
**FILM NATION UK
TRADING AS INTO FILM
(A company limited by guarantee)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 MARCH 2022**

**Company Number: 08210217
Charity Number: 1154030**

CONTENTS

	Page
Reference and Administrative Information	1
Chairman's and Chief Executive's Report	2
Directors' and Trustees' Report incorporating Strategic Report	4
Independent Auditor's Report to the Members	22
Statement of Financial Activities	26
Balance Sheet	27
Statement of Cash Flows	28
Notes to the Financial Statements	29

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT
FOR THE YEAR ENDED 31 March 2022

Reference and Administrative Information

Charity Name	Film Nation UK (trading as Into Film)
Company Registration Number	08210217
Charity Registration Number	1154030
Registered Office	31 Islington Green London N1 8DU
Auditors	Cooper Parry Group Limited Cubo Birmingham Office 401, 4 th Floor Two Chamberlain Square Birmingham B3 3AX
Bankers	Barclays Bank plc 27 Soho Square London, W1D 3QR

Board of Trustees

Members of the Board of Trustees, who are directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out below:

Mr J P F Bradley* (resigned 23rd June 2021)
Ms B D Broccoli OBE
Ms L Bryer **
Mr D Clark** (resigned 20th April 2022)
Mr M J Devereux (resigned 23rd June 2021)
Mr E N Fellner CBE
Mr J A Graydon ACA*
Ms K Lee** (resigned 13th March 2022)
Ms D Lewis-Egonu (appointed 23rd June 2021)
Sir A Macdonald
Ms G McKenna*
Ms A A A Mensah
Mr C J Needham
Ms N Park
Ms L Williams (appointed 23rd June 2021)

* Finance and Audit Sub-committee members

** Development Sub-committee members

Senior Management Team

Chief Executive	Paul Reeve MBE
Chief Technology Officer	Alan Reitsch
Director of Communications	Mark Frodsham
Director of Programme Delivery	Jane Fletcher
Director of Finance and Operations	Will Elkerton
Director of Business Development	Leigh Thomas

CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Soon after the start of our 2021/22 year, cinemas were permitted to reopen. After the many dark days resulting from Covid, finally there was some light at the end of the projector.

Nevertheless, this review covers another far from 'normal' year. Our schools faced ongoing disruption, with several studies highlighting the pandemic's seismic impact on young people's lives and education. This made it more important than ever for Into Film to help schools utilise the potential of screen storytelling to enrich learning, increase access to culture, and support the vital issue of mental health and wellbeing, in both the classroom and extracurricular settings.

A major milestone was the full launch of Into Film+, the UK's first free streaming and educational resource service dedicated to film and designed for all school settings. This helped drive a month-on-month increase in the reach of our programme. By the end of the year, 44,000 educators working in UK schools and colleges had an Into Film account, spanning some 20,000 educational institutions – 77% of them outside London and South East England. Independently conducted evaluation of our programme found that teachers highly trust and rate its quality, and that it achieves a broad range of important educational outcomes.

As the year progressed, we were delighted to reintroduce our cinema screenings in venues across the UK. The centrepiece was the Into Film Festival in November which, even with Covid-related issues and precautions limiting capacity, still achieved a total audience of 194,000 children, young people and their teachers.

The lifting of Covid restrictions saw an explosion of film and TV production, which placed an even greater spotlight on the skills shortages facing the industry. Two recent reports from the BFI have identified that the provision of effective careers information in schools will be an integral element of a long-term strategy to address the challenge. Into Film is ideally positioned to play a supporting role, as we serve as a bridge between the industry and the education sector. During 2021/22, we increased our provision of online careers-related content and expanded our programme of talks and webinars involving industry professionals, while our pioneering ScreenWorks work experience programme in Northern Ireland continued to grow.

Now we're keen to do more. Alongside work to increase awareness of potential screen careers, we want to encourage and enable more schools to involve their students in practical filmmaking, which will foster a range of valuable skills and ignite in some an aspiration to pursue a pathway to the industry. Just as importantly, it will also empower young people to tell their own diverse stories and become makers of their own culture.

It's a huge privilege to offer the majority of our programme free of charge to state schools and eligible youth settings. The support of our funders (listed below) makes this possible and we are extremely grateful to all of them. In particular, we would like to thank the BFI for its partnership and its trust in us over the last five years, and the UK's Lottery players who enable the BFI to grant us National Lottery funding. We also extend special thanks to Cinema First, Northern Ireland Screen and the Paul Hamlyn Foundation.

Finally, we would like to pay tribute to our wonderful staff team for their unstinting commitment to our mission, and to our Trustees for their ongoing guidance and support. But most importantly, to all our teachers who continue to inspire their pupils through film.



Eric Fellner, Chairman
Paul Reeve, CEO

CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2022

With thanks to:

Our funders:

British Film Institute
The National Lottery
Cinema First
Northern Ireland Screen
Paul Hamlyn Foundation
British Council

Our film industry ambassadors:

Sir Kenneth Branagh
Ruby Barnhill
Lynwen Brennan
Naomi Harris
Rhys Ifans
Celyn Jones
Katie Leung
Jack Lowden
Eddie Redmayne
Matthew Rhys
Michael Sheen
Cornelius Walker

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report and audited financial statements for the year ended 31 March 2022. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Objectives and Activities

Objectives

Into Film puts film at the heart of children and young people's educational, cultural and personal development. More than half of UK schools engage with our programme of Into Film Clubs, special cinema screenings, and resources and training to support classroom teaching.

Alongside rich online content for young audiences, this provides 5–19-year-olds with inspiring opportunities to learn about and make film, and develop a passion for cinema.

Our mission is to inspire dynamic ways of learning with film and connecting with cinema that reaches the widest possible young audience across the UK.

Our vision is that film is at the heart of every child and young person's life and learning.

Into Film is a not-for-profit organisation supported principally by the BFI (through the National Lottery), Cinema First and Northern Ireland Screen.

The charitable organisation's objects as set out in its Articles of Association are:

- To advance education among children and young people by the use of film as a learning tool.
- To advance the education, knowledge, understanding and appreciation of film, in particular among children and young people, by the provision of services, facilities, and events and by such other means as the Trustees may determine.

Public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's aims and objectives and in planning future activities. In particular, the Trustees have considered how planned activities will contribute to the aims and objectives set.

Since its inception, the Into Film education programme has connected with over half of all UK schools, as well as a significant number of colleges and youth groups.

One of our biggest successes is the spread and make-up of our clubs, right across the four nations with the broadest spectrum of schools. We have the greatest geographical reach of any UK cultural education organisation and maybe, outside of the Scouts and Guides, of any UK educational charity.

As a result of support from our principal funders, the BFI and Cinema First, we are able to make our programme free of charge. Both the financial and administrative benefits of this universal access are key drivers of our unparalleled success at reaching scale and achieving diversity within the school system.

Use of volunteers

All club leaders, including head teachers, teachers, classroom assistants and others, give their time to running their clubs on a voluntary basis. Into Film also works with actors, directors, producers, and many other professionals from the film industry who give their time on a voluntary basis in delivering its activities.

