



Annual Report and Financial Statements

2021/22



BRITISH FILM INSTITUTE Group and National Lottery Annual Report and Financial Statements for the year ended 31 March 2022

Presented to Parliament pursuant to Section 34(3)
and 35(5) of the National Lottery etc. Act 1993
(as amended by the National Lottery Act 1998
and the National Lottery Act 2006).

Ordered by the House of Commons to be printed
on 24 January 2023.

Presented to the Scottish Parliament pursuant to
the Scotland Act 1998 Section 88

Charity Registration no: 287780



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ISBN 978-1-5286-3825-8
E02837109 01/23

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office

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Purpose, Mission & Vision

Purpose, Mission & Vision

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

Our 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.

Our 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 of film and the moving image
- To work with Government and industry to ensure the continued growth of the UK's screen industries

Our 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 and 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

Chair and Chief Executive's Statement

Chair and Chief Executive's Statement

This foreword will necessarily be one containing some sharp contrasts.

The period under review saw the BFI working with government, the industry, national screen agencies and the wider cultural sector, to administer the Culture Recovery Fund for Independent Cinemas. We also provided support services including evaluation, data, communications and stakeholder engagement to the Film & TV Production Restart Scheme, which was administered by Marsh Commercial. These vital initiatives facilitated the return of filmmaking to the UK and the return of audiences to the communal experience of cinema-going that the pandemic had frustrated for so long. As with all aspects of society, the emergence and return, while celebratory, was cautious and measured.

When we reflect on the period reviewed by this annual report, it stands in striking contrast to our experience now, which has seen filmmaking and audience behaviour return to a semblance of pre-pandemic normality. It is against this backdrop that we recently launched Screen Culture 2033, the new ten-year strategy that will steer us towards the BFI's centenary year in 2033.

Screen culture – the meeting point of audio-visual storytelling and the digital revolution – has become the defining cultural phenomenon of our time, and is hugely influential in society. As an expressive art, screen culture is still young, dynamic and expanding. Today, screen culture encompasses film, TV, digital media and online video sharing, extended reality (XR) and videogames. It has become the dominant means of communication and information for Gen Z and beyond, and a powerful means of expression, knowledge sharing and international soft power.

As an industry, the UK screen sector is a large and fast-growing employer that draws on a huge range of skills and disciplines to produce and distribute a vital form of entertainment and enrichment.

But despite its universal appeal and impact, screen culture is not afforded the same value in society as other cultural forms. It's not taught widely in schools, and doesn't benefit greatly from philanthropy. Instead, the screen sector has been valued more as a creative industry than for its contribution to arts and culture.

At the BFI, we continue to promote and grow the full value of screen culture: to celebrate its positive impact on society; to transform access and ensure its continued economic growth; and to keep a record of the evolution and impact of our evolving art form in the BFI National Archive. The activity reviewed in these pages is evidence of this important work.

The pandemic has cast a long shadow on our own financial health as an organisation. Despite the incredible performance of our people and the support of government, and of our audiences, members, patrons, donors and sponsors, we have a significant gap in our projected finances. If we don't take the appropriate action now, we will have a growing financial challenge for years to come.

Much of our cultural activity and our work for industry is funded through continued grant-in-aid support from the UK Government Department for Digital, Culture, Media and Sport. However, we rely on a variety of income streams to deliver the full breadth of our charitable mission – as governed by our Royal Charter. The fundraising landscape is challenging, and both our physical and digital estates – including the BFI National Archive – need investment. To deliver on our vision from a place of stability, we'll need to grow the income that we generate ourselves. We must also consider how the industry can better support our cultural work and the services we provide to the screen sector.

We feel the varying patterns in audience behaviour as a cinema and a streamer. We operate five screens – from our 30-seat Studio to the largest IMAX screen in the UK. We've seen a strong demand for the BFI Player, with double the number of subscribers since 2019. Similarly, our Britain on Film platform saw over five million visits to its digitised screen heritage.

Digital access to our programmes – and our digital revenues – are critical. But they need high levels of sustained investment to meet the raised expectations of more demanding online audiences.

So, to realise our vision and fulfil our mission, we know we must evolve into a digital-first organisation. The potential to deliver more of our work digitally presents us with a huge and transformative cultural opportunity. We can build a more diverse BFI than ever, have broader reach and engagement with audiences, and unlock a major source of future income.

This means building a more innovative organisation. One that is representative of and relevant to the public, is a credible lead body for supporting the industry's development and growth, and advances our commitments to net zero. To stay at the forefront of screen culture, we'll embrace change and evolve as a resilient, sustainable, digital-first and diverse organisation with a plurality of voices. Our new strategy underpins this exciting work.

As with many organisations, we have emerged from the pandemic changed in almost every respect. However, the BFI is fortunate to possess extraordinary talent throughout the organisation, and we share an unshakeable belief in the value of our work and of screen culture to have a positive impact on people's lives.

This document reports on a period of great uncertainty, but as we reflect upon it and how the BFI has been strengthened as a result, there is cause for great optimism for the future.

J. Timothy Richards, Chair
Ben Roberts, Chief Executive



Future Audiences

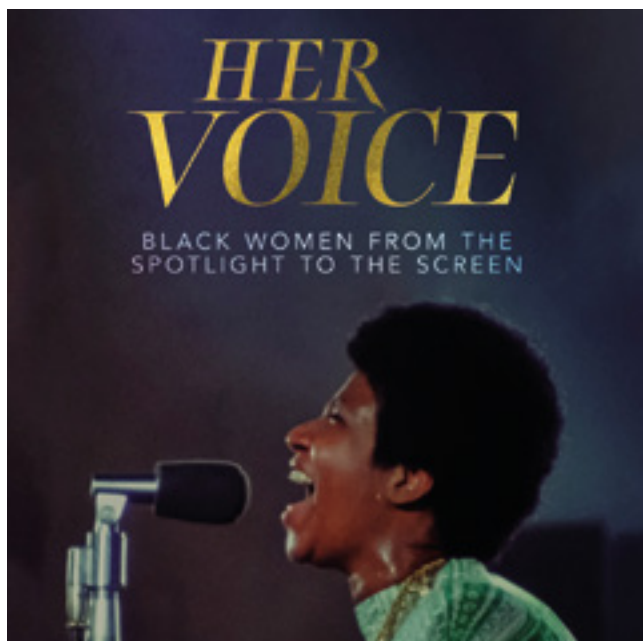
Programme highlights



Our focus at the start of the financial year was planning for the re-opening of our cinemas after the COVID pandemic, whilst making efforts to retain momentum with our audiences for BFI Player and BFI DVD and Blu-Ray. BFI Blu-Ray & DVD continued to perform above target across the year.

Seasons and activity included

- Dream Palace Season - inspired by Sight & Sound's Dream Palace editorial with celebrated filmmakers selecting and introducing their chosen films
- **JAPAN 2021** taking in classics, cult titles and rarities from the history of Japanese Cinema, including Akira Kurosawa's seminal classic, *Seven Samurai*, which played across the UK and at the BFI IMAX.
- Welcoming filmmaking talent to the BFI stage. Guests this year have included Denis Villeneuve, Edgar Wright, Billie Piper, Ben Wheatley, Asif Kapadia, Sir Tom Courtenay, Andrew Haigh, Jane Campion, Reggie Yates, Aml Ameen, Riz Ahmed, Noomie Rapace, Adjoah Ando, Ricky Gervais, Romola Garai, John Hillcoat, Andrea Arnold and Craig Roberts
- Season on the work of pioneering film makers who captured the 'heroic age' of Antarctic exploration, built around the centenary of the death of explorer Sir Ernest Shackleton, including a BFI theatrical and Blu-Ray release of newly remastered epic *South*
- Continuing our online events programme '**BFI at Home**', with events featuring Jodie Comer, Stephen Graham, Julia Ducournau, Adam McKay, Mahershala Ali and Lin-Manuel Miranda as well as the first ever **Digital Woman With a Movie Camera Summit**.



New Voices

A week-long takeover by T A P E Collective titled **But Where Are You Really From?** to support and enfranchise new voices in film culture including video essays on Youtube, a season at BFI Southbank and a BFI Player collection, all exploring the collective's core themes of heritage and identity in modern Britain. The Player collection attracted over 5,000 views, with a further 4,000+ views on YouTube and 550 admissions in venue.

- A collaboration with Zawya Cinema in Cairo, **The Time is New: Selections from Contemporary Arab Cinema**, including the BFI Distribution title *Souad*, Egyptian director Ayten Amin's authentic portrait of youth in the Arab world through a female perspective.
- **Her Voice: Black Women From Spotlight to Screen**, profiling Black singers in cinema, **A Pryor Engagement**, a Richard Pryor retrospective and **The Films of Asta Nielsen**.
- Partner festivals also included *London Indian Festival*, *S.O.U.L. Festival*, *Chinese Visual Festival*, *the Black Lens Festival*, *UK Asian Film Festival*, *London Short Film Festival* and *Refugee Week*



Auteurs in Focus

- Robert Altman season with a mini collection on BFI Player with *Nashville* re-released into cinemas by BFI Distribution.
- *400 Blows* and *Jules et Jim* shown as part of our **Francois Truffaut: For The Love of Films** season.
- **World of Wong Kar Wai** retrospective
- Following Blu-Ray release of a newly restored *Naked*, Mike Leigh all but moved in to BFI Southbank during his February retrospective, introducing a wide selection of his films alongside collaborators including Lesley Manville, Phil Davis, Ruth Sheen, David Thewlis, Marion Bailey and Alison Steadman.



Stories of British Film and Television

- Retrospective dedicated to the late Earl Cameron in the summer
- Black History Month celebrations across platforms in October, BFI Southbank focus included all programme strands given over to BHM content, and a stand out weekend of discussions and screenings celebrating the legacy of Darcus Howe. Small Axe Weekender included a club night, appearances from Steve McQueen and DJ set from Dennis Bovell
- A season presented with the NFTS to mark their 50th anniversary delivered British film making talent to our stage including appearances by alumni such as Shola Amoo, Clio Barnard, Roger and James Deakins, Joanna Hogg, Sarah Gavron and Terence Davies.
- Undersung British director Jack Clayton celebrated with a full retrospective in partnership with the BFI National Archive



Broader Screen

- Introduction of the new, year-round BFI Expanded programme. Aligned with COP26, the first installation presented immersive works that spoke to the climate crisis, supported by a BFI Player collection curated by BFI Doc Society.
- The first outing of our new video games event called ***This Kind of Thing*** saw a 6 hour play-along with a hacked version of Sonic, the large Hadron Collider experience and a virtual escape room in NFT3.
- As part of **JAPAN 2021**, a BFI commission of **Tokinokawa** by the Light Surgeons featuring music from Midori Takada finally premiered.



BFI London Film Festival

Returning to its popular large-scale live format, while retaining several innovations from the 2020 hybrid model, the 65th BFI London Film Festival (LFF) in partnership with American Express welcomed audiences back to cinemas with a new venue footprint which included the Royal Festival Hall. This greater capacity offered increased access to in-demand Gala and Special Presentation films. Over the 12 days of the festival welcomed more than 290,000 attendances and over 500 international and British filmmakers, XR artists and series creatives.

