



BRITISHFILMINSTITUTE
GROUP AND LOTTERY
ANNUAL REPORT AND FINANCIAL STATEMENTS
2012-13

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**BRITISH FILM INSTITUTE
GROUP AND LOTTERY
ANNUAL REPORT AND FINANCIAL STATEMENTS 2012-13**

**BRITISH FILM INSTITUTE Group and Lottery Annual Report and Financial
Statements for the year ended 31 March 2013**

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MISSION AND VALUES

British Film Institute

The BFI's mission is to ensure that film is central to our cultural life, in particular by supporting and nurturing the next generation of filmmakers and audiences. The BFI serves a public role which covers the cultural, creative and economic aspects of the film in the UK.

Founded in 1933, the BFI is a registered charity governed by Royal Charter. Under the Royal Charter, the BFI has five objectives which aim to champion the diversity of film culture:

- To encourage the development of the arts of film, television and the moving image throughout the UK
- To promote their use as a record of contemporary life and manners
- To promote education about film, television and the moving image generally, and their impact on society
- To promote access to and appreciation of the widest possible range of British and world cinema
- To establish, care for and develop collections reflecting the moving image history and heritage of the UK

Film Forever is the BFI's strategic plan for 2012-2017, which covers all BFI activity, and focuses on three priority areas:

- Expanding education and learning and boosting audience choice
- Supporting the future success of British film
- Unlocking our film heritage.

In carrying out its duties, the BFI undertakes to:

- Consider the views of the industry, our audiences and our partners
- Be efficient, effective and accessible
- Be honest, open and accountable for our actions
- Provide clear and appropriate information, guidance and feedback
- Share and learn best practice in order to continually improve the services on offer

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CHAIRMAN AND CHIEF EXECUTIVE'S REPORT

As a significant contributor to Britain's GDP and major provider of jobs and skills, film is a cornerstone of the UK's economic growth agenda. While the UK represents just 1% of the world's population, it accounts for 7% of global revenues in film – making us the third largest consumer of film by value. We are also the third largest production centre in the world by value, with 8% of global production. The BFI's new five year plan *Film Forever* is expressly designed to strengthen and shape the future of UK film with an investment of almost £500 million over the next five years to help drive industry growth, build audiences and stimulate vibrant film culture which together sow the seeds for future prosperity.

The performance review that follows details the main activities undertaken by the BFI during 2012-13. It was a pivotal year of change for the BFI with the launch of a five year plan *Film Forever*, informed by Lord Smith's independent review of film policy. Recent changes to the way in which film is supported in the UK, coupled with the closure of the UK Film Council presented challenges and opportunities both at home and abroad. One of the BFI's initial priorities was to work proactively with Government and partners across the UK in Scotland, Wales, Northern Ireland and England to rebuild confidence so we went into listening mode. A vast and immensely valuable public consultation was conducted with over 1,000 individuals and organisations online, in person and at presentations in Glasgow supported by Creative Scotland, Belfast supported by Northern Ireland Screen, Cardiff with the Film Agency Wales, and with Creative England in Birmingham, Manchester, Newcastle, Sheffield and London. We also held an event at the Cannes Film Festival to hear from International stakeholders. The response we had to all of this engagement showed enthusiastic support for emerging proposals, with specific calls that the final plan should contain more detail, that the priorities would be linked and that the detail of the proposals should build on success rather than duplicate existing activities and initiatives. Over the summer the five year plan *Film Forever* was finalised, and launched in September in Sheffield, indicating from the start that there would be an out-of-London emphasis on support for creative growth.

A new era for the BFI emerged, with a new ambitious plan '*Film Forever*' that aims to support growth by linking cultural and creative activity in a fresh way. It centres around three strategic priorities:

- Expanding educational opportunities and boosting audience choice across the UK
- Supporting the future success of British Film
- Unlocking film heritage for everyone in the UK to enjoy

For the first time the strategy puts audiences at the heart of film policy in the UK with a renewed commitment to future generations of audiences, future generations of filmmakers and the future opportunities presented by digital technologies to unlock the potential pleasure and business opportunities from the UK's rich film heritage.

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The plan was put together in the context of a lower level of government grant given the current economic climate but increased lottery funding. Very shortly after launching our five year plan, in common with most government funded bodies our grants were reduced by 3% (£0.929m) with further reductions planned for 2015. Since 2011 our lottery funding has increased by £11m (27%) which has enabled us to introduce some exciting new initiatives, further strengthening our strategic priorities for film. Nevertheless, lottery funding can only be used in specific ways and cannot completely mitigate reductions in Grant-in-Aid. We are always looking for other ways to raise alternative sources of income including our own fund raising capabilities. The BFI's performance in growing its own earned income over the last 5 years has averaged an increase of 5% over inflation, and as such has done much to sustain activities against a backdrop of significant restructuring which has absorbed significant management resources at the BFI. We are aware of the huge potential for film in terms of growth but conscious that reductions in the amount of taxpayer funding we receive may well continue.

We are ambitious for film, from making available the world-class collections of film we look after on behalf of the nation and supporting the talent of the future to inspiring the next generation of audiences for film. So we will be looking afresh in the coming year at new sources of income and further prioritisation of activities to build on the restored Industry confidence, the positive and collaborative UK-wide reception to our five year plan, and the whole series of stunning activities that have already been achieved this year. We will continue to make the case to Government that public investment in film can offer considerable growth opportunities.

Greg Dyke
Chair, Board of Governors

Amanda Nevill
Chief Executive

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WHAT WE DELIVERED THIS YEAR

PRIORITY ONE

Expanding educational opportunities and boosting audience choice across the UK

- **BFI FILM ACADEMY**

The BFI Film Academy programme is a £3 million investment over three years by the Department for Education to give a small number of talented and committed young filmmakers across England an opportunity to develop their skills ready for a career in film. We appointed 24 delivery partners across the country to run film training courses for 16-19 year olds. Almost 500 young would-be filmmakers completed the training and 54 of the most promising went on to attend a residential programme at the National Film and Television School - the first ever national residential course of its kind. The two week campus was a life-forming experience for those young people selected and offered a unique opportunity to work with top industry professionals to make short films. The programme included, working with partners BAFTA, Pinewood and the National Film and Television School, a series of masterclasses with leading filmmakers such as top cinematographer Brian Tufano, film director Edgar Wright and leading producer Rebecca O'Brien. Each student received tailored industry support and visits to the BFI National Archives and Pinewood Studios, with the chance to learn a craft specialism. The short films made by the students were showcased at a special gala screening before a packed audience of industry guests, families and friends at BFI Southbank. Our ambition is to extend the BFI Film Academy UK wide.

- **NEW EDUCATION ORGANISATION SET UP AND FUNDED**

During the year we laid the groundwork for a bold and visionary new film education programme to be made available to every 5-19 year old and the 26,700 schools in the UK. We called for submissions for a lead organisation to establish and deliver a single unified programme for watching, making and learning about film. The award of £26 million Lottery funding over four years was made to FILM NATION UK, a brand new organisation which has been built on the legacy of film education providers First Light and FILMCLUB. They inspired the selection panel with an innovative and dynamic vision for young people from a diversity of backgrounds for film which will include festivals, after school activities, and an online platform for 5-19 year olds as well as a wealth of interactive learning tools and resources for teachers, parents and carers.

- **ACADEMIC RESEARCH AND ADVOCACY**

Recruitment for a BFI Director of Education is underway.

During the year we carried out a survey of film education provision in Europe, funded by the European Commission MEDIA Unit and delivered through a consortium of 12 pan-European partners. The resulting report, *Screening Literacy*, is the first such survey in a generation and its findings have provided the European Commission with new shared definitions of film literacy, and intelligence on film education in 30 countries.

We partnered with Brunel University in our first research-based programme looking at the prospects for reaching diverse audiences with diaspora film.

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- **BOOSTING AUDIENCE CHOICE ACROSS THE UK**

BFI funding, through both Grant-in-Aid (G-i-A) and Lottery, aims to deliver greater film choice to audiences as never before with new lottery initiatives supporting a new UK wide audience network, support for a greater diversity of film programming including greater access across the UK to the BFI's own cultural programme, support for distributors of film, and pioneering new online apps and a BFI Player (an exciting new VoD platform), and greater partnerships with broadcasters.

- **TRANSITIONAL FUND**

To bridge the period until the publication of *Film Forever* and the announcement of our new Distribution and other funds, we introduced a transitional Strategic Audience Development Scheme for 2012–2013 to support organisations such as film festivals and independent cinemas across the UK in delivering their audience development and other activities. Nine organisations were awarded a total of £3.7m and included Your Local Cinema, Encounters Festival, Sheffield International Doc/Fest, Edinburgh International Film Festival and the British Federation of Film Societies.

- **THE NEW BFI AUDIENCE NETWORK**

The UK Audience Network as outlined in *Film Forever* is a new initiative encouraging exhibitors and partners to come together to benefit from economies of scale. The network members will develop and share their expertise, programme collaboratively, share marketing and audience development ideas to grow audiences and offer a greater choice of film. The Network will be made up of eight to ten regional Hub Lead Organisations (HLOs) and, aware that the future success will wholly depend on a strong collaborative shaping from the beginning, the development of the initiative has involved wide consultation and development. The scheme is now designed, and we are currently in the process of selecting partners ready for the Network launch in July 2013.

A new Programming Development Fund is being developed in tandem to support programming initiatives across the new UK Audience Network. The fund will aim to make a significant impact on choice and diversity of programming available across the UK with the fund de-risking programming decisions helping network members to make more bold and adventurous programming decisions. The new fund will be finalised by summer 2013.

The newly designed Distribution Fund was launched in January 2013 with the express aim of boosting audience choice and enriching film culture by supporting the distributors of high quality British independent and specialised films and helping them to find new audiences right across the UK, particularly outside London. The Fund has four strands specifically designed to address different types of films, release strategies and the associated challenges and opportunities in the marketplace:

- *Big Audience*: significant Print and Advertising (P&A) awards to support ambitious releases of new British films with the potential to reach a wide UK audience
- *Breakout*: supporting increased audience reach for exemplary specialised British and World Cinema
- *New models*: encouraging new thinking in distribution and marketing, including new release models that harness emerging digital platforms; and the creative and audience-building opportunities offered by cross-media activity

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- *Sleepers*: flexible and responsive support for upcoming or in-release films which take the market by surprise.

- SUPPORT FOR FILM FESTIVALS

In *Film Forever* we made a commitment to support a broad range of film festivals, from those with a local or specialised focus serving specific communities, through to UK festivals of national or international reach. Applications to the Film Festivals Fund were opened in January and we expect to make the first awards early in 2013/14.

- BFI DIGITAL

We are currently developing a range of new services including BFI branded channels, VoD services and new apps for tablets, PCs and mobiles. Our website bfi.org.uk was re-launched to coincide with the *Genius of Hitchcock* programme (see below) with online elements supporting the offline activity. The bold new initiative, the BFI Player will be a powerful new platform where we aim to provide the whole BFI experience on-line is being developed and tested for launch in autumn 2013 coinciding with the BFI London Film Festival. An important pilot Internet TV app developed in partnership with Samsung to build our understanding of audience take up was launched in July 2013. The app will be available on tablets, on smart TV's and will offer audiences a rich choice of BFI films, interviews and information about film.

Our presence on social media is also broadening audience reach and by the end of the year we were fast approaching 150,000 followers. The web site clocked up just under 11 million users.

In addition to working with LoveFilm, Blinkbox and other VoD platforms, BFI films were shown on The Space, the joint BBC/ACE experimental online platform launched to coincide with the London Olympics, and by the end of the year there had been 48,000 views of 30 BFI films via this site. In the year there were 2.4m hits on the BFI Youtube channel.

Initial discussions with the new local television broadcasters are taking place with a variety of ideas to increase the choice of film available.

- THE BFI CULTURAL PROGRAMME

The work of Alfred Hitchcock was the subject of the BFI's first-ever 'blockbuster' cross-platform programme - *The Genius of Hitchcock*. It centred around the nine surviving and little-known silent films of this great British director and master of suspense and we launched a fund-raising campaign, *Rescue the Hitchcock 9*, to help pay for the restoration of the films, commission new scores for some of the films and bring them to new audiences on the big screen as they were meant to be seen. Our campaign raised more than £1 million in two years thanks to the generous support of hundreds of individuals around the world, BFI Members and Patrons, trust and foundations, film societies, corporate and cultural partners. We have pristine new prints of some of the masterpieces of early British silent cinema and can see for the first time the motifs and obsessions we have all come to recognise today as Hitchcockian. At the same time we launched a worldwide hunt (which is still ongoing) for the missing tenth silent film *The Mountain Eagle*.

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The season showcased spectacular premieres of the restored silent films with live music, four of which were supported by LOCOG and formed a core component of the London 2012 Festival. Following their London premieres, the films were toured UK-wide and internationally. *The Lodger* played at 60 venues throughout the UK, and began its international tour as a Cannes Classics selection at the film festival in 2012. Edinburgh International Film Festival showed all nine titles. This was followed by screenings in New Zealand, at Copacabana Beach in Brazil, the Ukraine, the Academy of Motion Picture Arts & Sciences in Los Angeles, in Kerala in India, and Shanghai in China, with an extensive North American focus due to start in June 2013.

Encompassing the ambitious restoration project, *The Genius of Hitchcock* season comprised a comprehensive retrospective of Hitchcock's better known classics, a packed programme of events and talks, an exhibition of production papers and stills exploring Hitchcock's relationship with the UK, and a specially commissioned book *39 Steps to the Genius of Hitchcock: A BFI Compendium*, featuring 39 lavishly illustrated new essays written by some of the world's foremost authorities on Hitchcock. The book was shortlisted for the Kraszna-Krausz award for Best Moving Image Book of the Year.

- BFI SOUTHBANK

BFI Southbank offers one of the most varied and eclectic programmes of film and television screenings, events, talks and exhibitions in the UK and this year attracted 293,000 attendances to more than 3,017 screenings and events. Other highlights of the year included our biggest retrospective of Ealing Studios for 30 years which offered a major re-evaluation of the celebrated studio, with a focus on its lesser-known 'darker' titles alongside the much-loved comedies and rarely seen WW2 propaganda shorts. *The Genius of Hitchcock* became the highest grossing season of the year and contributed 18% of our overall revenue, followed by the hugely popular 'Screwball' themed season in January, which celebrated one of the best loved sub-genres of classic American cinema. Other seasons offered retrospectives exploring the work of Vincente Minnelli, new BFI Fellow John Boorman, Jonas Mekas, Im Kwon Taek and Roman Polanski.

Some of our highest average occupancies were achieved by more contained TV seasons such as *Jacobean Tragedy* and also our music video strand *BUG*, hosted by Adam Buxton. We drew a high profile line-up of guest to present their 'Screen Epiphanies'. Helen Mirren, David Walliams, Martin Landau, Tippi Hedren and Asif Kapadia all came to select and talk about a film that inspired them. Meanwhile Joanna Hogg, Clio Barnard and Carol Morley spoke to audiences for our *Made in Britain* focus on women directors; our film and TV previews featured guests such as Charlotte Rampling, Whit Stillman, Ken Loach, Sam Mendes, Richard Eyre, Simon Russell Beale and Matt Smith.

It was another strong year for partner projects at BFI Southbank, with highlights including the BFI and BAFTA Screenwriter Lecture Series in association with the JJ Charitable Trust; the Sheffield Docfest, showing programmes simultaneously with the festival in Sheffield for the first time, another vibrant edition of science fiction festival Sci-Fi London, a popular celebration of comedy in cinema with Loco London Comedy Film Festival and two important ongoing partnerships with Asian film festivals Tongues On Fire and the London Indian Film Festival.

Our BFI Southbank Adult Community programmes provide access to high quality film education opportunities for many different communities across London. Highlights this year included a weekend programme of films by documentary maker Anand Patwardhan for predominantly south Asian

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audiences; our second two-week Legacy Media Institute, a training programme for emerging filmmakers from BAME backgrounds; and altogether 25 events for diverse audiences, reaching nearly 5,000 people. For the fourth year, we joined the Cinémathèque Française in Paris for its annual exploration of film 'le Cinema cent ans de jeunesse'. School groups from London, Lincolnshire and Edinburgh follow a structured programme of watching, making, and 'thinking' film.

Future Film, our young programme, continues to grow in audience numbers and national and international reach. The 6th Future Film Festival in February brought 3,000 young people to a weekend of events at BFI Southbank, with masterclasses, screenings, and a short film competition that attracted 300 entries from all over the UK. Over 7,000 pupils of all ages visited the BFI as part of the schools' programme to engage with film in Modern Languages, English, and primary topics, as well as for Film and Media Studies. And the families programme ran a number of energetic monthly Fun Days at BFI Southbank, which this year featured fantasy film (as part of the John Boorman season) and suspense.

- THE BFI LONDON FILM FESTIVAL

The 56th BFI London Film Festival in partnership with American Express once again broke all records with the highest-ever audience attendance – up 13% year on year to 150,000. Under new leadership, the Festival introduced competition sections, new programme sections and was presented in a condensed 12 day timeframe. This year also marked the inclusion of more cinemas in London and two cinecast screening events that attracted audiences across the UK. We also attracted a record number of Industry delegates of which 43% were international visitors. It was a strong year for British cinema in the festival line-up, with 10 British features and one short film, all backed by the BFI Film Fund, including the Closing Night Gala *Great Expectations* (2012) and the BFI National Archive's gala screening of *The Manxman*, which rounded off our historic *Genius of Hitchcock* celebration.

- THE BFI LONDON LESBIAN AND GAY FILM FESTIVAL

The hugely popular BFI London Lesbian and Gay Film Festival saw a 5% increase in overall attendance this year from 21,000 to 22,000 and sell out screenings. We welcomed over 300 international delegates (press, film-makers and industry) to BFI Southbank over the 10 days of the Festival and the opening night film was the European Premiere of *I Am Divine*, a documentary about the life and legend of the extraordinary performer, actor and drag queen.

- BFI CULTURAL PROGRAMME ON TOUR

The BFI releases classic films that wouldn't be available for audiences to see otherwise. Alongside the extensive Hitchcock 9 international tour, other titles distributed included the longer version of Stanley Kubrick's influential feature *The Shining* for the first time in the UK, booking to more than 170 venues, from independent cinemas to major chains. Other major titles released this year included *Chinatown*, *The Lodger*, *Babette's Feast*, *It Always Rains on Sunday*.

BFI Bookings works with nearly every exhibitor in the UK, from major venues and film festivals to film clubs and pop-ups screenings. No matter how small or how remote we aim to get the film to your audience. This year we welcomed 520,000 admissions to cinemas, just under a million to unticketed special screenings in UK museums and other non cinema spaces, and 300,000 to screenings internationally. Over 1,000 films were dispatched in the year.

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- BFI MEDIATHEQUES

More than 30,000 people watched films from the BFI National Archive and other collections at BFI Mediatheques across the UK. During the year 158 titles equating to 107 hours of material were added. We opened Scotland's first BFI Mediatheque at Glasgow's Bridgeton Library in the newly redeveloped Olympia building and it includes 'Scottish Reels' – a specially commissioned selection of film and television from the collections of both the BFI and the Scottish Screen Archive which span more than a century of Scottish life and culture.

- BFI DVD

The BFI DVD label weathered the impact of the closure of the retail giant HMV and ended the year with some best-selling titles including the *BBC Ghost Stories for Christmas*, *British Transport Volume 10* and *Roll Out the Barrel*, a collection of Archive films about pubs. 'Ghost Stories' generated an incredible 21% of the year's entire revenue and became our biggest selling day one DVD release of all time. Overall 276 thousand units were sold.

- BFI SALES

Our B2B footage sales worked closely with three key feature films based almost entirely on archive footage. *From the Sea to the Land Beyond* (2012), edited by Penny Woolcock was a partnership with Sheffield DocFest and The Space, featuring 100 years of BFI archive film of the coastline and a new score by British Sea Power. The film achieved viewing figures of half a million on BBC4 and won a Focal award. Julien Temple's *London – the Modern Babylon* (2012) was made as part of the Cultural Olympiad and is one of our best-selling DVD titles of the year.

- BFI SIGHT AND SOUND MAGAZINE

2012–2013 was a significant year for *Sight & Sound* with the unveiling of the *Sight & Sound* digital edition and archives – the magazine is now available as an interactive desktop edition as well as a custom-built App for iOS devices. The digital version was launched in tandem with a radical redesign of the magazine which included our once-a-decade All Time Best Film Poll. Sales of that issue doubled and the online poll was visited by over a quarter of a million people in the first month alone setting a new record.

PRIORITY TWO

SUPPORTING THE FUTURE SUCCESS OF BRITISH FILM

The UK film industry supports over 117,000 jobs and contributes £4.6 billion to Britain's economy. Latest figures show box office receipts at a record high, with UK films earning 15% of the worldwide gross box office. Exports last year reached £1.7 billion, creating a trade surplus of £1 billion, and the industry generated around £2.1 billion in tourism with people visiting UK locations they have seen in films and other film attractions. This makes the public funding to help promote a flourishing film culture and a prosperous film industry all the more vital if we are to increase the economic value of film in the UK and help grow the economy as a whole.

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New BFI research commissioned this year pinpointed the absolute imperative to invest in the long term future potential for film growth in China, Brazil as well as the US.

The BFI supports filmmakers and across the value chain, through Lottery grants from the Film Fund and the P&A Fund (now renamed Distribution Fund), certifying British films eligible for tax relief and facilitating access for film companies to EU funding with the help and assistance of the MEDIA Desk UK. We also provide support through a range of UK-wide partners the key being as Creative England, Film London, Creative Scotland, the Film Agency for Wales and Northern Ireland Screen, Creative Skillset, and the British Film Commission.

- DEVELOPMENT AND PRODUCTION

During the year the BFI Film Fund made awards to 194 films, including development, production and international support, amounting to £19.8 million. Projects awarded funding include Ben Wheatley's *Sightseers* which was considered the breakout hit of the Director's Fortnight strand at the Cannes Film Festival in 2012, James Griffiths' *Cuban Fury*, Amma Assante's second feature *Belle*, and Jonathan Glazer's *Under The Skin*.

British films featured extensively at international festivals through the year. Four films supported by the Film Fund received their world premieres at Cannes, with Ken Loach winning the Prix du Jury for *The Angels' Share*. Also included were *Sightseers*, Rufus Norris's *Broken* which opened Critics Week and Fyza Boulifa's *The Curse* which won in the best short film category. Over 30 films with UK involvement were in the official selection at the 2012 Toronto International Film Festival, including eight productions backed by the BFI Film Fund. The Sundance Film Festival saw the screening of Film Fund films *Sightseers* and *The Stuart Hall Project*, while at Berlin there were 19 British feature films in selection including the world premiere of Ken Loach's archive documentary *The Spirit of '45*, funded by the BFI Film Fund.

Creative England, partnering with the BFI Film Fund, BBC Films and Creative Skillset, announced the iFeatures2 development slate. One of the strongest features of this year's slate was its tremendous variety and geographical spread. Three films were greenlit into production with £350,000.

Film London supports a range of production activity across London and highlights include; the annual *Best of Boroughs Film Awards* a showcase for Film London's grassroots shorts fund which aims to discover the next generation of talent, stimulate local filmmaking and develop new skills across London; and the micro-budget training through production scheme *Microwave*

- BFI VISION AWARDS

In January we launched the Production Company Vision Awards, an initiative that provides up to £2.8 million over two years to support 20 film companies and help drive much needed new work opportunities for UK writers, researchers, script editors and others, contributing to job creation and skills development in the sector. Awards were announced in May 2013.

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- CREATIVE SKILLSET

Creative Skillset is delegated Lottery funds by the BFI in order to deliver learning and skills. Their strategy, *The Bigger Future II*, was developed as an ambitious and long term approach to training and skills development. It addresses the key skills and training needs of the industry to deliver maximum economic and cultural return: safeguarding and creating jobs, nurturing talent and maintaining the UK's position at the forefront of the international film industry. Over 4,600 industry professionals were supported through the programme throughout the year. Creative Skillset successfully attracted a further £16m funding to invest in the skills needed to underpin continued future success in high end television, animation and games.

- INTERNATIONAL STRATEGY

Film is a global business and a core aim for the BFI is to strengthen the UK's position internationally. Inward investment to the UK by international filmmakers was worth £650 million in 2012/13 and is crucial in providing work for UK talent and film services, as well as a valuable contributor to the UK's economy. The economic health of the UK film industry is very dependent on its flourishing relationship with the US. The emerging BFI strategy to be published in 2013 will set out.

- how we expect to build on this key relationship
- which are the other key territories with potential for growth in the long term
- how to maximise the economic and cultural opportunity using all the activities in the BFI
- how we will seek to work collaboratively with all the other UK organisations to focus our joint resources to maximum effect
- How we will seek to influence policy to maximise the UK position
- How we will professionalise the presence of UK Film internationally.

In the year we invited all key agencies to join a working group to look at the development of a joint strategy. The group which included BBC Worldwide, UKTI, DCMS, BAFTA and the British Film Commission and partners from across the UK, has met regularly and early on agreed that the BFI should commission research to better understand the priority territories for the future. Detailed research by Oslberg identified two Key priority growth territories – China and Brazil, around which an action plan is being developed. The group agreed and adopted as a first deliverable a single banner and brand identity 'We Are UK Film', for the British film presence at international festivals and markets. The new brand represents the creative excellence and vibrancy of the UK's film industry whilst reflecting its regional diversity and it was rolled out for the first time at this year's Berlin Film Festival.

- NEW CO- PRODUCTION TREATY

During the period, the UK and Brazilian Governments signed a co-production treaty, the terms of which were negotiated by the BFI and Ancine. Film and TV productions that qualify under the terms of the treaty will, in the future, be able to access the benefits of national status in each country. The treaty is expected to be ratified in the autumn of 2014 following completion of its process through the Brazilian Government.

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- THE BRITISH FILM COMMISSION

The BFI provides funding to the BFC to enable it to maintain its activities in the US through attending key markets and festivals such as AFCl, South by Southwest, Sundance, and Toronto, and organising the annual familiarisation trip for key US producers. The BFC working with regional and national partners also provides tailored production support at the highest level from the earliest stages of development through to post production. The BFC and Film London again ran the *London UK Film Focus* (LUFF) which this year attracted 150 international film buyers to the capital for a four day event to acquire British feature films to show to international audiences and generated approximately £5.5m worth of sales in 2012.

- THE FILM EXPORT FUND

The Film Export Fund helps British films and companies to make sales abroad and to maintain an international profile for talent through marketing, publicity, technical and logistical support. This year we made 15 awards through the fund to support projects at the Berlin, Sundance and SXSW festivals, helping UK companies and films increase their export potential and reach wider distribution.

- EXPANDED ROLE FOR THE BFI FILM CERTIFICATION UNIT

The BFI Film Certification Unit is responsible for certifying films as British either under the Cultural Test or as a Co-production with a Treaty country. During the year 530 applications were received with 186 interim certificates/approvals made and 284 final certificates/approvals issued. In February DCMS confirmed that the BFI Certification Unit would take on the certification functions for the new Creative Sector tax reliefs for High End TV, Animation and Video Games from April 2013.

PRIORITY THREE

UNLOCKING FILM HERITAGE FOR EVERYONE IN THE UK TO ENJOY

Our third strategic priority is focussed on making the UK's screen heritage available to everyone by investing in preservation, digitisation, and interpretation so that as much of our heritage as possible is available to inspire audiences and filmmakers alike.. This commitment is integral to our broader cultural ambitions to support British film and British talent, and to provide a varied programme of British and international film which can attract a wide variety of new audiences – public and professional – to a deeper and richer range of film.

- RESTORATION WORK

In addition to the previously discussed major project Hitchcock restorations, *This Working Life: Steel* marked the final part of the BFI National Archive's project exploring three key UK industries as depicted on screen, having previously examined coal mining and shipbuilding. The project included the creation of preservation and new viewing copies of a number of key titles and a full restoration of *Steel* (1945), shot in Technicolor by Jack Cardiff

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- **SCREEN HERITAGE UK**

The new sub zero, low humidity vaults at the BFI's master film store in Gaydon came into operation at the start of the year, marking the end of a successful programme 'Screen Heritage UK' – a government funded project to secure the UK's film heritage and put in place the foundation for greater public access to the film collections cared for the BFI and other archives across the UK. The master film collection amounting to 330,000 cans of film has been transferred to optimum storage conditions that will preserve the films for generations to come. The state-of-the-art building has earned many plaudits for its sustainability and low energy usage design, with the architects, Edward Cullinan, winning the West Midlands Building of the Year at the 2012 RIBA (Royal Institute of British Architects) Awards.

- **BFI STILLS MOVED TO NEW ARCHIVE**

As part of our ongoing preservation work the Stills collection housed in London was moved to archival storage conditions at the Conservation Centre in Berkhamsted. Over 1.2 million images are now kept in new acid-free boxes and benefit from optimum storage conditions including inert gas fire protection. All the transparencies and negatives will eventually be transferred to sub-zero storage at our Master Film Store in Gaydon

- **DIGITISING THE UK'S FILM HERITAGE**

Our ambition is that over time all our film heritage will be digitised and audiences from all walks of life will have access to the films at the cinema, on DVD, online and on television. Access to the digitised film heritage will be embedded across all our strategic areas. We have committed to digitise and make available 10,000 titles in the next five years which will transform our collective understanding of British Film.

The majority of our film heritage is not digitised, and as cinemas rapidly move to digital we urgently need to digitise our moving image before they are left stranded in the analogue domain. Most platforms are already digital and public value is lost when audiences become frustrated at the lack of opportunity to see and enjoy their heritage. In the near future, it will be increasingly difficult for analogue film materials to be widely seen and eventually it will be almost impossible except in a museum context. Technologies and skills for handling and scanning film, and film stock itself are expected to vanish from the industry in as little as ten years.

Since the plan was launched in October preparation work has focussed on the design and tender for procuring the digital infrastructure. Designing the Work has started on the framework to be used to identify film titles for digitisation, including the planned initiative to directly ask the public to nominate the films they would like to see digitised. Initial selections include films chosen as part of the 2013 BFI Blockbuster 'Gothic' project, researching some of the non-fiction priorities including Victorian and Edwardian cinema, public information films; the completion of a first phase priority list of feature films.

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- **A NEW BFI REUBEN LIBRARY**

In June we proudly opened the doors to the exciting brand-new purpose-built BFI Reuben Library at our South Bank venue. The new library space offers greater access and free entry to the world's foremost centre of knowledge and learning for the moving image. The library move to BFI Southbank has allowed the BFI, for the first time, to develop a single and coherent creative vision across the venue, bringing together the whole BFI offer in one place – from the Mediatheque and programming, to education and collections. It has also enabled us to open at weekends and make the collections publicly accessible to a far wider audience. Since opening, visitor numbers have been steadily increasing and now average three times the target number.

The new library work would not have been possible without the generous support of our Principal Benefactor, The Reuben Foundation, and our Major Benefactors, The Edwin Fox Foundation, and The Dr. Mortimer and Theresa Sackler Foundation.

LEADERSHIP AND ADVOCACY

We seek to help ensure that public interventions provide optimal support for film in the UK, in particular British film, by positively influencing public policy including fiscal, regulatory and competition matters, at home and abroad. We provide leadership and practical support for the UK film sector where we can add real value to the work of others. The work of our highly valued Research and Statistics Unit enables us to adopt a strong evidence based approach to our policy interventions, backed up by rigorous research and statistics. Through the year the RSU has provided the sector with quarterly updates on elements of key industry and market measures; it published the Statistical Yearbook, which is a bible that helps inform decision making by the industry; and we also published during the year a new edition of the Oxford Economics report on the economic impact of film in the UK

Over the year, we have been addressing a broad range of policy issues including access to finance, intellectual property film education and European audiovisual policy. A few of the most important are summarised below:

- **The proposed changes to the EU State Aid regime:**

The European Commission has been consulting on a new draft Cinema Communication which will determine the rules whereby the UK Government, the BFI, the National Screen Agencies and others can invest public money in film. This regime covers interventions including the tax reliefs for Culturally British Films and Lottery funds for film production. Working with industry partners in the UK and with the European Film Agencies, we have contributed to the EC's decision to modify its original proposal which if unchallenged would have had the effect of seriously damaging the UK film industry which makes a contribution of £4.6 billion a year to Gross Domestic Product (GDP). The Communication is due to be published in autumn 2013.

- **Implementation of the provisions in the Digital Economy Act to significantly reduce copyright infringement (piracy):**

These provisions are still awaiting implementation. a problem has developed concerning statutory instruments relating to costs and the ability of the public sector to give back to the private sector any money not spent by Ofcom on the scheme. This issue has yet to be resolved.

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- **Proposed measures to legalise access to orphan works and to extend copyright exceptions.**

The Enterprise and Regulatory Reform (ERR) Act paved the way for the introduction of a licensing scheme for orphan works and for Extended Collective Licensing. The detail of the proposed schemes is now the focus of discussions between the Intellectual Property Office (IPO) and stakeholders including the BFI. The ERR Act also paves the way, via a proposed series of Statutory Instruments, for the expansion of existing copyright exceptions, such as widening the archiving and preservation exception to cover film, and for the creation of new exceptions, such as the private copying exception.

- **Full implementation of the proposals in the Henley Review of Cultural Education**

The BFI, together with Arts Council England, Creative England, English Heritage and Heritage Lottery Fund taken an active role in the Cultural Education Partnership Group and successfully overseen year one of the BFI Film Academy. We are now working with Arts Council England to develop an enabling curriculum for the cultural sector to help respond to the Department for Education's proposals in this sphere.

- **The introduction in 2014 by the European Commission of Creative Europe to succeed the MEDIA Programme**

With the EU budget for 2014-2020 now agreed, the Commission is finalising the budget for Creative Europe. The BFI is working with DCMS to ensure Creative Europe will meet the needs of the UK's audio-visual industry. Last year, support from the MEDIA Programme provided over €9 million for UK companies— up from €7.4 million in 2011. For example, 30 production companies received grants totalling €3.6 million and distributors and sales agents received around €3 million. In addition to these investments, 51 British films received €7.6 million to enhance their theatrical releases on the continent. With Creative Europe likely to be worth up to €1.8 billion for the period 2014-2020, it will be a much-needed boost for the cultural and creative industries, which are a significant source of jobs and growth. Creative Europe will allocate more than €900 million in support of the cinema and audiovisual sector. The Commission is also proposing to allocate more than €210 million for a new financial guarantee facility, which would enable small companies to access up to €1 billion in bank loans, as well as around €60 million in support of policy cooperation and fostering innovative approaches to audience building and new business models.

- **EU-US free trade negotiations**

More recently, the BFI has been working closely with partners to provide advice to Government on the position of the audiovisual sector in the run up to the negotiations for a Transatlantic Trade and Investment Partnership (TTIP). We were part of a group that included BSAC, PACT and the public service broadcasters, which commissioned a legal and economic analysis that was shared with the UK Government ahead of meetings of EU Trade Ministers. The audiovisual sector subsequently has been excluded from the negotiating mandate for the moment. This position is intended to safeguard the measures needed to support the Europe's audiovisual sector on cultural and economic grounds.

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- **Environmental sustainability**

A recent study estimated that film and TV production in London alone emits 125,000 tonnes of CO₂ each year, the same as 24,000 average homes. Just as we promote the UK's creative and technical standards as contributing to the nation being a world leader in film production, we also want to embed a commitment to sustainability as part of its appeal.

Sustainable development means meeting the needs of the present without compromising the ability of future generations to meet their needs. While there is an attractive ethical basis for such a comprehensive commitment, if implemented systematically it will also bring many other long-term benefits, including significant savings in energy and waste costs and an ability to stay ahead of possible changes in UK and EU regulation.

While we welcome and will support many of the excellent voluntary schemes already in use across the industry to promote a sustainable approach to film production, distribution and exhibition, we will also promote compliance with the official British Standard for "the sustainable management of the UK film industry". Launched jointly by the British Standards Institute and the BFI, this standard, BS8909, is a world first. As well as its reputational significance, is a point of potential competitive advantage for the UK industry. With advice from the British Standards Institute, the Standard was developed by the film sector itself. In addition to encouraging its adoption throughout the industry we are implementing our own management system that conforms to BS 8909. Through sponsoring other initiatives, such as greeningfilm.com website, we aim to encourage the whole UK industry to adopt working practices that will tackle sustainability challenges. Similarly, in partnership with BAFTA we hosted Greening the Screen, an event that examined the latest thinking on sustainable and low impact production and business practices within the film, television and games industry. It was attended by over 150 film industry professionals and included a trade fair and a panel event with green campaigners and sustainability champions.

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FUNDRAISING AND PHILANTHROPY

Your support helps us keep film alive – forever

Sharing the BFI's aims to expand film education, support British film and unlock film heritage for all, a number of generous trusts, foundations, individuals and corporations chose to support the BFI this year, providing more funding than ever before for key projects. Working in partnership with a range of supporters is crucial to enabling the BFI to reach both its core objectives and achieve its ambitions – and this year has seen unprecedented success in the number, range and significance of our partnerships. Many of our supporters have joined us at events throughout the year that have showcased the breadth of projects here at the BFI, such as the premiere of our restoration of Alfred Hitchcock's early silent film, *Blackmail* (1929) and the Opening Night Gala of the 56th BFI London Film Festival.

As the single lead body for film in the UK and with our exciting programme of projects, we have attracted support from those that share our passion for film. With the guidance of the International Development Council, under the leadership of Josh Berger CBE, we have significantly increased the number and contribution of individual donors this year. The successful relocation of the BFI Reuben Library to BFI Southbank in June 2012 was only made possible thanks to the generous support of our Principal Benefactor, The Reuben Foundation and Major Benefactors: The Edwin Fox Foundation and The Dr. Mortimer and Theresa Sackler Foundation. The Krasner Fund for the BFI was set up by Ella Krasner in 2012 to raise vital funds to support the BFI National Archive and the treasures in the BFI Collections through a series of events around the best of British film and film icons. We also had an incredible response to our Rescue the Hitchcock 9 campaign and a large number of new friends have joined as BFI Patrons.

A number of new initiatives were launched over the course of the year too, offering even more ways to support the BFI's charitable activities. These include The Magnificent 700 - our newly launched scheme to name seats in the BFI cinemas – and the Film Forever Club, which allows donors to play a vital role in the BFI's future and deepen their engagement with the organisation by making a three year philanthropic commitment towards specific BFI projects and ambitions that match their interest in film. Work is also progressing apace towards the inaugural BFI Fundraising Gala, planned for October 2013. The event, led by a newly appointed Gala Committee, will be a celebration of British Film and British Film Talent and will raise significant support for the BFI National Archive.

We received funding from an unparalleled number of sponsors for last year's BFI London Film Festival. As well as continuing to celebrate our year round and festival partnership with American Express, we welcomed new partner Nintendo to the festival with an exciting 3D film-making competition. We also saw longstanding BFI London Lesbian & Gay Film Festival sponsors Accenture join the BFI London Film Festival family for the first time. We were thrilled to launch phase one of our BFI Smart TV App, in partnership with Samsung and are looking forward to developing this product and other digital channels in 2013.