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued

FOR THE YEAR ENDED 31 MARCH 2022

Key achievements, performance, and impact

THE INTO FILM PROGRAMME

Into Film is the UK's leading charity for film in education. We support educators to unlock the power of film to deliver transformative learning outcomes for children and young people aged 5-19 in class, extra-curricular settings and in cinemas.

Working with educators, we've created a programme that features the UK's only school-specific film streaming service (Into Film+), as well as teaching resources and training, careers information, cinema screenings and a network of extra-curricular film clubs. The core Into Film offering is free for UK state schools thanks to funding from the National Lottery (through the BFI), Cinema First and Northern Ireland Screen.

While this was a year we made great progress in virtual learning and hosting, it's also been fantastic to return in-person to schools, events and panels.

YEAR AT A GLANCE

2021-2022

5,871 Into Film Clubs	44,000 UK educator Into Film account holders
138,590 teaching resources downloaded	5,500 educators streaming Into Film+
4,270 educators trained	74% Into Film account holders outside London and SE

SINCE WE STARTED

2013-2022

1.2m teaching resources downloaded	2.6m children and young people joined the Into Film Festival for free
334,000 film reviews submitted	44,000 children and young people engaged in practical filmmaking
30,000 pupils engaged with in-school industry visits	

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued

FOR THE YEAR ENDED 31 MARCH 2022

Key achievements, performance, and impact (continued)

OUR WORK IN THE CLASSROOM

Film for Learning

Film for Learning was our professional development programme to research the impact of embedding film in the curriculum.

The aim was to improve young people's engagement, participation and attainment in Key Stage 2. How? By equipping teachers with the skills, confidence and resources to use film in literacy teaching and learning.

Teachers and senior leaders in primary schools across Bristol, Bradford and Belfast were given a bespoke blended learning programme.

Our aim was to enable teachers to embed film-based learning within each school by June 2022. Participating teachers were trained in Film for Literacy Learning and then became Into Film Ambassadors, sharing training and resources.

Together, we successfully embedded film in staff development, literacy curriculum and school development plans.

Film for Learning has changed the way we work with schools. Now our online training courses and resources can help any school achieve the same impact, whatever their specialism.

Big thanks to the Paul Hamlyn Foundation for funding the programme, as well as Nerve Centre, Curriculum Innovation, and boomsatsuma for local delivery support.

Key literacy outcomes

93% of pupils have improved in literacy tests*

85% of teachers have seen improved speaking and listening skills

79% of senior leaders reported a direct correlation between using film in the classroom and pupil engagement

71% of teachers observed an improvement in pupils' creative writing

**Pupils in participating schools have improved from 'Working Towards Expected Standards' to 'Working At Expected Standard'*

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued

FOR THE YEAR ENDED 31 MARCH 2022

Key achievements, performance, and impact (continued)

Learning at your fingertips

This was the first full year teachers had access to our Learning Platform.

Our range of courses shows just how relevant film and filmmaking is to teaching and learning; whatever the subject, topic or age group.

Each course features a combination of ready-to-go teaching resources, interactive webinars, specially created videos, film highlights and quizzes.

In 2021-22, we ran nine courses:

- *Mindfulness Through Film*
- *One-Shot Filmmaking for Primary*
- *One-Shot Filmmaking for Secondary*
- *Teaching Literacy Through Film*
- *Filmmaking for Primary Literacy*
- *Leading Whole School Change Through Film (senior leader course)*
- Plus, some shorter courses, on topics including developing speaking and listening skills through film sound and improving fiction and poetry writing through camera shot types.

2,600 Educators trained through webinars

3,300 Teaching resources downloaded

81,000 Estimated students reached via educators who use our platform

You only get one shot

Our One-Shot Filmmaking courses demonstrate the power of simple filmmaking techniques, such as 'Shoot and Screen', with very little equipment. They help teachers support students in accessing and following curricular learning in class. Essential life skills develop too, including teamwork, problem-solving, communication and critical thinking.

In our 2021 survey of 600+ teachers, here's how many respondents agreed filmmaking supported these key skills:

94%	Creativity	85%	Teamwork
84%	Digital skills	70%	Problem-solving
87%	Communication skills	65%	Leadership
87%	Confidence	63%	Literacy

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued

FOR THE YEAR ENDED 31 MARCH 2022

Key achievements, performance, and impact (continued)

Lockdown training

3 out of 4 educators incorporated our training into their teaching and learning practice.

96% planned to use film going forward.

Teachers saw a noticeable to significant impact on student:

80%	Attainment	96%	Engagement
90%	Confidence	88%	Essential skills (teamwork, problem solving etc.)
90%	Creativity		

Into Film resources

This year, our resources covered many themes, including body image, gender and sexuality, wellbeing and grief.

Resources are key to our work, and hugely valuable for teachers. In fact, since we launched in 2013, more than 1.2 million have been downloaded! Our resources mirror national lesson plans and help teachers unpick key cross-curricular themes.

Throughout 2021-22, we produced six key types of resources: curricular, new film releases, assemblies, film guides, training, and online courses.

Thanks to our work with partners like BAFTA and Disney, we gave teachers access to the latest film releases and offered them fantastic insights straight from the experts.

138,000 total downloads	26 new resources	11,000 most popular resource downloads (<i>Encanto: Recycle the Rhythm</i> – see below)
-----------------------------------	----------------------------	---

We do need to talk about Disney's Encanto

To celebrate this fantastic film's cinema release, we partnered with Disney to create *Encanto: Recycle the Rhythm*. Inspired by the film, our brand-new educational resource brings Madrigal magic to students aged 6-11.

Tailored to the recent Model Music curriculum update for schools in England, the resource spans music, arts, PSHE and literacy. Pupils develop their music and composition vocabulary over two lessons.

A music consultant (professional musician and composer) advised us on music theory and features in the resource videos. And we used subtitles and on-screen graphics to make sure deaf and hard-of-hearing children could also benefit from the musical resource.

Then, inspired by the passionate Colombian musical, we challenged students to create an eco-orchestra. Using only recyclable materials, they created instruments to produce soulful rhythms and beats!

Teaching music can often call for specialist equipment and knowledge. But, this accessible and fun resource shows leaders how they can bring musical magic to their classroom at no cost, with only everyday materials.

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued

FOR THE YEAR ENDED 31 MARCH 2022

Key achievements, performance, and impact (continued)

OUR WORK WITH FILM CLUBS

In both school and out-of-school settings, our Into Film Clubs provide rich and varied opportunities to watch, discuss, review and make films.

We set educators up with all the materials, resources and training. Then clubs can instantly stream over 200 films on Into Film+.

Plus, we organise incentives, competitions and rewards to help engage 5–19-year-olds even further.

An Into Film Club is an exciting, safe and comfortable way for young people to learn, gain confidence and make friends.

Social inclusion

We're committed to championing equity, equality, diversity and inclusion, and are proud that a high proportion of Into Film Clubs are in areas of disadvantage.

We believe that cultural learning has a dynamic role to play in addressing disparities in achievement and aspiration.

Into Film Club stats

Into Film Club schools with a higher-than-average take-up of free school meals:

47% in England
39% in Wales
49% in Northern Ireland
48% in Scotland are run in schools where +50% of pupils live in areas of economic and social deprivation

INTO FILM+ STREAMING SERVICE

Meet our breakthrough platform: the UK's first free* streaming service designed specifically for schools and educational settings.

