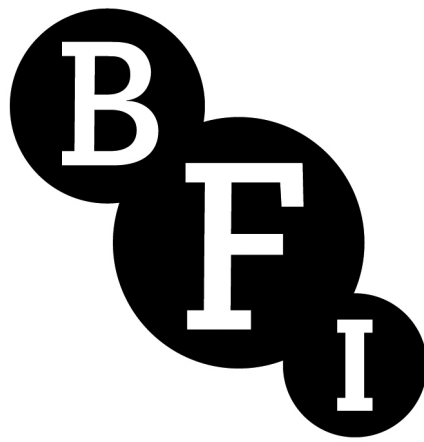


BFI Annual Report **and** **Financial Statements** 2020-2021



BRITISH FILM INSTITUTE Group and National Lottery Annual Report and Financial Statements for the year ended 31 March 2021

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Any enquiries regarding this publication should be sent to us at:
customerfeedback@bfi.org.uk

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PURPOSE, MISSION AND VALUES

The BFI is a Royal Charter Charity that was established in 1933.

Purpose

We believe society needs stories. Film, television and the moving image bring them to life, helping us to connect and understand each other better. We share the stories of yesterday, search for the stories of today, and shape the stories of tomorrow.

Mission

The BFI is a cultural charity, a National Lottery distributor, **and the UK's lead** organisation for film and the moving image. Our mission is:

- To support creativity and actively seek out the next generation of UK storytellers
- **To grow and care for the BFI National Archive, the world's largest film and television archive**
- To offer the widest range of UK and international moving image culture through our programmes and festivals – delivered online and in venue
- To use our knowledge to educate and deepen public appreciation and understanding
- To work with Government and industry to ensure the continued growth of the **UK's screen industries**

Vision

We will transform access to our programmes, screen culture, and jobs by

- focussing on the diversity of our audiences
- expanding our work to further embrace television & video games
- **reframing the public's relationship with the BFI's collections**
- investing in the growth of our digital platforms
- working with industry to deliver long-term strategies for education and skills.

CHIEF EXECUTIVE'S STATEMENT

I write this introduction against a backdrop of the BFI London Film Festival in October 2021 which, although technically out of scope for this 2020/21 annual report, has seen a remarkable return to capacity audiences for film screenings as we all enjoy the wonderful communal experience of cinema once again.

This experience could not have been in sharper contrast to the period covered by this report.

I took up my role as Chief Executive in February 2020, just three weeks before the first lockdown. Cinemas went dark, film and TV production shut down, a significant workforce and community of talented and creative individuals were immediately unable to work or earn a living.

Our first reaction was to work with our funded partners and the wider sector to identify what support was needed: we repurposed £4.6 million in National Lottery funding to support exhibitors, freelancers and producers; we convened a Screen Sector Taskforce with some of the most experienced individuals from across film, TV and video games to develop solutions with Government to help the sector get back on its feet. We were successful in achieving a number of policy interventions working in collaboration with Government, such as the Film and TV Production Restart Scheme, which enabled productions to get back up and running safely and quickly and ensured the financial security of hundreds of cinemas across England which faced a devastating and uncertain period of closure.

It was clear from the start of the pandemic that the Department for Digital, Culture, Media and Sport and HM Treasury were committed to taking far-reaching measures to protect the sector, through support interventions such as the Cultural Recovery Fund and UK Film & TV Production Restart Scheme. The challenges were not insignificant, but many of my colleagues and partners worked at speed to ensure that this Government support reached independent cinemas, productions and individuals within the industry quickly.

It is impossible to underestimate the impact of Government support during this period. **Thousands of jobs were at stake, along with a century of cinema heritage, the UK's hard-earned position as the world's favourite destination for filmmakers, loss of audiences and a multi-billion pound contribution to our economy.** That these effects were avoided speaks volumes about how highly the industry is valued both economically and culturally, and I am hugely grateful to our Ministers, their advisers and the policy officials for their unwavering support during this period.

I must also express my thanks to my BFI colleagues who adapted so quickly to the circumstances of lockdown and went on to show incredible levels of ingenuity and determination to keep as many of our activities going as possible and to support our sector. I must make particular mention here of the BFI Player team who reacted fast to

ensure that we could still satisfy the demand of audiences unable to visit the cinema, through providing capacity and access online.

I am also personally very grateful to the support shown by our Board of Governors throughout these turbulent times. **Josh Berger's term as Chair expired in November 2020** at which point the role of Interim Chair passed to Pat Butler. Both provided extraordinary stewardship throughout a very difficult period. The terms of a number of Governors, including Pat Butler, Pete Czernin, Jonathan Ross and Andrea Wong, also came to an end during this period. We are indebted to them. Moving forward, the continued support of our Board, under new Chair, Tim Richards, will be invaluable.

As an organisation, we are emerging from the pandemic as an infinitely more agile, interconnected organisation. We worked closely with colleagues across the BFI to determine a new vision for the BFI and the culture that will get us there. This is the beginning of a period of transformation of the BFI. Supported by the Board, we are looking forward to focusing on audience diversity, embracing television and games in our work, reframing **the public's relationship with the BFI's collections, investing in our digital platforms**, and working with the industry to develop and deliver long-term strategies for education, skills and net zero.

A first step in delivering this vision, will be a consultation on our priority areas for the **BFI's National Lottery funding and we look forward to engaging** broadly with stakeholders, industry and the UK public in establishing shared priorities for the screen sectors, including film, TV and games. There is much to be optimistic about. Film, TV and the screen industries have evolved and we are seeing good signs of the sector bouncing back to pre-pandemic levels. We have learned a great deal and intend to take this forward in our future planning.

Perhaps the greatest learning has been the audience reaction – how people have coped with unprecedented change to their lives, to loneliness, to mental and physical stresses. **We know society needs stories and this appetite for a good story hasn't waned through the pandemic. After the most challenging twelve months of the BFI's history, we are** better placed now than ever before to transform access to our screen culture and facilitate the telling of these stories throughout the UK.

FUTURE AUDIENCES

A rich cultural programme for all

The year had a dramatic impact on our public programme on the big screen, on our preservation and digitisation plans for the national collection of film, television and the moving image, and on our support for research access. However, while the impact of COVID-19 has been considerable, not the least on our income, it has also challenged us to find new routes to audiences and to be innovative in our thinking. Audiences turned to film and television to entertain, inspire, and console during the year, especially through video-on-demand services.

As BFI Southbank and the hundreds of cinemas, arts venues, and film clubs we work with to reach audiences UK-wide were either shut or operating under severe restrictions during the past 12 months, we focused on boosting our online activity across every area of our public programme, with transformational results.

We invested more in new film collections for BFI Player, seeing significant audience growth both for free and paid viewings, and brought our events and discussion programme to bfi.org.uk and the BFI YouTube channel, making our cultural offer fully accessible across the UK for the first time online. Our annual audience increase saw a dramatic rise, with free collections on Player up by 20%, and paid subscription views up by an incredible 278% from the year before. Altogether there were 2.7 million views of the films on offer, and a further five million on BFI social media channels.

Watching films online had not been an element of the festival model for the BFI London Film Festival, but the challenges of 2020 led to the most widely accessible LFF ever, with 141,000 ticket sales for both socially distanced cinema screenings and virtual screenings, across the UK. The events and talks programme was delivered digitally for the first time ever, achieving nearly 175,000 engagements during the 12 days of the festival.

It wasn't only online that audiences fed their appetite for film. In a market which has seen annual sales of DVDs drop by 25% over the last decade, the lockdown encouraged audiences to add high quality BFI releases to their film collections. BFI DVD had its most successful year since 2016–17, with the **restoration of the Pet Shop Boys'** 1987 film *It Couldn't Happen Here* having its world premiere in a limited edition digi book pack, and 6,000 people opting to buy it in the first two days of release. Strong releases such as the 50th anniversary celebration of *Play for Today Volume One*, in partnership with the BBC, contributed to over 200,000 units sold, and an 18% growth in revenue. This, along with 5,000 enquiries to our archive footage sales team, now licensing material as varied as Everest and climate change, and the pioneering work of animator Lotte Reiniger, significantly helped with income streams.

A key element of growing engagement and broader access to a national collection and public programme is offering interpretation and knowledge to support understanding and enjoyment, and creating metadata for audiences to find what they want. The

Collections Information Database offers online access, with the BFI Reuben Library and Mediatheque both providing in-venue access to hard copy information and associated materials which have yet to be digitised, such as posters, diaries, company papers, conference papers, and designs. Usually around 100,000 researchers and members of the public browse our collections each year. This year our Library team worked hard to safely re-open the Library in September, with 215 researchers immediately booked in, before the second lockdown closed it again.

Editorial online has been in demand. Lockdown shut off *Sight & Sound's* primary route to market on the news stand, but having already demonstrated an ability to adapt to the COVID-19 world with last year's launch of a new online newsletter the Weekly Film Bulletin we again modified our approach and we currently have the highest-ever number of digital subscribers and the highest combined print and digital readership for over three years. Our publishing partnership with Bloomsbury has resulted in a refresh of BFI Classics, offering readers a great introduction to a wide range of classic films.

The renewed urgency of the global Black Lives Matters movement in 2020 prompted us to make new commitments to accelerating meaningful change in recruitment and partnerships, and to ensure that our acquisitions to the national collection and our public programme better reflect our nation. We are also acquiring UK online videos that best represent the impact of Black Lives Matter. We are working in partnership with the Black Cultural Archives on preservation solutions for films they have acquired, and to benefit from their skills and knowledge in shaping BFI acquisitions into the national collection.

A powerful highlight of our COVID-19 year was *These Are the Hands*. Working with the Event and Visual Communication Association (EVCOM), the BFI National Archive co-produced a new short film to help raise funds for the NHS Charities Together appeal. A visual interpretation of the poignant lines of former children's laureate Michael Rosen's poem, 'These Are the Hands', this eloquent short film combines a selection of extracts of films about healthcare and the NHS preserved by the BFI National Archive, with new footage of NHS workers currently on the front lines of the COVID-19 crisis. It is a shining example of the power of film.

PROGRAMME HIGHLIGHTS

JAPAN 2020

Our annual blockbuster project was to have been delivered in partnership with venues UK-wide but we worked quickly to offer it exclusively on BFI Player. **The** full cinematic experience **was offered** in Autumn 2021. With a landmark collection of over 120 **Japanese films this was a rich introduction to one of the world's great filmmaking** cultures, from influential classics from Kurosawa to Mizoguchi and Naruse, to bizarre cult films, hidden gems from beloved directors, new films by Japanese women filmmakers, and beautifully animated family favourites. This extensive collection proved hugely popular with an incredible 367,000 views.

Our events strand, BFI at Home, offered a wide range of interviews – with *Anime* viewed 8,000 times. On DVD, Japan 2020 releases were a success with audiences, with strong sales for *Flavour of Green Tea Over Rice* (Yasujiro Ozu, 1952) topping almost 2,800 units, *Funeral Parade of Roses* (Toshio Matsumoto, 1969) selling more than 2,200 units, and our Takeshi Kitano box set reaching nearly 3,000 units.

Female desire on screen

This series spotlighting women filmmakers offered a collection exploring the ‘female gaze’, supported by online Q&As offering a fresh take on films like *Bound* (Lana Wachowski, Lilly Wachowski, 1996) and *The Watermelon Woman* (Cheryl Dunye, 1997). The films received over 10,000 views, with audiences averaging much longer times reading the online contextualising notes than we usually see.

Women Make Film

We released Mark Cousins’ epic celebration of women filmmakers *Women Make Film* on BFI Player in weekly instalments, and on a four-disc blu-ray box set. Many of the films referenced in the documentary have been neglected and not available to contemporary audiences, and we are presenting work from the great Czech New Wave director Vera Chytilova, beginning with *Something Different* (1963), followed by a re-appraisal of the work of Márta Mészáros and Larisa Sheptiko.

Black Lives Matter

In July we launched a ‘digital takeover’ programme with *We Are Parable* taking over all our existing channels to celebrate Black moving image culture in *Who We Are*, a series of online events and film programmes designed to spark debate about Black British film. S.O.U.L. FEST screened on BFI Player and YouTube, and in September, with the brief opening of BFI Southbank, our re-opening season, curated by African Odysseys, was *Injustice* with films and events. *Redefining Rebellion* curated by writer Kaleem Aftab, contextualised our 25th anniversary re-release of *La Haine* (Mathieu Kassovitz, 1995). This included an online event with Riz Ahmed, discussing the film’s influence on his own career and on his latest film, *Mogul Mowgli*. Over 25,000 young people saw the film in cinemas, 4,500 online, and 3,000 bought the DVD. The August issue of *Sight & Sound* focused on Black filmmaking talent, with features on Michaela Coel, and the Black Film Bulletin.

Wong Kar-Wai

We launched a full retrospective of the iconic and influential Hong Kong director online, making new restorations available for the first time and providing a rare opportunity to explore Wong Kar-Wai’s work on a streaming platform.

Britain on Film

For Britain on Film, the free element of BFI Player, we created new online collections that responded to the moment we were living through including a selection of films to share with children aged five and under; a focus on films showing the work of key workers – from nurses to farm workers to teachers to refuse collectors; and cats v dogs. **A programme featuring some of the earliest films in Europe, which included the BFI's restorations of late Victorian 68mm films (the IMAX of their day) with new restorations by Eye, Amsterdam, were all made available for free on BFI Player.** These joined the 11,000 titles from the BFI National Archive that we already have made free to audiences across the UK, which to date have had 82 million unique views since launching three years ago.

Our restorations of *The Epic of Everest* (1924) and *Shiraz: A Romance of India* (1928) with filmed introductions from our curators, were streamed worldwide as part of our contribution to the We Are One Global Film Festival in the Summer. *Shiraz* had 30,000 unique views and *The Epic of Everest* 17,150.

Context and interpretation

Giving audiences the chance to explore further, the BFI AT HOME team produced over 100 online events under lockdown, hosted on the BFI YouTube channel, engaging audiences in a national conversation around screen culture, and showcasing filmmaking and acting talent. These included a critical dissection of the Netflix hit *Bridgerton* with **cast and crew, the cast of Russell T Davies' HIV crisis drama *It's a Sin*, and Asif Kapadia paying tribute to Irrfan Khan.**

In July *Sight & Sound* launched a second print title, The Auteurs Series, focussing on the career of Jean-Luc Godard. With editorial drawn exclusively from the *Sight & Sound* archive, **this was the magazine's first move towards using 87 years' worth of features and reviews in a meaningful way, giving the public access to this rich and sometimes forgotten material, while also creating a new revenue stream.** Audiences for its online content have never been bigger. Following the relaunch and redesign in 2021 we are ambitious to further increase our readership and engage audiences with great writing.

Contemporary film

In lockdown we have focussed on releases of contemporary films that portray different perspectives on British life and identity, offering exclusive releases on BFI Player: Fyzal Boulifa's *Lynn + Lucy* (2020) for example opened with 13,500 views and to widespread critical acclaim, and Riz Ahmed and Bassam Tariq's *Mogul Mowgli* (2020) was released briefly into cinemas for five days before moving quickly online when the UK was locked down for a second time. In this short period the film did well across 92 cinemas UK-wide, and has proven a streaming success. Henry Blake's *County Lines* has been the most successful Premium VOD title BFI Player has hosted to date.

BFI Festivals

BFI London Film Festival

Although we present new films and previews year round, the festival is our shop window for contemporary filmmaking, not only offering audiences the chance to see films first, but also to see films they will never otherwise have the chance to see in the UK. Even in the 2020 reduced offer, 41 countries were represented in the programme, with around 40% of the features directed or co-directed by women.

Responding to COVID-19 resulted in changes that meant we had the most accessible ever BFI London Film Festival, in partnership with American Express: 58 features received virtual premieres available anywhere in the UK; 45% of the audiences for the virtual screenings and events were from outside London; and 16 films received cinema premieres at BFI Southbank and 12 partner cinemas in London, Glasgow, Sheffield, Manchester, Bristol, Cardiff, Nottingham, and Belfast. This success story was repeated in 2021.

LFF 2020 opened with the international premiere of *Mangrove* (2020), the first of **Steve McQueen's historic Small Axe films for the BBC**, and closed with the international premiere of **Francis Lee's *Ammonite* (2021)**. There were 56 other feature films, three television projects and 57 short films from established and emerging talent.

The LFF welcomed more than 2,000 delegates to its Industry & Press programme, which this year was exclusively online, with an increase in delegates from outside London from 10% in 2019 to 27% in 2020.

BFI Flare: London LGBTIQ+ Film Festival

With BFI Flare, a showcase for the best new LGBTIQ+ cinema from around the world, we learnt very quickly in the first lockdown in 2020 how to mount our festival online. The 35th edition in 2021 built on this, with a virtual festival of 25 feature films via BFI Player, available for ticket holders UK-wide to watch at any time during the 12 days of the festival, and 35 short films available for free. Five Films For Freedom, in partnership with the British Council, made five LGBTIQ+ themed short films available to watch worldwide for free.

Accessibility

National Lottery investment allowed us to create closed captioning, subtitles, and audio description, and post-festival surveys demonstrated a corresponding increase in audiences who self-assess as having a disability, from 11% to 17%. We are considering how to make this possible more regularly.

Interactive

In creating programmes across the range of moving image experience, we have experimented in the last three years, both in venue and in public spaces with partners, to present new forms of VR and XR works. This year, with National Lottery support, we were able to mount our first immersive programme as part of the BFI London Film Festival – LFF Expanded, delivered in partnership with the National Theatre. The programme featured virtual reality, augmented reality, mixed reality and live immersive performance, showcasing **in a virtual museum space called ‘The Expanse’ which was free to access to UK and international audiences for the duration of the festival, and seen by more than 16,000 people from home and at BFI Southbank.** We will be seeking to include such works in our year round programme in venue and online.

We also took part in the creation of new interactive works, for example working with the V&A on their new VR exhibition, *Alice: Curiouser and Curiouser*, which incorporated the earliest film adaptation of *Alice in Wonderland* from 1903, restored in a tinted version by the BFI National Archive. Audiences were able to join the event as avatars and a VR **‘Alice’ game can be downloaded to play at home.**

International programme

With the rest of the world closed, we had a hugely reduced programme with partners worldwide. Two highlights were:

Japan

With the National Film Archive of Japan we presented a programme drawn from the **early Japanese material in the BFI National Archive’s collection.** Sell-out screenings of *Picturesque Japan in the Meiji Period* took place at NFAJ for UNESCO World Day of Audiovisual Heritage in October 2020, with live music and lectures, and further screenings around Japan in venues such as the Museum of Modern Art in Kyoto.

Work continued on the duplication of the BFI’s unique copy of *Kaguya-Hime* (1935) for the National Film Archive of Japan, who have no materials themselves. This is the first **film version of Japan’s oldest folk tale with special effects by Masaoka Kenzo,** considered a pioneer in animation. The print will be donated to the NFAJ in 2021.

BFI in Bologna

Able to travel in September, we presented 18 films from our collection, including recent restoration *Love, Life, Laughter* (George Pearson, 1923) as part of Bologna’s **Il Cinema Ritrovato – the world’s most important festival for archive films.** Our recent restoration of **a film of the 1900 solar eclipse, was projected on the screen of the city’s grand opera house Teatro Comunale.**

DIGITAL AND VENTURES

BFI Player

Record-breaking growth on BFI Player saw huge increases in both our audience engagement and income, with revenue doubling from the previous year and viewing figures for feature films reaching 2.7m – an increase of 165%. Engagement with our free-to-view archive service remained strong, with over 1.2 million views in the year. BFI Player content is available on our online platform and as a subscription channel on Amazon Prime and Apple TV. The launch of BFI Player Classics on Apple TV in the US in August was followed by the debut of our direct-to-consumer platform in the US, bringing BFI Player Classics to customers on the web, personal devices and smart televisions.

As part of our work in delivering the first-ever hybrid version of the BFI London Film Festival, with the full programme of features and shorts available online alongside a traditional cinema offer, we brought together three platforms – BFI Player, bfi.org.uk and YouTube – to create a complete at-home festival experience. Free-to-access productions and events were also available on YouTube to maximise audience reach. From its programme launch in September until the end of the festival, the online programme reached 370,000 unique users. On BFI Player, 54 feature films were viewed 25,000 times and the free-to-view shorts had 29,000 plays.

Digital publishing

We developed and relaunched our primary public website bfi.org.uk in August 2020, incorporating new content design standards and readability guidelines to ensure all pages are accessible and inclusive to all. With more than 5 million unique users in the UK and 13 million worldwide, the website is the most commonly used point of access for consumer, industry and education audiences. Top new series on bfi.org.uk during lockdown included:

- BFI Recommends: Daily viewing recommendations drawing on the knowledge and passion of BFI staff
- Britain on Lockdown: A BFI National Archive project mapping how online video has reflected and at times influenced the **UK's** COVID-19 experience with people invited to submit their favourite UK videos.

BFI YouTube

YouTube is an important broadcast medium for BFI content and this year our channel saw subscriber numbers rise by 123,000 to a total of 360,000, with a record 48.8 million views. With many people unable to visit cinemas in lockdown, we reached new **audiences through our 'BFI at Home' Q&A series, a collaboration with the BBC, Channel 4, Netflix and Sky to produce events enjoyed by thousands of viewers. We also paid tribute to the UK's key workers with 'Key Worker's Playtime', a video series on BFI**

YouTube in which key workers from across the UK talked about the films, TV and games they were watching when not keeping the country running.

Ventures

The impact of COVID-19 made for a difficult trading climate for our Ventures business in the first two quarters. However, the second half of the year saw Ventures strike new partnerships with brands and organisations, expand our skills training, IP and content slate and build on our BFI license offer and wider partnerships with universities across the UK.

These activities have generated £0.6m in revenue and, with our strengthened portfolio, established partners and new expertise in delivering courses and building relationships digitally, we are in a strong position for future growth. Ventures highlights included:

Consultancy: Singapore Media Development Authority

After a successful consultancy period, we delivered two milestone courses addressing the key areas identified for investment; a digital masterclass to upskill marketing/comms **workers and a producers' mentorship programme, which we redesigned and** successfully delivered online.

Skills & training: World Association of Girl Guides, supported by Dove Skincare

We delivered a Filmmaking for Advocacy course which saw 15 young women leaders from 12 different countries with no filmmaking experience learn to use film to communicate and advocate for the issues important to them.

BFI Player: University partners and institutional license

We have developed an institutional license model for BFI Player and are currently partnered with 14 universities including Birmingham City, Manchester, Ravensbourne and the University of Glasgow. The arrangement gives student access to BFI Player and bespoke projects including: BFI lecture series, secondments and work placements, co-designed curriculum and short courses, *Sight & Sound* magazine, BFI London Film Festival accreditation, BFI publishing projects and funded research opportunities.

Skills & training: Courses in association with the Chartered Institute of Marketing

We have a partnership with the Chartered Institute of Marketing to offer two accredited filmmaking and editing courses for marketers.

Consultancy: Google

We delivered an editorial consultancy providing a list of the 50 most rewatchable films from the last 50-years for **Google Pixel's virtual scavenger hunt. To mark the launch of** the Google Pixel 5 in November 2020 users could discover and download the films on Google Maps.

Craft Skills Master's with London Southbank University

In partnership with London Southbank University, we can now offer a Craft Skills Master's degree comprising 12 accredited modules. We will be looking to offer this internationally next year.

Film sales

Film sales had a very successful year, with revenues up £60k on last year to £258k. The growth was driven by new partnerships and channels for our content, including a partnership with fashion brand Bottega Veneta and deals with several education platforms.

Publishing

We are now in the third year of our partnership with Bloomsbury with 15 new books in our Film Classics range published this year, and just over £44k in sales income. The focus for next year is broadening our publishing to reflect our output and audiences and to increase the diversity of the voices we publish.

GROWING AUDIENCES ACROSS THE UK

Supporting the exhibition and distribution sector in the time of crisis

We are committed to giving everyone, regardless of where they live in the UK, the opportunity to enjoy the richest and broadest range of great UK and international filmmaking. Awarding funds from the National Lottery, the BFI Audience Fund supports projects which build larger and more inclusive audiences, onscreen and in the workforce, and a thriving cinema exhibition sector.

With cinemas closed for much of the year, we wanted to provide audiences with great cinema, in a format they could watch, and in spite of the pandemic. We also wanted to support exhibitors to reopen their venues when restrictions allowed, as well as to help our partners find new and innovative ways to reach broader audiences and to get films to them.

In the face of the immediate loss of box office ticket revenue and with large buildings still to maintain, venues which usually received year-round Audience Fund awards could instead request flexible payments to help with short-term stability until the course of the pandemic became clearer and longer-term support became available.

A much bigger intervention which has enabled independent cinemas in England to weather the impact of national closure restrictions and restricted audience capacities to **meet social distancing came in the form of the Government's £1.57bn Culture Recovery Fund** for cultural, arts and heritage organisations launched in July 2020. We administered an allocation on behalf of the DCMS with two rounds of funding ensuring £27.6 million of grants were awarded to 209 independent cinemas across the country by the end of the financial year.

Other exhibition organisations we fund also adapted quickly to the new landscape, moving their initiatives online and shifting their focus towards helping venues and film organisations through the crisis. Cinema For All successfully ran its community cinema courses online and helped its member organisations switch to running online screenings. The Independent Cinema Office (ICO), with BFI support, similarly shifted its exhibitor activity online, including its popular Screening Days and training. The ICO not only provided essential and updated information and resources on all aspects of the COVID-19 restrictions relevant to exhibitors, but through regular surveys and research with exhibitors, it built an accurate picture of the impact of the lockdowns on the sector and what was needed to help venues and other organisations begin to recover.

This was the first year we had allocated Audience Fund year-round organisational awards to distributors to help them develop cross-release strategies to reach wider audiences. Because of the pandemic, the awards made to Altitude Film Distribution, Peccadillo Pictures and Dogwoof enabled them to continue releasing much-needed new content for cinemas when they were open as well as greater choices for audiences both in-cinema and at home.

The Audience Fund also awarded Dogwoof £40,000 to help the theatrical release of the documentary *MLK / FBI* (Sam Pollard, 2021) reach young and diverse audiences, and especially Black audiences through partnerships. When cinemas shut again in December, we supported the shift to a VOD-only release. We also supported the Kino Klassiki programme when it shifted its proposed UK-wide cinema tour to online-only, bringing rarely seen comedies from Russian, the Caucasus and Central Asia to audiences for free.

Flexible funding arrangements have helped festivals and other audience outreach initiatives to adapt to the new environment. They included the Birmingham-based Flatpack Festival, MASSIVE, the youth-orientated cinema brand, and Birds' Eye View's Reclaim the Frame, who all moved online with expanded offers, screenings and promotions. The London Indian Film Festival received £62,000 to raise the profile of South Asian cinema and engage diverse audiences in its high quality programme via a new online platform across its usual festival dates and a small in-venue programme in September. An award of £40,000 to Berwick Film and Media Arts Festival (BFMAF) supported an online edition of the festival which will now look to develop a new programme of year-round activity. Amplify!, a new online festival created by the coming together of Bath Film Festival, Cambridge Film Festival, Cinecity (Brighton) and Cornwall Film Festival, received £20,000.

New release initiatives supported by the Audience Fund, and increasingly reflecting a new hybrid approach as the COVID-19 restrictions changed, included awards to:

- Vertigo Releasing for *The Assistant* (Kitty Green, 2020) was a PVOD release supported by the Audience Fund to help it reach young audiences.
- Bohemia Club who received £6,400 towards the release of *Clemency* (Chinonye Chukwu, 2019), first as a virtual-theatrical release followed by a PVOD release.
- Modern Films for virtual preview screenings of *White Riot* (Rubika Shah, 2020) in partnership with organisations that helped the film reach a young audience, followed by an in-cinema release in September
- Dartmouth Films who received £53,453 for *One Man and His Shoes* (Yemi Bamiro, 2020). The documentary premiered at the LFF, was released on PVOD platforms, broadcast on BBC2 and then made available on BFI Player and iPlayer.

The enforced shift online for many cinema activities has resulted in increased UK-wide access for audiences, additional content and greater accessibility through subtitles and audio description. The changing economics and structures of the exhibition and distribution sector has also led the Audience team to reflect on broader issues of access to remove barriers to inclusion, both for audiences and those working in the sector, as well as the diversity of projects we support, and to make changes in how the Audience Fund is presented, to be more open and to reach organisations and initiatives sharing our aims. The BFI Diversity Standards encourage the organisations we work with to include employment, training and professional development opportunities as part of their projects. We will engage with our applicants to commit to more in their proposals, especially for mid- and senior-level development initiatives. We are proud to support the ICO's FEDS trainee scheme, addressing under-representation in the workforce at entry-

level, and we want to support more projects developing people at the mid-point of their careers.

BFI Film Audience Network

Supported by National Lottery funding, the BFI Film Audience Network (FAN) is a collaboration of eight Film Hubs, managed by leading film organisations and venues across the UK, with an underpinning commitment to equality, inclusivity and accessibility. We now have more than 1,500 members, including cinemas, festivals, multi-arts venues, community cinemas and film archives, who are at the heart of our strategy to build larger and more diverse audiences for UK and international film and a thriving cinema exhibition sector.

This year has been a significant challenge for all film exhibitors. Venue closures and event cancellations have impacted not only the financial security of FAN member organisations, but also the community of audiences they serve. As a network with UK-wide coverage, FAN was well placed to deliver a package of support which would speak directly to the needs of their members and their audiences.

Our first key intervention was the BFI FAN COVID-19 Resilience Fund. A total of £1.3 million of National Lottery funding, plus a £150,000 contribution from the Mayor of **London's Culture at Risk Business Support Fund, was made available to provide grants** to those in critical financial need as they continued to face months of closure and uncertainty. The Fund supported 130 FAN members with awards ranging from £415 to £23,000. The administration and delivery of the Fund through FAN underlined the **network's role in delivering BFI strategy in a direct way across the UK, particularly at a time of crisis. To quote one of the Fund awardees, 'We're a small rural independent cinema tucked away in Derbyshire... the BFI FAN Resilience Fund did more than just throw us a financial lifeline. It connected us back to the big picture, reminded us we weren't alone and gave us the breathing space, and the confidence, to plan our way back.'**

Our second key intervention was to support online film exhibition activity. While the focus of FAN remains the big screen collective experience, there were some immediate benefits to the move online forced by the pandemic, and our funding streams adapted to reflect this. For example, disabled audiences for the annual UK-wide film season Film Feels: Connected increased to a record 12%, from a previous high of 8%, after project lead Film Hub Midlands moved the programme online, clearly demonstrating the benefits afforded by digital access. It also encouraged FAN members to develop new **skills for online audience development with one commenting: 'It's enabled us to test new ideas and has contributed to long-term organisational resilience.'** 70% of audience survey respondents also said they'd never been to the physical venues which hosted Film Feels: Connected – demonstrating the potential of the online space to grow audiences for the big screen experience when venues re-open.

Our BFI FAN Film Exhibition Fund (which is part of the Audience Fund) was established initially to boost cultural programming and activities which sought to engage diverse audiences as lockdown restrictions eased. The Fund awarded £657,886 to over 140 FAN members, ranging from community cinemas to film festivals, to support both physical and online activity. However due to the ongoing pandemic, we estimate that 73% of these projects will be delayed until the next financial year.

FAN connections strengthened throughout this year of the pandemic as members connected more frequently, offering support and sharing resources particularly as activity moved online. The annual film exhibition conference This Way Up, a FAN-led initiative coordinated by Film Hub Scotland, took place online in December with 700 participants, and 52 speakers and industry leaders presenting over its three days.

Hubs in England also provided vital support to the roll-out of the Culture Recovery Fund – promoting it to their members, encouraging them to apply and offering advice to venues less familiar with the funding application process.

BFI FAN selected partner highlights

Film Hub London

Hub Lead Organisation: Film London
Cross FAN lead for Young Audiences

- Hosted three virtual exhibitor breakfast events for FAN members with guest speakers covering a range of topics including welcoming disabled audiences back **to cinemas and showing clips from London's Screen Archives available to cinemas to book**
- Worked with Film Hub Scotland to deliver the annual Distributor Slate Day where distributors present their film slate to film exhibitors, as well as more discursive sessions focused on box office trends and predictions for the immediate and long-term future of the sector
- 31 organisations supported through BFI FAN Resilience Fund
- 26 organisations supported through BFI FAN Film Exhibition Fund
- Facilitated the FAN Young Consultants Group (an advisory group of 21 under 30 year-olds working in film exhibition) to create marketing packs for nine new release titles which used the perspectives of young people to encourage venues and organisations to screen these films to attract young audiences.

Film Hub Midlands

Hub Lead Organisation: Broadway, Nottingham in partnership with Flatpack Projects, Birmingham
Cross FAN lead for Major Programmes

- Provided ongoing support to members through bookable 1-2-1 meetings, as well as larger group meetings, plus regular communications through newsletters, Twitter and website
- Hosted 43 application support sessions to provide assistance to organisations considering an application to the BFI Culture Recovery Fund
- 16 organisations supported through BFI FAN Resilience Fund 20 organisations supported through BFI FAN Film Exhibition Fund
- Launched and delivered an online film season – Film Feels Connected – which explored innovative ways to connect cinema with audiences during lockdown; 51 organisations were supported throughout FAN, with over 350 screenings achieving 21,750 views.

Film Hub North

Hub Lead Organisations: Showroom Workstation, Sheffield and HOME, Manchester
Cross FAN lead for Screen Heritage

- Held more than 60 individual meetings with members, and 81 members attended online Hub meetings
- Strategic support for organisations with young programmer activity, including Cine North and Storyhouse (Chester), moving online during lockdown
- 20 organisations supported through BFI FAN Resilience Fund
- 13 organisations supported through BFI FAN Film Exhibition Fund
- Partnered with the 12 regional and national film archives to commission a short thematic film to be screened online and in venues next financial year to help nurture audiences for archive films across the UK.

Film Hub NI

Hub Lead Organisation: **Queen's Film Theatre, Belfast**
Cross FAN lead for Non-theatrical Exhibition

- Partnered with Northern Ireland Screen to launch The Moving Pictures Programme to provide members with free training and support to develop an online film programme to stay connected with audiences
- Kept in touch with member organisations via meetings, newsletters and a podcast
- 4 organisations supported through BFI FAN Resilience Fund
- 6 organisations supported through BFI FAN Film Exhibition Fund
- Summarised all available advice on re-opening into a digestible and engaging resource for community cinemas in FAN – downloaded over 270 times.

Film Hub Scotland

Hub Lead Organisation: Glasgow Film Theatre
Cross FAN lead for Member Support and Development

- Kept in touch with their members via monthly virtual coffee mornings and fortnightly newsletters which shared the latest advice on COVID-19
- Launched an Online Digital Cinema Fund to support 28 small-scale projects or screenings/festivals reinterpreted online
- Hosted a Making Online Spaces and Events Accessible forum which provided advice on how to make websites and social media content accessible
- 8 organisations supported through BFI FAN Resilience Fund
- 31 organisations supported through BFI FAN Film Exhibition Fund
- Hosted the UK's **annual film exhibition conference This Way Up** which took place online over three days with 688 registered delegates
- **Worked with the ICO to deliver an online training course for UK film festivals 'UK Film Festival Roundtable'.**

Film Hub South East

Hub Lead Organisation: Independent Cinema Office (ICO)

Cross FAN lead for Data & Evaluation

- Held a **three-day online member forum** exploring topics such as **'Programming in a pandemic', how to start online screenings and the importance mental health and welling**
- Supported young film programmer groups to develop online activity and hosted industry sessions with a range of experts addressing aspects of film programming such as feminist programming, LGBTQI+ and the Queer Gaze and Disability and Inclusion
- Hosted regular meetings for the Programming Group to continue presenting specialised film to audiences in the region despite the challenges of COVID-19
- Disseminated information to members on a range of topics and opportunities via newsletters and meetings, including **UK Disability Arts Alliance's publication – The Seven Principles for an Inclusive Recovery**
- 16 organisations supported through BFI FAN Resilience Fund
- 20 organisations supported through BFI FAN Film Exhibition Fund.

Film Hub South West

Hub Lead Organisation: Watershed, Bristol

Cross FAN lead for Marketing, Communications & Audiences

- Provided support, advice and guidance to members via daily updates on Basecamp, fortnightly meet-ups online, and focused sessions in response to needs of members
- 21 organisations supported through BFI FAN Resilience Fund
- 19 organisations supported through BFI FAN Film Exhibition Fund
- The Bigger Picture, a website which collates various aspects of FAN news and resources, established itself as a central resource with traffic to the site increasing by 509% – the COVID-19 advice and guidance article, updated regularly, has been the most popular page

- Published a series of case studies and articles to inspire FAN members with their projects – topics range from relaxed screenings, building a digital festival and attracting LGBTQI+ audiences to events.

Film Hub Wales

Hub Lead Organisation: Chapter Arts Centre, Cardiff

Cross FAN lead for Diversity & Inclusion

- Created film programming resources at a time very few films were being released, for example A Biodiverse Big Screen: Programming for our Planet and Programming by and for Minoritised Communities
- Remained available to members throughout lockdown via Slack, Facebook channels, newsletters and one-to-one meetings
- Delivered **training tailored to members' needs during the pandemic, such as digital festival delivery and outdoor cinema**
- 16 organisations supported through BFI FAN Resilience Fund
- 14 organisations supported through BFI FAN Film Exhibition Fund
- Published Dismantling Structural Inequality in Your Cinema – which is a practical guide for improving the experiences of POC (people of colour) audiences, staff and filmmakers in cinemas – and other intersections including gender, sexuality, disability, income and class.

EVERYONE, EVERYWHERE IN THE UK CAN ENJOY MORE OF THEIR MOVING IMAGE HERITAGE

BFI COLLECTIONS

The BFI National Archive collects and preserves titles and other material which reflect **the ‘art, history and impact’ of UK film, television and moving image.**

BFI collecting emphasises contemporary works, especially from UK filmmakers from backgrounds currently underrepresented in the collection – in particular, women filmmakers, Black filmmakers and people of colour.

We are the statutory collector of terrestrial television output from the commercial terrestrial PSB broadcasters ITV, Channel 4, Channel 5 and we also informally collect selected material from the BBC. We are keen to broaden this now to include key works from Sky and the streaming companies. These companies are not required, as the public service broadcasters are, to provide materials and support to the BFI National **Archive to make sure the UK’s television heritage is preserved for future generations** and in the coming year we will prioritise acquisitions from them.

Britain On Lockdown

In April 2020 we launched a UK-wide campaign to involve the public in recommending the online videos that best represent how the UK has experienced the impact of the coronavirus. Online video has played a key role in our collective experience of the lockdown in a way never been experienced before: from keep-fit videos for kids by Joe **Wicks**, to **Boris Johnson’s video about his ‘minor symptoms’**, to **solidarity for NHS** frontline workers and local communities coming together, through to comedy parodies, public health videos about the importance of hand washing, and charity campaign films. This rapid-response collecting ensured our curators could acquire titles that have had extraordinary impact and influence, but are in danger of vanishing. If permissions from filmmakers can be agreed (legally, a signed donor agreement is needed for every online video we acquire), these videos will be preserved for generations to come. The campaign received significant press and TV coverage, including features on major UK TV news programmes.

Inclusive collections

We are acquiring UK online videos that best represented the impact of Black Lives Matter before they disappear, and we have identified a range of contemporary filmmakers whose work we will aim to acquire over the next three years. Archive information staff are augmenting our existing research relating to Black and Asian filmmaking, reviewing and reforming the cataloguing practices and standards used historically, ensuring that all work by filmmakers of colour is findable in our databases.

Contemporary film collecting

We acquired digital cinema masters of 14 BFI Film Fund features, including *Ammonite* (Francis Lee, 2020), *Saint Maud* (Rose Glass, 2019), *The Souvenir part 2* (Joanna Hogg, 2020) and *Wildfire* (Cathy Brady, 2020). With curators on furlough, opportunities to engage with creators of contemporary cinema were limited, but we did acquire a range of short form and online work such as to preserve artist Bill Posters *Partly Political Broadcasts* (2019), a **'deep fakes' project featuring AI-synthesised images of Boris Johnson and Jeremy Corbyn endorsing each other for the premiership.**

Television

Television acquisitions continued throughout 2020 and, as the national television archive (by Statute) for the UK's **terrestrial commercial** PSB broadcasters (ITV, C4 and C5), we capture 500 television broadcasts every day, from 16 channels of free-to-view television, documented at very low quality. The BBC has its own archive, but we also work in partnership to further public access through joint initiatives. We implemented a major reform of our documentation method, and now everyone can easily search the collection. Retrospectively we select programmes that represent the rich diversity of contemporary television, preserving them in high quality broadcast standard files. Among the 240 contemporary titles selected, we preserved Sacha Baron-Cohen's political satire *Who is America?* (2018), **Elijah Quashie's** *Peng Life* (2018), *After Grenfell: How Safe Are We?* (2018), and the remarkable *Letters on Lockdown* (2020) series, commissioned, produced and broadcast during the first lockdown.

Retrospective collecting

With the Conservation Centre open on and off for periods under COVID-19 restrictions, we were able to acquire over 100 unique 35mm and 16mm films from British cinema history, including a full print of *Adam Bede* (Maurice Elvey, 1918) previously only held as an incomplete fragment. Other significant legacy television material brought into the national collection included a three-hour career interview with British cinema pioneer Ivor Montagu, previously known to survive only on VHS copies, and 800 digital video recordings of BFI Southbank events, including interviews with major figures of British film and television no longer with us, such as Ken Adam, and Earl Cameron.

Special Collections

To develop our posters, stills, and paper collections, we have sought to increase representation in front of and behind the camera in terms of diversity of gender and ethnicity. Photographic acquisitions include: *Mogul Mowgli* (Bassam Tariq, 2020) x14; *Tenet* (2020) x20; *Real* (2019) x 8; Steve McQueen portraits x 7; *The Stuart Hall Project* (John Akomfrah, 2013) x 5; *Underdogs* (Chino Moya, 2020) x 11; and *Lovers Rock* (Steve McQueen, 2020) x 4; and the acquisition of **Nichola Bruce's papers**, expanding the voice of women filmmakers within Special Collections.

Caring for the collections

Despite COVID-19 disruption and the temporary halting of our Heritage 2022 National Lottery-funded project, we maintained a skeleton team on our two sites in Warwickshire and Hertfordshire, ensuring the safety of the nation's collections (and our people on site). The Ofcom-supported ten year digitisation project to preserve heritage legacy television, was substantially interrupted in 2020. However, due to the technological advancements of recent years, the amount of preservation achieved this year was still on target.

Heritage 2022

Funded by the National Lottery, Heritage 2022 is a complex programme of work focused on safeguarding culturally significant collections at risk of loss forever. The mass digital preservation of the 100,000 most significant items, from the BFI national collection and regional and national **film archives' collections, is the most pressing part** of the programme but this and the creation of new 35mm prints of 100 classic British and international films for presentation as originally intended by the filmmaker, have had to be put on hold. The global scale of our work makes us depend on film laboratories remaining operational in 28 countries. We were however able to create a new paper conservation studio at the BFI Conservation Centre, enabling skilled specialists to conserve rare and unique paper materials. This then enables digitisation to make them widely and easily accessible.

Archive technology

Maintaining essential technologies was a priority at the Conservation Centre during **lockdowns. The moving image collections' viability is closely** linked with technologies and equipment spanning multiple decades, from film inspection equipment to wide-ranging digitisation capabilities. The archive team continued R&D where possible and also re-commissioned a range of equipment for playback, film printing and processing, etc.

Conservation and collections care

In February our Conservation department was awarded £700,000 from the Arts and **Humanities Research Council's (AHRC) Capability for Collections** fund, which supports renewal and upgrade of research facilities in the sector. This very significant award will enable us to buy high level specialist equipment for the preservation, restoration and re-mastering of our collections, all critical to public access and research. This award will be an enduring **legacy of the BFI's status as one of the AHRC's Independent Research Organisations (IRO).**

Restorations

In other restoration projects, the sound work on *I Know Where I'm Going!* (Michael Powell and Emeric Pressburger, 1945) continued in collaboration with Thelma

Schoonmaker Powell, and inspection of the Stoll *Sherlock Holmes* series, non-fiction Technicolor shorts and key titles from the Women Documentary Filmmakers project got underway, supported by a generous grant from The Film Foundation.

Digital preservation

Under lockdown, we digitised our paper Donor Agreements, a source of collections information as well as required legal documentation. 500,000 image files were scanned and documented - making them easily accessible for the first time. Using a new archival file format which saves us 50% in data storage we preserved 500 terabytes of digital files created from many years of film scanning.

Leadership and professional development

With our usual courses and consultancies in film archiving on hold due to COVID-19, along with participation in specialist archive panels and discussions, we moved to online video engagements including our Film Conservation Manager, Kieron Webb, **giving a talk on the BFI's restoration of *The Lodger* (Alfred Hitchcock, 1927)**, he received feedback on his exceptionally high retention rate of 97% which was a record for the **University of Notre Dame's online sessions.**

FUTURE LEARNING AND SKILLS

Opening doors into the world of film through giving everyone the educational opportunity to build a lifelong relationship with film

Education, training and skills are at the heart of our future filmmaking talent. Our ambition is to create opportunities for every young person across the UK to engage and build a relationship with film from an early age. Given the appetite among young people for moving image, this is a prime time to amplify our work and deepen its impact so all young people are encouraged and equipped with the right information, advice and guidance to seriously consider film as a career. We continue to support those already in the industry to grow and advance their careers.

The growth in the UK's screen production sector in recent years has created a bigger and growing demand for more people to work in every skills area. The strong recovery of our production sector in film and high-end television production in the final quarter of 2020 (with animation TV and video games less affected by pandemic working practices) saw a record spend which was sustained and amplified into the first part of this year, reiterating the opportunities for expanding the UK workforce. This notwithstanding, skills shortages remains one of the most significant challenges that the industry faces.

Into Film

Into Film is a UK-wide education charity, part-funded by the BFI, which puts film at the heart of children and young people's education, and supports teachers and educators to achieve a wide range of effective learning outcomes in their use of film.

With the majority of students learning from home instead of the classroom for much of the last academic year, Into Film moved quickly to support remote teaching and delivering lessons online. They developed more curriculum-linked resources, made a number of member-facing filmmaking activities free to all, offered news and articles on home learning and showed how to adapt their resources, such as Film Clubs, to the lockdown environments.

