

**Group and Lottery
Annual Report and
Financial Statements**
for the year ended
31 March 2009

As the Government-backed lead agency for the sector, the UK Film Council ensures that the economic, cultural and educational aspects of film are effectively represented at home and abroad.

We invest Government grant-in-aid and Lottery money to deliver lasting benefits to the industry and the public, through:

- film development and production;
- distribution and exhibition;
- education and media literacy;
- heritage and collections;
- inward investment and exports;
- skills and training.

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UK Film Council Group and Lottery Annual Report and Financial Statements 2008/09

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Contents

Chief Executive Officer's review	5
Summary of activity	9
The role and policy priorities of the UK Film Council	11
Financial review of the business	12
Report by the Board on remuneration	15
Monitoring and evaluation	18
Employment statistics	22
Group financial statements	25
Lottery financial statements	71
Statutory background	126

Chief Executive Officer's review

British films accounted for 15% of the worldwide box office and 31% of all UK cinema tickets sold last year. That's a remarkable achievement.

We must celebrate that success and take real pride in the continued ability of British filmmaking talent to entertain, prosper and innovate. Behind the crucial cultural and creative triumphs, however, are the commercial imperatives, too: the tangible benefits of having a British film industry which boosts economic growth, inward investment, skills and employment.

With continued Government and industry support, we must acknowledge the accomplishments. But we must also recognise that this is an industry currently facing some of its greatest challenges for years – a tough international economic climate, the fluctuating value of the pound and the transition to the digital world, which offers huge threats from film piracy but also huge possibilities once new business models have evolved to replace the traditional analogue models that have supported the industry for so long.

This is the backdrop against which the UK Film Council is operating. There is much at stake.

After all, this is a sector that supports almost 40,000 highly skilled jobs throughout the UK and drives employment across the creative and cultural industries.

This is a sector that attracts hundreds of millions of pounds of inward investment to the UK each year and generates yet more revenue in export earnings.

And this is a sector that enhances, extends and preserves the cultural heritage of the nation for present and future generations.

That's why the programmes outlined below are so important. As a key player at the heart of the industry, the work of the UK Film Council is crucial: helping to underpin the artistic and financial activities needed to ensure that UK film delivers for everyone.

For a thriving film sector

Since the UK Film Council was established almost a decade ago, the UK box office has grown by 50% – an outstanding period of sustained success. The UK film industry continues both to thrive and to play a central role in the life of the nation.

Nowhere is this better illustrated than in this year's UK box office results: record-breaking takings of £949.5 million – 5% up on 2007. The strength of British films is also illustrated by the fact that they account for almost a third of all UK cinema takings in 2008 – the second highest market share in a decade. British audiences are enjoying British film like never before.

The UK film industry's global reach delivers crucial pounds back to the Exchequer too, typically over £1 billion annually – and 2008/09 was no exception. Last year, British films took £2.3 billion worldwide – a remarkable 15% of global market share, and up on the 12% recorded in 2007.

Film's vital contribution to the creative economy and the fantastic work of the Office of the British Film Commissioner, based within the UK Film Council, are reflected in the UK's continued success in attracting big budget films and significant inward investment. Last year, *Quantum of Solace*, *Mamma Mia!* and *The Dark Knight* – all made with British crews, all using British facilities – brought in excess of £100 million to the UK economy.

However, it is not only big budget films that are attracting production and audiences. Home-grown and independent hits such as *Adulthood*, *The Damned United*, *In The Loop* and *Man on Wire* have all captured the public's imagination recently, building on the runaway Oscar® success of *Slumdog Millionaire* and contributing to the buzz that surrounds the UK film industry at the moment.

To maintain that momentum, though, the UK Film Council acknowledges that there are issues that need to be addressed. For example, while inward investment remains strong, there was a troubling drop in co-productions in 2008. That's partly due to the strength of the dollar. But it also exposes the one glitch in the film tax credit system – by focusing tax relief only on production spend made on the ground in the UK, the current system limits the ambition of British films and risks disincentivising UK filmmakers from building the international partnerships that are essential for the continued development of film. Given the diminishing pot of public film subsidy we believe revisiting this element of the credit is a priority issue.

Chief Executive Officer's review

continued

For culture and skills

The UK's thriving film industry is built on a rich cinema heritage. Ensuring that future generations can share in and contribute to this heritage is key to sustaining both our film culture and our industry. That is why the UK Film Council funds the British Film Institute (BFI), which boasts a world-class national archive.

Ensuring that film-lovers in towns, cities and rural areas across the UK have the opportunity to benefit from these collections underpins the UK Film Council's *Screen Heritage UK* strategy, led by the BFI. *Screen Heritage UK* seeks to secure the national collection, revitalise regional engagement, and deliver digital access for the 21st century.

And to make sure that in the digital age archive content is available regardless of where it is held, we have given £2.7 million to the nine regional English screen agencies to promote access through a range of platforms including online, public spaces and community projects.

Film education forms a key element in our ongoing strategy to engage with as wide a film audience as possible. The UK Film Council's aim here is far broader than simply giving children and young people access to film – we want to provide opportunities for everyone to discover more about 100-plus years of world cinema.

Education can take many forms – by inspiring a lifelong passion for film; by opening up new horizons for young people to consider film as a career; by making all audiences feel they are vital participants in the creative industries; by helping them to understand the value of film, the damage that film theft can do to intellectual property and to jobs, and their role in that story.

That's why we are committed to initiatives such as First Light Movies and FILMCLUB. Since First Light was set up eight years ago 12,000 young people have made over 900 short films, while 7,000 schools across the UK will soon benefit from UK FILMCLUB after-school events.

As the driving force behind film education in the UK, we need to build on our successes and ensure that these and other initiatives positively feed into each other, enhancing children's experience of film and spreading best practice across the UK. That's the goal of the first UK-wide film education strategy, *Film: 21st Century Literacy*, which we are supporting with £750,000 of National Lottery funding.

For filmmakers

The UK Film Council's goals of widening access to the industry, providing filmmakers with the skills to get started and then helping them on their film journey are essential if our industry is to continue to flourish – particularly if it is to make a successful transition to the digital age.

As part of our investment to meet these challenges we fund skills training through Skillset, the UK skills and training industry body for the creative industries. The *Bigger Future* initiative delivered by Skillset is an ambitious and long-term training strategy for the UK film industry, supporting more than 13,500 beneficiaries already. That strategy is now entering its second five-year phase.

Our funding has been invaluable to entrants from all walks of life who have benefited from an established career advice service, new entrant training schemes, and networks such as the Screen Academies, which are beacons for film training and education across the UK.

Ongoing professional development is also essential if the workforce is to retain its world class reputation and continue to attract filmmaking to the UK. In particular, training in new technologies is just as important for those already in the industry as it is for new entrants. That's why we are proud that, this year alone, up to 4,000 people working in film will have benefited from schemes to develop their skills.

The UK Film Council is constantly on the lookout for ways to complement that support. As such, we have funded innovative programmes such as a master class on the creative and economic potential of digital 3D technology, freely available online to everyone working in film.

For taking talent to a new level

To inspire a truly dynamic and sustainable film culture, the UK Film Council provides strategic and practical support for filmmakers at every stage of their journey. Our development and production funds are shaped by a strategic vision that looks to cultivate creativity and talent and goes much deeper than simply progressing individual projects.

The UK Film Council's Development Fund is a loyal and supportive home which aims to inspire creativity and back ambition in an industry which is often both unwelcoming and daunting. Recognising that filmmakers can benefit from our support at every stage

of their career, there are two distinct funding streams to allow us to engage with both emerging filmmakers and those with a demonstrable track record. Filmmakers such as Andrea Arnold, Jane Campion, Gurinder Chadha, Lynne Ramsey and Sam Taylor Wood have all benefitted from the Development Fund, with some of their projects already taken forward with the backing of our production funds. In the past year the fund provided a total of £4 million to develop projects as original and diverse as *Better Things*, *Sex & Drugs & Rock & Roll* and *Sounds Like Teen Spirit*.

Helping creative and ambitious projects to take the leap into production is where the UK Film Council's Premiere Fund and New Cinema Fund come in.

Supporting quality projects with broad commercial appeal is the mandate of the Premiere Fund, whose successes to date include *Brideshead Revisited*, *The Constant Gardener*, *Happy-Go-Lucky* and *How to Lose Friends and Alienate People*. Over the course of the year, the fund had a total of £8 million to award, helping to launch projects such as Stephen Frears's period romance *Chéri* and Sam Taylor Wood's first feature *Nowhere Boy*, which tells the previously untold story of John Lennon's early life.

The New Cinema Fund nurtures filmmakers who tell original and innovative stories with distinctive voices. Diverse and challenging films that have struck a chord with audiences in the past include Noel Clarke's *Adulthood*, Sarah Gavron's *Brick Lane*, Michael Caton-Jones's *Shooting Dogs*, Shane Meadows's *This is England*, Kevin Macdonald's *Touching the Void* and Ken Loach's *The Wind that Shakes the Barley*. Over this past year, Jane Campion's *Bright Star*, Andrea Arnold's *Fish Tank*, and Armando Iannucci's *In the Loop* were among films that benefitted from £5 million of New Cinema funding.

Focusing on talent and creativity means that critical acclaim is not unusual for UK Film Council-supported projects, but 2008 proved particularly prolific. Highlights included James Marsh's *Man On Wire*, supported through the New Cinema Fund, winning the Academy Award® for Best Documentary. Meanwhile, Andrea Arnold's *Fish Tank* won the Cannes Film Festival (May 2009) Jury Prize, emulating the success of Andrea's first feature, *Red Road*, and marking the latest stage in a journey which began with her award-winning short *Wasp* – all films funded by the UK Film Council.

A truly successful industry is one that is fully engaged with talent across the whole spectrum of society, so the UK Film Council's Diversity Unit plays an integral part in our wider strategy. The Unit creates and supports innovative projects that open doors to disabled people and filmmakers from minority ethnic backgrounds who might not otherwise have seen a career in film as an achievable goal. The Unit also nurtures female filmmakers who have found certain avenues in film closed to them.

Since it was established in 2002, the Unit has successfully championed fresh British talent such as David Alexander, BAFTA Rising Star Noel Clarke, Kara Miller, Osbert Parker and Natasha Wood. The Unit's innovative but practical approach also includes *Breakthrough Brits* – a programme designed to promote British talent on the cusp of international success. This year, that scheme saw 13 of the brightest upcoming British black talent introduced to some of the industry's most influential executives in both the UK and L.A.

For all film-lovers

Bringing film to cinema audiences is at the heart of what the UK Film Council does. And making sure that those audiences have the opportunity to view films that they might not otherwise see drives our access strategy.

Festivals provide a direct and exciting way for audiences both to see a diverse range of new films and to learn more about film. At the same time, filmmakers gain greater exposure, finding new audiences for their work. That is why we are proud of the support we give to festivals large and small, domestic and international.

That includes the Edinburgh International Film Festival, which raises the profile of British film and brings international filmmakers to the UK. Last year, the Edinburgh Film Festival screened 142 films from 29 countries, including 15 world premieres, and there is more to come with the UK Film Council funding the BFI London Film Festival from October 2009.

However, the UK Film Council also sponsors small and medium-scale events from our £4.5 million Festivals Fund, to ensure that we increase regional access to film and engage the broadest possible range of age groups, abilities and interests. Indeed, eight festivals of national significance – including the Sheffield International Documentary Film Festival and Belfast's Cinemagic Film Festival for Young People – received £740,000 over three years in 2008.

Chief Executive Officer's review

continued

This year UK audiences have once again demonstrated an enduring enthusiasm for all types of film, underlining Britain's diverse population and broad cultural tastes. Our Prints and Advertising Fund has awakened a public appetite for foreign language, independent and classic films and, to develop that appetite further, this year provided distribution and marketing support for films such as *Waltz with Bashir*, *Hunger*, and *Of Time and the City*. Almost 50 foreign films – many of which would not have reached UK shores without UK Film Council support – drew audiences of over a million this year.

The UK Film Council also makes cinema more attractive for all audiences in practical ways through the Digital Screen Network (DSN) and capital funding. For example, Capital and Access funding has provided £475,000 in grants to 56 independent arts venues this year, to cover costs such as disability access. Venues to have benefitted include Talla Shomhairle on the Isle of Skye, Clwyd Theatre in Wales, Regent Cinema in Christchurch and the Ipswich Film Theatre. Meanwhile, the DSN has already invested in 240 digital screens in cinemas across the UK, increasing film choice, decreasing print costs for theatre owners, and bringing the 3D experience to a wider audience. We are committed to reaching out further and bringing more cinemas to more rural communities.

For a new film age

Moving into the digital age impacts not only how films are made but also how audiences can access and experience film. To support this technological development, the P&A Fund has also looked at innovative ways to reach audiences and enrich their viewing experience.

As a result, P&A funding helped launch the world's first 'eco premiere' for *The Age of Stupid*, which was transmitted live by satellite to 80 cinemas UK-wide. Our Premiere Fund also gave people the opportunity to get involved in the production of Vito Rocco's user-generated film *Faintheart*; P&A funding then delivered free theatrical screenings of the film in 50 cinemas across the UK, to coincide with its free online download.

To meet the evolving challenge of access in the digital age, the UK Film Council launched FindAnyFilm.com in early 2009. It's a first-of-its-kind film search engine, enabling consumers to find out when, where and how a film is legally available in the UK. Containing over 30,000 unique film records, the site has already steered more than a million UK visitors towards places they can buy, rent, download or stream film legally. As such, FindAnyFilm.com has also become a vital tool in the battle against film theft, a battle which demands increasingly loud, clear and collective messaging from the film, music, games and publishing communities.

For the nations and regions

The three national and nine regional screen agencies bring together the different parts of the film agenda at a local level – promoting talent, regional economies and the cultural identity of each area. And they are a vital catalyst in bringing different and fresh stories to the screen, showcasing regional talent with films such as *Control*, *Of Time and the City* and *Somers Town*.

For a successful future

Following an extremely successful year both critically and commercially, there is a tangible buzz around British film right now. In many respects, the future of UK film looks extremely bright. But there are plenty of tough challenges too – from the global economy to the transition to a digital future.

At the UK Film Council we will continue to do all we can to turn those challenges into opportunities – whether that involves boosting the role of UK film as a leading contributor to the economy or doing even more to develop the networks and skills that will support UK film in the digital era.

We will build on our achievements of the past decade to maintain the critical and commercial successes that are essential if we are to encourage further inward investment, secure jobs and training, and reinforce Britain's reputation as a world leader in cultural excellence.

Summary of activity 2008/09

Policy and funding priorities at a glance

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

Summary of activity 2008/09

continued

Funding priorities	Goals	Funds/year
British Film Institute	To champion moving image culture, education and cinema heritage in all its richness and diversity for the benefit of as wide an audience as possible, as well as informing and encouraging public debate about film.	£16,000,000
Cross Arts Venues	To pump prime the development of a digital network of cross-art venues with cinema at their heart.	£600,000
Development Fund	To broaden the quality, range and ambition of film projects and help nurture talent across the sector.	£4,000,000
Distribution and Exhibition	To enable more to people enjoy and appreciate a wider range of films in the UK.	£4,000,000
Film Club	To bring classic and popular films to young people through a UK-wide network of school clubs.	£3,100,000
Film Skills Fund	To ensure a strong, consistent supply of skilled and talented professionals in line with market demand.	£6,500,000
First Light Movies	To offer children and young people more opportunities to participate in and learn about filmmaking.	£1,135,000
International Festival Sales Support	To encourage the successful international distribution of UK films by promoting them at selected international festivals.	£70,000
National Screen Agencies	To co-ordinate film policy, strategy and delivery across the UK.	£360,000
New Cinema Fund	To support creativity, innovation, new talent and cutting-edge filmmaking.	£5,000,000
Partnership Challenge Fund	To identify new funding partnerships to help widen public participation in film.	£1,000,000
Premiere Fund	To assist the production of feature films that can attract audiences around the world.	£8,000,000
Publications Fund	To support discussion, information and debate about film culture.	£100,000
Regional Screen Agencies	To co-ordinate film policy, strategy and delivery across England.	£7,200,000
Screen Heritage	To secure UK screen heritage for the future and to give as many people as possible access to our rich film culture.	£1,100,000
Sponsorship	To help promote targeted showcase events and initiatives that benefit the UK industry and the British public.	£860,000
UK-wide Digital Film Archives Fund	To support innovative programmes ensuring wider access to the UK's film heritage.	£1,000,000
UK-wide Film Festivals Fund	To ensure that audiences across the UK have access to a wide variety of film festivals so as to maximise audience choice and ensure that, collectively, these festivals contribute to a more competitive UK film industry.	£1,500,000

The role and policy priorities of the UK Film Council

Our role

The UK Film Council is the Government-backed lead agency for film in the UK, ensuring that the economic, cultural and educational aspects of film are effectively represented at home and abroad. Our goal is to help make the UK a global hub for film in the digital age, with the world's most imaginative, diverse and vibrant film culture.

Our aims

- Developing a competitive film industry, built on creativity and skills;
- Stimulating greater choice for audiences;
- Encouraging participation and opportunities for learning;
- Promoting the UK in the wider world.

Our values

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

The UK Film Council works throughout the UK in partnership with National Screen Agencies in Scotland, Wales and Northern Ireland and nine Regional Screen Agencies in England.

The Council's Board of Directors is appointed by the Secretary of State for Culture, Media and Sport and includes senior industry and public figures. The Board oversees the work of the UK Film Council and provides expert advice to government. We invest in the film sector to deliver economic benefit and public value for British citizens.

Financial review of the business

Summary of results

Group income increased by 9.7% (£5.6 million) to £63.2 million and expenditure increased by 6% (£4 million) to £71.1 million, resulting in an operational deficit on ordinary activities before interest and taxation of £7.9 million in the year, against a deficit of £9.5 million in 2007/08.

This deficit is consistent with the commitments inherent in the UK Film Council's third three year plan 2007 – 2010, *Film in the Digital Age*, which included a gradual diminution of UK Film Council reserves.

In accordance with Treasury requirements, the UK Film Council applies the full provisions of FRS 17 (accounting for pensions). In 2009, this led to a total recognised loss for the year of £8.3 million (2008: £6.9 million loss).

Income sources

Exchequer grant-in-aid at £30.0 million is an increase of £4.91 million over the £25.1 million received in 2007/08. Core grant-in-aid continued in 2008/09, increasing by £0.6 million to £24.7 million, the first increase since 2003. In addition, £3.1 million was received with for the Schools Film Club project, and £2.1 million of the £25 million allocation for the Screen Heritage capital project. 2007/08 income included an additional one-off allocation of £1 million towards the capital works being undertaken by the British Film Institute (BFI) at the BFI Southbank.

The UK Film Council is entitled to and received 2.25% of the funding available to the Good Causes from the National Lottery in the year.

Total Lottery income at £32 million increased in the year by 2.5% (£0.8 million). However, taking into account the £0.2 million from Arts Council England, received as the last component of the Lottery capital funding delegation in 2007/08, the like-for-like increase is 3.2% (£1 million).

This reflects an increase in funds received as the UK Film Council share of the proceeds from the National Lottery of £1.1 million (3.9%) to £28.19 million. Returns on investment fell by £0.8 million (37%) to £1.41 million, reflecting the decline in interest rates in the closing months of the financial year. However, recoupment from film rights increased by £0.7 million.

British Screen Group income in the year was £0.5 million, as in the prior year.

Grant-in-aid awards

Grant-in-aid awards during the year totalled £27.1 million, an increase in value of 21% (£4.8 million).

The increase is predominantly due to the £3.1 million allocation made for the Schools Film Club project and the £1.1 million expenditure on Film Heritage Strategy, both sourced from specific additional funding allocations.

The largest award in the year was £16 million core funding to the BFI (59%) to support the UK Film Council's cultural and educational objectives, as in 2007/08. The UK Film Council's Regional Investment Fund for England (RIFE) awarded £4.5 million (17%) to the nine Regional Screen Agencies, and awards totalling £0.4 million (2%) were made to the national screen agencies in Wales and Northern Ireland, the British Federation of Film Societies (BFFS) and the Independent Cinema Office (ICO). An additional £0.6 million (2%) was awarded to North West Vision for the Cross Arts Venue Scheme.

The UK Film Council is committed to ensuring that equality and diversity are central to all strategies and activities and continues its work in implementing the policies outlined in *Success through Diversity and Inclusion*. £0.4 million of awards (2%) were made in this specific field.

The costs of the UK MEDIA Desk are jointly shared with the European Commission, and the UK Film Council's share was £0.15 million. A further £1.9 million was invested in international initiatives, including marketing activities and events to attract film production into the UK and to promote UK film overseas and £0.5 million was invested in the UK Film Council US. £0.4 million was invested in a Research and Statistics Unit to provide data for the benefit of the UK film industry.

Lottery applications

The UK Film Council received 1,827 direct Lottery grant applications, (2007/08: 1,672) an increase of 9%. These applications requested grants in excess of £235 million (2007/08: £171 million).

Applications to partner organisations, operating schemes on the UK Film Council's behalf under formal delegation agreements, showed an overall decrease. First Light Movies Ltd, which is responsible for young people's filmmaking initiatives, received 170 applications, an increase of 19% on 2007/08. The nine

Regional Screen Agencies collectively received 2,174 applications, an increase of 5%, for their local Lottery schemes under the RIFE programme. Skillset, which has delegated responsibility for the UK Film Council's film skills development activities, received 549 applications, a decrease of 31% on 2007/08 levels.

Lottery awards

A new Lottery award is not binding until contracts are signed and all conditions precedent have been agreed and met. Until then, it is treated as a 'soft commitment' within the notes to the financial statements. In 2008/09, the UK Film Council made new Lottery awards classified as soft commitments totalling £41.1 million (2007/08: £26.2 million). The increase is primarily due to inclusion in 2008/09 of the Film Skills Fund delegation to Skillset for 2009/10, along with the similar allocations to the Regional Screen Agencies and First Light. The level of commitments thus exceeded the UK Film Council's share of Lottery income of £30.4 million.

Lottery awards (soft commitments) 2008/09:

	NUMBER	£000
Feature films and development	196	18,709
Distribution and exhibition	107	5,229
Delegations	12	16,338
Publications	5	92
Film festivals	7	740
	327	41,108

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

Lottery non-film rights awards charged to expenditure were £16.8 million (2007/08: 18.3 million). The decrease primarily reflects a fall in Distribution and Exhibition awards that hardened in the year of £1.5 million, and a reduction in awards being made from the Film Festivals Fund from £1.9 million to £0.7 million in 2008/09, offset by the new award schemes in the year: the Digital Film Archive Fund (£1.4 million) and the Olympics Fund (£0.1 million). Other awards were the

delegated agreements to First Light (£1.1 million) and the nine Regional Screen Agencies of £3.2 million and Publication Fund Awards of £0.1 million.

Lottery film rights

New feature film and development awards classified as hard commitments in the year amounted to £14.9 million (2007/08: £14.6 million). These rights, including those from previous years, were valued at the end of the year at £15 million (2007/08: £23.1 million) after impairment against recoverability from future participation revenues. The net impairments for the year of £14 million (2007/08: £14.5 million) were charged to expenditure.

National Lottery Distribution Fund (NLDF) balance

The UK Film Council benefits from participation in future revenues from the success of film rights awards. Receipts are credited against film rights on the balance sheet, with only receipts in excess of the award being taken to income. In 2008/09, £8.3 million in receipts were taken to film rights and a further £2.2 million was taken to income (2007/08: £9.41 million and £1.5 million respectively). These cash receipts are used before drawing down funds from the National Lottery Distribution Fund and allow the UK Film Council to plan future Lottery expenditure at levels above expected income from the National Lottery.

The UK Film Council made Lottery award payments of £34.5 million (2007/08: £32.6 million) which, when combined with operating expense payments and Lottery income and recoupment receipts, led to a cash outflow of £43.6 million (2007/08: £41 million). The NLDF balance increased during the year by 1%, with a closing balance of £44.5 million (2007/08: £44 million).

At the year end, outstanding soft and hard commitments totalled £34 million (2007/08: £31 million), representing 76% of the NLDF balance (2007/08: 71%).

Transfer to the Olympics

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

Financial Review of the Business

continued

The UK Film Council was committed to contribute up to £21.8 million in the period February 2009 to July 2012. The first transfer of funds took place on 1 February 2009 when the UK Film Council contributed £1.5 million. Subsequent quarterly transfers will be matched to income generated in the relevant year in which the transfer is made, and therefore this commitment is not recorded in the balance sheet as at 31 March 2009.

Other operating expenses

These expenses cover the strategic activities of the UK Film Council, as well as the administration of the group and its film portfolios. They also cover expenses to administer grant and Lottery award schemes, including award application, assessment, approval, delivery monitoring, evaluation and reporting. Operating expenses were £8.5 million (2007/08: £8.8 million) and the average head count for the year was 92 (2007/08: 90) with non-labour costs of £2.7 million (2007/08: £3 million). This ongoing stabilisation of costs represents the continuance of the efficiency review and a regime of tight cost control. The operating expenses attributable to the UK Film Council's Lottery activities and charged to the separate Lottery accounts were £7.8 million (2007/08: £7.8 million).

British Screen Group

The UK Film Council is responsible for managing the film rights and loan assets of British Screen Finance Ltd and its subsidiary companies. These assets produce receipts in terms of fee income for film rights and recoupment of film loans. Where these loans have been repaid, any further recoupment is profit and is taken to income. Income in the year was £0.5 million (2007/08: £0.5 million).

Recoverability of loans from future recoupment income is also assessed at each year end, and provisions of £0.2 million (2007/08: £0.0 million) were charged as expenditure.

Reporting of personal data related incidents

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

Table 1: Summary of protected personal data related incidents formally reported to the Information Commissioner's Office in 2008/09

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

Table 2: Summary of other protected personal data related incidents in 2008/09

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

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

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

Report by the Board on remuneration

The Remuneration Committee

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

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

Stewart Till CBE (Chairman),
Andrew Eaton (retired 19 October 2008) and
Stephen Knibbs.

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

Remuneration framework

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

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

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

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

The total staff pay bill for each year is subject to approval by the Remuneration Committee and the Department for Culture, Media and Sport (DCMS) under HM Treasury guidelines and limits for public sector pay.

Report by the Board on remuneration continued

Contracts of employment

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

Contractual terms for senior staff employed under closed contracts as at 31 March 2009 were:

	DATE OF CONTRACT	EXPIRY OF CONTRACT	NOTICE PERIOD
John Woodward	1/11/08	31/10/10	6 months
Sally Caplan	25/4/05	25/4/11	4 months
Lenny Crooks	18/9/06	17/9/10	6 months
Tanya Seghatchian	1/5/07	30/4/11	3 months

The Chief Executive Officer is entitled to receive up to 20% of salary by way of an annual performance bonus and 12.5% of salary per annum by way of a loyalty bonus payable if the contract term is completed in full. No compensation will be payable to any other member of senior staff if their employment is terminated with notice or by reason of summary dismissal.

