

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

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

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Chief Executive Officer's review

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

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

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

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

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

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

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

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

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

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

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

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

Chief Executive Officer's review

continued

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

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

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

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

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

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

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

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

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

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

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

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

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

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

John Woodward
Chief Executive Officer

The role and policy priorities of the UK Film Council

Our role

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

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

Our mission

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

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

Our strategic objective for the next three years

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

Our six core activities

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

Our values

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

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

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

Summary of activity 2009/10

Policy and funding priorities at a glance

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

Summary of activity 2009/10

continued

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

Financial review of the business

Summary of results

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

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

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

Income sources

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

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

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

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

Grant-in-aid awards

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

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

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

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

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

Financial review of the business

continued

Lottery applications

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

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

Lottery awards

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

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

Lottery awards (soft commitments) 2009/10:

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

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

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

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

Lottery film rights

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

National Lottery Distribution Fund (NLDF) balance

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

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

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

Transfer to the Olympic and Paralympic Games

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

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

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

Other operating expenses

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

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

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

British Screen Group

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

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

Financial review of the business continued

Reporting of personal data related incidents

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

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

DATE OF INCIDENT (MONTH)	NATURE OF INCIDENT	NATURE OF DATA INVOLVED	NUMBER OF PEOPLE POTENTIALLY AFFECTED	NOTIFICATION STEPS
Not applicable	There are no incidents to report	Not applicable	Not applicable	Not applicable
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 2009/10

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

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

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

Report by the Board on remuneration

The Remuneration Committee

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

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

Stewart Till CBE, Chairman
(retired 29 July 2009)

Stephen Knibbs
(retired 6 October 2009)

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

Mark Devereux
(appointed to Committee 25 May 2010)

Heather Rabbatts CBE
(appointed to Committee 25 May 2010)

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

Remuneration framework

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

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

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

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

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

Contracts of Employment

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

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

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

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

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

Report by the Board on remuneration continued

Audited information

Directors' remuneration

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

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

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

Senior staff remuneration

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

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

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

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

Senior staff pension arrangements

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

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

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

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

Report by the Board on remuneration continued

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

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

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

Tim Bevan CBE

Chairman, Remuneration Committee

29 June 2010

Monitoring and evaluation

Introduction

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

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

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

Customer care

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

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

Additionality

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

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

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

Monitoring and evaluation continued

Film sector in the UK indicators

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

Foreign language cinema in UK

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

Film sector in the UK indicators

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

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

Monitoring and evaluation continued

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

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

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

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

Lottery administrative costs for the last five years

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

Diversity of Lottery funds applicants and awarded applicants 2009/10

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

Employment statistics

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

The numbers of:

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

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

2.1 Staff in post as at 31 March 2010

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

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

Employment statistics continued

2.2 Applications for employment 2009/10

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

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	50%
White	129	57	87.7%
Mixed	5	3	100%
Asian or Asian British	9	4	80%
Black or black British	9	4	100%
Chinese or other ethnic group	1	1	100%
Total	167	74	84%

2.4 Applications for internal promotion

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

Group Report and Financial Statements

for the year ended 31 March 2010

Company no: 3815052

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

Introduction

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Directors

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

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

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

Mark Devereux – Deputy Chairman*

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

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

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

Chief Executive Officer

The Chief Executive Officer and Accounting Officer is John Woodward.

Company Secretary

The Company Secretary is Alan Bushell.

Registered and principal office

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

Auditors

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

Internal auditors

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

Solicitors

Withers, 16 Old Bailey, London EC4M 7EG.

Bankers

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

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

Directors' report for the year ended 31 March 2010

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

Results

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

Principal activity and review of the business

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

UK Film Council indicators

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

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

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

Key performance indicators

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

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

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

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

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

Environmental policy

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

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

Social and community policies

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

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

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

Future developments and events since the statement of financial position date

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

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

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

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

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

Principal risks and uncertainties of the group

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

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

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

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

Employment and training policies and staff participation

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

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

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

Better Payment Practice Code

The UK Film Council attempts to abide by the Better Payment Practice Code and in particular to settle bills in accordance with contract. Invoices are normally settled within our suppliers' standard terms. The average payment terms taken were 16 days (2009: 17) and 96% of undisputed invoices were paid within 30 days of receipt by the Finance Department (2009: 96%). Creditor days in the year were 18 working days (2009: 15 working days).