The launch of Into Film's new video-on-demand service and learning platform IntoFilm+ increased the reach and scale of their work across the 5–19 age range. With more than 125,000 resource downloads, this represented an increase of 20% and the number of total beneficiaries also exceeded target by more than 35% at 3.5 million. In-school engagement has remained high with over 3,000 teachers accessing online CPD and new Film Clubs being established.

Beneficiary numbers remain extremely strong with the number of young people coming from BAME and/or Free School Meals backgrounds well above the national average, with 75% from outside London and the South East. The percentage of 16–19 year olds participating through the Get Into Film YouTube channel has risen by 6% to 110,000.

These figures confirm the appetite of schools and young people to engage with film, both as a source of cultural capital and potential careers path.

BFI schools programme

While in-venue delivery of our schools' programme at BFI Southbank has been, as expected, deeply impacted, our subsequent move to online courses proved very successful **with over 16,000 beneficiaries**. The launch of a series of 'close ups' on aspects of film and language curricula were supported by newly published resources.

Our swift response to teacher demand for specific GCSE and A-Level support materials proved very popular and was well received by teachers. All the work done by our Schools team to present a digital offering has helped transform the overall schools programme to ensure increased reach and scale, which has been a long-term ambition. UK wide in-venue activity will return, hopefully, in 2021–22.

BFI Families

The Saturday Club programme at BFI Southbank has flourished online during the year, with more than 90 7–15 year olds attending, virtually, each week representing a 40% increase on the previous year.

We received a significant investment in a new UK-wide pilot programme for practical filmmaking clubs funded by the National Lottery and DCMS. Partnering with the National Saturday Club and existing BFI Film Academies, 19 clubs will be delivered for around 500 young people, all from opportunity areas as defined by the Department of Education (DfE). At least four of these clubs will be delivered in universities and colleges.

BFI Film Academy

Now in its ninth year, the BFI Film Academy, backed by DfE, National Lottery, Screen Scotland and Northern Ireland Screen, provides 16–19 year olds from diverse backgrounds across the UK the opportunity to develop the specialist filmmaking skills they will need to be part of the future of the UK film industry.

Nearly 8,000 places have been created on courses since 2012 and the DfE has confirmed a further £1 million funding support in the Film Academy to 2022. Throughout 2020-21, 45 courses were successfully delivered, exceeding ambitious diversity and inclusion targets, through a combination of online and in-venue participation (where and when permitted around the COVID-19 restrictions). Additionally, specialist courses were delivered online covering animation, VFX, documentary, craft skills and screenwriting.

As well as the short and specialist courses, BFI Film Academy teams deliver monthly **skills-based labs, which have transferred online**. Under the banner of 'Upskilling in Isolation' the areas covered included developing story ideas, role of the producer and director and opportunities outside London. An Instagram-based quarterly screening

programme 'Scene' highlights the work of young filmmakers and has attracted over 1,800 live audience members and some 12,000 online views.

Future Skills Trainee Programme

Now in its third year, the Future Skills Trainee Programme supports people from under-represented groups to build a career in film through extended, fully paid, work placements. This year saw a total of 120 positions placed across UK productions (many of whom came from BFI Film Academies), including a first foray into high-end television, with 51% of the placements being women, 21% people with disabilities, 17% free schools meals and 19% BAME applicants. The scheme has an impressive 80% or more conversion rate into employment or further education and training.

Future Film Festival

The 14th BFI Future Film Festival took place online and as a free event in February. Our festival jury was chaired by producer Elizabeth Karlsen and included Waad Al-Kateab, Daisy Edgar-Jones, Reggie Yates and Malachi Kirby. With more than 1,000 submissions received this year, the winners were announced at a virtual awards ceremony, **supported by Netflix, with Rory Wilson's *Loco* taking best film, best director went to Gustavo Gamero for *Instructions to Let Go* and Emmanuel Li winning best new talent for *Music for the End of the World*.**

A full industry programme with special guests including Turner-Prize winning artist Jeremy Deller discussing the use of archive footage in filmmaking, and the art department of award-winning psychological horror *Saint Maud* (Rose Glass, 2019), discussing how they worked together to design and create a bleak and unnerving world of faith, madness and obsession. The festival attracted 7,216 attendees at our live online events, 8,463 views of our short film programme on BFI Player, 7,834 views of additional events on YouTube and IGTV and an increase of followers on our social media accounts with Twitter up 24% and Instagram up 25%.

The Future Film Skills Action Plan

The Future Film Skills Action Plan is now in its fourth year and delivered by ScreenSkills to create a larger and more inclusive workforce by delivering UK-wide training and support.

Much of the plan's focus was redirected to respond to the impact of COVID-19 on a largely freelance workforce. Highlights included the delivery of new apprenticeships standards, CPD courses for workers with a disability, a new Skills to Screen programme for professionals transferring into the industry from other sectors, and winning the Production Guild's innovation award for a 'First Day on Set' immersive experience.

Information gathered through the quarterly skills workforce barometer has been particularly useful in providing an informed snapshot of the industry '**here and now**', enabling new and relevant programmes of support and advice to be offered, including

‘next best action’ guidance and increased mentoring. The barometer provides regularly updated insight on current skills trends and changes in the sector to help industry, policy-makers, and education and training providers to develop the talent needed to support the ongoing success of the sector.

Recipients of ScreenSkills training and support included 17,000 new entrants to the sector and 13,000 existing workers. Diversity figures were also strong with 60% of beneficiaries women, 14% disabled, 18% BAME and 14% LGBTQ+, exceeding current industry averages.

A CHAMPION FOR TALENT

We champion new talent and unfamiliar stories from unfamiliar voices and are passionate about projects that reach new audiences.

As part of our long-term commitment to discovering, developing and championing new and emerging talent, BFI NETWORK offers extensive professional development, networking, funding and editorial support for producers, writers and directors of all ages at the start of their careers. The programme awards National Lottery funds for the production of short films and the development of debut feature film projects. The UK-wide BFI NETWORK team of Talent Executives are based in leading cultural venues across England in the five BFI FAN Hubs and with our national partners Ffilm Cymru Wales, Northern Ireland Screen and Short Circuit in Scotland.

In response to COVID-19, all BFI NETWORK activity was moved online so we could continue to provide emerging filmmakers with the core funding and professional development opportunities that we still had at our disposal. This ranged from providing temporary funding uplifts for short film projects to deal with the additional costs associated with COVID-safe production, to offering professional safety specialist advice and support. We are running an online survey to learn how we can better tailor NETWORK content for our filmmakers across our website, social media, and our webinar programme. We also consulted with the UK-wide NETWORK team to evaluate our current working practices, programmes and funds and their effectiveness in supporting filmmakers from underrepresented groups, identifying where and how we can do better to make our work as inclusive as possible.

Funding

The disruption to our operations in 2020–21 gave us an opportunity to rethink how we administer the two cornerstone project funds of NETWORK in England – the Short Film Fund and the Early Development Fund, for which we received 1,064 applications in 2020. Highlights in our England hubs to the end of December 2020 were:

- 9,344 filmmakers took part in NETWORK events online, including webinars, script labs, roundtables and 1-2-1s with Executives
- 2,816 people attended NETWORK screenings of exemplary short film work
- **55 different organisations have been added to NETWORK's existing partnership network**, anchoring NETWORK into the regional arts sectors and providing it with gateways into local communities
- The Short Film and Early Development Funds saw an 82% increase in applications on the same period last year, totalling 1,064 applications
- 67 awards have been made, 32 for short films and 21 for feature developments.

SFF (Short Film Fund)

We offered support and resources to help our filmmakers create COVID-secure filming environments and, following a short pause while we set up the guidance, almost two

dozen shorts have been shot since September. We reviewed the framework and administration of the SFF, changing it from an open rolling fund to having two windows for applications and assessments in Autumn/Winter and Spring/Summer. A total of 564 applications have been received for the SSF.

EDF (Early Development Fund)

After similarly reflecting on and reviewing the EDF, we will replace its rolling applications with one open call a year in Spring/Summer to bring greater structure and focus to the **development of the fund's projects.**

Talent development highlights

NETWORK Weekender

This year's Weekender programme was focussed on working-class filmmakers at the start of their careers and was scheduled to take place in Liverpool in April 2020 with 22 writers, directors and producers already selected. The programme moved online and was delivered in March 2021 and we hope to include an in-person element later this year whenever it is safe to run events of this scale.

NETWORK@LFF

With no possibility of a physical programme at this year's BFI London Film Festival, we designed an online experience that would reach more people within our NETWORK audience. This included a networking event for UK-wide filmmakers, webinars with debut filmmakers screening at the festival, articles written by emerging film writers, and social media take-overs with friends of NETWORK.

Insight

NETWORK's flagship professional development training and support programme for emerging producers – Insight – was swiftly moved online for our 12 selected participants. Four of six scheduled modules have been held to date (focussing on development; business; packaging and finance; and production and post-production) and buddying initiatives have been set up with the Insight and Vision awardees as well **as with the Singapore Producer cohort programme (run this year by the BFI's Business Development team).** The producers attended the online European Film Market in March 2021 and a physical market later in the year.

Partnerships

Key partnerships continued this year, but delivery moved online. Highlights included: BFI Flare mentoring for seven participants; **NETWORK x BAFTA Crew's online** masterclasses, talks and networking sessions which this year attracted a record number of applications (from which we selected 450 filmmakers); sponsorship of the short film category at the BIFAs for the fourth year; the British Council producers lab at IFFR;

promoting Doc Society's Made of Truth short film programme and other collaborations; Three Minutes – a new incubator scheme with partners Crack Magazine for young directors; and #shortitout – a lockdown creative challenge for filmmakers to make 90 second short films within the prevailing COVID-safety restrictions in partnership with Encounters, Watershed and Depict.

SUPPORTING THE FUTURE SUCCESS OF UK FILM

BFI National Lottery funding supports powerful and creative filmmaking in five priority areas, ranging from new and emerging filmmakers, strong culturally impactful voices, risk-taking in content, form or platform, those that address underrepresentation and help us to widen the range of voices and audiences for film, and geographically diversity, both in production and content. As a priority we are addressing barriers in the **industry around inclusion and opportunity that limit the industry's creative potential and cultural relevance.**

Amid the unprecedented challenges brought about this year by the COVID-19 pandemic, our BFI Film Fund team supported a host of critically acclaimed films and multiple new initiatives to provide essential support for the industry.

As the first wave of COVID-19 hit and the country went into lockdown, we provided additional financial resources for interrupted BFI-backed productions to manage crew losses as work stopped. In April we opened the C-19 Continuation Fund, making up to £2 million available to independent UK productions unavoidably interrupted by the Coronavirus. This fund supported six feature films which were faced with unexpected additional production costs arising from the impact of the pandemic.

The team also played a key role in discussions with various working groups of the Screen Sector Taskforce which had been convened by the BFI to address the critical issues facing the sector arising from the pandemic. A key priority was to identify how best to get film production back up and running safely, including around the BFC and related screen industry guidelines endorsed by Government and Public Health, and the ground-breaking Film and TV Production Restart Scheme, set up and supported by the UK Government to help productions which were unable to secure insurance against potential Coronavirus-related delays and interruptions.

Through our Development Fund and Locked Box initiative we agreed the front-loading of fees for both new and pre-existing awards and increased flexibility in the scheduling of payments to help filmmakers continue to develop projects and retain staff. We also supported 25 emerging producers across 20 UK companies through a Vision Award of up to £50,000 a year – an in-depth two-year initiative to empower producers to grow distinctive slates and sustainable companies.

In 2020 we established the Short Form Animation Fund as a response to priorities set out in BFI2022 which identified animation as a key focus along with growing the UK sector by backing ambitious and adventurous projects. So far, we have invested more

than £900,000 in 15 projects which represent a broad range of filmmakers, animation techniques and genres.

The festival landscape looked very different this year with many moving completely online and only Venice, and a small selection of titles at the BFI London Film Festival playing in cinemas. While all festivals offered considerably reduced programmes, some with a shift of focus, many BFI National Lottery funded titles were still screened at multiple virtual festivals.

Ammonite, Francis Lee's highly anticipated follow up to *God's Own Country* (2017), was selected for the Cannes Film Festival, a Gala Presentation at the Toronto International Film Festival (TIFF) and was the closing night film of the BFI London Film Festival, in its first in-venue screening. It received an Academy Award nomination for original music score.

Ben Sharrock's critically acclaimed sophomore feature, *Limbo*, was also selected for Cannes, TIFF, LFF, San Sebastian and the Cairo International Film Festival where it won Best Film, and of its four BIFA nominations emerged with a Breakthrough Producer award for Irune Gurtubai.

Other titles chosen for LFF included Phyllida Lloyd's *Herself* (2020) and Harry Macqueen's *Supernova* (2020), which drew particular praise for performances from Colin Firth and Stanley Tucci.

Rose Glass' mesmerising first feature, *Saint Maud* (2019), set a new record with 17 nominations at the 2020 British Independent Film Awards. Prano Bailey-Bond's debut *Censor* (2021) screened at Sundance 2021's virtual festival and has been invited to the Berlin Film Festival.

Stand-out debuts came from directors Cathy Brady and Aleem Khan. Khan's *After Love* (2020) was chosen for Cannes Critics Week, and played at TIFF, LFF and Rome, with the director also shortlisted for the BFI's IWC Schaffhausen Filmmaker Bursary Award. The eventual winner of the IWC award, Brady, impressed with *Wildfire* (2018) which also screened at TIFF. Other 2020 debuts included Jessica Swale's *Summerland*, and China Moya's *Unergods*.

BFI National Lottery funded films included Philippa Lowthorpe's *Misbehaviour* (2020), Fyzal Boulifa's *Lynn + Lucy* (2020), Claire Oakley's *Make Up* (2020) and Craig Robert's *Eternal Beauty* (2019), which received a number of nominations at the London Critics' Circle Film Awards.

Sarah Gavron's *Rocks* (2020), shaped through a process of workshops with teenage girls from East London, won critical acclaim and a slew of award nominations and wins for its largely female cast and crew, including Best Film at the British Independent Film Awards. After the film's theatrical release was impacted by the pandemic, *Rocks* went on to find success on streaming platform Netflix.

Jerry Rothwell's BIFA-winning documentary *The Reason I Jump* (2021) also triumphed with critics and audiences alike.

Documentaries

The BFI Doc Society Fund had a highly productive third year which saw ongoing support for features, short films and professional development as well as, in response to COVID-19, targeted support for the documentary sector to help filmmakers and projects through the pandemic. We launched our Production SOS Fund in June to provide emergency funding for documentaries facing additional costs because of COVID-19. This National Lottery fund supported 17 films, some of which are already premiering at festivals thanks to the awards.

First features supported by the fund were *Maya* (Jamshid Mojaddadi, Anson Hartford, 2020) premiering at Zurich, *African Apocalypse* (Rob Lemkin, 2020) debuting at the BFI LFF and *Locked In: Breaking the Silence* (Xavier Alford, 2020) broadcast by the BBC as part of a disability focus that was supported by a wraparound audience and community development strategy.

The fund also supported ten new short film productions in partnership with BFI NETWORK, including its first VR project. Short films supported by the fund which won awards included *Country Girl* (Ellen Evans, 2019) which won Best Short Documentary at the Grierson Awards and *The Nightcrawlers* (Alexander A. Mora, 2019) which won an Emmy for Outstanding Short Documentary and was longlisted for an Academy Award. **The fund's short films have been particularly successful in securing commercial** distribution, including three films picked up by the Guardian, one by Vice Media and one by PBS America.

Doc Society delivered their filmmaker support programme virtually this year, with roadshows focused on the South West and the South East, and an online Producers Lab.

YOUNG AUDIENCES CONTENT FUND

The BFI Young Audiences Content Fund (YACF) is in its second year of a three-year DCMS-funded pilot to deliver a more representative and greater range of programming to young audiences on free-to-air television. Set up in response to an Ofcom-identified lack of programmes for older children and teens, as well as live action programmes for all ages, YACF supports programmes that entertain, inform and reflect the experiences of children and young people growing up in the UK today – in live action and animation and across all genres.

The YACF team is based in Manchester and is supported by a stakeholder advisory group largely composed of broadcaster representatives, regulatory and trade bodies and a steering group of producers and researchers of content for children and young people.

Highlights

Engagement with production and broadcast communities is key to the success of the fund, so we continued to develop these relationships with over 400 individual applications received to date. Participating broadcasters included CITV, C4&E4, C5, Sky, TG4, BBC Alba and S4C and funds totalling £18.3 million were allocated for 54 development awards and 22 production awards. These investments are creating more regional jobs, training and upskilling opportunities for under-represented groups in front of and behind the camera, encouraging new and young talent, and offering broader and more inclusive portrayals of different communities, UK-wide settings and locations on screen. The fund is also helping the sector to make a bigger economic contribution through the creation and retention of IP with both a local cultural impact as well as revenue generating possibilities globally.

During the pandemic our YACF team moved to remote working and refocused on practical ways to mitigate the very challenging landscape for the television production and broadcast community. Broadcasters reassessed their situations as the impact of COVID-19 became clear and, while there was a brief hiatus in commissioning activity early on which led to a temporary slowdown in production applications, interest picked up later on, particularly for development support. While most planned productions eventually went ahead in spite of COVID restrictions, a few have been paused due to the complexity of the shoot and/or age of on screen talent, but are expected to restart later this year. Ultimately, more than 60 hours of brand new content for young audiences was greenlit this year.

The strength of our development activity is already improving not only the quality of projects being pitched to broadcasters, as has been noted by commissioners, but also the conversion rate from development to commission that we currently estimate to be at around 10%.

For the shows that continued/resumed production, this year saw a range of **programmes broadcast**. Titles included: **‘Letters On Lockdown’, ‘Reset and Rewind’ (Rap Therapy) and ‘First Dates: Teens for E4, ‘FYI Investigates, Kidversations and I Don’t Get It ’for Sky, ‘Don’t Unleash The Beast’ and ‘How’ for CITV, ‘Go Green With The Grimwades’, and ‘The World According To Grandpa’ for Channel 5’s Milkshake and Sali Mali for S4C, as well as Sol on BBC Alba, S4C, TG4, CITV, All4, My5 and ITV Hub and Christmas Day on C4, ‘Quentin Blake’s Clown’.** **Two re-commissions** have already been confirmed on the back of strong audience figures.

Telling the YACF story

Following lockdown, we focused on a creative competition for young audiences, challenging them to pitch a television programme that they would like to watch during lockdown. The See Yourself On Screen Challenge resulted in 15 short films, created and produced by young people in lockdown that were broadcast to acclaim on CITV, E4, Milkshake!, Channel 5, S4C, and BBC Alba. As well as broadcaster participation, industry organisations PACT, BAFTA, Animation UK and Into Film, and talent such as

Reggie Yates, Rob Delaney, Jessica Hynes and Konnie Huq all supported the initiative. We are now planning a sequel for year three.

We initiated a pan public service broadcaster co-transmission at the Winter Solstice of Sol, a project conceived and commissioned pre-**COVID**. **This children's animation about** grief and loss was a co-commission by the indigenous language broadcasters BBC ALBA, S4C, and TG4 which was broadcast at solstice and also shared with English language public service platforms.

ON THE INTERNATIONAL STAGE

Export and co-production

As the COVID-19 crisis intensified and much international activity moved online, our International team quickly adapted to create new ways to support UK producers, distributors and sales companies. Their first National Lottery International Fund award was made in April and supported a digital delegation of UK producers, in partnership with DocSociety, to meet producers, broadcasters and funders at the Visions du Réel documentary film festival in Switzerland after it transferred online.

Providing support for a digital UK presence at virtual markets became one of our biggest tasks this year, particularly for the delayed Marché du Film at Cannes after the festival was finally moved online in June. Our long-established Cannes UK pavilion was transformed into a digital platform, with the help of our marketing team, offering activities and information on UK co-productions and tax relief, online panel discussions and support for the prestigious Producers Network breakfasts, where five UK producers take part in a week-long networking session organised by the Marché du Film.

Other digital markets and events supported by the International Fund included Sheffield DocFest, Annecy, the Russian Key Buyers Event, TIFF, the Production Finance Market at the LFF, the Bridging the Dragon platform (a China/Europe organisation), and Creative XR, a three-day innovation programme and market organised by Digital Catapult, which included meetings, masterclasses, keynotes and a showcase of 20 UK VR projects to an international audience. We further arranged digital delegations or support for the online Tallinn and Baltic Event and the Ventana Sur market, with a focus on co-productions with the Baltic region, Eastern Europe and Latin America respectively, an NZ/UK networking video event for producers in collaboration with the New Zealand Film Commission, and *Attagirl*, a one year international training programme for female/non-binary teams with an emphasis on distribution.

During the brief window in October when COVID-19 restrictions lifted, we supported a **physical delegation of seven UK producers to travel to Rome's MIA market to promote their co-production projects.**

As a direct response to COVID-19, we were able to reallocate £500,000 from our National Lottery Film Export Fund to create a one-off relief fund for UK sales agents needing business resilience support as a result of the pandemic. Awards of up to £25,000 were given to help companies maintain their business and to transition to a digital model for film sales and distribution. The Film Export Fund had been markedly under-used following the cancellation of so many physical festivals and markets, making the reallocation not only possible, but essential. Regular fund awards were made for Venice 2020 and to promote UK films at the digital editions of TIFF 2020 and Sundance 2021.

Plans for a new UK Global Screen Fund to boost international development and **distribution opportunities for the UK's independent screen industries** got underway

during the year. The BFI and DCMS consulted with industry across the screen sector culminating with the launch of the new £7m pilot fund in April 2021 to support international distribution of UK content in international territories, international business development and co-production.

Inward investment

The BFI's Screen Sector Task Force (comprising representatives from film, TV, video games and the wider screen industries and with the support of the DCMS policy team) led on a number of key COVID-19 related issues including production, post and VFX protocols, a quarantine exemption for production, and the Film & TV Production Restart Scheme. The work, in particular supporting the British Film Commission to show the UK was back up and running and realising substantial inward investment opportunities, contributed to the rebooting of the production sector that ended the year only 21% **down on the previous year's activity even though production had to halt for half the year.** The recovery in the final quarter of the year, as noted elsewhere, saw production spend reach £1.19 billion, the second highest three-month total on record. To help meet the growing demand for studio space, the BFC was awarded additional DCMS funding to support the development and delivery of additional studio space.

LEADERSHIP AND ADVOCACY

COVID-19 recovery

The BFI-led Screen Sector Task Force which had been focused on priorities for the **sector emerging from the UK's exit from the EU moved swiftly to address** the impact of COVID-19 on the industry when the pandemic struck. With an increased membership of 122, the Task Force demonstrates the value of pan-industry collaboration through regular engagement with Government and proactive policy design. Four key working groups were established, led by the British Film Commission (BFC), Pact, the BFI and FDA/UKCA, each with a specific focus. With our BFI External Affairs team and Chief Executive providing policy, research and leadership support across the groups, six recommendations were formally made to Government:

- Health and Safety Guidelines for film and high-end television – developed by the BFC with industry-wide consultation, these Government approved guidelines allowed production to resume and then continue throughout additional lockdown periods and the tier system, enabling thousands to stay in employment. Guidance for wider TV production were developed by Pact working with the broadcasters and for the VFX and post-production sector by the UK Screen Alliance
- Health and Safety Guidelines for cinemas were developed and implemented by the UK Cinema Association in consultation with the sector and Government
- Quarantine exemption – exemptions were put in place for key cast and crew so that production was not delayed or shut down during the pandemic
- Film & TV Production Restart Scheme – this £0.5bn Treasury scheme developed by Pact and the BFI enabled productions to restart or begin shooting while the market was unable to offer insurance against COVID-19-related losses during production. The scheme, administered by Marsh Commercial but with policy and analytical input from the BFI, has been in operation since late summer and has supported more than 160 film and television productions and 25,000 jobs
- Culture Recovery Fund for Independent Cinemas– an initial £30m allocation of **grant support was made available from the Government's fund for cultural and heritage organisations** to support independent cinemas in England while closure restrictions for all public venues and a disrupted film distribution schedule made cinema operation unviable in 2020–21. The first round of the fund allocated £21m to 207 cinemas – often the only form of culture and entertainment within their communities – representing 77% of cinemas eligible for the fund. Of the grants made, 89% went to cinemas outside of London, accounting for 80% of the funding. Grants were also allocated by Arts Council England to cinemas within mixed arts venues. In recognition of the continuing uncertainty facing the exhibition sector, a second round of funding was opened in January 2021 with more than £6m awarded to cinemas, bringing the total amount of support in 2020-21 to £27.6m. A third round of funding was announced in March 2021 to cover cinemas post-April.
- Screen sector tax reliefs – led by the BFC, this work considered the case for changing the **film, HETV, children's television, animation and television reliefs.**

The impact of the Task Force was felt across all areas of the sector, with 209 independent cinemas receiving CRF grant funding and tens of thousands of jobs saved through the Film & TV Production Restart Scheme. Official BFI statistics showed a £1.19 billion uplift in film and TV production spend during the final quarter of 2020–21 and £2.84 billion for the year overall, just 21% down on the previous year despite months of suspended production during the pandemic. These results demonstrate how the continuing joint efforts of the Task Force are an incredibly effective way to communicate, share expertise and deliver fast and positive results for the benefit of the whole sector.

The BFI also provided £4.6 million across a targeted programme of COVID-19 support including a contribution of £0.5m of National Lottery funding to an emergency fund with the Film & TV Charity and industry organisations to support freelancers; £1.3 million resilience funding for BFI Film Audience Network exhibitors; £2 million to cover unexpected additional costs for independent productions interrupted by the pandemic shutdown; £0.8 million for BFI-funded features interrupted during production; and £0.5m for UK sales companies needing business resilience support to develop new models for working internationally. In addition, criteria for our Development Fund and the BFI Locked Box were adjusted to offer greater flexibility for producers, writers and directors.

Kickstart Scheme

Administered by the BFI, the Kickstart Scheme is a government initiative aimed at combatting long-term unemployment for young people, a section of society hit particularly hard by the COVID-19 pandemic. Launched in 2020, the scheme provides funding to create six-month job placements for 16 to 24 year olds on Universal Credit, with over 20,000 in work since the scheme launched.

UK Global Screen Fund

We worked with the Task Force and Government to identify the need for targeted investment to support international growth in the industry. At Autumn Spending Review 2020, the Chancellor announced a £7 million UK Global Screen Fund pilot to support the export and internationalisation of independent UK screen content, in particular for independent film. Delivered by the BFI, the results of the pilot will help inform potential future investment in supporting international export.

Changing relationship with the EU

The BFI continued to lead the screen sector's input into the UK-EU relationship. We worked closely with departments across Government including DCMS, DEXEU and HM Treasury, to understand the impact of exit and to offer practical advice. Our advocacy and leadership has been closely informed by the expertise and guidance of the Screen Sector Task Force which we convened following the 2016 referendum with representation from across the broader screen industries including film, television and video games.

We maintained an online Q&A on our website, a mailbox helpline, and held presentations at industry outreach events.

The UK and the EU concluded a Trade and Cooperation Agreement (TCA) which took effect following the end of the transition period on 31 December 2020. The TCA has many implications for the screen sector and how we work with international partners, from changes to mobility rules to the temporary movement of goods. We are working closely with the Government and industry as well as our European partners, using the TCA as a basis on which to develop the best possible working relationships for the future. We are also engaging beyond the EU to strengthen our relationships with the rest of the world.

Sector and development projects

National Cluster Growth Fund

The BFI's £2 million National Lottery National Cluster Growth Fund was set up to fuel long-term growth for the screen industries across the UK, and to create jobs and a more inclusive and diverse workforce. The funding supports ambitious and select cluster organisations who have the potential to become international hubs, supercharging their local sector, and who are able to attract investment for development.

In April we announced a two-year investment of £1 million in Create Central, a new body backed by the West Midlands Combined Authority tasked with championing the local creative content industries. In its first year, Create Central secured public and private sector funding for an £18 million creative content hub to relocate existing regional businesses and attract new companies, with bespoke studio, training and post-production facilities. It has also partnered **with StoryFutures Academy, the UK's** National Centre for Immersive Storytelling, and Coventry City of Culture 2021 to work with SMEs to develop and commission an immersive storytelling prototype supporting youth mental health and wellbeing, with the winning project receiving £120,000 production funding.

Screen Yorkshire continued to use its Growth Fund award to provide valuable leadership for the region, including in May the announcement of a new £200,000 indie television and film development fund in partnership with the Leeds City Region **Enterprise Partnership. Screen Yorkshire's new film office has gone from strength to strength, securing more than 3,000 days' work for skilled freelancers working locally in** the growing film and television sectors.

Creative Europe Desk UK

2020 was the final calendar year of the current Creative Europe programme which ran for seven years from 2014. It was also the end of UK participation in MEDIA, **following the UK's exit from the EU.**

Due to the pandemic, our Creative Europe Desk UK team delivered their promotional activity online including a variety of application webinars, case studies and pitching events. **The second edition of the Desk's Co-production Club** was also held remotely, with 18 UK producers learning from both UK and international experts over a week of training sessions.

The start of 2021 saw the launch of a campaign which looked back over the seven years of the programme. *The Impact of Creative Europe in the UK 2014-20* report highlighted the value delivered by the programme in building skills and confidence among the creative, cultural and audiovisual sectors through its funding, network-building and training schemes, while *20 for 20: Stories from Creative Europe in the UK* brought **together beneficiaries of the programme to discuss the programme's impact in their own words** through written testimonies and video interviews.

Inclusion

BFI Diversity Standards

The BFI Diversity Standards encourage equality of opportunity and address under-representation in the screen industries. They offer a flexible framework for feature films, online and broadcast television content and a range of audience-facing activities such as film festivals, distribution releases and ambitious film programmes. They are a contractual requirement for all BFI funding, including fiction and documentary films funded via our partner organisations and have been widely adopted by screen organisations including BAFTA, BIFA, Film4, BBC Films, and Paramount as well as our own Young Audiences Content Fund and the BAFTA Television Awards and Games Awards. Pinewood Studios and the National Film and Television School are strategic partners. In September 2020, the Academy of Motion Picture Arts and Sciences announced their commitment to model their film award (the 'Oscars') eligibility criteria on the BFI Diversity Standards, while Screen Scotland adopted the Standards in October.

We are working to strengthen the Standards to drive more engagement with people from underrepresented groups, particularly in creative leadership roles and crews, based on recommendations for improvement within our own BFI Diversity Standards Initial Findings report and other analysis and research. A further external review commissioned by us will be undertaken this year.

Workforce data

We have advocated for the publication of diversity data about the BFI workforce and who we fund to be updated annually, including setting targets, and our performance against them. We have shared this data with the **Cabinet Office's** Race Disparity Unit to help them build a data set about racial disparity within the cultural sector.

Currently, there is no comprehensive overview of industry-wide workforce diversity data, which would help illuminate the wider landscape for both workforce diversity and for skills forecasting. We continue to advocate for an industry-wide system and have scoped a proposal for self-certified diversity data collection for cast and crew on all film

productions to support evidence-based decision-making, and to help track the progress of change.

Preventing bullying, harassment and racism

The BFI Principles and Guidance to prevent bullying and harassment were updated in July with specific commitments to anti-racism. The principles and zero-tolerance guidance were developed with organisations across the film, television and games industries in response to urgent and systemic issues and have now been endorsed by over 40 screen sector organisations, with the Casting Directors Guild the most recent to join in January. Online training, devised with ScreenSkills, is available to support the updated guidance, and there is a 24-hour film and television support line operated by the Film and TV Charity and backed by the Production Guild. The principles are a condition of BFI funding and are embedded in our Diversity Standards.

Representation and portrayal

The Inclusion team has established three Screen Advisory Groups (SAG) to challenge misrepresentation and stereotypes and to champion authenticity. The groups collectively have a reach of around 200 external advisors and cover portrayal of people of Muslim faith, British East Asian actors and creatives, and screen industry professionals who identify as D/deaf and disabled. We work together to proactively engage on the ever-evolving dialogue about representation and portrayal of under-represented communities.

Our D/deaf and disabled SAG launched a campaign called Press Reset in July, backed by Riz Ahmed, Emma Watson, and Jack Thorne among others, to inspire authority figures in film and TV to reset practices involving people with disabilities and establish a new, more inclusive normal. The campaign is underpinned by a two year Press Reset strategy and included a short film which has had 134,000 views, to date.

The BFI hosted its first BEATS Online Summit focusing on the British East Asian experience in January and supported the launch of the Muslim Faith Advisory Group in conjunction with the Muslim Film Charity in March.

Social mobility

We are working in partnership with the Social Mobility Commission on a new benchmark around fair socio-economic participation across BFI activity, to sit in line with our other targets. This will be integrated within Diversity Standards guidance and more widely adopted by partner organisations including BAFTA. We have been advising the Social Mobility Commission (SMC) on their new toolkit for the creative industries, which was launched in September 2021. We are combining this work with our commitment to Nations and Regions to ensure that we have a comprehensive set of **actions that support the Government's levelling up agenda.**

Research and statistics

The BFI Research and Statistics Unit (RSU) provides an essential resource for the screen sector, publishing data and evidence, reports and insight that provide a unique

picture of trends in the development, production and consumption of film and other visual formats in the UK and across the world. The RSU team also provides research expertise for our five year strategy BFI2022, delivering insight, monitoring and evaluation of our strategic initiatives.

The impact of the COVID-19 pandemic on the sector was evident immediately from late March 2020, when cinemas closed and virtually all physical film and television production stopped due to the first national lockdown. Throughout the year, in order to inform industry and in particular the work of the BFI-led Screen Sector Task Force, the RSU team provided impact reports demonstrating the effects of the pandemic on the screen industries. These ranged from evidence to show the implications of the pandemic upon a highly self-employed or freelance workforce, to the effects of closure and paused film release schedules on the independent cinema sector.

We also monitored the dramatic loss of investment due to paused and postponed film and high-end television production and the impact on audiences as they turned consumed more streamed content with video-on-demand services and played more video games as their main source of entertainment and cultural value in lockdown.

RSU data and evidence, along with the trends that are regularly reported in the BFI Statistical Yearbook, are an essential resource to inform proposals to Government for support and mitigation of the effects of the pandemic on the sector. In particular, the Culture Recovery Fund for Independent Cinemas and the Film & TV Production Restart Scheme were designed using RSU data and statistics and their effects continue to be **monitored through the RSU's tracking activities.**

The RSU also published the 2020 Statistical Yearbook, an edition which will in the years to come, represent an important pre-pandemic picture of what was a thriving screen sector.

The team's projects and studies are informed by industry and academic stakeholders who continue to advise and help determine its research priorities. Notable projects we undertook this year included the environmental sustainability of the UK screen sectors, an evidence review of the cultural value of film, television and video games, a mapping of the animation sector and a horizon scanning project which will highlight future opportunities and challenges for the screen sectors.

As part of the research and evaluation work that informs the work of BFI2022, we commissioned studies on the impact of the COVID-19 induced digitisation of two BFI festivals, Flare and the London Film Festival. The opportunities created by their new virtual environments demonstrated greater reach for both UK-wide and under-represented audiences.

A new Head of Academic Partnerships joined the team in February 2020 and in the first 12 months has supported BFI colleagues with seven major research funding bids totalling £1.75 million, as well as five other project partnerships and collaborations with over a dozen universities. We secured our first ever major grant of £700,000 from the

AHRC, led by the BFI's Film Conservation Manager, and are at full proposal stage with a second bid led by the Senior Curator in Non-Fiction Film and TV. These collaborations are essential in helping us to create a new, sustainable pipeline of research activity and income for the BFI.

Certification

The BFI Certification Unit certifies films, high-end television programmes, animation **television programmes, children's television programmes and video games as British**, either under the relevant Cultural Test or (for film and television) as official co-**productions under one of the UK's 12 bi-lateral** treaties (seven of which allow television co-production) or the European Convention on Transfrontier Television. This enables film and television producers and games developers to access their respective creative sector tax reliefs.

The Certification team promotes and markets these tax reliefs at events, conferences and festivals around the UK and Europe. This work has continued with online events over the last year including but not limited to the London Games Festival and Games Finance Market, AFM and Interactive Futures.

Despite the pandemic and the whole team moving to remote working, we continued to receive and assess a high volume of projects. Even though film and television production stopped in the first lockdown, the number of applications we received over **the year has been consistent with the previous year's figures. We took emergency** measures early to allow applicants greater flexibility in submitting their applications, and are continually reviewing this process.

The team also provided guidance and support on quarantine measures for film and high-end television cast and crew travelling to and from the UK, as well as advising and supporting DCMS with the Production Restart Scheme.

The Certification team administers the BFI Diversity Standards for all BFI National Lottery-funded projects. Two different film awards – BAFTA and BIFA – have the Diversity Standards as an entry requirement for their British categories and we administered the Standards for an additional 400+ features and short films during awards season. The Standards have also been adopted by Film4 and BBC Films, so are a requirement for the majority of public funding for film in the UK. Additionally, we helped to pilot the Standards for the BAFTA TV and video game awards, along with developing a Scottish-specific version of the Standards for Screen Scotland and working with AMPAS to develop a version of the Standards for the Oscars.

FUNDRAISING AND PHILANTHROPY

In this difficult year, the BFI's work has been strengthened more than ever by the support of corporate partners, charitable trusts and foundations and philanthropic individuals. The level of generosity and commitment has been outstanding, allowing us to raise £3.4m in grants, donations, sponsorship and gifts-in-kind. Our supporters' belief in our work has helped us to not only continue vital operations, but also to adapt and thrive, creating digital festivals and programmes to connect with audiences around the world. We are deeply grateful to both the long-term partners who have continued their generosity and those new to our family of supporters who have donated this year despite uncertainty and upheaval.

To remain connected with our partners we rapidly took our Development events programme online, offering a bespoke range of digital engagement. These virtual events allowed us to successfully keep in regular touch with donors in the UK, and around the world, and share the BFI's work during lockdown. This wide-ranging programme has included Zoom Q&As with the filmmakers Steve McQueen and Francis Lee; special virtual previews of *White Tiger* (Ramin Bahrani, 2021) and *The Dig* (Simon Stone, 2021); and an idiosyncratic tour of film locations from BFI Head Curator.

The Julia and Hans Rausing Trust made its first gift to the BFI with a generous grant supporting our aim to reach broader audiences across the UK, and globally, by helping us to transition BFI programmes, including our education work, to digital formats. Their support allowed us to make the 2021 Future Film Festival free to access for the first time, meaning more young filmmakers could take part, and we are grateful that trustees Julia and Hans Rausing also gave a personal gift at the highest level of BFI Patron support. In this tumultuous year their significant grant and generosity are transformative and will support our ongoing response to the pandemic and strengthen our future financial position.

The BFI Future Film Festival also received the support of other new and returning friends. We were delighted to welcome back Blackmagic Design as our Official Partner and Netflix as the Main Sponsor, as well as long-term award supporters Chapman Charitable Trust and the London School of English.

The BFI London Film Festival (LFF) is always a highlight of the year, and in 2020 it was a cultural lifeline made possible with the huge commitment of our valued corporate partners. The continued support and trust of our Principal Partner American Express allowed us to create a 'digital-first' event that was more vital than ever before. This year they were joined by new partners Porsche and Netflix, who shared our vision for a nationwide online festival, as well as Old Possum's Practical Trust, whose grant enabled education initiatives. We are grateful for continuing support from American Airlines, IWC Schaffhausen, The May Fair Hotel, Heart of London Business Alliance, and Bloomberg. Consistent support from these organisations created continuity and allowed us to reach audiences across the UK. Complementing their longstanding year-round generosity, Col and Karen Needham also made a personal contribution to support the Debate strand during LFF.

At the BFI National Archive, funders have rallied to help the team face the challenges of the year. The flexibility of supporters has informed new approaches, as well as allowing us to continue essential cultural work. Continuing their legacy of critical archival funding, the Esmée Fairbairn Foundation maintained their support for making archive content more accessible and have been hugely understanding as the work had to change throughout the year. A new gift from the David Lean Foundation enriched our paper conservation work, and an unrestricted grant from the Charles Skey Charitable Trust helped maintain essential Archive operations. Thanks to ongoing support, work also continued on the world-leading Women in Documentary project, funded by the Film Foundation, and a range of photochemical restorations funded by Christopher Nolan, Emma Thomas and the MORF Foundation. Simon and Harley Hessel and Matt Spick also continued their long-term contributions, which have enriched the Archive in so **many ways; and we are very grateful for Iron Mountain's ongoing and generous support** of our restoration of 35mm film.

Elsewhere, our new corporate partner The Japan National Tourism Organization has helped support BFI Japan 2020, a landmark six month season celebrating great works from over a century of Japanese cinema.

The care and backing of BFI Flare supporters in the early stage of the pandemic when the programme moved to a digital offering has been exceptional. We are thankful for the unwavering support and generosity of the Pureland Foundation, whose leading gift enabled the immediate and significant adaptation of the festival to happen. Other inspiring partners who supported the new format and contributed to the success of the 2020 online BFI Flare: London LGBTQ+ Film Festival included American Airlines, The May Fair Hotel, Mishcon De Reya, Netflix, Konditor and Interbank LGBT Forum.

BFI Flare is a key part of our commitment to diversity and inclusion, and 2020 saw the BFI build on this with a public commitment to being an actively anti-racist organisation. To support this commitment, we raised funds for a range of initiatives, including support from Facebook, and a new grant from CVC Foundation focusing on immediate COVID-19 crisis relief and the expansion of BFI diversity and inclusion work in the coming year.

Jane Stanton and new partner Jaguar have committed to further strengthening the BFI Woman with a Movie Camera strand, a key initiative celebrating and showcasing the work of female filmmakers, aiming for change at the cultural, industry and policy level.

Legacy gifts play a significant role in underpinning our work, and we are grateful to everyone who has chosen to support the BFI with a gift in their Will. This year we have received two legacy gifts and welcomed more new members to the BFI Legacy Circle.

Finally, we hold particular gratitude for the majority of our supporters who made or renewed their annual gift in a year where the experiences we could offer were unavoidably restricted. Major Donors, Film Forever Club members and Patrons have donated for the first time, upgraded their support, renewed early or given additional gifts to **strengthen the BFI's financial position** – with particularly generous gifts received from Philippe Camu (towards our cultural programme), Adam Robinson (recommending a

major gift through the Friends of the British Film Institute) and Gilberto and Daniela Pozzi (supporting education initiatives being taken online). We have also been motivated and heartened by the support demonstrated by the hundreds of people who have come together to make donations online and by text, donating the value of their cancelled tickets, and by helping us to spread the word of our work and the essential need for charitable support.

YOUR SUPPORT HELPS US SECURE THE FUTURE OF BRITISH FILM

The BFI warmly thanks the following people and organisations for their generous support in 2020–21

GOVERNMENT

The Department for Digital, Culture, Media & Sport
The Department for Education

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The Clothworkers' Foundation
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Gilberto & Daniela Pozzi
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The Gladys Krieble Delmas Foundation**
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FILM FOREVER CLUB

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With additional thanks to all of our anonymous donors and patrons.

** Friends of the British Film Institute is a California-based US 501(c)(3) non-profit organisation that supports the work of the BFI in the UK and the US. EIN 95-4334449.*

*** Donations marked with double asterisk were made to Friends of the British Film Institute.*

BFI OPERATIONS

Finance & Resources

Finance & Resources teams moved swiftly to mitigate the impact of COVID-19 on BFI activity, implementing a business continuity plan (BCP), and managing the complex reopening plans for our venues, offices, and buildings. A grant of £980,000 was allocated to the BFI by DCMS as part of a wider programme of funding, which contributed to essential financial support to offset the considerable COVID-induced operating losses.

In discussion with DCMS, we were able to access the Government's Job Retention Scheme (JRS) with at one stage 65% of our workforce on furlough, and a combination of full/part-time and furloughing arrangements operating throughout the year, according to workforce requirements, personal circumstances and lockdown periods.

In addition to managing the JRS, our HR team focused on extensive COVID-19 staff engagement including a helpline email, information Q&As, advice on physical and mental health well-being, working from home, carer commitments, and shielding and, with the Facilities team, planning for safe return to sites, ensuring COVID-secure working environments for the returning public as well as BFI people, and advice and training on safety protocols. We also won the National ENEI (Employers Network for Equality & Inclusion) award for workforce representation (with the Cabinet Office runners up).

BFI Finance teams undertook a total reforecasting of BFI spending to assess and mitigate the financial impact of the closedown of our business. Alongside this, they helped to manage a review and redirection of National Lottery funds to support the **sector's recovery, and worked with DCMS and other key BFI teams**, including on the Culture Recovery Fund for Independent Cinemas and the UK Global Screen Fund.

As many BFI people moved to working from home, IT work focused on delivering remote access to everyone, introducing new technologies and deploying existing ones more widely, expanded helpdesk support and maintaining business as usual in exceptional circumstances.

Venue and buildings

The Property and Facilities team supervised extensive and exhaustive work across all four of our sites to manage their safety and security during the pandemic, adapting maintenance, security and cleaning requirements, as well as supporting remote working staff requiring delivery of computers, ergonomic seating and equipment to homes.

KEY PERFORMANCE MEASURES

BFI2022 detail sets out the measures for how the BFI will assess its contribution to further the economic and cultural success of film. 13 key performance measures will be tracked through to 2022.