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

Directors' remuneration

Directors' remuneration (including daily allowances) paid in the year ending 31 March 2009:

	2008/09 £	2007/08 £
Andrew Eaton (retired 19 Oct 2008)	645	1,044
Rebecca O'Brien	2,580	2,298
Alison Owen (retired 19 Oct 2007)	-	1,044
Heather Rabbatts CBE	1,935	1,880
Marc Samuelson (retired 19 Oct 2007)	-	1,671
David Sproxton CBE (retired 19 Oct 2008)	1,392	3,702
Amanda Walsh	2,150	-
	8,702	11,639

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

Senior staff remuneration

Remuneration (excluding pension arrangements) for senior staff for the year ending 31 March 2009:

	TOTAL REMUNERATION FOR THE YEAR ENDED 31 MARCH 2009 £000	TOTAL REMUNERATION FOR THE YEAR ENDED 31 MARCH 2008 £000
John Woodward Chief Executive Officer	195-200	205-210
Sally Caplan Head of Premiere Fund	165-170	160-165
Will Evans Head of Business Affairs	155-160	150-155
Tanya Seghatchian Head of Development Fund (from 1.5.07)	150-155	125-130
Colin Brown British Film Commissioner	140-145	155-160
Peter Buckingham Head of Distribution & Exhibition	140-145	145-150
Alan Bushell Chief Operating Officer	110-115	110-115
Lenny Crooks Head of New Cinema Fund	110-115	100-105
Rachel Grant Head of Communications (from 17.1.08 to 1.2.09)	60-65	10-15
Lisa Tremble Head of Communications (to 21.9.07)	-	40-45
Jenny Borgars Head of Development Fund (to 13.4.07)	-	0-5

These figures include performance bonuses, where relevant, which may range up to 25% of annual salary.

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

Senior staff pension arrangements

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

	REAL INCREASE IN ACCRUED PENSION BENEFITS 2008/09 £000	ATTRIBUTABLE PENSION ACCRUED AT 65 AT 31 MARCH 2009 £000	CASH EQUIVALENT TRANSFER VALUE (CETV) AS AT 31 MARCH 2008 £000	CETV AS AT 31 MARCH 2009 £000	REAL INCREASE IN THE CETV AFTER ADJUSTMENTS FOR INFLATION ETC IN 2008/09 £000
Lenny Crooks Head of New Cinema Fund	2.5-5 (lump sum 5-7.5)	37.5-40 (lump sum 110-112.5)	567	882	89
Colin Brown British Film Commissioner	0-2.5 (lump sum 0-2.5)	2.5-5 (lump sum 5-7.5)	25	53	16
Peter Buckingham Head of Distribution & Exhibition	0-2.5 (lump sum 0-2.5)	10-12.5 (lump sum 25-27.5)	108	143	11
Alan Bushell Chief Operating Officer	0-2.5 (lump sum 0-2.5)	15-17.5 (lump sum 32.5-35)	175	219	18
Tanya Seghatchian Head of Development Fund	2.5-5 (lump sum 2.5-5)	5-7.5 (lump sum 5-7.5)	13	40	15
Rachel Grant Head of Communications (from 7.1.08 to 1.2.09)	0-2.5 (lump sum n/a)	0-2.5 (lump sum 0-2.5)	-	-	-

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.

As at 31 March 2009, all senior staff with the exception of John Woodward, Will Evans and Sally Caplan were members of the LGPS. Pension contributions during the year were made to a money purchase occupational scheme for John Woodward and to private pension schemes for Will Evans and Sally Caplan; payments were £26,472, £15,658 and £16,529 respectively.

Upon joining the UK Film Council, Lenny Crooks transferred all his pension rights to the LPFA arising from prior public sector employment.

No compensation was paid to any former senior management in the course of the year.

Stewart Till CBE
Chairman, Remuneration Committee
30 June 2009

Monitoring and evaluation

Introduction

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

During the year, the UK Film Council's balanced scorecard was developed further and continues to be the key tool to enable the organisation to establish how well it is doing and to communicate its achievements to others clearly and effectively, as well as helping to improve the way it manages resources and improves results.

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

During 2008/09, in addition to ongoing monitoring activity, work was also developed in two key areas:

Firstly, a study *Overview of Progress Towards the UK Film Council Goal* which charts the progress made towards the UK Film Council's goal to help make the UK a global hub for film in the digital age with the world's most imaginative, diverse and vibrant film culture, underpinned by a flourishing, competitive film industry.

The report details a wide range of quantitative information about UK film and film in the UK between 2002 and 2007. For ease of reference, this data is presented as a series of indicators (or 'metrics') deemed helpful for assessing the state of the industry and film culture. The indicators selected for inclusion in the report are organised into categories based on four strategic aims, which are necessary precursors to achieving the long-term goal:

- To build a competitive film industry with the creativity and skills to succeed;
- To stimulate greater choice for film audiences;
- To promote UK film around the world;
- To widen opportunities to learn about film and encourage participation.

Secondly, an outline assessment of the performance of the UK Film Council's main activities was undertaken to help the Board with their deliberations for the next strategic plan, due to be published in April 2010.

Customer care

In April 2005, the UK Film Council, along with all the other UK-wide National Lottery distributors, signed up to a common Customer Service Charter.

Under the Charter, each Lottery distributor is requested to publish a statement on progress against the customer service standards.

During 2008/09, the UK Film Council confirms that, to the best of its knowledge, it has complied with the Charter.

Additionality

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

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

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

Film sector in the UK indicators

		2008	2007
Film production in the UK	number of films	111	126
	value of production	£578 million	£753 million
Film exports (value)		not available	£1,050 million
UK cinema admissions		164 million	162 million
UK film share of box office	in the UK	31%	29%
	internationally	15%	12%
UK film revenues across platforms	theatrical	£287 million	£234 million
	DVD/video rental	£53 million	£53 million
	DVD/video sales	£349 million	£335 million
	pay TV	£76 million	£81 million
	terrestrial TV	£60 million	£63 million
	'free' multi-channel TV	£57 million	£44 million
	video on demand	£29 million	£23 million
Foreign language cinema in UK	number of films released	188	170
	Box office share	3%	4%
Provision for sensory impaired audiences (no. of accessible cinemas)		303	261
Films certified as British (under Cultural Test or co-production)		71	98
Awards wins by British films and talents		32	32

Monitoring and evaluation continued

UK Film Council indicators

		2008-09	2007-08
Level of income to UK Film Council (both public and other sources)		£72.2 million	£68.0 million
UK Film Council National Lottery Distribution Fund Balances		£44.5 million	£44.0 million
Lottery application processing time (including delegates)		33 days	39 days
Satisfaction ratings (% satisfied)	applicants	86%	93%
	stakeholders	<i>not available</i>	86%
Diversity of projects & talent supported	ethnic minority (BME)	17%	10%
	female	38%	49%
	with a disability	2%	1.1%
	talent outside of London	40%	42%
Delivery of key strategies		1 delivered	5 delivered
Award wins by funded feature films*		5 wins (2008)	5 wins (2007)
Administration costs for each completed application		£2,788	£2,894
Staff sickness / absence		Within target	Within target
Response time for all queries		Within target	Within target
Number of applications outstanding at the end of the year (as a percentage of applications received in the year)		16%	17%

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

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

	2008/09	2007/08
Total number of people benefiting	27,039,238	17,115,604

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

	2008/09	2007/08
Total number of people benefiting	8,159	3,448

Lottery administrative costs for the last five years

FINANCIAL YEAR	ACTUAL OPERATING COSTS	INFLATED OPERATING COSTS 2004-2009
2004/05	£7.94 million	£7.94 million
2005/06	£7.69 million	£8.10 million
2006/07	£7.71 million	£8.31 million
2007/08	£7.83 million	£8.54 million
2008/09	£7.80 million	£8.75 million

Diversity of Lottery funds applicants and awarded applicants 2008/09

	ALL APPLICANTS	AWARDED APPLICANTS
Ethnic background		
White	93%	90%
BME	7%	10%
Gender		
Male	65%	55%
Female	35%	45%
Disability		
Applicants declaring a disability	1.6%	0.6%

Employment statistics

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

The numbers of:

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

2. Results of monitoring carried out in 2008/09

2.1 Staff in post as at 31 March 2009

Ethnic origin and gender of all employees at 31 March 2009

Employment statistics for all employees, including part-time staff, in post at 31 March 2009

ETHNIC ORIGIN	ALL EMPLOYEES		WOMEN		MEN	
	TOTAL	% OF TOTAL	TOTAL	% OF TOTAL	TOTAL	% OF TOTAL
Unknown	6	6.4%	6	6.4%	0	0.0%
White	75	79.8%	47	50.0%	28	29.8%
Mixed	3	3.2%	2	2.1%	1	1.1%
Asian or Asian British	5	5.3%	3	3.2%	2	2.1%
Black or black British	4	4.3%	3	3.2%	1	1.1%
Chinese or other ethnic group	1	1.1%	0	0.0%	1	1.1%
Total	94		61		33	
Total (Minority Ethnic)	13	13.8%	8	8.5%	5	5.3%

2.2 Applications for employment 2008/09

ETHNIC GROUP	PROCESSED	SHORTLISTED	% OF PROCESSED	APPOINTED	% OF APPOINTED
Not stated	88	4	4.5%	1	6.7%
White	673	74	11%	12	80%
Mixed	53	4	7.5%	1	6.7%
Asian or Asian British	69	4	5.8%	1	6.7%
Black or black British	49	2	4.1%	0	0%
Chinese or other ethnic group	46	3	6.5%	0	0%
Total	978	91		15	
Total (BME)	217	13	6%	2	13.3%

2.3 Applications for, and numbers of, staff receiving training

ETHNIC ORIGIN	APPROVED APPLICATIONS	NUMBER OF STAFF RECEIVING TRAINING	% OF GROUP RECEIVING TRAINING
Unknown	17	4	67%
White	128	59	79%
Mixed	6	3	100%
Asian or Asian British	8	4	80%
Black or black British	6	3	75%
Chinese or other ethnic group	1	1	100%
Total	166	74	79%

2.4 Applications for internal promotion

All posts are advertised internally and externally. Of the posts recruited in 2008/9, there were two internal promotions.

Group Report and Financial Statements

for the year ended 31 March 2009

Company no: 3815052

Foreword to the Group financial statements	26
Directors' report	28
Statement of Directors' responsibilities	31
Statement on internal control	32
Independent auditors' report	34
Group income and expenditure account	36
Group statement of total recognised gains and losses	37
Group balance sheet	38
Company balance sheet	39
Group statement of cashflows	40
Notes to the financial statements	41
Schedule 1: Grant-in-aid awards in the year ending 31 March 2009	60
Schedule 2: Lottery awards in the year ending 31 March 2009	61

Foreword to the financial statements for the year ended 31 March 2009

Introduction

The UK Film Council is the Government backed lead agency for film in the UK. Its main aim is to stimulate a competitive, successful and vibrant UK film industry and culture, and to promote the widest possible enjoyment and understanding of cinema throughout the nations and regions of the UK.

Overall the UK Film Council is responsible for encouraging both cultural and commercial film activity, and provides a single, identifiable entity able to raise the industry's profile, both at home and overseas

The UK Film Council works throughout the UK in partnership with National Screen Agencies in Scotland, Wales and Northern Ireland and nine Regional Screen Agencies in England.

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

Towards a Sustainable UK Film Industry, published in May 2000, was the first public statement of the organisation's overall industrial and cultural aims, its objectives and its initial funding programmes. It was followed by *Our Second Three Year Plan – Funding and Policy Priorities, April 2004 to March 2007* which set out the longer-term aims to develop and consolidate the UK as a centre of global film activity. *Film in the Digital Age, UK Film Council Policy and Funding Priorities April 2007 to March 2010* was published in May 2007.

The Lottery programmes are now well established and comprise three film production funds – the Premiere Fund, the New Cinema Fund and the Development Fund.

However, the UK Film Council also works closely with a number of partners across the sector and this year has seen the organisation support a broad spectrum of successful programmes.

For example, First Light Movies, based in Birmingham, continued to make awards to enable children and young people experience filmmaking and explore their talents using low-cost technology.

The year was the fifth of the Films Skills Fund administered by Skillset, the Sector Skills Council for Creative Media, on a delegation basis. The fund covers all sectors of the film industry supported by resources of £6.5 million of Lottery money per annum, by the existing skills levy on film production and by the industry.

During the year the Prints and Advertising (P&A) Fund continued to develop opportunities for more people across the UK to see a broader range of films. The P&A Fund (£4 million) continued to offer direct support to distributors' costs in increasing the number of cinemas showing specialised films. In addition the UK-wide Film Festivals Fund continued in its second year (£1.5 million per annum for three years).

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

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

The UK Film Council continues to work to encourage overseas filmmakers to locate their production in the UK. These activities support the organisation's wider strategy which includes the development of co-production and the export promotion of British film, talent and services.

The British Film Institute (BFI) continued to receive £16 million core funding. 2008/09 was also the first full year of operation of Film Club, which received £3.1 million in the year from the Department for Children, Schools and Families.

The UK Film Council is committed to ensuring that equality and diversity are central to all strategies and activities, and continued its work in implementing the policies in its publication *Success Through Diversity and Inclusion*. This publication challenges the UK film sector to mainstream diversity in all areas: in the workforce, in on-screen portrayal and for all audiences.

However this huge range of activity is set against a background on increasing financial constraint. In February 2008 a Statutory Instrument (SI 2008 No. 255 The Payments into the Olympic Lottery Distribution Fund etc Order 2008) was passed which allowed for the transfer of up to £1,085 million from the National Lottery Distribution Fund to the Olympic Lottery Distribution Fund in order to meet some of the costs of holding the 2012 games.

The UK Film Council was committed to contribute up to £21.8 million in the period to July 2012. The first transfer of funds took place on the 1 February 2009 when the UK Film Council contributed £1.5 million. Subsequent quarterly transfers will be matched to income generated in the relevant year in which the transfer is made, and therefore this commitment is not recorded in the balance sheet as at 31 March 2009.

In light of this transfer over the period 2009-2012, the UK Film Council, along with all other Lottery distributors, is considering the impact of this for future years planning.

Directors

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

The governing body of the UK Film Council is the Board of Directors, which consists of a Chairman, Deputy Chairman and up to 14 other Directors. All Directors were appointed by the Secretary of State for Culture, Media and Sport and, unless stated below, remained Directors throughout the year. The Directors during the year are as follows:

Stewart Till CBE – Chairman*
Andrew Eaton – Deputy Chairman
(retired 19 October 2008)
Mark Devereux – Deputy Chairman*
(appointed 19 October 2008)

Josh Berger (appointed 20 January 2009)
Barbara Broccoli (appointed 4 August 2008)
Pippa Cross (appointed 21 November 2008)
Greg Dyke
Gail Egan
Nigel Green
Thomas Hoegh
Beeban Kidron (appointed 1 July 2008)
Stephen Knibbs *
Elisabeth Murdoch
Rebecca O'Brien
Heather Rabbatts CBE*
David Sproxtton CBE (retired 19 October 2008)
Amanda Walsh

*Directors who have served on the Audit Committee in the year ending 31 March 2009. In addition John Graydon is co-opted onto the Audit Committee from May 2007.

Registered and principal office

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

Auditors

Comptroller and Auditor General, National Audit Office, 151 Buckingham Palace Road, Victoria, London SW1W 9SS.

Internal auditors

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

Solicitors

Withers, 16 Old Bailey, London EC4M 7EG

Bankers

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

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

Directors' report for the year ended 31 March 2009

The Directors present their report and financial statements for the year ended 31 March 2009

Results

The deficit for the year, after taxation, amounted to £7.4 million (2008: £8.6 million deficit)

Principal activity and review of the business

The UK Film Council is the Government body responsible for developing the film industry and film culture in the UK. It receives grant-in-aid from the Department of Culture, Media and Sport (DCMS) and is one of the bodies designated to distribute funds under the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998).

The UK Film Council works at arm's length from Government and has the status of a Non-Departmental Public Body. It is regulated in accordance with Financial Memoranda issued by the Secretary of State for Culture, Media and Sport and financial statements are prepared in accordance with the Accounts Direction which is available from the Company Secretary at 10 Little Portland Street, London, W1W 7JG. Separate financial statements are also prepared for the Lottery fund.

Key performance indicators

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

UK Film Council Indicators

		2008/09	2007/08
Level of income to UK Film Council (both public and other sources)		£71.5 million	£66.3 million
UK Film Council National Lottery Distribution Fund balances		£44.5 million	£44.0 million
Lottery application processing time		33 days	39 days
Satisfaction ratings (% satisfied)	applicants	86%	93%
	stakeholders	not available	86%
Diversity of projects & talent supported	ethnic minority (BME)	17%	10%
	female	38%	49%
	with a disability	2%	1.10%
	talent outside of London	40%	42%
Delivery of key strategies		1 delivered	5 delivered
Awards won for funded feature films*		5 wins (2008)	5 wins (2007)

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

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

	2008/09	2007/08
Total number of people benefitting	27,039,238	17,115,604

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

	2008/09	2007/08
Total number of people benefitting	8,159	3,448

Future developments and events since the balance sheet date

As a result of the current economic climate, it was announced in the April 2009 budget that all Departmental Expenditure Limits in 2010/11, the third year of the current Comprehensive Spending Review period, would be subject to a £5 billion reduction in total spending. The DCMS will have to bear savings of £20 million. Subsequent to this, the UK Film Council was notified that the grant-in-aid allocation for 2010/11 will be reduced by £300,000.

On 15 June, 2009 it was announced that Tim Bevan, CBE had been appointed as Chairman of the UK Film Council upon the retirement of Stewart Till CBE. The appointment is for four years commencing on 30 July 2009.

Principal risks and uncertainties of the group

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

- uncertainty regarding future Lottery income trends due to the impact of the 2012 London Olympics;
- recoupment targets from UK Film Council investments not being met through the consistent failure to support successful projects, thereby limiting future available funds;
- failure to keep pace with technological change and the subsequent changes across the value chain of a film.

Note 15 of the Financial Statements outlines the liquidity, interest rate, other price and foreign currency risks to which the UK Film Council is exposed. In summary:

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

Employment and training policies and staff participation

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

The UK Film Council ensures that there are arrangements to promote effective consultation and communications with all staff. All departments have regular staff meetings at which matters relating to UK Film Council activities are discussed and staff are regularly briefed on the matters discussed at management and Board meetings. Meetings of all staff are held regularly and a recognition agreement is in place with Unite fostering the best possible relationship with staff.

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

Directors' report for the year ended 31 March 2009

continued

Better Payment Practice Code

The UK Film Council attempts to abide by the Better Payment Practice Code and in particular to settle bills in accordance with contract. Invoices are normally settled within our suppliers' standard terms. The average payment terms taken were 17 days (2008: 15) and 96% of undisputed invoices were paid within thirty days of receipt by the Finance Department (2008: 97%).

Disclosure of information to the auditors

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

Annual general meeting

Elective resolutions are in force to allow, pursuant to s366A of the Companies Act 1985, the Company to dispense with holding annual general meetings in 2001 and subsequent years, and pursuant to s252 of the Companies Act 1985, to dispense with laying of financial statements and reports before the Company in annual general meetings.

Auditors

An elective resolution is in force pursuant to s386 of the Companies Act 1985, allowing the Company to dispense with the obligation to appoint auditors annually.

By order of the Board

Alan Bushell FCA

Secretary

30 June 2009

Statement of Directors' responsibilities in respect of the financial statements

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

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

The Directors of the UK Film Council are required to:

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

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

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

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

John Woodward
Chief Executive Officer
30 June 2009

Stewart Till CBE
Chairman
30 June 2009

Statement on internal control

Scope of responsibility

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

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

The purpose of the system of internal control

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

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of UK Film Council policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and 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 2009 and up to the date of approval of the annual report, and accounts, and accords with Treasury guidance.

Capacity to handle risk

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

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

The risk and control framework

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

The UK Film Council has incorporated risk management in planning and decision making and maintains an organisation-wide risk register. Policy and operation risks are identified through our annual business planning cycle, and are evaluated by the Senior Management Team and me. We also consider the risks associated with holding and safeguarding information for operational or financial reporting purposes. Risk management and internal control are considered on a regular basis by the Senior Management Team and the risks identified are monitored and controlled through a system of key performance and risk indicators, which are reported through the Quarterly Performance Review process.

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

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

Review of effectiveness

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

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

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

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

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

The UK Film Council has suffered no protected personal data incidents during 2008/09 or previous years, and has made no reports to the Information Commissioner's office

John Woodward

Chief Executive Officer and Accounting Officer

30 June 2009

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

I have audited the group and parent company financial statements (the financial statements) of the UK Film Council for the year ended 31 March 2009 which comprise the Group Income and Expenditure Account, the Group and Company Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities. The Directors are also responsible for ensuring the regularity of financial transactions.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. I also report to you whether, in my opinion, the information given in the Directors' Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if, in my opinion, the company has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

I read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises the foreword to the financial statements, Schedule 1: grant-in-aid awards, and Schedule 2: Lottery awards. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

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

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

Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 March 2009 and of the group's deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Opinion on regularity

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

Amanda Measures

Senior Statutory Auditor

9 July 2009
for and on behalf of the
Comptroller and Auditor General (Statutory Auditor)
151 Buckingham Palace Road
Victoria
London
SW1W 9SS

UK Film Council

Group income and expenditure account for the year ended 31 March 2009

	NOTES	2008/09 £000	2007/08 £000
Lottery turnover	2	32,038	31,246
Grant-in-aid turnover	2	30,064	25,110
British Screen Finance turnover	2	513	542
European turnover	2	150	166
Other turnover	2	463	576
Total turnover		63,228	57,640
Awards			
– Grant-in-aid		(27,184)	(22,389)
– Lottery – non-film rights		(16,800)	(18,326)
– Arts Council England pre-committed expenditure		–	9
UK MEDIA Desk		(289)	(234)
International marketing		(1,868)	(1,951)
Research and Statistics Unit		(385)	(442)
Certification		(225)	(222)
Cost of sales		(436)	(390)
Impairments			
– Impairments against film rights	3	(16,690)	(18,070)
– Impairments written back	3	2,709	3,751
Other operating expenses	4	(8,521)	(8,842)
Transfer of funds to the Olympics Lottery Distributor		(1,466)	-
		(71,155)	(67,106)
Operating deficit		(7,927)	(9,466)
Bank interest receivable		712	1,033
Notional cost of capital	8	(291)	(284)
Other finance (costs)/income		(2)	39
Deficit after notional costs		(7,508)	(8,678)
Reversal of notional capital costs		291	284
Deficit on ordinary activities before taxation		(7,217)	(8,394)
Tax on deficit on ordinary activities for the year	9	(158)	(205)
Deficit for the year		(7,375)	(8,599)

All activities were on a continuing basis. The Notes to the Accounts on pages 41 to 59 form part of the audited Financial Statements. The deficit for the UK Film Council Ltd in the year was £7.8 million (2007/08: £9.3 million).

UK Film Council

Group statement of total recognised gains and losses

	NOTES	2008/09 £000	2007/08 RESTATED £000
Deficit for the year		(7,375)	(8,599)
Actuarial gain / (loss) in the year		(1,035)	1,220
Movement in fair valuation reserve		107	480
Total recognised losses in the year		(8,303)	(6,899)

UK Film Council

Group balance sheet as at 31 March 2009

	NOTES	2009 £000	2008 RE-STATED £000
Fixed assets			
Tangible assets	10	1,010	973
Current assets			
Film rights	11	15,056	23,086
Debtors: amounts falling due within one year	12	6,324	5,765
Debtors: amounts falling due after one year	12	-	3,269
Balance at the National Lottery Distribution Fund	13	44,549	44,041
Cash at bank and in hand	14	16,432	17,100
		82,361	93,261
Creditors: amounts falling due within one year			
Award commitments	16	(13,160)	(15,047)
Creditors	17	(1,857)	(2,000)
		(15,017)	(17,047)
Net current assets		67,344	76,214
Total assets less current liabilities		68,354	77,187
Creditors: amounts falling due after one year			
Award commitments	16	(1,674)	(3,269)
Net assets excluding pension liability		66,680	73,918
Pension liability	7	(1,141)	(76)
Net assets		65,539	73,842
Capital and reserves			
General reserve	22	8,292	7,868
Pension reserve	22	(1,141)	(76)
Fair valuation reserve	22	587	480
Grant-in-aid reserve	22	1,367	1,112
Lottery reserve	22	56,434	64,458
		65,539	73,842

John Woodward
Chief Executive Officer
30 June 2009

Stewart Till CBE
Chairman
30 June 2009

UK Film Council

Company balance sheet as at 31 March 2009

	NOTES	2009 £000	2008 RE-STATED £000
Fixed assets			
Tangible assets	10	1,007	967
Current assets			
Film rights	11	15,056	23,086
Debtors: amounts falling due within one year	12	6,356	5,831
Debtors: amounts falling due after one year	12	-	3,269
Balance at the National Lottery Distribution Fund	13	44,549	44,041
Cash at bank and in hand	14	7,982	8,949
		73,943	85,176
Creditors: amounts falling due within one year			
Award commitments	16	(13,160)	(15,047)
Creditors	17	(1,728)	(1,776)
		(14,888)	(16,823)
Net current assets		59,055	68,353
Total assets less current liabilities		60,062	69,319
Creditors: amounts falling due after one year			
Award commitments	16	(1,674)	(3,269)
Net assets excluding pension liability		58,388	66,050
Pension liability	7	(1,141)	(76)
Net assets		57,247	65,974
Capital and reserves			
Pension reserve	22	(1,141)	(76)
Fair valuation reserve	22	587	480
Grant-in-aid	22	1,367	1,112
Lottery reserve	22	56,434	64,458
		57,247	65,974

John Woodward
Chief Executive Officer
30 June 2009

Stewart Till CBE
Chairman
30 June 2009

UK Film Council

Group statement of cashflows for the year ended 31 March 2009

	NOTES	2009 £000	2008 £000
Net cash (outflow)/inflow from operating activities	5	(884)	232
Returns on investments and servicing of finance			
Bank interest received		712	1,033
Taxation			
Tax paid		(218)	(263)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets	10	(278)	(252)
(Decrease)/increase in cash		(668)	750

Reconciliation of net cash flow to movement in net funds

(Decrease)/increase in cash		(668)	750
Change in net funds resulting from cash flows	14	(668)	750
Net funds at 1 April		17,100	16,350
Net funds at 31 March	14	16,432	17,100

Notes to the financial statements

Note 1: Accounting policies

a) Basis of preparation

These financial statements are prepared under the modified historical cost convention, and in accordance with the Accounts Direction issued by the Secretary of State for Culture, Media and Sport. They meet the requirements of the Companies Acts 1985 and applicable Accounting Standards, except certain headings have been amended in order to reflect special circumstances of the company. The requirements of the National Lottery etc Act 1993 have been followed for the treatment of hard and soft commitments.

