

FFILM CYMRU WALES C.B.C

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

COMPANY REGISTRATION NUMBER 05877128

**Azets Audit Services
Chartered Accountants & Statutory Auditors
Ty Derw
Lime Tree Court
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Cardiff
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FFILM CYMRU WALES C.B.C

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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FFILM CYMRU WALES C.B.C

Chair's Report

For the Year Ended 31st March 2022

The film industry continued to face considerable uncertainty and rapid change during 2020-2021 as the world remained gripped in the Covid-19 pandemic.

For periods of this time, production was able to re-open with considerable challenges facing producers, funders, financiers, and workers who had to engage with new ways of working safely on set. New Covid-19 safety roles emerged as a norm during this time and Ffilm Cymru worked hard to support productions that had to adapt to new timeframes and practical challenges on set.

Developing a skilled workforce that reflects the diversity of Wales's people remains a challenge for all of us working in the sector. I am proud of the work Ffilm Cymru has undertaken through its Creative Careers Programme and Foot in the Door programme and look forward to ongoing collaborations to ensure that the labour demands of the film production industry afford inclusive quality work opportunities for people in Wales.

Ffilm Cymru continued to adapt during the year to provide support to Welsh directors, producers and writers ranging from critically acclaimed feature films to vital development funding that helps seed good ideas and ensures a pipeline of film projects emerge in Wales.

Film education is where many directors, producers and writers begin their journey. An inclusive workforce is a more realistic ambition if every young person has access to film education both within and beyond the school setting. It is heartening to see the range of education projects supported this year by Ffilm Cymru Wales working with children and young people, as well as life-long learners, with a range of backgrounds, needs, and first languages.

Exhibition was badly hit by the pandemic as audiences continued to face restrictions and changed their behaviours. The challenge is immense for film exhibitors and distributors across the world.

We know that small and medium-sized exhibitors across Wales play a vitally important role in helping to ensure Wales has an inclusive film culture where a range of films are available to people across the many rural and urban landscapes of Wales. Ffilm Cymru has delivered public funding support across Wales to support exhibitors who work hard to deliver meaningful film experiences to the audiences in their areas.

Audiences displayed new patterns in how and where they watch films during this year, and this was accompanied by a great deal of agility and rapid learning in the exhibition sector. Ffilm Cymru funding this year helped many of Wales film festivals innovate to deliver screenings and events online and in hybrid formats.

FFILM CYMRU WALES C.B.C

Chair's Report For the Year Ended 31st March 2022

The challenges facing all areas of the film industry in Wales as elsewhere are considerable. Production booms have been accompanied by enormous demands for skilled labour but without investment in the skills of existing as well as new entrants to the labour market, this boom will not be sustainable. Sustainability in the sense of our climate presents an existential threat to us all. During this year, Ffilm Cymru gave increasing thought to how it will help the film industry in Wales address its impact on climate change.

I am thankful for the passion and compassion shown by the team at Ffilm Cymru for their hard work and commitment in helping ensure Wales has a more participatory, inclusive, and highly productive film culture.

Ruth McEllroy
Chair

Whilst preparing these Annual Financial Statements we are post pandemic and have seen significant change in our sector. However, it is worth remembering that during the 2021-22 financial year we were still very much in the midst of addressing sectoral challenges, some of which are on-going.

For our part, we pivoted much of our direct training, networking, and festival engagement on-line. Whilst production levels restored to pre-covid levels in-year, buoyed by UK Government's Film and TV Restart scheme that provided financial comfort where insurance was lacking; and development activity continued apace. Meanwhile, exhibition and film education continued to face significant challenges whilst rebuilding audience/school confidence and adjusting to covid protocols. We adapted funding programmes to align with needs alongside our ongoing commitment across our work to green and inclusive practice.

The sector benefitted from on-going and consistent lottery support at similar levels to previous years via the Arts Council of Wales and the BFI, in addition to UK tax credits, available to producers. And, we recruited a Green Manager and partnered with Higher Education to deliver a sector challenge fund, Green Cymru, providing seed funding to support research and development into new products and services that support environmental sustainability.

