

UK FILM COUNCIL
Financial Statements
For the year ended 31 March 2005

Company no: 3815052



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Foreword to the financial statements for the year ended 31 March 2005

INTRODUCTION

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

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

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

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

In April 2004 UK Film Council fully launched the Film Skills Fund administered by Skillset, the Sector Skills Council for the audiovisual sector, on a delegation basis. The fund covers all sectors of the film industry, supported by £19.5 million of Lottery funds over 2004/07, the existing skills levy on film production and by the industry. UK Film Council's existing Training Fund, which supported training opportunities for scriptwriters, development executives and producer/filmmakers, was subsumed within the Film Skills Fund so ceased making further awards.

During the year the Specialised Distribution and Exhibition Fund continued to develop opportunities for more people across the UK to see a broader range of films. The Specialised Print and Advertising Fund (£1 million) and the UK Film Distribution Programme (£1 million) continued to offer direct support to distributors' costs in increasing the number of cinemas showing specialised films. In addition, awards were announced from schemes to improve facilities for cinema-goers with hearing and sight impairments (Cinema Access Fund - £0.5 million) and provide facilities to film clubs and societies and local communities (Digital Fund for Non-Theatrical Distribution - £0.5 million), both from Arts Council England delegated film capital funds. Also from these funds, UK Film Council launched the application round for the Digital Screen Network, to create a network of screens dedicated to the exhibition of specialised films across the UK (Digital Screen Network - £12 million).

After a successful pilot in 2003/4 the Lottery supported Publications Fund, of £100,000 continued in 2004/05 to broaden readership, and increase editorial range and sustainability of film related publications.

The Regional Investment Fund for England (RIFE), launched in June 2001, created nine Regional Screen Agencies in England. These independent bodies support cultural and industrial film initiatives in their respective regions supported by UK Film Council funding of £7.7 million, which includes £3.2 million in delegated Lottery funds. In addition, UK Film Council co-operates and collaborates with Scottish Screen (for Scotland), Sgrin Cymru Wales (for Wales) and the Northern Ireland Film Commission on all aspects of film policy.

Two of the Lottery franchise agreements, with The Film Consortium Limited and Pathé Pictures Limited, expired on 11 May and 14 June 2004 respectively. These agreements, set up by Arts Council England in 1997, have been managed by UK Film Council since April 2000. The third agreement with DNA Films Limited was extended until July 2008.

UK Film Council International continues to work to encourage overseas filmmakers to locate their production in the UK. This complements the single identity for UK Film Council in overseas markets. Further to this UK Film Council International will also develop and implement UK Film Council's wider international strategy.

UK Film Council provided £16 million of grant funding to the British Film Institute (*bfi*) in 2004/05. In addition the *bfi* received a further grant of £0.8m as modernisation funding from the Department for Culture Media & Sport (DCMS). This was to assist in the ongoing re-structuring costs of the organisation, and was administered through the UK Film Council on behalf of DCMS.

UK Film Council is committed to ensuring that equality and diversity are central to all strategies and activities, and continued its work in implementing the policies in its publication *Success through Diversity and Inclusion*. This publication, launched in November 2003, challenged the UK film sector to mainstream diversity in all areas: in the workforce, in on-screen portrayal and for all audiences.

UK FILM COUNCIL – FINANCIAL STATEMENTS

DIRECTORS

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

The governing body of UK Film Council is the Board of Directors, which consists of a Chairman, Deputy Chairman and up to 13 other Directors. All Directors were appointed by the Secretary of State for Culture, Media and Sport and, unless stated below, remained Directors throughout the year. The Directors as at 31 March 2005 are as follows:

Stewart Till CBE - Chairman* (appointed 30.7.04 – previously Deputy Chairman)
Andrew Eaton – Deputy Chairman (appointed 20.10.04)

Colin Brown
Gurinder Chadha
Mark Devereux *
Nigel Green
Stephen Knibbs *
Anthony Minghella CBE
Alison Owen (appointed 20.10.04)
Heather Rabbatts CBE *
Marc Samuelson (appointed 20.10.04)
Iain Smith * (retired by rotation and re-appointed 31.8.04)
David Sproston (appointed 20.10.04)
Parminder Vir OBE * (retired by rotation 31.8.05)

* Directors who have served on the Audit Committee during the year.

In addition to the Directors above Sir Alan Parker CBE retired as Chairman on 30 July 2004. Tim Bevan, John Hill, James Lee, and Sarah Radclyffe served as directors until 31 August 2004 at which point they retired at the end of their appointment.

REGISTERED AND PRINCIPAL OFFICE

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

AUDITORS

Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

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

INTERNAL AUDITORS

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

SOLICITORS

Withers, 16 Old Bailey, London, EC4M 7EG.

BANKERS

Barclays Media Banking Centre, Soho Square, London W1A 4WA
Lloyds TSB Bank, 32 Oxford Street, London W1A 2LD

UK FILM COUNCIL – FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors present their report and financial statements for the year ended 31 March 2005.

RESULTS

The deficit for the year, after taxation, amounted to £21.28 million (2004: £0.19 million surplus).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

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

UK Film Council was incorporated on 22 July 1999, and commenced activity in October 1999, absorbing the responsibilities and staff of the British Film Commission, the Production Department of the British Film Institute and the Lottery Film Department of Arts Council England on 1 April 2000. It was formally launched in May 2000.

In accordance with the wishes of the Secretary of State for Culture, Media and Sport, British Screen Finance Limited became a wholly owned subsidiary of UK Film Council on 1 October 2000.

Funding activities are in line with *Our Second Three Year Plan – April 2004 – March 2007* – our strategic plan published in March 2005. This sets out the long term aims to develop and consolidate the UK as a centre of global film activity, and builds on the work of UK Film Council outlined in its first strategic plan *Towards a Sustainable Film Industry*.

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

FUTURE DEVELOPMENTS AND EVENTS SINCE THE BALANCE SHEET DATE

Following an invitation from the Department of Culture, Media and Sport, UK Film Council has made a submission to their post 2009 Lottery consultation process.

EMPLOYMENT AND TRAINING POLICIES AND STAFF PARTICIPATION

UK Film Council is committed to a policy of equality of opportunity in its employment practices and continues to develop a culturally diverse workforce. UK Film Council's training and development programmes are designed to encourage and support all employees in improving performance. In particular UK Film Council 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.

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's activities are discussed and staff are regularly briefed on the matters discussed at management and Board meetings. Meetings of all staff are held regularly and a recognition agreement is in place with Amicus/MSF fostering the best possible relationship with staff.

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

BETTER PAYMENT PRACTICE CODE

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 (2004: 17) and 93% of undisputed invoices were paid within thirty days of receipt into the Finance Department (2004: 96%).

ANNUAL GENERAL MEETING

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

AUDITORS

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

By the order of the Board



Alan Bushell FCA
Secretary

07 OCT 2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

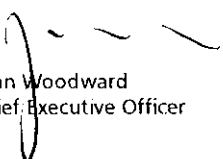
Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of UK Film Council and of the surplus or deficit of UK Film Council for that period.

The Directors of 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 judgments and estimates on a reasonable basis;
- State whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that UK Film Council will continue in operation.

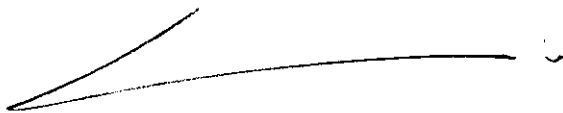
The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of UK Film Council and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps 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 UK Film Council. The relevant responsibilities as Accounting Officer, including the responsibility for the propriety and regularity of the finances for which the Chief Executive Officer is answerable and for the keeping of proper records, are set out in the Non-Departmental Public Bodies' Accounting Officers' Memorandum, issued by HM Treasury.



John Woodward
Chief Executive Officer

07 OCT 2005



Stewart Till CBE
Chairman

07 OCT 2005

STATEMENT ON THE SYSTEM OF INTERNAL CONTROL

Scope of responsibility

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

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

The purpose of the system of internal control

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

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of UK Film Council policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control includes adequate arrangements for detecting and responding to inefficiency, conflict of interest and fraud and prioritises those risks associated with the custody of assets and potential loss of Exchequer and Lottery grants. The system of internal control has been in place for the year ended 31 March 2005 and up to the date of approval of the annual report and accounts and accords with Treasury guidance.

