

**UK FILM COUNCIL  
Financial Statements**

**For the year ended 31 March 2007**

**Company no: 3815052**

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### Foreword to the financial statements for the year ended 31 March 2007

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

The UK Film Council 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.

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

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

The year was the third of the Films 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 resources of £6.5 million of Lottery money per annum, the existing skills levy on film production and by the industry.

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 Print and Advertising Fund (£2 million) continued to offer direct support to distributors' costs in expanding the numbers of prints of specialised films made to show in cinemas. During the year the Digital Screen Network, launched in 2006, was fully completed nationwide.

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

The final Lottery franchise agreement (with DNA Films Ltd) has now fully allocated all available funds. These agreements, set up by Arts Council England in 1997, have been managed by UK Film Council since April 2000.

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

In addition to the funding received from the UK Film Council for ongoing activities, the British Film Institute (BFI) was allocated £2.5 million over two years towards the redevelopment of the Southbank complex centred around the National Film Theatre by the Department for Culture, Media and Sport. However to facilitate the capital expenditure the UK Film Council enabled the full award to be cash-flowed in 2006-7.

The UK Film Council has fully participated in the Comprehensive Spending Review 2007 which will establish Grant-in-Aid funding over the period 2008-11.

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

## UK FILM COUNCIL – FINANCIAL STATEMENTS

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### 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 2007 are as follows,

Stewart Till CBE – Chairman\*

Andrew Eaton – Deputy Chairman

Colin Brown (resigned on 6 12 06)

Gurinder Chadha (resigned 25 2 07)

Mark Devereux \*

Nigel Green

Stephen Knibbs \*

Anthony Minghella CBE

Rebecca O'Brien (appointed 3 4 06)

Alison Owen

Heather Rabbatts CBE \*

Marc Samuelson

Iain Smith \*

David Sproxton CBE

Amanda Walsh

\* Directors who have served on the Audit Committee in the year ending 31 March 2007

### Registered and principal office

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

### Auditors

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

## Directors' Report

The Directors present their report and financial statements for the year ended 31 March 2007

## Results

The surplus for the year, after taxation, amounted to £0.9 million (2006: £9.1 million surplus)

## Principal activity and review of the business

The UK Film Council is the Government body responsible for developing the film industry and film culture in the UK. The UK Film Council 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).

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

## Key performance indicators

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

DCMS Priority	Key Performance Indicator (Headline Priority)	2006/07	2005/06
Children & Young People	Total number of children and young people benefiting from UK Film Council Funded Activity	101,379	90,096
Community	Total estimated number of people benefiting from projects aimed at promoting access to and understanding of film	67.5 million	62.7 million
Economy	Film production spend in the UK (calendar year)	£840 million	£560 million
	UK cinema audience for UK Film Council supported films (cumulative to date)	48 million	39 million
	UK box office of UK Film Council supported films (cumulative to date)	£215 million	£173 million
	Number of publicly supported projects (production and development)	189	345
	Training days provided	34,362	12,218
	Number of people trained	9,920	6,495

Alongside these award-linked key performance indicators the Annual Report covers many of the strategic activities and successes of the organisation in the year, which complement our award making activities.

## Future Developments and events since the Balance Sheet date

In March 2007 the Secretary of State for Culture, Media and Sport announced an increase in the lottery contribution to the London Olympics 2012 of a further £675 million. The UK Film Council is fully participating in the ongoing consultation process with the Department with regard to the impact of this on the individual Lottery distributors, and how best for the funds to be deducted in the period from February 2009 onwards.

## 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. These were reviewed as at 31 March 2007 and the principal risks as embedded in the next three year plan *Film in the Digital Age* are:

- Uncertainty regarding to future income trends – with Grant-in-aid income levels in the light of the ongoing Comprehensive Spending Review 2007, and with Lottery income due to the impact of the London 2012 Olympics
- Recoupment targets from UK Film Council investments not being met through the consistent failure to support successful projects, thereby limiting future available funds
- Failure to keep pace with technological change and the subsequent changes across the value chain of a film

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

- The Board consider that the National Lottery Distribution Fund balance and the cash holdings as at 31 March are sufficient liquid reserves to cover all Lottery hard and soft commitments outstanding as well as all other related and remaining creditors
- 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 of these investments. All other cash holdings are in variable rate bank accounts. The Board therefore considers that in respect of its funds that the UK Film Council is not exposed to significant interest rate risk
- The UK Film Council's financial assets are not exposed to material foreign exchange risks, as long-term balances are held in sterling

**Directors, their interests, and indemnity arrangements**

There are no directors' interests requiring disclosure under the Companies' Act 1985

**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. 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 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 Amicus 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 (2006-14) and 96% of undisputed invoices were paid within thirty days of receipt into the Finance Department (2006-97%).

**Disclosure of information to the auditors**

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

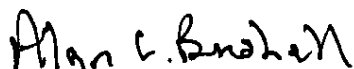
**Annual General Meeting**

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

**Auditors**

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

By the order of the Board



Alan Bushell FCA  
Secretary

26 June 2007

## UK FILM COUNCIL – FINANCIAL STATEMENTS

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

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

Company law requires the directors to prepare statements for each financial year, which give a true and fair view of the state of affairs of 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 that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, and disclose and explain any material departures in the financial statements, and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the UK Film Council will continue in operation.

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

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

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



John Woodward  
Chief Executive Officer

26 June 2007



Stewart Till CBE  
Chairman

26 June 2007

### Statement on internal control

#### Scope of responsibility

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

I also have responsibility, as defined in the UK Film Council's Funding Agreement and Management Statement and Financial Memorandum, for leading and managing the work of the UK Film Council to meet its objectives and upholding its values. I report to the Board of Directors of 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's 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 2007 and up to the date of approval of the annual report and accounts and accords with Treasury guidance

#### Capacity to handle risk

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

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

#### The risk and control framework

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

The UK Film Council has incorporated risk management in planning and decision making and maintains an organisation wide risk register. Policy and operation risks are identified through the annual business planning cycle, and are evaluated by the Senior Management Team and me. 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, which operates to standards defined in the Government Internal Audit Standards, is defined by an analysis of risk to which the UK Film Council is exposed and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by 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 of internal control is informed by the work of the internal auditors and the senior management within the UK Film Council who have responsibility for the development and maintenance of the internal control framework, and comment made by the external auditors in their management letters and other reports. I have been advised on the implications of the results of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and a plan to address any weaknesses and ensure continuous improvement is in place

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

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

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

The Internal Auditors annually provide me with reports on the areas of activity within the UK Film Council subject to audit. The reports include the Internal Auditor's independent opinion on the adequacy and effectiveness of 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  
26 June 2007

**Independent Auditors' report to the members of UK Film Council**

We have audited the group and parent company financial statements (the "financial statements") of UK Film Council for the year ended 31 March 2007 which comprise the group income and expenditure account, the group statement of total recognised gains and losses, the group and company balance sheet, the group cash flow statement and the related notes 1 to 25. 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 (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you whether in our opinion 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 other transactions is not disclosed.

We review whether the Accounting Officer's statement on 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 its 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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the foreword to the financial statements, Schedule 1 Grant in Aid awards, and Schedule 2 Lottery awards. 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.

Our responsibility is also to provide an opinion as to whether in all material respects the income and expenditure of the Group has been used for the purposes intended by Parliament and the financial activities conform to the authorities which govern them.