By 2022 BFI commits to have:

- Increased the diversity of audiences and talent supported across all BFI activities* (MS1)
- Increased engagement with BFI activities across the UK and increased the quality and cultural depth of their experience* (MS2)
- Increased participation of 16-30 year olds across all BFI activities and funded programmes (MS3)
- **Increased access to the BFI's National Film Archive and those of the regions and Nations*** (MS4)
- Further conserved and digitised the most at-risk materials within the BFI National Film Archive, notably video and television* (MS5)
- Ensured the opportunity to learn about the art of film in school** (MS6)
- **Improved employers' ability to recruit a skilled workforce across the UK**** (MS7)
- Supported talent to progress in their filmmaking careers* (MS8)
- Funded a range of innovative and pioneering moving image work intended for a variety of platforms** (MS9)
- Supported British films and British talent which have received recognition domestically and internationally* (MS10)
- Invested in start-up film businesses outside of London which have leveraged additional investment and increased levels of employment** (MS11)
- Supported a greater geographic spread of film production in the UK (MS12) **
- Supported an economic and cultural environment that keeps the UK film industry internationally competitive** (MS13)

In 2020-21 performance was as follows:

MEASURE OF SUCCESS	2022 TARGET (WHERE APPLICABLE)	2020-21 PERFORMANCE
Increased the diversity of talent supported across all BFI activities	Female – 50%	Female – 53%
	BAME – 17%	BAME – 26%
	With a Disability – 7%	With a Disability – 10%
	LGBTQ+ 15%	LGBTQ+ - 26%

MEASURE OF SUCCESS	2022 TARGET (WHERE APPLICABLE)	2020-21 PERFORMANCE
Increased the diversity of audiences across all BFI activities	Female – 50% BAME – 20% With a Disability – 7% LGBTQ+ - 15%	Not collected in 2020/21 due to COVID-19
Increased engagement with BFI activities across the UK and increased the quality and cultural depth of their experience	n/a	Theatrical – 0.6mm engagement Distribution – 0.5 million Online – 8.1 million Education & Skills – 4.1 million
Increased participation of 16-30 year olds across all BFI activities and funded programmes*	25%	Not collected in 2020/21 due to COVID-19
Further conserved and digitised the most at-risk materials within the BFI National Film Archive, notably video and television	To preserve and digitize 100,000 of the most –at-risk, British TV programmes	30,556 (programme to date 55,581)
Supported talent to progress in their filmmaking careers*	n/a	See below.
Supported British films and British talent which have received recognition domestically and internationally	n/a	24 films received a total of 94 nominations and 18 awards.
Invested in start-up film businesses outside of London which have leveraged additional investment and increased levels of employment	To have supported 200 film businesses outside London	211

MEASURE OF SUCCESS	2022 TARGET (WHERE APPLICABLE)	2020-21 PERFORMANCE
Supported a greater geographic spread of film production in the UK	n/a	22% UK domestic shoot spend completely outside London and the South East

Independent expertise was also recruited to develop the evaluation framework, baselines and methodologies for MS4, MS6, MS7 and MS13 and was reported as part of the mid-term evaluation in 2020-21.

First Time Supported Filmmakers – 2020-21

First time supported by the BFI*

Producers 40% supported for the first time
Directors 56% supported for the first time
Writers 58% supported for the first time

Previous Release History of Supported Filmmakers

Producers 63% no previous releases
Directors 78% no previous releases
Writers 78% no previous releases

(* - BFI Film Fund Production/BFI Film Fund Development/NETWORK (not including NETWORK Partners)

FINANCIAL REVIEW

FUNDING, INCOME and INVESTMENT in CHARITABLE ACTIVITIES

Review of the year

2020-21 was an extraordinary year. The global COVID-19 pandemic and the resultant lockdowns inevitably impacted on the activities and financial position of the BFI. From 17 March 2020 all BFI estates were closed including BFI Southbank and the Archives at Berkhamsted with a consequent cessation of many of the usual income generating activities including the BFI Southbank cinema programmes, the education programme and archive restoration projects, and with the cancellation of major programme events such as BFI Flare festival. Facilitated by existing IT systems, staff were asked where possible to work remotely.

As noted throughout the Annual Report the BFI reacted as proactively as possible - some activities were repurposed and moved substantially online, such as both our Festivals and much of our educational work. Our pre-existing digital presence, including BFI Player flourished. Sadly other major cultural activities, such as the bulk of work at the Archive or the programming of the National Film Theatre were either heavily curtailed or impossible to deliver.

These all presented considerable challenges to income – and the BFI is grateful for all the support we received from our members, and many other public and private sources, as well as to DCMS and HMT for the crucial COVID-19 financial support through both the Job Retention Scheme and the Culture Recovery Fund allowing our key functionality and resources to be maintained.

During the year the BFI played an enhanced role as a funding body, not least with our appointment as distributor for the Culture Recovery Fund for Independent Cinemas in England (CRFICE). Announced by the Chancellor in July 2020 this was part of a £1.57 billion support programme for the cultural sector, with parallel strands administered by Arts Council England and the National Heritage Lottery Fund, which continues to be crucial for the survival of independent cinema. Alongside this key new grant in aid supported fund, the BFI was able to refocus its lottery funding programmes to support areas of the sector that were most at risk as a result of the pandemic. Specific action included supporting continuity of work and skills and talent development throughout the period of lockdown with schemes such as production continuity funding, the audience resilience fund with our FAN network partners, a flexing of the criteria for the release of **“locked box funds” and assistance to the Film and TV Charity**. Coupled with ongoing levels of applications, the 5 year lottery programme as outlined in BFI 2022 was maintained (with reduced outcomes for some programmes). This was possible as after a short sharp dip, incoming resources to the National Lottery Distribution Fund recovered speedily – with the BFI share of lottery proceeds for the year of £49.1m being a small increase on the £48.3m of 2019-20.

Throughout the year, the Executive Board, with the guidance of the Finance Committee and the Board of Governors, and the continuing support of DCMS, kept under constant review the financial impact on the charity and the mitigations and actions necessary. This included immediate limitations on spend, a 2 month reduction in working hours and pay (the salaries of lower paid staff were protected) and a review of all planned activities, cancelling, postponing or adapting to a digital offering for many across the year. The BFI furloughed staff where appropriate, and thus maximised cash flows.

Income for the year to 31 March 2021 was £145.6m – an increase of £32.1m from the £113.5m received in 2019-20, predominantly due to the additional Grant in Aid (GiA) funding (£29.2m) for our role as distributor of the CRFICE.

Overall expenditure on charitable activities increased to £154.2m (2020: £122.4m) again predominantly due to awards through CRFICE.

Lottery net expenditure, together with other recognised gains and losses, has reduced Lottery reserves by £9.0m to £25.0m. Other restricted reserves increased by £1.2m to £6.0m while as a result of a 50% increase in the value of the pension liability by £32.8m to £94.8m unrestricted reserves were reduced from £20.9m to a negative balance £13.9m.

The BFI's financial strategy continues to be to seek operational efficiencies to further drive down overhead costs and to increase income from existing charitable activities, as well as seeking to exploit new sources of income, to support the delivery of its core objectives.

Due to the nature of its funding and operations the BFI does not hold large cash balances and continues to manage free reserves of approximately £1m.

Non-Lottery activities

Incoming resources

Incoming resources from non-Lottery activities increased in the year by a net £32.0m. The £29.2m of revenue GiA for the CRFICF was a significant element of this but the BFI was also grateful for the £2.3m CRF funding received for its own activities, together with JRS support of £3.5m as earned income was down by £9.4m. £18.8m in revenue GiA **for YACF was also higher than last year's £14.2m.**

Fundraising was lower with this being a year without the biennial Luminous Gala and moving the festivals online. £4.0m was raised of which £3.7m (91%) were cash contributions and £0.4m (9%) gifts in kind (2020: £5.4m of which cash contributions £3.7m (69%) and gifts in kind £1.7m (31%)). However, sponsorship was largely maintained at £1.6m (2020: £1.7m).

Fundraising costs of £1.9m represent the costs of running the BFI Development division in order to raise funds for the BFI (2020: £2.2m included the costs of the biennial Luminous gala held in the year).

Resources Expended

Total non-Lottery expenditure increased to £103.1m (2020: £76.2m) predominantly due to £28.7m of new expenditure in respect of the Culture Recovery Fund and increased expenditure of £19.0m on the Young Audience Content Fund (2020: £13.9m) partially offset by cost savings from COVID-19 related closures.

Gross Transfers between funds

The non-Lottery activities received awards of £3.5m from BFI Lottery in the year to support the reduced London Film Festival £0.25m (2020: £0.9m) and the Heritage 2022 archive preservation project £3.3m (2020: £2.3m).

Actuarial Gains/losses on defined pension scheme

On the FRS 102 basis the total net pension scheme deficit increased by £32.8m from £62.0m to £94.8m (2020: a £2.7m reduction from £64.7m to £62.0m). The increase in the deficit is mainly the assumptions underlying the present value of the scheme liabilities netting a 16% increase in the asset value.

The result of the triennial valuation by the London Pension Fund Authority Trustees as at March 2019, upon which current and future contributions are based, is a deficit of just £2.3m for the whole pension scheme including lottery (2016: £9.6m). The deficit is being funded over up to 5 years under a deficit recovery plan agreed with the pension trustees.

Movement in asset revaluation reserve

The value of the leasehold land and buildings and associated plant and fixtures decreased by £3.7m – following revaluation using publicly available indices and depreciation charges (2020: £0.3m reduction).

Lottery activities

Incoming resources

BFI's share of the incoming resources of the National Lottery Distribution Fund was 2.7% (2020: 2.7%). This equated to £49.1m (2020: £48.3m) marking an upturn in lottery ticket sales across the year, and reflecting a swift recovery after an initial drop in sales in the initial weeks of lockdown.

In addition the BFI received £4.9m of recoupment from its investments in the year (2020: £6.0m). Of this £0.8m (2020: £1.6m) was surplus recoupment over the original

investment and was taken to income. The fall in both reflects the closures in cinemas during the pandemic and the consequent hold back (and reduction) in film releases other than through streaming services.

Resources Expended – Lottery awards

2020-21 was the fourth year of BFI's 5 year strategy BFI2022. Non-film right awards in the year totalled £32m (2020: £33.1m). The largely level funding is predominantly due to a number of advance partner awards being committed covering the activities for the period to through to 31 March 2022, as they similarly were in the previous year.

In addition £22.3m (2020: £17m) of awards were taken to Film Rights in the Statement of Financial Position.

Adjustments of £19.4m (2020: £12.7m) against Film Rights were charged to expenditure for the year.

Operating Costs and Administrative Costs targets

Operating costs were £5.5m in the year to March 2021 (2020: £5.8m).

Net incoming resources, on a three year rolling average 2018-21 and after offsetting costs of generating recoupment were £48.2m (2020: £47.9m), reflecting the stabilisation of the levels of income into the National Lottery Distribution Fund since 2017.

DCMS have set Lottery distributors a gross target for award processing and other administrative costs of 8% of incoming resources, this reduced to 7.75% from April 2021. In 2020-21 the gross award processing and other administrative costs stood at 7.4% of net incoming resources (£3.6m) (2020: 7.9%, £3.7m).

Actuarial Gains/losses on defined pension scheme

On the IAS 19 basis the net pension scheme deficit attributed to lottery activities increased by £2.3m from £2.7m to £5.0m (2020: a £0.1m increase from £2.6m liability).

Reserves Policy

The Governors are committed to the management of activities within the available funds. A significant element of income is subject to market conditions and the risks are incorporated into the budgets, with ongoing financial planning and management of expenditure used to meet any unforeseen expenditure or fall in income. Overall, the **BFI's financial objective is to manage to a breakeven income and expenditure result** over time, whilst ensuring adequate cash reserves to manage timing differences and provide financial contingency. The BFI also maintains net free cash reserves of £0.9m (2020: £1.1m) to manage short and medium term working capital requirements and this level is considered adequate, having ranged over the past ten years between £0.4m and £1.7m.

The impact of the COVID-19 pandemic

Going Concern

The accounts have been prepared on a going concern basis.

As the **Government's lead body for film since 2011**, the BFI actively engages with the government in developing and delivering the strategy for film in the UK. The BFI is a lottery distributor, with a statutory right to receive a share of the National Lottery **Distribution Fund (NLDF)**, and is **considered by government to be a "Non-Departmental Public Body"**, both of which give support to our future financial stability.

The BFI receives Grant-in-Aid each year from the DCMS for a range of its other activities including in recognition of the cultural impact of film, and the importance of the National Film and Television Archive **to the nation's heritage**.

The key consideration for the future viability of BFI is the impact of the COVID-19 pandemic including the latest lockdown and its subsequent easing, the risk of further lockdowns and ongoing social distancing measures and the impact on customers and the economy. As noted above the pandemic has had a significant and immediate effect on BFI trading income and fundraising although lottery income has been much less impacted.

BFI has taken a number of measures to limit the financial impact including:

- reducing costs;
- **furloughing staff and, with DCMS permission, accessing the government's COVID-19 Job Retention Scheme (CJRS)**; and
- reducing the working hours and pay for two months of staff continuing to work through lockdown.

The cumulative impact of loss of income and compensating cost saving measures (including accessing CJRS) has resulted in a forecast deficit in each of the next 2 years. DCMS have agreed additional support for 2021-22 of up to £2.3m and through the Comprehensive Spending Review in November 2021 BFI GiA is expected to be sufficient to support the organisation through the period covered by the Review. However, with permission from DCMS to draw grant in aid as required **BFI's forecast** cash balances remain positive across both years.

There remain a number of risks which could worsen the forecast deficit and cash flow including:

- the nature of social distancing and its impact on BFI Southbank and IMAX operations;
- the attitude and willingness of customers to return to cinemas; and
- the potential for further lockdowns in the coming winter if COVID-19 infections reach a critical level.

However taking these into consideration the Board considers that the positive forecast cash position over the next two years, the capacity to raise additional funds from supporters and philanthropists along with the opportunity to make a case for support to DCMS provides the Board of Governors with sufficient confidence that the BFI has sufficient resources to continue for at least the next 12 months following signature of the accounts. Accordingly the financial statements for the charity, group and lottery activities have been prepared on a going concern basis.

PUBLIC BENEFIT

The Board of Governors has continued to take heed of the Charity Commission's guidance on public benefit, the guidance on public benefit and fee charging being particularly borne in mind while shaping our objectives for the year and planning activities. The Board also continues to be conscious of its responsibilities as the custodian of a National Collection which it holds in trust for the nation.

The BFI's Charter includes a requirement to "promote access to and appreciation of the widest possible range of British and world cinema". The BFI, as a National Lottery Distributor for film, invests National Lottery money and Grant in Aid to help ensure that audiences across the UK have access to a wide range of cinema. The BFI also uses National Lottery and Grant in Aid to support activities including education and lifelong learning and the preservation of the UK's screen heritage. All these interventions deliver significant public benefit.

The BFI delivers public benefit and covers its operating costs utilising a mix of income drawn from the National Lottery, Grant in Aid from the Government, philanthropic activity and income from ticket and other sales, fees and charges. In setting both the overall strategy for the organisation as the lead body for film and the level of prices, fees and charges, the Governors have given careful consideration to accessibility to the activities funded by the BFI for those on low incomes. A key part of our longer-term development strategy has involved providing free access to a wide range of the services we fund and those we run – for example, through the BFI Player, our Mediatheque and our websites, to free public screenings and broadcast partnerships. In addition to meeting our social responsibilities, the BFI also considers its impact on local communities, a diverse range of audiences, provides work experience and employment opportunities and works with schools, local authorities and many other organisations.

The BFI directly supports the distribution and exhibition of film through National Lottery funding and is also the UK's biggest distributor of world cinema – non-commercial film culture from all parts of the world, both these interventions give the public access to a diversity of film culture which would not otherwise be available. **The diversity of Britain's cultural life would be dramatically reduced without the BFI's interventions. We also support and directly make available a wide range of titles on all other platforms.**

There are many ways in which the public accesses the BFI's work, and this range ensures we deliver the maximum public benefit for our charitable resources. The BFI activities which deliver public benefit are described in more detail in the pages of this report.

Complaints

The BFI has in place a procedure for handling complaints and welcomes feedback from members of the public and representatives of other organisations.

During the year, the BFI received 78 complaints via its customer enquiry service (96 in 2019-20).

No complaints were accepted for investigation by the Parliamentary Ombudsman (0 in 2019-20 also).

In terms of summary:

	2020-21		2019-20	
The number of complaints accepted for investigation by the Parliamentary Ombudsman in the year;	0		0	
The number of investigations reported on by the Parliamentary Ombudsman in the year and the percentage of those reports where the complaint was upheld in full, in part; or not upheld	In full:	0	In full:	0
	In part:	0	In part:	0
	Not upheld:	0	Not upheld:	0
The number of Ombudsman recommendations complied with and not complied with.	n/a		n/a	

Complaints and feedback helps the BFI to identify opportunities to make better use of their resources, or to deliver services in a more effective way.

If any customer is dissatisfied with a service that the BFI has provided or feel they have been treated unfairly, they may wish to make a complaint.

The Complaints Procedure sets out the BFI's complaints procedure, explains how to provide feedback or to make a complaint and tells customers what they can expect from us if you do.

Depending on the area of activity, feedback and complaints will be handled slightly differently; however the BFI works to a set of standard guiding principles:

1. Feedback and Complaints are an important way for the BFI to be accountable to the public, as well as providing valuable prompts to review organisational performance and the conduct of people that work within and for it.
2. If the BFI has got something wrong, it will apologise and take prompt action to put the matter right. If it can resolve your complaint by clarifying its position, or explaining its decision making process it will do so.
3. Will be open and honest and ensure that customers are not disadvantaged in their future dealings as a result of the complaint.

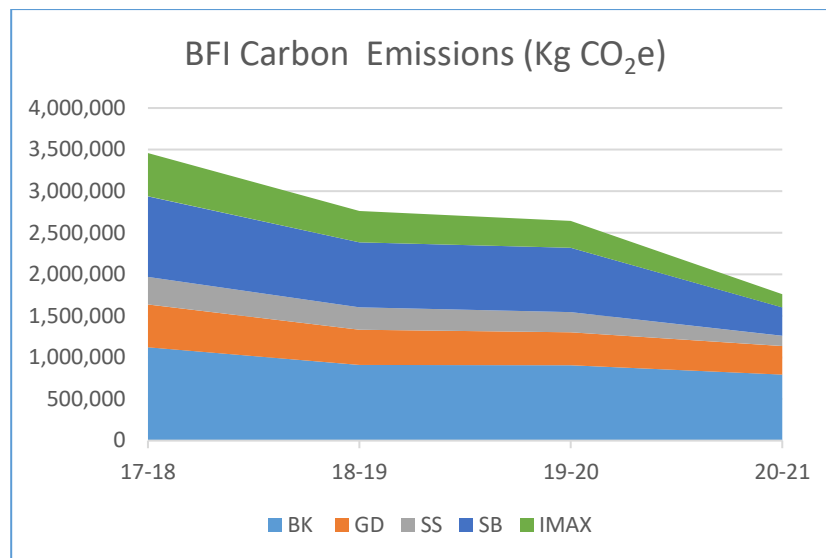
4. Will respect privacy and ensure that complaints are treated confidentially.

The Complaints Procedure was reviewed in 2020-21, taking on board previous customer feedback, case analysis and considering best practice.

ENVIRONMENTAL SUSTAINABILITY AT THE BFI

Greenhouse Gas Emissions

It is well known that greenhouse gas emissions have a strong correlation to activity. The Pandemic has had a significant impact on our activities both in-venue and at our archive sites with many staff furloughed and both the BFI Southbank venue and head office were closed for half of the year. Our actual Estate KWh consumption reflects this and is down 28% year on year. Correspondingly, carbon emissions are down 32%.



Just under half of the BFI Estate serves the purpose of collections Storage and therefore its energy demand is not reduced with activity. All of the BFIs electricity is sourced through EDF on a clean renewable tariff.

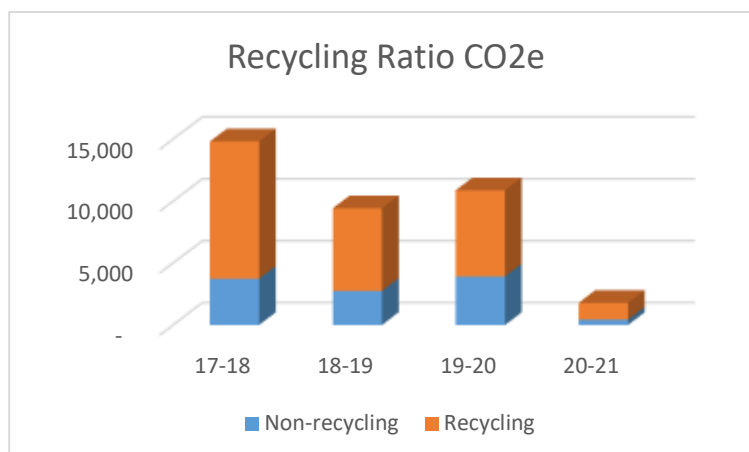
In terms of the Estate, we have made several improvements which will yield energy savings next year including LED lighting upgrades at the National Archive in Berkhamsted and at BFI Southbank. Refurbishment work at the National Archive has also seen the introduction of inverter and variable speed drives for our chilled water system.

Travel emissions relating to business travel were drastically reduced (by 91%) due to government imposed travel restrictions and work from home advice. We hope to realise some of this reduction on an ongoing basis with the likely introduction of a hybrid home/office working model.

Waste

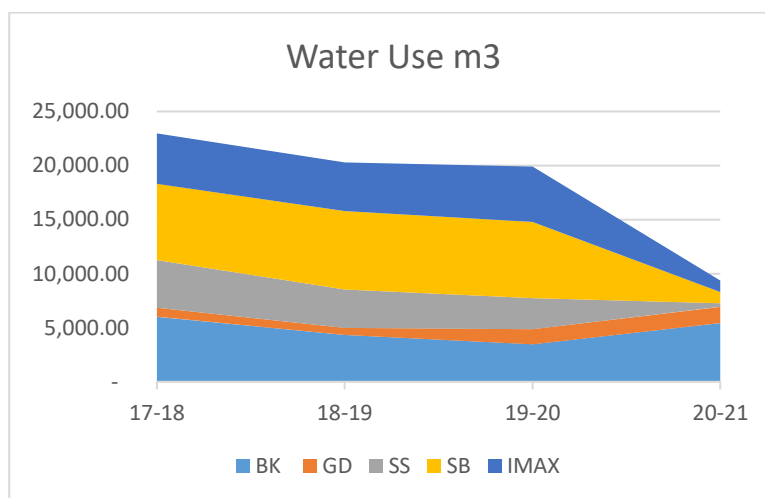
Our waste production was reduced by 84% this year. This is a direct result of reduced on-site activity and venue, restaurant and office closures. Both of our waste providers operate a zero to landfill policy.

Below is a graph of waste production over the last 4 years that also shows recycling to non-recycled ratios. Our average recycling rates are at approximately 70%



Finite Resource Consumption

Paper Consumption was negligible during 2020-2021 period. This reflects the move to a more remote and digital work method. We are currently re-tendering our printed materials contract where we are insisting on high standards of print sustainability. Our in-venue programme notes offer will also become digitally available in 2021-22.



Water Consumption across the estate was reduced by 53% due to the much-reduced activity at some sites. The **above** chart shows the water consumption fluctuation over the BFI estate:

Further Initiatives

2020-21 saw more progress at the BFI in the field of sustainability. This may have been at a slower pace than anticipated due to the diversion of much attention into responding **to the pandemic, but we also found COVID gave pause for useful reflection on the BFI's** relationship with the living world. As nature regained a precarious bit of ground during

global lockdowns, BFI staff at the National Archive in Berkhamsted encountered wild deer on the estate, and staff shared photos of the living world in their gardens and on their daily walks via our new daily bulletin.

In September we updated our sustainability policy to reflect our heightened awareness of the climate and ecological emergency, using this moment to announce our ambition to hit net zero carbon emissions by 2025. Advances made towards this goal during the year included the installation of a dual electric vehicle charging station at Berkhamsted, reducing reliance on fossil fuels. The upgrading of internal and external lighting to LED and introduction of inverter technology at BFI Southbank and at the National Archive will **further reduce the BFI's carbon emissions.**

In September 2020, we launched the landmark report A Screen New Deal in partnership with BAFTA albert and leading global engineering and design firm specialist Arup. This report shared innovation and knowledge about what truly sustainable production could look like: new ways of working on set and on location, our approach to materials and resources and the innovation happening in other industries that we can learn from. It sets out a route map for positive action to achieve sustainable practices that support wellbeing, environmental restoration and economic prosperity. A Screen New Deal was launched with a series of impactful online events from BAFTA and is proving a major contribution to developing sustainable production practice in the UK.

We also worked with our partner Doc Society on their Green Documentary Protocol, which provides filmmakers with a new framework to assess, mitigate and improve their environmental impact. BAFTA albert provided training in carbon literacy to 180 BFI staff, **and 'Planet Placement' training** about working with environmental content onscreen to the BFI NETWORK Talent Executives across the UK. In November, BFI NETWORK North launched its **Climate Comedy Lab, challenging Doncaster's writers to respond to** the climate crisis in exciting, unexpected ways. Five microshorts will be made through **the programme, and we're looking forward to these –** and much more work on sustainability in the film industry – in the year to come.

TABLE 1 - GREENHOUSE GAS EMISSIONS				2020-21	Measurement
Scope 1 - Direct GHG emissions	Non-Financial Indicators (tCO2e)	Total gross emissions: Scope 1		566	tCO2e
		Emissions from:	Gas	522	tCO2e
			Oil	0	tCO2e
			Fuel (including LPG)	44	tCO2e
Scope 2 - Energy indirect emissions	Non-Financial Indicators (tCO2e)	Total gross emissions: Scope 2		1,218	tCO2e
		Emissions from:	Electricity	1,218	tCO2e
Scope 3 - Official travel emissions	Non-Financial Indicators (tCO2e)	Total gross emissions: Scope 3		5	tCO2e
		Emissions from:	Domestic business travel	5	tCO2e
Scope 1 & Scope 2	Non-Financial Indicators - Related Energy Consumption (kWh)	Total Electricity		5,223,769	kWh
		Electricity	Renewable	5,223,769	kWh
			Non-Renewable	0	kWh
		Gas		2,837,796	kWh
		LPG		175,591	kWh
		Other		0	kWh
Scope 1, Scope 2 & Scope 3	Financial Indicators (£)	Expenditure on energy		805,180	£
		Expenditure on accredited offsets		0	£
		Expenditure on official domestic business travel		9,059	£
TABLE 2 - WASTE				2020-21	Measurement
	Non-Financial Indicators (tonnes) (tonnes)	Total waste disposed		83.90	tonnes
		Hazardous waste disposed		0.00	tonnes
		Non-hazardous waste disposed	Landfill	0.00	tonnes
			Reused/recycled	62.99	tonnes
			Composted	0.00	tonnes
			Incinerated with energy recovery	20.91	tonnes
			Incinerated without energy recovery	0.00	tonnes
	Financial Indicators (£)	Total waste disposal cost		26,921.00	£
		Hazardous waste disposal cost			£
		Non-hazardous waste disposal cost	Landfill		£
			Reused/recycled		£
			Composted		£
			Incinerated with energy recovery		£
			Incinerated without energy recovery		£

TABLE 3 - FINITE RESOURCE CONSUMPTION				2020-21	Measurement
	Non-Financial Indicators (m ³) (‘000 m ³)	Water consumption (Office estate)	Supplied	334	m ³
			Abstracted	0	m ³
			Collected	0	m ³
		Water consumption (Non-office Estate)	Supplied	9,038	m ³
			Abstracted	0	m ³
			Collected	0	m ³
	Non-Financial Indicators (Number of reams of paper)	Paper consumption - A4	Supplied	51	Reams of paper
		Paper consumption - A3	Supplied	0	Reams of paper
	Financial Indicators (£'000)	Water Supply costs (Office estate)		5,323	£
		Water Supply costs (Non-office estate)		33,324	£
		Paper costs (A4 & A3)		136	£

HOW THE BFI IS GOVERNED

The BFI is governed by a **Board of up to 15 Governors subject to the BFI's Royal Charter**. The Governors, who are also the trustees of the Charity, now submit their annual report and the audited financial statements for the year ended 31 March 2021. In preparing the annual report and financial statements of the Charity, the Governors have adopted the **Accounting and Reporting by Charities: Statement of Recommended Practice, Charities SORP (FRS 102)**.

Governors

Governors who were in post for at least part of the financial year 2020–21 or at the date of signing these accounts:

Josh Berger CBE ¹
Michael Birshan
Pat Butler ²
Pete Czernin ³
Idris Elba OBE
Gerry Fox ⁴
Jay Hunt
J. Timothy Richards ⁵
Jonathan Ross OBE ⁶
Robin Saunders
Andrew M Smith DL
Phil Stokes
Eleanor Whitley
Andrea Wong ⁷

2020-21 saw the end of Josh Berger's term as Chair of the BFI. Similarly, terms of a number of longstanding Governors expired. We would like to record our gratitude for dedicated service and contribution while on the Board.

¹ Term ended 15 November 2020.

² Term ended 15 February 2021.

³ Term ended 28 January 2021.

⁴ Term ended 25 February 2021.

⁵ Term as a Governor ended 14 May 2020. Term as Chair commenced on 16 February 2021

⁶ Term expired 27 August 2021.

⁷ Term ended 25 February 2021.

2021 was also a moment when we welcomed Tim Richards as Chair of the BFI. A **former longstanding Governor of the BFI, Tim's experience will be vital in a post-pandemic landscape.**

Methods of Appointment

The Chair and Governors of the BFI are appointed by the Secretary of State for Digital, Culture, Media and Sport pursuant a process regulated by the Office of the Commissioner for Public Appointments. Governors are required to comply with the Principles of Public life as described in the Cabinet Office Code of Conduct for Board Members of Public Bodies.

The Board of Governors reserves one place on the Board for a Member Governor. This appointment is subject to approval by the Board of Governors.

A Governor's term of office is normally four years. Pursuant to the BFI's Royal Charter, a Governor may only serve two terms in office. Newly appointed Governors receive a letter of appointment and induction documents which together address, amongst other things, duties, period of appointment, time commitment, remuneration, performance and their responsibilities and duties as Charitable Trustees. Governors have broad experience and expertise in the areas of film, television, the moving image generally, business and strategy and education. All Governors are part-time, unremunerated non-executives. The Board of Governors has corporate responsibility for:

- **delivering the mission set out in the Royal Charter; delivering the BFI's charitable objectives;** and developing the overall strategic direction of the BFI;
- ensuring that the BFI as a Non-Departmental Public Body complies with any statutory or administrative requirements for the use of public funds and to maximise value for money;
- ensuring that the BFI acts reasonably and prudently in all matters relating to its charitable status;
- appointment of the Chief Executive;
- ensuring that all BFI properties and assets are protected and effectively utilised in **the pursuit of the BFI's overall mission;**
- ensuring commercial activities are self-financing and aligned to the BFI core purpose and that these activities uphold fair trading standard requirements;
- ensuring that any fund-raising activity carried out on behalf of the BFI is properly undertaken and that all funds collected are properly accounted for;
- overseeing the delivery of planned results by monitoring performance against agreed strategic objectives and targets;
- **ensuring that the BFI's rules for the recruitment and management of staff provide for appointment and advancement on merit on the basis of equal opportunity for all applicants and staff; and**
- ensuring the board operates sound environmental policies and practices in accordance with the approach set out in the 1990 White Paper *This Common Inheritance*, **the Government's green initiatives and other relevant guidance.**

Board Assessment

The Board undertakes a formal and rigorous evaluation of its own performance and that of its committees and individual Governors on a bi-annual basis.

Organisational Structure

The Board of Governors delegates specific responsibilities to its Committees. Recommendations made by Committees are presented to the Board as a whole for approval.

A brief description of each Committee and its function is given below:

Audit, Risk & Governance	This committee reviews the effectiveness of the processes, structures, and controls used to direct, manage and account for the financial and business affairs of the BFI. The Audit, Risk and Governance Committee consider all internal and external audit reports and recommendations.
Finance	This Committee is responsible for overseeing the budgetary, assurance and value for money processes within the BFI.
Remuneration	This Committee determines and keeps under review the levels of pay, and the terms and conditions of service, for the Chief Executive and other senior managers.

Composition of the Committee during the year was:

Audit, Risk & Governance	Phil Stokes (Chair) Andrew M Smith DL Charles Cecil MBE (Non-Governor Member) Sukie Kooner (Non-Governor Member)
Finance	Pat Butler (Chair) Michael Birshan Pete Czernin Robin Saunders
Remuneration	Josh Berger (Chair) Pat Butler

J. Timothy Richards

Phil Stokes

The Secretary to the Board of Governors and its committees is Iain Thomson.

Board of Governors Attendance 2020-21

The number of BFI Board meetings held in the 2020-21 financial year was **11** and the **Governors' attendance records were as follows:**

		%
Josh Berger CBE	8 of 8	100
Michael Birshan	10 of 11	90
Pat Butler	8 of 10	72
Pete Czernin	9 of 10	90
Idris Elba OBE	5 of 11	45
Gerry Fox	9 of 9	100
Jay Hunt	10 of 11	90
J. Timothy Richards	5 of 5	100
Jonathan Ross OBE	2 of 11	18
Robin Saunders	11 of 11	100
Andrew M Smith DL	11 of 11	100
Phil Stokes	11 of 11	100
Eleanor Whitley	10 of 11	90
Andrea Wong	10 of 10	100

All Governors are required to complete a declaration of any potential related party interests – and details of any transactions with these related parties is reported in note **30** of the Charity and Group financial statements.

Audit, Risk and Governance Committee Attendance 2020-21

The number of Audit Risk and Governance Committee meetings held in the 2020-21 financial year was **four** and the **members' attendance records were as follows:**

Phil Stokes (Chair)	4 of 4
Andrew M Smith DL	4 of 4
Sukie Kooner (Non-Governor Member)	4 of 4
Charles Cecil MBE (Non-Governor Member)	4 of 4

Executive

The Board of Governors employs a Chief Executive.

During the year under review, the Board undertook an extensive recruitment process to replace Amanda Nevill who left the BFI on 13 February 2020. The process culminated in the appointment of Ben Roberts, who had previously held the position of Deputy Chief Executive. Ben leads an executive team that during the year consisted of:

Ben Roberts	Chief Executive
Ed Humphrey	Director of Digital and Ventures
Harriet Finney ⁸	Director of External Affairs
David Parkhill ⁹	Director of Finance and Resources
Heather Stewart ¹⁰	Creative Director of BFI
Francesca Vinti	Director of Development

The Executive makes day-to-day management decisions on behalf of the Board of Governors under the Financial Procedures approved by the Board.

Better Payment Practice Code

The BFI attempts to abide by the Better Payment Practice Code and in particular to settle bills in accordance with contract. Invoices are normally settled within our **suppliers' standard terms, which are typically in line with our standard 30 day terms**. The average payment terms taken were 30 days (2020: 20).

General Data Protection Regulation (GDPR)

During the year to 31 March 2021, the BFI:

- Received and managed 100 requests in 2020-21.
- Identified and handled 3 Data Breach cases, **these did not involve personal protected data**. All were considered to be minor breaches with the decision taken not to inform the Information Commissioners Office (ICO).
- The Data Breach Policy was reviewed and updated (December 2020).
- Considerable amount of EU Exit work was been undertaken – identifying, reviewing and updating contracts where data is held outside UK.
- **As part of the BFI's Business Continuity Plan**, during the pandemic, the Information Asset Register was regularly reviewed and updated.
- With colleagues in IT, a number of GDPR related tools/products have been

⁸ Appointed Deputy CEO and Director of Corporate and Industry Affairs on 17 May 2021.

⁹ Retired 31 October 2021.

¹⁰ Resigned 30 September 2021.

- considered with the introduction of the Varonis software to assist with Data Subject requests.
- Ongoing advice relating to data protection was provided as and when required to numerous departments.

Speaking Up Policy and Procedure

Included within the updated Financial Procedures Manual (2018) is a Speaking Up (Whistleblowing) Policy & Procedure – the BFI is committed to the highest possible standards of openness, probity and accountability. The purpose of this policy is to encourage reporting of suspected wrongdoing and provide clear guidance on: (i) the steps staff should take if they have concerns; (ii) how staff raising concerns will be supported; and (iii) what will happen after such concerns are raised. This policy also seeks to reassure staff that they should be able to raise genuine concerns without fear of reprisals, even if they turn out to be mistaken.

This policy was consulted upon with our recognised trade unions and is in line with the BFI's legal obligations. It covers all BFI staff plus other workers such as consultants, contractors, and agency workers.

Disclosure of information to the auditors

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

REMUNERATION and PEOPLE REPORT

The Remuneration Committee

The Board of the BFI is responsible for determining the remuneration of the Chief Executive and senior staff. In the year ending 31 March 2021, it discharged this responsibility through the cycle of Board meetings.

In addition the Board is supported by the Remuneration Committee which meets annually (or further if required) to review and set senior salaries, authorised within its terms of reference, to obtain independent professional advice if considered necessary. The meeting for 2020-21 was held on 21 January 2021. The Remuneration Committee comprises of a Chair, who is also Chair of the BFI Governors, and up to 2 other members of the Board or co-opted members, who are each appointed for a period of up to three years.

The members during the year were:

J. Timothy Richards¹¹

Josh Berger¹²

Pat Butler¹³

Phil Stokes

Remuneration Framework

Governors are not entitled to draw any remuneration for their time spent working as a Trustee of the BFI, although they are entitled to reimbursement of expenses incurred in discharging their duties.

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

All staff including the Chief Executive, are entitled to membership of the BFI staff pension scheme (either Local Government Pension Scheme (LGPS) operated by the London Pension Fund Authority (LPFA), which is a defined benefit scheme, or a defined contribution scheme operated by Legal and General depending on start date). Further details of the schemes can be found in note 8 to the BFI Group financial statements.

¹¹ Appointed Chair 16 February 2021.

¹² Term expired 6 November 2020.

¹³ Interim Chair of the Remuneration Committee November 2020-February 2021. Term expired 15 February 2021.

The staff pay bill for each year is subject to review by the Finance Committee, the Board of Governors and the DCMS, under HM Treasury guidelines and limits for public sector pay.

Appointments of Board of Governors

The Chair and Governors of the BFI are appointed by the Secretary of State for Digital, Culture, Media and Sport in accordance with Cabinet Office's Governance Code on Public Appointments. Governors are appointed for a term of not more than four years, with one Governor being elected by the membership of the BFI. Governors may stand for two successive terms of office. There is no period of notice required for resignation from the Board.

No members of senior management were employed under fixed term contracts as at 31 March 2021. The period of notice required for termination of contract is no greater than six months.

Audited Information

Governors' Remuneration

No Governor drew any remuneration in the year. No payments were made in the year for services (2020: £nil). As part of their oversight duties as Trustees, copies of all books and DVD/Blu-Ray releases published by the BFI during the year are made available to all Governors.

Senior Staff Remuneration

"Total remuneration" reported below comprises salary, bonuses and accrued pension benefits and thus should not be equated to take home pay. Because of the combination of all these factors the annual movement in "total remuneration" is not a simple reflection of any cost of living award (COLA).

"Total salary" is in bandings, depending where a staff member is in the bandings, the organisational COLA may tip some roles into a higher band.

Senior staff are members of the same pension schemes and on the same terms as staff, and all staff who are members of the defined benefit Local Government Pension Scheme (LPFA) accrue pension benefits on the same basis.

"Pension benefits accrued during the year" as noted above indicates how an individual's total accrued pension benefit has moved in a year by taking the increase in benefits relative to that year and assessing the total value assuming they are paid over a typical twenty years of retirement.

In the year to 31 March 2021, all senior staff except for Harriet Finney were members of the LPFA defined benefit scheme.

The increase in pension benefits for senior staff who are members of the LPFA arise from three sources:

- BFI LPFA pension contributions of 15.4% of salary
- Employee pension contributions of between 5.5% and 12.5%. Higher paid staff contribute at a higher rate although not receiving any additional benefits
- LPFA projected investment returns (dividends, capital appreciation etc.)

The pension benefits accrued during the year are calculated by:

- Calculating the annual pension due on retirement plus lump sum benefit (if any) at the 31 March 2021
- Re-calculating the equivalent figure from 31 March 2020 and applying the **Consumer Price Index (CPI) in order to show the “real” movement after inflation;** and then
- Multiplying the change in value in pension by 20 (i.e. assuming a 20 year retirement period)

Year on year the main distorting factor is CPI – as the impact of changes in CPI is greater the longer the period of service and thus the benefit accrued.

Depending on the underlying LPFA assumptions and the age of the individual on a year by year comparison the pension benefits accrued during the year can be an increase or a reduction compared to that of the prior year.

Remuneration (including pension benefits) for the senior staff for the year:

	Total salary for the year ended 31 March 2021 (2020)	Bonuses attributable for the year ended 31 March 2021 (2020)	Benefits in Kind for the year ended 31 March 2021 (2020)	Pension benefits in the year ended 31 March 2021 (2020)	Total remuneration for the year ended 31 March 2021 (2020)
	£'000	£'000	Nearest £100	£'000	£'000
Ben Roberts CEO and Accounting Officer	150-155 (150-155)	- (5-10)	100 (100)	25-30 (15-20)	175-180 (175-180)
David Parkhill Director of Finance and Resources	125-130 (130-135)	- (-)	100 (100)	40-45 (40-45)	170-175 (170-175)

	Total salary for the year ended 31 March 2021 (2020)	Bonuses attributable for the year ended 31 March 2021 (2020)	Benefits in Kind for the year ended 31 March 2021 (2020)	Pension benefits in the year ended 31 March 2021 (2020)	Total remuneration for the year ended 31 March 2021 (2020)
	£'000	£'000	Nearest £100	£'000	£'000
Harriet Finney Director of External Affairs	115-120 (105-110)	- (-)	100 (100)	N/A (N/A)	115-120 (105-110)
Ed Humphrey Director of Digital and Ventures	115-120 (120-125)	10-15 (15-20)	100 (100)	20-25 (20-25)	150-155 (150-155)
Heather Stewart Creative Director	125-130 (125-130)	- (-)	100 (100)	35-40 (30-35)	160-165 (160-165)
Francesca Vinti Director of Development	105-110 (105-110)	- (10-15)	100 (100)	35-40 (45-50)	145-150 (155-160)
Amanda Nevill Chief Executive and Accounting Officer ¹⁴	10-15 (150-155)	- (5-10)	- (100)	5-10 (135-140)	15-20 (300-305)

Pension contributions during the year were made to defined contribution schemes for:

	Contributions paid	
	2020-21	2019-20
Harriet Finney Director of External Affairs	8,499	6,713

¹⁴ Resigned 14 February 2020. The full year equivalent salary is £150-£155k. The remuneration in 2020-21 reflects the amounts due relating to the three month notice period.

Included in the above is remuneration for senior staff in the year which is attributable to lottery for the year ending 31 March 2021. This is recharged as part of our lottery funded operations and thus contained within expenditure in the Lottery Financial Statements for the year ending 31 March 2021.

44% of the remuneration Ben Roberts and David Parkhill has been attributed to lottery for the year (2020: 51%) with the proportion of total income attributed to lottery being used as the baseline.

Benefits in kind

All members of BFI staff are entitled to receive: up to £100 contribution towards gym membership per annum; up to 12 free tickets per month at the BFI Southbank cinemas; **staff discounts on purchases at the BFI Southbank's Film Store and Benugo cafe and restaurant** and the BFI London IMAX, ranging from 10-70%; and interest free loans for travel season tickets, bicycle and computer purchases and dental treatment. Staff whose contracts transferred from UKFC may opt to receive a contractual payment of £250 for cinema tickets per annum in place of the BFI Southbank ticket entitlement. Staff on BFI contracts receive a monthly copy of Sight and Sound.

Senior staff pension arrangements

The following senior staff were members of the LPFA scheme at 31 March 2021:

	Real increase in accrued pension benefits 2020-21	Attributable pension accrued at 65 at 31 March 2021 (or date left the BFI if earlier)	Cash Equivalent Transfer Value (CETV) as at 31 March 2020	CETV as at 31 March 2021 (or at date left the BFI if earlier)	Real increase in CETV after adjustment for inflation etc. in 2020-21
	£'000	£'000	£'000	£'000	£'000
Ed Humphrey Director of Digital and Ventures	0-2.5 (lump sum: 0-2.5)	5-10 (lump sum: 0-5)	95	115	15-20
David Parkhill Director of Finance and Resources	2.5-5 (lump sum 0-2.5)	15-20 (lump sum: 0-5)	290	331	35-40
Ben Roberts DCEO/Chief Executive and Accounting Officer	0-2.5 (lump sum: 0-2.5)	15-20 (lump sum: 0-5)	178	211	30-35

	Real increase in accrued pension benefits 2020-21	Attributable pension accrued at 65 at 31 March 2021 (or date left the BFI if earlier)	Cash Equivalent Transfer Value (CETV) as at 31 March 2020	CETV as at 31 March 2021 (or at date left the BFI if earlier)	Real increase in CETV after adjustment for inflation etc. in 2020-21
	£'000	£'000	£'000	£'000	£'000
Heather Stewart Creative Director	2.5-5 (lump sum 0-2.5)	60-65 (lump sum: 95-100)	1,197	1,251	45-50
Francesca Vinti Director of Development	0-2.5 (lump sum: 0-2.5)	30-35 (lump sum: 15-20)	418	462	40-45

These staff cover both Lottery and Grant-in-Aid and other funded activities.

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

Senior staff numbers and costs

The number of senior staff by number and band (core salary plus any bonus) is:

Chief Executive and other executive staff at 31 March 2021

Salary Banding	2021 (Number)	2020 (Number)
£160,000 - £169,999	-	1
£150,000 - £159,999	1	1
£140,000 - £149,999	-	-
£130,000 - £139,999	1	2
£120,000 - £129,999	2	1
£110,000 - £119,999	2	1
£100,000 - £109,999	-	1
£90,000 - £99,999	-	-
£80,000 - £89,999	-	-

Other senior staff

Salary Banding	2021 (Number)	2020 (Number)
£100,000-109,999	1	1
£90,000 - £99,999	7	4
£80,000 - £89,999	17	19
£70,000 - £79,999	19	21
£60,000 - £69,999	23	20

Staff number and costs (including on-costs)

	2021		2020	
	Number	£'000	Number	£'000
Average no of permanent staff during the year	497	29,716	504	29,754
Average no of other staff engaged on objectives of the organisation	7	421	8	442

Off Payroll Consultancy Engagements

During the year ended 31 March 2021 the BFI had 11 off payroll engagements totalling £447,000 (2020:10 £403,000) for more than £245 per day (2020: £245 per day), that lasted longer than 6 months and amounted to £20,000 or more. These have been subject to a risk based assessment as to whether assurance is required that individuals are paying their correct tax and, where necessary, that assurance has been sought.