We've always championed film as a learning tool and an integral element of young people's cultural experience.

Together with Filmbankmedia, we're able to make film more accessible than ever. Our growing bank of over 200 films covers everything from timeless classics to new releases, with more titles added all the time.

And the best part? Every film comes complete with curriculum-linked educational resources for all ages and abilities. Into Film+ unlocks the power of film like never before – easing planning and enhancing teaching.

Our next phase of development will include content from the BFI National Archive and enable educators to save highlights from films for their teaching

In our January 2022 survey:

93% of respondents would recommend Into Film+ to other teachers (**77%** already had)

100% of respondents gave Into Film+ an average overall score of 4+ (where 1 = Poor, 5 = Excellent)

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued

FOR THE YEAR ENDED 31 MARCH 2022

Key achievements, performance, and impact (continued)

Connecting Culture

We've continued to help educators and youth leaders mark important cultural dates and milestones through film.

It's all of our responsibility to help young people grow into socially aware adults, but leading those conversations can be an intimidating task for educators.

With Into Film+, and all its corresponding resources and lesson plans, film becomes a tool to roleplay challenging discussions, spark open debate and encourage solution-finding for young people.

Films include shorts and feature lengths, animations and dramas, blockbusters and independents. Each has an engaging perspective on wider global issues.

World Mental Health Day

From grief and bereavement to bullying and emotional awareness, we curated films to help primary and secondary students develop skills around self-inquiry, wellbeing and compassion.

Plus, we hosted an exclusive Into Film+ Q&A session around the coming-of-age musical Dear Evan Hanson. Director Stephen Chbosky, actor Nik Dodani and Jane Caro (from the Mental Health Foundation) joined us to discuss social anxiety, self-esteem and grief.

LGBTQ+ History Month

Did you know, 1 in 5 teachers say they're uncomfortable discussing LGBTQ+ topics with pupils? This research, from charity Just Like Us, shows just how valuable the right support can be.

This February (and beyond), we wanted to not only educate and inspire young people across the UK, but also to instigate and normalise peer-to-peer LGBTQ+ discussion. So we collaborated with experts and individuals from across the lesbian, gay, bi, trans, queer, questioning and ace spectrum.

Our curation helps young people explore gender identity and representation, gender reassignment, gay and lesbian rights, discrimination, coming out and self and social acceptance.

Festive Films

The Christmas countdown is an iconic couple of weeks in schools (two nostalgic words for you: TV trolley), so Into Film+ had to share the season's classics.

Our Into Film+ catalogue was officially Christmas-ified. Heart-warming hits, new animated shorts and festive archive film from the BFI made the shortlist.

Resources and film guides were provided, with exclusive bonus content too.

Plus, the Into Film Festive Quiz returned and we ran a special festive edition of our ongoing Review 500 competition.

Festive figures

1,158	new unique users	2,898	unique video starts
28%	increase on all unique users	897	unique resource downloads

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31 MARCH 2022

Key achievements, performance, and impact (continued)

OUR YOUTH ADVISORY COUNCIL

Children and young people are at the heart of our work, and our Youth Advisory Council (YAC) is key to making sure they always feel listened to and valued.

Split across five regional councils, the YAC brings passionate young people together to give feedback on our work and take part in fun film-related activities.

It's a fantastic opportunity for any young film fan, both to help shape our programme and gain a window into the film industry.

As always, the contribution from this year's YAC has been fantastic and helped us put young people first (more on that below).

We asked some of our YAC members to share their inspirations, aspirations and advice for other young people

Listening and Learning

Thanks to our YAC, we don't only work for young people, but with them.

We started the YAC to make sure we're always in tune with what young people think, and listening to what they have to say.

YAC members play a vital role in informing the resources we give to teachers, and helping us make sure everything is relevant and engaging.

It gives young people the opportunity to voice their opinions and views on wider lesson topics in general, and share their own ideas too.

Our YAC give an invaluable personal insight into what young people need from us right now.

In the past year alone, the council:

- Helped us find films that fit themes like Halloween and Space
- Suggested suitable films for Into Film+ and Into Film Festival
- Submitted questions for our Dear Evan Hansen Q&A with cast, crew and a mental health expert
- Helped us develop a new style to make YAC materials more appealing for young people
- Helped make sure our Sustainability training is relevant and classroom-ready
- Gave feedback on content produced for young people as part of the Young Audiences Content Fund project
- Shared their views and suggestions to partners on key industry developments.

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31 MARCH 2022

Key achievements, performance, and impact (continued)

Getting inside the film industry

Career workshops, film festivals and expert Q&As give the YAC a glimpse inside the world of film. This year, our YAC took part in regional festival youth jury panels, including Encounters (supporting new talent in short film and animation), Iris Prize (celebrating LGBTQ+ film), The Scottish Film Festival and Cardiff Animation Festival. One YAC member even handed out an award in Cardiff, representing Into Film.

Plus, the young film fans heard from inspiring experts at the top of their game, with YAC members hosting Q&As and asking their own questions.

Film Programmers from cinemas across the UK explained how cinemas work, and Into Film Board member Nira Park shared her experience as a film and TV producer.

We want YAC members to feel like a career in film is possible. Workshops on CV writing and job-hunting help to set these young people on the right track. In our Q&A with Into Film trustee Col Needham, the IMDb CEO shared his experience and advice on breaking into the industry.

OUR WORK IN FILMMAKING

Film of the Month

Our flagship filmmaking competition makes sure young people aged 5-19 have a place to submit their films, have their voices heard and their stories told.

Entries are assessed on idea, sound, story and look, as well as technical ability. Each and every month, judges have a tough decision on their hands. Previous winners include stop motion animations made by 7-year-olds and silent movies produced by 18-year-olds.

With no restriction on genre or theme, young people are able to create films about topics that matter to them.

We are continually blown away by the exceptional quality of the films submitted to us each month.

Calling out climate change

Thanks to a donation from the Pinewood Studios Group, alongside Glasgow hosting COP26, one local school was able to use filmmaking to bring young people's voices into the climate conversation.

Back in November 2021, we set a task for Additional Support Needs students at Drumchapel High School, Glasgow.

We asked the group to create a short film on climate change, with expert help from filmmaker and animator Sharon Sorenson.

Over six weeks, Sharon held virtual sessions to help develop their skills; including a viewing of the documentary 2040, for inspiration.

The final piece premiered at the Glasgow Film Theatre, followed by a screening of climate-focused documentary I am Greta. The film was later shown in schools across the country.

Students learnt about filmmaking and climate change, developed essential life skills and felt a huge sense of achievement. Educators and pupils alike gained confidence in short filmmaking.

Thanks to Pinewood Studios for their charity donation that made this project possible.

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued

FOR THE YEAR ENDED 31 MARCH 2022

Key achievements, performance, and impact (continued)

OUR WORK WITH THE FILM INDUSTRY

Partnering with the biggest names in film helps us nurture young audiences and lay the groundwork for a thriving cinema industry for years to come.

Through in-cinema activity, sector support and school-facing film marketing campaigns, we aim to cultivate the largest sustainable, passionate and diverse young audience possible.

