4,803                       |
| Boogie Woogie Ltd                            | Boogie Woogie                               | 10,000      |                            |                   |                  | (360)            | 360                |                         | -                           |
| Brideshead Production Ltd                    | Brideshead Revisited                        | 1,439,406   | 41,115                     |                   |                  |                  | (4,115)            |                         | 37,000                      |
| Cine B and Tubedale Films Ltd                | L'Homme du Train                            | 500,000     |                            |                   | (2,157)          |                  | 2,157              |                         | -                           |
| Dan Films Ltd                                | Creep                                       | 1,260,000   |                            |                   | (104,632)        |                  | 104,632            |                         | -                           |
| Devotion Films Ltd                           | Sex Lives of the Potato Men                 | 1,955,589   |                            |                   | (4,636)          |                  | 4,636              |                         | -                           |
| Dorian Gray Ltd and Dorian Gray Films Ltd    | Dorian Gray                                 | 500,000     | 400,000                    |                   |                  |                  | (400,000)          |                         | -                           |
| Driving Lessons Ltd                          | Driving Lessons                             | 917,303     | 17,020                     |                   | (6,551)          |                  |                    |                         | 10,469                      |
| Ecosse Films Ltd                             | Nowhere Boy                                 | 1,200,000   | 1,200,000                  |                   |                  |                  |                    |                         | 1,200,000                   |
| Fragile St Trinians Ltd and Mayhem Films Ltd | St Trinian's                                | 1,432,000   | 197,359                    |                   | (385,328)        |                  | 259,569            | 100,000                 | 171,600                     |

# Schedules to the financial statements

## continued

### Schedule 1: Film rights as at 31 March 2010 continued

| AWARD RECIPIENT  | FILM/PROJECT                               | GROSS AWARD | BALANCE AS AT 1 APRIL 2009 | NEW COMMS | RECPT     | DECOMMS   | PROVS     | FAIR VALUATION MOVEMENT | BALANCE AS AT 31 MARCH 2010 |
|--|--|-------------|----------------------------|-----------|-----------|-----------|-----------|-------------------------|-----------------------------|
| Hallmark Entertainment Productions Ltd and Hallmark Entertainment Distribution Ltd | Mike Bassett: England Manager              | 1,233,000   | 50,000                     |           |           |           |           | 27,635                  | 77,635                      |
| Harry Brown Film Ltd and Harry Brown Production Ltd                                | Harry Brown                                | 1,002,225   | 661,469                    |           |           |           |           |                         | 661,469                     |
| Important Films Ltd  | The Importance of Being Earnest            | 1,320,000   | 56,106                     |           | (256)     |           |           |                         | 55,850                      |
| Lyric Films Ltd  | Life & Lyrics                              | 207,200     | 10,000                     |           |           |           |           |                         | 10,000                      |
| Mischief Night Ltd   | Mischief Night                             | 800,000     | 9,610                      |           |           |           |           |                         | 9,610                       |
| Northern Souls Films Ltd   | Love & Hate (aka Northern Souls)           | 866,964     | 9,352                      |           | 4,898     |           |           |                         | 14,249                      |
| Picture Farm (The Escapist) Ltd  | The Escapist                               | 799,426     | 331,002                    |           | (196,493) |           | (100,000) |                         | 34,509                      |
| Pont Neuf Ltd  | French Film                                | 179,830     | 20,940                     |           | (10,769)  |           |           |                         | 10,172                      |
| Recorded Picture Company Ltd   | Young Adam                                 | 501,955     |                            |           | (2,338)   |           | 2,338     |                         | -                           |
| Revolution Films Ltd   | Code 46                                    | 1,565,063   |                            |           | (5,883)   |           | 5,883     |                         | -                           |
| Running Mad Ltd  | Fifty Dead Men Walking                     | 8,500       |                            |           |           | (1,025)   | 1,025     |                         | -                           |
| Sandfairy Productions Ltd  | Five Children and It                       | 2,671,500   |                            |           | (44,174)  |           | 44,174    |                         | -                           |
| Severance Films Ltd  | P45 (aka Severance)                        | 750,000     | 74,832                     |           | (66,776)  |           |           |                         | 8,056                       |
| Snow Cake Films Ltd  | Snow Cake                                  | 1,100,000   | 151,825                    |           |           |           | (50,000)  |                         | 101,825                     |
| Steel Mills (Yorkshire) Ltd and Steel Mill Cottage (IOM) Ltd                       | The Cottage                                | 770,000     | 17,053                     |           |           |           |           |                         | 17,053                      |
| Triangle Films Ltd   | Triangle                                   | 1,625,500   | 771,750                    |           | (149,728) | (193,000) | (363,875) |                         | 65,147                      |
| Untitled '03 Ltd and Untitled Productions '03 Ltd                                  | Vera Drake (aka Untitled M Leigh)          | 1,277,632   | 38,412                     |           | (26,174)  |           |           |                         | 12,238                      |
| Untitled '06 Distribution Ltd  | Happy-Go-Lucky (aka Untitled Mike Leigh 2) | 1,200,000   |                            |           | (5,570)   |           | 5,570     |                         | -                           |
| Valhalla Films Ltd   | Faintheart                                 | 325,000     | 32,500                     |           | (12,035)  |           |           |                         | 20,465                      |
| Venus Pictures Ltd   | Venus                                      | 1,000,000   | 40,659                     |           | (2,544)   |           |           |                         | 38,114                      |
| WAZ Distribution Ltd   | WAZ  | 932,017     | 44,120                     |           | (11,056)  |           |           |                         | 33,064                      |
| <b>Development Fund awards</b>   |  |             |                            |           |           |           |           |                         |                             |
| 104 Films Ltd  | Production vision award                    | 30,000      | 7,500                      |           |           |           |           |                         | 7,500                       |
| Advance Party Films Ltd  | Rounding Up Donkeys                        | 18,375      | 18,375                     |           |           |           |           |                         | 18,375                      |
| Adventure Pictures Ltd   | Untitled Sally Potter projects             | 50,000      | 50,000                     |           |           |           | (37,500)  |                         | 12,500                      |
| Apt Film and Television Ltd  | Little Ashes                               | 12,000      |                            |           | (12,000)  |           | 12,000    |                         | -                           |
| Assassin Films Ltd   | West is West                               | 111,000     |                            |           | (109,955) | (1,044)   | 111,000   |                         | -                           |
| Autonomous Ltd   | Boogie Woogie                              | 23,300      | 23,294                     |           |           |           | (23,294)  |                         | -                           |
| Bend It Films Ltd  | Untitled Gurinder Chadha projects          | 50,000      | 50,000                     |           |           |           | (37,500)  |                         | 12,500                      |
| Big Pond Productions Ltd   | Hunky Dory                                 | 59,062      |                            |           |           | (7,435)   | 7,435     |                         | -                           |
| Box Films Ltd  | New Steps/Sci-fi slate                     | 94,000      |                            |           |           | (24,819)  | 24,819    |                         | -                           |
| Capitol Films Productions Ltd  | Slate funding                              | 1,200,000   |                            |           |           | (465,790) | 465,790   |                         | -                           |
| Celtic Films Ltd   | Chance                                     | 36,750      |                            |           |           | (5,413)   | 5,413     |                         | -                           |

## Schedule 1: Film rights as at 31 March 2010 continued

| AWARD RECIPIENT   | FILM/PROJECT                      | GROSS AWARD | BALANCE AS AT 1 APRIL 2009 | NEW COMMS | RECPT     | DECOMMS   | PROVS     | FAIR VALUATION MOVEMENT | BALANCE AS AT 31 MARCH 2010 |
|---|-----------------------------------|-------------|----------------------------|-----------|-----------|-----------|-----------|-------------------------|-----------------------------|
| Cofe Ltd  | Scholar                           | 35,325      |                            |           |           | (1,615)   | 1,615     |                         | -                           |
| Common Feature Ltd  | Endless Steppe                    | 73,500      |                            |           |           | (8)       | 8         |                         | -                           |
| Cougar Films Ltd  | Reputation                        | 85,244      |                            |           |           | (1,280)   | 1,280     |                         | -                           |
| Courtland Productions Ltd                                 | Above the Clouds                  | 79,500      |                            |           |           | (22,500)  | 22,500    |                         | -                           |
| Cowboy Films Ltd  | Other People's Money              | 20,000      |                            |           |           | (191)     | 191       |                         | -                           |
| Crab Apple Films Ltd                                      | The Darkest Hour                  | 34,792      |                            |           |           | (34)      | 34        |                         | -                           |
| Dan Films Ltd   | Production vision award           | 75,000      | 18,750                     |           |           |           |           |                         | 18,750                      |
| David Aukin Productions Ltd                               | West Bank                         | 64,500      |                            |           |           | (13,000)  | 13,000    |                         | -                           |
| Distant Thunder Ltd                                       | Distant Thunder                   | 15,000      |                            |           |           | (1)       | 1         |                         | -                           |
| DJ Films Ltd  | Panto                             | 30,500      |                            |           |           | (13,000)  | 13,000    |                         | -                           |
| Dragon Pictures Ltd                                       | Carrion                           | 32,500      |                            |           |           | (11,750)  | 11,750    |                         | -                           |
| Esperanto Films Ltd                                       | A Boy and His Shoe                | 50,000      | 50,000                     |           |           |           | (50,000)  |                         | -                           |
| Fiesta Productions Ltd                                    | Production vision award           | 75,000      | 18,750                     |           |           |           | (18,750)  |                         | -                           |
| Forward Films Ltd   | Beach Party                       | 14,150      |                            |           |           | (4,800)   | 4,800     |                         | -                           |
| Fragile Films Ltd   | Burke and Hare                    | 25,875      |                            |           | (23,375)  | (2,500)   | 25,875    |                         | -                           |
| Fragile Films Ltd   | Slate funding                     | 650,000     |                            |           | (164,743) | (86,486)  | 251,229   |                         | -                           |
| Free Range Films Ltd                                      | Hyde Park on the Hudson           | 47,540      | 47,540                     |           |           |           | (47,540)  |                         | -                           |
| Gruber Films Ltd  | Untitled Peter Capaldi project    | 18,938      |                            |           |           | (4,567)   | 4,567     |                         | -                           |
| Headline Pictures Ltd                                     | Kite Rider                        | 60,875      |                            |           |           | (43,054)  | 43,054    |                         | -                           |
| Human Film Ltd  | Um Hussein (aka son of Babylon)   | 17,750      | 17,750                     |           |           |           | (17,750)  |                         | -                           |
| Jigsaw Films Ltd  | The Edge Chronicles               | 49,650      |                            |           |           | (1,900)   | 1,900     |                         | -                           |
| Jupiter Projects Ltd                                      | Slate funding                     | 600,000     | 327,892                    |           |           | (156,108) |           |                         | 171,784                     |
| Kismet Film Company Ltd                                   | Ugly Streakers                    | 47,500      |                            |           |           | (5,250)   | 5,250     |                         | -                           |
| Kudos Productions Ltd                                     | Spy by Nature                     | 58,000      |                            |           |           | (14,000)  | 14,000    |                         | -                           |
| Left Bank Pictures (Film) Ltd                             | Production vision award           | 75,000      | 18,750                     |           |           |           |           |                         | 18,750                      |
| Manmade Features Ltd                                      | Colin Jones: Son of Dog           | 14,250      |                            |           |           | (2,000)   | 2,000     |                         | -                           |
| Modern Films Ltd  | Under the Skin                    | 144,948     | 144,948                    |           |           |           | (144,948) |                         | -                           |
| Natasha Wood  | Rolling with Laughter             | 27,000      | 10,000                     |           |           |           | (10,000)  |                         | -                           |
| New Boots and Panties Ltd                                 | Sex & Drugs & Rock & Roll         | 32,000      | 32,000                     |           | (32,000)  |           |           |                         | -                           |
| Number 9 Films (Slate) Ltd                                | Slate funding                     | 1,200,000   | 339,128                    |           | (144,483) |           |           |                         | 194,645                     |
| Optimum Releasing Ltd                                     | Optimum/ Studio Canal remakes     | 275,000     |                            |           | (93,750)  |           | 93,750    |                         | -                           |
| Parachute Pictures Ltd (previously Peartree Pictures Ltd) | No Such Thing (aka The Pear Tree) | 2,388       |                            |           |           | (2,080)   | 2,080     |                         | -                           |
| Pathé Productions Ltd                                     | Slate funding                     | 1,400,000   | 335,243                    |           |           | (247,203) |           |                         | 88,040                      |
| Potboiler Productions Ltd                                 | Production vision award           | 75,000      | 18,750                     |           |           |           |           |                         | 18,750                      |
| Priority Pictures Ltd                                     | The Club                          | 73,500      |                            |           |           | (1,577)   | 1,577     |                         | -                           |