In year, we provided [6] production awards, totalling [£528,497], together with [13] development funding awards, totalling [£303,380], illustrating movement towards pre-pandemic levels of filmmaking support. This is in addition to our offering BFI Network funding to support [21] Beacons short-film awards, a further [12] development awards and [20] professional development awards through our Horizons and (peer-to-peer) Connector strands.

As we saw production activity bounce back, so the demand for a skilled workforce increased and we took the opportunity to build that inclusively placing Foot in the Door trainees on a high-end TV series adaptation of 'Willow' for Lucas Films, in addition to placements on Sky's Save The Cinema, Rebel Wilson's dramatic debut - The Almond and the Seahorse, international co-production - Kensuke's Kingdom and genre-flick, Burial, which shot in Estonia.

We supported film education practitioners to innovate and pilot new ways of working so that they could continue to provide film-based activities, this included our providing [8] education awards totalling [£46,259] in addition to further funds provided to support the creation of education assets around the animated feature film, Kensuke's Kingdom, which we also supported with production funds. The film will complete production next year.

Similarly, we provided [£170,000] to support exhibitors, alongside monthly on-line meet-ups to share learning. We saw film festivals, cinemas and community providers developing new ways to retain or engage new audiences, whilst reflecting and planning for the challenges ahead in overcoming changes to public behaviour and confidence, which is not easily reset after such monumental events. Some of those challenges continue through to 2022-23, compounded by increases to the cost of living for venues and the public alike.

Overall, it has felt like a year of two-halves, where the filmmaking community are seeing growth, whilst education and independent film exhibitors have some way to go to re-establish pre-covid levels of engagement.

Looking forward, our team worked hard to secure new and significant funds to support inclusive growth through our new entrant training programme, Foot in the Door, from UK Government's Department for Levelling Up and this will show in next year's financial statements. Similarly, we co-developed a successful multi-year bid to UK Government's innovation department, UKRI, which will also come on-stream in 2022 – focused on accelerating and sharing learning and good practice within a cluster environment, through the lens of environmental sustainability and advancing skills. There are certainly opportunities out there, but it is uneven territory where we must continue to be vigilant.

Pauline Burt
Chief Executive

FFILM CYMRU WALES C.B.C

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The Directors

The directors who served the company during the year were as follows:

Ruth McElroy – Chairman
Anwen Morris Griffiths (terminated 24th March 22)
John Giwa-Amu (terminated 14th December 21)
Christina MacAulay (terminated 24th March 22)
Bronwen Lloyd
Edward Fletcher
Gavin Porter
Emyr Williams
Calum Gray
Ellen Fraser (joined 7th Dec 21)
Sharon James (joined 7th Dec 21)
Uzuma Hasan (joined 7th Dec 21)

Reserves

The Directors consider it prudent that there should be unrestricted general reserves which are sufficient to cover three months operating costs. Unrestricted general funds are in excess of £204,231 towards the anticipated three months operating costs at the year end and we are therefore compliant with our reserves policy. The Directors also consider it prudent that there should be sufficient liquid reserves to cover the anticipated three months' operating costs. Liquid reserves are also in excess of £204,231. In addition, the board has made provision for potential termination of services £82,742 providing excess liquid reserves £61,486 and we are therefore compliant with our reserves policy.

	General unrestricted Reserves £	General liquid Reserves £
At 31 March 2022	348,459	335,377
Three months' operating costs	(204,231)	(204,231)
	<hr/>	<hr/>
Excess / (deficit)	144,228	131,146
	<hr/>	<hr/>

The budget has been prepared for the year ended 31 March 2023 and if this is achieved, it is anticipated that both reserves criteria will be met. The Directors' review the efficiency of the reserves policy annually and it has been decided that, in the interests of prudence and bearing in mind the realistic aim of achieving the budget for the forthcoming year, the reserves policy will not be changed.

The designated reserve funds of £1,343,080 are funds set aside for ongoing or forthcoming projects.

General overhead has a reserve of £348,459.