Termination payments

The termination payments payable to employees were:

Cost of redundancies (as per BFI's agreed redundancy policies)	Number of compulsory redundancies		Number of voluntary redundancies		Total	
	2021	2020	2021	2020	2021	2020
<£10,000	-	-	-	-	-	-
£10,000-£25,000	-	-	-	-	-	-
£25,000-£50,000	-	-	1	2	1	2
£50,000-£100,000	-	-	2	1	2	1
£150,000-£200,000	-	-	-	-	-	-

Cost of redundancies (as per BFI's agreed redundancy policies)	Number of compulsory redundancies		Number of voluntary redundancies		Total	
	2021	2020	2021	2020	2021	2020
£201,000 >	1	-	-	-	1	-
No of exit packages	1	-	3	3	4	3
Cost £'000	269	-	202	127	471	127

Hutton Review of Fair Pay

The BFI is required to disclose the relationship between the remuneration of the highest-paid member of the Executive team their organisation and the median remuneration of the **organisation's workforce**.

The banded remuneration of the Chief Executive Officer in the financial year was £150,000-£155,000 (2020: £150,000-£155,000). This was 4.3 times (2020: 4.4) the median remuneration of the workforce, which was £35,622 (2020: £35,025). The median remuneration does not include short-term agency staff.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The range of remuneration was £23,000-£151,000 (2020: £23,000-£170,000).

Our People **(Unaudited Information)**

Diversity and Inclusion

The BFI is committed to supporting and promoting diversity and inclusion through all our people activities and approaches **during our employee's life cycle**.

Our profile and our action plan:

Our range of initiatives are externally published within our gender pay gap action plan on **our own website and on the Government's Gender Pay Gap reporting site**, as we recognise the intersectionality of our people.

Our reported gender pay gaps (in favour of men) are:

	MEAN PAY GAP	MEDIAN PAY GAP	FEMALE %	MALE %
31-03-21	3.1%	0%	54.6%	45.4%

	MEAN PAY GAP	MEDIAN PAY GAP	FEMALE %	MALE %
31-03-20	1.9%	0%	52.6%	47.4%
31-03-19	-0.02%	3.9%	53%	47%

Our Profile as at 31 March 2021:

	SELF-IDENTIFIED (31-03-21)	SELF-IDENTIFIED (31-03-20)	SELF-IDENTIFIED (31-03-19)	OUR DATA GAPS	OUR TARGETS
Disability	8.6%	9.0%	8.6%	12.8%	12%
Ethnicity (Ethnically diverse)	16.7%	16.2%	15.5%	0%	40% in urban areas; 36% overall
Gender (Women)	54.6%	52.6%	53%	0%	50%
Sexual Orientation (LGBTQ+)	13%	13.6%	11.7%	21.1%	10%

We are working to close our data gaps to ensure that our reporting better reflects who we are and our initiatives both target support for our current people and help us to improve our representation across the BFI. Our targets in our under represented areas are designed to challenge us to find innovative ways to meet them within a low core turnover (unplanned approx. 10% in a non COVID year, 3.6% in 20/21) and an average length of service of 9.6 years, which along with our 0.8% time lost to sickness absence reflect our high level of people engagement.

Our 2020-21 People Initiatives included:

- We supported BFI people through COVID-19 pandemic ensuring the furlough scheme was accessed to protect jobs and looked for redeployment opportunities around the organisation for people in departments that were slower to re-open.
- We continue to pay the London Living Wage plus a differential as a minimum to all employees across the BFI (including c20% of our people based outside of the London area).
- Internal staff networks have been established BFI Race Equality Network and BFI LGBTQIA+ Network.
- We have introduced a target of 15% for ethnically diverse senior management. We are also working closely with our Inclusion team to review our recruitment and

selection language and access. We work with the following recruitment sites to encourage ethnically diverse candidates: We Are POCC; and SocialFixt.

- We have for several years guaranteed a 1st stage interview to all ethnically diverse candidates who meet our minimum requirements person specifications which mirrors our approach to D/deaf/disability as a Disability Confident employer.
- We won the 2020 UK Inclusivity Excellence Award for our work on engagement in representation
- We encourage women returners (and support all working parents) we operate a generous childcare scheme, supported by flexible working practices (for all) and provide shared parental leave on enhanced terms.
- We provide an Employee Assistance Programme that is frequently used by employees for advice and support on a wide range of life and work topics.
- **We operate ‘blind’ recruitment at our shortlisting stage to advertised roles.** Our person specifications for each role are based on the ‘minimum requirements’ of the competencies needed for the role to avoid creating any unnecessary barriers. We are a Disability Confident employer, accredited by Jobcentre Plus. In addition to guaranteeing an interview to applicants with a disability who meet our minimum requirements for a role we also operate the same approach for ethnically diverse candidates.
- We are long serving Stonewall Champions.
- D&I evidence based workforce targets are in place for each Executive Director to own and action plan their delivery. BFI wide targets are proposed based upon the combined Directorate proportionate targets.
- **We are founding members for our sector of the global Employer’s Network for Equality and Inclusion** and represent on the Executive Steering Committee.

Health & Wellbeing

- Our overall sickness absence is low at 0.8% time lost to sickness absence.
- Reacting to government requirements and fluctuating infection rates has, of course, been a challenge. A considerable amount of time and effort has gone into ensuring our sites are safe to operate within COVID Secure guidance. We have regularly met with operational teams and the joint unions to agree and implement COVID secure procedures. Measures implemented include, calculation of maximum occupancy of areas at requisite social distancing, installing barriers and divides, enhanced cleaning and improvements to ventilation. Providing employees with face coverings and clinical grade masks, installing body temperature monitoring for all sites and purchasing lateral flow tests for employees and contractors attending site. All staff

returning to site were given training on the new working practices and controls as well as COVID Vulnerability Screening. Additional controls or precautions were put in place for any higher risk employees including clinical grade masks, increased segregation or alternative duties.

- To support the shift of our office based employees to homeworking we rolled out, ergonomic, IT and wellbeing advice. Ergonomic homeworking equipment has been made available to our homeworking employees including large monitors, keyboards, mice and office seating.
- We recognise the significant strain this pandemic has taken on individuals and rolled out multiple health and wellbeing initiatives including: flexible and reduced working hours for those with increased schooling responsibilities, a new mental health e-learning module for all employees, COVID secure access to sites for operational and wellbeing reasons, a robust occupational health process for protecting the vulnerable and increased support for employees who are struggling with lockdowns and new isolated working conditions
- In addition to the significant wellbeing work done around the pandemic we continue to train new mental health first aiders and offer resilience sessions for teams.

66 people accessed advice or counselling from our Employee Assistance Programme in 2020-21. Advice and support was sought on a variety of work and personal issues including financial, child care and counselling services.

CORPORATE INFORMATION

British Film Institute

The British Film Institute is incorporated by Royal Charter and is registered in England and Wales as a charity, number 287780.

Registered Office: 21 Stephen Street, London W1T 1LN

www.bfi.org.uk

Auditor

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

Bankers

Lloyds Bank plc

113-117 Oxford Street, London W1D 2HW

Internal auditors

BDO

55 Baker Street, London, W1U 7EU

Solicitors

Farrer & Co

66 Lincoln's Inn Fields, London WC2A 3LH

Approval of Annual Report

This annual report includes information that the BFI is required to disclose in accordance with the Government Financial Reporting Manual (FReM) and accounts direction in a Strategic Report for the National Lottery activities. A separate report has therefore not been prepared.

The Annual Report, including the Remuneration Report, was approved by the Board of Governors for signature on 25 November 2021.



Phil Stokes

Chair, **Audit, Risk and Governance Committee**
BFI Governor



Ben Roberts
Chief Executive

GOVERNANCE STATEMENT

Scope of Responsibility

How the BFI is governed is covered on pages **74** to **79**. The Board of Governors is aware of the requirements of the HM Treasury Corporate Governance Code and work is continuing to ensure compliance.

As Accounting Officer and as Chair of the Board of Governors, we have responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives set by the Department for Digital, Culture, Media and Sport (DCMS), whilst **safe-guarding the public funds and the British Film Institute's (BFI)** assets for which we are responsible in accordance with the responsibilities assigned to us in Managing Public Money and as Trustees of the Charity. The BFI complies with the HM Treasury Corporate Governance Code to the extent relevant to a Charity and National Lottery distributing body.

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

The purpose of the system of internal control

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

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of BFI policies, aims and objectives, to evaluate the likelihood of those risks being realised and should they be realised, to manage them efficiently, effectively and economically. The system of internal control includes adequate arrangements for detecting and responding to inefficiency, conflict of interest and fraud, and prioritises those risks associated with the custody of assets and potential loss of Exchequer and National Lottery grants. The system of internal control has been in place for the year ended 31 March 2021 and up to the date of approval of the annual report and financial statements, and accords with Treasury guidance.

Capacity to handle risk

As Accounting Officer and Chair of the Board of Governors we have overall **responsibility for the BFI's risk management framework, and** are supported in its implementation by the Senior Management Team and staff who are trained and equipped to assess and manage risk in a way appropriate to their authority and duties. Attendance at Board of Governors meetings in 2020-21 is detailed at page **77**.

The Audit, Risk and Governance Committee, chaired during the year by Phil Stokes, gives independent advice and guidance to us, in our roles as Accounting Officer and Chair, and to the Board of Governors as a whole, on the adequacy of audit arrangements (both internal and external), on the implications of assurances provided in respect of risk and control at the BFI and oversees the work of the internal auditors, as well as providing guidance as to best practice. Attendance at Audit, Risk and Governance Committee meetings in 2020-21 is detailed at page 77.

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

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

Terms of reference for the Audit, Risk and Governance Committee and the Remuneration Committee are reviewed by the Board of Governors and are held by the Board Secretary.

The risk and control framework

A risk management policy has been established setting out the BFI's attitude to the assessment, limitation and mitigation of risk in the achievement of our objectives.

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

As at the 31 March 2021 the risk register as noted by the Executive Team included 42 corporate risks; these were considered as either time-sensitive or perennial risks.

The most significant are:

NATURE OF RISK	IMPACT	MITIGATION
Due to COVID-19, closure of BFI offices, venues and activities resulting in programme and services not being delivered and subsequent loss of self-generated income	£1.2m (in 2020-21 financial year)	Business Continuity/DR Plan in operation; Financial planning undertaken - review of all expenditure and income; maximising the Government's JRS and minimising all expenditure; working with Government to minimise financial risk
Failure to deliver the BFI's diversity agenda as effectively as planned	Reputation	Strong Executive Leadership and continued rollout of Diversity Standards across all BFI National Lottery activities; Workforce targets have been finalised for each Executive Director to own and action plan their delivery; regularly monitored and reviewed
The BFI does not secure level of funding and support to deliver its priorities	0 -10% of GIA	Engaging across Government on the role and activities of the BFI and how the BFI can deliver against the wider Government priorities
There is a period of uncertainty in 2021/22 in delivery of BFI2022 and the next Strategic Plan	Operational	In consultation with DCMS; monitoring and evaluation exercise underway re review of BFI2022 activities
The BFI is perceived not to be delivering UK-wide	Reputational	As detailed in BFI2022, the BFI is developing a UK-wide strategy which will help to identify how film outside London can be better served. On-going and continued monitoring of activity and performance

Risk management and internal control are embedded in the processes of the organisation and are considered and reviewed on a regular basis by management. For example, the National Lottery Finance Committee (LFC), who ultimately sign off on National Lottery commitments, consisted of representatives of the relevant fund, finance and business affairs and was independently chaired by the Accounting Officer or the Director of Finance and Resources. Any perceived risks arising in making an award were thus discussed at the time the funding decision was made and appropriate mitigating action taken, whilst allowing decision-making, oversight and control to be maintained of the decisions by the respective funds. The committee was updated on the progress of the funded projects to allow timely action to mitigate risks, protect funds and ensure that the ultimate purpose of the award is fulfilled.

For the regularly funded organisations, such as Creative England, Film London and Into Film, alongside regular oversight and monitoring, a series of regular formal governance meetings were held with the recipients throughout the year to discuss progress against key performance and risk indicators incorporated in their business plans and funding agreements.

The work of the BFI's internal audit service, provided by BDO (formerly Moore Stephens), operated to standards set out in the Public Sector Internal Audit Standards was developed from an analysis of BFI's UK exposure.

In 2020-21 internal audit reports covered:

- Assurance Mapping
- Culture Recovery Fund for Independent Cinemas England
- Business Continuity Planning
- Post Event Assurance
- Key Financial Controls
- Grant Management Functional Standard submission
- Young Audiences Content Fund – Interim

The analysis of risk and the internal audit plans are endorsed by the BFI's Executive Team, the Audit, Governance and Risk Committee and are approved by the Accounting Officer.

In line with Cabinet Office guidance in relation to information risk, the Finance Director is the Senior Information Risk Owner. Working with the Internal Auditor, all the systems and databases operated by the BFI are kept under review and periodic updates provided to the Audit, Governance and Risk Committee.

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

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

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

Review of effectiveness

The Board is responsible for considering its performance and reviewing its effectiveness, including assessing the quality of the information it receives on an ongoing basis, and judging that it is of a satisfactory standard. Papers and reports are concise, relevant and timely. **The Governors receive appropriate updates on the BFI's financial positions, forecasts, risks and performance against strategic goals at their scheduled meetings.**

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

In respect of risk management the responsibilities of the Executive Team are to:

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

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

The Internal Auditor provides audit reports on the areas of activity within the BFI. The reports include the **Internal Auditor's independent opinion on the adequacy and effectiveness of the BFI's system of internal control during the year together with recommendations for improvement.**

At the Audit, Risk and Governance Committee meeting on **24 November 2021**, the Internal Auditors gave their annual opinion. They concluded that there was an adequate and effective system of governance, risk management and internal control to address the risk that management's objectives are not fully achieved.

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

Additionality

National Lottery applications and assessment processes are designed to ensure that awards made will be in line with the achievement of policies, aims and objectives set by the DCMS and the mission and values of the BFI, as well as the requirements of the National Lottery etc. Act 1993 as amended. The BFI considers that National Lottery funding is distinct from government funding and adds value. Although it does not substitute for Exchequer expenditure, where appropriate it complements government and other programmes, policies and funding.

We can confirm that in our opinion:

- the BFI complies with its current Financial Directions, Funding Agreement, Management Statement and Financial Memorandum and the requirements of a Charity;
- the BFI complies with DCMS guidelines as issued to it, including obtaining relevant approvals and observing the requirements of spending controls;
- adequate audit arrangements, both internal and external, are in place to support us in reviewing the systems of internal control;
- adequate arrangements are in place to detect and respond to inefficiency, conflicts of interest and fraud and to minimise losses of National Lottery and other funds;
- the BFI has drawn up and maintains risk assessment and control procedures and risk registers;
- the BFI has complied with Cabinet Office guidance on information risk and has suffered no protected personal data incidents during 2020-21 or during previous years, and has made no reports to the Information Commissioners Office; and
- adequate systems of internal control were operational during the year and no significant weaknesses have been uncovered.

The BFI will continue to strive to improve the systems of internal control in place in relation to its management, and processes to maximise our operational efficiency as a National Lottery Distributor.



Phil Stokes
Chair, **Audit, Risk and Governance Committee**
BFI Governor



Ben Roberts, Chief Executive

Registered charity no: 287780

BRITISH FILM INSTITUTE GROUP AND NATIONAL LOTTERY ANNUAL REPORT
AND FINANCIAL STATEMENTS 2020-21

GROUP FINANCIAL STATEMENTS

For the year ended 31 March 2021

BFI GROUP AND CHARITY FINANCIAL STATEMENTS

STATEMENT OF GOVERNORS AND ACCOUNTING OFFICER'S RESPONSIBILITIES

Under both the Royal Charter and the National Lottery etc Act 1993 (as amended by the National Lottery Act 1998), the BFI is required to prepare a statement of accounts for the financial period in the form and on the basis directed by the Secretary of State for Digital, Culture, Media and Sport, with the consent of HM Treasury.

The accounts are to be prepared on an accruals basis and to show a true and fair view of the BFI's state of affairs at the year end and of our incoming resources, resources expended and cash flows for the financial year.

The Grant-in-Aid accounts are also prepared so as to comply with the Charities SORP 2019, and the Lottery distribution accounts are prepared in line with the Government Financial Reporting Manual.

Both sets of accounts are also expected to:

- observe the accounts directions issued by the Secretary of State which set out accounting and disclosure requirements, apply suitable accounting policies on a consistent basis, and make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Charity Statement of Recommended Practice or Government Financial Reporting Manual have been followed, and disclose and
- explain any material departures in the financial statements
- be prepared on a going concern basis, unless it is inappropriate to presume that the BFI will continue in operation

The Principal Accounting Officer of DCMS has designated the Chief Executive as the **BFI's Accounting Officer. The responsibilities of the accounting officers for Grant-in-Aid and Lottery distribution arm's length bodies are set out** in chapter three of Managing Public Money. Formally, the Accounting Officer is the person who Parliament calls to account for stewardship of its resources.

The Accounting Officer signing off these accounts has gained assurance in the following ways:

- a meeting with the Director of Finance to go through the financial controls
- receiving feedback from Business Planning and Performance Committee on review of internal audit reports and other internal control matters
- discussing the annual review and accounts at an Executive Board meeting attended by Executive Board colleagues, including the Director of Finance
- attending Audit, Risk and Governance Committee meetings where matters are scrutinised

The Accounting Officer confirms that, as far as he is aware, there is no relevant audit information of which the entity's auditors are unaware, and the Accounting Officer has

taken all the steps that he ought to have taken to make himself aware of any relevant **audit information and to establish that the entity's auditors** are aware of that information.

The Accounting Officer confirms that, as far as he is aware, the annual report and accounts as a whole is fair, balanced and understandable and he takes responsibility for the annual report and accounts and the judgement required for determining that it is fair, balanced and understandable.

In approving these accounts, Governors have complied with their duty under section 11 of the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

A copy of the Grant-in-Aid and Lottery distribution accounts directions are available from the Accounting Officer, BFI, 21 Stephen Street, London, W1T 1LN.

The Governors as the trustees of the Charity are responsible for preparing the **Trustees' Annual Report** and the group and charity financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The Governors delegate power and responsibility to the Chief Executive for the day to day operation of the organisation. As Accounting Officer for government reporting purposes, the Chief Executive is also responsible for reporting to DCMS, one of our main funders.

The law applicable to charities in England and Wales requires the Governors and Chief Executive to prepare accounts for each financial year which give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, changes in funds, and cash flows for the financial year. In preparing these financial statements, the Governors and Chief Executive are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- observe the methods and **principles in the Charities SORP or HM Treasury's Financial Reporting Manual** as applicable;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

The Governors and Chief Executive are responsible for keeping proper accounting records which are such as to disclose, with reasonable accuracy, the financial position of the Charity at any time, and to enable them as trustees to ensure that the accounts comply with applicable law. The Governors and Chief Executive are also responsible **for safeguarding the Charity's assets and ensuring their proper application in** accordance with the Charities Act 2011; National National Lottery etc. Act 1993, the Royal Charter and Managing Public Money issued by HM Treasury, and hence for taking reasonable steps for the prevention and detection of error, fraud and other

irregularities.

The Governors and Chief Executive are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Governors and Chief Executive confirm that they have met the responsibilities set out above and complied with the requirements for preparing the accounts. The charity and group financial statements set out on pages 69 to 89, have been compiled from and are in accordance with the financial records maintained by the Governors and Chief Executive.

The Board of Governors has approved a Code of Conduct which reflects the principles laid down in the Code of Best Practice for board members of Public Bodies and maintains a Register of Interests of board members. This Register is available for inspection at the BFI's registered offices at 21 Stephen Street, London W1T 1LN, on request to the Board Secretary.



Phil Stokes,
Chair, **Audit, Risk and Governance Committee**
BFI Governor



Ben Roberts
Chief Executive

THE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE GOVERNORS OF THE BRITISH FILM INSTITUTE

Opinion on financial statements

I have audited the financial statements of the British Film Institute for the year ended 31 March 2021 under the Royal Charter and the Secretary of State Directions thereunder. The financial statements comprise: the Consolidated and Charity Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion:

- **the financial statements give a true and fair view of the state of the group's and the British Film Institute's affairs as at 31 March 2021 and of its incoming resources** and application of resources for the year then ended; and
- the financial statements have been properly prepared in accordance with the Royal Charter and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and **Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'**. My responsibilities under those standards are **further described in the Auditor's responsibilities for the audit of the financial statements** section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting **Council's Revised Ethical Standard 2019**. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the British Film Institute in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the British Film Institute's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the British Film Institute'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.

My responsibilities and the responsibilities of the Governors and Accounting Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the British Film Institute is adopted in consideration of the requirements set out in the Government Financial Reporting Manual (FReM), which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual report but does not **include the financial statements and my auditor's report thereon. The Governors and Accounting Officer** are responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Remuneration Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Royal Charter;

- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the British Film Institute and its environment obtained in the course of the audit, I have not identified material misstatements in the Annual report.

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- **the Governance Statement does not reflect compliance with HM Treasury's guidance.**

Responsibilities of the Governors and Accounting Officer

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Governors and the Accounting Officer are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Governors and the Accounting Officer determine is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- **assessing the British Film Institute'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 Governors and the Accounting Officer anticipate that the services provided by the British Film Institute will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit the financial statements in accordance with the Royal Charter.

My 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 a certificate that includes my 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- **Inquiring of management, the British Film Institute’s head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the British Film Institute’s policies and procedures relating to:**
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and **regulations including the British Film Institute’s** controls relating to the Royal Charter, and Managing Public Money;
 - assessing the incentives for management to manipulate reported income and expenditure to remain within voted Parliamentary control totals;
 - **reviewing the British Film Institute’s accounting policies; and**
 - using analytical procedures to identify any unusual or unexpected relationships and transactions.
- discussing among the engagement team and involving relevant internal specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and management override of controls; and
- **obtaining an understanding of the British Film Institute’s framework of authority as well as other legal and regulatory frameworks that the British Film Institute operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the British Film Institute.** The key laws and regulations I considered in this context included Secretary of State Directions issued under the Royal Charter, employment law, tax law, the Coronavirus Act 2020 and Managing Public Money.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit, Risk and Governance Committee concerning actual and potential litigation and claims;

- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- performing sample testing of income received around the end of the year to address the risk of recognising revenue in the correct accounting period.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my 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 my certificate.

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date **14 December 2021**

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

BRITISH FILM INSTITUTE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 MARCH 2021

		2021					
	Note	Unrestricted £'000	Non-Lottery Restricted £'000	Total Non-Lottery £'000	Lottery Restricted £'000	2021 Total £'000	2020 Total £'000
Income							
<i>Income and endowments from charitable activities (earned income)</i>							
Audiences	3	13,784	-	13,784	-	13,784	22,996
Learning & Skills	3	79	-	79	-	79	230
Talent	3	-	-	-	-	-	7
Leadership	3	-	-	-	-	-	-
<i>Income from donations and legacies</i>							
Voluntary Income							
Lottery proceeds	3 & 15	-	-	-	49,073	49,073	48,258
Lottery recoupment income	3	-	-	-	806	806	1,576
Revenue Grant in Aid funding	2	16,649	55,596	72,245	-	72,245	33,918
Capital Grant in Aid funding	2	-	1,987	1,987	-	1,987	1,007
Other grants, legacies and donations	3	1,798	5,319	7,117	154	7,271	3,767
Donated services and facilities	4	-	356	356	-	356	1,698
Investment income	5	17	-	17	10	27	65
Total Income		32,327	63,258	95,585	50,043	145,628	113,522
Expenditure on							
<i>Charitable activities</i>							
Audiences	6	(35,174)	(57,106)	(92,280)	(9,762)	(102,042)	(75,998)
Learning & Skills	6	(1,829)	(1,200)	(3,029)	(11,457)	(14,486)	(17,860)
Talent	6	(1,329)	(3,992)	(5,321)	(31,259)	(36,580)	(27,273)
Leadership	6	(500)	(136)	(636)	(1,008)	(1,644)	(1,318)
<i>Total charitable activities</i>		<i>(38,832)</i>	<i>(62,434)</i>	<i>(101,266)</i>	<i>(53,486)</i>	<i>(154,752)</i>	<i>(122,449)</i>
Costs of raising funds	6	(1,859)	-	(1,859)	-	(1,859)	(2,260)
		(1,859)	-	(1,859)	-	(1,859)	(2,260)
Total expenditure		(40,691)	(62,434)	(103,125)	(53,486)	(156,611)	(124,709)
Net expenditure		(8,364)	824	(7,540)	(3,443)	(10,983)	(11,187)
Gross transfers between funds	24	3,128	385	3,513	(3,513)	-	-
Net expenditure and net movement in funds before other recognised gains and losses		(5,236)	1,209	(4,027)	(6,956)	(10,983)	(11,187)
Other recognised gains / (losses)							
Actuarial gains / (losses) on defined benefit pension scheme	8	(28,092)	-	(28,092)	(2,052)	(30,144)	7,148
Gains / (losses) on the revaluation of fixed assets	10	(1,415)	-	(1,415)	-	(1,415)	2,433
Net movement in funds		(34,743)	1,209	(33,534)	(9,008)	(42,542)	(1,606)
Reconciliation of funds							
Total funds brought forward	24	20,864	4,797	25,661	33,977	59,638	61,244
Total funds carried forward	24	(13,879)	6,006	(7,873)	24,969	17,096	59,638

All gains and losses recognised in the year are included in this Statement of Financial Activities and all activities are classified as continuing. The accompanying notes 1 to 32 form part of these Accounts.

BRITISH FILM INSTITUTE
STATEMENT OF FINANCIAL ACTIVITIES - CHARITY ONLY
YEAR ENDED 31 MARCH 2021

		2021					2020
	Note	Unrestricted £'000	Non-Lottery Restricted £'000	Total Non-Lottery £'000	Lottery Restricted £'000	2021 Total £'000	2020 Total £'000
Income							
<i>Income and endowments from charitable activities (earned income)</i>							
Audiences	3	10,883	-	10,883	-	10,883	14,281
Learning & Skills	3	79	-	79	-	79	230
Talent	3	-	-	-	-	-	7
Leadership	3	-	-	-	-	-	-
<i>Income from donations and legacies</i>							
<i>Voluntary Income</i>							
Lottery proceeds	3 & 15	-	-	-	49,073	49,073	48,258
Lottery recoupment income	3	-	-	-	806	806	1,576
Revenue Grant in Aid funding	2	16,649	55,596	72,245	-	72,245	33,918
Capital Grant in Aid funding	2	-	1,987	1,987	-	1,987	1,007
Other grants, legacies and donations	3	2,719	5,319	8,038	154	8,192	9,414
Donated services and facilities	4	-	356	356	-	356	1,698
Investment income	5	13	-	13	10	23	52
Total Income		30,343	63,258	93,601	50,043	143,644	110,441
Expenditure on							
<i>Charitable activities</i>							
Audiences	6	(33,031)	(57,106)	(90,137)	(9,762)	(99,899)	(72,760)
Learning & Skills	6	(1,829)	(1,200)	(3,029)	(11,457)	(14,486)	(17,860)
Talent	6	(1,329)	(3,992)	(5,321)	(31,259)	(36,580)	(27,273)
Leadership	6	(500)	(136)	(636)	(1,008)	(1,644)	(1,318)
<i>Total charitable activities</i>		<i>(36,689)</i>	<i>(62,434)</i>	<i>(99,123)</i>	<i>(53,486)</i>	<i>(152,609)</i>	<i>(119,211)</i>
<i>Costs of raising funds</i>							
	6	(1,859)	-	(1,859)	-	(1,859)	(2,260)
		(1,859)	-	(1,859)	-	(1,859)	(2,260)
Total expenditure		(38,548)	(62,434)	(100,982)	(53,486)	(154,468)	(121,471)
Net expenditure		(8,205)	824	(7,381)	(3,443)	(10,824)	(11,030)
Gross transfers between funds	24	3,128	385	3,513	(3,513)	-	-
Net expenditure and net movement in funds before other recognised gains and losses		(5,077)	1,209	(3,868)	(6,956)	(10,824)	(11,030)
Other recognised gains / (losses)							
Actuarial gains / (losses) on defined benefit pension scheme	8	(28,092)	-	(28,092)	(2,052)	(30,144)	7,148
Gains / (losses) on the revaluation of fixed assets	10	(1,415)	-	(1,415)	-	(1,415)	2,433
Net movement in funds		(34,584)	1,209	(33,375)	(9,008)	(42,383)	(1,449)
Reconciliation of funds							
Total funds brought forward	24	21,008	4,797	25,805	33,977	59,782	61,231
Total funds carried forward		(13,576)	6,006	(7,570)	24,969	17,399	59,782

All gains and losses recognised in the year are included in this Statement of Financial Activities and all activities are classified as continuing. The accompanying notes 1 to 32 form part of these Accounts.

BRITISH FILM INSTITUTE
CONSOLIDATED AND CHARITY BALANCE SHEET
As at 31 MARCH 2021

	Note	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Fixed assets:					
Intangible fixed assets	9	40	197	-	-
Tangible fixed assets	10	75,057	78,960	75,057	78,960
Investments	12	-	-	1,443	1,443
Total fixed assets		<u>75,097</u>	<u>79,157</u>	<u>76,500</u>	<u>80,403</u>
Non-current assets:					
Film Rights	14	9,228	10,532	9,228	10,532
Current assets:					
Stocks & work in progress	16	572	569	383	379
Debtors	17	30,737	8,677	31,425	10,133
Film Rights	14	2,331	2,805	2,331	2,805
National Lottery Distribution Fund	15	53,120	53,804	53,120	53,804
Cash at bank and in hand	18	32,557	23,411	30,734	20,345
Total current assets		<u>119,317</u>	<u>89,266</u>	<u>117,993</u>	<u>87,466</u>
Liabilities:					
Creditors: amounts falling due within one year	20	(88,571)	(53,387)	(88,347)	(52,689)
Provisions	22	(3,166)	(3,887)	(3,166)	(3,887)
Net current assets		<u>27,580</u>	<u>31,992</u>	<u>26,480</u>	<u>30,890</u>
Total assets less current liabilities		<u>111,905</u>	<u>121,681</u>	<u>112,208</u>	<u>121,825</u>
Defined benefit pension scheme net liability	8	(94,809)	(62,043)	(94,809)	(62,043)
Total net assets		<u><u>17,096</u></u>	<u><u>59,638</u></u>	<u><u>17,399</u></u>	<u><u>59,782</u></u>
The Funds of the Charity:					
Restricted income funds					
Restricted income funds excluding Lottery and pensions liability	24	6,006	4,797	6,006	4,797
Lottery reserve		29,919	36,650	29,919	36,650
Lottery share of pension reserve		(4,950)	(2,673)	(4,950)	(2,673)
	24	<u>24,969</u>	<u>33,977</u>	<u>24,969</u>	<u>33,977</u>
Total restricted funds		<u>30,975</u>	<u>38,774</u>	<u>30,975</u>	<u>38,774</u>
Unrestricted income funds					
Unrestricted income funds excluding pensions asset/liability		33,065	33,659	33,368	33,803
Unrestricted fixed asset revaluation reserve		42,915	46,575	42,915	46,575
		<u>75,980</u>	<u>80,234</u>	<u>76,283</u>	<u>80,378</u>
Pension reserve		(89,859)	(59,370)	(89,859)	(59,370)
Total unrestricted funds	24	<u>(13,879)</u>	<u>20,864</u>	<u>(13,576)</u>	<u>21,008</u>
Total charity funds	24	<u><u>17,096</u></u>	<u><u>59,638</u></u>	<u><u>17,399</u></u>	<u><u>59,782</u></u>

The accompanying notes 1 to 32 form part of these Accounts.

The Governors and Chief Executive Officer of the BFI, registered charity number 287780, approved these financial statements and authorised their signature on 10 December 2021.



Phil Stokes
Chair, Audit, Risk and Governance Committee
BFI Governor



Ben Roberts
Chief Executive

BRITISH FILM INSTITUTE
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2021

	Notes	2021			2020		
		Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Net (expenditure) / income		(8,364)	(2,619)	(10,983)	(10,677)	(510)	(11,187)
Less interest receivable	5	(17)	(10)	(27)	(33)	(32)	(65)
Depreciation	10	5,616	-	5,616	6,607	-	6,607
Amortisation of goodwill	9	157	-	157	157	-	157
(Increase) / decrease in film rights - due after one year	14	-	1,304	1,304	-	(2,283)	(2,283)
(Increase) / decrease in film rights - due within one year	14	-	474	474	-	2,954	2,954
(Increase) / decrease in stocks	16	(3)	-	(3)	(78)	-	(78)
(Increase) / decrease in debtors	17	(1,400)	(20,660)	(22,060)	(2,029)	1,293	(736)
Increase / (decrease) in creditors due within one year	20	3,736	31,448	35,184	1,875	13,153	15,028
Increase / (decrease) in provisions due within one year	22	-	(721)	(721)	-	1,052	1,052
Non-cash pension movements	8	2,398	225	2,623	4,069	425	4,494
Cash flows from operating activities		2,123	9,441	11,564	(109)	16,052	15,943
<i>Cash flows from investing activities</i>							
National Lottery Distribution Fund income received	15	-	(49,073)	(49,073)	-	(48,257)	(48,257)
National Lottery Distribution Fund cash drawn down	15	-	49,757	49,757	-	47,210	47,210
Interest receivable	5	17	10	27	33	32	65
Purchase of tangible fixed assets	10	-	(3,128)	(3,128)	(43)	(1,379)	(1,422)
Cash flows from investing activities		17	(2,434)	(2,417)	(10)	(2,394)	(2,404)
Change in cash and cash equivalents in the year		2,140	7,007	9,147	(119)	13,658	13,539
Cash and Cash equivalents at the beginning of the year		2,059	21,351	23,410	2,178	7,693	9,871
Cash and Cash equivalents at the end of the year	18 & 24	4,199	28,358	32,557	2,059	21,351	23,410

The accompanying notes 1 to 32 form part of these Accounts.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

Basis of preparation

The financial statements of the BFI are prepared under the historical cost convention, as modified for revaluation of certain categories of fixed assets and in accordance with the Charities Act, Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), the Accounts Direction issued by the Secretary of State for Digital, Culture, Media and Sport effective from April 2018 and applicable accounting standards.

The financial statements have also been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury, to the extent that they clarify or build on the requirements of the Charities SORP (FRS102). The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the BFI for the purpose of giving a true and fair view has been selected. The particular policies adopted by the BFI are described below and they have been applied consistently in dealing with items that are considered material to the accounts.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Charity, including its Lottery distribution activities, and all its subsidiary undertakings (see note 12 for details of subsidiaries and associate or jointly controlled entities). The results of the subsidiaries are consolidated on a line by line basis within the SOFA. A separate SOFA has also been presented for the Charity. The balance sheet and related notes show the assets and liabilities of the Group as well as the Charity. Separate accounts are also prepared for the BFI's Lottery distribution activities as required under the National Lottery etc. Act 1993 and these are attached to the consolidated accounts.

Estimates and judgements

Estimates and judgements have been used in the production of these accounts, notably with regard to the valuation of Fixed Assets, Film Rights and Pensions as at the year end, the allocation of support costs to the charitable activities and the recharge of operating costs to the Lottery activities. Details of the valuation of fixed assets are set out in the accounting policy Tangible fixed assets below and in note 10. Tangible Fixed Assets. Details of the valuation of film rights are set out in the Film Rights accounting policy below and in note 14. Film Rights. Details of the pension schemes are set out in the Pensions accounting policy below and in note 8. Pensions. The allocation of support costs is set out in the accounting policy Expenditure below and detailed in note 6. Expenditure. The recharge of operating costs to the Lottery activities are as set out in the accounting policy Apportioned costs below.

Most of the London Pension Fund's assets have quoted prices in active markets, but there are unquoted property, infrastructure and private equity assets, with BFI's share of assets other than equities and cash amounting to an estimated £48.9m (2020 £45.0m). The property and infrastructure assets are subject to valuation by external valuers and despite the ongoing impact of Covid-19 on the market and wider economy, the valuers have advised the pension fund that they are satisfied with the valuation of the assets at 31 March 2021. The actuaries have also given due consideration to the impact of Covid-19 on mortality rates and a prudent approach has been taken, following the guidance of the Institute and Faculty of Actuaries 'Continuous Mortality Investigation' 2020. Details of life expectancy are detailed in note 8 Pensions. The Fund Actuary has changed their standard approach to setting the CPI assumption, to take account of RPI reform. The method for calculating the RPI assumption (on which the CPI assumption is based) has been updated, resulting in a reduction in the Defined Benefit Obligation (DBO) of £9.8m. In addition, the difference between CPI and RPI (the RPI-CPI wedge) has been updated, resulting in an increase in DBO of £18.1m. These changes are linked, and are based on pre-2030 and post-2030 rates.

Going concern

Covid-19 has had a significant impact on the operations of the British Film Institute, with our cinemas and shops required to close from the commencement of lockdown in March 2020 through to July 2020, and then the further lockdown from November 2020 until Spring 2021. The ongoing impact of Covid-19 remains uncertain due to the potential for further lockdowns to be required, as well as the impact on demand. Thanks to the support from government through its Job Retention Scheme, extended to 30 September 2021, and the Culture Recovery Fund, for which the BFI is both a beneficiary and a distributor to the independent cinema sector, the organisation has so far been shielded from the worst of the known financial impacts since the year end. Based on this additional support, our status as a Royal Charter body, Non-Departmental Public Body and National Lottery Distributor and in the light of the 2022 Comprehensive Spending Review, we have reasonable expectations of continuing trading within the funding available to the BFI and that there would continue to be sufficient cash to meet the BFI's liabilities for at least 12 months from the date of signing the accounts.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

Much of the asset value of the BFI is in either restricted and/or long term fixed assets and pressure therefore remains on the underlying Charity. Excluding the restricted activities, the BFI recorded net expenditure (before gross transfers between funds and other recognised gains/losses) in the year of £10.98m (2020: net expenditure of £10.7m), albeit after non-cash transactions including depreciation of £5.6m (2020: £6.6m) and net non-cash pension charges of £2.6m (2020: £4.5m). The FRS102 pension liability has increased to £94.8m (2020: £62.0m) contributing to negative unrestricted reserves of £13.9m (2020: £20.9m). The pension liability is being addressed in the longer term with additional contributions being made to the London Pension Fund Authority, based on the triennial actuarial valuations, and these contributions are factored into our forward plans.

As at 31 March 2019, the latest actuarial valuation date, the deficit to be funded was £2.3m (2016: £9.6m) and this is being addressed over 5 years, subject to future triennial valuations. This is considerably less than the deficit in the accounts of £94.8m (2020: £62.0m) under FRS102 and the governors are satisfied that this approach is appropriate.

At the year end total reserves were £17.1m (2020: £59.6m) which included unrestricted cash balances of £4.2m (2020: £2.1m) and free reserves of £0.9m (2020: £1.1m) (note 24: Statement of Funds).

Charitable activities

The BFI engages in a diverse range of activities in order to meet its objects, which are described in more detail in the Governors' Report and the BFI's strategy BFI 2022. In the financial statements, the BFI categorises its activities across its four strategic priorities to further its charitable aims for the public benefit:

Audiences - great filmmaking for audiences everywhere.

Learning & Skills - giving everyone the educational opportunity to build a lifelong relationship with film.

Talent - supporting creative and influential filmmakers whose work is admired throughout the world.

Leadership - to lead on public policy and advocacy for the UK film sector and promote a globally competitive UK film industry.

Accruals convention

Income and expenditure is generally accounted for when receivable/payable on an accruals basis except where accounting standards or other requirements apply, as set out in the following accounting policies.

Income and endowments

All income is included in the SOFA when the Charity is legally entitled to the income, entitlement is probable and the amount can be quantified with reasonable accuracy. The following specific policies apply to categories of income:

Income from charitable activities: includes a wide range of chargeable activities including sales of cinema tickets, DVDs, film and footage and sponsorship income and these are accounted for on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (CONTINUED)

Income and endowments (continued)

Lottery proceeds are the BFI's share of Lottery income as notified to the BFI by the National Lottery Distribution Fund (NLDF).

Lottery recoupment income is income from film rights in excess of the original value of the right and is taken to the SOFA as film recoupment income. Income is accounted for on a receivable basis. The exception to this is recoupment income because of the inherent difficulties in relating the income to a specific period in time. Recoupment income is therefore accounted for upon notification of amounts received by the BFI.

Donated services and facilities: including gifts in kind, are included in income and expenditure at the value to the Charity where this can be quantified (see note 4).

Grants and deferred income: whilst grants, including Grant-in-Aid, are typically accounted for in full upon receipt, where related to performance and specific deliverables, grants are accounted for as the Charity earns the right to consideration by its performance. Where income is received in advance of its recognition, it is deferred and included in creditors: amounts falling due within one year. Where entitlement occurs before income being received, the income is accrued. Capital grants are accounted for as income as soon as they are receivable. Grant-in-Aid refers to direct grants from the Department for Digital, Culture, Media and Sport for the general use of the BFI and also ring-fenced funding for other appropriate bodies delivering activities in accordance with the BFI's charitable objects.

Gift Aid is receivable from HM Revenue & Customs on certain donations which meet the relevant requirements and these are recognised on an accruals basis.

Film recoupment income

Income received from film rights is offset against the value of the film rights on the Balance Sheet.

Income in excess of the original value of the rights is taken to the SOFA as film recoupment income.

Receivables

Provisions for doubtful debts (provision for impairment) are raised on outstanding debts and rely on estimation methodologies and techniques to calculate the amount of the provision. Any movement in the provision in the year is taken to the SOFA within charitable expenditure.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category concerned. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources (see note 6). Costs of generating funds are fund-raising and publicity costs incurred in seeking voluntary contributions and do not include the cost of disseminating information in support of charitable activities.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (CONTINUED)

Expenditure (continued)

Grant Awards

Grant expenditure is charged to the statement of financial activities in the year that the grants are awarded and, if relevant, in which funding for the grant is received from DCMS. In most circumstances this will be the same as the year in which the funded activities take place. However, in some cases grant expenditure is recognised in the accounts where the funded activity is due to take place in future years. Any amounts unpaid from grants at the year end are shown in the balance sheet as creditors. Grant commitments made in the year relating to future years' activity as disclosed in note 27: Contingent Liabilities are not charged to the statement of financial activities, as they are contingent on receipt of Grant-in-Aid income, which is not certain until the year in which it is due.

The basis of reporting Lottery award commitments is laid out in the revised Accounts Direction from DCMS and the National Lottery etc. Act 1993, and continues to align with the reporting requirements of the Charities SORP. Where the BFI has made a firm offer of a grant and notified successful applicants, the award is accounted for within other creditors as a grant commitment. Where the BFI has agreed to make an award in respect of investing in a film rights project, these are not grants and are accounted for as set out below under financial instruments and film rights.

In line with our five year Business Plan, BFI 2022 some awards were made including funding for 2020-21. In line with the National Lottery Act etc. 1993 and the BFI Lottery Accounts Direction, which are consistent with the BFI's basis of preparation of accounts as outlined above, these awards were accounted for in full in the Statement of Financial Activities in the year in which the award was notified to the successful applicant.

Commitments payable within one year of the balance sheet date are recognised in the statement within creditors as current liabilities. Those payable more than one year from the balance sheet date are shown as creditors payable over more than one year, however, such commitments are unlikely in the usual course of business.

Awards made under the Lotteries Act Section 27 dispensation

Using the power granted by the Section 27 of the National Lotteries Act etc. 1993, in 2020-21 the Secretary of State did not object to a further award of £3,263,000 (2019-20: £2,275,000) to the BFI in relation to the Heritage 2022 project, as outlined in the BFI 2022 plan.

Under the same power the Secretary of State did not object to an award of £250,000 in 2020-21 and £900,000 in 2019-2020 to the BFI in relation to the London Film Festival. The awards were both made and fully paid within their respective financial years.

Apportioned costs

The BFI incurred costs which are shared between Lottery and the subsidiaries. The BFI as a charity is required to apportion costs in accordance with the principles of full cost recovery and the government's 'Managing Public Money' guidance. In addition to costs wholly attributable to Lottery activities, an assessment is made of the other costs attributable to Lottery activities incurred by service and other departments. This is based on a combination of head count, office space occupied, activity levels and additional expenditure incurred. These departments include Finance & Resources, External Affairs and the Chief Executive's Office. Direct costs are borne by the active subsidiaries of the BFI and in addition an appropriate share of staff costs and overheads based on BFI staff time spent on those activities.

Charitable expenditure on collections

The BFI has built the National Archive since its establishment in 1933, consisting of film and other related materials dating back to the 19th century. The BFI develops, cares for and interprets a collection that illustrates the art, history and impact of film, to be held in perpetuity for the public, for their use and for use by the BFI in pursuit of its objectives. The collection is one of the largest and most diverse collections in the world. It includes feature films, documentary and factual films, television programmes, artists film, photographic stills, posters, books and other related materials, held primarily for use in the BFI's activities and charitable objectives, as described in more detail in the Annual Report and below. The Collection Policy was most recently updated in November 2011 and can be found at www.bfi.org.uk. It documents our procedures for acquisition and disposal, documentation, conservation and access and describes our role in a national network of organisations that collect or provide access to film.

For the most part this collection has been acquired by donation, often with restricted usage rights, and as a result there is little in the way of purchase cost. There is also a lack of comparable market values, compounded by the diverse nature of the objects and the volume of the items held. In the opinion of the Governors, reliable information on cost or value is not available for the BFI's collection.

In the Governors' opinion, conventional valuation approaches lack sufficient reliability and any valuation is likely to incur significant costs that are likely to be onerous. Even if valuations could be obtained this would not be commensurate with any benefits to the BFI's management, curatorial staff, the public, or other users of the financial statements. For this reason the collections, large proportions of which were gifted to the BFI at nil cost and are incomparable in nature, are not recognised in the BFI's balance sheet.

All expenditure on acquiring, preserving and improving the collection is included in charitable expenditure in the year incurred. In the main, this expenditure is of a curatorial or restoration nature and the Governors are of the opinion that any value attributable to heritage assets or fixed assets would not be material. The collections also comprise donated materials that are not subject to formal valuation.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (CONTINUED)

Heritage assets

Much of the BFI's collection is used, or expected to be used in the future, in its charitable activities. To the extent that the collection comprises heritage assets, there is an absence of reliable cost information, a diverse range of assets held, a lack of comparable market values and a complex mixture of intellectual property rights associated with the assets. As a result the Governors are of the opinion that valuation information cannot be obtained at a cost commensurate with the benefits to users of the financial statements and to the charity. Therefore the BFI has adopted a non-recognition approach.