Our new release marketing campaigns offer targeted reach and engagement with 60K+ named educators across the UK. Partnership programmes are film-branded and expertly mapped to curriculum topics, offering a unique route to reach, teach and inspire future audiences. Plus, our Into Film Festival helps young people from all backgrounds experience the wonder of cinema.

Our role as the bridge between film industry and the education sector is only possible thanks to the support of Cinema First, the BFI, NI Screen and the hard work of thousands of industry professionals across the UK.

Our audience development work

86% of young people are more likely to go and see other films at the cinema as a result of the Into Film Festival

91% of educators surveyed say that using Into Film resources has helped enhance young people's interest in film and cinema-going

INTO FILM FESTIVAL

The world's largest free film festival for young people has returned!

We were beyond excited to welcome a huge and diverse group of 5–19-year-olds, from right across the UK, to once again join us at the Into Film Festival once again.

We all know how wonderful it feels to have our favourite events back in the calendar – and we were especially looking forward to this one! Even though we had less capacity due to COVID-19 precautions, the atmosphere was as electric as ever.

From exhibition and distribution, to print movement and special guest speakers, thanks to all of the organisations from across the industry who supported us once again.

Together, our partners gave young people the opportunity to experience the gold-standard of film-watching, with some audience members visiting the cinema for the first time ever.

During the Festival period (10th-26th November):

184,809 visitors

2,553 screenings and events

32,320 attended autism-friendly screenings

25,825 attended cinema for the first time

496 venues

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31 MARCH 2022

Key achievements, performance, and impact (continued)

Into Film Festival 2021 highlights:

- Clifford the Big Red Dog premiere
- Belfast premiere with introduction from director (and Into Film ambassador) Sir Kenneth Branagh and actors Jude Hill and Lewis McAskie
- Director Edgar Wright with Sparks Brothers
- No Time to Die screening with James Bond producer Gregg Wilson
- Joe Cornish and Michael Ajao, director and star of Attack the Block
- Special screening of Disney's Encanto, complete with a Colombian band and VIP limo experience

Thanks to the Into Film Festival:

90% of young visitors are more likely to go to the cinema

95% of teachers said this was the first trip to the cinema for students since Covid-19

Careers behind the camera

Inspired by *No Time To Die* production trainees, we worked with Universal Pictures UK and ScreenSkills to create a special backstage resource.

We produced an incredible, curriculum linked, resource that embraces the Gatsby Benchmarks and criteria set out by Careers Scotland, Careers Wales and Careers NI. The resource included videos and practical activities that linked to the careers, PSHE, mathematics, science and literacy curriculums.

Exclusive content included behind the scenes footage and interviews (including chats with young people on work placements, giving advice and support for other young people interested in entering the industry)

Inspiring in industry

To mark International Women's Day (8 March), as well as National Careers Week (7-12 March), we joined forces with BAFTA to talk representation.

Our first in-person event was a diverse, all-female panel that discussed the importance of representation in the industry and how to join the conversation. No matter your race, gender, sexuality or background. Held at Empire cinema in Haymarket in London, host Rhianna Dhillon was joined by Lashana Lynch (*No Time to Die*, *Captain Marvel*), Lyttanya Shannon (*Subnormal: A British Scandal*) and Siân Fever (*Wonder Woman*, *Wonder Woman 1984* *The Crown*).

They encouraged the young audience to believe in themselves, and that their unique voice and perspective isn't just valued but needed. Through the panel's own hard work and experience, they shared tangible advice to help budding actors, directors and editors, plus pearls of wisdom on how to:

- find like-minded people
- get started
- deal with rejection
- cultivate a network
- use your skills to tell the stories you want to see on screen

As they discussed, although the industry has been so slow to change, it is changing. So now is the time for young people – from all walks of life – to get involved.

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued

FOR THE YEAR ENDED 31 MARCH 2022

Key achievements, performance, and impact (continued)

SPECIAL PROJECTS

Turning to the archives

The UK's historic film gold mine gives an extraordinary insight into our past.

Archive film is a great way to show young people what our ancestors experienced, helping them connect with the past and make sense of the present.

We created many film projects across the UK celebrating the value and importance of looking back in time.

Raising Literacy Through Scottish Film

Inspired by the poetic documentary film *From Scotland With Love*, we explored Scottish history, heritage and stories through archive footage. Each of the six student activities built towards one final challenge: producing your very own archive piece.

Created with National Library of Scotland Moving Image Archive and Queen Margaret University, with funding from Screen Scotland.

Make Film History

In Yorkshire, Archives for Education started the Make Film History project to develop a sustainable archive footage model, amidst barriers around copyright law and rights clearance. We consulted on a funding bid (running a pilot project in a real school) to design supportive resources for primary and secondary schools.

The pilot was a brilliant learning experience, leaving us with a model to reuse and build on.

Prisons Memory Archive Project

The Prisons Memory Archive in Northern Ireland has a unique collection of more than 120 recordings, short films and photographs.

We developed a rich resource which will give history, politics and journalism students a far deeper understanding of the significance of the prisons, and the importance of preserving our history.

We also created a Teachers' Guide with the Prisons Memory Archive team at Queen's University Belfast.

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued

FOR THE YEAR ENDED 31 MARCH 2022

Key achievements, performance, and impact (continued)

Spring Screenings

We kicked off 2022 with one message of hope: We Can Be Heroes.

As a counterpoint to the distressing news stories around the world, we wanted to share uplifting tales of togetherness, so we ran three weeks of specially curated films, celebrating inspiring stories from across the globe.

Films included...

- *Flee* - A stunning animation recounting one man's experiences as a refugee.
- *Harriet* - A biopic of abolitionist and activist Harriet Tubman.
- *Kubo and the Two Strings* - LAIKA Studio's gorgeous stop-motion animation.
- *Mary Poppins Returns* – Everyone's favourite magical nanny is back.

Held in major cities and smaller towns across the UK, all screenings were completely free.

Cinema without barriers

All showings featured subtitles to increase accessibility and help improve young people's literacy. A selection of events were also autism friendly, and audio described screenings were available upon request.

National Careers Week

The film industry needs young people! We want to help teachers show that working in film is possible.

We want to show students they could be part of the world's most thriving nations for film.

In highlighting career paths, we can break down the stigma that working in film isn't possible for everyone, or that it's only open to the few.

Our 'near to peer' approach celebrates diversity and shows young people that they can find a place in the film industry.

The future film industry depends on the creative, smart and inspiring young people we're working with today.

Over 800 students from 41 schools joined from across the UK, with 86% of respondents rating the session 'Good/ Excellent', with the majority rating it 'Excellent'.

Here are just a few of the talented professionals we worked with during National Careers Week:

- Gail Jenkinson - DOP (Blue Planet II, The Heart of the Sea)
- Laura Howie - Cinematographer / DOP (Fantastic Mr Fox, Shaun the Sheep, Wallace & Gromit, Pinocchio)
- Roma Yagnik - Composer and performer (Mare of Easttown)
- Vinnie Jassal - Locations Manager and Producer (The Kingsman series, Infinite, Rogue One and My Week with Marilyn)

26 careers sessions

6,486 young people were reached through our sessions

5,794 careers resources downloaded

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance, and management

Nature of the governing document

The charitable company is limited by guarantee and does not have share capital. It is governed by its Memorandum and Articles of Association. Film Nation UK is a registered charity, trading as Into Film.