Disclosure of information to the auditors

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

Annual general meeting

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

Auditors

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

By order of the Board

Alan Bushell FCA

Company Secretary

29 June 2010

Statement of Directors' responsibilities in respect of the financial statements

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

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

The Directors of the UK Film Council are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the UK Film Council and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

John Woodward
Chief Executive Officer
29 June 2010

Tim Bevan CBE
Chairman
29 June 2010

Statement on internal control

Scope of responsibility

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

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

The purpose of the system of internal control

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

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of UK Film Council policies, aims and objectives, to evaluate the likelihood of those risks being realised and should they be realised, to manage them efficiently, effectively and economically. The system of internal control includes adequate arrangements for detecting and responding to inefficiency, conflict of interest and fraud, and prioritises those risks associated with the custody of assets and potential loss of Exchequer and Lottery grants. The system of internal control has been in place for the year ended 31 March 2010 and up to the date of approval of the annual report and financial statements, and accords with Treasury guidance.

Capacity to handle risk

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

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

Chairman of the Board, and to the Board of Directors as a whole, on the adequacy of audit arrangements (both internal and external), on the implications of assurances provided in respect of risk and control at the UK Film Council and oversees the work of the internal auditors, as well as providing guidance as to best practice.

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

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

The risk and control framework

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

The UK Film Council has incorporated risk management in planning and decision making and maintains an organisation-wide risk register. Policy and operational risks both in the organisation and from external factors are identified through our three year business planning cycle and the annual operational planning cycle, and are evaluated by the Senior Management Team. We also consider the risks associated with holding and safeguarding information for operational or financial reporting purposes.

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

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

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

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

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

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

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

The risks identified as a result of the above processes are monitored and controlled within the organisation through a system of key performance and risk indicators, which are reported through the Quarterly Performance Review process.

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

In 2009/10 internal audit reports covered:

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

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

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

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

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

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

Review of effectiveness

As Accounting Officer and Chairman of the Board, we have responsibility for reviewing the effectiveness of the system of internal control. Our review is informed by the work of the internal auditors and the Senior Management within the UK Film Council who have responsibility for the development and maintenance of the internal control framework, and comment made by the external auditors in their management letters and other reports.

We have been advised on the implications of the results of our review of the effectiveness of the system of internal control by the Board and the Audit and Governance Committee, and a plan to address any weaknesses and ensure continuous improvement is in place.

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

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

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

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

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

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

We can confirm that in our opinion:

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

John Woodward
Chief Executive Officer
29 June 2010

Tim Bevan CBE
Chairman
29 June 2010

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

I have audited the group and parent company financial statements (the "financial statements") of the UK Film Council Ltd for the period ended 31 March 2010.

These comprise the Group and Company Statements of Financial Position, the Statement of Comprehensive Income, the Group and Company Statements of Cash Flow, the Group Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is set out therein.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

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

Opinion on the financial statements

In my opinion:

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

Opinion on regularity

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

Opinion on other matters prescribed by the Companies Act 2006

In my opinion:

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

Matters on which I am required to report by exception

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

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

Amanda Measures

Senior Statutory Auditor

15 July 2010

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

157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

UK Film Council

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

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

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

UK Film Council

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

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

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

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

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

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

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

UK Film Council

Group statement of financial position as at 31 March 2010

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

John Woodward
Chief Executive Officer
29 June 2009

Tim Bevan CBE
Chairman
29 June 2009

UK Film Council

Company statement of financial position as at 31 March 2009

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

John Woodward
Chief Executive Officer
29 June 2010

Tim Bevan CBE
Chairman
29 June 2010

UK Film Council

Group statement of cashflows for the year ended 31 March 2010

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

UK Film Council

Company statement of cashflows for the year ended 31 March 2010

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

Notes to the financial statements

Note 1: Accounting policies

a) Basis of preparation

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

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

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

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

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

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

b) Basis of consolidation

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

c) Accruals convention

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

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

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

d) Other Lottery awards

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

Notes to the financial statements

continued

e) Depreciation and plant, property and equipment

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

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

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

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

f) National Lottery Distribution Fund

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

g) Financial instruments

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

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

h) Film rights

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

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

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

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

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

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

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

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

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

i) Film recoupment income

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

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

j) Grant-in-aid

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

k) Deferred tax

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

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

l) Foreign currencies

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

m) Leasing commitments

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

n) Pensions

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

The UK Film Council complies with IAS 19, under which the defined benefit scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increase in the present value of the liabilities of the company's defined benefit pension scheme expected to arise from employee service in the year is charged against operating profit. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in finance costs. Actuarial gains and losses are recognised in the statement of changes in taxpayers' equity. The company recognises an asset in respect of any surplus, being the excess of the value of the assets in the scheme over the present value of the scheme's liabilities only to the extent that it is able to recover the surplus. Any deficit is likewise recognised as a liability on the statement of financial position.