# Schedules to the financial statements

## continued

### Schedule 1: Film rights as at 31 March 2010 continued

| AWARD RECIPIENT               | FILM/PROJECT                                       | GROSS AWARD | BALANCE AS AT 1 APRIL 2009 | NEW COMMS | RECPT     | DECOMMS  | PROVS    | FAIR VALUATION MOVEMENT | BALANCE AS AT 31 MARCH 2010 |
|-------------------------------|--|-------------|----------------------------|-----------|-----------|----------|----------|-------------------------|-----------------------------|
| Qwerty Films Ltd              | The Duchess (aka Georgiana, Duchess of Devonshire) | 59,925      | 41,967                     |           | (21,230)  |          |          |                         | 20,737                      |
| Qwerty Films Ltd              | P45 (aka Severance)                                | 27,750      | 27,750                     |           | (27,750)  |          |          |                         | -                           |
| Qwerty Films Ltd              | Slate funding                                      | 500,000     |                            |           | 27,750    |          | (27,750) |                         | -                           |
| Qwerty Films Ltd              | Production vision award                            | 75,000      | 18,750                     |           |           |          |          |                         | 18,750                      |
| Revolution Films Ltd          | Production vision award                            | 75,000      | 18,750                     |           |           |          |          |                         | 18,750                      |
| Riverchild Films Ltd          | Braids, Twists, Tales                              | 12,000      |                            |           |           | (8,500)  | 8,500    |                         | -                           |
| Scala Productions Ltd         | Du Quesne's Boys                                   | 66,766      |                            |           |           | (2,742)  | 2,742    |                         | -                           |
| Screen Yorkshire Ltd          | Digital shorts                                     | 40,000      |                            |           | (125)     |          | 125      |                         | -                           |
| See-Saw Films Ltd             | Production vision award                            | 75,000      | 18,750                     |           |           |          |          |                         | 18,750                      |
| Seymour Films Ltd             | Property Ladder                                    | 64,300      |                            |           |           | (5,000)  | 5,000    |                         | -                           |
| Shona Productions Ltd         | Slate funding                                      | 53,050      |                            |           |           | (11,217) | 11,217   |                         | -                           |
| Sigma Films Ltd               | Production vision award                            | 75,000      | 18,750                     |           |           |          |          |                         | 18,750                      |
| Silence is Golden Ltd         | Untitled Crowley Project                           | 47,500      |                            |           |           | (26,250) | 26,250   |                         | -                           |
| Sprout Productions Ltd        | Johannesburg                                       | 21,555      |                            |           |           | (6,059)  | 6,059    |                         | -                           |
| The Borough Film Company Ltd  | Blood Oil  | 40,250      |                            |           |           | (27,000) | 27,000   |                         | -                           |
| The Bureau Film Company Ltd   | A Green and Quiet River                            | 34,132      |                            |           |           | (2,396)  | 2,396    |                         | -                           |
| Thomas Thomas Films Ltd       | Norway Project (aka Colchester 53)                 | 6,500       |                            |           |           | (2,000)  | 2,000    |                         | -                           |
| Three Rivers Ltd              | Mad About the Boy                                  | 27,237      | 27,237                     |           |           |          | (27,237) |                         | -                           |
| Tiger Aspect Productions Ltd  | Fake   | 38,569      |                            |           |           | (19,569) | 19,569   |                         | -                           |
| Tiger Aspect Productions Ltd  | Thylacine  | 43,715      |                            |           |           | (9,250)  | 9,250    |                         | -                           |
| Tigerlily Films Ltd           | Vida Ballet  | 5,000       |                            |           | (5,000)   |          | 5,000    |                         | -                           |
| Ultra Film Ltd                | Exposure   | 37,075      |                            |           |           | (1,300)  | 1,300    |                         | -                           |
| Vertigo Films Ltd             | Production vision award                            | 75,000      | 18,750                     |           |           |          | (18,750) |                         | -                           |
| Warp Films Ltd                | Production vision award                            | 75,000      | 18,750                     |           | (15,000)  |          |          |                         | 3,750                       |
| Wellington Films Ltd          | A Man's Story                                      | 13,500      | 13,500                     |           | (13,500)  |          |          |                         | -                           |
| Wild Child Films Ltd          | Our Lady of the Forest                             | 77,098      |                            |           |           | (18,549) | 18,549   |                         | -                           |
| Workhorse Entertainment Ltd   | La Mula  | 29,673      | 29,673                     |           |           |          |          |                         | 29,673                      |
| Yaffle Films Ltd              | The Monsoon Shootout                               | 17,000      | 17,000                     |           |           |          | (17,000) |                         | -                           |
| <b>New Cinema Fund awards</b> |  |             |                            |           |           |          |          |                         |                             |
| A Woman in Winter Ltd         | A Woman In Winter                                  | 392,200     |                            |           | (707)     |          | 707      |                         | -                           |
| Adulthood Ltd                 | Adulthood  | 570,000     | 182,399                    |           | (195,208) |          | 12,809   |                         | -                           |
| Adventure Pictures (Rage) Ltd | Rage   | 200,000     | 100,000                    |           | (5,892)   |          | (30,000) |                         | 64,108                      |
| Adventure Pictures (Yes) Ltd  | Yes  | 449,500     | 9,531                      |           | (6,962)   |          | 6,962    |                         | 9,531                       |
| Anita Productions Ltd         | Anita and Me                                       | 675,000     | 10,428                     |           |           |          | (10,428) |                         | -                           |
| Appointed Limits Ltd          | Appointed Limits (aka Deep Water)                  | 387,628     | 15,792                     |           |           |          | (15,792) |                         | -                           |
| Better Things Ltd             | Better Things                                      | 269,312     | 15,000                     |           |           |          | (15,000) |                         | -                           |
| Bright Star Ltd               | Bright Star  | 600,000     | 300,000                    |           | (386,958) | (35,990) | 122,948  |                         | -                           |

## Schedule 1: Film rights as at 31 March 2010 continued

| AWARD RECIPIENT  | FILM/PROJECT                        | GROSS AWARD | BALANCE AS AT 1 APRIL 2009 | NEW COMMS | RECPT    | DECOMMS | PROVS     | FAIR VALUATION MOVEMENT | BALANCE AS AT 31 MARCH 2010 |
|--|-------------------------------------|-------------|----------------------------|-----------|----------|---------|-----------|-------------------------|-----------------------------|
| Bub Ltd  | Set it Off (aka Soft)               | 25,000      |                            |           | (5,431)  |         | 5,431     |                         | -                           |
| Cheeky Monkey Films UK Ltd                                     | Crack Willow                        | 145,000     | 75,000                     |           |          |         | (75,000)  |                         | -                           |
| Company of Wolves Ltd  | Intermission                        | 570,000     |                            |           | (14,941) |         | 14,941    |                         | -                           |
| Cowboy Films Ltd   | Wasp                                | 33,600      |                            |           | (5,557)  |         | 5,557     |                         | -                           |
| Film Agency for Wales  | Digital shorts                      | 40,000      |                            |           | (5,185)  |         | 5,185     |                         | -                           |
| Gayle Griffiths Productions Ltd                                | Kiss of Life (aka Helen of Peckham) | 500,000     |                            |           | (1,153)  |         | (1,153)   |                         | -                           |
| Granada Films Ltd  | Bloody Sunday                       | 299,500     | 40,290                     |           |          |         |           |                         | 40,290                      |
| Granada Television Ltd   | Pierpoint (aka The Last Hangman)    | 330,000     | 20,000                     |           | (92,465) |         | 72,465    |                         | -                           |
| Kasander (Andrea Untitled) Ltd                                 | Fish Tank                           | 570,000     | 248,000                    |           |          |         | (193,200) |                         | 54,800                      |
| Kasander (Nightwatching) Ltd                                   | Nightwatching                       | 300,000     |                            |           | (62,420) |         | 62,420    |                         | -                           |
| Kivu Films Ltd   | Shooting Dogs                       | 675,000     | 30,000                     |           | (44,623) |         | 14,623    |                         | -                           |
| Little Bird Company Ltd and In My Father's Den Productions Ltd | In My Father's Den                  | 405,000     |                            |           | (11,405) |         | 11,405    |                         | -                           |
| Loop Film Production Ltd & Loop Film Distribution Ltd          | In the Loop                         | 515,000     | 193,125                    |           |          |         | (193,125) |                         | -                           |
| LTB Films Ltd  | London to Brighton                  | 184,566     | 1,608                      |           | (4,037)  |         | 2,429     |                         | -                           |
| Magic Light Pictures Ltd                                       | Sparkle                             | 377,600     | 898                        |           | (544)    |         |           |                         | 354                         |
| Mango Films (Jean Charles) Ltd                                 | Jean Charles                        | 650,000     | 325,000                    |           |          |         | (260,000) |                         | 65,000                      |
| Midland Films Ltd  | Once Upon a Time in the Midlands    | 750,000     | 23,079                     |           |          |         | (23,079)  |                         | -                           |
| Mountain Productions Ltd                                       | White Lightnin'                     | 563,090     | 25,000                     |           |          |         |           |                         | 25,000                      |
| New Boots and Panties Ltd and New Boots and Panties 2 Ltd      | Sex & Drugs & Rock & Roll           | 700,000     | 350,000                    |           |          |         |           |                         | 350,000                     |
| Passion Dox Ltd  | Live Forever                        | 212,249     | 9,719                      |           |          |         | (9,719)   |                         | -                           |
| PFP Films Ltd  | The Magdalene Sisters               | 600,000     |                            |           | (8,228)  |         | 8,228     | 10,000                  | 10,000                      |
| Red Road Films Ltd   | Red Road                            | 458,104     | 5,252                      |           | (6,884)  |         | 1,631     |                         | -                           |
| Revolution Films Ltd   | New Love                            | 25,000      |                            |           | (1,540)  |         | 1,540     |                         | -                           |
| Rounding Up Donkeys Ltd  | Rounding Up Donkeys                 | 350,000     | 87,500                     |           |          |         | (70,000)  |                         | 17,500                      |
| Screen South Ltd   | Digital shorts                      | 40,000      |                            |           | (153)    |         | 153       |                         | -                           |
| Seven Seas (SL) Ltd  | Brick Lane                          | 675,039     |                            |           | (29,313) |         | 29,313    |                         | -                           |
| Sixteen (Barley) Ltd and Fandango SRL                          | The Wind that Shakes the Barley     | 545,000     |                            |           | (22,429) |         | 22,429    |                         | -                           |
| Sixteen (Trains) Ltd and Fandango SRL                          | Tickets                             | 390,453     | 11,007                     |           |          |         | (11,007)  |                         | -                           |
| The Bureau Film Company Ltd                                    | Noi the Albino                      | 105,872     |                            |           | (471)    |         | 471       |                         | -                           |
| Three Pillow Films Ltd   | Unmade Beds                         | 428,396     | 50,000                     |           | (9,058)  |         |           |                         | 40,942                      |
| Tony Pictures Ltd  | Tony                                | 23,000      | 23,000                     |           |          |         | (23,000)  |                         | -                           |
| Touching the Void Ltd  | Touching the Void                   | 392,351     | 19,668                     |           | (1,151)  |         |           | (2,749)                 | 15,769                      |
| Wall to Wall (Egypt) Ltd                                       | Man on Wire (aka Reach the Clouds)  | 385,000     | 89,695                     |           | (87,338) |         |           | 10,000                  | 12,357                      |
| Wanted Films Ltd   | Juvenile (short)                    | 6,500       |                            |           | (332)    |         | 332       |                         | -                           |