From a number of key trusts and foundations, we have raised funds for a range of important projects, including the new BFI Reuben Library, film restoration, education and many of our cultural seasons. The John Ellerman Foundation in particular, supported a Conservation Specialist at the BFI National Archive, enabling the restoration and preservation of important film titles, such as Alfred Hitchcock's *Easy Virtue* (1927), which were then made accessible to the public for the first time in decades. We have also continued our valued relationship with the David Lean Foundation who has significantly helped our fundraising efforts for the BFI National Archive, through its support of the post of Head of Trusts and Individual Giving.

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At a time when talk of philanthropy is paramount across the cultural sector, we can safely state that philanthropy has never been more important at the BFI. Our successes in the last year have shown that there is tremendous potential for new support of the BFI from those that share in our love of film. We are extremely grateful to all those who have helped us achieve our objectives and look forward to continuing working with all of our supporters in the coming year.

International Development Council Members 2012-13:

Josh Berger CBE (Chair)

Louis Elson

Tania Fares

Hani Farsi

Eric Fellner CBE

Kathryn Greig

Isabella Macpherson

Caroline Michel

Beth Mill

Joyce Reuben

Joana Schliemann

Dr Richard Wolman

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The BFI warmly thanks the following individuals and organisations for their generous support in 2012 – 2013:

PUBLIC SECTOR SUPPORTERS

Europa Cinemas
London Organising Committee for the Olympic Games
National Lottery through Arts Council England

TRUSTS AND FOUNDATIONS

The Eric Anker-Petersen Charity
British Board of Film Classification
Sir John Cass's Foundation
Chapman Charitable Trust
The John S Cohen Foundation
Community Union
John Ellerman Foundation
The Mohamed S. Farsi Foundation
The Edwin Fox Foundation
The Film Foundation
The Great Britain Sasakawa Foundation
The Headley Trust
The Hollywood Foreign Press Association
The Idlewild Trust
The David Lean Foundation
Ministry of Culture of the Republic of Lithuania
PRS for Music Foundation
The Reuben Foundation
The Rose Foundation
The Dr. Mortimer and Theresa Sackler Foundation

MAJOR DONORS

Hani Farsi
Simon W Hessel
Ella Krasner
Martin Scorsese
Matt Spick
Peter & Nancy Thompson

DIRECTORS CUT PATRONS

Eric Abraham
Peter Baldwin and Lisbet Rausing
Donald & Corrine Brydon
Amanda Eliasch
Simon W Hessel
Ian & Beth Mill
Joyce Reuben

EPIC PATRONS

Simeon Brown
Eric Fellner
Lynn M. Lewis
Betsy & Jack Ryan
Ms Francesca Tondi
The Stuart and Hilary Williams Foundation

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CLASSIC PATRONS

Stefan Allesch-Taylor
Francis Bennett
Josh Berger
Anthony J Berowne
Nick Blackburn
Rob Carrington
Cley Crouch
Carl Dalby
Sarah and Louis Elson
Jeff & Emily Fergus
Paola Ferretti-Johnson
Larisa Fuksman
Paul Gambaccini
Mike Gordon
Claude Green
Louis Greig
Michael Hamlyn
Derek and Maureen Harte
Ashley Highfield
Duncan Hopper
Rachael Horsley
Alexandra Joffe
Tanis & Sam Kawkabani
Nicola Kerr
Mr & Mrs Stephen Kirk
Steven Larcombe
Laura Lonsdale
Jackie Mountain
Amanda Nevill
John Reiss
Sarah & Philip Richards
Amy Ricker
Sue & Tony Rosner
Michael Sandler
Joana Schliemann
Nick Scudamore
Angela Seay
Jonathan Sellars
Gregory Stone & Annabel Scarfe
Sultan Torshkhoev
Dr Richard & Astrid Wolman

CORPORATE PARTNERS

Accenture
American Airlines
American Express
Diageo plc
Latham & Watkins LLP
Interbank LGBT Forum
Nintendo
Samsung
Shell
Sky Movies
Swarovski
TV5MONDE

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IN-KIND PARTNERS

Christie
Deluxe
Green & Black's
The Hospital Club
Icelandic Glacial
Konditor & Cook
M.A.C
The May Fair Hotel
MNX
Prime Focus
Renault UK Ltd
Soho House

FILM SOCIETIES

Budleigh Film Society
Cheltenham Film Society
Godalming Film Society
Lyme Regis Film Society
Maidstone Film Society
Silkscreen Film Society

RESCUE THE HITCHCOCK 9: MAJOR SUPPORTERS

The Pleasure Garden (1926)

Principal restoration funding provided by The Hollywood Foreign Press Association and The Film Foundation, and Matt Spick.

Additional funding provided by Deluxe 142.

Daniel Patrick Cohen's score commission supported with funds from PRS for Music Foundation.

The Lodger (1926)

Principal restoration funding provided by The Hollywood Foreign Press Association and The Film Foundation, and Simon W Hessel.

Additional funding provided by British Board of Film Classification, Deluxe 142, Shivendra Singh Dungarpur, and Ian & Beth Mill.

Downhill (1927)

Principal restoration funding provided by Simon W Hessel.

Additional funding provided by Deluxe 142 and The Headley Trust.

Easy Virtue (1927)

Restoration funding provided by The American Friends of the BFI, The John S Cohen Foundation, Deluxe 142, The Idlewild Trust and numerous film societies across the UK.

The Ring (1927)

Principal restoration funding provided by The Hollywood Foreign Press Association and The Film Foundation.

Additional funding provided by Deluxe 142 and The Mohamed S. Farsi Foundation.

The Farmer's Wife (1928)

Principal restoration funding provided by Matt Spick.

Additional funding provided by Deluxe 142.

Champagne (1928)

Principal restoration funding provided by The Eric Anker-Petersen Charity.

Additional funding provided by Deluxe 142.

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The Manxman (1929)

Principal restoration funding provided by Daniel & Joanna Friel and Ronald T Shedlo.
Additional funding provided by Deluxe 142.

Blackmail (1929)

Principal restoration funding provided by The Hollywood Foreign Press Association and The Film Foundation.
Additional funding provided by Deluxe 142, Pia Getty, Col & Karen Needham, and The Dr Mortimer and Theresa Sackler Foundation.

London 2012 Festival live events supported by The London Organising Committee of the Olympic Games (LOCOG).

Genius of Hitchcock retrospective at BFI Southbank supported by Sky Movies.

Thanks also to all our other supporters, including anonymous donors, BFI Champions, BFI Members and the American Friends of the BFI.

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KEY PERFORMANCE MEASURES

BFI Grant-in-Aid Performance Measures

Overall, the BFI's core operations have performed very well during 2012-13, with variations in performance and targets in different sectors largely due to external factors and the current time of economic austerity.

<i>All figures are '000</i>	2011-12 Actual	2012-13 Target	2012-13 Actual	2013-14 Target	Notes
BFI Southbank cinema admissions	295	265	293	269	A strong year for BFI Southbank, including an exceptional season of 9 silent Hitchcock films. The reduced target for 2013-14 reflects a prudent target and a more cautious approach to risk. .
London Festivals admissions	158	156*	157	157	Very good performances for both the festivals in a high risk year in terms of philanthropy and other income.
Cinema admissions to BFI material at non-BFI UK venues	458	520	522	530	Good performance – and with the investment in the Audience Network this should increase.
Cinema admissions to BFI material at overseas venues	254	358	298	342	A frustrating result as there is huge potential as demonstrated by the international tour of the 9 silent Hitchcock films proposed for 2013-14. However, the impact of the global switch from analogue to digital has had a greater adverse impact on BFI distribution than previously identified.
DVD / Blu-ray units Sold	273	289	276	239	Another solid year, but the target for 2013-14 reflects the weak DVD market generally and the associated retailer risk.
Sight & Sound units sold	244	272	222	228	A solid year against difficult market conditions for our key outreach publication, but investment in digital should maintain the position.
Books sold	45	48	48	48	Good performance
bfi.org.uk website users (including Screenonline)	7,618*	11,523*	9,797	10,200	Good performance following significant investment in digital, including social media.
Other Platforms.e.g. YouTube downloads	3,807	3,606*	2,205	3,320	New digital delivery will improve access and up-take going forward.

*Restated to reflect updated targets and classification changes.

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BFI Lottery Fund Performance Measures

With the consultation on and subsequent publication of Film Forever in October 2012, this year has largely seen a continuation of previous funding schemes, along side the launch of the first new initiatives towards the end of the financial year.

In 2012-13 Lottery funding continued to be used to strengthen the structure of the indigenous film industry and workforce and to improve the creative quality and commercial viability of British film. In addition two new major strands were added: Unlocking Film Heritage and the new Education offer.

The one-off award to Film Nation UK of £26m for Education offer, covers the period 2013-17, and the funds will be drawn down over that period. Previously single year awards had been made re the education strategy. The Unlocking Film Heritage is likewise a single award covering the period to March 2017

The following value and number of awards were made:

	2013 £m	2012 £m	2013 No. of awards	2012 No. of awards
Film Fund	19.8	21.8	194	175
Distribution & Exhibition	3.8	3.7	49	24
Transition Fund	-	1.8	-	64
Partnerships awards (including Education offer)	36.9	7.5	25	14
Unlocking Film Heritage	15.0	-	1	-
Total	75.5	34.8	269	277

In terms of outcome delivered:

- 8.2 m admissions to lottery funded feature films at the UK box office in 2012
- The market share of BFI-funded films in 2012 was 4.9%
- In 2012 55% of Film Fund films, released in the year, had received invitations and/or nominations for key industry festivals and awards
- 3,167 individuals were supported and benefiting in 2012-13 by Creative Skillset funding for skills and training
- 2,516 young people supported through the First Light programme
- At 31 March 2013 7,568 film clubs were operating in the UK

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FINANCIAL REVIEW**

Funding, Income & Investment in Charitable Activities

The Statement of Financial Activities shows a net increase in funds for the organisation of £7.3m. However £10.1m of this related to lottery activity and it should be noted that although these figures are included in the consolidated BFI accounts the Lottery monies are only available for the specifically defined Lottery distribution activities and are not available more generally for activities of the BFI. The non lottery activities of the BFI resulted in a negative movement in funds of £2.8m which primarily relates to non cash movements relating to depreciation, amortisation and an increase in the defined benefit pension scheme net liability.

As discussed elsewhere in this report 2012-13 was a year of consultation with stakeholders and the development and implementation of the future plan.

Under the terms of the Comprehensive Spending Review settlement the core BFI G-i-A has fallen, with further reductions in subsequent years. There are some one off timing differences regarding the receipt of these funds which distort the picture but the graph below summarises these movements to show the underlying trends in income.

Grant-in-Aid for BFI core charitable activities versus growth in own earned income (charitable activities)



Over recent years the BFI has steadily increased its self generated income to compensate for its reducing public funding and to allow it to maintain and develop its public programmes, the preservation of the BFI National Archive, maintaining our ageing premises and rising pension costs. We also have put programmes in place to drive efficiencies across all areas of the organisation. One significant change in the year was the outsourcing to Odeon Cinemas Ltd of the operation of the BFI London IMAX. This was done in part to secure a predictable net income, which increased this year to £2.5m (2012: £1.5m), although due to the change in accounting there is a reduction in both income and expenditure in the BFI as the profits are accounted for on a net basis from Odeon.

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The BFI received £55.0m (2012: £45.4m) of Lottery proceeds and recouped Lottery income in the year which contributed to a growth in net funds of £10.1m to £66.1m. As part of the future plan the intention is to reduce these reserves through future investment into our charitable activities.

The financial strategy continues to be to support the delivery of the BFI core objectives, to seek operational efficiencies to further drive down overhead costs and to seek to deliver increased income from charitable activities, including the exploration of new sources of income.

Due to the nature of its funding the BFI does not hold large cash balances, and its financial investment is focused on its property asset base and investing in people and activities to achieve its charitable objectives.

As part of becoming a Non-Departmental Public Body the BFI agreed to adopt Modified Historical Cost Accounting for its fixed assets. As a result it revalued assets as at 31 March 2012, resulting in a restatement of 2011-12 amounts. Most notably for 2011-12 an additional £1.0m of depreciation has been charged and fixed assets increased by £14.7m. Due to the movement in the valuation index, there has been a reduction in fixed asset values of £0.9m in 2012-13.

Incoming resources

The BFI recorded total income of £110.0m (2012: £165.4m), with the most significant difference being the one-off £50.9m of assets transferred in from the UK Film Council (UKFC) in the prior year. In addition the BFI also received one-off sums from DCMS in the prior year related to the transition costs of change and the Screen Heritage UK (SHUK) programme.

Income from Charitable Activities grew by 4% to £18.2m (2012: £17.5m), despite the drop in IMAX sales arising from the change in accounting following the Odeon deal.

Resources expended

Expenditure was slightly less than last year with total expenditure of £100.0m (2012:£105.5m). Last year included £4.6m relating to the sale and transfer of assets and the remaining underlying expenditure is similar. Of this £95.1m (95%) was invested in Charitable Activities (2012: £96.9m (92%)). The BFI invested in the following Charitable Activities;

- Education, Learning and Audiences;
- Supporting British Film; and
- Film Heritage.

In addition there was £1.0m of capital investment in the current year under the SHUK programme (2012: £6.6m).

Fund Raising

Fund-raising costs of £1.2m (2012: £1.0m) represent the cost of running the BFI Development Division in order to raise funds for the BFI. This was another successful year in raising funds for the BFI Southbank, Festivals and a host of BFI activities, in challenging economic conditions.

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Net Incoming / Outgoing Resources

Net incoming resources for the year amounted to £10.0m (2012: £59.0m), with the prior year largely due to the receipt of Lottery assets from the UKFC.

Transfer of pension liabilities

In the prior year, as part of the transfer of UKFC activities the BFI agreed to absorb the assets and liabilities of the UKFC's membership of the London Pension Fund Authority (LPFA) into its own LPFA scheme. The actuarial funding deficit for the UKFC was £0.3m and the BFI received additional funding from the DCMS to cover this, and this sum was paid over to the LPFA in the year. On an FRS 17 basis the UKFC deficit taken on was £0.9m.

Actuarial losses/gains on defined pension schemes

On the FRS 17 basis the net pension scheme deficit increased by £0.9m (2012: £14.5m) from £36.5m to £37.4m, including an actuarial loss of £0.1m (2012: £14.6m).

The latest triennial actuarial valuation, as at 31 March 2010, upon which future contributions are based, showed a net pension liability, including the UKFC scheme, of £12.2m (2007: £11.6m, excluding the UKFC) with future contributions similar to recent levels. The valuation as at 31 March 2013 is underway but the outcome will not be known until late 2013/early 2014.

Movement in fair value reserves

A loss of £1.7m (2012: gain of £3.4m) arose from Lottery funded films, resulting in a decrease in the fair value of the associated film rights held on the balance sheet. The previous year was boosted by the phenomenal success of "The King's Speech".

Movement in fixed asset revaluation reserves

A loss of £0.9m (2012: gain of £0.7m) arose on the value of leasehold land and buildings, resulting in a decrease in the value of fixed assets held on the balance sheet. These movements arise from the change in accounting policy noted above.

Lottery Financial Review

With the transfer of lottery distributor status to the BFI on the 1 April 2011, the BFI acquired the full balance sheet and reserves of the lottery from the UKFC. The £50.3m of net assets transferred was made up of film rights of £18m, cash held at bank and in the National Lottery Distribution Fund of £39.8m, outstanding award commitments of £7.8m and a pension liability of £0.7m. In addition there were off-book liabilities of £7.7m relating to commitments made that were not yet contractual.

Incoming resources

During the year the BFI's share of the incoming resources of the National Lottery Distribution Fund increased to 2.704% (2012: 2.43%) with the re-apportionment of funding previously attributed to the Big Lottery Fund. This equated to £52.3m (2012: £41.2m). BFI's share of investment income earned on the National Lottery Distribution Fund balance amounted to £0.3m (2012: £0.3m). In addition the BFI received £8.6m of recoupment from its investments in the year (2012: £7.8m). Of

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this £2.3m (2012: £3.8m) was surplus recoupment over the original investment and was taken to income, with the remainder taken against the carrying values of film rights on the balance sheet. The King's Speech generated £2.0m of this surplus (2012: £3.5m).

Resources expended

Lottery – non film rights awards of £11.7m (2012: £12.1m), including awards to funded partners were charged to expenditure in the year. In addition £25.9m (2012: £20.9m) of awards were taken to Film Rights in the balance sheet. Impairments of £22.3m (2012: £17.1m) were charged to expenditure against these Film Rights.

The final two payments of the statutory transfer to the Olympic Lottery Distributor were made in the year totalling £2.7m (2012: £5.9m).

Costs apportioned from Grant-in-Aid, representing operating overhead costs attributable to lottery, were £4.7m (2012: £4.2m), including other finance costs (pension) of £0.3m (2012: £0.4m) but excluding costs of change of £0.8m (2012: £1.3m). Operating overhead costs fell to 7.7% (2012: 8.5%) of total incoming resources of £61.2m (2012: £49.3m) (which includes income in repayment of hard commitments, which are not included in Incoming resources above).

Other comprehensive income

On the FRS 17 basis the net pension scheme deficit apportioned to lottery was £1.4m (2012: £1.3m). This included an actuarial loss of £0.0m (2012: £1.2m). In the prior year, on transfer to the BFI the net pension liabilities were revalued by the actuary, reducing the liability by £0.6m.

Movement in fair value reserves

A loss of £1.7m (2012: gain of £3.4m) arose from Lottery funded films, resulting in a decrease in the fair value of the associated film rights held on the balance sheet. The previous year was boosted by the phenomenal success of "The King's Speech".

Total comprehensive income

Total comprehensive income on lottery activities for the year was £11.1m (2012: £7.6m).

Reserves Policy

The Governors are committed to maintaining an adequate level of free reserves to meet any unforeseen expenditure or fall in income. This is incorporated into the budgets going forward and the ongoing management of activities within the available income, a significant element of which is subject to market conditions.

The BFI's net free reserves (Note 24) were maintained at £1.64m (2012 Restated: £1.65m). At 31 March 2013 the BFI had total consolidated reserves of £82.0m (2012: £74.6m) after the impact of FRS 17, which reduces reserves by £37.4m (2012: £36.5m).

Restricted funds of £87.2m (2012: £78.4m) comprises £66.1m (2012 Restated: £56.0m) in Lottery reserves, £21.1m (2012: £22.4m) in fixed assets and £0.04m of non-Lottery current assets (2012: £0.04m).

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Unrestricted reserves amount to £30.8m before the long term pension reserve of £36.0 resulting in a deficit by £5.2m (2012 Restated: £3.8m). This pension reserve is a result of the requirements of FRS 17: Retirements Benefits. As at 31 March 2010, the latest triennial actuarial valuation date for which figures are available, the net pension deficit to be funded was £12.2m and this is being addressed over the next 20 years (subject to future triennial valuations) with additional contributions being made to the LPFA. These contributions are factored into our forward plans and the governors, having considered Charity Commission guidance on FRS17 deficits, are satisfied that this approach is appropriate. If the accounts were to include the triennial valuation deficit instead of the FRS17 deficit then the BFI would have positive net unrestricted reserves of £18.5m.

Restricted and unrestricted reserves in the prior year have been restated to correctly reflect the contribution from the Lottery towards the investment in fixed assets, particularly reconfiguring and renovating office space, arising from the BFI taking on the new activities and staff from the UK Film Council. This in part brings the consolidated accounts in line with the 2012 Lottery accounts which expensed £222,000 of cost but also differs by £1,259,000 which is treated as a prepayment in the Lottery accounts, being released over the useful economic life of the assets.

Going Concern

The BFI receives a significant amount of G-i-A per annum from the DCMS. This is in recognition of the cultural impact of film, and the importance of the National Film and Television Archive to the nation's heritage. This level of funding, in common with other government funded bodies, continues to be reduced over the remaining years of the current government spending review. Given the recent review of BFI activities and structures, together with the government commitment to funding, the Governors and Executive have a reasonable expectation that the BFI has adequate resources to continue operating. There have been no events since the balance sheet date which would affect this view. Accordingly, the accounts have been prepared on a going concern basis.

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PUBLIC BENEFIT

The Board of Governors has continued to take heed of the Charity Commission's guidance on public benefit, the guidance on public benefit and fee charging being particularly borne in mind while shaping our objectives for the year and planning activities. The Board also continues to be conscious of its responsibilities as the custodian of a National Collection which it holds in trust for the nation.

The BFI's Charter includes a requirement to "promote access to and appreciation of the widest possible range of British and world cinema". The BFI, as a Lottery Distributor for film, invests Lottery money and G-i-A to help ensure that audiences across the UK have access to a wide range of cinema. The BFI also uses Lottery and G-i-A to support activities including education and lifelong learning and the preservation of the UK's screen heritage. All these interventions deliver significant public benefit.

The BFI relies on income from the National Lottery, G-i-A from the Government and income from ticket and other sales, fees and charges to deliver public benefit and to cover its operating costs. In setting both the overall strategy for the organisation as the lead body for film and the level of prices, fees and charges, the Governors have given careful consideration to accessibility to the activities funded by the BFI's for those on low incomes. A key part of our longer-term development strategy has involved providing free access to a wide range of the services we fund and those we run – for example, through our Mediatheques and our websites, to free public screenings and broadcast partnerships. In addition to meeting our social responsibilities, the BFI also considers its impact on local communities, a diverse range of audiences, provides work experience and employment opportunities and works with schools, local authorities and many other organisations.

The BFI directly supports the distribution and exhibition of film through Lottery funding and is also the UK's biggest distributor of world cinema – non-commercial film culture from all parts of the world, both these interventions give the public access to a diversity of film culture which would not otherwise be available: the diversity of Britain's cultural life would be dramatically reduced without the BFI's interventions. We also support and directly make available a wide range of titles on all other platforms.

There are many ways in which the public accesses the BFI's work, and this range ensures we deliver the maximum public benefit for our charitable resources. The BFI activities which deliver public benefit are described in more detail in the pages of this report.

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SUSTAINABILITY REPORT

When *Film Forever* was published in October 2012, it included a statement highlighting the BFI's commitment to sustainable development (on page 36). It noted the launch of the British Standard 8909, The Sustainable Management System for the UK Film Industry, in May 2011, which was developed through extensive film sector consultation. In addition to encouraging its adoption throughout the industry, we are currently working to ensure that the BFI is itself fully 8909 compliant by the end of 2013.

Across the BFI work is taking place to reduce carbon emissions. Alongside emission reduction initiatives we have sought to reduce the environmental impacts of projects and operations within our sites, communicate energy awareness, sustainability and ethical sourcing to staff, and to ensure that the BFI follow best practice in respect to environmental compliance.

Of particular note during the last year was the BFI's partnership with BAFTA in hosting *Greening the Screen*, an event that examined the latest thinking on sustainable and low impact production and business practices within the film, television and games industry. The BFI IMAX also continued its support for Earth Hour for the fifth year running, by turning off the IMAX wrap for one hour along with a several other iconic landmarks across the capital and globe. Earth Hour is an annual worldwide event organised by the WWF, encouraging households and businesses to turn off their non-essential lights for one hour to raise awareness about the need to take action on climate change.

GreeningFilm.com continues to be run by the BFI as a key information and news resource to help the film industry reduce its environmental impact. It is used as a platform to promote case studies, news, events and a sustainable supplier's directory.

The BFI is still committed to reducing paper usage and waste – a key target in the Greening Government agenda. To aid this goal, the BFI will publish an invitation to tender to provide an improved waste contract in summer 2013, which will deliver a more comprehensive waste management system. The BFI is also reviewing the supply chain and procurement processes to ensure that as far as possible the BFI promotes a positive impact on society and the environment.

The BFI is also aware, as the strategic body for the film sector, of its wider remit of encouraging the film industry. Industry-wide meetings are convened every six-eight months and have become an excellent forum to share best working practises.

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Carbon emissions (with regard to energy utilisation) and water usage across the BFI estates:

	Annual Carbon Emissions 2012-13 (tonnes of CO2)	Annual Carbon Emissions 2011-12 (tonnes of CO2)	Annual Water Usage 2012-13 (cubic metres)	Annual Water Usage 2011-12 (cubic metres)
Berkhamsted			2,452	4,879
Electricity	975	1,136		
Gas	249	266		
Gaydon			800	911
Electricity	783	858		
Gas	3	23		
Southbank *			10,707	10,879
Electricity	1,083	1,107		
Gas	360	266		
Stephen Street			2,703	1,727
Electricity	325	337		
Gas	95	79		
IMAX *			4,600	4,905
Electricity	1,033	966		
Charlie Chaplin Warehouse				-
Electricity		3		
TOTAL	4,906	5,041	21,266	23,301

The BFI operates a Sustainability Management in line with BS8909. Following a full review of our activities and processes at 4 different sites, we have established our objectives and targets and are working towards these. Some of these targets are for improved measurement and monitoring at this stage, for example we have to refine our expenses system to more accurately capture travel carbon data.

Other key improvement areas for the BFI are:

- Waste Management - we are currently re-tendering our waste management contract to improve sustainability performance in this area;
- Diversity - A steering group has been set up that interfaces with our Sustainability steering group. An access audit was carried out at BFI Southbank and improvements to welfare facilities and access routes were completed;
- The BFI is continuing to develop its information platforms on the staff intranet and the greening film website in its advocacy role to the film Industry; and
- Our cycle infrastructure has been reviewed and improvements are being made to Stephen St Head office and the Conservation Centre at Berkhamsted.

All the above are managed through a Sustainability Management Tool that is reviewed regularly with key stakeholders.

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* It should be noted that due to the nature of the usage of our premises at the Southbank and the IMAX as predominantly cinema venues, energy consumption is closely linked to programme and audiences/footfall. An example of this being in 2010-11 when Avatar was shown at the IMAX, electricity usage greatly increased as the cinema was virtually in constant usage 24Hrs a day, 7 days a week.

Raw data on water consumption across the premises is recorded, but because of the open and public nature of the Southbank and IMAX premises and their central London location in a popular, busy area, usage of the facilities is far wider than purely our audiences and other intentional visitors, making the statistics open due to forces outside our control and thus making any planned long-term reduction of water consumption very difficult.

Due to the scale of the London premises, there is only enough waste generated for this to be mixed on collection with waste from other organisations. Any statistics available are thus based on random spot visits and are thus unreliable as to the accuracy of both the total amount of waste produced and the % recycled. However, the most recent estimates are annual waste production of 140 tonnes, of which 48% is recycled. Statistics are not currently available for waste at our non-London sites.

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HOW THE BFI IS GOVERNED

The BFI is governed by a Board of up to 15 Governors subject to the BFI's Royal Charter. The Governors, who are also the trustees of the Charity, now submit their annual report and the audited financial statements for the year ended 31 March 2013. In preparing the annual report and financial statements of the Charity, the Governors have adopted the Statement of Recommended Practice, Accounting and Reporting by Charities issued in February 2005 (SORP 2005).

Governors

Governors who were in post for at least part of the financial year 2012–13 or at the date of signing these accounts:

Greg Dyke (Chair)

Josh Berger CBE

Pat Butler (Term commenced 1 March 2013)

Charles Cecil CBE (Term commenced 6 February 2013)

Shami Chakrabarti CBE (Term expired 28 February 2013)

Alison Cornwell (Term commenced 14 May 2013)

Peter Foy (Term expired 28 February 2013)

Ashley Highfield

Tom Hooper

Matthew Justice

Baroness Beeban Kidron OBE (Resigned 28 March 2013)

Baroness Oona King (Term commenced 7 March 2013)

Peter Kosminsky

Rt Hon James Purnell

Tim Richards (Term commenced 14 May 2013)

Tessa Ross CBE (Resigned 29 December 2012)

Lisbeth Savill (Deputy Chair)

Cy Young

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Methods of Appointment

The Chair of the BFI is appointed by the Board of Governors subject to the approval of the Secretary of State for Culture, Media and Sport. All other appointments to the Board are made by the Board of Governors.

The Board of Governors reserves two places on the Board for Member Governors. These are nominated and voted for by the BFI members and Sight & Sound subscribers throughout the United Kingdom. These appointments are also subject to approval by the Board of Governors. All other Governor vacancies are advertised publicly.

A Governor's term of office is normally three years. Pursuant to the BFI's Royal Charter, a Governor may only serve two terms in office. Newly appointed Governors receive a letter of appointment and induction documents which together address, amongst other things, general obligations, the management of conflicts of interest, committee membership, and their responsibilities and duties as Charitable Trustees. Governors have broad experience and expertise in the areas of film, television, the moving image generally, business and strategy and education. All Governors are part-time, unremunerated non-executives.

The Board of Governors has corporate responsibility for:

- delivering the mission set out in the Royal Charter; delivering the BFI's charitable objectives; and developing the overall strategic direction of the BFI;
- ensuring that the BFI as a Non-Departmental Public Body complies with any statutory or administrative requirements for the use of public funds and to maximise value for money;
- ensuring that the BFI acts reasonably and prudently in all matters relating to its charitable status;
- appointment of the Chief Executive;
- ensuring that all BFI properties and assets are protected and effectively utilised in the pursuit of the BFI's overall mission;
- ensuring commercial activities are self financing and aligned to the BFI core purpose and that these activities uphold fair trading standard requirements;
- ensuring that any fund-raising activity carried out on behalf of the BFI is properly undertaken and that all funds collected are properly accounted for;
- overseeing the delivery of planned results by monitoring performance against agreed strategic objectives and targets;
- ensuring that the BFI's rules for the recruitment and management of staff provide for appointment and advancement on merit on the basis of equal opportunity for all applicants and staff; and
- ensuring the board operates sound environmental policies and practices in accordance with the approach set out in the 1990 White Paper *This Common Inheritance*, the Government's green initiatives and other relevant guidance.

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Statement of Governors' and Accounting Officer's Responsibilities

The Governors as the trustees of the Charity are responsible for preparing the Trustees' Annual Report and the group, charity and lottery financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The Governors delegate power and responsibility to the Chief Executive (CE) for the day to day operation of the organisation. As Accounting Officer for government reporting purposes the CE is also responsible for reporting to DCMS, one of our main funders.

The law applicable to charities in England and Wales requires the Governors and CE to prepare accounts for each financial year which give a true and fair view of the state of affairs of the group, charity and lottery; of the incoming resources and application of resources of the group and charity for that period; and of the income and expenditure of the lottery for that period. In preparing these financial statements, the Governors and CE are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- observe the methods and principles in the Charities SORP or HM Treasury's Financial Reporting Manual as applicable;
- state whether applicable accounting standards have been followed, and;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

The Governors and CE are responsible for keeping proper accounting records which are such as to disclose, with reasonable accuracy, the financial position of the Charity at any time, and to enable them as trustees to ensure that the accounts comply with applicable law. The Governors and CE are also responsible for safeguarding the Charity's assets and ensuring their proper application in accordance with the Charities Act 2011; National Lottery etc. Act 1993 and the Royal Charter, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

The Governors and CE are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Governors and CE confirm that they have met the responsibilities set out above and complied with the requirements for preparing the accounts. The financial statements set out on pages 60 to 83, and 98 to 126 attached have been compiled from and are in accordance with the financial records maintained by the Governors and CE.

The Board of Governors has approved a Code of Conduct which reflects the principles laid down in the Code of Best Practice for board members of Public Bodies and maintains a Register of Interests of board members. This Register is available for inspection at the BFI's registered offices at 21 Stephen Street, London W1T 1LN, on request to the Board Secretary.

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Organisational structure

The Board of Governors delegates specific responsibilities to its Committees. Recommendations made by Committees are presented to the Board as a whole for approval.

A brief description of each Committee and its function is given below:

- **Audit, Risk and Governance Committee**

This committee reviews the effectiveness of the processes, structures, and controls used to direct, manage and account for the financial and business affairs of the BFI. The Audit, Risk and Governance Committee consider all internal and external audit reports and recommendations. In line with best practice there are two non-Governor members of the committee.

- **Nominations and Appointments Committee**

This Committee makes recommendations to the Board of Governors about appointments to the Board and its' committees and other bodies.

- **Remuneration Committee**

This Committee determines and keeps under review the levels of pay, and the terms and conditions of service, for the Chief Executive and other senior managers.

- **International Development Council (IDC)**

The IDC works closely with the Chief Executive and the Development Department to ensure the financial success of the BFI fundraising campaigns and strengthen the BFI's fundraising capability.

Current Committee members are:

Audit, Risk & Governance

Peter Foy (Chair)	(Term expired 28 February 2013)
Alison Cornwell	(Term commenced and appointed Chair 14 May 2013)
Nick Cowley	(Non-Governor member)
Dr Sree Kamineni	(Non-Governor member)

Nominations & Appointments

Lisbeth Savill (Chair)	
Matthew Justice	
Peter Foy	(Term expired 28 February 2013)
Greg Dyke	

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Remuneration

Greg Dyke (Chair)

Peter Foy

(Term expired 28 February 2013)

Ashley Highfield

The Secretary to the Board of Governors and its committees is Iain Thomson.

Executive

The Board of Governors employs a Chief Executive, Amanda Nevill.

Amanda leads an executive team that during the year consisted of:

Tim Cagney	Deputy Chief Executive
Will Evans	Director of Business Affairs, Lottery Film Fund
Ed Humphrey	Director of Digital (from 14 January 2013)
Paula Le Dieu	Director of Digital (to 31 October 2012)
Trevor Mawby	Director of Finance and Resources
Ben Roberts	Director of Film (from 18 June 2012)
Heather Stewart	Creative Director of BFI
Chris Travers	Director of Marketing, Communications and Audiences
Francesca Vinti	Director of Development

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The Executive makes day-to-day management decisions on behalf of the Board of Governors under the Financial Procedures approved by the Board

Employment and training policies and staff participation

The BFI 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 BFI 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 BFI activities are discussed and staff are regularly briefed on the matters discussed at Executive and Board meetings. Meetings of all staff are held regularly and recognition agreements are in place with Unite and BECTU fostering the best possible relationship with staff.

The BFI seeks to ensure that the requirements of health and safety legislation are met in the workplace. Sickness absence is monitored and is within targets.

Better Payment Practice Code

The BFI 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, which are typically in line with our standard 30 day terms. The average payment terms taken were 28 days (2012: 29).

Disclosure of information to the auditors

So far as the Accounting Officer and each person who was a Governor 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 Governors, the Chief Executive and the Group's auditor, each Governor/Accounting Officer has taken all the steps that he/she is obliged to take as a Governor/Accounting Officer in order to make himself/herself aware of any relevant information and to establish that the auditor is aware of that information.

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The number of BFI Board meetings held in the 2012-13 financial year was 9 and the Governors' attendance records were as follows:

Greg Dyke (<i>Chair</i>)	9 of 9
Josh Berger CBE	8 of 9
Shami Chakrabarti CBE ¹	7 of 9
Peter Foy ²	6 of 9
Ashley Highfield	5 of 9
Tom Hooper	2 of 9
Matthew Justice	8 of 9
Beeban Kidron OBE ³	3 of 9
Peter Kosminsky	8 of 9
Rt Hon James Purnell	5 of 9
Tessa Ross CBE ⁴	5 of 7
Libby Savill (<i>Deputy Chair</i>)	8 of 9
Cy Young	8 of 9

All Governors are required to complete a declaration of any potential related party interests – and details of any transactions with these related parties is reported in note 30 of the Charity and Group financial statements .

The number of Audit Risk and Governance Committee meetings held in the 2012-13 financial year was 4 and the members' attendance records were as follows:

Peter Foy ⁵ (Chair)	3 of 4
Nick Cowley	2 of 4
Dr Sree Kamineni	3 of 4

¹ Term expired on 28 February 2013.

² Term expired on 28 February 2013.

³ Resigned on 28 March 2013.

⁴ Resigned on 29 December 2012.

⁵ Term expired on 28 February 2013.

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REMUNERATION REPORT**

The Remuneration Committee

The Board of the BFI is responsible for determining the remuneration of the Chief Executive and senior staff. In the year ending 31 March 2013, it discharged this responsibility through the cycle of monthly Board meetings – which included involvement in the appointment of new members of the Executive Team, and ensuring appropriate approvals were obtained from the Department of Culture, Media and Sport (DCMS).

In addition the Board is supported by the Remuneration Committee, who meet as required, which is authorised within its terms of reference, to obtain independent professional advice if it considers this necessary. The Remuneration Committee comprises a chairman, who is also chairman of the BFI Governors, and up to 3 other members of the Board or co-opted members, who are each appointed for a period of up to three years. The members during the year were:

Greg Dyke (Chair)
Peter Foy (Term expired 28 February 2013)
Ashley Highfield

The committee met once during the 2012-13 financial year with full attendance

Remuneration Framework

Governors are not entitled to draw any remuneration for their time spent working as a Trustee of the BFI, although they are entitled to reimbursement of expenses incurred in their duties.

In determining appropriate levels of remuneration for senior staff, the BFI 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 Including the Chief Executive, are entitled to membership of the Local Government Pension Scheme (LGPS) operated by the London Pension Fund Authority (LPFA), which is a defined benefit scheme for those BFI employees who wish to join. Further details of the scheme can be found in note 10 to the BFI 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.

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

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Contracts of Employment

The Chairman of the Board of Governors is approved by the Secretary of State for Culture for a term of 4 years. Governors are appointed by the Board, again for a period of 3 years, with 2 members being elected by the membership of the BFI. Both the Chairman and any other Governors may stand for two successive terms of office. There is no period of notice required for resignation from the Board.

The only member of senior management under a closed contract as at 31 March 2013 was Trevor Mawby, whose employment contract as Finance Director, expires on 30 September 2013.

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

Audited Information

Governors' remuneration

No Governor drew any remuneration in the year – although costs amounting to £937 (2012: £1,749) were incurred. This primarily represents reimbursed travelling expenses for five (2012: three) governors and the provision of food and beverages for meetings. No payments were made in the year for services (2012: £Nil).

As part of their oversight duties as Trustees, copies of all books and DVD/Blu-Ray releases published by the BFI during the year are made available to all Governors.

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Senior staff remuneration

Remuneration (excluding pension arrangements) for the senior staff for the year:

	Total Remuneration for the year ended 31 March 2013 (FTE) £'000	Bonuses Attributable for the year ended 31 March 2013 (2012) £'000	Benefits Attributable for the year ended 31 March 2013 (2012) £	Total Remuneration for the year ended 31 March 2012 £'000
Amanda Nevill Chief Executive and Accounting Officer	135-140	7 (-)	0-100 (0-100)	135-140
Tim Cagney Deputy Chief Executive (Appointed 1 July 2011)	115-120	- (-)	0-100 (0-100)	80-85 FTE:115-120
Will Evans Director of Business Affairs	135-140	- (-)	0-100 (0-100)	135-140
Ed Humphrey Director of Digital (Appointed 14 January 2013)	20-25 FTE: 105-110	- (n/a)	0-100 (n/a)	n/a
Paula Le Dieu Director of Digital (Left 31 October 2012)	55-60 (FTE:90-95)	- (-)	0-100 (0-100)	90-95
Trevor Mawby Director of Finance and Resources	125-130	- (n/a)	300-400 (n/a)	165-170
Ben Roberts Director of Film (Appointed 18 June 2012)	105-110 (FTE: 135-140)	- (n/a)	0-100 (n/a)	n/a
Heather Stewart Creative Director	110-115	- (-)	0-100 (0-100)	105-110
Chris Travers Director of Communications, Marketing and Audiences (Appointed 17 October 2011)	95-100	- (-)	0-100 (0-100)	40-45 (FTE: 90-95)
Francesca Vinti Development Director	80-85 (FTE: 90-95)	10 (10)	0-100 (0-100)	65-70 (FTE: 75-80)

* Following the requirements of the Government Financial Reporting Manual, Total remuneration above equates to salary only with any bonuses being separately reported.