Tangible fixed assets, depreciation and impairment

Expenditure on tangible fixed assets costing £5,000 or more and with a useful economic life of at least 3 years is capitalised and included at cost. Long leasehold land and buildings, together with some associated plant and fixtures, are included at fair value in accordance with the Charities SORP (FRS 102).

The BFI's long leasehold properties BFI Southbank and BFI London IMAX were revalued as at 31 March 2017 by appropriately qualified valuers, Deloitte LLP, in accordance with FRS 102: Section 17 - Property Plant and Equipment. The values at 31 March 2021 have been estimated using appropriate indexation from an independent expert body, resulting in a net decrease in value in the year of £1.4m (2020: increase of £2.3m).

The BFI's short leasehold properties in London and Berkhamsted have been subject to leasehold improvements. The values as at 31 March 2020 and 2021 have been estimated using appropriate indexation, resulting in a net decrease in value in the year of £0.2 m (2020: increase of £0.1m). The same indexation is applied to acquisitions, starting in the year following the acquisition.

Tangible fixed assets, depreciation and impairment (continued)

Revaluation is not applied to those classes of asset which are made up of low value and/or short useful economic life assets or where the historical cost is considered a reasonable approximation of fair value.

Depreciation is provided on all tangible fixed assets to write off the cost less estimated residual values over their expected useful economic lives. It is calculated on a straight line basis at the following rates from the month after acquisition to the month prior to disposal:

Long leasehold property	1-20% per annum
Short leasehold property improvements	5-20% per annum
Plant & fixtures valued with leasehold property	4-20% per annum
Computer and other IT equipment	5-25% per annum
Furniture, fixtures and fittings	4-20% per annum
Plant and machinery	4-25% per annum
Assets in the course of construction	Depreciation commences upon completion of construction

The carrying value of fixed assets and their remaining useful economic life is reviewed at least annually. Where the carrying value is considered to be greater than the value of the asset to the activities of the Charity, an impairment charge will be made in the year to reflect the recoverable value.

Intangible fixed assets

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the carrying value/fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill on acquisition of subsidiaries is separately disclosed. Goodwill is recognised as an asset and reviewed for impairment annually or on such other occasions that events or changes in circumstances indicate that it might be impaired. Any impairment is recognised immediately in the income statement and is not subsequently reversed. Goodwill is allocated to cash generating units for the purpose of impairment testing. Purchased goodwill arising on consolidation is amortised over the period of its expected useful economic life. This is considered to be a period of ten years from the date of acquisition.

Investments

Investments in subsidiaries, associate or jointly controlled entities are stated at cost less provision for impairment.

Financial instruments

The principal financial instruments are cash and holdings in the NLDF and film rights, under the definitions set out under FRS102. They are accounted for in line with the recognition and measurement criteria of IFRS9: Financial instruments, as set out below.

Other financial instruments include debtors and creditors that arise directly from Lottery and non-Lottery operations. The main risks arising from the financial instruments are interest rate risk, foreign currency risk and other price risk. Short term debtors are measured at transaction price, less any impairment. Foreign currency policy is stated below.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (CONTINUED)

Film rights

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

Under FRS102 film rights fall within the definition of Financial Instruments. Within that, they meet the definition of assets measured at fair value with gains and losses being recognised in the SOFA. The fair value, in line with definitions of International Financial Reporting Standard 9: Financial Instruments (IFRS 9), is based upon cash flows and models of future income that may be generated by the film right asset. The calculations behind these models are based upon external factors such as sales agents' estimates, actual sales made, and the recoupment order agreed in the financing contract between investors as well as internal factors such as the skills and expertise of management involved in these calculations and a review of the historic performance of the portfolio.

When an advance is made (satisfying the definition of an award liability) it is taken to the Balance Sheet initially at the full value of the award. An assessment is then made of the likely repayment of the award, if any, over the next seven financial years, with the valuation reduced to the extent that the repayment of the award is considered doubtful. The reduction is calculated either as standard percentage suggested by historic recoupment performance of that particular type of award, or based on the value suggested by future estimated receipts.

In subsequent years, the Film Rights valuations are reviewed to ensure that all revenues due are received and the valuation remains appropriate. The valuations are based on the best available information at the balance sheet date and the valuations will change over time. For instance, on production awards, the actual value of sales made to a territory may exceed or fall below the original sales estimate provided by the sales agent or the box office performance may exceed or fall below the initial projections following the release of a film.

Movements in value shown in the Statement of Financial Activity reflect the net effect of increases and decreases in values against film rights in the year. Any reduction may be reversed in part or in full if the valuation understates the fair value of the film rights. Advances for development and short film awards are fully adjusted to £nil in the year of the award, unless there is a reasonable expectation of repayment in the next seven financial years.

1. ACCOUNTING POLICIES (CONTINUED)

Film rights (continued)

If the valuation of the film rights is in excess of the amount of the award investment based on estimated recoupment over the next seven financial years, this is similarly recognised in the film rights valuation and released to income as the recoupment is received. In the context of the life of a film and its distribution cycle, seven years is felt to be a reasonable period over which a meaningful forecast can be taken, and is consistent with practice across the film industry.

Should the full amount of an award for film rights not be utilised, any unused element of the funding will be decommitted. If such a decommitment exceeds the fair value of the film, then any necessary adjustment will be released back to the SOFA so the remaining fair value reflects the revised investment value.

Stocks & work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. The former consist of goods held for resale and the latter expenditure on DVD and Blu-Ray development costs carried forward and written off over the expected commercial life of the individual titles.

Rewarding Success Provision

The rewarding success initiative allows for a share of film recoupment income arising from lottery awards to be made available to UK Producers, Writers and Directors for their future film making activity. The funds held on behalf of film-makers ("the locked box") represents the monies held for this initiative at the balance sheet date and not yet drawn down and are included as Provisions on the Balance Sheet.

National Lottery Distribution Fund

Balances held in the National Lottery Distribution Fund (NLDF) remain under the stewardship of the Secretary of State for Digital, Culture, Media and Sport. The share of these balances attributable to the BFI is as shown in the financial statements at an estimate of market value and, at the balance sheet date, has been certified by the Secretary of State for Digital, Culture, Media and Sport as being available for distribution by the BFI in respect of current and future commitments. With the election to adopt the recognition and measurement criteria of IFRS9, funds are held as financial instruments held at amortised cost. As the investments are held with the Debt Management Account and the National Loans Fund, these are exempt from recognising stage 1 and stage 2 impairment so no expected credit losses have been calculated on these instruments.

The share of proceeds and investment returns attributed to the BFI has been treated as income within these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (CONTINUED)

Pension costs

For defined benefit pension schemes the amounts charged in expenditure are the service costs, gains and losses on settlements and curtailments, administration costs and net interest on the defined liability. The service costs are included as part of staff costs. Actuarial gains and losses are recognised in the SOFA as other recognised gains / (losses).

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Charity, in separate trustee-administered funds which are part of the London Pension Fund Authority (LPFA). The LPFA is a local government pension scheme and the BFI is an Admitted Body member. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained every three years and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet and in note 8: Pensions.

For defined contribution schemes, the amount charged to the SOFA in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Operating and finance lease transactions

Payments made under operating leases are charged to the SOFA on a straight line basis over the lease term. There were no finance leases.

Fund accounting

Unrestricted funds are funds available for use at the discretion of the Governors in the furtherance of the general objectives of the BFI and which are not subject to externally imposed restrictions.

Restricted funds are funds to be used in accordance with specific restrictions imposed by donors. The aim and use of each restricted fund is set out in the notes to the accounts. Where the conditions have been met, for example to acquire fixed assets without ongoing restrictions, the related reserves are transferred to unrestricted reserves on the face of the Statement of Financial Activities.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date and gains and losses charged/credited to the Statement of Financial Activities.

Tax Status (Group and Charity)

The BFI is a registered charity and as such is potentially exempt from taxation of its income and gains to the extent that they are applied to its charitable objectives.

Its subsidiaries' total taxable profits are either gifted to the Charity or tax losses have been utilised and therefore no tax is payable.

Deferred taxation follows the treatment of the item to which it is attributable and there are no deferred tax assets or liabilities recognised in these accounts.

Irrecoverable VAT is charged to the cost category to which it relates.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

2. OTHER SIGNIFICANT TRANSACTIONS

a) Grant-in-Aid - DCMS

DCMS has been the BFI's largest source of funding, excluding Lottery income. They have therefore been included in this category in order to provide supplementary disclosure. During the year, the BFI had the following material transactions with DCMS:

		2021	2020
		£'000	£'000
Revenue Grant in Aid funding	Unrestricted	16,649	14,736
Revenue Grant in Aid funding	Restricted	55,596	19,182
		<u>72,245</u>	<u>33,918</u>
Capital Grant in Aid funding		<u>1,987</u>	<u>1,007</u>

Restricted Revenue Grant in Aid funding includes funds for Northern Ireland of £4.3m (2020: £4m), Education (Film Academies) of £1m (2020: £1m), Young Audience Content Fund of £18.8m (2020: £14.2m), Culture Recovery Fund £29.2m (2020: £Nil) and other funding of £2.2m - see Note 24.

The Reserves balances carried forward at the end of the year are £0.6m (2020: £0.3m) for restricted funds and £nil (2020: £nil) for unrestricted funds.

Grant-in-Aid is spent in accordance with the funding agreement between the BFI and DCMS. The common objectives are to:

- extend & improve access to film culture, serving the diverse geographical needs of the UK's nations and regions and recognising the differing needs of rural, suburban and metropolitan locations;
- improve education about the moving image; and
- support & encourage cultural diversity and social inclusiveness; and promote film activity in the nations and regions, and ensure that national and regional bodies work in concert towards common goals.

b) Governors

The Governors neither received nor waived any emoluments during the year (2020: £nil). Governors expenses amounted to £nil in the year (2020: £nil). No governor claimed expenses during the year (2020: nil). No payments were made in the year for services (2020: £nil).

There were no material related party transactions involving Governors in their personal or business capacities other than Lottery and Grant-in-Aid awards disclosed in note 30: Related Parties.

The Charity has purchased insurance to indemnify the Governors against the consequences of any neglect or default on their part. The cost amounted to £7,950 (2020: £8,904), which includes cover for Governors and Officers of the Charity but also covered management liability, crime and employment practices liability for the organisation as a whole.

c) BFI Trust

BFI Trust is an independent registered charity with objectives consistent with those of the BFI. During the year, the BFI had the following material transactions with BFI Trust:

		2021	2020
		£'000	£'000
<i>Income from generated funds - Other grants, legacies and donations includes:</i>			
Grants receivable from BFI Trust	Restricted	100	634
	Unrestricted	1,040	-
<i>Resources expended - Charitable activities includes:</i>			
Rental of leasehold premises		(1,835)	(1,835)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

3. INCOME - GROUP

	Unrestricted	Non-Lottery Restricted	Lottery Restricted	Total
	2021	2021	2021	2021
	£'000	£'000	£'000	£'000
<i>Income and endowments from charitable activities (earned income)</i>				
Audiences	13,784	-	-	13,784
Learning & Skills	79	-	-	79
Talent	-	-	-	-
	<u>13,863</u>	<u>-</u>	<u>-</u>	<u>13,863</u>

Income from Donations and legacies

Voluntary Income				
Lottery proceeds	-	-	49,073	49,073
Lottery recoupment income	-	-	806	806
Revenue Grant in Aid funding	16,649	55,596	-	72,245
Capital Grant in Aid funding	-	1,987	-	1,987
Other grants, legacies and donations	1,798	5,319	154	7,271
Donated services and facilities	-	356	-	356
	<u>18,447</u>	<u>63,258</u>	<u>50,033</u>	<u>131,738</u>

Investment income	<u>17</u>	<u>-</u>	<u>10</u>	<u>27</u>
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Total Income	<u><u>32,327</u></u>	<u><u>63,258</u></u>	<u><u>50,043</u></u>	<u><u>145,628</u></u>
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	Unrestricted	Non-Lottery Restricted	Lottery Restricted	Total
	2020	2020	2020	2020
	£'000	£'000	£'000	£'000
<i>Income and endowments from charitable activities (earned income)</i>				
Audiences	22,996	-	-	22,996
Learning & Skills	230	-	-	230
Talent	<u>7</u>	<u>-</u>	<u>-</u>	<u>7</u>
	<u>23,233</u>	<u>-</u>	<u>-</u>	<u>23,233</u>

Income from Donations and legacies

Voluntary Income				
Lottery proceeds	-	-	48,258	48,258
Lottery recoupment income	-	-	1,576	1,576
Revenue Grant in Aid funding	14,736	19,182	-	33,918
Capital Grant in Aid funding	-	1,007	-	1,007
Other grants, legacies and donations	1,783	1,912	72	3,767
Donated services and facilities	-	1,698	-	1,698
	<u>16,519</u>	<u>23,799</u>	<u>49,906</u>	<u>90,224</u>

Investment income	<u>33</u>	<u>-</u>	<u>32</u>	<u>65</u>
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Total Income	<u><u>39,785</u></u>	<u><u>23,799</u></u>	<u><u>49,938</u></u>	<u><u>113,522</u></u>
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	2021 £'000	2020 £'000
<i>Sponsorship and other income included in Income from charitable activities (earned income):</i>		
Sponsorship income, associated with the costs of generating voluntary income	1,624	1,685
Other income, associated with the costs of generating voluntary income	<u>-</u>	<u>405</u>
	<u><u>1,624</u></u>	<u><u>2,090</u></u>

Costs of generating funds

Costs of generating voluntary income	<u><u>(1,859)</u></u>	<u><u>(2,260)</u></u>
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Costs of generating voluntary income is the staff and other costs of the in-house teams who source funding from individuals, trusts, foundations and corporations. In addition to Voluntary Income, income from charitable activities includes sponsorship income of £1,624,000 (2020: £1,685,000) raised by the teams. This income primarily relates to the corporate sponsorship of the BFI London Film Festival and BFI Flare film festival. In the year, expenditure was lower due mainly to the staging of the "Luminous" fundraising gala with associated income in the previous year.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

4. DONATED SERVICES AND FACILITIES

	2021	2020
	£'000	£'000
Publicity and advertising	355	1,022
Buildings and facilities	-	337
Services and equipment hire	-	276
Food and drink	1	20
Other goods	-	42
	<u>356</u>	<u>1,697</u>

Donated services and facilities are valued using information provided by the suppliers regarding market value.

5. INVESTMENT INCOME - GROUP

	Unrestricted	Lottery	2021	Unrestricted	Lottery	2020
	£'000	Restricted	Total	£'000	Restricted	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Bank interest receivable	<u>17</u>	<u>10</u>	<u>27</u>	<u>33</u>	<u>32</u>	<u>65</u>

Bank interest receivable was £27,000 (2020: £65,000) of which £17,000 was unrestricted bank interest income (2020: £33,000) and £10,000 was restricted bank interest income (2020: £32,000).

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

6. EXPENDITURE - GROUP

	Direct Costs 2021 £'000	Allocated Pension charges 2021 £'000	Allocated Support costs 2021 £'000	Total 2021 £'000
Audiences	(93,109)	(4,564)	(4,369)	(102,042)
Learning & Skills	(13,904)	(307)	(275)	(14,486)
Talent	(35,782)	(652)	(146)	(36,580)
Leadership	(1,265)	(289)	(90)	(1,644)
Costs of generating voluntary income	(1,859)	-	-	(1,859)
Total resources expended	<u>(145,919)</u>	<u>(5,812)</u>	<u>(4,880)</u>	<u>(156,611)</u>

	Direct Costs 2020 £'000	Allocated Pension charges 2020 £'000	Allocated Support costs 2020 £'000	Total 2020 £'000
Audiences	(65,761)	(5,655)	(4,582)	(75,998)
Learning & Skills	(17,242)	(388)	(230)	(17,860)
Talent	(26,254)	(886)	(133)	(27,273)
Leadership	(830)	(386)	(102)	(1,318)
Costs of generating voluntary income	(2,260)	-	-	(2,260)
Total resources expended	<u>(112,347)</u>	<u>(7,315)</u>	<u>(5,047)</u>	<u>(124,709)</u>

Expenditure on charitable activities was £154,753,000 (2020: £122,449,000) of which £38,833,000 was unrestricted (2020: £48,202,000), £62,434,000 was restricted (2020: £25,754,000) and £53,484,000 was Lottery funded restricted expenditure (2020: £48,493,000).

Support services, including staff and other costs which are allocated across the activities of the Charity, are shown in the allocated support costs column. The basis of allocation is as follows:

As part of the Governments support during the pandemic the BFI has been awarded £29.2m (2020: £nil) in aid from the Culture Recovery Fund to support independent cinemas (Audiences), of which £28.7m (2020: £nil) was used to make awards in the year.

Nature of cost	Allocation basis	2021 £'000	2020 £'000
IT and finance support	Combination of head count and departmental spend	(2,481)	(2,483)
Human resources	Head count	(445)	(425)
Premises and utilities	Combination of floor area and head count	(710)	(819)
Communication and marketing	Direct spend and percentage of income generated	(517)	(491)
Other overheads	Combination of time and department spend	(372)	(468)
Governance costs	Departmental spend	(354)	(361)
Total support		<u>(4,880)</u>	<u>(5,047)</u>
Pension cost (note 8)	Net revenue account cost	<u>(5,812)</u>	<u>(7,315)</u>

	2021 £'000	2020 £'000
Governance costs:		
Audit fees: Charity (excluding Lottery)	(97)	(98)
Audit fees: Lottery	(52)	(52)
Audit: subsidiaries (British Screen group of companies)	(6)	(5)
Audit: subsidiary (British Film Institute (Big Screen) Limited)	(5)	(5)
Audit: subsidiary (BFI Enterprise Limited)	(8)	(5)
Audit of UK Media Desk grant claim	(4)	(7)
Trustees costs	(1)	(8)
Corporate policy and planning	(181)	(181)
Total governance	<u>(354)</u>	<u>(361)</u>

Governance costs are allocated across the activities of the Charity and are included in the allocated support and governance costs column above. The basis of allocation is departmental spend on activities.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

6. EXPENDITURE (continued)

Net resources expended before transfers are stated after charging:	2021	2020
	£'000	£'000

Auditors' remuneration (analysed above)	(172)	(172)
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Auditors' remuneration for the National Audit Office includes £nil fees for non audit services (2020: £nil). The National Audit Office provided audit services for the Charity and Lottery, with the subsidiary and other audits performed by Brebners LLP.

	2021	2020
	£'000	£'000
Foreign exchange gains / (losses)	1	(13)
Depreciation	(5,616)	(6,607)
Amortisation of goodwill	(157)	(157)

	2021	2020
	£'000	£'000
<i>Charges for operating leases:</i>		
Land and buildings	(1,886)	(1,873)
Plant & machinery	(41)	(41)

	2021	2020
	£'000	£'000
Film rights adjustments	(19,430)	(12,736)

The carrying value of the film rights reflects the extent to which full repayment of an advance, through actual receipts and the value of future estimated receipts, is considered doubtful. The valuation is reviewed on a rolling basis to ensure that fair value is maintained.

Grant-in-Aid awards

BFI has responsibility on behalf of DCMS for the administration of Grant-in-Aid awards made to third party and partner organisations in the film sector, and received additional funding for this.

Awards in the year were:	2021	2020
	£'000	£'000
Creative England	(300)	(300)
Film London	(1,974)	(367)
Northern Ireland Screen: Irish Language Fund	(3,180)	(3,000)
Northern Ireland Screen: Ulster Scots Fund	(1,143)	(1,000)
Film Academy awards	(713)	(726)
Young Audience Content Fund	(17,909)	(13,240)
	<u>(25,219)</u>	<u>(18,633)</u>

In addition to the above further Grant-in-Aid awards were made to partner organisations on or before 31 March 2021 for funded activity commencing on or after 1 April 2021. These are disclosed in note 27: Contingent Liabilities.

	2021	2020
	£'000	£'000

Lottery awards

Full details of all Lottery commitments made in the year are shown in the accompanying Lottery financial statements.

Lottery - non-film rights awards included in the SOFA - Expenditure on Charitable activities	(30,017)	(29,980)
Heritage 2022 - award to the BFI - Gross transfers between funds, note 24: Statement of Funds	(2,888)	(2,275)
Film Festivals - award to BFI LFF - Gross transfers between funds, note 24: Statement of Funds	(250)	(900)
Lottery - non-film rights awards per Lottery Statement of Comprehensive Net Expenditure	<u>(33,155)</u>	<u>(33,155)</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

7. STAFF COSTS

	2021	2020
	£'000	£'000
Staff costs consists of:		
Wages & salaries	(23,154)	(22,230)
Social security costs	(2,313)	(2,319)
Pension costs (see note 8)	(4,249)	(5,647)
	<u>(29,716)</u>	<u>(30,196)</u>
Agency staff costs included in Wages & salaries above	<u>(421)</u>	<u>(442)</u>
Staff costs capitalised and not included above	<u>(89)</u>	<u>(36)</u>

The average number of full-time equivalent employees of the BFI during the year was:

	2021	2021	2021
	Full Time	Part Time	Total
Costs of generating voluntary income	13	4	17
Audiences	286	81	367
Learning & Skills	29	8	37
Talent	34	10	44
Leadership	25	7	32
	<u>387</u>	<u>110</u>	<u>497</u>
	2020	2020	2020
	Full Time	Part Time	Total
Costs of generating voluntary income	15	2	17
Audiences	327	43	370
Learning & Skills	33	4	37
Talent	44	6	50
Leadership	27	3	30
	<u>446</u>	<u>58</u>	<u>504</u>
	2021	2020	
	Number	Number	
Average number of full time equivalent Agency staff at the BFI during the year	<u>7</u>	<u>8</u>	

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

7. STAFF COSTS (continued)

Higher paid employees

	2021	2020
	£'000	£'000
Chief Executive - pay for the full year		
B. Roberts	150	160

Including bonuses totalling £NIL (2020: £5,500). Employer's pension contributions for the year amounted to £23,000 (2020: £18,000).

Executive Team Members (including the Chief Executive)

	2021	2020
	Number	Number
£160,000 - £169,999	-	1
£150,000 - £159,999	1	1
£140,000 - £149,999	-	-
£130,000 - £139,999	1	2
£120,000 - £129,999	2	1
£110,000 - £119,999	2	1
£100,000 - £109,999	-	1
£90,000 - £99,999	-	-
£80,000 - £89,999	-	-
Cost	<u>£776,000</u>	<u>£936,000</u>

Other senior staff

£100,000 - £109,999	1	1
£90,000 - £99,999	7	4
£80,000 - £89,999	17	19
£70,000 - £79,999	19	21
£60,000 - £69,999	23	20
Cost	<u>£5,093,000</u>	<u>£4,934,000</u>
Total Cost	<u>£5,869,000</u>	<u>£5,870,000</u>

Included in the above are 48 (2020: 51) staff who are ordinary members of the LPFA pension scheme. The amount of employer's pension contributions attributable to these staff amounted to £603,000 (2020: £469,000). There were 24 (2020: 18) staff who were members of defined contribution schemes. The amount of employer's pension contributions attributable to these staff amounted to £99,000 (2020: £74,000).

A number of Executive staff and other employees have interests in award applications which have been fully disclosed in note 30: Related Parties.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

8. PENSIONS

The BFI is an admitted body to the LPFA, which provides a defined benefit pension scheme for the salaried employees of the Charity. It is a funded scheme and the assets are administered by trustees and are independent of the BFI. The related costs are assessed in accordance with the advice of professionally qualified actuaries. From 1 January 2014 the BFI also operates a defined contribution pension scheme which is available for all employees not already in the defined benefit scheme.

The BFI has accounted in full for pension benefits in the year ended 31 March 2021 under the requirements of FRS102. Therefore, as at 31 March 2021, a pension liability of £94,809,000 (2020: £62,043,000) is included in the BFI balance sheet. BFI's agreed schedule of contributions was 15.4% of member employees' salary per year plus a monetary amount of £385,000 (2020: £891,000).

In addition to the amounts payable for current members of the pension scheme, within this scheme the BFI has an unfunded liability to pay pensions to 36 (2020: 36) former employees and their spouses or dependents. The total actuarial valuation for this liability at 31 March 2021 is included in the pension provision.

For FRS 102 disclosure, the full valuation at 31 March 2021 has been updated by the actuaries, Barnett Waddingham, to assess the liabilities of the scheme as at 31 March 2021.

The most significant actuarial assumptions in this recent valuation are:

		2021	2020
		%	%
		Per annum	Per annum
Rate of increase in prices	RPI	3.2	2.7
Rate of increase in prices	CPI	2.9	1.9
Rate of increase in salaries		3.9	2.9
Rate of increase in pensions in payment		2.9	1.9
Discount rate		2.0	2.4

Under the adopted mortality tables, the assumed life expectancy from age 65 are as follows:

	2021	2020
	Years	Years
Life expectancy at age 65 of female aged 45	26.1	26.1
Life expectancy at age 65 of female aged 65	24.3	24.4
Life expectancy at age 65 of male aged 45	23.4	23.7
Life expectancy at age 65 of male aged 65	22.0	22.2

BFI share of net pension liability as at 31 March:

	2021	2020	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
Fair value of employer assets	121,020	104,704	109,847	101,586	95,809
Present value of scheme liabilities	(213,418)	(164,675)	(172,316)	(164,891)	(164,164)
Net underfunding in funded plans	(92,398)	(59,971)	(62,469)	(63,305)	(68,355)
Present value of unfunded liabilities	(2,411)	(2,072)	(2,228)	(2,343)	(2,480)
Net pension deficit	(94,809)	(62,043)	(64,697)	(65,648)	(70,835)

Assets - Split of Investments by Category

Assets whole fund	2021	Asset	2020	Asset
	£'000	Distribution	£'000	Distribution
		%		%
Equities	67,192	55%	56,511	54%
Target return funds	27,770	23%	26,976	26%
Infrastructure	10,335	9%	7,629	7%
Properties	10,669	9%	10,393	10%
Cash	5,054	4%	3,195	3%
Total	121,020	100%	104,704	100%

Analysis of the amount chargeable to expenditure under FRS102

	2021	2020
	£'000	£'000
Current service cost	(3,716)	(4,010)
Past service cost	-	(1,180)
Contributions in respect of defined contribution schemes	(533)	(457)
Sub-total reflected in Staff costs (note 7)	(4,249)	(5,647)
Administration expenses	(136)	(143)
Net Interest on the defined liability	(1,427)	(1,525)
Total expenditure	(5,812)	(7,315)

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

8. PENSIONS (Continued)

Analysis of amount recognised in the SOFA	2021	2020
	£'000	£'000
Return on plan assets in excess of interest	14,783	(3,039)
Other actuarial gains/(losses) on assets	-	(4,118)
Change in demographic assumptions	1,769	(2,138)
Experience gains / (losses) arising on the scheme liabilities	2,142	(1,094)
Changes in assumptions underlying the present value of the scheme liabilities	(48,838)	17,537
Actuarial gain / (loss) recognised in SOFA	<u>(30,144)</u>	<u>7,148</u>

Reconciliation of defined benefit obligation	2021	2020
	£'000	£'000
Defined benefit obligation in scheme at beginning of year	(166,747)	(174,544)
Movement in year:		
Current service cost	(3,716)	(4,010)
Interest cost	(3,878)	(4,156)
Contributions by members	(872)	(910)
Unfunded benefits paid	151	151
Past service cost	-	(1,180)
Benefits paid	4,160	3,597
Change in demographic assumptions	1,769	(2,138)
Experience gains / (losses) on defined benefit obligation	2,142	(1,094)
Change in financial assumptions	(48,838)	17,537
Deficit in scheme at end of the year	<u>(215,829)</u>	<u>(166,747)</u>

Reconciliation of fair value of employer assets	2021	2020
	£'000	£'000
Fair value of employer assets in scheme at beginning of year	104,704	109,847
Movement in year:		
Interest on assets	2,451	2,631
Other actuarial gains/(losses)	-	(4,118)
Return on assets less interest	14,783	(3,039)
Contributions by members	872	910
Administration expenses	(136)	(143)
Contributions by the employer, including in respect of unfunded benefits	2,657	2,364
Benefits paid, including unfunded benefits	(4,311)	(3,748)
Fair value of employer assets in scheme at end of year	<u>121,020</u>	<u>104,704</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

8. PENSIONS (Continued)

History of experience gains and losses	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Fair value of employer assets	121,020	104,704	109,847	101,586	95,809
Present value of defined benefit obligation	(215,829)	(166,747)	(174,544)	(167,234)	(166,644)
Deficit	(94,809)	(62,043)	(64,697)	(65,648)	(70,835)
Experience (losses) / gains on assets	14,783	(3,039)	6,096	3,153	13,137
Experience (losses) / gains on liabilities	2,142	(1,094)	-	-	4,059

The sensitivity analysis on the major assumptions in the above is:

		£'000	£'000	£'000
Adjustment to discount rate		+0.1%	0.0%	-0.1%
	Present value of total obligation	(211,441)	(215,829)	(220,312)
	Projected service cost	(5,328)	(5,500)	(5,677)
Adjustment to long term salary increase		+0.1%	0.0%	-0.1%
	Present value of total obligation	(216,244)	(215,829)	(215,416)
	Projected service cost	(5,503)	(5,500)	(5,497)
Adjustment to pension increases and deferred valuation		+0.1%	0.0%	-0.1%
	Present value of total obligation	(219,854)	(215,829)	(211,885)
	Projected service cost	(5,675)	(5,500)	(5,329)
Adjustment to mortality age rating assumption		+ 1 Year	None	- 1 Year
	Present value of total obligation	(225,647)	(215,829)	(206,455)
	Projected service cost	(5,751)	(5,500)	(5,259)

9. INTANGIBLE FIXED ASSETS (Group)

Goodwill	Group £'000
Goodwill on Acquisition	
At 1 April 2020 and 31 March 2021	1,574
Goodwill Amortisation	
At 1 April 2020	(1,377)
Amortisation in the year	(157)
At 31 March 2021	(1,534)
Net Book Value	
At 31 March 2021	40
At 1 April 2020	197

Goodwill arose on consolidation of British Screen Finance Limited (BSF) and its subsidiary companies, which were acquired on 29 June 2011, and is being amortised over ten years on a straight line basis. This is charged against Audiences.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

10. TANGIBLE FIXED ASSETS (Group and Charity)

	Long leasehold property £'000	Short leasehold property improvements £'000	Computer and other IT equipment £'000	Furniture fixtures and fittings £'000	Plant and machinery £'000	Assets in the course of construction £'000	Total £'000
Cost or valuation							
At 1 April 2020	79,277	13,064	7,679	1,931	8,033	617	110,601
Additions	53	-	329	1,102	925	719	3,128
Disposals	-	-	(21)	(10)	(1,819)	-	(1,850)
Reclassification	-	-	595	-	-	(595)	-
Revaluation	(1,404)	(245)	-	-	-	-	(1,649)
At 31 March 2021	77,926	12,819	8,582	3,023	7,139	741	110,230
Depreciation							
At 1 April 2020	(10,149)	(7,928)	(5,577)	(1,297)	(6,690)	-	(31,641)
Charge for the year	(3,568)	(957)	(386)	(100)	(605)	-	(5,616)
Disposals	-	-	21	10	1,819	-	1,850
Reclassification	-	-	-	-	-	-	-
Revaluation	60	174	-	-	-	-	234
At 31 March 2021	(13,657)	(8,711)	(5,942)	(1,387)	(5,476)	-	(35,173)
Net Book Value							
At 31 March 2021	64,269	4,108	2,640	1,636	1,663	741	75,057
At 1 April 2020	69,128	5,136	2,102	634	1,343	617	78,960

The BFI's long leasehold properties BFI Southbank and BFI London IMAX, including associated plant and fixtures, were revalued as at 31 March 2017 by appropriately qualified valuers, Deloitte LLP, in accordance with FRS 102: Section 17 - Property Plant and Equipment. The values at 31 March 2021 have been estimated using appropriate indexation from an independent expert body, resulting in a net decrease in value in the year of £1.4m (2020 increase of £2.3m). Short leasehold property improvements have been revalued using appropriate indices, resulting in a net decrease in value in the year of £0.2m (2020: decrease of £0.1m). Other classes of assets have not been revalued, as they are made up of low value and/or short useful economic life assets or where the historical cost is considered a reasonable approximation of fair value.

Historic Cost Accounting:

	Long leasehold property £'000	Short leasehold property improvements £'000	Computer and other IT equipment £'000	Furniture fixtures and fittings £'000	Plant and machinery £'000	Assets in the course of construction £'000	Total £'000
Cost							
At 1 April 2020	40,356	11,274	7,680	1,931	8,033	615	69,890
Additions	53	-	309	1,103	925	739	3,129
Disposals	-	-	1	(10)	(1,820)	(20)	(1,849)
Reclassification	-	-	595	-	-	(595)	-
At 31 March 2021	40,409	11,274	8,585	3,024	7,138	739	71,170
Depreciation							
At 1 April 2020	(17,643)	(6,298)	(5,576)	(1,297)	(6,691)	-	(37,505)
Charge for the year	(1,245)	(1,035)	(366)	(98)	(529)	-	(3,273)
Disposals	-	-	(1)	8	1,742	-	1,749
At 31 March 2021	(18,888)	(7,333)	(5,943)	(1,387)	(5,478)	-	(39,029)
Net Book Value							
At 31 March 2021	21,521	3,941	2,642	1,637	1,660	739	32,141
At 1 April 2020	22,713	4,976	2,104	635	1,342	615	32,385

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

11. HERITAGE ASSETS (Group and Charity)

The BFI has built the National Archive since its establishment in 1933, consisting of film and other related materials dating back to the 19th century. The BFI develops, cares for and interprets a collection that illustrates the art, history and impact of film, to be held in safe custody in perpetuity for the public, for their use and for use by the BFI in pursuit of its objectives. The collection is one of the largest and most diverse collections in the world. It includes feature films, documentary and factual films, television programmes, artists film, photographic stills, posters, books and other related materials, held primarily for use in the BFI's activities and charitable objectives, as described in more detail in the Annual Report and below. In 2011 BFI adopted its current Collection Policy, which can be found on www.bfi.org.uk. It documents our procedures for acquisition and disposal, documentation, conservation and access and describes our role in a national network of organisations that collect or provide access to film and television. Key measures taken to safeguard the national collections include major investment in physical infrastructure to preserve master materials, developing our extensive database of materials and information and in digitising materials for the dual purposes of alternative storage and improved public access.

In line with the accounting policy, Heritage Assets are not recognised on the balance sheet as there is an absence of reliable cost information and a valuation approach is not practicable at a cost commensurate with the benefit to the users of the accounts and to the charity. In order to give an indication of the physical size and diversity of the collections, the main elements are summarised below.

Fiction film

42,000 titles. The collection includes the original camera negatives of some of the most important feature films in British film history. The BFI also looks after an extensive international collection of films.

Non fiction film

140,000 titles including documentaries, newsreels, government films, sponsored films, advertisements and home movies. It is the world's most important collection of documentary films.

Television

Around 800,000 television titles including material recorded off-air, as it was seen by the viewer, as well as production and transmission material. The collection includes all BBC output since 1980 including unique live broadcasts and extensive samples of commercial terrestrial television, with emphasis on key British productions. As well as the recorded material, significant collections of transmitted programming donated by broadcasters include the Rediffusion Collection (the earliest ITV contractor) and material preserved on analogue videotape from the 1960s and 1970s donated by the BBC and ITV.

Library

The library holds some 47,000 books including major film, TV and video directories and yearbooks from around the world, all major film and TV festival catalogues, programmes and brochures and all UK based festival catalogues. It also includes major film catalogues from around the world, annual reports from relevant companies and bodies; official publications including copyright, arts policy, and government reports; biographies and autobiographies of UK film/TV personalities.

One of the greatest strengths of the library is its near comprehensive collections of UK trade and academic journals (5,000 titles; 229,000 issues). An extensive collection of newspaper cuttings, publicity and press material are also held as are brochures, leaflets, prospectuses etc. describing the work of organisations that are relevant to film and television.

Special collections

21,000 unpublished scripts, from first drafts to release scripts, relating primarily to British film and TV titles.

28,000 press books, 19,000 film posters and 2,000 items of cinema ephemera such as programmes, tickets, autographed letters, promotional material and personal memorabilia.

700 collections of personal and company papers reflecting the history of British film and television production from the earliest days to the present time.

Approximately 1.4 million still images from or related to film and TV, including publicity material, production shots, and portraits.

30,000 film and television advertisements.

Other items include: over 5,500 production and costume designs; 200 boxes of animation cels including artwork by leading animators; and extensive audio collections including oral history recordings and interviews with many key industry figures.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

12. INVESTMENTS (Charity)

	2021			
	BFI Big Screen £'000	British Screen Finance Group £'000	BFI Enterprise £'000	2021 Total £'000
Trading Account				
Income	946	358	1,598	2,902
Expenditure	(435)	(49)	-	(484)
Expenditure - BFI recharges	(39)	(28)	(1,435)	(1,502)
Net operating profit	472	281	163	916
Interest receivable and similar income	1	2	1	4
Surplus gift aided to the BFI	(474)	(283)	(164)	(921)
Net profit	(1)	-	-	(1)
Balance Sheet				
Stocks & work in progress	-	-	188	188
Debtors	626	103	9	738
Cash at bank and in hand	186	1,353	285	1,824
Current liabilities	(137)	(104)	(17)	(258)
Current liabilities - owed to the BFI	(676)	(340)	(372)	(1,388)
Total (BFI interest)	(1)	1,012	93	1,104
	2020			
	BFI Big Screen £'000	British Screen Finance Group £'000	BFI Enterprise £'000	2020 Total £'000
Trading Account				
Income	3,508	552	4,655	8,715
Expenditure	(618)	(25)	(50)	(693)
Expenditure - BFI recharges	(47)	(28)	(2,313)	(2,388)
Net operating profit	2,843	499	2,292	5,634
Interest receivable and similar income	4	8	1	13
Surplus gift aided to the BFI	(2,847)	(507)	(2,293)	(5,647)
Net profit	-	-	-	-
Balance Sheet				
Stock and work in progress	-	-	191	191
Debtors	1,741	85	369	2,195
Cash at bank and in hand	581	1,489	999	3,069
Current liabilities	(495)	(52)	(147)	(694)
Current liabilities - owed to the BFI	(1,827)	(510)	(1,319)	(3,656)
Total (BFI interest)	-	1,012	93	1,105

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

12. INVESTMENTS (Charity) (continued)

The BFI holds 100% of the issued share capital of the following undertakings, which are registered in England and Wales:

	Company Registration Number:
British Screen Finance Limited (BSF)	1910848
BFI (Big Screen) Limited (operates the theatrical and commercial activities of the BFI IMAX)	3088677
BFI Enterprise Limited (previously known as Connoisseur Video Limited - inactive)	2463593
Project Rosebud Limited (e-commerce development - dormant with nil assets and investment value)	3946785

BSF, in addition, holds the following investments:

		Ordinary shares of £1 each	Holding
Subsidiary undertakings			
National Film Finance Consortium Limited (NFFC)	1056412	100	100%
European Co-Production Fund Limited (ECF)	2631250	2	100%
British Screen Rights Limited (BSR)	2908542	2	100%
The Greenlight Fund Limited (GLF)	3191007	2	100%
National Film Development Fund (NFDF)	01268342	-	Not applicable
Associated undertakings			
British Film-Makers Limited (BFM)	0368248	50	50%

NFFC is a dormant company. ECF was a company that made loans to films produced by European co-producers. BSR acquired and sold rights in feature films. GLF managed the investment of some National Lottery proceeds into feature films on behalf of the Arts Council of England and is now dormant. NFDF made loans to producers and writers in the 1990s and is a company limited by guarantee. It is included here because of its control via the directors. BFM collects and distributes film revenues on behalf of BSF and third parties. Its results are not material to the Group. All group companies are registered in England and Wales.

Trading subsidiaries are involved in activities wholly consistent with the BFI's charitable aims and objectives and remit taxable profits to the BFI under Gift Aid. Their income and expenditure are consolidated into the Group accounts.

The investments held by the Charity are summarised as follows:

	£'000
Cost	
At 1 April 2020 and 31 March 2021	2,450
Impairment	
At 1 April 2020 and 31 March 2021	<u>(1,007)</u>
Net Book Value	
At 1 April 2020 and 31 March 2021	<u><u>1,443</u></u>

13. IMPACT OF THE INTRODUCTION OF IFRS 16 (LEASES) - BFI LOTTERY FINANCIAL STATEMENTS

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions.

IFRS 16 (Leases) does not apply under FRS102 but for the BFI Lottery accounts appended it applies for periods beginning on or after 1 January 2019, and is thus being applied in those accounts.

Those financial statements include costs of the rental of office space at 21 Stephen Street, London which would fall under the definitions of the standard. BFI Lottery are thus required to reflect the discounted liability of the relevant portion of the lease for its term to 2031 in the Statement of Financial Position, with a matching "right of use" asset. The asset is depreciated over the life of the lease period, whilst the liability is released in line with the lease payments.

Guidance has been received from HM Treasury as to the approach to be adopted in the first year of implementation of this standard, to ensure consistency across Government. This states that these changes be introduced as in year changes with no re-statements of the prior year figures - the approach adopted here.

Previously to this rentals payable under operating leases were charged to the SOCNE on a straight line basis over the lease term.

See Notes 10 and 14 to the BFI Lottery Financial Statements for further information.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

14. FILM RIGHTS (Group and Charity)

Film rights fall within the definition of Financial Instruments and are held at fair value. The valuation approach to establish the fair value of the film rights portfolio is set out in note 1: Accounting Policies.

The BFI's primary objective in investing in film rights is to support the future success of British film by backing new voices, new stories, new ideas and skills, enriching and diversifying British film production. Thus whilst the potential commercial success of a project is important in our assessment of an application it is not the only funding criterion.

The fair value of film rights at 31 March is as follows:

	2020-21 £'000	2019-20 £'000	2018-19 £'000	2017-18 £'000	2016-17 £'000
Production Awards	9,760	11,330	12,181	10,210	10,370
Vision Awards	1,411	1,238	1,323	1,368	1,500
Development Awards	227	534	284	333	374
Distribution Awards	161	235	220	489	329
Other Awards	-	-	-	30	54
Film Rights valuation	11,559	13,337	14,008	12,430	12,627

Film rights are recognised as split between current and non-current assets, on the basis of a review of the characteristics of the loans across the portfolio and the anticipated cash flows from these:

	2020-21 £'000	2019-20 £'000	2018-19 £'000	2017-18 £'000	2016-17 £'000
Film rights - non-current	9,228	10,532	8,249	7,492	7,627
Film rights - current	2,331	2,805	5,759	4,938	5,000
	11,559	13,337	14,008	12,430	12,627

Production awards are made to producers to co-finance feature film productions and from which we are entitled to recoup our award and take a share of net profits from the film. The value of the productions will be dependent upon many factors which are inherently uncertain; the ability of sales agents to meet sales estimates, how the film will be critically and commercially received (including box office projections and exchange rates) all play a role. Further details are set out in the note below.

Vision Awards are made to production companies to enable them to develop their business and the awards are repayable from any applicable feature film production made by the production company. As we do not expect all recipients to be required to repay the award in full we routinely impair 50% of the award in the year in which it is committed.

Development awards are made to producers to support a film development. In the event that the development project progresses into a feature film production, we would be entitled to be repaid our award and take a share of net profits. Accordingly development awards are fully adjusted to £nil in the year in which the award is made, unless there is a reasonable anticipation of it progressing to production.

Distribution awards are made to distributors to support the release of a film in the UK and repayable dependent upon the performance of the film release.

Other awards include targeted development awards which are awarded to support new talent. These awards are written off in full in the year unless there is a reasonable expectation of recoupment.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

14. FILM RIGHTS (Group and Charity) (continued)

Movements in the valuation of film rights

	2020-21	2019-20	2018-19	2017-18	2016-17
	£'000	£'000	£'000	£'000	£'000
Film rights valuation at 1 April	13,337	14,008	12,430	12,627	10,970
New commitments: made in year	22,275	17,002	20,840	18,783	23,150
Decommitments: new film rights in year	(370)	-	(3)	(23)	-
Decommitments: historical portfolio	(178)	(461)	(369)	(451)	(315)
Repayment of investments: new film rights in year	(1,528)	(285)	(588)	(508)	(539)
Repayment of investments: historical portfolio	(2,547)	(4,191)	(3,546)	(5,024)	(4,647)
Adjustments: new film rights in year	(17,559)	(13,932)	(16,110)	(15,530)	(19,114)
Adjustments: historical portfolio	(5,174)	(3,873)	(2,476)	(2,315)	(1,971)
Adjustments written back	3,303	5,069	3,830	4,871	5,093
Film rights valuation at 31 March	11,559	13,337	14,008	12,430	12,627

The value of new commitments made in the year will vary due to timing differences arising from the closure of awards.

The valuation of the Film Rights is based on the anticipated cash receipts over the next seven financial years after the balance sheet date. In relation to recent production awards (that is production awards that were recognised as awards payable this financial year and the last seven financial years), the valuation is based on the cash receipts anticipated from the first cycle of revenues including revenues from cinema, DVD, Video On Demand and television. In relation to older production awards, the valuation is based on the anticipated cash receipts for the next seven years following the balance sheet date calculated from the individual film's historic cash receipts. All such anticipated cash receipts are discounted using the applicable Treasury Rate of 3.7% (2020: 3.7%).

The value of new film rights in the year is always governed by the value of awards made and therefore can vary considerably year to year.

As at 31 March 2021, the Film Rights valuation for production awards is £9.8m (2020: £11.3m) and for all other Film Rights is £1.8m (2020: £2.0m) totalling £11.6m (2020: £13.3m). For production awards, were the recoupment levels and valuation to vary by +/- 5%, the impact of the valuation of Film Rights at 31 March 2021 would be £0.5m for 207 awards (2020: £0.6m for 186 awards).