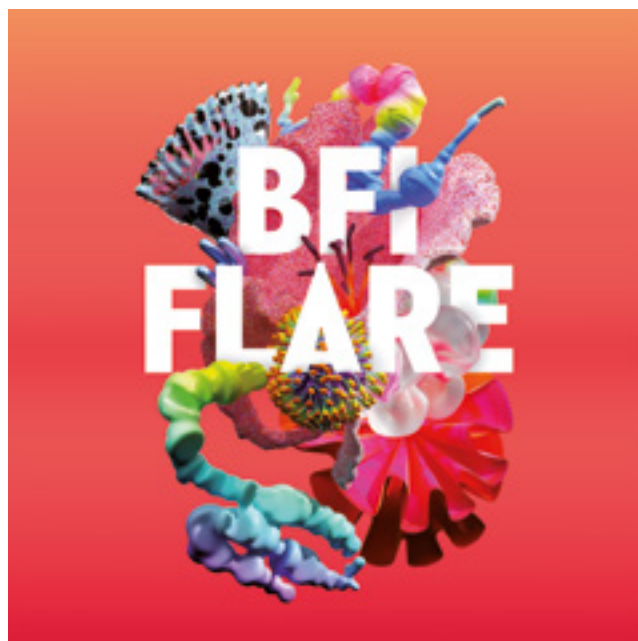


Highlights included

- World premiere of Londoner Jeymes Samuel's *The Harder They Fall*, with key cast and crew in attendance including Samuel, Idris Elba, Jonathan Major, Regina King and producer Shawn Carter (Jay Z) accompanied by Beyoncé – simultaneously screened at 41 venues around the nations and regions of the UK
- European premiere of *The Tragedy of Macbeth* with director Joel Coen and Frances McDormand
- over 180 films including Jane Campion's *The Power of the Dog*, Pablo Larraín's *Spencer*, and discovery titles such as Ryusuke Hamaguchi's *Drive My Car* and Apichatpong Weerasethakul's *Memoria* being screened in 10 partner cinemas across the UK – so 39% of overall audience admissions to the Festival were outside of London and South East
- LFF For Free, a new vibrant range of live and online free events and screenings, has further grown the overall reach of the Festival by 51% from 2019 to 2021



- Continued expansion of the Festival to include broader screen works with a new live exhibition of immersive art and XR, showcasing 18 new immersive works – many of which were also available around the UK and internationally via LFF's online platform The Expanse and on Oculus TV. Highlights included the world premieres of Asif Kapadia's first foray into VR, *Laika*, and *Only Expansion*, from Duncan Speakman (winner of LFF's Immersive Art and XR Award).
- New 'Series' programme strand featured eight TV and episodic platform premieres. Highlights included the European Premiere of Korean series *Hellbound*, the European premiere of *Dopesick*, and a red-carpet special presentation of the hotly anticipated third season of *Succession* from UK creator Jesse Armstrong.



BFI Flare

- 35th edition of BFI Flare: London LGBTQIA+ Film Festival in March held entirely online, and reached record audiences across the UK and internationally.
- Over 37,000 attendances for the programme of features and shorts on BFI Player, and a further 8,000 views for BFI Flare events. The festival accredited a record number of over 550 industry and press delegates.
- Featured 26 feature films and 38 free short films from 23 countries on BFI Player, with over 40% of virtual attendance coming from outside of London.
- Continuing partnership between BFI Flare and the British Council, saw the seventh edition of the global campaign #FiveFilmsForFreedom reach worldwide audiences of 1.7 million online.

Digital

Digital

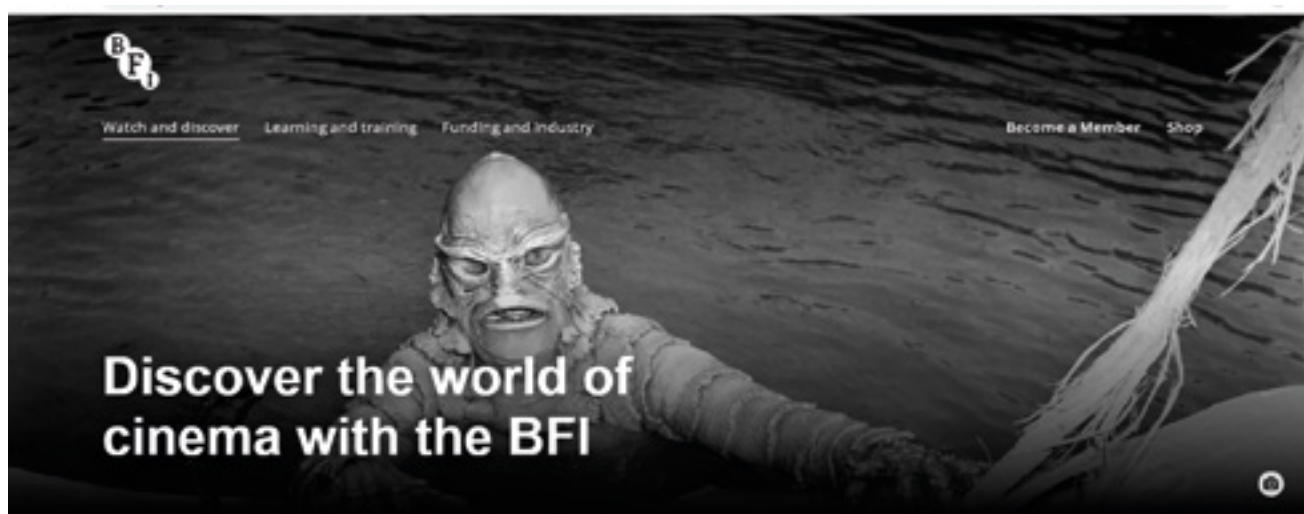


BFI Player

BFI Player saw record-breaking growth during lockdown, which continued in 21-22 with more than 2 million viewing feature films. There were more than 900,000 views of our free-to-view archive service in the year.

The BFI-distributed *County Lines* (Henry Blake, 2019) was the stand-out success with almost double the views of its nearest rival. This powerful and relevant thriller resonated particularly with audiences aged 25 and under, alongside cult titles such as *Mulholland Drive* (David Lynch, 2001) and *Under the Skin* (Carine Adler, 1997). Multi BAFTA-nominated and BFI-distributed *After Love* (Aleem Khan, 2020) continues to perform in terms of views and driving new subscribers.

BFI Player remains available as a direct to consumer product and as a subscription channel on Amazon Prime and Apple TV in the UK. BFI Player continued to grow its US footprint with a direct to consumer platform launch of BFI Player Classics in May and a branded channel through Amazon Prime in June. The latter proving an excellent foundation to build a new and more mainstream audience previously out of our reach. Titles such as *The Third Man* (Carol Reed, 1949), *The Lady Killers* (Alexander Mackendrick, 1955) and *Hobson's Choice* (David Lean, 1954) are proving particular favourites in the US. BFI Player Classics is available to US customers on the web, personal devices and TVs equipped with smart technology or connected streaming devices.



bfi.org.uk

Our website, bfi.org.uk, continues to be one of the first points of access for all BFI-wide activity for consumer and industry users with more than 7 million sessions and 5 million users per year, with 60% of that traffic coming from outside of London. There has been a big focus on improving technical infrastructure behind the website. New functionality and products are being developed.

Digital Video and Editorial

We published 370 new articles over the course of the year on our website – on general film history and anniversaries, and in support of the BFI cultural programme and new releases. Our editorial pages had 5.3 million views. In line with the BFI's expanding remit, we also launched our first video games editorial.

Growth in the BFI's YouTube channel remains strong with 82,000 subscribers added and 41 million views over the past year. Having relied on our 'BFI at Home' Q&A series during lockdown, 2021-22 saw us adopt a hybrid model, keeping BFI at Home as a brand, while re-introducing videos of events shot at the BFI Southbank after the venue re-opened.



Sight and Sound

2021/22 was a transformative year for Sight and Sound. Following an extensive redesign of the magazine, Sight and Sound launched its new look in the September issue to an overwhelmingly positive response from both the industry and readers. Newsstand sales, subscriptions and advertising revenues all increased in Q3 and Q4 as a result. At the same time, our social channels grew across all metrics, with more followers and greater engagement with our content. With our weekly newsletter hitting 36,000 subscribers, all areas of the brand showed visible growth.

At the same time, we continued to publish our archive print specials, which alongside the increased volume of archive material on our website highlighted the appeal to our readers of this work. Our commitment to diversity and inclusion remained, seeing a number of new writers joining our expert team of journalists, and in our redesigned issue we launched a quarterly edition of the Black Film Bulletin, edited by the original editors.

Growing Audiences Across the UK

Growing Audiences across the UK

The BFI Audience Fund

Awarding funds from the National Lottery, the BFI Audience Fund supports projects which aim to boost diversity and inclusivity in audiences, on screen and in the workforce. Over the course of this financial year the Audience Fund sought to support the exhibition and distribution sectors as they re-opened following the winter lockdown. The fund's Organisational Awards strand, which provides multi-year funding to experienced organisations, supported 29 organisations this financial year, providing much-needed continuity during a period of distancing restrictions and audience hesitancy that resulted in reduced admissions. For example, the award to Queen's Film Theatre in Belfast supported the cinema to maintain the high cultural level of its film programme and keep the activity and outreach targeted at young audiences going.

Due to the success of the previous year's hybrid approach to running festivals, planning activity both online and in-person has been the approach taken by many organisations – something the Fund has supported. Examples of this are Manchester Animation Festival, London Indian Film Festival and Berwick Film and Media Arts Festival.

In July after an underspend in the BFI's International Fund, we announced an additional £500,000 available through project awards to support the distribution of titles not in the English language. This funding was ring-fenced to help bring new and exciting international films not in the English language to a wider UK audience. In 2021-22, the fund made National Lottery awards to six titles not in the English language. In total across the year, we supported the release of 30 films, 11 of which were not in the English Language. Of the 30 films supported in 2021-22, 17 received a specific project award to support their release and 13 were supported by via an Organisational award made to the film's distributor.

In 2021 Coventry was the UK's City of Culture, and the BFI supported its film component through the Audience Fund via a National Lottery award to CineCov, a 10-month film programme and an award to Coventry City Council to support a virtual reality film programme in libraries.

Bounce Cinema's London events to engage young audiences from diverse backgrounds have also been a great success this year, and an award from the National Lottery provides the opportunity for Bounce to take these events across the UK. 'But Where Are You Really From?' a short film programme exploring this question and celebrating filmmakers of mixed-heritage through screenings and events, was developed by TAPE Collective.

StoryTrails

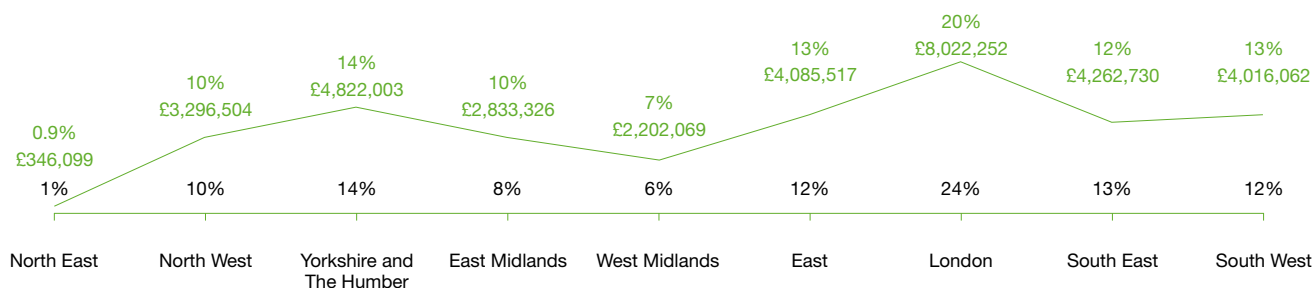
One of ten major commissions from **UNBOXED: Creativity in the UK for 2022**, StoryTrails is a unique storytelling experience, led by StoryFutures Academy. The project uses immersive storytelling technologies to bring to life untold tales from the past, using the 3D internet and augmented and virtual reality to reanimate public spaces across the UK. Town squares, city streets and local libraries in 15 locations across the UK will be transformed into virtual portals through which audiences can discover stories from their community.

StoryTrails is the world's largest immersive storytelling archive project to date and the BFI is playing a significant role in curating and supplying material, alongside the BBC and the National and Regional Archives. These creatives, carefully selected to represent the full diversity of the UK, are being trained to use state-of-the-art immersive technologies to showcase and produce their stories in new and surprising ways. The project will launch in June 2022.