** Trevor Mawby is contracted until 30 September 2013. From 1 October 2012 he was an employee of the BFI previously being employed via a personal service company. The equivalent salary received by Mr Mawby in this earlier period was thus considerably lower than the full amount paid.

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Benefits in kind

All members of BFI staff are entitled to receive: up to £100 contribution towards gym membership per annum; up to 12 free tickets per month at the BFI Southbank cinemas; staff discounts on purchases at the BFI Southbank's Film Store and Benugo's cafe and restaurant and the BFI London IMAX, ranging from 10-70%; and interest free loans for train season tickets, bicycle and computer purchases. Staff whose contracts transferred from UKFC may opt to receive a contractual payment of £250 for cinema tickets per annum in place of the BFI Southbank ticket entitlement. Staff on BFI contracts receive a monthly copy of Sight and Sound.

Senior staff pension arrangements

The senior staff were members of the LPFA scheme during the year.

	Real increase in accrued pension benefits 2012-13 £'000	Attributable pension accrued at 65 at 31 March 2013 £'000	Cash Equivalent Transfer Value (CETV) as at 31 March 2012 £'000	CETV as at 31 March 2013 £'000	Real increase in CETV after adjustment for inflation etc in 2012-13 £'000
Amanda Nevill Chief Executive and Accounting Officer	0-2.5 (lump sum: (0-2.5))	35-37.5 (lump sum: 72.5-75)	620	676	36
Tim Cagney Deputy Chief Executive Officer	0-2.5 (lump sum: 0-2.5)	2.5-5 (lump sum: 0-2.5)	12	34	13
Ed Humphrey Director of Digital (from 14 January 2013)	0-2.5 (lump sum: 0-2.5)	0-2.5 (lump sum: 0-2.5)	-	3	1
Trevor Mawby Director of Finance and Resources	0-2.5 (lump sum: 0-2.5)	0-2.5 (lump sum: 0-2.5)	-	21	15
Ben Roberts Head of Film (from 18 June 2012)	0-2.5 (lump sum: 0-2.5)	0-2.5 (lump sum: 0-2.5)	-	10	5
Heather Stewart Creative Director	0-2.5 (lump sum: (0-2.5))	35-37.5 (lump sum: 82.5-85)	715	784	44
Chris Travers Director of Communications, Marketing and Audiences	0-2.5 (lump sum: 0-2.5)	2.5-5 (lump sum: 0-2.5)	30	51	13
Francesca Vinti Development Director	0-2.5 (lump sum: 0-2.5)	10-12.5 (lump sum: 12.5-15)	103	135	24

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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 2013, all senior staff with costs attributed in part or whole to lottery, and with the exception of Will Evans and, for part of the year Trevor Mawby, were members of the LPFA scheme. Pension contributions during the year were made to private pension schemes, and attributable to lottery, for Trevor Mawby (prior to joining the LPFA scheme) and Will Evans of £15,000 (2012: £2,400) and £20,570 (2012: £20,570) respectively.

Termination payments

The termination payments payable to employees were:

Exit Package Cost	Number of compulsory redundancies		Number of other departures		Total	
	2013	2012	2013	2012	2013	2012
<£10,000	-	-	-	-	-	-
£10,000-£25,000	-	-	1	-	1	-
£25,000-£50,000	-	-	-	-	-	-
£50,000-£100,000	-	1	1	-	1	1
£100,000-£150,000	-	-	-	-	-	-
No of exit packages	-	1	2	-	2	1
Cost £'000	-	65	98	-	98	65

In the prior year, in addition to the above termination payments, costs were also incurred in respect of capital contributions to the LPFA for early retirement for one member of staff at a total cost of £453,000. This prior year cost was in respect of redundancy under UKFC contractual terms, protected under TUPE. There were no such costs incurred in the current year.

Hutton Review of Fair Pay

The BFI is required to disclose the relationship between the remuneration of the highest-paid member of the Executive team in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the Chief Executive in the financial year was £145,000 - £150,000 (2012: £135,000 - £140,000). This was 5 times (2012: 5) the median remuneration of the workforce, which was £28,602 (2012: £27,230).

Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

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GOVERNANCE STATEMENT**

Scope of Responsibility

How the BFI is governed is covered on pages 39 to 45. The Board of Governors is aware of the requirements of the UK Corporate Governance Code and work is continuing to ensure compliance. As Accounting Officer and as Chairman of the Board of Governors, 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 safe-guarding the public funds and the British Film Institute's (BFI) assets for which we are responsible in accordance with the responsibilities assigned to us in Managing Public Money and as Trustees of the Charity. The BFI also follows the UK Corporate Governance Code.

We also have responsibility, as defined in the BFI's Funding Agreement with the DCMS and the Management Statement and Financial Memorandum, for leading and managing the work of the BFI to fulfil its policies, aims and objectives, and upholding its values. The Accounting Officer reports to the Board of Governors of the BFI 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 BFI 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 2013 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 Governors we have overall responsibility for the BFI'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, Risk and Governance Committee, chaired by Peter Foy during the year and, from 16 May 2013, Alison Cornwell, gives independent advice and guidance to us, in our roles as Accounting Officer and Chairman, and to the Board of Governors 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 BFI and oversees the work of the internal auditors, as well as providing guidance as to best practice.

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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, Risk and Governance Committee), the DCMS, and other comparable organisations.

The risk and control framework

A risk management policy has been established setting out the BFI's attitude to the assessment, limitation and mitigation of risk in the achievement of our objectives.

The BFI 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 business planning cycle and the annual operational planning cycle, and are evaluated by the Executive Team. We also consider the risks associated with holding and safeguarding information for operational or financial reporting purposes.

Key risks and challenges faced during the year are discussed elsewhere in this Annual Report and included:

- Developing, consulting with stakeholders and implementing *Film Forever*, our Future Plan for 2012-2017; and
- Engaging with Government re Grant-in-Aid funding cuts to deliver the best deal for Film.

The risk register as noted by the Executive Team included:

- The longer term prospect of further significant cuts to G-i-A in 2015-16 and probably beyond pose a major risk to our ability to continue to deliver the full range of activities we currently manage;
- Reduction in generated- income resulting from the current economic climate, namely reduced audience numbers and failure to secure sponsorship funding from corporate and commercial partners;
- Misunderstanding of the BFI's new wider role and remit by stakeholders, industry and Government;
- The deterioration of the estate condition may cause failures resulting in facility and building closures, thus reducing service and programme levels;
- The safety of the National Collection remains a priority following decades of under-investment: obsolete formats need to be migrated and life-expired air-conditioning plant replaced;
- Failure of key strategic partners – Creative Skillset, Creative England, new Education offer, National Screen Agencies – to deliver BFI strategic priorities; and
- Development proposals for the South Bank Centre, BFI Southbank and new BFI Film Centre, which could impact on our levels of activity on the Southbank in the short-term, whilst offering considerable opportunities for the future.

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), who ultimately sign off on lottery commitments, consisted of representatives of the relevant fund, finance and business affairs and was independently chaired by the Accounting Officer or the Head of Business Affairs. Any perceived risks arising in making an award were thus discussed at the time the funding decision was made and appropriate mitigating action taken, whilst

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allowing decision-making, oversight and control to be maintained of the decisions by the respective funds. The committee was 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 regularly funded organisations, such as the Creative England, Skillset and First Light, alongside regular oversight and monitoring, a series of regular formal governance meetings were held with the recipients throughout the year to discuss progress against key performance and risk indicators incorporated in their business plans and funding agreements

The work of the BFI's internal audit service, provided by Tribal, operated to standards set out in the Government Internal Audit Standards was developed from an analysis of BFI's UK exposure.

In 2012-13 internal audit reports covered:

- HR Management
- ICT - Infrastructure
- Main Financial Systems
- Creative England
- Governance – Strategic Planning
- Monitoring Unit – Capture and usage of management information
- Risk Management – Business Continuity Arrangements

The analysis of risk and the internal audit plans are endorsed by the BFI's Executive Team, the Audit, Governance and Risk Committee and are approved by the Accounting Officer.

In line with Cabinet Office guidance in relation to information risk, the Finance Director is the Senior Information Risk Owner. Working with the Internal Auditor, all the systems and databases operated by the BFI are kept under review and periodic updates provided to the Audit, Governance and Risk Committee.

In addition, the BFI 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 plan is monitored by Board and Senior Management. The Board receive appropriate regular financial reporting, enabling monitoring against financial targets.

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Review of effectiveness

The Board is responsible for considering its performance and reviewing its effectiveness, including assessing the quality of the information it receives on an ongoing basis, and judge that it is of a satisfactory standard. Papers and reports are concise, relevant and timely. The Governors receive appropriate updates on the BFI's financial positions, forecasts, risks and performance against strategic goals at their schedule meetings.

As Accounting Officer and Chairman of the Governors, 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 BFI 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, Risk 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 Executive Team are to:

- manage risk in their own areas of responsibility through the implementation of risk mitigation processes and by following the BFI'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, Risk 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 Board, the Audit, Risk and Governance Committee and the Executive Team in the year were the risks associated with the establishing the new funding strategies outlined in Film Forever, the BFI future plan 2012-17.

The Internal Auditor provides audit reports on the areas of activity within the BFI. The reports include the Internal Auditor's independent opinion on the adequacy and effectiveness of the BFI's system of internal control during the year together with recommendations for improvement.

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

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We can confirm that in our opinion:

- the BFI complies with its current Financial Directions, Funding Agreement, Management Statement and Financial Memorandum and the requirements of a Charity;
- the BFI complies with DCMS guidelines as issued to it, including obtaining relevant approvals and observing the requirements of spending controls;
- 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 BFI has drawn up and maintains risk assessment and control procedures and risk registers;
- the BFI has complied with Cabinet Office guidance on information risk and has suffered no protected personal data incidents during 2012-13 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.

The BFI will continue to strive to improve the systems of internal control in place in relation to its management, and processes to maximise our operational efficiency as a Lottery Distributor. This includes in 2013-14 plans to replace the existing Finance, HR and Payroll software applications.

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This Annual Report, including the Governance Statement and Remuneration Report was approved by the Board of Governors for signature on 9 July 2013.

Greg Dyke
Chair, Board of Governors

Amanda Nevill
Chief Executive

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CORPORATE INFORMATION

British Film Institute

The British Film Institute is incorporated by Royal Charter and is registered in England and Wales as a charity, number 287780.

Registered Office: 21 Stephen Street, London W1T 1LN

www.bfi.org.uk

Auditor

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road, London SW1W 9SP

Bankers

Lloyds TSB Bank

32 Oxford Street, London W1A 2LD

Internal auditors

Tribal Business Assurance (until 31 March 2013)

54 Gosport Business Centre, Aerodrome Road, Gosport PO13 0FQ

Moore Stephens (from 1 April 2013)

150 Aldersgate Street, London, EC1A 4AB

Solicitors

Farrer & Co

66 Lincoln's Inn Fields, London WC2A 3LH

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INDEPENDENT AUDITOR'S REPORT**

**THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE GOVERNORS OF THE
BRITISH FILM INSTITUTE**

I have audited the financial statements of British Film Institute for the year ended 31 March 2013 under the Charities Act 2011. The financial statements comprise: the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement 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 Governors, Accounting Officer and auditor

As explained more fully in the Statement of Governors' and Accounting Officer's Responsibilities, the Governors and the Accounting 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 the Charities Act 2011. I conducted my audit in accordance with 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 British Film Institute's and the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by British Film Institute; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

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

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements 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 the group's and of Charity's affairs as at 31 March 2013 and of its incoming resources and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Charities Act 2011.

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Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared; and
- the information given in the What we delivered this year, Key Performance Measures, Financial Review, Public Benefit, Sustainability and How the BFI is Governed sections of 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 and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Amyas C E Morse

Date 16 July 2013

Comptroller and Auditor General

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

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STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2013

	Note	Unrestricted £'000	Lottery Restricted £'000	Other Restricted £'000	Total Restricted £'000	2013 Total £'000	Restated 2012 Total £'000
Incoming resources							
<i>Incoming resources from charitable activities (earned income)</i>							
Education, Learning & Audiences	8	17,722	-	-	-	17,722	16,654
Supporting British Film	8	-	-	-	-	-	-
Film Heritage	8	520	-	-	-	520	889
<i>Incoming resources from generated funds</i>							
Voluntary income	25	-	-	-	-	-	-
Lottery proceeds	17	-	52,623	-	52,623	52,623	41,537
Lottery recoupment income	16	-	2,342	-	2,342	2,342	3,828
Grant-in-Aid - revenue funding	4	19,212	-	-	-	19,212	25,482
Grant-in-Aid - capital funding	4	-	-	952	952	952	1,808
Other grants - transfer of UKFC net assets	4	-	-	-	-	-	50,936
Other grants, legacies and donations	24	4,387	-	11,126	11,126	15,513	22,009
Lottery awards	5	-	-	-	-	-	449
Donated services and facilities	6	-	-	1,063	1,063	1,063	1,751
Investment income	7	12	6	-	6	18	39
Total incoming resources		41,853	54,971	13,141	68,112	109,965	165,382
Resources expended							
<i>Charitable activities</i>							
Education, Learning & Audiences	9	(28,474)	(3,420)	(7,839)	(11,259)	(39,733)	(46,188)
Supporting British Film	9	(6,448)	(35,003)	(662)	(35,665)	(42,113)	(33,529)
Film Heritage	9	(9,472)	(202)	(3,551)	(3,753)	(13,225)	(12,626)
Sale and transfer of assets to a registered charity	12	-	-	-	-	-	(4,591)
<i>Total charitable activities</i>		(44,394)	(38,625)	(12,052)	(50,677)	(95,071)	(96,934)
<i>Costs of generating funds</i>							
Costs of generating voluntary income	9, 25	(1,206)	-	-	-	(1,206)	(972)
Governance costs	9	(304)	(66)	-	(66)	(370)	(320)
Olympic deduction	17	-	(2,732)	-	(2,732)	(2,732)	(5,866)
Restructuring costs	9	-	(602)	-	(602)	(602)	(1,385)
Total resources expended	9	(45,904)	(42,025)	(12,052)	(54,077)	(99,981)	(105,477)
Net (outgoing) / incoming resources		(4,051)	12,946	1,089	14,035	9,984	59,905
Transfer of UK Film Council net assets							
Transfer of pension liabilities	11	-	-	-	-	-	(937)
Net (outgoing) / incoming resources before transfers		(4,051)	12,946	1,089	14,035	9,984	58,968
Gross transfers between funds	24	3,040	(1,120)	(1,920)	(3,040)	-	-
Net (outgoing) / incoming resources before other recognised gains and losses		(1,011)	11,826	(831)	10,995	9,984	58,968
Other recognised gains / (losses)							
Actuarial losses on defined benefit pension scheme	11	(56)	(4)	-	(4)	(60)	(14,570)
Movement in fair value reserves	16	-	(1,687)	-	(1,687)	(1,687)	3,413
Movement in fixed asset revaluation reserves	12	(387)	-	(513)	(513)	(900)	667
Net movement in funds		(1,454)	10,135	(1,344)	8,791	7,337	48,478
Reconciliation of funds							
Total funds brought forward (restated)		(3,786)	55,980	22,437	78,417	74,631	26,153
Total funds carried forward	24	(5,240)	66,115	21,093	87,208	81,968	74,631

All gains and losses recognised in the year are included in this Statement of Financial Activities and all activities are classified as continuing. The accompanying notes form an integral part of this Statement of Financial Activities.

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**CONSOLIDATED AND CHARITY BALANCE SHEET
31 MARCH 2013**

	Note	Group 2013 £'000	Restated Group 2012 £'000	Charity 2013 £'000	Restated Charity 2012 £'000
Fixed assets:					
Tangible fixed assets	12	48,865	50,710	48,865	50,710
Intangible fixed assets	14	1,299	1,456	-	-
Investments	15	-	-	2,393	2,393
Total fixed assets		<u>50,164</u>	<u>52,166</u>	<u>51,258</u>	<u>53,103</u>
Current assets:					
Film Rights	16	16,375	21,161	16,375	21,161
National Lottery Distribution Fund	17	52,841	39,820	52,841	39,820
Stocks & work in progress	18	578	731	578	708
Debtors	19	7,566	5,732	8,561	6,566
Cash at bank and in hand		9,795	9,182	7,010	6,785
Total current assets		<u>87,155</u>	<u>76,626</u>	<u>85,365</u>	<u>75,040</u>
Liabilities:					
Creditors: amounts falling due within one year	21	<u>(17,937)</u>	<u>(17,631)</u>	<u>(17,402)</u>	<u>(17,103)</u>
Net current assets		<u>69,218</u>	<u>58,995</u>	<u>67,963</u>	<u>57,937</u>
Total assets less current liabilities		<u>119,382</u>	<u>111,161</u>	<u>119,221</u>	<u>111,040</u>
Defined benefit pension scheme net liability	11	<u>(37,414)</u>	<u>(36,530)</u>	<u>(37,414)</u>	<u>(36,530)</u>
Net assets including defined benefit pension scheme net liability		<u>81,968</u>	<u>74,631</u>	<u>81,807</u>	<u>74,510</u>
Funds:					
Restricted income funds					
Restricted income funds excluding Lottery and pensions liability		13,468	13,874	13,468	13,874
Restricted fixed asset revaluation reserve		7,625	8,563	7,625	8,563
		<u>21,093</u>	<u>22,437</u>	<u>21,093</u>	<u>22,437</u>
Lottery reserve		62,115	50,192	62,115	51,451
Lottery fair value reserve		5,426	7,112	5,426	7,112
Lottery share of pension reserve		(1,426)	(1,324)	(1,426)	(1,324)
		<u>66,115</u>	<u>55,980</u>	<u>66,115</u>	<u>57,239</u>
Total restricted funds	24	<u>87,208</u>	<u>78,417</u>	<u>87,208</u>	<u>79,676</u>
Unrestricted income funds					
Unrestricted income funds excluding pensions asset/liability		25,619	25,318	25,458	23,938
Unrestricted fixed asset revaluation reserve		5,129	6,102	5,129	6,102
		<u>30,748</u>	<u>31,420</u>	<u>30,587</u>	<u>30,040</u>
Pension reserve		(35,988)	(35,206)	(35,988)	(35,206)
Total unrestricted funds	24	<u>(5,239)</u>	<u>(3,786)</u>	<u>(5,401)</u>	<u>(5,166)</u>
Total funds	24	<u>81,968</u>	<u>74,631</u>	<u>81,807</u>	<u>74,510</u>

The accompanying notes form an integral part of this consolidated and Charity balance sheet.

The Governors and Chief Executive Officer of the BFI, registered charity number 287780, approved these financial statements and authorised their signature on 9 July 2013.

Greg Dyke
Chair, Board of Governors

Amanda Nevill
Chief Executive

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**CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2013**

		2013	Restated
	Notes	£'000	2012
			£'000
Net cash inflow from operating activities	2	16,963	52,638
Return on investments and servicing of finance	3	(13,003)	(39,781)
Capital expenditure and financial investment	3	(3,347)	(10,507)
Acquisitions and disposals	3	-	(1,488)
Increase in cash in the year	3	<u>613</u>	<u>862</u>

The accompanying notes form an integral part of this consolidated cash flow statement.

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013**

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

Basis of preparation

The financial statements of the BFI are prepared under the historical cost convention, as modified for revaluation of certain categories of fixed assets and in accordance with the Charities Act, the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities Statement of Recommended Practice (revised 2005)" and applicable accounting standards. The requirements of the National Lottery etc Act 1993 have been followed for the treatment of hard and soft commitments, which is consistent with the above basis of preparation.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Charity, including its Lottery distribution activities, and all its subsidiary undertakings (see note 15 for details of subsidiaries and associate or jointly controlled entities). The results of the subsidiaries are consolidated on a line by line basis within the SOFA. A separate Income and Expenditure account has not been presented for the Charity, as permitted by paragraph 397 of the SORP. However, a summary Operating Statement is included at note 24. The balance sheet and related notes show the assets and liabilities of the Group as well as the Charity. Separate accounts are also prepared for the BFI's Lottery distribution activities as required under the National Lottery etc Act 1993 and these are attached to the consolidated accounts.

These accounts reflect the change in policy to revalue certain categories of fixed assets. In addition, in line with the BFI's future plan, Film Forever, the split of charitable activities has been amended and prior year analyses have been restated accordingly.

Going concern

The accounts have been prepared on a going concern basis. After making enquiries, the Board of Governors has a reasonable expectation that the BFI has adequate resources to continue for at least the next 12 months following signature of the accounts provided that it receives ongoing funding and sales based on past experience. In the year to 31 March 2013 the BFI received £19,212,000 of revenue grant-in-aid from the Department of Culture, Media and Sport's (DCMS) assessment of its commitment to recognising the cultural impact of film, the BFI National Archive and the Nation's heritage. This funding continues through to 2014-15 but in common with other government funded bodies we face further reductions in funding during the period 2013-15 on a like-for-like basis.

Since the BFI became the government's lead body for film in 2011, the BFI has actively engaged with the government in developing the strategy for film in the UK which will impact on future funding. The BFI is a Lottery distributor, with a Statutory right to receive a share of the National Lottery Distribution Funds (NLDF), and is considered by government to be a "Non Departmental Public Body", both of which give support to our future financial stability. During the year the BFI also received other funding from DCMS in order to assist with the impact of the changes arising from Film Forever (Note 4).

Last year the receipt of £50m of net Lottery assets transformed the Statement of Financial Activities and Balance Sheet, as has the revaluation of the London South Bank properties following the adoption of Modified Historical Cost Accounting, but these assets are restricted and/or fixed. Pressure therefore remains on the underlying Charity, especially with the prospect of further government funding cuts. Excluding the restricted Lottery activities, the BFI recorded a deficit (before other recognised gains/losses) in the year of £2.8m, albeit after non-cash transactions including depreciation of £4.2m and FRS17 net costs of £0.9m. (2012: £3.6m surplus - as a result of additional income, which was invested in capital projects and acquiring the British Screen Finance group of companies, and despite restructuring costs of £149,000 and the disposal of assets of £4,591,000). The FRS17 pension liability has increased to £37,414,000 (2012: £36,530,000) contributing to negative unrestricted reserves of £5,240,000 (2012: £3,786,000). This is being addressed in the longer term with additional contributions being made to the London Pension Fund Authority, based on the triennial actuarial valuations, and these contributions are factored into our forward plans.

As at 31 March 2010, the latest actuarial valuation date, the deficit to be funded was £11,893,000 and this is being addressed over the next 20 years, subject to future triennial valuations. Even allowing for liabilities acquired from the UKFC, this is considerably less than the deficit in the accounts of £37,414,000 (2012: £36,530,000) under FRS17 and the governors are satisfied that this approach is appropriate.

At the year end, the BFI held total reserves of £81,968,000 (2012: £74,631,000) which included unrestricted cash balances of £3,667,000 (2012: £3,950,000) and free reserves of £1,637,000 (2012: £1,650,000) (Note 24).

Charitable activities

The BFI engages in a diverse range of activities in order to meet its objects, which are described in more detail in the Governors' Report. In the financial statements, the BFI categorises its activities across its three strategic priorities:

Education, Learning & Audiences - expanding education opportunities and boosting audience choice across the UK;
Supporting British Film - investing in film development, production and skills; and
Film Heritage - investing in preservation, interpretation and access.

Incoming resources

All incoming resources are included in the SOFA when the Charity is legally entitled to the income, entitlement is virtually certain and the amount can be quantified with reasonable accuracy. The following specific policies apply to categories of income:

Income from charitable activities: includes a wide range of chargeable activities including sales of cinema tickets, DVDs, film and footage and sponsorship income.

Lottery proceeds are the BFI's share of Lottery income as notified to the BFI by the National Lottery Distribution Fund (NLDF).

Lottery recoupment income is income from film rights in excess of the original value of the right and is taken to the SOFA as film recoupment income and, if appropriate, through the fair value reserve.

Donated services and facilities: including gifts in kind, are included in income and expenditure at the value to the Charity where this can be quantified (see Note 6).

Grants and deferred income: whilst grants, including Grant-in-Aid, are typically accounted for in full upon receipt, where related to performance and specific deliverables, grants are accounted for as the Charity earns the right to consideration by its performance. Where income is received in advance of its recognition, it is deferred and included in creditors: amounts falling due within one year. Where entitlement occurs before income being received, the income is accrued. Capital grants are accounted for as income as soon as they are receivable. Grant-in-Aid refers to direct grants from the Department of Culture, Media and Sport for the general use of the BFI and also ring-fenced funding for other appropriate bodies delivering activities in accordance with the BFI's charitable objects.

Investment income is bank interest income on the BFI's cash holdings.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category concerned. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources (see Note 9). Costs of generating funds are fund-raising and publicity costs incurred in seeking voluntary contributions and do not include the cost of disseminating information in support of charitable activities. Governance costs comprise all costs identified as wholly or mainly attributable to ensuring the public accountability of the Charity and its compliance with regulation. These costs include external and internal audit and Governors' costs.

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013**

1. ACCOUNTING POLICIES (CONTINUED)

Resources expended (continued)

Donated services and facilities: including gifts in kind, are included in income and expenditure at the value to the Charity where this can be quantified (see Note 6).

The basis of the reporting of Lottery award commitments is laid out in the Accounts Direction and the National Lottery etc Act 1993, and align with the reporting requirements of the Charities SORP. Under these a distinction is made in respect of Lottery awards between 'hard commitments' and 'soft commitments'. Where the BFI 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 BFI 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 a note to the financial statements (see Note 23).

Hard commitments payable within one year of the balance sheet date are recognised in the statement as current liabilities. Those payable more than one year from the balance sheet date are shown as commitments to filmmakers payable over more than one year, however such commitments are extremely unlikely in the usual course of business. Commitments for future years may be entered into, taking into account income forecasts provided by DCMS. These forecasts take a conservative view of future income and any such longer term commitments, which relate to future years, are not recognised in the accounts.

Olympic deduction: In February 2008, a Statutory Instrument (SI 2008 No. 255, The Payments into the OLFDF etc. Order 2008) was passed which allowed for the transfer of up to £1,085m from the NLDF to the Olympic Lottery Distribution Fund (OLFDF) in order to meet some of the costs of holding the 2012 Olympic and Paralympic Games. The amount represents the BFI's share of Lottery proceeds transferred to the OLFDF in the year.

Charitable expenditure on collections

The BFI has built the National Archive since its establishment in 1933, consisting of film and other related materials dating back to the 19th century. The BFI develops, cares for and interprets a collection that illustrates the art, history and impact of film, to be held in perpetuity for the public, for their use and for use by the BFI in pursuit of its objectives. The collection is one of the largest and most diverse collections in the world. It includes feature films, documentary and factual films, television programmes, artists film, photographic stills, posters, books and other related materials, held primarily for use in the BFI's activities and charitable objectives, as described in more detail in the Governors' Report and below. The Collection Policy was most recently updated in November 2011 and can be found at www.bfi.org.uk. It documents our procedures for Acquisition and Disposal, Documentation, Conservation and Access and describes our role in a national network of organisations that collect or provide access to film.

For the most part this collection has been acquired by donation, often with restricted usage rights, and as a result there is little in the way of purchase cost. There is also a lack of comparable market values, compounded by the diverse nature of the objects and the volume of the items held. In the opinion of the Governors, reliable information on cost or value is not available for the BFI's collection.

In the Governors' opinion, conventional valuation approaches lack sufficient reliability and any valuation is likely to incur significant costs that are likely to be onerous. Even if valuations could be obtained this would not be commensurate with any benefits to the BFI's management, curatorial staff, the public, or other users of the financial statements. For this reason the collections, large proportions of which were gifted to the BFI at nil cost and are incomparable in nature, are not recognised in the BFI's balance sheet.

All expenditure on acquiring, preserving and improving the collection is included in charitable expenditure in the year incurred. In the main, this expenditure is of a curatorial or restoration nature and the Governors are of the opinion that any value attributable to heritage assets or fixed assets would not be material. The collections also comprise donated materials that are not subject to formal valuation.

Heritage assets

Much of the BFI's collection is used, or expected to be used in the future, in its charitable activities. To the extent that the collection comprises Heritage Assets, there is an absence of reliable cost information, a diverse range of assets held, a lack of comparable market values and a complex mixture of intellectual property rights associated with the assets. As a result the Governors are of the opinion that valuation information cannot be obtained at a cost commensurate with the benefits to users of the financial statements, so a valuation approach is not practicable. Therefore the BFI has adopted a non-recognition approach.

Tangible fixed assets, depreciation and impairment

Expenditure on tangible fixed assets costing £1,000 or more and with a useful economic life of at least 3 years is capitalised and included at cost. Leasehold land and buildings, together with some associated plant and fixtures, are included at a valuation based on either Existing Use Value or Depreciated Replacement Cost as appropriate.

The BFI's leasehold properties BFI Southbank and BFI London IMAX were revalued as at 31 March 2012 by appropriately qualified valuers, Drivers Jonas Deloitte, in accordance with FRS 15: Fixed Assets, using Existing Use and Depreciated Replacement Cost methods respectively. As a result fixed assets have been restated at £50.7m (previously £36.0m) after an additional £1.0m depreciation charge applied to the prior year resources expended. The values as at 31 March 2013 and 2011 have been estimated using appropriate indexation, resulting in a reduction in value in the year of £0.9m (2012: increase of £0.7m).

Depreciation is provided on all tangible fixed assets to write off the cost less estimated residual values over their expected useful economic lives. It is calculated on a straight line basis at the following rates:

Long leasehold property	1-7% per annum
Short leasehold property	10% per annum
Plant & fixtures valued with leasehold property	10-20% per annum
Computer and other IT equipment	10-33% per annum
Furniture, fixtures and fittings	10-33% per annum
Plant and machinery	10-33% per annum
Assets in the course of construction	Depreciation commences upon completion of construction

The carrying value of fixed assets is reviewed at least annually. Where the carrying value is considered to be greater than the value of the asset to the activities of the Charity, an impairment charge will be made in the year to reflect that loss in value.

Intangible fixed assets

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the carrying value/fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill on acquisition of subsidiaries is separately disclosed. Goodwill is recognised as an asset and reviewed for impairment annually or on such other occasions that events or changes in circumstances indicate that it might be impaired. Any impairment is recognised immediately in the income statement and is not subsequently reversed. Goodwill is allocated to cash generating units for the purpose of impairment testing. Purchased goodwill arising on consolidation is amortised over the period of its expected useful economic life. This is considered to be a period of ten years from the date of acquisition.

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1. ACCOUNTING POLICIES (CONTINUED)

Investments

Investments in subsidiaries, associate or jointly controlled entities are stated at cost less provision for impairment.

Financial instruments

The principal financial instruments are cash and holdings in the NLDF and film rights, from the adoption of FRS 25 (Financial Instruments: Presentation), FRS 26 (Financial Instruments: Recognition and Measurement) and FRS 29 (Financial Instruments: Disclosures), fall within the definition of Financial Instruments.

Other financial instruments include debtors and creditors that arise directly from Lottery and non-Lottery operations. The main risks arising from the financial instruments are interest rate risk, foreign currency risk and other price risk.

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 BFI is successfully released, the BFI 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.

Film rights meet the definition of "Available for sale financial assets" under Financial Reporting Standards (FRS25, FRS26 and FRS29) and are therefore shown in the financial statements at fair value.

When an advance is made (satisfying the definition of hard commitments above) it is taken to the balance sheet initially at the full value of the award. This valuation is impaired to the extent that full repayment of an advance, through actual receipts and the value of future estimated receipts, is considered doubtful. The valuation is reviewed on a rolling basis to ensure that fair value is maintained.

Movements in impairments shown in the SOFA reflect the net effect of increases and decreases in impairments against film rights in the year. Any impairment may be reversed in part or in full if the valuation understates the fair value of the film right. Advances for development and short film awards are fully impaired in the year of award, unless there is a reasonable expectation of repayment.

If the valuation of the film right is in excess of the amount of the award investment from estimated recoupment over the next three financial years, the key earning period for the film, then this is taken to a fair value reserve, and released to income as the recoupment is received. In the context of the life of a film, and its' distribution cycle, three years is felt to be a reasonable period over which a meaningful forecast can be taken.

Film recoupment income

Income received from a film right is offset against the value of the right on the balance sheet. Income in excess of the original value of the right is taken to the SOFA as film recoupment income and if appropriate through the fair value reserve.

National Lottery Distribution Fund

Balances held in the NLDF remain under the stewardship of the Secretary of State for Culture, Media and Sport. The share of these balances attributable to the BFI 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, Media and Sport as being available for distribution by the BFI in respect of current and future commitments.

The amount attributable to the BFI up to 31 March 2013, has been treated as income within these financial statements.

Stocks and work in progress

Raw materials, stocks and work in progress are valued at the lower of cost and net realisable value. Stocks consist of goods held for resale and work in progress consists of expenditure on DVD and Blu-Ray development carried forward and written off over the expected commercial life of the individual titles.

Pension costs

For defined benefit pension schemes the amounts charged in resources expended are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the SOFA if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised in the Other recognised (losses) / gains.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Charity, in separate trustee-administered funds which are part of the London Pension Fund Authority (LPFA). The LPFA is a local government pension scheme and the BFI is an Admitted Body member. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained every three years and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes, the amount charged to the SOFA in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Operating and finance lease transactions

Payments made under operating leases are charged to the SOFA on a straight line basis over the lease term. There were no finance leases.

Fund accounting

Unrestricted funds are funds available for use at the discretion of the Governors in the furtherance of the general objectives of the BFI and which are not subject to externally imposed restrictions.

Restricted funds are funds to be used in accordance with specific restrictions imposed by donors. The aim and use of each restricted fund is set out in the notes to the accounts. Where the conditions have been met, for example to acquire fixed assets without ongoing restrictions, the related reserves are transferred to unrestricted reserves on the face of the Statement of Financial Activities.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date and gains and losses charged/credited to the Statement of Financial Activities.

Taxation

The BFI is a registered charity and as such its income and gains falling within s.505 ICTA 88 or s.256 TCGA 92 are exempt from corporation tax to the extent that they are applied to its charitable objectives. Its subsidiaries have not incurred a tax charge as they either gift all profits to the BFI or have utilised available tax losses.

Irrecoverable VAT is charged to the cost category to which it relates.

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013**

2. CASH FLOW STATEMENT

	2013	Restated
	£'000	2012
		£'000
Reconciliation of changes in resources to net inflow from operating activities:		
Net incoming resources before other recognised gains and losses	9,984	58,968
Less interest receivable	(18)	(39)
Depreciation	4,156	3,301
Loss on fixed asset disposals	136	16,821
Amortisation of goodwill	157	118
Decrease / (increase) in film rights	3,099	(17,748)
Decrease in stocks	153	32
Increase in debtors	(1,834)	(474)
Increase / (decrease) in creditors	306	(8,242)
Increase / (decrease) in defined benefit pension scheme liability	824	(99)
Net cash inflow from operating activities	<u>16,963</u>	<u>52,638</u>

The above movements exclude British Screen Finance balances at acquisition.

3. ANALYSIS OF CASH FLOWS

	2013	Restated
	£'000	2012
		£'000
Return on investments and servicing of finance		
Increase in National Lottery Distribution Fund	(13,021)	(39,820)
Interest receivable	18	39
Net cash inflow from return on investments and servicing of finance	<u>(13,003)</u>	<u>(39,781)</u>

	2013	2012
	£'000	£'000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(3,351)	(10,507)
Disposal of tangible fixed assets	4	-
Net cash outflow from capital expenditure and financial investment	<u>(3,347)</u>	<u>(10,507)</u>

	2013	2012
	£'000	£'000
Acquisitions and disposals		
Payments to acquire of subsidiary undertaking	-	(2,300)
New cash acquired with subsidiary	-	812
Net cash outflow from acquisitions and disposals	<u>-</u>	<u>(1,488)</u>

a) Reconciliation of net cash flow to movement in net funds

	2013	2012
	£'000	£'000
Increase in cash in the year	613	862
Net funds at 1 April 2012	9,182	8,320
Net funds at 31 March 2013	<u>9,795</u>	<u>9,182</u>

b) Analysis of net funds

	1 April	Cash flow	31 March
	2012	£'000	2013
	£'000		£'000
Cash at bank and in hand	9,182	613	<u>9,795</u>

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4. OTHER SIGNIFICANT TRANSACTIONS

a) Grant-in-Aid - DCMS

DCMS is not a related party, but has been the BFI's largest single source of funding, excluding Lottery income. They have therefore been included in this category in order to provide supplementary disclosure. During the year, the BFI had the following material transactions with DCMS:

Income from DCMS	2013 £'000	2012 £'000
Unrestricted funds - Grant-in-Aid, revenue funding	19,212	25,482
Restricted funds - Grant-in-Aid, capital funding	952	1,808
Restricted funds - Other grant funding (included within 'Other grants', see Note 24)	8,734	19,191

The balances carried forward at the end of the year are £Nil (2012: £Nil) for unrestricted funds and £Nil (2012: £Nil) for restricted funds (see Note 24).

Grant-in-Aid is spent in accordance with the funding agreement between the BFI and DCMS. The common objectives are to:

- extend & improve access to film culture, serving the diverse geographical needs of the UK's nations and regions and recognising the differing needs of rural, suburban and metropolitan locations;
- improve education about the moving image;
- support & encourage cultural diversity and social inclusiveness; and
- promote film activity in the nations and regions, and ensure that national and regional bodies work in concert towards common goals.

b) Governors

The Governors neither received nor waived any emoluments during the year (2012: £Nil). Governors expenses amounted to £937 in the year (2012: £1,749). This primarily represents reimbursed travelling expenses for five (2012: three) governors and the provision of food and beverages for meetings. No payments were made in the year for services (2012: £Nil).

There were no material related party transactions involving Governors in their personal or business capacities other than Lottery and Grant-in-Aid awards disclosed in Note 30.