Governance

Into Film has a Board of Trustees, chaired by Eric Fellner CBE. The Board can comprise up to fourteen Trustees, including the Chair. There were twelve Trustees as at 31 March 2022.

There are two permanent Sub-committees: a Finance and Audit committee comprising two Trustees, and a Development committee comprising two Trustees (plus other non-Trustees to help with fundraising), which meet quarterly. Additional expertise led sub-committees will be created as needs demand.

Trustee induction and training

The founding Trustees are experienced as Trustees and have been instrumental in the development of Into Film. Trustees appointed since formation have been inducted by the Chief Executive using a recently compiled induction manual to ensure a comprehensive view of the organisation, its stakeholders, partners, and the wider context in which Into Film operates. Trustees are regularly kept up to date with changes in relevant legislation and receive training where appropriate to their responsibilities.

Senior management structure

The day-to-day management of Into Film is carried out by the Senior Management team comprising the directors of all departments, led by the Chief Executive. Executive team salaries were made equal at the inception of Into Film when they were benchmarked against equivalent roles in the public sector and other educational charities. Since then, they have increased with inflation, where possible, in line with the experience in similar sectors.

Equity, Equality, Diversity and Inclusion (EED&I)

Two years ago, Into Film began a journey to build an inclusive, active listening culture that respects difference, in which staff are happy and proud to create a programme that reflects the diverse society we work within.

In partnership with inclusion consultants Diversity Pride, we completed the first stage of this journey, exploring and articulating what we want to achieve and what our vision is. We began putting tangible actions in place to foster belonging within the organisation and to remove barriers to inclusion across the programme.

This first phase has helped us learn and understand how we can collectively make things better and be open to making lasting change.

Supported by a representative working group, EED&I conversations now happen in all team meetings and progress has been made within recruitment and the accessibility of our online and in-cinema programmes.

Risk Management

In line with best practice and the requirements of the Charity SORP FRS 102, specific consideration has been given to the identification and management of risk within the organisation. This has resulted in a risk register, detailing priorities of importance with required actions identified to manage the risk. This is reviewed twice a year by the Finance and Audit committee and quarterly by the Senior Management Team. Details of specific risks facing the organisation and the steps taken by the Trustees to manage these risks are given on the following page.

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance, and management (continued)

Principal Risks and Uncertainties

The main risks facing the charity are:

- The uncertainty around the future of funding beyond 31 March 2023 from our current long-term partners, and in-year reductions during the current funding period.

Lottery funding is at risk from fluctuations in future Lottery income, and funding from Cinema First will depend to an extent on the future commercial marketplace. This is mitigated through continued work to further programme impact and dialogue with the BFI regarding approaches to maximising public value; researching where there is potential to continue elements of programme, and introducing new ones, that could attract alternative income sources and use findings to inform the Business Plan; and implementing a fundraising strategy. In the future we plan to co-opt a Development Specialist on to Board and have already set-up a Board Fundraising sub-committee.

This risk has increased since the arrival of COVID-19, however we remain in close contact with our funders, who have remained supportive during this period. We have also planned for different funding scenarios to ensure that the organisation is not adversely affected by a reduction.

This is the same risk as in previous years, however, due to the pandemic, we have been given an extra year of Lottery funding, so the uncertainty is now what happens beyond 31 March 2023.

- Ongoing impact of COVID-19 on our service, our staff, and our users.

COVID-19 has had a significant impact on both the film and education sectors, which we will continue to monitor and change our strategy accordingly. During the pandemic, we switched to online delivery for many of our activities and continued to do so even after we were able to safely return to face-to-face delivery. Our staff are our priority and have worked from home since before the lockdown; since then, we have put in place as many processes as possible to help people work as effectively as possible under difficult and varied individual circumstances, to maintain work relationships and monitor their mental health and well-being.

The challenge now is to incorporate the developments and learning from remote working and online delivery into the next organisational strategy and ensure that our working conditions and arrangements are the best possible for our staff and the organisation.

- Film distribution service fails to meet the needs of the organisation and/or film clubs.

The delivery of the Into Film programme has relied heavily on our DVD order service, which has now been replaced (and enhanced) by the development of our own streaming service, Into Film+. As streaming from providers to customers becomes more commonplace, the urgency of the government to extend existing film licensing legislation for education organisations to cover streaming becomes ever more pressing. This is mitigated by using specialist legal advice and a Board working group to address licensing issues.

- Uncertainty in securing additional funding/income streams to supplement that of principal funders in future years where our principal funders' priorities have shifted.

Given the overall reduction in funding for cultural and film education activity, securing funds has become harder in the current climate. We monitor fundraising quarterly, with the Director of Business Development responsible for commercial income and income from trusts and foundations.

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued

FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance, and management (continued)

Financial Review

A summary of the financial results and the work of the Charity are set out below.

Income and expenditure for the year

The Statement of Financial Activities for the year is set out on page 27 of the financial statements. A summary of the financial results and the work of the Charity is set out below.

Total income for Into Film for the year was £5,787,233 comprised mainly of donations and grants from film and education related organisations, with the majority (£4,767,500) being Lottery funding distributed by the British Film Institute (BFI).

Total expenditure for the year was £5,844,087 which has resulted in a net deficit of £56,854. This is due mainly to costs incurred in 2021/22 that relate to designated reserves or restricted income received in previous years.

The net unrestricted income, including income retained from restricted projects, was £151,598 which means our freely available reserves have increased to £685,165.

Reserves policy

In accordance with the Charity's Articles of Association, Film Nation UK may set aside funds for special purposes or as reserves against future expenditure. The Board of Trustees have agreed that it is prudent to retain a level of reserves sufficient to cover the costs of transition, in the event of significantly reduced funding. The level of funding is reviewed annually, and the reserves increased if required and funds are available.

Given that our Lottery contract stipulates that we would receive six months' funding at the current levels, should we get any reduction or notice of cessation of funding (the equivalent to £400,000 per month), Trustees have deemed that holding additional general reserves of around £300,000 is more than sufficient. The level of reserves held at 31 March 2022 exceeds the reserves target, in light of both COVID-19 and the point the organisation is in the funding cycle.

In 2019/20 we designated additional reserves towards digital development, to ensure that there were funds available to continue to develop and launch our Video on Demand (VoD) service and associated Learning Management System (LMS). Most of these funds were used during last year; now that both services have been launched, the remaining reserves have been used to offset the costs of running the services during 2021/22.

In 2020/21 we also designated two additional reserve amounts: donations received from EON, which will be used against specific activity, yet to be decided; plus, the carry forward of NI Screen income, which is unrestricted income but has been allocated against NI costs in 2021/22.

This has led to unrestricted general funds as at 31 March 2022 of £685,165, unrestricted designated funds of £198,426 and restricted funds of £243,682.

Further detail regarding fund balances is given at Note 14 to the financial statements.

Investments

Apart from cash deposits Into Film does not have investments. Investments are permitted under the Articles of Association and the Board of Trustees will seek to develop an appropriate policy when required.

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued

FOR THE YEAR ENDED 31 MARCH 2022

Structure, governance, and management (continued)

Fundraising

Into Film does not actively raise funds from the public but does occasionally receive unsolicited donations from individuals or organisations. These are ring fenced and allocated to specific activity, either at the request of the donor or as suggested by Into Film.