The Culture Recovery Fund

The UK Government's Culture Recovery Fund (CRF) for cultural, arts and heritage organisations launched in July 2020. It continued in 2021-22 to support independent cinemas in England throughout and following the required pandemic restrictions. Administered by the BFI, the fund awarded 209 cinemas over £33.9 million. This includes 78% of all eligible independent cinemas in England, 89% of which are outside London. The BFI continues to administer an allocation on behalf of the DCMS for English cinemas – the other UK Nations have their own unique funds to distribute independently. Below is a breakdown of the regional spread of awards:

Total CRF awards per region



% of eligible sites that applied to the BFI



Awards per region	Total awards	Tot no. sites	% AMT per region
North East	£346,099	4	1%
North West	£3,296,504	24	10%
Yorkshire and The Humber	£4,822,003	22	14%
East Midlands	£2,833,326	17	8%
West Midlands	£2,202,069	16	6%
East	£4,085,517	24	12%
London	£8,022,252	23	24%
South East	£4,262,730	32	13%
South West	£4,016,062	47	12%
	£33,886,560	209	



Image: Birmingham Indian Film Festival

The BFI Film Audience Network

The BFI Film Audience Network (FAN) uses National Lottery funds to create a stronger, more connected approach to growing the confidence and inclusivity of UK audiences watching British and international film on the big screen. We have an established network of eight Film Hubs across the UK, each managed by prominent film organisations that work with over 1,600 member cinemas, festivals, community cinemas, film archives and other organisations in their area. A commitment to equality, inclusivity and accessibility is at the heart of all eight hubs.

The BFI FAN Film Exhibition Fund has continued its UK-Wide support into 2021-22 to boost cultural programming and activities to engage diverse audiences as lockdown restrictions eased. In 2021-22 the fund awarded over £650,000 to 145 FAN members, ranging from local community cinemas and film festivals to full-time venues, supporting both physical and online activity. During this period, the Film Exhibition Fund has been fine-tuned to specifically focus on targeting projects that attract underrepresented audiences within the exhibition sector – these include audiences from diverse ethnic backgrounds, young audiences, those from the LGBTQIA+ community, and D/deaf and disabled audiences.

The UK-wide major blockbuster season JAPAN 2021 was delivered in cinemas UK-wide from Oct-Dec 2021. The season surpassed targets with over 10,000 in-person attendees. Following the JAPAN season, several organisations noted the unmet demand and are planning more Japanese seasons

The FAN Screen Heritage programme supported 14 projects this year, resulting in 230 screenings in 30 locations across the UK. Including projects such as

- 'Dockyards, Demos and New Directions', a series of workshops, screenings and walking tours in five locations across the UK in collaboration with Canal & River Trust.
- 'Northern Ireland: 100 years of Happiness', which included a 60-minute film made by Belfast Film Festival in collaboration with Northern Ireland's Digital Film Archive, depicting the nation's favourite pleasure pursuits. The film screened with a live performance and as an installation at Ulster Hall.

Film Hubs

Here are some of the achievements of our FAN Film Hubs this year:

Film Hub London

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

- Twenty-two organisations were supported through the BFI FAN Film Exhibition Fund
- The engaged Goss Consultants, a Disability consultant, to work with each venue of the Cinema Incentive Scheme and provide vital guidance to individual venues on becoming accessible and attractive to disabled audiences.
- The Hub worked with Film Hub Scotland to deliver the annual Distributor Slate Day as a hybrid event where distributors could present their film slate to exhibitors alongside industry talks.
- Cross FAN Young Audiences have continued to facilitate 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.
- The Young Audiences Generation Scheme launched in 2021 with 11 cinemas based in each of the eight FAN regional Hubs. Funded by the BFI Audience Fund, the scheme enables independent venues to introduce targeted ticketing schemes for young audiences. All participating cinemas are reporting increased attendance by the 16-30 age group.

Film Hub Midlands

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

- Seventeen organisations were supported through the BFI FAN Film Exhibition Fund during the year.
- A key accomplishment was the realisation of a long-planned community screening project – the Birmingham Indian Film Festival (BIFF). Screenings were held in venues such as community halls, women's centres, temples, and the LGBTQIA+ Shout festival. Claiming success from audience and partner feedback, the festival has a solid foundation for the future to reach underserved, predominantly Asian audiences.
- The Hub continued to focus on supporting activity in Lincolnshire and entered into new partnerships with the SO Festival and The Tower Cinema in Skegness.

Film Hub North

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

- Thirteen organisations were supported through the BFI FAN Film Exhibition Fund.
- With support from the BFI FAN, FACT in Liverpool were able to deliver their 'Cinema in the City' film pilot, utilising various Liverpool locations to engage audiences with an independent film programme.
- Cross FAN Screen Heritage supported 14 projects across the UK including 'Dockyards, Demos and New Directions' by Compass Presents and 'Northern Ireland: 100 years of Happiness' by Belfast Film Festival.

Film Hub Northern Ireland

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

- Ten organisations were supported through BFI FAN Film Exhibition Fund.
- FAN continued its support of Belfast Film Festival (BFF), which exceeded its admissions target. The festival was able to develop outreach work across marginalised and diverse communities. This included screening a film programme of specially commissioned films dealing with refugees, young people in care, young female footballers and other often-overlooked groups.
- In 2021-22 the Hub supported the third edition of 'Docs Ireland', which continued to develop a key strategic strand that involves the Irish documentary production sector, and gives access to the latest documentaries to NI audiences.

Film Hub Scotland

Hub Lead Organisation: Glasgow Film.

Cross FAN lead for Member Support and Development

- Fourteen organisations were supported through BFI FAN Film Exhibition Fund.
- Hub support given to wider range of projects for D/deaf and disabled audiences in the year.
- Film Hub Scotland coordinated a tour of new archive feature film *Living Proof: Scotland's Climate Story*, to coincide with the Glasgow-hosted COP26 in November 2021. The film opened Take One Action Film Festival in September before touring Scotland.
- In response to Member interest to screening archive work, Film Hub Scotland ran a short course in February 2022 with the National Library of Scotland, Moving Image Archive and A Kind of Seeing.
- Working with the Independent Cinema Office, Cross FAN MSD continues to develop and deliver the FAN-wide training offer, including the FEDS (Film Exhibition, Distribution and Sales traineeships) programme and FAN Innovation Labs.

Film Hub South East

Hub Lead Organisation: Independent Cinema Office (ICO).

Cross FAN lead for Data and Evaluation

- Twenty-two organisations were supported through BFI FAN Film Exhibition Fund.
- Film Hub South East's touring programme of archive material focused on the region's National Trails and was accompanied by three new short films by Black, Asian and ethnically diverse artists, responding to and utilising these archive films of the region's rural landscape.
- Challenging Barriers and Championing Access for Disabled Cinema Audiences was an event organised by the Hub to help members to address the complex barriers faced by disabled audiences in returning to cinemas post-COVID.

Film Hub South West

Hub Lead Organisation: Watershed, Bristol.

Cross FAN lead for Marketing, Communications and Audiences

- Twenty organisations were supported through BFI FAN Film Exhibition Fund.
- The Hub collaborated with The Box in Plymouth on a commission for Compass Presents to curate short archive packages made available to South West exhibitors via 567 screenings. The Hub also oversee a programme of targeted support for selected new release titles – offering resources and materials to venues to encourage them to book a film they might not otherwise have done, and working with grassroots marketing specialists to boost audiences.

Film Hub Wales

Hub Lead Organisation: Chapter Arts Centre, Cardiff.

Cross FAN lead for Diversity and Inclusion

- Twenty-five organisations were supported through BFI FAN Film Exhibition Fund.
- The Hub delivered training tailored to members' needs during the pandemic, for example on digital festival delivery and outdoor cinema.
- The Hub delivered a screen heritage season of short and feature films (Welsh and international) exploring the connections between slate and colonialism, with a handout to support exhibitors with programming around themes of slavery and a special discussion between historians, writers and academics.
- The Hub led a training session for eight venues in order to improve their provision for D/deaf audiences.
- Cross FAN Diversity and Inclusion (D&I) received additional funding and collaborated with all FAN hubs to commission a catalogue signposting accessible film versions, to assist exhibitors when sourcing titles to make screenings accessible to D/deaf and disabled audiences.
- The Inclusive Cinema website grew in reach with toolkits/resources accessed by nearly 5,000 individuals at Q3: 12% were researching mental health, 35% D/deaf and disabled access, 21% race and ethnicity, with the remaining 31% covering LGBTQIA+ and other underserved communities.

Our Moving Image Heritage

Our Moving Image Heritage



Image: Ali & Ava (2021)

The BFI National Archive and the Reuben Library are together the world's largest and most significant collection of moving image heritage – now brought together into an executive directorate of the BFI, the Knowledge and Collections Directorate. In 2021/22 we shared and screened UK and international screen heritage at home and abroad, both in person and online as active members of the international film archive community.

AHRC Capability for Collections Fund Grant – Library and Conservation

A grant award was given by the Arts and Humanities Research Council's (AHRC) Capability for Collections Fund (CapCo) to upgrade technologies in the BFI Southbank Mediatheque. The £135K award will enable us to replace and upgrade outdated hardware, introduce new technology to make the system more sustainable and help us develop the platform to include digital access of our audio collections. Also, a successful £652K award from the CapCo Fund enabled the renewal of film equipment at the Conservation Centre, across photographic and digital technologies.

COLLECTING

Features

We newly acquired 55 feature films, including 32 contemporary works. Highlights include: *Pearls Bring Tears* (Manning Haynes 1937), a quota quickie starring Googie Withers; a rare 35mm nitrate print of *Nitwits on Parade* (1949); documentaries *Senna* (Asif Kapadia, 2010) and *African Apocalypse* (Rob Lemkin, 2020) and BFI Film Fund titles including *Benediction* (Terence Davies, 2020), *Boxing Day* (Aml Ameen, 2021) and *Ali & Ava* (Clio Barnard, 2020).

Television

As the National Television Archive (by statute, Broadcasting Act 1990) the BFI continues under arrangements with Ofcom to collect new programming from the terrestrial channels ITV, Channel 4 and Channel 5. During the year we captured over 185,000 programmes via automated off-air recording, plus curator-selected programmes in high-quality digital masters direct from the broadcasters.



Image: The Souvenir: Part II (2021)

Special Collections

This year, we have enriched our existing collections with a series of key accruals. These included a script and personal correspondence for *Get Carter* (1971) by Mike Hodges; a series of early creative writings by Michael Powell; and costume designs for *Doctor Who* by Ann and John Bloomfield. Our collecting also spotlights some of the lesser known roles that are vital to the industry's success: from the papers of unit medic Joy Maxwell Davis, to portraits of Margaret Lockwood by leading wig maker Paul Huntley and stills for *Cyrano* (2021) by pre-eminent photographer Peter Mountain.

Online, Non-broadcast and Shorts

This year we acquired over 700 digital works and short-form content.

Heritage 22

This Lottery-funded programme has seven major strands with a key focus on preserving the UK's most significant 'at-risk' pre-digital film, TV and moving-image works from videotapes identified across the UK, conserving and digitising special press book collections, creating 100 new film prints selected from a range of international works and researching and securing associated rights agreements – all so they can be safeguarded and made available for audiences now and in the future.

In 2021-22 the programme continued to build strong relationships in the UK and globally with partners including Regions and Nations Archives, rights holders, film distributors and print suppliers. The impact of COVID made supplier negotiations more difficult, and extended turnaround times across the global network of film labs, with print creation taking an average of six months (as opposed to three months pre-COVID).

Heritage 22 made huge strides across all programme strands in 2022, with film digitisation and data both successfully completed, exceeding all outcomes and targets. Film Digitisation achieved a staggering digitisation of 1,140 film titles against the 1,000 target set. The titles made accessible to the public attracted 9,116,551 views across all social media platforms.

The Videotape Digitisation and preservation strand progressed development on the extensive automated end-to-end digitisation workflow. At the end of March 2022, 81,855 pieces of content from across the BFI and the partner Regions and Nations Archives had been digitised. The Film prints strand finished 60% on target achieving 23 completed title in Q4 with 60 new prints now complete and rights cleared over 5,500 titles for future accessibility. In addition, the BFI Replay supported by the Digital, Rights, Curatorial, Data and Digital Preservation, Archive and Libraries teams collaborated to ensure the realization of BFI Replay to a Minimal Viable Product for testing in April 2022.