Capacity to handle risk

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

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

The risk and control framework

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

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

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

Review of effectiveness

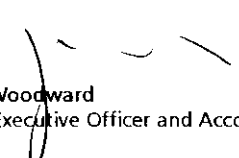
As Accounting Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system is informed by the work of the internal auditors and the senior management within UK Film Council who have responsibility for the development and maintenance of the internal control framework, and comment made by the external auditors in their management letters and other reports. I have been advised on the implications of the results of my review of the effectiveness of the system of internal control by the Board and the Audit Committee. 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 UK Film Council's risk policy;
- Translate the risk register into day-to-day operational planning within teams; and
- Report to me on the status of risks and controls.

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

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


John Woodward
Chief Executive Officer and Accounting Officer

07 OCT 2005

Independent Auditors' report

to the members of UK Film Council

We have audited the group's financial statements for the year ended 31 March 2005 which comprise the group income and expenditure account, group statement of total recognised gains and losses, group balance sheet, balance sheet, group statement of cashflows and the related notes 1 to 26. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the Annual Report and Financial Statements in accordance with applicable United Kingdom law and accounting standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and UK Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions with the group is not disclosed. We also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

We review whether the Accounting Officer's statement on the system of internal control reflects the company's compliance with HM Treasury's guidance *Corporate Governance: Statement on the System of Internal Control* and we report if it does not. We are not required to consider whether the company's statement on their controls cover all risks and controls, or form an opinion on the effectiveness of either the company's corporate governance procedures or internal control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Foreword to the accounts; statement on internal control; Schedule 1: Grant-in-aid awards and Schedule 2: Lottery awards. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

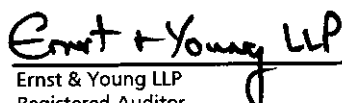
We conducted our audit in accordance with UK Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the company and of the group as at 31 March 2005 and of the deficit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.
- 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.


Ernst & Young LLP
Registered Auditor
London

7 October 2005

UK FILM COUNCIL – FINANCIAL STATEMENTS

UK FILM COUNCIL

GROUP INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2004/05 £000	2003/04 £000
Group turnover	2	57,651	55,915
Awards			
- Grant-in-aid		(22,837)	(20,557)
- Lottery – non-film rights		(24,922)	(7,063)
- Arts Council England pre-committed expenditure		99	46
UK Media Desk		(217)	(193)
International Marketing		(1,408)	(1,266)
Research and Statistics Unit		(466)	(333)
Cost of sales		-	(17)
Provisions and amortisation			
- Provisions against film rights	3	(23,766)	(20,142)
- Provisions written back	3	1,540	1,114
- Amortisation of negative goodwill		1,551	1,552
Other operating expenses	4	(9,054)	(9,276)
		(79,480)	(56,135)
Operating deficit		(21,829)	(220)
Bank interest receivable		861	613
Notional cost of capital	8	(378)	(284)
Other financing income		22	9
		505	338
(Deficit)/surplus after notional costs		(21,324)	118
Reversal of notional cost of capital		378	284
(Deficit)/surplus on ordinary activities before taxation		(20,946)	402
Tax on (deficit)/surplus on ordinary activities for the year	9	(337)	(207)
(Deficit)/surplus for the year		(21,283)	195

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

		2004/05 £000	2003/04 £000
(Deficit)/surplus for the financial year		(21,283)	195
Actual return less expected return on pension assets	7	83	167
Experience losses arising on the scheme liabilities	7	(315)	(7)
Actuarial (loss)/gain in pension plan		(232)	160
Total recognised gains and losses in the year		(21,515)	355

UK FILM COUNCIL – FINANCIAL STATEMENTS

UK FILM COUNCIL GROUP BALANCE SHEET AS AT 31 MARCH 2005

	Notes	2005 £000	2004 £000
Fixed assets			
Negative goodwill	10	-	(1,551)
Tangible assets	11	1,145	1,267
		<u>1,145</u>	<u>(284)</u>
Current assets			
Film rights	12	26,857	35,510
Debtors	13	20,162	4,758
Balance at the National Lottery Distribution Fund	14	44,780	44,280
Cash at bank and in hand	15	22,077	18,808
		<u>113,876</u>	<u>103,356</u>
Creditors: amounts falling due within one year			
Award commitments	17	13,922	5,931
Creditors	18	17,195	3,740
		<u>31,117</u>	<u>9,671</u>
Net current assets		<u>82,759</u>	<u>93,685</u>
Total assets less current liabilities		<u>83,904</u>	<u>93,401</u>
Creditors : amounts falling due after one year			
Commitments to filmmakers	17	11,862	-
Net assets excluding pension asset/liability		<u>72,042</u>	<u>93,401</u>
Pension (liability)/asset	7	(39)	117
Total assets less liabilities		<u>72,003</u>	<u>93,518</u>
Capital and reserves			
General reserve	23	6,214	4,059
Pension reserve	23	(39)	117
Grant-in-aid reserve	23	5,754	5,732
Lottery reserve	23	60,074	83,610
		<u>72,003</u>	<u>93,518</u>

John Woodward
Chief Executive Officer

07 OCT 2005

Stewart Till CBE
Chairman

07 OCT 2005

UK FILM COUNCIL – FINANCIAL STATEMENTS

UK FILM COUNCIL BALANCE SHEET AS AT 31 MARCH 2005

	Notes	2005 £000	2004 £000
Fixed assets			
Tangible assets	11	1,099	1,200
Current assets			
Film rights	12	26,298	34,616
Debtors	13	20,169	4,811
Balance at the National Lottery Distribution Fund	14	44,780	44,280
Cash at bank and in hand	15	15,898	12,740
		<u>107,145</u>	<u>96,447</u>
Creditors: amounts falling due within one year			
Award commitments	17	13,922	5,931
Creditors	18	16,632	2,374
		<u>30,554</u>	<u>8,305</u>
Net current assets		<u>76,591</u>	<u>88,142</u>
Total assets less current liabilities		<u>77,690</u>	<u>89,342</u>
Creditors : amounts falling due after one year			
Commitments to filmmakers	17	11,862	-
Net assets excluding pension asset/liability		65,828	89,342
Pension (liability)/asset	7	(39)	117
Total assets less liabilities		<u>65,789</u>	<u>89,459</u>
Capital and reserves			
Pension reserve	23	(39)	117
Grant in Aid reserve	23	5,754	5,732
Lottery reserve	23	60,074	83,610
		<u>65,789</u>	<u>89,459</u>

John Woodward
Chief Executive Officer

Stewart Till CBE
Chairman

07 OCT 2005

07 OCT 2005

UK FILM COUNCIL – FINANCIAL STATEMENTS

UK FILM COUNCIL GROUP STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2004/05 £000	2003/04 £000
Net cash inflow from operating activities	5	2,745	10,079
Returns on investments and servicing of finance			
Bank interest received		891	575
Taxation			
Tax paid		(291)	(168)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(76)	(176)
		<hr/>	<hr/>
Increase in cash	15	3,269	10,310
		<hr/>	<hr/>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Notes	2004/05 £000	2003/04 £000
Increase in cash		3,269	10,310
Change in net funds resulting from cashflows	15	<hr/> 3,269	<hr/> 10,310
Net funds at 1 April		18,808	8,498
		<hr/>	<hr/>
Net funds at 31 March	15	22,077	18,808
		<hr/>	<hr/>

UK FILM COUNCIL – FINANCIAL STATEMENTS

UK FILM COUNCIL NOTES TO THE FINANCIAL STATEMENTS

Note 1: Accounting policies

a) Basis of preparation

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

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

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

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

b) Basis of consolidation

The group financial statements consolidate the financial statements of UK Film Council and all its subsidiary undertakings drawn up to 31 March 2005. An income and expenditure account is not presented for UK Film Council as permitted by section 230 of the Companies Act 1985.

c) Goodwill

On the acquisition of British Screen Finance Limited the fair value of the separable net assets exceeded the fair value of the consideration. The difference is treated as negative goodwill and is capitalised and released through the income and expenditure account. The negative goodwill arises substantially from recoverable loans to filmmakers and is being released over a five year period from 1 April 2000, the date of effective control, to match the period of expected loan recoupment.

d) Accruals convention

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

As required by the Secretary of State for Culture, Media and Sport, a distinction is made in respect of Lottery awards between 'hard commitments' and 'soft commitments'. Where UK Film Council has made a firm offer of a grant, which, together with the relevant conditions, has been accepted by the recipient, the award is accounted for as a 'hard commitment'. Where 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 accounts whereas soft commitments are recognised by way of note.