**Basis of audit opinion**

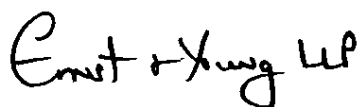
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 March 2007 and of the group's surplus for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985,
- the information given in the directors' report is consistent with the financial statements,
- in all material respects the expenditure and income have been used for the purposes intended by Parliament and the financial activities conform to the authorities which govern them.



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Ernst & Young LLP  
Registered Auditor  
London  
2 July 2007

## UK FILM COUNCIL – FINANCIAL STATEMENTS

### UK FILM COUNCIL GROUP INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2007

	Notes	2006-07 £000	2005-6 £000
Group turnover	2	57,965	71,208
<b>Awards</b>			
- Grant-in-aid		(25,253)	(25,666)
- Lottery - non-film rights		(10,737)	(17,818)
- Arts Council England pre-committed expenditure		0	18
UK MEDIA Desk		(255)	(239)
International Marketing		(1,536)	(1,374)
Research and Statistics Unit		(346)	(384)
Cost of sales		(440)	(493)
<b>Provisions and amortisation</b>			
- Provisions against film rights	3	(12,273)	(8,686)
- Provisions written back	3	1,503	372
Other operating expenses	4	(8,569)	(8,552)
		<u>(57,905)</u>	<u>(62,822)</u>
<b>Operating surplus</b>		<u>60</u>	<u>8,386</u>
Bank interest receivable		976	984
Notional cost of capital	8	(282)	(365)
Other financing income		36	7
		<u>731</u>	<u>626</u>
<b>Surplus after notional costs</b>		<u>791</u>	<u>9,012</u>
Reversal of notional cost of capital		282	365
<b>Surplus on ordinary activities before taxation</b>		<u>1,072</u>	<u>9,377</u>
Tax on surplus on ordinary activities for the year	9	(191)	(291)
<b>Surplus for the year</b>		<u>881</u>	<u>9,086</u>

### GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	2006-07 £000	2005-6 £000
Surplus for the year		<u>881</u>	<u>9,086</u>
Actual return less expected return on pension assets	7	48	563
Experience losses arising on the scheme liabilities	7		(22)
Changes in financial assumptions underlying the present values of the scheme liabilities	7	(1,203)	(614)
<b>Actuarial loss in pension plan</b>		<u>(1,155)</u>	<u>(73)</u>
<b>Total recognised gains and losses in the year</b>		<u>(274)</u>	<u>9,013</u>

# UK FILM COUNCIL – FINANCIAL STATEMENTS

## UK FILM COUNCIL GROUP BALANCE SHEET AS AT 31 MARCH 2007

	Notes	2007 £000	2006 £000
<b>Fixed assets</b>			
Tangible assets	10	<u>945</u>	<u>1,063</u>
		945	1,063
<b>Current assets</b>			
Film rights	11	34,827	39,851
Debtors, amounts falling due within one year	12	9,681	9,129
Debtors, amounts falling due after one year	12	6,227	8,910
Balance at the National Lottery Distribution Fund	13	37,394	39,130
Cash at bank and in hand	14	<u>16,350</u>	<u>15,817</u>
		104,479	112,837
<b>Creditors amounts falling due within one year</b>			
Award commitments	16	(14,631)	(17,051)
Creditors	17	<u>(2,680)</u>	<u>(4,848)</u>
		(17,311)	(21,899)
<b>Net current assets</b>		<u>87,168</u>	<u>90,938</u>
<b>Total assets less current liabilities</b>		<u>88,113</u>	<u>92,001</u>
<b>Creditors amounts falling due after one year</b>			
Award commitments	16	(6,227)	(10,930)
<b>Net assets excluding pension (liability)/asset</b>		<u>81,886</u>	<u>81,071</u>
Pension (liability)/asset	7	(1,146)	(55)
<b>Net assets</b>		<u>80,740</u>	<u>81,016</u>
<b>Capital and reserves</b>			
General reserve	22	7,184	6,590
Pension reserve	22	(1,146)	(55)
Grant in Aid reserve	22	1,225	2,294
Lottery reserve	22	<u>73,477</u>	<u>72,187</u>
		80,740	81,016

John Woodward  
Chief Executive Officer  
26 June 2007

Stewart Till CBE  
Chairman  
26 June 2007

# UK FILM COUNCIL – FINANCIAL STATEMENTS

## UK FILM COUNCIL COMPANY BALANCE SHEET AS AT 31 MARCH 2007

	Notes	2007 £000	2006 £000
<b>Fixed assets</b>			
Tangible assets	10	<u>931</u>	<u>1 039</u>
		931	1,039
<b>Current assets</b>			
Film rights	11	34,827	39,815
Debtors amounts falling due within one year	12	9,548	9,148
Debtors amounts falling due after one year	12	6,227	8,910
Balance at the National Lottery Distribution Fund	13	37,394	39,130
Cash at bank and in hand	14	<u>9,088</u>	<u>8 974</u>
		97,084	105,977
<b>Creditors amounts falling due within one year</b>			
Award commitments	16	(14,631)	(17,051)
Creditors	17	(2,455)	(4,554)
		<u>(17,085)</u>	<u>(21,605)</u>
<b>Net current assets</b>		<u>79,999</u>	<u>84,372</u>
<b>Total assets less current liabilities</b>		<u>80,929</u>	<u>85,411</u>
<b>Creditors amounts falling due after one year</b>			
Award commitments	16	(6,227)	(10,930)
<b>Net assets excluding pension (liability)/asset</b>		<u>74,702</u>	<u>74,481</u>
Pension (liability)/asset	7	(1,146)	(55)
<b>Net assets</b>		<u>73,556</u>	<u>74,426</u>
<b>Capital and reserves</b>			
Pension reserve	22	(1 146)	(55)
Grant in Aid reserve	22	1,225	2,294
Lottery reserve	22	73,477	72,187
		<u>73,556</u>	<u>74,426</u>

John Woodward  
Chief Executive Officer  
26 June 2007

Stewart Till CBE  
Chairman  
26 June 2007

## UK FILM COUNCIL – FINANCIAL STATEMENTS

### UK FILM COUNCIL GROUP STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2007

	Notes	2007 £000	2006 £000
Net cash inflow/(outflow) from operating activities	5	44	(6,760)
Returns on investments and servicing of finance Bank interest received		979	943
Taxation Tax paid		(349)	(320)
Capital expenditure and financial investment Payments to acquire tangible fixed assets		(140)	(123)
Increase/(decrease) in cash	14	<u>533</u>	<u>(6,260)</u>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Notes	2007 £000	2006 £000
Increase/(decrease) in cash		533	(6,260)
Change in net funds resulting from cashflows	14	<u>533</u>	<u>(6,260)</u>
Net funds at 1 April		15,817	22,077
Net funds at 31 March	14	<u>16,350</u>	<u>15,817</u>

### Notes to the financial statements

#### Note 1 Accounting policies

##### a) Basis of preparation

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

In accordance with the Directions issued by the Secretary of State for Culture, Media and Sport accounts 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 2007. An income and expenditure account is not presented for UK Film Council as permitted by section 230 of the Companies Act 1985.

##### c) Accruals convention

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

As required by the Secretary of State, 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 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 conservative view of future income.

##### d) Other Lottery awards

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

##### e) Depreciation and fixed assets

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

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

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

##### f) National Lottery Distribution Fund

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

##### g) Film rights

Film rights represent loans paid and advances paid and payable to filmmakers and 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 the UK Film Council is successfully released, UK Film Council is entitled to participate in revenues generated by that success, securing repayment of the investment in full, together with a share of the profits generated by the film.