Following requirement of the Companies Act 2006, those Financial Reporting Standards relevant to Financial Instruments (FRS 25, 26 and 29) have been adopted for the year commencing 1 April 2008. Full implementation of International Reporting Standards will take place for the year commencing 1 April 2009.

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

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

b) Basis of consolidation

The Group financial statements consolidate the financial statements of the UK Film Council and all its subsidiary undertakings drawn up to 31 March 2009. An income and expenditure account is not presented for the UK Film Council as permitted by section 230 of the Companies Act 1985.

c) Accruals convention

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

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

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

d) Other Lottery awards

Lottery awards other than those for film rights are taken in full to the income and expenditure account in the year in which the hard commitment is recognised.

e) Depreciation and fixed assets

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

- Leasehold improvements: over the life of the lease
- IT and office equipment: over four years

The carrying values of tangible fixed assets are reviewed for impairment in the period if events or changes in circumstances indicate that the carrying value may not be recoverable.

Notes to the financial statements

continued

f) National Lottery Distribution Fund

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

g) Financial instruments

The Group account's principal financial instruments are cash and holdings in the National Lottery Distribution Fund and, with the adoption of FRS 25, 26 and 29, film rights. The Group account has various other financial instruments such as trade debtors and trade creditors that arise directly from its operations. The main risks arising from the Group account's financial instruments are interest rate risk, liquidity risk, foreign currency risk and other price risk.

h) Film rights

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

With the adoption of the Financial Reporting Standards relating to Financial Instruments (FRS 25, 26 and 29) 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 balance sheet at fair value.

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

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

Impairments are made against film rights to the extent that full repayment of an advance, through actual receipts and the value of future estimated receipts, is considered doubtful. Advances for development and short film awards are fully impaired in the year of award, unless there is a reasonable expectation of repayment.

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

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

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

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

i) Film recoupment income

Income received from a film right is offset against the value of the right on the balance sheet.

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

j) Grant-in-aid awards

Grant-in-aid awards are taken to the income and expenditure account in the year in which the award is made.

k) Notional cost of capital

A notional cost of capital charge is shown in the income and expenditure account, in accordance with Treasury guidance. The charge is subsequently reversed in the income and expenditure account, so a provision is not made in the balance sheet.

l) Deferred tax

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

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

m) Foreign currencies

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

n) Leasing commitments

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

o) Pensions

The UK Film Council is an admitted body of the Local Government Pension Scheme, which operates a defined benefit scheme for those UK Film Council employees who wish to join. It is a statutory, funded pension scheme and its benefits are defined and guaranteed in law. The scheme is administered by the London Pension Fund Authority, a statutory body established on 31 October 1989, responsible to the Mayor of London and accountable to Parliament and the Greater London Authority for its actions. The scheme is contributory for both employee and employer. Employer contributions are determined by a qualified actuary on the basis of quadrennial valuations using the projected unit method. Independent actuaries prepare full valuations of the scheme at least every four years, in line with public sector guidance, and perform updates based on the most recent full valuation on an annual basis.

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

Notes to the financial statements

continued

Note 2: Turnover

Comprises:	2008/09 £000	2007/08 £000
UK Film Council Lottery funding		
Share of proceeds	28,148	27,093
Net investment income from the National Lottery Distribution Fund	1,410	2,250
Delegated funds		
– Arts Council England	-	208
Recoupment income		
– UK Film Council portfolio	1,955	1,171
– Arts Council England portfolio	230	339
Other income	295	184
	32,038	31,245

UK Film Council grant-in-aid funding

Voted by Parliament and paid in full – revenue	26,064	22,360
Voted by Parliament and paid in full – capital	4,000	2,750
European income	150	166
Other income	463	576
	30,677	25,853

British Screen Finance group income

Sales of film rights	25	46
Interest received from film loans	22	34
Recoupment income	325	311
Fees receivable	141	145
Bad debt recovered	-	6
	513	542
Total turnover	63,228	57,640

Turnover represents the amount derived from the provision of services which fall within the group's continuing ordinary activities, stated net of VAT. The group's turnover originates wholly within the United Kingdom, apart from the £150,000 European funding on the UK MEDIA Desk.

Note 3: Impairments against film rights

	2008/09 £000	2007/08 £000
Impairments made		
UK Film Council film awards	16,690	18,070
	16,690	18,070
Impairments written back		
British Screen Finance loans	157	111
National Film Finance Corporation loans	-	40
European Co-production Fund loans	15	61
UK Film Council film awards	2,537	3,539
	2,709	3,751

Note 4: Other operating expenses

	2008/09 £000	2007/08 £000
This is stated after charging:		
Depreciation	240	225
Auditor's remuneration – internal	20	13
Auditor's remuneration – National Audit Office	15	-
Auditor's remuneration – Ernst & Young LLP	-	13
Audit of subsidiaries – National Audit Office	13	-
Audit of subsidiaries – Ernst & Young LLP	-	8
Audit of Lottery – National Audit Office	20	20
Operating lease rentals – land and buildings	512	479
Foreign exchange (gain) / loss	(10)	1
Pension service cost	321	580

Note 5: Statement of cash flows

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

	2008/09 £000	2007/08 £000
Operating deficit	(7,927)	(9,466)
Depreciation	241	225
Provision of losses on loans	16,690	18,070
Provisions written back	(2,709)	(3,751)
Loans advanced	(14,898)	(14,637)
Decommitments	620	2,911
Receipts from loans	8,433	9,628
Decrease in debtors	2,208	229
Non cash STRGL movement	(1,035)	1,220
Increase in creditors	(2,508)	(4,197)
Net cash (outflow)/inflow from operating activities	(884)	232

Note 6: Staff costs

Directors' remuneration (including daily allowances) is:

	2008/09 £	2007/08 £
Andrew Eaton (retired 19 Oct 08)	645	1,044
Rebecca O'Brien	2,580	2,298
Alison Owen (retired 19 Oct 07)	-	1,044
Heather Rabbatts CBE	1,935	1,880
Marc Samuelson (retired 19 Oct 07)	-	1,671
Amanda Walsh	2,150	-
David Sproxtton CBE (retired 19 Oct 08)	1,392	3,702
	8,702	11,639

The remuneration of the Chief Executive Officer was:

	2008/09 £	2007/08 £
John Woodward		
Salary and benefits	165,445	162,818
Bonus	32,498	43,330
Total	197,943	206,148
Pension contribution	26,472	24,692

The costs of all staff working within the UK Film Council are:

	2008/09 £	2007/08 £
Wages and salaries	4,911	4,668
Social Security costs	480	465
Pension service costs and other pension costs	443	464
	5,834	5,597

The average number of staff employed during the year was:

Management and administration	92	90
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Notes to the financial statements

continued

Note 6: Staff costs continued

Salary and entitlements of senior staff members of the UK Film Council are as follows

	AGE	TOTAL REMUNERATION YEAR ENDED 31 MARCH 2009 £000	PENSION ACCRUED AT 65 YEAR ENDED 31 MARCH 2009 £000	INCREASE TO PENSION ACCRUED YEAR ENDED 31 MARCH 2009 £000	TOTAL REMUNERATION YEAR ENDED 31 MARCH 2008 £000
Sally Caplan Head of Premiere Fund	51	165-170	-	-	160-165
Will Evans Head of Business Affairs	54	155-160	-	-	150-155
Tanya Seghatchgian Head of Development Fund (from 1.5.07)	41	150-155	5-7.5	2.5-5	125-130
Peter Buckingham Head of Distribution & Exhibition	53	140-145	10-12.5	0-2.5	145-150
Colin Brown British Film Commissioner (from 19.2.07)	59	140-145	2.5-5	0-2.5	155-160
Lenny Crooks Head of New Cinema Fund	56	110-115	37.5-40	2.5-5	100-105
Alan Bushell Chief Operating Officer	58	110-115	15-17.5	0-2.5	110-115
Rachel Grant Head of Communications (to 1.2.09)	36	60-65	0-2.5	0-2.5	10-15

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

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

Upon joining the UK Film Council, Lenny Crooks transferred all his pension rights to the LPFA arising from prior public sector employment.

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

Note 7: Pensions benefits

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

The pension scheme is of the defined benefit type and is funded by employees and employers at actuarially determined rates. Employer contributions charged for members of the scheme amounted to £0.256 million (2008: £0.216 million)

Following the advice of the consulting actuaries to the LPFA, the UK Film Council's initial employer contributions (as a percentage of the pensionable salary) were set at 12.1% throughout the year (2008: 12.1%)

A valuation for FRS17 purposes as at March 2009 was carried out by a qualified independent actuary. The assumptions used by the actuary for FRS17 valuation purposes were:

Financial assumptions:	2009 %	2008 %
Rate of increase in salaries	4.6	5.1
Rate of increase in pension payments	3.1	3.6
Discount rate	6.9	6.9
Inflation assumption	3.1	3.6

Average life expectancy at 65:	MALES	FEMALES
Current pensioners	19.6 years	22.5 years
Future pensioners	20.7 years	23.6 years

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

	2009 LONG TERM RATE OF RETURN EXPECTED		2008 LONG TERM RATE OF RETURN EXPECTED	
	%	£000s	%	£000s
Equities	7.0	3,335	7.5	4,052
Bonds	5.5	585	6.3	1,310
Property	6.0	1,463	6.7	1,220
Cash	4.0	468	4.8	204
Total market value of assets		5,851		6,787
Present value of scheme liabilities		(6,992)		(6,863)
Net pension deficit		(1,141)		(76)

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.

Notes to the financial statements

continued

Note 7: Pensions benefits continued

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

	31 MARCH 2009		31 MARCH 2008	
	% OF PAY	£000	% OF PAY	£000
Current service cost	9.9	321	16.1	580
Interest cost	15.2	494	10.8	389
Expected return on employers assets	(15.1)	(492)	(11.9)	(428)
Past service costs	2.5	83	-	-
Total		406		541
Actual return on plan assets		(1,481)		(139)

Amount recognised in Statement of Total Recognised Gains and Losses (STRGL)

	2009	2008
Actuarial (losses)/gains	(1,035)	1,220
Actuarial (losses)/gains recognised in STRGL	(1,035)	1,220
Cumulative actuarial losses in STRGL	(1,249)	(182)

Changes in the present value of the defined benefit obligation are as follows:

	2009 £000	2008 £000
Opening defined benefit contribution	6,863	6,836
Current service cost	321	580
Interest cost	494	389
Contributions by members	256	216
Actuarial losses	(965)	(1,102)
Past service costs	83	-
Estimated benefits paid	(60)	(56)
Closing defined benefit obligation	6,992	6,863

Changes in the fair value of the plan are:

	2009 £000	2008 £000
Opening fair value of employer assets	6,787	5,690
Expected return on assets	492	428
Contributions by members	256	216
Contributions by employer	376	391
Actuarial (losses)/gains	(2,000)	118
Benefits paid	(60)	(56)
Closing value of employer assets	5,851	6,787

Note 7: Pensions benefits continued

A history of experience gains and losses is shown below:

	2009 £000	2008 £000
Fair value of employer assets	5,851	6,787
Present value of defined benefit obligation	(6,992)	(6,863)
Deficit	(1,141)	(76)
Experience (losses)/gains on assets	(1,967)	118
Experience losses on liabilities	-	-
	2007 £000	2006 £000
Fair value of employer assets	5,662	4,634
Present value of defined benefit obligation	(6,836)	(4,712)
Deficit	(1,174)	(78)
Experience gains/(losses) on assets	48	560
Experience gains/(losses) on liabilities	-	(22)
	2005 £000	
Fair value of employer assets		3,192
Present value of defined benefit obligation		(3,247)
Deficit		(55)
Experience gains on assets		83
Experience losses on liabilities		(315)

Note 8: Notional cost of capital

Notional cost of capital is calculated, on the advice of HM Treasury, on the average net assets employed in the year, excluding the balances in the National Lottery Distribution Fund, film rights and the matching Lottery award liabilities. The interest on DCMS grant assets was 3.5% (2008: 3.5%) and Lottery assets 0% (2008:0%).

Note 9: Taxation

	2008/09 £000	2007/08 £000
Corporation tax payable for current year	158	205

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

The differences are explained below:

	2008/09 £000	2007/08 £000
Deficit on ordinary activities before taxation	(7,217)	(8,379)
Deficit on ordinary activities multiplied by standard rate of UK corporation tax of 28% (2007: 30%)	(2,021)	(2,514)
Effects of:		
UK Film Council deficit not chargeable to UK Corporation tax	2,270	2,866
Adjustments regarding British Screen group:		
Unrelieved tax losses brought forward	(68)	(119)
Lower rate of corporation tax	(15)	(22)
Other timing differences	(3)	3
Corporation tax payable	163	214
Tax over-provision in previous years	(5)	(9)
Current tax charge for the year	158	205

Notes to the financial statements

continued

Note 10: Tangible fixed assets

GROUP	SHORT LEASEHOLD IMPROVEMENTS £000	IT EQUIPMENT	OFFICE EQUIPMENT	TOTAL £000
Cost:				
At 1 April 2008	1,675	712	421	2,808
Additions	121	119	38	278
Disposals	-	-	-	-
At 31 March 2009	1,796	831	459	3,086
Depreciation:				
At 1 April 2008	864	579	392	1,835
Provided during the year	133	93	14	240
Disposals	-	-	-	-
At 31 March 2009	997	672	406	2,075
Net book value:				
At 1 April 2008	811	133	29	973
At 31 March 2009	799	159	53	1,010
COMPANY				
Cost:				
At 1 April 2008	1,584	667	401	2,652
Additions	118	119	38	275
Disposals	-	-	-	-
At 31 March 2009	1,702	786	439	2,927
Depreciation:				
At 1 April 2008	780	537	368	1,685
Provided during the year	128	93	14	235
Disposals	-	-	-	-
At 31 March 2009	908	630	382	1,920
Net book value:				
At 1 April 2008	804	130	33	967
At 31 March 2009	795	156	57	1,007

Note 11: Film rights

GROUP	BRITISH SCREEN FINANCE LTD £000	EUROPEAN CO-PRODUCTION FUND LTD £000	UK FILM COUNCIL £000	TOTAL £000
At 1 April 2008 (restated)	-	-	23,086	23,086
Advances	-	-	14,898	14,898
Repayments	(157)	(15)	(8,261)	(8,433)
Decommitments	-	-	(620)	(620)
Fair value adjustments in the year	-	-	106	106
Impairments written back	157	15	2,537	2,709
Impairments	-	-	(16,690)	(16,690)
As at 31 March 2009	-	-	15,056	15,056

COMPANY

At 1 April 2008 (restated)	23,086
Advances	14,898
Repayments	(8,261)
Decommitments	(620)
Fair value adjustments in the year	106
Impairments written back	2,537
Impairments	(16,690)
As at 31 March 2009	15,056

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

With the adoption of those Financial Reporting Standards relating to Financial Instruments (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.

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

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

As a result, the opening balance as at 1 April 2008 has been restated, with an increase to the carrying value of film rights at that date of £480,000. At 31 March 2009, the fair valuation reserve stood at £586,000, after recoupment of £299,000, against the opening fair valuation and an adjustment for the year of £405,000.

Notes to the financial statements

continued

Note 12: Debtors

GROUP	2009 £000	2008 £000
Trade debtors	59	33
Prepayments and accrued income	1,054	611
VAT receivable	429	474
Other debtors	4,781	4,647
	6,323	5,765

Debtors falling due after more than 1 year

Other debtors	-	3,269
	6,323	9,034

COMPANY	2009 £000	2008 £000
Due from subsidiary undertakings	120	148
Prepayments and accrued income	910	566
VAT receivable	424	469
Other debtors	4,902	4,648
	6,356	5,831

Debtors falling due after more than 1 year

Other debtors	-	3,269
	6,356	9,100

Note 13: Balance at the National Lottery Distribution Fund

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

GROUP	2009 £000	2008 £000
Opening balance held at the National Lottery Distribution Fund	44,041	37,394
Income received from the Lottery	28,148	27,093
Transfer to Olympic Lottery Distribution Fund	(1,466)	-
Investment income earned	1,410	2,250
Available for distribution	72,133	66,737
Cash drawn down	(27,584)	(22,696)
Balance as at 31 March	44,549	44,041

At 31 March 2009, the cost of the investment in the fund was £44.5 million (2008: £43.95m). Income received from the Lottery shown above is after charging unrealised losses of £0.05 million (2008: £0.97m).

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

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

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

The first transfer of funds under the statutory instrument took place in February 2009 when the UK Film Council contributed £1.5 million. Further transfers are anticipated at quarterly intervals until July 2012.

Because this commitment is only seen to be crystallising at the point of the three monthly transfers, the remaining commitment of £20.3 million is not recorded in the balance sheet as at 31 March 2009.

The UK Film Council has published its plans for the period 2007-2010. The plan assumes that the UK Film Council will continue to make an increased level of commitments over this period. As a consequence the UK Film Council will make total commitments over the period in excess of its Lottery income and this will reduce cash balances over this period. The National Lottery Distribution Fund balance is expected to fall below £15 million by March 2010 and the Board will be closely monitoring the position.

Note 14: Cash and liquid resources

GROUP	1 APRIL 2008 £000	NET CASH FLOW £000	31 MARCH 2009 £000
Cash at bank and in hand	17,100	(668)	16,432

COMPANY			
Cash at bank and in hand	8,949	(967)	7,982

Note 15: Financial risks

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

Liquidity risks

In 2008/09, £28.1 million (45%) (2007/08: £27.1 million, 47%) of the UK Film Council's income was derived from the National Lottery. £30.1 million (47%) arose from grant-in-aid funding allocated by the Department for Culture, Media and Sport (2007/08: £25.1 million, 44%). The remaining income derived from: investment returns from the balance held with the National Lottery Distribution Fund £1.4 million (2%) (2008: £2.3 million, 4%); recoupment income from film rights £2.2 million (3%) (2008: £1.5 million, 3%); income arising from British Screen group £0.5 million, 1% (2008: £0.5 million, 1%); and bank interest and sundry income £1.6 million (3%) (2008: £1.2 million, 2%).

The Board considers that, as the National Lottery Distribution Fund balance notified by the Secretary of State for Culture, Media and Sport and the UK Film Council's own Lottery cash holding amount to £51.1 million at the balance sheet date (2008: £51.3 million), sufficient liquid resources are available to cover all current hard and soft commitments totalling £33.9 million (2008: £31.1 million) and any related creditors. In addition the year-end cash balances not attributable to the Lottery of £9.8 million (2008: £9.8 million) are deemed sufficient to cover remaining creditors.

Interest rate risks

The UK Film Council's largest financial asset is retained in the National Lottery Distribution Fund, which invests in a narrow band of low risk assets such as Government bonds and cash. Neither the UK Film Council nor its Board has any control over these investments. The interest rate risks in respect of these financial assets are disclosed in the financial statements of the National Lottery Distribution Funds. At the year end the market value of the Council's investment in the National Lottery Distribution Fund was £44.5 million (2008: £44.1 million) and the average investment return for the year was 3.7% (2008: 5.1%).

Cash drawn down from the grant-in-aid allocation held at the Department for Culture Media and Sport or from the National Lottery Distribution Fund, or received from other sources, to pay grant commitments and operating costs are held in variable rate bank accounts and the average interest rate return for the year was 5.2% (2008: 5.1%). The Group cash balance at the year-end was £16.4 million (2008: £17.1 million). The Board consider that, in respect of these funds the UK Film Council is not exposed to significant interest rate risks.

Other price risks

With the adoption of those Financial Reporting Standards relating to Financial Instruments (FRS 25, 26 and 29) in the year 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.

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

Film rights at 31 March 2009 have a valuation of £15 million (2008: £23.01 million) and the Board consider that the UK Film Council is not exposed to significant other price risks.

Foreign currency risks

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

Notes to the financial statements

continued

Note 16: Award commitments

SOFT COMMITMENTS	2009 £000	2008 £000
Brought forward at 1 April	12,754	19,978
Commitments made	41,108	26,157
Transferred back from hard commitments	22	46
Soft decommitments	(1,758)	(401)
Transferred to hard commitments	(32,995)	(33,026)
Balance carried forward at 31 March	19,131	12,754

HARD COMMITMENTS		
Brought forward at 1 April	18,316	20,857
Commitments made	32,995	33,026
Hard decommitments	(1,893)	(2,938)
Transferred to soft commitments	(22)	(46)
Amounts paid	(34,562)	(32,583)
Balance carried forward at 31 March	14,834	18,316

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

New hard commitments made during the year comprise:	2009 £000	2008 £000
Film rights	14,898	14,637
Regional awards	3,200	3,500
First Light Movies award	1,135	1,100
Distribution and exhibition awards	5,683	7,194
Digital Archive Fund	1,397	-
Training awards	6,500	6,515
2012 Partnership awards	100	-
Publication awards	82	80
	32,995	33,026

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

Ageing of hard commitments	2009 £000	2008 £000
2008/09	-	15,047
2009/10	13,160	2,374
2010/11	1,674	895
	14,834	18,316

It is expected that all outstanding hard commitments as at 31 March 2009 will be fully paid by 31 March 2011; commitments due after one year relate to the Digital Screen Network and the Film Festivals Fund.

Note 17: Creditors: amounts falling due within one year

GROUP	2009 £000	2008 £000
Trade creditors	340	395
Accruals and deferred income	1,466	1,388
Corporation Tax	49	133
Other creditors and Social Security	2	84
	1,857	2,000

COMPANY	2009 £000	2008 £000
Trade creditors	336	365
Accruals and deferred income	1,374	1,259
Corporation Tax	18	75
Other creditors and Social Security	-	77
	1,728	1,776

Note 18: Deferred taxation

The group had no potential liability to deferred taxation at 31 March 2009 (31 March 2008: £nil)

Note 19: Leases

As at 31 March 2009, the UK Film Council (non-Lottery) had annual commitments under a non-cancellable operating lease relating to land and buildings as set out below:

	2009 £000	2008 £000
Operating lease which expires in over five years	315	315

Note 20: Capital commitments

As at 31 March 2009, the UK Film Council had no capital commitments outstanding (31 March 2008: £nil)

Note 21: Grant-in-aid commitments for future years

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

As at 31 March 2009, the UK Film Council had grant-in-aid commitments for 2009/10 as follows:

British Film Institute (bfi)	£16,000,000
Regional and national awards	£4,860,000

Notes to the financial statements

continued

Note 22: Movements in reserves

GROUP	GENERAL RESERVE £000	PENSION RESERVE £000	GRANT-IN-AID RESERVE £000	FAIR VALUATION RESERVE £000	LOTTERY RESERVE £000	TOTAL £000
Brought forward at 1 April 2008 (restated)	7,868	(76)	1,112	480	64,458	73,842
Surplus/(deficit) for the year	424	(30)	255	-	(8,024)	(7,375)
Movement in fair value reserve	-	-	-	107	-	107
Movements on the STRGL:						
Actuarial loss in pension plan	-	(1,035)	-	-	-	(1,035)
Carried forward at 31 March 2009	8,292	(1,141)	1,367	587	56,434	65,539

COMPANY	£000	£000	£000	£000	£000
Brought forward at 1 April 2008 (restated)	(76)	1,112	480	64,458	65,974
Surplus/(deficit) for the year	(30)	255	-	(8,024)	(7,799)
Movement in fair value reserve	-	-	107	-	107
Movements on the STRGL:					
Actuarial loss in pension plan	(1,035)	-	-	-	(1,035)
Carried forward at 31 March 2009	(1,141)	1,367	587	56,434	57,247

Note 23: Investments

UK Film Council's subsidiary undertaking at 31 March 2009 was:

	ORDINARY SHARES OF £1 EACH	HOLDING
British Screen Finance Ltd	4,200,078	100%

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

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

	ORDINARY SHARES OF £1 EACH	HOLDING
Subsidiary undertakings:		
National Film Trustee Company Ltd	100	100%
National Film Finance Consortium Ltd	100	100%
European Co-production Fund Ltd	2	100%
British Screen Rights Ltd	2	100%
The Greenlight Fund Ltd	2	100%

Associated undertakings

British Film-Makers Ltd	50	50%
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The National Film Trustee Company Ltd is a collection agency for film revenues. The National Film Finance Consortium Ltd is a dormant company. European Co-production Fund Ltd is a company that makes loans to films produced by European co-producers. British Screen Rights Ltd acquires and sells rights in feature films. The Greenlight Fund Ltd managed the investment of some National Lottery proceeds into feature films on behalf of Arts Council England and is now dormant. British Film-Makers Ltd collects and distributes film revenues on behalf of British Screen Finance Ltd and third parties. Its results are not material to the group.

Note 24: Intra-government balances

Balances due to UK Film Council	2009 £000	2008 £000
Funds held at the National Lottery Distribution Fund	44,549	44,041
Funds held at Arts Council England	4,235	7,335
Funds due from HM Revenue and Customs re VAT	429	474
Funds due from Department of Children, Schools and Families	-	320
Prepayment made to Westminster City Council	127	121
Balances due from UK Film Council		
Balance due to HM Revenue and Customs re corporation tax	70	86

Notes to the financial statements

continued

Note 25: Related parties

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

During the year the group entered into transactions, in the ordinary course of business, with related parties. Grant-in-aid awards are written off in the year of award in accordance with the group's accounting policy. National Lottery awards are included in film rights at the balance sheet date.

The following related party transactions occurred during the period:

Lottery awards

ORGANISATION	NAME	RELATIONSHIP TO RECIPIENT ORGANISATION	NEW AWARDS 2008-09 £	AWARD OUTSTANDING 31 MARCH 2009 £
Directors of UK Film Council				
APT Films Ltd	Thomas Hoegh	Director	5,000	-
British Film Institute ⁽¹⁾	Greg Dyke	Chair	69,581	16,138
	Elisabeth Murdoch	Partner of Governor		
Film Distributors Association Ltd	Josh Berger	Director	10,000	-
First Light Movies Ltd ⁽²⁾	Barbara Broccoli	Chair	1,135,000	-
FMO Films Ltd	Gail Egan	Director	25,000	550
Mango Films Ltd	Rebecca O'Brien	Director	625,000	25,000
Met Films Ltd	Thomas Hoegh	Director	15,000	15,000
Potboiler Productions Ltd	Gail Egan	Director	102,500	66,194
Revolution Films Ltd	Andrew Eaton	Director	33,500	2,650
Screen South Ltd ⁽³⁾	Pippa Cross	Director	705,000	20,000
Sixteen Films Ltd	Rebecca O'Brien	Director	17,750	-
Skillset ⁽⁴⁾	Stewart Till	Deputy Chair	6,620,000	1,818,596
Slingshot Productions Ltd	Thomas Hoegh	Director	9,995	-
Vue Entertainment Holdings (UK) Ltd	Stephen Knibbs	Chief Operating Officer	-	614,289
Employees of the UK Film Council				
Apocalypse Films	Tanya Seghatchian	Director	70,000	70,000
Edinburgh International Film Festival Ltd	Lizzie Francke	Advisory Board Member	-	959,614
Home Movies Ltd ⁽⁵⁾	Chris Collins	Director	-	156,108
Skillset ⁽⁴⁾	John Woodward	Director	6,620,000	1,818,596
Verve	Lenny Crooks	Partner of Producer	-	5,000

Note 25: Related parties continued

Grant-in-aid awards

ORGANISATION	NAME	RELATIONSHIP TO RECIPIENT ORGANISATION	NEW AWARDS 2008-09 £	AWARD OUTSTANDING 31 MARCH 2009 £
Directors of UK Film Council				
British Film Institute ⁽¹⁾	Greg Dyke	Chair	17,151,920	-
	Elisabeth Murdoch	Partner of Governor		
Film Club ⁽⁶⁾	Beeban Kidron	Director	3,100,000	-
Screen South ⁽³⁾	Pippa Cross	Director	432,000	-
Employees of the UK Film Council				
Edinburgh International Film Festival Ltd	Lizzie Francke	Advisory Board Member	26,000	-
Film Club ⁽⁶⁾	Peter Buckingham	Director	3,100,000	-
	John Woodward	Director		

⁽¹⁾ The British Film Institute (BFI), a charity established by Royal Charter, receives UK Film Council funding to assist in its championing of moving image culture, education and heritage. In 2008/09 it received funding for core activities, for the Screen Heritage capital project and specific lottery awards for release of archive films.