Notes to the financial statements

continued

Note 2: First-time adoption of IFRS

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

£000

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

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

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

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

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

£000

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

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

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

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

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

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

Note 3: Turnover

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

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

Note 4: Impairments against film rights

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

Note 5: Statement of cashflows

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

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

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

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

Notes to the financial statements

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Note 6: Staff costs

Directors' remuneration (including daily allowances)

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

Remuneration of the Chief Executive Officer

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

Costs of all staff working within the UK Film Council

As at 31 March 2010:	PERMANENT STAFF £000	OTHER STAFF £000	TOTAL STAFF £000
Wages and salaries	4,788	68	4,856
Social Security costs	451	7	458
Pension service costs and other pension costs	440	6	446
	5,679	81	5,760
As at 31 March 2009:	PERMANENT STAFF £000	OTHER STAFF £000	TOTAL STAFF £000
Wages and salaries	4,989	19	5,008
Social Security costs	478	2	480
Pension service costs and other pension costs	443	-	443
	5,910	21	5,931

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

	2009/10	2008/09
Management and administration:		
Permanent staff	92	87
Other staff	2	5
	94	92

Note 6: Staff costs continued

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

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

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

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

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

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

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

Notes to the financial statements

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Note 7: Pensions benefits

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

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

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

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

Financial assumptions	2010 %	2009 %
Rate of increase in salaries	5.4	4.6
Rate of increase in pension payments	3.9	3.1
Discount rate	5.5	6.9
Inflation assumption	3.9	3.1

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 deficit	2010 LONG TERM RATE OF RETURN EXPECTED		2009 LONG TERM RATE OF RETURN EXPECTED	
	%	£000	%	£000
Equities	7.5	5,383	7.0	3,335
Bonds	5.5	769	5.5	585
Property	6.5	1,077	6.0	1,463
Cash	3.0	384	4.0	468
Corporate bonds	5.5	77		
Total market value of assets		7,690		5,851
Present value of scheme liabilities		(12,232)		(6,992)
Net pension deficit		(4,542)		(1,141)

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

Note 7: Pensions benefits continued

The amounts recognised in the statement of comprehensive income

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

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

	2010	2009
Actuarial losses	(3,380)	(1,035)
Actuarial losses recognised in SOCTE	(3,380)	(1,035)
Cumulative actuarial losses in SOCTE	(4,629)	(1,249)

Changes in the present value of the defined benefit obligation

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

Changes in the fair value of the plan

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

Notes to the financial statements

continued

Note 7: Pensions benefits continued

A history of experience gains and losses

	2010 £000	2009 £000	
Fair value of employer assets	7,690	5,851	
Present value of defined benefit obligation	(12,232)	(6,992)	
Deficit	(4,542)	(1,141)	
Experience gains/(losses) on assets	1,347	(1,967)	
Experience losses on liabilities	-	-	

	2008 £000	2007 £000	2006 £000
Fair value of employer assets	6,787	5,662	4,394
Present value of defined benefit obligation	(6,863)	(6,836)	(4,712)
Deficit	(76)	(1,174)	(78)
Experience gains on assets	118	48	560
Experience losses on liabilities	-	-	(22)

Note 8: Other operating expenses

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

*Audit fees

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

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

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

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

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

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

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

Notes to the financial statements

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Note 9: Notional cost of capital

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

Note 10: Taxation

	2009/10 £000	2008/09 £000
Corporation Tax (repayable)/payable for current year	(32)	158

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

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

Note 11: Plant, property and equipment

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

Notes to the financial statements

continued

Note 11: Plant, property and equipment

continued

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

Note 12: Film rights

GROUP	BRITISH SCREEN FINANCE LTD £000	EUROPEAN CO-PRODUCTION FUND LTD £000	UK FILM COUNCIL £000	TOTAL £000
At 1 April 2008	-	-	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)
At 1 April 2009	-	-	15,056	15,056
Advances	-	-	21,593	21,593
Repayments	(61)	(28)	(4,209)	(4,298)
Decommitments	-	-	(1,648)	(1,648)
Fair value adjustments in the year	-	-	(55)	(55)
Impairments written back	61	28	2,555	2,644
Impairments	-	-	(12,401)	(12,401)
As at 31 March 2010	-	-	20,891	20,891