Provisions are made 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. Provisions against film rights shown in the income and expenditure account reflect the net effect of these movements.

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.

### h) 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 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.

### i) 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.

### j) 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.

### k) 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 exceptions:

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

### l) 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.

### m) Leasing commitments

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

### n) 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 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.

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.

### o) 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.

## UK FILM COUNCIL – FINANCIAL STATEMENTS

### Note 2 Turnover Comprises

	2006-07 £000	2005-06 £000
UK Film Council Lottery funding		
Share of proceeds	24,524	28,110
Net investment income from the National Lottery Distribution Fund	1,776	2,205
Delegated Funds - Arts Council England	1,863	12,013
Recoupment income		
- UK Film Council portfolio	835	2,388
- Arts Council England portfolio	1,296	573
Other income	142	235
	<u>30,436</u>	<u>45,524</u>
UK Film Council Grant-in-aid funding		
Voted by Parliament and paid in full	26,610	24,110
Other income	320	710
	<u>26,930</u>	<u>24,820</u>
British Screen Finance Group income		
Sales of film rights	13	95
Interest received from film loans	72	62
Recoupment income	330	476
Fees receivable	184	231
	<u>599</u>	<u>864</u>
<b>Total turnover</b>	<u><b>57,965</b></u>	<u><b>71,208</b></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

	2006-07 £000	2005-06 £000
Provisions made		
British Screen Finance loans	35	319
European Co-production Fund loans	1	199
UK Film Council film awards	12,237	8,168
	<u>12,273</u>	<u>8,686</u>
Provisions written back		
British Screen Finance loans	105	118
National Film Finance Corporation loans	50	44
European Co-production Fund loans	36	35
UK Film Council film awards	1,312	0
	<u>1,503</u>	<u>197</u>
British Screen Rights licence fees	0	175
	<u>1,503</u>	<u>372</u>

## UK FILM COUNCIL – FINANCIAL STATEMENTS

### Note 4 Other operating expenses

This is stated after charging

	2006-07 £000	2005-06 £000
Depreciation	210	205
Disposal of fixed assets	46	0
Auditor's remuneration - internal	18	20
Auditor's remuneration - Ernst & Young LLP (audit associated costs)	21	14
Auditor's remuneration - Ernst & Young LLP (non audit associated costs)	11	17
Auditor's remuneration - National Audit Office (National Lottery accounts)	19	18
Operating lease rentals - land and buildings	483	526
Pensions service cost	448	413

### Note 5 Statement of cash flows

Reconciliation of operating surplus to net cash flows from operating activities

	2006-07 £000	2005-06 £000
Operating surplus	60	8,385
Depreciation	210	205
Disposal of fixed assets	46	0
Provision of losses on loans	12,273	8,686
Provisions written back	(1,503)	(372)
Loans advanced	(11,756)	(36,566)
Decommitments	109	1,047
Receipts from loans	5,826	14,036
Decrease in debtors	3,871	7,810
Non cash pension STRGL movement	(1,082)	(73)
Increase in creditors	(8,009)	(9,918)
Net cash inflow/(outflow) from operating activities	44	(6,760)

## UK FILM COUNCIL – FINANCIAL STATEMENTS

### Note 6 Staff costs

Directors' remuneration (including daily allowances) is	2006-07	2005-06
	£	£
Alison Owen	832	2,040
Andrew Eaton	1,452	1,830
Colin Brown (resigned 6 12 06)	1,868	1,428
David Sproston CBE	2,284	2,856
Heather Rabbatts CBE	2,080	0
Marc Samuelson	2,080	1,836
Parminder Vir OBE (retired 31 8 05)		1,014
Rebecca O'Brien (appointed 3 4 06)	3,328	0
	<u>13,924</u>	<u>11,004</u>

The remuneration of the Chief Executive Officer was	2006-07	2005-06
	£	£
John Woodward (Age 45)		
Salary and benefits	158,835	141,030
Bonus	56,427	42,772
Total	<u>215,262</u>	<u>183,802</u>
Pension contribution	24,692	22,565

The costs of all other staff working within UK Film Council are	2006-07	2005-06
	£000	£000
Wages and salaries	4,794	4,559
Social Security costs	480	462
Pension service costs and other pension costs	539	493
	<u>5,814</u>	<u>5,514</u>

The average monthly number of staff employed during the year was	2006-07	2005-06
	No	No
Management and administration	90	90

## UK FILM COUNCIL – FINANCIAL STATEMENTS

### Note 6 Staff costs continued)

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

	Age	Total Remuneration Year ended 2006-07 £000	Pension accrued at 65 as at 2006-07 £000	Increase to pension accrued 2006-07 £000	Total Remuneration Year ended 2005-06 £000
Jenny Borgars Head of Development Fund	36	160-165	5-7.5	0-2.5	105-110
Sally Caplan Head of Premiere Fund	49	155-160			130-135
Peter Buckingham Head of Distribution & Exhibition	51	150-155	7.5-10	2.5-5	130-135
Will Evans Head of Business Affairs	52	150-155			145-150
Paul Trijbits Head of New Cinema Fund (to 6 10 06)	45	125-130	7.5-10	0-2.5	135-140
Alan Bushell Chief Operating Officer	56	105-110	10-12.5	2.5-5	105-110
Lisa Tremble Head of Communications (appointed 1 1 06)	32	95-100	0-2.5	0-2.5	20-25
Steve Norris British Film Commissioner (to 10 11 06)	49	70-75	17.5-20	10-12.5	135-140
Lenny Crooks Head of New Cinema Fund (appointed 18 9 06)	54	50-55	30-35	30-35	
Colin Brown British Film Commissioner (appointed 19 2 07)	56	10-15	0-5	0-5	

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

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

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

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

### Note 7 Pensions benefits

The 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 £0.5 million in the year to 31 March 2007 (2006: £0.4 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 2007, a pension liability of £1.15m is disclosed on the UK Film Council balance sheet (2006: £0.06m liability).

For FRS 17 disclosure the valuation at 31 March 2007 had been updated by the actuaries Hymans Robertson to assess the liabilities of the scheme as at 31 March 2007. Scheme assets are stated at their market value as at 31 March 2007 and the assets and liabilities of the London Pensions Fund Authority and the expected rate of return as at 31 March 2007 are

Note 7 Pensions benefits (continued)

Assets (Whole fund)	Long term return % per annum	Fund value at 31 March 2007 £000	Expected return per annum £000
Equities	7.7%	1,422,400	109,525
Bonds	6.4%	510,700	32,685
Property	6.8%	289,600	19,693
Cash	4.9%	61,300	3,004
		<u>2,284,000</u>	<u>164,907</u>

At 31 March 2006 the expected rates of return were

Assets (Whole fund)	Long term return % per annum	Fund value at 31 March 2006 £000	Expected return per annum £000
Equities	7.3%	1,296,100	94,615
Bonds	6.0%	391,600	23,496
Property	6.5%	242,400	15,756
Cash	4.6%	126,300	5,810
		<u>2,056,400</u>	<u>139,677</u>

At 31 March 2005 the expected rates of return were

Assets (Whole fund)	Long term return % per annum	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 31 March 2004 the expected rates of return were