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

14. FILM RIGHTS (Group and Charity) (continued)

In relation to older production awards, the Film Rights valuation is calculated on the assumption that the future anticipated receipts will be based on the historic cash receipts for the two years prior to the balance sheet date, subject to a 85% default reduction every three years, except for films in profit which are calculated on the assumption that the future anticipated receipts will be based on the historic cash receipts for the three years prior to the balance sheet date, subject to a 75% default reduction every three years. The total amount of the Film Rights valuation based on this methodology is £4.3m (2020: £5.2m). Were this default reduction percentage to change to +/- 10% the Film Rights valuation would change by :

	£'000 +10%	£'000 0%	£'000 -10%
2020-21	(400)	4,320	390
2019-20	(560)	5,330	400

In relation to recent production awards (that is production awards that were recognised as awards payable this financial year and the previous three financial years), the Film Rights valuation is based on future anticipated receipts. These cash receipts are principally earned in US dollars and converted to pounds sterling before payment is made to the BFI's bank accounts. The default pound sterling to US dollar exchange rate is calculated using the average daily exchange rate for the two years to the balance sheet date, rounded to the nearest 5 US cents. The default rate as at 31 March 2021 for production awards is US \$1.30 (2020: US \$1.30).

Had the pound sterling to US dollar exchange rate been \$1.40 for the purposes of the Film Rights valuation, then the valuation of the total of these production awards would be reduced by £0.5m. Were the valuation calculated using US \$1.20, then these valuations would be increased by £0.6m (and the awards at March 2020 would increase by £0.7m).

Further information on the movement on film rights can be found on the BFI website: <http://www.bfi.org.uk/about-bfi/annual-review-management-agreement>.

15. NATIONAL LOTTERY DISTRIBUTION FUND (NLDF) (Group and Charity)

The movement in balances held at the NLDF is:

	2021 £'000	2020 £'000
Balance at 1 April	53,804	52,757
Income received from the Lottery receipts	49,044	48,025
Investment income earned on NLDF balances	29	232
Available for distribution	102,877	101,014
Cash drawn down	(49,757)	(47,210)
Balance at 31 March	53,120	53,804

The funds are invested on behalf of the NLDF by the National Debt Commissioners. The BFI's distribution is in accordance with Sections 22 and 23 of the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998). The BFI is required by statute to show on the balance sheet the lower of the market value or the cost of the investment as at the year end. There were no unrealised gains in the year (2020 : £nil).

16. STOCKS AND WORK IN PROGRESS

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Work in progress	54	43	54	43
Finished goods	518	526	329	336
	572	569	383	379

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

17. DEBTORS

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Trade debtors	2,281	2,652	1,795	1,544
Amount owed by subsidiary undertakings	-	-	1,426	3,654
Other debtors	3,331	1,946	3,256	1,900
Prepayments and accrued income	25,125	4,079	24,948	3,035
	<u>30,737</u>	<u>8,677</u>	<u>31,425</u>	<u>10,133</u>

18. CASH AT BANK AND IN HAND

	Unrestricted £'000	Restricted £'000	2021 Total £'000	2020 Total £'000
Analysis of cash and cash equivalents				
Cash at bank and in hand	Group			
	<u>4,199</u>	<u>28,358</u>	<u>32,557</u>	<u>23,411</u>
Cash at bank and in hand	Charity			
	<u>2,376</u>	<u>28,358</u>	<u>30,734</u>	<u>20,345</u>

All cash at bank is held with UK commercial banks.

£3.2m (2020: £3.9m) of cash held in BFI lottery bank accounts is funds recouped by BFI and held on behalf of producers under the "Rewarding Success" recoupment corridor - see note 22: Provisions.

19. FINANCIAL RISKS (Group and Charity)

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

Film rights

Under International Financial Reporting Standards (IFRS 9) film rights fall within the definition of Financial Instruments. Within that, they meet the definition of assets measured at fair value with gains and losses being recognised in the profit and loss account

Establishing the fair value of film rights is subjective and therefore contains an element of risk. The fair value is based on a review of external evidence such as the sales agents' estimates as to the likely revenues generated by a project, where it is in the life cycle of the project, and upon actual performance of the film to date. This is matched with the knowledge and experience of the staff and management involved in the process of assessing the projects both at application stage and as they come to fruition. Any reduction in fair value is immediately taken to the SOFA in the year.

The valuation of film rights is subject to on-going review to ensure a fair value is maintained, with any adjustments being charged as expenditure.

	2021 £'000	2020 £'000
Film rights - non-current	9,228	10,532
Film rights - current	<u>2,331</u>	<u>2,805</u>
	<u>11,559</u>	<u>13,337</u>

National Lottery Distribution Fund

Under IFRS 9 funds held at the National Lottery Distribution Fund are held as financial instruments held at amortised cost.

Liquidity risks

Income was derived from:	2021 £'000	%	2020 £'000	%
DCMS Grant-in-aid	72,245	50%	33,918	31%
DCMS Capital provision	1,987	1%	1,007	1%
Other legacies, grants and donations and investment income	7,298	5%	3,832	3%
Resources generated from charitable activities	13,863	10%	23,233	20%
Donated services and facilities	356	0%	1,698	1%
Lottery proceeds and receipts	49,879	34%	49,834	44%
	<u>145,628</u>	<u>100%</u>	<u>113,522</u>	<u>100%</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

19. FINANCIAL RISKS (Group and Charity) (Continued)

The Governors consider that, as the NLDF balance notified by the Secretary of State for Digital, Culture, Media and Sport and the BFI's own Lottery cash holding amount to £61.6m at the balance sheet date (2020: £62.4m), sufficient liquid resources are available to cover all existing commitments totalling £44.1m (2020: £38.9m) and any other payables. The non-Lottery cash holdings are considered sufficient to cover the non-Lottery other payables.

Interest rate risks

The BFI's largest financial asset is retained in the NLDF, which invests in a narrow band of low risk assets such as Government bonds and cash. Neither the BFI nor its Governors has any control over these investments. The interest rate risks in respect of these financial assets are disclosed in the financial statements of the NLDF. The market value of the BFI's investment in the NLDF at the year end was £53.1m (2020: £53.8m) and the average investment return for the year was 0.1% (2020: 0.72%).

Cash drawn from the NLDF, DCMS or received from other sources, to pay grant commitments and operating costs are held in variable rate bank accounts and the average interest rate return for the year was 0.13% (2020: 0.4%). The group cash balance at the year end was £8.4m (2020 £6.4m).

Other price risks

Under FRS102 film rights fall within the definition of financial instruments and are therefore shown in the balance sheet at fair value.

Establishing the fair value of film rights is subjective and therefore contains an element of risk. The fair value is based on a review of external evidence such as the sales agents estimates as to the likely revenues generated by a project, and depending on where it is in the life cycle of the project, upon actual performance of the film to date. This is matched with the knowledge and experience of the staff and management involved in the process of assessing the projects both at application stage and as they come to fruition. Any reduction in fair value is immediately taken to the SOFA in the year.

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

Film rights at 31 March 2021 have a valuation of £11.6m (2020: £13.3m). The Governors consider that the BFI is not exposed to significant other price risks.

Foreign currency risks

The BFI's financial assets are not exposed to material foreign exchange risks as long-term balances are held in sterling, however foreign currency exchange risks are significant in the valuation of the Film Rights as explained in the Lottery financial statements note 14: Financial Instruments and note 6: Film Rights.

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Trade creditors	(4,087)	(2,662)	(4,078)	(2,590)
Amount owed to subsidiary undertakings	-	-	-	-
Other taxes and social security costs	(899)	(866)	(899)	(866)
Other creditors	(40,857)	(12,916)	(40,855)	(12,915)
Lottery awards payable (see note 23)	(35,711)	(30,921)	(35,711)	(30,920)
Accruals	(4,728)	(4,376)	(4,562)	(4,310)
Deferred income (see note 21)	(2,289)	(1,646)	(2,242)	(1,088)
	<u>(88,571)</u>	<u>(53,387)</u>	<u>(88,347)</u>	<u>(52,689)</u>

21. DEFERRED INCOME

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
At 1 April	(1,646)	(1,059)	(1,088)	(1,043)
Amount released to income	1,646	1,059	1,088	1,043
Amount deferred in year	(2,289)	(1,646)	(2,242)	(1,088)
At 31 March	<u>(2,289)</u>	<u>(1,646)</u>	<u>(2,242)</u>	<u>(1,088)</u>

Mainly relates to restricted grants, advance ticket sales and subscriptions to Sight and Sound magazine.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

22. PROVISIONS (Group and Charity)

	2021	2020
	£'000	£'000
Rewarding success awards		
At 1 April	(3,887)	(2,835)
New provisions in the year	(1,252)	(1,911)
Amounts paid in year	1,973	859
At 31 March	<u>(3,166)</u>	<u>(3,887)</u>

Rewarding Success provision

The rewarding success initiative allows for a share of film recoupment income arising from lottery awards to be made available to UK Producers, Writers and Directors for their future film making activity. The funds held on behalf of film-makers ("the locked box") represents the monies held for this initiative at the balance sheet date and not yet drawn down.

23. LOTTERY AWARDS PAYABLE (Group and Charity)

	2021	2020
	£'000	£'000
At 1 April	(30,920)	(30,435)
New films right commitments in year	(22,275)	(17,002)
Commitments transferred from prior year provision for non-film rights awards	(1,973)	(859)
New non-film rights commitments in year	(28,688)	(27,571)
Decommitments	3,686	1,335
Amounts paid	44,459	43,612
At 31 March	<u>(35,711)</u>	<u>(30,920)</u>

Decommitments arise when any element of the award is not utilised once contracts are signed and drawdown has commenced.

	2021	2020
	£'000	£'000
Reconciliation to Lottery accounts		
Creditors: amounts falling due within one year	(35,711)	(31,405)
Provisions	(3,166)	(3,887)
Other payables - Awards Commitments: Heritage 2022 - eliminated on consolidation	<u>(5,263)</u>	<u>(4,085)</u>
Total Awards Commitments as per Lottery accounts	<u>(44,140)</u>	<u>(39,377)</u>

Lottery accounts - Awards Commitments represented by:

Other payables - Awards Commitments	(18,495)	(22,083)
Provision for award commitments	<u>(25,645)</u>	<u>(16,809)</u>
	<u>(44,140)</u>	<u>(38,892)</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

24. STATEMENT OF FUNDS (Group and Charity)

GROUP	At 1 April 2020 £'000	Income £'000	Expenditure £'000	Other recognised gains/(losses) £'000	Transfers £'000	At 31 March 2021 £'000
Unrestricted funds:						
Income funds excluding pensions asset/liability	33,659	32,327	(36,049)	-	3,128	33,065
Pension reserve	(59,370)	-	(2,397)	(28,092)	-	(89,859)
Fixed asset revaluation reserve	46,575	-	(2,245)	(1,415)	-	42,915
Total unrestricted funds	20,864	32,327	(40,691)	(29,507)	3,128	(13,879)
Donated Services and Facilities	-	356	(356)	-	-	-
Arts and Humanities Research Council	-	652	(43)	-	(601)	8
DCMS-Northern Ireland	-	4,324	(4,324)	-	-	-
DCMS-DFE	-	1,000	(1,000)	-	-	-
DCMS-Production Restart	-	93	(93)	-	-	-
DCMS - BFC Studio Support	-	1,600	(1,600)	-	-	-
DCMS-Global Screen Fund	-	550	(542)	-	-	8
DCMS- Culture Recovery Fund	-	29,229	(28,654)	-	-	575
DCMS - Young Audience Content Fund	297	18,800	(19,042)	-	-	55
DCMS - Capital GiA	-	1,987	-	-	(1,987)	-
BFI Lottery - Heritage 2022	4,050	-	(1,828)	-	2,888	5,110
BFI Lottery - BFI London Film Festival	-	-	(250)	-	250	-
BFI Trust	65	100	-	-	(165)	-
Chaplin Foundation	41	-	-	-	-	41
Creative Europe	-	361	(361)	-	-	-
Education, Audio-visual and Culture Executive Agency	66	1	(66)	-	-	1
Esmee Fairbairn Foundation	-	94	(94)	-	-	-
Film London	-	60	(60)	-	-	-
Friends of the BFI	25	240	(222)	-	-	43
Julia and Hans Rausing Trust	-	60	(60)	-	-	-
LUMA Foundation	30	-	-	-	-	30
The Mohamed S Farsi Fund	52	-	(52)	-	-	-
H.M. Government - Job Retention Scheme (JRS)	-	3,478	(3,478)	-	-	-
Philippe L. Camu Annual Giving Fund	-	50	(50)	-	-	-
Reuben Foundation	21	-	(21)	-	-	-
Simon Hessel	-	50	-	-	-	50
Other up to £50,000	150	173	(238)	-	-	85
Total restricted funds excluding lottery	4,797	63,258	(62,434)	-	385	6,006
Lottery funds:						
Lottery reserve	36,650	49,889	(53,107)	-	(3,513)	29,919
Donations and other income - Creative Scotland	-	154	(154)	-	-	-
+ others	-	-	-	-	-	-
Lottery share of pension reserve	(2,673)	-	(225)	(2,052)	-	(4,950)
Total Lottery funds	33,977	50,043	(53,486)	(2,052)	(3,513)	24,969
Total funds	59,638	145,628	(156,611)	(31,559)	-	17,096

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

24. STATEMENT OF FUNDS (Group and Charity) (Continued)

CHARITY	At 1 April 2020 £'000	Income £'000	Expenditure £'000	Other recognised gains/(losses) £'000	Transfers £'000	At 31 March 2021 £'000
Unrestricted funds:						
Income funds excluding pensions asset/liability	36,485	30,343	(33,906)	-	3,128	36,050
Pension reserve	(62,052)	-	(2,397)	(28,092)	-	(92,541)
Fixed asset revaluation reserve	46,575	-	(2,245)	(1,415)	-	42,915
Total unrestricted funds	21,008	30,343	(38,548)	(29,507)	3,128	(13,576)
Donated Services and Facilities	-	356	(356)	-	-	-
Arts and Humanities Research Council	-	652	(43)	-	(601)	8
DCMS-Northern Ireland	-	4,324	(4,324)	-	-	-
DCMS-DFE	-	1,000	(1,000)	-	-	-
DCMS-Production Restart	-	93	(93)	-	-	-
DCMS - BFC Studio Support	-	1,600	(1,600)	-	-	-
DCMS-Global Screen Fund	-	550	(542)	-	-	8
DCMS- Culture Recovery Fund	-	29,229	(28,654)	-	-	575
DCMS - Young Audience Content Fund	297	18,800	(19,042)	-	-	55
DCMS - Capital GiA	-	1,987	-	-	(1,987)	-
BFI Lottery - Heritage 2022	4,050	-	(1,828)	-	2,888	5,110
BFI Lottery - BFI London Film Festival	-	-	(250)	-	250	-
BFI Trust	65	100	-	-	(165)	-
Chaplin Foundation	41	-	-	-	-	41
Creative Europe	-	361	(361)	-	-	-
Education, Audio-visual and Culture Executive						
Agency	66	1	(66)	-	-	1
Esmee Fairbairn Foundation	-	94	(94)	-	-	-
Film London	-	60	(60)	-	-	-
Friends of the BFI	25	240	(222)	-	-	43
Julia and Hans Rausing Trust	-	60	(60)	-	-	-
LUMA Foundation	30	-	-	-	-	30
The Mohamed S Farsi Fund	52	-	(52)	-	-	-
H.M. Government - Job Retention Scheme	-	3,478	(3,478)	-	-	-
Philippe L. Camu Annual Giving Fund	-	50	(50)	-	-	-
Reuben Foundation	21	-	(21)	-	-	-
Simon Hessel	-	50	-	-	-	50
Other up to £50,000	150	173	(238)	-	-	85
Total restricted funds excluding lottery	4,797	63,258	(62,434)	-	385	6,006
Lottery funds:						
Lottery reserve	36,650	49,889	(53,107)	-	(3,513)	29,919
Donations and other income	-	154	(154)	-	-	-
Lottery share of pension reserve	(2,673)	-	(225)	(2,052)	-	(4,950)
Total Lottery funds	33,977	50,043	(53,486)	(2,052)	(3,513)	24,969
Total funds	59,782	143,644	(154,468)	(31,559)	-	17,399

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

24. STATEMENT OF FUNDS (Group and Charity) (Continued)

Restricted funds:	Description:
Donated Services and Facilities	Various services and facilities provided in support of the BFI London Film Festival and BFI Flare film festival, see note 4:
	Donated Services and Facilities.
Arts and Humanities Research Council	Film Conservation, including capital expenditure.
DCMS-DFE	Funds ring fenced for education projects
DCMS-Production Restart	Support for UK film production
DCMS - BFC Studio Support	Support for film studios
DCMS-Global Screen Fund	Support UK film distribution overseas
DCMS- Culture Recovery Fund	Support for independent cinemas
DCMS - Revenue GiA	Funds ring fenced for Northern Ireland Screen and Education projects
DCMS - Capital GiA	Funds for capital expenditure
DCMS - Young Audience Content Fund	New funding for television content
BFI Lottery - Heritage 2022	Supporting UK Film Heritage
BFI Lottery - BFI London Film Festival	Awarded by the Lottery under Section 27 dispensation towards improving public access to the 2019 BFI London Film Festival.
BFI Trust	Support for estates related projects and planning, including capital expenditure.
Chaplin Foundation	Archive restoration and other work
Education, Audio-visual and Culture Executive Agency	Film education projects
Creative Europe	Funding towards the Creative Europe Desk and BFI Flare Live
Film London	LFF Industry Programme and Virtual Film Screening
Friends of the BFI	Various projects including funding the BFI National Archive, including the restoration of I Know Where I'm Going! (Powell and Pressburger, 1945); BFI Southbank cultural programme, including the Woman with a Movie Camera project; and Film Music Foundation support of LFF Education. In addition the Friends of the BFI provided unrestricted funds for our general charitable purposes.
H.M. Government - Job Retention Scheme	Support for staff on Furlough
Julia and Hans Rausing Trust	Online Education and BFI Home, future film festivals
LUMA Foundation	Anthony Balch project
The Mohamed S Farsi Foundation	Women With a Movie Camera
Philippe L. Camu Annual Giving Fund	BFI Southbank Cultural Programme 'Auteurs'
Reuben Foundation	Lead supporter of BFI Future Film
Simon Hessel	Support of the BFI National Archive, including restorations of The Small Back Room and Contraband
Other up to £50,000	Various grant awards towards education, restoration and programming and other sundry income.
Transfers	Relate to the receipt of s27 Lottery funding (note 30) and the transfer to unrestricted reserves of capital grants used to acquire fixed assets in the year, where there is no ongoing restriction attaching to the asset created.
Lottery funds:	
Creative Scotland	Film Academies support
Northern Ireland Screen	Young people's Filmmaking Programme
Transfers	Relate to the s27 Lottery awards for other BFI activities (note 30).

Fund balances at 31 March 2021 are represented by:

	Group			Charity		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Fixed assets:						
Intangible fixed assets	40	-	40	-	-	-
Tangible fixed assets	75,057	-	75,057	75,057	-	75,057
Investments	-	-	-	1,443	-	1,443
Non-current assets:						
Film rights	-	9,228	9,228	-	9,228	9,228
Film rights	-	2,331	2,331	-	2,331	2,331
National Lottery Distribution Fund	-	53,120	53,120	-	53,120	53,120
Stocks and work in progress	572	-	572	383	-	383
Debtors	9,362	21,375	30,737	10,050	21,375	31,425
Cash at bank and in hand	4,199	28,358	32,557	2,376	28,358	30,734
Current assets	14,133	105,184	119,317	12,809	105,184	117,993
Current liabilities	(13,250)	(78,487)	(91,737)	(13,026)	(78,487)	(91,513)
Income funds excluding pensions net liability	75,980	35,925	111,905	76,283	35,925	112,208
Long term pension liabilities	(89,859)	(4,950)	(94,809)	(89,859)	(4,950)	(94,809)
Total net assets	(13,879)	30,975	17,096	(13,576)	30,975	17,399

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

24. STATEMENT OF FUNDS (Group and Charity) (Continued)

Fund balances at 31 March 2020 are represented by:

	Group			Charity		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Fixed assets:						
Intangible fixed assets	197	-	197	-	-	-
Tangible fixed assets	78,960	-	78,960	78,960	-	78,960
Investments	-	-	-	1,443	-	1,443
Non-current assets:						
Film rights	-	10,532	10,532	-	10,532	10,532
Film rights	-	2,805	2,805	-	2,805	2,805
National Lottery Distribution Fund	-	53,804	53,804	-	53,804	53,804
Stocks and work in progress	569	-	569	379	-	379
Debtors	7,967	710	8,677	9,423	710	10,133
Cash at bank and in hand	2,060	21,351	23,411	(1,006)	21,351	20,345
Current assets	10,596	78,670	89,266	8,796	78,670	87,466
Current liabilities	(9,514)	(47,760)	(57,274)	(8,816)	(47,760)	(56,576)
Income funds excluding pensions net liability						
	80,239	41,442	121,681	80,383	41,442	121,825
Long term pension liabilities	(59,370)	(2,673)	(62,043)	(59,370)	(2,673)	(62,043)
Total net assets	20,869	38,769	59,638	21,013	38,769	59,782

Restricted funds are committed as directed by the donors/grantors. Unrestricted funds are available to fund revenue initiatives identified during the year and to provide a reserve against unforeseen costs arising.

	Group		Charity	
	2021	2020	2021	2020
Net free reserves	Unrestricted £'000	Unrestricted £'000	Unrestricted £'000	Unrestricted £'000
Current assets	14,133	10,596	12,809	8,796
Current liabilities	(13,250)	(9,514)	(13,026)	(8,816)
Net free reserves	883	1,082	(217)	(20)

Reserves are managed to ensure that restricted funds are not used to fund other activities. Much of the net free reserves are held within British Screen Finance Limited and other subsidiaries, which are wholly owned by the BFI and have distributable reserves of £1,105,000 (2020: £1,105,000) which are available for donation to the Charity if required (note 12).

25. LEASE COMMITMENTS (Group and Charity)

At 31 March 2021, the Charity had commitments in respect of non-cancellable operating leases as set out below:

	Land and buildings 2021 £'000	Land and buildings 2020 £'000	Other 2021 £'000	Other 2020 £'000
Leases which expire:				
Less than 1 year	(1,876)	(1,873)	(41)	(41)
Within 2 to 5 years	(7,352)	(5,712)	(7)	(48)
Over 5 years	(11,437)	(10,818)	-	-
	(20,665)	(18,403)	(48)	(89)

26. CAPITAL COMMITMENTS (Group and Charity)

As at 31 March 2021, the BFI had capital commitments outstanding of £9,000 (2020: £64,000) relating to the property infrastructure and digital upgrade.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

27. CONTINGENT LIABILITIES (Group and Charity)

At 31 March 2021 Grant in Aid awards had been made for activity commencing on or after 1 April 2020. As these are contingent upon the receipt of Grant in Aid funding from DCMS in 2021-22 these are not taken to the Statement of Financial Activities in the year but are disclosed here.

	2021	2020
	£'000	£'000
Film London	(1,974)	(374)
Northern Ireland Screen: Irish Language Fund	(3,930)	(3,055)
Northern Ireland Screen: Ulster Scots Fund	(1,893)	(1,018)
	<u>(7,797)</u>	<u>(4,447)</u>

Other Contingent Liabilities - Rewarding Success projects in Film Rights

The film rights valuation is based on the value of the initial BFI investment as detailed in the Accounting Policies note above. However on a number of these investments, the BFI Locked Box initiative applies and accordingly there is a contingent liability with regard to the element of the valuation which would be made available to UK film-makers. The BFI Locked Box initiative enables UK film-makers supported through the BFI to benefit from their film's success. In short, a share of income from supported film productions is put aside (into a BFI Locked Box) and can be used by the filmmakers for the development and/or production of their future projects or towards staff training.

	2021	2020
	£'000	£'000
Contingent liability - rewarding success projects in film rights	<u>(2,975)</u>	<u>(3,002)</u>

28. FINANCIAL AND OTHER COMMITMENTS

At the date of the statement of financial position there were financial commitments representing film rights investments made by the BFI where the investment decisions had been taken by the BFI and notified to the applicants but either the contracts had not been signed and/or the conditions precedent not met. Therefore work had not commenced on the assets in which the BFI is investing, so neither the asset nor the matching liability are represented in the balance sheet at that date.

	2021	2020
	£'000	£'000
<i>Prior year Lottery awards</i>		
Talent Network awards	(191)	-
Production awards	(97)	(105)
Development awards	(26)	-
<i>In year Lottery awards</i>		
Production awards	(3,081)	(3,742)
Distribution awards	(624)	(150)
Development awards	(457)	(818)
Network awards	(60)	(302)
Financial commitments - notified but not yet recognised in the financial statements	<u>(4,536)</u>	<u>(5,117)</u>

Other contractual commitments

The BFI has entered into non-cancellable contracts (which are not leases), for a variety of services, including building maintenance, security and software support costs. The total payments to which the BFI is committed are as follows:

	2021	2020
	£'000	£'000
Not later than one year	(1,287)	(2,811)
Later than one year and not later than five years	(880)	(710)
Later than five years	-	-
Contracts for delivery of services	<u>(2,167)</u>	<u>(3,521)</u>

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

29. CONTINGENT ASSETS (Group and Charity)

The National Lottery Distributors are entitled to receive a share of the receipts from the sale of land on Queen Elizabeth Olympic Park in return for their contribution of an additional £675 million to the funding of the London 2012 Olympic and Paralympic Games. This was announced in 2007. The arrangements are set out in a legal agreement between the Secretary of State and the Greater London Authority dated 29 March 2012 which sets out the distribution of funds between the GLA and the lottery distributors (via DCMS). Land sales are likely to take place over a lengthy period, estimated to be from 2016-17 to 2036-37 and DCMS estimates the first payments to the Lottery Distributors to come through around 2020-21.

BFI will be entitled to receive a portion of the receipts from the sale in line with the 2.705% of the funds available to the good causes that the BFI receives as a lottery distributor.

Due to the inherent uncertainties over such a time period of the going rate of such land sales it is not possible to yet quantify the value of this. However assuming that the selling price is at least the amount of the distributors' investment, the BFI could expect to receive in excess of £18m.

30. RELATED PARTIES (Group and Charity)

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

Governors receive no payment for their services and all payments to key management personnel have been disclosed in the Remuneration Report.

During the year the BFI entered into transactions, in the ordinary course of business, with related parties. National Lottery awards are included in film rights at the date of the balance sheet or written off to expenditure within the year.

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

The following related party transactions occurred during the period:

J. Timothy Richards (Chairman) is a Director of Vue Entertainment Ltd and the UK Cinema Association. The BFI traded with these organisations on an arms' length basis during the year. Transactions with Vue included sales income of £nil (2020: £6,829) from film bookings and expenditure, primarily cinema hire for the BFI London Film Festival, of £nil (2020: £216,600).

Francesca Vinti (Director of Development) as Chairwoman of the Friends of the BFI, a USA based charity with which there were a number of transactions in the year totalling £282,231 (2020: £562,000).

Simon Bartlett (Head of Grant and Lottery Accounting) as Treasurer of the Friends of the BFI, a USA based charity with which there were a number of transactions in the year totalling £282,231 (2020: £562,000).

Josh Berger was President and Managing Director of Warner Bros. Entertainment UK, Ireland and Spain. The BFI traded with the Warner Bros. group of companies on an arms' length basis during the year, including sales income of £200 (2020: £15,272) and expenditure, including royalties, of £11,272 (2020: £61,829). He is also a member of the British Screen Forum (formerly the British Screen Advisory Council) with which some of the BFI's senior staff have membership costing £10,830 (2020: £6,942). Josh Berger stepped down as Chairman of the Board on 15th November 2020

Andrew Smith (Governor) is a Director of Pinewood Studios with which the BFI has archive and restoration contracts which pre-date his term as Governor. In the year transactions amounted to £nil (2020: £101,760).

Tricia Tuttle (Festivals Director) is partner to the Director of Film at the British Council, which has partnered with the BFI on projects. Grant funding and other income amounting to £42,700 was receivable in the year (2020: £115,434) with grant awards to them and other expenditure amounting to £121,093 (2020: £126,910). The British Council received a lottery award in the year ending 31 March 2021 totalling £nil (2020: £56,500) of which a balance of £10,500 (2020: £61,310) remained payable at that date.

Governors made unrestricted donations totalling £30,000 (2020: £94,267).

Executive directors made unrestricted donations totalling £1,500 (2020: £1,500).

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

30. RELATED PARTIES (Group and Charity) (continued)

Lottery Awards

Recipient of funding	Name	Role with BFI	Relationship to recipient of funding	New Awards made	
				Year Ended 31 March 2021	Balance as at 31 March 2021
				£	£
BFI - London Film Festival	Ben Roberts	CEO	CEO	250,000	-
BFI - Heritage 2022	Ben Roberts	CEO	CEO	3,263,000	5,110,000
Studio Canal Ltd	Idris Elba	Governor	Film Director	60,000	60,000
Studio Canal Ltd	Ben Luxford	Head of Audience Fund	Partner is employee of Studio Canal Ltd	60,000	60,000

A number of BFI Governors and Staff are members of BAFTA, but with no formal management or governance role there-in. BAFTA received a lottery award in the year ending 31 March 2021 totalling £9,400 (2020: £59,710) of which a balance of £38,911 (2020: £59,710) remained payable at that date. The BFI transacted with the BAFTA on an arms length basis during the year with sales of £nil (2020: £1,418) and purchases of £17,400 (2020: £43,059).

The BFI is a non-departmental public body sponsored by the Department for Digital, Culture, Media and Sport (DCMS). DCMS is regarded as a related party and during the year the BFI, as a recipient of Grant in Aid funding and as a Lottery distributor, had material transactions with DCMS - see note 2: Other Significant Transactions.

Awards made under the Lotteries Act Section 27 dispensation

Using the power granted by the Section 27 of the National Lotteries Act etc. 1993, in 2019-20 the Secretary of State did not object to an award of £3,263,000 (2019-20: £2,275,000) to the BFI in relation to the Heritage 2022 project, as outlined in the BFI 2022 plan. The award was made in the year and the restricted reserves balance at 31 March 2021 of £5,110,000 (2020: £4,050,000) (note 24: Statement of Funds) is expected to be fully utilised and paid within the 2021-22 financial year.

Similarly the Secretary of State did not object to an award to the BFI in relation to the London Film Festival. The award was both made and fully paid within the financial year but as a result of changes to the festival arising from the COVID-19 pandemic the award was reduced from £1,250,000 to £250,000 in line with the reduced scope of the activities and associated expenditure. (2019-20: £900,000).

31. LOSSES AND SPECIAL PAYMENTS (Group and Charity)

There were no losses or special payments in the year (2020: none).

32. POST BALANCE SHEET EVENTS (Group and Charity)

Covid-19 has had a significant impact on the operations of the British Film Institute, with our cinemas and shops required to close from November 2020 to May 2021. The ongoing restrictions since May 2021 such as social distancing and the potential for further lockdowns continues to impact demand on the services provided by the BFI. For further information refer to note 1. Accounting Policies, Going concern and the Annual Report.

At the time of signing the accounts there were no other events after the reporting period, either adjusting or non-adjusting which require recognition or disclosure in the financial statements. The accounts were authorised for issue on the date the Comptroller and Auditor General signed the auditor's report.

Registered charity no: 287780

BRITISH FILM INSTITUTE GROUP AND NATIONAL LOTTERY ANNUAL REPORT
AND FINANCIAL STATEMENTS 2020-21

NATIONAL LOTTERY FINANCIAL STATEMENTS

For the year ended 31 March 2021

STATEMENT OF GOVERNORS AND ACCOUNTING OFFICER'S RESPONSIBILITIES

The Governors and Chief Executive are responsible for preparing the financial statements for the Lottery distribution activities of the BFI for each financial year under section 35(2) and (3) of the National Lottery etc. Act 1993 in the form and on the basis directed by the Secretary of State for Digital, Culture, Media and Sport with the consent of Treasury. The accounts are prepared on an accruals basis and must show a true and fair view of the state of affairs of the BFI Lottery Fund distribution activities and of its income and expenditure, changes in equity and cash flows for the financial year.

In preparing these financial statements, the Governors and the Chief Executive are required to:

- Observe the accounts directions issued by the Secretary of State, including the relevant accounting and disclosure requirements; apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements; and
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the BFI Lottery distribution activities will continue in operation.

The Governors and Chief Executive confirm that the annual report and accounts as a whole is fair, balanced and understandable and that the Accounting Officer takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

The Accounting Officer for the DCMS has designated the Chief Executive of the BFI as the Accounting Officer for the BFI. The relevant responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable and for keeping of proper records and for safeguarding the BFI's assets are set out in Managing Public Money published by HM Treasury and in the Financial Directions issued by the Secretary of State for Digital, Culture, Media and Sport under section 26(3) of the National Lottery etc. Act 1993.

The Governors and Chief Executive confirm they have met the responsibilities set out above and complied with the requirements for preparing the annual report and accounts on a fair, balanced and understandable basis, and the Chief Executive takes personal responsibility for this. The financial statements for the Lottery distribution activities, have been compiled from and are in accordance with the financial records maintained by the Governors and Chief Executive, and all relevant information has been made available to the auditors.



Phil Stokes
Chair, Audit, Risk and Governance Committee
BFI Governor



Ben Roberts
Chief Executive

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial **statements of British Film Institute's Lottery Distribution Accounts** for the year ended 31 March 2021 under the National Lottery etc Act 1993. The financial statements comprise: Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, **Changes in Taxpayers' Equity; and the** related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and **International Accounting Standards as interpreted by HM Treasury's Government Financial Reporting Manual.**

In my opinion, the financial statements:

- give a true and fair view of the state of the **British Film Institute's Lottery Distribution Accounts' affairs as at 31 March 2021 and of the total comprehensive expenditure** for the year then ended; and
- have been properly prepared in accordance with the National Lottery etc Act 1993 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and **Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'**. My responsibilities under those standards are **further described in the Auditor's responsibilities for the audit of the financial statements** section of my certificate.

Those standards require me and my staff to comply with the **Financial Reporting Council's Revised Ethical Standard 2019**. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the British Film Institute in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the British Film Institute's Lottery Distribution Accounts' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant **doubt on the British Film Institute'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.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the British Film Institute is adopted in **consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual**, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

Other Information

The other information comprises information included in the Annual Report but does not include the parts of the Remuneration Report described in that report as having been **audited, the financial statements and my certificate thereon**. The Accounting Officer is responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements **or** my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

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

- the parts of the Remuneration Report to be audited have been properly prepared in accordance with Secretary of State directions made under the National Lottery etc Act 1993; and
- the information given in the Annual Report, other than the parts of the Remuneration Report described in that report as having been audited for the financial year for

which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the British Film Institute and its environment obtained in the course of the audit, I have not identified material misstatements in the **Annual Report**. I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- **the Governance Statement does not reflect compliance with HM Treasury's guidance.**

Responsibilities of the Board and Accounting Officer for the financial statements

As explained more fully in the **Statement of Governors and Accounting Officer's Responsibilities**, the Chief Executive, as Accounting Officer is responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error.
- **assessing the British Film Institute'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 Accounting Officer anticipates that the services provided by the British Film Institute will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Lottery etc Act 1993.

My 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 a certificate that includes my 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.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included the following:

- **Inquiring of management, the British Film Institute’s head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the British Film Institute’s policies and procedures** relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the British Film Institute’s controls relating to the National Lottery etc Act 1993 and Secretary of State directions issued thereunder, and Managing Public Money;
 - assessing the incentives for management to manipulate reported income and expenditure to remain within limits on the level of administration expenditure that can be incurred;
 - **reviewing the British Film Institute’s accounting policies;**
 - using analytical procedures to identify any unusual or unexpected relationships and transactions;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: film rights recoupment revenue recognition and management override of controls;
- **obtaining an understanding of British Film Institute’s framework of authority as well as other legal and regulatory frameworks that the British Film Institute operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the British Film Institute.** The key laws and regulations I considered in this context included the National Lottery etc Act 1993 and Secretary of State directions issued thereunder, employment law, tax law and Managing Public Money.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;

- enquiring of management, the Audit, Risk and Governance Committee concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- agreed a sample of other income not received from the National Lottery Distribution Fund to source documents and to the bank.

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my 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 my certificate.

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

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date **14 December 2021**

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

STATEMENT OF COMPREHENSIVE NET EXPENDITURE
YEAR ENDED 31 MARCH 2021

	Notes	2020-21	2019-20
		£'000	£'000
Income			
Proceeds from the National Lottery	2	49,044	48,025
National Lottery Distribution Fund investment income	2	29	232
Recoupment income			
Arts Council England and UK Film Council portfolio	3	275	323
BFI portfolio	3	528	1,230
Other income		97	95
Total income		49,973	49,905
Expenditure			
Lottery - non-film rights awards	4	(32,037)	(33,155)
Adjustments against film rights	5	(22,733)	(17,805)
Reversal of adjustments against film rights	5	3,303	5,069
Operating costs	8	(5,488)	(5,794)
Leasehold improvements	9	(362)	(369)
Total expenditure		(57,317)	(52,054)
Operating deficit		(7,344)	(2,149)
Bank interest receivable		10	32
Deficit on ordinary activities before taxation		(7,334)	(2,117)
Tax on surplus on ordinary activities for the year		-	-
Deficit for the year		(7,334)	(2,117)
Other comprehensive income/(expenditure)			
Actuarial gain/(loss)	7	(2,052)	396
Total other comprehensive (expenditure)/income		(2,052)	396
Total comprehensive expenditure		(9,386)	(1,721)

All activities were on a continuing basis. The accompanying notes on pages 157 to 175 form part of these accounts.

STATEMENT OF FINANCIAL POSITION
31 MARCH 2021

	Notes	At 31 March 2021 £'000	At 31 March 2020 £'000
Non-current assets			
Right of use asset	10	1,550	1,705
Film Rights	5	9,228	10,532
Total non-current assets		10,778	12,237
Current assets			
Film rights	5	2,331	2,805
National Lottery Distribution Fund	2	53,120	53,804
Trade and other receivables falling due within one year	11	1,120	974
Cash and cash equivalents	12	8,449	8,559
Total current assets		65,020	66,142
Current liabilities			
Trade and other payables	14	(334)	(910)
Other payables - award commitments	15	(18,495)	(22,083)
Provisions	16	(25,644)	(16,809)
Total current liabilities		(44,473)	(39,802)
Total net current assets for the year ended 31 March		20,547	26,340
Non-current liabilities			
Lease payables due > 1 year	14	(1,437)	(1,581)
Pension liability	7	(4,950)	(2,672)
Total non-current liabilities		(6,387)	(4,253)
Assets less liabilities		24,938	34,324
Capital and reserves			
Lottery reserve		29,888	36,996
Pension reserve	7	(4,950)	(2,672)
		24,938	34,324

The accompanying notes on pages 157 to 175 form part of these accounts.

The financial statements were approved and authorised for signature by the Governors on 10 December 2021.



Phil Stokes
Chair, Audit, Risk and Governance Committee
BFI Governor



Ben Roberts
Chief Executive

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2021

	Notes	Lottery Reserve £'000	Pension Reserve £'000	Total Reserve £'000
Balance at 31 March 2019		38,689	(2,644)	36,045
(Deficit)/surplus for the year		(1,693)	(424)	(2,117)
Re-measurements in the year	7	-	396	396
Balance at 31 March 2020		<u>36,996</u>	<u>(2,672)</u>	<u>34,324</u>
(Deficit)/surplus for the year		(7,108)	(226)	(7,334)
Re-measurements in the year	7	-	(2,052)	(2,052)
Balance at 31 March 2021		<u><u>29,888</u></u>	<u><u>(4,950)</u></u>	<u><u>24,938</u></u>

The accompanying notes on pages 157 to 175 form part of these accounts.

STATEMENT OF CASH FLOWS
YEAR ENDED 31 MARCH 2021

	Notes	2020-21	2019-20
		£'000	£'000
Cashflows from operating activities			
Operating deficit		(7,334)	(2,117)
Decrease/(Increase) in film rights falling due in excess of one year	5	1,304	(2,283)
Decrease in film rights falling due within one year	5	474	2,954
Decrease/(increase) in trade receivables	2,11	693	(996)
(Decrease)/increase in Trade payables	14	(720)	2,382
(Decrease)/increase in award payables	15	(3,588)	4,301
Increase/(Decrease) in other payables - provisions	16	8,835	(2,605)
Non cash pension movements	7	226	424
Interest received		(10)	(32)
Reclassification of receipts from National Lottery Distribution Fund as cashflows from investing activities	2	(49,757)	(47,210)
Reclassification of rental payments to cashflows from financing activities	10	141	139
Reclassification of interest payable for lease liabilities to cashflows from financing activities	10	35	37
Net cash from operating activities		(49,701)	(45,006)
Cashflows from investing activities			
Interest received		10	32
Cash receipts from National Lottery Distribution Fund	2	49,757	47,210
Cashflows from investing activities		49,767	47,242
Cashflows from financing activities			
Interest payable for lease liabilities	10	(35)	(37)
Repayment of lease liabilities	10	(141)	(139)
Cashflows from financing activities		(176)	(176)
(Decrease)/increase in cash in the year		(110)	2,060
Cash and cash equivalents at 1 April 2020	12	8,559	6,499
Cash and cash equivalents at 31 March 2021		8,449	8,559

The accompanying notes on pages 157 to 175 form part of these accounts.

YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES

Basis of Accounts

These financial statements are prepared on a going concern basis under the historical cost convention, and in accordance with the Accounts Direction issued by the Secretary of State for Digital, Culture, Media and Sport with the consent of Treasury in December 2014. These meet the requirements of section 35(3) of the National Lottery etc Act 1993 (as amended by the National Lottery Act 1998) and applicable Accounting Standards, except certain headings have been amended in order to reflect special circumstances of the charity.

The accounts have been prepared on a going concern basis given the on-going Statutory appointment of the BFI as a lottery distributor, bringing a certainty of future revenues, combined with the year end reserves of £24.9m (2020: £34.3m).

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

The effect of new accounting standards and interpretations in issue but not yet adopted by the BFI that the directors anticipate will have a material effect on the reported income or net assets is noted below.

In accordance with the Direction issued by the Secretary of State for Digital, Culture, Media and Sport, financial statements have also been prepared for the BFI Group activities as a whole.

A copy of the Accounts Direction is available from the Secretary to the Board of Governors, 21 Stephen Street, London W1T 1LN or is available on line from www.gov.uk.

Accruals convention

Income and expenditure is accounted for on a receivable basis. The exception to this is recoupment income because of the inherent difficulties in relating the income to the period to which it relates. Recoupment income is therefore accounted for upon notification of amounts received by the BFI. Commitments are reported as per the National Lottery etc Act 1993.

As required by the Secretary of State for Digital, Culture, Media and Sport in the Accounts Direction, Lottery awards are accounted for on an accruals basis. Where the BFI has made a firm offer of a grant to a film rights or a non-film rights project, which together with the relevant conditions has been accepted by the recipient and the conditions of the grant have been fully met, the award is recognised as a payable. Where the BFI has agreed in principle to fund a scheme or project and made an offer, but the offer has not been accepted nor the associated conditions precedent met, the award is provided for in full at the year end. However, where the BFI has agreed in principle to fund a project in which it will take rights of recoupment ('film rights'), but the offer has not been accepted nor the associated conditions met, as the associated assets of the project can not yet exist, the award is treated as a financial commitment at the year end. These financial commitments are disclosed by way of a note to the financial statements, whereas the liabilities and provision are recognised in the financial statements.

Award commitments payable within one year of the Statement of Financial Position are recognised in the statement as current liabilities. Those payable more than one year from the date of the statement of financial position are shown as commitments payable over more than one year. Commitments for future years have been entered into which take into account income forecasts provided by the Department for Digital, Culture, Media and Sport (DCMS). These forecasts take a conservative view of future income.

Estimates and judgements

Estimates and judgements have been used in the production of these accounts, notably with regard to the valuation of film rights and pensions as at the year end and in the recharge of operating costs. Details on the judgements and estimation involved in the valuation of the film rights are set out in the Film Rights accounting policy above and note 6: Film Rights. The recharge of operating costs are based on an assessment of the relevant direct costs of the lottery departments and an appropriate proportion of the central support functions such as Facilities, Finance and IT. Further information can be found in note 9: Operating Costs and information on the assumptions underlying the pension valuation can be found in note 8: Pensions.

Most of the London Pension Fund's assets have quoted prices in active markets, but there are unquoted property, infrastructure and private equity assets, with BFI Lottery's share of assets other than equities and cash amounting to an estimated £4.2m (2020 £2.9m). The property and infrastructure assets are subject to valuation by external valuers and despite the ongoing impact of Covid-19 on the market and wider economy, the valuers have advised the pension fund that they are satisfied with the valuation of the assets at 31 March 2021. The actuaries have also given due consideration to the impact of Covid-19 on mortality rates and a prudent approach has been taken, following the guidance of the Institute and Faculty of Actuaries 'Continuous Mortality Investigation' 2020. Details of life expectancy are detailed in note 7 Pensions. The Fund Actuary has changed their standard approach to setting the CPI assumption, to take account of RPI reform. The method for calculating the RPI assumption (on which the CPI assumption is based) has been updated, resulting in a reduction in the Defined Benefit Obligation (DBO) of £0.8m. In addition, the difference between CPI and RPI (the RPI-CPI wedge) has been updated, resulting in an increase in DBO of £1.6m. These changes are linked, and are based on pre-2030 and post-2030 rates.

YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (CONTINUED)

Apportioned costs

The BFI incurred costs which are shared between Lottery and other activities, relating to operating costs for the year, restructuring costs and costs arising from capital spend attributable to Lottery. The BFI is required to apportion costs in accordance with the principles of full cost recovery as outlined in Managing Public Money. In addition to costs wholly attributable to Lottery activities, an assessment is made of the other costs attributable to Lottery activities incurred by service and other departments. This is based on a combination of head count, office space occupied, activity levels and additional expenditure incurred. These departments include Finance & Resources, External Affairs and the Chief Executive's Office.