⁽²⁾ First Light Movies is a charity, receiving UK Film Council funding to offer children and young people more opportunities to participate and learn about film making.

⁽³⁾ Screen South is one of the Regional Screen Agencies. These were established to co-ordinate film policy, strategy and delivery across England.

⁽⁴⁾ Skillset is the Sector Skills Council (SSC) for Creative Media and receives UK Film Council funding to implement the Bigger Future Skills Strategy to provide training across the industry.

⁽⁵⁾ Home Movies Ltd is a member of the Jupiter superslate consortium which receives Development Slate funding.

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

In addition £297,694 was paid to Olswang Solicitors for professional services rendered in the year. Mark Devereux is a Senior Partner in this firm.

Thomas Hoegh a director of the UK Film Council is Managing Director of Arts Alliance, the providers of the equipment for the digital screen network.

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

Schedule to the financial statements

Schedule 1: Grant-in-aid awards in the year ending 31 March 2009

ORGANISATION/PROJECT	TOTAL
Anti Piracy Awards	34,000
ACE Award	23,000
BAFTA Screen Nation Award	13,000
British Film Institute (BFI) – core funding	16,000,000
BFI – Film Heritage Award	1,041,920
BFI – Film Centre business planning	110,000
Birds Eye Festival Award	35,000
Breakthrough Brits Award	97,106
Brit Doc Festival	20,000
British Federation Of Film Societies/ Independent Cinema Office	65,000
British Independent Film Awards	50,000
Cannes 2008 (miscellaneous awards)	17,042
Cheltenham Screenwriters' Festival	34,000
Cinemart 2008 Rotterdam	13,022
Clermont Ferrand Shorts Festival	10,000
Digital Now Group Award	8,667
Digital Shorts Diversity Award	46,994
EM Media Regional Award	590,000
Encounters Film Festival	15,000
Equal Project	61,055
Film Club	3,100,000
Film Agency For Wales National Award	160,000
Film Education Awards	49,000
Film London Regional Award	700,000
Film London Other Awards	20,000
First Light Movies	45,000
Fulbright Commission Award	17,500
Grierson Awards	8,000
Leadership On Diversity Project	28,277
Michael Powell and Short Film Awards	26,000
New Producers Alliance	34,993
North West Vision Regional Award	525,000
North West Vision Cross Arts Venue Award	600,000
Northern Film & Media Regional Award	400,000
Northern Ireland Screen National Award	200,000

ORGANISATION/PROJECT	TOTAL
Screen East Regional Award	530,000
Screen England	25,000
Screen South Regional Award	432,000
Screen West Midlands Regional Award	400,000
Screen Yorkshire Regional Award	472,000
Tribeca Festival Award	11,593
Shooting People Award Re Development Fund Masterclass	20,000
South West Screen Regional Award	451,000
UK Film Council Los Angeles	498,738
Want To See More Of Me? Project	14,919
Women In Film & TV Awards	8,000
Awards under £5,000	122,619
Grand Total	27,184,443

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

Schedule 2: Lottery awards in the year ending 31 March 2009

PRODUCER / ORGANISATION	FILM / PROJECT	£
011 Productions Ltd	You're the Stranger Here (Short)	25,000
104 Films Ltd	Digital Shorts Disability scheme	40,000
104 Films Ltd	Vision Award	30,000
1939 Ltd	1939	970,000
A Box of Trix Productions Ltd	Avenging Angels	25,000
Adam and Eve Productions Ltd	Adam, the Serpent and Eve	94,000
Adventure Pictures (Rage) Ltd	Rage	200,000
Adventure Pictures Ltd	Untitled Sally Potter Projects	50,000
AL Films Ltd	Gertrude and Alice	89,000
Alienate Ltd	How to Lose Friends and Alienate People	13,520
Amoeba Film Ltd	The Pervert's Guide to Ideology	10,000
Anna Duffield	Aberdeen Angus	6,000
Anton Corbijn Ltd	Go Gahr Go	15,000
Apocalypso Films Ltd	Epic	70,000
Applecross Productions Ltd	Exile	75,000
Archer Street Ltd	Frostbite	35,000
Archer Street Ltd	Margot and Rudi	45,000
Artangel Trust Ltd	Buttershaw aka The Arbor	25,000
Autonomous Ltd	Narrow Frame of Midnight	34,756
B19 Media (London) Ltd	Freestyle	15,000
B3 Media	Digital Shorts	40,000
Ben Hervey	The Mysteries	10,150
Bend It Films Ltd	Untitled Gurinder Chadha	50,000
Better Things Ltd	Better Things	2,995
Big Talk Productions Ltd	Comedy Development Proposal	500
Big Yes Production Ltd	Beckett in Love	16,500
Blast Films Ltd	One Day	8,850
BLTV (Ben Lewis Television) Ltd	Love Letters From The Gulag	5,000
Bluelight Neds Ltd	Neds	30,000
Blueprint Pictures Ltd	Vision Award	75,000
Blueprint Pictures Ltd	War Reporting for Cowards	13,250
Catherine Shepherd	Like a Virgin	14,500
Centurion Films Ltd	Centurion	1,200,000
Cheri Productions Ltd	Cheri	1,075,000
Cinema Two SPV 2 Ltd	Summer	17,750
Company Films Ltd	Games for Winter	21,900

Schedule to the financial statements

continued

Schedule 2: Lottery awards in the year ending 31 March 2009 continued

PRODUCER / ORGANISATION	FILM / PROJECT	£
Company Films Ltd	Spanish Assassins	52,000
Complicite Films Ltd	The Long Never	50,000
Cowboy Films Ltd	The Predictive Text	5,000
Cuba Pictures Ltd	An Equal Music	26,500
Cuba Pictures Ltd	Island of the Aunts	9,750
Dan Films Ltd	Vision Award	75,000
Delirious Productions Ltd	Die Laughing	22,000
Desperate Optimists Productions Ltd	Mister John	25,000
Dibb Directions Ltd	The Solitary Life of Donny Johnson	25,000
DigiCult Ltd	Digital Shorts	40,000
Distant Thunder Ltd	Distant Thunder	15,000
DNA Films Ltd	Peach Trees	110,000
Dorian Gray Ltd and Dorian Gray Films Ltd	Dorian Gray	500,000
Easter Partisan Ltd	My Granny Made Me an Anarchist	50,000
Ecosse Films Ltd	Nowhere Boy	1,235,500
Ecosse Films Ltd	Vision Award	75,000
Elephant Gun Films Ltd	Hay Bales	7,600
East Midlands Media Ltd	Digital Shorts	40,000
Esperanto Films Ltd	A Boy and his Shoe	50,000
Esperanto Films Ltd	Planespotters	100,000
Feelgood Fiction Ltd	One Last Time	22,500
Fiesta Productions Ltd	Nanny	25,500
Fiesta Productions Ltd	Vision Award	75,000
Film London Ltd	Digital Shorts	40,000
Film London Ltd	Digital Shorts Plus: Love Hate	10,000
Film London Ltd	Digital Shorts Plus: Morning Echo	10,000
Film London Ltd	Digital Shorts Plus: Tom Shkolnik	10,000
Fireparty Ltd	Greenland Time	20,000
Flying Scotsman Films Ltd	Justified Sinner	45,000
FMO Films Ltd	Five Miles Out (Short)	25,000
Forthcoming Productions Ltd	Trap for Cinderella	25,000
Free Range Films Limited	Hyde Park on Hudson	47,540
Free Range Films Limited	Vision Award	75,000
Free Range Films Limited	White Rose Rebel	51,250
Glasshouse Films Ltd	The Outcast	43,250
H.S.I. London Ltd	Songs for my Mother	25,000

Schedule 2: Lottery awards in the year ending 31 March 2009 continued

PRODUCER / ORGANISATION	FILM / PROJECT	£
H.S.I. London Ltd	The Devils Wedding (short)	7,000
Handheld Movies Ltd	Jane Austen	21,000
Handsome Features Ltd	Summer of Discontent	30,000
Hania & Gaia Elkington	Len and Maeve's Fool's Emporium	10,000
Harry Brown Film Ltd and Harry Brown Production Ltd	Harry Brown	1,002,225
Headline Pictures (Peter Pan in Scarlet) Ltd	Peter Pan in Scarlet	94,250
Headline Pictures Ltd	The Recycler	72,800
Heyman Hoskins Ltd	Lee Miller	116,500
HK Films Ltd	The Black Album	70,000
Hope Dickson Leach	English Rose	16,000
Hopscotch Films Ltd	The Story of Film	100,000
Hot Propery Ltd	Slow Motion Explosion	10,000
Human Film Ltd	Um-Hussein	17,750
Imagine Pictures Ltd	Little Red Hoodie (short)	25,000
It's My Shout Productions Ltd	Digital Shorts	40,000
James Watkins	Methuselah / In Character / The Rector's Daughter	45,000
Jigsaw Films Ltd	Kensuke's Kingdom	30,000
John Crowley	Iggy	5,000
Jonathan Blakeson	The Appointment (short)	8,575
Jump Monk Films Ltd	Self Made	25,000
Kasander (Andrea Untitled) Ltd	Fish Tank	664,000
Kasander (Development) Ltd	Cross My Mind	35,000
Keel Films Ltd	Maps for Lost Lovers	24,000
Left Bank Pictures (Film) Ltd	Vision Award	75,000
Liberty Films Entertainment Ltd	Mute	45,750
Lifesize Pictures Ltd	Managing Company for Short Film Programme	263,953
Little Comet Film & TV Ltd	Dexter's Diamond	21,000
Makar Productions Ltd	Beatrice's Father	19,900
Mango Films (Jean Charles) Ltd	Jean Charles	650,000
Matt Haig	Planet Earth and All It's People; The Radleys; The Lessons of Clara's List	15,000
Met Film Ltd	How to Change the World	10,000
Modern Films Ltd	Under the Skin	32,999
Mountain Productions Ltd	White Lightnin'	6,393
Natasha Wood	Rolling With Laughter	27,000
NDF International Ltd	Last Passenger	27,400

Schedule to the financial statements

continued

Schedule 2: Lottery awards in the year ending 31 March 2009 continued

PRODUCER / ORGANISATION	FILM / PROJECT	£
New Boots and Panties Ltd	Sex & Drugs & Rock & Roll	732,000
No Paper Cuts Ltd	The Chapel	3,785
North West Vision and Media Ltd	Digital Shorts	40,000
Northern Ireland Screen	Digital Shorts	40,000
Northern Film and Media Ltd	Digital Shorts	40,000
Nothernlight Productions Ltd	The Elemental (short)	7,120
Number 9 Films (Junior) Ltd	Starstruck aka Son of Eurovision	42,600
Oliver Refson	The Hardest Part (short)	2,500
Origin Pictures Ltd	Vision Award	75,000
Oxygen Films Ltd	Blackwaterside	10,000
Parallax East Ltd	Bite	14,000
Parallax East Ltd	Jimmy Buddha (aka BuddhaDa)	43,250
Parkville Pictures Ltd	The Wake (shorts)	5,800
Pender Productions Ltd	Diva	42,000
Picture Farm Ltd	Father Figure	25,000
Piggott Bettinga Filmproduktion GbR	Together (short)	6,730
Poisson Rouge Pictures Ltd	Gone too Far	25,000
Portman Film and Television Ltd	Bunny & George	25,000
Portobello Pictures Ltd	Darkness at Noon	50,000
Potboiler Productions Ltd	Kodak Cowboy	12,500
Potboiler Productions Ltd	Vision Award	75,000
Qwerty Films Ltd	Vision Award	75,000
Red Box Films Ltd	Project Nim	30,410
Red Room Films Ltd	Stratford Road	28,000
Revolution Films Ltd	The Promised Land (aka Untitled Israel Project)	58,500
Revolution Films Ltd	Vision Award	75,000
Richard T Kelly	Lucie Gunn	14,500
Riley Productions Ltd	Slow Down Arthur, Stick to Thirty	6,000
Rocking Horse Films Ltd	Untitled Lynne Ramsey projects	50,000
RPC Franklyn Ltd	Franklyn	80,000
Ruby Films Ltd	Tamara Drewe	57,625
Ruby Films Ltd	The Boleyn Inheritance	104,275
Ruby Films Ltd	The Seagull	5,000
Runaway Fridge Films Ltd	The Madolescents	34,250
Running Man Ltd	50 Dead Men Walking	8,500
Screen East Ltd	Digital Shorts	40,000

Schedule 2: Lottery awards in the year ending 31 March 2009 continued

PRODUCER / ORGANISATION	FILM / PROJECT	£
Screen South Ltd	Digital Shorts	40,000
Screen West Midlands Ltd	Digital Shorts	40,000
Screen Yorkshire Ltd	Digital Shorts	40,000
Scrimpo Productions Ltd	Natural Flights of the Human Mind	14,500
Seefood Ltd	Wasted (Short)	8,850
See-Saw Films Ltd	Vision Award	75,000
Shelley Productions Ltd	The Basildon Brawl	12,500
Shimmer Productions Ltd	Been So Long	25,000
Sigma Films Ltd	Mr Tourette and I	10,000
Sigma Films Ltd	Vision Award	75,000
Skywalk Pictures Ltd	Tea Shop Asylum (Pilot)	9,950
South West Screen Ltd	Digital Shorts	40,000
Sprout Pictures (Films) Ltd	Hallelujah!	25,000
Starfield Productions Ltd	Untitled Omid and George project	36,750
Stealth Films Ltd	Despatched	60,700
Sterling Pictures Ltd	Something Different	25,000
Stone City North Ltd	Electricity	35,000
Talawa Theatre Company Ltd	Talawa Writer's Group	5,000
Tempo Productions Ltd	The Lancashire Witches	11,650
The Borough Film Company Ltd	Blood Oil	40,250
The Bureau Film Company Ltd	Kingsland	35,229
The First Film Company Ltd	Bomber	19,000
The Producers Films Ltd	Kith and Kin	32,750
The Resource Base Ltd	A Necessary Life	10,000
The Script Connection	The Script Connection – Feedback Service Tender – Second Year	60,000
The Script Factory Ltd	Development Fund Feature Film Lecture Programme	9,400
Thing Corp Ltd	Junk (short)	7,805
Third Films Ltd	Bypass	22,500
Third Films Ltd	Frontier	17,600
Three Pillows Films Ltd	Unmade Beds	5,000
Three Rivers Ltd	Mad About The Boy	727,237
Tigerlily Films Ltd	Apples	22,600
Tony Pictures Ltd	Tony	3,000
Tracker Productions Ltd	Tracker	971,291
Trademark Films Ltd	My Week with Marilyn	7,623
Triangle Films Ltd	Triangle	382,000

Schedule to the financial statements

continued

Schedule 2: Lottery awards in the year ending 31 March 2009 continued

PRODUCER / ORGANISATION	FILM / PROJECT	£
Vanessa Arden-Wood	Furnace Four (short)	4,685
Vertigo Films Ltd	Vision Award	75,000
Wall to Wall (Egypt) Ltd	Man on Wire	35,000
Wall to Wall Media Ltd	The Dream Project	15,036
Warp Films Ltd	Vision Award	75,000
Warp X (Bunny) Ltd	Bunny and The Bull	86,670
Warp X (Punch) Ltd	Donkey Punch aka Punch	9,367
Warp X Ltd	Feature Film Project	1,000,000
Wellington Films Ltd	A Man's Story	13,500
Wilder Films Ltd	Laid Off	9,000
Wildgaze Films Ltd	The Babymakers	84,750
Willow Films Ltd	Random	22,500
Workhorse Entertainment Ltd	La Mula	1,122,110
Yaffle Films Ltd	The Monsoon Shootout	17,280
Total single project film awards 2008/09		18,692,984
Birds Eye View	Birds Eye View Film Festival	175,000
Cinemagic Ltd	Cinemagic World Screen Film and Television Festival	150,000
Film and Video Workshop	The London International Animation Festival	50,000
Flatpack Festival Ltd	Flatpack Festival	70,000
International Documentary Festival Sheffield Ltd	Sheffield International Documentary Festival	175,000
Light House Media Centre	Deaffest	50,000
Nottingham Media Centre Ltd	British Silent Film Festival	70,000
Total film festival film awards 2008/09		740,000
Alliance Atlantis Releasing Ltd t/a Momentum Pictures	Ben X	5,000
Alliance Atlantis Releasing Ltd t/a Momentum Pictures	Caramel	155,110
Alliance Atlantis Releasing Ltd t/a Momentum Pictures	Happy Go Lucky	210,000
Alliance Atlantis Releasing Ltd t/a Momentum Pictures	Let the Right One In	200,000
Alliance Atlantis Releasing Ltd t/a Momentum Pictures	The Wave	5,000

Schedule 2: Lottery awards in the year ending 31 March 2009 continued

PRODUCER / ORGANISATION	FILM / PROJECT	£
Axiom Films International Ltd	In the City of Sylvia	5,000
Bigga than Ben Ltd	Bigga than Ben	4,927
Bloom Street Productions Ltd	Hope Eternal	5,000
BreakThru Films Ltd	Free Jimmy	5,000
British Film Institute	2 feature films tbc (LLGF)	800
British Film Institute	Great Expectations	3,600
British Film Institute	Madeleine	4,990
British Film Institute	Of Time and the City	50,851
British Film Institute	Oliver Twist	4,990
British Film Institute	The Passionate Friends	3,600
British Film Institute	Winstanley and Awaydays	750
Cinefile Ltd	Conversations with my Gardener	4,627
Contender Entertainment Ltd	Franklyn	120,000
Cyclops Vision Ltd	Tovarisch, I Am Not Dead	5,000
Dogwoof Ltd	Boogie	4,560
Dogwoof Ltd	Cherry Blossoms	4,440
Dogwoof Ltd	The Age of Stupid	99,360
Drakes Avenue Pictures Ltd	Patti Smith, Dream of Life	5,000
Enlightenment Films Ltd	I Can't Think Straight	5,000
Halcyon Releasing Ltd	Ano Una	4,900
ICA Films Ltd	A Bloody Aria	4,000
Icon Film Distribution Ltd	Dean Spanley	159,146
Icon Film Distribution Ltd	Man On Wire	104,567
Kaleidoscope Home Entertainment Ltd	The End	5,000
Lions Gate UK Ltd	Angel	5,000
Lions Gate UK Ltd	Good	5,000
Lions Gate UK Ltd	The Edge Of Love	200,000
Lions Gate UK Ltd	Waiting Room	5,000
Met Film Ltd	Beyond The Fire	5,000
Met Film Ltd	Heavy Load	5,000
Metrodome Distribution Ltd	Before the Rains	5,000
Metrodome Distribution Ltd	Fears of the Dark	5,000
Metrodome Distribution Ltd	Fifty Dead Men Walking	250,471
Metrodome Distribution Ltd	Flame & Citron	5,000
Metrodome Distribution Ltd	Genova	5,000
Metrodome Distribution Ltd	Let's Get Lost	4,966

Schedule to the financial statements

continued

Schedule 2: Lottery awards in the year ending 31 March 2009 continued

PRODUCER / ORGANISATION	FILM / PROJECT	£
Metrodome Distribution Ltd	North Face	5,000
Metrodome Distribution Ltd	Shifty	156,041
Metrodome Distribution Ltd	Steep	5,000
Metrodome Distribution Ltd	The Chaser	43,418
Mumia Ltd	In Prison My Whole Life	5,000
Optimum Releasing Ltd	Che – Part 1	250,000
Optimum Releasing Ltd	In the Loop	210,000
Optimum Releasing Ltd	Somers Town	140,000
Optimum Releasing Ltd	Where In The World Is Osama Bin Laden?	175,000
Park Circus Ltd	Bicycle Theives	5,000
Park Circus Ltd	Blithe Spirit	3,600
Park Circus Ltd	Brief Encounter	3,600
Park Circus Ltd	Bring Me The Head of Andy Garcia	5,000
Park Circus Ltd	Grease	2,250
Park Circus Ltd	In Which We Serve	5,000
Park Circus Ltd	The Apartment	5,000
Park Circus Ltd	The Good, The Bad And The Ugly	5,000
Park Circus Ltd	This Happy Breed	5,000
Park Circus Ltd	White Christmas	7,250
Pathé Distribution Ltd	Adulthood	210,000
Pathé Distribution Ltd	Bienvenue Chez Les Ch'tis	2,500
Pathé Distribution Ltd	Hunger	250,000
Pathé Distribution Ltd	Mes Amis Mes Amours	4,000
Revolver Entertainment Ltd	Encounters at the End of the World	5,000
Revolver Entertainment Ltd	Mum and Dad	5,000
Revolver Entertainment Ltd	Savage Grace	5,000
Revolver Entertainment Ltd	U2 3D	16,496
Revolver Films Ltd	The Wackness	170,000
Revolver Films Ltd	Tyson	5,000
Shorts International Ltd	Oscar nominated short films 2009	3,000
Slingshot Studios Ltd	Buddha Collapsed Out Of Shame	4,995
Slingshot Studios Ltd	Heavy Metal in Baghdad	5,000
Soda Pictures Ltd	Better Things	5,000
Soda Pictures Ltd	Far North	5,000
Soda Pictures Ltd	La Zona	5,000
Soda Pictures Ltd	Modern Life	5,000

Schedule 2: Lottery awards in the year ending 31 March 2009 continued

PRODUCER / ORGANISATION	FILM / PROJECT	£
Soda Pictures Ltd	My Winnipeg	5,000
Soda Pictures Ltd	Wendy & Lucy	5,000
Sterling Pictures Ltd	Outlanders	3,875
The Artificial Eye Film Company Ltd	Alexandra	3,711
The Artificial Eye Film Company Ltd	Ashes of Time	2,500
The Artificial Eye Film Company Ltd	Berlin	3,490
The Artificial Eye Film Company Ltd	California Dreamin'	4,356
The Artificial Eye Film Company Ltd	Couscous	5,000
The Artificial Eye Film Company Ltd	Il Divo	5,000
The Artificial Eye Film Company Ltd	Julia	5,000
The Artificial Eye Film Company Ltd	Let's Talk About the Rain	4,412
The Artificial Eye Film Company Ltd	Romance of Astrea and Celadon	4,976
The Artificial Eye Film Company Ltd	Summer Hours	4,556
The Artificial Eye Film Company Ltd	Terror's Advocate	5,000
The Artificial Eye Film Company Ltd	The Banishment	5,000
The Artificial Eye Film Company Ltd	Time and Winds	5,000
The Artificial Eye Film Company Ltd	Waltz with Bashir	250,000
The Works UK Distribution Ltd	Anvil! The Story of Anvil	5,000
The Works UK Distribution Ltd	Jar City	5,000
The Works UK Distribution Ltd	Mongol	150,000
Trinity Filmed Entertainment Ltd	Heartbeat Detector	5,000
Trinity Filmed Entertainment Ltd	Import / Export	5,000
Vertigo Distribution Ltd	Bronson	149,957
Vertigo Distribution Ltd	Faintheart	92,337
Vertigo Distribution Ltd	In Search Of A Midnight Kiss	5,000
Vertigo Distribution Ltd	Summer	5,000
Verve Pictures Ltd	Tis Autumn – The Search for Jackie Pears	4,776
Yume Pictures Ltd	Puffball	5,000
Yume Pictures Ltd	Young @ Heart	5,000
Total specialised Print and Advertising Awards 2008-09		4,191,751
Blue Barracuda Marketing Ltd	Audience Development Scheme	1,029,746
Total audience development awards 2008-09		1,029,746

Schedule to the financial statements

continued

Schedule 2: Lottery awards in the year ending 31 March 2009 continued

PRODUCER / ORGANISATION	FILM / PROJECT	£
Animate Projects Ltd	Publications Fund	12,350
Film Distributors Association Ltd	Publications Fund	10,000
Scriptease Ltd	Publications Fund	20,000
UKFilmNet	Publications Fund	20,000
Wallflower Publishing Ltd	Publications Fund	9,650
Total publications awards 2008-9		72,000
East Midlands Media Ltd	2008-10 Regional Lottery awards including 2012 partnerships and Digital Film Archive Fund	804,000
Film Education	Film Education Strategy	750,000
Film London Ltd	2008-10 Regional Lottery awards including 2012 partnerships and Digital Film Archive Fund	470,000
First Light Movies Ltd	First Light Scheme (2008-09)	1,135,000
First Light Movies Ltd	First Light Scheme (2009-10)	1,135,000
North West Vision & Media	2008-10 Regional Lottery awards including 2012 partnerships and Digital Film Archive Fund	818,307
Northern Film and Media Ltd	2008-10 Regional Lottery awards including 2012 partnerships and Digital Film Archive Fund	940,000
Screen East Ltd	2008-10 Regional Lottery awards including 2012 partnerships and Digital Film Archive Fund	940,000
Screen South Ltd	2008-10 Regional Lottery awards including 2012 partnerships and Digital Film Archive Fund	1,170,000
Screen West Midlands Ltd	2008-10 Regional Lottery awards including 2012 partnerships and Digital Film Archive Fund	986,000
Screen Yorkshire Ltd	2008-10 Regional Lottery awards including 2012 partnerships and Digital Film Archive Fund	790,000
Skillset Sector Skills Council	Skillset (2009-10)	5,400,000
South West Screen Ltd	2008-10 Regional Lottery awards including 2012 partnerships and Digital Film Archive Fund	1,000,000
Total other awards 2008-09		16,338,307
Total soft commitments 2008-09		41,064,788

The above list excludes soft commitments totalling £43,780 where the award was made and fallen in within the year.