Assets (Whole fund)	Long term return % per annum	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 2007 % per annum	31 March 2006 % per annum	31 March 2005 % per annum	31 March 2004 % per annum
Price increases	3.2%	3.1%	2.9%	2.9%
Salary increases	4.7%	4.6%	4.4%	4.4%
Pension increases	3.2%	3.1%	2.9%	2.9%
Discount rate	5.4%	6.0%	6.5%	6.5%

## UK FILM COUNCIL – FINANCIAL STATEMENTS

### Note 7 Pension benefits (continued)

Net pension assets for UK Film Council	31 March 2007	31 March 2006
	£000	£000
Estimated UK Film Council share of the assets	5,689	4,656
Present value of scheme liabilities attributable to UK Film Council	(6,836)	(4,711)
Total value of liabilities	(1,147)	(55)
Analysis of the amount charged to operating surplus	31 March 2007	31 March 2006
	£000	£000
Service cost	448	413
Total operating charge	448	413
Analysis of the amount credited to financial income	31 March 2007	31 March 2006
	£000	£000
Expected return on employer assets	337	248
Interest on pension scheme liabilities	(301)	(241)
Net return	36	7
Net revenue account cost	412	406
Analysis of amount recognised in Statement of Total Recognised Gains and Losses (STRGL)		
The actuarial gain/ (loss) as disclosed in the STRGL is as follows	31 March 2007	31 March 2006
	£000	£000
Actual return less expected return on pension assets	48	563
Experience gains/ (losses) arising on the scheme liabilities	0	(22)
Changes in financial assumptions underlying the present value of the scheme liabilities	(1,203)	(614)
Actuarial gain/ (loss) in pension plan and STRGL	(1,155)	(73)
Movement in surplus/ (deficit) during the year	31 March 2007	31 March 2006
	£000	£000
Surplus/ (deficit) at beginning of year	(56)	(40)
Current service cost	(448)	(413)
Employer contributions	476	463
Net return on assets	36	7
Actuarial gains/ (losses)	(1,155)	(73)
Actuarial gain/ (loss) in pension plan and STRGL	(1,147)	(56)
History of experience gains and losses	31 March 2007	31 March 2006
	£000	£000
Difference between the expected and actual return on assets	48	563
Value of assets	5,689	4,656
Percentage of assets	0.8%	12.1%
Experience losses on liabilities	0	(22)
Present value of liabilities	(6,836)	(4,711)
Percentage of the present value of liabilities	0.0%	0.5%
Actuarial gains/ (losses) recognised in STRGL	(1,155)	(73)
Present value of liabilities	(6,836)	(4,711)
Percentage of the present value of liabilities	16.9%	1.5%

## UK FILM COUNCIL – FINANCIAL STATEMENTS

History of experience gains and losses continued	31 March 2005	31 March 2004	31 March 2003
	£000	£000	£000
Difference between the expected and actual return on assets	83	120	(228)
Value of assets	<u>3,207</u>	<u>1,078</u>	<u>598</u>
Percentage of assets	2.6%	11.1%	-38.1%
Experience losses on liabilities	(315)	(5)	(10)
Present value of liabilities	<u>(3,246)</u>	<u>(994)</u>	<u>(675)</u>
Percentage of the present value of liabilities	9.7%	0.5%	1.5%
Actuarial (losses)/gains recognised in STRGL	(232)	115	(238)
Present value of liabilities	<u>(3,246)</u>	<u>(994)</u>	<u>(675)</u>
Percentage of the present value of liabilities	7.1%	-11.6%	35.3%

### 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% (2006: 3.5%) and Lottery assets 0% (2006: 0%).

### Note 9 Taxation

	2006-07	2005-06
	£000	£000
Corporation tax payable for current year	<u>191</u>	<u>291</u>
	191	291

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

The differences are explained below	2006-07	2005-06
	£000	£000
Surplus/ (deficit) on ordinary activities before taxation	1,073	9,376
Surplus/ (deficit) on ordinary activities multiplied by standard rate of UK corporation tax (2006: 30%)	30% 322	2,813
Effects of		
UK Film Council surplus/ (deficit) not chargeable to UK corporation tax	(74)	(2,492)
Adjustment regarding British Screen Finance Group	(57)	(30)
Current tax charge for the year	<u>191</u>	<u>291</u>

## UK FILM COUNCIL – FINANCIAL STATEMENTS

### Note 10 Tangible Fixed Assets

GROUP	SHORT LEASEHOLD IMPROVEMENTS £000	IT EQUIPMENT £000	OFFICE EQUIPMENT £000	TOTAL £000
Cost				
At 1 April 2006	1,560	550	376	2,486
Additions	11	123	6	140
Disposals	(59)	(11)	0	(70)
At 31 March 2007	1,512	662	382	2,556
Depreciation				
At 1 April 2006	654	410	359	1,423
Provided during the year	100	90	21	211
Disposals	(12)	(10)	0	(23)
At 31 March 2007	741	489	380	1,611
Net book value				
At 1 April 2006	906	140	17	1,063
At 31 March 2007	771	173	1	945
COMPANY				
Cost				
At 1 April 2006	1,469	503	356	2,328
Additions	11	121	6	138
Disposals	(59)	(7)		(66)
At 31 March 2007	1,421	617	362	2,400
Depreciation				
At 1 April 2006	574	373	342	1,289
Provided during the year	95	90	14	199
Disposals	(12)	(6)	0	(19)
At 31 March 2007	657	456	356	1,469
Net book value				
At 1 April 2006	895	130	14	1,039
At 31 March 2007	764	161	6	931

### Note 11 Film rights

GROUP	BRITISH SCREEN FINANCE LIMITED £000	EUROPEAN CO PRODUCTION FUND LIMITED £000	UK FILM COUNCIL £000	TOTAL £000
At 1 April 2006	35	1	39,813	39,849
Advances			11,756	11,756
Repayments	(82)	(36)	(5,708)	(5,826)
Decommitments			(108)	(108)
Provisions written back	155	36	1,312	1,503
Provisions	(108)	(1)	(12,237)	(12,346)
At 31 March 2007	0	0	34,827	34,827
COMPANY				
			UK FILM COUNCIL £000	
At 1 April 2006			39,813	
Advances			11,756	
Repayments			(5,708)	
Decommitments			(108)	
Provisions written back			1,312	
Provisions			(12,237)	
At 31 March 2007			34,827	

Repayment of outstanding film rights is dependant 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.

## UK FILM COUNCIL – FINANCIAL STATEMENTS

### Note 12 Debtors

	2007	2006
	£000	£000
GROUP		
Trade debtors	43	71
Prepayments and accrued income	3,402	2,427
VAT receivable	899	768
Other debtors	5,337	5,863
Debtors falling due after more than one year		
Other debtors	<u>6,227</u>	<u>8,910</u>
	15,908	18,039
COMPANY		
Due from subsidiary undertakings	0	155
Prepayments and accrued income	3,339	2,394
VAT receivable	886	753
Other debtors	5,323	5,846
Debtors falling due after more than one year		
Other debtors	<u>6,227</u>	<u>8,910</u>
	15,775	18,058

Included in other debtors for both group and company is a sum of £11.03 million representing the balance of the delegated funds from Arts Council England. Funds will be drawn down to meet award cash requirements under the delegation and it is expected that £6.23 million of this will fall due after 31 March 2008.