The Charity has purchased insurance to indemnify the Governors against the consequences of any neglect or default on their part. The cost amounted to £15,341 (2012: £4,303), which includes cover for Governors and Officers of the Charity but also covers management liability, crime and employment practices liability for the organisation as a whole.

c) BFI Trust

BFI Trust is not a related party, it is an independent registered charity with objectives consistent with those of the BFI. It has therefore been included in this category in order to provide supplementary disclosure. During the year, the BFI had the following material transactions with BFI Trust:

	2013 £'000	2012 £'000
<i>Incoming resources from generated funds - Other Grants, Legacies and Donations includes:</i>		
Grants receivable from BFI Trust	4,000	200
<i>Resources expended - Charitable activities includes:</i>		
Rental of leasehold premises	(1,515)	(1,483)
Grants awarded to BFI Trust	(7,500)	(8,000)
Sale of land and buildings - loss on disposal	-	(4,591)

5. LOTTERY FUNDED PROJECTS (BFI AS A RECIPIENT)

	Gross costs of projects 2013 £'000	Less Lottery monies received 2013 £'000	BFI funded 2013 £'000	Gross costs of projects 2012 £'000	Lottery monies received 2012 £'000	BFI funded 2012 £'000
Heritage Lottery Fund	-	-	-	(4)	4	-
UKFC Lottery funding	-	-	-	(692)	445	247
	-	-	-	(696)	449	247

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6. DONATED SERVICES AND FACILITIES

	2013 £'000	2012 £'000
Publicity and advertising	473	993
Buildings and facilities	164	250
Services and equipment hire	277	339
Food and drink	71	116
Other goods	78	53
	<u>1,063</u>	<u>1,751</u>

7. INVESTMENT INCOME

	2013 £'000	2012 £'000
Bank interest receivable	<u>18</u>	<u>39</u>

8. CHARITABLE ACTIVITIES - UNRESTRICTED INCOME

In line with the BFI's future plan *Film Forever*, the activities of the charity have been reanalysed to match the three strategic priorities. As a result the prior year income has been adjusted and restated as follows:

	2012	Adjustment	Restated 2012
<i>Previous Activities</i>			
Lifelong Learning	3,936	(3,936)	-
Distribution & Exhibition	11,757	(11,757)	-
Film Heritage	1,850	(1,850)	-
<i>New Activities</i>			
Education, Learning & Audiences	-	16,654	16,654
Supporting British Film	-	-	-
Film Heritage	-	889	889
	<u>17,543</u>	<u>-</u>	<u>17,543</u>

9. TOTAL RESOURCES EXPENDED

	Direct Costs £'000	Allocated Pension charges £'000	Allocated Support costs £'000	2013 Total £'000	Restated 2012 Total £'000
Education, Learning & Audiences	(36,253)	(1,192)	(2,288)	(39,733)	(46,188)
Supporting British Film	(41,252)	(823)	(38)	(42,113)	(33,529)
Film Heritage	(10,779)	(1,266)	(1,180)	(13,225)	(12,626)
Costs of generating voluntary income	(1,206)	-	-	(1,206)	(972)
Governance costs	(370)	-	-	(370)	(320)
Total resources expended, before Olympic deduction and restructuring costs	<u>(89,860)</u>	<u>(3,281)</u>	<u>(3,506)</u>	<u>(96,647)</u>	<u>(93,635)</u>

Support services, including staff and other costs, which are allocated across the activities of the Charity, are shown in the allocated support costs column. The basis of allocation is as follows:

Nature of cost	Allocation basis	2013 £'000	2012 £'000
IT and finance support	Combination of head count and departmental spend	(1,761)	(1,577)
Human resources	Head count	(349)	(260)
Premises and utilities	Combination of floor area and head count	(720)	(1,076)
Communication and marketing	Direct spend and percentage of income generated	(363)	(305)
Other overheads	Combination of time and departmental spend	(313)	(344)
Total support		<u>(3,506)</u>	<u>(3,562)</u>
Pension cost (Note 11)	Salary costs	<u>(3,281)</u>	<u>(2,383)</u>

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9. TOTAL RESOURCES EXPENDED (CONTINUED)

Restatement of Prior Year

In line with the BFI's future plan *Film Forever*, the activities of the charity have been reanalysed to match the three strategic priorities. In addition, following the adoption of Modified Historical Cost Accounting and the restatement of the value of fixed assets, the depreciation charge for the prior year has been recalculated. As a result the prior year expenditure has been adjusted and restated as follows:

	2012	Adjustment	Additional depreciation	Restated 2012
<i>Previous Activities</i>				
Lifelong Learning	(17,291)	17,291	-	-
Distribution & Exhibition	(23,329)	23,329	-	-
Film Heritage	(17,484)	17,484	-	-
Lottery distribution	(33,228)	33,228	-	-
<i>New Activities</i>				
Education, Learning & Audiences	-	(45,510)	(677)	(46,187)
Supporting British Film	-	(33,529)	-	(33,529)
Film Heritage	-	(12,293)	(334)	(12,627)
Costs of generating voluntary income	(972)	-	-	(972)
Governance costs	(320)	-	-	(320)
	<u>(92,624)</u>	<u>-</u>	<u>(1,011)</u>	<u>(93,635)</u>

In addition, Lottery reserves brought forward have been reduced by £1,481,000 by transfer to Unrestricted reserves to correctly reflect the transfer of Lottery funds. This adjustment relates to the contribution towards the investment in fixed assets, particularly reconfiguring and renovating office space, arising from the BFI taking on the new activities and staff from the UK Film Council. This in part brings the consolidated accounts in line with the 2012 Lottery accounts which expensed £222,000 of cost but also differs by £1,259,000 which is treated as a prepayment in the Lottery accounts, being released over the useful economic life of the assets.

	2013 £'000	2012 £'000
Governance costs:		
Audit fees: Charity (excluding Lottery)	(80)	(70)
Audit fees: Lottery	(40)	(30)
Audit: subsidiaries (British Screen group of companies)	(13)	(13)
Audit: subsidiary (British Film Institute (Big Screen) Limited)	(9)	(9)
Audit of UK Media Desk grant claim	(3)	(3)
Legal and professional fees	-	(30)
Trustees costs	(50)	(34)
Corporate planning	(175)	(131)
Total governance	<u>(370)</u>	<u>(320)</u>
Restructuring costs	<u>(602)</u>	<u>(1,385)</u>

The restructuring costs of £0.6m (2012: £1.4m) relate primarily to the transfer of Lottery Distributor status to the BFI from 1 April 2011. These include: leasehold improvements on the offices (£0.1m); and a share of those costs otherwise attributable to the changes arising from the new role (£0.5m).

Net resources expended before transfers are stated after charging:

	2013 £'000	2012 £'000
Auditors' remuneration (analysed above)	<u>(145)</u>	<u>(125)</u>
Auditors' remuneration includes additional fees of £20,000 for the National Audit Office relating to the prior year audit.		
Foreign exchange gains / (losses)	123	(8)
Depreciation	(4,156)	(2,290)
Loss on disposal of fixed assets	-	(4,591)
Amortisation of goodwill	(157)	(118)
	<u>(4,190)</u>	<u>(7,032)</u>
Charges for operating leases:		
Land and buildings	(1,515)	(1,634)
Plant & machinery	(149)	(300)
	<u>(1,664)</u>	<u>(1,934)</u>
	<u>(22,277)</u>	<u>(17,148)</u>
Film rights impairments	<u>(22,277)</u>	<u>(17,148)</u>

The carrying value of the film rights reflects the extent to which full repayment of an advance, through actual receipts and the value of future estimated receipts, is considered doubtful. The valuation is reviewed on a rolling basis to ensure that fair value is maintained.

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10. STAFF COSTS

	2013	2012
	£'000	£'000
Staff costs consists of:		
Wages & salaries	(17,115)	(16,602)
Social security costs	(1,399)	(1,405)
Pension costs (see Note 11)	<u>(2,314)</u>	<u>(1,692)</u>
	<u>(20,828)</u>	<u>(19,699)</u>

The average number of full-time equivalent employees of the BFI during the year was:

	2013	2012
	Number	Number
Costs of generating voluntary income	17	17
Education, Learning & Audiences	234	241
Supporting British Film	39	39
Film Heritage	152	148
Governance costs	<u>2</u>	<u>2</u>
	<u>444</u>	<u>447</u>

Higher paid employees

	Age at 31 March 2013	2013	2012
		£'000	£'000
Chief Executive			
A. Nevill	56	<u>(145)</u>	<u>(137)</u>

Including bonuses totalling £6,857 (2012: £Nil). Employer's pension contributions for the year amounted to £28,810 (2012: £28,525).

	2013	2012
	Number	Number
Other Executive Team Members		
(including employer's pension contributions)		
£230,000 - £239,999	-	1
£180,000 - £189,999	-	1
£150,000 - £159,000	2	1
£140,000 - £149,999	1	-
£130,000 - £139,999	-	1
£120,000 - £129,999	1	1
£110,000 - £119,999	1	-
£90,000 - £99,999	1	2
£80,000 - £89,999	1	1
£70,000 - £79,999	-	1
Cost	<u>£1,013,000</u>	<u>£1,189,000</u>

Other senior staff

	2013	2012
	Number	Number
(including employer's pension contributions)		
£100,000 - £109,999	1	-
£90,000 - £99,999	11	6
£80,000 - £89,999	14	6
£70,000 - £79,999	9	16
£60,000 - £69,999	12	9
Cost	<u>£3,795,000</u>	<u>£2,873,000</u>
Total Cost	<u>£4,808,000</u>	<u>£4,062,000</u>

Included in the above are 52 (2012: 40) staff who are ordinary members of the LPFA pension scheme. The amount of employer's pension contributions attributable to these staff amounted to £732,000 (2012: £348,000).

Pension payments are to the LPFA scheme of which the BFI is a member. Pension benefits accrue as a result of the period of employment at the BFI and are payable on retirement. The scheme also provides for lump sum payments on retirement of three times final pension. In addition, pension contributions were paid during the year in respect of the defined contribution scheme for BFI (Big Screen) Limited employees and private pension schemes for two members of the Executive team.

During the prior year two senior managers, who transferred from the UKFC under TUPE regulations, ceased employment with the BFI and the above remuneration and pension contributions include payments in respect of UKFC contractual bonuses and notice periods.

A number of Executive staff and other employees have interests in award applications which have been fully disclosed in note 30.

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11. PENSIONS

The BFI is an admitted body to the LPFA, which provides a defined benefit pension scheme for the salaried employees of the Charity. It is a funded scheme and the assets are administered by trustees and are independent of the BFI. The related costs are assessed in accordance with the advice of professionally qualified actuaries. A defined contribution pension scheme is available for employees of the subsidiary company, British Film Institute (Big Screen) Limited.

The BFI has accounted in full for pensions' benefits in the year ended 31 March 2013 under the requirements of FRS17. Therefore, as at 31 March 2013, a pension liability of £37,414,000 (2012: £36,530,000) is included in the BFI balance sheet.

In addition to the amounts payable for current members of the pension scheme, within this scheme the BFI has an unfunded liability to pay pensions to 46 (2012: 42) former employees and their spouses. The total actuarial valuation for this liability at 31 March 2013 is included in the pension provision.

For FRS17 disclosure, the full valuation at 31 March 2010 has been updated by the actuaries Barnett Waddingham to assess the liabilities of the scheme as at 31 March 2013. The next full valuation, at 31 March 2013, is underway and will not be available until next year's accounts.

The most significant actuarial assumptions in this recent valuation are:

		2013	2012
		%	%
		Per annum	Per annum
Rate of increase in prices	RPI	3.4	3.3
Rate of increase in prices	CPI	2.6	2.5
Rate of increase in salaries		3.9	3.8
Rate of increase in pensions in payment		2.6	2.5
Expected return on assets		5.6	5.9
Discount rate		4.5	4.6
Return on scheme investment:			
Equities		6.0	6.3
Target return funds		4.6	4.5
Alternative assets		5.0	5.3
Cash		0.5	3.0
Corporate bonds		-	-

The BFI share of the net pension liability as at 31 March 2012 is:

	2013	2012	2011	2010	2009
	£'000	£'000	£'000	£'000	£'000
Fair value of employer assets	67,259	58,009	48,584	44,610	34,318
Present value of scheme liabilities	(102,200)	(92,279)	(68,328)	(82,071)	(61,590)
Net underfunding in funded plans	(34,941)	(34,270)	(19,744)	(37,461)	(27,272)
Present value of unfunded liabilities	(2,473)	(2,260)	(2,315)	(2,326)	(2,550)
Net pension deficit	(37,414)	(36,530)	(22,059)	(39,787)	(29,822)

Assets - Split of Investments by Category

Assets whole fund	2013	Asset	2012	Asset
	£'000	Distribution	£'000	Distribution
		%		%
Equities	2,193,650	73%	1,961,510	73%
Target return funds	300,500	10%	322,440	12%
Alternative assets	450,750	15%	376,180	14%
Cash	60,100	2%	26,870	1%
Corporate bonds	-	-	-	-
Total	<u>3,005,000</u>	<u>100%</u>	<u>2,687,000</u>	<u>100%</u>

Analysis of the amount chargeable to resources expended under FRS17

	2013	2012
	£'000	£'000
Current service cost	(2,314)	(1,692)
Losses on curtailments and settlements	(56)	(247)
Total operating charge	<u>(2,370)</u>	<u>(1,939)</u>

Amount credited/(debited) to other finance charges under FRS17

	2013	2012
	£'000	£'000
Expected return on pension scheme assets	3,456	3,837
Interest on pension scheme liabilities	(4,367)	(4,281)
Net costs	<u>(911)</u>	<u>(444)</u>
Net revenue account cost	<u>(3,281)</u>	<u>(2,383)</u>
Transfer of Pension Liabilities *	<u>-</u>	<u>(937)</u>

* Transfer in of UKFC employees, deferred and active pensioners.

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11. PENSIONS (CONTINUED)

Analysis of amount recognised in the SOFA	2013 £'000	2012 £'000			
Actual return less expected return on pension scheme assets	4,866	(3,272)			
Experience gains arising on the scheme liabilities	(239)	130			
Changes in assumptions underlying the present value of the scheme liabilities	(4,687)	(11,428)			
Actuarial loss recognised in SOFA	<u>(60)</u>	<u>(14,570)</u>			
Reconciliation of defined benefit obligation	2013 £'000	2012 £'000			
Defined benefit obligation in scheme at beginning of year	(94,539)	(70,643)			
Movement in year:					
Current service cost	(2,314)	(1,692)			
Interest cost	(4,367)	(4,281)			
Contributions by members	(768)	(767)			
Unfunded benefits paid	163	159			
Impact of settlements and curtailments	(56)	(247)			
Liabilities assumed in a business combination	-	(8,709)			
Benefits paid	2,134	2,939			
Actuarial (losses)/gains	(4,926)	(11,298)			
Deficit in scheme at end of the year	<u>(104,673)</u>	<u>(94,539)</u>			
Reconciliation of fair value of employer assets	2013 £'000	2012 £'000			
Fair value of employer assets in scheme at beginning of year	58,009	48,584			
Movement in year:					
Expected return on assets	3,456	3,837			
Contributions by members	768	767			
Contributions by the employer	2,457	3,260			
Contributions in respect of unfunded benefits	163	159			
Actuarial (losses)/gains	4,866	(3,272)			
Unfunded benefits paid	(163)	(159)			
Benefits paid	(2,297)	(2,939)			
Receipts of bulk transfer value	-	7,772			
Fair value of employer assets in scheme at end of year	<u>67,259</u>	<u>58,009</u>			
History of experience gains and losses	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Fair value of employer assets	67,259	58,009	48,584	54,902	34,318
Present value of defined benefit obligation	(104,673)	(94,539)	(70,643)	(104,654)	(64,140)
Deficit	<u>(37,414)</u>	<u>(36,530)</u>	<u>(22,059)</u>	<u>(49,752)</u>	<u>(29,822)</u>
Experience gains / (losses) on assets	4,866	(3,272)	143	7,947	(12,264)
Experience (losses) / gains on liabilities	<u>(239)</u>	<u>130</u>	<u>13,980</u>	<u>618</u>	<u>59</u>

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12. TANGIBLE FIXED ASSETS

Group and Charity	Short & long leasehold property £'000	Plant & fixtures valued with leasehold property £'000	Computer and other IT equipment £'000	Furniture fixtures and fittings £'000	Plant and machinery £'000	Assets in the course of construction £'000	Total £'000
Cost or valuation							
At 1 April 2012	31,815	-	4,068	6,459	10,253	1,275	53,870
Reclassification	(4)	2,122	-	(2,118)	-	-	-
Revaluation	(3,394)	8,002	-	-	-	-	4,608
Revaluation movement 2011-12	491	176	-	-	-	-	667
At 1 April 2012 - restated	28,908	10,300	4,068	4,341	10,253	1,275	59,145
Additions	2,069	-	719	168	395	-	3,351
Disposals	(17)	-	(63)	(405)	(493)	-	(978)
Revaluation	(663)	(237)	-	-	-	-	(900)
Transfers	1,046	-	-	-	229	(1,275)	-
At 31 March 2013	31,343	10,063	4,724	4,104	10,384	-	60,618
Depreciation							
At 1 April 2012	(8,306)	-	(1,823)	(2,621)	(5,076)	-	(17,826)
Reclassification	3	(1,100)	-	1,097	-	-	-
Revaluation	8,744	1,658	-	-	-	-	10,402
Additional depreciation from revaluation	(453)	(558)	-	-	-	-	(1,011)
At 1 April 2012 - restated	(12)	-	(1,823)	(1,524)	(5,076)	-	(8,435)
Charge for the year	(984)	(1,312)	(829)	(316)	(715)	-	(4,156)
Disposals	4	-	60	301	473	-	838
At 31 March 2013	(992)	(1,312)	(2,592)	(1,539)	(5,318)	-	(11,753)
Net Book Value							
At 31 March 2013	30,351	8,751	2,132	2,565	5,066	-	48,865
At 1 April 2012 - restated	28,896	10,300	2,245	2,817	5,177	1,275	50,710

The BFI's leasehold properties BFI Southbank and BFI London IMAX were revalued as at 31 March 2012 by appropriately qualified valuers, Drivers Jonas Deloitte, in accordance with FRS 15: Fixed Assets, using Existing Use and Depreciated Replacement Cost methods respectively. When the items were revalued to hold them at Fair Value, the valuation process also involved reclassification of the categories, hence the prior period adjustment showing a decrease in short & long leasehold property, and a significant increase in the new category of plant & fixtures valued with leasehold property. As a result fixed assets have been restated at £50.7m (previously £36.0m) after an additional £1.0m depreciation charge applied to the prior year resources expended. The values as at 31 March 2013 and 2011 have been estimated using appropriate indexation, resulting in a reduction in value in the year of £0.9m (2012: increase of £0.7m).

Included within long leasehold property is property with a depreciated net book value of £17.6m (2012: £17.9m) relating to the BFI IMAX cinema building. Arts Council England has a legal charge on the property to the value of £15,000,000 in respect of original funding for the building costs. In the event that the BFI were to dispose of the building prior to 2018 there may be a requirement to repay some or all of the charge.

In addition to costs capitalised as shown above, the BFI incurred costs of £16,000 (2012: £535,000) which relate to Screen Heritage UK. Whilst the costs incurred relate to a capital project, they could not be capitalised under the accounting rules set out in FRS15.

13. HERITAGE ASSETS

In order to give an indication of the physical size and diversity of the collections, the main elements are summarised below.

Fiction film

60,000 titles. The collection includes the original camera negatives of some of the most important feature films in British film history. The BFI also looks after an extensive international collection of films.

Non fiction film

120,000 titles including documentaries, newsreels, government films, sponsored films, advertisements and home movies. It is the world's most important collection of documentary films.

Television

Around 750,000 television titles including material recorded off-air, as it was seen by the viewer, as well as production and transmission material. The collection includes all BBC output since 1980 including unique live broadcasts and extensive samples of commercial terrestrial television, with emphasis on key British productions. As well as the recorded material, significant collections of transmitted programming donated by broadcasters include the Rediffusion Collection (the earliest ITV contractor) and material preserved on analogue videotape from the 1960s and 1970s donated by the BBC and ITV. The collection also includes recordings of the proceedings of the two houses of Parliament and select committees (approximately 60,000 hours).

Library

The library holds some 45,000 books including major film, TV and video directories and yearbooks from around the world, all major film and TV festival catalogues, programmes and brochures and all UK based festival catalogues. It also includes major film catalogues from around the world, annual reports from relevant companies and bodies; official publications including copyright, arts policy, and government reports; biographies and autobiographies of UK film/TV personalities.

One of the greatest strengths of the library is its near comprehensive collections of UK trade and academic journals (5,000 titles; many hundreds of thousands of issues). An extensive collection of newspaper cuttings, publicity and press material are also held as are brochures, leaflets, prospectuses etc. describing the work of organisations that are relevant to film and television.

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13. HERITAGE ASSETS (CONTINUED)

Special collections

30,000 unpublished scripts, from first drafts to release scripts, relating primarily to British film and TV titles.

30,000 press books, 15,000 film posters and 2,000 items of cinema ephemera such as programmes, tickets, autographed letters, promotional material and personal memorabilia.

600 collections of personal and company papers reflecting the history of British film and television production from the earliest days to the present time.

Approximately 1 million still images from or related to film and TV, including publicity material, production shots, and portraits.

Other items include: 3,000 production and costume designs; 3,000 animation cells including artwork by leading animators; and extensive audio collections including oral history recordings and interviews with many key industry figures.

14. INTANGIBLE FIXED ASSETS

Goodwill

	£'000
Goodwill on Acquisition	
At 1 April 2012	1,574
Additions	-
At 31 March 2013	<u>1,574</u>
Goodwill Amortisation	
At 1 April 2012	(118)
Amortisation in the year	(157)
At 31 March 2013	<u>(275)</u>
Net Book Value	
At 31 March 2013	<u><u>1,299</u></u>
At 1 April 2012	<u><u>1,456</u></u>

Goodwill arises on consolidation of British Screen Finance Limited (BSF) and its subsidiary companies, which were acquired on 29 June 2011, and is being amortised over ten years on a straight line basis.

15. INVESTMENTS

	British Screen Finance Group £'000	BFI Findanyfilm £'000	BFI Big Screen £'000	Connoisseur Video £'000	2013 Total £'000	2012 Total £'000
Trading Account						
Income	433	34	4,413	-	4,880	5,836
Expenditure	(239)	(256)	(1,894)	-	(2,389)	(4,422)
Net operating profit	<u>194</u>	<u>(222)</u>	<u>2,519</u>	<u>-</u>	<u>2,491</u>	<u>1,414</u>
Interest receivable and similar income	-	-	6	-	6	1
Surplus gift aided to the BFI	-	-	(2,525)	-	(2,525)	(1,449)
Net profit	<u>194</u>	<u>(222)</u>	<u>-</u>	<u>-</u>	<u>(28)</u>	<u>(34)</u>
Balance Sheet						
Stocks and work in progress	-	-	-	-	-	24
Debtors	34	1	1,244	93	1,372	868
Cash at bank and in hand	1,614	-	1,171	-	2,785	2,397
Current liabilities	(488)	(223)	(2,413)	-	(3,124)	(2,503)
Total (BFI interest)	<u><u>1,160</u></u>	<u><u>(222)</u></u>	<u><u>2</u></u>	<u><u>93</u></u>	<u><u>1,033</u></u>	<u><u>786</u></u>

BFI Findanyfilm Ltd was sold on 20 September 2012 for a nominal amount.

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15. INVESTMENTS (CONTINUED)

The BFI holds/held 100% of the issued share capital of the following undertakings, which are registered in England and Wales:

British Screen Finance Limited (BSF)
BFI (Big Screen) Limited (operates the theatrical and commercial activities of the BFI IMAX)
Connoisseur Video Limited (DVD publishing overseas - dormant)
Project Rosebud Limited (e-commerce development - dormant with nil assets and investment value)
BFI Findanyfilm Limited (website connecting audiences with film experiences) - sold to Industry Trust on 20 September 2012.

BSF, in addition, holds the following investments:

	Ordinary shares of £1 each	Holding
Subsidiary undertakings		
National Film Finance Consortium Limited (NFFC)	100	100%
European Co-Production Fund Limited (ECF)	2	100%
British Screen Rights Limited (BSR)	2	100%
The Greenlight Fund Limited (GLF)	2	100%
Associated undertakings		
British Film-Makers Limited (BFM)	50	50%

NFFC is a dormant company. ECF was a company that made loans to films produced by European co-producers. BSR acquired and sold rights in feature films. GLF managed the investment of some National Lottery proceeds into feature films on behalf of the Arts Council of England and is now dormant. BFM collects and distributes film revenues on behalf of BSF and third parties. Its results are not material to the Group. All group companies are registered in England and Wales.

Trading subsidiaries are involved in activities wholly consistent with the BFI's charitable aims and objectives and remit taxable profits to the BFI under Gift Aid. Their income and expenditure are consolidated into the Group accounts.

The investments held by the Charity are summarised as follows:

	2013 £'000
Cost	
At 1 April 2012	2,450
Additions	-
At 31 March 2013	<u>2,450</u>
Impairment	
At 1 April 2012	(57)
Written down in the year	-
At 31 March 2013	<u>(57)</u>
Net Book Value	
At 31 March 2013	<u><u>2,393</u></u>
At 1 April 2012	<u><u>2,393</u></u>

16. FILM RIGHTS

	2013 £'000	2012 £'000
At 1 April 2012	21,161	18,014
Advances	25,933	20,881
Repayments	(6,233)	(3,917)
Decommitments	(522)	(84)
Fair value adjustments in the year	(1,687)	3,413
Impairments written back	3,822	-
Impairments	<u>(26,099)</u>	<u>(17,146)</u>
At 31 March 2013	<u><u>16,375</u></u>	<u><u>21,161</u></u>
Income received on titles where the initial investment has been recovered is taken into the statement of financial activities	<u>2,342</u>	<u>3,828</u>

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.

The fair valuation adjustment relates to future income anticipated on those projects where the original investment has already been fully recouped. Whilst based on best information available at the statement of financial position date there is inevitable uncertainty in estimating these future income flows. Of the £1.7m decrease in fair value in the year, £1.4m was recoupment received relating to The King's Speech against a fair valuation at 1 April 2012 of £6.3m.

Schedule 1 of the Lottery financial statements gives a project by project breakdown in the movement of the film rights.

Under Financial Reporting Standards relating to Financial Instruments (FRS25, FRS26 and FRS29) 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 balance sheet at fair value.

The valuation of film rights is inherently uncertain, being on informed expectation of future receipts and is under constant review over the life of a project, subject to its actual or anticipated success or otherwise. Many of the factors affecting the valuation will only occur over the passage of time. Should a project over-perform against expectations, once the full investment has been recouped, the film right is increased by a fair valuation based on future years anticipated revenues. However should a film be considered to be likely to under-perform against the original estimation, the impairment against it will be subsequently increased.

It is always more likely that a film right will have an increased impairment over time, as more factual evidence comes to light both as to the project itself and its actual commercial performance.

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16. FILM RIGHTS (CONTINUED)

In 2012 the largest increase in provisions relates to the writing off of the remaining rights valuation on Sunshine (£1.9m). Notes On A Scandal (£0.6m) and Wuthering Heights (£0.3m) and an additional provision with regard to Attack The Block. The fair value gains reflect the ongoing commercial success of The King's Speech and anticipated future revenues from this.

In 2013 the largest increase in provisions related to writing off the remaining rights valuations on Great Expectations (£0.6m), Seven Psychopaths (£0.6m) and Streetdance Encore (£0.5m). The fair value gain reflects the ongoing commercial success of The King's Speech and continued anticipated revenues from this.

17. NATIONAL LOTTERY DISTRIBUTION FUND

The movement in balances held at the NLDF is:

	2013	2012
	£'000	£'000
Balance at 1 April	39,820	35,676
Income received from the Lottery	52,623	41,537
Transfer to the Olympic Lottery Distribution Fund (OLDF)	<u>(2,732)</u>	<u>(5,866)</u>
Available for distribution	89,711	71,347
Cash drawn down	<u>(36,870)</u>	<u>(31,527)</u>
Balance at 31 March	<u><u>52,841</u></u>	<u><u>39,820</u></u>

The funds are invested on behalf of the NLDF by the National Debt Commissioners. The BFI'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 BFI is required by statute to show on the balance sheet at the lower of the market value or the cost of the investment as at the year end.

Following the changes in the year in the NLDF investments by the National Debt Commissioners, there were no unrealised gains in the year (2012: £460,000).

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

The UKFC was committed to contribute up to £9.6m in the original bid and this order allows for the transfer of up to a further £12.2m making a total of £21.8m and the balance of this liability transferred to the BFI on 1 April 2011.

The final two transfers of funds under the statutory instrument took place during the financial year with the BFI contributing a total of £2.7m.

18. STOCKS AND WORK IN PROGRESS

	Group	Group	Charity	Charity
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Raw materials	17	13	17	13
Work in progress	83	127	83	127
Finished goods	<u>478</u>	<u>591</u>	<u>478</u>	<u>568</u>
	<u><u>578</u></u>	<u><u>731</u></u>	<u><u>578</u></u>	<u><u>708</u></u>

19. DEBTORS

	Group	Group	Charity	Charity
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Trade debtors	4,165	1,744	3,823	1,608
Amount owed by subsidiary undertakings	-	-	2,252	1,576
Other debtors	1,053	1,461	1,092	1,475
Prepayments and accrued income	<u>2,348</u>	<u>2,527</u>	<u>1,394</u>	<u>1,907</u>
	<u><u>7,566</u></u>	<u><u>5,732</u></u>	<u><u>8,561</u></u>	<u><u>6,566</u></u>

**BRITISH FILM INSTITUTE GROUP AND LOTTERY
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19. DEBTORS (CONTINUED)

	Group 2013 £'000	Group 2012 £'000	Charity 2013 £'000	Charity 2012 £'000
Additional analysis of debtors				
Central Government bodies	499	930	942	945
Public corporations and trading funds	20	30	20	129
Bodies external to Government	7,047	4,772	7,599	5,492
	<u>7,566</u>	<u>5,732</u>	<u>8,561</u>	<u>6,566</u>

20. FINANCIAL RISKS

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

Liquidity risks

In 2013 £19.2m (17%) of the incoming resources were derived from the DCMS revenue allocation of Grant-in-Aid (2012: £25.5m, 15%); £1.0m (1%) (2012: £1.8m, 1%) related to the DCMS capital provision for the year; £15.5m (14%) was generated from Other legacies, grants and donations (2012: £22.0m, 13%) and £18.2m (17%) (2012: £17.5m, 11%) were Resources generated from charitable activities. £1.1m (1%) (2012: £1.8m, 1%) came from Donated services and facilities. As a Lottery Distributor, £55.0m (50%) of incoming resources was from Lottery proceeds and receipts (2012: £45.4m, 27%). In the prior year £50.9m (31%) of income was the one off transfer of assets from the UKFC and Other incoming resources totalled £0.5m (1%).

The Governors consider that, as the NLDF balance notified by the Secretary of State for Culture, Media and Sport and the BFI's own Lottery cash holding amount to £57.5 m at the statement of financial position date (2012: £39.8m), sufficient liquid resources are available to cover all current hard and soft commitments totalling £53.5 m (2012: £16.2m) and any other payables. The non-Lottery cash holdings are considered sufficient to cover the non-Lottery other payables.

Interest rate risks

The BFI's largest financial asset is retained in the NLDF, which invests in a narrow band of low risk assets such as Government bonds and cash. Neither the BFI nor its Governors has any control over these investments. The interest rate risks in respect of these financial assets are disclosed in the financial statements of the NLDF. The market value at year end of the BFI's investment in the NLDF was £52.8 m (2012: £39.8m) and the average investment return for the year was 0.78 % (2012: 2.26%).

Cash drawn from the NLDF, DCMS 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% (2012: 0.1%). The group cash balance at the year end was £9.8m (2012: £9.2m).

Other price risks

Under Financial Reporting Standards (FRS 25, 26 and 29) 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 balance sheet at fair value.

Establishing the fair value of film rights is subjective and therefore contains an element of risk. The fair value is based on a review of external evidence such as the sales agents estimates as to the likely revenues generated by a project, and depending on where it is in the life cycle of the project, upon actual performance of the film to date. This is matched with the knowledge and experience of the staff and management involved in the process of assessing the projects both at application stage and as they come to fruition. Any reduction in fair value is immediately taken to the SOFA in the year.

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 upon the actual receipt of funds.

Film rights at 31 March 2013 have a valuation of £16.4m (2012: £21.2m). The Governors consider that the BFI is not exposed to significant other price risks.

Foreign currency risks

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

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2013 £'000	Group 2012 £'000	Charity 2013 £'000	Charity 2012 £'000
Trade creditors	(1,894)	(1,485)	(1,864)	(1,374)
Amount owed to subsidiary undertakings	-	-	(72)	(111)
Other taxes and social security costs	(489)	(441)	(489)	(429)
Other creditors	(571)	(357)	(564)	(285)
Hard commitments	(8,429)	(8,654)	(8,429)	(8,654)
Accruals	(4,331)	(4,710)	(4,274)	(4,454)
Deferred income (see Note 22)	(2,223)	(1,984)	(1,710)	(1,796)
	<u>(17,937)</u>	<u>(17,631)</u>	<u>(17,402)</u>	<u>(17,103)</u>
Additional analysis of creditors				
Central Government bodies	(753)	(671)	(753)	(660)
Bodies external to Government	(17,184)	(16,960)	(16,649)	(16,443)
	<u>(17,937)</u>	<u>(17,631)</u>	<u>(17,402)</u>	<u>(17,103)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013**

22. DEFERRED INCOME

	Group 2013 £'000	Group 2012 £'000	Charity 2013 £'000	Charity 2012 £'000
At 1 April 2012	(1,984)	(4,208)	(1,796)	(4,093)
Amount released to incoming resources	1,984	4,208	1,796	4,093
Amount deferred in year	<u>(2,223)</u>	<u>(1,984)</u>	<u>(1,710)</u>	<u>(1,796)</u>
At 31 March 2013	<u><u>(2,223)</u></u>	<u><u>(1,984)</u></u>	<u><u>(1,710)</u></u>	<u><u>(1,796)</u></u>

Mainly relates to performance related grants received in the year, deferred to match future performance, and advance ticket sales.

23. LOTTERY HARD AND SOFT COMMITMENTS

Hard Commitments

	2013 £'000	Restated 2012 £'000
At 1 April 2012	8,654	5,243
Commitments made	37,808	33,880
Hard decommitments	(672)	(42)
Amounts paid	<u>(37,361)</u>	<u>(30,427)</u>
At 31 March 2013	<u><u>8,429</u></u>	<u><u>8,654</u></u>

Hard decommitments arise when any element of the award is not utilised once contracts are signed and drawdown has commenced.

New hard commitments made during the year:

	2013 £'000	2012 £'000
Film rights	26,884	20,881
Regional awards	2,201	2,743
First Light awards	1,100	1,100
Opportunity and Challenge Fund	3,939	1,595
Training awards	3,624	3,654
Distribution & exhibition	-	3,906
Other	60	-
	<u><u>37,808</u></u>	<u><u>33,880</u></u>

Ageing of hard commitments

	2012 £'000	2012 £'000
Commitments payable within one year	<u>8,429</u>	<u>7,944</u>
	<u><u>8,429</u></u>	<u><u>7,944</u></u>

Soft Commitments

	2013 £'000	2012 £'000
At 1 April 2012	8,308	7,650
Commitments made	75,415	34,773
Soft decommitments	(836)	(235)
Transferred to hard commitments	<u>(37,808)</u>	<u>(33,880)</u>
At 31 March 2013	<u><u>45,079</u></u>	<u><u>8,308</u></u>

Soft decommitments arise when the conditions of the terms of the award are not met and prior to signature of contract and completion of any terms precedent.

Soft commitments increased significantly in 2012-13 with the full £26m commitment to Film Nation UK for the education strand of Film Forever, and the £15m commitment for Unlocking Film Heritage. Both these awards remained soft commitments at 31 March 2013.

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24. STATEMENT OF FUNDS

	Restated At 1 April 2012 £'000	Income £'000	Expenditure £'000	Other recognised gains/(losses) £'000	Transfers £'000	At 31 March 2013 £'000
Unrestricted funds:						
At 1 April 2012 per prior year accounts	(11,370)					(11,370)
<i>Fixed Assets Revaluation</i>						
Additional depreciation 2011-12 (Note 12)	(586)					(586)
Revaluation of fixed assets - costs	1,223					1,223
Revaluation of fixed assets - depreciation	5,179					5,179
Valuation adjustment 2011-12	287					287
Valuation adjustment 2012-13				(387)		(387)
Additional depreciation 2012-13			(586)			(586)
Fixed asset revaluation reserve	6,103	-	(586)	(387)	-	5,130
Transfer to correct Lottery reserves (Note 8)	1,481					1,481
Net incoming/(outgoing) resources before other recognised gains and losses		41,853	(45,904)	-	3,040	(1,011)
Actuarial losses on defined benefit pension scheme				(56)	-	(56)
Movement in fixed asset revaluation reserves			586			586
Total unrestricted funds	(3,786)	41,853	(45,904)	(443)	3,040	(5,240)
Restricted funds:						
<i>Fixed Assets</i>						
At 1 April 2012 per prior year accounts	13,833					13,833
Additional depreciation 2011-12 (Note 12)	(425)					(425)
Revaluation of fixed assets - costs	3,385					3,385
Revaluation of fixed assets - depreciation	5,223					5,223
Valuation adjustment 2011-12	380					380
Valuation adjustment 2012-13				(513)		(513)
Additional depreciation 2012-13			(425)			(425)
Fixed asset revaluation reserve	8,563	-	(425)	(513)	-	7,625
Depreciation			(406)			(406)
	22,396	-	(831)	(513)	-	21,052
<i>Charitable Activities:</i>						
Donated Services and Facilities	-	1,063	(1,063)		-	-
TV Grants	-	1,312	(1,312)		-	-
David Lean Foundation	-	65	(65)		-	-
Chaplin Foundation	41	-	-		-	41
European Cultural Foundation	-	10	(10)		-	-
British Council	-	10	(10)		-	-
European Commission	-	134	(134)		-	-
Nicolas Winding Refn	-	43	(43)		-	-
Skillset	-	11	(11)		-	-
Arts Council England	-	147	(147)		-	-
Film London	-	60	(60)		-	-
Commission Des Com	-	123	(123)		-	-
Europa Cinemas	-	18	(18)		-	-
John Ellerman Foundation	-	30	(30)		-	-
Sir John Cass's Foundation	-	46	(46)		-	-
The Headley Trust	-	20	(20)		-	-
Mohamed S Farsi Foundation	-	15	(15)		-	-
Dr Mortimer & Theresa Sackler Foundation	-	100	(100)		-	-
The Edwin Fox Foundation	-	40	(40)		-	-
Eric Anker Petersen	-	115	(115)		-	-
An Anonymous Donor	-	10	(10)		-	-
LOCOG	-	34	(34)		-	-
DCMS - Capital Grant-in-Aid	-	952	-		(952)	-
DCMS - Future Film Funding	-	7,500	(7,500)		-	-
DCMS - Future Certification Funding	-	250	(250)		-	-
DCMS - Screen Heritage	-	984	(16)		(968)	-
Other up to £10,000	-	49	(49)		-	-
Total restricted funds excluding lottery	22,437	13,141	(12,052)	(513)	(1,920)	21,093
Lottery funds:						
At 1 April 2012 per prior year accounts	57,461					57,461
Transfer to correct Lottery reserves (Note 8)	(1,481)					(1,481)
Net incoming/(outgoing) resources before other recognised gains and losses		54,971	(42,025)	-	(1,120)	11,826
Actuarial losses on defined benefit pension scheme				(4)	-	(4)
Movement in fair value reserves				(1,687)	-	(1,687)
Total Lottery funds	55,980	54,971	(42,025)	(1,691)	(1,120)	66,115
Total funds	74,631	109,965	(99,981)	(2,647)	-	81,968

Transfers represent fixed assets funded by restricted grants, which have been transferred to unrestricted assets on completion.