# Schedules to the financial statements

## continued

### Schedule 1: Film rights as at 31 March 2010 continued

| AWARD RECIPIENT                                    | FILM/PROJECT                                | GROSS AWARD | BALANCE AS AT 1 APRIL 2009 | NEW COMMS | RECPT     | DECOMMS | PROVS    | FAIR VALUATION MOVEMENT | BALANCE AS AT 31 MARCH 2010 |
|--|---|-------------|----------------------------|-----------|-----------|---------|----------|-------------------------|-----------------------------|
| Warp Bulldog Ltd                                   | This is England                             | 668,000     |                            |           | (132,450) |         | 132,450  |                         | -                           |
| Warp X (ATP) Ltd                                   | ATP   | 158,157     | 39,539                     |           |           |         | (25,000) |                         | 14,539                      |
| Warp X (Bunny) Ltd                                 | Bunny and the Bull                          | 239,590     | 59,897                     |           |           |         | (59,897) |                         | -                           |
| Warp X (Complete History) Ltd                      | A Complete History of my Sexual Failures    | 241,230     | 52,916                     |           | (20,482)  |         |          |                         | 32,434                      |
| Warp X (Punch) Ltd                                 | Punch (aka Donkey Punch)                    | 475,486     | 60,316                     |           | (11,255)  |         |          |                         | 49,060                      |
| Warp X / Fear Factory (Hush) Ltd                   | Hush  | 345,316     | 79,663                     |           | (56,553)  |         | 7,285    |                         | 30,395                      |
| Warp X / Tigerlily (Chinoise) Ltd                  | She, La Chinoise                            | 62,336      | 15,584                     |           | (1,195)   |         |          |                         | 14,388                      |
| <b>Other film awards</b>                           |   |             |                            |           |           |         |          |                         |                             |
| Gruber Films Ltd                                   | Shooting Fish                               | 980,000     | 7,189                      |           | (254)     |         |          |                         | 6,935                       |
| Long Time Dead Productions Ltd and WT2 Ltd         | The Elevator                                | 13,350      |                            |           | (11)      |         | 11       |                         | -                           |
| Morven Callar Productions Ltd                      | Morvern Callar                              | 500,000     | 19,295                     |           |           |         |          |                         | 19,295                      |
| MP Productions (LH) Ltd                            | The Lawless Heart                           | 200,000     | 17,748                     |           | (255)     |         |          |                         | 17,493                      |
| Roc Media Ltd (in association with Umbi Films Ltd) | Bend it Like Beckham                        | 945,000     | 80,247                     |           | (8,440)   |         |          |                         | 71,807                      |
| Tiger Aspect Productions Ltd                       | The Dancer (aka Billy Elliot)               | 908,126     | 123,015                    |           |           |         |          |                         | 123,015                     |
| <b>Franchise awards</b>                            |   |             |                            |           |           |         |          |                         |                             |
| DNA Ltd  | 28 Days Later                               | 3,225,000   | 100,000                    |           |           |         |          |                         | 100,000                     |
| DNA Ltd  | 28 Weeks Later                              | 456,285     | 200,000                    |           | (19,266)  |         | 19,266   | (200,000)               | -                           |
| DNA Ltd  | A Way Through the Woods (aka Separate Lies) | 1,474,635   | 330,013                    |           | (34,715)  |         |          |                         | 295,298                     |
| DNA Ltd  | DNA (general overheads)                     | 1,023,264   | 460,218                    |           |           |         |          |                         | 460,218                     |
| DNA Ltd  | Notes on a Scandal                          | 4,587,768   | 1,011,423                  |           | (102,917) |         |          |                         | 908,506                     |
| DNA Ltd  | Sunshine                                    | 6,661,423   | 2,256,077                  |           | (105,430) |         |          |                         | 2,150,647                   |
| DNA Ltd  | The History Boys                            | 813,408     | 66,801                     |           | (48,745)  |         |          |                         | 18,056                      |
| DNA Ltd  | The Last King of Scotland                   | 1,396,791   |                            |           | (140,107) |         | 140,107  |                         | -                           |
| Pathé Productions Ltd                              | Bride & Prejudice                           | 2,000,000   | 75,872                     |           |           |         |          |                         | 75,872                      |
| Pathé Productions Ltd                              | Churchill, the Hollywood Years              | 1,100,000   | 86,526                     |           |           |         |          |                         | 86,526                      |
| Pathé Productions Ltd                              | Enduring Love                               | 1,799,000   | 214,377                    |           |           |         |          |                         | 214,377                     |
| Pathé Productions Ltd                              | Girl with a Pearl Earring                   | 2,000,000   |                            |           | (29,586)  |         | 29,586   |                         | -                           |
| Pathé Productions Ltd                              | It was an Accident                          | 75,251      | 2,499                      |           |           |         |          |                         | 2,499                       |
| Pathé Productions Ltd                              | Max (aka Hoffmann)                          | 1,971,830   | 18,799                     |           |           |         |          |                         | 18,799                      |
| Pathé Productions Ltd                              | Millions                                    | 2,000,000   |                            |           | (2,154)   |         | 2,154    |                         | -                           |
| Pathé Productions Ltd                              | Mrs Henderson Presents                      | 2,200,000   | 238,930                    |           |           |         |          |                         | 238,930                     |

## Schedule 1: Film rights as at 31 March 2010 continued

| AWARD RECIPIENT                                   | FILM/PROJECT                       | GROSS AWARD | BALANCE AS AT 1 APRIL 2009 | NEW COMMS         | RECPT              | DECOMMS            | PROVS              | FAIR VALUATION MOVEMENT | BALANCE AS AT 31 MARCH 2010 |
|---|------------------------------------|-------------|----------------------------|-------------------|--------------------|--------------------|--------------------|-------------------------|-----------------------------|
| Pathé Productions Ltd                             | Natural History (aka Dear Frankie) | 900,000     | 84,845                     |                   | (8,951)            |                    |                    |                         | 75,894                      |
| Pathé Productions Ltd                             | Suzie Gold                         | 700,000     | 29,277                     |                   | (4,482)            |                    |                    |                         | 24,795                      |
| Pathé Productions Ltd                             | The Abduction Club                 | 1,500,000   | 3,907                      |                   |                    |                    |                    |                         | 3,907                       |
| Pathé Productions Ltd                             | The Hole                           | 1,500,000   |                            |                   | (6,778)            |                    | 6,778              |                         | -                           |
| Pathé Productions Ltd                             | The Magic Roundabout               | 3,000,000   | 159,151                    |                   |                    |                    |                    |                         | 159,151                     |
| Pathé Productions Ltd                             | Thunderpants                       | 2,053,867   | 9,889                      |                   | (2,217)            |                    |                    |                         | 7,672                       |
| Pathé Productions Ltd                             | With Prejudice                     | 46,530      | 27,530                     |                   |                    |                    |                    |                         | 27,530                      |
| The Film Consortium Ltd                           | 24 Hour Party People               | 2,767,872   | 105,402                    |                   | (201)              |                    |                    |                         | 105,201                     |
| The Film Consortium Ltd                           | 51st State                         | 2,000,000   |                            |                   | (14,605)           |                    | 30,000             |                         | 15,395                      |
| The Film Consortium Ltd                           | A Christmas Carol                  | 1,624,112   | 125,115                    |                   | (359)              |                    |                    |                         | 124,756                     |
| The Film Consortium Ltd                           | Bugs                               | 1,033,750   |                            |                   | (42,758)           |                    | 42,758             |                         | -                           |
| The Film Consortium Ltd                           | Country of my Skull                | 2,425,000   |                            |                   | (2,243)            |                    | 2,243              |                         | -                           |
| The Film Consortium Ltd                           | Silk Road (aka In This World)      | 662,804     | 19,341                     |                   |                    |                    |                    |                         | 19,341                      |
| <b>Total hard commitments made in prior years</b> |                                    |             | <b>15,056,343</b>          |                   | <b>(3,558,983)</b> | <b>(1,509,718)</b> | <b>(430,058)</b>   | <b>(55,114)</b>         | <b>9,502,470</b>            |
| <b>Total film rights at 31 March 2010</b>         |                                    |             | <b>15,056,343</b>          | <b>21,592,812</b> | <b>(4,208,736)</b> | <b>(1,647,425)</b> | <b>(9,846,197)</b> | <b>(55,114)</b>         | <b>20,891,684</b>           |

# Schedules to the financial statements

## continued

### Schedule 2: Lottery awards in the year ending 31 March 2010

| PRODUCER/ORGANISATION                        | FILM/PROJECT                                  | £         |
|--|---|-----------|
| <b>Single project film awards</b>            |   |           |
| 011 Productions Ltd                          | Couple in a Hole                              | 10,500    |
| 104 Films Ltd                                | Digital shorts                                | 40,000    |
| 104 Films Ltd                                | Production vision award                       | 30,000    |
| 2am Films Ltd                                | Disco (short)                                 | 15,000    |
| 44 Steel Mill Ltd                            | Cherry Tree Lane (aka 44 Alexandra Hall Road) | 155,000   |
| A Man's Story Films Ltd                      | A Man's Story                                 | 190,000   |
| Abbott Vision LLP                            | Messenger                                     | 12,897    |
| Abigail Blackmore                            | Blind Date                                    | 3,550     |
| Africa United Ltd                            | Africa United                                 | 500,000   |
| AG@Cross Street Films Ltd                    | For the End of Time                           | 100,000   |
| Anupama Chandrasekhar /<br>Indhu Rubasingham | Free Outgoing                                 | 10,000    |
| Arbor Films Ltd                              | The Arbor                                     | 128,885   |
| Archer St Ltd                                | How to Start your Own Country                 | 21,750    |
| Artevents Ltd                                | Patience (after Sebald)                       | 20,000    |
| Ascension Entertainment Ltd                  | The White Tiger                               | 77,500    |
| Asitha Ameresekere                           | Kin   | 8,000     |
| ATB Pictures Ltd                             | Attack the Block                              | 1,085,788 |
| Autonomous Ltd                               | Cirkus Columbia                               | 455,800   |
| Autonomous Ltd                               | Day of the Dead                               | 20,500    |
| Autonomous Ltd                               | Narrow Frame of Midnight                      | 10,250    |
| B3 Media Ltd                                 | Digital shorts                                | 40,000    |
| Bard Entertainments Ltd                      | Between the Dogs and the Crows                | 10,000    |
| Big Hat Stories Ltd                          | The Angel of Ferrara                          | 17,500    |
| Big Talk Pictures Ltd                        | The Flawless Skin of Ugly People              | 23,750    |
| Blue Horizon Productions Ltd                 | One Day Like This                             | 5,000     |
| Bluelight Neds Ltd                           | Neds  | 650,000   |
| Blueprint Pictures Ltd                       | Between Earth and Sky                         | 16,750    |
| Blueprint Pictures Ltd                       | Posh  | 53,750    |
| Blueprint Pictures Ltd                       | Production vision award                       | 75,000    |
| Blueprint Pictures Ltd                       | War Reporting for Cowards                     | 2,500     |
| Bonafide Films Ltd                           | Gee Gee (short)                               | 15,000    |
| Boxing Day Productions Ltd                   | Boxing Day                                    | 100,000   |
| Brighton Rock Productions Ltd                | Brighton Rock                                 | 1,000,000 |
| Brilliant Films Ltd                          | Box of Delights                               | 48,000    |
| Broken Spectre Ltd                           | Native Son (short)                            | 25,000    |
| Canal + Image UK Ltd                         | Brighton Rock                                 | 52,083    |

## Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION        | FILM/PROJECT   | £       |
|------------------------------|--|---------|
| Carson Films Ltd             | Albion   | 15,000  |
| Catherine Shepherd           | Like a Virgin  | 1,000   |
| Canderblinks (Vibes) Ltd     | Good Vibrations (pilot)                                | 15,000  |
| Century Films Ltd            | Boy George: The Autobiopic                             | 10,000  |
| Century Films Ltd            | Brian Hill Africa project                              | 10,000  |
| Chalet Girl Films Ltd        | Chalet Girl  | 800,000 |
| Chestermead Ltd              | Miracle  | 45,000  |
| Chris Cunningham Company Ltd | Monkenstein and Franster                               | 89,490  |
| Christian Spurrier           | Bunny and George                                       | 25,000  |
| Cloud Nine Films Ltd         | Telemark   | 97,750  |
| Cloud Nine Films Ltd         | Tell Her   | 74,750  |
| Coded Pictures Ltd           | We are Now Beginning our Descent                       | 35,000  |
| CONNECTfilm Ltd              | Let Me Sing  | 10,000  |
| Cowboy Films Ltd             | Chalk (aka The Gymnasts)                               | 25,000  |
| Cowboy Films Ltd             | The Optimists (aka The Predictive Text)                | 29,500  |
| Cross Street Films Ltd       | Sex, Death and the Gods                                | 10,000  |
| Cyclone Productions Ltd      | Cycle  | 45,000  |
| Dagenham Girls Ltd           | Made in Dagenham (aka We Want Sex, aka Dagenham Girls) | 927,154 |
| Dan Films Ltd                | Creeping Zero (pilot)                                  | 15,000  |
| Dan Films Ltd                | Severance II   | 37,750  |
| Dan Films Ltd                | Production vision award                                | 75,000  |
| Daybreak Pictures Ltd        | Family Man   | 21,500  |
| Daybreak Pictures Ltd        | The Spare  | 105,087 |
| DD Films Ltd                 | On Your Own (short)                                    | 7,000   |
| Destiny Ekaragha             | A Destiny Ekaragha Project                             | 10,000  |
| Digicult Ltd                 | Cutting Loose (short)                                  | 10,000  |
| Digicult Ltd                 | Digital shorts   | 40,000  |
| Digicult Ltd                 | Foxy and Marina (short)                                | 10,000  |
| DJ Films Ltd                 | Belle and Bette  | 25,500  |
| DJ Films Ltd                 | Fast Girls   | 20,000  |
| DJ Films Ltd                 | Release (pilot)  | 15,000  |
| Dorian Gray Ltd              | Dorian Gray  | 19,297  |
| Ecosse Films Ltd             | Production vision award                                | 75,000  |
| Edge City Films Ltd          | Lore   | 18,500  |
| Element Pictures UK Ltd      | The Guard  | 264,920 |
| EM Media                     | Digital shorts   | 40,000  |