We do employ a small (freelance) fundraising team who work mainly on securing income from trusts, foundations, and corporate bodies.

Looking to the future

Into Film's five-year strategy identifies the following objectives, that remain in place for 2022/23:

- Continuously review the Into Film offer with a view to offering a fit-for-purpose product that meets the needs of modern-day schools and the environment in which they operate
- Recruit, activate and support a UK-wide network of Into Film clubs and leaders, delivering a curated offer that drives engagement amongst target audiences
- Support and develop a streaming-based model for the distribution of films across our club network
- Further develop our CRM system to better understand and communicate with our network of Into Film Clubs and other programme users
- Provide high-quality CPD training and resources for educators, through a wide range of face-to-face and digital products that link to the curriculum
- Strengthen links between young people participating in our film clubs and wider programme and the BFI Film Audience Network, working in partnership to develop an audience of active film goers.

DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31 MARCH 2022

Responsibilities of the Trustees

The Trustees (who are also the directors of Film Nation UK for the purposes of company law) are responsible for preparing the Directors' and Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

This report has been prepared taking advantage of the exemptions for small companies in section 15 of the Companies Act 2006.

Auditors

Cooper Parry Group Limited has expressed its willingness to continue in office and will be proposed for re-appointment at the Annual General Meeting.

Approved by the Board of Directors on 19 October 2022 and signed on behalf of the Board:



Eric Fellner
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES
OF FILM NATION UK

Opinion

We have audited the financial statements of Film Nation UK ("the charitable company") for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charitable company's affairs as at 31 March 2022, and of the incoming resources and application of resources, including its income and expenditure, 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.

Material uncertainty related to going concern

We draw attention to note 1 underneath the heading "Going Concern" in the financial statements, which confirms that the charitable company, at the time of signing these accounts, has not had its funding for the most recent round of Lottery funding (financial year 2023/24 onwards) confirmed by its principal funder, the BFI. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES

OF FILM NATION UK - continued

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the report of the Trustees, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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' and Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' and Trustees' Annual Report has been prepared in accordance with legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' and Trustees' Annual Report .

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees 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' and Trustees' Annual Report and from the requirement to prepare a strategic report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES

OF FILM NATION UK - continued

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 22, the Trustees (who are also the directors of the charitable company for the purposes of company law) 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 Trustees 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 Trustees are responsible for assessing the charitable 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 Trustees either intend to liquidate the charitable 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the charitable company's control environment and how the charitable company has applied relevant control procedures, through discussions with management and by performing walkthrough testing over key areas;
- obtaining an understanding of the charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing 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 bias.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES

OF FILM NATION UK – continued

Auditor's responsibilities for the audit of the financial statements (continued)

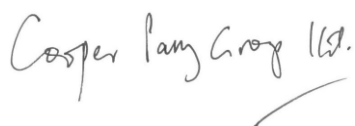
Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees 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 charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Glen Bott FCA

Senior Statutory Auditor for and on behalf of:

Cooper Parry Group Limited

Chartered Accountants and Statutory Auditor
Cubo Birmingham
Office 401, 4th Floor
Two Chamberlain Square
Birmingham
B3 3AX

Date: 24 October 2022

FILM NATION UK
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)

FOR THE YEAR ENDED 31 March 2022

	Notes	General Funds £	Restricted Funds £	2022 Total £	2021 Total £
INCOME FROM:					
Donations and legacies	2	45,311	-	45,311	151,407
Other trading activities	3	383,341	-	383,341	304,288
Investments	4	1,268	-	1,268	520
Charitable activities	5	4,882,563	474,750	5,357,313	5,048,000
Total income		5,312,483	474,750	5,787,233	5,504,215
EXPENDITURE ON:					
Costs of generating funds		75,118	-	75,118	66,923
Charitable activities		5,443,861	325,108	5,768,969	5,690,580
Total expenditure	6	5,518,979	325,108	5,844,087	5,757,503
NET (EXPENDITURE)/INCOME FOR THE YEAR		(206,496)	149,642	(56,854)	(253,288)
Transfer between funds		147,998	(147,998)	-	-
NET MOVEMENT IN FUNDS		(58,498)	1,644	(56,854)	(253,288)
RECONCILIATION OF FUNDS					
Total funds brought forward at 1 April		942,089	242,038	1,184,127	1,437,415
Total funds carried forward at 31 March	14	883,591	243,682	1,127,273	1,184,127

All income and expenditure derive from continuing activities.

The statement of financial activities incorporates all gains and losses recognised in the above two financial periods.

The notes on pages 29 to 41 form part of these financial statements.

FILM NATION UK
(A company limited by guarantee)

BALANCE SHEET
COMPANY No. 08210217
AS AT 31 March 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Tangible fixed assets	11	15,440	14,877
Investments	20	-	-
		<hr/>	<hr/>
		15,440	14,877
CURRENT ASSETS			
Debtors	12	398,162	234,114
Bank and cash balances		1,180,709	1,612,378
		<hr/>	<hr/>
		1,578,871	1,846,492
CREDITORS: Amounts falling due within one year	13	(467,038)	(677,242)
		<hr/>	<hr/>
NET CURRENT ASSETS		1,111,833	1,169,250
		<hr/>	<hr/>
NET ASSETS		1,127,273	1,184,127
		<hr/>	<hr/>
Represented by:			
Unrestricted - general funds	14	685,165	533,567
Unrestricted - designated funds	14	198,426	408,522
Restricted funds	14	243,682	242,038
		<hr/>	<hr/>
		1,127,273	1,184,127
		<hr/>	<hr/>

The financial statements were approved by the board of directors on 19 October 2022 and are signed on its behalf by:



Eric Fellner
Chairman

The notes on pages 29 to 41 form part of the financial statements

FILM NATION UK
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
for the year ended 31 March 2022

	Notes	2022 £	2021 £
Net cash used in operating activities	17(a)	(416,192)	26,834
Cash flow from investing activities			
Capital expenditure	17(b)	(15,477)	(5,644)
Net cash used in investing activities		(15,477)	(5,644)
Change in cash and cash equivalents in the reporting period		(431,669)	21,190
Cash and cash equivalents at 31 March 2022		1,180,709	1,612,378
Cash and cash equivalents at 31 March 2021		1,612,378	1,591,188
Cash and cash equivalents consist of:			
Cash at bank and in hand		1,180,709	1,612,378

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

1 Accounting policies

Basis of preparation

Film Nation UK (trading as Into Film) is a charity limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are in education among children and young people using film as a learning tool.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Voluntary income by way of grants, donations and gifts is included in full in the Statement of Financial Activities when receivable and when the amounts are known with certainty and are measurable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charitable company, are recognised when it becomes unconditionally entitled to the grant.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charitable company earns the right to consideration by its performance. Where income is received in advance of performance it is treated as deferred income and included within creditors.

The charitable company receives government grants in respect of its award from the British Film Institute. Income from government and other grants are recognised at fair value when the charitable company has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

1 Accounting policies (continued)

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably.

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include audit fees and costs linked to the strategic management of the charitable company.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Fund accounting

Restricted funds

Restricted funds represent grants and donations received which are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal. The aim and use of each restricted fund are set out in the notes to the financial statements.