COMPANY	2009/10 £000	2008/09 £000
At 1 April	15,056	23,086
Advances	21,593	14,898
Repayments	(4,209)	(8,261)
Decommitments	(1,648)	(620)
Fair value adjustments in the year	(55)	(106)
Impairments written back	2,555	2,537
Impairments	(12,401)	(16,690)
As at 31 March	20,891	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 the International Accounting Standards relating to Financial Instruments (IAS 32 and 39 and IFRS 7) film rights fall within the definition of financial instruments; and within that meet the definition of 'Available for sale financial assets' and are shown in the statement of financial position at fair value.

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

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

Notes to the financial statements

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Note 13: National Lottery Distribution Fund

Movement in balances held at the National Lottery Distribution Fund

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

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

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

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

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

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

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

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

Note 14: Trade and other receivables

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

Notes to the financial statements

continued

Note 15: Non-current assets held for sale

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

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

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

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

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

Note 16: Financial risks

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

Liquidity risks

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

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

Interest rate risks

The UK Film Council's largest financial asset is retained in the National Lottery Distribution Fund, which invests in a narrow band of low risk assets such as Government bonds and cash. Neither the UK Film Council nor its Board has any control over these investments. The interest rate risks in respect of these financial assets are disclosed in the financial statements of the National Lottery Distribution Funds. At the year end the market value of the Council's investment in the National Lottery Distribution Fund was £31.2 million (2009: £44.5 million) and the average investment return for the year was 0.6% (2009: 3.7%).

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

Credit risk

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

Other price risks

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

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

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

Foreign currency risks

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

Note 17: Trade and other payables

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

Analysis of trade and other payables between:

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

COMPANY

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

Analysis of trade and other payables between:

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

Notes to the financial statements

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Note 18: Other payables – award commitments

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

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

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

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

Note 19: Deferred taxation

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

Note 20: Leases

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

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

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

Note 21: Capital commitments

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

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

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

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

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

Note 23: Investments

UK Film Council's subsidiary undertaking at 31 March 2010

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

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

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

	ORDINARY SHARES 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%

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

	2010 £000	2009 £000
British Screen Finance Ltd		
Aggregate of capital and reserves	8,510	8,285
Profit in the year	229	411

Note 24: Segmental reporting

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

Notes to the financial statements

continued

Note 25: Related parties

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

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

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

The following related party transactions occurred during the period:

Lottery awards

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

Note 25: Related parties continued

Lottery awards

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

Notes to the financial statements

continued

Note 25: Related parties continued

Grant-in-aid awards

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

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

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

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

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

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

⁽⁵⁾ 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.

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

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

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

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

Schedules to the financial statements

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

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

Schedules to the financial statements

continued

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

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

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

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

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

Schedules to the financial statements

continued

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

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

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

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

Schedules to the financial statements

continued

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

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

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

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

Schedules to the financial statements

continued

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

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

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

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

Schedules to the financial statements

continued

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

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

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

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

Schedules to the financial statements

continued

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

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

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

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

Schedules to the financial statements

continued

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

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

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

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

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

Lottery Financial Statements

for the year ended 31 March 2010

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Statement of Directors' responsibilities in respect of the accounts

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

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

The Directors of the UK Film Council are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the UK Film Council and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

John Woodward
Chief Executive Officer
29 June 2010

Tim Bevan CBE
Chairman
29 June 2010

Statement on internal control

Scope of responsibility

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

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

The purpose of the system of internal control

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

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

Capacity to handle risk

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

The Audit and Governance Committee, chaired by Stewart Till CBE until July 2009 and thereafter by Heather Rabbatts CBE, gives independent advice and guidance to us, in our roles as Accounting Officer and Chairman of the Board, and to the Board of Directors as a whole, on the adequacy of audit arrangements (both internal and external), on the implications of assurances provided in respect of risk and control at the UK Film Council and oversees the work of the internal auditors, as well as providing guidance as to best practice.

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

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

The risk and control framework

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

The UK Film Council has incorporated risk management in planning and decision-making and maintains an organisation-wide risk register. Policy and operational risks, both in the organisation and from external factors, are identified through our three year business planning cycle and the annual operational planning cycle, and are evaluated by the Senior Management Team. We also consider the risks associated with holding and safeguarding information for operational or financial reporting purposes.