# Schedules to the financial statements

## continued

### Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION                        | FILM/PROJECT   | £       |
|--|--|---------|
| EM Media                                     | Fck that Sht (short)   | 10,000  |
| Emu Films LLP                                | The Pizza Miracle  | 25,000  |
| Endor Productions                            | The Clear Road Ahead (short)                                       | 15,000  |
| Escape Films Ltd                             | The Vanishing Worlds   | 15,000  |
| Feelgood Fiction Ltd                         | Man Bears (aka Suburban Shootout, aka Untitled Beckett and Martin) | 17,200  |
| Fiesta Productions Ltd                       | 30 Odd Miles up the East Lancs Rd                                  | 20,500  |
| Fiesta Productions Ltd                       | Production vision award  | 75,000  |
| Film London                                  | Digital shorts   | 40,000  |
| Film London                                  | Follow (short)   | 10,000  |
| Film London                                  | Rite (short)   | 16,000  |
| First Grader Productions Ltd                 | The First Grader   | 600,000 |
| Forthcoming Productions Ltd                  | Ophelia  | 15,000  |
| Fragile Films Ltd                            | Nightwork  | 99,333  |
| Free Range Films Ltd                         | Out the Window (aka Perpetual Commotion)                           | 50,000  |
| Free Range Films Ltd                         | Production vision award  | 75,000  |
| Free Range Films Ltd / Feet Films Ltd        | White Rose Rebel   | 5,000   |
| Glendale Picture Co Ltd                      | Cowards & Monsters   | 9,350   |
| Glyn Maxwell                                 | Mimi and the Stalker   | 10,000  |
| GreenAcre Films Ltd                          | A Midsummer Night's Dream  | 25,000  |
| Headline Pictures (Peter Pan in Scarlet) Ltd | Invisible Woman  | 7,500   |
| HeyDay Films Ltd                             | The Thirteenth Tale  | 100,000 |
| Hot Property Ltd                             | Brand New-U  | 25,000  |
| HSI London Ltd                               | Defoe (short)  | 4,500   |
| HSI London Ltd                               | The Archaeologist (short)  | 15,000  |
| Human Film Ltd                               | Kosher   | 9,500   |
| Human Film Ltd                               | Um-Hussein (aka Son of Babylon)                                    | 150,000 |
| Idiotlamp Productions Ltd                    | All Quiet on the Orient Express                                    | 50,000  |
| Illuminations Films Ltd                      | The Berberian Sound Studio   | 25,000  |
| Impossible TV Ltd                            | They're All Out to Get Hugh!                                       | 17,143  |
| Independent Film Productions Ltd             | Azincourt  | 50,000  |
| Inflammable Films Ltd                        | The Journey Man  | 35,000  |
| Intolerant Films Ltd                         | Ancient Athens Confidential (working title)                        | 25,000  |
| Jack Thorne                                  | 1989   | 25,000  |
| Janina Samoles                               | Shell & Katie 4EVA   | 3,000   |
| Jason La Motte                               | The Terms  | 3,966   |
| Jonathan van Tulleken                        | Off Season (short)   | 5,050   |

## Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION           | FILM/PROJECT   | £         |
|---------------------------------|--|-----------|
| Jones Company (Productions) Ltd | Trap for Cinderella                                      | 16,000    |
| Jump Monk Films Ltd             | Place  | 20,000    |
| Jump Monk Films Ltd             | Self Made  | 10,000    |
| Jump Monk Films Ltd             | South  | 25,000    |
| Kasander (Development) Ltd      | Cross My Mind  | 17,000    |
| Kevin Films Ltd                 | We Need to Talk about Kevin                              | 718,510   |
| Kudos Pictures Ltd              | Salmon Fishing in the Yemen                              | 1,515,000 |
| La Plante Films                 | The Rocketeers (working title)                           | 28,000    |
| Laura Rees                      | Colette (short)  | 4,500     |
| Left Bank Pictures Ltd          | Strictly Professional                                    | 20,000    |
| Left Bank Pictures Ltd          | Production vision award                                  | 75,000    |
| Lifesize Pictures Ltd           | Short film programme management                          | 226,472   |
| Luc Rioche                      | The Loop   | 4,250     |
| Luke Rogers                     | Missing  | 3,360     |
| Made Up North Productions Ltd   | Waving at Trains (short)                                 | 5,250     |
| Mann Made Projects Ltd          | The Call   | 25,000    |
| Marlborough Films Ltd           | The Song of Names  | 24,858    |
| Metzfilm Ltd                    | The Love Interest  | 27,750    |
| Minnow Films Ltd                | The Monster Hunters                                      | 15,000    |
| Minnow Films Ltd                | The X + Y Factor   | 14,500    |
| Missing in Action Films Ltd     | Balaclava Sands  | 15,700    |
| Missing in Action Films Ltd     | With In  | 9,500     |
| Modern Films Ltd                | Under the Skin   | 2,500     |
| Modus Operandi Films Ltd        | Cameraman (aka Jack Cardiff Documentary)                 | 150,000   |
| Momac Films Ltd                 | Untitled Boarding School Film (aka Magnificent Amberson) | 17,500    |
| Motion Pictures (UK) Ltd        | In Close Up  | 17,500    |
| Moving Stone Productions Ltd    | Mary Stuart  | 22,000    |
| Nathan Parker                   | Don't Change a Thing                                     | 25,000    |
| NDF Productions Ltd             | Last Passenger   | 10,000    |
| Neil Jaworski                   | The Way to a Whole New You                               | 15,000    |
| Neon Films Ltd                  | Now You See It   | 12,000    |
| New Boots and Panties 2 Ltd     | Sex & Drugs & Rock & Roll                                | 30,993    |
| Nicholas Horwood                | Gurk the Slayer!   | 10,000    |
| North West Vision and Media     | Digital shorts   | 40,000    |
| Northern Film & Media           | Happy Clapper (short)                                    | 10,000    |
| Northern Film & Media           | Digital shorts   | 40,000    |



# Schedules to the financial statements

## continued

### Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION         | FILM/PROJECT                            | £       |
|-------------------------------|---|---------|
| Northern Film & Media         | Compulsion                              | 10,000  |
| Northern Ireland Screen       | Digital shorts                          | 40,000  |
| Nuban Productions Ltd         | I am Slave (aka Slave)                  | 688,100 |
| Number 9 Films (Slate) Ltd    | Strangers                               | 88,988  |
| Numerous Productions Ltd      | The Bounty Hunter                       | 15,000  |
| Odd Girl Out Productions Ltd  | Life in Transit                         | 25,000  |
| Origin Pictures Ltd           | The First Grader                        | 35,500  |
| Origin Pictures Ltd           | Vision Award                            | 75,000  |
| Origin Pictures Ltd           | Xcalibre                                | 50,250  |
| Pablo Films Ltd               | East of Acre Lane (aka Brixton 81)      | 32,750  |
| Parallax East Ltd             | Bite                                    | 11,000  |
| Parallax East Ltd             | ID2                                     | 25,000  |
| Parallax East Ltd             | Jimmy Buddha (aka Buddha Da)            | 4,000   |
| Parkville Pictures Ltd        | Thomas                                  | 7,500   |
| Paul Cotter                   | Down and Out in Dover                   | 6,000   |
| Potboiler Productions Ltd     | Kodak Cowboy                            | 20,000  |
| Potboiler Productions Ltd     | Production vision award                 | 75,000  |
| Progression Media Ltd         | 3 Hours                                 | 7,500   |
| Project Nim Ltd               | Project Nim                             | 556,685 |
| Qwerty Films Ltd              | Suite Française                         | 55,000  |
| Qwerty Films Ltd              | Production vision award                 | 75,000  |
| Rebecca Johnson               | Honey                                   | 12,000  |
| Recorded Picture Co Ltd       | Hard Stop                               | 28,750  |
| Recorded Picture Co Ltd       | The Talking Cure                        | 95,000  |
| Red and Black Films Ltd       | Cyrano                                  | 8,000   |
| Red Bag Pictures Ltd          | Fourteen (short)                        | 6,263   |
| Red Head Films Ltd            | Untitled Andrea Arnold projects         | 50,000  |
| Red Production Company Ltd    | Untitled Matthew Greenhalgh project     | 15,000  |
| Redwave Films (UK) Ltd        | Ghosts                                  | 43,000  |
| Revolution Films Ltd          | The Optimists (aka The Predictive Text) | 21,875  |
| Revolution Films Ltd          | Production vision award                 | 75,000  |
| Riley Productions Ltd         | Slow Down Arthur, Stick to Thirty       | 19,000  |
| Rocket Pictures Ltd           | Emily Jane: Secret Mom                  | 18,250  |
| Ross Munro Dunsmore           | You are Here                            | 5,000   |
| Ruby Films (Chatroom) Ltd     | Chatroom                                | 739,860 |
| Ruby Films (Tamara Drewe) Ltd | Tamara Drewe                            | 780,000 |

## Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION         | FILM/PROJECT   | £         |
|-------------------------------|--|-----------|
| Ruby Films Ltd                | Corsica 72   | 21,000    |
| Ruby Films Ltd                | Tamara Drewe   | 45,000    |
| Ruth McCance                  | Capital  | 1,500     |
| Sarmad Masud                  | Untitled Sarmad Masud                                | 11,100    |
| Screen East                   | Digital shorts                                       | 41,000    |
| Screen East                   | Jumping for Joy (short)                              | 10,000    |
| Screen South                  | Digital shorts                                       | 40,000    |
| Screen West Midlands          | Digital shorts                                       | 40,000    |
| Screen West Midlands          | Endings (short)                                      | 10,000    |
| Screen Yorkshire Ltd          | Digital shorts                                       | 40,000    |
| See Saw Films Ltd             | The King's Speech                                    | 21,080    |
| See Saw Films Ltd             | Production vision award                              | 75,000    |
| Seefood Ltd                   | Girl Like Me (aka Wasted, short)                     | 1,000     |
| Self Made Productions Ltd     | Self Made  | 250,000   |
| Shona Films Ltd               | 500 Men with the Bullet                              | 38,875    |
| Sigma Films Ltd               | Aberdeen Angus                                       | 6,000     |
| Sigma Films Ltd               | Production vision award                              | 75,000    |
| Silent War Films Ltd          | A Spy By Nature                                      | 99,271    |
| Sister Films Ltd              | Baby (short)   | 25,000    |
| Slate Films Ltd               | Half of a Yellow Sun                                 | 12,250    |
| Slate Films Ltd               | Stiff  | 25,250    |
| Slinky Pictures Ltd           | Bad Night for the Blues                              | 10,000    |
| South West Screen             | Digital shorts                                       | 40,000    |
| Speaking Film Productions Ltd | The King's Speech                                    | 1,000,000 |
| Stagereel Ltd                 | Face   | 15,000    |
| Stefan Golaszewski            | Stefan Golaszewski Speaks about a Girl he Once Loved | 10,000    |
| Steve McLean                  | Postcards from London                                | 10,000    |
| Streetdance Distribution Ltd  | Streetdance 3D                                       | 1,038,239 |
| Susanna Wallin                | Electric Light Wonderland (short)                    | 4,500     |
| Synergy London Ltd            | Mother's Milk  | 25,000    |
| Tate Enterprises Ltd          | Tate Media Feature Film Development Fund             | 20,000    |
| Tempo Productions Ltd         | The Lancashire Witches                               | 37,000    |
| The Bureau Film Company Ltd   | Another World  | 20,000    |
| The First Film Company Ltd    | Bomber   | 47,250    |
| The People's Republic Ltd     | Imaginary Friend (short)                             | 4,652     |
| The Script Connection Ltd     | The Script Connection – feedback service             | 15,000    |