Unrestricted funds and designated funds

Unrestricted funds represent funds that are expendable at the discretion of the directors in the furtherance of the objects of the charitable company. Such funds may be held in order to finance both working capital and capital investment.

Designated funds are those funds which are unrestricted in nature, but which have been designated by the directors to be used in a particular manner.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

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

Fixtures, fittings & equipment	4 years straight line
Plant & machinery etc.	3 years straight line

Assets purchased which are under £500 are expensed to the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

1 Accounting policies (continued)

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

VAT

VAT is only partially recoverable by the charitable company. Any irrecoverable VAT is included within the relevant costs in the Statement of Financial Activities.

Tax

The charitable company meets the definition of a charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Going concern

The Trustees assess whether the preparation of the financial statements on a going concern basis is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

At the time of approving these financial statements, the charitable company is taking part in the application process for the next round of Lottery funding, with confirmation by the BFI of the next three year's Lottery funding awards not expected until January 2023. The Trustees consider the going concern basis to be appropriate based on the expectation that the charitable company is successful with the funding applications however the Trustees acknowledge that there is a material uncertainty because if the application for this funding is unsuccessful then this would cast significant doubt on the ability of the charitable company to continue as a going concern.

The Trustees have concluded that the adoption of the going concern basis for these financial statements remains appropriate, however acknowledge that there is a material uncertainty in relation to the matter noted above.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

2 Donations and legacies	2022 £	2021 £
Donations	45,311	151,407

All of the income received in respect of donations and legacies was attributable to unrestricted funds in both the years ended 2022 and 2021.

3 Other trading activities	2022 £	2021 £
Cinema First	145,000	271,875
Sponsorship	-	(40,000)
Earned income	237,335	72,413
Sale of assets	1,006	-
	383,341	304,288

All of the income received in respect of other trading activities was attributable to unrestricted funds in both the years ended 2022 and 2021.

The sponsorship amount in 2021 relates to sponsorship income not collected due to the cancellation of the 2021 Awards.

4 Investments	2022 £	2021 £
Bank interest receivable	1,268	520

All of the income received in respect of investments was attributable to unrestricted funds in the year ended 2022 and 2021.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

5 Income from charitable activities	2022	2021
	£	£
<i>Restricted</i>		
Paul Hamlyn	120,000	116,500
Northern Ireland Screen	184,000	259,000
British Council	160,750	25,000
Merthyr Tydfil CC	10,000	-
<i>Unrestricted</i>		
BFI grants receivable	4,767,500	4,517,500
Northern Ireland Screen	115,063	129,000
Trust & Foundations	-	1,000
	5,357,313	5,048,000

A grant of £24,000,000 was awarded to Into Film by the British Film Institute for the five-year period commencing 1 April 2018. The BFI grant income identified for 2021/22 represents the cash drawn down during the financial year.

During 2017/18 an amount of £130,000 was drawn down early, to cover the costs of setting up a DVD delivery service for film clubs, to replace the service previously run by LOVEFiLM. This means that the amount available for the remaining 4 years of the BFI contract will be reduced by the same amount.

In 2020/21, COVID-19 meant that our costs were less than expected, so we requested that we delay drawing down £250,000 of Lottery funds to the final year of the original contract. As the pandemic continued into 2021/22, we found ourselves in a similar position, and requested that those funds be carried over for another year.

During 2020/21 we were also informed by the BFI that COVID-19 had delayed the planning of the next funding cycle; instead, we would get an additional year of lottery funding, at the original level, meaning our current Lottery funding will now end at 31 March 2023.

This gives a final year Lottery balance of £5,050,000 to be drawn down in 2022/23.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

6 Analysis of expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Costs of generating income				
Salaries, pensions and other staffing costs	75,118	-	75,118	66,923
Direct costs				
Audience development	(209)	-	(209)	6,721
Commercial activity	56,745	-	56,745	28,200
Communications and PR	657,471	-	657,471	681,658
Content	255,078	-	255,078	269,694
Digital	594,524	-	594,524	514,495
Digital Development (Streaming & LMS)	386,602	-	386,602	418,230
Events and Into Film Festival	174,657	-	174,657	92,577
Filmmaking	69,654	-	69,654	41,475
Programme Delivery	1,441,862	-	1,441,862	1,351,082
British Council (Camara Chica)	-	59,564	59,564	31,287
ICAP (Moving Minds)	-	8,967	8,967	83,543
Paul Hamlyn (Film for Learning)	-	96,521	96,521	89,040
Northern Ireland Screen (ScreenWorks)	-	153,387	153,387	140,190
Northern Ireland Screen (Mentoring pilots)	-	6,622	6,622	17,793
Merthyr Tydfil (Community Renewal Fund)	-	47	47	-
Overhead costs				
Customer Relationship Manager (CRM)	84,500	-	84,500	100,569
Finance	141,404	-	141,404	74,604
Human Resources	181,187	-	181,187	328,398
Information Technology	417,785	-	417,785	473,129
Offices and premises	457,359	-	457,359	404,968
Strategy & Planning	420,881	-	420,881	438,281
Governance (note 7)	104,361	-	104,361	104,646
	5,518,979	325,108	5,844,087	5,757,503

FILM NATION UK
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

	2022	2021
	Total	Total
	Funds	Funds
	£	£
7 Governance costs		
Audit & Accounting fees	25,808	26,649
Salaries	78,553	77,997
	<hr/>	<hr/>
	104,361	104,646
	<hr/>	<hr/>

8 Net expenditure for the year

Net expenditure is stated after charging:	2022	2021
	£	£
Depreciation of owned assets	13,919	11,216
Insurance: Trustees' and senior staff indemnity insurance	9,535	9,535
Audit fees – current year	17,500	17,450
	<hr/>	<hr/>

9 Pension costs

Into Film operates a salary sacrifice contribution pension scheme in respect of its employees. The scheme and the assets are held by independent managers.

In October 2017, the charity implemented auto-enrolment for all its staff, increasing the number of employees using the pension scheme. At 31 March 2022, a total of 78 employees participated in these schemes (2021: 78). The charitable company will match the percentage contribution by the employee, up to a maximum of 5% of salary.

The pension charge in the year was £268,728 (2021: £283,897) and at the year-end there were £32,766 contributions payable (2021: £31,441).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

10 Staff costs	2022	2021
	£	£
Wages and salaries	2,891,437	2,949,614
Social security costs	302,303	306,692
Pension costs	268,728	283,898
Redundancy costs	24,375	-
	3,486,843	3,540,204

Number of employees

The average monthly numbers of employees (excluding the trustees) during the year, calculated on the basis of full-time equivalents, was as follows:

	2022	2021
	Number	Number
Chief Executive's office	2	2
Communications and PR (now includes Web content team)	18	21
Digital	8	8
Education	36	36
Partnerships and Strategy	8	8
Finance and Operations	6	6
	78	81

The number of employees (individuals) was 95 (2021: 92).

The number of employees whose emoluments amounted to £60,000 or more in the year was as follows:

	2022	2021
	Number	Number
£60,001 - £ 70,000	5	6
£80,001 - £ 90,000	1	1
£90,001 - £100,000	1	1

Pension contributions in respect of the seven higher paid staff were £23,412 (2021: eight higher paid staff were £28,332).