Lottery Financial Statements

for the year ended 31 March 2009

Company no: 3815052

Statement of Directors' responsibilities	73
Statement on internal control	74
Auditors' report	76
Income and expenditure account	78
Statement of total recognised gains and losses	79
Balance sheet	80
Statement of cashflows	81
Notes to the financial statements	82
Schedule 1: Film rights at 31 March 2009	96
Schedule 2: Lottery awards in the year ending 31 March 2009	108
Schedule 3: Lottery awards made from UK Film Council delegations in the year ending 31 March 2008	118
Statutory background	126

Statement of Directors' responsibilities in respect of the accounts

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

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

The Directors of the UK Film Council are required to:

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

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

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

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

John Woodward
Chief Executive Officer
30 June 2009

Stewart Till CBE
Chairman
30 June 2009

Statement on internal control

Scope of responsibility

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

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

The purpose of the system of internal control

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

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of UK Film Council policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control includes adequate arrangements for detecting and responding to inefficiency, conflicts of interests and fraud, and prioritises those risks with the custody of assets and potential loss of Exchequer and Lottery grants. The system of internal control has been in place for the period ended 31 March 2009, and up to the date of approval of the annual report and financial statements, and accords with Treasury guidance.

Capacity to handle risk

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

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

The risk and control framework

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

The UK Film Council has incorporated risk management in planning and decision making, and maintains an organisation-wide risk register. Policy and operation risks are identified through the annual business planning cycle, and are evaluated by the Senior Management Team and me. We also consider the risks associated with holding and safeguarding information for operational or financial reporting purposes. Risk management and internal control are considered on a regular basis through the Senior Management Team, and the risks identified are monitored and controlled through a system of key performance and risk indicators, which are reported through the Quarterly Performance Review process.

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

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

Review of effectiveness

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

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

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

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

The internal auditors provide me annually with reports on the areas of activity within the UK Film Council subject to audit. The reports include the internal auditor's independent opinion on the adequacy and effectiveness of the UK Film Council's system of internal control during the reporting period, together with recommendations for improvement.

I can confirm that:

- UK Film Council complies with our current Lottery financial directions;
- adequate audit arrangements, both internal and external, are in place to support me 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 grant;
- UK Film Council has drawn up and maintains risk assessment and control procedures and risk registers;
- UK Film Council has suffered no protected personal data incidents during 2008/09 or during previous years, and has made no reports to the Information Commissioner's Office; and
- the systems of internal control were fully operational during the year and no weaknesses have been uncovered.

John Woodward

Chief Executive Officer and Accounting Officer

30 June 2009

The certificate and report of the Comptroller and Auditor General to the Houses of Parliament and the Scottish Parliament

I certify that I have audited the financial statements of the UK Film Council Lottery Distribution Fund for the year ended 31 March 2009 under the National Lottery Act 1993 (as amended). These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Directors, Chief Executive and auditor

The Directors and Chief Executive Officer, as Accounting Officer, are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the National Lottery Act 1993 (as amended) and directions made thereunder by the Secretary of State for Culture, Media and Sport, with the consent of HM Treasury and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Directors' Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view, and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Lottery Act 1993 (as amended) and directions made thereunder by the Secretary of State for Culture, Media and Sport, with the consent of HM Treasury. I report to you whether, in my opinion, the information, which comprises the Chief Executive Officer's review, the financial review of the business, and the monitoring and evaluation review, included in the Annual Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and whether the financial transactions conform to the authorities which govern them.

In addition, I report to you if the UK Film Council has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the UK Film Council's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Council's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the unaudited part of the Remuneration Report and all sections of the Annual Report except for the Chief Executive Officer's review, the financial review of the business and the monitoring and evaluation review. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Directors and Chief Executive Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the UK Film Council Lottery Distribution Fund's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern

them. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the National Lottery Act 1993 (as amended) and directions made thereunder by the Secretary of State for Culture, Media and Sport, with the consent of HM Treasury, of the state of the UK Film Council Lottery Distribution Fund's affairs as at 31 March 2009 and of its deficit, recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Lottery Act 1993 (as amended) and directions made thereunder by the Secretary of State for Culture, Media and Sport, with the consent of HM Treasury; and
- information – which comprises the Chief Executive Officer's review, financial review of the business and monitoring and evaluation review – included within the Annual Report, is consistent with the financial statements.

Opinion on regularity

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

Report

I have no observations to make on these financial statements.

Amyas C. E. Morse

Comptroller and Auditor General

9 July 2009

National Audit Office
151 Buckingham Palace Road
Victoria
London SW1W 9SS

Income and expenditure account for the year ended 31 March 2009

	NOTES	2008/09 £000	2007/08 £000
Income			
Proceeds from the National Lottery	8	28,148	27,093
National Lottery Distribution Fund investment income	8	1,410	2,250
Delegated Funds – Arts Council England		-	208
Recoupment income			
– Arts Council England portfolio	2	230	339
– UK Film Council portfolio	2	1,955	1,171
Other income		295	184
Total income		32,038	31,245
Regional awards		(3,200)	(3,500)
First Light scheme		(1,135)	(1,100)
Distribution and Exhibition awards		(3,707)	(5,245)
Digital Film Archive Fund		(1,398)	-
2012 Partnerships Fund		(100)	-
Training awards		(6,500)	(6,515)
Film festivals awards		(670)	(1,885)
Publications awards		(90)	(80)
Non-film rights awards		(16,800)	(18,325)
Statutory transfer to the Olympics	8	(1,466)	-
Arts Council England pre-committed expenditure		-	9
Costs apportioned from grant-in-aid	3	(7,465)	(7,387)
Pension service costs	5	(341)	(445)
Impairments against film rights	6	(14,153)	(14,531)
Total other expenditure		(23,425)	(22,354)
Total expenditure		(40,225)	(40,679)
Operating (deficit)/surplus		(8,187)	(9,434)
Bank interest receivable		217	376
Other financing (costs)/income	5	(2)	28
Interest and financing		215	404
Deficit on ordinary activities before taxation		(7,972)	(9,030)
Taxation charge	7	(65)	(104)
Retained deficit for the financial period		(8,037)	(9,134)

There were no material acquisitions or disposals during the year (2008: nil). All activities were on a continuing basis.

Statement of total recognised gains and losses for the year ended 31 March 2009

	2008/09 £000	2007/08 RESTATED £000
Deficit for the financial period	(8,037)	(9,134)
Movement on fair valuation reserve	107	480
Actuarial (loss)/gain in pension plan	(741)	882
Total recognised gains and losses relating to the year	(8,671)	(7,772)

Balance sheet as at 31 March 2009

	NOTES	2009 £000	2008 RESTATED £000
Current assets:			
Film rights	6	15,056	23,086
Balance at National Lottery Distribution Fund	8	44,549	44,041
Debtors: amounts falling due within one year	9	5,682	5,712
Debtors: amounts falling due after one year	9	-	3,269
Cash at bank and in hand		6,588	7,276
		71,875	83,384
Creditors: amounts falling due within one year			
Award commitments	11	(13,160)	(15,047)
Creditors	12	(21)	(128)
		(13,181)	(15,175)
Net current assets		58,694	68,209
Creditors: amounts falling due after one year			
Award commitments	11	(1,674)	(3,269)
Net assets excluding pension liability		57,020	64,940
Pension liability	5	(802)	(51)
Net assets including pension liability		56,218	64,889
Capital and reserves			
Lottery reserve	17	56,434	64,460
Fair valuation reserve	17	586	480
Pension reserve	17	(802)	(51)
		56,218	64,889

John Woodward
Chief Executive Officer
30 June 2009

Stewart Till CBE
Chairman
30 June 2009

Statement of cashflows for the year ended 31 March 2009

	NOTES	2008/09 £000	2007/08 RESTATED £000
Operating activities			
Funds received from the National Lottery Distribution Fund		27,584	22,696
Arts Council England delegated funds received		3,100	3,700
Arts Council England portfolio income		230	344
UK Film Council portfolio income		10,133	11,218
Other cash receipts		1,698	2,735
Overheads payments		(7,468)	(7,368)
Payment of hard commitments		(34,562)	(32,585)
Other cash payments		(1,547)	(1,053)
Net cash outflow from operating activities	15a	(832)	(313)
Tax paid		(102)	(106)
Return on investments and servicing of finance			
Bank interest received		246	378
Net cash outflow	15b	(688)	(41)

Notes to the financial statements

Note 1: Accounting policies

a) Basis of financial statements

These financial statements are prepared under the modified historical cost convention.

The financial statements have been prepared in accordance with the Accounts Direction issued by the Secretary of State for Culture, Media and Sport, and they meet the requirements of the Companies Acts 1985 and are in accordance with applicable Accounting Standards, except that certain headings have been amended in order to reflect special circumstances of the company, and, in the case of the treatment of hard and soft commitments, the requirements of the National Lottery etc Act 1993 (as amended) have been followed.

Following requirements of the Companies Act 2006, those Financial Reporting Standards relevant to Financial Instruments (FRS 25, 26 and 29) have been adopted for the year commencing 1 April 2008. Full implementation of International Financial Reporting Standards will take place for the year commencing 1 April 2009.

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

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

b) Accruals convention

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

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

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

c) Other Lottery awards

Lottery awards other than those for film rights are taken in full to the income and expenditure account, in the year in which the hard commitment is recognised.

d) Apportioned costs

The UK Film Council incurs costs which are shared between activities funded from grant-in-aid and activities funded from the National Lottery. The UK Film Council is required to apportion costs in accordance with good accounting practice. Costs wholly attributable to Lottery activities are distinguished and a calculation is performed on the basis of an individual departmental assessment of the costs attributable to Lottery activities of the service departments.

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

e) Fixed assets

All fixed assets owned by the UK Film Council are included in the grant-in-aid fund. Usage by the Lottery Fund is accounted for by means of a capital recharge from the grant-in-aid fund (see note 3).

f) National Lottery Distribution Fund

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

g) Financial instruments

The Lottery account's principal financial instruments are cash and holdings in the National Lottery Distribution Fund and, with the adoption of FRS 25, 26 and 29, film rights. The Lottery account has various other financial instruments such as trade debtors and trade creditors that arise directly from its operations. The main risks arising from the Lottery account's financial instruments are interest rate risk, liquidity risk, foreign currency risk and other price risk.

h) Film rights

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

With the adoption of the Financial Reporting Standards relating to Financial Instruments (FRS 25, 26 and 29), 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 balance sheet at fair value.

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

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

Impairments are made against film rights to the extent that full repayment of an advance, through actual receipts and the value of future estimated receipts, is considered doubtful. Advances for development and short film awards are fully impaired in the year of award unless there is a reasonable expectation of repayment.

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

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

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

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

i) Film recoupment income

Income received from a film right is offset against the value of the right on the balance sheet.

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

j) Foreign currencies

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

k) Leasing commitments

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

Notes to the financial statements

continued

l) Pensions

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

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

Note 2: Film right receipts and recoupment income

Arts Council England

Under the transfer agreement with Arts Council England, the UK Film Council receives all future income generated from rights in the portfolio of films transferred from Arts Council England.

Titles in receipt of income, identifying those over £100,000, in the year ended 31 March 2009 (2007/08: £339,000):

	£000
Billy Elliott	127
16 titles with income below £100,000	103
	230

UK Film Council

In the year ended 31 March 2009, 34 UK Film Council titles received income, which was taken against film rights on the balance sheet.

Titles in receipt of income, identifying those over £100,000, in the year ended 31 March 2009 (2007/08: £9,415,000) were:

	£000
28 Weeks Later	173
51st State	120
A Way through the Woods <i>aka</i> Separate Lies	148
Becoming Jane	206
Brick Lane	182
Bugs!	116
Creep	107
Ealing Icon development slate	279
Girl with a Pearl Earring	188
Heartlands	102
Man on Wire <i>aka</i> Reach the Clouds	295
Notes on a Scandal	699
Qwerty development slate	180
Sex Lives of the Potato Men	329
Stormbreaker	491
St Trinian's	918
Sunshine	731
The Cottage	291
The History Boys	175
The Last King of Scotland	649
This is England	212
WAZ	281
12 Titles with income below £100,000	1,389
	8,261

Income received on titles in surplus is taken to the income and expenditure account (2007/08: £1,171,000):

	£000
28 Days Later	159
28 Weeks Later	1,368
Adulthood	157
Bend it like Beckham	13
Fish Tank <i>aka</i> Andrea Untitled	7
Ladies in Lavender	5
Mike Bassett: England Manager	170
Summer of British Film Season	4
Tell No One	45
Touching the Void	1
Triangle	26
	1,955

Notes to the financial statements

continued

Note 3: Costs apportioned from grant-in-aid

	2008/09 £000	2007/08 £000
These costs include:		
Auditors remuneration – audit associated fees	21	20
Auditors remuneration – non-audit work	3	-
Capital recharge	214	189
Staff travel and subsistence – domestic	12	14
Staff travel and subsistence – foreign	91	103
Agency fees, freelance staff and secondments	83	8
Hospitality	43	42
Legal costs	297	325
Other professional fees	108	153

Note 4: Salary costs

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

	2008/09 £	2007/08 £
Andrew Eaton (retired 19 Oct 2008)	589	928
Rebecca O'Brien	2,356	2,042
Alison Owen (retired 19 Oct 2007)	-	928
Heather Rabbatts CBE	1,767	1,670
Marc Samuelson (retired 19 Oct 2007)	-	1,485
David Sproxton CBE (retired 19 Oct 2008)	1,271	3,289
Amanda Walsh	1,963	-

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

	2008/09 £000	2007/08 £000
Wages and salaries	2,096	2,083
Social Security costs	220	218
Pension service costs and other pension costs	191	212
	2,507	2,513

The average number of staff wholly employed on Lottery activities during the year was 36 (2007/08: 36).

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

	2008/09 £	%	ATTRIBUTABLE TO LOTTERY £
John Woodward (Age: 48)			
Salary and benefits	165,444		151,050
Bonus	32,498		29,670
Total	197,943	91.3%	180,720
Pension contribution	26,472		24,169

	2007/08 £	%	ATTRIBUTABLE TO LOTTERY £
Salary and benefits	162,818		144,664
Bonus	43,330		38,499
Total	206,148	88.9%	183,163
Pension contribution	24,692		21,939

Note 5: Pensions benefits

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

The pension scheme is of the defined benefit type and it is funded by employees and employers at actuarially determined rates. Employer contributions charged for members of the scheme amounted to £0.180 million (2007: £0.152 million)

Following the advice of the consulting actuaries to the LPFS, the UK Film Council's initial employer contributions (as a percentage of the pensionable salary) were set at 12.1% throughout the year (2007: 12.1%)

A valuation for FRS17 purposes as at March 2009 was carried out by a qualified independent actuary. The assumptions used by the actuary for FRS17 valuation purposes were:

Financial assumptions:	2009 %	2008 %
Rate of increase in salaries	4.6	5.1
Rate of increase in pension payments	3.1	3.6
Discount rate	6.9	6.9
Inflation assumption	3.1	3.6

Average life expectancy at 65:	MALES	FEMALES
Current pensioners	19.6 yrs	22.5 yrs
Future pensioners	20.7 yrs	23.6 yrs

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

	2009 LONG TERM RATE OF RETURN EXPECTED		2008 LONG TERM RATE OF RETURN EXPECTED	
	%	£000S	%	£000S
Equities	7.0	2,342	7.5	2,647
Bonds	5.5	411	6.3	916
Property	6.0	1,027	6.7	853
Cash	4.0	334	4.8	142
Total market value of assets		4,114		4,558
Present value of scheme liabilities		4,916		4,610
Net pension deficit		(802)		(52)

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

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

	31 MARCH 2009		31 MARCH 2008	
	% OF PAY	£000	% OF PAY	£000
Current service cost	9.9	283	16.1	445
Interest cost	15.2	332	10.8	271
Expected return on employers assets	(15.1)	(330)	(11.9)	(299)
Past service costs	2.5	58	-	-
Total		343		417
Actual return on plan assets		(1,306)		(107)

Notes to the financial statements

continued

Amount recognised in Statement of Total Recognised Gains and Losses (STRGL)

	2009	2008
Actuarial (losses)/gains	(741)	882
Actuarial (losses)/gains recognised in STRGL	(741)	882
Cumulative actuarial losses in STRGL	(923)	(182)

Changes in the present value of the defined benefit obligation are as follows:

	2009 £000	2008 £000
Opening defined benefit contribution	4,610	4,866
Current service cost	225	390
Interest cost	346	261
Contributions by members	179	145
Actuarial losses	(460)	(1,015)
Past service costs	58	-
Estimated benefits paid	(42)	(37)
Closing defined benefit obligation	4,916	4,610

Changes in the fair value of the plan are:

	2009 £000	2008 £000
Opening fair value of employers assets	4,558	4,050
Expected return on assets	344	299
Contributions by members	179	145
Contributions by employers	288	300
Actuarial losses	(1,259)	-
Benefits paid	(42)	(37)
Closing value of employers assets	4,114	4,558

A history of experience gains and losses is shown below:

	2009 £000	2008 £000
Fair value of employer assets	4,114	4,588
Present value of defined benefit obligation	(4,916)	(4,610)
Deficit	(802)	(52)
Experience (losses)/gains on assets	(1,382)	78
Experience losses on liabilities	-	(308)

	2007 £000	2006 £000
Fair value of employer assets	4,050	3,213
Present value of defined benefit obligation	(4,866)	(3,251)
	(816)	(38)
Experience gains on assets	34	437
Experience losses on liabilities	-	(17)

	2005 £000
Fair value of employer assets	3,205
Present value of defined benefit obligation	(3,246)
Deficit	(41)
Experience gains on assets	66
Experience losses on liabilities	(251)

Note 6: Film rights

	GROSS £000	IMPAIRMENTS £000	REPAYMENT £000	NET £000
At 1 April 2008 (restated)	192,372	(120,001)	(49,285)	23,086
Hard commitments made in the year	14,898	(9,220)	(110)	5,568
Movements on prior year commitments	-	(4,933)	(8,151)	(13,084)
Fair valuation adjustments in the year	106	-	-	(244)
Decommitments	(620)	-	-	(620)
At 31 March 2009 (schedule 1)	206,756	(134,154)	(57,546)	15,056

With the adoption of those Financial Reporting Standards relating to Financial Instruments (FRS 25, 26 and 29) 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 balance sheet at fair value.

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

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

As a result the opening balance as at 1 April 2008 has been restated, with an increase to the carrying value of film rights at that date of £480,000. At 31 March 2009 the fair valuation reserve stood at £586,000 after recoupment of £299,000 against the opening fair valuation and an adjustment for the year of £405,000.

Note 7: Tax on profit on ordinary activities

	2009 £000	2008 £000
Corporation tax payable for current year	65	104
	65	104

Taxation is payable on the interest earned by the UK Film Council at the rate of 30% (2007/08: 30%).

Notes to the financial statements

continued

Note 8: Balance at the National Lottery Distribution Fund

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

	2009 £000	2008 £000
Opening balance held at the National Lottery Distribution Fund	44,041	37,394
Income received from the Lottery	28,148	27,093
Transfer to Olympic Lottery Distribution Fund	(1,466)	-
Income received from the Lottery net of Olympic transfer	26,682	27,093
Investment income earned	1,410	2,250
Available for distribution	72,133	66,737
Cash drawn down	(27,584)	(22,696)
Market value at 31 March	44,549	44,041

At 31 March 2009, the cost of the investment in the fund was £44.04 million (2008: £43.95m). Income received from the Lottery shown above is after charging unrealised gains of £0.05 million (2008: £0.97m).

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

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

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

The first transfer of funds under the statutory instrument took place in February 2009, when the UK Film Council contributed £1.5 million. Further transfers are anticipated at quarterly intervals until July 2012.

Because this commitment is only seen to be crystallising at the point of the three monthly transfers, the remaining commitment of £20.3 million is not recorded in the balance sheet as at 31 March 2009.

The UK Film Council has published its plans for the period 2007/10. The plan assumes that the UK Film Council will continue to make an increased level of commitments over this period. As a consequence, the UK Film Council will make total commitments over the period in excess of its Lottery income and this will reduce cash balances over this period. The National Lottery Distribution Fund balance is expected to fall below £15 million by March 2010 and the Board will be closely monitoring the position.

Note 9: Debtors

	2009 £000	2008 £000
Debtors falling due within one year		
Arts Council England delegation funds	4,235	4,066
Prepayments and accrued income	327	273
Due from grant-in-aid fund	464	513
Other debtors	317	494
VAT debtor	341	366
	5,682	5,712
Debtors falling due after more than one year		
Arts Council England delegated funds	-	3,269
Total debtors	5,682	8,981

The Arts Council England debtor represents the undrawn delegated funds due to UK Film Council. Funds are drawn down to meet award cash requirements under the delegation and it is expected that all funds will be drawn down by 31 March 2010.

Note 10: Financial risks

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

Liquidity risks

In 2008/09, a net of £28.1 million (70%) (2008: £27.1 million, 66%) of the UK Film Council Lottery Fund's income was derived from the National Lottery. The remaining income comprises: investment returns from the balance held with the National Lottery Distribution Fund £1.4 million (3%) (2008: £2.2 million, 6%); income from film rights £8.2 million (20%) (2008: £9.4 million, 23%); delegated income from Arts Council England £nil (0%) (2008: £0.2 million, 1%); surplus on UK Film Council and Arts Council England investments, bank interest and sundry income £2.7 million (7%) (2008: £2.11 million, 4%).

The Board considers that, as the National Lottery Distribution Fund balance notified by the Secretary of State for Culture, Media and Sport and the UK Film Council's own Lottery cash holdings amount to £51.1 million (2008: £51.3 million) at the balance sheet date, sufficient liquid resources are available to cover all current hard and soft commitments totalling £34 million (2008: £31 million).

Interest rate risks

The UK Film Council's largest financial asset is retained in the National Lottery Distribution Fund, which invests in a narrow band of low risk assets such as government bonds and cash. Neither the UK Film Council nor its Board has any control over these investments. The interest rate risks in respect of these financial assets are disclosed in the accounts of the National Lottery Distribution Fund. At the year end, the balance sheet value of the UK Film Council's investment in the National Lottery Distribution Fund was £44.5 million (2008: £44.1 million) and the average return on these investments was 3.7% (2008: 6.05%).

Cash balances drawn from the fund to pay awards and operating costs, along with recouped funds, are held in variable rate bank accounts and the average interest rate return for the year was 3.1% (2008: 5.2%). The cash balance at the year end was £6.6 million (2008: £7.3 million). The Board considers that, in respect of these funds, the UK Film Council is not exposed to significant interest rate risks.

Other price risks

With the adoption of those Financial Reporting Standards relating to Financial Instruments (FRS 25, 26 and 29) in the year, 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 balance sheet at fair value.

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

Film rights at 31 March 2009 have a valuation of £15.06 million (2008: £23.01 million) and the Board considers that the UK Film Council is not exposed to significant other price risks.

Foreign currency risks

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

Notes to the financial statements

continued

Note 11: Award commitments

Soft commitments

	2009 £000	2008 £000
Brought forward at 1 April	12,754	19,978
Commitments made	41,108	26,157
Transferred back from hard commitments	22	46
Soft decommitments	(1,758)	(401)
Transferred to hard commitments	(32,995)	(33,026)
Balance carried forward at 31 March	19,131	12,754

Hard commitments

Brought forward at 1 April	18,316	20,857
Commitments made	32,995	33,026
Hard decommitments	(1,893)	(2,938)
Transferred to soft commitments	(22)	(46)
Amounts paid	(34,562)	(32,583)
Balance carried forward at 31 March	14,834	18,316

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

New hard commitments made during the year comprise:

	2009 £000	2008 £000
Film rights	14,898	14,637
Regional awards	3,200	3,500
First Light Movies awards	1,135	1,100
Distribution and exhibition awards	5,683	7,194
Digital Film Archive Fund awards	1,397	-
Training awards	6,500	6,515
2012 Partnerships awards	100	-
Publication awards	82	80
	32,995	33,026

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

Ageing of hard commitments

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

It is expected that all outstanding hard commitments as at 31 March 2009 will be fully paid by 31 March 2011. Commitments due after one year relate to the Digital Screen Network and the Film Festivals Fund.

Note 12: Creditors

Amounts falling due within one year

	2009 £000	2008 £000
Corporation Tax	21	50
Other creditors	-	78
	21	128

Note 13: Leases

At 31 March 2009, the Lottery fund had no commitments under non-cancellable operating leases. UK Film Council (non-Lottery) had annual commitments under non-cancellable operating leases as set out below:

	LAND & BUILDINGS 2009 £000	LAND & BUILDINGS 2008 £000
Operating leases which expire in over five years	315	315

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

Note 14: Capital commitments

At 31 March 2009 the Lottery Fund had no contracted capital commitments (31 March 2008: nil)

Note 15: Notes to the statement of cashflows

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

	2008/09 £000	2007/08 RESTATED £000
Operating deficit	(8,369)	(9,434)
Decrease in film rights	8,373	12,271
Decrease/(increase) in debtors	3,053	(503)
Decrease in creditors	(3,547)	(2,792)
Movement in pension liability	(342)	145
Net cash outflow from operating activities	(832)	(313)

b) Reconciliation of net cashflow to movements in funds

	2008/09 £000	2007/08 £000
Funds at 1 April	7,276	7,317
Decrease in cash	(688)	(41)
Funds at 31 March	6,588	7,276

Note 17: Movement in Lottery Fund reserve

	PENSION RESERVE £000	FAIR VALUATION RESERVE £000	I&E RESERVE £000	TOTAL LOTTERY RESERVE £000
Brought forward at 1 April 2008 (restated)	(51)	480	64,460	64,889
Deficit for the year	48	107	(8,210)	(8,055)
Movements on the STRGL:				
Actuarial gain in pension plan	(799)	-	-	(799)
As at 31 March 2009	(802)	587	56,250	56,035

Note 18: Reconciliations of transactions with delegate bodies

In 2008/09, delegation agreements with the Regional Screen Agencies, First Light Movies Ltd and Skillset Ltd were in place and fully operational for the purpose of distribution of Lottery funds. Transactions in these accounts relating to these delegations reconcile to transactions in the accounts of those organisations as follows:

Transactions in UK Film Council accounts:

	HARD COMMITMENTS IN 2008/09 £000	DELEGATE BODY CREDITOR AT 31 MARCH 2009 £000
EM Media	482	-
Film London	315	-
First Light Movies	1,135	-
Northern Film & Media	545	-
North West Vision & Media	508	-
Screen East	550	-
Screen South	665	-
Screen West Midlands	568	-
Screen Yorkshire	490	-
Skillset	6500	1,819
South West Screen	575	-
	12,333	1,819

Notes to the financial statements

continued

The following is extracted from the accounts of the organisations for the year ended 31 March 2009:

	RESERVES AT 1 APRIL 2008 £000	INCOMING FUNDS: UK FILM COUNCIL £000	INCOMING FUNDS: OTHER £000	OUTGOING FUNDS £000	RESERVES AT 31 MARCH 2009 £000
EM Media	292	482	45	(425)	394
Film London	324	315	6	(316)	329
First Light Movies Ltd	885	1,135	35	(1,432)	623
Northern Film & Media	201	545	6	(375)	377
North West Vision & Media	220	513	1	(254)	480
Screen East	497	550	10	(525)	532
Screen South	285	664	4	(502)	451
Screen West Midlands	324	568	9	(531)	370
Screen Yorkshire	107	490	5	(340)	262
Skillset	7,203	5,138	264	(6,317)	6,288
South West Screen	147	575	24	(492)	254
Total	10,485	10,975	409	(11,509)	10,360

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

Note 19: Intra-government balances

Balances due to UK Film Council Lottery operations:

	2008/09 £000	2007/08 £000
Funds held at the National Lottery Distribution Fund	44,549	44,041
Funds held at Arts Council England	4,235	7,335
Funds due from HM Revenue and Customs re VAT	341	366

Balances due from UK Film Council Lottery operations:

Balance due to HM Revenue and Customs re corporation tax	21	50
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Note 20: Date authorised for issue

There were no reportable post-balance sheet events between the balance sheet date and 9 July 2009, the date the accounts were certified by the Comptroller and Auditor General. The financial accounts do not reflect events after this date.