### Note 13 Balance at National Lottery Distribution Fund

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

	2007	2006
	£000	£000
Opening balance held at the National Lottery Distribution Fund	39,130	44,780
Income received from the Lottery	24,524	28,110
Investment income earned	<u>1,775</u>	<u>2,205</u>
Available for distribution	65,429	75,095
Cash drawn down	(28,035)	(35,965)
Market Value at 31 March 2007	<u>37,394</u>	<u>39,130</u>

At 31 March 2007 the cost of the investment in the fund was £37.8m (2006: £39.4m). Income received from the Lottery shown above is after charging unrealised losses of £0.17m (2006: £0.27m).

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). 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.

The UK Film Council has published its plans for the period 2007/10. The plan assumes UK Film Council will continue to make an increased level of commitments over the period of the next three years. As a consequence UK Film Council will make total commitments over the period in excess of its Lottery income and this will reduce cash balances over this period. Due to the levels of recoupment received by UK Film Council in 2006/07 the National Lottery Distribution Fund balance is now expected to fall below £10 million by March 2010 and the position will be closely monitored to ensure overtrading does not occur.

### Note 14 Cash and liquid resources

	1 APRIL	NET CASH	31 MARCH
	2006	FLOW	2007
	£000	£000	£000
GROUP			
Cash at bank and in hand	15,817	533	16,350
COMPANY			
Cash at bank and in hand	8,974	114	9,088

## UK FILM COUNCIL – FINANCIAL STATEMENTS

### Note 15 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 2006/07, £24.5 million (43%) (2006 £28.1 million, 39%) of UK Film Council's income derived from the National Lottery £26.6 million (46%) arose from Grant-in-aid funding allocated by the Department for Culture, Media and Sport (2006 £24.1 million, 33%). The remaining income derived from investment returns from the balance held with the National Lottery Distribution Fund £1.8 million (3%) (2006 £2.2 million, 3%), delegated income from Arts Council England £1.9 million (3%) (2006 £12.0 million, 17%), recoupment income from film rights £2.1 million (3%) (2006 £2.96 million, 4%), income arising from British Screen Group £0.6 million, 1% (2006 £0.86 million, 1%) and bank interest and sundry income £0.46 million (1%) (2006 £0.95 million, 1%).

The Board considers that as the National Lottery Distribution Fund balance notified by the Secretary of State for Culture, Media and Sport's and the UK Film Council's own Lottery cash holding amount to £44.7 million at the balance sheet date (2006 £45.7 million), sufficient liquid resources are available to cover all current hard and soft commitments totalling £41 million (2006 £37.5 million) and any related creditors. In addition the year end cash balances not attributable to Lottery of £9.03 million (2006 £9.27 million) are deemed sufficient to cover remaining creditors.

#### Interest rate risks

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 Funds. At the year end the market value of the Council's investment in the National Lottery Distribution Fund was £37.39 million (2006 £39.13 million) and the average investment return for the year was 4.23% (2006 4.73%).

Cash drawn down from the Grant-in-aid allocation held at the Department for Culture Media and Sport or from the National Lottery Distribution Fund, or received from other sources, to pay grant commitments and operating costs are held in variable rate bank accounts and the average interest rate return for the year was 5.1% (2006 4.8%). The Group cash balance at the year-end was £16.35 million (2006 £15.82 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 16 Soft and hard commitments

	2007	2006
	£000	£000
<b>SOFT COMMITMENTS</b>		
Brought forward at 1 April	9,375	24,458
Commitments made	37,439	42,303
Transferred back from hard commitments	39	332
Soft decommitments	(4,292)	(3,294)
Transferred to hard commitments	(22,583)	(54,424)
Balance carried forward at 31 March	19,978	9,375
<b>HARD COMMITMENTS</b>		
Brought forward at 1 April	27,981	25,784
Commitments made	22,583	54,424
Hard decommitments	(166)	(775)
Transferred to soft commitments	(39)	(332)
Amounts paid	(29,502)	(51,120)
Balance carried forward at 31 March	20,857	27,981

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.

All funds under the franchise agreement with DNA Ltd are now committed and the soft commitments carried forward as at 31 March 2007 relating to this are £0.5 million (2006 £0.5 million). The franchise agreement was established by Arts Council England in 1997 and transferred to UK Film Council in April 2000.

## UK FILM COUNCIL – FINANCIAL STATEMENTS

### Note 16 Soft and hard commitments continued

New hard commitments made during the year comprise	2007	2006
	£000	£000
Film rights	11,772	36,565
Regional awards	3,200	3,200
Distribution and exhibition awards	6,468	13,485
First Light award	1,100	1,100
Training awards	0	6
Publication awards	43	68
Balance carried forward at 31 March	<u>22,583</u>	<u>54,424</u>

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	2007	2006
	£000	£000
2006/07	0	17,051
2007/08	14,630	5,310
2008/09	3,113	2,810
2009/10	3,114	2,810
Balance carried forward at 31 March	<u>20,857</u>	<u>27,981</u>

It is expected that all outstanding hard commitments as at 31 March 2007 will be fully paid by 31 March 2010, and commitments due after one year relate to the Digital Screen Network

### Note 17 Creditors Amounts falling due within one year

	2007	2006
	£000	£000
GROUP		
Trade Creditors	768	834
Accruals and deferred income	1,687	3,514
Corporation tax	100	291
Other creditors and Social Security	<u>124</u>	<u>209</u>
	<u>2,679</u>	<u>4,848</u>
COMPANY		
Trade Creditors	668	706
Accruals and deferred income	1,609	3,476
Corporation tax	60	172
Other creditors and Social Security	<u>116</u>	<u>200</u>
	<u>2,455</u>	<u>4,554</u>

Deferred income includes £0.2 million being the balance of £15 million delegated funds from Arts Council England that has not become a hard commitment through awards by UK Film Council

### Note 18 Deferred Taxation

The group had no potential liability to deferred taxation at 31 March 2007 (31 March 2006: £nil)

## UK FILM COUNCIL – FINANCIAL STATEMENTS

### Note 19 Leases

As at 31 March 2007, the UK Film Council (non-Lottery) had annual commitments under a non-cancellable operating lease relating to land and buildings as set out below

	2007	2006
	£000	£000
Operating lease which expires in one year	0	110
Operating lease which expires in between two to five years	0	0
Operating lease which expires in over five years	315	315

### Note 20 Capital commitments

As at 31 March 2007, the UK Film Council had no capital commitments outstanding (31 March 2006 £nil)

### Note 21 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 2007 UK Film Council had Grant-in-aid commitments for 2007-08 as follows

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

### Note 22 Movements in reserves

	GENERAL RESERVE £000	PENSION RESERVE £000	GRANT IN-AID RESERVE £000	LOTTERY RESERVE £000	TOTAL £000
GROUP					
Brought forward at 1 April 2006	6,590	(55)	2,294	72,187	81,016
Surplus/ (deficit) for the year	594	64	(1,069)	1,290	879
Movements on the STRGL					
Actuarial loss in pension plan		(1,155)			(1,155)
Carried forward at 31 March 2007	7,184	(1,146)	1,225	73,477	80,740
COMPANY					
Brought forward at 1 April 2006	0	(55)	2,294	72,187	74,426
Surplus/ (deficit) for the year		64	(1,069)	1,290	285
Movements on the STRGL					
Actuarial loss in pension plan		(1,155)			(1,155)
Carried forward at 31 March 2007	0	(1,146)	1,225	73,477	73,556

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 Ltd.