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24. STATEMENT OF FUNDS (CONTINUED)

Restricted funds:	Description:
Fixed assets	Assets subject to ongoing restrictions and their associated depreciation. This is primarily the BFI London IMAX, as described in Note 12.
TV Grants	Archiving services for both Independent Television and the BBC.
David Lean Foundation	Support for restoration work.
Chaplin Foundation	Charlie Chaplin archive and research projects.
European Cultural Foundation	Supporting the Youth and Media Programme.
British Council	Support for LFF programme events
European Commission	Supporting the EC Film Literacy project.
Nicolas Winding Refn	Remastering Andy Milligan's <i>Nightbirds</i> for DVD release.
Skillsset	Various including BFI website development and LLGFF support.
Arts Council England	Support for <i>The Genius of Hitchcock</i> .
Film London	Support for the London Film Festival 2012.
Commission Des Com	Support for the provision of Media Desk services.
Europa Cinemas	To increase the screening of European films at the BFI Southbank.
John Ellerman Foundation	Support for the BFI National Film Archive.
Sir John Cass's Foundation	Support for the Cultural Campus for Lambeth at BFI Southbank.
The Headley Trust	Support for the restoration of <i>Downhill</i> .
Mohamed S Farsi Foundation	For the restoration of Alfred Hitchcock's silent films.
Dr Mortimer & Theresa Sackler Found'n	Support for the BFI Library.
The Edwin Fox Foundation	Support for the BFI Library.
Eric Anker Petersen	Support for the restoration of <i>Epic of Everest</i> .
An Anonymous Donor	For the restoration of Alfred Hitchcock's silent films.
LOCOG	London Organising Committee of the Olympic and Paralympic Games (LOCOG), for the restoration and screening of Alfred Hitchcock's silent films.
DCMS - Capital Grant-in-Aid	Grant-in-Aid annual funding for capital renewals.
DCMS - Screen Heritage	Development and planning for the Screen Heritage programme of projects. Total funding of £22.5m was made available by the DCMS towards securing the UK's film archives and improving public access and the BFI has been a major beneficiary between 2008/9 and 2012/13.
Other under £10,000	Various grant awards towards education, restoration and programming.

Fund balances at 31 March 2013 are represented by:

	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	27,813	21,052	48,865
Intangible fixed assets	1,299	-	1,299
Film rights	-	16,375	16,375
National Lottery Distribution Fund	-	52,841	52,841
Stocks and work in progress	578	-	578
Debtors	4,315	3,251	7,566
Cash at bank and in hand	3,667	6,128	9,795
Current assets	8,560	78,595	87,155
Current liabilities	(6,924)	(11,013)	(17,937)
Income funds excluding pensions asset/liability	30,748	88,634	119,382
Long term pension liabilities	(35,988)	(1,426)	(37,414)
Total net assets	(5,240)	87,208	81,968

Restricted funds are committed as directed by the donors/grantors. Unrestricted Funds are available to fund revenue initiatives identified during the year and to provide a reserve against unforeseen costs arising.

Net free reserves

	2013 Unrestricted £'000	Restated 2012 Unrestricted £'000
Current assets	8,560	10,249
Current liabilities	(6,924)	(8,599)
Net free reserves	<u>1,636</u>	<u>1,650</u>

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013**

24. STATEMENT OF FUNDS (CONTINUED)

Operating statement - Charity only

	2013 Total £'000	2012 Total £'000
Incoming resources	105,079	159,544
Resources expended	<u>(97,660)</u>	<u>(100,198)</u>
Operating surplus/(deficit)	<u>7,419</u>	<u>59,346</u>
BFI (Big Screen) Limited surplus gift aided to the BFI	2,525	1,449
Transfer of pension liabilities	-	(937)
Actuarial (losses) / gains on defined benefit pension schemes	(60)	(14,570)
Movement in fair value reserves	(1,687)	3,413
Movement in fixed asset revaluation reserves	<u>(900)</u>	<u>666</u>
Charity only funds at 1 April 2012	<u>74,510</u>	<u>25,143</u>
Charity only funds at 31 March 2013	<u>81,807</u>	<u>74,510</u>

25. VOLUNTARY INCOME

	2013 £'000	2012 £'000
Lottery proceeds	52,623	41,537
Lottery recoupment income	2,342	3,828
Grant-in-Aid - revenue funding	19,212	25,482
Grant-in-Aid - capital funding	952	1,808
Other grants - transfer of UKFC net assets	-	50,936
Other grants, legacies and donations	15,513	22,009
Lottery awards	-	449
Donated services and facilities	<u>1,063</u>	<u>1,751</u>
	<u>91,705</u>	<u>147,800</u>
Costs of generating funds		
Costs of generating voluntary income	<u>1,206</u>	<u>972</u>

Costs of generating voluntary income is the staff, direct and indirect costs of the in-house teams who source funding from individuals, trusts, foundations and corporations. The costs include some press and public relations expenditure. In addition to the above voluntary income, income from charitable activities includes sponsorship income and unrestricted donations of £1,815,000 (2012: £676,000) raised by the Development team. This income primarily relates to the corporate sponsorship of the London Film Festival and the London Lesbian & Gay Film Festival. The costs of the BFI Sponsorship department, which also raises grants and donations for the festivals and other activities, are included in the costs of generating voluntary income and amounted to £432,000 (2012: 348,000).

% Expenditure/Income 1.3% 0.7%

Including the income reported in charitable activities but excluding Lottery and Grant-in-Aid the equivalent % Expenditure/Income is 6.3% (2012: 3.9%). The main change year on year relates to the conclusion of Screen Heritage UK, accounting for a £5.6m reduction in voluntary income.

26. LEASE COMMITMENTS

At 31 March 2013, the Charity had annual commitments in respect of non-cancellable operating leases as set out below:

	Land and buildings 2013 £'000	Land and buildings 2012 £'000	Other 2013 £'000	Other 2012 £'000
Leases which expire:				
Less than 1 year	-	-	(7)	(180)
Within 2 to 5 years	-	-	(26)	(6)
Over 5 years	<u>(1,515)</u>	<u>(1,515)</u>	<u>(1)</u>	<u>-</u>
	<u>(1,515)</u>	<u>(1,515)</u>	<u>(34)</u>	<u>(186)</u>

27. CONTINGENT AND OTHER LIABILITIES AND POST BALANCE SHEET EVENTS

Some grant funding in the current and previous years could potentially become repayable in the event of the assets funded being disposed of by the BFI, subject to time and other restrictions set out in the grant agreements (see Note 12).

There were no provisions other than those under FRS17: Retirement Benefits (see Note 10).

At the time of signing the accounts there had been no post balance sheet events which would adjust the figures reported in the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
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28. GRANT-IN-AID AND LOTTERY AWARDS

Grant-in-Aid awards

With the closure of the UKFC, the BFI took responsibility on behalf of DCMS for the administration of Grant-in-Aid awards made to third party and partner organisations in the film sector, and received additional funding for this.

Awards in the year were:	2013	2012
	£'000	£'000
Creative England	2,584	1,151
Film London	876	1,047
Other Regional Screen Agencies	-	1,433
Film Agency for Wales	128	128
Northern Ireland Screen: Irish Language Fund	3,000	3,000
Northern Ireland Screen: Ulster Scots Fund	1,000	1,000
Film Club	-	2,950
Film Academy awards - 30 bodies received awards totalling:	<u>587</u>	<u>-</u>
	<u><u>8,175</u></u>	<u><u>10,709</u></u>

2012-13 was the first full year of funding for the new structure for regional funding outside of London, with responsibility passing from the Regional Screen Agencies to Creative England on 1 October 2011.

Lottery awards

Full details of all Lottery commitments made in the year are shown in the accompanying Lottery financial statements.

29. TAX STATUS

The BFI is a registered charity and as such is potentially exempt from taxation of its income and gains to the extent that they are applied to its charitable objectives.

Its subsidiaries' total taxable profits are either gifted to the Charity or tax losses have been utilised and therefore no tax is payable.

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**NOTES TO THE FINANCIAL STATEMENTS
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30 RELATED PARTIES

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

During the year the BFI 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:

Recipient of funding	Name	Role with BFI	Relationship to recipient of funding	New Awards made 2013 £	Balances outstanding 31 March 2013 £
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Grant-in-Aid Funding

Film Agency Wales	Heather Stewart	Employee	Board Member	128,000	-
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Amanda Nevill (Chief Executive) and Peter Foy (Governor until 28 February 2013) are Directors and Trustees of the BFI Trust, with whom there were a number of transactions in the year - see Note 4.

Lottery Awards

Big Talk Pictures Ltd	Matthew Justice	Governor	Managing Director	8,000	-
Fury Pictures Limited	Matthew Justice	Governor	Managing Director	1,100,000	150,000
Film Club	Beeban Kidron	Governor	Deputy Chair	2,577,006	77,000
Film Nation UK	Beeban Kidron	Governor	Board Member	26,015,000	26,000,000
Soho Angel Films Ltd	Beeban Kidron	Governor	Director	349,888	90,000
Daybreak Pictures Ltd	Peter Kosminsky	Governor	Director	-	-
First Light	Peter Kosminsky	Governor	Board Member	1,100,000	-
Momentum Pictures Ltd	Libby Savill	Governor	Partner is President of Alliance Films who own Momentum Pictures	350,000	-
International Documentary Festival Sheffield Ltd	Paula Le Dieu	Employee until 31 October 2012	Board Member	77,000	-
British Federation of Film Societies	Jim Dempster	Employee	Trustee	51,500	10,300

Josh Berger is a director of WB/TT Holdings Limited. During the year there were no transactions, other than film royalties due, with Warner Bros companies in the year (2012: £12,828).

Charles Cecil is a director of Screen Yorkshire, with whom the BFI has a stake-holder relationship. There were no transactions with Screen Yorkshire in the year (2012: £153).

Alison Cornwell, Chief Finance Officer of Alliance Films, was appointed as a Governor on 14 May 2013, subsequent to the year end. Whilst thus having no related party interests in the year ending March 2013, awards totalling £350,000 were made to companies in which she was involved during the year plus other transactions amounting to £1,340.

Tim Richards, a Director and Trustee of Creative Skillset, was appointed as a Governor on 14 May 2013, subsequent to the year end. Whilst thus having no related party interests in the year ending March 2013 awards totalling £3,654,000 were made to this organisation during the year ending 31 March 2013.

Tessa Ross, a Governor of the BFI until her resignation on 29 December 2012, is Controller of Film and Drama at Channel 4. Film 4, who are part of Channel 4, independently co-funded a number of projects across the year with the BFI.

In addition £475 was paid to Olswang Solicitors for professional services rendered in the year (2012: 106,384). Lisbeth Savill, a Governor of the BFI, was a Senior Partner in the firm until 20 July 2012.

Awards made under the Lotteries Act Section 27 dispensation

Using the power granted by the Section 27 of the National Lotteries Act etc 1993, the Secretary of State gave permission in the year for two lottery awards to be made to the BFI as award recipient. £554,000 was awarded from the Strategic Audience Development Scheme to the 56th London Film Festival, held in October 2012. This award was fully utilised in the year

A further award of £15,000,000 was made in March 2013, to Unlocking Film Heritage, the BFI's Archive Strategy as outlined in Film Forever future plan, for both the national and regional moving image archives.

31. LOSSES AND SPECIAL PAYMENTS

Screen East, the regional screen agency under the RIFE programme, went into liquidation in September 2010. The agency had received grant and Lottery awards from the UKFC. A protective claim of £1,047,000 was lodged with the liquidator. This claim was transferred to the BFI on 1 April 2011 and remains unadjusted. Until the conclusion of the liquidation process it is unclear what funds will be receivable from the liquidator, and recovery of funds has not been anticipated in these financial statements. There is a risk that the full balance will be lost.

In August 2011, £159,000 worth of DVD stock was written off due to destruction in a warehouse fire. This was recovered through third party insurance.

In January 2013 HMV went into administration, resulting in a loss of £130,000 in unpaid revenues relating to DVD sales.

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LOTTERY ANNUAL REPORT**

REMUNERATION REPORT

This remuneration report extracts information contained within the remuneration report for the Group and Charity of the British Film Institute and concentrates on those areas and costs specific to Lottery.

The Remuneration Committee

The Board of the BFI is responsible for determining the remuneration of the Chief Executive Officer and other senior staff. In the year ending 31 March 2013 it discharged this responsibility through the cycle of regular Board meetings – which included involvement in the appointment of new members of the Executive Team, and ensuring appropriate approvals are obtained from the Department of Culture, Media and Sport (DCMS).

In addition the Board is supported by the Remuneration Committee, which meet as required, and is authorised within its terms of reference, to obtain independent professional advice if it considers this necessary. The Remuneration Committee comprises a chairman, who is also chairman of the BFI Governors, and up to 3 other members of the Board or co-opted members, who are each appointed for a period of up to three years. The members during the year were:

Greg Dyke (Chair)
Peter Foy (Term expired 28 February 2013)
Ashley Highfield

The Remuneration Committee met once in the 2012-13 financial year with full attendance.

Remuneration Framework

Governors are not entitled to draw any remuneration for their time spent working as a Trustee of the BFI, although are entitled to reimbursement of expenses incurred in their duties.

In determining appropriate levels of remuneration for senior staff, the BFI 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 including the Chief Executive Officer, are entitled to membership of the Local Government Pension Scheme (LGPS) operated by the London Pension Fund Authority (LPFA), which is a defined benefit scheme for those BFI employees who wish to join. Further details of the scheme can be found in note 10. Staff enrolled in the scheme, which is contributory, accrue a pension entitlement at the rate of 1/60 of final pensionable salary for each year of membership, up to a limit of two thirds of their final pensionable salary.

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

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Contracts of Employment

The Chairman of the Board of Governors is approved by the Secretary of State for Culture, Media and Sport for a term of 4 years. Governors are appointed by the Board, for a period of 3 years, with 2 members being elected by the membership of the BFI. Both the Chairman and any other Governors may stand for two successive terms of office. There is no period of notice required for resignation from the Board.

The only member of senior management under a closed contract as at 31 March 2013 was Trevor Mawby, whose fixed term contract as Finance Director, expires on 30 September 2013.

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

Audited Information

Governors' remuneration

No Governor drew any remuneration in the year – although costs amounting to £937 (2012: £1,749) were incurred on behalf of the BFI as a whole. This primarily represents reimbursed travelling expenses for 5 (2012: 3) governors and the provision of food and beverages for meetings. No payments were made in the year for services (2012: £Nil).

As part of their oversight duties as Trustees copies of all books and DVD/Blu-Ray releases published by the BFI during the year are made available to all Governors.

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Senior staff remuneration

Remuneration (excluding pension arrangements) for the senior staff attributable to lottery for the year ending 31 March 2013:

BFI staff in employment at 1 April 12 or thereafter:

	Total remuneration for the year ended 31 March 2013* (FTE) £'000	Bonuses attributable for the year ended 31 March 2013 (2012) £'000	Benefits Attributable for the year ended 31 March 2013 (2012) £'000	Total remuneration for the year ended 31 March 2012* (FTE) £'000
Amanda Nevill Chief Executive Officer	Apportioned to Lottery: 70-75 (FTE:135-140)	Apportioned to Lottery: 4 (FTE: 7) (-)	0-100 (0-100)	Apportioned to Lottery: 45-50 (FTE:135-140)
Tim Cagney Deputy CEO – British Film Institute (Appointed 1 July 2011)	Apportioned to Lottery: 60-65 (FTE:115-120)	- (-)	0-100 (0-100)	Apportioned to Lottery: 55-60 Full salary from July 11: 80-85 (FTE:115-120)
Will Evans Head of Business Affairs	135-140	- (-)	0-100 (0-100)	135-140
Trevor Mawby Director of Finance and Resources **	Apportioned to Lottery: 65-70 (FTE:125-130)	- (-)	0-100 (0-100)	Apportioned to Lottery: 10-15 (FTE:165-170)
Ben Roberts Head of Film Fund (Appointed 18 June 2012)	105-110 (FTE:135-140)	- (N/A)	0-100 (N/A)	N/A

* Following the requirements of the Government Financial Reporting Manual, Total remuneration above equates to salary only with any bonuses being separately reported.

** Trevor Mawby is contracted until 30 September 2013. From 1 October 2012 he was an employee of the BFI previously being employed via a personal service company. The equivalent salary received by Mr Mawby in this earlier period was thus considerably lower than the full amount paid.

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The following staff left BFI employment in the year ending 31 March 2012 and hence the information is published for comparative purposes:

Peter Buckingham Head of Distribution and Exhibition [1]	-	- (10-15)	- (0-100)	155-160 (FTE:130-135)
Tanya Seghatchian Head of Film Fund [2]	-	- (65-70)	- (0-100)	155-160 (FTE:135-140)

[1] Peter Buckingham left under redundancy and/or compensation for early retirement on 18 November 2011, after transferring from UK Film Council on 1 April 2011. His remuneration above includes UKFC contractual notice and bonus.

[2] Tanya Segatchian left on 4 November 2011 after transferring from UK Film Council on 1 April 2011, and received UKFC contractual notice and bonus.

Termination payments

The termination payments payable to lottery related employees were:

Exit Package Cost	Number of compulsory redundancies		Number of other departures		Total	
	2013	2012	2013	2012	2013	2012
<£10,000	-	-	-	-	-	-
£10,000-£25,000	-	-	-	-	-	-
£25,000-£50,000	-	-	-	-	-	-
£50,000-£100,000	-	1	-	-	-	1
£100,000-£150,000	-	-	-	-	-	-
No of exit packages	-	-	-	-	-	1
Cost £'000	-	65	-	-	-	65

In addition to the above termination payments, costs were also incurred in respect of capital contributions to the LPFA for early retirement for one member of staff of £nil (2012: 1 staff member at a total cost of £453,000). The prior year cost was in respect of redundancy under UKFC contractual terms, protected under TUPE.

Benefits in kind

All members of BFI staff are entitled to receive: up to £100 contribution towards gym membership per annum; up to 12 free tickets per month at the BFI Southbank cinemas; a staff discount on purchases at the BFI Southbank's, Film Store and Benugo's cafes and restaurant and the BFI London IMAX ranging from 10-70%; and interest free loans for train season tickets, bicycle and computer purchases. Staff who transferred whose contracts transferred from UKFC may opt to receive a contractual payment of £250 for cinema tickets per annum in place of the BFI Southbank ticket entitlement. Staff on BFI contracts receive a monthly copy of Sight and Sound.

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Senior staff pension arrangements

The following senior staff were all members of the LPFA scheme during the year. The data provided covers the full accrued pensions as it is not possible to break out that element purely attributable to Lottery.

	Real increase/ (decrease) in accrued pension benefits 2012-13 £'000	Attributable pension accrued at 65 at 31 March 2013 £'000	Cash Equivalent Transfer Value (CETV) as at 31 Marc 2012 £'000	CETV as at 31 March 2013 £'000	Real increase in the CETV after adjustment for inflation etc in 2012-13 £'000
Amanda Nevill Chief Executive and Accounting Officer	0-2.5 [lump sum: (0-2.5)]	35-37.5 [lump sum: 72.5-75]	617	676	36
Tim Cagney Deputy CEO	0-2.5 [lump sum: (0-2.5)]	2.5-5 [lump sum: 0-2.5]	12	34	13
Trevor Mawby Director of Finance and Resources	0-2.5 [lump sum: 0-2.5]	0-2.5 [lump sum: 0-2.5]	-	21	15
Ben Roberts Head of Film Fund (from 18 June 2012)	0-2.5 [lump sum: (0-2.5)]	0-2.5 [lump sum: 0-2.5]	-	10	5

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 2013, all senior staff with costs attributed in part or whole to lottery, and with the exception of Trevor Mawby and Will Evans, were members of the LPFA scheme through out the year. Pension contributions during the year were made to private pension schemes, and attributable to lottery, for Will Evans £20,570 (2012: £20,570). Trevor Mawby became a member of the LPFA scheme from 1 October 2012, and prior to that contributions of £15,000 (2012: £2,400) were paid to a private pension scheme.

Further disclosure required by the Hutton Review of Fair Pay can be found in the remuneration report for the BFI Group and Charity accounts.

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The number of BFI Board meetings held in the 2012-13 financial year was 9 and the Governors' attendance records were as follows:

Greg Dyke (<i>Chair</i>)	9 of 9
Josh Berger CBE	8 of 9
Shami Chakrabarti CBE ¹	7 of 9
Peter Foy ²	6 of 9
Ashley Highfield	5 of 9
Tom Hooper	2 of 9
Matthew Justice	8 of 9
Beeban Kidron OBE ³	3 of 9
Peter Kosminsky	8 of 9
Rt Hon James Purnell	5 of 9
Tessa Ross CBE ⁴	5 of 7
Lisbeth Savill (<i>Deputy Chair</i>)	8 of 9
Cy Young	8 of 9

All Governors are required to complete a declaration of any potential related party interests – and details of any transactions with these related parties is reported in note 22 of the Lottery financial statements .

The number of Audit Risk and Governance Committee meetings held in the 2012-13 financial year was 4 and the members' attendance records were as follows:

Peter Foy ⁵ (Chair)	3 of 4
Nick Cowley	2 of 4
Dr Sree Kamineni	3 of 4

¹ Term expired on 28 February 2013.

² Term expired on 28 February 2013.

³ Resigned on 28 March 2013.

⁴ Resigned on 29 December 2012.

⁵ Term expired on 28 February 2013.

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GOVERNANCE STATEMENT**

Scope of Responsibility

As Accounting Officer and as Chairman of the Board of Governors, 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 safe-guarding the public funds and the British Film Institute's (BFI) assets for which we are responsible in accordance with the responsibilities assigned to us in Managing Public Money and as Trustees of the Charity. The BFI also follows the UK Corporate Governance Code.

We also have responsibility, as defined in the BFI's Funding Agreement with the DCMS, the Management Statement and Financial Memorandum and the Financial and Accounting Directions issued under the National Lottery etc Act 1993 as amended, for leading and managing the work of the BFI to fulfil its policies, aims and objectives, and upholding its values. The Accounting Officer reports to the Board of Governors of the BFI 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 BFI 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 2013 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 Governors we have overall responsibility for the BFI'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, Risk and Governance Committee, chaired during the year by Peter Foy, and from 16 May 2013, Alison Cornwell, gives independent advice and guidance to us, in our roles as Accounting Officer and Chairman, and to the Board of Governors 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 BFI and oversees the work of the internal auditors, as well as providing guidance as to best practice in these areas.

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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, Risk and Governance Committee), the DCMS, and other comparable organisations.

Terms of reference for both the Audit, Risk and Governance Committee and the Remuneration Committee are reviewed by the Board of Governors and are held by the Board Secretary.

The risk and control framework

A risk management policy has been established setting out the BFI's attitude to the assessment, limitation and mitigation of risk in the achievement of our objectives.

The BFI 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 business planning cycle and the annual operational planning cycle, and are evaluated by the Executive Team. We also consider the risks associated with holding and safeguarding information for operational or financial reporting purposes.

In 2012-13 the risk register as noted by the Executive Team and updated in March 2013 included 10 corporate risks. Of these the main risks around the lottery functionality included:

- Failure to deliver the proposals outlined in the Film Forever future plan, due to organisational structures and working practises not being aligned to meet new demands on the organisation.
- Misunderstanding of the BFI's new wider role and remit by stakeholders, industry and Government
- The safety of the National Collection remains a priority following decades of under-
- investment: obsolete formats need to be migrated and life-expired air-conditioning plant replaced, which the BFI Archives for the Future strand of the Film Forever future plan provide an initial and partial mitigation
- Economic climate affects opportunities for companies to raise partnership funding
- Lack of applications /poor quality of applications
- The imposition of the 8% overheads target may lead to a reduction in efficiency of the lottery operations, causing frustration to the industry and thus inhibiting growth.

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 Lottery Finance Committee (LFC), who ultimately sign off on lottery commitments, consisted of representatives of the relevant fund, finance and business affairs and was independently chaired by the Accounting Officer or the Head of Business Affairs. Any perceived risks arising in making an award were thus discussed at the time the funding decision was made and appropriate mitigating action taken, whilst allowing decision-making, oversight and control to be maintained of the decisions by the respective funds. The committee was 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.

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

The work of the BFI's internal audit service, provided by Tribal during the financial year to 31 March 2013, operating to standards set out in the Government Internal Audit Standards, was developed from an analysis of BFI's UK exposure.

In 2012-13 internal audit reports which related to lottery functionality included:

- Staff Expenses
- Main Financial Systems
- Creative England – awards processing

The analysis of risk and the internal audit plans are endorsed by the BFI's Executive Team, the Audit and Governance Committee and are approved by the Accounting Officer and the Annual Assurance Statement is presented to the Audit, Risk and Governance Statement. In their statement on the work carried out in the 2012-13 financial year, Tribal stated that in their opinion the British Film Institute has adequate and effective management and governance processes to manage its achievement of the organisation's objectives.

In line with Cabinet Office guidance in relation to information risk, the Finance Director is the Senior Information Risk Owner. Working with the Internal Auditor, all the systems and databases operated by the BFI are kept under review and periodic updates provided to the Audit and Governance Committee.

In addition, the BFI 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 plan is monitored by Board and Senior Management. The Board receive appropriate regular financial reporting, enabling monitoring against financial targets.

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Review of effectiveness

As Accounting Officer and Chairman of the Governors, 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 BFI 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, Risk 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 Executive Team are to:

- manage risk in their own areas of responsibility through the implementation of risk mitigation processes and by following the BFI'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, Risk 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 Board, the Audit, Risk and Governance Committee and the Executive Team in the year were the risks associated with the establishing the new funding strategies outlined in Film Forever, the BFI future plan 2012-17.

The Internal Auditor provides audit reports on the areas of activity within the BFI. The reports include the Internal Auditor's independent opinion on the adequacy and effectiveness of the BFI's system of internal control during the year together with recommendations for improvement.

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

Additionality

Lottery applications and assessment processes are designed to ensure that awards made will be in line with the achievement of policies, aims and objectives set by the DCMS and the mission and values of the BFI, as well as the requirements of the National Lottery etc Act 1993 as amended, requiring that Lottery awards uphold the concept of additionality in funding activities which would not otherwise take place.

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Administrative Costs Target

The BFI acknowledges the request of the DCMS that by the year ending March 2015, all lottery distributors have a target on costs associated with Lottery grant processing of 5% of incoming resources, with a maximum gross Lottery administration cost of 8%.

In the year overheads attributed to lottery (excluding restructuring costs) were £4.7m (2012: £4.2m) with total incoming resources of £59.9m (2012: £49.6m) – a gross administration cost of 7.9% (2012: 8.7%). Of these costs, £2.8m (4.7% of incoming resources) are deemed attributable to grant processing (2012: £2.8m, 5.6%).

In light of the plans developing around the forward plan and the resources necessary for this, and in light of the future year projections provided by DCMS for lottery receipts, the Governors believe there is a risk that the imposition of the 8% overheads target may lead to a reduction in efficiency of the lottery operations, causing frustration to the industry and thus inhibiting growth.

Conclusion

We can confirm that in our opinion:

- the BFI complies with its current Financial Directions, Funding Agreement, Management Statement and Financial Memorandum and the requirements of a Charity;
- 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 BFI has drawn up and maintains risk assessment and control procedures and risk registers;
- the BFI has complied with Cabinet Office guidance on information risk and has suffered no protected personal data incidents during 2012-13 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.

The BFI will continue to strive to improve the systems of internal control in place in relation to its management, and processes to maximise our operational efficiency as a Lottery Distributor. This includes in 2013-14 plans to replace the existing Finance, HR and Payroll software applications.

This Annual Report includes the Governance Statement and Remuneration Report.

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Approved by the Board of Governors for signature on 9 July 2013.

Greg Dyke

Chair, Board of Governors

Amanda Nevill

Chief Executive

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INDEPENDENT AUDITOR'S REPORT**

**THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE
HOUSES OF PARLIAMENT**

I certify that I have audited the financial statements of the British Film Institute Lottery Distribution Fund for the year ended 31 March 2013 under the National Lottery etc. Act 1993. These comprise the Statements of Comprehensive Income, Financial Position, Cash Flows, 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 Governors, Chief Executive Officer and auditor

As explained more fully in the Statement of the Governors' and Chief Executive Officer's Responsibilities, the Chief Executive Officer and Governors 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, certify and report on the financial statements in accordance with the National Lottery etc. Act 1993. I conducted my audit in accordance with 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 British Film Institute Lottery Distribution Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the British Film Institute; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements 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 the British Film Institute Lottery Distribution Fund's affairs as at 31 March 2013 and of its surplus for the year for the year then ended; and
- the financial statements have been properly prepared in accordance with the National Lottery etc. Act 1993 and Secretary of State directions issued thereunder.

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Opinion on other matters

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In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the National Lottery etc. Act 1993; and
- the information given in the What we delivered this year, Key Performance Measures, Financial Review and How the BFI is Governed sections of 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 and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse

Date 16 July 2013

Comptroller and Auditor General

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

Registered charity no: 287780

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For the year ended 31 March 2013

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LOTTERY FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2013**

	Notes	2012-13 £'000	2011-12 £'000
Income			
Proceeds from the National Lottery	8	52,343	41,243
National Lottery Distribution Fund investment income	8	280	294
Recoupment income			
Arts Council England and UK Film Council portfolio	2	2,342	3,828
		<u>54,965</u>	<u>45,365</u>
Expenditure:			
Awards			
Regional awards	13	(2,201)	(2,170)
First Light scheme	13	(1,100)	(1,100)
Distribution and Exhibition awards		138	-
Film Education awards	13	(30)	-
Film Network Fund	13	(30)	-
Film Fund awards (non film rights)		(932)	90
Strategic Audience Development Scheme Awards	13	(3,909)	(1,355)
Print and Advertising awards	13	-	(3,906)
Creative Skillset awards	13	(3,654)	(3,654)
		<u>(11,718)</u>	<u>(12,095)</u>
Lottery – non film rights			
Statutory transfer to the Olympics	8	(2,732)	(5,866)
Impairments against film rights	7	(26,099)	(18,340)
Reversal of impairments against film rights	7	3,822	1,192
Costs apportioned from Grant-in-Aid	5	(4,424)	(3,821)
Other finance costs		(269)	(370)
Restructuring costs	5	(790)	(1,302)
		<u>(42,210)</u>	<u>(40,602)</u>
Total expenditure		(42,210)	(40,602)
Operating surplus		12,755	4,763
Bank interest receivable		6	3
		<u>12,761</u>	<u>4,766</u>
Surplus on ordinary activities before taxation		12,761	4,766
Tax on surplus on ordinary activities for the year	6	-	-
		<u>12,761</u>	<u>4,766</u>
Surplus for the year		12,761	4,766
Other comprehensive income / (expenditure)			
Actuarial loss		(4)	(1,205)
Pension liability revaluation on transfer into BFI		-	582
Movement in fair valuation reserve		(1,687)	3,413
		<u>(1,691)</u>	<u>2,790</u>
Total other comprehensive (expenditure)/income		(1,691)	2,790
Total comprehensive income		11,070	7,556

All activities were on a continuing basis. The accompanying notes form an integral part of this Statement of Financial

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**LOTTERY FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION
31 MARCH 2013**

	Notes	At 31.3.2013 £'000	At 31.3.2012 £'000
Current assets			
Film rights	7	16,375	21,161
National Lottery Distribution Fund	8	52,841	39,819
Trade and other receivables falling due within one year	9	4,405	2,338
Cash and cash equivalents	10	4,631	4,160
Total assets		<u>78,252</u>	<u>67,478</u>
Current liabilities			
Trade and other payables	12	(88)	(261)
Other payables - award commitments	13	(8,429)	(8,654)
Total current liabilities		<u>(8,517)</u>	<u>(8,915)</u>
Net current assets		<u>69,735</u>	<u>58,563</u>
Net non-current liabilities			
Pension liability	4	(1,426)	(1,324)
Total non-current liabilities		<u>(1,426)</u>	<u>(1,324)</u>
Assets less liabilities		<u>68,309</u>	<u>57,239</u>
Capital and reserves			
Lottery reserve		64,310	51,451
Fair valuation reserve		5,425	7,112
Pension reserve		(1,426)	(1,324)
		<u>68,309</u>	<u>57,239</u>

The accompanying notes form an integral part of this statement of financial position

The financial statements were approved and authorised for signature by the Governors on July 2013

Greg Dyke
Chairman

Amanda Nevill
Chief Executive

**BRITISH FILM INSTITUTE GROUP AND LOTTERY
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**LOTTERY FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2013**

	Notes	2012-13 £'000	2011-12 £'000
Cash inflows from operating activities			
Repayment of investments: new film rights in year	7	593	628
Repayment of investments: historical portfolio	7	5,640	3,290
Surplus on historical investments	2	2,342	3,828
Other cash receipts		1,551	4,686
Payments of Lottery hard commitments	13	(37,362)	(30,427)
Other payments		(9,168)	(13,454)
Tax paid		-	-
Net cash from operating activities	18	(36,404)	(31,449)
Cash flows from investing activities			
Cash receipts from National Lottery Distribution Fund	8	36,869	31,528
Interest received		6	3
Net cash from investing activities		36,875	31,531
Net (decrease)/increase in cash and cash equivalents	18	471	82
Net cash and cash equivalents at 1 April	18	4,160	4,078
Net cash and cash equivalents at 31 March	18	4,631	4,160

**BRITISH FILM INSTITUTE GROUP AND LOTTERY
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LOTTERY FINANCIAL STATEMENTS

**STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2013**

	Lottery Reserve £'000	Fair Valuation Reserve £'000	Pension Reserve £'000	Total Reserve £'000
Balance at 1 April 2011	47,237	3,699	(1,253)	49,683
Surplus for the year	4,214	-	552	4,766
Actuarial loss in the year	-	-	(1,205)	(1,205)
Pension liability revaluation on transfer into the BFI			582	582
Movement in fair valuation reserve	-	3,413	-	3,413
Balance at 31 March 2012	51,451	7,112	(1,324)	57,239
Surplus/(deficit) for the year	12,859		(98)	12,761
Actuarial loss in the year	-	-	(4)	(4)
Movement in fair valuation reserve	-	(1,687)	-	(1,687)
Balance at 31 March 2013	64,310	5,425	(1,426)	68,309

The Lottery reserve primarily represents the carrying value of film investments made by the UK Film Council (prior to 31 March 2011) and British Film Institute (since 1 April 2011), and uncommitted funds held at the National Lottery Distribution Fund, offset by all outstanding award liabilities.

If the valuation of the film right is in excess of the amount of the award investment based on estimated recoupment over the next three financial years, then this is taken to a fair value reserve, and released to income as the recoupment is received.

In the year £2.24 m was released against income and additional fair value adjustments of £0.55 m were made.

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

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013**

1. ACCOUNTING POLICIES

Transfer of Lottery Distributor Status

From 1 April 2011, the status of Lottery Distributor for film was transferred to the British Film Institute (BFI) from the UK Film Council (UKFC) in accordance with Statutory Instrument SI685/2011. The UKFC's Lottery assets and liabilities, and share of future revenue streams, transferred to the BFI as at that date. Under the Transfer of Undertakings (Protection of Employment) (TUPE) legislation the related staff employed on Lottery activities also transferred to the BFI. There were costs relating to the transfer of distributor status attributed to Lottery in the year ending 31 March 2012.

These financial statements are prepared on a going concern basis under the historical cost convention, and in accordance with the Accounts Direction issued by the Secretary of State for Culture, Media and Sport with the consent of Treasury. These meet the requirements of section 35(3) of the National Lottery etc Act 1993 (as amended by the National Lottery Act 1998) and applicable Accounting Standards, except certain headings have been amended in order to reflect special circumstances of the charity. The requirements of the Accounts Directions issued to the BFI for its activities as a Lottery distributor under the National Lottery etc Act 1993 have been followed for the treatment of hard and soft commitments.

The financial statements have been prepared in accordance with the Government Financial Reporting Manual (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FRoM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the BFI for the purpose of giving a true and fair view has been selected. The particular policies adopted by the BFI are described below and 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.

Certain aspects of these financial statements involve the exercise of judgement in ascertaining the valuations used. In the year these included the valuations of film rights, the basis of the recharge of operating costs and the costs arising from the transfer of functionality to the BFI.

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

A copy of the Accounts Direction is available from the Secretary to the Board of Governors, 21 Stephen Street, London W1T 1LN.

Accruals Convention

Income and expenditure is accounted for on a receivable basis. The exception is recoupment income, because of the inherent difficulties in relating the income to the period to which it relates, and it is thus accounted for upon notification of amounts received by the BFI. Commitments are reported as per the National Lottery Act etc. 1993.

As required by the Secretary of State for Culture, Media and Sport, a distinction is made in respect of Lottery awards between 'hard commitments' and 'soft commitments'. Where the BFI 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 BFI 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 a note to the financial statements.

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 date 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 (DCMS). These forecasts take a conservative view of future income.

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.

Apportioned Costs

The BFI incurred costs which are shared between Lottery and other activities, relating to both operating costs for the year, and ongoing restructuring costs resulting from the transfer of responsibilities to the BFI. The BFI is required to apportion costs in accordance with the principles of full cost recovery as outlined in Managing Public Money. In addition to costs wholly attributable to Lottery activities, an assessment is made of the other costs attributable to Lottery activities incurred by service and other departments. This is based on a combination of head count, office space occupied, activity levels and additional expenditure incurred. These departments include Finance & Resources, Marketing, Monitoring, Partnerships and the Chief Executive and Deputy Chief Executive offices.

National Lottery Distribution Fund

Balances held in the National Lottery Distribution Fund (NLDF) remain under the stewardship of the Secretary of State for Culture, Media and Sport. The share of these balances attributable to the BFI is as shown in the financial statements at market value and, at the statement of financial position date, has been certified by the Secretary of State for Culture, Media and Sport as being available for distribution by the BFI in respect of current and future commitments.

The share of proceeds and investment returns attributed to the BFI has been treated as income within these financial statements.

Financial Instruments

The Lottery account's principal financial instruments are cash and holdings in the NLDF 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.

Other Lottery financial instruments include trade receivables and payables that arise directly from Lottery operations. The main risks arising from the Lottery accounts' financial instruments are interest rate risk, foreign currency risk and other price risk.

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**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013**

1. ACCOUNTING POLICIES (CONTINUED)

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 BFI is successfully released, the BFI 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.

Under International Financial Reporting Standards (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.

When an advance is made (satisfying the definition of hard commitments above) it is taken to the statement of financial position initially at the full value of the award made. This valuation is reduced by impairments 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. The valuation is reviewed on a rolling basis to ensure that fair value is maintained.