The programme will fully complete at the end date of December 2023.

Image: *Friendship's Death* (1987)

RESTORING AND REMASTERING

I Know Where I'm Going! (1945) and *Friendship's Death* (1987) premiere at Cannes Classics in June 2021

The BFI National Archive's new restoration of Powell and Pressburger's *I Know Where I'm Going!* (1945) premiered at Cannes, introduced virtually by Martin Scorsese and live by Tilda Swinton. The archive's new remastering of Peter Wollen's BFI-produced *Friendship's Death* (1987) was also introduced by Tilda Swinton, the film's star.

Herzog Blaubarts Burg/Bluebeard's Castle (1963) restoration premiere at New York Film Festival in October 2021

The BFI National Archive's new restoration of Michael Powell's late masterpiece, a rendition of Bartok's opera, premiered at the 59th New York Film Festival. The restoration was carried out in full collaboration with Thelma Schoonmaker, approved by Martin Scorsese, and supported by The Film Foundation, using the original camera negative and final mix sound master.

Image: *Caribbean Honeymoon No. 1* (Edric Connor, 1960)

Restorations at the BFI London Film Festival

The 65th BFI London Film Festival saw the UK premiere of the restoration of Powell and Pressburger's *I Know Where I'm Going!* (1945).

The 4K remaster of *Naked* (1993) also premiered at LFF, introduced by director Mike Leigh. *Europa* received its world premiere at the LFF – a major rediscovery, restitution and restoration of the Stefan and Franciszka Themersons' long lost 1931 anti-fascist masterpiece, available to new audiences some 80 years after it was seized in Paris during WWII. *Europa* has now been donated by the Themerson Estate to the BFI National Archive for long-term preservation. The festival also saw a special online presentation of newly digitised documentaries by British Trinidadian filmmaker Edric Connor.



Image: *Beside the Seaside* (Marion Grierson, 1935)

Premiere of BFI National Archive's remastering of *South* at BFI IMAX

Marking the centenary of Shackleton's death, the BFI National Archive's new remastering of *South: Sir Ernest Shackleton's Glorious Epic of the Antarctic* (Frank Hurley, 1919), premiered at BFI IMAX to a capacity audience, introduced by the Archive's curator of silent film, Bryony Dixon, and accompanied by the Covent Garden Sinfonia performing Neil Brand's new score.

The Camera is Ours

This major project saw the research, restoration and presentation of ten shorts made by British women documentary makers from the 1930s to 1960s including work by Marion Grierson, Kay Mander and Sarah Erulkar. The project aimed to reposition the major but largely forgotten contribution British women filmmakers made to documentary over four decades.

SHARING AND OUTREACH

Anoushka Shankar Performs *Shiraz*

Anoushka Shankar performed her epic cine-concert live in Vienna, Budapest, Luxembourg and Dresden in the autumn of 2021 accompanying *Shiraz: A Romance of India* (1928). The film was restored by the BFI Archive in 2017 and Shankar was commissioned at the time to create a score as part of the UK-India year of culture.

Heritage Open Day at the BFI National Archive Conservation Centre

The Conservation Centre at Berkhamsted opened its doors to the general public as part of the national Heritage Open Days scheme in September, welcoming more than 200 visitors.



COI at 75

June saw the launch of 'COI at 75', a celebration marking the 75th anniversary of the Central Office of Information. Best known for its often hard-hitting 1970s-80s public information films, this anniversary project has been developed in close collaboration with colleagues at The National Archives and Imperial War Museums, incorporating a new BFI Player collection, social media content, and an exclusive online interview with Lord (Paul) Boateng, ex politician and presenter on the COI's teleseries *London Line*.

Archive Sales

In addition to negotiations and licensing for the use of archive content over this period, two large-scale digitisation projects were delivered through the BFI National Archive. A project with Adam Matthew Digital (AMD) for Topical Budget newsreels re-started. A licence has been executed for a new module focussed on Victorian-era films from the collection.

Throughout the year we continued to receive enquiries to access collections from rights holders and collections donors, including: Park Circus, StudioCanal (UK and France), Renown Films, All3Media, Channel 4, ITV, Network DVD, Paramount, Post Office, Paradine Productions, Screenocean and Lobster Films. There has also been a follow-up supply to the Infected Blood Enquiry under legal notice.

BFI-BBC Collaboration: Make-up: A Glamorous History – Britain in the Roaring 20s

In our latest collaboration with the BBC, Lisa Eldridge visited the BFI National Archive to meet with curators to discuss the impact of cinema on makeup products.

BFI-Uplands Television Collaboration: Our NHS: A Hidden History

David Olusoga and Uplands Television presented Our NHS: A Hidden History, which was broadcast on BBC One and on BBC iPlayer. The Documentary features materials from the BFI National Archive, particularly from the COI Collection.

BFI-BBC Radio 4 Collaboration: MTV: A British Invention?

Forty years after the launch of MTV, presenter Adam Buxton uncovers the influence of British music videos on the network. This arts documentary for BBC Radio 4 was inspired by and featured a BFI National Archive Curator, also leading to a hugely successful touring programme.



Image: BFI Reuben Library

Archive Collections in the Media

BFI National Archive materials have continued to be incorporated into programmes transmitted by the BBC, ITV, Channel 4 and Channel 5. Footage from 60s of Crofters (1944) was incorporated into COP26 programming for BBC Scotland. BFI National Archive footage was also used in ITV's *Empire's Child*, Channel 4's *Empire State of Mind*, and Channel 5's transmission of *Victorian Britain on Film* and throughout Ian Hislop's *Trains That Changed the World*.

BFI Reuben Library and Mediatheque

The COVID pandemic meant that when the BFI Reuben Library and Mediatheque weren't closed, they were operating at a reduced capacity. The library saw just under 15,000 research visitors, and the Mediatheque 16,000 visitors from May 2021 to March 2022. We fulfilled 2,900 requests for research material in the library's reading room, responded to 300 research enquiries via email and facilitated 100 requests for our digital library on demand service – providing digital scans of library material for those who cannot visit us in person.

Heritage 22 Outreach

Another key highlight for the H22 project team in 2021 was Archives for Education/Make Film History winning the prestigious FIAT/IFTA Archive Achievement Award in the category of Excellence in Unlocking the Value and Potential of Archives. The project makes available over 200 films from the BFI National Archive, BBC Archive, Northern Ireland Screen Digital Film Archive, the Irish Film Institute and the London Community Video Archive for creative reuse by young filmmakers in schools, film training and higher education across the UK and Ireland.



Future Learning & Skills

Future Learning and Skills



Image: BFI Film Academy Craft Skills course, delivered by Screen Edinburgh

Into Film

Into Film is a UK-wide education charity – part-funded by the BFI – that puts film at the heart of education and supports educators in achieving a wide range of effective learning outcomes in their use of film. Over the past two years, Into Film has spearheaded hybrid-led remote teaching and programme delivery. The number of UK account holders continues to increase year on year (40,000+ in 2021-22). Throughout 2021-22 over three million people from a wide range of backgrounds benefitted from Into Film funded activities.

BFI Schools

Film can play a powerful role in supporting more diverse representations in young people's lives, particularly by expanding and enriching the school curriculum. Our online professional development event looking at *Black Lives on Screen* in May 2021 attracted 250 history teachers to a discussion of how the BFI National Archive can shed light on the lives of people of diverse ethnic backgrounds in 20th-century Britain and was our most popular BFI Schools event of the last 10 years.

For the academic year 2021-22, BFI Education planned a hybrid programme. We ran events in venue and online to bring schools closer to the BFI London Film Festival and BFI Flare, and we ran our popular Media Conference in July 2021, in an online-only format. Activity in venue, however, has been as popular as before the pandemic, with close to 4,000 students attending in person at BFI Southbank, but many more coming to digital events. An online highlight was hosting a talk with Asif Kapadia, delivered to 2,500 A-level Film Studies students who were studying his bio-doc *Amy*.

BFI Families and Children

Our Saturday film clubs also returned to face-to-face teaching, while keeping a virtual film club running for children outside of London. We completed the main elements of our DCMS-Lottery funded film club programme for 12 to 15-year-olds in government Opportunity Areas. We targeted six Pupil Referral Units from Oldham and Salford to Cambridgeshire, with encouraging results, and are intending to develop an amended programme for 2022-23.

BFI Film Academy

Now in its 10th year, the BFI Film Academy, backed by the Department for Education (DfE), National Lottery, Screen Scotland, and Northern Ireland Screen, provides 16 to 19-year-olds from diverse backgrounds across the UK the opportunity to develop the specialist filmmaking skills they'll need to be part of the future of the UK film and screen industries.

Nearly 9,000 places have been created on courses since 2012 and the DfE has confirmed a further £1million funding support for the Film Academy to 2023. Throughout 2021-22, 47 courses were successfully delivered, meeting ambitious diversity and inclusion targets. Additionally, specialist courses were delivered utilising a mix of online and in-person learning, covering specialisms such as animation, VFX, documentary and art department.

As well as the short and specialist courses, BFI Film Academy teams delivered monthly skills-based labs on topics such as short film funding, producing and running a set. These were successfully moved online during 2020-21, engaging young people across the UK. In 2021-22 labs continued in a hybrid model – both in-venue at BFI Southbank and online, continuing to engage those outside of London.

The Film Academy also launched a new Venue Education Fund in 2021 backed by National Lottery funding. The Venue Education fund aims to provide a vital link between the existing BFI Film Academy programme, BFI Network, and the BFI FAN network.

Future Skills Trainee Programme

Now in its fourth year, the Future Skills Trainee Programme supports young people from under-represented groups to build a career in film through extended, fully paid work placements. In 2021-22 55 young people were placed across UK. For the first time, we worked with a high-end TV production based in Wales and placed 20 trainees across various departments. 65% of those trainees were from Wales with many of them living in the local area. Across all three productions 60% of the trainees were women, 26% had a disability, 17% free school meals and 32% were ethnically diverse.

Future Film

The 15th edition of the BFI Future Film Festival ran in February. This year's festival was hybrid with free events taking place online and low priced day passes for in person events at BFI Southbank. The festival received:

- over 1,000 eligible submissions of short films made by young people aged 16-25
- from 41 countries across the world;
- 26% from ethnically diverse directors, 48% female directors and 6% non-binary directors.

A panel of 10 Film Academy Young Programmers whittled the submissions down to 50 before screening at BFI Southbank and online for free on BFI Player.

The 10 winning filmmakers were announced at the BFI Future Film Festival Awards Ceremony supported by Netflix and were awarded over £10,000 in cash prizes, equipment to help with production of their future projects and mentorships from industry leaders.

Our events programme included keynote speeches from Ameenah Allen, Rebecca O'Brien and Joy Gharoro-Akpojotor. We had in-person and digital 'Hot Spot' interviews with Craig Roberts, Rebecca Hall, Romola Garai, Callum Scott Howells and Future Film Festival alum Nida Manzoor. Overall there were 54 events with 119 speakers, generating over 12,000 online interactions.

NFTS Early-Stage Access and Diversity Accelerator Programme

This is funded by the BFI and run by the National Film and Television School (NFTS) to increase the diversity of applicants to their programmes and amplify the reach and impact of their online masterclasses, training, short courses and outreach work. NFTS have engaged around 6,000 young resulting in the most diverse cohort ever enrolling at the School in January 2022 with 32% ethnically diverse students, 25% LGTBQIA+ students and 24% disabled students.

BFI Film Club Pilot Programme

BFI Film Clubs offer an exciting opportunity for 12 to 15-year-old aspiring filmmakers, in some of England's most socially challenged areas, to learn new skills, develop their creativity, and engage with the best world cinema. These complement our existing BFI Film Academy for 16-19 year olds. It is co-funded by the DCMS Youth Accelerator Fund and the BFI through the National Lottery. Our delivery partners include local community providers, the BFI Film Academy and the National Saturday Club. Clubs have been delivered in community settings, Pupil Referral Units and local colleges and universities, with around 450 beneficiaries.