## UK FILM COUNCIL – FINANCIAL STATEMENTS

### Note 23 Investments

UK Film Councils subsidiary undertaking at 31 March 2007 was

	Ordinary shares of £1 each	Holding
British Screen Finance Ltd	4,200,078	100%

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

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

	Ordinary shares of £1 each	Holding
<b>Subsidiary undertakings</b>		
National Film Trustee Company Ltd	100	100%
National Film Finance Consortium Ltd	100	100%
European Co-production Fund Ltd	2	100%
British Screen Rights Ltd	2	100%
The Greenlight Fund Ltd	2	100%
<b>Associated undertakings</b>		
British Film-Makers Ltd	50	50%

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

### Note 24 Intra-government balances

As at 31 March 2007, intra-government balances were

	2007 £000	2006 £000
Balances due to the UK Film Council		
Funds held at the National Lottery Distribution Fund	37,394	39,129
Funds held at Arts Council England	11,034	13,234
Funds due from HM Revenue and Customs re VAT	899	768
 Balances due to the UK Film Council		
Balance due to HM Revenue and Customs re Corporation tax	100	291

## UK FILM COUNCIL – FINANCIAL STATEMENTS

### Note 25 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:

Lottery awards				
ORGANISATION	NAME	RELATIONSHIP TO RECIPIENT ORGANISATION	NEW AWARD 2006/07 £	AWARD OUTSTANDING 31 MARCH 2007 £
Directors of UK Film Council				
Bend It Films Ltd	Gurinder Chadha OBE (resigned 25/02/07)	Director	0	10,500
British Film Institute	Anthony Minghella CBE	Chair	30,565	6,800
Capitol Films Ltd	Marc Samuelson	Samuelson Productions Ltd *	0	620,455
CFF Enterprises Ltd	Iain Smith	Director	0	10,744
Domino Pictures Ltd	Alison Owen	Director	0	720,362
Everyman Cinema Club	Anthony Minghella CBE	Committee Member	0	36,771
Go Go Pictures Ltd	Alison Owen	Director	10,000	37,500
Ruby Films Ltd	Alison Owen	Director	69,292	69,292
Samuelson Bertie Ltd	Marc Samuelson	Director	100,000	0
Samuelson Productions Ltd	Marc Samuelson	Director	16,000	6,000
Scarlet Pictures Ltd	Alison Owen	Director	0	11,750
Seven Seas (SL) Ltd	Alison Owen	Director	25,038	90,038
Skillset	Stewart Till CBE	Deputy Chair	13,000,000	13,000,000
	Anthony Minghella CBE	Advisory Board Member		
United International Pictures (UK)	Stewart Till CBE	Chair	106,380	106,380
Vue Entertainment Holdings (UK) Ltd	Stephen Knibbs	Director	6,750	811,631
Employees of the UK Film Council				
Skillset	John Woodward	Director	13,000,000	13,000,000
Verve Pictures Ltd	Lenny Crooks	Partner of producer	90,000	22,500
Grant-in-aid awards				
ORGANISATION	NAME	RELATIONSHIP TO RECIPIENT ORGANISATION	NEW AWARD 2006/07 £	AWARD OUTSTANDING 31 MARCH 2007 £
Directors of UK Film Council				
British Film Institute	Anthony Minghella CBE	Chair	** 18,500,000	0
Production Guild of Great Britain	Iain Smith	Vice President	3,000	0
Scottish Screen	Iain Smith	Director	45,000	0
Women in Film and Television	Anthony Minghella CBE	Patron	7,000	0
Employees of the UK Film Council				
Schools Film Club	Peter Buckingham	Director	120,000	20,000
	John Woodward	Director		

\* Samuelson Productions Ltd is a member of the Capitol Films Ltd consortium which receives Development Slate funding.

\*\*Includes £2.5m modernisation award for the re-development of bfi-Southbank made directly by the Department of Culture Media and Sport and handled by UK Film Council on their behalf.

In addition £234,076 was paid to Olswangs 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.

## UK FILM COUNCIL – FINANCIAL STATEMENTS

### Schedule 1 Grant-in-aid awards in the year ending 31 March 2007

Angus Finney – film text book	12,000
Anti-piracy awards	52,300
Brief Encounters	12,000
British Academy of Film and Television	17,500
British Documentary Festival	17,500
British Fed of Film Societies/Independent Cinema Office	99,000
British Film Institute	18,500,000
British Independent Film Awards	50,000
Cannes 06	17,210
Cardiff Film Festival	5,000
CineMart 2007 Rotterdam	12,014
Clore Leadership Programme	17,500
Dinard Festival of British Film	16,886
Diversity Awards	437,346
Edinburgh International Film Festival	50,000
EM Media Regional Award	630,000
European Film Media Prog	6,814
FE UK Formalisation	7,660
Festival Sales Support Scheme - The Works	5,334
Film London - other awards	75,691
Film London Award	700,000
Filmfileurope (Split Screen)	50,000
First Light awards	65,000
Grierson awards	8,000
Media literacy projects	21,600
New Cinema Fund special projects	33,264
New Producers Alliance	34,992
North West Vision Regional Award	525,000
Northern Film & Media Regional Award	400,000
Northern Ireland National Award	200,000
RAAM conference	9,000
Schools Film Club Pilot	120,000
Scotland National Award	45,000
Screen East Regional Award	530,000
Screen England	40,000
Screen South	10,000
Screen South Regional Award	462,000
Screen West Midlands Regional Award	400,000
South West Screen Regional Award	451,000
UK Film Council LA Office	385,000
Wales National Award	160,000
Women in Film & TV - award	7,000
Yorkshire Regional Awards	472,000
67 Awards > £5,000	82,504

25,253,115 }

# Schedule 2 Lottery awards in the year ending 31 March 2007

Film awards to non-franchises disclosed as soft commitments

Producer	Film / Project	£
Actaeon Films Ltd	Are You Strong?	5,000
Advance Party Films Ltd	Red Road	21,960
Appointed Limits Ltd	Deep Water	33,333
Archer St Ltd	Incendiary	16,750
Archer St Ltd	Tigers	84,234
Assassin Films Ltd and Swag Pictures Ltd	Mrs Ratcliffe's Revolution	700,000
Autonomous Ltd	Boogie Woogie	23,300
B3 Media	Digital shorts	56,200
Beastly Films Ltd	Restraint of Beasts	20,000
Ben Steiner	Louis	12,500
Better Things Ltd	Better Things	269,312
Big Pond Productions Ltd	Hunky Dory	59,062
Big Talk Productions Ltd	Comedy Development Proposal	255,000
Blueprint Pictures Ltd	War Reporting for Cowards	42,500
Brideshead Films Ltd	Brideshead Revisited	1,387,000
Celador Films Ltd	Untitled Samuel Pepys project	14,750
Charlie Productions Ltd	Hallo Panda - Cinema Extreme 2006	25,000
Cheeky Monkey Films UK Ltd	Crack Willow	50,000
Closing the Ring Ltd	Closing the Ring	25,886
Coded Pictures Ltd	Canyonland	37,500
Company Films Ltd	25 Words or Less - South Africa	30,000
Corruption Films Ltd	The Last Regal King Size	8,000
Cosgrove Hall Films Ltd	Fizzle	34,210
Cougar Films Ltd	Black Ice	4,500
Cuba Pictures Ltd	An Equal Music	10,613
Dan Films Ltd	Triangle	35,500
Dan Films Ltd	ZOO	10,000
Dawn King	The Squatters Handbook	12,500
DJ Films Ltd	Panto	30,500
East Midlands Media Initiative (EM Media)	Deliver Me - Digital Shorts Plus	10,000
East Midlands Media Initiative (EM Media)	Digital Shorts	40,000
Elysian Films Ltd	Skin	10,000
Father Features Ltd	And When Did You Last See Your Father?	550,000
Feelgood Fiction Ltd	Suburban Shootout	38,750