Hard commitments payable within one year of the balance sheet date are recognised in the balance sheet as current liabilities. Those payable more than one year from the balance sheet date are shown as commitments to filmmakers payable over more than one year, however these are extremely unlikely in the 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 prudent view of future income.

e) 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.

f) Depreciation and fixed assets

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

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

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

g) National Lottery Distribution Fund

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

Note 1: Accounting policies (continued)

h) Film rights

Film rights represent loans paid and advances paid and payable to filmmakers. They are included in the balance sheet, with provisions raised against the value of an advance to the extent that full repayment is not expected.

All advances to filmmakers are repayable under certain conditions. Where a feature film made with the assistance of UK Film Council is successfully released, 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.

Provisions 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 provided against in the year of award unless there is a reasonable expectation of repayment.

The movement in provisions shown in the income and expenditure account reflect the net effect of increases and decreases in provisions against film rights in the year.

Proceeds from sales of film rights are shown as income, with associated acquisition costs shown as cost of sales, in the income and expenditure account.

i) Film recoupment income

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

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

j) Grant-in-aid Awards

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

k) Notional cost of capital

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

l) Deferred tax

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

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

- Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

m) Foreign currencies

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

n) Leasing commitments

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

o) Pensions

UK Film Council is an admitted body of the Local Government Pension Scheme, which operates a defined benefit scheme for those UK Film Council employees who wish to join. It is a statutory, funded pension scheme and its benefits are defined and guaranteed in law. The scheme is administered by the London Pensions Fund Authority, a statutory body established on 31 October 1989, responsible to the Mayor of London and accountable to Parliament and the Greater London 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.

Note 1: Accounting policies (continued)
o) Pensions (continued)

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

Independent actuaries prepare full valuations of the defined benefit 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.

p) Financial instruments

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

Note 2: Turnover

Comprises:

	2004/05 £000	2003/04 £000
UK Film Council Lottery funding		
Share of proceeds	27,581	26,410
Net investment income from the National Lottery Distribution Fund	2,289	1,968
Delegated Funds – Arts Council England	916	-
Recoupment income		
- UK Film Council portfolio	416	1,198
- Arts Council England portfolio	444	538
Other income	144	-
	<u>31,790</u>	<u>30,114</u>
UK Film Council Grant-in-aid funding		
Voted by Parliament and paid in full:	24,910	24,110
Other income	330	635
	<u>25,240</u>	<u>24,745</u>
British Screen Finance Group income		
Sales of film rights	29	438
Interest received from film loans	70	35
Recoupment income	326	372
Fees receivable	196	210
Other income	-	1
	<u>621</u>	<u>1,056</u>
Total turnover	<u>57,651</u>	<u>55,915</u>

Turnover represents the amount derived from the provision of services which fall within the group's continuing ordinary activities, stated net of value added tax. The group's turnover originates wholly within the United Kingdom.

Note 3: Provisions against film rights

	2004/05 £000	2003/04 £000
Provisions made		
British Screen Finance loans	202	490
European Co-production Fund loans	113	80
UK Film Council film awards	23,451	19,572
	<u>23,766</u>	<u>20,142</u>

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Note 3: Provisions against film rights (continued)

Provisions written back

	2004/05	2003/04
	£000	£000
British Screen Finance loans	108	439
British Screen Finance development loans	-	13
National Film Finance Corporation loans	48	22
European Co-production Fund loans	67	114
European Co-production Fund development loans	-	1
UK Film Council film awards	737	525
	<u>960</u>	<u>1,114</u>
 British Screen Rights licence fees	 580	 -
	<u>1,540</u>	<u>1,114</u>

Note 4: Other operating expenses

This is stated after charging:

	2004/05	2003/04
	£000	£000
Depreciation	198	287
Auditor's remuneration – AHL Business Assurance Ltd (internal audit)	20	20
Auditor's remuneration – Ernst & Young LLP (audit associated costs)	15	15
Auditor's remuneration – Ernst & Young LLP (non audit associated costs)	16	15
Auditor's remuneration – National Audit Office (National Lottery accounts)	16	16
Operating lease rentals – land and buildings	429	459
Pensions service cost	254	218

Note 5: Statement of cash flows

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

	2004/05	2003/04
	£000	£000
Operating deficit	(21,829)	(220)
Depreciation	198	287
Amortisation of negative goodwill	(1,551)	(1,552)
Provision of losses on loans	23,766	20,142
Provisions written back	(960)	(1,114)
Loans advanced	(22,474)	(31,627)
Decommitments	402	540
Receipts from loans	7,919	3,952
(Increase)/decrease in debtors	(15,912)	28,817
Non cash pension STRGL movement	(232)	160
Increase/(decrease) in creditors	33,418	(9,306)
	<u>2,745</u>	<u>10,079</u>

Note 6: Staff costs

Directors' remuneration (including daily allowances) is:

	2004/05	2003/04
	£	£
Colin Brown	2,174	-
Andrew Eaton (appointed 20.10.04)	1,386	-
Alison Owen (appointed 20.10.04)	990	-
Sarah Radclyffe (retired 31.8.04)	990	1,746
Marc Samuelson (appointed 20.10.04)	1,386	-
David Sproxton (appointed 20.10.04)	396	-
Parminder Vir OBE	2,178	2,134
Paul Webster (retired 30.8.03)	-	1,358
	<u>9,500</u>	<u>5,238</u>

Note 6: Staff costs (continued)

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

	2004/05	2003/04
	£000	£000
Wages and salaries	4,530	4,252
Social Security costs	445	425
Pension service costs and other pension costs	330	302
	<u>5,305</u>	<u>4,979</u>

The average monthly number of staff employed during the year was:

	2004/05	2003/04
	No.	No.
Management and administration	90	90

The remuneration of the Chief Executive Officer was:

	2004/05	2003/04
	£	£
John Woodward (Age: 44)		
Salary and benefits	133,429	130,175
Bonus	43,365	42,141
Total	<u>176,794</u>	<u>172,316</u>
Pension contribution	<u>21,349</u>	<u>20,828</u>

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

	Age	Total Remuneration Year ended 2004/05 £000	Pension accrued at 65 as at March 2005 £000	Increase to pension accrued 2004/05 £000	Total Remuneration Year ended 31 March 2004 £000
Robert Jones Head of Premiere Fund (resigned 25 February 2005)	44	150 - 155	7.5 - 10	0 - 2.5	160-165
Paul Trijbits Head of New Cinema Fund	43	120 - 125	5 - 7.5	0 - 2.5	115-120
Jenny Borgars Head of Development Fund	34	105 - 110	2.5 - 5	0 - 2.5	100-105
Peter Buckingham Head of Distribution & Exhibition	49	115 - 120	2.5 - 5	0 - 2.5	110-115
Steve Norris British Film Commissioner	46	135 - 140	2.5 - 5	0 - 2.5	125-130
Will Evans Head of Business Affairs	50	140 - 145	-	-	135-140
Alan Bushell Chief Operating Officer	54	105 - 110	2.5 - 5	0 - 2.5	100-105
Iain Hepplewhite Head of Communications	38	90 - 95	2.5 - 5	0 - 2.5	90-95

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

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

A number of directors and employees have interests in award applications which have been fully disclosed in note 26.

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Note 7: Pensions benefits

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

The contributions to the defined benefit scheme were £0.3 million in the year to 31 March 2005 (2004: £0.2 million), all relating to current service costs.