# Schedules to the financial statements

## continued

### Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION                            | FILM/PROJECT                               | £                 |
|--|--|-------------------|
| Thomas Thomas Films Ltd                          | Four Working Days (pilot)                  | 15,000            |
| Three Rivers Ltd                                 | The House of Sleep                         | 5,000             |
| Tigerlily Films Ltd                              | Remainder                                  | 10,000            |
| Timothy Walker, Jason Morell, Marc Teitler       | Stuck on a Sunday                          | 25,000            |
| Tony Pictures Ltd                                | Tony                                       | 127,590           |
| Trademark Films Ltd                              | My Week with Marilyn                       | 3,000             |
| Treasure Entertainment Ltd                       | Olga                                       | 10,000            |
| Troika LLP                                       | Pitch Black Heist (short)                  | 15,000            |
| Unstoppable Entertainment Ltd                    | Liberation (pilot)                         | 10,000            |
| Untitled 09 Ltd                                  | Another Year (aka Untitled 09)             | 1,200,000         |
| Vertigo Films Ltd                                | Production vision award                    | 75,000            |
| Wall to Wall Media Ltd                           | The Dream Project                          | 3,330             |
| Warp (Submarine) Ltd                             | Submarine                                  | 700,000           |
| Warp Films Ltd                                   | A Gun for George (short)                   | 10,000            |
| Warp Films Ltd                                   | Production vision award                    | 75,000            |
| Westerly Islands Film Company Ltd                | Winchester Races                           | 5,000             |
| Wilder Films (Laid Off) Ltd                      | Laid Off                                   | 315,400           |
| Wilder Films Ltd                                 | Act of Love                                | 10,000            |
| Wildgaze Films Ltd                               | Madame Depardieu and the Perfect Strangers | 15,000            |
| Wildgaze Films Ltd                               | The Babymakers                             | 10,000            |
| Workhorse Entertainment Ltd                      | La Mula                                    | 75,000            |
| Wuthering Heights Films Ltd                      | Wuthering Heights                          | 300,000           |
| Yann Demange                                     | The Agency                                 | 10,000            |
| <b>Total single project film awards 2009/10</b>  |  | <b>23,039,692</b> |
| <b>Film Festivals Fund awards</b>                |  |                   |
| British Film Institute                           | The Times BFI London Film Festival         | 1,888,000         |
| <b>Total Film Festivals Fund awards 2009/10</b>  |  | <b>1,888,000</b>  |
| <b>Audience development awards</b>               |  |                   |
| Blue Barracuda Marketing Ltd                     | Audience development scheme                | 620,000           |
| <b>Total Audience development awards 2009/10</b> |  | <b>620,000</b>    |

## Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION                     | FILM/PROJECT   | £      |
|---|--|--------|
| <b>Prints and Advertising Fund awards</b> |  |        |
| 104 Films Ltd                             | The Magic Hour   | 5,000  |
| Adventure Pictures Ltd                    | Rage   | 67,050 |
| African Film Tour (UK) Ltd                | Disoriented Generation                                   | 5,000  |
| Arrow Film Distributors Ltd               | Departures   | 5,000  |
| Axiom Films International Ltd             | Frozen River   | 5,000  |
| Axiom Films International Ltd             | Lion's Den   | 5,000  |
| Axiom Films International Ltd             | Nightwatching  | 5,000  |
| Axiom Films International Ltd             | Sugar  | 5,000  |
| Axiom Films International Ltd             | The Kreutzer Sonata                                      | 5,000  |
| Breakthru Films Ltd                       | The Flying Machine                                       | 30,000 |
| BritFilms Distribution Co Ltd             | Crying with Laughter                                     | 5,000  |
| British Film Institute                    | A Single Man / The Disappearance of Alice Creed          | 775    |
| British Film Institute                    | Late Autumn (Akibiyori 1960)                             | 4,850  |
| British Film Institute                    | Letter from an Unknown Woman                             | 4,260  |
| British Film Institute                    | London Lesbian and Gay Film Festival – two feature films | 800    |
| British Film Institute                    | Rashomon   | 4,650  |
| British Film Institute                    | Went the Day Well?                                       | 4,760  |
| Carey Films Ltd                           | The Spell  | 5,000  |
| Ginefile Ltd                              | Welcome  | 5,000  |
| Cinemanx Distribution Ltd                 | The Disappearance of Alice Creed                         | 30,000 |
| Clam Harbour Entertainment Ltd            | The Sicilian Girl  | 5,000  |
| DFT Enterprises Ltd                       | 31 North 62 East   | 5,000  |
| Dogwoof Ltd                               | Bananas!   | 3,440  |
| Dogwoof Ltd                               | Burma VJ   | 5,000  |
| Dogwoof Ltd                               | Crude  | 5,000  |
| Dogwoof Ltd                               | Dirty Oil  | 5,000  |
| Dogwoof Ltd                               | Food Inc   | 5,000  |
| Dogwoof Ltd                               | Mugabe and the White African                             | 5,000  |
| Dogwoof Ltd                               | No Impact Man  | 5,000  |
| Dogwoof Ltd                               | The End of the Line                                      | 5,000  |
| Dogwoof Ltd                               | The Milk of Sorrow                                       | 5,000  |
| Dogwoof Ltd                               | The Yes Men Fix the World                                | 5,000  |
| Dogwoof Ltd                               | Vanishing of the Bees                                    | 5,000  |
| Dogwoof Ltd                               | Videocracy   | 5,000  |
| Dogwoof Ltd                               | We Live in Public  | 5,000  |

# Schedules to the financial statements

## continued

### Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION               | FILM/PROJECT                       | £       |
|-------------------------------------|------------------------------------|---------|
| Drakes Avenue Pictures Ltd          | Am I Black Enough For You?         | 4,550   |
| E1 Entertainment (UK) Ltd           | An Education                       | 125,000 |
| E1 Entertainment (UK) Ltd           | MICMACS                            | 100,000 |
| Green Lions Ltd                     | Erasing David                      | 5,000   |
| Guerilla Films Ltd                  | Charles Dickens' England           | 4,940   |
| Guerilla Films Ltd                  | The Calling                        | 4,800   |
| Hazeldine Films Ltd                 | Exam                               | 5,000   |
| High Fliers Films Plc               | City of Life and Death             | 5,000   |
| High Fliers Films Plc               | New Town Killers                   | 5,000   |
| High Fliers Films Plc               | Silent Army                        | 5,000   |
| Hurricane Films Ltd                 | Under The Mud                      | 5,000   |
| ICA Films Ltd                       | Disgrace                           | 5,000   |
| ICA Films Ltd                       | OSS 117: Lost in Rio               | 5,000   |
| ICA Films Ltd                       | Skin                               | 5,000   |
| Icon Film Distribution Ltd          | Looking for Eric                   | 125,500 |
| Icon Film Distribution Ltd          | Nowhere Boy                        | 150,000 |
| Kaleidoscope Home Entertainment Ltd | Colin                              | 5,000   |
| Kaleidoscope Home Entertainment Ltd | Winter in Wartime                  | 5,000   |
| Lions Gate UK Ltd                   | Heartless                          | 30,000  |
| Lions Gate UK Ltd                   | The Imaginarium of Dr Parnassus    | 120,000 |
| Manga Entertainment Ltd             | Ghost in the Shell                 | 5,000   |
| Manga Entertainment Ltd             | Sky Crawlers                       | 5,000   |
| Matchbox Films Ltd                  | Beautiful Kate                     | 5,000   |
| Metrodome Distribution Ltd          | Anything for Her                   | 100,000 |
| Metrodome Distribution Ltd          | Bustin' Down The Door              | 5,000   |
| Metrodome Distribution Ltd          | Cherry Tree Lane                   | 5,000   |
| Metrodome Distribution Ltd          | First Day of the Rest of Your Life | 5,000   |
| Metrodome Distribution Ltd          | I Am Love                          | 110,990 |
| Metrodome Distribution Ltd          | Lebanon                            | 5,000   |
| Metrodome Distribution Ltd          | Mark of an Angel                   | 5,000   |
| Metrodome Distribution Ltd          | Motherhood                         | 30,000  |
| Metrodome Distribution Ltd          | Thirst                             | 5,000   |
| Metrodome Distribution Ltd          | Three Miles North of Molkom        | 49,800  |
| Momentum Pictures Ltd               | 44 Inch Chest                      | 110,000 |
| Momentum Pictures Ltd               | The Girl with the Dragon Tattoo    | 42,100  |
| Network Distributing Ltd            | I Know You Know                    | 4,833   |

## Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION       | FILM/PROJECT                                    | £       |
|-----------------------------|---|---------|
| Network Distributing Ltd    | No One Knows about Persian Cats                 | 5,000   |
| New Wave Films Ltd          | Helen   | 5,000   |
| New Wave Films Ltd          | Sleep Furiously                                 | 5,000   |
| Oopic Films Ltd             | Hell's Pavement                                 | 2,500   |
| Optimum Releasing Ltd       | A Prophet                                       | 150,000 |
| Optimum Releasing Ltd       | Coco Before Chanel                              | 125,000 |
| Optimum Releasing Ltd       | Is Anybody There?                               | 182,200 |
| Optimum Releasing Ltd       | The Railway Children                            | 5,000   |
| Park Circus Ltd             | Albert R Broccoli Centenary / James Bond Season | 25,675  |
| Park Circus Ltd             | Henri-Georges Clouzot's Inferno                 | 5,000   |
| Park Circus Ltd             | The Godfather (1972)                            | 5,000   |
| Park Circus Ltd             | The Red Shoes                                   | 5,000   |
| Park Circus Ltd             | This Sporting Life                              | 5,000   |
| Pathé Productions Ltd       | Bright Star                                     | 100,000 |
| Pathé Productions Ltd       | Broken Embraces (Los Abrazos Rotos)             | 125,000 |
| Pathé Productions Ltd       | Cheri   | 150,000 |
| Peccadillo Pictures Ltd     | Born in '68 (short)                             | 5,000   |
| Peccadillo Pictures Ltd     | Eyes Wide Open                                  | 5,000   |
| Peccadillo Pictures Ltd     | Give me your Hand                               | 2,100   |
| Poisson Rouge Pictures Ltd  | The Hide  | 5,000   |
| Revolver Films Ltd          | Shank   | 100,000 |
| Revolver Films Ltd          | The Infidel                                     | 30,000  |
| Revolver Films Ltd          | Vinyan  | 32,000  |
| Shooting Pictures Ltd       | Beyond the Pole                                 | 5,000   |
| Shorts International Ltd    | Oscar® Shorts 2010 (animation/live action)      | 5,000   |
| Soda Pictures Ltd           | Cloud 9   | 5,000   |
| Soda Pictures Ltd           | Double Take                                     | 5,000   |
| Soda Pictures Ltd           | Fugitive Pieces                                 | 5,000   |
| Soda Pictures Ltd           | Home  | 5,000   |
| Soda Pictures Ltd           | Le Danse: The Paris Opera Ballet                | 5,000   |
| Soda Pictures Ltd           | NBCQ project (1234, No Greater Love, Skeletons) | 5,000   |
| Soda Pictures Ltd           | Storm   | 5,000   |
| Soda Pictures Ltd           | Treeless Mountain                               | 5,000   |
| Soda Pictures Ltd           | Unmade Beds                                     | 5,000   |
| Soho Casting Studios Ltd    | Mr Right  | 4,900   |
| Sons of Cuba Ltd            | Sons of Cuba                                    | 4,684   |
| Terracotta Distribution Ltd | Breathless                                      | 4,900   |