## UK FILM COUNCIL – FINANCIAL STATEMENTS

Feelgood Fiction Ltd	The Rose of Tralee (aka Miss Emerald Isle)	8,875
Feelgood Fiction Ltd	Unscathed	13,000
Film London Ltd	Cherries (Short)	10,000
Film London Ltd	Digital Shorts	40,000
Forward Films Ltd	Beach Party	28,300
Fragile St Trinians Ltd and Mayhem Films Ltd	St Trinians	1,300,000
Genevieve Simms	Liberating Dachau	2,409
Glasgow Media Access Centre Ltd	Digital Shorts	40,000
Go Go Pictures Ltd	Heartland Point (aka Diamonds)	10,000
Granada Television Ltd	Journey Through Midnight	14,000
H2O Motion Pictures (UK) TFM Ltd	That's For Me!	149,800
Hattie Dalton	Lamington (aka Cry Out Loud)	12,500
Headline Pictures Ltd	Peter Pan in Scarlet	25,000
Heyman Hoskins Ltd	The Estate	74,750
James Henry	Hero Trip	17,500
Jigsaw Films Ltd	The Edge Chronicles	16,000
Kasandar (Andrea Untitled) Ltd	Andrea Untitled (working title)	29,200
Kasander (Nightwatching) Ltd	Nightwatching	300,000
Kismet Film Company	Streakers (aka Ugly Streakers)	13,250
Kudos Film and Television Ltd	Blowback	62,500
Laura Tunstall	Airlock or How to say Goodbye in Space (Short)	3,115
Lifesize Pictures Ltd	Shorts project management	109,482
LTB Films Ltd	London to Brighton	184,566
Lyric Films Ltd	Life 'n' Lyrics	7,200
Made Up North Productions Ltd	Granny Flat	17,000
Magic Light Pictures Ltd	Three Way Split	8,000
Magic Men Ltd	Magicians	317,500
Mat Kirkby	The Liar's Club	12,500
Mayavision International Ltd	Completion Fund (short film scheme)	25,500
North West Vision	Digital Shorts	40,000
Northern Film & Media Ltd	Digital Shorts	40,000
Northern Film & Media Ltd	Perfect to Begin - Digital Shorts Plus	10,000
Northern Ireland Film and Television Commission	Out of Tune - Digital Shorts Plus	10,000
NoZone Films Ltd	Jehovah's Witness	4,000
Passion Pictures Ltd	After the Rain	25,000
Passion Pictures Ltd	How I Live Now	18,500
Picture Farm (The Escapist) Ltd	The Escapist	755,430

## UK FILM COUNCIL – FINANCIAL STATEMENTS

PK Films Ltd	One of Us	4,880
Puffball Stories Ltd	Puffball	20,433
Qwerty Films Ltd	Georgiana, Duchess of Devonshire	21,651
Qwerty Films Ltd	Join Me	57,039
Red Rose Chain Ltd	Nappy Nation	6,000
Ruby Films Ltd	Coram Boy	69,292
Russell Inglis	Church Going	4,100
Sally Potter Films Ltd	In the Beginning	44,950
Samuelson Bertie Ltd	Stormbreaker	100,000
Samuelson Productions Ltd	The Art of Bellydancing (aka Belly Dance) (add'l)	16,000
Screen East Ltd	Digital Shorts	40,000
Screen South Ltd	Digital Shorts	40,000
Screen West Midlands Ltd	Digital Shorts	40,000
Screen Yorkshire Ltd	Digital Shorts	40,000
Seven Seas (SL) Ltd	Brick Lane	25,039
Seymour Films Ltd	Knock Down Ginger	59,900
Sony BMG Music Entertainment (International) Ltd	Lucky Clover	35,000
South West Screen Ltd	Digital Shorts	40,000
Sprout Productions Ltd	Ponte Tower	21,555
Starfield Productions Ltd	The Describer	4,000
Steel Mills (Yorkshire) Ltd and Steel Mill Cottage (IOM) Ltd	The Cottage	770,000
Straightheads (two) Ltd	Straightheads	27,272
Strange Attractor Films Ltd	Beyond	5,920
Tantrum Films Ltd	Where Hands Touch	20,000
The Bureau Film Company Ltd	A Green and Quiet River	32,600
The Bureau Film Company Ltd	Cinema Extreme	25,000
The First Film Company Ltd	Bomber (aka Joe the King)	43,975
The Scriptworks	Script feedback service	30,000
Thomas Thomas Films Ltd	Norway Project (aka Colchester 53)	13,500
Tiger Aspect Pictures Ltd	Tea and Sympathy	52,108
Trademark Films Ltd	My Week with Marilyn	45,750
Ultrafilm Ltd	Exposure	15,000
Vertigo Films Ltd	Bad Dog	13,750
Wall to Wall Media Ltd	Reach the Clouds	350,000
Wanted Films Ltd	Juvenile	6,500
Warp Allotment Ltd	The Allotment	430,000
Warp Films Ltd	Dogs Mercury	25,000

## UK FILM COUNCIL – FINANCIAL STATEMENTS

Warp Films Ltd	The 8th Vein	21,250
Wilder Films Ltd	Wilder Films	10,000
Yaffle Films Ltd	The Monsoon Shootout	19,220
Zephyr Films Houdini Ltd	Death Defying Acts	750,000
Total single film project awards		11,115,419 ]
Specialised print and advertising awards		
Artificial Eye Film Co Ltd	Bamako	1,280
Artificial Eye Film Co Ltd	The Page Turner	62,000
Axiom Films International Ltd	Half Nelson	5,000
British Film Institute	How to Survive the 1940s	4,640
British Film Institute	Puccini for beginners	425
British Film Institute	The Wizard Of Oz	25,500
Darkhorse Pictures Ltd	Blue Blood	5,000
Dogwoof Ltd	Esma's Secret	4,654
Dogwoof Ltd	LOBO	39,000
Dogwoof Ltd	Man Push Cart	2,811
Dogwoof Ltd	Play	4,936
ICA Films Ltd	Candy	4,500
ICA Films Ltd	The Pervert's Guide To Cinema	5,000
Icon Film Distribution Ltd	Romanzo Criminale (aka Crime Story)	150,000
IMS 5 Ltd Liability Partnerships	Joy Division	4,725
Lions Gate UK Ltd	Gypo	1,170
Lions Gate UK Ltd	The All Together	4,635
Lions Gate UK Ltd	The Lives of Others	250,000
Lions Gate UK Ltd	US v John Lennon	5,000
Metrodome Distribution Ltd	Days of Glory	102,321
Metrodome Distribution Ltd	Them (Ils)	100,343
Natural Scenes Ltd	Scenes Of A Sexual Nature	23,503
Optimum Releasing Ltd	Inland Empire	3,500
Optimum Releasing Ltd	My Best Friend	150,000
Optimum Releasing Ltd	Pan's Labyrinth	158,000
Optimum Releasing Ltd	The Host	90,000
Optimum Releasing Ltd	This Is England	90,000
Park Circus Ltd	Bugsy Malone	4,400
Park Circus Ltd	Casablanca	28,850
Park Circus Ltd	Guys and Dolls	5,000
Park Circus Ltd	Manhattan	3,800