Note 21: Related parties

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

application appraisal, discussion and decision process within the UK Film Council.

The following related party transactions occurred during the period:

ORGANISATION	NAME	RELATIONSHIP TO RECIPIENT ORGANISATION	NEW AWARDS 2008/09 £	AWARD OUTSTANDING 31 MARCH 2009 £
Directors of UK Film Council				
APT Films Ltd	Thomas Hoegh	Director	5,000	-
British Film Institute ⁽¹⁾	Greg Dyke	Chair	69,581	16,138
	Elisabeth Murdoch	Partner of Governor		
Film Distributors' Association Ltd	Josh Berger	Director	10,000	-
First Light Movies Ltd ⁽²⁾	Barbara Broccoli	Chair	1,135,000	
FMO Films Ltd	Gail Egan	Director	25,000	550
Mango Films Ltd	Rebecca O'Brien	Director	625,000	25,000
Met Films Ltd	Thomas Hoegh	Director	15,000	15,000
Potboiler Productions Ltd	Gail Egan	Director	102,500	66,194
Revolution Films Ltd	Andrew Eaton	Director	33,500	2,650
Screen South Ltd ⁽³⁾	Pippa Cross	Director	705,000	20,000
Sixteen Films Ltd	Rebecca O'Brien	Director	17,750	-
Skillset ⁽⁴⁾	Stewart Till	Deputy Chair	6,620,000	1,818,596
Slingshot Productions Ltd	Thomas Hoegh	Director	9,995	-
Vue Entertainment Holdings (UK) Ltd	Stephen Knibbs	Chief Operating Officer	-	614,289
Employees of UK Film Council				
Apocalypse Films	Tanya Seghatchian	Director	70,000	70,000
Edinburgh International Film Festival Ltd	Lizzie Francke	Advisory Board Member		959,614
Home Movies Ltd ⁽⁵⁾	Chris Collins	Director	-	156,108
Skillset ⁽⁴⁾	John Woodward	Director	6,620,000	1,818,596
Verve	Lenny Crooks	Partner of Producer	-	5,000

⁽¹⁾ The British Film Institute (BFI), a charity established by Royal Charter, receives UK Film Council funding to assist in its championing of moving image culture, education and heritage. In 2008/09 it received lottery funding for the release of specific archive films.

⁽²⁾ First Light Movies is a charity, receiving UK Film Council Funding to offer children and young people more opportunities to participate and learn about film making.

⁽³⁾ Screen South is one of the Regional Screen Agencies. These were established to co-ordinate film policy, strategy and delivery across England.

⁽⁴⁾ Skillset is the Sector Skills Council (SSC) for Creative Media and receives UK Film Council funding to implement the Bigger Future Skills Strategy to provide training across the industry.

⁽⁵⁾ Home Movies Ltd is a member of the Jupiter superslate consortium which receives Development Slate funding.

In addition £297,694 was paid to Olswang Solicitors for professional services rendered in the year. Mark Devereux is a Senior Partner in this firm.

Thomas Hoegh is Managing Director of Arts Alliance, the providers of the equipment for the digital screen network.

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

Schedules to the financial statements

Schedule 1: Film rights as at 31 March 2009

AWARD RECIPIENT	FILM/PROJECT	GROSS AWARD	RESTATED BALANCE AS AT 1 APRIL 2008	NEW COMMS	RECPT	DECOMMS	FAIR VALUATION MOVEMENT	IMPTS	BALANCE AS AT 31 MARCH 2009
Premiere Fund awards									
1939 Ltd	1939			950,000				(408,500)	541,500
Alienate Ltd	How to Lose Friends and Alienate People			127,250				(127,250)	-
Boogie Woogie Ltd	Boogie Woogie			10,000				(10,000)	-
Cheri Productions Ltd	Cheri			1,075,000				(1,075,000)	-
Dorian Gray Ltd and Dorian Gray Films Ltd	Dorian Gray			500,000				(100,000)	400,000
Ecosse Films Ltd	Nowhere Boy			1,200,000					1,200,000
Father Features Ltd	And When Did You Last See Your Father?			30,000				(30,000)	-
Harry Brown Film Ltd and Harry Brown Production Ltd	Harry Brown			1,002,225				(340,756)	661,469
RPC Franklyn Ltd	Franklyn			80,000				(80,000)	-
Running Man Ltd	50 Dead Men Walking			8,500				(8,500)	-
Triangle Films Ltd	Triangle			1,625,500				(853,750)	771,750
Development Fund awards									
104 Films Ltd	Vision award			30,000				(22,500)	7,500
A Box of Trix Productions Ltd	Avenging Angels			25,000				(25,000)	-
Adam and Eve Productions Ltd	Adam, The Serpent and Eve			94,000				(94,000)	-
Adventure Pictures Ltd	Untitled Sally Potter projects			50,000					50,000
Amoeba Films Ltd	The Pervert's Guide to Ideology			10,000				(10,000)	-
Anna Duffield	Aberdeen Angus			6,000				(6,000)	-
Anton Corbijn Ltd	Go Gahr Go			15,000		(12,549)		(2,451)	-
Applecross Productions Ltd	Exile			75,000				(75,000)	-
Archer Street Ltd	Margot and Rudi			45,000				(45,000)	-
Artangel Trust Ltd	The Arbor aka Buttershaw			25,000				(25,000)	-
Autonomous Pictures Ltd	The Narrow Frame of Midnight			34,756				(34,756)	-
B19 Media (London) Ltd	Freestyle			15,000				(15,000)	-
Bend It Films Ltd	Untitled Gurinder Chadha			50,000					50,000
Big Yes Production Ltd	Beckett in Love			16,500				(16,500)	-
BLTV (Ben Lewis Television) Ltd	Love Letters from the Gulag			5,000				(5,000)	-
Blueprint Pictures Ltd	War Reporting for Cowards			13,250				(13,250)	-
Catherine Shepherd	Like a Virgin			14,500				(14,500)	-
Company Films Ltd	Games for Winter			21,900				(21,900)	-
Cowboy Films Ltd	The Predictive Text			5,000				(5,000)	-
Cuba Pictures Ltd	An Equal Music			26,500				(26,500)	-

Schedule 1: Film rights as at 31 March 2009 continued

AWARD RECIPIENT	FILM/PROJECT	GROSS AWARD	RESTATE BALANCE AS AT 1 APRIL 2008	NEW COMMS	RECPT	DECOMMS	FAIR VALUATION MOVEMENT	IMPTS	BALANCE AS AT 31 MARCH 2009
Dan Films Ltd	Vision award			75,000				(56,250)	18,750
Delirious Productions Ltd	Die Laughing			22,000				(22,000)	-
Desperate Optimists Productions Ltd	Mister John			25,000				(25,000)	-
Dibb Directions Ltd	The Solitary Life of Donny Johnson			6,000				(6,000)	-
Distant Thunder Ltd	Distant Thunder			15,000				(15,000)	-
Easter Partisan Ltd	My Granny Made Me an Anarchist			50,000				(50,000)	-
Ecosse Films Ltd	Nowhere Boy			35,500	(35,500)				-
Ecosse Films Ltd	Untitled Ian Fleming			10,250				(10,250)	-
Elene Fuller	Greener			10,000				(10,000)	-
Esperanto Films Ltd	A Boy and His Shoe			50,000					50,000
Esperanto Films Ltd	Planespotters			100,000				(100,000)	-
Feelgood Fiction Ltd	One Last Time			22,500				(22,500)	-
Fiesta Productions Ltd	Nanny			25,500				(25,500)	-
Fiesta Productions Ltd	Vision award			75,000				(56,250)	18,750
Fireparty Ltd	Greenland Time			20,000				(20,000)	-
Flying Scotsman Films Ltd	Justified Sinner			45,000				(45,000)	-
Forthcoming Productions Ltd	Trap for Cinderella			25,000				(25,000)	-
Free Range Films Ltd	Hyde Park on Hudson			47,540					47,540
Free Range Films Ltd	White Rose Rebel			51,250				(51,250)	-
Handheld Movies Ltd	Jane Austen			21,000				(21,000)	-
Handsome Features Ltd	Summer of Discontent			30,000				(30,000)	-
Hania & Gaia Elkington	Len and Maeve's Fool's Emporium			10,000				(10,000)	-
Headline Pictures (Pan in Scarlet) Ltd	Peter Pan in Scarlet			122,750				(122,750)	-
HK Films Ltd	The Black Album			70,000				(70,000)	-
Hopscotch Films Ltd	The Story of Film			100,000				(100,000)	-
Hot Property Ltd	Slow Motion Explosion			10,000				(10,000)	-
Human Film Ltd	Um Hussein			17,750					17,750
John Crowley	Iggy			5,000				(5,000)	-
Jump Monk Films Ltd	Self Made			25,000				(25,000)	-
Kasander (Development) Ltd	Cross My Mind			35,000				(35,000)	-
Kasander Films (Andrea Untitled) Ltd	Fish Tank aka Andrea Untitled			20,000	(20,000)				-
Keel Films Ltd	Maps for Lost Lovers			12,500				(12,500)	-
Left Bank Pictures (Film) Ltd	Vision award			75,000				(56,250)	18,750
Liberty Films Entertainment Ltd	Mute			45,750				(45,750)	-
Loop Film Productions Ltd	In the Loop			48,825	(48,825)				-
Magic Light Pictures Ltd	The Night Country			16,750				(16,750)	-

Schedules to the financial statements

continued

Schedule 1: Film rights as at 31 March 2009 continued

AWARD RECIPIENT	FILM/PROJECT	GROSS AWARD	RESTATED BALANCE AS AT 1 APRIL 2008	NEW COMMS	RECPT	DECOMMS	FAIR VALUATION MOVEMENT	IMPTS	BALANCE AS AT 31 MARCH 2009
Magic Light Pictures Ltd	Worst Contract			83,000				(83,000)	-
Makar Productions Ltd	Beatrice's Father			19,900				(19,900)	-
Matt Haig	Planet Earth			15,000				(15,000)	-
Mirage (Europe) Ltd	The Two Faces of January			121,579				(121,579)	-
Modern Films Ltd	Under the Skin			32,999					32,999
Natasha Wood	Rolling with Laughter			27,000				(17,000)	10,000
NDF International Ltd	Last Passenger			27,400				(27,400)	-
Neth Knowles	The Bailey Method			10,300				(10,300)	-
New Boots and Panties Ltd	Sex & Drugs & Rock & Roll			32,000					32,000
Oxygen Films Ltd	Blackwaterside			23,500				(23,500)	-
Parallax East Ltd	Bite			14,000				(14,000)	-
Parallax East Ltd	Buddha-Da			43,250				(43,250)	-
Pender Productions Ltd	Diva			42,000				(42,000)	-
Poisson Rouge Pictures Ltd	Gone too Far			25,000				(25,000)	-
Portobello Pictures Ltd	Darkness at Noon			50,000				(50,000)	-
Potboiler Productions Ltd	Kodak Cowboy			12,500				(12,500)	-
Potboiler Productions Ltd	Vision award			75,000				(56,250)	18,750
Qwerty Films Ltd	Vision award			75,000				(56,250)	18,750
Red Room Films Ltd	Stratford Road			28,000				(28,000)	-
Revolution Films Ltd	The Promised Land <i>aka</i> Untitled Israel Project			58,500				(58,500)	-
Revolution Films Ltd	Vision award			75,000				(56,250)	18,750
Richard Fordyce	Guardian of the Shore			10,600				(10,600)	-
Richard T Kelly	Lucie Gunn			14,500				(14,500)	-
Ruby Films Ltd	Tamara Drewe			57,625				(57,625)	-
Ruby Films Ltd	The Boleyn Inheritance			104,275				(104,275)	-
Runaway Fridge Films Ltd	Madolescents			34,250				(34,250)	-
Ruth McCance	Capital			23,500				(23,500)	-
See-Saw Films Ltd	Vision award			75,000				(56,250)	18,750
Shelley Productions Ltd	The Basildon Brawl			12,500				(12,500)	-
Sigma Films Ltd	Mr Tourette and I			10,000				(10,000)	-
Sigma Films Ltd	Vision award			75,000				(56,250)	18,750
Slate Films Ltd	Half of a Yellow Sun			39,375				(39,375)	-
Stealth Films Ltd	Despatched			60,700				(60,700)	-
Sterling Pictures Ltd	Something Different			25,000				(25,000)	-
Talawa Theatre Company Ltd	Talawa writers group			5,000				(5,000)	-
Tempo Productions Ltd	The Lancashire Witches			11,650				(11,650)	-
The Borough Film Company Ltd	Blood Oil			40,250				(40,250)	-

Schedule 1: Film rights as at 31 March 2009 continued

AWARD RECIPIENT	FILM/PROJECT	GROSS AWARD	RESTATED BALANCE AS AT 1 APRIL 2008	NEW COMMS	RECPT	DECOMMS	FAIR VALUATION MOVEMENT	IMPTS	BALANCE AS AT 31 MARCH 2009
The First Film Company Ltd	Bomber			19,000				(19,000)	-
The Producers Films Ltd	Kith and Kin			32,750				(32,750)	-
The Resource Base Ltd	A Necessary Life			10,000				(10,000)	-
The Script Connection	Script Connection			60,000				(60,000)	-
Third Films Ltd	Frontier			17,600				(17,600)	-
Three Rivers Ltd	Mad About the Boy			27,237					27,237
Trademark Films Ltd	My Week with Marilyn			7,623				(7,623)	-
Vertigo Films Ltd	Vision award			75,000				(56,250)	18,750
Warp Films Ltd	Vision award			75,000				(56,250)	18,750
Wellington Films Ltd	A Man's Story			13,500					13,500
Wilder Films Ltd	Laid Off			19,600				(19,600)	-
Workhorse Entertainment Ltd	La Mula			29,673					29,673
Yaffle Films Ltd	The Monsoon Shootout			17,000					17,000
Young Films Ltd	The Strangest Thing			24,575				(24,575)	-
New Cinema Fund awards									
011 Productions Ltd	You're the Stranger Here (<i>short</i>)			25,000				(25,000)	-
104 Films Ltd	Digital shorts			40,000				(40,000)	-
2FC Ltd	Hatemail			6,600				(6,600)	-
Adulthood Ltd	Adulthood			50,000					50,000
Adventure Pictures (Rage) Ltd	Rage			200,000				(100,000)	100,000
B3 Media	Digital shorts			97,200				(97,200)	-
Better Things Ltd	Better Things			2,995				(2,995)	-
Cinema Two SPV 2 Ltd	Summer			17,750				(17,750)	-
DigiCult Ltd	Digital shorts			40,000				(40,000)	-
East Midlands Media Ltd	Digital shorts			80,000				(80,000)	-
Fifth Column Films Ltd	Domestics			5,975				(5,975)	-
Film London Ltd	Digital shorts			80,000	(4,691)			(75,309)	-
FMO Films Ltd	Five Miles Out (<i>short</i>)			25,000				(25,000)	-
Glasgow Media Access Centre Ltd	Digital shorts			10,000				(10,000)	-
H.S.I. London Ltd	Songs for my Mother			25,000				(25,000)	-
H.S.I. London Ltd	The Devil's Wedding (<i>short</i>)			7,000				(7,000)	-
Imagine Pictures Ltd	Little Red Hoodie (<i>short</i>)			25,000				(25,000)	-
Jonathan Blakeson	The Appointment (<i>short</i>)			8,575				(8,575)	-
Kasander (Andrea Untitled) Ltd	Fish Tank			570,000				(322,000)	248,000
Lifeseize Pictures Ltd	Managing company for short film programme			263,953				(263,953)	-

Schedules to the financial statements

continued

Schedule 1: Film rights as at 31 March 2009 continued

AWARD RECIPIENT	FILM/PROJECT	GROSS AWARD	RESTATED BALANCE AS AT 1 APRIL 2008	NEW COMMS	RECPT	DECOMMS	FAIR VALUATION MOVEMENT	IMPTS	BALANCE AS AT 31 MARCH 2009
Loop Film Production Ltd & Loop Film Distribution Ltd	In the Loop			515,000				(321,875)	193,125
Mango Films (Jean Charles) Ltd	Jean Charles			650,000				(325,000)	325,000
Mountain Productions Ltd	White Lightnin'			56,393				(56,393)	-
New Boots and Panties Ltd and New Boots and Panties 2 Ltd	Sex & Drugs & Rock & Roll			700,000				(350,000)	350,000
North West Vision and Media Ltd	Digital shorts			40,000				(40,000)	-
Northern Film & Media Ltd	Digital shorts			80,000	(397)			(79,603)	-
Northern Ireland Screen	Digital shorts			40,000				(40,000)	-
Number 9 Films (Junior) Ltd	Son of Eurovision aka Starstruck			42,600				(42,600)	-
Oxygen Films Ltd	Blackwaterside (pilot)			10,000				(10,000)	-
Parkville Pictures Ltd	The Wake aka This is What Ralph Does			5,800				(5,800)	-
Redbag Pictures Ltd	The End of the Affair			4,975				(4,975)	-
Screen East Ltd	Digital shorts			40,000				(40,000)	-
Screen South Ltd	Digital shorts			40,000	(80)			(39,920)	-
Screen West Midlands Ltd	Digital shorts			90,000				(90,000)	-
Screen Yorkshire Ltd	Digital shorts			40,000				(40,000)	-
Seefood Ltd	Wasted (short)			8,850				(8,850)	-
Signal Films Ltd	Dead Dog (short)			4,270				(4,270)	-
Signal Films Ltd	Ralph aka The Wake (short)			5,800				(5,800)	-
Skywalk Pictures Ltd	Tea Shop Asylum (pilot)			9,950				(9,950)	-
South West Screen Ltd	Digital shorts			80,000				(80,000)	-
Tony Pictures Ltd	Tony			23,000					23,000
Trinamite Productions Ltd	Unborn			4,955				(4,955)	-
Wall to Wall (Egypt) Ltd	Man on Wire aka Reach the Clouds			35,000					35,000
Warp X (Bunny) Ltd	Bunny and the Bull			239,590				(179,693)	59,898
Warp X (Punch) Ltd	Punch aka Donkey Punch			9,368		3,123			12,490
Warp X / Tigerlily (Chinoise) Ltd	La Chinoise			62,336				(46,752)	15,584
Total hard commitments made 2008/09				14,898,391	(109,493)	(9,427)		(9,219,957)	5,559,514

Schedule 1: Film rights as at 31 March 2009 continued

AWARD RECIPIENT	FILM/PROJECT	GROSS AWARD	RESTATED BALANCE AS AT 1 APRIL 2008	NEW COMMS	RECPT	DECOMMS	FAIR VALUATION MOVEMENT	IMPTS	BALANCE AS AT 31 MARCH 2009
Film rights as at 1 April 2008									
Premiere Fund awards									
Alienate Ltd	How to Lose Friends and Alienate People	1,344,000	1,061,760		(9,977)			(1,051,783)	-
Ariel Films Ltd	Sylvia aka Ted and Sylvia	2,497,463	69,320					(59,320)	10,000
Becoming Jane Films Ltd	Becoming Jane	1,513,062	395,127		(206,103)			(100,000)	89,024
Brideshead Production Company Ltd	Brideshead Revisited	1,439,406	936,406		(20,885)			(911,406)	4,115
Cine B and Tubedale Films Ltd	L'Homme du Train	500,000			(5,388)			5,388	-
Closing the Ring Ltd	Closing the Ring	2,101,886				(4,950)		4,950	-
Dan Films Ltd	Creep	1,260,000			(106,296)			106,296	-
Devotion Films Ltd	Sex Lives of the Potato Men	1,955,589	193,469		(328,686)			135,217	-
Driving Lessons Ltd	Driving Lessons	917,303	57,427		(40,408)				17,020
Fragile Films Ltd	Valiant	2,580,645				(5,000)		5,000	-
Fragile St Trinians Ltd and Mayhem Films Ltd	St Trinian's	1,432,000	1,115,143		(917,784)				197,359
Hallmark Entertainment Productions Ltd and Hallmark Entertainment Distribution Ltd	Mike Bassett: England Manager	1,233,000	35,738		(35,738)		50,000		50,000
Hopping Mad Distribution (IOM) Ltd and Miss Potter Inc	Miss Potter	1,200,000	49,173					(49,173)	-
Important Films Ltd	The Importance of Being Earnest	1,320,000	56,106						56,106
Ladies in Lavender Ltd	Ladies in Lavender	1,979,850			(5,174)	(5,000)		10,174	-
LWH Films Ltd	Moon Princess	1,231,156	911,156					(911,156)	-
Lyric Films Ltd	Life 'n Lyrics	207,200	10,000						10,000
Magic Men Ltd	Magicians	317,500			(9,908)			9,908	-
Mischief Night Ltd	Mischief Night	800,000	9,610						9,610
Northern Souls Films Ltd	Love and Hate aka Northern Souls	866,964	9,610		(258)				9,352
Picture Farm (The Escapist) Ltd	The Escapist	799,396	628,340		(58,711)			(238,627)	331,002
Pont Neuf Ltd	French Film	179,830	179,830		(6,034)			(152,856)	20,940
Recorded Picture Company Ltd	Franklyn	1,000,000	671,241		(15,995)			(655,245)	-
Revolution Films Ltd	Code 46	1,565,063			(673)			673	-
Samuelson Bertie Ltd	Stormbreaker	2,300,000	610,588		(490,588)			(120,000)	-
Sandfairy Productions Ltd	Five Children and It	2,671,500			(869)			869	-
Severance Films Ltd	P45 aka Severance	750,000	152,608		(71,905)	(5,871)			74,832

Schedules to the financial statements

continued

Schedule 1: Film rights as at 31 March 2009 continued

AWARD RECIPIENT	FILM/PROJECT	GROSS AWARD	RESTATED BALANCE AS AT 1 APRIL 2008	NEW COMMS	RECP	DECOMMS	FAIR VALUATION MOVEMENT	IMPTS	BALANCE AS AT 31 MARCH 2009
Shylock Trading Ltd	The Merchant of Venice	604,720				(5,000)		5,000	-
Snow Cake Films Ltd	Snow Cake	1,100,000	192,094		(40,270)				151,825
Steel Mills (Yorkshire) Ltd and The Cottage Steel Mill Cottage (IOM) Ltd		770,000	308,000		(290,947)				17,053
Untitled '03 Ltd and Untitled Productions '03 Ltd	Vera Drake aka Untitled M Leigh	1,277,632	64,426		(26,014)				38,412
Untitled '06 Distribution Ltd	Happy Go Lucky aka Untitled M Leigh 2	1,200,000	240,000			(17,045)		(222,955)	-
Valhalla Films Ltd	Faintheart	325,000	325,000					(292,500)	32,500
Venus Pictures Ltd	Venus	1,000,000	50,843		(10,184)				40,659
WAZ Distribution Ltd	WAZ	932,017	325,460		(281,341)				44,120
Young Pirate Films Ltd	The Festival	700,000	15,195					(15,195)	-
Zephyr Films Houdini Ltd	Death Defying Acts	800,455	800,455					(800,455)	-
Development Fund awards									
50 Cannon Entertainment Ltd	Box of Delights	87,333				(3,750)		3,750	-
Acid Bath Ltd	Ghetta Life	10,754				(472)		472	-
Advance Party Films	Rounding Up Donkeys	18,375	18,375						18,375
Archer St Ltd	Incendiary	66,750				(375)		375	-
Assassin Films Ltd	Edwina and Nehru	5,000				(694)		694	-
Autonomous Ltd	Boogie Woogie	23,300	23,300			(6)			23,294
Cougar Films Ltd	@	12,000				(688)		688	-
Cougar Films Ltd	Black Ice	4,500				(457)		457	-
Cougar Films Ltd	Jean Lee	50,416				(9,580)		9,580	-
Cougar Films Ltd	Mind the Gap	25,725				(8,413)		8,413	-
Dan Films Ltd	Triangle	84,732	84,732		(84,732)				-
David P Kelly Productions Ltd	Just the Two of Us	33,000				(2,000)		2,000	-
DDTF Ltd	Lucky Clover	35,000				(7)		7	-
Deep Blue River Films Ltd	One Fine Day in the Middle of the Night	55,100				(83)		83	-
Ecosse Films Ltd	Brideshead Revisited	37,000	37,000						37,000
Escape Pictures Ltd	Wedding project	45,176				(1,690)		1,690	-
Feelgood Fiction Ltd	Rose of Tralee	8,875				(4,620)		4,620	-
Fever Ltd	Fever	29,980				(2,000)		2,000	-
Freerange Films Ltd	Headlong	52,000				(1,000)		1,000	-
Gruber Films Ltd	D	30,000				(5,248)		5,248	-
Harbour Pictures Ltd	Operatunity	31,750				(20,000)		20,000	-
Haystack Productions Ltd	In Every Dream Home	27,600				(2,854)		2,854	-