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. Any impairment may be reversed in part or in full if the valuation understates the fair value of the film right. Advances for development and short film awards are fully impaired in the year of award, unless there is a reasonable expectation of repayment.

If the valuation of the film right is in excess of the amount of the award investment based on estimated recoupment over the next three financial years, then this is taken to a fair value reserve, and released to income as the recoupment is received. In the context of the life of a film, and its distribution cycle, three years is felt to be a reasonable period over which a meaningful forecast can be taken.

Film Recoupment Income

Income received from a film right is offset against the value of the film 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 through the fair value reserve.

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.

Lease Costs and Commitments

Rentals payable under operating leases are charged in the group statement of comprehensive income on a straight-line basis over the lease term and the proportion of costs related to Lottery activities are charged within these accounts.

Pensions

For defined benefit pension schemes the amounts charged in resources expended are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of comprehensive income if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised in Comprehensive income / (expenditure).

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the BFI, in separate trustee-administered funds which are part of the London Pension Fund Authority (LPFA). The LPFA is a local government pension scheme and the BFI is an Admitted Body member. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained every three years and are updated at each statement of financial position date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the statement of financial position.

2. FILM RIGHTS RECEIPTS AND RECOUPMENT INCOME

Under the transfer agreement with UKFC, the BFI received all future income generated from rights in the portfolio of films transferred from the UKFC and Arts Council England.

Income generated from the historical portfolio of films (Arts Council England and UK Film Council)

In the year ended 31 March 2013, the BFI received cash recoupment from 80 films (2012: 78), which was taken against film rights.

Film titles, listing those recovering over £100,000, in the year ended 31 March 2013 (2012: £3.5m) were:

	2012-13
	£'000
Attack the Block	154
Beautiful Creatures	180
Centurion	143
Half of a Yellow Sun	100
How I Live Now	115
Pathe Development Slate	189
Recorded Picture Slate	187
Salmon Fishing in the Yemen	1,169
Streetdance	102
The Angel's Share	182
The Invisible Woman	164
The Iron Lady	192
The Two Faces of January	118
The Woman in Black	756
66 titles with income below £100,000	1,620
	<u>5,371</u>

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2. FILM RIGHTS RECEIPTS AND RECOUPMENT INCOME (CONTINUED)

Income received on titles where the initial investment has been recovered is taken into the statement of comprehensive income (2012: £3.8m):

	2012-13
	£'000
The King's Speech	1,991
Billy Elliott	101
28 Days Later	88
10 titles with income below £100,000	<u>162</u>
	<u><u>2,342</u></u>

Income generated from the BFI portfolio of films

In the year ended 31 March 2013, the BFI received cash recoupment from 26 films (2012: 14), which was taken against film rights.

Film titles, listing those recovering over £100,000, in the year ended 31 March 2013 (2012: £0.4m) were:

	2012-13
	£'000
The Skin I Live In	115
The Story of Film	153
24 titles with income below £100,000	593
	<u>861</u>

3. STAFF COSTS

No member of the Board of Governors received remuneration during the year (2012: none).

The costs of staff working wholly on Lottery activities were:

	2012-13	2011-12
	£'000	£'000
Wages and salaries	1,404	1,425
Social Security costs	133	152
Pension service costs and other pension costs	<u>211</u>	<u>387</u>
	<u><u>1,748</u></u>	<u><u>1,964</u></u>

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

	2012-13	2011-12
	Number	Number
Management and administration:		
Permanent staff	<u>24</u>	<u>24</u>
	<u><u>24</u></u>	<u><u>24</u></u>

Staff costs for the year are contained within the costs apportioned from grant-in-aid on the statement of comprehensive income

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

		2012-13		Attributable
	Age	£	%	to Lottery
				£
Amanda Nevill				
Salary and benefits	56	138,510		74,795
Bonus		<u>6,857</u>		<u>3,703</u>
Total		<u><u>145,367</u></u>	54.0%	<u><u>78,498</u></u>
Pension contribution		<u><u>28,810</u></u>		<u><u>15,557</u></u>
	Age	2011-12		Attributable
		£	%	to Lottery
				£
Amanda Nevill				
Salary and benefits	55	137,138		45,256
Bonus		-		-
Total		<u><u>137,138</u></u>	33.0%	<u><u>45,256</u></u>
Pension contribution		<u><u>17,553</u></u>		<u><u>5,793</u></u>

The percentage of the remuneration of the Chief Executive Officer apportioned to lottery is reviewed on an annual basis - and the increase in 2012-13 reflects the work leading up to the publication of the Film Forever future plan, and the implementation following on from this

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4. PENSION BENEFITS

The BFI is an admitted body of the LPFA. The majority of the Charity's staff are members of the scheme. Although membership of the scheme is open to all employees, only costs relating to staff employed on Lottery activities are disclosed.

The pension scheme is a defined benefit scheme and is funded by employees and employers at actuarially determined rates. Employer contributions charged for members of the scheme amounted to £156,000 (2012: £868,000)

Following the advice of the consulting actuaries to the scheme, the BFI's employer contributions for current service (as a percentage of the pensionable salary) were set at 12.8% throughout the year (2012: 12.8%).

A valuation under FRS17 as at March 2013 was carried out by a qualified independent actuary. The assumptions used by the actuary for the BFI's scheme were:

	2012-13	2011-12
	%	%
Rate of increase in salaries	3.9	3.8
Rate of increase in pension payments	2.6	2.5
Discount rate	4.5	4.6
Inflation assumption (CPI)	2.6	2.5
<i>Average life expectancy at 65:</i>	Males	Females
Current pensioners	21.2 years	24 years
Future pensioners	23.2 years	25.9 years

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

	2012-13		2011-12	
	Long term		Long term	
	Rate of return		Rate of return	
	expected		expected	
	%	£'000	%	£'000
Equities	6.0	4,777	6.3	4,310
Target return portfolio	4.6	785	4.5	708
Alternative assets	5.0	916	5.3	827
Cash	0.5	65	3.0	59
Corporate bonds	n/a	-	n/a	-
Total market value of assets		6,544		5,904
Present value of scheme liabilities		<u>(7,965)</u>		<u>(7,228)</u>
Net pension deficit		<u><u>(1,426)</u></u>		<u><u>(1,324)</u></u>

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 statement of changes in equity are as follows:

	2012-13	2011-12
	£'000	£'000
Current service cost	(160)	(140)
Interest cost	(334)	(337)
Expected return on employer's assets	240	317
Loss on curtailment	-	(156)
Pension liability revaluation on transfer into BFI	-	<u>582</u>
Total	<u>(254)</u>	<u>266</u>
Actual return on plan assets	577	47

Amount recognised in statement of changes in equity:

	2012-13	2011-12
	£'000	£'000
Actuarial (losses) / gains	(4)	(1,205)
Cumulative actuarial losses in statement of changes in equity	(3,052)	(3,048)

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4. PENSION BENEFITS (CONTINUED)

Changes in the present value of the defined benefit obligation:

	2012-13 £'000	2011-12 £'000
Opening defined benefit obligation	(7,228)	(6,707)
Movement in value of liability upon transfer	-	468
Current service cost	(160)	(140)
Interest cost	(334)	(337)
Contributions by members	(52)	(204)
Actuarial (losses) / gains	(336)	(934)
Past service costs	-	-
Estimated benefits paid	145	782
Loss on curtailment	-	(156)
	<u>(7,965)</u>	<u>(7,228)</u>

Closing defined benefit obligation

Changes in the fair value of the plan:

	2012-13 £'000	2011-12 £'000
Opening fair value of employer assets	5,904	5,454
Movement in value of assets upon transfer	-	114
Expected return on assets	240	317
Contributions by members	52	204
Contributions by employer	156	868
Actuarial gains/(losses)	337	(271)
Benefits paid	(145)	(782)
	<u>6,544</u>	<u>5,904</u>

Closing fair value of employer assets

A history of experience gains and losses is shown below:

	2012-13 £'000	2011-12 £'000	2010-11 £'000	2009-10 £'000	2008-9 £'000
Fair value of employer assets	6,544	5,904	5,454	5,475	4,114
Present value of defined benefit obligation	<u>(7,965)</u>	<u>(7,228)</u>	<u>(6,707)</u>	<u>(8,709)</u>	<u>(4,916)</u>
Deficit	(1,421)	(1,324)	(1,253)	(3,234)	(802)
Experience (losses)/gains on assets	337	(271)	(592)	959	(1,382)
Experience gains/(losses) on liabilities	<u>(17)</u>	<u>11</u>	<u>1,319</u>	<u>-</u>	<u>-</u>

5. OTHER EXPENDITURE RECHARGED FROM CORE BFI GRANT-IN-AID

Other expenditure apportioned from core BFI Grant-in-Aid relates to the costs of those centralised functions within the BFI that are apportioned to Lottery. These are CEO and Deputy CEO offices, Partnerships, Finance, Facilities, HR, IT, Monitoring, Marketing, Strategic Development, Research and Statistics and Certification. The apportionment is based on a review of the work of these departments and is set as an appropriate percentage recharge in light of this. Auditors remuneration was £39,600 which includes additional fees of £9,600 for the National Audit Office relating to the prior year audit (2012: £30,000).

The restructuring costs of £0.8m (2012: £1.3m) are a proportion of the costs incurred relating to the transfer of Lottery Distributor status to the BFI from 1 April 2011. These include: leasehold improvements on the offices (£0.1m); amortisation (£0.2m); and a share of those costs otherwise attributable to the changes arising from the new role (£0.5 m).

6. TAXATION

The BFI is a registered charity and as such its income and gains falling within s.505 ICTA 88 or s.256 TCGA 92 are exempt from corporation tax to the extent that they are applied to its charitable objectives.

7. FILM RIGHTS

Under International Financial Reporting Standards relating to Financial Instruments (IAS32, IAS39 and IFRS7) 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.

The valuation of film rights is inherently uncertain, being on informed expectation of future receipts and is under constant review over the life of a project, subject to its actual or anticipated success or otherwise. Many of the factors affecting the valuation will only occur over the passage of time. Should a project over-perform against expectations, once the full investment has been recouped, the film right is increased by a fair valuation based on future years anticipated revenues. However should a film be considered to be likely to under-perform against the original estimation, the impairment against it will be subsequently increased. Whilst based on best information available at the statement of financial position date there is inevitable uncertainty in estimating these future income flows.

It is always more likely that a film right will have an increased impairment over time, as more factual evidence comes to light both as to the project itself and its actual commercial performance.

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7. FILM RIGHTS (CONTINUED)

Movements in the valuation of film rights

	2012-13 £'000	2011-12 £'000	2010-11 £'000	2009-10 £'000	2008-9 £'000
Film rights valuation at 1 April	21,161	18,013	20,893	15,056	23,086
New commitments: made in year	25,933	20,881	15,308	21,593	14,898
Decommitments: new film rights in year	(197)	-	(390)	(137)	(9)
Decommitments: historical portfolio	(325)	(84)	(26)	(1,509)	(611)
Repayment of investments: new film rights in year	(593)	(550)	(194)	(649)	(110)
Repayment of investments: historical portfolio	(5,640)	(3,368)	(6,160)	(3,559)	(8,151)
Impairments: new film rights in year	(18,850)	(13,053)	(9,323)	(9,416)	(9,220)
Impairments: historical portfolio	(7,249)	(5,285)	(6,680)	(2,827)	(7,348)
Impairments written back: historical portfolio	3,822	1,193	1,420	2,397	2,416
Fair value movement in year: decrease for income already received	(2,242)	(3,477)	(962)	(203)	(177)
Fair value movement in year: increase for additional income expectation	555	6,890	4,128	148	283
Film rights valuation at 31 March	<u>16,375</u>	<u>21,161</u>	<u>18,013</u>	<u>20,893</u>	<u>15,056</u>

Movements in impairments in the year is:

	2012-13 £'000	2011-12 £'000	2010-11 £'000	2009-10 £'000	2008-9 £'000
Impairments: new film rights in year	(18,910)	(13,053)	(9,323)	(9,416)	(9,220)
Impairments: historical portfolio	(7,189)	(5,285)	(6,680)	(2,827)	(7,348)
Impairments written back: historical portfolio	3,822	1,193	1,420	2,397	2,416
Net movement in impairments	<u>(22,277)</u>	<u>(17,145)</u>	<u>(14,583)</u>	<u>(9,846)</u>	<u>(14,152)</u>

In 2008-9 the main additional impairments related to How To Lose Friends And Alienate People (£1.1m), Brideshead Revisited (£0.9m), Franklyn (£0.7m), Moon Princess (£0.9m) and Death Defying Acts (£0.8m).

In 2009-10 new film rights in the year were almost double that of the prior year, with titles including The King's Speech, Made in Dagenham and Centurion. The main additional impairments related to Triangle (£0.4m), 1939 (£0.5m), Dorian Gray (£0.4m) and Jean Charles (£0.3m).

In 2010-11 the main additional impairments related to Brighton Rock (£0.6m), Chalet Girl (£0.5m), Tracker (£0.5m) and Another Year (£0.6m). The fair value gains reflected the immediate success of the King's Speech which recouped its initial investment within weeks of its critical and commercial success. With the announcement of the closure of the UK Film Council, the levels of new awards made inevitably fell, impacting on new film rights in the year.

In 2011-12 the largest increase in provisions relates to the writing off of the remaining rights valuation on Sunshine (£1.9m), Notes On A Scandal (£0.6m) and Wuthering Heights (£0.3m) and an additional provision with regard to Attack The Block (£0.3m). The fair value gains reflect the ongoing commercial success of The King's Speech and anticipated future revenues from this - the project had a year end fair value of £6.3m.

In 2012-13 with the launch of the new Film Forever plan and the announcement of our lottery funding strategy, the levels of commitments began to increase. New projects with titles taken to film rights included Belle, The Invisible Woman and 71. The largest increase in provisions related to writing off the remaining rights valuations on Great Expectations (£0.6m), Seven Psychopaths (£0.6m) and Streetdance Encore (£0.5m). Overall the fair value reserve has fallen by £1.7m due to the recouplement funds in relation to The King's Speech previously anticipated in this reserve.

Schedule 1 gives a project by project breakdown in the movement of the film rights summarised above.

The cumulative movements in film rights valuation are:

	Gross £'000	Impairments £'000	Repayment £'000	Fair value adjustments £'000	Net £'000
At 1 April 2011	241,006	(158,582)	(68,109)	3,699	18,014
Hard commitments made in the year	20,881	(12,842)	(628)	-	7,411
Movements on prior year commitments	-	(4,304)	(3,289)	3,413	(4,180)
Decommitments	(84)	-	-	-	(84)
At 31 March 2012	<u>261,803</u>	<u>(175,728)</u>	<u>(72,026)</u>	<u>7,112</u>	<u>21,161</u>
Hard commitments made in the year	25,933	(18,911)	(593)	-	6,430
Movements on prior year commitments	-	(3,367)	(5,640)	(1,687)	(10,694)
Decommitments	(522)	-	-	-	(522)
At 31 March 2013	<u>287,214</u>	<u>(198,006)</u>	<u>(78,259)</u>	<u>5,425</u>	<u>16,375</u>

Fair value adjustments in the year can be summarised as:

	2012-13 £'000	2011-12 £'000
Fair value reserve at 1 April	7,112	3,699
Decrease for income already received	(2,242)	(3,477)
Increase for additional income expectation	555	6,890
Fair value at 31 March	<u>5,425</u>	<u>7,112</u>

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8. NATIONAL LOTTERY DISTRIBUTION FUND

The movement in balances held at the NLDF is:

	2012-13	2011-12
	£'000	£'000
Opening balance held at the NLDF	39,819	35,676
Income received from the Lottery	52,343	41,243
Transfer to the Olympic Lottery Distribution Fund (OLDF)	(2,732)	(5,866)
Investment income earned	<u>280</u>	<u>294</u>
Available for distribution	89,710	71,347
Cash drawn down	<u>(36,869)</u>	<u>(31,528)</u>
Balance as at 31 March	<u><u>52,841</u></u>	<u><u>39,819</u></u>

The funds are invested on behalf of the NLDF by the National Debt Commissioners. The BFI'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 BFI 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.

Following the changes in the year in the NLDF investments by the National Debt Commissioners, there were no unrealised gains in the year (2012:£460,000)

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

The UKFC was committed to contribute up to £9.6m in the original bid and this order allows for the transfer of up to a further £12.2m making a total of £21.8m and the balance of this liability transferred to the BFI on 1 April 2011.

The final two transfers of funds under the statutory instrument took place during the financial year with the BFI contributing a total of £2.7m.

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9. TRADE AND OTHER RECEIVABLES

	At 31.3.2013 £'000	At 31.3.2012 £'000
Trade and other receivables falling due within one year		
Prepayments and accrued income	1,835	1,207
Trade debtors	970	381
VAT receivable	332	153
Other receivables	<u>1,268</u>	<u>597</u>
Total trade and other receivables	<u><u>4,405</u></u>	<u><u>2,338</u></u>
Analysis of trade and other receivables between:	At 31.3.2013 £'000	At 31.3.2012 £'000
Payable by central government	1,014	1,413
Payable by local authorities	-	-
Payable by bodies external of Government	<u>3,391</u>	<u>925</u>
	<u><u>4,405</u></u>	<u><u>2,338</u></u>

10. CASH AND CASH EQUIVALENTS

All Lottery cash balances are held in commercial bank accounts.

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 the BFI faces in undertaking its role.

Liquidity risks

In 2013, £52.3m (84%) (2012: £41.2m, 83%) of the BFI's Lottery cash inflows were derived from the National Lottery. The remaining Lottery income comprises investment returns from the balance held with the NLDF £0.3m (1%) (2012: £0.3m, 1%); recoupment income from film rights £6.2m (10%) (2012: £3.9m, 8%); and surplus on UKFC and Arts Council England investments £2.3 m (4%) (2012: £3.8m, 8%).

The Governors consider that, as the NLDF balance notified by the Secretary of State for Culture, Media and Sport and the BFI's own Lottery cash holding amount to £57.5 m at the statement of financial position date (2012: £39.8m), sufficient liquid resources are available to cover all current hard and soft commitments totalling £53.5 m (2012: £16.2m) and any other payables.

Interest rate risks

The BFI's largest financial asset is retained in the NLDF, which invests in a narrow band of low risk assets such as Government bonds and cash. Neither the BFI nor its Governors has any control over these investments. The interest rate risks in respect of these financial assets are disclosed in the financial statements of the NLDF. The market value at year end of the BFI's investment in the NLDF was £52.8 m (2012: £39.8m) and the average investment return for the year was 0.78 % (2012: 2.26%).

Cash drawn from the NLDF, 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 % (2012: 0.1%). The cash balance at the year end was £4.6 m (2012: £4.1m).

Other price risks

Under International Financial Reporting Standards relating to Financial Instruments (IAS32, IAS39 and IFRS7) 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.

Establishing the fair value of film rights is subjective and therefore contains an element of risk. The fair value is based on a review of external evidence such as the sales agents estimates as to the likely revenues generated by a project, and depending on where it is in the life cycle of the project, upon actual performance of the film to date. This is matched with the knowledge and experience of the staff and management involved in the process of assessing the projects both at application stage and as they come to fruition. Any reduction in fair value is immediately taken to the statement of comprehensive income in the year.

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 have a valuation of £16.4 m (2012: £21.1m) and the Governors consider that the BFI is not exposed to significant other price risks.

Foreign currency risks

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

12. TRADE AND OTHER PAYABLES

	At 31.3.2013 £'000	At 31.3.2012 £'000
Other payables - Grant-in-Aid	-	119
Other payables	<u>88</u>	<u>142</u>
	<u><u>88</u></u>	<u><u>261</u></u>
Analysis of other payables between:		
Payable to Grant-in-Aid	-	119
Payable to bodies external of Government	<u>88</u>	<u>142</u>
	<u><u>88</u></u>	<u><u>261</u></u>

It is anticipated that all other payables as at 31 March 2013 fall due within one year.

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13. OTHER PAYABLES - AWARDS COMMITMENTS

Hard Commitments

	At 31.3.2013 £'000	At 31.3.2012 £'000
At 1 April	8,654	5,243
Commitments made	37,808	33,880
Hard decommitments	(672)	(42)
Amounts paid	<u>(37,362)</u>	<u>(30,427)</u>
At 31 March	<u>8,429</u>	<u>8,654</u>

Hard decommitments arise when any element of the award is not utilised once contracts are signed and drawdown has commenced.

New hard commitments made during the year:

	2012-13 £'000	2011-12 £'000
Film fund awards taken as film rights	25,933	20,881
Other film fund awards (International) taken to statement of comprehensive income	951	-
Regional awards	2,201	2,743
First Light awards	1,100	1,100
Distribution & Exhibition awards	-	3,906
Opportunity and Challenge Fund	3,909	1,595
Training awards	3,654	3,655
Film Education	30	-
Film Network Fund	30	-
	<u>37,808</u>	<u>33,880</u>

From 1 October 2011, Creative England was appointed the delegate with responsibility for all the English regions outside of London, with all Lottery transactions and activities transferring into the new body as at that date. In the six months prior to the regional awards were delegated to the Regional Screen Agencies created under the Regional Investment Fund for England (RIFE).

Ageing of hard commitments - estimated dates of payment

	2012-13 £'000	2011-12 £'000
Year ended 31 March 2013	-	8,654
Year ended 31 March 2014	<u>8,429</u>	<u>-</u>
	<u>8,429</u>	<u>8,654</u>

Soft Commitments

	2012-13 £'000	2011-12 £'000
At 1 April	8,308	7,650
Commitments made	75,415	34,773
Soft decommitments	(836)	(235)
Transferred to hard commitments	<u>(37,808)</u>	<u>(33,880)</u>
At 31 March	<u>45,079</u>	<u>8,308</u>

Soft decommitments arise when the conditions of the terms of the award are not met and prior to signature of contract and completion of any terms precedent.

Soft commitments increased significantly in 2012-13 with the full £26m commitment to Film Nation UK for the education strand of Film Forever, and the £15m commitment for Unlocking Film Heritage. Both these awards remained soft commitments at 31 March 2013.

14. LEASES

As at 31 March 2013, the BFI had total minimum payments under a non-cancellable operating lease relating to the BFI offices in London, as set out below.

	At 31.3.2013 £'000	At 31.3.2012 (Restated) £'000
Amounts payable within one year	1,160	1,160
Amounts payable within two to five years	4,640	4,640
Amounts payable beyond five years	<u>3,480</u>	<u>4,640</u>

The proportion of the costs relating to these leases forming part of the costs apportioned from Grant-in-Aid are:

	At 31.3.2013 £'000	At 31.3.2012 £'000
Amounts payable within one year	261	261
Amounts payable within two to five years	1,044	1,044
Amounts payable beyond five years	<u>783</u>	<u>1,044</u>

15. CAPITAL COMMITMENTS

As at 31 March 2013, the BFI had no capital commitments outstanding (2012: £nil).

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16. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

At 31 March 2013, the BFI Lottery activities had no provisions, contingent assets or contingent liabilities (2012: £nil) other than those associated with the pension liability.

17. SEGMENTAL REPORTING

The BFI is required under the Lotteries Act to produce statutory accounts which cover its operations as a Lottery distributor to 31 March 2013. These are reported to the Board of Governors 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.

18. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of operating surplus to net cash flow from operating activities:

	2012-13 £'000	2011-12 £'000
Operating surplus/(deficit)	12,755	4,763
Decrease / (increase) in film rights	3,099	(3,147)
Increase in trade receivables	(15,090)	(5,496)
(Decrease) / increase in trade payables	(398)	4,511
Increase / (decrease) in pension liability	98	(552)
Cash receipts from NLDF	<u>(36,868)</u>	<u>(31,528)</u>
Net cash from operating activities	<u>(36,404)</u>	<u>(31,449)</u>
	2012-13 £'000	2011-12 £'000
Opening cash balances at 1 April	4,160	4,078
Movement in year	471	82
Closing cash balances at 31 March	<u>4,631</u>	<u>4,160</u>

19. EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period either adjusting or non-adjusting which are not disclosed elsewhere in the Notes to the financial statements.

These accounts were authorised for issue on the date that C&AG certified the accounts.

20. LOSSES AND SPECIAL PAYMENTS

Screen East, the regional screen agency under the RIFE programme, went into liquidation in September 2010. The agency had received grant and Lottery awards from the UKFC. A protective claim of £1,046,686 was lodged with the liquidator. This claim was transferred to the BFI on 1 April 2011 and remains unadjusted. Until the conclusion of the liquidation process it is unclear what funds will be receivable from the liquidator, and recovery of funds has not been anticipated in these financial statements. There is a risk that the full balance will be lost.

21. RECONCILIATION OF TRANSACTIONS WITH DELEGATE BODIES

In 2013 delegation agreements with Creative England, 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 delegate bodies reconcile to transactions in the accounts of these organisations as follows:

Transactions in the BFI accounts:

	Hard commitments in year ended		Delegate body payable at	
	31.3.2013 £'000	31.3.2012 £'000	31.3.2013 £'000	31.3.2013
Creative England	1,925	1,675	410	690
EM Media		186	-	
First Light Movies Ltd	1,100	1,100	-	
Northern Film & Media		163	-	
North West Vision & Media		83	-	
Screen South		128	-	
Screen West Midlands		111	-	
Screen Yorkshire		134	-	
Creative Skillset	3,654	3,654	111	236
South West Screen		117	-	
	<u>6,679</u>	<u>7,351</u>	<u>521</u>	<u>926</u>

In the addition to the above, at 1 April 2010 Screen East had Lottery reserves relating to the Regional Investment Fund for England and the Digital Film Archive Fund of £0.56m, and subsequently went into liquidation on 30 September 2010.

Until the conclusion of the liquidation process it is unclear what funds will be recoverable from the Liquidator, and recovery of funds has not been anticipated in these accounts and there is a risk that the full balance, less any payments made in the months prior to the liquidation, will be lost.

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

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22. RELATED PARTIES

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

During the year the BFI 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:

Recipient of funding	Name	Role with BFI	Relationship to recipient of funding	New Awards made Year Ended 31.3.2013 £	Balance as at 31.3.2013 £
Big Talk Pictures Ltd	Matthew Justice	Governor	Managing Director	8,000	-
Fury Pictures Limited	Matthew Justice	Governor	Managing Director	1,100,000	150,000
Daybreak Pictures Ltd	Peter Kosminsky	Governor	Director	-	-
Film Nation UK	Beeban Kidron	Governor	Board Member	26,015,000	26,000,000
Film Club	Beeban Kidron	Governor	Deputy Chair	2,577,006	77,000
Soho Angel Films Ltd	Beeban Kidron	Governor	Director	349,888	90,000
First Light	Peter Kosminsky	Governor	Board Member	1,100,000	-
Momentum Pictures Ltd	Lisbeth Savill	Governor	Partner is President of Alliance Films who own Momentum Pictures	350,000	-
International Documentary Festival Sheffield Ltd	Paula La Dieu	Employee until 31 October 2012	Board Member	77,000	-
British Federation of Film Societies	Jim Dempster	Employee	Trustee	51,500	10,300

Tessa Ross, a Governor of the BFI until her resignation on 29 December 2012, is Controller of Film and Drama at Channel 4. Film 4, who are part of Channel 4, independently co-funded a number of projects across the year with the BFI.

Alison Cornwell, Chief Finance Officer of Alliance Films, was appointed as a Governor on 14 May 2013, subsequent to the year end. Whilst thus having no related party interests in the year ending March 2013 awards totalling £350,000 were made to companies in which she was involved during the year.

James Purnell, a Governor of the BFI, was appointed Director of Strategy at the BBC with effect from 20 March 2013. BBC Films independently co-funded a number of projects across the year with the BFI.

Tim Richards, a Director and Trustee of Creative Skillset, was appointed as a Governor on 14 May 2013, subsequent to the year end. Whilst thus having no related party interests in the year ending March 2013 awards totalling £3,654,000 were made to this organisation during the year ending 31 March 2013.

In addition £475 was paid to Olswang Solicitors for professional services rendered in the year (2012: 106,384). Lisbeth Savill, a Governor of the BFI, was a Senior Partner in the firm until 20 July 2012.

Awards made under the Lotteries Act Section 27 dispensation

Using the power granted by the Section 27 of the National Lotteries Act etc 1993, the Secretary of State gave permission in the year for two lottery awards to be made to the BFI as award recipient. £554,000 was awarded from the Strategic Audience Development Scheme to the 56th London Film Festival, held in October 2012. This award was fully utilised in the year

A further award of £15,000,000 was made in March 2013, to Unlocking Film Heritage, the BFI's Archive Strategy as outlined in Film Forever future plan, for both the national and regional moving image archives.

23. Analysis of total expenditure between administrative and programme spend

Under the definitions of the Financial Reporting Manual 2012-13 all activities in these accounts are programme spend.

Schedule 1: Film Rights Detail as at 31 March 2013

Fund	Applicant	Description	Film Rights at 1 April 2012	New Commitments	Recoupment Received	Surplus over investment	De-commitments	Provisions made in year	Reversal of prior years provisions	Fair valuation movement re recoupment	Changes in fair valuation	Film Rights as at 31 March 2013
			£	£	£	£	£	£	£	£	£	£
Arts	Bend It Films Ltd	Bend It Like Beckham	53,091.25	0.00	(12,357.50)	12,357.50	0.00			(12,357.50)		40,733.75
Arts	Dragon Pictures Ltd	Very Annie Mary	0.00	0.00	(460.43)		0.00	0.00	460.43			0.00
Arts	Gruber Films Ltd	Shooting Fish	6,935.00	0.00	0.00		0.00	0.00				6,935.00
Arts	Morvern Callar Productions Ltd	Morvern Callar	19,295.44	0.00	0.00		0.00	0.00				19,295.44
Arts	MP Productions (LH) Ltd	The Lawless Heart	17,493.04	0.00	0.00		0.00	0.00				17,493.04
Arts	Scala Productions	Down Time	0.00	0.00	(7,199.29)		0.00	0.00	7,199.29			0.00
Arts	Starry Night	Photographing Fairies	0.00	0.00	(31,296.78)		0.00	0.00	31,296.78			0.00
Arts	TAP	Swept from the Sea	0.00	0.00	(3,027.20)		0.00	0.00	3,027.20			0.00
Arts	Tiger Aspect Productions Ltd	Billy Elliott	200,000.00	0.00	(101,758.00)	101,758.00	0.00	0.00		(101,758.00)	50,000.00	148,242.00
Dev	Adventure Pictures Ltd	Ginger & Rosa (aka Bomb)		0.00	(6,052.44)				6,052.44			0.00
Dev	Angelfield (aka The Thirteenth Tale)	The Thirteenth Tale		0.00			(37,500.00)		37,500.00			0.00
Dev	Archer Street Ltd	Margot and Rudi		0.00			(500.00)		500.00			0.00
Dev	Ascension Entertainment Ltd	The White Tiger		0.00			(5,000.00)		5,000.00			0.00
Dev	Autonomous Ltd	Cirkus Columbia	246.44	0.00	(246.44)		0.00	0.00				0.00
Dev	Bard Entertainemtns Limited	Between the cats and dogs		0.00			(2,500.00)		2,500.00			0.00
Dev	Bend It Films Ltd	Trumpet		0.00			(10,500.00)		10,500.00			0.00
Dev	Big Talk Productions Ltd	Comedy Slate	0.00	0.00	(59,872.00)		(3,001.25)	0.00	62,873.25			0.00
Dev	Blue Horizon Productions (2010) Ltd	Untitled Sarah Hooper aka One Day Like This		0.00	(2,500.00)		(1,500.00)		4,000.00			0.00
Dev	Blueprint Pictures Ltd	Production Vision Award	899.68	0.00	(25,000.00)		0.00	0.00	24,100.32			0.00
Dev	Brocken Spectre	Shell		0.00	(10,000.00)				10,000.00			0.00
Dev	Carlton Television Ltd	Prince of Dalston		0.00			(2,000.00)		2,000.00			0.00
Dev	Company Films Ltd	Spanish Assassins		0.00			(10,000.00)		10,000.00			0.00
Dev	Dan Films Ltd	Production Vision Award	22,500.00	0.00	0.00		0.00	0.00				22,500.00
Dev	Daybreak Pictures	The Spare		0.00			(20,000.00)		20,000.00			0.00
Dev	Desperate Optimists	Mister John	0.00	0.00	(24,990.65)		0.00	0.00	24,990.65			0.00
Dev	DJ Films Ltd	Belle	0.00	0.00	(40,250.00)		0.00	0.00	40,250.00			0.00
Dev	Easter Partisan Films Ltd	My Granny made me an Anarchist		0.00			(812.50)		812.50			0.00
Dev	Ecosse Films Ltd	Brideshead Revisited	37,000.00	0.00	0.00		0.00	(37,000.00)				0.00
Dev	Ecosse Films Ltd	Production Vision Award	0.00	0.00	(25,000.00)		0.00	0.00	25,000.00			0.00
Dev	Element Pictures and Scarlet Films	Balance of Power		0.00			(718.00)		718.00			0.00
Dev	Feelgood Fiction Ltd	Man Bears		0.00			(471.95)		471.95			0.00
Dev	Forthcoming Productions	Trap for Cinderella		0.00			(250.00)		250.00			0.00
Dev	Fragile Films	Slate Funding		0.00	805.95			(805.95)				0.00
Dev	Free Range Films	Production Vision Award	12,500.00	0.00	(15,000.00)		0.00	0.00	2,500.00			0.00
Dev	Free Range Films	Production Vision Award	0.00	0.00			0.00	0.00				0.00
Dev	Gruber Films Ltd	Development Slate	0.00	0.00	(6,509.99)		0.00	0.00	6,509.99			0.00
Dev	Handheld Movies Ltd	Jane Austen Handheld		0.00			(689.00)		689.00			0.00
Dev	Headline Pictures Ltd	The Invisible Woman	0.00	0.00	(102,097.00)		(2,511.09)	0.00	104,608.09			0.00
Dev	Headline Pictures Ltd	The Recycler		0.00			(13,576.86)		13,576.86			0.00
Dev	Hopscotch Films Ltd	Story of Film		0.00	(100,000.00)				100,000.00			0.00
Dev	Hot Property Films Ltd	Brand New-U	0.00	0.00	(7,500.00)				7,500.00			0.00
Dev	How I Live Now Ltd	How I Live Now	0.00	0.00	(115,446.50)		0.00	0.00	115,446.50			0.00
Dev	Jupiter Projects Ltd	Development Slate	171,783.64	0.00	0.00		0.00	(171,783.64)				0.00
Dev	Kivu Films Ltd	Shooting Dogs	0.00	0.00	(6,391.36)		0.00	0.00	6,391.36			0.00
Dev	Kudos Film & Television Ltd	Blowback		0.00			(6,000.00)		6,000.00			0.00
Dev	Left Bank Pictures Ltd	Production Vision Award	18,750.00	0.00	0.00		0.00	0.00				18,750.00
Dev	Made Up North Productions Ltd	Granny Flat		0.00			(480.20)		480.20			0.00
Dev	Mirage (Europe) Ltd	The Two Faces of January	0.00	0.00	(175,370.00)	56,790.67	(2,998.67)	0.00	121,579.00			0.00
Dev	Neth Knowles	The Bailey Method		0.00			(1,300.00)		1,300.00			0.00
Dev	No 9 Films Ltd	Development Slate	0.00	0.00			(75,669.50)	0.00	75,669.50			0.00
Dev	Number 9 Films Ltd	Slate Funding	194,645.38	0.00	0.00		0.00	(194,645.38)				0.00
Dev	Optimum Releasing	Gainsbourg		0.00			(9,269.00)		9,269.00			0.00
Dev	Origin Pictures	Production Vision Award	0.00	0.00	(40,000.00)		0.00	0.00	40,000.00			0.00
Dev	Pathe Films Ltd	Development Slate	0.00	0.00	(188,588.54)		0.00	0.00	188,588.54			0.00
Dev	Picture Farm Ltd	Father Figure		0.00			(750.00)		750.00			0.00
Dev	Picture Farm Ltd	Shut up Kevin		0.00			(6,836.00)		6,836.00			0.00
Dev	Poisson Rouge Ltd	Gone too Far	0.00	0.00	(56,000.00)		0.00	0.00	56,000.00			0.00
Dev	Potboiler	Production Vision Award		0.00	(25,000.00)			0.00	25,000.00			0.00
Dev	Querty Films Ltd	Production Vision Award		0.00	(25,000.00)			0.00	25,000.00			0.00
Dev	Querty Films Ltd	The Duchess (aka Georgiana, Duchess of Devonshire)	16,583.72	0.00	(556.90)		0.00	(16,026.82)				0.00
Dev	Recorded Pictures Ltd	Development Slate	0.00	0.00	(187,340.40)		0.00	0.00	187,340.40			0.00
Dev	Red Production Company	Untitled Matthew Greenhalgh		0.00			(1,125.00)		1,125.00			0.00
Dev	Redwave Films Ltd	Ghosts (aka Still Life)	0.00	0.00	(32,100.00)		(10,900.00)	0.00	43,000.00			0.00
Dev	Revolution Films	Vision award	0.00	0.00	(45,000.00)		0.00	0.00	45,000.00			0.00
Dev	Ruby Films Ltd	The Boleyn Inheritance		0.00			(5,725.00)		5,725.00			0.00
Dev	Ruby Films Ltd	Your Voice in My Head		0.00			(3,750.00)		3,750.00			0.00
Dev	Saltes Films Ltd	Half of a Yellow Sun	0.00	0.00	(51,625.00)		0.00	0.00	51,625.00			0.00
Dev	See-Saw Films Ltd	Production Vision Award	37,500.00	0.00	(20,000.00)		0.00	0.00				17,500.00
Dev	Sigma Films Ltd	Production Vision Award	37,500.00	0.00	(30,000.00)		0.00	0.00				7,500.00
Dev	Sixteen Fly Ltd	Place (Spirit of 45)	0.00	0.00	(6,666.00)				6,666.00			0.00
Dev	Slate Films Limited	Stiff		0.00			(5,000.00)		5,000.00			0.00
Dev	Third Films Ltd	Bypass		0.00	(22,500.00)				22,500.00			0.00
Dev	Tiger Lily Films Ltd	Remainder		0.00			(66.05)		66.05			0.00
Dev	Vertigo Films	Production Vision Award	0.00	0.00	(75,000.00)		0.00	0.00	75,000.00			0.00
Dev	Warp Films Ltd	Production Vision Award	22,500.00	0.00	(15,000.00)		0.00	0.00				7,500.00
Dev	Within Films Ltd	Within		0.00			(1,600.00)		1,600.00			0.00