Total of designated and general overhead reserves £1,691,540.

The level of reserves is monitored and reviewed by the Directors on a quarterly basis and the policy itself is reviewed annually.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

Auditors

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditors of the company will be put forward at the Annual General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to 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 of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Pauline Burt

**Pauline Burt
Company Secretary**

11.11.2022

Approved by the board of directors on

FFILM CYMRU WALES C.B.C

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 MARCH 2022

Independent Auditor's Report to the Members of Ffilm Cymru Wales C.B.C

Opinion

We have audited the financial statements of Ffilm Cymru Wales C.B.C (the 'company') for the year ended 31 March 2022 which comprise the income and expenditure account, balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022, and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report².

Responsibilities of directors

As explained more fully in the directors' responsibilities statement [set out on page 7], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the

directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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.

Sarah Case FCA DChA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Chartered Accountants

Statutory Auditor

Sarah Case

Nov 11, 2022

Ty Derw, Lime Tree Court

Cardiff Gate Business Park

Cardiff

CF23 8AB

FFILM CYMRU WALES C.B.C

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Income		2,712,825	2,149,491
Direct expenses		(1,356,787)	(1,496,755)
Gross surplus		1,356,038	652,736
Operating expenses		(787,763)	(642,849)
Operating surplus/(deficit)	3	568,275	9,887
Interest receivable		174	811
Surplus/(deficit) on ordinary activities before taxation		568,449	10,698
Tax on surplus on ordinary activities	4	(33)	(154)
Retained surplus/(deficit) for the financial year	10	568,416	10,544
Retained surplus brought forward	10	1,123,124	1,112,580
Retained surplus carried forward	10	1,691,540	1,123,124

The notes on pages 12 to 19 form part of these Financial Statements

FFILM CYMRU WALES C.B.C

**BALANCE SHEET
AT 31 MARCH 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	7	<u>10,473</u>	<u>11,432</u>
Current assets			
Stocks		1,650	1,650
Debtors	8	1,443,422	890,070
Cash at bank and in hand		<u>1,685,816</u>	<u>1,587,077</u>
		3,130,888	2,478,797
Liabilities:			
Creditors: Amounts falling due within one year	9	<u>(1,449,821)</u>	<u>(1,367,105)</u>
Net current assets		<u>1,681,067</u>	<u>1,111,692</u>
Net Assets		<u>1,691,540</u>	<u>1,123,124</u>
Reserves			
Income and expenditure account	10	1,123,124	1,112,580
Other reserves	10	<u>568,416</u>	<u>10,544</u>
Members' funds		<u>1,691,540</u>	<u>1,123,124</u>

These financial statements have been prepared in accordance with the provisions applicable to companies' subject to the small companies' regime.

These financial statements were approved by the directors on

and are signed on their behalf by:

Ruth McElroy
Director

Ruth McElroy

Nov 11, 2022

The notes on pages 12 to 19 form part of these Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES

Company information

Ffilm Cymru Wales C.B.C is a private company limited guarantee incorporated in England and Wales. The registered office is Unit 6, Tramshed Tech, Pendyris Street. Cardiff, CF11 6BH

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies' subject to the small companies' regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Going concern

At the time of approving the Management board have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This Management board adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Income represents grants receivable, recoupable legal fees and collection income.

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of operation. The fair value of consideration takes into account trade discounts.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Government grants towards projects are recognised as income over the periods necessary to match them with related costs and are deducted in reporting the related expense.

Government grants relating to property, plant and equipment are treated as deferred income and released to profit or loss over the expected useful lives of the assets concerned.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	–	20% per annum
Computer hardware	–	20% per annum
Computer software	–	20% per annum

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. ACCOUNTING POLICIES (continued)

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial instruments

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES (continued)

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Depreciation of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Taxation

The tax expense represents the sum of the tax currently payable.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

Pension costs

The company makes payments to defined contribution pension schemes on behalf of employees, the assets of which are held separately from the company. The contributions payable in the period are charged to the income and expenditure account. Differences between contributions payable and actually paid in the period are shown either as accruals or prepayments at the year end.