National Lottery Distribution Fund

Balances held in the National Lottery Distribution Fund (NLDF) remain under the stewardship of the Secretary of State for Digital, Culture, Media and Sport. The share of these balances attributable to the BFI is as shown in the financial statements at an estimate of market value and, at the date of the statement of financial position, has been certified by the Secretary of State for Digital, Culture, Media and Sport as being available for distribution by the BFI in respect of current and future commitments. With the introduction of IFRS 9 funds held at the National Lottery Distribution Fund are held as financial instruments held at amortised cost.

As the investments are held with the Debt Management Account and the National Loans Fund, these are exempt from recognising stage 1 and stage 2 impairment so no expected credit losses have been calculated for these investments.

The share of proceeds and investment returns attributed to the BFI has been treated as income within these financial statements.

Other Financial instruments

Other Lottery financial instruments include trade receivables and payables that arise directly from Lottery operations. The main risks arising from the financial instruments in the Lottery accounts are interest rate risk, foreign currency risk and other price risk. Further detail of this can be found in note 14 below.

Film rights

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

Under International Financial Reporting Standards (IFRS 9) film rights fall within the definition of Financial Instruments. Within that, they meet the definition of assets measured at fair value with gains and losses being recognised in the profit and loss account (FVTPL). The fair value, in line with definitions of IFRS 9, is based upon cash flows and models of future income that may be generated by the film right asset. The calculations behind these models are based upon external factors such as sales agents' estimates, actual sales made, and the recoupment order agreed in the financing contract between investors as well as internal factors such as the skills and expertise of management involved in these calculations and a review of the historic performance of the portfolio.

When an advance is made for an award (satisfying the definition of an award liability as above) the award is taken to the Statement of Financial Position initially at the full value of the award. An assessment is then made of the likely repayment of the award, if any, over the next seven financial years, with the valuation adjusted to the extent that the repayment of the award is considered doubtful. The impairment is calculated either as standard percentage suggested by historic recoupment performance of that particular type of award, or based on the value suggested by future estimated receipts.

In subsequent years, the Film Rights valuations are reviewed to ensure that all revenues due are received and the valuation remains appropriate. The valuations are based on the best available information at the Statement of Financial Position date and the valuations will change over time. For instance, on production awards, the actual value of sales made to a territory may exceed or fall below the original sales estimate provided by the sales agent or the box office performance may exceed or fall below the initial projections following the release of a film.

At 31 March 2020 a further global provision was added in to the detailed review in recognition of the uncertainties arising from the COVID-19 pandemic and the unknown impact on future film sales and audience appetite for cinema attendance as a result of the lockdowns and their easing into the subsequent tier system. In light of the continuing uncertainties arising from the pandemic prevalent at 31st March 2021 the inclusion of such a provision was continued

Movements in adjustments shown in the statement of Comprehensive Net Expenditure reflect the net effect of increases and decreases in adjustments against film rights in the year. Any adjustment may be reversed in part or in full if the valuation understates the fair value of the film rights. Advances for development and short film awards are fully impaired in the year of the award, unless there is a reasonable expectation of repayment in the next seven financial years.

Movements in Film Rights valuations shown in the Statement of Comprehensive Net Expenditure reflect the net effect of increases and decreases in valuations against Film Rights in the year. Awards are fully impaired unless there is a reasonable expectation of repayment in the next seven financial years.

YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (CONTINUED)

If the valuation of the film rights is in excess of the amount of the award investment based on estimated recoupment over the next seven financial years, this is similarly recognised in the film rights valuation and released to income as the recoupment is received. In the context of the life of a film and its distribution cycle, seven years is felt to be a reasonable period over which a meaningful forecast can be taken, and is consistent with practice across the film industry.

Should the full amount of an award for film rights not be utilised, any unused element of the funding will be decommitted. If such a decommitment exceeds the impaired value of the film, then any necessary impairment will be released back to the Statement of Comprehensive Net Expenditure so the remaining impairment is not greater than the value of the revised investment value.

Film recoupment income

Income received from film rights is offset against the value of the film rights on the Statement of Financial Position.

Income in excess of the original value of the rights is taken to the statement of comprehensive net expenditure as film recoupment income.

Foreign currencies

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

Lease costs and commitments

BFI Lottery pays rental to the BFI for the proportion of desk space occupied in the Stephen Street offices, in line with the terms of the lease on these premises to March 2031.

In accordance with FReM this lease obligation is recognised on Statement of Financial Position matched to a Right of Use asset. The former of these is reduced by the annual payment of lease liabilities including both rental and interest (finance) charge, whilst the latter is depreciated annually.

This differs from the treatment in the BFI Charity and Group accounts where, under the Charities SORP, rentals payable under operating leases are charged in the group statement of financial activity on a straight-line basis over the lease term.

Pensions

The BFI operates a defined benefit pension scheme for employees joining on or before 31 December 2013, and a defined contribution scheme for subsequent joiners, with an apportionment of the costs and liability being made to Lottery on an assessment of appropriate relative levels of staffing.

A defined benefit pension scheme is a post employment benefit plan. The BFI's net obligation in respect of this is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine the present value.

The pension liabilities and assets of the scheme are recorded in accordance with IAS 19. This measures the value of pension assets and liabilities at the statement of financial position date, determines the benefits accrued in the year, and the interest on the scheme's assets and liabilities. The valuation is undertaken by a qualified actuary.

The BFI operates a defined contribution scheme for employees joining on or after 1 January 2014. The amount charged to the Statement of Comprehensive Net Expenditure in respect of pension costs and other post-retirement benefits is the contribution payable in the year.

Provisions for award commitments

Provisions for award commitments arise where the BFI has agreed in principle to fund a scheme or project and made an offer, but where at the date of the statement of financial position either contracts have not been signed and/or the conditions precedent not met. Therefore these transactions are recognised as an award commitment but are not included in awards payable at the date of the statement of financial position but as a provision. Provisions are released in the following accounting periods as the offers of funding are contractually agreed and the associated conditions met. Across the year these criteria for drawdown of these funds had been amended in support of the sector, as part of the BFI Lottery response to the COVID-19 pandemic and resultant lockdown, and the impact of this on the industry.

Reserves

The Lottery reserve primarily represents the carrying value of film investments made by the UK Film Council prior to 31 March 2011 and British Film Institute since 1 April 2011, and uncommitted funds held at the National Lottery Distribution Fund, which are offset by all outstanding award liabilities.

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

YEAR ENDED 31 MARCH 2021
1. ACCOUNTING POLICIES (CONTINUED)

Segmental reporting

The BFI is required under the Lotteries Act to produce statutory accounts which cover its operations as a Lottery distributor to 31 March 2021. These are reported to the Board of Governors and the Chief Executive Officer as a stand-alone entity. Therefore in the context of IFRS8 no additional disclosure of segmental reporting is deemed appropriate.

Analysis of total expenditure between administrative and programme spend

Under the definitions of the Financial Reporting Manual 2020-21 all activities in these accounts are programme spend.

Standards, amendments and interpretations to existing standards not yet effective

The application of any new or amended International Financial Reporting Standards is governed by their adoption into the FReM issued by HM Treasury. Usually such changes are not put into effect by the FReM until the effective date of the related IFRS, although occasionally some changes are adopted early or might be delayed. The following standards have been published but are not effective for the periods presented. The BFI has chosen not to adopt these standards early as they are either not relevant to the circumstances of the BFI Lottery Distribution activities or are not considered to have a significant impact on the financial statements:

IFRS 17: Insurance contracts (Effective from periods starting on or after 1 January 2022)	The new standard replaces IFRS 4, detailing the required policy for the recognition and measurement of insurance and re-insurance contracts, adding detail on the required approach to valuing insurance contracts.	BFI Lottery does not provide and insurance contracts in its normal course of business.
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2. LOTTERY INCOME AND THE NATIONAL LOTTERY DISTRIBUTION FUND

The movement in balances held at the NLDF is as follows:

	2020-21 £'000	2019-20 £'000
Opening balance held at the NLDF	53,804	52,757
Income received from the Lottery	49,044	48,025
Investment income earned	29	232
Available for distribution	102,877	101,014
Cash drawn down	(49,757)	(47,210)
Balance as at 31 March	53,120	53,804

The funds are invested on behalf of the NLDF by the National Debt Commissioners. The BFI's distribution is in accordance with Sections 22 and 23 of the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998). The BFI is required by statute to show on the statement of financial position the lower of the market value or the cost of the investment as at the year end. There were no unrealised gains in the year (2020: nil).

Income received from the Lottery

Underlying lottery sales in 2020-21 improved on those of the previous year, despite the drop of in the early weeks of the year resultant from the COVID-19 pandemic and consequent national lockdown. However, the income includes the variable factor of receipts of unclaimed prize money:

	2020-21 £'000	2019-20 £'000
Income received from Lottery therefore contains:		
Unclaimed prize money	2,744	3,331

YEAR ENDED 31 MARCH 2021

3. FILM RIGHTS RECEIPTS AND RECOUPMENT INCOME

The BFI receives income generated from rights in the portfolio of film projects invested in since 1 April 2011. Additionally under the transfer agreement with UK Film Council, the BFI receives all future income generated from rights in the portfolio of films transferred from the UK Film Council and Arts Council England at that date.

Income received from film rights is offset against the value of the film rights on the statement of financial position. Income in excess of the original value of the rights is taken to the statement of comprehensive net expenditure as film recoupment income through the movement in fair value reserve.

	2020-21	2019-20
	£'000	£'000
Total film receipts taken as income	803	1,553
Total film receipts taken against film rights on the statement of financial position	4,074	4,476
	<u>4,877</u>	<u>6,029</u>

Those film receipts where the revenue is taken as income related to:

	2020-21
	£'000
Billy Elliott	132
3 films generating < £100,000	<u>143</u>
Arts Council England and UK Film Council portfolio	275
Been So Long	102
Saint Maud	217
Wild Rose (aka Country Music)	128
16 films generating < £100,000	<u>81</u>
BFI portfolio	528
	<u>803</u>

Total film receipts taken against film rights on the statement of financial position

	2020-21
	£'000
Been So Long	328
Benediction	257
Boxing Day	122
Brian and Charles	175
Earwig	100
The Fantastic Flitcrofts	121
Kenuske's Kingdom	140
Medusa Deluxe	235
Misbehaviour	278
Mothering Sunday	222
The Origin	100
Pretty Red Dress	130
Saint Maud	475
True Things About Me	143
Wild Rose (aka Country Music)	223
84 films generating < £100,000	<u>1,025</u>
	<u>4,074</u>

YEAR ENDED 31 MARCH 2021
4 NON-FILM RIGHTS AWARDS

Non-film rights awards are made across a number of schemes operated by the BFI. The majority of awards are for single projects which are anticipated to be completed within one year. With the implementation of our 5 year plan, BFI2022, and in comparison to previous years, no significant multi-year awards were made. However, awards were made in the year to March 2021 for activities to March 2022.

The activity support areas itemised below are those areas where it is deemed that activity on behalf of the industry and indeed the public at large, and funded by Lottery monies, are most cost effectively and efficiently carried out by the BFI as the lead body for the film sector.

Analysis of non-film rights awards by strand:

	New awards in the year £'000	2020-21 Decommit- ments* £'000	Awards net of fall ins £'000	2019-20 Awards net of fall ins £'000
Funding to cover the future years				
Film Education awards	(4,888)		(4,888)	(4,887)
Film Skills Fund	(4,190)		(4,190)	(5,389)
Audience fund awards	(3,811)		(3,811)	(3,848)
Film Audience Network fund	(3,300)		(3,300)	(3,300)
Film Heritage fund	(3,263)		(3,263)	(2,275)
Talent Network awards	(1,210)		(1,210)	(977)
International awards	(575)		(575)	-
National Cluster Growth Fund (production hub awards)	-		-	(1,000)
	(21,237)	-	(21,237)	(21,676)
Project or single year funding to cover the period to March 2021				
Creative Enterprise	(1,540)		(1,540)	-
Education fund awards	(1,384)	68	(1,316)	72
Rewarding Success	(1,252)		(1,252)	(1,911)
Talent Network awards	(1,211)	12	(1,199)	(1,456)
Vision awards	(1,000)		(1,000)	-
Audience Fund	(979)	8	(971)	(1,383)
International awards	(680)	34	(646)	(1,506)
Research and Statistics awards	(640)	6	(634)	(476)
Production services award	(550)		(550)	-
Film Fund awards (non-film rights)	(503)	10	(493)	-
Film Skills Fund awards	(400)		(400)	(3,149)
Film Academy awards	(480)	117	(363)	(449)
Distribution and Exhibition awards	(295)		(295)	(21)
London Film Festival	(1,250)	1,000	(250)	(900)
Film Audience Network fund	(53)	213	160	-
Development Fund		233	233	7
Diversity awards			-	33
	(12,217)	1,701	(10,516)	(11,139)
Activity support				
Diversity			-	-
Research and statistics	(284)	-	(284)	(340)
	(284)	-	(284)	(340)
Total Lottery non-film rights	(33,738)	1,701	(32,037)	(33,155)

* A decommitment (or fall in) is when an award is reduced for any reason with the agreement, and usually at the volition of, the award recipient. The balance is written back against the relevant award strand in the statement of comprehensive net expenditure.

Rewarding success above represents recoupment received in the year under the producer corridor arrangements and thus held on behalf of film-makers. Further information is provided in note 19.

YEAR ENDED 31 MARCH 2021

5. FILM RIGHTS

Under IFRS 9 the valuation of the films rights assets are determined on the basis of level 3 inputs, with unobservable inputs being used for the asset as there is no market activity for these assets at the balance sheet date. The valuation approach to establish the fair value of the film rights portfolio is set out in Note 1 : Accounting Policies.

The BFI's primary objective in investing in film rights is to support the future success of British film by backing new voices, new stories, new ideas and skills, enriching and diversifying British film production. Thus whilst the potential commercial success of a project is important in our assessment of an application it is not the only funding criteria.

The fair value of film rights at 31 March is as follows:

	2020-21 £'000	2019-20 £'000	2018-19 £'000	2017-18 £'000	2016-17 £'000
Production Awards	9,760	11,330	12,181	10,210	10,370
Vision Awards	1,411	1,238	1,323	1,368	1,500
Development Awards	227	534	284	333	374
Distribution Awards	162	235	220	489	329
Other Awards	-	-	0	30	54
Film Rights valuation	11,559	13,337	14,008	12,430	12,627

Film rights are recognised as split between current and non-current assets, on the basis of a review of the characteristics of the loans across the portfolio and the anticipated cash flows from these:

	2020-21 £'000	2019-20 £'000	2018-19 £'000	2017-18 £'000	2016-17 £'000
Film rights - non-current	9,228	10,532	8,249	7,492	7,627
Film rights - current	2,331	2,805	5,759	4,938	5,000
	11,559	13,337	14,008	12,430	12,627

Production awards are made to producers to co-finance feature film productions and from which we are entitled to recoup our award and take a share of net profits from the film. The value of the productions will be dependent upon many factors which are inherently uncertain; the ability of sales agents to meet sales estimates, how the film will be critically and commercially received (including box office projections and exchange rates) all play a role. Further details are set out below.

Vision Awards are made to production companies to enable them to develop their business and the awards are repayable from any applicable feature film production made by the production company. As we do not expect all recipients to be required to repay the award in full we routinely impair 50% of the recoupable amount of the award in the year in which it is committed.

Development awards are made to producers to support a film development. In the event that the development project progresses into a feature film production, we would be entitled to be repaid our award and take a share of net profits. Accordingly development awards are impaired in full in the year in which the award is made, unless there is a reasonable anticipation of it progressing to production.

Distribution awards are made to distributors to support the release of a film in the UK and repayable dependent upon the performance of the film release.

Other awards include targeted development awards which are awarded to support new talent. These awards are written off in full in the year unless there is a reasonable expectation of recoupment.

Movements in the valuation of film rights

	2020-21 £'000	2019-20 £'000	2018-19 £'000	2017-18 £'000	2016-17 £'000
Film rights valuation at 1 April	13,337	14,008	12,430	12,627	10,970
New commitments: made in year	22,275	17,002	20,840	18,783	23,150
Decommitments: new film rights in year	(370)	-	(3)	(23)	-
Decommitments: historical portfolio	(178)	(461)	(369)	(451)	(315)
Repayment of investments: new film rights in year	(1,528)	(285)	(588)	(508)	(539)
Repayment of investments: historical portfolio	(2,547)	(4,191)	(3,546)	(5,024)	(4,647)
Adjustments: new film rights in year	(17,559)	(13,932)	(16,110)	(15,530)	(19,114)
Adjustments: historical portfolio	(5,174)	(3,873)	(2,476)	(2,315)	(1,971)
Adjustments written back	3,303	5,069	3,830	4,871	5,093
Film rights valuation at 31 March	11,559	13,337	14,008	12,430	12,627

YEAR ENDED 31 MARCH 2021
5. FILM RIGHTS (CONTINUED)

The value of new commitments made in the year will vary due to timing differences arising from the closure of awards.

The valuation of the Film Rights is based on the anticipated cash receipts over the next seven financial years after the Statement of Financial Position date. In relation to recent production awards (that is production awards that were recognised as awards payable this financial year and the last three financial years), the valuation is based on the cash receipts anticipated from the first cycle of revenues including revenues from cinema, DVD, Video On Demand and television. In relation to older production awards, the valuation is based on the anticipated cash receipts for the next seven years following the balance sheet date calculated from the individual film's historic cash receipts. All such anticipated cash receipts are discounted using the applicable Treasury Rate of 3.7% (2020: 3.7%).

The value of adjustments on new film rights in the year is always governed by the value of awards made and therefore can vary considerably year to year.

As at 31 March 2021, the Film Rights valuation for production awards is £9.8m (2020: £11.3m) and for all other Film Rights is £1.8m (2020: £2.0m) totalling £11.6m (2020: £13.3.0m). For production awards, were the recoupment levels and valuation to vary by +/- 5%, the impact of the valuation of Film Rights at 31 March 2021 would be £0.5m for 207 awards (2020: £0.6m for 186 awards).

In relation to older production awards, the Film Rights valuation is calculated on the assumption that the future anticipated receipts will be based on the historic cash receipts for the two years prior to the Statement of Financial Position date, subject to an 85% default reduction every three years, except for films in profit which are calculated on the assumption that the future anticipated receipts will be based on the historic cash receipts for the three years prior to the Statement of Financial Position date, subject to a 75% default reduction every three years. The total amount of the Film Rights valuation based on this methodology is £4.3m (2020: £5.2m). Were this default reduction percentage to change by +/- 10% the Film Right valuation would change by :

	£'000 +10%	£'000 0.00%	£'000 -10%
2020-21	(400)	4,320	390
2019-20	(560)	5,240	400

In relation to recent production awards (that is production awards that were recognised as awards payable this financial year and the previous three financial years), the Film Rights valuation is based on future anticipated receipts. These cash receipts are principally earned in US dollars and converted to pounds sterling before payment is made to the BFI's bank accounts. The default pound sterling to US dollar exchange rate is calculated using the average daily exchange rate for the two years to the Statement of Financial position date rounded to the nearest 5 US cents. The default rate as at 31 March 2021 for production awards is US \$1.30 (2020:US \$1.30).

Had the pound sterling to US dollar exchange rate been \$1.40, for the purposes of the Film Rights valuation, then the valuation of the total of these production awards would be reduced by £0.5m (and the awards at March 2020 would reduce by £0.4m). Were the valuation calculated using US \$1.20, then these valuations would be increased by £0.6m (and the awards at March 2020 would increase by £0.7m).

Further information on the movement on film rights can be found on the BFI website: <http://www.bfi.org.uk/about-bfi/annual-review-management-agreement>.

6. STAFF COSTS

No member of the Board of Governors received remuneration during the year (2020: none).

The costs of staff working wholly on Lottery activities comprised:

	2020-21 £'000	2019-20 £'000
Wages and salaries	1,826	1,888
Social Security costs	206	213
Pension service costs and other pension costs	312	283
	2,344	2,384

The average number of staff (full-time equivalents) employed during the year was made up as follows:

	2020-21 Number	2019-20 Number
Management and administration:		
Permanent staff	40	38
	40	38

Staff costs for the year are contained within the costs apportioned from grant-in-aid on the statement of comprehensive net expenditure.

YEAR ENDED 31 MARCH 2021

6. STAFF COSTS (CONTINUED)

The remuneration of the Chief Executive Officer and costs attributable to Lottery during the year are as follows:

	2020-21		Attributable to Lottery
	£	%	£
Ben Roberts			
Salary and benefits	150,000		66,001
Total	150,000	44.0%	66,001
Pension contribution	23,000		10,121
	2019-20		Attributable to Lottery
	£	%	£
Amanda Nevill (to 14.2.20)			
Salary and benefits	169,058		86,220
Total	169,058	51.0%	86,220
Pension contribution	19,422		9,915
Ben Roberts (from 14.2.20)			
Salary and benefits	20,605		10,509
Total	20,605	51.0%	10,509
Pension contribution	2,370		1,209

The percentage of the remuneration of the Chief Executive Officer apportioned to Lottery is reviewed on an annual basis.

7. PENSION BENEFITS

The BFI is an admitted body of the LPFA. Although membership of the scheme is open to all employees, only those costs relating to staff employed on Lottery activities are disclosed in these accounts. An apportionment of the pension assets and liabilities is calculated on the basis of the numbers of staff employed on Lottery activities and their pensions contributions in year as a percentage of those of the whole organisation.

The pension scheme is (for joiners on or prior to 31 December 2013) a defined benefit scheme and is funded by employees and employers at actuarially determined rates. Employer contributions charged for members of the defined benefit scheme amounted to £0.3m (2020: £0.3m)

Following the advice of the consulting actuaries to the scheme, the BFI's employer contributions for current service (as a percentage of the pensionable salary) were set at 11.5% throughout the year (2020: 11.5%).

A valuation under IAS19 as at March 2021 was carried out by a qualified independent actuary. The assumptions used by the actuary for the BFI's scheme were:

	2020-21	2019-20
	%	%
Rate of increase in salaries	3.85	2.9
Rate of increase in pension payments	2.85	1.9
Discount rate	2.0	2.35
Inflation assumption (CPI)	2.85	1.9

Average life expectancy at 65:

Under the adopted mortality tables, the assumed life expectancy from age 65, weighted by liability, are as follows:

	2020-21	2020-21	2019-20
	(after CMI-2020 update)	(before CMI-2020 update)	(before CMI-2020 update)
	Years	Years	Years
Life expectancy at age 65 of female aged 45	26.1	26.2	26.1
Life expectancy at age 65 of female aged 65	24.3	24.5	24.4
Life expectancy at age 65 of male aged 45	23.4	23.8	23.7
Life expectancy at age 65 of male aged 65	22	22.3	22.2

YEAR ENDED 31 MARCH 2021

7. PENSION BENEFITS (CONTINUED)

The estimated asset allocation as at 31 March was:

	2020-21	2019-20
	Long term	Long term
	rate of return	rate of return
	expected	expected
	£'000	£'000
Equities	6,693	5,609
Target return portfolio	2,798	2,701
Infrastructure	1,095	727
Property	1,095	1,039
Cash	486	311
	12,167	10,387
Total market value of assets		

	At 31 March 2021	At 31 March 2020	At 31 March 2019
	£'000	£'000	£'000
The net pension liability was:			
Present value of funded obligation	(17,117)	(13,059)	(13,347)
Fair value of scheme asset	12,167	10,387	10,703
Net liability	(4,950)	(2,672)	(2,644)

The amounts recognised in the statement of comprehensive net expenditure are as follows:

	2020-21	2019-20
	£'000	£'000
Current service cost	(455)	(528)
Net interest on the defined liability	(61)	(61)
Administration expenses	(17)	(19)
Total	(533)	(608)

Actual return on plan assets	1,709	(40)
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	2020-21	2019-20
	£'000	£'000
Return on plan assets in excess of interest	1,466	(296)
Other actuarial gains/(losses) on assets	-	(401)
Change in financial assumption	(3,686)	1,178
Experience (loss)/gain of defined benefit obligation	168	(84)
Remeasurements recognised in the statement of changes in equity	(2,052)	397

Cumulative remeasurements in statement of changes in equity	(4,647)	(2,595)
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	2020-21	2019-20
	£'000	£'000
Changes in the present value of the defined benefit obligation:		
Opening defined benefit obligation	(13,059)	(13,347)
Current service cost	(455)	(528)
Past service cost	-	(115)
Interest cost	(304)	(318)
Contributions by members	(107)	(120)
Change in financial assumptions	(3,686)	1,178
Experience gain/(loss) on defined benefit	168	(84)
Benefits paid	326	275
Closing defined benefit obligation	(17,117)	(13,059)

YEAR ENDED 31 MARCH 2021

7. PENSION BENEFITS (CONTINUED)

Changes in the fair value of the scheme assets:

	2020-21	2019-20
	£'000	£'000
Opening fair value of employer assets	10,387	10,703
Contributions by members	107	120
Contributions by employer	307	299
Interest on assets	243	256
Return on assets less interest	1,466	(296)
Other actuarial gains/(losses)	-	(401)
Admin expenses	(17)	(19)
Benefits paid	(326)	(275)
Closing fair value of employer assets	12,167	10,387

The sensitivity analysis on the major assumptions in the above, and based on the whole scheme is:

	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	16,769	17,117	17,473
Projected service cost	674	696	718
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	17,150	17,117	17,084
Projected service cost	696	696	696
Adjustment to pension increases and deferred valuation	+0.1%	0.0%	-0.1%
Present value of total obligation	17,436	17,117	16,804
Projected service cost	718	696	674
Adjustment to mortality age rating assumption	+ 1 year	0.0%	- 1 year
Present value of total obligation	17,896	17,117	16,374
Projected service cost	728	696	666

A history of experience gains and losses is shown below:

	2020-21	2019-20
	£'000	£'000
Fair value of employer assets	12,167	10,071
Present value of defined benefit obligation	(17,117)	(12,771)
Deficit	(4,950)	(2,700)
Experience gains on assets	1,709	(40)

From 1 January 2014 the BFI also operates a defined contribution pension scheme which is available for all employees not already in the defined benefit scheme.

8. OPERATING COSTS and OTHER FINANCE COSTS

	2020-21	2019-20
	£'000	£'000
<i>Direct Lottery costs</i>		
Direct staff costs	2,342	2,355
Other staff costs (including agency staff, training and recruitment)	60	71
Travel and subsistence	-	142
Events and other hospitality	2	25
Professional fees: Audit - National Audit Office	52	52
Professional fees: other	46	32
Depreciation re right of use asset	155	155
Other	298	(80)
	2,956	2,752
Recharged costs from BFI non-lottery activities re support functions	2,420	2,810
Total operating costs	5,376	5,562
Finance costs		
Interest re lease on right of use asset	35	37
Net return on pension assets	77	195
Total financing costs	112	232
Total operating costs	5,488	5,794

YEAR ENDED 31 MARCH 2021**8. OPERATING COSTS (CONTINUED)**

The direct lottery costs are those of the front-line award making departments. These costs are those of the Film Fund (International, Production, Operations, Audience Fund, Deputy CEO Office), Education Directorate, Education Partners, Business Affairs and Production Finance. These costs cover the administration and processing of grants, project development and other costs, the costs of generating recoupment and talent support and development activities.

The remaining costs are those central costs of the BFI attributed to Lottery relating to CEO, External Affairs, and support functionality such as Finance, HR, IT and Digital.

Costs of generating recoupment relate to the costs of generation and management of BFI income from the investments in film rights within Business Affairs, Production Finance and the Film Funds - in 2020-21 these stood at £0.8m (2020: £0.8m).

Other Finance Costs

	2020-21	2019-20
	£'000	£'000
Net return of assets re pension	77	195
Interest on rental of right of use assets	35	37
	<u>112</u>	<u>232</u>

9. LEASEHOLD IMPROVEMENTS

	2020-21	2019-20
	£'000	£'000
Release of prepayment of capital transfer to BFI	362	369
	<u>362</u>	<u>369</u>

The above prepayment relates to the contribution made to the capital works undertaken by BFI on the Stephen Street offices in relation to the transfer of staff and activities with the closure of UK Film Council and the appointment of BFI as Lottery Distributor from April 2011. The assets are held in the BFI Charity/Group. The lottery contribution was advanced to match the spend, being treated as a prepayment being released over the period of the Stephen Street lease and thus matching the amortisation of this spend in the Charity/Group accounts.

10. RIGHT OF USE ASSETS and LEASE LIABILITIES

As at 31 March 2021, the BFI had a right of use asset reflecting a non-cancellable operating leases relating to the BFI offices in London running until March 2031. With the introduction of IFRS 16: Lease Accounting, this is now shown in the accounts as a trade receivable split between the amounts falling due within and over one year - these are matched to the lease liability.

	At 31 March	At 31 March
	2021	2020
	£'000	£'000
Right of use asset at 1 April	1,705	-
Right of use asset recognised in the year	-	1,860
Depreciation in year	(155)	(155)
Right of use asset at 31 March	<u>1,550</u>	<u>1,705</u>

Consequently a lease liability was recognised in year with the finance cost calculated using the HMT discount rate of 1.99%

Lease liability at 1 April	1,721	-
Lease liability recognised in year	-	1,860
Repayment of lease liabilities	(176)	(176)
Finance cost in year	35	37
Lease liability at 31 March	<u>1,580</u>	<u>1,721</u>

11. TRADE AND OTHER RECEIVABLES

	At 31 March	At 31 March
	2021	2020
	£'000	£'000
Trade and other receivables falling due within one year		
Prepayments and accrued income	-	362
Trade debtors	823	337
Other receivables - BFI Exchequer	-	16
Other receivables	297	259
Total trade and other receivables falling due within one year	<u>1,120</u>	<u>974</u>

YEAR ENDED 31 MARCH 2021
12. CASH AND CASH EQUIVALENTS

	At 31 March 2021 £'000	At 31 March 2020 £'000
Cash and cash equivalents at 1 April	8,559	6,499
Net change in cash and cash equivalent balances	(110)	2,060
Cash and cash equivalents at 31 March	8,449	8,559

£3.2m (2020: £3.9m) of cash held in BFI lottery bank accounts is funds recouped by BFI and held on behalf of producers under the "Rewarding Success" recoupment corridor. See note 16: Provisions.

All Lottery cash balances are held in commercial bank accounts.

13. FINANCIAL INSTRUMENTS

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

Film rights

Under International Financial Reporting Standards (IFRS 9) film rights fall within the definition of Financial Instruments. Within that, they meet the definition of assets measured at fair value with gains and losses being recognised in the profit and loss account (FVTPL).

Establishing the fair value of film rights is subjective and therefore contains an element of risk. The fair value is based on a review of external evidence such as the sales agents' estimates as to the likely revenues generated by a project, where it is in the life cycle of the project, and upon actual performance of the film to date. This is matched with the knowledge and experience of the staff and management involved in the process of assessing the projects both at application stage and as they come to fruition. Any reduction in fair value is immediately taken to the statement of comprehensive net expenditure in the year.

The valuation of film rights is subject to on-going annual review to ensure a fair value is maintained and thus mitigating the risk of a perceived overstatement of the value, with any adjustments being charged as expenditure.

	2020-21 £'000	2019-20 £'000
Film rights falling due in excess of one year	9,228	10,532
Film rights falling due within one year	2,331	2,805
Film rights valuations at 31 March	11,559	13,337

Liquidity risks

Whilst lottery distributors are permitted to over-commit in awards against the surety of future lottery income, the BFI awards are over a relatively short term. Thus risk of holding insufficient resources to cover liabilities is held under constant review across the year, to ensure that this risk is minimised, by review of current funds held in cash and at the National Lottery Distribution fund versus the levels of commitment.

	2020-21 £'000	%	2019-20 £'000	%
Lottery cash inflows can be analysed as:				
Income received from the National Lottery	49,044	90.7%	48,025	88.3%
Investment returns from the balance held at the NLDF	29	0.1%	232	0.4%
Recoupment income from film rights	4,877	9.0%	6,029	11.1%
Other income including legacies, grants and donations	97	0.2%	95	0.2%
	54,047	100.0%	54,381	100.0%

	2020-21 £'000	2019-20 £'000
NLDF balance at 31 March as notified by the Secretary of State for Digital, Culture, Media and Sport	53,120	53,804
Lottery funds held in cash and cash equivalents by the BFI at 31 March	8,449	8,559
	61,569	62,363
	2020-21 £'000	2020-21 £'000
Lottery awards payable	18,495	22,083
Provision for non-Lottery film rights awards	25,644	16,809
Film rights award allocations noted as contingent liabilities	4,536	5,117
	48,675	44,009
Under commitment against funds available at 31 March	12,894	18,354

YEAR ENDED 31 MARCH 2021

13. FINANCIAL INSTRUMENTS (continued)

National Lottery Distribution Fund

Under IFRS 9 funds held at the National Lottery Distribution Fund are held as financial instruments held at amortised cost. The funds are invested on behalf of the NLDF by the National Debt Commissioners over which the BFI has no control and therefore has capacity to mitigate any risk here-in.

Interest rate risks

Interest rate risk is deemed low for the BFI as it does not have any interest payable. With the restrictions on how public bodies may hold cash, and in the current climate of nil interest rates on bank current accounts the BFI similarly has little risk of not ensuring it is maximising interest on its own cash holdings.

The BFI's largest financial asset is retained in the NLDF, which invests in a narrow band of low risk assets such as Government bonds and cash. Neither the BFI nor its Governors has any control over these investments. The interest rate risks in respect of these financial assets are disclosed in the financial statements of the NLDF.

	2020-21	2019-20
	£'000	£'000
Market value of BFI investment at NLDF at 31 March	53,120	53,804
Average investment return at NLDF	0.10%	0.72%

Cash drawn from the NLDF, or received from other sources, to pay grant commitments and operating costs are held in variable rate bank accounts:

	2020-21	2019-20
	£000s	£000s
Lottery funds held in cash and cash equivalents by the BFI at 31 March	8,449	6,499
Average interest rate on cash held in variable rate bank accounts	0.13%	0.40%

Foreign currency risks

The BFI's financial assets are not exposed to material foreign exchange risks as long-term balances are held in sterling, however foreign currency exchange risks are significant in the valuation of the Film Rights as explained in note 6: Film Rights

14. TRADE AND OTHER PAYABLES

	At 31 March	At 31 March
	2021	2020
	£'000	£'000
Other payables (including lease liability)	334	910
Other payables due in < 1 year	334	910

	At 31 March	At 31 March
	2021	2020
	£'000	£'000
Other payables: lease liability	1,437	1,581
Lease payables due in >1 year	1,437	1,581

As at 31 March 2021, the BFI had total minimum payments under a non-cancellable operating lease relating to the BFI offices in London running until March 2031. With the introduction of IFRS 16: Lease Accounting, this is now shown in the accounts as a lease liability matched to a right of use asset.

The proportion of these costs relating to these leases that form part of the costs apportioned to Lottery are:

	At 31 March	At 31 March
	2021	2020
	£'000	£'000
Amounts payable within one year	144	141
Amounts payable within two to five years	607	595
Amounts payable over five years	830	986
	1,581	1,722

YEAR ENDED 31 MARCH 2021

15. OTHER PAYABLES - AWARDS COMMITMENTS

	At 31 March 2021 £'000	At 31 March 2020 £'000
At 1 April	22,083	17,782
New film rights commitments in year	24,297	17,002
Commitments transferred from prior year provision for non-film rights awards	12,915	16,579
New non-film rights commitments in year	7,423	16,914
Decommitments	(1,679)	(466)
Amounts paid	(46,544)	(45,728)
At 31 March	<u>18,495</u>	<u>22,083</u>

	At 31 March 2021 £'000	At 31 March 2020 £'000
Award commitments payable at 31 March relate to:		
Audience Development Fund - Organisation	681	960
Audience Development Fund - Projects	941	1,072
BFI Film Academy	882	285
Creative Enterprise	221	143
Development Fund	1,201	1,068
Film Audience Network Fund	155	1,019
Film Heritage	2,226	1,810
International Fund	412	984
Into Film	250	-
National Cluster Growth Fund	1,045	-
Other	124	114
Production Fund	4,351	3,834
Research and Statistics Fund	354	303
Skills	3,576	9,323
Talent Development	867	1,125
Vision Awards	1,209	43
	<u>18,495</u>	<u>22,083</u>

Decommitments arise when any element of the award is not utilised once contracts are signed and drawdown has commenced.

Commitments transferred from the provision for non-film rights awards are as follows:

	At 31 March 2021 £'000	At 31 March 2020 £'000
Film Education Awards	4,887	4,888
Film Audience Network	2,480	3,310
Heritage and Regional Archives	2,275	2,092
Audience Fund	1,590	2,340
National Cluster Growth Fund	1,000	600
Talent Network	537	1,046
Film Academies	83	93
International	33	665
Research Fund	30	135
Production Services Fund	-	550
Creative Enterprise	-	860
	<u>12,915</u>	<u>16,579</u>

YEAR ENDED 31 MARCH 2021

15. OTHER PAYABLES - AWARDS COMMITMENTS (continued)

New non-film rights commitments in the year:

	At 31 March 2021 £'000	At 31 March 2020 £'000
Project funding to 31 March 2021		
Creative Enterprise	1,540	-
Film Education Awards	1,308	8,553
London Film Festival award	1,250	900
Audience Fund	1,086	2,776
International	676	1,591
Research Fund	553	450
Production Services	550	-
Film Academies	247	494
Film Audience Network	213	1,710
Talent Network	-	440
New commitments in year	7,423	16,914

Reconciliation of new awards in year per the statement of comprehensive net expenditure to new commitments, awards payable on the statement of financial position:

	At 31 March 2021 £'000	At 31 March 2020 £'000
Non-film rights awards taken to SOCNE in the year	32,037	33,155
Less spend on activity support in year	(284)	(340)
Less new awards in year taken to SOCNE but recorded by way of provision at year end	(23,723)	(14,833)
Add back decommitments of awards from prior years taken as negative spend on SOCNE	(607)	(1,068)
New non-film rights commitments taken as awards payable	7,423	16,914

	At 31 March 2021 £'000	At 31 March 2020 £'000
Ageing of award commitments, estimated date of payment:		
Estimated payment within one year	18,495	22,083

16. PROVISIONS

	At 31 March 2021			At 31 March 2020
	Non Film Right Awards £'000	Rewarding Success awards £'000	Total £'000	Total £'000
At 1 April	12,922	3,887	16,809	19,414
New provisions in the year	29,928	1,252	31,180	31,757
Provisions written back in year	(34)	-	(34)	(10)
Provisions released in year	-	(1,973)	(1,973)	(859)
Transferred to other payables - award commitments	(20,337)	-	(20,337)	(33,493)
At 31 March	22,478	3,166	25,644	16,809

Provisions for award commitments arise where the BFI has agreed in principle to fund a scheme or project and made an offer, but where at the date of the statement of financial position either contracts have not been signed and/or the conditions precedent not met. Therefore these transactions are recognised as liabilities in the statement of financial position as provisions rather than payables. Provisions are released in the following accounting periods as the offers of funding are contractually agreed and the associated conditions met.

YEAR ENDED 31 MARCH 2021

16. PROVISIONS (continued)

The year end provision with regard to non film right awards relates to awards made by the BFI across a number of strands:

	At 31 March 2021 £'000	At 31 March 2020 £'000
Film Education Awards	9,523	4,892
Audience Fund	4,437	2,480
Heritage and Regional Archives	3,263	2,275
Film Audience Network	3,140	1,590
Talent Network	1,210	536
International	584	36
Film Academies	233	83
Research Fund	87	30
National Cluster Growth Fund	-	1,000
	22,478	12,922

A provision written back arises when the conditions of the terms of the award are not met prior to signature of contract.

Rewarding Success provision

The rewarding success initiative allows for a share of film recoupment income arising from lottery awards to be made available to UK Producers, Writers and Directors for their future film making activity. The funds held on behalf of film-makers ("the locked box") represents the monies held for this initiative at the balance sheet date and not yet drawn down.

	At 31 March 2021 £'000	At 31 March 2020 £'000
Ageing of provisions, estimated date of payment		
Amounts anticipated as payable within one year	25,644	16,809

At the date of the statement of financial position the BFI Lottery activities had no further provisions (2020: £nil).

17. CAPITAL COMMITMENTS

As at 31 March 2021, the BFI had no capital commitments outstanding related to Lottery distribution activities, therefore no costs are attributable to Lottery at the date of the statement of financial position (2020: £nil).

18. OTHER FINANCIAL COMMITMENTS and CONTINGENT LIABILITIES

Financial Commitments

At the date of the statement of financial position there were financial commitments representing film rights investments made by the BFI where the investment decisions had been taken by the BFI and notified to the applicants but either the contracts had not been signed and/or the conditions precedent not met. Therefore work had not commenced on the assets in which the BFI is investing, so neither the asset nor the matching liability are represented in the statement of financial position at that date.

	At 31 March 2021 £'000	At 31 March 2020 £'000
<i>Prior year awards</i>		
Talent Network awards	191	
Production awards	97	105
Development awards	26	-
<i>In year awards</i>		
Production awards	3,081	3,742
Development awards	624	818
Talent Network awards	457	302
Distribution awards	60	150
Financial commitments notified but not yet recognised in the financial statements	4,536	5,117

YEAR ENDED 31 MARCH 2021

18. OTHER FINANCIAL COMMITMENTS and CONTINGENT LIABILITIES (continued)

Other Contingent Liabilities - Rewarding Success projects in Film Rights

The film rights valuation is based on the value of the initial BFI investment as detailed in the Accounting Policies note above. However on a number of these investments, the BFI Locked Box initiative applies and accordingly there is a potential and contingent liability with regard to the element of the valuation which would be made available to UK-filmmakers. The BFI Locked Box initiative enables UK-filmmakers supported through the BFI to benefit from their film's success. In short, a share of income from supported film productions is put aside (into a BFI Locked Box) and can be used by the filmmakers for the development and/or production of their future projects or towards staff training. In the year these criteria were expanded to include support of organisational costs as part of the BFI's response to assist the industry as a result of the COVID-19 pandemic and resultant lockdown.

	At 31 March 2021 £'000	At 31 March 2020 £'000
Contingent liability - rewarding success projects in film rights	<u>2,975</u>	<u>3,002</u>

19. CONTINGENT ASSETS

The National Lottery Distributors are entitled to receive a share of the receipts from the sale of land on Queen Elizabeth Olympic Park in return for their contribution of an additional £675 million to the funding of the London 2012 Olympic and Paralympic Games. This was announced in 2007. The arrangements are set out in a legal agreement between the Secretary of State and the Greater London Authority dated 29 March 2012 which sets out the distribution of funds between the GLA and the lottery distributors (via DCMS). The GLA has now advised that the land sales on the Olympic Park are now forecast to return less than £200m with payment beginning in 2026-27.

BFI will be entitled to receive a portion of the receipts from the sale in line with the 2.705% of the funds available to the good causes that the BFI receives as a lottery distributor.

Due to the inherent uncertainties over such a time period it is not possible to yet quantify the value of such land sales. However given the information above the BFI could expect to receive in excess of £5m.

20. RELATED PARTIES

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

Governors receive no payment for their services and all payments to key management personnel have been disclosed in the Remuneration Report.

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

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

The following related party transactions occurred during the period:

Recipient of funding	Name	Role with BFI	Relationship to recipient of funding	New awards made year ended 31 March 2021 £	Balance as at 31 March 2021 £
BFI - London Film Festival	Ben Roberts	CEO	CEO	1,250,000	-
BFI - Heritage 2022	Ben Roberts	CEO	CEO	3,263,000	3,263,000
StudioCanal Ltd	Idris Elba	Governor	Film Director	60,000	60,000
StudioCanal Ltd	Ben Luxford	Head of Audience Fund	Partner is employee of StudioCanal	60,000	60,000
Further potential updates					

A number of BFI Governors and Staff are members of BAFTA, but with no formal management or governance role therein. BAFTA received a lottery award in the year ending 31 March 2021 of £9,400 (2020: £59,710) of which the full balance remained payable at that date.

YEAR ENDED 31 MARCH 2021

20. RELATED PARTIES (continued)

The BFI is a non-departmental public body sponsored by the Department for Digital, Culture, Media and Sport (DCMS). DCMS is regarded as a related party and during the year the BFI, as a Lottery distributor, had material transactions with DCMS.

Awards made under the National Lottery etc Act Section 27 dispensation

Using the power granted by the Section 27 of the National Lottery etc Act 1993 the Secretary of State did not object to an award of £3,263,000 to the BFI in relation to Heritage 2022, the BFI's archive strategy as outlined in the *BFI 2022 strategic plan*, for both the national and regional moving image archives. The award was made in March 2021, under BFI accounting policies this is recorded as a provision in 2020-21 and at 31 March 2021 the full award remained payable.

Similarly the Secretary of State did not object to an award to the BFI in relation to the London Film Festival. The award was both made and fully paid within the financial year but as a result of changes to the festival arising from the COVID-19 pandemic the award was reduced from £1,250,000 to £250,000 in line with the reduced scope of the activities and associated expenditure.

21. COVID-19 AND EVENTS AFTER THE REPORTING PERIOD

The impact across the year of the global COVID-19 pandemic and the resultant UK wide lockdowns was heavily felt across the film sector. In order to assist the recovery of the sector our lottery funded schemes were reviewed to enable us to assist the industry with the challenges it faces. These include the production fund making awards to assist with production continuity after the lockdown period, support of international sales agents as well as an award to the Film and TV Charity to assist those in immediate hardship as a result of the lockdown; similarly the Audience Fund helped establish the Audience Resilience Fund to support independent cinema venues across the UK. After an initial dip in sales of National Lottery tickets and a consequent reduction in the funds available to the good causes, income recovered rapidly in the year. With a combination of reserves and new income this does not pose any immediate risk to the plans proposed in our five year plan BFI 2022.

The national lockdowns and restrictions continued into the 2021-2 financial year, before legal restrictions were removed in July 2021.

At the time of signing the accounts there were no other events after the reporting period, either adjusting or non-adjusting which require disclosure in the financial statements. The accounts were authorised for issue on the date the Comptroller and Auditor General signed the auditor's certificate and report.

Schedule 1: New Lottery commitments (unaudited information) in the year ended 31 March 2021

All awards and delegations approved by the Lottery Finance Committee in the year to 31 March 2021 are listed below. In the financial statements these are represented as Non film right awards on the Statement of Comprehensive Net Expenditure (£19.8m), £29.9 m were taken to the statement of financial position and subsequently impaired, with the remainder (£4.2m) disclosed within Other Financial Commitments in the notes to the accounts.