Schedule 1: Film Rights Detail as at 31 March 2013

Fund	Applicant	Description	Film Rights at 1 April 2012	New Commitments	Recoupment Received	Surplus over investment	De-commitments	Provisions made in year	Reversal of prior years provisions	Fair valuation movement re recoupment	Changes in fair valuation	Film Rights as at 31 March 2013
			£	£	£	£	£	£	£	£	£	£
FF	Alcove Entertainment	The Double	0.00	0.00	(30,000.00)		(5,000.00)	0.00	35,000.00			0.00
FF	AL Films Ltd	Second Is Nowhere	55,600.00	76,550.00	0.00		0.00	(132,150.00)				0.00
FF	APB Distribution Ltd	Ginger and Rosa	306,000.00	0.00	0.00		0.00	(306,000.00)				0.00
FF	Blue Cloth Ltd	The Iron Lady	529,283.96	0.00	(191,579.03)		0.00	0.00				337,704.93
FF	Blueprint Pictures Ltd	Now Is Good	229,725.00	0.00	0.00		0.00	(229,725.00)				0.00
FF	Blueprint Pictures Ltd	Seven Psychopaths	557,500.00	0.00	0.00		0.00	(557,500.00)				0.00
FF	Broken Spectre Ltd	Shell	130,000.00	0.00	0.00		0.00	(120,000.00)				10,000.00
FF	Conviction Films Ltd	Blood (aka Conviction)	244,750.00	0.00	(30,000.00)		0.00	(4,750.00)				210,000.00
FF	Cuba Pictures Ltd	Broken	80,250.00	0.00	0.00		0.00	0.00				80,250.00
FF	Deep Blue Sea Productions Ltd	The Deep Blue Sea	118,000.00	0.00	(4,233.58)		0.00	(60,000.00)				53,766.42
FF	Desperate Optimists	Mister John	90,000.00	0.00	0.00		0.00	0.00				90,000.00
FF	DJ Films Ltd	Belle	0.00	0.00	(19,000.00)		0.00	0.00	19,000.00			0.00
FF	DJ Films Ltd	Fast Girls	223,250.00	0.00	0.00		0.00	(223,250.00)				0.00
FF	Dreams of a Life Ltd	Dreams of a Life	45,000.00	0.00	0.00		0.00	(45,000.00)				0.00
FF	Ecosse Films Ltd	Wuthering Heights	5,075.50	0.00	(6,806.09)		0.00	(5,075.50)	6,806.09			0.00
FF	Erin Island Ltd and Bear Rock Films Ltd	Grabbers	250,000.00	0.00	0.00		0.00	(250,000.00)				0.00
FF	Fiesta Productions Ltd	Spike Island	14,550.00	0.00	0.00		0.00	(14,550.00)				0.00
FF	Forthcoming Productions	Trap for Cinderella	240,000.00	0.00	0.00		0.00	(240,000.00)				0.00
FF	Fragile Films Ltd	St Trinian's 3	53,000.00	0.00	0.00		0.00	(53,000.00)				0.00
FF	Haut Et Long	Women in the Fifth	68,182.00	0.00	0.00		0.00	(68,182.00)				0.00
FF	Headline Pictures Ltd	The Invisible Woman	71,609.00	0.00	(91,950.00)	30,341.00	(10,309.00)	0.00	309.00			0.00
FF	iFeatures Ltd	Eight Minutes Idle	101,800.00	0.00	0.00		0.00	(101,800.00)				0.00
FF	Last Passenger Ltd	Last Passenger	214,000.00	0.00	0.00		0.00	0.00				214,000.00
FF	Left Bank Pictures (Film) Ltd	All in Good Time (aka Rafta Rafta)	10,488.00	0.00	0.00		0.00	0.00				10,488.00
FF	Left Bank Pictures (Film) Ltd and Rafta Rafta Ltd	Rafta Rafta	75,000.00	0.00	0.00		0.00	(75,000.00)				0.00
FF	Made of Stone Productions Ltd	Spike Island	270,000.00	0.00	0.00		0.00	0.00				270,000.00
FF	Mirrorball Films Ltd	Nativity! The Second Coming	7,250.00	0.00	0.00		0.00	(7,250.00)				0.00
FF	Modern Films Ltd	Under the Skin	1,500.00	0.00	0.00		0.00	(1,500.00)				0.00
FF	Moonspun Films Ltd	The Arbor	4,000.00	0.00	0.00		(544.00)	(3,456.00)				0.00
FF	Moonspun Films Ltd	The Selfish Giant	0.00	0.00	(20,100.00)		0.00	0.00	20,100.00			0.00
FF	Nitrate London Ltd	London - The Modern Babylon	106,500.00	0.00	0.00		0.00	(106,500.00)				0.00
FF	Novel Animation Ltd and Henry Productions Ltd	Horrid Henry	225,000.00	0.00	0.00		0.00	(225,000.00)				0.00
FF	Number 9 Films (Slate) Ltd	Great Expectations	605,000.00	0.00	0.00		0.00	(605,000.00)				0.00
FF	Number 9 Films Ltd	Byzantium	250,000.00	0.00	0.00		0.00	(175,000.00)				75,000.00
FF	P Guide Ltd	The Perverts Guide to Ideology	81,000.00	0.00	0.00		0.00	0.00				81,000.00
FF	Peapie Films Ltd	Winaman	0.00	0.00	0.00		(5,000.00)	0.00	5,000.00			0.00
FF	Qwerty Films Ltd	Last Days on Mars	335,000.00	0.00	(10,000.00)		0.00	(235,000.00)				90,000.00
FF	Red Diesel Ltd	Welcome to the Punch	500,000.00	0.00	0.00		0.00	0.00				500,000.00
FF	Roast Beef Productions	Smash and Grab: The Story of the Pink Panthers	84,500.00	0.00	0.00		0.00	(35,000.00)				49,500.00
FF	See-Saw Films Ltd	Shame	300,000.00	0.00	(5,221.32)		0.00	(280,000.00)				14,778.68
FF	Seventh Kingdom Productions Ltd	Under the Skin	836,872.00	0.00	0.00		0.00	0.00				836,872.00
FF	Shadow Dancer (working title)	Shadow Dancer	375,000.00	0.00	0.00		0.00	(355,000.00)				20,000.00
FF	Sightseers Film Ltd	Sightseers	150,000.00	0.00	(38,021.37)		0.00	0.00				111,978.63
FF	Sixteen Films Ltd	The Angels' Share	325,000.00	0.00	(182,173.08)		(28,380.00)	0.00				114,446.92
FF	Slate Films Ltd	Half of a Yellow Sun	29,932.00	0.00	(29,932.00)		0.00	0.00				0.00
FF	Sajid Productions Ltd	The Woman In Black	256,337.18	0.00	(768,993.43)	12,656.25	0.00	0.00	500,000.00			0.00
FF	Swandown Productions Ltd	Swandown	64,500.00	0.00	0.00		0.00	(64,500.00)				0.00
FF	The Bureau Film Company Ltd	The Comedian	54,000.00	0.00	0.00		0.00	(14,000.00)				40,000.00
FF	The Jones Company Productions Ltd and Forthcoming Productions Ltd	Trap for Cinderella	11,000.00	0.00	0.00		0.00	(11,000.00)				0.00
FF	Third Films Ltd	Bypass	26,380.00	0.00	(26,380.00)		0.00	0.00				0.00
FF	Trishna Films Ltd	Trishna	66,500.00	0.00	0.00		0.00	(66,500.00)				0.00
FF	Vertigo Films Ltd	Streetdance Encore	500,000.00	0.00	0.00		0.00	(500,000.00)				0.00
FF	Warp Films Ltd	Seaside Stories	0.00	0.00	(23,625.00)		0.00	0.00	23,625.00			0.00
FF	Yellow Sun Ltd	Half of a Yellow Sun	4,864.00	0.00	(18,953.00)		0.00	0.00	14,089.00			0.00
Fran	DNA Films Ltd	Beautiful Creatures	0.00	0.00	(179,917.98)				179,917.98			0.00
Fran	DNA Films Ltd	Strictly Sinatra	0.00	0.00	(569.69)				569.69			0.00
Fran	DNA Films Ltd	The Parole Officer	0.00	0.00	(22,361.17)		0.00	0.00	22,361.17			0.00
Fran	DNA Films Ltd	28 Days Later	200,000.00	0.00	(88,291.46)	88,291.46	0.00	0.00		(88,291.46)		111,708.54
Fran	Pathe Productions Ltd	Bride & Prejudice	75,872.28	0.00	0.00		0.00	(75,872.28)				0.00
Fran	Pathe Productions Ltd	Churchill, the Hollywood Years	86,525.80	0.00	0.00		0.00	(86,525.80)				0.00
Fran	Pathe Productions Ltd	Dear Frankie (aka Natural History)	75,893.93	0.00	0.00		0.00	(75,893.93)				0.00
Fran	Pathe Productions Ltd	Enduring Love	212,125.05	0.00	(906.37)		0.00	(200,000.00)				11,218.68
Fran	Pathe Productions Ltd	Girl With A Pearl Earring	0.00	0.00	(37,251.39)		0.00	0.00	37,251.39			0.00
Fran	Pathe Productions Ltd	It Was An Accident	2,499.00	0.00	0.00		0.00	0.00				2,499.00
Fran	Pathe Productions Ltd	Magic Roundabout	159,150.70	0.00	(75,318.05)		0.00	0.00				83,832.65
Fran	Pathe Productions Ltd	Max	18,799.00	0.00	0.00		0.00	0.00				18,799.00
Fran	Pathe Productions Ltd	Mrs Henderson Presents	238,930.25	0.00	0.00		0.00	(230,000.00)				8,930.25
Fran	Pathe Productions Ltd	Suzie Gold	24,794.55	0.00	0.00		0.00	0.00				24,794.55
Fran	Pathe Productions Ltd	The Abduction Club	0.00	0.00	(3,677.17)		0.00	0.00	3,677.17			0.00
Fran	Pathe Productions Ltd	There's Only One Jimmy Grimble	0.00	0.00	(2,355.87)		0.00	0.00	2,355.87			0.00
Fran	Pathe Productions Ltd	Thunderpants	3,668.86	0.00	0.00		0.00	0.00				3,668.86
Fran	Pathe Productions Ltd	With Prejudice	27,530.00	0.00	0.00		0.00	(27,530.00)				0.00
Fran	The Film Consortium Ltd	51st State	15,394.50	0.00	0.00		0.00	0.00				15,394.50

Schedule 1: Film Rights Detail as at 31 March 2013

Fund	Applicant	Description	Film Rights	New	Recoupment	Surplus	De-commitments	Provisions	Reversal of	Fair valuation	Changes in	Film Rights
			at 1 April 2012	Commitments	Received	over investment			provisions	movement re	fair valuation	as at
			£	£	£	£	£	£	£	£	£	£
Fran	The Film Consortium Ltd	A Christmas Carol	99,200.53	0.00	0.00		0.00	(99,200.53)				0.00
Fran	The Film Consortium Ltd	Bugs	0.00	0.00	(12,923.27)		0.00	0.00	12,923.27			0.00
Fran	The Film Consortium Ltd	Country of My Skull		0.00	(7,910.87)				7,910.87			0.00
Fran	The Film Consortium Ltd	Silk Road (aka In This World)	19,341.76	0.00	0.00		0.00	0.00				19,341.76
Fran	The Film Consortium Ltd	Twenty Four Hour Party People	86,045.78	0.00	0.00		0.00	(86,045.78)				0.00
NCF	Adventure Pictures (Rage) Ltd	Rage	2,216.79	0.00	(3,000.27)		0.00	0.00	783.48			0.00
NCF	Adulthood Limited	Adulthood	0.00	0.00	(18,455.22)		0.00	0.00	18,455.22			0.00
NCF	Autonomous Ltd	Cirkus Columbia	43,000.00	0.00	(11,003.26)		0.00	(31,996.74)				0.00
NCF	Bluelights Needs Ltd	Needs	65,000.00	0.00	(61,856.35)		0.00	0.00				3,143.65
NCF	Bright Star Ltd	Bright Star	0.00	0.00	(11,496.38)		0.00	0.00	11,496.38			0.00
NCF	Company Pictures Ltd	Intermission	0.00	0.00	(36,824.72)		0.00	0.00	36,824.72			0.00
NCF	EM Media	Digital shorts	0.00	0.00	(29,579.00)		0.00	0.00	29,579.00			0.00
NCF	Gabriel Films Ltd	Bloody Sunday	0.00	0.00	(86,180.89)		0.00	0.00	86,180.89			0.00
NCF	Illuminations Films Ltd	Berberian Sound Studio	82,375.00	0.00	0.00		0.00	(82,375.00)				0.00
NCF	Intrepido Ltd	Lila Says	0.00	0.00	0.00		0.00	0.00				0.00
NCF	Kasander (Andrea Untitled Ltd)	Fish Tank	0.00	0.00	(33,923.73)		0.00	0.00	33,923.73			0.00
NCF	London to Brighton Ltd	London to Brighton	0.00	0.00	(1,861.74)		0.00	0.00	1,861.74			0.00
NCF	Magic Light Pictures (Commissioning) IOM Ltd	Sparkle	353.68	0.00	0.00		0.00	0.00				353.68
NCF	Modus Operandi	Cameraman..... Jack Cardiff	0.00	0.00	(1,219.78)		0.00	0.00	1,219.78			0.00
NCF	Northern Film & Media	Digital shorts	0.00	0.00	7,323.34		0.00	0.00				7,323.34
NCF	Northern Film & Media	Digital shorts	0.00	0.00	(13,631.97)		0.00	0.00	13,631.97			0.00
NCF	NW Vision	Digital shorts	0.00	0.00	(2,100.00)		0.00	0.00	2,100.00			0.00
NCF	Origin Pictures Ltd	The First Grader	28,875.00	0.00	0.00		0.00	(28,875.00)				0.00
NCF	Passion Pictures Ltd	How I Live Now	0.00	0.00	(27,750.00)		0.00	0.00	27,750.00			0.00
NCF	PPF Films Ltd	The Magdalene Sisters	15,000.00	0.00	0.00		0.00	0.00				15,000.00
NCF	Project Nim Ltd	Project Nim	0.00	0.00	1,564.59		0.00	0.00				1,564.59
NCF	Screen South	Digital shorts	0.00	0.00	(344.24)		0.00	0.00	344.24			0.00
NCF	Self Made Productions Ltd	Self Made	0.00	0.00	(821.00)		0.00	0.00	821.00			0.00
NCF	Shine Entertainment	Bullet Boy	0.00	0.00	(48,253.21)		0.00	0.00	48,253.21			0.00
NCF	Sixteen Films Ltd	Tickets	0.00	0.00	(154.46)		0.00	0.00	154.46			0.00
NCF	Sixteen Films Ltd	Wind That Shakes The Barley	0.00	0.00	(6,560.98)		0.00	0.00	6,560.98			0.00
NCF	Straightheads Ltd	Straightheads	0.00	0.00	(3,127.51)		0.00	0.00	3,127.51			0.00
NCF	Three Pillows Films Ltd	Unmade Beds	4,626.32	0.00	(3,403.15)		0.00	0.00				1,223.17
NCF	Tony Pictures Ltd	Tony	10,000.00	0.00	0.00		0.00	(10,000.00)				0.00
NCF	Touching the Void Ltd	Touching the Void	15,437.03	0.00	(1,538.80)	1,538.80	0.00	0.00		(1,538.80)		13,898.23
NCF	Wall to Wall (Egypt) Ltd	Reach the Clouds (aka Man on Wire)	73,901.00	0.00	(18,406.31)	18,406.31	0.00	0.00		(18,406.31)		55,494.69
NCF	Warp (Submarine) Ltd	Submarine	114,930.02	0.00	(43,673.43)		0.00	(40,000.00)				31,256.59
NCF	Warp Bulldog Limited	This is England	0.00	0.00	(3,079.79)		0.00	0.00	3,079.79			0.00
NCF	Warp Films Ltd	Complete History....	0.00	0.00	(3,750.00)		0.00	0.00	3,750.00			0.00
NCF	Warp X Ltd	She, a Chinese	0.00	0.00	(1,369.13)		0.00	0.00	1,369.13			0.00
NCF	Warp X (Punch) Ltd	Punch (aka Donkey Punch)	47,365.59	0.00	0.00		0.00	(42,000.00)				5,365.59
NCF	Warp X / Fear Factory (Hush) Ltd	Hush	24,037.96	0.00	0.00		0.00	0.00				24,037.96
NCF	Warp X/ Inflammable (Tyrannosaur) Ltd	TYRANNOSAUR	4,774.52	0.00	(5,326.20)		0.00	0.00	551.68			0.00
NCF	Warp X/ Rook Films (Kill List) Ltd	Kill List	46,610.72	0.00	(8,681.81)		0.00	0.00				37,928.91
P&A	British Film Institute	The Wizard of Oz		0.00			(6,375.00)		6,375.00			0.00
P&A	CinemaNX Distribution Ltd	Albatross		0.00			(12,846.13)		12,846.13			0.00
P&A	CinemaNX Distribution Ltd	TT3D: Closer To The Edge	0.00	0.00	(85,540.00)		0.00	0.00	85,540.00			0.00
P&A	Dogwool Ltd	Dreams of a Life	0.00	0.00	0.00		0.00	0.00				0.00
P&A	Metrodome Distribution Ltd	I Am Love	0.00	0.00	(92,362.77)		0.00	0.00	92,362.77			0.00
P&A	Momentum Pictures	Cafe de Flore		0.00								0.00
P&A	Picturehouse Ltd	SAVE of the Forgotten Dreams		0.00	(31,400.00)				31,400.00			0.00
P&A	Revolver Entertainment Ltd	SPIKE ISLAND		0.00								0.00
P&A	Vertigo Distribution Ltd	Faintheart		0.00			(8,734.25)		8,734.25			0.00
P&A	Verve Pictures Ltd	The British Guide To Showing Off		0.00			(5,050.80)		5,050.80			0.00
Prem	Africa United Ltd	Africa United	0.00	0.00	(15,324.63)		0.00	0.00	15,324.63			0.00
Prem	ATB Pictures Ltd	Attack The Block	494,589.68	0.00	(154,539.79)		0.00	0.00				340,049.89
Prem	Becoming Jane Ltd	Becoming Jane	0.00	0.00	(5,870.13)		0.00	0.00	5,870.13			0.00
Prem	Boyle Film Productions	The Guard	50,000.00	0.00	(16,554.03)		0.00	0.00				33,445.97
Prem	Brighton Rock Productions Ltd	Brighton Rock	86,896.97	0.00	(23,569.38)		0.00	0.00				63,327.59
Prem	Centurion Films Ltd	Centurion	48,064.01	0.00	(142,817.66)		0.00	0.00	94,753.65			0.00
Prem	Cine B	L'homme du Train		0.00	(14,249.79)				14,249.79			0.00
Prem	Dagenham Girls Ltd and We Want Sex Ltd	Made in Dagenham	128,776.42	0.00	165,945.61		0.00	(241,645.03)				53,077.00
Prem	Devotion Films Ltd	Sex Lives of the Potato Men	0.00	0.00	0.00		0.00	0.00				0.00
Prem	Element Pictures UK Ltd	The Guard	14,920.00	0.00	(1,711.37)		0.00	0.00				13,208.63
Prem	Fragile St Trinian's & Mayhem Films Ltd	St Trinian's	230,339.20	0.00	(12,488.09)	12,488.09	0.00	0.00		(12,488.09)		217,851.11
Prem	Hallmark Entertainment Film Productions and Hallmark Entertainment Dis	Mike Bassett: England Manager	64,902.82	0.00	(2,077.68)	2,077.68	0.00	0.00		(2,077.68)		62,825.14
Prem	Harry Brown Film Ltd	Harry Brown	596,299.11	0.00	(41,643.25)		0.00	(300,000.00)				254,655.86
Prem	Ladies In Lavender Ltd	Ladies in Lavender	20,000.00	0.00	(13,554.79)	13,554.79	0.00	0.00		(13,554.79)	5,000.00	11,445.21
Prem	Lennon Films Ltd & Nowhere Boy Productions	Nowhere Boy	106,078.39	0.00	(2,573.98)		0.00	0.00				103,504.41
Prem	Picture Farm Ltd	The Escapist	0.00	0.00	(4,750.92)		0.00	0.00	4,750.92			0.00
Prem	Pirate Productions	Festival		0.00	(430.46)				430.46			0.00
Prem	Pont Neuf Ltd	French Film	0.00	0.00	(3,571.29)		0.00	0.00	3,571.29			0.00

Schedule 1: Film Rights Detail as at 31 March 2013

Fund	Applicant	Description	Film Rights at 1 April 2012	New Commitments	Recoupment Received	Surplus over investment	De-commitments	Provisions made in year	Reversal of prior years provisions	Fair valuation movement re recoupment	Changes in fair valuation	Film Rights as at 31 March 2013
			£	£	£	£	£	£	£	£	£	£
Prem	Recorded Picture Co	Young Adam	0.00	0.00	(3,651.04)		0.00	0.00	3,651.04			0.00
Prem	Sandfairy Productions LTd	Five Children & It		0.00	(1,962.42)				1,962.42			0.00
Prem	Snow Cake Films Ltd	Snowcake	21,824.68	0.00	(6,173.19)		0.00	0.00				15,651.49
Prem	Speaking Film Ltd	The King's Speech	6,330,000.00	0.00	(1,991,327.70)	1,991,337.71	0.00			(1,991,327.70)	500,000.00	4,838,682.31
Prem	Steel Mills (Yorkshire) Ltd & Steel Mill Cottage (IOM) Ltd	The Cottage	5,000.00	0.00	0.00		0.00	0.00				5,000.00
Prem	Streedance Ltd	Streedance	222,206.79	0.00	(102,079.76)		0.00	0.00				120,127.03
Prem	Triangle Films Ltd	Triangle	12,229.02	0.00	(2,226.92)		0.00	0.00				10,002.10
Prem	Untitled 06 Ltd	Happy Go Lucky (aka Untitled 06)	0.00	0.00	(12,974.56)		0.00	0.00	12,974.56			0.00
Prem	Untitled 09 Ltd	Another Year	0.00	0.00	(88,119.99)		0.00	0.00	88,119.99			0.00
Prem	Valhalla Films Ltd	Faintheart	2,089.81	0.00	0.00		0.00	0.00				2,089.81
Prem	Waz Distribution Ltd	WAZ	5.00	0.00	(375.28)		0.00	0.00	370.28			0.00
Prem	Yemen Productions	Salmon Fishing in the Yemen	750,000.00	0.00	(1,168,962.41)		0.00	0.00	418,962.41			0.00
		Film rights as at 1 April 2012	21,160,919.75	76,550.00	(7,981,770.73)	2,341,598.26	(325,240.25)	(7,248,910.38)	3,821,610.23	(2,241,800.33)	555,000.00	10,157,956.55
FF	011 Productions Ltd	Crocodile		50,000.00				(50,000.00)				0.00
FF	2AMTV	The Wanderers		17,000.00				(17,000.00)				0.00
FF	4Way Pictures Ltd	What is this Film called Love?		11,750.00	0.00		0.00	(11,750.00)				0.00
FF	Adventure Pictures Ltd	Seed		38,500.00				(38,500.00)				0.00
FF	Agile Films	Keeping Up With the Jones		50,000.00				(50,000.00)				0.00
FF	Alcove Entertainment	The Double		1,100,000.00	0.00		0.00	(770,000.00)				330,000.00
FF	Amberjack Films	St George's Day		5,500.00	0.00		0.00	(5,500.00)				0.00
FF	Amberjack Films	Dolphin 3D		96,163.00	0.00		0.00	(96,163.00)				0.00
FF	APB Films Ltd	Ginger and Rosa		30,000.00				(30,000.00)				0.00
FF	Apocalypso Pictures	Seven Voyages		24,500.00				(24,500.00)				0.00
FF	Apocalypso Pictures	Death of the Penguin		65,000.00	0.00		0.00	(65,000.00)				0.00
FF	Apollo Productions Limited	The Keys to the Street		22,500.00	0.00		0.00	(22,500.00)				0.00
FF	Archer Street Ltd	How to Start Your Own Country		10,000.00			(5,000.00)	(5,000.00)				0.00
FF	B Good Picture Company Ltd	Acts of God		57,500.00				(57,500.00)				0.00
FF	B3 Media	Broken Eternity		24,160.00				(24,160.00)				0.00
FF	Baby Cow Films Ltd	Alan Partridge: Alpha Papa		580,500.00	(80,500.00)			(293,650.00)				206,350.00
FF	Bard Entertainments Ltd	Iona		12,250.00				(12,250.00)				0.00
FF	Bend It Films	Bruce Springsteen saved my Life		49,500.00	0.00		0.00	(49,500.00)				0.00
FF	Big Pond Production Ltd	Wigan		46,100.00	0.00		0.00	(46,100.00)				0.00
FF	Big Talk Pictures Ltd	Sightseers		8,000.00	(8,000.00)		0.00	0.00				0.00
FF	Big Talk Pictures Ltd	Cuban Fury		1,000,000.00	0.00		0.00	(700,000.00)				300,000.00
FF	Blue Horizon Productions (2010) Ltd	The Italian Chapel		22,500.00				(22,500.00)				0.00
FF	Blueprint Pictures Ltd	The Outcast		27,750.00	0.00		0.00	(27,750.00)				0.00
FF	Blueprint Pictures Ltd	Posh		35,000.00				0.00				35,000.00
FF	Blueprint Pictures Ltd	Seven Psychpaths		105,315.00				(105,315.00)				0.00
FF	Bright Pictures Ltd	Kin		9,000.00	0.00		0.00	(9,000.00)				0.00
FF	Buffalo Films Ltd	I Feel Fine		10,000.00	0.00		0.00	(10,000.00)				0.00
FF	Calamity Films	End of the Rainbow		45,500.00			(45,500.00)	0.00				0.00
FF	Camberwell Productions	Rainy Day Women		33,750.00				0.00				0.00
FF	Cannon and Morley Productions Ltd	The Falling		45,750.00	0.00		0.00	(45,750.00)				0.00
FF	CMP Film Ltd.	The Beginning of Spring		22,000.00				(22,000.00)				0.00
FF	CMP Film Ltd.	Cuckoo		25,000.00				(25,000.00)				0.00
FF	Coded Pictures	We Are Now Beginning Our Descent		4,000.00				(4,000.00)				0.00
FF	Complicite Films Ltd	The Lazarus Project		8,875.00				(8,875.00)				0.00
FF	Crab Apple Films Ltd / Warp Films	71		1,168,736.00				(805,000.00)				363,736.00
FF	Crab Apple Films Ltd and Warp Films Ltd	Destroyer		15,250.00				(15,250.00)				0.00
FF	Dan Films Limited	Hair of the Dog		28,000.00	0.00		0.00	(28,000.00)				0.00
FF	Dan Films Limited	Detour		23,000.00				(23,000.00)				0.00
FF	Dark Pictures Limited	The Line		47,568.00				(47,568.00)				0.00
FF	Daybreak Pictures Ltd	The Village Bike		33,500.00	0.00		0.00	(33,500.00)				0.00
FF	Dido Belle Ltd	Belle		1,280,000.00	0.00		0.00	(896,000.00)				384,000.00
FF	DNA Films Limited	Sunshine on Leith		35,000.00			(35,000.00)	0.00				0.00
FF	Ealing Studios Enterprises Ltd	Nightwork		32,878.00				(32,878.00)				0.00
FF	Ealing Studios Enterprises Ltd	Doctor In The House		37,335.00				(37,335.00)				0.00
FF	Eclectic Films Ltd	The Portrait		40,761.00				(40,761.00)				0.00
FF	Electric Ballroom Productions Ltd	Tits		44,974.00				(44,974.00)				0.00
FF	Element Pictures	Balanced of Power		34,250.00				(34,250.00)				0.00
FF	Element Pictures	Where There's Darkness		39,000.00				(39,000.00)				0.00
FF	Element Pictures	Frank		1,090,000.00				(763,000.00)				327,000.00
FF	Emu Films	Catch Me Daddy		530,348.00				(350,000.00)				180,348.00
FF	Endor Productions	The Strays		55,500.00				(55,500.00)				0.00
FF	Endor Productions Ltd and Rise Films	Nine Nights		36,500.00	0.00		0.00	(36,500.00)				0.00
FF	Equation Pictures Ltd	Olivia & Jim		19,600.00				(19,600.00)				0.00
FF	Escape Films Ltd	Bummer		8,000.00				(8,000.00)				0.00
FF	Escape Films Ltd	Gutpunch		49,965.00				(49,965.00)				0.00
FF	Everything is Illustrated	Tender Hearts		15,500.00				(15,500.00)				0.00
FF	Fast Girls (DJ Films) Ltd	Fast Girls		20,000.00	0.00		0.00	(20,000.00)				0.00
FF	Feelgood Fiction Ltd	Man Bears		16,500.00	0.00		0.00	(16,500.00)				0.00
FF	Fiesta Productions	Spike Island		40,000.00				(40,000.00)				0.00
FF	Film and Music Entertainment Limited	Epic		12,250.00	0.00		0.00	(12,250.00)				0.00
FF	First Born Films Ltd	L'Assenza		48,661.00				(48,661.00)				0.00

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			£	£	£	£	£	£	£	£	£	£
FF	Fly Film Company Ltd	Bill and Lena		10,000.00				(10,000.00)				0.00
FF	Fly Film Company Ltd	Like a Virgin		14,000.00				(14,000.00)				0.00
FF	Fragile Films Ltd	The Long Shot (fka What the Puck)		36,750.00				(36,750.00)				0.00
FF	Free Range Films Limited	Death and Life		15,700.00	0.00		0.00	(15,700.00)				0.00
FF	Frequent Flyer Films Ltd	Salvaged		12,000.00				(12,000.00)				0.00
FF	Golden Arrow Pictures Ltd	Anthony		49,783.00				(49,783.00)				0.00
FF	H10 films	Hangar 10		17,250.00				(17,250.00)				0.00
FF	Hammer Film Productions Ltd	Coven		30,000.00	0.00		0.00	(30,000.00)				0.00
FF	Headline Pictures (Invisible Woman) Ltd	The Invisible Woman		1,570,000.00			0.00	(1,099,000.00)				471,000.00
FF	Heyman Hoskins	Lee Miller		26,750.00				(26,750.00)				0.00
FF	HILN Ltd	How I Live Now		70,000.00				(49,000.00)				21,000.00
FF	Holy Cow Productions	Postcards from London		22,750.00				(22,750.00)				0.00
FF	Hopscotch Films	The Story of Film		185,000.00	(154,044.00)		0.00	0.00				30,956.00
FF	Hot Property Limited	Brand New-U		362,000.00				(253,400.00)				108,600.00
FF	HSI London	Awareness		16,500.00				(16,500.00)				0.00
FF	Humanfilm	The Train Station		25,000.00	0.00		0.00	(25,000.00)				0.00
FF	Illuminations Films	The Beast in the Jungle		30,392.00				(30,392.00)				0.00
FF	Illuminations Films Ltd	The James Jesus Tapes		20,000.00				(20,000.00)				0.00
FF	In Bed With Ltd	In Bed With Chris Needham		59,750.00	0.00		0.00	(59,750.00)				0.00
FF	JHP 3 Limited	Exhibition (aka Joanna Hogg Project 3)		476,194.00	(46,000.00)		0.00	(301,136.00)				129,058.00
FF	John Loden Ltd	To Leech		37,741.00				(37,741.00)				0.00
FF	Jonah Films	Jonah		27,500.00	0.00		0.00	(27,500.00)				0.00
FF	Jonescompany Productions	The Bristol Job		38,000.00				(38,000.00)				0.00
FF	Jonescompany Productions Ltd	The Men in White Coats		35,500.00				(35,500.00)				0.00
FF	Julian Corkle Limited	Julian Corkle is a Filthy Liar		20,500.00	0.00		0.00	(20,500.00)				0.00
FF	Last Passenger Ltd	Last Passenger		60,000.00	0.00		0.00	(42,000.00)				18,000.00
FF	Left Bank Pictures (Film) Limited	Miss World / Liberation		58,000.00	0.00		0.00	(58,000.00)				0.00
FF	Leopardrama Limited	Danny La Rue		55,000.00	0.00		0.00	(55,000.00)				0.00
FF	Lighthouse	Film Fund Shorts 2012		140,000.00	0.00		0.00	(140,000.00)				0.00
FF	Likely Story Ltd	This Family		40,000.00				(40,000.00)				0.00
FF	Magnified Pictures Ltd	Personal Best (fka 100)		43,089.00	0.00		0.00	(43,089.00)				0.00
FF	Meryon Development Ltd	The Lady Who Went Too Far (Working Title)		50,000.00				(50,000.00)				0.00
FF	Missing In Action Films Ltd	GBH		20,000.00	0.00		0.00	(20,000.00)				0.00
FF	MJW Productions Ltd	Tell Me the Truth About Love		45,850.00	0.00		0.00	(45,850.00)				0.00
FF	Modern Films Ltd	The Pleasure		36,000.00				(36,000.00)				0.00
FF	Modern Films Ltd	Under the Skin		265,000.00				(185,500.00)				79,500.00
FF	Moonspun Films	The Selfish Giant		618,600.00	(16,080.00)		0.00	(422,970.00)				179,550.00
FF	Newscope Films LTD	Darkness Visible		13,365.00	0.00		0.00	(13,365.00)				0.00
FF	Nitrate London Ltd	London - The Modern Babylon		37,000.00	(8,000.00)		0.00	(29,000.00)				0.00
FF	No Logo Films Ltd	Orbit Ever After		50,000.00				(50,000.00)				0.00
FF	Number 9 Films Limited	Byzantium		50,000.00				(35,000.00)				15,000.00
FF	Oakheart Films Ltd	Alice in Lalaland		35,500.00				(35,500.00)				0.00
FF	Open TV & Film Ltd	Sleeping Out (aka The Factory)		20,000.00				(20,000.00)				0.00
FF	Origin Pictures Ltd	X + Y Factor		56,000.00	0.00		0.00	(56,000.00)				0.00
FF	Origin Pictures Ltd	Three Big Men		49,000.00				(49,000.00)				0.00
FF	P Guide Films Ltd	Perverts Guide to Ideology		13,231.00								13,231.00
FF	Pari Passu Films Limited	Fest		50,000.00				(50,000.00)				0.00
FF	Passion Pictures	How I live Now		1,180,857.00	(33,125.00)		0.00	(803,412.00)				344,320.00
FF	Philomena Lee Ltd	The Lost Child Of Philomena Lee		750,000.00				0.00				750,000.00
FF	Pico Pictures	Mohammed		50,000.00				(50,000.00)				0.00
FF	Poisson Rouge Pictures France	Gone Too Far		392,000.00	(35,000.00)		0.00	(249,900.00)				107,100.00
FF	Quark Films	The Curse		1,659.87	0.00		0.00	(1,659.87)				0.00
FF	Querty Films Ltd.	Last Days on Mars		211,375.00				(146,452.50)				64,922.50
FF	Rainmark Films Two Ltd	The Erotic Review		19,000.00			(13,500.00)	(5,500.00)				0.00
FF	Rainmark Films Two Ltd	White Mughals		93,000.00	0.00		0.00	(93,000.00)				0.00
FF	Red Production Company	Tell it to the Bees		6,000.00			(2,500.00)	(3,500.00)				0.00
FF	Reprisal Films	Calvary		798,790.00				(573,790.00)				225,000.00
FF	Revolution Films	Jimmy the Hook		35,000.00	0.00		(35,000.00)					0.00
FF	Revolution Films	Into the Darkest Corner		35,500.00	0.00		0.00	(35,500.00)				0.00
FF	Riley Productions London Ltd	Mike Bassett: Soccer Coach		13,500.00				(13,500.00)				0.00
FF	Ritch Films Ltd	The Bisley Boy		30,000.00				(30,000.00)				0.00
FF	Rook Films Ltd	The Duke of Burgundy		20,000.00				(20,000.00)				0.00
FF	Ruby Films Limited	Stefan Golaszewski Speaks About A Girl He Once Loved		1,000.00	0.00		0.00	(1,000.00)				0.00
FF	Ruby Films Limited	Gemma Boverly		18,000.00				(18,000.00)				0.00
FF	Ruby Films Limited	The Buccaneers		27,100.00	0.00		0.00	(27,100.00)				0.00
FF	Ruby Films Ltd	Country Music		15,875.00	0.00		0.00	(15,875.00)				0.00
FF	Runaway Fridge Television Ltd	The Boy Who Loves Lights		12,500.00				(12,500.00)				0.00
FF	Scott Free Films Limited	Blood Red Road		40,000.00	0.00		0.00	(40,000.00)				0.00
FF	Ship 534 Limited	Men of Steel		38,500.00				(38,500.00)				0.00
FF	Sigma Films Ltd	Greenland Time		10,000.00				(10,000.00)				0.00
FF	Sigma Films Ltd	Aberdeen Angus		18,750.00				(18,750.00)				0.00
FF	Sigma Films Ltd	Sea View		42,000.00				(42,000.00)				0.00
FF	Sixteen Fly Limited	The Spirit of '45		210,000.00			0.00	(150,000.00)				60,000.00
FF	Slingshot Films 2 Limited	Londonstani		30,000.00	0.00		0.00	(30,000.00)				0.00
FF	Smoking Dogs Films Ltd	The Stuart Hall Project		154,000.00	0.00		0.00	(154,000.00)				0.00