FRS 17 Disclosure

All public bodies have to account in full for pensions benefits under the disclosure requirements of FRS17. Therefore as at 31 March 2005, a pensions liability of £0.04m is disclosed on the UK Film Council balance sheet. (2004: £0.117m asset)

For FRS 17 disclosure the valuation at 31 March 2004 has been updated by the actuaries Hymans Robertson to assess the liabilities of the scheme as at 31 March 2005. Scheme assets are stated at their market value as at 31 March 2005 and the assets and liabilities of the London Pensions Fund Authority and the expected rate of return as at 31 March 2005 are:

Assets (whole fund)	Long term return % per annum % pa	Fund value at 31 March 2005 £000	Expected return per annum £000
Equities	7.7%	1,215,800	93,617
Bonds	4.8%	166,500	7,992
Property	5.7%	109,800	6,259
Cash	4.8%	51,700	2,482
		<u>1,543,800</u>	<u>110,350</u>

At the 31 March 2004 the expected rates of return were:

Assets (whole fund)	Long term return % per annum % pa	Fund value at 31 March 2004 £000	Expected return per annum £000
Equities	7.7%	1,137,200	87,564
Bonds	5.1%	173,400	8,843
Property	6.5%	52,000	3,380
Cash	4.0%	21,900	876
		<u>1,384,500</u>	<u>100,663</u>

The main assumptions are:

	31 March 2005 % per annum	31 March 2004 % per annum	31 March 2003 % per annum
Price increases	2.9%	2.9%	2.5%
Salary increases	4.4%	4.4%	4.0%
Pension increases	2.9%	2.9%	2.5%
Discount rate	6.5%	6.5%	6.1%

Net pension assets for UK Film Council:

	31 March 2005 £000	31 March 2004 £000
Estimated UK Film Council share of the assets	3,207	1,509
Present value of scheme liabilities attributable to UK Film Council	<u>(3,246)</u>	<u>(1,392)</u>
Total value of liabilities	<u>(3,246)</u>	<u>(1,392)</u>
Net pension (liability)/asset attributable to UK Film Council	<u>(39)</u>	<u>117</u>

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Note 7: Pension benefits (continued)

Analysis of the amount charged to operating surplus:

	31 March 2005	31 March 2004
	£000	£000
Service Cost	254	218
Total Operating Charge	254	218

Analysis of the amount credited to other financial income

	31 March 2005	31 March 2004
	£000	£000
Expected return on employer assets	126	78
Interest on Pension Scheme liabilities	(104)	(69)
Net Return	22	9
Net Revenue Account Cost	232	209

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

The actuarial (loss)/gain as disclosed in the Statement of Total Recognised Gains and Losses is as follows:

	31 March 2005	31 March 2004
	£000	£000
Actual return less expected return on pension assets	83	167
Experience gains and losses arising on the scheme liabilities	(315)	(7)
Actuarial (loss)/gain in pension plan and STRGL	(232)	160

Movement in surplus/(deficit) during the year

	31 March 2005	31 March 2004
	£000	£000
Surplus/(deficit) at beginning of year	117	(106)
Current service cost	(254)	(218)
Employer contributions	308	271
Net return on assets	22	9
Actuarial (losses)/gains	(232)	161
(Deficit)/surplus at end of year	(39)	117

History of experience gains and losses

	31 March 2005	31 March 2004
	£000	£000
Difference between the expected and actual return on assets	83	167
Value of assets	3,207	1,509
Percentage of assets	2.6%	11%
Experience losses on liabilities	(315)	(7)
Present value of liabilities	3,246	1,393
Percentage of the present value of liabilities	(9.7%)	(0.5%)
Actuarial (losses)/gains recognised in STRGL	(232)	160
Present value of liabilities	3,246	1,392
Percentage of the present value of liabilities	(7.1%)	(11.5%)

Note 8: Notional cost of capital

Notional cost of capital is calculated, on the advice of HM Treasury, on the average net assets employed in the year, excluding the balances in the National Lottery Distribution Fund, film rights and the matching Lottery award liabilities. The interest on DCMS grant assets was 3.5% (2004: 3.5%) and Lottery assets 0% (2004: 0%).

Note 9: Taxation

	2004/05	2003/04
	£000	£000
Corporation tax payable for current year	337	207
	<u>337</u>	<u>207</u>

The tax assessed for the year varies from the standard rate of corporation tax in the UK (30%). This is because UK Film Council and European Co-production Fund Limited are taxed solely on interest receivable, while the remaining companies within the British Screen Group are taxable on their full trading activities.

The differences are explained below:

	2004/05	2003/04
	£000	£000
(Deficit)/surplus on ordinary activities before taxation	(20,946)	402
(Deficit)/surplus on ordinary activities multiplied by standard rate of Corporation tax in the UK of 30% (2004: 30%)	(6,284)	121
Effects of:		
UK Film Council (deficit)/surplus not chargeable to UK corporation tax		
Expenses not deductible for tax purposes	6,676	130
Depreciation in excess of capital allowances	7	8
Brought forward tax losses utilised	(45)	(50)
Difference in tax rates on consolidation	(17)	(2)
Current tax charge for the year	<u>337</u>	<u>207</u>

Note 10: Intangible fixed assets

	Goodwill
	£000
Cost:	
At 1 April 2004 and 31 March 2005	(7,759)
Amortisation:	
At 1 April 2004	6,208
Write back for the year	1,551
At 31 March 2005	<u>7,759</u>
Net book value:	
At 1 April 2004	(1,551)
At 31 March 2005	-

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Note 11: Tangible fixed assets

Group	Short Leasehold improvements £000	IT equipment £000	Office equipment £000	Total £000
Cost:				
At 1 April 2004	1,549	391	367	2,307
Additions	9	63	4	76
At 31 March 2005	<u>1,558</u>	<u>454</u>	<u>371</u>	<u>2,383</u>
Depreciation:				
At 1 April 2004	423	289	328	1,040
Charge for the year	119	62	17	198
At 31 March 2005	<u>542</u>	<u>351</u>	<u>345</u>	<u>1,238</u>
Net book value:				
At 1 April 2004	1,126	102	39	1,267
At 31 March 2005	<u>1,016</u>	<u>103</u>	<u>26</u>	<u>1,145</u>
Company	Short Leasehold improvements £000	IT equipment £000	Office equipment £000	Total £000
Cost:				
At 1 April 2004	1,458	339	348	2,145
Additions	9	50	3	62
At 31 March 2005	<u>1,467</u>	<u>389</u>	<u>351</u>	<u>2,207</u>
Depreciation:				
At 1 April 2004	376	257	312	945
Charge for the year	99	47	17	163
At 31 March 2005	<u>475</u>	<u>304</u>	<u>329</u>	<u>1,108</u>
Net book value:				
At 1 April 2004	1,082	82	36	1,200
At 31 March 2005	<u>992</u>	<u>85</u>	<u>22</u>	<u>1,099</u>

Note 12: Film rights

Group	British Screen Finance Limited £000	European Co-production Fund Limited £000	UK Film Council £000	Total £000
At 1 April 2004	573	321	34,616	35,510
Advances	-	-	22,474	22,474
Repayments	(169)	(74)	(7,676)	(7,919)
Decommitments	-	-	(402)	(402)
Provisions written back	156	67	737	960
Provisions	(202)	(113)	(23,451)	(23,766)
At 31 March 2005	<u>358</u>	<u>201</u>	<u>26,298</u>	<u>26,857</u>

Note 12: Film rights (continued)

Company	UK Film Council £000
At 1 April 2004	34,616
Advances	22,474
Repayments	(7,676)
Decommitments	(402)
Provisions written back	737
Provisions	(23,451)
At 31 March 2005	26,298

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.

Note 13: Debtors

Group	2005 £000	2004 £000
Trade debtors	49	60
Prepayments and accrued income	3,853	490
VAT receivable	1,037	1,512
Other debtors	8,363	2,696
Debtors falling due after more than one year		
Other debtors	6,860	-
	6,860	-
	20,162	4,758
Company	2005 £000	2004 £000
Due from subsidiary undertakings	122	233
Prepayments and accrued income	3,835	435
VAT receivable	1,036	1,501
Other debtors	8,316	2,642
Debtors falling due after more than one year		
Other debtors	6,860	-
	6,860	-
	20,169	4,811

Included in other debtors for both Group and Company is a sum of £15 million representing the full delegated funds from Arts Council England, as UK Film Council had not drawn down against this funding at 31 March 2005. Funds will be drawn down to meet award cash requirements under the delegation and it is expected that £6.86m of this will fall due after 31 March 2006.