Leading European Advocacy

This year we completed the last of our formal Creative Europe-funded projects. Over two years, *Film Education: from Framework to Impact* brought together 300 film educators from 30 countries to create new approaches to film education, creativity, and cultural engagement. A Mass Open Online Course attracted 5,000 global participants and has now been made into a permanent website (filmeducationframework.eu) and translated into five languages. The network created by successive EU projects now forms the basis of a new bid, to Erasmus+, with the leadership passing to the Danish Film Institute. This work is important in highlighting the UK's soft power and global leadership position.

Online Learning for Adults

This year we started with an exciting new collaboration between BFI Education and the Open University, to co-produce three six week short courses that would include materials from the BFI National Archive. The courses include *Media, Politics, and Society*, and *Reading the Screen*. These courses will run three times a year, for seven years, giving worldwide audiences privileged access to the treasures of the BFI National Archive.

Ffilm Cymru Wales

Through Lottery funding, we continue to support the decentralised community delivery of a dispersed education programme in Wales to engage young people in creative filmmaking. Innovation grants were offered to enable new responses to opportunities, developing practitioners, and exploring methods of delivery to overcome barriers to film education during the pandemic.

The Future Film Skills Action Plan

The Future Film Skills Action Plan is delivered by ScreenSkills to create a larger and more inclusive workforce through UK-wide training and support. ScreenSkills operated a hybrid online/in-person delivery this year. Highlights included the ScreenSkills Apprenticeship Programme pilot; 1,371 apprenticeship starts; seven new e-learning modules; and over 5,000 attendees at online careers information events and virtual CPD workshops. Over 15,000 e-learning modules have been completed, and modules covering inclusion in the workplace have been picked up by broadcasters and award bodies - Unconscious Bias training is now compulsory for BIFA and BAFTA voters and employees at some broadcasters.

ScreenSkills continues to commission Continuing Professional Development courses for new entrants and those looking to progress their careers, with a focus on skills shortage areas such as production accounting, VFX and post-production supervision. The Centre of Screen Excellence in Yorkshire completed its craft courses with 67% of those who graduated finding work in the industry within six months.

The ScreenSkills mentoring programme has focussed on supporting those with a disability with over 1,000 mentees this year, 24% of whom identify as disabled and 29% as ethnically diverse.

Since 2018 ScreenSkills have provided over 35,000 support and training interventions to new entrants to the sector, and over 28,000 to existing workers. Diversity and inclusion figures across the entire future film skills programme of activities exceed current industry averages to date: 58% of beneficiaries are women, 14% disabled, 18% ethnically diverse and 16% LGBTQIA+.

A Champion for Talent

A Champion for Talent



Image: Tilda Swinton and Rebecca O'Brien in Cannes to present a BFI restoration of *Friendship's Death*

BFI NETWORK offers extensive professional development, funding and editorial support for producers, writers and directors of all ages at the start of their careers. It awards National Lottery funds for the production of short films and the development of debut feature films. BFI NETWORK Talent Executives are based 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 partnership with Screen Scotland). We also work with Doc Society to support ten short documentary films each year through their BFI Doc Society Made of Truth Fund.

Funding

We received over 1,600 applications for short film projects this year, and over 400 for feature development. This means fierce competition, and difficult decisions, but in a record year we funded 123 short films and 42 developments. As other large scale shorts commissioning opportunities have contracted, NETWORK has become ever more important to support new filmmakers to produce calling-card pieces of work. We continued to provide bespoke health and safety advice to funded teams and additional funding for COVID-related costs to our short films where needed. .

Partnerships

BFI NETWORK continued to expand its reach. Around our eight core delivery partners, we work with a network of 130 organisations to diversify the screen sector, co-develop programmes, run joint activities and promote our funded work.

Reaching audiences

BFI NETWORK short films are a significant fixture of the film festival scene, where they garner industry attention and enable the next steps in filmmakers' careers. They are reaching wider public audiences with the online boom for short film viewing. This year, our funded short films received over 2.2million views online, across a wide range of platforms including Vimeo, YouTube/ Omeleto, BBC iPlayer, The Guardian and BFI Player.

Professional development

Over 2,400 people benefited from professional development programmes and events – including virtual roadshows presented by the BFI Doc Society Fund; ongoing Weekender and Insight producer training initiatives; and other targeted training across the regions and nations, responding to arising sector needs, such as activities that addressed reliance, on-set wellbeing and how to deal with creative setbacks.

NETWORK@LFF returned to in-person delivery, with a four day programme uniting its cohort of 12 writers, directors and producers with some of the most exciting seasoned talent at LFF, and meetings with commissioners from Film 4, BBC, Netflix and BFI.

A further 7,172 filmmakers attended our online training activity focused on topics as diverse as making micro-budget features to working in animation to gaining international collaborators.

Other headlines this year

This was also a final year of the UK-wide training programme BFI NETWORK X BAFTA CREW, providing dedicated space for writers, directors and producers to meet ‘below the line’ collaborators; support for 35 filmmakers to attend festivals or labs through our Travel Grants scheme run by the British Council; and further progress made across the project in addressing under-representation in the industry, including a convening of the UK-wide Executives and BFI Film Fund to discuss developing practice in funding disabled filmmakers at short film stage and beyond.

Inclusion

BFI NETWORK builds inclusion into every element of its activity. For funded projects in England 57% of awards were made to female or non-binary filmmakers; 20% to disabled filmmakers; 24% to Black, Asian or filmmakers of other under-represented ethnicities; and 28% to LGBTQ+ filmmakers. These results exceed targets in every category.

Festival and awards successes

BFI NETWORK-funded filmmakers screened across the globe this year, with films travelling even when filmmakers could not. The three More Films for Freedom titles funded in 2020 were particularly prolific on the festival circuit. *Egúngún (Masquerade)* (dir. Olive Nwosu, prod. Alex Polunin) was an Official Selection at TIFF, LFF, LSFF and Sundance, was nominated for the Best British Short BIFA and won Best Narrative Short at the Hamptons Film Festival. *Prayers for Sweet Waters* (dir. Elijah Ndoumbe, prod. Naeem Davis) screened at the Hamptons Film Festival and Sundance 2022. Finally, *Baba* (wr/dir. Sam Arbor and Adam Ali, prod. Hannah Stevenson) won the Iris Prize 2021 (giving the team a £30,000 grant to make a new film) and the Iris Best British Award, and screened on All4. All three films capped off the year with a screening and celebration event at BFI Flare 2022.

Precious Hair and Beauty (dir. John Ogunmuyiwa) – supported via our partners at Film London – screened at Sundance and LFF and received a Best British Short nomination from BIFA. Our Scottish partner Short Circuit premiered their funded short *Too Rough* (dir. Sean Lionadh) at SXSW.

In NETWORK documentary shorts from the BFI Doc Society Made of Truth Fund, *The Black Cop* (dir. Cherish Oteka) a high-profile co-commission by The Guardian, won the BAFTA for British Short Film 2022, with incredibly powerful speeches delivered by the director and the film’s subject, Gamal “G” Turawa. *Hanging On* (dir. Alfie Barker, prod. Hollie Bryan) won Best British Short Film & UK Audience Award at Encounters Film Festival; Best of Fest & Best Documentary – Aesthetica Short Film Festival; and Best Documentary Short at the UK Film Festival. This followed a World Premiere at Sheffield Doc Fest 2021 and an International Premiere at TIFF 2021.



Supporting the Future success of UK Film



Image: Laika (2021)

The BFI National Lottery Film Fund prioritises culturally impactful voices, in both new and emerging talent, that pursue risk-taking stories and storytelling forms. The fund also prioritises those stories and filmmakers that address underrepresentation, of geography and diversity, both in front of and behind camera.

This year saw BAFTA Awards go to Joanna Scanlan for Best Actress in *After Love* and Best Short Film for *The Black Cop*, supported by the BFI Doc Society Made of Truth Fund, part of BFI NETWORK. This year the Fund has also saw one of the largest cinematic releases for a Black British director ever in Aml Ameen's debut *Boxing Day*, which was the number one independent film at the British box office in its opening weekend. The release of *The Phantom of the Open*, starring Mark Rylance and Sally Hawkins, was the second widest release of a Lottery funded film in 5 years, opening UK wide in 630 screens.

The Film Fund has continued to tackle barriers against inclusion and opportunity and develop a skilled, more representative and sustainable UK wide workforce. The Step Up scheme has continued to address underrepresentation in film production by providing opportunity for experienced creative and technical production crew from underrepresented groups to progress their careers on a production supported by the BFI Film Fund. To date over 40 people working in crew or as Heads of Department have stepped up across 25 Film Fund productions.

This year, 15 projects have received Production Funding. At the time of writing, 3 projects are currently shooting and 14 are in pre or post-production, two of which are international co-productions.

A slate of Film Fund supported VR and immersive projects also debuted. Film Fund VR project Goliath won the VR Expanded Grand Jury Prize for Best Virtual Reality Immersive Work on its world premiere at Venice Film Festival. *On the Morning You Wake* won the XR Experience Competition at SXSW Film Festival in March. Asif Kapadia's new VR project *Laika* debuted in the XR strand of BFI London Film Festival (LFF) and will be shown in venues across the UK later this year. *In Pursuit of Repetitive Beats*, which explores 90's rave culture through a combination of new and archival footage, premiered in March to celebrate the Coventry City of Culture.

Joanna Hogg's highly-anticipated follow up, *The Souvenir Part II*, premiered to critical acclaim in the Directors' Fortnight at Cannes. It was The Londoner Gala screening at LFF, picked as the London Film Critics' Circle Award for British or Irish Film of the Year, and gained nine nominations at the British Independent Film Awards (BIFA) (winning for Best Editing, Costume Design and Production Design).

Clio Barnard's *Ali & Ava* premiered in the Directors' Fortnight at Cannes. Starring Claire Rushbrook and Adeel Akhtar, it won the BIFA for Best Music, as well as Best Leading Actor. The film was also nominated for Outstanding British Film and Best Lead Actor at the BAFTA awards.

Finally, Eva Husson's sophomore feature *Mothering Sunday* also debuted at Cannes, winning particular praise for its cast, which included Josh O'Connor, Olivia Colman, Colin Firth, Odessa Young and Sope Dirisu.

Harry Wootliff's highly anticipated sophomore feature *True Things*, starring Ruth Wilson and Tom Burke, world premiered at Venice Film Festival and also subsequently screened at Toronto Film Festival (TIFF) and LFF. At LFF Harry Wootliff was awarded the prestigious BFI IWC Schaffhausen Filmmaker Bursary award.

Terence Davies' *Benediction*, had its world premiere in a special presentation at TIFF, and also screened in a special presentation at LFF. Lucile Hadzihalilovic's long awaited English language feature debut, eerie and phantasmagorical *Earwig*, also premiered at TIFF followed by *San Sebastian* and LFF.

Ten Film Fund titles screened at the LFF, including the world premieres for Debbie Tucker Green's experimental *ear for eye* and Craig Roberts' *The Phantom of The Open*. Andrew Köttling's *Diseased and Disorderly*, backed by the Short Form Animation Fund, also debuted at LFF in the Experimenta Shorts strand. The Short Form Animation Fund also produced the critically acclaimed *Your Mountain is Waiting*, which was a Vimeo Staff Pick and debuted on It's Nice That, before subsequently picking up an Audience Award nomination at the British Animation Awards.

Jim Archer's directorial debut *Brian & Charles* had its premiere in the World Cinema Dramatic Competition at this year's virtual Sundance Film Festival, winning critical praise and worldwide theatrical release rights picked up by Focus Features.