## UK FILM COUNCIL – FINANCIAL STATEMENTS

Park Circus Ltd	Odd Man Out	
Park Circus Ltd	Oklahoma!	3,600
Park Circus Ltd	Prick Up Your Ears	4,475
Pathé Distribution Ltd	Volter	5,000
Peccadillo Pictures Ltd	Be With Me	250,000
Punk Cinema Ltd	The Gigolos	20,597
Revolver Films Ltd	Awesome, I Fuckin' Shot That!	4,920
Soda Pictures Ltd	After the Wedding	40,326
Soda Pictures Ltd	C R A Z Y	5,000
Soda Pictures Ltd	Frostbite	66,735
Soda Pictures Ltd	Into Great Silence	5,000
Soda Pictures Ltd	Requiem	5,000
Spark Pictures Ltd	Popcorn	5,000
Tartan Film Distribution Ltd	36 Quai des Orfèvres	4,780
Tartan Film Distribution Ltd	Black Book	9,858
Tartan Film Distribution Ltd	Ghosts	150,000
Tartan Film Distribution Ltd	The Cave Of The Yellow Dog	5,000
The Walt Disney Company Ltd	Secuestro Express	53,090
Tiger Ventures LLP	In The Name Of	140,636
United International Pictures (UK) Ltd	Life and Lyrics	5,000
Universal Pictures International UK & Eire Ltd	Curse of the Golden Flower	106,380
Vertigo Distribution Ltd	London To Brighton	300,000
Verve Pictures Ltd	Red Road	40,000
Verve Pictures Ltd	Scott Walker - 30 Century Man	90,000
Wysiwyg Distribution Ltd	The Plague	4,937
Yume Pictures Ltd	The Night of the Sunflowers (La Noche de los Girasoles)	1,470
		5,000
Total specialised print and advertising awards		2,671,797
Digital Screen Network Usage Charge Support		
DSN Usage Charge Support	41 awards less than £10,000	32,481
Total DSN usage charge awards		32,481
Small capital fund		
A J Towers & Partners	Small Capital Fund	15,766
Aros (Isle of Skye) Ltd	Small Capital Fund	39,434
Beverley War Memorial Hall	Small Capital Fund	9,203
Buckingham Centre for the Arts	Small Capital Fund	3,863

## UK FILM COUNCIL – FINANCIAL STATEMENTS

Calderdale Metropolitan Borough Council	Small Capital Fund	6,300
Campbelltown Community Business Ltd	Small Capital Fund	9,153
Chichester Cinema at New Park Ltd	Small Capital Fund	87,000
Circle Cinemas Ltd	Small Capital Fund	24,756
Clwyd Theatre Cymru Development Trust	Small Capital Fund	24,060
Croydon Council	Small Capital Fund	7,083
Curzon - Clevedon Community Centre for the Arts	Small Capital Fund	15,250
Dundee Contemporary Arts Ltd	Small Capital Fund	8,000
Electric Palace Ltd	Small Capital Fund	20,000
Flavel Centre Trust	Small Capital Fund	2,950
Gloucester City Council	Small Capital Fund	3,998
Hailsham Pavilion Limited	Small Capital Fund	5,000
Harlow District Council	Small Capital Fund	15,000
Ipswich Borough Council	Small Capital Fund	8,652
John Quinn	Small Capital Fund	1,158
Leeds Grand Theatre and Opera House Ltd	Small Capital Fund	10,700
Light House Media Centre	Small Capital Fund	12,500
Ludlow and District Community Association Ltd	Small Capital Fund	10,000
Marcus Earl t/a The Loewen Cinema	Small Capital Fund	220
Midlands Art Centre Limited (trading as 'mac')	Small Capital Fund	27,851
North Staffordshire Regional Film Theatre Ltd	Small Capital Fund	5,125
Penistone Town Council	Small Capital Fund	7,750
Peter Carr trading as The Holmfirth Picturedrome Ltd	Small Capital Fund	18,410
Pocklington Town Council	Small Capital Fund	4,310
R E Preedy	Small Capital Fund	552
Ritz Belper Ltd	Small Capital Fund	8,984
Roses Theatre Trust	Small Capital Fund	16,199
Savoy Theatre Monmouth (Development) Trust	Small Capital Fund	5,000
Shrewsbury & Atcham Borough Council	Small Capital Fund	10,945
Skylight Cinema LLP	Small Capital Fund	1,959
Stowmarket Town Council	Small Capital Fund	25,000
Strode College	Small Capital Fund	2,481
Tenbury Town Council	Small Capital Fund	4,000
The Aldeburgh Cinema Limited	Small Capital Fund	29,630
The Courtyard Trust	Small Capital Fund	11,378
The Dartington Hall Trust	Small Capital Fund	4,500
The Dukes Play House Ltd	Small Capital Fund	2,758

## UK FILM COUNCIL – FINANCIAL STATEMENTS

The Glasgow Film Theatre	Small Capital Fund	5,967
The Hounslow Arts Trust Ltd	Small Capital Fund	4,500
The Kendal Brewery Arts Centre Trust Ltd	Small Capital Fund	10,000
The Pavilion (Galashiels) Ltd	Small Capital Fund	4,000
The Plaza Cinema (Skipton) Ltd	Small Capital Fund	64,000
The Reel Cinema Kingsbridge	Small Capital Fund	461
The Regent (Christchurch) Ltd	Small Capital Fund	3,326
The Rio Centre (Dalston) Ltd	Small Capital Fund	10,535
The Ritz Cinema (Thirsk) Ltd	Small Capital Fund	4,800
The Ropetackle Centre Trust	Small Capital Fund	10,000
The Shire Hall Trust	Small Capital Fund	8,188
Town Hall Charity	Small Capital Fund	7,645
University of Kent	Small Capital Fund	42,910
University of Warwick	Small Capital Fund	4,500
Whitley Bay Playhouse Co Ltd	Small Capital Fund	5,895
Windsor Community Arts Centre	Small Capital Fund	9,759
Witney Town Council	Small Capital Fund	7,636
Wotton Electric Picture House Ltd	Small Capital Fund	6,714
<b>Total small capital fund awards</b>		<b>737,714</b>
<b>Other lottery awards</b>		
EM Media Ltd	Regional lottery award	322,000
Film London Ltd	Regional lottery award	355,000
Hi8us First Light Ltd	First Light Scheme	1,100,000
North West Vision Ltd	Regional lottery award	305,000
Northern Film and Media Ltd	Regional lottery award	390,000
Screen East Ltd	Regional lottery award	390,000
Screen South Ltd	Regional lottery award	305,000
Screen West Midlands Ltd	Regional lottery award	413,000
Screen Yorkshire Ltd	Regional lottery award	300,000
Skillset	Film skills fund	13,000,000
Sledge Ltd	Audience Development Scheme	3,000,000
South West Screen Ltd	Regional lottery award	420,000
<b>Total other awards</b>		<b>20,300,000</b>
<b>Total new soft commitments 1 April 2006 - 31 March 2007</b>		<b>34,857,410</b>

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### Awards to Franchise projects disclosed as soft commitments

DNA Ltd	The Last King of Scotland	26,768
DNA Ltd	28 Weeks Later	456,285
Total Franchises new awards 2005-6		483,053
Total soft commitments 2006-7		35,340,463

The above list excludes soft commitments totalling £2,581,815 where the award was made and fallen in within the year