Schedule 1: Film rights as at 31 March 2009 continued

AWARD RECIPIENT	FILM/PROJECT	GROSS AWARD	RESTATED BALANCE AS AT 1 APRIL 2008	NEW COMMS	RECPT	DECOMMS	FAIR VALUATION MOVEMENT	IMPTS	BALANCE AS AT 31 MARCH 2009
Heyman Hoskins Ltd	Estate	74,750				(2,000)		2,000	-
Holdings Ecosse Ltd t/a Sell Out Pictures	VIY	18,250				(11,070)		11,070	-
Impact Pictures Ltd	100 Voices	28,000				(15,375)		15,375	-
Impact Pictures Ltd	Underground	29,250				(24,250)		24,250	-
Jodhi May	L'Amour Fou	15,500				(2,000)		2,000	-
Kasander (Andrea Untitled) Ltd	Andrea Untitled	29,200	29,200		(29,200)				-
Kindle Entertainment Ltd	Journey Through Midnight	14,000	14,000					(14,000)	-
Litmus Films Ltd	Patrick Robertson	98,895				(4,500)		4,500	-
Lotus Films Ltd	The Mutes	27,000				(10,750)		10,750	-
Magic Light Pictures Ltd	Three Way Split	8,000				(2,500)		2,500	-
Magic Light Pictures Ltd	Untitled Hunter/Hunsinger	59,000				(3,834)		3,834	-
Mango Films Ltd	Jean Charles	15,000	15,000		(15,000)				-
Marcel Theroux	Rent-a-Wife	15,000				(2,000)		2,000	-
Merchant Ivory Productions Ltd	Independent People	42,000				(24,000)		24,000	-
Midfield Films Ltd	Storage	50,408				(20,300)		20,300	-
Modern Films Ltd	School	29,000				(14,250)		14,250	-
Modern Films Ltd	Under the Skin	111,949	111,949						111,949
Number 9 Films Ltd	Dan Leno	150,840				(82,750)		82,750	-
Number 9 Films Ltd	Hendrix	148,750				(41,088)		41,088	-
Number 9 Films Ltd	Perrier's Bounty	45,150				(7,650)		7,650	-
Oscar Films Ltd	Little Sister	19,360				(500)		500	-
Parallax Independent Ltd	Cross Your Heart	19,000				(1,247)		1,247	-
Passion Pictures Ltd	How I Live Now	95,465	(1)					1	-
Pearl Pictures Ltd	The Rose Grower	85,000				(30,000)		30,000	-
Peter Chelsom Productions Ltd	Between the Frames	32,000				(10,000)		10,000	-
Prospect Entertainment Ltd	My Soul to Keep	32,375				(2,500)		2,500	-
Qwerty Films Ltd	Georgiana, Duchess of Devonshire	59,925	49,866		(7,899)				41,967
Qwerty Films Ltd	P45 aka Severance	27,750	27,750						27,750
Qwerty Films Ltd	Trust	65,438				(23,625)		23,625	-
Rubicon Films Ltd	The Third Day	41,850				(88)		88	-
Ruby Films Ltd	Coram Boy	69,292	(1)					1	-
Ruby Films Ltd	DJ Plum	36,000				(1,000)		1,000	-
Scarlet Pictures Ltd	Balance of Power	7,000				(7,250)		7,250	-
Scorpio Films Ltd	Living with the Parents	10,000				(1,500)		1,500	-

Schedules to the financial statements

continued

Schedule 1: Film rights as at 31 March 2009 continued

AWARD RECIPIENT	FILM/PROJECT	GROSS AWARD	RESTATED BALANCE AS AT 1 APRIL 2008	NEW COMMS	RECPT	DECOMMS	FAIR VALUATION MOVEMENT	IMPTS	BALANCE AS AT 31 MARCH 2009
Scorpio Films Ltd	Stupid Cupid	14,000				(125)		125	-
Shine Ltd	Friends Forever	24,500				(4,000)		4,000	-
Shine Ltd	Steerwood	24,500				(4,000)		4,000	-
Shona Productions Ltd	Young Blood	25,250				(9,500)		9,500	-
Sidewalk Films Ltd	Sickened	36,500				(8,250)		8,250	-
Slate Films Ltd	Sahida	17,680				(4,750)		4,750	-
Slate Films Ltd	Stiff	51,750	51,750					(51,750)	-
Sprout Productions Ltd	Johannesburg	21,555			(582)			582	-
Telescope Pictures Ltd	Eustace Diamonds	31,433				(5,000)		5,000	-
The First Film Company Ltd	Bomber aka Joe the King	43,975	43,975					(43,975)	-
Tigerlily Films Ltd	Crossed Wires	33,200				(25,200)		25,200	-
Vestry Films Ltd	A Woman In Winter	31,500				(5,000)		5,000	-
Vestry Films Ltd	New Town Killers	36,000	36,000		(36,000)				-
Warp Films Ltd	Eighth Vein	20,000	20,000					(20,000)	-
Development Slate awards									
Capitol Films Productions Ltd	Slate funding	1,200,000	300,000		(34,207)			(265,793)	-
Domino Pictures Ltd	Slate funding	900,000			(82,164)			82,164	-
Ecosse Films Ltd	Slate funding	530,000			(77,792)			77,792	-
Fragile Films Ltd	Slate funding	650,000	252,930		(279,275)			26,345	-
Jupiter Projects Ltd	Slate funding	600,000	400,000		(72,108)				327,892
Number 9 Films (Slate) Ltd	Slate funding	1,200,000	339,129						339,129
One Way Film and TV Ltd	Comedy slate	255,500	127,750					(127,750)	-
Pathé Productions Ltd	Slate funding	1,400,000	462,500		(77,258)	(50,000)			335,243
Qwerty Films Ltd	Slate funding	500,000			(179,674)			179,674	-
New Cinema Fund awards									
A Woman in Winter Ltd	A Woman In Winter	392,200			(300)	(5)		305	-
Adulthood Ltd	Adulthood	520,000	132,400		(1)				132,399
Adventure Pictures (Yes) Ltd	Yes	449,500	9,531						9,531
Anita Productions Ltd	Anita and Me	675,000	55,476		(48)			(45,000)	10,428
Appointed Limits Ltd	Appointed Limits aka Deep Water	387,628	29,794		(5,388)	(8,614)			15,792
APT Film and Television Ltd	Appointed Limits aka Deep Water	10,000	10,000					(10,000)	-
B3 Media	Digital shorts	56,200	56,200					(56,200)	-
Beastly Films Ltd	The Restraint of Beasts	345,000				(4,717)		4,717	-

Schedule 1: Film rights as at 31 March 2009 continued

AWARD RECIPIENT	FILM/PROJECT	GROSS AWARD	RESTATED BALANCE AS AT 1 APRIL 2008	NEW COMMS	RECPT	DECOMMS	FAIR VALUATION MOVEMENT	IMPTS	BALANCE AS AT 31 MARCH 2009
Better Things Ltd	Better Things	269,312	75,211					(60,211)	15,000
Bright Star Ltd	Bright Star	600,000	300,000						300,000
Cheeky Monkey Films UK Ltd	Crack Willow	145,000	75,000						75,000
Cinema Two SPV 2 Ltd	Summer	450,000	225,000					(225,000)	-
Company of Wolves Ltd	Intermission	570,000			(30,954)			30,954	-
Genova Films Ltd	Genova	500,000	250,000					(250,000)	-
Granada Films Ltd	Bloody Sunday	299,500	43,727		(3,436)				40,290
Granada Television Ltd	Pierpoint aka The Last Hangman	330,000	55,000					(35,000)	20,000
H2O Motion Pictures (UK) TFM Ltd	That's for Me	149,800	47,935					(47,935)	-
Home Movies Ltd	Tomorrow, La Scala! aka Sweeney	247,406	20,001					(20,001)	-
JSB Production Ltd and Huit et Demi Production SARL and Zeal SRL	Lila Says aka Lila dit ca	400,000			(56,359)			56,359	-
Kasander (Nightwatching) Ltd	Nightwatching	300,000	30,000			(1,082)		(28,918)	-
Kivu Films Ltd	Shooting Dogs	675,000	30,000						30,000
Little Bird Company Ltd and In My Father's Den Productions Ltd	In My Father's Den	405,000			(6,077)			6,077	-
Little Bird East Ltd	King Bastard	10,000	10,000					(10,000)	-
LTB Films Ltd	London to Brighton	184,566	11,734		(10,126)				1,608
Magic Light Pictures Ltd	Sparkle	377,600	15,128		(14,230)				898
Midland Films Ltd	Once upon a Time in the Midlands	750,000	23,079						23,079
Mountain Productions Ltd	White Lightnin'	563,090	281,545		(72,919)			(183,626)	25,000
Number 9 Films (Junior) Ltd	Son of Eurovision – Starstruck	125,000	62,500					(62,500)	-
Passion Dox Ltd	Live Forever	212,249	9,719						9,719
PPF Films Ltd	The Magdalene Sisters	600,000			(6,548)			6,548	-
Puffball Stories Ltd	Puffball	684,647				(15,623)		15,623	-
Red Road Films Ltd	Red Road	458,104	10,000		(4,748)				5,252
Rounding Up Donkeys Ltd	Rounding Up Donkeys	350,000	175,000					(87,500)	87,500
Seven Seas (SL) Ltd	Brick Lane	675,039	139,189		(182,045)			42,855	-
Shine Ltd	Bullet Boy	450,000	39,411					(39,411)	-
Sixteen (Barley) Ltd and Fandango SRL	The Wind that Shakes the Barley	545,000			(46,858)			46,858	-
Sixteen (Trains) Ltd and Fandango SRL	Tickets	390,453	12,582		(1,575)				11,007

Schedules to the financial statements

continued

Schedule 1: Film rights as at 31 March 2009 continued

AWARD RECIPIENT	FILM/PROJECT	GROSS AWARD	RESTATED BALANCE AS AT 1 APRIL 2008	NEW COMMS	RECPT	DECOMMS	FAIR VALUATION MOVEMENT	IMPTS	BALANCE AS AT 31 MARCH 2009
Straightheads Ltd	Straightheads	645,473	38,989		(11,789)			(27,200)	-
This Is Not a Company Ltd and Simon Beaufoy	This is Not a Love Song	54,356				(690)		690	-
Three Pillow Films Ltd	Unmade Beds	428,396	214,198					(164,198)	50,000
Touching the Void Ltd	Touching the Void	392,351	20,000				(332)		19,668
Wall to Wall (Egypt) Ltd	Man on Wire <i>aka</i> Reach the Clouds	350,000	350,000		(295,305)				54,695
Warp Bulldog Ltd	This is England	668,000	140,661		(212,195)			71,534	-
Warp Films (ATP) Ltd	ATP	158,157	39,539						39,539
Warp X (Complete History) Ltd	A Complete History	241,230	60,308		(2,391)	(5,000)			52,917
Warp X (Punch) Ltd	Punch	466,118	95,412		(47,585)				47,827
Warp X / Fear Factory (Hush) Ltd	Hush	345,316	86,329			(6,666)			79,663
Other film awards									
Gruber Films Ltd	Shooting Fish	980,000	10,000				(2,811)		7,189
Hallmark Entertainment Ltd	Mike Bassett: England Manager	1,233,000	50,000				(50,000)		-
Long Time Dead Productions Ltd and WT2 Ltd	The Elevator	13,350			(51)			51	-
Morvern Callar Productions Ltd	Morvern Callar	500,000	19,295						19,295
MP Productions (LH) Ltd	The Lawless Heart	200,000	18,603		(855)				17,748
Roc Media Ltd (in association with Umbi Films Ltd)	Bend it like Beckham	945,000	50,000		(6,164)		36,411		80,247
Tiger Aspect Productions Ltd	The Dancer <i>aka</i> Billy Elliott	908,126	250,000				(126,985)		123,015
Working Title Two Ltd	Long Time Dead	1,000,000			(30,333)			30,333	-
Franchise awards									
DNA Ltd	28 Days Later	3,225,000	100,000				-		100,000
DNA Ltd	28 Weeks Later	456,285	173,142		(173,142)		200,000		200,000
DNA Ltd	A Way through the Woods <i>aka</i> Separate Lies	1,474,635	477,719		(147,705)				330,014
DNA Ltd	DNA General Overheads	1,023,264	460,218						460,218
DNA Ltd	Heartlands	1,430,000			(101,750)			101,750	-
DNA Ltd	Notes on a Scandal	4,587,768	1,710,642		(699,218)				1,011,423
DNA Ltd	Sunshine	6,661,423	2,987,010		(730,932)				2,256,078

Schedule 1: Film rights as at 31 March 2009 continued

AWARD RECIPIENT	FILM/PROJECT	GROSS AWARD	RESTATED BALANCE AS AT 1 APRIL 2008	NEW COMMS	RECPT	DECOMMS	FAIR VALUATION MOVEMENT	IMPTS	BALANCE AS AT 31 MARCH 2009
DNA Ltd	The History Boys	813,408	241,872		(175,071)				66,801
DNA Ltd	The Last King of Scotland	1,396,791	103,491		(648,744)			545,252	-
DNA Ltd	The Parole Officer	2,000,000			(5,218)			5,218	-
Pathé Productions Ltd	Bride and Prejudice	2,000,000	75,872						75,872
Pathé Productions Ltd	Churchill, the Hollywood Years	1,100,000	86,526						86,526
Pathé Productions Ltd	Dear Frankie aka Natural History	900,000	86,214		(1,369)				84,845
Pathé Productions Ltd	Enduring Love	1,799,000	214,377						214,377
Pathé Productions Ltd	Girl With a Pearl Earring	2,000,000			(187,820)			187,820	-
Pathé Productions Ltd	It was an Accident	75,251	2,499						2,499
Pathé Productions Ltd	Max aka Hoffmann	1,971,830	18,799						18,799
Pathé Productions Ltd	Millions	2,000,000			(1,744)			1,744	-
Pathé Productions Ltd	Mrs Henderson Presents	2,200,000	248,793		(9,862)				238,930
Pathé Productions Ltd	Suzie Gold	700,000	29,277						29,277
Pathé Productions Ltd	The Abduction Club	1,500,000	3,907						3,907
Pathé Productions Ltd	The Hole	1,500,000			(3,844)			3,844	-
Pathé Productions Ltd	The Magic Roundabout	3,000,000	159,151						159,151
Pathé Productions Ltd	Thunderpants	2,053,867	9,889						9,889
Pathé Productions Ltd	With Prejudice	46,530	27,530						27,530
The Film Consortium Ltd	24 Hour Party People	2,767,872	107,751		(2,348)				105,403
The Film Consortium Ltd	51st State	2,000,000			(120,000)			120,000	-
The Film Consortium Ltd	A Christmas Carol	1,624,112	142,981		(17,867)				125,115
The Film Consortium Ltd	Bugs	1,033,750			(115,601)			115,601	-
The Film Consortium Ltd	Country of my Skull	2,425,000			(1,421)			1,421	-
The Film Consortium Ltd	Dust	1,950,000			(278)			278	-
The Film Consortium Ltd	Jimmy Spud aka Gabriel and Me	1,301,243			(2,125)			2,125	-
The Film Consortium Ltd	Republic of Love	1,022,222			(290)			290	-
The Film Consortium Ltd	Silk Road aka In this World	662,804	20,294		(952)				19,342
Total hard commitments made in prior years			23,085,777		(8,151,606)	(611,052)	106,284(4,932,574)		9,496,829
Total film rights at 31 March 2009			23,085,777	14,898,391	(8,261,099)	(620,479)	106,284 (14,152,531)		15,056,343

Schedules to the financial statements

continued

Schedule 2: Lottery awards in the year ending 31 March 2009

PRODUCER / ORGANISATION	FILM / PROJECT	£
011 Productions Ltd	You're the Stranger Here (Short)	25,000
104 Films Ltd	Digital Shorts Disability scheme	40,000
104 Films Ltd	Vision Award	30,000
1939 Ltd	1939	970,000
A Box of Trix Productions Ltd	Avenging Angels	25,000
Adam and Eve Productions Ltd	Adam, the Serpent and Eve	94,000
Adventure Pictures (Rage) Ltd	Rage	200,000
Adventure Pictures Ltd	Untitled Sally Potter Projects	50,000
AL Films Ltd	Gertrude and Alice	89,000
Alienate Ltd	How to Lose Friends and Alienate People	13,520
Amoeba Film Ltd	The Pervert's Guide to Ideology	10,000
Anna Duffield	Aberdeen Angus	6,000
Anton Corbijn Ltd	Go Gahr Go	15,000
Apocalypse Films Ltd	Epic	70,000
Applecross Productions Ltd	Exile	75,000
Archer Street Ltd	Frostbite	35,000
Archer Street Ltd	Margot and Rudi	45,000
Artangel Trust Ltd	Buttershaw aka The Arbor	25,000
Autonomous Ltd	Narrow Frame of Midnight	34,756
B19 Media (London) Ltd	Freestyle	15,000
B3 Media	Digital Shorts	40,000
Ben Hervey	The Mysteries	10,150
Bend It Films Ltd	Untitled Gurinder Chadha	50,000
Better Things Ltd	Better Things	2,995
Big Talk Productions Ltd	Comedy Development Proposal	500
Big Yes Production Ltd	Beckett in Love	16,500
Blast Films Ltd	One Day	8,850
BLTV (Ben Lewis Television) Ltd	Love Letters From The Gulag	5,000
Bluelight Neds Ltd	Neds	30,000
Blueprint Pictures Ltd	Vision Award	75,000
Blueprint Pictures Ltd	War Reporting for Cowards	13,250
Catherine Shepherd	Like a Virgin	14,500
Centurion Films Ltd	Centurion	1,200,000
Cheri Productions Ltd	Cheri	1,075,000
Cinema Two SPV 2 Ltd	Summer	17,750
Company Films Ltd	Games for Winter	21,900

Schedule 2: Lottery awards in the year ending 31 March 2009 continued

PRODUCER / ORGANISATION	FILM / PROJECT	£
Company Films Ltd	Spanish Assassins	52,000
Complicite Films Ltd	The Long Never	50,000
Cowboy Films Ltd	The Predictive Text	5,000
Cuba Pictures Ltd	An Equal Music	26,500
Cuba Pictures Ltd	Island of the Aunts	9,750
Dan Films Ltd	Vision Award	75,000
Delirious Productions Ltd	Die Laughing	22,000
Desperate Optimists Productions Ltd	Mister John	25,000
Dibb Directions Ltd	The Solitary Life of Donny Johnson	25,000
DigiCult Ltd	Digital Shorts	40,000
Distant Thunder Ltd	Distant Thunder	15,000
DNA Films Ltd	Peach Trees	110,000
Dorian Gray Ltd and Dorian Gray Films Ltd	Dorian Gray	500,000
Easter Partisan Ltd	My Granny Made Me an Anarchist	50,000
Ecosse Films Ltd	Nowhere Boy	1,235,500
Ecosse Films Ltd	Vision Award	75,000
Elephant Gun Films Ltd	Hay Bales	7,600
East Midlands Media Ltd	Digital Shorts	40,000
Esperanto Films Ltd	A Boy and his Shoe	50,000
Esperanto Films Ltd	Planespotters	100,000
Feelgood Fiction Ltd	One Last Time	22,500
Fiesta Productions Ltd	Nanny	25,500
Fiesta Productions Ltd	Vision Award	75,000
Film London Ltd	Digital Shorts	40,000
Film London Ltd	Digital Shorts Plus: Love Hate	10,000
Film London Ltd	Digital Shorts Plus: Morning Echo	10,000
Film London Ltd	Digital Shorts Plus: Tom Shkolnik	10,000
Fireparty Ltd	Greenland Time	20,000
Flying Scotsman Films Ltd	Justified Sinner	45,000
FMO Films Ltd	Five Miles Out (Short)	25,000
Forthcoming Productions Ltd	Trap for Cinderella	25,000
Free Range Films Limited	Hyde Park on Hudson	47,540
Free Range Films Limited	Vision Award	75,000
Free Range Films Limited	White Rose Rebel	51,250
Glasshouse Films Ltd	The Outcast	43,250
H.S.I. London Ltd	Songs for my Mother	25,000

Schedules to the financial statements

continued

Schedule 2: Lottery awards in the year ending 31 March 2009 continued

PRODUCER / ORGANISATION	FILM / PROJECT	£
H.S.I. London Ltd	The Devils Wedding (short)	7,000
Handheld Movies Ltd	Jane Austen	21,000
Handsome Features Ltd	Summer of Discontent	30,000
Hania & Gaia Elkington	Len and Maeve's Fool's Emporium	10,000
Harry Brown Film Ltd and Harry Brown Production Ltd	Harry Brown	1,002,225
Headline Pictures (Peter Pan in Scarlet) Ltd	Peter Pan in Scarlet	94,250
Headline Pictures Ltd	The Recycler	72,800
Heyman Hoskins Ltd	Lee Miller	116,500
HK Films Ltd	The Black Album	70,000
Hope Dickson Leach	English Rose	16,000
Hopscotch Films Ltd	The Story of Film	100,000
Hot Property Ltd	Slow Motion Explosion	10,000
Human Film Ltd	Um-Hussein	17,750
Imagine Pictures Ltd	Little Red Hoodie (short)	25,000
It's My Shout Productions Ltd	Digital Shorts	40,000
James Watkins	Methuselah / In Character / The Rector's Daughter	45,000
Jigsaw Films Ltd	Kensuke's Kingdom	30,000
John Crowley	Iggy	5,000
Jonathan Blakeson	The Appointment (short)	8,575
Jump Monk Films Ltd	Self Made	25,000
Kasander (Andrea Untitled) Ltd	Fish Tank	664,000
Kasander (Development) Ltd	Cross My Mind	35,000
Keel Films Ltd	Maps for Lost Lovers	24,000
Left Bank Pictures (Film) Ltd	Vision Award	75,000
Liberty Films Entertainment Ltd	Mute	45,750
Lifesize Pictures Ltd	Managing Company for Short Film Programme	263,953
Little Comet Film & TV Ltd	Dexter's Diamond	21,000
Makar Productions Ltd	Beatrice's Father	19,900
Mango Films (Jean Charles) Ltd	Jean Charles	650,000
Matt Haig	Planet Earth and All It's People; The Radleys; The Lessons of Clara's List	15,000
Met Film Ltd	How to Change the World	10,000
Modern Films Ltd	Under the Skin	32,999
Mountain Productions Ltd	White Lightnin'	6,393
Natasha Wood	Rolling With Laughter	27,000
NDF International Ltd	Last Passenger	27,400

Schedule 2: Lottery awards in the year ending 31 March 2009 continued

PRODUCER / ORGANISATION	FILM / PROJECT	£
New Boots and Panties Ltd	Sex & Drugs & Rock & Roll	732,000
No Paper Cuts Ltd	The Chapel	3,785
North West Vision and Media Ltd	Digital Shorts	40,000
Northern Ireland Screen	Digital Shorts	40,000
Northern Film and Media Ltd	Digital Shorts	40,000
Nothernlight Productions Ltd	The Elemental (short)	7,120
Number 9 Films (Junior) Ltd	Starstruck aka Son of Eurovision	42,600
Oliver Refson	The Hardest Part (short)	2,500
Origin Pictures Ltd	Vision Award	75,000
Oxygen Films Ltd	Blackwaterside	10,000
Parallax East Ltd	Bite	14,000
Parallax East Ltd	Jimmy Buddha (aka BuddhaDa)	43,250
Parkville Pictures Ltd	The Wake (shorts)	5,800
Pender Productions Ltd	Diva	42,000
Picture Farm Ltd	Father Figure	25,000
Piggott Bettinga Filmproduktion GbR	Together (short)	6,730
Poisson Rouge Pictures Ltd	Gone too Far	25,000
Portman Film and Television Ltd	Bunny & George	25,000
Portobello Pictures Ltd	Darkness at Noon	50,000
Potboiler Productions Ltd	Kodak Cowboy	12,500
Potboiler Productions Ltd	Vision Award	75,000
Qwerty Films Ltd	Vision Award	75,000
Red Box Films Ltd	Project Nim	30,410
Red Room Films Ltd	Stratford Road	28,000
Revolution Films Ltd	The Promised Land (aka Untitled Israel Project)	58,500
Revolution Films Ltd	Vision Award	75,000
Richard T Kelly	Lucie Gunn	14,500
Riley Productions Ltd	Slow Down Arthur, Stick to Thirty	6,000
Rocking Horse Films Ltd	Untitled Lynne Ramsey projects	50,000
RPC Franklyn Ltd	Franklyn	80,000
Ruby Films Ltd	Tamara Drewe	57,625
Ruby Films Ltd	The Boleyn Inheritance	104,275
Ruby Films Ltd	The Seagull	5,000
Runaway Fridge Films Ltd	The Madolescents	34,250
Running Man Ltd	50 Dead Men Walking	8,500
Screen East Ltd	Digital Shorts	40,000

Schedules to the financial statements

continued

Schedule 2: Lottery awards in the year ending 31 March 2009 continued

PRODUCER / ORGANISATION	FILM / PROJECT	£
Screen South Ltd	Digital Shorts	40,000
Screen West Midlands Ltd	Digital Shorts	40,000
Screen Yorkshire Ltd	Digital Shorts	40,000
Scrimpo Productions Ltd	Natural Flights of the Human Mind	14,500
Seefood Ltd	Wasted (Short)	8,850
See-Saw Films Ltd	Vision Award	75,000
Shelley Productions Ltd	The Basildon Brawl	12,500
Shimmer Productions Ltd	Been So Long	25,000
Sigma Films Ltd	Mr Tourette and I	10,000
Sigma Films Ltd	Vision Award	75,000
Skywalk Pictures Ltd	Tea Shop Asylum (Pilot)	9,950
South West Screen Ltd	Digital Shorts	40,000
Sprout Pictures (Films) Ltd	Hallelujah!	25,000
Starfield Productions Ltd	Untitled Omid and George project	36,750
Stealth Films Ltd	Despatched	60,700
Sterling Pictures Ltd	Something Different	25,000
Stone City North Ltd	Electricity	35,000
Talawa Theatre Company Ltd	Talawa Writer's Group	5,000
Tempo Productions Ltd	The Lancashire Witches	11,650
The Borough Film Company Ltd	Blood Oil	40,250
The Bureau Film Company Ltd	Kingsland	35,229
The First Film Company Ltd	Bomber	19,000
The Producers Films Ltd	Kith and Kin	32,750
The Resource Base Ltd	A Necessary Life	10,000
The Script Connection	The Script Connection – Feedback Service Tender – Second Year	60,000
The Script Factory Ltd	Development Fund Feature Film Lecture Programme	9,400
Thing Corp Ltd	Junk (short)	7,805
Third Films Ltd	Bypass	22,500
Third Films Ltd	Frontier	17,600
Three Pillows Films Ltd	Unmade Beds	5,000
Three Rivers Ltd	Mad About The Boy	727,237
Tigerlily Films Ltd	Apples	22,600
Tony Pictures Ltd	Tony	3,000
Tracker Productions Ltd	Tracker	971,291
Trademark Films Ltd	My Week with Marilyn	7,623
Triangle Films Ltd	Triangle	382,000

Schedule 2: Lottery awards in the year ending 31 March 2009 continued

PRODUCER / ORGANISATION	FILM / PROJECT	£
Vanessa Arden-Wood	Furnace Four (short)	4,685
Vertigo Films Ltd	Vision Award	75,000
Wall to Wall (Egypt) Ltd	Man on Wire	35,000
Wall to Wall Media Ltd	The Dream Project	15,036
Warp Films Ltd	Vision Award	75,000
Warp X (Bunny) Ltd	Bunny and The Bull	86,670
Warp X (Punch) Ltd	Donkey Punch aka Punch	9,367
Warp X Ltd	Feature Film Project	1,000,000
Wellington Films Ltd	A Man's Story	13,500
Wilder Films Ltd	Laid Off	9,000
Wildgaze Films Ltd	The Babymakers	84,750
Willow Films Ltd	Random	22,500
Workhorse Entertainment Ltd	La Mula	1,122,110
Yaffle Films Ltd	The Monsoon Shootout	17,280
Total single project film awards 2008/09		18,692,984
Birds Eye View	Birds Eye View Film Festival	175,000
Cinemagic Ltd	Cinemagic World Screen Film and Television Festival	150,000
Film and Video Workshop	The London International Animation Festival	50,000
Flatpack Festival Ltd	Flatpack Festival	70,000
International Documentary Festival Sheffield Ltd	Sheffield International Documentary Festival	175,000
Light House Media Centre	Deaffest	50,000
Nottingham Media Centre Ltd	British Silent Film Festival	70,000
Total film festival film awards 2008/09		740,000
Alliance Atlantis Releasing Ltd t/a Momentum Pictures	Ben X	5,000
Alliance Atlantis Releasing Ltd t/a Momentum Pictures	Caramel	155,110
Alliance Atlantis Releasing Ltd t/a Momentum Pictures	Happy Go Lucky	210,000
Alliance Atlantis Releasing Ltd t/a Momentum Pictures	Let the Right One In	200,000
Alliance Atlantis Releasing Ltd t/a Momentum Pictures	The Wave	5,000