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Note 14: Balance at National Lottery Distribution Fund

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

	2005 £000	2004 £000
Opening balance held at the National Lottery Distribution Fund	44,280	75,573
Income received from the Lottery	27,581	26,410
Investment income earned	2,289	1,968
Available for distribution	74,150	103,951
Cash drawn down	(29,370)	(59,671)
Market value at 31 March 2005	44,780	44,280

At 31 March 2005 the cost of the investment of the fund was £44.95m (2004: £44.83m). Income received from the Lottery shown above is after charging unrealised losses of £0.17m (2004: £0.55m).

The funds are invested on behalf of the National Lottery Distribution Fund by the National Debt Commissioners. 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). UK Film Council is required by statute to show on the balance sheet the lower of the market value or the cost of the investment as at the year end.

UK Film Council has published its plans for the period 2004/07. The plan assumes UK Film Council will continue to make the level of commitments in each of the next two years at similar levels to its first three year plan. As a consequence UK Film Council will make commitments over 2005/07 in excess of its Lottery income and this will reduce cash balances over this period. The National Lottery Distribution Fund balance at the end of 2006/07 is expected to be below £10 million and the position will be closely monitored to ensure overtrading does not occur.

Note 15: Cash and liquid resources

	1 April 2004 £000	Net cash flow £000	31 March 2005 £000
Group			
Cash at bank and in hand	<u>18,808</u>	<u>3,269</u>	<u>22,077</u>
Company			
Cash at bank and in hand	<u>12,740</u>	<u>3,158</u>	<u>15,898</u>

Note 16: Financial risks

FRS 13 Derivatives and other financial instruments, requires 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 2005, £27.6 million (47%) (2004: £26.41 million, 47%) of UK Film Council's income derived from the National Lottery. £24.91 million (42%) arose from Grant-in-aid funding allocated by the Department for Culture, Media and Sport (2004: £24.11 million, 43%). The remaining income derived from investment returns from the balance held with the National Lottery Distribution Fund £2.29 million (4%) (2004: £1.97 million, 4%), delegated income from Arts Council England £0.92m (2%) (2004: £nil), recoupment income from film rights £0.86 million (2%) (2004: £1.72 million, 3%), income arising from British Screen Group £0.62 million, 1% (2004: £1.1 million, 2%) and bank interest and sundry income £1.34 million (3%) (2004: £1.3 million, 2%).

The Board considers that as the National Lottery Distribution Fund balance notified by the Secretary of State for Culture, Media and Sport and UK Film Council's own Lottery cash holding amount to £55.03 million at the balance sheet date (2004: £53.52 million), sufficient liquid resources are available to cover all current hard and soft commitments totalling £50.24 million (2004: £29.32 million) and any related creditors. In addition the year end cash balances not attributable to Lottery of £11.83 million (2004: £9.5 million) are deemed sufficient to cover remaining creditors.

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 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. At the year end the market value of the Council's investment in the National Lottery Distribution Fund was £44.78 million (2004: £44.28 million) and the average investment return for the year was 5.1% (2004: 3.13%).

Note 16: Financial risks (continued)

Interest rate risks

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 4.2% (2004: 4.5%). The Group cash balance at the year-end was £22.08 million (2004: £18.8 million). The Board consider that in respect of these funds UK Film Council is not exposed to significant interest rate risks.

Foreign currency risk

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

Note 17: Soft and hard commitments

	2005 £000	2004 £000
Soft Commitments		
Brought forward at 1 April	23,388	41,057
Commitments made	50,665	29,433
Transferred back from hard commitments	254	400
Soft decommitments	(2,302)	(8,706)
Transferred to hard commitments	(47,547)	(38,796)
Balance carried forward at 31 March	24,458	23,388
Hard Commitments		
Brought forward at 1 April	5,931	15,289
Commitments made	47,547	38,796
Hard decommitments	(402)	(313)
Transferred to soft commitments	(254)	(400)
Amounts paid	(27,038)	(47,441)
Balance carried forward at 31 March	25,784	5,931

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

Of the £24.5 million soft commitments as at 31 March 2005, £14 million is the outstanding element relating to the three franchises (2004: £17.9 million).

New hard commitments made during the year comprise:

	2005 £000	2004 £000
Film rights	22,471	31,632
Film skills fund	18,705	501
Regional awards	3,200	3,490
Distribution and exhibition awards	1,603	975
First Light award	1,000	1,000
Training awards	489	1,098
Publication awards	79	100
	47,547	38,796

The Film Skills Fund commitment is the delegation to Skillset Limited – the Sector Skills Council for the audio-visual industries, to administer the provision of funded training activities on behalf of the UK Film Council until March 2007. On commencement of this delegation in April 2004 the UK Film Council training fund was subsumed into this and therefore ceased to make awards.

Regional awards are the delegated sum to the nine Regional Screen Agencies created under the Regional Investment Fund for England (RIFE) and have a three year life.

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Note 17: Soft and hard commitments (continued)

Ageing of hard commitments:

	2005 £000	2004 £000
Included within amounts falling due within one year		
2004/05	-	5,931
2005/06	13,922	-
	<hr/>	<hr/>
Included in amounts falling due after one year		
2006/07	9,362	-
2007/08	2,500	-
	<hr/>	<hr/>
	11,862	-
	<hr/>	<hr/>
	25,784	5,931
	<hr/>	<hr/>

It is expected that all outstanding hard commitments as at 31 March 2005 will be fully paid by 31 March 2008, and commitments due after one year relate to Development Slate awards and the Film Skills Fund delegation to Skillset.

Note 18: Creditors: Amounts falling due within one year

	2005 £000	2004 £000
Group		
Trade creditors	658	1,914
Accruals and deferred income	16,051	1,457
Corporation tax	352	204
Other creditors and Social Security	134	165
	<hr/>	<hr/>
	17,195	3,740
	<hr/>	<hr/>
Company		
Trade creditors	408	790
Accruals and deferred income	15,957	1,374
Corporation tax	143	101
Other creditors and Social Security	124	109
	<hr/>	<hr/>
	16,632	2,374
	<hr/>	<hr/>

Deferred income included above of £14.085 million represents the balance of the £15 million delegated funds from Arts Council England that has not become a hard commitment through awards by UK Film Council.

Note 19: Deferred Taxation

The group had no potential liability to deferred taxation at 31 March 2005 (31 March 2004: £nil)

Note 20: Leases

As at 31 March 2005, UK Film Council (non-Lottery) had annual commitments under a non-cancellable operating lease relating to land and buildings as set out below:

	2005 £000	2004 £000
Operating lease which expires in between two to five years	110	110
	<hr/>	<hr/>
Operating lease which expires in over five years	315	315
	<hr/>	<hr/>

Note 21: Capital commitments

As at 31 March 2005 UK Film Council had no capital commitments outstanding (31 March 2004: £nil).

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

The majority of the Grant-in-aid allocation voted annually to 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 UK Film Council itself.