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			£	£	£	£	£	£	£	£	£	£
FF	Soho Angel Films Ltd	In Real Life		349,888.00	(49,888.00)		0.00	(210,000.00)				90,000.00
FF	SOL Productions Ltd	Sunshine on Leith		520,000.00				(364,000.00)				156,000.00
FF	Sonic Screenworks Limited	Great Scott		26,750.00				(26,750.00)				0.00
FF	Space Age Films Ltd	Seeds		11,750.00				(11,750.00)				0.00
FF	Starfield Productions	The Night Climbers		15,500.00				(15,500.00)				0.00
FF	Stigma Films Ltd	S L R		38,465.00				(38,465.00)				0.00
FF	Stray Bear Films Ltd	Jonah		5,000.00				(5,000.00)				0.00
FF	Studio AKA	The Yeti Project		94,000.00	0.00		0.00	(94,000.00)				0.00
FF	SUMS Film and Media Ltd	Stories for a phonebook page		33,600.00	0.00		0.00	(33,600.00)				0.00
FF	SUNSET SONG Ltd	Sunset Song		77,250.00								77,250.00
FF	TEMPO PRODUCTIONS LIMITED	Our Robots Overloads		72,503.00				(72,503.00)				0.00
FF	The Bureau Film Company	The Comedian		70,000.00	0.00		0.00	(45,000.00)				25,000.00
FF	The Upgrade Film Ltd	The Upgrade		71,000.00				(71,000.00)				0.00
FF	Third Films Limited	Bypass		350,000.00				(245,000.00)				105,000.00
FF	Third Films Ltd	Light Years		9,750.00				(9,750.00)				0.00
FF	Third Films Ltd	Frontier		10,000.00	0.00		0.00	(10,000.00)				0.00
FF	Tigerlily Films Limited	Remainder		5,000.00				(5,000.00)				0.00
FF	TigerLily Films Ltd	All I Am		9,950.00				(9,950.00)				0.00
FF	Tomboy Films (UK) Ltd	Sidney		54,315.00				(54,315.00)				0.00
FF	Too Tall Productions Ltd	Captcha		25,000.00				(25,000.00)				0.00
FF	Universal Spirits	The Incident		10,000.00	0.00		0.00	(10,000.00)				0.00
FF	Untitled 13 Ltd	Untitled 13		1,035,000.00				(700,000.00)				335,000.00
FF	Warp Films	No Kaddish in Wrexham		26,026.00				(26,026.00)				0.00
FF	Warp Films Ltd	Creditors		28,125.00	0.00		0.00	(28,125.00)				0.00
FF	Warp Films Ltd	Henry's Excellent Adventures		40,000.00	0.00		0.00	(40,000.00)				0.00
FF	Warp Films Ltd	Liam & Lenka		40,037.00				(40,037.00)				0.00
FF	Warp Films Ltd	The Beast		43,795.00				(43,795.00)				0.00
FF	Warp Films Ltd	A Gun for George		47,250.00				(47,250.00)				0.00
FF	Warp X Ltd	Seaside Stories		98,255.00	(11,885.00)		0.00	(60,469.00)				25,911.00
FF	Warp X Ltd	For Those in Peril		192,130.00			0.00	(134,491.00)				57,639.00
FF	Wee Buns Ltd	Zoo		8,000.00				(8,000.00)				0.00
FF	Weekend Productions Ltd	Le Weekend		535,000.00	(35,000.00)		0.00	(350,000.00)				150,000.00
FF	Yellow Sun Limited	Half of a Yellow Sun		1,064,000.00				(748,888.00)				315,111.00
FF	Zephyr Films	Mating in Captivity		50,000.00				(50,000.00)				0.00
P&A	Artificial Eye Film Company Ltd	Lore		40,000.00				(40,000.00)				0.00
P&A	Britdoc Films Ltd	Ping Pong		51,131.00	0.00		0.00	(51,131.00)				0.00
P&A	Dogwoof Ltd	Town of Runners		19,500.00	0.00		0.00	(19,500.00)				0.00
P&A	Dogwoof Ltd	The Spirit of '45		69,000.00				(69,000.00)				0.00
P&A	E1 Entertainment Ltd	Hunky Dory		125,000.00	0.00		0.00	(125,000.00)				0.00
P&A	Entertainment One UK	The Angels' Share		205,000.00	0.00		0.00	(205,000.00)				0.00
P&A	Immense Productions Ltd	Tortoise in Love		29,915.00	0.00		0.00	(29,915.00)				0.00
P&A	Metrodome Distribution Ltd	A Royal Affair		159,900.00	0.00		0.00	(159,900.00)				0.00
P&A	Momentum Pictures	The Raid		200,000.00	0.00		0.00	(200,000.00)				0.00
P&A	Network Distributing Ltd	No		31,945.00				(31,945.00)				0.00
P&A	Pathe Productions Ltd	Africa United		120,000.00			(14,279.00)	(105,721.00)				0.00
P&A	Pathe Productions Ltd	The Skin I Live In		250,000.00	(115,033.00)		(46,143.00)	(88,824.00)				0.00
P&A	Picturehouse Entertainment Ltd	The Imposter		130,100.00	0.00		0.00	0.00				130,100.00
P&A	Revolver Entertainment Ltd	Ill Manors		280,000.00	0.00		0.00	(280,000.00)				0.00
P&A	Soda Pictures Ltd	7 Days in Havana		50,000.00	0.00		0.00	(50,000.00)				0.00
P&A	Studiocanal Ltd	Rust and Bone		151,830.00				(151,830.00)				0.00
P&A	Studiocanal Ltd	Sightseers		299,488.00				(299,488.00)				0.00
P&A	Studiocanal UK Ltd	Le Grande Illusion		16,911.00	0.00		0.00	(16,911.00)				0.00
P&A	Studiocanal UK Ltd	Fast Girls		297,650.00	0.00		0.00	(297,650.00)				0.00
P&A	Trinity Filmed Entertainment	A Liar's Autobiography		78,731.00				(78,731.00)				0.00
P&A	Trinity Filmed Entertainment Ltd	This Must Be the Place		32,880.00	0.00			(32,880.00)				0.00
P&A	Twentieth Century Fox Film Co Ltd	Chariots of Fire		150,000.00				(150,000.00)				0.00
P&A	Vertigo Distribution Ltd	Pusher		185,000.00				(185,000.00)				0.00
P&A	Wilder Films Limited	Up There		50,000.00				(43,516.33)				6,483.67
		New commitments 2012-13	0.00	25,856,860.87	(592,555.00)	0.00	(196,922.00)	(18,850,217.70)	0.00	0.00	0.00	6,217,166.17
		Total Film Rights at 31 March 2013	21,160,919.75	25,933,410.87	(8,574,325.73)	2,341,598.26	(522,162.25)	(26,099,128.08)	3,821,610.23	(2,241,800.33)	555,000.00	16,375,122.72

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**Schedule 2: New Soft Commitments
Year Ended 31 March 2013**

Producer	Project	New Soft Commitments
(MG Pictures Ltd) Motion Group Pictures	Departure	9,000.00
011 Productions Ltd	Crocodile	50,000.00
2AMTV	The Wanderers	17,000.00
4Way Pictures Ltd	Who is this film called Love?	11,750.00
Adventure Pictures Ltd	Seed	38,500.00
Agile Films	Keeping Up With the Jones	50,000.00
AIM FILMS LTD	The Legend of Shorty	285,000.00
AL Films Ltd	Second is Nowhere	76,550.00
Amber Film and Photography Collective cic	St Georges Day (working title)	5,500.00
Amberjack Films	Dolphin: A 3D Adventure (working title)	96,163.00
APB Films Ltd	Ginger and Rosa	30,000.00
Apocalypso Pictures	Death and The Penguin	65,000.00
Apocalypso Pictures	Seven Voyages	24,500.00
Apollo Productions Limited	The Keys to the Street	22,500.00
B Good Picture Company Ltd	Acts of God	57,500.00
B3 Media	'Broken Eternity' - SHORT FILM	24,160.00
Baby Cow Films Ltd	Alan Partridge: The Movie	500,000.00
Bard Entertainments Ltd	Iona	12,250.00
Basement Multimedia Ltd	Looters	20,000.00
Beat Films Ltd	Tutor	57,000.00
Bend It Films	Bruce Springsteen Saved My Life (working title)	49,500.00
Big Talk Pictures Ltd	Cuban Fury	1,000,000.00
Big Talk Pictures Ltd	Sightseers	8,000.00
BLUE HORIZON PRODUCTIONS (2010) LTD	The Italian Chapel	22,500.00
Blueprint Pictures Ltd	Posh	51,000.00
Blueprint Pictures Ltd	Seven Psychopaths	40,380.00
Blueprint Pictures Ltd	The Outcast	16,500.00
Bofa Productions Limited	A Story of Children and Film	35,000.00
Bright Pictures Ltd	Kin	9,000.00
Buffalo Films	I Feel Fine	10,000.00
Calamity Films	End of the Rainbow	45,500.00
Calamity Films	Last Christmas	82,000.00
Camberwell Productions	Rainy Day Women	35,000.00
CMP Film Ltd.	Cuckoo	25,000.00
CMP Film Ltd.	The Beginning of Spring	22,000.00
Coded Pictures	We Are Now Beginning Our Descent	21,400.00
Crab Apple Films Ltd / Warp Films	71	1,168,736.00
Crab Apple Films Ltd and Warp Films Ltd	Destroyer	15,250.00
Cuba Pictures Ltd	An Equal Music	14,000.00
Dan Films Limited	Detour	23,000.00
Dan Films Ltd	Hair of the Dog	28,000.00
Dark Pictures Limited	The Line	47,568.00
Dido Belle Ltd	Belle	1,360,000.00
DNA Films Limited	Sunshine on Leith	35,000.00
Ealing Studios Enterprises Ltd	Doctor In The House	37,335.00
Ealing Studios Enterprises Ltd	Nightwork	32,878.00
Eclectic Films Ltd	The Portrait	40,761.00
Edge City Films	The Creator	28,500.00
Electric Ballroom Productions Ltd	Tits	44,974.00
Element Pictures	Balance of Power	34,250.00
Element Pictures	Frank	1,090,000.00
Element Pictures	Where There's Darkness	39,000.00
Embargo Films (UK) Ltd.	Trivial Pursuits	20,750.00
Emotion Control	The Ballad of Peckham Rye	500.00
Emu Films	Catch Me Daddy	530,348.00
Endor Productions	The Rising	13,700.00
Endor Productions	The Strays	55,500.00
Endor Productions Ltd and Rise Films	Nine Nights	36,500.00
Equation Pictures Ltd	Olivia & Jim	19,600.00
Escape Films Ltd	Bummer	8,000.00
Escape Films Ltd	Gutpunch	49,965.00
Everything is Illustrated	Tender Hearts	15,500.00
Feelgood Fiction Ltd	Manbears	5,000.00
Fiesta Productions	Spike Island	40,000.00
Fiesta Productions Ltd	Marked man	2,250.00
Film and Music Entertainment Limited	Epic	12,250.00
Film Export UK	Film Export UK - EFM 2013	80,000.00
Film Export UK	Film Export UK - Filmart Hong Kong 2013	10,000.00
First Born Films Ltd	L'Assenza	48,661.00
Fly Film Company Ltd	Bill and Lena	10,000.00
Fly Film Company Ltd	Like A Virgin	14,000.00
Fragile Films Ltd	The Long Shot (formerly What the Puck)	36,750.00
FREQUENT FLYER FILMS LIMITED	Salvaged	12,000.00
Fury Pictures Limited	Cuban Fury	100,000.00
Golden Arrow Pictures Ltd	Anthony	49,783.00
Gravy Media Ltd	My Haunted House	5,350.00
GreenAcre films Ltd	Relax	24,000.00
H10 films	Hangar 10	17,250.00
Heyman Hoskins	Lee Miller (working title)	26,750.00
HILN Ltd	How I Live Now	70,000.00
Holy Cow Productions	Postcards from London	22,750.00
Hot Property Limited	Brand New-U	362,000.00

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Producer	Project	New Soft Commitments
HSI London	Awareness	16,500.00
HSI London	Field Study	49,599.00
Illuminations Films	The Beast in the Jungle	30,392.00
Illuminations Films Ltd	The James Jesus Tapes	20,000.00
JHP 3 Limited	JHP 3	430,194.00
JHP 3 Limited	Untitled Joanna Hogg Project 2012	46,000.00
John Loden Ltd	To Leech	37,741.00
Jonescompany Productions Ltd	Patch of Fog	20,250.00
Jonescompany Productions Ltd	The Men in White Coats	35,500.00
Julian Corkle Limited	Julian Corkle is a Filthy Liar	20,500.00
Kindle Entertainment	Four Children and It	6,000.00
Kindle Entertainment	White Boots	17,550.00
Last Passenger Ltd	Last Passenger	60,000.00
Lighthouse	BFI Shorts 2012	36,650.25
Likely Story Ltd	This Family	40,000.00
Magic Light Pictures Limited	Carbonel	21,000.00
Magnified Pictures Ltd	Personal Best (previous title was 100)	43,089.00
Melwood Pictures	Gecko	53,800.00
Meryon Development Ltd	The Lady Who Went Too Far (Working Title)	50,000.00
Minnow Films	Of Monsters and Men	250,000.00
MJW Productions Ltd	Tell me The Truth About Love	20,850.00
Modern Films Ltd	The Pleasure	36,000.00
Modern Films Ltd	Under the Skin	265,000.00
Moonspun Films	The Selfish Giant	618,600.00
Nitrate London Ltd	London - The Modern Babylon (previously This Is London)	8,000.00
No Logo Films Ltd	Orbit Ever After	58,000.00
Number 9 Films Limited	Byzantium	50,000.00
Number 9 Films Limited	Dan Leno and the Limehouse Golem	4,652.00
Number 9 Films Limited	Great Work of Time	3,410.00
Number 9 Films Limited	Hyena	5,420.00
Oakheart Films Ltd	Alice in Lalaland	35,500.00
Open TV & Film Ltd	Sleeping Out (aka The Factory)	20,000.00
Optimism Film Ltd	Step Thirteen	6,000.00
Origin Motion Pictures Ltd	X & Y (aka X & Y Factor)	17,000.00
P Guide Films Ltd	The Pervert's Guide to Ideology	13,231.00
Pari Passu Films Limited	Fest	50,000.00
Passion Pictures	How I Live Now	1,180,857.00
Philomena Lee Ltd	The Lost Child Of Philomena Lee	750,000.00
Pico Pictures	Mohammed	50,000.00
Poisson Rouge Pictures France	Gone too Far	392,000.00
Premier Public Relations Ltd	UK Presence at Cannes Film Festival 2013 (Premier PR)	210,990.00
Quark Films	The Curse	1,659.87
Qwerty Films Ltd.	The Last Days on Mars	103,300.00
Rainmark Films Two Ltd	Mrs. Robinson's Disgrace	55,500.00
Rainmark Films Two Ltd	The Erotic Review	13,500.00
Red Production Company	Tell it to the Bees	3,500.00
Reprisal Films	Calvary	798,790.00
Revolution Films	Into the Darkest Corner	35,500.00
Riley Productions London Ltd	Mike Bassett: Soccer Coach	13,500.00
Ritch Films Ltd	The Bisley Boy	30,000.00
Rook Films Ltd	The Duke of Burgundy	20,000.00
Ruby Films Limited	Gemma Boverly	27,250.00
Ruby Films Limited	The Buccaneers	27,100.00
Ruby Films Limited	The Story of You	31,875.00
Ruby Films Limited	Your Voice in My Head	10,000.00
Runaway Fridge Television Ltd	The Boy Who Loves Lights	12,500.00
Runaway Fridge Television Ltd	The Madolscents	18,750.00
Sarah Radclyffe Productions Ltd	The Great Stink	32,000.00
Scott Free Films Limited	Blood Red Road	70,000.00
Scott Free Films Limited	Settle Down	13,000.00
Seventh Kingdom Productions Ltd	Under the Skin	21,700.00
Ship 534 Limited	Men of Steel	38,500.00
Shona Films Ltd	Tusk	22,750.00
Sigma Films Ltd	Aberdeen Angus	18,750.00
Sigma Films Ltd	Greenland Time	10,000.00
Sigma Films Ltd	Sea View	42,000.00
Sixteen Fly Limited	Spirit of '45	10,000.00
Smoking Dogs Films Ltd	Untitled - The Stuart Hall Project	154,000.00
Soho Angel Films Ltd	Blow Job (working title)	49,888.00
Soho Angel Films Ltd	InRealLife (aka Blow Job)	300,000.00
SOL Productions Ltd	Sunshine on Leith	545,000.00
Sonic Screenworks Limited	Great Scott	26,750.00
Starfield Productions	The Night Climbers	15,500.00
Stargazer Productions Ltd	Mad Friday	5,700.00
Stigma Films Ltd	S L R	38,465.00
Stray Bear Films Ltd	Jonah	10,751.50
Studio AKA	The Yeti Project	94,000.00
SUMS* Film and Media Ltd.	Phone Book (aka Stories for a Phone Book Page)	29,500.00
SUNSET SONG Ltd	Sunset Song	77,250.00
Sweet As A Ltd.	Out of Step	12,500.00
TEMPO PRODUCTIONS LIMITED	Our Robot Overlords	72,503.00
The Bureau Film Company	Another World	17,000.00
The Bureau Film Company	In Another Country	27,000.00
The Bureau Film Company	The Comedian	70,000.00
The Upgrade Film Ltd	The Upgrade	71,000.00

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Producer	Project	New Soft Commitments
Third Films Limited	Bypass	350,000.00
Third Films Ltd	Frontier	10,000.00
Third Films Ltd	Light Years	9,750.00
Tigerlily Films Limited	Remainder	5,000.00
TigerLily Films Ltd	All I Am	9,950.00
TigerLily Films Ltd	Sherbert Lemons	10,010.00
Tiny Spark Productions	The Story of Me and You	10,000.00
Tomboy Films (UK) Ltd	Sidney	54,315.00
Too Tall Productions Ltd	Captcha	25,000.00
Trouble & Desire Films Ltd.	Untitled London Night	10,000.00
Unanimous Entertainment	Untitled Ronan Bennett	35,000.00
Universal Spirits	The Incident	21,000.00
Untitled 13 Ltd	Untitled 13	1,035,000.00
Various	UK Presence at Cannes Film Festival 2013	167,260.00
Warp Films Ltd	No Kaddish in Wrexham	26,026.00
Warp Films Ltd	Benefield (Working Title)	21,750.00
Warp Films Ltd	Creditors	28,125.00
Warp Films Ltd	Henry's Excellent Adventure	40,000.00
Warp Films Ltd	Liam & Lenka	45,512.00
Warp Films Ltd	The Beast	43,795.00
Warp X Ltd	Seaside Stories	98,255.00
Wee Buns Ltd	Zoo	8,000.00
Weekend Productions Ltd	Le Weekend	535,000.00
World Productions	Son of Man	24,700.00
Wostok	Passing Clouds	9,250.00
Yellow Sun Limited	Half Of A Yellow Sun	314,000.00
Young Films Ltd	Lockerbie	40,250.00
Film fund awards 2012-13		£19,829,017.62
Arrow Film Distributors	Love is All You Need	150,000.00
Artificial Eye Film Company Ltd	Holy Motors	35,000.00
Artificial Eye Film Company Ltd	Amour	149,600.00
Artificial Eye Film Company Ltd	A Late Quartet	103,000.00
Artificial Eye Film Company Ltd	Lore	40,000.00
AV Pictures Ltd	Jump	6,000.00
Bac Films	Shell	5,400.00
Bankside Films Ltd	Ill Manors	8,000.00
Bankside Films Ltd	Wasteland	8,000.00
Britdoc Films	Ping Pong	51,131.00
Doc & Film International	The Pervert's Guide to Ideology	9,550.00
Dogwoof Ltd	SPIRIT OF 45	69,000.00
Ealing Metro International	London - The Modern Babylon	10,700.00
Entertainment One UK	The Angel's Share	205,000.00
High Point Films & TV Ltd	Me & Me Dad	18,190.00
Immense Productions Ltd	Tortoise in Love	29,915.00
Independent Film Sales	Boxing Day	14,250.00
Independent Film Sales	Metro Manila	10,403.00
Met Film Sales Ltd	The Great Hip Hop Hoax	8,502.00
Metrodome Distribution Ltd	A Royal Affair	159,900.00
Momentum Pictures	The Raid (2)	200,000.00
Momentum Pictures	In the House	150,000.00
MPM FILM	A Wonrld Not Ours	6,608.00
Network Distributing Ltd	No	31,945.00
Picturehouse Entertainment Ltd	The Imposter	130,100.00
Protagonist Pictures	Sightseers	15,358.00
Resolution	Jadoo	15,000.00
Revolver Entertainment Ltd	Ill Manors	280,000.00
Revolver Entertainment Ltd	Spike Island	300,000.00
Soda Pictures	7 Days in Havana	50,000.00
Studiocanal Ltd	Rust and Bone	151,830.00
Studiocanal Ltd	Sightseers	299,488.00
Studiocanal Ltd	In Fear	15,200.00
Studiocanal Ltd	The Look of Love	12,000.00
Studiocanal UK Ltd	Fast Girls	297,650.00
The Film Sales Company	The Moo Man	7,918.40
The Film Sales Company	The Moo Man	3,202.00
The Match Factory	Berberian Sound Studio	11,000.00
The Match Factory	Ginger & Rosa	15,990.00
The Works International	Good Vibrations	8,840.00
The Works International	Kelly and Victor	15,560.00
Trinity Filmed Entertainment	A Liar's Autobiography	78,731.00
Vertigo Distribution Ltd	Pusher	185,000.00
Vertigo Distribution Ltd	All Stars	300,000.00
Wavelength Pictures	The Stuart Hall Project	5,172.00
Wild Bunch	Broken	11,100.00
Wild Bunch	The Angel's Share	14,350.00
Wild Bunch	SPIRIT OF 45	9,684.00
Wilder Films Limited	Up There	50,000.00
Distribution awards 2012-13		£3,763,267.40
British Council	British Council	20,000.00
British Federation of Film Societies (BFFS)	British Federation of Film Societies (BFFS)	51,500.00

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Producer	Project	New Soft Commitments
British Film Institute	London Film Festival	554,000.00
British Independent Film Awards	British Independent Film Awards	50,000.00
Edinburgh International Film Festival Ltd	Edinburgh International Film Festival Ltd	250,000.00
Encounters Festivals Ltd	Encounters Festivals Ltd	50,000.00
Film Club	Film Club	2,577,006.00
Independent Cinema Office	Independent Cinema Office	118,500.00
International Documentary Festival Sheffield Ltd	International Documentary Festival Sheffield Ltd	77,000.00
Your Local Cinema.com	Your Local Cinema.com	10,000.00
Total strategic audience development scheme 2012-13		£3,758,006.00
BFI	Heritage award	15,000,000.00
Broadway Media Centre	Broadway Media Centre	5,000.00
Chapter (Cardiff) Ltd	Chapter (Cardiff) Ltd	5,000.00
Cornerhouse (Greater Manchester Arts Centre - GMAC)	Cornerhouse (Greater Manchester Arts Centre - GMAC)	5,000.00
Creative England	Creative England	1,994,561.00
Film Education	Film Education	15,000.00
Film London	Lottery Scheme for London 2012-13	246,116.00
Film London	Film London	5,000.00
Film Nation	5-19 Education Offer	26,000,000.00
Film Nation Ltd	Film Nation Ltd	15,000.00
First Light	First Light	1,100,000.00
QFT (Queen's Film Theatre)	QFT (Queen's Film Theatre)	5,000.00
Regional Screen Scotland	Regional Screen Scotland	5,000.00
Creative Skillset	Creative Skillset	3,654,000.00
The Watershed Arts Trust Ltd	The Watershed Arts Trust Ltd	5,000.00
University of Brighton	University of Brighton	5,000.00
Total partnerships 2012-13		£48,064,677.00
Total soft commitments 2012-13		£75,414,968.02

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**Schedule 3: Lottery commitments (soft) made by delegate bodies (not audited)
Year ended 31 March 2013**

Award Recipient	Project	£
Creative England		
Aesthetica Magazine Ltd	ASFF Organisational Development	10,000.00
All Animated Limited	All Animated Network	25,000.00
Amber Film & Photography Collective CIC	Side Cinema - Archive & Access Pilot Project	10,000.00
Artdocs	Paa Joe	12,500.00
Arts Alive	Flicks in the Sticks	10,000.00
AV Festival	Curatorial Capacity Building	15,000.00
Bath Film Festival	Organisational Development for BFF	10,000.00
Berwick Film & Media Arts Festival Ltd	Developing regional support & International reach	10,000.00
Borderlines Film Festival CIC	Borderlines Film Festival 2013	20,000.00
Borderlines Film Festival CIC	Organisational Development	22,000.00
Cambridge Film Trust	Cambridge Film Festival	35,000.00
Cambridgeshire Film Consortium	Cambridgeshire Film Consortium Organisational Development	20,000.00
Cornerhouse	Cornerhouse OD Programme	38,500.00
Creative Arts East	Village Screen Plus	10,000.00
Curzon Community Cinema	Building Capacity for next phase development	10,000.00
Derby Quad Ltd	ID Fest 2013	10,000.00
Diane Whitley	Girl Missing	15,300.00
Encounters Festival Limited	Organisational Strategic Review	30,000.00
Eye Film and Television	The Greatest Record Collection in the World	15,000.00
First Take	Film Train	15,000.00
Flatpack Festival	Flatpack Festival 2013 Development Programme	17,500.00
Flatpack Festival	Flatpack Festival	20,000.00
Glimmer Films Ltd	ORION: The Man who would be King	10,000.00
Hellflower Film Limited	The Lovers & The Despot	15,000.00
Hook Pictures	Residual	16,500.00
Human Film	In The Sands	10,000.00
Hurricane Films Ltd	Sunset Song	13,450.00
IFeatures Limited	IFeatures2	260,000.00
Kaleidoscope Films	The Hen Do	10,000.00
Kendal Mountain Festival CIC	2012 Kendal Mountain Festival	10,000.00
Leeds Film	26th Leeds International Film Festival	30,000.00
Leeds Young Film	14th Leeds Young Film Festival	20,000.00
Lex Records Ltd d/b/a Lex Films	The Show	15,000.00
Ludlow Assembly Rooms	Building & strengthening a socially enterprising future	13,500.00
Mac Birmingham	Peopl Chice - Across the Decades	10,000.00
Marc Hoferlin	Amadou & Mariam: Away from the Light	20,000.00
Media Archive for Central England	Building the SIN Partnership	61,000.00
Michael Symmons Roberts Ltd	Breath	10,000.00
National Media Museum	Bradford Animation Festival 2012	10,000.00
National Media Museum	Bradford International Film Festival 2013	15,000.00
Phoenix Film & Digital Media (Leicester Arts Centre)	Big Country Rural Cinema	10,000.00
Phoenix Film & Digital Media (Leicester Arts Centre)	Phoenix: Disability Access Cinema Programme	11,000.00
Robin French	Lust For Life	15,000.00
Saffron Screen	Feasibility studies for the organisational development of Saffron	18,152.00
Sheffield International Documentary Festival	Doc 20	30,000.00
Sheffield Media & Exhibition Centre Ltd	Showcomotion Young People's Film Festival	10,000.00
Sheffield Media & Exhibition Centre Ltd	Staff & Board Development Programme	35,000.00
Sixteen Fly Limited	Spirit of '45	29,579.00
Slapstick Festival	Slapstick Festival 2013 Plus Tour	10,000.00
Sodalite Films Ltd	The Fahrenheit Twins	10,000.00
South West Film & Television Archive	Sustaining SWFTA through Volunteers	37,000.00
Speakit Films	Cashback	10,000.00
Steve Shell	Special	12,500.00
Sulkybunny Ltd	Orbit	10,000.00
Tenner Films	The Greatest Story Ever Sold	10,000.00
Miss Vicki Lesley	Organisational development for 2013-14	15,000.00
The Lost Picture Show	Arise & Shine	20,000.00
The New Black	Developing fundraising capacity	25,000.00
Tyneside Cinema	Filmic+	10,000.00
Watershed Media Centre	Write 2 Screen	11,973.00
Wavelength Films Limited	Calibre	11,250.00
Wellington Films Ltd	Learning Networks	40,000.00
Xtend (UK) Ltd	Archive Weekly Calendar Web App	22,500.00
Yorkshire Film Archive	YFA - A New Future	29,700.00
Yorkshire Film Archive	Deaffest 2013	10,000.00
Zebra-Uno Ltd		10,000.00
66 awards < £10,000		339,680.00
		1,723,584.00
Creative Skillset		
104 Films Ltd	The Generator -Fast Track Business and Market Development of outstanding Emerging Disabled Producers and Creative Talent.	20,000.00
Amersham & Wycombe College	VFX Research & Development	50,000.00
Atlantic Film Group	The BFI London Film Festival's Think-Shoot-Distribute	24,500.00
BAFTA	BAFTA Crew: Craft and Technical Skills Network	35,095.00
Birmingham City University	CPD Advanced Wardrobe Supervisor Training	15,250.00
Bournemouth University	BFX -- Bournemouth's Visual Effects and Animation Festival	45,000.00

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Celia Thornley Skills Consultant c/o Bebop Dancewear Ltd	Costume and Wardrobe National Occupational Standards Review	17,500.00
Cornwall Arts Centre Trust Ltd	Cross Channel Film Lab Immersion Week (Open Sessions)	19,800.00
Creative Media Skills Ltd	Hair and Make-up Professional Masterclass Programme	10,000.00
Creative Media Skills Ltd	Hair and Make-up Professional Mentoring Scheme	30,000.00
Crossover Labs Limited	Multiplatform Production Toolkit	17,500.00
Directors Guild Trust	Tools of Directing UK 2013	20,000.00
Edinburgh International Film Festival	EIFF Talent Lab	27,525.00
Edinburgh International Film Festival	Network	32,500.00
Edinburgh Napier University - Screen Academy Scotland	LoFi2	25,000.00
Edinburgh Napier University - Screen Academy Scotland	Hit The Ground Running & Ground NETS: training for new runners in Scotland	40,000.00
eQuinox Germany e.V.	12. & 13. Intl. Screenwriters Workshops & Master Classes	15,850.00
Film Agency For Wales	Film Junction - Market Mentor Scheme	24,890.00
Film Agency For Wales	Wales Film Training	29,460.00
Film London	Cultivate 2013: Inspiring Future Audiences	15,000.00
Film London	Assistant Location Managers Training Course	19,559.94
Film London	Microwave 4 Phase 2	30,000.00
Film London	Microwave 4 Phase 2	35,000.00
Film London	Audience On Demand (working title)	42,000.00
Film London	The London Borough Film Fund Challenge	50,000.00
First Light Movies	VFX Dream to Screen	50,000.00
First Light Movies Ltd	Craft and Technical Skills Academy Masterclass Programme	15,000.00
First Light Movies Ltd	Show Me The Money - Birmingham	20,000.00
Fundacion Cultural Media - Media Business School	Marketing and International Distribution (M&ID)	12,000.00
Fundacion Cultural Media - Media Business School	Multiplatform Business School (MPBS)	37,000.00
High Definition & Digital Cinema Ltd	Digital Exhibition for Festivals	31,000.00
Independent Cinema Office	Get it Seen - Distribution and Exhibition for Producers	14,000.00
Independent Cinema Office	Digital Marketing for Exhibitors	30,000.00
Independent Cinema Office	Regional Film Exhibitor Training 2013	30,000.00
International Film School Wales	Skillset Screen Academy Wales Course Enhancement and Outreach Activity Programme	77,345.07
It's My Shout Productions Ltd	Its My Shout - Made in Wales (Series 5, 2013) - Producer Training Element	22,000.00
Lighthouse Arts & Training	Motion Capture Lab	22,000.00
LOCO The London Comedy Film Foundation	LOCO presents Kickstart Your Comedy Career	18,000.00
London Film School	CE&O and Bursaries	258,762.00
NFTS (National Film & Television School)	Inside Pictures (2013)	90,000.00
NFTS (National Film & Television School)	CE&O and Bursaries	832,942.00
Northern Alliance Limited	Net Profit: Finance & The International Film Business	17,733.00
Northern Film & Media	Create.innovate	19,000.00
Northern Ireland Screen Commission	Production, Craft and Technical Skills 2012	41,962.00
Northern Ireland Screen Commission	Aim High (2013 - 2014)	45,000.00
Peaceful Fish Productions Limited	Training film finance for UK financiers	39,100.00
Power to the Pixel Ltd	The Pixel Lab: The Cross-Media Workshop 2013	20,000.00
Power to the Pixel Ltd	The Cross-Media Forum 2012	20,000.00
Ravensbourne	3D Creative Summit (working title)	45,000.00
Ravensbourne	3D Storytelling Bootcamp	50,000.00
Screen Academy Scotland	Screen Academy Scotland Course Enhancement and Bursaries 2012-13	151,650.00
Screen Yorkshire	MovieMakers	47,371.00
Screen Yorkshire	Triangle III	57,400.00
Sheffield Doc/Fest	Doc/Craft	17,000.00
Sheffield Doc/Fest	The Regional Documentary Feature Programme	19,000.00
Sheffield Doc/Fest	D2D2 (Devise To Deliver 2012/2013)	29,300.00
Sheffield Doc/Fest	Connecting The Docs	29,705.00
Skillset Media Academy Wales	Cinovate	15,415.00
	Skill Development Screenwriting Programme: Adaptation	
SMART Academy of Writing		25,000.00
Talking Point Film and Television Ltd	Industry Masterclass Programme	17,500.00
Talking Point Film and Television Ltd	NOS and Qualifications Development for Stage Hands and Set Crafts	60,000.00
The Bureau Film Company Limited	SOS - Save Our Scripts	49,999.00
The Film and Video Workshop	School VFX	25,000.00
The Production Guild	Assistant Director Training 2012	30,000.00
The Production Guild	APATS VIII	120,000.00
Vision3	SGO Mistika training	10,000.00
Warren Jane Limited & Julie Witana Limited	VFX National Occupational Standards and Qualification	47,978.00
297 awards < £10,000		281,034.07
		3,582,626.08
First Light		
104 Films Ltd	D-Horror	24,000.00
Ambeley Youth Project	Into The Dark	12,438.00
Ambient Light Productions	The Mysteries of Enagh Lough	22,400.00
Animated Exeter	Animation Exeter	10,000.00
Battyeferd CE Primary School	Magic Frames	22,935.00
Birmingham Ormiston Academy	Birmingham Ormiston Academy	28,000.00
Bradford UNESCO City of Film	City of Film	10,000.00
Burnley Youth Theatre	Give, Take	22,000.00
Chocolate Films Ltd	Point of View	21,960.00
Create Studios	Next Generation	28,550.00

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Culture Works Foundation	Rites of Passage	23,997.00
DocHouse	DocHouse	10,000.00
Ebbw Vale and District Trust	Access to Film	27,973.00
Edinburgh International Film Festival	Edinburgh International Film Festival	30,000.00
Film Oxford	Moving the Image - Film, Fun and Fantasy	29,450.00
Ideal Films Ltd	Blockbusters	28,590.00
Interplay Theatre Trust	LS12 Film Centre	18,351.00
Knowsley Enterprise Academy	Give Me DIME	30,000.00
Latimer Creative Media	From London to Yarmouth	30,000.00
Mouth That Roars	The Estate	19,978.00
Parkside School	Connection	24,000.00
polkadotsonraindrops	I believe in...	20,535.00
Poplar HARCA	Poplar 2012 Young Film-makers	29,993.00
Resource Productions Ltd	Film-makers of the Future	24,000.00
Rowbot Street	Life as we know it	20,000.00
Sawston Village College	Sawston Films	22,000.00
Signal Media Arts Sector	Dream to Screen	30,000.00
The Greenhouse Project	Live, Laugh, Love and Learn	29,952.00
Thomas Adams Media Arts Programme	Big Screen	29,765.00
Vital Regeneration	FreqOUT!	22,876.00
Wind & Foster	Untied Regions	30,000.00
Winding Snake Productions	Let's Talk	20,000.00
22 awards < £10,000		111,654.00
		865,397.00
	Total awards by delegate bodies 2012-13	6,171,607.08

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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 British Film Institute (the BFI). These are as follows:

The BFI 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 BFI has implemented procedures to ensure the provisions of the Statement of Financial Requirements are followed and the BFI confirms that, to the best of its knowledge, it complied fully with the financial requirements in 2012/13.

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

The BFI has in place procedures for dealing with conflicts of interest and, to the best of its knowledge, it abided by this procedure in 2012/13.

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Policy directions

Under the National Lottery etc Act 1993, the Secretary of State for Culture, Olympics, Media and Sport issued policy directions, which the BFI must take into account in distributing National Lottery funds.

[A The need to involve the public and local communities where reasonably practicable, in making policies and setting priorities.](#)

The BFI consulted widely on its five year strategy including its proposed new and existing Lottery funding schemes, through a wide-scale public consultation undertaken between May and June 2012 on the strategic plan for the period 2012-2017. Over 1,000 people participated in the consultation.

[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 BFI aims to ensure 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, able or disabled, skills, knowledge, geography, age and life experiences. As detailed in the BFI strategic plan – *Film Forever* – in early 2013-14, the BFI will launch the BFI Diversity Fund which will help promote equal access, participation as well as strengthening cultural diversity.

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

The BFI is fully committed to education and learning and strongly believes that film has the power to transform the way people see and understand the world.

In 2012-13, children and young people were targets of specific BFI Lottery funded programmes. Most notably, the First Light project involves a range of children's and young people's film activities in the UK.

Going forward, the BFI will implement a new strategy for film education and learning across the UK which is aimed at people of all ages to include a new education offer aimed at inspiring young people from 5-19 to watch, understand and make films.

[D The need to improve community cohesion and/or social inclusion.](#)

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The BFI 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 BFI 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 BFI invests in training talent. In partnership with Creative Skillset, the Sector Skills Council for the audiovisual industry, a comprehensive funding programme was delivered during the year 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 BFI applies a range of criteria in order to ascertain that an appropriate level of public benefit is derived from the project. The criteria includes the creative and technical quality of the project and its contribution towards the BFI's strategic objectives.

[G The need to further the objectives of sustainable development.](#)

The BFI provides leadership and practical support for the wider film industry, including leading the UK-wide sustainability Group. Following the launch of the British Standard (BS 8909), specifically for film, sustainability is an intrinsic element to the new five year plan.

The Greening the Screen event was held, in partnership with BAFTA, which examined the latest thinking on sustainable and low impact production and business practices within film, television and the games industry.

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

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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 BFI 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 BFI Lottery funding through applications for training, development, production, education, distribution and exhibition activity.

National Lottery Funding is channelled through Creative England and Film London whilst First Light, and the Film Skills Fund, all deliver projects in areas across the UK.

[I The desirability of the British Film Institute working jointly with other organisations, including other distributors.](#)

The BFI is increasing its partnership working with other Lottery distributors, most notably with Arts Council England and the Heritage Lottery Fund.

The BFI delegates funding to Creative England in support of its strategic objectives that can be delivered at a local and/or regional level. Creative Skillset and First Light were the two other Lottery delegate partners delivering key aspects of our strategy.

[J The need to ensure that all those receiving Lottery money acknowledge it using the common Lottery branding.](#)

The BFI ensures that the Lottery is credited on all projects in receipt of Lottery funding through the use of the credits on films and branding on other materials.

[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.](#)

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The BFI 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 distributed to be distributed to projects only where they are for a specific, time-limited, purpose, (b) to ensure that the BFI 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 a particular programme.

The BFI undertakes an appraisal of each application for funding prior to final decision.

The BFI reserves the right to request that applicants provide any additional information that may be required in order to properly assess such application, in addition to the requirements set out in the application guidelines. It also seeks, where necessary, the confidential, independent and objective views of expert advisers. As a publicly accountable body, the BFI 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 BFI Lottery applications and is examined using 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 ensure that film is central to the lives of UK citizens, and to improve the quality of British film and raise its profile in the marketplace, by:

- i. Expanding education and learning opportunities and boosting audience choice across the UK;
- ii. Supporting the future success of British film;
- iii. Unlocking film heritage for everyone in the UK to enjoy.

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The allocation of National Lottery funds by the BFI 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.

The BFI took over responsibility for lottery activity on 1 April 2011 and it was agreed that the former UK Film Council three year plan would continue to set out the priorities for lottery funding, until the BFI developed its own Future Plan.

In October 2012, informed by an assessment of the public needs of the film sector and followed an extensive consultation, the BFI launched its five year plan - *Film Forever* – which details how almost £500m will support the sector over the next five years. *Film Forever* covers all BFI activity, and focuses on three priority areas set out above.

O Where awards are made in relation to feature film production or distribution projects the BFI should take into account:

- A clearly identified target audience for their projects
- 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 regional archives
- The need for feature film development and production projects to be capable of qualifying as "British films" in accordance with the procedures set out by the DCMS
- 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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Lottery administrative costs for the last five years

Financial Year ended 31 March	Actual Operating Costs £m	Inflated Operating Costs (2009 = base year) £m
2009	£7.89 million	£7.89 million
2010	£7.55 million	£8.09 million
2011	£5.27 million	£8.34 million
2012	£4.19 million	£8.64 million
2013	£4.69 million	£8.88 million

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