Schedules to the financial statements

continued

Schedule 2: Lottery awards in the year ending 31 March 2009 continued

PRODUCER / ORGANISATION	FILM / PROJECT	£
Axiom Films International Ltd	In the City of Sylvia	5,000
Bigga than Ben Ltd	Bigga than Ben	4,927
Bloom Street Productions Ltd	Hope Eternal	5,000
BreakThru Films Ltd	Free Jimmy	5,000
British Film Institute	2 feature films tbc (LLGF)	800
British Film Institute	Great Expectations	3,600
British Film Institute	Madeleine	4,990
British Film Institute	Of Time and the City	50,851
British Film Institute	Oliver Twist	4,990
British Film Institute	The Passionate Friends	3,600
British Film Institute	Winstanley and Awaydays	750
Cinefile Ltd	Conversations with my Gardener	4,627
Contender Entertainment Ltd	Franklyn	120,000
Cyclops Vision Ltd	Tovarisch, I Am Not Dead	5,000
Dogwoof Ltd	Boogie	4,560
Dogwoof Ltd	Cherry Blossoms	4,440
Dogwoof Ltd	The Age of Stupid	99,360
Drakes Avenue Pictures Ltd	Patti Smith, Dream of Life	5,000
Enlightenment Films Ltd	I Can't Think Straight	5,000
Halcyon Releasing Ltd	Ano Una	4,900
ICA Films Ltd	A Bloody Aria	4,000
Icon Film Distribution Ltd	Dean Spanley	159,146
Icon Film Distribution Ltd	Man On Wire	104,567
Kaleidoscope Home Entertainment Ltd	The End	5,000
Lions Gate UK Ltd	Angel	5,000
Lions Gate UK Ltd	Good	5,000
Lions Gate UK Ltd	The Edge Of Love	200,000
Lions Gate UK Ltd	Waiting Room	5,000
Met Film Ltd	Beyond The Fire	5,000
Met Film Ltd	Heavy Load	5,000
Metrodome Distribution Ltd	Before the Rains	5,000
Metrodome Distribution Ltd	Fears of the Dark	5,000
Metrodome Distribution Ltd	50 Dead Men Walking	250,471
Metrodome Distribution Ltd	Flame & Citron	5,000
Metrodome Distribution Ltd	Genova	5,000
Metrodome Distribution Ltd	Let's Get Lost	4,966

Schedule 2: Lottery awards in the year ending 31 March 2009 continued

PRODUCER / ORGANISATION	FILM / PROJECT	£
Metrodome Distribution Ltd	North Face	5,000
Metrodome Distribution Ltd	Shifty	156,041
Metrodome Distribution Ltd	Steep	5,000
Metrodome Distribution Ltd	The Chaser	43,418
Mumia Ltd	In Prison My Whole Life	5,000
Optimum Releasing Ltd	Che – Part 1	250,000
Optimum Releasing Ltd	In the Loop	210,000
Optimum Releasing Ltd	Somers Town	140,000
Optimum Releasing Ltd	Where In The World Is Osama Bin Laden?	175,000
Park Circus Ltd	Bicycle Theives	5,000
Park Circus Ltd	Blithe Spirit	3,600
Park Circus Ltd	Brief Encounter	3,600
Park Circus Ltd	Bring Me The Head of Andy Garcia	5,000
Park Circus Ltd	Grease	2,250
Park Circus Ltd	In Which We Serve	5,000
Park Circus Ltd	The Apartment	5,000
Park Circus Ltd	The Good, The Bad And The Ugly	5,000
Park Circus Ltd	This Happy Breed	5,000
Park Circus Ltd	White Christmas	7,250
Pathé Distribution Ltd	Adulthood	210,000
Pathé Distribution Ltd	Bienvenue Chez Les Ch'tis	2,500
Pathé Distribution Ltd	Hunger	250,000
Pathé Distribution Ltd	Mes Amis Mes Amours	4,000
Revolver Entertainment Ltd	Encounters at the End of the World	5,000
Revolver Entertainment Ltd	Mum and Dad	5,000
Revolver Entertainment Ltd	Savage Grace	5,000
Revolver Entertainment Ltd	U2 3D	16,496
Revolver Films Ltd	The Wackness	170,000
Revolver Films Ltd	Tyson	5,000
Shorts International Ltd	Oscar nominated short films 2009	3,000
Slingshot Studios Ltd	Buddha Collapsed Out Of Shame	4,995
Slingshot Studios Ltd	Heavy Metal in Baghdad	5,000
Soda Pictures Ltd	Better Things	5,000
Soda Pictures Ltd	Far North	5,000
Soda Pictures Ltd	La Zona	5,000
Soda Pictures Ltd	Modern Life	5,000

Schedules to the financial statements

continued

Schedule 2: Lottery awards in the year ending 31 March 2009 continued

PRODUCER / ORGANISATION	FILM / PROJECT	£
Soda Pictures Ltd	My Winnipeg	5,000
Soda Pictures Ltd	Wendy & Lucy	5,000
Sterling Pictures Ltd	Outlanders	3,875
The Artificial Eye Film Company Ltd	Alexandra	3,711
The Artificial Eye Film Company Ltd	Ashes of Time	2,500
The Artificial Eye Film Company Ltd	Berlin	3,490
The Artificial Eye Film Company Ltd	California Dreamin'	4,356
The Artificial Eye Film Company Ltd	Couscous	5,000
The Artificial Eye Film Company Ltd	Il Divo	5,000
The Artificial Eye Film Company Ltd	Julia	5,000
The Artificial Eye Film Company Ltd	Let's Talk About the Rain	4,412
The Artificial Eye Film Company Ltd	Romance of Astrea and Celadon	4,976
The Artificial Eye Film Company Ltd	Summer Hours	4,556
The Artificial Eye Film Company Ltd	Terror's Advocate	5,000
The Artificial Eye Film Company Ltd	The Banishment	5,000
The Artificial Eye Film Company Ltd	Time and Winds	5,000
The Artificial Eye Film Company Ltd	Waltz with Bashir	250,000
The Works UK Distribution Ltd	Anvil! The Story of Anvil	5,000
The Works UK Distribution Ltd	Jar City	5,000
The Works UK Distribution Ltd	Mongol	150,000
Trinity Filmed Entertainment Ltd	Heartbeat Detector	5,000
Trinity Filmed Entertainment Ltd	Import / Export	5,000
Vertigo Distribution Ltd	Bronson	149,957
Vertigo Distribution Ltd	Faintheart	92,337
Vertigo Distribution Ltd	In Search Of A Midnight Kiss	5,000
Vertigo Distribution Ltd	Summer	5,000
Verve Pictures Ltd	Tis Autumn – The Search for Jackie Pears	4,776
Yume Pictures Ltd	Puffball	5,000
Yume Pictures Ltd	Young @ Heart	5,000
	Total specialised Prints and Advertising awards 2008-09	4,191,751
Blue Barracuda Marketing Ltd	Audience Development Scheme	1,029,746
	Total audience development awards 2008-09	1,029,746
Animate Projects Ltd	Publications Fund	12,350

Schedule 2: Lottery awards in the year ending 31 March 2009 continued

PRODUCER / ORGANISATION	FILM / PROJECT	£
Film Distributors Association Ltd	Publications Fund	10,000
Scriptease Ltd	Publications Fund	20,000
UKFilmNet	Publications Fund	20,000
Wallflower Publishing Ltd	Publications Fund	9,650
Total publications awards 2008-09		72,000
East Midlands Media Ltd	2008-10 Regional Lottery awards including 2012 partnerships and Digital Film Archive Fund	804,000
Film Education	Film Education Strategy (2009-10)	750,000
Film London Ltd	2008-10 Regional Lottery awards including 2012 partnerships and Digital Film Archive Fund	470,000
First Light Movies Ltd	First Light Scheme (2008-9)	1,135,000
First Light Movies Ltd	First Light Scheme (2009-10)	1,135,000
North West Vision & Media	2008-10 Regional Lottery awards including 2012 partnerships and Digital Film Archive Fund	818,307
Northern Film and Media Ltd	2008-10 Regional Lottery awards including 2012 partnerships and Digital Film Archive Fund	940,000
Screen East Ltd	2008-10 Regional Lottery awards including 2012 partnerships and Digital Film Archive Fund	940,000
Screen South Ltd	2008-10 Regional Lottery awards including 2012 partnerships and Digital Film Archive Fund	1,170,000
Screen West Midlands Ltd	2008-10 Regional Lottery awards including 2012 partnerships and Digital Film Archive Fund	986,000
Screen Yorkshire Ltd	2008-10 Regional Lottery awards including 2012 partnerships and Digital Film Archive Fund	790,000
Skillset Sector Skills Council	Skillset (2009-10)	5,400,000
South West Screen Ltd	2008-10 Regional Lottery awards including 2012 partnerships and Digital Film Archive Fund	1,000,000
Total other awards 2008-09		16,338,307
Total soft commitments 2008-09		41,064,788

The above list excludes soft commitments totalling £43,780 where the award was made and fallen in within the year.

Schedules to the financial statements

continued

Schedule 3: Lottery awards made from UK Film Council delegations in the year ending 31 March 2009

ORGANISATION	PROJECT	£
EM MEDIA		
RIFE awards		
DV Shorts	DV Shorts 2008/09	15,000
Frisky Films Ltd	Crying with Laughter	15,000
Made Up North	A Boy Called Dad – trainees	10,000
Quad	Quad shorts	17,000
Qwerty Films Ltd	Inside Pictures 2008	10,000
Sixteen Films Ltd	Oranges and Sunshine development	25,000
Sixteen Midlands Ltd	Red Sail	10,000
The Berties	The Nutcracker	19,400
TV Workshop	Television workshop	10,000
Warp Developments	Bunny – trainees	15,000
Warp Film Ltd	Tyrannosaur development agreement	25,000
Warp Films Ltd / Shane Meadows	First Look deal	27,392
31 miscellaneous awards of less than £10,000 each		121,250
2012 Partnerships awards		
Culture East Midlands	Cultural Programmer	10,000
Total		330,042
FILM LONDON		
RIFE awards		
Africa at the Pictures	London African Film Festival	20,000
Black Filmmaker Festival	10th anniversary Black Filmmaker International Film Festival	18,494
Images of Black Women	Images of Black Women Film Festival 2009	10,000
Keel Films	Morning Echo (Pulse Plus)	10,000
Screen Nation	2008 Screen Nation Film and TV Awards	16,100
38 miscellaneous awards of less than £10,000 each		117,824
2012 Partnerships awards		
Innovision Events Ltd	Archive screenings	56,899
Total		249,317

Schedule 3: Lottery awards made from UK Film Council delegations in the year ending 31 March 2009 continued

ORGANISATION	PROJECT	£
FIRST LIGHT MOVIES		
Arpeggio Films		18,317
Blueprint Film		19,978
Bridge and Tunnel Voices		28,335
Cascade		29,357
Chocolate Films		22,222
Education Action Zone Improvement Partnership		22,800
Fairbridge in London		26,123
Flycatcher Films		16,200
Ikon Gallery		25,000
Interplay		26,494
North West Rotherham Education Action Zone		20,000
Old Museum Arts Centre		26,800
Point Blank		22,333
polkadotsonraindrops		26,686
Raw Material Music and Media		27,942
Scottish Kids are Making Movies		15,701
Signals Media Arts		30,000
Teebster Ltd		30,000
Thomas Adams Media Arts Programme		28,636
Twin Vision		21,000
Vital Regenerations		16,500
Wind & Foster Media		27,315
Worthing Youth Theatre		29,518
36 miscellaneous awards of less than £10,000 each		144,449
Total		701,706

Schedules to the financial statements

continued

Schedule 3: Lottery awards made from UK Film Council delegations in the year ending 31 March 2009 continued

ORGANISATION	PROJECT	£
NORTHERN FILM & MEDIA		
RIFE awards		
Amber Films	Amber slate development	22,000
Animex	Animex 2009	10,000
Independent Cinema office	Cinema development scheme	20,000
Isis Arts	Mentoring Scheme	10,000
NLFF	NLFF 2009	15,000
NRFTA	NRFTA capacity building	25,000
Pyramid Media UK	Production manager training	10,000
61 Miscellaneous awards less than £10,000 each		208,389
Total		320,389
NORTH WEST VISION AND MEDIA		
RIFE awards		
DWF Ltd	Left of Centre / Say Nothing – digital shorts	13,000
First Take Film & Video	Enough Rope / Halfway House – digital shorts	13,500
Liverpool Lesbian and Gay Festival 2008/09		10,000
Onteca Ltd	Space Freaks / Light of my Life	13,000
Shock and Awe Films	Dual on the Moor / Common Ground – digital shorts	13,000
Signal Film & Media	Cumbria Film Talent Festival	12,000
Steve Boot	Slow Joe	15,000
Wonderhorse	Death of a Double Act / Home at Christmas – digital shorts	13,200
38 miscellaneous awards of less than £10,000 each		64,097
Total		166,797
SCREEN EAST		
RIFE awards		
Cambridge Film Trust	Cambridge Film Festival	20,000
Celador Films	Scouting Book for Boys	25,641
Cuckoo Films	Cuckoo	20,000
EMC	Entertainment Master Class	16,000
Magic Light Pictures	1939	43,589
Norwich International Animation Festival	Aurora	20,000
67 miscellaneous awards of less than £10,000 each		176,172

Schedule 3: Lottery awards made from UK Film Council delegations in the year ending 31 March 2009 continued

ORGANISATION	PROJECT	£
Digital Film Archive Fund awards		
Cambridge Film Education Consortium	CFC archive film shows	25,000
The Forum Trust	Digital Heritage in the Forum	24,900
2012 Partnerships awards		
Living East	Cultural Olympiad Programmer	10,000
Total		381,302

SCREEN SOUTH

RIFE awards

Baird Film and TV Initiative	Community network partner	10,000
Beeping Bush Ltd	Community network partner	10,000
Britdoc Event Ltd	Britdoc 08 Festival	10,000
City Eye Ltd	Community network partner	15,000
OFVM	Community network partner	15,000
Screen Archive South East	Heritage network partner	25,000
Wessex Film and Sound Archive	Heritage network partner	10,000
217 miscellaneous awards of less than £10,000 each		256,524

Digital Film Archive Fund awards

Beeping Bush	Canterbury in Colour in the Cathedral	10,000
Electric Palace Cinema	Hidden Hastings	10,000
Eye Stock Films Ltd	Against the Tide	20,000
Hastings Museum and Art Gallery	Coastal Connections	10,000
Nichola Bruce	Moonbug	10,000
Royal Pavilion and Museums, Brighton	Capturing Colour	20,000
11 miscellaneous awards of less than £10,000 each		34,978

2012 Partnerships awards

Culture South East	Cultural Olympiad Programmer	10,000
Total		476,502

SCREEN WEST MIDLANDS

RIFE awards

7 Inch Cinema	Travelling Picture Show	11,000
Arts Alive	Flicks in the Sticks 2008/09	16,000
Birmingham Museum and Art Gallery	Digital film and media event	15,000
Borderlines Film Festival	Borderlines Film Festival 2009	15,000

Schedules to the financial statements

continued

Schedule 3: Lottery awards made from UK Film Council delegations in the year ending 31 March 2009 continued

ORGANISATION	PROJECT	£
Dreamfinder Productions Ltd	The Show Must Go On	10,000
Electric Cinema	Education Hub	13,950
Flatpack Festival Ltd	Flatpack Festival	10,000
Framework Television Ltd	Caterpillar	10,000
Light House Media Centre	Flip 08	10,000
Light House Media Centre	Deaffest development project	15,000
Light House Media Centre	Profile raising education and training	15,000
Nick Walker	Adventures in Cuisine	10,000
Television Junction	Archive Now!	60,000
The Producers Forum	Producers Forum events	20,000
Thomas Adam School	Education Hub	10,750
Warwick Arts Centre	Education Hub	12,000
Xander CIC	B.I.F. Festival	12,000
41 miscellaneous awards of less than £10,000 each		126,197

Digital Film Archive Fund awards

Television Junction	Archive Now!	60,000
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2012 Partnerships awards

Culture West Midlands	Cultural Programmer	10,000
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Total **461,897**

SCREEN YORKSHIRE

RIFE awards

Arts in Richmondshire	Film in the Dales	10,000
Hull Film	Hull Film	12,000
Leeds International Film Festival	Film Festival 2008	15,000
Leeds Young Persons Film Festival	10th Film Festival	15,000
National Media Museum	Bradford International Film Festival 2009	12,500
Sheffield Doc/Fest	The Truth is – Out There	15,000
Showcommotion	Young people's film festival 2008	18,000
32 miscellaneous awards of less than £10,000 each		110,128

Digital Film Archive Fund awards

Big Voice Media	Archives from the Cut	20,000
Sensoria	Uncommon People: Sheffield's music heritage onscreen	17,000
Yorkshire Film Archive	Films as Therapy	30,511

Schedule 3: Lottery awards made from UK Film Council delegations in the year ending 31 March 2009 continued

ORGANISATION	PROJECT	£
Yorkshire Film Archive	Yorkshire shorts	34,925
2012 Partnerships awards		
Yorkshire Culture	Cultural Olympiad Programmer	10,000
C Media	Dreams	30,000
Total		350,064
SKILLSET		
Arts Alliance Media	Company training development programme	10,000
Berlinale Talent Campus	Berlinale Talent Campus 2009	75,000
Bird's Eye View	Bird's Eye View Film Festival 2009 – festival training programme	48,595
BSC (Entertainment) Ltd	BSC HD Technology for Producers, Directors, Accountants and Camera (Nations and Regions) 2007-00192 phase 2	15,029
BSC (Entertainment) Ltd	BSC HD Technology for Producers, Directors, Accountants and Camera (Nations and Regions) 2007-00192 phase 2	30,000
BSC (Entertainment) Ltd	BSC HD Technology for Producers, Directors, Accountants and Camera (Nations and Regions) 2007-00192 phase 2	55,000
Cass Business School, City University	Inside Pictures 2008	210,000
CBMA: Christine Blundell Make Up Academy	Inter-departmental training; Camera and Make-Up (<i>working title</i>)	17,000
Creative Exchange	Shoot and edit RED	22,500
Cyfle	Cyfle new entrants film training provision	135,911
Disruptive Element Films	Company development	10,000
Escape Studios Ltd	3D foundation and animation	32,164
Escape Studios Ltd	Visual effects	171,000
Escape Studios Ltd	Skillset visual effects	192,240
Film Distributors' Association	The Business of Film	10,000
Film Distributors' Association	Distribution Dynamics	10,000
Film London	The New Black – Training for New Opportunities in the Black Film Market	45,670
Film London	Sales sector placement scheme	64,818
Four Corners	Ready for RED? Digital Cinema Lab and Tapeless Workflow	20,562
Four Corners	Film Skills for New Entrants	73,712
High Definition and Digital Cinema Ltd	The Theory & Practice of Stereoscopic Production (3D Movies) and Complimentary Sound Techniques	29,432
Independent Cinema Office	ICO film exhibitor training programme 2008/09	84,715
Initialize Films	Docs Online	60,000
IWC Media Ltd	Coming Up 2008	38,912
Lifesize Pictures	The Directors Lab (at Edinburgh International Film Festival 2009)	42,000
London Film School	MA Film Unit Supervision	11,647
London Film School	Light – Inspiration for Cinematographers	12,879

Schedules to the financial statements

continued

Schedule 3: Lottery awards made from UK Film Council delegations in the year ending 31 March 2009 continued

ORGANISATION	PROJECT	£
London Film School	Transcriptions: LFS Shorts	14,256
London Film School	Fast Forward Career series	14,331
London Film School	Course enhancement and outreach	120,391
Magic Light Pictures Limited	Company development funding	10,000
Media Business School	MD – Marketing and Distribution	32,000
Millennium FX Ltd	Freelancing in Prosthetics and Special Make-up FX	32,922
Momentum Pictures	Company development grant	10,000
Napier University	Screen Academy Network film business summer school	14,760
National Council for Drama Training	NCDT film actor training projects	79,939
NFTS (National Film & Television School)	Compass Point – The Director's Vision	26,725
Northern Ireland Screen Commission	Screen Skills New Entrant training for the UK film and television sector	40,000
PAL (Performing Arts Labs Ltd)	Pygmalion Plus	10,000
Power To The Pixel Ltd	Power To The Pixel: The Digital Distribution Forum for Independents	50,001
Ravensbourne College of Design and Communication	After Effects – Fundamentals and Advanced	13,260
Sargent-Disc Ltd	EP Budgeting and Scheduling	10,416
Scottish Documentary Institute	Bridging The Gap 6	60,000
Scottish Film Actors and Writers Workshop Ltd	The Actors Cut (Glasgow and Cardiff)	90,000
Scottish Screen	New Entrants Programme (<i>working title</i>)	85,975
Scottish Screen	Animation Industry Mentoring, Experience and Development (AIMED) programme	90,000
Screen South	On the Lot – Screen South and Pinewood's Structured New Entrant's Training Programme	117,000
Sequence Training Ltd	Final Cut Studio for Broadcast	20,000
South West Screen	New Entrants' Film Training Scheme (NEFTS)	79,565
The Actors Professional Centre Ltd	Skillset Film Lab Take 3	45,000
The Arts Institute at Bournemouth	Course enhancement and outreach	366,413
The Bureau Film Company Limited	Cinema Extreme training scheme	101,480
The Guild Of British Camera Technicians (GBCT)	HD Fundamentals – Principles, Practices and Workflows	20,000
The Production Guild	Weapons Set Training (<i>working title</i>)	26,860
The Production Guild	PG Assistant Producton Accounting Scheme VI	120,000
The Screen Academy at the London College of Communication (LCC) and Ealing, Hammersmith & West London College	The 35mm Project and course enhancement at LCC & EIM 2008/09	49,334
The Screen Academy at the London College of Communication (LCC) and Ealing, Hammersmith & West London College	The 35mm Project and course enhancement at LCC & EIM 2008/09	589,000
The Script Factory	UKFC Digital Shorts training programme	51,400
The Times BFI London Film Festival	Times BFI London Film Festival: Think-Shoot-Distribute 2008	28,015
Warp X Limited	Last Laugh: Women Create Comedy	83,675
302 miscellaneous awards of less than £10,000 each		430,327

Schedule 3: Lottery awards made from UK Film Council delegations in the year ending 31 March 2009 continued

ORGANISATION	PROJECT	£
Total		4,461,831
SOUTH WEST SCREEN		
RIFE awards		
Encounters Festival	Short film festival 2008	20,000
Exeter City Council	Animated Exeter 2008	15,000
Screenwriters Festival	Festival 2008	20,000
Watershed Arts Trust	Maximising the opportunities	100,000
Wildscreen	Wildscreen festival emerging talent programme	15,000
33 miscellaneous awards of less than £10,000 each		159,225
Digital Film Archive Fund awards		
Somerset Heritage Service	Rural heritage project	3,580
Trilith	Film trail	18,487
Arthur Cox Ltd	A Time Traveller's Guide to Bristol	5,000
Museum of Barnstaple and North Devon	North Devon Movie Bus project	40,000
Plymouth and West Devon Record Office	Plymouth Pasts: a city through the lens	13,075
South West Film and TV Archive	DFAF support programme	20,000
2012 Partnerships awards		
Culture South West	Cultural Olympiad Programmer	5,000
Total		434,367
Total Lottery awards made through delegations in year ending 31 March 2009		8,334,214

Statutory background

Statement of compliance with the Government's Lottery policy and financial directions

Financial directions

Under the National Lottery etc Act 1993, the Secretary of State issued financial directions to the UK Film Council. These were updated by the Secretary of State in April 2007.

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

The UK Film Council has implemented procedures throughout the organisation to ensure the requirements of the Statement of Financial Requirements are followed, and the UK Film Council confirms that, to the best of its knowledge, it complied fully with the financial requirements in 2008/09. A copy of the Statement of Financial Requirements is available from the UK Film Council.

The UK Film Council shall devise and abide by a procedure for handling potential conflicts of interest which may arise in the evaluation of applications by UKFC or individual members of UKFC. 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 UK Film Council has in place procedures for dealing with conflicts of interest and maintains a register of interests of all Board Directors and staff and, to the best of its knowledge, it abided by this procedure in 2008/09.

Policy directions

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

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

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

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

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

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

Children and young people are targets of specific UK Film Council Lottery Fund programmes. Most notably, the First Light project involves a range of children's and young people's film activities in the UK, and the UK-wide Film Education Fund is designed to ensure that all young people in the UK have the opportunity to learn about film and creative possibilities.

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

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

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

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

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

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

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

G The need to further the objectives of sustainable development.

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

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

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

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

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

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

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

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

The UK Film Council is increasing its partnership working with other Lottery distributors, most notably with Arts Council England. The UK Film Council delegates funding to Regional Screen Agencies in England in support of its strategic objectives that can be delivered locally along with other local agency objectives.

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

Statutory background continued

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

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

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

The UK Film Council requires all applications to include an element of partnership funding, to demonstrate commitment to the project. The level of partnership funding required depends on each fund and the activity being supported.

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

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

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

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

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

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

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

- i. Improving the quality of British films and raising their profile in the marketplace;
- ii. Stimulating greater choices for audiences;
- iii. Encouraging participation and opportunities for learning;
- iv. Promoting the UK in the wide world.

The allocation of National Lottery funds by the UK Film Council is influenced by the need to strengthen the industry's structure and workforce; to improve the quality and commercial viability of British films; and to support the distribution of specialised film in the analogue and digital environments, helping to ensure UK audiences have access to film in all its variety. The aim of the UK Film Council's funds is to develop a number of these key areas, an example being the Audience Development Scheme which encourages more people in the UK to enjoy and appreciate a wider range of films.

Our three year plan, *Film in the Digital Age, April 2007 – March 2010*, sets out the UK Film Council's priorities, which were informed by an assessment of the public needs of the film sector and followed an extensive consultation. The extent to which these priorities are being met is considered in greater detail elsewhere in this review. The potential economic and social benefits of the UK Film Council's funds are considered as part of the process for establishing the criteria for funding.

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

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