# Schedules to the financial statements

## continued

### Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION                          | FILM/PROJECT   | £       |
|--|--|---------|
| The Artificial Eye Film Company Ltd            | Birdwatchers   | 5,000   |
| The Artificial Eye Film Company Ltd            | Fish Tank  | 70,000  |
| The Artificial Eye Film Company Ltd            | I'm Gonna Explode (Voy A Explotar)                             | 4,770   |
| The Artificial Eye Film Company Ltd            | Katalin Varga  | 5,000   |
| The Artificial Eye Film Company Ltd            | Katyn  | 4,710   |
| The Artificial Eye Film Company Ltd            | Life During Wartime  | 3,846   |
| The Artificial Eye Film Company Ltd            | Lourdes  | 4,748   |
| The Artificial Eye Film Company Ltd            | Mid August Lunch   | 5,000   |
| The Artificial Eye Film Company Ltd            | O'Horten   | 5,000   |
| The Artificial Eye Film Company Ltd            | Revanche   | 2,812   |
| The Artificial Eye Film Company Ltd            | The Beaches of Agnes   | 5,000   |
| The Artificial Eye Film Company Ltd            | The Father of my Children                                      | 4,936   |
| The Artificial Eye Film Company Ltd            | The Girl Cut in Two  | 5,000   |
| The Artificial Eye Film Company Ltd            | Vincere  | 4,697   |
| The Artificial Eye Film Company Ltd            | White Material   | 4,770   |
| The Roddick Foundation                         | In the Land of the Free  | 5,000   |
| The Works UK Distribution Ltd                  | 4.3.2.1  | 150,000 |
| The Works UK Distribution Ltd                  | Cold Souls   | 5,000   |
| The Works UK Distribution Ltd                  | Farewell (aka L'Affaire Farewell)                              | 5,000   |
| The Works UK Distribution Ltd                  | Fireflies in the Garden  | 5,000   |
| Trinity Filmed Entertainment Ltd               | Involuntary  | 5,000   |
| Trinity Filmed Entertainment Ltd               | London River   | 5,000   |
| Trinity Filmed Entertainment Ltd               | Samson & Delilah   | 5,000   |
| Trinity Filmed Entertainment Ltd               | Tales from the Golden Age                                      | 5,000   |
| Universal Pictures International UK & Eire Ltd | Psycho   | 5,000   |
| Universal Pictures International UK & Eire Ltd | Spartacus  | 5,000   |
| Vertigo Distribution Ltd                       | One Day  | 65,000  |
| Vertigo Distribution Ltd                       | The Cove   | 5,000   |
| Verve Pictures Ltd                             | American: The Bill Hicks Story                                 | 4,650   |
| Verve Pictures Ltd                             | Dogtooth   | 5,000   |
| Verve Pictures Ltd                             | Happy Ever Afters  | 4,218   |
| Verve Pictures Ltd                             | The Arbor  | 4,600   |
| Warner Music UK Ltd                            | Sounds Like Teen Spirit (aka Son of Eurovision aka Starstruck) | 29,000  |
| Warp Films Ltd                                 | All Tomorrow's Parties   | 4,745   |
| Warp Films Ltd                                 | Le Donk and Scor-Zay-Zee                                       | 4,745   |
| Yume Pictures Ltd                              | A Room and a Half  | 5,000   |

## Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION                                   | FILM/PROJECT  | £                |
|---|---|------------------|
| Yume Pictures Ltd                                       | Lake Tahoe  | 5,000            |
| Yume Pictures Ltd                                       | Machan  | 5,000            |
| <b>Total Prints and Advertising Fund awards 2009/10</b> |   | <b>3,114,304</b> |
| <b>Rural cinema pilot awards</b>                        |   |                  |
| Screen Yorkshire Ltd                                    | Rural cinema pilot  | 400,000          |
| South West Screen                                       | Rural cinema pilot  | 400,000          |
| The Thomas Adams School                                 | Rural cinema pilot  | 400,000          |
| <b>Total rural cinema pilot scheme awards 2009/10</b>   |   | <b>1,200,000</b> |
| <b>Digital Screen Network awards</b>                    |   |                  |
| Digital Funding Partnership LLP                         | Digital cinema scheme   | 194,500          |
| Poole Art Cinema Trust Ltd                              | Lighthouse, Poole Arts Centre   | 16,885           |
| <b>Total Digital Screen Network awards 2009/10</b>      |   | <b>211,385</b>   |
| <b>Publications Fund awards</b>                         |   |                  |
| Documentary Filmmakers Group                            | DFGDocs.Com   | 14,000           |
| Independent Cinema Office                               | At a Cinema Near You  | 10,000           |
| LUX   | Associations  | 10,000           |
| Media Education Association                             | PoV   | 10,000           |
| Power to the Pixel Ltd                                  | Power to the Pixel  | 20,000           |
| Shooting People   | Get Your Short Film Funded, Made and Seen                                 | 2,000            |
| UK FilmNet  | Pathways to Progression (UK Filmnet)                                      | 10,000           |
| <b>Total Publications Fund awards 2009/10</b>           |   | <b>76,000</b>    |
| <b>UK Partnerships awards</b>                           |   |                  |
| EM Media  | 2010/11 Regional Lottery awards, 2009/10 Digital Film Archive Fund awards | 349,831          |
| Film London   | 2010/11 Regional Lottery awards, 2009/10 Digital Film Archive Fund awards | 221,116          |
| First Light Movies                                      | 2010/11 First Light scheme  | 1,100,000        |
| North West Vision & Media                               | 2010/11 Regional Lottery awards, 2009/10 Digital Film Archive Fund awards | 398,000          |



# Schedules to the financial statements

## continued

### Schedule 2: Lottery awards in the year ending 31 March 2010 continued

| PRODUCER/ORGANISATION                       | FILM/PROJECT  | £                 |
|---|---|-------------------|
| Northern Film & Media                       | 2010/11 Regional Lottery awards, 2009/10 Digital Film Archive Fund awards, Skillset regional post | 425,331           |
| Screen East                                 | 2010/11 Regional Lottery awards, 2009/10 Digital Film Archive Fund awards                         | 418,891           |
| Screen South                                | 2010/11 Regional Lottery awards, 2009/10 Digital Film Archive Fund awards                         | 349,000           |
| Screen West Midlands                        | 2010/11 Regional Lottery awards, 2009/10 Digital Film Archive Fund awards, Film Nation award      | 539,861           |
| Screen Yorkshire                            | 2010/11 Regional Lottery awards, 2009/10 Digital Film Archive Fund awards                         | 347,897           |
| Skillset                                    | Skillset (2010/11) and 2009/10 Digital Film Archive Fund awards                                   | 3,854,645         |
| South West Screen                           | 2010/11 Regional Lottery awards, 2009/10 Digital Film Archive Fund awards                         | 445,428           |
| <b>Total UK Partnerships awards 2009/10</b> |   | <b>8,450,000</b>  |
| <b>Total soft commitments 2009/10</b>       |   | <b>38,599,381</b> |

The above list excludes soft commitments totalling £246,025 where the award was made and fallen in within the year.

### Schedule 3 : Lottery awards made from UK Film Council delegations in the year ending 31 March 2010

| ORGANISATION                                       | PROJECT                                 | £              |
|--|---|----------------|
| <b>EM MEDIA</b>                                    |   |                |
| <b>Regional Investment Fund for England awards</b> |   |                |
| Borderland Productions Ltd                         | Do the Creepy Thing                     | 10,000         |
| DVS  | DVS projects                            | 15,000         |
| Forward Films Ltd                                  | Trenchment                              | 10,000         |
| Glendale Picture Co Ltd                            | The Weekender                           | 10,750         |
| PBQ  | Research                                | 17,710         |
| Sarmud Masud                                       | Untitled                                | 10,500         |
| Tigerlily Ltd                                      | High Hopes                              | 30,000         |
| Vpoint TV Ltd                                      | Renaissance Cultural Olympiad Programme | 10,000         |
| Wellington Films Ltd                               | Slate and company development awards    | 50,000         |
| 27 miscellaneous awards less than £10,000 each     |   | 92,404         |
| <b>Digital Film Archive Fund awards</b>            |   |                |
| British Silent Film Festival                       | 13th British Silent Film Festival       | 15,369         |
| Fly Films  | Place                                   | 29,579         |
| MACE   | Delivering digital access               | 150,000        |
| National Tramway Museum                            | Tracks in Time                          | 24,016         |
| Nottinghamshire YMCA                               | A Century of Youth                      | 26,000         |
| Tigerlily Ltd                                      | High Hopes                              | 11,500         |
| tv/e   | Nottingham Lace, Life on the Edge       | 19,536         |
| <b>Total</b>                                       |   | <b>532,364</b> |
| <b>FILM LONDON</b>                                 |   |                |
| <b>Regional Investment Fund for England awards</b> |   |                |
| Aimimage Productions                               | Ill Manors (Microwave)                  | 25,000         |
| David Alexander                                    | Follow (Pulse Plus)                     | 10,000         |
| Parkville Pictures                                 | Borrowed Time (Microwave)               | 25,000         |
| 26 miscellaneous awards less than £10,000 each     |   | 123,925        |
| <b>Digital Film Archive Fund awards</b>            |   |                |
| Birbeck College                                    | Discovering London's Screen Archives    | 22,775         |
| Chocolate Films                                    | Come to London                          | 17,581         |
| CS Brixton Ltd                                     | Archive Reminiscence project            | 13,700         |
| Eastside Community Heritage                        | Disabled Workers                        | 18,550         |
| Fashion in Film                                    | The Kinetoscope Project                 | 24,945         |
| Film and Video Umbrella                            | Celebration                             | 15,000         |
| London Metropolitan Archive                        | Seen on Screen                          | 21,320         |

# Schedules to the financial statements

## continued

### Schedule 3 : Lottery awards made from UK Film Council delegations in the year ending 31 March 2010 continued

| ORGANISATION                                   | PROJECT                               | £              |
|--|---------------------------------------|----------------|
| Mosaic Films Ltd                               | London Recut                          | 46,525         |
| The Charles Dickens Museum                     | Digital Film Archive of the Boz Club  | 10,000         |
| 2 miscellaneous awards less than £10,000 each  |                                       | 17,749         |
| <b>Total</b>                                   |                                       | <b>392,070</b> |
| <b>FIRST LIGHT</b>                             |                                       |                |
| 104 Films Ltd                                  | Dis Docs                              | 15,000         |
| Bridgewater YMCA                               | Home                                  | 24,000         |
| Calling the Shots                              | Work in progress                      | 70,000         |
| Community Focus                                | In Focus                              | 24,349         |
| Community Music East Ltd                       | Norfolk Marble                        | 30,000         |
| Engage Media CIC                               | Location, Location, Location          | 21,000         |
| Fife Council                                   | Fife Film Festival                    | 29,471         |
| FILM 15 Productions Ltd                        | Animation Tank                        | 26,208         |
| FirstTake                                      | Communicate                           | 12,680         |
| FPS Media                                      | Classic Cuts                          | 18,244         |
| Glasgow Media Access Centre (GMAC)             | GMAC 2nd Unit Studio Films 2009       | 30,000         |
| Glasgow Media Access Centre (GMAC)             | Mind the Gap                          | 70,000         |
| Leeds Young Persons Film Festival              | LYPPFF Studio                         | 30,000         |
| Leonard Cheshire Disability                    | Sportsdance                           | 30,000         |
| macrobert                                      | Macrobert mpower project              | 28,550         |
| Manchester Youth Volunteering Project          | Uncommon Shorts                       | 29,409         |
| MAP Multi Arts Project                         | Being                                 | 29,840         |
| Middlesborough Football Club Study Support     | Playing for Success                   | 20,946         |
| Pilton Video                                   | Pilton Video First Light Studio Award | 20,265         |
| Sawston Village College                        | Films for Sawston                     | 15,000         |
| Signals Media Arts                             | Futures in Film 2010                  | 30,000         |
| Stockton Borough Council                       | Spark Films                           | 28,000         |
| Sutton Parish Council                          | Mepal and Sutton Studio 2009          | 30,000         |
| The Learning Centre                            | Lensheads 9                           | 29,278         |
| The Video College                              | Move on Up                            | 70,000         |
| Watershed                                      | Short Cuts                            | 23,424         |
| Wind and Foster Media                          | Star Stories                          | 17,841         |
| 44 miscellaneous awards less than £10,000 each |                                       | 191,883        |
| <b>Total</b>                                   |                                       | <b>995,388</b> |