As at 31 March 2005 UK Film Council had Grant-in-aid commitments for 2005/06 as follows:

British Film Institute	£16,000,000
Regional and National awards	£5,105,000

Note 23: Movements in reserves

	General Reserve	Pension reserve	Grant-in-aid I&E reserve	Lottery I&E reserve	Total
	£000	£000	£000	£000	£000
Group					
Brought forward at 1 April 2004	4,059	117	5,732	83,610	93,518
Surplus/(deficit) for the year	2,155	76	22	(23,536)	(21,283)
Movements on the STRGL					
Actual return less expected return on pension assets	-	83	-	-	83
Experience losses arising on the scheme liabilities	-	(315)	-	-	(315)
Actuarial loss in pension plan	-	(232)	-	-	(232)
Carried forward at 31 March 2005	6,214	(39)	5,754	60,074	72,003
		Pension reserve	Grant-in-aid I&E reserve	Lottery I&E reserve	Total
		£000	£000	£000	£000
Company					
Brought forward at 1 April 2004		117	5,732	83,610	89,459
Surplus/(deficit) for the year		76	22	(23,536)	(23,438)
Movements on the STRGL					
Actual return less expected return on pension assets		83	-	-	83
Experience losses arising on the scheme liabilities		(315)	-	-	(315)
Actuarial loss in pension plan		(232)	-	-	(232)
Carried forward at 31 March 2005		(39)	5,754	60,074	65,789

Reserves reflect the different income and expenditure streams of the organisation. All of these reserves are unrestricted. The general reserve represents the reserves upon consolidation of the subsidiary companies forming British Screen Group, within UK Film Council Limited.

UK FILM COUNCIL – FINANCIAL STATEMENTS

Note 24: Investments

UK Film Council's subsidiary undertaking at 31 March 2005 was:

	Ordinary Shares of £1 each	Holding
British Screen Finance Limited	4,200,078	100%

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

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

	Ordinary Shares of £1 each	Holding
Subsidiary undertakings		
National Film Trustee Company Limited	100	100%
National Film Finance Consortium Limited	100	100%
European Co-production Fund Limited	2	100%
British Screen Rights Limited	2	100%
The Greenlight Fund Limited	2	100%
Associated undertakings		
British Film-Makers Limited	50	50%

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

Note 25: Intra-government balances

As at 31 March the following Intra-government balances were in existence between UK Film Council and its subsidiaries and other Government bodies:

Balances due to UK Film Council:	2005 £000	2004 £000
Funds held at the National Lottery Distribution Fund	44,780	44,280
Funds held at Arts Council England	15,000	-
Funds due from HM Revenue and Customs re VAT	1,037	1,512
Balances due from UK Film Council		
Balance due to HM Revenue and Customs re Corporation Tax	352	204

Note 26: Related parties

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

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

The following related party transactions occurred during the period:

Organisation	Name	Relationship to recipient organisation	Award	Award outstanding 31 March 2004
Lottery awards				
Directors of UK Film Council				
British Film Institute	Anthony Minghella	Chair	£1,900	£nil
Capitol Films Ltd	Marc Samuelson	Non-Executive Director	£1,200,000	£1,200,000
CFF Enterprises Ltd	Iain Smith	Director	£100,000	£70,578
DNA Ltd	James Lee	Director	£260,886	£158,447
Domino Pictures Ltd	Alison Owen	Director	£900,000	£885,000
Entertainment Film Distribution Ltd	Nigel Green	Director	£100,000	£100,000
Go Go Pictures Ltd	Alison Owen	Director	£75,000	£75,000
Mirage Enterprises	Anthony Minghella	Director	£18,750	£18,750
Revolution Films Ltd	Andrew Eaton	Director	£1,000,000	£1,000,000
Samuelson Bertie Ltd	Marc Samuelson	Director	£2,000,000	£2,000,000
Samuelson Productions Ltd	Marc Samuelson	Director	£34,750	£34,750
Scarlet Pictures Ltd	Alison Owen	Director	£44,750	£29,750
Script Factory	Anthony Minghella	Artistic Advisor	£30,000	£23,476
Skillset	Stewart Till Parminder Vir	Deputy Chair Patron	£18,704,627	£13,725,397
Employees of the UK Film Council				
Skillset	John Woodward	Director	£18,704,627	£13,725,397

UK FILM COUNCIL – FINANCIAL STATEMENTS

Grant-in-aid awards

Organisation	Name	Relationship to recipient organisation	Award	Award outstanding 31 March 2004
Directors of the UK Film Council British Film Institute	Anthony Minghella	Chair	£16,800,000	-
(Includes £800,000 modernisation award made directly by the Department of Culture Media and Sport and administered by UK Film Council on their behalf)				
Production Guild of Great Britain	Iain Smith	Vice President	£3,000	-
Scottish Screen	Iain Smith	Director	£45,000	-
Skillset	Stewart Till Parminder Vir	Deputy Chair Patron	£25,000	-
Employees of UK Film Council British Screen Advisory Council	Steve Norris John Woodward	Member	£25,920	-
Skillset	John Woodward	Director	£25,000	-

In addition £121,293 was paid to Olswang Solicitors for professional services rendered in the year. Mark Devereux is a Senior Partner in this firm.

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

Schedule 1: Grant-in-aid awards in the year ending 31 March 2005

Organisation	£
Berlinale Talent Campus	40,275
Black Filmmaker Magazine	6,300
British Federation of Film Societies	70,550
British Film Institute	16,000,000
British Film Institute - Modernisation award	800,000
British Screen Advisory Council	25,920
Directors Guild of Great Britain	6,000
Diversity awards	248,327
Edinburgh International Film Festival	30,000
Edinburgh International Film Festival 2005/06	25,000
EM Media	590,000
ERA - National Programme to Create a Digital Visual Participative Experience of UK Cultural Diversity	12,500
European Digital Cinema Forum	2,776
Film London	800,000
Grierson Awards	20,000
Images of Black Women Film Festival	5,000
International Film Festival Rotterdam	11,900
International Film Guide 2005	2,000
New Producers Alliance	44,992
North West Vision	525,000
Northern Film & Media	400,000
Northern Ireland Film Commission	200,000
Production Guild	3,000
RAAM Management/Missing Millions Festival	5,000
Scottish Screen	45,000
Screen East	530,000
Screen South	432,000
Screen West Midlands	400,000
Screen Yorkshire	472,000
Sgrin	160,000
Skillset	25,000
South West Screen	451,000
Split Screen European Database	47,050
UK Film Council LA Office	400,000
	<hr/>
	22,836,590
	<hr/>