FFILM CYMRU WALES C.B.C

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (continued)

Apportioned costs

Ffilm Cymru Wales C.B.C incurs costs (such as project officer time and office facilities) which are shared between the activities funded from the National Lottery and activities funded from other sources. Ffilm Cymru Wales apportions indirect costs between strategic objectives based on a calculation of percentage of funding received.

Grants payable

Grants payable in respect of Education and Exhibition awards are accounted for in the period relating to the date of formal approval.

Reserves

Designated reserves comprise income set aside by the Board for specific purposes and general reserves comprise the surplus on activities to date.

Lottery grant commitments

As required by the Secretary of State, a distinction is made in respect of lottery grants payable between "hard" and "soft" commitments. A hard commitment exists when Ffilm Cymru Wales has made a firm offer of grant which, together with the appropriate conditions, has been accepted by the recipient. A soft commitment arises when the funding panel of Ffilm Cymru Wales has agreed in principle to fund a scheme and has made an offer, but the offer and associated conditions have not yet been accepted.

Hard commitments are recognised as items of expenditure in the income and expenditure account. There were no soft commitments at the year end. Hard commitments payable within one year are recognised in the balance sheet as current liabilities.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. OPERATING SURPLUS

Operating surplus is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets	4,579	4,040
Auditors' remuneration	6,465	5,877
Pension Costs	38,899	35,087

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. TAXATION ON ORDINARY ACTIVITIES

	2022 £	2021 £
Current tax:		
UK Corporation tax based on the results for the year at 19%	33	154

As a non-profit making organisation and Community Interest Company, the directors consider that the Company does not trade and is therefore exempt from corporation tax on its ordinary income. The Company is, however, subject to corporation tax on its investment income and the accounts have been drawn up on this basis.

5. AUDITORS REMUNERATION

Fees payable to the company's auditors:		
For audit services	2022 £	2021 £
Audit of the company's financial statements	6,465	5,877

6. EMPLOYEES

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	25	17

7. TANGIBLE FIXED ASSETS

	Furniture & Equipment £	Computer Equipment £	Total £
Cost			
At 1 April 2021	21,770	102,127	123,897
Additions	90	3,530	3,620
At 31 March 2022	21,860	105,657	127,517
Depreciation			
At 1 April 2021	21,432	91,033	112,465
Charge for the year	109	4,470	4,579
At 31 March 2022	21,541	95,503	117,044
Net book value			
At 31 March 2022	319	10,154	10,473
At 31 March 2021	338	11,093	11,432

8. DEBTORS

	2022 £	2021 £
Lottery funding receivable (see note 13)	1,072,224	781,473
BFI	50,001	80,001
Other debtors	300,808	12,774
Prepayments and accrued income	20,389	15,822
	1,443,422	890,070

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Grant commitments payable in respect of Film (see note 14)	551,533	789,818
Grant commitments payable in respect of Education & Exhibition awards	248,759	128,848
Net-Work Horizons	300,789	302,473
UKCRF	170,458	-
Other creditors including taxation and social security:		
Other Creditors and accruals	178,282	145,813
Corporation tax	-	154
	<u>1,449,821</u>	<u>1,367,106</u>

10. STATEMENT OF MOVEMENT ON RESERVES

	Balance at 1 Apr 21	Movement In year	Balance at 31 Mar 22
	£	£	£
Income and expenditure account	306,457	42,001	348,458
Designated reserve funds	816,667	526,415	1,343,082
	<u>1,123,124</u>	<u>568,416</u>	<u>1,691,540</u>

11. PENSION COMMITMENTS

During the year various commitments were made by the company to defined contribution schemes.
At the year end, £9,657 was owed in respect of these contributions.