Kathryn Ferguson's searing *Nothing Compares*, backed by via Doc Society, premiered to rave reviews in the World Cinema Documentary Competition at Sundance and will be released by US Network Showtime. *The Real Charlie Chaplin*, directed by Peter Middleton and James Spinney, screened at both Telluride Film Festival as well as LFF, winning critical acclaim for its reappraisal of the Hollywood icon.



Image: *Brian and Charles* (2022)

Following very strong showings at TIFF, LFF and Rome, in addition to a BAFTA award for Best Actress for Joanna Scanlan's riveting performance, Aleem Khan's outstanding directorial debut *After Love* also swept this year's BIFA awards. The film received the prestigious Best British Independent Film award, as well as Best Actress for Joanna Scanlan and Best Supporting Actor for Talid Ariss. Aleem Khan scored a further three awards for Best Director, Best Screenplay, and the Douglas Hickox Award for Debut Director.

Marley Morrison's directorial debut *Sweetheart* also won the BIFA for Breakthrough Performance for actress Nell Barlow, as well as Breakthrough Producer for Michelle Antoniadou. *Wildfire* also picked up one award, scoring Best Debut Screenwriter for Cathy Brady.



Young Audiences Content Fund

The BFI Young Audiences Content Fund (YACF) is a DCMS-funded Pilot designed to deliver a greater range of representative programming to young audiences on safe, regulated platforms. An Ofcom report in 2018 identified a decline in the production of children's content by commercial public service broadcasters. The Fund was opened in 2019 to support the development and production of programmes that entertain, inform and reflect the experiences of children and young people in the UK today, in live action and animation and across all genres.

The eight-strong YACF team was based in Manchester and supported by a Stakeholder Advisory Group of broadcaster representatives, regulatory bodies, trade bodies, and a Steering Group of producers of content for children and young people and academics.

YACF was granted the third and final year of funding by the DCMS. The support brought the total Pilot funding to £44.1m. The total allocation for Y3 was £10.7m, which included provision for winding down the scheme across 2022/3. The final spend of the Pilot was determined as part of a spending review in 2021, but the slate of development and production projects continue to impress in terms of quality, innovation, representation (on and off screen), job creation, company and talent development. In Y3 the Fund received 125 development and 31 production applications, and made 39 Development Awards: all projects had one or more new voices in the key creative team.

Fourteen Production Awards were made in Y3 and include support for:

- Re-commissioned series
- Indigenous-language drama and factual entertainment
- Productions commissioned following development support from the YACF
- Content that represented different communities from across the UK
- Twelve production companies based in the Nations and Regions
- Shows that are being made inclusively and innovatively, including *Dance School* for Channel 4 (developed via community workshops in Castlefield), and *Mixmups* for Channel 5, which has joyful representation of disability at its heart and whose creative team all have lived experience of disability

Fund-backed shows continue to win audiences and award recognition, including RTS, Sandford St Martins, Broadcast Digital, MIPCOM creativity and diversity awards, and Broadcast Award (where four out of six nominated shows were supported by the YACF, with one win).

Through the lifetime of the fund 567 applications were received and over 200 awards made, which includes over 60 production awards – in excess of 250 hours of new, green-lit programmes. Over half of YACF-supported shows are yet to air, with launches of new productions continuing through 2022 and 2023. The decision to not continue beyond the Pilot came in January 2022 and the fund closed for applications on the 25th February 2022.

A full evaluation report of Y3 and the Pilot as a whole will be published in 2023, detailing performance against Fund priorities as well as the economic and viewer impacts of this resource for young audiences in the UK.

On the International Stage

On the International Stage



Partnership building and exchange

Whilst most international activity remained online during the year, the international team capitalised on the brief travel windows that opened. In-person delegations were led by the BFI to the San Sebastian Film Festival and Co-production Market; the Cannes Producers Network in July; the Locarno Film Festival; and the Les Arcs Coproduction Forum in December. We also worked with the Doc Society to support a delegation of UK documentary filmmakers to attend CPH Dox in March. There was strong representation from the UK film sector at the Tallinn Black Nights Film Festival, and in Trieste with the When East Meets West co-production event.

Through the International Fund we were able to support events including Sheffield DocFest, Annecy Animation Festival, Cannes Film Festival Market, Toronto International Film Festival (TIFF) and the Bridging the Dragon platform (a China/Europe organisation). In collaboration with the New Zealand Film Commission, we also supported the second year of Attagirl, a one-year international training programme for female/non-binary teams with an emphasis on distribution.

In partnership with the Nigerian Film Corporation and the National Broadcasting Commission we organised a two-day online conference on the business of film which attracted over 200 delegates from Nigeria and the UK, with further partnership opportunities at virtual matchmaking sessions for producers.

We also took eight UK film professionals to visit Lagos to meet with Nigerian industry representatives, as part of a delegation led by the Department for International Trade.



Image: Elephant Mother (2022)

Co-production

This year saw some modernisation of co-production treaties, including the ratification of the revised Council of Europe Convention on Cinematographic Co-Production (CETS No. 220), and the bilateral co-production treaty with Australia which, when approved, will apply to both film and TV. Negotiations have also opened to modernise the co-production treaty with Canada.

UK Global Screen Fund

After a successful pilot, the UK Global Screen Fund (UKGSF) secured a further £7m per annum for three years from UK Government through DCMS. Since its launch in April 2021 the UKGSF has opened three funding strands to support UK-based screen sector companies: International Distribution, Business Development and Co-Production. The Fund supports the export and internationalisation of UK screen content, aiming to ensure that UK independent content can reach international audiences and encouraging collaboration between UK producers and international partners. The awards come in the form of non-repayable grants that support UK businesses across film, TV, animation and video games.

In its first year the fund has made 66 awards totalling almost £5m. It has supported 11 international co-productions, with partners including China, South Africa, Chile, Argentina, Ireland, France and Germany. The fund has also helped boost international sales of critically-acclaimed UK feature titles including *Ali & Ava* (Clio Barnard, 2021), *Mothering Sunday* (Eva Husson, 2021), and *Benediction* (Terence Davies, 2021).

We have created a cohesive and coordinated brand – **ScreenUK** – which will act as a spearhead for showcasing and promoting UK content and talent internationally.



Image: Mothering Sunday team at Cannes 2021

Inward investment

The BFI funds and works in partnership with the British Film Commission (BFC) to deliver economic growth through inward investment to the UK for film and high-end TV production. A key pillar of their work is the tailored support provided to productions in partnership with film agencies across the UK, which this year attracted almost £1.97bn of feature film inward investment. The team also represents the UK at key markets and festivals such as TIFF (Toronto), EFM (Berlin), Sundance and Annecy, as well as delivering events such as the UK Film and TV week in Los Angeles.

At the start of the COVID-19 pandemic the BFC worked with the BFI to develop production and travel guidance for the sector in line with Government policy. Throughout this past year, they have maintained and updated that guidance in response to the changes in lockdown circumstances and travel requirements. They have also worked with us on key policy issues such as the impact of EU Exit, the protection of the UK's European Works status, Creative Worker Codes of Practice and improvements to the tax relief.



Image: Benediction (2021)

International Policy

Throughout the year we have taken an active part in the work of European Film Agency Directors (EFAD) association which brings together 35 national film agencies from across Europe. We attended EFAD General Assembly meetings held in person in Cannes, Ljubljana and Berlin. We played an active role in all EFAD's working groups.

We represented the UK screen sector's interests to Government as part of negotiations of new Free Trade Agreements (FTAs) around the world including Australia and New Zealand as well as the UK's planned accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

We also continued to maintain a very close watching brief on EU, Council of Europe and international policy matters including those relating to European Works, mobility, co-production and the protection of copyright.

The BFI offered the only international keynote and led a workshop on inclusion and diversity issues for over a hundred participants at the German industry conference Seeing and Being Seen: Representation in Film, organised by the Munich Film Festival in Tutzing.

Leadership & Advocacy

Leadership & Advocacy



Image: The Son (2022)

UK Film & TV Production Restart Scheme

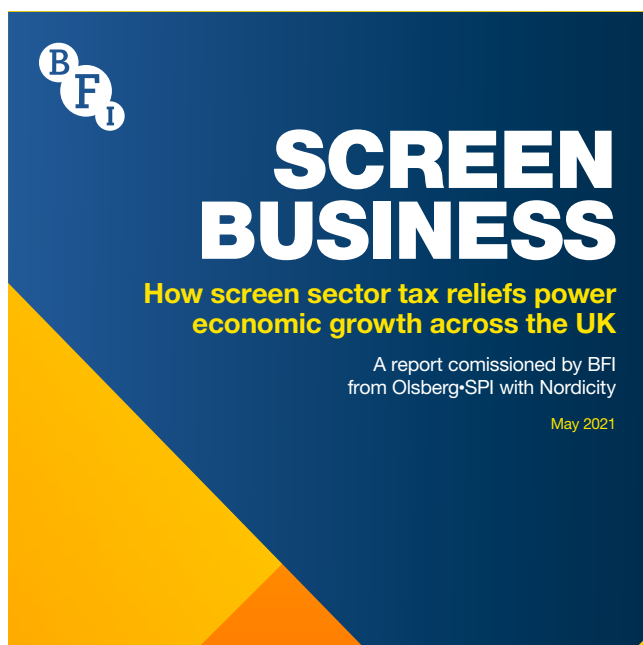
In July 2020 the DCMS launched a Film & TV Production Restart Scheme to help UK film and TV productions that were ready but unable to start/restart due to a lack of insurance cover in the commercial marketplace post pandemic. The development of the scheme was a key priority identified by the BFI Screen Sector Task Force, which brought the sector and government together to set out and deliver a recovery plan for the industry. The scheme has now supported more than £3bn of indigenous UK film and TV productions and secured over 100,000 jobs. The scheme was extended to provide cover until 30 June 2022

The detailed COVID health and safety guidance for film and TV production and for post-production/VFX, that was developed by the industry as part of the BFI's Screen Sector Task Force and supported by the UK Government, also played a part in the sector recovery.

National Lottery Funding Strategy

In August 2021, the BFI began developing a new National Lottery funding to run from April 2023 to the BFI's centenary in 2033. For the initial phase of the strategy's development BritainThinks, an independent research agency, was engaged to conduct a consultation with stakeholders and the public, to establish shared priorities for the screen sectors. The stakeholders asked to participate included individual creatives, cultural bodies and organisations from film, TV, video games, animation, immersive and interactive media. Members of the public were involved across the UK through online survey, focus groups, and interviews.

The insights then informed the next phase of developing the strategy as the consultancy RE_SET was engaged to help the BFI define the new strategy's objectives and outcomes. This development process will continue until autumn 2022, when the strategy will be published alongside the first of a series of shorter implementation plans. These implementation plans will set out the detail of the funding mechanisms used to deliver the strategy – the first of these will span three to five years and will begin in spring 2023.



Academic Partnerships

The BFI was part of a number of successful research projects from the Arts and Humanities Research Council (AHRC) this year, securing almost £200K in funding. Projects included:

- a research network on the 'hidden' screen industries,
- a major project on connecting collections, led by the Science Museum, which formed part of the AHRC's Towards a National Collection fund
- funding for a refurbishment of the Mediatheque at BFI Southbank – a capital and equipment award under the AHRC's Capability for Collections fund.

In addition, our Partnership with the University of York strengthened via funding secured for a 12-month Research Fellow - a joint appointment between the BFI's Research & Statistics Unit (RSU) and the research team at York's XR Stories project. Other collaborations in progress include projects with the University of Oxford, Brunel University, Bristol University, University of the Arts London, and Queen Mary University.