Producer	Project	£
011 Productions Ltd.	Joy Unbound	25,000
65 Wilding Films Ltd	Claude	28,250
65 Wilding Films Ltd	Up Yours!	21,000
ACDT Productions Ltd	Across The Water	2,000
AL Films Ltd	Catch A Fire	14,750
Aml Ameen Productions Ltd.	Boxing Day	22,000
Anti-Worlds Film & Television Ltd	The Vet's Daughter	30,000
Apparent Films Ltd	Glowed Up	11,250
Apropos Productions Ltd.	The Land of Many Waters	10,000
Art Sex Music Film Limited	Art Sex Music	23,500
Artemisia Films Ltd	Chuck Chuck Baby - test filming	32,500
Banging the Drum Ltd	Makign Noise (aka Evelyn)	6,250
Bêtes Sauvages Ltd. t/a Wild Beast Productions	Sebastian	24,500
Big Rich Films Limited	The Unravelling	17,900
Blonde to Black Pictures Ltd	Cunning	30,400
Blue Horizon Productions (2010) Ltd	With Love	8,000
Bosena Ltd	Petrichor	5,500
Boxing Day Ltd	Boxing Day	100,000
Bridge + Tunnel Productions	Forough: A Lonely Woman	22,300
Bright Pictures Ltd	Strikers in Saris	49,500
Candle & Bell Ltd	Marwell	20,000
Cannon and Morley Productions Ltd	Typist Artist Pirate King	1,250
Cowboy Films	Pretty	28,000
Dandelion Films Ltd	Repatriation	24,500
Dark Pictures Ltd	The Halfway	24,600
DJ Films Ltd	The Marina	41,600
DMC Film Ltd	Young Skins	27,300
Dorothy St Pictures Ltd	I Don't Eat Meat	31,000
Dream & Co Fictions	@LOVE	1,000
Duck Soup Films Ltd	Bed	15,500
Early Day Films Ltd	Trumpet Voluntary	18,500
Elastic Film Entertainment Ltd	My Year as Mia (FKA Boat Girl)	21,000
Elation Pictures Ltd	Foxfinder	14,000
EMU Films Ltd	Medusa Deluxe	176,000
EMU Films Ltd	Benediction	116,989
Endor Productions Ltd	Gun Dog	34,500
Enlightenment Productions Ltd	Arranged	32,500
Erebus Pictures Limited	The Warehouse	30,700
Erebus Pictures Limited	Echolalic	36,000
Escape Plan Productions Ltd	The Origin	100,000
Essential Cinema Ltd	The Unlikely Pilgrimage of Harold Fry	41,000
Griffin Pictures Ltd.	Starlings	35,550
High Tide Studio Ltd	The Wall Dog	10,000
Hipster Films	Gardening	10,000
Home Team Content Ltd	When Courage Comes	31,375
Hot Property Films Limited	Intermission	31,000
Hurricane Films	Fell	21,750
Hwyl Films Ltd.	Weight of the Wind	19,500
ie ie Productions Limited	Madison	28,570
Indefinite Films Ltd	Girl Next Door	3,961
Indie Movie Company Ltd	Less Than Human	31,500
Jam Tomorrow Productions Limited	Hyper Hyper	10,000
Jigsaw Films Limited	Kensuke's Kingdom	140,000
KNOCK2BAG Ltd	Brian & Charles	100,000
Light Industrial Development Corporation Ltd	Ballywalter	40,000
Little By Little Films Limited	Breaking Into Heaven (working title)	37,000
Little House Productions	Lion and Panther	28,850
Lunapark Pictures Ltd	Two Old Maids	24,500
Mantilini Films Limited	Bronco Belle	50,155
Mirrorball Films Limited	PROM!	35,200
My Accomplice Limited	Surviving Earth	19,000
Narrativa Media Limited	Princess Bari	24,250
Number 9 Films Ltd	Mothering Sunday	221,913
Out of Orbit Limited	Harvesting	20,000
Out of Orbit Limited	The Wind and the Shadow	10,000
Peach House Ltd	Lit	2,000
Pencil Trick Productions CIC	I Want Love	23,500
Pinnacle Pictures Limited	Flesh and the Mirror	4,000

Producer	Project	£
Poisson Rouge Pictures Limited	Black Dust	22,100
Potboiler Productions Ltd	At Hawthorn Time	43,000
Primitive Film Limited	After London	33,300
Public Display of Affection Films Ltd	Braids	17,000
Public Dreams Ltd	Dislocate (working title)	27,500
Quiddity Films Ltd.	Bone	15,500
Rabbit Track Pictures Ltd	Tribal	29,100
RAINDOG FILMS LTD	Bare	12,500
Rainy Day Films Limited	I (Who have Nothing)	500
Raucous Pictures Ltd	Beauty Queen FKA You Get Me?	12,500
Recurring Dreams Ltd	Throwing Stones	30,250
Red Breast Productions Ltd	English Animals	9,250
Red Rover Film Ltd	Red Rover	8,550
Reel Soul Movies Ltd	No Destination	10,500
Rollout Pictures Limited	King Co	750
Rollout Pictures Limited	The Spy Who Fell To Earth	27,000
Sabina Smitham Ltd	Phil & Iain	20,000
Salon Pictures	Seaholme	22,500
Sharp House Ltd	Untitled Rosemary Kay Project (previously Sundance)	13,750
Silver Salt Films Ltd	Blind Ambition	21,000
Slingshot Productions Limited	Londonstani	6,950
Snafu Pictures Ltd.	The Gigantic Beard That Was Evil	10,000
Starchild Pictures Limited	Indgo House Witch	19,500
Sums Film & Media Ltd	Phone Book	16,000
Sums Film & Media Ltd	Your Time Has Come	1,000
Sweetdoh Ltd	Out There	16,500
Tea Shop Productions Ltd	Cometh the Friend	12,000
The Other Gemini Pictures Ltd	Amrit	14,250
The Other Producer Ltd	Cascades Female Factory	29,000
Tigerlily Films Ltd	Mr Uterus	20,500
Tigerlily Films Ltd	Scattered	20,000
Tilt Films Limited	Dunwich	31,900
Two & Two Pictures	Kid Fu	33,000
Vibes Productions Limited	Vibes and Stuff	100,000
Water & Power Productions Limited	The Fantastic Flitcrofts	120,755
Wellington Films	Sister Midnight	21,050
Wellington Films Limited	Has This Been So Before	30,000
Wellington Films Limited	A House In Jerusalem	17,500
Wild Swim Films Ltd	Things We Never Said	38,384
Development and Pre-Production Awards		3,268,952
38 Minutes Ltd	38 Minutes	170,000.00
Afraid of the Dark Films Ltd	The Power	41,500.00
After Love Production Limited	After Love	18,000.00
Alcove Entertainment	A Gaza Weekend	400,000.00
Amphibian Husbandry Ltd	Shackle	73,000.00
Animate Projects Limited	The Debutante	71,613.00
Anti-Worlds Earwig Ltd	Earwig	850,000.00
Boxing Day Ltd	Boxing Day	1,200,000.00
Boxing Day Productions Ltd	Boxing Day	100,000.00
Brian & Charles Film Ltd	Brian & Charles	140,524.00
Bridge Way Limited	The Rumour Mill	10,000.00
Censor Productions Ltd	Censor	36,800.00
DM Films Ltd	Daemon Mind	64,837.00
Doc Society	BFI Doc Society Production SOS Fund	259,425.00
Doc Society	Documentary Fund Support Programme 2021-22	184,313.00
Doc Society	Documentary Fund Delegation 2021-22	1,885,185.00
Empire Street Productions Ltd	Ballywalter	860,860.00
EMU Films Ltd	Benediction	345,000.00
Fade In Productions Ltd.	Phea	85,326.00
Film and TV Charity	COVID-19 Film and TV Emergency Relief Fund	500,000.00
First Take Video Ltd	1 in 200	48,500.00
Fruit Tree Media Ltd	Ear for Eye	614,333.00
GIF Productions Ltd	Red Shoes	77,756.00
Great Yarmouth Film Ltd	Provisional Figures	150,000.00
Gritty Realism Productions Limited	Inner Polar Bear	72,646.00
Issomour Films Ltd	The Forgiven	150,000.00
Jigsaw Films Ltd	Kensuke's Kingdom	1,620,000.00
Lilly Marvin CD Ltd	Pretty Red Dresss	352,273.00
Loose Moose Productions Ltd	No Ordinary Joe	120,000.00
Manoir Productions Ltd	Chaplin	24,000.00
Martyr's Lane Ltd	Martyrs Lane	65,000.00
Maurice Media Ltd	The Fantastic Flitcrofts (fka Maurice: Phantom of the Open)	1,265,000.00
New Year Film Ltd	Pirates	440,000.00
Number 9 Films Ltd	Mothering Sunday	980,000.00
Number 9 Films Sunday Ltd	Mothering Sunday	30,000.00

Producer	Project	£
Passion Pictures Animation Ltd	Martha	99,455.00
Passion Pictures Ltd (trading as Strange Beast)	Your Mountain is Waiting	4,973.00
Pearly Oyster Productions Ltd.	Beware of Trains	112,100.00
Score Films Ltd	The Score	145,851.00
Sulkybunny	Wild Summon	103,322.00
The Origin Movie Ltd	The Origin	340,000.00
Triangle of Sadness Ltd	Triangle of Sadness	430,000.00
True Things Films Ltd	True Things About Me	272,902.00
Tyke Films Ltd	Diseased & Disorderly	116,514.00
UME15 Ltd	Medusa Deluxe	760,000.00
Various	SFAF - Animation Consultant for Productions	16,000.00
Vibes Productions Ltd	Vibes & Stuff	747,653.00
We are Anagram Ltd	Goliath	120,000.00
Production Awards		16,574,661
Allison Davies	Mandala Street	1,000
Amelia Clay	Crewel	1,200
Andy Berriman	Iron John	1,000
Animate Projects Ltd	Treasure	15,000
Ash Kotak	Jannu	1,000
Barrington Paul Robinson	Newcastle / Hold Me	1,500
Ben Price	3 Minutes of Silence	900
Benjamin David Young	Breathing Space	2,250
Beyond Productions Ltd	True Colours	14,550
BFI NETWORK	BFI NETWORK Weekender	35,000
Bigger Picture Productions Ltd	Baked Beans	15,160
Blak Wave Productions Ltd	Pickney	3,110
Boyandbear Film Ltd	Services	8,350
British Independent Film Awards	BIFA Best British Short Film Award 2020	18,500
Buglight Limited	And Their Music Mingles in the Moonlight	12,135
Candle and Bell Limited	There Are Lights	5,730
Carolina Petro	Choirs of Blue	1,000
Cats Are Not Peas Ltd	Bad News	2,678
Chasing the Sun Film Ltd	Floating Pomegranate	13,134
Chi Thai	Astronaut	1,500
Chloe Beale	Woodland	15,000
Creative England	iFeatures Transition Funding	240,000
Creative Scotland	BFI Network Scotland	200,000
Creative Scotland	BFI NETWORK Scotland - Short Circuit	200,000
Cupholder Films Ltd	Pram Snatcher	12,400
Dan Shaw	Brethren	2,045
Dana Bruce	Tyoe	17,000
Dean Leon Anderson	Jasper	1,500
Deivos Limited	Egungun (Masquerade)	32,498
Delaval Film LTD	Salvation Has No Name	7,000
Diara Diakhoumpa	Glaciers	10,000
Dirtthefilm limited	Dirt	4,900
Douglas Cox	Mermaid X	1,250
Edward Cripps	Pellagra	1,500
Eleonora Mignoli	Legacy	1,000
Elevator Productions Limited	Fist	12,270
EPIK PICTURES LIMITED	Tommies	10,000
FAM FILMS PRODUCTIONS LTD	Hats	16,400
Ffilm Cymru Wales CBC	BFI NETWORK Wales	200,000
Fig Films Ltd	Octopus	15,000
Film London	BFI NETWORK England - London	150,000
Flumeri Films Limited	one like him	15,000
Freya Films Ltd	Treacle Town	4,905
Freya Films Ltd	Brother Nature	15,487
Gorilla Films Ltd	Murmur	10,200
Grasp The Nettle Films Ltd.	Seagull	9,185
Grey Moth Ltd.	Original Villain	3,150
Griffin Pictures Ltd.	A Last Resort	6,150
Griffin Pictures Ltd.	The Walk	15,981
Hawkwood Productions Ltd	This Little Girl	15,000
Hellmouth Pictures ltd	The Leerie	18,890
Hidden Pictures North Ltd	A Snapshot	9,700
Hollie Bryan	Pickles	8,270
Independent Cinema Office	BFI NETWORK England - South East	105,000
Invite Limited	Bald	11,000
Jack Benjamin Gill	Beef/Rob The Joint	2,500
Jake Cunningham	Blue Bottle	6,000
Joi Productions Limited	Held	9,000
Jude Goldrei	Tipping Point	2,500
Julai Stovell	Deadeye	2,230

Producer	Project	£
Kato Pictures Ltd	Lord of the Free Range	15,000
Kenny McCracken	The Simulation	2,240
Khona Productions Ltd	Glaciers	3,740
Last Conker Ltd	Re-Live	14,413
Let There Be Light Productions Limited	Tasbeeh	3,000
Long Acre Arts Limited	Prey	16,213
Long Acre Arts Limited	White Crowe	15,425
Lucy Meer	The Ceremony	3,440
Ludovico Zanette	Left Over	4,340
Magnified Pictures Limited	Incompatible	15,000
Mia Xerri	X to X	4,310
Mim Shaikh	My Father's Son	1,180
Miss R Wolff	Seagull	1,750
Northern Ireland Screen	BFI NETWORK Northern Ireland	150,000
Nottingham Media Centre Limited	BFI NETWORK England - Midlands	150,000
Paisley Films Ltd	Slow Machine	15,000
Paisley Films Ltd	Good Night Henry	15,000
Pamela Drameh	Reflections	13,628
PaperEpic Productions	Canned Laughter	13,000
Paul Holbrook	Hungry Joe	1,500
Philippa Wacera Herrmann	Crossing Worlds	3,000
Phoebe Collings James Ltd	Three Thirds (of A Story)	26,784
Precious HB Ltd	Precious Hair & Beauty	7,500
Product One Theatre Co Ltd	Reasons	4,864
Public Display of Accetion Films Ltd	Coconut	13,550
Rebekah Fortune	IVY	2,500
Rock Flower Films Limited	Osprey	15,225
Rosie Westhoff	The Moon, The Waves & The Money Tree	1,250
Sarah Palmer	Salt Water Town	13,685
Sebastian Thiel	To live and die in LA	1,750
Six O'Clock Ltd	Canvas 5	9,057
Sketchbook Pictures Ltd.	The Thing That Ate The Birds	385
SONA Films Ltd.	Buffer Zone	17,370
St Maur Pictures Ltd.	Odd One Out	8,684
Stella Vision Productions Ltd	We're All Black Down Here	23,833
Straightjacketfilms Ltd	Expiation	4,850
Sungazer Ltd	Know The Grass	15,000
Tannahill Productions Ltd	The Last Days	2,285
Tasha Williams	Tow-Truck	15,146
The British Academy of Film and Television Arts	BAFTA - BFI NETWORK@FLARE Mentorships 2021	9,400
The Grierson Trust	Grierson Documentary Industry Support 2020/21	17,280
The Sheffield Media and Exhibition Centre Limited	BFI NETWORK England - North	150,000
Theo W Scott	Cuties. (Previously Cute Tapestry)	5,600
Tom Stubbs	Alchemy	1,410
UP STREAM FILMS LIMITED	Dog Years	2,320
Various	Insight – Producer Programme	180,000
Various	Insight New Producer Programme	30,000
Various	NETWORK Shorts - COVID Production Consultant	5,000
Various	NETWORK Shorts - COVID Supervisor training	5,000
Watershed Arts Trust Limited (The)	BFI NETWORK England - South West	105,000
William Mager	Signs	3,000
Wingarm Ltd	Baba	23,351
X Industries Ltd	About A Video	9,195
Talent Development		2,766,061
606 Distribution Ltd	Perfect 10	15,450
Bohemia Club Limited	Clenency	6,400
Bohemia Media Limited	A Space in Time	35,000
Bulldog Film Distribution Limited	Eternal Beauty	13,500
Dartmouth Films Limited	One Man and his Shoes	53,453
Dogwoof Ltd	MLK/FBI	40,000
Modern Films Entertainment Ltd.	White Riot	31,000
Picturehouse Entertainment Limited	Herself	30,000
Studiocanal Limited	Supernova	60,000
Vertigo Releasing Ltd	The Assistant	11,600
Vertigo Releasing Ltd	Fanny Lye Deliver'd	10,750
Vertigo Releasing Ltd	Saint Frances	10,750
Vertigo Releasing Ltd	Sound Of Metal	60,000
We Are Parable Ltd	Who We Are	169,592
Audience Fund: Distribution Awards		547,495
Chapter Arts Centre	Covid 19 Recovery	36,444
Chapter Arts Centre	Cross FAN Diversity & Inclusion	45,000
Chapter Arts Centre	Film Hub Wales	210,000

Producer	Project	£
Film London	Film Hub London Covid-19 Recovery	83,386
Film London	BFI Film Audience Network - Film Hub London	200,000
Film London	Cross- FAN Young Audiences	45,000
Independent Cinema Office	Covid 19 Recovery [Film Hub South East]	36,362
Independent Cinema Office	Film Hub South East	350,000
Independent Cinema Office	Cross FAN Data and Evaluation	60,000
Nottingham Media Centre Limited	Film Hub Midlands	365,000
Nottingham Media Centre Limited	Cross Fan Major programmes 2021 to 2022	280,000
Queen's University Belfast	Film Hub NI 2021-2022	210,000
Queen's University Belfast	Cross-FAN Non-Theatrical Exhibition 2021-22	10,000
The Glasgow Film Theatre	Cross FAN: Member Support & Development	145,000
The Glasgow Film Theatre	Film Hub Scotland 2021_22	225,000
The Sheffield Media and Exhibition Centre Limited	Cross FAN Screen Heritage 21/22 Plan	150,000
The Sheffield Media and Exhibition Centre Ltd	Film Hub North 2021-22	460,000
The Watershed Arts Trust Limited	Covid 19 Recovery Film Hub South West	56,574
Watershed Arts Trust Limited (The)	Film Hub South West	280,000
Watershed Arts Trust Limited (The)	Marketing, Communication & Audiences (SW) 2021-22	105,000
Audiene Fund - Film Audience Network		3,352,766
Aesthetica Magazine Ltd	Aesthetica Short Film Festival	35,000
Altitude Film Distribution Limited	Altitude 21/22 Organisational Fund	488,776
Arts Alive In Shropshire And Herefordshire	Flicks in the Sticks 2021-22	45,000
Berwick Film & Media Arts Festival	Berwick Film & Media Arts Festival (2020 - 2021)	40,000
Birds Eye View	Reclaim the Frame 2021-22	150,000
Borderlines Film Festival CIC	Borderlines Film Festival 2021	40,000
British Independent Film Awards	Back to the Cinemas	250,000
British Independent Film Awards	This Is Our Cinema: Always-on marketing campaign	300,000
Carousel Project	Oska Bright Film Festival	102,200
Chapter (Cardiff) Limited	Chapter 2021-22	60,000
Coventry City Council	VR/immersive film exhibition programme for UK City of Culture	30,000
Derby QUAD Limited	QUAD 2021-22	60,000
Dogwoof Ltd	Regional And Diverse Audience Development for Documentary Film	125,000
Elevenfiftyfive Ltd	MASSIVE	239,031
Encounters Festivals Ltd.	Encounters 2021	90,000
Film London	Young Audiences Generation Scheme	61,600
FilmBath LTD	Amplify	20,000
Flatpack Projects	Flatpack Projects 2021-22	90,000
Greater Manchester Arts Centre Limited	HOME 2021-22	185,000
Hampshire County Council	Wessex Film and Sound Archive 2021-22	10,000
Independent Cinema Office	Strategic activities to support independent exhibitors	578,016
International Documentary Festival Sheffield	Sheffield Doc/Fest 2021	210,000
Kino Klassika Foundation	Klassiki	35,700
Leeds City Council	Leeds Film 2021-22	130,000
Leicester Arts Centre Ltd (t/a Phoenix)	Phoenix 2021/22	100,000
London Indian Film Festival Ltd	London Indian Film Festival	97,000
London Short Film Festival Ltd	London Short Film Festival 2021	42,125
Manchester Animation Festival Ltd.	Manchester Animation Festival 2020	30,000
Manchester Metropolitan University	North West Film Archive Organisational Award 2021-22	15,000
Media Archive of Central England Limited	Media Archive of Central England Organisational Award 2021-22	85,000
Nottingham Media Centre Limited	Broadway 2021-22 Organisational award funding	150,000
Peccadillo Pictures Limited	Peccadillo 2021-22	113,500
Plymouth Arts Centre	Towards a new film culture in Plymouth	35,000
Plymouth City Council	the Box organisational award 2021-22	55,000
Queen's University Belfast	Queen's Film Theatre - 2021-2022	60,000
Slapstick Festival Ltd	Slapstick Festival 2021	36,000
TEARDUSK LIMITED	Bounce Cinema	157,500
The British Federation of Film Societies	Cinema For All – Building film communities across the UK	159,992
The Festivals Company Ltd	Iris Prize LGBT+ Film Festival 2020 & Iris on the Move	40,000
The Glasgow Film Theatre	Glasgow Film Festival 2022	115,000
The Royal African Society	Film Africa 2020	30,000
The Sheffield Media and Exhibition Centre Limited	Showroom 2021-22	150,000
Tongues On Fire Limited	UK Asian Film Festival 2021	40,000
Tyneside Cinema	Tyneside Cinema 2021-22	147,000
UK Jewish Film Ltd	UK Jewish Film Festival 2020	50,000
University of Brighton	Screen Archive South East Organisational Award 2021-22	25,000
University of East Anglia	East Anglia Film Archive 2021-22	15,000
Watershed Arts Trust Limited (The)	Reimagining Film Exhibition	195,000
Windrush Caribbean Film Festival CIC	Windrush Caribbean Film Festival	32,000
Yorkshire Film Archive	Organisational award 2021-22	102,100
YourLocalCinema Ltd	YourLocalCinema Audience Development	40,000
Zebra Access CIO	Deaffest Tour 2021	31,140
Audiene Fund - Other Awards		5,523,680

Producer	Project	£
Bulldozer Films Ltd	BFI Film Academy Network	34,000
Cinemagic	BFI Film Academy Network	17,000
CTVC Limited	Film Academy Specialist Course – Screenwriting	60,000
Glasgow Media Access Centre Limited	BFI Film Academy Network	17,000
National Film & Television School	Film Academy Specialist Course	233,000
Screen Argyll	BFI Film Academy Network	17,000
Screen Education Edinburgh	BFI Film Academy Network	17,000
Station House Media Unit	BFI Film Academy Network	17,000
TAPE Community Music and Film	BFI Film Academy Network	17,000
The Nerve Centre	BFI Film Academy Network	51,255
Film Academies		480,255
The British Film Institute	Heritage 2022	3,263,000
Heritage 2022 Fund		3,263,000
Barking Lion Productions (UK) Limited	Trapper Keeper	123,340
E&E Industries (UK) Ltd	Andor	46,700
PLT Productions (UK) Ltd	PLT	229,920
Film Skills: Apprenticeships		399,960
Ardimages UK Ltd	BFI Vision Awards 2020-2022	100,000
Bêtes Sauvages Ltd.	BFI Vision Awards 2020-2022	100,000
Bird Flight Films Limited	BFI Vision Awards 2020-2022	100,000
Causeway Pictures Limited	BFI Vision Awards 2020-2022	100,000
Early Day Films Limited	BFI Vision Awards 2020-2022	100,000
Erebus Pictures Ltd	BFI Vision Awards 2020-2022	100,000
Escape Plan Productions Limited	BFI Vision Awards 2020-2022	100,000
Fruit Tree Media Limited	BFI Vision Awards 2020-2022	100,000
Griffin Pictures Ltd.	BFI Vision Awards 2020-2022	100,000
Hot Knife Limited	BFI Vision Awards 2020-2022	100,000
Joi Productions Ltd	BFI Vision Awards 2020-2022	100,000
Little By Little Films Ltd	BFI Vision Awards 2020-2022	100,000
Lunapark Pictures Limited	BFI Vision Awards 2020-2022	100,000
Other Productions Ltd	BFI Vision Awards 2020-2022	100,000
Pencil Trick Productions CIC	BFI Vision Awards 2020-2022	100,000
Rocliffe Limited	BFI Vision Awards 2020-2022	100,000
Sarah Brocklehurst Productions Ltd	BFI Vision Awards 2020-2022	100,000
Severn Screen Ltd	BFI Vision Awards 2020-2022	100,000
The Sixty Six Picture Club Ltd.	BFI Vision Awards 2020-2022	100,000
Tyke Films Ltd	BFI Vision Awards 2020-2022	100,000
Vision Awards		2,000,000
Creative Industries Federation Ltd	Connected isolation (CIF research)	1,500
Hatch Associates Limited	Animation Mapping Stage Two	45,000
Informa Telecoms & Media Limited	RSU Data and Services Purchase Tranche 3	30,080
Olsberg SPI Ltd	Screen Business 2020	109,125
Populus Limited	Audience sentiment research additional funds	38,350
Rentrak Limited	RSU Data and Services Purchase Tranche 4	159,753
The UK Interactive Entertainment Association	UK Games Map Development	70,000
Various	RSU Data and Services Purchase Tranche 1	70,000
Various	RSU Data and Services Purchase Tranche 5	26,920
Yonder Consulting Limited	Audience sentiment research waves 2 & 3	42,400
YouGov PLC	RSU data and services purchase Tranche 2	47,120
Research and Statistics Fund		640,248
Creative England Ltd	Creative Enterprise Programme	1,540,000
Creative Enterprise Fund		1,540,000
Creative England Ltd	Creative England - Production Services.	550,000
Production Services Fund		550,000
Alliance Media Partners International Ltd	BFI COVID-19 UK Sales Company Organisational Support Fund	24,000
Bankside Films Ltd	BFI COVID-19 UK Sales Company Organisational Support Fund	16,500
Bankside Films Ltd	Here Before	4,060
Bankside Films Ltd	The Feast	3,510
Bridging Visions e.V.	Bridging the Dragon UK-Focus Activity 2020-2021	15,000
Carnaby International Sales & Distribution PLC	BFI COVID-19 UK Sales Company Organisational Support Fund	14,000
Celsius Entertainment Ltd	BFI COVID-19 UK Sales Company Organisational Support Fund	20,000
Cornerstone Films Ltd	BFI COVID-19 UK Sales Company Organisational Support Fund	25,000
Digital Catapult	CreativeXR's showcase and market	25,000

Producer	Project	£
Dogwoof Ltd	BFI COVID-19 UK Sales Company Organisational Support Fund	16,440
Embankment Films Ltd	BFI COVID-19 UK Sales Company Organisational Support Fund	25,000
Evolutionary Films Ltd	BFI COVID-19 UK Sales Company Organisational Support Fund	15,464
Film Constellation Ltd	BFI COVID-19 UK Sales Company Organisational Support Fund	25,000
Film Constellation Ltd	Wildfire	5,553
Film Export UK Limited	Toronto International Film Festival 2020	26,000
Film London	The Production Finance Market	16,000
Film London	British Film Commission 2021-22 (Lottery)	575,000
Film Republic Sales Ltd	BFI COVID-19 UK Sales Company Organisational Support Fund	10,000
FILM SEEKERS LIMITED	BFI COVID-19 UK Sales Company Organisational Support Fund	20,000
GFM Films LLP	BFI COVID-19 UK Sales Company Organisational Support Fund	15,000
Goalpost Film	BFI COVID-19 UK Sales Company Organisational Support Fund	7,500
International Documentary Festival Sheffield	Sheffield Doc/Fest Marketplace and Talent Programme 2021	50,000
Kaleidoscope Film Distribution Ltd	BFI COVID-19 UK Sales Company Organisational Support Fund	20,000
Legacy Rights Ltd	BFI COVID-19 UK Sales Company Organisational Support Fund	15,000
Magnolia Pictures International	Listen	5,150
Met Film Sales Ltd	BFI COVID-19 UK Sales Company Organisational Support Fund	15,999
Met Film Sales Ltd	Misha and the Wolves	7,776
Metro International Entertainment Ltd	BFI COVID-19 UK Sales Company Organisational Support Fund	25,000
MFH London Limited	BFI COVID-19 UK Sales Company Organisational Support Fund	10,000
Mister Smith Entertainment Limited	BFI COVID-19 UK Sales Company Organisational Support Fund	25,000
Parkland Pictures Ltd	BFI COVID-19 UK Sales Company Organisational Support Fund	15,000
Poly Doc Films	Poly Styrene: I Am A Cliché	2,348
Protagonist Pictures Ltd	BFI COVID-19 UK Sales Company Organisational Support Fund	20,000
Reason8 Films Ltd	BFI COVID-19 UK Sales Company Organisational Support Fund	20,000
Rocket Science Industries Ltd	BFI COVID-19 UK Sales Company Organisational Support Fund	25,000
SC Films International Limited	BFI COVID-19 UK Sales Company Organisational Support Fund	20,000
Screenbound International Pictures Ltd	BFI COVID-19 UK Sales Company Organisational Support Fund	10,000
Various	UK Attendance International Training & Networking Programmes	27,750
Various	UK Group Attendance at MIA Market Rome 2020	8,250
Various	Intl Co-pron Market & Networking at CPH:DOX Market 2021	4,170
Westend Films Limited	BFI COVID-19 UK Sales Company Organisational Support Fund	25,000
International Fund Ltd		1,255,470
British Film Institute	64th BFI LONDON FILM FESTIVAL	1,250,000
London Film Festival		1,250,000
104 projects CIC	Film Club	8,375
Aunty Social CIC	Film Club	6,500
Chapter (Cardiff) Ltd	Venue Education Fund	55,000
Creative Media Skills Group Limited	Film Club	68,000
Creative Media Skills LTD	Film Club	34,000
Creative Nation Ltd	Film Club	8,500
Creative Nation Ltd	BFI Film Academy Network	3,400
Ffilm Cymru Wales CBC	Ffilm Cymru Wales - Film Education	120,000
Film Nation UK	Into Film Delivery Plan	4,767,500
Flipvanmoon Ltd	Film Club	8,425
Independent Cinema Office	Venue Education Fund	53,777
National Film & Television School	Early Stage Access and Diversity Accelerator Programme	770,000
Nottingham Media Centre Ltd	Venue Education Fund	55,000
Reel Solutions (film) LLP	Film Club	17,000
ScreenSkills Ltd	Film Skills Strategy	4,190,044
Sheffield Media & Exhibition Centre Ltd	Film Club	17,000
'Signals' Essex Media Centre Ltd.	Film Club	8,500
Somerset Film and Video Ltd	Film Club	8,408
The Glasgow Film Theatre	Venue Education Fund	52,000
The Nerve Centre	Venue Education Fund	3,000
The Nerve Centre	Venue Education Fund	55,000
The Saturday Club Trust	Film Club	40,000
The Sheffield Media and Exhibition Centre Limited	FHN VEF	3,000
The Sheffield Media and Exhibition Centre Ltd	Venue Education Fund	55,000
The Watershed Arts Trust Ltd	Venue Education Fund	55,000
Education Fund		10,462,429
		53,874,977

Schedule 2: New Lottery commitments made by delegate bodies (unaudited information) in the year ended 31 March 2021

The Documentary Society were delegated £1.7m of new lottery funds for activity in 2020-21 Creative Scotland and Ffilm Cymru Wales £0.2m each, and Northern Ireland Screen Commission £0.15m. The awards made to third party organisations by these delegate bodies in the year ending 31

Award Recipient	Project	£
The Documentary Society		
Alleycats Features	The Lost Boys	15,000
Apropos Productions Ltd	Pemon	16,800
AVBR Climate (2020) Ltd - GBP	A Very British Revolution	15,000
Ayiti Limited	Karnival: Haiti	100,000
Beyond the Emergency Film Ltd	XR: This is an Emergency	70,000
Bofa Productions Ltd	The Story of Looking	15,000
Bungalow Town	SUWO	15,000
Cosmosquare Films Limited	Hanging On	17,000
CY Film Productions Ltd	The Great Schools Robbery	9,167
Derryboye Films Limited	Hello Stranger	14,000
Doc Hearts	White Nanny, Black Kids	5,000
Dorothy Street Pictures	If the Streets were on Fire	12,000
Empress Films	The Black Cop	16,600
Faction Films Ltd	Off the Rails	14,188
Fifty Foot Women Limited	At The Scala	50,000
Film Finisher Ltd	Maisie	40,415
Funeral Documentary Ltd	The Business of Death	13,549
Gallivant Film	Robin	7,500
Gif Productions Ltd	Somalinimo	300
Horsefilm Limited	Horsemen	25,000
Hot Property Peru Limited	The Gold Machine	12,000
Isla Badenoch/Joe Binks	The Elvermen	2,000
Lono Moon Limited	Red Moon	22,000
Lono Studio Ltd	Child of Polycritus	16,675
Lono Studio Ltd	The Sea Behind Her Head	12,835
Misha's Story Ltd	Misha's Story	15,000
Missing In Action Films Ltd	Rage in Many Languages	3,500
Missing In Action Films Ltd	Red Herring	50,000
My Extinction LTD	My Extinction	75,000
Nascondino Ltd	Hide & Seek	30,000
Nature Hunter Film Limited	Nature Hunter	79,000
No SPV yet	Name Me Lawand	80,000
No SPV yet	Neurotribes	50,000
Northern Filmworks Ltd	All Points North	30,000
Northern Heart Films Ltd	Finding Appiness	16,100
Northern Heart Films Ltd	Grenfell: Phoenix from the Ashes	80,000
Panoptical Limited	BlackBoy Joy/Gone	16,000
Panoptical Limited	Ceasefire Baby	50,000
Poly Doc Films Ltd	Poly Styrene: I am a Cliche	60,000
Primitive Film LTD	Mirror with a Memory	18,700
Project Dastaan	Project Dastaan: Child of Empire	15,150
Rolling Marble Ltd	Locked In	20,000
Rubix Films Ltd	Conspiracy	15,000
Satellite Films	Stoke Film	1,750
Sava Films Ltd	Sava	6,050
Sava Films Ltd	Say Their Names	75,000
Sava Films Ltd	Shadow Scholars	70,000
She Makes Productions	Skyward	18,100
Small Car Big Road Ltd	Your Fat Friend	90,000
Solaris2 Media Ltd	8 Minutes, 46 Seconds	16,350
Spring Productions Ltd	One More Question	15,000
STEPHEN FILM Ltd	Stephen	11,750
Tigerlily Two Ltd	We Wear Masks	90,000
Tyke Films	Yorkshire Ballers	3,330
Until the Tide Ltd	Until the Tide Creeps In	20,570
Until the Tide Ltd	Untitled Hydebank	45,000
Yanantin World Ltd	Yanantin	14,285
Total Doc Society delegated awards 2020-21		1,717,664
Ffilm Cymru Wales		
130 Elektra Films Ltd	The Poor Sisters of Clara	10,000
73 Degree Films Limited	Robert Corcoran CPD	5,750
Alex Mathias	Sleeping Giant	6,845
Alexandria Riley	Alexandria Riley CPD	4,000
Bethan Marlow	Queer as Folk Dancing	10,000
Broadside Films Ltd	Jackdaw (previously Duck)	466
Bryn Chainey	The Rabbit Trap	2,700
Bulldozer Films Ltd	Cardiff Mini Film Festival Networking Parties	6,000
Calling The Shots Films Limited	Little Fox	2,000
Carys Lewis	Blue Mother	5,000
Casi Wyn	Beetroot Hot Chocolate	1,000
Charlotte James	Barry Island Will Do	1,000
Charlotte James	Light Before Sunrise (previously Barry Island Will Do)	21,000
Christopher Buxton	Christopher Buxton CPD	3,869

Award Recipient	Project	£
FireParty Limited	Fireparty lab	3,000
Hand-Drawn Pictures Ltd	Night Gardener	10,000
ie ie Productions Limited	Forest Coal Pit	19,000
Isla Ure	Isla Ure CPD	2,655
Joanna Wright	Joanna Wright CPD	5,400
Laura Tofarides	Ymenydd	1,000
Leyla Pope	Out of Breath	1,000
Little Door Productions Ltd	The Hard Road	8,000
Mac Nixon	Jackdaw (previously Duck)	21,000
Meredydd Barker	Mye & Jennie	9,980
Nia Alavezos	Ymenydd	22,000
Pauline Williams	Don't Steal my Voice	1,000
Penbryn Films Limited	India's 1st Best Trans Model Agency	10,000
Pet Ghost Studio LtdRiannon Evans	Cuckooland (previously Clockwork)	15,000
Regan Developments Ltd	Leigh-Ann Regan CPD	6,000
Rhys Marc Jones	Dead Sheeps Wool	10,000
Rondo Media Limited	Organic	22,000
Samantha O'Rourke	Ladies of Llangollen	5,000
Shwan Nosratpour	Rise of The Hoof	10,000
Strike Pictures Ltd	Nant (previously Men I Trust)	24,100
The Edinburgh International Film Festival Ltd	EIFF Celtic Screen Showcase	2,000
Untamed Stories Limited	Writers Lab UK & Ireland	10,000
Wheesht Films Limited	One Stop Doc Shop	3,000
Total Ffilm Cymru Wales delegated awards 2020-21		300,765

Northern Ireland Screen Commission

Below the Radar Ltd	If Lions Could Talk	3,033
Cathy Brennan Bradley	After	1,125
Causeway Pictures Ltd	Copy That	10,000
Éanna Mac Cana	Yellowstone	1,125
Edel McCormick	Legal Walls	1,125
Erica Starling Productions Ltd	The Last Matchmaker in Ireland	3,750
Farset Films	Feed	3,750
Fine Point Films Ltd	Stanley	3,750
Hannah Sullivan	Get Down and Derby	1,125
In Awesome Wonder	You Left Your Phone	20,000
Italic Pig	Colour	20,000
Josh Lynas	Frankie	1,125
Kerry Rooney	The Park Bench	1,125
Laura Conlon	An Siulach	1,125
Niamh McDonagh	P + M	1,125
Nightstaff Ltd	The Short Wave Listener	3,750
Out of Orbit Ltd	The Performance	3,750
Out of Orbit Ltd	Homebird	3,750
Poli Productions	Defrost	10,000
Poli Productions	Kettle	3,750
PRODIGAL FILMS LIMITED	Runners	3,750
Relapse Pictures	My Name is Joseph	3,750
Ross White	An Irish Goodbye	1,125
Sarah Gordon	Rat	1,125
Savant Garde Films	Gravet Hit	3,750
Spinning Path Ltd	Portaloo	1,240
Super Lemon Productions Ltd	Psychic Spoons	3,750
Taunt Studios	Soul Office	20,000
Tori Clarkson	Puca	1,125
Will McConnel	You Are Here	1,125
Total Northern Ireland Screen Commission delegated awards 2020-21		139,023

Creative Scotland

Bombito Productions	A Good Spell	5,000
BP Films	A Birthday Party	20,000
Charlotte Scott-Wilson	Crescendo	5,000
Digicult LTD	Go Home	20,800
Finite Productions Ltd	A90	23,825
Lothian Films	Groom	20,000
LS Shorts	Folding	20,000
MF Bahar Ltd	Bahar	23,050
Sarah Grant	Scare	5,000
Too Rough Films Ltd	Too Rough	20,000
White Stag Films	Mobius Trip	20,000
White Stag Films	Funeral Home	3,294
Creative Scotland delegated awards 2020-21		185,969
Total awards by delegate bodies 2020-21		2,343,421

STATUTORY BACKGROUND

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

Financial directions

Under the National Lottery etc. Act 1993, the Secretary of State issued financial directions to the British Film Institute (the BFI). These are as follows:

The BFI shall comply with the requirements contained within the Statement of Financial Requirements, which have the status of directions under section 26 of the **National Lottery etc. Act 1993, ("the Act") as amended by the National Lottery Act 1998 ("the 1998 Act")**.

The BFI has implemented procedures to ensure the provisions of the Statement of Financial Requirements are followed and the BFI confirms that, to the best of its knowledge, it complied fully with the financial requirements in 2020-21.

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

The BFI has in place procedures for dealing with conflicts of interest and, to the best of its knowledge, it abided by this procedure in 2020-21.

Policy directions

Under the National Lottery etc. Act 1993, the Secretary of State for Culture, Media and Sport issued policy directions, which the BFI must take into account in distributing National Lottery funds.

A) The need to involve the public and local communities where reasonably practicable, in making policies and setting priorities.

The BFI consulted widely on its five year strategy which commenced on 1 April 2017 by way of a wide-scale public consultation undertaken in 2016.

During 2020-21, the BFI, and its partners, undertook a limited programme – due to COVID - of research, monitoring and evaluation activities which enabled feedback on the BFI's programmes.

The results of this work are considered, and where appropriate, adjustments to programmes are introduced when it is considered it will benefit the delivery of the BFI's priorities.

In addition, along with stakeholders the BFI considers relevant national and regional data, and trends in the sector to ensure that programmes remain appropriate.

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

The BFI aims to ensure that equality and diversity are central to all activities thus allowing sections of society to have access to or benefit from funding, taking into account differences in values, attitudes, cultural perspectives, beliefs, ethnic background, able or disabled, skills, knowledge, geography, age and life experiences.

In 2020-21 the BFI continued to operate Diversity Standards across all the BFI's activities as part of the BFI2022 Strategy delivery.

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

The BFI is fully committed to education and learning and strongly believes that film has the power to transform the way people see and understand the world and as such has committed a significant investment into the delivery of Lottery programmes for young people. The 16-30 age group is identified as a key priority within the BFI2022 five-year strategy and is now an assessment criterion for relevant funding programmes.

Notably the BFI 5-19 education scheme, which is managed by *Into Film*, was managing **approximately 8,000 'active' film clubs, with an estimated total engagement of** approximately 3.5 million young people. Due to the pandemic, activity moved online with greater emphasis on young people and families at home.

In addition, the BFI Film Academy, with additional funding from the Department for Education, enabled approximately 1,000 young people, from all round the UK and from any background, aged 16-19-year-olds the first step to being part of the future film industry.

In addition the BFI manages a number of other programmes, notably the Venue Education Programme and the Film Audience Network, also focused on 16 – 30 year olds.

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

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

The BFI's Diversity Standards ensure all its funding works to celebrate and engage people from all backgrounds across the UK, including those from different socioeconomic groups.

The BFI works to bring film and the moving image to the widest possible range of communities across the UK through the Film Audience Network. Comprising a network **of approximately 1500 exhibitors and led by a group of 'Film Hub Lead Organisations'** in each nation and region of the UK, the network funds projects including community and neighbourhood cinemas as well as local film festivals celebrating all aspects of identity.

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

The BFI provides opportunities for filmmaking talent to flourish. The freshness and relevance of the films produced have been recognised by the international film industry awards they have won. As well as direct support for filmmaking, the BFI invests in training talent, notably the BFI Film Academy, and in partnership with ScreenSkills, the Sector Skills Council for the audio-visual industry, a revised and refreshed funding programme was delivered during the year for training and skills.

In addition, the UK Talent Network – Net.work – supported NETWORK film projects, from across the UK.

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

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

All applicants, including private, voluntary or commercial organisations, have to be able to demonstrate the benefit to the public that would result from their proposed project. The BFI applies a range of criteria in order to ascertain that an appropriate level of public benefit is derived from the project. The criteria include the creative and technical quality **of the project and its contribution towards the BFI's strategic objectives.**

G) The need to further the objectives of sustainable development.

The BFI provides leadership and practical support for the wider film industry, including leading the UK-wide sustainability Group. Following the launch of the British Standard (BS 8909), specifically for film, sustainability is an intrinsic element to the new five year plan.

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

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

As of autumn 2021, achieving full albert certification is now required of all awardees of the BFI Production Fund. All productions funded by the Completion Fund, and short films

funded by the BFI NETWORK short film fund in England, and our delegate partners in Northern Ireland, Scotland and Wales, are required to complete a carbon footprint using albert's carbon calculator.

The BFI works with other Lottery Distributors and the Department for Culture, Media and Sport in developing proposals for sustainable development.

Following on from the publication in 2019 of the report – GREEN MATTERS - an overview of current practices of environmental sustainability and film production continued **and in September 2020 the report Screen New Deal was published; a sustainability report proposing a step-change for UK film production, setting out a route map to help film production transition to net zero emissions by 2050.**

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

All parts of the country have access to BFI Lottery funding through applications for training, development, production, education, distribution, exhibition and film heritage activity.

I) The desirability of the British Film Institute working jointly with other organisations, including other distributors.

The BFI undertakes partnership working with all the other Lottery distributors, most notably with Arts Council England, National Heritage Lottery Fund and NESTA.

The BFI delegates funding to the Doc Society in relation to documentary filmmaking.

In addition, the BFI works with a number of key partners notably, Creative England in support of its strategic objectives that can be delivered at a local and/or regional level; ScreenSkills; the National Screen agencies of Wales – Ffilm Cymru Wales; Northern Ireland – Northern Ireland Screen; and, Scotland – Creative Scotland; and with partners in the English regions, notably the Film Hub Lead organisations (Film Audience network programme).

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

The BFI ensures that the Lottery is credited on all projects in receipt of Lottery funding through the use of the credits on films and branding on other materials.

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

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

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

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

The BFI undertakes an appraisal of each application for funding prior to final decision. In 2020-21, to supplement its established counter-fraud approaches, the BFI introduced additional counter-fraud checks for all awarded/successful Lottery applications, including the introduction of the Cabinet Office due diligence tool *Spotlight*.

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

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

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

N) The need to ensure that film is central to the lives of UK citizens, and to improve the quality of British film and raise its profile in the marketplace, by:

- Expanding education and learning opportunities and boosting audience choice across the UK;
- Supporting the future success of British film;
- Unlocking film heritage for everyone in the UK to enjoy.

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

O) Where awards are made in relation to feature film production or distribution projects the BFI should take into account:

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

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