Schedule 2: Lottery awards made in year ending 31 March 2005

Film awards to non-franchises disclosed as soft commitments

Producer	Film/Project	£
50 Cannon Entertainment Limited	The Box of Delights (add'l)	7,500
50 Cannon Entertainment Limited	The Stand-In (add'l)	12,500
A Way of Life Limited	A Way of Life	15,000
Acid Bath Limited	Ghetta Life	10,754
Alipur Films Limited	Road to Ladakh	9,750
Angel Elizabeth Pell	Another Life	10,000
Animus Film Limited	Broadmoor	25,000
Appointed Limits Limited	Appointed Depths - Pilot (aka Deep Water)	390,000
APT Film and Television Limited	Appointed Depths - Pilot (aka Deep Water)	10,000
Assassin Films Limited	Edwina and Nehru	5,000
Assassin Films Limited	Mrs Ratcliffe's Revolution	20,240
Autonomous Limited	Boogie Woogie	19,500
Autonomous Limited	The Proposition	1,765,084
Avie Luthra	Lucky	6,245
B3 Media Limited	Shorts promotion	4,375
BAF Animation	The Little Thief	4,510
Bill and Ben Productions	Mockingbird	7,230
Blast Films Limited	Three Towers	9,600
Blueprint Pictures Limited	Bookgroup	9,250
Blueprint Pictures Limited	War Reporting for Cowards	9,250
BreakThru Films Limited	Peter and the Wolf - Pilot	10,000
BreakThru Films Limited	The Clap	4,203
Capitol Films	Slate funding	1,200,000
CFF Enterprises	Slate funding	100,000
Common Features Limited	The Endless Steppe	73,500
Company Pictures	Mischief Night	750,000
Company Pictures	Slate funding	160,000
Content Film Plc	Driving Lessons	700,000
Content Film Plc	Driving Lessons (Pilot)	10,000
Cougar Films	Black Ice	1,280
Cougar Films	Reputation	2,346
Cowboy Films Limited	Wasp	2,750
Crossday Productions Limited	Giraffe (aka Camel Leopard)	10,000
Crossday Productions Limited	Shooting Dogs	675,000
Darlow Smithson Productions	Slate funding	750,000
Davis Productions Limited	Rare Books and Manuscripts	5,540
Debbie Moon	Dark Continent	12,500
Diameter Productions Limited	Diameter of the Bomb	50,600
Driving Lessons Limited	Driving Lessons	710,000
Ealing Fragile Icon	Slate funding	1,200,000
Ecosse Films Limited	Slate funding	250,000
Ecosse Films Limited	Wilderness	300,000
Elysian Films Limited	Skin	3,533
EM Media	Shorts promotion	4,375
Feelgood Fiction Limited	The Rose of Tralee	4,705
Fiesta Productions Limited	Nanny	100,500
Film London	Shorts promotion	4,375
Finola Dwyer Productions Limited	Man Alive - Pilot	10,000
Four Horsemen Films Limited	The Cottage	15,600
Fox Philips Limited	Slate funding	80,000
Fragile Films Limited	Burke & Hare	25,875
Glasgow Media Access Centre	Shorts promotion	4,375
Go Go Pictures	Diamonds	75,000
Harbour Pictures Limited	Operatunity	31,750
Helen Jacey	The Understanding	12,500
Holy Cow Films	Champagne Breakfast	1,000
Home Movies Limited	Four Last Songs	500,000
Hot Property Films Limited	Slow Motion Explosion	23,900
Hurricane Films Limited	Under the Mud	28,300
Idea Mine Limited	Blood Ties	17,500
Impact Pictures Limited	100 Voices	27,625
Jamperswang Limited	Bushido	24,500
Jim Cartwright	Estate	10,000
Jonathan Evans	Act Your Age	12,500
Joshua Neale	Flowers and Coins	300
JSB Productions Limited	Lila Says / Lila Dit ça	10,000
Jupiter Projects Limited	Development Slate	1,200,000
Konick Studios PTE Limited	Piano Tuner of Earthquakes	25,000
Lifesize Pictures Limited	Shorts Management	120,343
Lunar Productions	Strange Little Girl (Cinema Extreme)	25,000
Manuel Puro Productions Ltd t/a Man Made Features	Colin Jones: Son of Dog	14,250
Matthew McGuchan	Kindness	12,500
Mayavision	Completion fund	16,500
Midfield Films Limited	Storage	30,028
Milford Junction Films Limited	Celebrity Spies	100,000
Mirage Enterprises	This Is Your Life	18,750
Modern Films	The Night Country	67,310
NIFTC	Digital shorts	50,000
North West Vision	Digital shorts	10,000
North West Vision	Shorts promotion	4,375

Film awards to non-franchises disclosed as soft commitments (continued)

Producer	Film/Project	£
Northern Film & Media Limited	Shorts promotion	4,375
Northern Souls Films Limited	Love and Hate (aka Northern Souls)	64,061
Northmen Productions Limited	Outpost	750
Number 9 Films Limited	Dan Leno and the Limehouse Golem	8,415
Number 9 Films Limited	Slate funding	1,200,000
Number 9 Films Limited	Hendrix	52,250
Oscar Film Limited	Little Sisters	750
Parallax Independent Limited	Cross Your Heart	19,000
Pathé Pictures Limited	Slate funding	1,050,000
Phil Hughes	Doctor, Doctor....	12,500
Pirate Productions Limited	The Festival	2,494
Portman Film and TV Limited	The Library Man (aka The Library Van)	10,000
Potboiler Productions Limited	The Constant Gardener	2,000,000
Prospect Entertainment Limited	Presence (aka My Soul to Keep)	19,875
Qwerty Films Limited	P45	27,750
Qwerty Films Limited	Alien Autopsy (aka Wild Life)	13,313
Qwerty Films Limited	Georgiana, Duchess of Devonshire	19,875
Qwerty Films Limited	Trust	65,438
Revolution Films Limited	Snow Cake	1,000,000
Richard Vincent	Hooman (aka Robots)	12,500
Sacha Guttentstein	Pitch Perfect	8,510
Sally Potter Films Limited	Actor-based developments	6,000
Sally Potter Films Limited	Branded	6,000
Sally Potter Films Limited	Dogma Shakespeare	6,000
Sally Potter Films Limited	In The Beginning	6,000
Sally Potter Films Limited	Magic	6,000
Sally Potter Films Limited	Molly Bloom Goes to Moscow	6,000
Sally Potter Films Limited	Napoli	6,000
Sally Potter Films Limited	Tiny Diamonds	6,000
Samuelson Pictures Limited	Belly Dance	25,000
Samuelson Pictures Limited	My Gap Year	22,750
Samuelson Pictures Limited	The Midwich Cuckoos	12,000
Samuelson Productions Limited	Stormbreaker	2,000,000
Sandfairy Productions Limited	Five Children and It	571,500
Scala Productions Limited	Du Cane's Boys aka Du Quesne's Boys	14,460
Scarlet Films Limited	Diamonds	75,000
Scarlet Films Limited (aka Domino)	Slate funding	900,000
Scarlet Pictures Limited	Balance of Power	56,750
Scorpio Films Limited	Living With The Parents	10,000
Screen East	Shorts promotion	4,375
Screen South	Digital shorts	50,000
Screen South	Shorts promotion	4,375
Screen West Midlands	Shorts promotion	4,375
Screen Yorkshire	Shorts promotion	4,375
Sgrin Cymru Wales	Digital shorts	50,000
Sgrin Cymru Wales	Shorts promotion	4,375
Shona Productions Limited	Slate funding	8,850
Shona Productions Limited	Elvis Pelvis	17,950
Shona Productions Limited	The Young Blood	25,250
Sidewalk Films	Sickened	36,500
Sister Films Limited	Antonio's Breakfast	5,950
Sixteen Films	Tickets	390,453
Slate Films Limited	Sahida	17,680
Smoking Dog Films	Green Orange	17,820
Smoking Dog Films Limited	Rebel With a Cause: Fela Kuti's Black President	9,940
South West Screen Limited	Shorts promotion	4,375
Straightheads Limited	Straightheads	529,500
The American 2005 Limited	The American	100,000
The Bureau Film Co Limited	Cinema Extreme	25,000
The Bureau Film Co Limited	So What	12,600
The Hub Film Co Limited	Mermaids	13,500
Tiger Aspect Pictures Limited	Fake	38,569
Tiger Aspect Pictures Limited	Tea and Sympathy	23,039
Tom Fickling	Starry Night	6,990
Tomboy Films Limited	Le Docteur Chinois	39,250
Two Hats Film and Television Limited	Cavegirl - The Movie	65,750
Vestry Films Limited	A Woman In Winter	392,200
Warp Films Limited	Monkey Trap	750,000
Wild Child Films	Our Lady of the Forest	77,098
Yaffle Films Limited	The Monsoon Shootout	36,500
Yalla Productions	Hideous Reptiles: The Life and Times of Jacques Verges	10,000
Young Pirate Films Limited	Festival	700,000
Total single film project awards		24,854,830

Training awards (non bursaries)

Company	Project	£
Equinox	Equinox	34,542
Qwerty Films Limited	Inside Pictures 2004	24,700
Script Factory Limited	Script feedback service	30,000
Total training awards (non bursaries)		89,242

Specialised print and advertising awards

Company	Film	£
ContentFilm PLC	My Summer Of Love	48,000
Entertainment Film Distributors Limited	The Sea Inside	100,000
For All Films Limited	Princesa	10,000
Gala Film Distributors Limited	Aaltara	17,473
Icon Film Distribution	Maria Full of Grace	64,613
Metro Tartan Distribution Limited	Super Size Me	119,353
Metrodome Distribution Limited	The Assassination of Richard Nixon	106,500
Momentum Pictures	Downfall	150,000
Momentum Pictures	Vera Drake	130,000
Optimum Releasing	Howl's Moving Castle	150,000
Optimum Releasing	Tarnation	50,000
Pathé Distribution Limited	Dear Frankie	100,000
Pathé Distribution Limited	House of Flying Daggers	100,000
Pathé Distribution Limited	The Motorcycle Diaries	120,000
Pathé Distribution Limited	The Chorus	110,000
Pathé Pictures Limited	Bad Education (La Mala Educacion)	100,000
Tartan Film Distribution Limited	2046	80,923
UGC Films UK Limited	The Return	44,300
UGC Films UK Limited	The Story Of The Weeping Camel	85,000
Verve Pictures Limited	Bullet Boy	105,646
Warner Bros	A Very Long Engagement	122,000
Warner Bros	Trauma	300,000
Total specialised print and advertising awards		2,213,808