### Schedule 3 : Lottery awards made from UK Film Council delegations in the year ending 31 March 2010 continued

| ORGANISATION                                       | PROJECT  | £              |
|--|--|----------------|
| <b>NORTHERN FILM &amp; MEDIA</b>                   |  |                |
| <b>Regional Investment Fund for England awards</b> |  |                |
| AVANE  | AV Festival 10 Moving Image                        | 10,000         |
| Ipsos Facto Films Ltd                              | Company development                                | 14,275         |
| Northern Lights Film Festival Ltd                  | Northern Lights Film Festival 2010                 | 25,000         |
| Northern Regional Film and Television Archive      | Northern Regional Film and Television Archive 2010 | 40,000         |
| Pinball Films Ltd                                  | Erotology  | 70,000         |
| Rising Tide Productions                            | 1000 Screaming Demons                              | 23,000         |
| Standing Stones Productions                        | Network Development                                | 15,000         |
| Tellynet   | Tellynet Partnership                               | 12,000         |
| Tyneside Cinema                                    | Education programme                                | 15,000         |
| Vita Nova Films                                    | Company support                                    | 13,625         |
| 110 miscellaneous awards less than £10,000 each    |  | 182,642        |
| <b>Digital Film Archive Fund awards</b>            |  |                |
| Amber Films  | Amber Archive Access project                       | 50,000         |
| AVANE  | NRFTA Residency & Recycled Film programme          | 29,200         |
| Equal Arts   | Mind Mine  | 50,000         |
| Forma Arts & Media Ltd                             | Durham Brass Festival Film Commission              | 10,000         |
| Media 19 – Campaign Trail (UK)                     | Campaign Trail UK                                  | 20,000         |
| Tyneside Cinema                                    | News to Me   | 50,000         |
| Woodhorn   | Time Travel Northumberland                         | 47,100         |
| 3 miscellaneous awards less than £10,000 each      |  | 19,700         |
| <b>Total</b>                                       |  | <b>696,542</b> |
| <b>NORTH WEST VISION AND MEDIA</b>                 |  |                |
| <b>Regional Investment Fund for England awards</b> |  |                |
| Amy Buscombe                                       | Digital shorts                                     | 12,000         |
| Tim Horsfall                                       | Digital shorts                                     | 12,000         |
| Michael Knowles                                    | Digital shorts                                     | 12,000         |
| Lauren Tomlinson                                   | Digital shorts                                     | 12,000         |
| Kendal Mountain                                    | HAFAD  | 15,000         |
| FACT   | HAFAD  | 15,000         |
| Manchester International Film Festival             | HAFAD  | 10,000         |
| 42 miscellaneous awards less than £10,000 each     |  | 114,461        |
| <b>Digital Film Archive Fund Awards</b>            |  |                |
| Abandon Normal Devices                             | Abandon Normal Devices                             | 15,000         |
| Arts about Manchester                              | Arts about Manchester                              | 45,000         |

# Schedules to the financial statements

## continued

### Schedule 3 : Lottery awards made from UK Film Council delegations in the year ending 31 March 2010 continued

| ORGANISATION  | PROJECT   | £              |
|---|---|----------------|
| Arts in Regeneration  | Arts in Regeneration  | 10,000         |
| Blackpool City Council  | Visit Blackpool   | 25,000         |
| Cornerhouse   | Cornerhouse   | 10,000         |
| Cumbria County Council  | Cumbria County Council  | 25,000         |
| Gateshead   | Media 19  | 14,000         |
| National Museums Liverpool                                    | National Museums Liverpool                                    | 20,290         |
| Nine Lives  | Nine Lives  | 25,000         |
| North West Film Archive at Manchester Metropolitan University | North West Film Archive at Manchester Metropolitan University | 40,000         |
| Wigan Leisure Trust   | Turnpike Gallery  | 15,000         |
| <b>Total</b>  |   | <b>446,751</b> |

#### SCREEN EAST

##### Regional Investment Fund for England awards

|  |                           |         |
|--|---------------------------|---------|
| Charlie Gauvain                                | TV Eden                   | 20,000  |
| Digital Heritage                               | Digital Heritage          | 46,500  |
| Games Eden Network                             | Gameswhere development    | 20,000  |
| Low Carbon Fund                                | Low Carbon Fund           | 25,000  |
| North Sea Screen Partners                      | North Sea Screen Partners | 25,000  |
| 80 miscellaneous awards less than £10,000 each |                           | 209,758 |

##### Digital Film Archive Fund awards

|                           |                               |         |
|---------------------------|-------------------------------|---------|
| Artevents                 | Patience                      | 13,100  |
| East Anglian Film Archive | DFAF in the Six Counties      | 200,000 |
| Somewhere                 | Jaywick Escapes               | 13,100  |
| The Forum Trust           | Digital Heritage in the Forum | 49,800  |

**Total** 622,258

#### SCREEN SOUTH

152 miscellaneous awards less than £10,000 each 200,998

##### Digital Film Archive Fund awards

|                                  |  |        |
|----------------------------------|--|--------|
| Dover Arts Development           | Watermark                                    | 20,000 |
| Milton Keynes Council            | Memory of a New Town – Milton Keynes on Film | 20,000 |
| Resource Productions Ltd         | Streets of Slough                            | 10,000 |
| University of Brighton: Cinicity | Duke of York's 100                           | 12,500 |
| Milestones Museum                | Big Screens                                  | 10,000 |
| Captured by Women                | Revealing the lost film archive              | 14,000 |
| Past / Present                   |  | 20,000 |

### Schedule 3 : Lottery awards made from UK Film Council delegations in the year ending 31 March 2010 continued

| ORGANISATION                                  | PROJECT | £              |
|---|---------|----------------|
| Southern Discomfort                           |         | 14,000         |
| Stress  |         | 13,255         |
| 7 miscellaneous awards less than £10,000 each |         | 37,267         |
| <b>Total</b>                                  |         | <b>372,020</b> |

#### SCREEN WEST MIDLANDS

##### Regional Investment Fund for England awards

|  |                                       |         |
|--|---------------------------------------|---------|
| Arts Alive                                     | Flicks in the Sticks                  | 16,000  |
| Birmingham City University                     | Philip Donnellan Archive              | 10,000  |
| Birmingham City University: Screen Media Lab   | Animation Forum West Midlands         | 20,000  |
| Borderline Film Festival                       | Borderline Film Festival 2010         | 15,000  |
| Capsule UK Ltd                                 | Home of Metal                         | 10,000  |
| Flatpack Festival Ltd                          | Flatpack Festival 2010                | 10,000  |
| Grand Union Productions Ltd                    | After the Death of Alice Bennett      | 10,000  |
| Light House Media Centre                       | Flip Animation Festival               | 10,000  |
| Light House Media Centre                       | Deaffest: Development project year 2  | 15,000  |
| Light House Media Centre                       | Media Education Development           | 15,000  |
| Pliniana Pictures                              | Ida                                   | 10,000  |
| Red Room Films Ltd                             | Forest Gate                           | 10,000  |
| Rural Media Company                            | Rural Media Company 2010              | 20,000  |
| The Producer's Forum                           | Producers' Forum events               | 20,000  |
| Thomas Adams School                            | Shropshire Film & Media Education Hub | 10,000  |
| Warwick Arts Centre                            | Education hub                         | 10,500  |
| 53 miscellaneous awards less than £10,000 each |                                       | 196,894 |

##### Digital Film Archive Fund awards

|   |  |                |
|---|--|----------------|
| Arts Alive                                    | The Future's Past                          | 10,000         |
| BCU   | What was Pebble Mill?                      | 10,000         |
| Birmingham Popular Music Archive              | Birmingham: Music and Identity on Screen   | 10,000         |
| MACE  | e=MACE                                     | 80,000         |
| Television Junction                           | WeVee (Archive Now!)                       | 60,000         |
| Vivid   | The Untold Story of Birmingham Underground | 15,000         |
| Warwick Arts Centre                           | Close to Home                              | 13,565         |
| 4 miscellaneous awards less than £10,000 each |  | 16,900         |
| <b>Total</b>                                  |  | <b>623,859</b> |

# Schedules to the financial statements

## continued

### Schedule 3 : Lottery awards made from UK Film Council delegations in the year ending 31 March 2010 continued

| ORGANISATION                                       | PROJECT   | £              |
|--|---|----------------|
| <b>SCREEN YORKSHIRE</b>                            |   |                |
| <b>Regional Investment Fund for England awards</b> |   |                |
| Blaize   | Artery Cinema   | 10,000         |
| Bradford City of Film                              | The Film Challenge  | 30,000         |
| Leeds International Film Festival                  | Audiences with the Voices of Cinema in Leeds                              | 10,000         |
| Leeds Young People's Film Festival                 | 11th Leeds Young People's Film Festival                                   | 15,000         |
| National Media Museum                              | Bradford International Film Festival                                      | 15,000         |
| Rebekah Wray-Rogers                                | Film Festival Toolkit   | 17,500         |
| Sheffield Doc/fest                                 | Revolution  | 15,000         |
| Showcomotion                                       | Public Enrichment project   | 16,000         |
| Studio of the North                                | Super8  | 30,000         |
| 17 miscellaneous awards less than £10,000 each     |   | 70,505         |
| <b>Digital Film Archive Fund awards</b>            |   |                |
| Media 19   | Campaign Trail  | 15,000         |
| One to One Productions                             | Timeline  | 20,000         |
| Sheffield Docfest                                  | Archive Avenue and Raiders of the Lost Archive                            | 10,000         |
| Yorkshire Film Archive                             | From Home   | 50,698         |
| Yorkshire Film Archive                             | Screens in Schools  | 11,433         |
| Yorkshire Film Archive                             | Stadium Legends   | 35,000         |
| 1 award less than £10,000                          |   | 4,200          |
| <b>Total</b>                                       |   | <b>375,336</b> |
| <b>SKILLSET</b>                                    |   |                |
| 104 Films Ltd                                      | Magic 8   | 25,000         |
| 4K London Ltd                                      | DIT training for the RED camera   | 20,200         |
| Ateliers du Cinema Européen                        | The ACE 19 Producers training session                                     | 34,912         |
| B3 Media Ltd                                       | Featurelab 3  | 45,000         |
| Berlinale Talent Campus                            | Berlinale Talent Campus 2010  | 75,000         |
| BFI Southbank                                      | BFI London Film Festival: Think – Shoot – Distribute 2009                 | 16,375         |
| Birds Eye View                                     | She Writes  | 64,200         |
| Birds Eye View                                     | Bird's Eye View Film Festival 2010 – training programme for women in film | 25,000         |
| Bournemouth University                             | Screen Academy bursaries  | 70,200         |
| Bournemouth University                             | Screen Academy course enhancement and outreach                            | 99,439         |
| Bournemouth University                             | Bursary funding for MA Screenwriting                                      | 26,040         |
| City Screen Ltd                                    | Company development grant   | 10,000         |
| Creative Exchange                                  | Red Dit   | 18,032         |
| Cyfle  | Archive media management  | 55,000         |

### Schedule 3 : Lottery awards made from UK Film Council delegations in the year ending 31 March 2010 continued

| ORGANISATION   | PROJECT   | £       |
|--|---|---------|
| Department of Media & Communications, Goldsmiths College, University of London | Bursary funding for MA Screenwriting                      | 20,000  |
| Diversity in Visual Arts   | Marketing Movies online                                   | 33,660  |
| Diversity in Visual Arts   | Graduate fellowship programme                             | 150,000 |
| Edinburgh International Film Festival Ltd                                      | The Story Works   | 238,688 |
| EM Media   | Talent Network Extension                                  | 10,372  |
| Escape Studios Ltd   | 3D for Visual Effects                                     | 64,340  |
| European Producers' Club   | Exploring new markets – cooperation and training sessions | 12,234  |
| Film Design International  | Art direction training course                             | 35,850  |
| Film London  | Assistant Locations Manager training course               | 55,362  |
| First Light Movies   | Second Light  | 150,000 |
| Focal International Ltd  | Archive New Entrant Training scheme                       | 76,060  |
| Four Corners   | Red Digital Cinema Lab                                    | 38,555  |
| High Definition and Digital Cinema Ltd   | DCM workshop  | 79,250  |
| Huge   | Take 12 – Digital Innovation in Film                      | 100,000 |
| Huntley Film Archives  | Film Archive Collections – a practical management guide   | 33,492  |
| Independent Cinema Office  | National film exhibitor training                          | 107,079 |
| International Film School Wales  | Screen Academy course enhancement and outreach            | 93,800  |
| International Film School Wales  | Screen Academy bursaries                                  | 40,000  |
| Kendal Mountain Festival CIC   | Adventure Film Academy Pro                                | 20,306  |
| London College of Communication, University of the Arts, London                | Bursary funding for MA Screenwriting                      | 21,546  |
| London Film School   | Screen Academy bursaries                                  | 176,100 |
| London Film School   | Screen Academy course enhancement and outreach            | 66,095  |
| London Film School   | Hothouse  | 110,000 |
| London Film School   | Working in a tapeless environment                         | 13,865  |
| Luisa Casinhas   | Three projects  | 101,500 |
| Magic Light Pictures Ltd   | Producer placement programme                              | 105,700 |
| Media Business School  | Marketing and Distribution                                | 38,500  |
| Napier University  | Screen Academy bursaries                                  | 68,414  |
| Napier University  | Screen Academy course enhancement and outreach            | 79,150  |
| Napier University  | Bursary funding for MA Screenwriting                      | 16,039  |
| National Film and Television School  | Screen Academy bursaries                                  | 156,000 |
| National Film and Television School  | Screen Academy course enhancement and outreach            | 432,942 |
| National Film and Television School  | MA DPP  | 75,000  |
| National Film and Television School  | Bursary funding for MA Screenwriting                      | 20,000  |
| National Film and Television School  | Special and Visual Effects MA                             | 75,000  |
| National Film and Television School  | Short courses   | 114,975 |
| OneTiki New Media Company GmbH   | Film Tiki   | 11,000  |
| Optimum Releasing Ltd  | Company development grant                                 | 10,000  |