No salaries or wages have been paid to Trustees during the year (2021: £nil).

No charity Trustee received payment for professional or other service supplied to the charity (2021: £nil).

The total amount of employee benefits received by key management personnel is £515,852 (2021: £509,522). The key management personnel consist of six individuals (2021: six): the Chief Executive, Director of Programme Delivery, Director of Business Development, Director of Finance and Operations, Chief Technology Officer, and Director of Marketing and Communications.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

11	Tangible fixed assets	Fixtures, Fittings & Equipment	Computer Equipment	Total £
	Costs			
	As at 1 April 2021	91,481	26,755	118,236
	Additions	-	15,477	15,477
	Disposals	(6,817)	-	(6,817)
	As at 31 March 2022	84,664	42,232	126,896
	Depreciation			
	As at 1 April 2021	87,750	15,609	103,359
	Disposals	(5,822)	-	(5,822)
	Charge for the year	1,674	12,245	13,919
	As at 31 March 2022	83,602	27,854	111,456
	Net book values			
	As at 31 March 2022	1,062	14,378	15,440
	As at 31 March 2021	3,731	11,146	14,877
12	Debtors		2022 £	2021 £
	Trade debtors		36,271	52,048
	Other debtors		1,435	4,073
	Prepayments and accrued income		360,456	177,993
			398,162	234,114
13	Creditors: Amounts falling due within one year		2022 £	2021 £
	Trade creditors		148,492	331,736
	Other creditors		113,773	125,024
	Accruals		204,773	177,982
	Deferred income		-	42,500
			467,038	677,242

FILM NATION UK
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

14 Fund balances

	General £	Restricted £	Total £
Fund balances at 31 March 2022 are represented by:			
Tangible fixed assets	15,440	-	15,440
Current assets	1,335,189	243,682	1,578,871
Current liabilities	(467,038)	-	(467,038)
	883,591	243,682	1,127,273

Fund balances at 31 March 2021 were represented by:

Tangible fixed assets	14,877	-	14,877
Current assets	1,604,454	242,038	1,846,492
Current liabilities	(677,242)	-	(677,242)
	942,089	242,038	1,184,127

	At 1 April £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March £
2021/22					
Restricted Funds					
ICAP	33,957	-	(8,967)	(24,990)	-
Paul Hamlyn	69,827	120,000	(96,521)	(22,200)	71,106
NI Screen (Projects)	76,817	184,000	(160,009)	(100,808)	-
British Council	61,437	160,750	(59,564)	-	162,623
Merthyr Tydfil	-	10,000	(47)	-	9,953
	242,038	474,750	(325,108)	(147,998)	243,682
Unrestricted Fund					
General Funds	533,567	5,020,841	(5,001,764)	132,521	685,165
Designated Funds					
Cinema First	100,000	145,000	(245,000)	-	-
Digital development	111,016	-	(111,016)	-	-
EON donation	151,407	31,579	-	-	182,986
NI Screen (Clubs)	31,222	115,063	(146,285)	-	-
Fixed asset fund	14,877	-	(14,914)	15,477	15,440
	1,184,127	5,787,233	(5,844,087)	-	1,127,273

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

14 Fund balances (continued)

	At 1 April £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March £
2020/21					
Restricted Funds					
ICAP	150,000	-	(83,543)	(32,500)	33,957
Paul Hamlyn	92,317	116,500	(89,040)	(49,950)	69,827
NI Screen (Projects)	-	259,000	(157,983)	(24,200)	76,817
British Council	67,724	25,000	(31,287)	-	61,437
	310,041	400,500	(361,853)	(106,650)	242,038
Unrestricted Fund					
General Funds	612,679	4,551,433	(4,731,551)	101,006	533,567
Designated Funds					
Cinema First	115,000	271,875	(286,875)	-	100,000
Digital development	379,246	-	(268,230)	-	111,016
EON donation	-	151,407	-	-	151,407
NI Screen (Clubs)	-	129,000	(97,778)	-	31,222
Fixed asset fund	20,449	-	(11,216)	5,644	14,877
	1,437,415	5,504,215	(5,757,503)	-	1,184,127

Description of funds

General funds include any reserves available to be used in the event of future reductions in funding.

The **Paul Hamlyn** funding is for the Film for Learning project, to provide teachers with CPD to develop their film analysis, animation and filmmaking skills, and embed film in the classroom.

The **ICAP** funding is being used to explore and promote mental wellbeing through filmmaking, with professional filmmakers working with young people to improve their confidence, find their voice, learn about working in a fun and creative team, and to gain filmmaking skills and experience.

The **NI Screen** funding is being used to deliver the ScreenWorks project, a scheme to help young people in Northern Ireland aged 16-19 to explore screen crafts through a range of unique work experiences and a mentoring pilot.

The **British Council** funding is for the Camara Chica project, which runs filmmaking courses in overseas countries.

The transfers between the Restricted and General Funds represent amounts retained by Into Film to cover internal staff costs, management fees and other costs, as agreed with each funder.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

14 Fund balances (continued)

The **Designated Funds** represent funds ring-fenced by the Board in respect of the following:

- **Cinema First & NI Screen** income that has been agreed to be carried forward to 2022/23 (both zero this year);
- **Digital development**, to help launch and support a new Video on Demand (VoD) platform, and Learning Management System (LMS) to host our online film and educational content (now zero);
- A donation from **EON** which has yet to be assigned to specific activity;
- **Fixed assets**, as they do not represent reserves that are freely available to the charity; future depreciation on these assets will be charged to this fund.

15 Leasing commitments

The total future minimum lease payments under non-cancellable operating leases in respect of land and buildings are as follows:

Expiry Date	2022 £	2021 £
Within 1 year	181,400	200,460
Within 2-5 years	73,840	45,000

16 Capital commitments

There were no capital commitments at the balance sheet date (2021: £nil).

17 Cash flow notes

(a) Reconciliation of net expenditure to net cash flow from operating activities

	2022 £	2021 £
Net expenditure for the year	(56,854)	(253,288)
Depreciation	13,919	11,216
Loss on disposal	955	-
(Increase)/ decrease in debtors	(164,048)	68,267
Increase/ (decrease) in creditors	(210,204)	200,639
Net Cash used in operating activities	(416,192)	26,834

FILM NATION UK
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2022

17 Cash flow notes (continued)

(b)	Capital expenditure	2022 £	2021 £
	Purchase of tangible fixed assets	(15,477)	(5,644)
		At 1 April 2021 £	Cash flows £
(c)	Analysis of changes in net debt	At 31 March 2022 £	
	Cash at bank and in hand	1,612,378	(431,669)
			1,180,709

18 Controlling interest

The charitable company is controlled by its Trustees.

19 Company limited by guarantee

Film Nation UK is a charitable company limited by guarantee and accordingly does not have a share capital. The liability of each member of the charitable company is limited to £1 in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member.

20 Investments

Subsidiary undertakings

The following charitable companies are Limited by Guarantee and are under the control of Film Nation UK at the balance sheet date.

Subsidiary name

First Light Movies Limited Company No. 05730661	Dormant Company
Film Club (UK) Company No. 05895219	Dormant Company