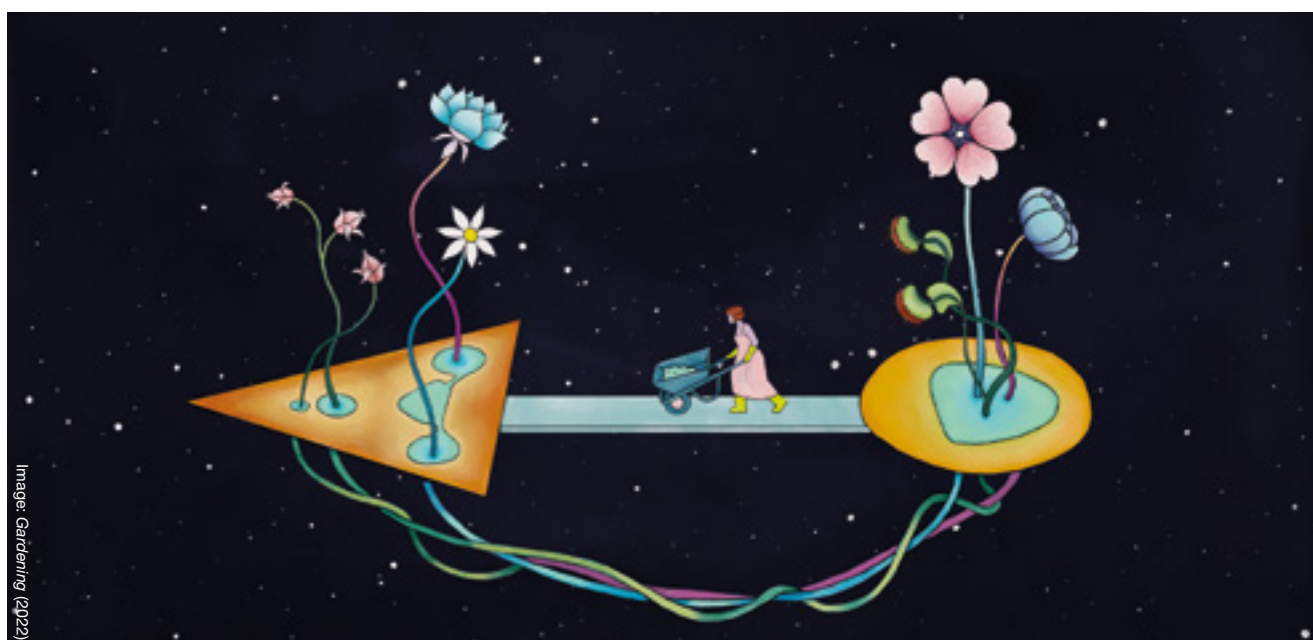
Research & Statistics

The BFI Research and Statistics Unit (RSU) provides an essential resource for the screen sector, publishing data and evidence, reports and evaluations that provide a unique picture of trends in the UK's screens sectors. RSU data and evidence has informed efforts to mitigate the effects of the pandemic on the sector. We provided data that tracked the performance of the film and TV sectors throughout the year, providing insight into the progress of recovery. The RSU also used data analysis to support the Film & TV Production Restart Scheme.

This year this included the 2021 edition of *Screen Business*, which provided thorough analysis of the value of tax reliefs across the Film, TV and Video Games sectors from 2017-19. The RSU also disseminated comprehensive research into the perceptions of UK screen content from international audiences, and, in collaboration with BAFTA Albert, launched the Screen New Deal transformation pilot project – supporting Creative Wales, Clwstr and Ffilm Cymru to action environmental sustainability recommendations for screen production.

RSU also evaluated programmes to assess process delivery, impact of funding activities and inform our strategy development process. These included London Film Festival, BFI Archive and Film Academy, with work started on others including Film Fund, Audience Fund and BFI NETWORK. We also carried out studies into audiences for BFI Player, Sight and Sound, BFI Flare and London Film Festival.

We secured renewal of the BFI's Independent Research Organisation (IRO) status for the next five years, allowing us to continue to develop strategic academic partnerships. Notably this year we supported a successful bid as co-Investigator for the *Towards a National Collection programme*, a major investment in the Archives and Museums sector, and also secured a major award as Principal Investigator for a refurbishment of the digital interface of the BFI's Mediatheque. We further enhanced our partnership with the University of York, developing a new joint Research Fellowship appointment to work on how young audiences engage with Augmented Reality.



Inclusion

Inclusion

BFI Diversity Standards

The BFI Diversity Standards are our flagship policy to address and encourage equal opportunity and address under-representation in the screen industries. The standards are a contractual requirement for all BFI funding, and have been adopted by organisations including BAFTA, BIFA, Film4, BBC Films, Screen Scotland and Paramount. They have also been adapted for use globally, including inspiring the eligibility criteria for the Academy of Motion Picture Arts and Sciences awards (Oscars), and more widely across the sector, including in theatre and advertising.

In April 2022 we will be launching a new Diversity Standards application system, developed in conjunction with BAFTA Tech (based on their awards portal) for ease of use across the industry. This system will allow easier interaction with the Diversity Standards application form and enable better, more granular data capture for reporting. The next Diversity Standards report, encompassing all of the data from the previous system, will be published in the autumn of 2022.

This year we honoured our commitment to reviewing the Diversity Standards by engaging Huma Qazi and the New Inclusion consultancy to talk to stakeholders and partners about their views and experiences. The review was published on our website. One of the main recommendations was to update the Diversity Standards to encompass their use internationally and across sectors in order to make them more universal. Huma Qazi and team have been brought back to follow up on this and will help rewrite the language in this policy, alongside internal and external stakeholders. This work will be completed by the end of the 2022, encompassing the work of the BFI's new Lottery Funding strategy.

Preventing Bullying, Harassment and Racism

The BFI developed principles and guidance to prevent bullying and harassment and racism in 2017. These are a contractual requirement for all of our funds. We have subsequently updated and added to this guidance to aid the industry to foster a more positive and inclusive work culture. In response to industry feedback, and in conjunction with BAFTA and backed by over 40 organisations across film, TV and games, an additional Action List for employers was launched in 2021 to help proactively tackle bullying, harassment and racism in the workplace.

The BFI has also committed to additional funding to provide Wellbeing Facilitators on our funded productions – providing a point of contact for any issues arising, such as mediating conflict and investigating any instances of poor behaviour. Training for these roles was developed in partnership with 6ft From the Spotlight, a non-profit mental health organisation.

Representation and Portrayal

The BFI's Diversity and Inclusion (D&I) Team continues to champion authenticity in representation and challenge misrepresentation and stereotypes in storytelling.

Launched on the International Day of Disability in December 2021, our second Press Reset film highlighted ableism in the industry and featured members of our d/Deaf and Disabled Screen Advisory Group. The film was premiered at the newest iteration of our Busting the Bias Event, a three-day film festival showcasing and celebrating the work of disabled talent both on and off screen via screenings, live readings and panel discussions.

In collaboration with our Advisory Group we have also launched a Disability and Visible Difference Representation Panel that will oversee all applications to the BFI Audience Fund, ensuring that representations of disability and visible difference are authentic. The new role of Disability Equality Lead is being recruited into the D&I team to drive our work on disability and access forward.

Social Mobility

Partnering with Arts Emergency, we have provided mentors for young people who do not have the industry connections to access opportunities in the screen sector. In line with the Social Mobility Commission, we have developed a target of 39% to try and encourage fair socio-economic participation across BFI activity, sitting alongside our other targets around gender, underrepresented ethnicities, LGBTQIA+ and disability. We are looking to launch this target along with a toolkit and language guide for industry at an event later in 2022, and will continue to combine this work with our activity in the Regions and Nations in order to support the Government's levelling up agenda.

Race Equality

In a new role, the Race Equality Lead joined the D&I team and has been instrumental in embedding anti-racist work and practice into our activity at the BFI. This role has helped to secure an internship for the BFI from the Independent Cinema Office's FEDS Trainee Scheme, to give someone from an underrepresented background an opportunity in our Programme, Archive and Marketing departments.. The What If... Experiment have been contracted to work closely with the Race Equality Lead in 2022, to provide consultancy and guidance on embedding race equality into our internal culture change work. The Race Equality Lead also continues to work closely with the BFI's internal staff group the Race Equality Network, who are supporting culture change at the BFI and offering training and networking opportunities to their members.



Fundraising and Enterprise

Fundraising and Enterprise

In this difficult climate for the creative industries, the support of corporate and commercial partners, philanthropic individuals, and charitable trusts and foundations has played a vital role in sustaining the BFI's work. We are enormously grateful to the generous supporters – both new and continuing – who have enabled us to raise grants, donations, sponsorship and gifts-in-kind this year. Thanks to their kindness we've begun to recover from the impact of COVID and continue to strengthen our world-leading cultural and charitable work.

This year we took a hybrid approach to our fundraising events programme, beginning with a series of bespoke digital events before successfully returning to our in-person programme from June 2021. Supporters in the UK and around the world engaged in a diverse programme of digital and live events, including a virtual 'Meet the new BFI Chair' session, as well as on-stage Q&As with filmmakers including David Parfitt, Christopher Hampton, Joy Gharoro-Akpojotor and Craig Roberts. We also restarted our series of behind-the-scenes tours of the BFI National Archive's Conservation Centre – a special opportunity for guests to see our restoration, collection and archive work.

We've been astonished by the generous gifts specifically focused on improving the BFI's financial position as we emerge from the pandemic. The continued support of the Julia and Hans Rausing Trust has been vital in shoring up our core activity. In addition, the personal renewal of the trustees at the highest level of BFI Patron support is hugely appreciated.

Conservation, Education and Programming

The BFI's conservation work has benefitted from significant philanthropic support. We were delighted to receive a grant – via the Fidelity Charitable Donor-Advised fund, following a recommendation from the Adam S Robinson Charitable Fund – to the Friends of the British Film Institute in support of our archival work. The Film Foundation continues to provide vital support in this area too, with a new grant funding key film restoration work. They also remain crucial partners in ensuring the world-leading work of the archive is exhibited at key international film festivals. Likewise, The Esmée Fairbairn Foundation are an integral supporter of our mission to make archive content more accessible. We are also extremely grateful for the renewed support of both the David Lean Foundation and John S Cohen Foundation focused on our Heritage 2022 paper conservation work. Their generous grants have allowed the collections team to undergo new training at our Berkhamsted Archive.

The Charles Skey Charitable Trust also provided invaluable support this year. In addition to their unrestricted grant they contributed significant funds towards the redevelopment of our Nitrate Storage Vaults at BFI Southbank, allowing us to ensure the venue can safely store and screen nitrate film for many years to come.

The Lambeth Economic Resilience Fund also provided important help during our COVID recovery, enabling us to focus resources on skills and education. Continuing supporters have also played a vital role in strengthening BFI Education this year. We would like to thank the lead supporters of our education programme, the Reuben Foundation, for their enduring generosity, as well as Gilberto Pozzi, who this year generously increased his significant contribution in support of this work. We are also grateful to have received renewed grants from The Chapman Charitable Trust and London School of English to support the Future Film Festival 2022. Their continued championing of the festival and emerging young filmmaking talent is invaluable.

We were pleased this year to welcome new supporters to the Film Forever Club, an influential group of donors who sit at the heart of the BFI, making a three-year commitment of giving. Additionally, the impact of legacy gifts continues to be of huge significance to us and this year we welcomed four new members to our Legacy Circle. Our thanks also go out to Film Forever Club members Philippe and Stephanie Camu who, in addition to having given generously to our cultural programme over the past five years, this year gave a substantial, unrestricted donation which enables us to directly support to areas across the BFI that need it the most.

After a year of hiatus, the Woman with a Movie Camera Summit returned virtually in July. The support of Jaguar, combined with a generous gift from Jane Stanton, ensured our programme aimed at reframing the conversation around women and film could be enjoyed nationally for the first time. We also welcomed new partners Grand Seiko as our sponsor for the BFI's JAPAN 2021 Season at BFI Southbank, celebrating 100 years of Japanese Cinema.

The BFI London Film Festival Sponsors, Partners and Donors

The 65th BFI London Film Festival (LFF) in October remained a highlight of the year and, thanks to our fantastic supporters and partners, we returned to in-person screenings in style. American Express continued their longstanding support of the festival, entering their 12th year as Principal Partner. They held their own Gala, as well as supporting the opening night screening. We welcomed 166 fundraising ticket holders to the Opening Night Gala as part of our new initiative offering the opportunity to secure a seat for this highly-anticipated film while supporting the BFI. Later in the week, we were thrilled to see many Patrons at the Patrons' Gala, followed by a fantastic post-screening reception at The Ned, our wonderful in-kind partners.