12. OPERATING LEASE COMMITMENTS

At 31 March 2022 the company had aggregate annual commitments under non-cancellable operating lease as set out below:

	Expiry date	Amount £	Frequency	2022		2021	
				< 1 year £	2-5 years £	< 1 year £	2-5 years
Land and buildings:							
Tramshed	Feb 2024	5,400	Quarterly	21,600	21,600	21,600	41,400
Other:				<u>21,600</u>	<u>21,600</u>	<u>21,600</u>	<u>41,400</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. LOTTERY OPERATION

Lottery funding receivable (see note 8)

The movement during the year ended 31 March 2022 in respect of lottery funding receivable from the Arts Council for Wales is as follows:

	In respect of Film/ ED/EX projects £	In respect of lottery operating Costs £	Total £
Amount receivable at 1 April 2021	781,872	-	781,872
Allocation from the Arts Council for Wales	1,070,000	345,400	1,415,400
Drawn-down	(779,648)	(345,400)	(1,125,048)
Amount receivable at 31 March 2022	1,072,224	-	1,072,224

14. LOTTERY OPERATION

Grant commitments payable (see note 9)

The movement in grant commitments payable during the year ended 31 March 2022 is as follows:

	In respect of former Arts Council for Wales projects £	In respect of Ffilm Cymru Wales Projects £	Total £
At 1 April 2021	1,325	788,493	789,818
Hard commitments entered during year	-	923,686	923,686
Funds re-cycled	-	(361,494)	(361,494)
Paid to awardees	-	(800,477)	(800,477)
Credit Legal/Admin	-	-	-
At 31 March 2022	1,325	550,208	551,533

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. RELATED PARTY TRANSACTIONS

Material interests of directors

Director	Body	Position held	Bal £	2022 £	2021 £
John Giwa-Amu	Red and Black	Company Director	(6,875)	(3,000)	(9,875)
John Giwa-Amu	Red and Black	Company Director	0	(2,995)	2,995
John Giwa-Amu	Red and Black	Company Director	2,450		2,450

The above represent the movement in balances brought forward 2020/21 to 2021/22

Notes: March 2022: "Ffilm Cymru directors are obliged to make known any conflicts of interest, which are recorded, in any discussions or funding decisions and that where there is a conflict of interest agreed by the Board that they will not participate in any part of that meeting or decision-making process
During the course of the year the following interests were noted.

Anwen Griffiths was Co-Head of Business Affairs at BFI and did not vote on any projects she shared and interest in namely *Censor*. Anwen Griffiths is a Partner at Lee & Thompson's and represented financier Head Gear on the funding of the film *L.O.L.A*, which also awarded a production award from Ffilm Cymru Wales. The firm also advised upon the financing of the film *Kensuke's Kingdom*, which was awarded a production award from Ffilm Cymru Wales,

Emyr Williams an employee of Pontio (Bangor University) is in receipt of Ffilm Cymru Wales Audience Development funding on behalf of the cinema

16. CONTROLLING PARTY

In the opinion of the directors, there is no ultimate controlling party.

17. COMPANY LIMITED BY GUARANTEE

The company is a community interest company limited by guarantee and does not have a share capital.

300002/15

CIC 34

Community Interest Company Report

For official use
(Please leave blank)

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*Please
complete in
typescript, or
in bold black
capitals.*

**Company Name in
full**

Ffilm Cymru Wales C.B.C

Company Number

5877128

Year Ending

31st March 2022

(The date format is required in full)

Please ensure the company name is consistent with the company name entered on the accounts.

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a simplified community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's guidance notes and the alternate example provided for a more complex company with more detailed notes.

(N.B. A Filing Fee of £15 is payable on this document. Please enclose a cheque or postal order payable to Companies House)

PART 1 - GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a description of how they have benefited the community.

As 2021-22 continued to present covid-related challenges to the creative sector, Ffilm Cymru adapted its offer in order to continue its mission to advance an inclusive and sustainable film sector and film culture that works for everyone across Wales. That mission translates to four strategic objectives:

- A participatory and inclusive film culture, open to all.
- Bold and original filmmaking from talent, companies and crews that reflect a diverse and creative Wales.
- The development of commercial robust companies that maximise the value of their intellectual property and audience reach.
- An education and skills offer that increases social mobility and sector capacity.