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

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

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

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

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

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

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

The risks identified as a result of the above processes are monitored and controlled within the organisation through a system of key performance and risk indicators which are reported through the Quarterly Performance Review process.

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

In 2009/10 internal audit reports covered:

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

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

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

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

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

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

Statement on internal control

continued

Review of effectiveness

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

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

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

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

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

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

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

We can confirm that in our opinion:

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

John Woodward
Chief Executive Officer
29 June 2010

Tim Bevan CBE
Chairman
29 June 2010

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

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

Respective responsibilities of the Directors, Chief Executive and Auditor

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

Scope of the audit of the financial statements

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

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

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

Opinion on other matters

In my opinion:

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

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Amyas C. E. Morse

Comptroller and Auditor General

15 July 2010

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

Income and expenditure account for the year ended 31 March 2010

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

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

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

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

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

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

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

Statement of financial position at 31 March 2010

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

John Woodward
Chief Executive Officer
29 June 2010

Tim Bevan CBE
Chairman
29 June 2010

Statement of cashflows for the year ended 31 March 2010

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

Notes to the financial statements

Note 1: Accounting policies

a) Basis of preparation

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

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

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

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

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

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

b) Accruals convention

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

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

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

c) Other Lottery awards

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

d) Apportioned costs

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

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

e) Plant, property and equipment

All plant, property and equipment owned by the UK Film Council are included in the Grant-in-aid fund. Usage by the Lottery Fund is accounted for by means of a capital recharge from the Grant-in-aid fund (see note 6).

f) National Lottery Distribution Fund

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

g) Financial instruments

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

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

h) Film rights

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

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

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

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

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

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

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

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

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

i) Film recoupment income

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

j) Foreign currencies

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

k) Leasing commitments

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

Notes to the financial statements

continued

I) Pensions

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

The UK Film Council complies with IAS19, under which the defined benefit scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increase in the present value of the liabilities of the company's defined benefit pension scheme expected to arise from employee service in the year is charged against operating profit. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in finance costs. Actuarial gains and losses are recognised in the statement of changes in tax-payers' equity. The company recognises an asset in respect of any surplus, being the excess of the value of the assets in the scheme over the present value of the scheme's liabilities only to the extent that it is able to recover the surplus. Any deficit is likewise recognised as a liability on the statement of financial position.

Note 2: First time adoption of IFRS

Reconciliation of statement of financial position at 1 April 2009

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

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

Reconciliation of statement of financial position at 1 April 2008

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

Reconciliation of group cashflow for the year 2008/09

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

Note 3: Film right receipts and recoupment income

Arts Council England

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

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

	£000
17 titles with income below £100,000	55
	55

UK Film Council

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

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

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

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

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

Notes to the financial statements

continued

Note 4: Staff costs

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

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

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

The costs of staff working wholly on Lottery activities

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

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

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

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

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

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

Note 5: Pensions benefits

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

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

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

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

Financial assumptions	2010 %	2009 %
Rate of increase in salaries	3.9	4.6
Rate of increase in pension payments	5.4	3.1
Discount rate	5.5	6.9
Inflation assumption	3.9	3.1

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 deficit is:

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

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

Notes to the financial statements

continued

Note 5: Pensions benefits continued

Amount recognised in statement of changes in equity

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

Changes in the present value of the defined benefit obligation

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

Changes in the fair value of the plan

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

A history of experience gains and losses is shown below

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

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

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

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

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

Note 7: Taxation

	2009/10 £000	2008/09 £000
Corporation Tax payable for current year	3	104

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

Notes to the financial statements

continued

Note 8: Film rights

	GROSS £000	IMPAIRMENTS £000	REPAYMENT £000	NET £000
At 1 April 2008	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	-	-	106
Decommitments	(620)	-	-	(620)
At 31 March 2009	206,756	(134,154)	(57,546)	15,056
Hard commitments made in the year	21,593	(9,416)	(650)	11,527
Movements on prior year commitments	-	(430)	(3,559)	(3,989)
Fair valuation adjustments in the year	(55)	-	-	(55)
Decommitments	(1,648)	-	-	(1,648)
At 31 March 2010	226,646	(144,000)	(61,755)	20,891

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

Note 9: National Lottery Distribution Fund

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

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

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

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

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

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

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

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

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

Notes to the financial statements

continued

Note 10: Trade and other receivables

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

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

Analysis of trade and other receivables

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

Note 11: Financial risks

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

Liquidity risks

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

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

Interest rate risks

The UK Film Council's largest financial asset is retained in the National Lottery Distribution Fund, which invests in a narrow band of low risk assets such as Government bonds and cash. Neither the UK Film Council nor its Board has any control over these investments. The interest rate risks in respect of these financial assets are disclosed in the financial statements of the National Lottery Distribution Fund. The market value at year-end of the Council's investment in the National Lottery Distribution Fund was £31.2 million (2009: £44.5 million) and the average investment return for the year was 0.6% (2009: 3.7%).