Cinema equipment awards

Company	Project	£
Aberdeenshire Council	Aberdeenshire Council	2,800
Abergavenny Film Society	Abergavenny Film Society	1,995
Abingdon College and District Film Society	Abingdon College and District Film Society	1,624
ADeC (Arts Development East Cambridgeshire)	ADeC (Arts Development East Cambridgeshire)	3,480
AiR (Arts in Richmondshire)	AiR (Arts in Richmondshire)	1,236
Appleton Film Society	Appleton Film Society	842
Arts Alive (Flicks In The Sticks)	Arts Alive (Flicks In The Sticks)	7,400
Arts in Rural Gloucestershire (AIR in G) Limited	Arts in Rural Gloucestershire (AIR in G) Ltd	6,980
Asia House	Asia House	4,000
Beeping Bush Limited	Beeping Bush Ltd	5,000
Bishop's Castle Film Society	Bishop's Castle Film Society	760
Blackout Arts	Blackout Arts	5,000
British Federation of Film Societies Limited	British Federation of Film Societies Ltd	55,000
Broughton In Furness Film Club	Broughton In Furness Film Club	5,000
Buckingham and Winslow Film Society	Buckingham and Winslow Film Society	2,750
Carterton Cinema Club	Carterton Cinema Club	4,900
Catmose Film Club	Catmose Film Club	4,400
Cheriton Millennium Cinema Society	Cheriton Millennium Cinema Society	4,842
Cinemagic World Screen Festival for Young People	Cinemagic World Screen Festival for Young People	5,000
Cinemobile	Cinemobile	4,900
Blowing Up	Clerkenwell Film Society	2,280
Community Cinema Group	Community Cinema Group	5,000
Corrie Film Club/Corrie & Sannox Village Committee	Corrie Film Club/Corrie & Sannox Village Committee	2,061
Cotswold District Council	Cotswold District Council	4,433
Cove & Kilcreggan Film Society	Cove & Kilcreggan Film Society	132
Craigear Film Club	Craigear Film Club	2,768
Creative Arts East	Creative Arts East	10,000
Croughton Film Society	Croughton Film Society	2,870
Dartmouth Film Society	Dartmouth Film Society	3,929
Derwentside District Council	Derwentside District Council	5,000
Dorset Film Touring Limited	Dorset Film Touring Ltd	5,000
Electric Palace	Electric Palace	4,651
EM Media Limited	EM Media	48,497
Exeter Film Society	Exeter Film Society	4,362
FabFilm Co Film Services	FabFilm Co Film Services	2,334
Film @ The Pound - Corsham Film Society	Film @ The Pound - Corsham Film Society	3,824
Film London	Film London	40,000
Film on Friday	Film on Friday	4,900
Folly	Folly	4,844
Greenhead Village Hall	Greenhead Village Hall	3,020
Haltwhistle Film Project	Haltwhistle Film Project	2,994
Horham & Athelington Community Council and Horham & Athelington Village Hall & Recreation Ground Trust	Horham & Athelington Community Council and Horham & Athelington Village Hall & Recreation Ground Trust	5,000
Hyndburn Borough Council	Hyndburn Borough Council	4,800
Ilkley Film Society	Ilkley Film Society	5,000
Keswick Film Club	Keswick Film Club	4,879
Key Theatre	Key Theatre	5,000
Kino	Kino	4,024
Knowle West Media Centre	Knowle West Media Centre	2,952
Leeds City Council	Leeds City Council	3,816
The Leigh Film Society	Leigh Film Society	3,648
Lerryn Film Club	Lerryn Film Club	825
Light House Media Centre	Lighthouse	4,441
Lytham St Annes Film Society	Lytham St Annes Film Society	2,140
Mascalls Film Society	Mascalls Film Society	2,280
Mash Cinema	Mash Cinema	3,360

Cinema equipment awards (continued)

Company	Project	£
Mobile Cinema	Mobile Cinema	4,350
Moccas Village Hall Committee	Moccas Village Hall Committee	4,320
Monmouthshire County Council	Monmouthshire County Council	5,000
Montgomery Movie Club	Montgomery Movie Club	1,248
Newent Community Cinema	Newent Community Cinema	2,988
Oxen Park Cinema Club	Oxen Park Cinema Club	2,716
Petherton Picture Show	Petherton Picture Show	3,667
British Film Institute	Pizza/The Plague/Accident	1,900
Presteigne Film Society	Presteigne Film Society	4,799
Project!	Project!	4,992
Rannoch Film & Social Club	Rannoch Film & Social Club	1,500
Rural Arts North Yorkshire	Rural Arts North Yorkshire	20,000
Screen East	Screen East	5,000
Screen in the Square	Screen in the Square	4,200
Seavington Millennium Hall (SPFA)	Seavington Millennium Hall (SPFA)	3,871
Shetland Film Club	Shetland Film Club	4,695
Shoreline Films	Shoreline Films	4,163
South Molton Film Society	South Molton Film Society	3,421
South West Film & Television Archive	South West Film & Television Archive	4,980
South West Screen	South West Screen	4,435
Staffordshire Reels On Wheels	Staffordshire Reels On Wheels	5,000
Suffolk Digital Cinema Network	Suffolk Digital Cinema Network	4,735
Swindon Film Society	Swindon Film Society	3,100
take part community arts	take part community arts	4,000
Thame Cinema 4 All	Thame Cinema 4 All	5,000
The Horsebridge Arts and Community Centre	The Horsebridge Arts and Community Centre	5,000
The Nerve Centre	The Nerve Centre	3,922
The Valleys Film Society	The Valleys Film Society	5,000
Third Screen	Third Screen	5,000
Tranent Film Club	Tranent Film Club	4,584
Undercurrents	Undercurrents	3,998
Union Chapel Project	Union Chapel Project	3,949
Ventnor Film Society	Ventnor Film Society	5,000
Woking's New Cinema Club	Woking's New Cinema Club	4,400
Yorkshire Film Archive	Yorkshire Film Archive	3,378
Total cinema equipment awards		501,284

Publications awards

Company	Publication	£
Drum Magazine	Drum Magazine	14,000
Firecracker Media Limited	Firecracker Online	18,000
Landor Publishing Limited	Cinema Business	13,000
Obraz Productions Limited	Making Films	7,000
Pearl Promotions Limited	Close-Up Magazine	6,000
Scriptease Limited	Scriptwriter	12,000
Subtitles Limited	Film Eye	16,000
Vertigo Publications Limited	Vertigo	14,000
Total publications awards		100,000

Other lottery awards

Company	Project	£
EM Media Limited	Regional lottery award	322,000
Film London Limited	Regional lottery award	355,000
Hi8us First Light Limited	First Light scheme	1,000,000
North West Vision Limited	Regional lottery award	305,000
Northern Film & Media Limited	Regional lottery award	390,000
Screen East Limited	Regional lottery award	390,000
Screen South Limited	Regional lottery award	305,000
Screen West Midlands Limited	Regional lottery award	413,000
Screen Yorkshire Limited	Regional lottery award	300,000
Skillset Limited	Training scheme	18,704,627
South West Screen Limited	Regional lottery award	420,000
Total other lottery awards		22,904,627

Total new soft commitments 1 April 2004 to 31 March 2005**50,663,791****Awards to franchise projects disclosed as soft commitments**

Company	Film/Project	£
DNA Limited	Development contribution	127,553
DNA Limited	Jamie Frankel	4,392
DNA Limited	Allon Reich and Assistant	200,000
DNA Limited	Sunshine	133,333
DNA Limited	The Last King of Scotland	1,389
Pathé Limited	Mrs Henderson Presents	2,200,000
The Film Consortium Limited	A Christmas Carol (Top Up P&A)	16,586
The Film Consortium Limited	Dust (Top Up P&A)	5,259
The Film Consortium Limited	Hall of Tales	11,000
Total franchise awards		2,699,512

Total lottery awards 1 April 2004 to 31 March 2005**53,363,303**