In-year, we offered funding and developmental support to:

- Improve the environmental sustainability of the sector, recruiting a Green Manager and partnering with Cardiff University's Clwstwr programme to co-finance research and development into new products and services that could support the sector to be 'greener';
- New and emerging Welsh writers, directors and producers through [25 (13 ACW and 12 Network)] feature film development and 7 production awards, in addition to 23 short-film awards and 24 professional development awards via our Horizons and peer-to-peer Connector programmes;
- New entrant crew through our tailored 'Foot in the Door' training programme which works with community partners, including Housing Associations and Local Authorities, to tailor support for people who are at socio-economic disadvantage. Trainees were placed on Disney's high-end TV series, 'Willow'; Sky's 'Save the Cinema', Rebel Wilson's dramatic debut The Almond and the Seahorse, animated international co-production Kensuke's Kingdom and genre-flick, Burial.
- film education practitioners to innovate and pilot new ways of working so that they could continue to provide film-based activities for young people. We provided 9 education awards totalling £55,000 in addition to further funds provided to support the creation of education resources around the animated feature film, Kensuke's Kingdom; and
- film exhibitions, including film festival's, cinemas, mixed arts venues and community providers, with £170,000 granted alongside monthly on-line meet-ups to share learning. This helped exhibitors as they tested new ways to retain or engage audiences, whilst reflecting and planning for the challenges ahead in overcoming changes to public behaviour and confidence.

(If applicable, please just state "A social audit report covering these points is attached").

(Please continue on separate continuation sheet if necessary.)

PART 2 – CONSULTATION WITH STAKEHOLDERS – Please indicate who the company's stakeholders are; how the stakeholders have been consulted and what action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.

The company consults on film related policy with interested parties including the Arts Council of Wales and BFI as their external lottery delegates, the European film funding body, Cineregio (a network of 50 European film funds that we meet with 3 times a year) and in liaison with creative industry organisations across the UK – such as the Creative Industry Federation, UK Cinema Association and Film Distributor Association, as well as inviting feedback from our direct client base of filmmakers, film education practitioners and exhibitors, including through online monthly meet-ups.

In co-designing a successful training bid for UK Government's UK Community Renewal Fund, we consulted and collaborated with former trainees from our Foot in the Door programme, as well as a wide range of community-based organisations from housing associations to Further Education, the local council to grassroots community groups.

(If applicable, please just state "A social audit report covering these points is attached").

PART 3 – DIRECTORS' REMUNERATION – if you have provided full details in your accounts, you need not reproduce it here. Please clearly identify the information within the accounts and confirm that, "There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed" (See example with full notes). If no remuneration was received, you must state that "no remuneration was received" below.

The aggregate amount of Honorarium paid to or receivable by directors in respect of qualifying services was £3,640. Each board member is able to opt-in or opt-out of the honorarium on an annual basis, which was put in place to ensure that individual financial means was not a barrier to participating on our Board.

There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that "no transfer of assets other than for full consideration has been made" below.

No Transfer of assets other than for full consideration has been made.

(Please continue on separate continuation sheet if necessary.)

PART 5 – SIGNATORY (Please note this must be a live signature)

(DD/MM/YY)

The original report must be signed by a director or secretary of the company

Signed

Pauline Burt

Date

11/11/12

Please note that it is a legal requirement for the date format to be provided in full throughout the CIC34 report.

Applications will be rejected if this information is incorrect.

Office held (delete as appropriate) Secretary

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

Tel	
DX Number	DX Exchange

When you have completed and signed the form, please attach it to the accounts and send both forms by post to the Registrar of Companies at:

For companies registered in England and Wales: Companies House, Crown Way, Cardiff, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland: Companies House, 4th Floor, Edinburgh Quay 2, 139
Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP – 4 Edinburgh 2

For companies registered in Northern Ireland: Companies House, 2nd Floor, The Linenhall, 32-38
Linenhall Street, Belfast, BT2 8BG

(N.B. Please enclose a cheque for £15 payable to Companies House)