# Schedules to the financial statements

## continued

### Schedule 3 : Lottery awards made from UK Film Council delegations in the year ending 31 March 2010 continued

| ORGANISATION  | PROJECT  | £                |
|---|--|------------------|
| Power to the Pixel  | Power to the Pixel   | 70,000           |
| Power to the Pixel  | The Cross Media Film Lab   | 49,999           |
| Principal Large Format  | 3D Stereoscopic Innovation Grant   | 25,000           |
| Qwerty Films Ltd  | Inside Pictures 2010   | 215,500          |
| Royal Holloway – University of London   | Bursary funding for MA Screenwriting                                       | 15,000           |
| Scion Films LLP   | Company development grant  | 10,000           |
| Scottish Documentary Institute  | Bridging the Gap 7: Surprise   | 60,000           |
| Sequence Training Ltd   | Sequence Training for Film and Broadcast                                   | 24,000           |
| Sheffield DocFest   | Meet Market 2009/10  | 54,000           |
| Sheffield DocFest   | The future of documentary distribution and financing                       | 13,545           |
| Soho Editors Training   | A professional AVID editors introduction to Final Cut Pro 7                | 13,230           |
| South West Screen   | Ifeatures Training Programme   | 104,000          |
| South West Screen   | High Def Futures   | 13,072           |
| The Actors Professional Centre Ltd  | Skillset Film Lab – Take 4   | 20,000           |
| The Bridge Media Training Ltd   | Red Digital cameras and workflows  | 16,920           |
| The Bureau Film Company Ltd   | SOS  | 50,000           |
| The Screen Academy at the London College of Communication (LCC) and Ealing, Hammersmith & West London College | Screen Academy course enhancement and outreach                             | 363,810          |
| The Script Factory  | Digital shorts training programme  | 100,000          |
| Touchpaper Television Ltd   | Coming Up!   | 66,650           |
| Warp Film Services Ltd  | ReAnimate!   | 50,000           |
| York St John University   | Archiving the Future   | 31,199           |
| 221 miscellaneous awards less than £10,000 each   |  | 244,423          |
| <b>Digital Film Archive Fund awards</b>   |  |                  |
| Focal International Ltd   | Introduction to Audiovisual Archive training week                          | 12,725           |
| Focal International Ltd   | Archive New Entrant training scheme  | 34,172           |
| FT2   | Archive modules  | 13,300           |
| 9 miscellaneous awards less than £10,000 each   |  | 18,775           |
| <b>Total</b>  |  | <b>5,324,592</b> |
| <b>SOUTH WEST SCREEN</b>  |  |                  |
| <b>Regional Investment Fund for England awards</b>  |  |                  |
| Animated Exeter   | Young + Animated PLUS: national competitions, careers day, education forum | 20,000           |
| Encounters Festivals Ltd  | Talent development and discovery   | 20,000           |
| John Cass Business School   | West Screen Producer cohort training                                       | 10,000           |
| South West Film and Television  | Website development  | 21,500           |

### Schedule 3 : Lottery awards made from UK Film Council delegations in the year ending 31 March 2010 continued

| ORGANISATION  | PROJECT  | £                 |
|---|--|-------------------|
| Watershed Media Centre  | Reimagining the moving image for a multiplatform digital environment | 100,000           |
| 43 miscellaneous awards less than £10,000 each                                    |  | 138,646           |
| <b>Digital Film Archive Fund awards</b>   |  |                   |
| Arthur Cox Ltd  | A Time Travellers Guide Phase II                                     | 30,000            |
| Awen Productions CIC  | The Tre Project  | 10,000            |
| Azook CIC   | Home of Innovation: the Holman Years                                 | 10,000            |
| The Dartington Hall Trust   | Between the Moor and the Sea   | 20,000            |
| Mosaic Films  | Britain Recut (South West)   | 15,000            |
| South West Film and Television Archive  | Faces and Places of the South West from 1960 to the 1980s            | 30,000            |
| University of Plymouth: IDA 360   | Immersive Digital Arena  | 12,000            |
| 9 miscellaneous awards less than £10,000 each                                     |  | 48,858            |
| <b>2012 Partnerships awards</b>   |  |                   |
| <b>Total</b>  |  | <b>486,004</b>    |
| <b>Total Lottery awards made through delegations in year ending 31 March 2010</b> |  | <b>10,867,184</b> |

# 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 issued financial directions to the UK Film Council. These were updated by the Secretary of State in April 2007 and are as follows:

The UK Film Council shall comply with the requirements contained within the Statement of Financial Requirements, which have the status of directions under section 26 of the National Lottery etc. Act 1993, ('the Act') as amended by the National Lottery Act 1998 ('the 1998 Act'). The Statement of Financial Requirements complements the UK Film Council's Management Statement and Financial Memorandum (MS/FM), which deals with corporate management matters and with the application of non-Lottery funds, and should be read in conjunction with the MS/FM.

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 2009/10. A copy of the statement of financial requirements is available from the UK Film Council.

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 UK Film Council or individual members of the UK Film Council. This procedure, together with a statement confirming the arrangements that have been applied, should be provided to the Secretary of State for Culture, Olympics, Media and Sport 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 procedures for dealing with conflicts of interest and maintains a register of interests of all board directors and staff and, to the best of its knowledge, it abided by this procedure in 2009/10.

### Policy directions

Under the National Lottery etc. Act 1993, the Secretary of State for Culture, Olympics, Media and Sport issued policy directions, which the UK Film Council must take into account in distributing National Lottery funds. These were updated by the Secretary of State in April 2008.

#### A The need to involve the public and local communities in making policies and setting priorities.

The UK Film Council consults widely on its strategy and Lottery funding schemes, but retains the discretion to vary and amend schemes or introduce new programmes within schemes in order to meet public and film industry sector needs.

A wide-scale public consultation was undertaken between November 2009 and February 2010 on the three year strategic plan for the period 2010-2013. More than 900 responses were received and helped to refine a number of priorities contained in the plan.

#### B The need to increase access and participation for those sections of society who do not currently benefit from opportunities available in the United Kingdom.

The UK Film Council ensures that equality and diversity are central to all activities thus allowing sections of society to have access to or benefit from funding, taking into account differences in values, attitudes, cultural perspectives, beliefs, ethnic background, abilities or disabilities, skills, knowledge, geography, age and life experiences.

#### C The need to inspire children and young people, awakening their interest and involvement in the activities covered by the good cause.

Children and young people are targets of specific 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 and the UK-wide Film Education Fund is designed to ensure that all young people in the UK have the opportunity to learn about film and creative possibilities.

**D The need to improve community cohesion and/or social inclusion.**

The UK Film Council ensures that the benefits of Lottery funding are spread widely, in both geographical and social terms. Creativity and diversity in the film sector is enriched by encouraging the participation of people from a wide range of communities.

**E The need to encourage new talent, innovation, and excellence and help people to develop new skills.**

The UK Film Council provides opportunities for filmmaking talent to flourish. The freshness and relevance of the films produced have been recognised by the international film industry awards they have won. As well as direct support for filmmaking, the UK Film Council invests in training talent. In partnership with Skillset, the Sector Skills Council for the Creative Media, a comprehensive strategy has been created for training and skills.

**F The need to ensure that money is distributed for projects which promote public value and which are not intended primarily for private gain.**

It has always been a primary intention of the National Lottery that it should improve the quality of life for people throughout the UK.

All applicants, including private, voluntary or commercial organisations, have to be able to demonstrate the benefit to the public that would result from their proposed project. The UK Film Council applies a range of criteria in order to ascertain that an appropriate level of public benefit is derived from each project. These criteria include the creative and technical quality of the project and its contribution towards the UK Film Council's strategic objectives, including strengthening the film industry, broadening the audience for film and extending access to film.

**G The need to further the objectives of sustainable development.**

Technological development is supported through encouraging the use of digital production techniques and associated processes.

On location filming of any Lottery-funded films, producers are expected to be sensitive to the needs of the environment and the use of natural resources, returning locations back to their original state in environmental terms, after use.

The Digital Film Archive Fund supports innovative programmes offering wider public access to the UK's screen heritage and the long-term availability of access to such material.

The UK Film Council works with other Lottery distributors and the Department for Culture, Media and Sport in developing proposals for sustainable development.

**H The importance of ensuring equality of opportunity and the desirability of reducing economic and social deprivation and of ensuring that all areas of the United Kingdom have access to the money distributed.**

All parts of the country have access to UK Film Council Lottery funding through applications for training, development, production, distribution and exhibition activity.

The Regional Investment Fund for England is channelled through the nine strategic agencies across England. First Light Movies, the Film Skills Fund, the UK Film Education Fund and the Digital Film Archive Fund all deliver projects in areas across the UK.

**I The desirability of working jointly with other organisations, including other distributors.**

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 that can be delivered locally along with other local agency objectives.

Skillset and First Light are the two other Lottery delegate partners delivering key aspects of our strategy.

# Statutory background continued

**J** The need to ensure that all those receiving Lottery money acknowledge it using the common Lottery branding.

The UK Film Council ensures that the Lottery is credited on all projects in receipt of Lottery funding through the use of the credits on films, branding on other materials and/or the display of plaques.

**K** The need to require an element of partnership funding, or contributions in kind from other sources, to the extent that this is reasonable to achieve for different kinds of applicants in particular areas.

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.

**L** The need (a) for money to be distributed to projects only where they are for a specific, time-limited, purpose, (b) to ensure that the UK Film Council has the necessary information and expert advice to make decisions on each application and (c) for applicants to demonstrate the financial viability of projects.

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

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

The UK Film Council reserves the right to request that applicants provide any additional information that may be required in order to properly assess each 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.

**M** Where setting up costs are sought, the need for a clear business plan showing how any running and maintenance costs will be met for a reasonable period.

Financial viability is a key factor in the assessment of UK Film Council Lottery applications and this issue is 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.

**N** The need to make the UK a global hub for film in the digital age, with the world's most imaginative, diverse and vibrant film culture, underpinned by a flourishing competitive film industry by:

- i. improving the quality of British films and raising their profile in the marketplace;
- ii. stimulating greater choices for audiences;
- iii. encouraging participation and opportunities for learning;
- iv. promoting the UK in the wider world.

The allocation of National Lottery funds by the UK Film Council is influenced by the need to strengthen the industry's structure and workforce; to improve the quality and commercial viability of British films; and to support the distribution of specialised film in the analogue and digital environments, helping to ensure UK audiences have access to film in all its variety.

Our three year plan, *Film in the Digital Age, April 2007 – March 2010*, sets out the UK Film Council's priorities, which were informed by an assessment of the public needs of the film sector and followed an extensive consultation. The extent to which these priorities are being met is considered in greater detail elsewhere in this report.

○ Where awards are made in relation to feature film production or distribution projects, the UK Film Council should take into account:

- the need for recipients of awards for film production to pay the set contribution towards the Skills Investment Fund (SIF);
- the need for recipients of awards to comply with recognised industry best practice and agreements relating to pay and the employment of trainees;
- the need to conserve and expand the UK's film heritage by requiring the deposit of Lottery funded productions and other selected material in the collections of the British Film Institute or the national or regional archives as designated by the UK Film Council;
- the need for feature film development and production projects to be capable or substantially capable of qualifying as 'British films' (in accordance with the procedures set out by the DCMS); and
- the need to improve public access to film through the use of audio-description and/or subtitling for the hard of hearing.

All relevant projects in receipt of this type of funding are required, contractually, to comply with these conditions.



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