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

Other price risks

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

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

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

Foreign currency risks

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

Note 12: Other payables

	2010 £000	2009 £000	2008 £000
Corporation Tax	3	21	50
Other payables	506	88	78
	509	109	128

Analysis of trade and other payables

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

Notes to the financial statements

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Note 13: Other payables – award commitments

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

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

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

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

Note 14: Leases

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

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

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

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

Note 15: Capital commitments

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

Note 16: Segmental reporting

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

Note 17: Notes to the statement of cashflows

Reconciliation of operating surplus to net cashflow from operating activities

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

Notes to the financial statements

continued

Note 18: Reconciliations of transactions with delegate bodies

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

Transactions in UK Film Council accounts

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

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

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

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

Note 19: Related parties

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

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

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

The following related party transactions occurred during the period:

Lottery awards

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

Notes to the financial statements

continued

Note 19: Related parties continued

Lottery awards

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

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

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

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

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

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

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

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

Schedules to the financial statements

Schedule 1: Film rights as at 31 March 2010

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

Schedules to the financial statements

continued

Schedule 1: Film rights as at 31 March 2010 continued

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

Schedule 1: Film rights as at 31 March 2010 continued

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

Schedules to the financial statements

continued

Schedule 1: Film rights as at 31 March 2010 continued

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

Schedule 1: Film rights as at 31 March 2010 continued

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

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Schedule 1: Film rights as at 31 March 2010 continued

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

Schedule 1: Film rights as at 31 March 2010 continued

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

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Schedule 1: Film rights as at 31 March 2010 continued

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

Schedule 1: Film rights as at 31 March 2010 continued

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

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Schedule 1: Film rights as at 31 March 2010 continued

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

Schedule 1: Film rights as at 31 March 2010 continued

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

Schedules to the financial statements

continued

Schedule 1: Film rights as at 31 March 2010 continued

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

Schedule 1: Film rights as at 31 March 2010 continued

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

Schedules to the financial statements

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

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

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

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

Schedules to the financial statements

continued

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

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

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

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

Schedules to the financial statements

continued

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

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

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

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

Schedules to the financial statements

continued

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

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

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

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

Schedules to the financial statements

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

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

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

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

Schedules to the financial statements

continued

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

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

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

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

Schedules to the financial statements

continued

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

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

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

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

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

Schedules to the financial statements

continued

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

ORGANISATION	PROJECT	£
Mosaic Films Ltd	London Recut	46,525
The Charles Dickens Museum	Digital Film Archive of the Boz Club	10,000
2 miscellaneous awards less than £10,000 each		17,749
Total		392,070

FIRST LIGHT

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

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

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

Schedules to the financial statements

continued

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

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

SCREEN EAST

Regional Investment Fund for England awards

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

Digital Film Archive Fund awards

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

Total 622,258

SCREEN SOUTH

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

Digital Film Archive Fund awards

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

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

ORGANISATION	PROJECT	£
Southern Discomfort		14,000
Stress		13,255
7 miscellaneous awards less than £10,000 each		37,267
Total		372,020

SCREEN WEST MIDLANDS

Regional Investment Fund for England awards

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

Digital Film Archive Fund awards

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

Schedules to the financial statements

continued

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

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

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

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

Schedules to the financial statements

continued

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

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

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

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

Statutory background

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

Financial directions

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

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

The UK Film Council has implemented procedures throughout the organisation to ensure the requirements of the statement of financial requirements are followed and the UK Film Council confirms that, to the best of its knowledge, it complied fully with the financial requirements in 2009/10. A copy of the statement of financial requirements is available from the UK Film Council.

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

The UK Film Council has in place procedures for dealing with conflicts of interest and maintains a register of interests of all board directors and staff and, to the best of its knowledge, it abided by this procedure in 2009/10.

Policy directions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

G The need to further the objectives of sustainable development.

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

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

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

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

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

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

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

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

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

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

Statutory background

continued

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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