Col and Karen Needham directed their donation this year towards LFF for Free, a programme of free events including talks and debates, short film screenings and much more. Donors Simon and Harley Hessel were supporters of LFF Expanded, an innovative programme showcasing virtual and augmented reality, immersive audio and interactive performance from around the world. Part of their donation was directed towards the BFI National Archive's research and development into future XR opportunities for our collections – a significant area of growth as a storytelling medium.

We also welcomed back American Airlines as Main Sponsor and our Official Airline, and we were delighted to welcome the Edwardian group's new property The Londoner, our closing night reception venue, as our Official Hotel Partner. Continuing support came from festival sponsors Bloomberg Philanthropies, Heart of London Business Alliance on behalf of Leicester Square and Netflix, and we received in-kind support from Audemus Spirits: Pink Pepper Gin, Christie's, Dalston's Soda, and Fourpure. IWC Schaffhausen returned as the Festival's Official Time Partner and we celebrated the sixth year of presenting the IWC Schaffhausen Filmmaker Bursary Award.

This year we were joined for the first time by The Liberation Initiatives as Main Partner, who supported a number of key programmes and helped in our continued efforts to make LFF more inclusive to underrepresented communities.

Beyond LFF, diversity and inclusion has been at the heart of our work, and at the start of the year we were delighted to launch a Philanthropy Consortium raising funds for our upcoming Pioneers of Black British Filmmaking project.

Enterprise

In 2021-22 the BFI Enterprise team had four main focus points: university partnerships, skills and training, curriculum design and International training courses. These priorities sat alongside our continued work on customer acquisition, product development and expansion of key partners.

As the pandemic continued to provide challenges, our work capitalised on university partnerships and ongoing demand for online training. This year, BFI Enterprise increased its number of university partners from five to nine, with twelve further universities purchasing standalone access to BFI Player. In February 2022 we piloted a short course for Birmingham City University on diversity and inclusion in the UK film industry. This is, to our knowledge, the first specific educational primer of its kind focused on diversity and inclusion for university students in the UK. The intention is to further refine the course and investigate asynchronous delivery as well as live delivery.

The appetite for international consultancy was heavily impacted by the pandemic, most noticeably in the case of the IMDA in Singapore. We are expecting to see a return to this activity in the next year and are in contact with existing and new leads about in person and hybrid delivery.

In March 2021 we launched a partnership with the Chartered Institute of Marketing (CIM) offering two courses focused on filmmaking and editing skills for marketers. Sales have performed well with the latest February 2022 'Filmmaking and Video Production' course selling out. Similarly, aspiring filmmakers from the county cricket network were invited to a bespoke 15-week online filmmaking course designed exclusively for and with the English Cricket Board (ECB). This year also saw BFI Enterprise secure financial support from Sony and FutureLearn to create an asynchronous online course 'How to Start Vlogging: from Filming to Publishing and Beyond'. The course will be launched in 2022 – a pilot project that may precipitate further online courses.

March 2021 saw a pilot of the BFI Film Club for Ten Lifestyle Management members of BFI-backed film *Little Joe*. The session was hosted by film critic Wendy Mitchell, who interviewed the award-winning director of the film, Jessica Hausner. Since then the Film Club has developed an inclusion focus, delivering an inaugural session for PwC as part of their ColourBrave Film Club, plus a special launch event for Cambridge University Library with director Destiny Ekaragha. The film clubs are delivered online, utilising films from BFI Player to drive discussion and debate around key corporate or institutional themes.

BFI Publishing is now in its fourth year of partnership with Bloomsbury, and despite the pandemic it was a busy year. 30 new titles launched during this period, representing a range of product types and audience groups. As well as 22 Film Classics, other highlights receiving both critical and public acclaim included:

- *Channel 4: A History from Big Brother to The Great British Bake Off* by Maggie Brown.
- Michael Winterbottom's *Dark Matter: Independent Filmmaking in the 21st Century*, based around his interviews with 15 leading contemporary directors and his reflections on the challenges facing independent filmmakers.
- Jez Stewart's *The Story of British Animation*, the first title in our new BFI Screen Stories series, edited by Mark Duguid and Patrick Russell.
- *Colour Films in Britain: The Eastmancolor Revolution* by Sarah Street et al, the second book outcome of a major AHRC-funded research project into the history of colour in British film.

In digital, a further 21 titles were added to the two BFI digital collections (BFI Film Classics and BFI Film Studies) on Bloomsbury's Screen Studies online platform. Both collections have seen excellent engagement with usage up 12% on the year prior, with BFI titles such as *The Cinema Book* and *Signs and Meaning in the Cinema* consistently among the most accessed across the entire platform. Despite pressure on library budgets during the pandemic, subscriptions and renewals held up and royalties to the BFI remained in line with previous years. Looking forward, 2022-23 promises to be a strong year with an exciting catalogue of new publications, including *100 American Horror Films* by Barry Keith Grant.

Film Sales income was largely steady. Revenue was boosted by two deals with the BBC, for *My Feral Heart* and *County Lines*, and the growing royalties of long-running all-rights distribution and educational deals. Other notable new deals included multiple minimum guarantee (MG)-based US videogram agreements, and royalty-based agreements with several smaller TVOD UK platforms that should deliver increased revenue in 2022.

List of sponsors, funders, donors & key patrons for year start of April 2021 – end of March 2022

Government

The Department for Digital, Culture, Media & Sport

The Department for Education

Major Donors

Philippe & Stephanie Camu

The Charles Skey Charitable Trust

Creative Europe – MEDIA Programme of the European Union

CVC Foundation

The David Lean Foundation

The Esmée Fairbairn Foundation

The Film Foundation**

Friends of the British Film Institute*

Simon & Harley Hessel

Philip Hooker

Lambeth Economic Resilience Fund

Col & Karen Needham

Old Possum's Practical Trust

The Polonsky Foundation

Gilberto & Daniela Pozzi

Julia and Hans Rausing

Reuben Foundation

The Rothschild Foundation

Adam S Robinson Charitable Fund**

Jane Stanton

Annual Donors

BFI Legacy Circle

Chapman Charitable Trust

The John S. Cohen Foundation

Europa Cinemas

The Great Britain Sasakawa Foundation

The London School of English

The Rose Foundation

The Thriplow Charitable Trust

The Unwin Charitable Trust

Film Forever Club

Paul Ashurst

Josh Berger CBE

Donald & Corrine Brydon

Philippe & Stephanie Camu

Caroline & Nick Clarry

The Fox Family

Keith Haviland

Gareth Hughes

John & Jennifer McLellan

Ian & Beth Mill

Beth & Kate Needham

Col & Karen Needham

Sabina & Phillip Reeves

Sir Howard & Lady Stringer

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The Locker Foundation

Hans & Julia Rausing

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Peter & Nancy Thompson

Kathryn Uhde

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Fiona Williams

Classic Patrons

Benjamin Ah-Time

Adeem Altaf

Andrew Arthur

Rabbi James Baaden

Lady Bacardi

Francis Bennett

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Enrico & Cristiana Cavallo

Charles Cecil

Ed Cooke

Sammy Cooper-Smith

Cley Crouch

Carl Dalby

Tabitha Dale

Simon & Jane Davis

Matthew Dean

Jon Dear

Paul Dennis

Stephan Dilley

Bruce & Lindis Dockeray

Driving Plates UK

Ealing Studios

Nathalie Esposito

Jeff & Emily Fergus

Joachim Fleury

Patrick & Anne Foster

Peter & Judith Foy

Lizie Gower

Deo Grattias

Claude Green

Kathryn Greig

Stefan Habel

Dr Michael J. Hamlyn

Drew Hess & Emily Quesada

Jay Hunt

Raymond Joabar

Alexandra Joffe

Susie Kelsall

Nicola Kerr

Daan and Maggie Knottenbelt

Apostolos Koustalos

Steven Larcombe

Aseya Latif

Ian & Natalie Livingstone

Laura Lonsdale

Anne Mallaband

Ashley McCarthy

Razhan Miran

Assad Moghul

Patrick Scott Morris

Jackie Mountain

Laoise Murphy & Family

Tapi Nyoni

Alexandra Oliveira-Jones

Si Overson

Stephen & Claire Paine

Anthony Pozner

Lesley Purcell

Lisa Reuben Valk

Sue & Tony Rosner

Firdaus Ruttonshaw

Ruth Saleh

Lisbeth Savill

Joana Schliemann

Nick Scudamore

Angela Seay

Lulu & Ed Siskind

Andrew M Smith OBE DL

Peter & Giuseppina Smith

Phil & Sarah Stokes

Gregory Stone & Annabel Scarfe

Sky UK

Jan Taylor-Strong

David & Jan Thomas

Andrew Tseng

Watch Guru Ltd.

Louise L. Whitewright

The Stuart and Hilary Williams Foundation

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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.



Image: The Harder They Fall filmmakers at the BFI London Film Festival 2021

Key Performance Measures

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 2023.

By 2022 the 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 2021-22 performance was as follows:

Measure of Success	2022 Target (where applicable)		2020-21 Performance		2021-22 Performance	
Increased the diversity of talent supported across all BFI activities	Female 50%		Female 53%		Female 52%	
	BAME 20%		BAME 26%		BAME 23%	
	With a disability 12%		With a disability 10%		With a disability 11%	
	LGBTQIA+ 17%		LGBTQIA+ 19%		LGBTQIA+ 20%	
Increased the diversity of audiences across all BFI activities	Female 50%		Not collected in 2020/21 due to COVID-19		See below	
	BAME 20%					
	With a disability 7%					
	LGBTQIA+ 15%					
Increased engagement with BFI activities across the UK and increased the quality and cultural depth of their experience	n/a		Theatrical 0.6m		Theatrical 2.6m	
			Distribution 0.5m		Distribution 0.4m	
			Online 8.1m		Online 7.1m	
			Education & skills 4.1m		Education & skills 4.4m	
Increased participation of 16-30 year olds across all BFI activities and funded programmes*	25%		Not collected in 2020/21 due to COVID-19		See Below	
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)		26,274 (programme to date 81,855)	

Measure of Success	2022 Target (where applicable)	2020-21 Performance	2021-22 Performance
Supported talent to progress in their filmmaking careers*	n/a	See 2020/21 Report	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	36 films received a total of 75 nominations and 31 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	357
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	39% 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.

Audience Diversity

Activity/Programme	16-30	Female	Ethnically Diverse	LGBTIQ+	With a Disability	From London
BFI Flare 2022	12%	Not Collected	15%	90%	18%	84%
Southbank 2022	40%	47%	26%	26%	17%	76%
LFF 2021	39%	52%	23%	24%	13%	51%
Audience Fund	26%	51%	15%	24%	11%	-
FAN	18%	60%	15%	19%	11%	24%
BFI Player	30%	43%	Not	Not Collected	Not Collected	30%
Future Film Festival	100%	65%	29%	Not Collected	13%	34%
Venue Education Fund	97%	52%	26%	40%	18%	0%
Film Academy Events	100%	66%	52%	Not Collected	14%	40%
Targets	25%	50%	17%	15%	13%	-

First Time Supported Filmmakers

First time supported by the BFI*

Producers 15% supported for the first time
(2020-21: 40%)

Directors 27% supported for the first time
(2020-21: 56%)

Writers 29% supported for the first time
(2020-21: 58%)

Previous Release History of Supported Filmmakers

Producers 60% no previous releases
(2020-21: 63%)

Directors 83% no previous releases
(2020-21: 78%)

Writers 88% no previous releases
(2020-21: 78%)

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

Financial Review

Financial Review

Review of the year

In May 2021 the pandemic lockdown restrictions eased and we re-opened our cinemas, public spaces and other on-site facilities, allowing staff to return from furlough as previously suspended activities resumed. Given the inevitable ongoing challenges to income 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. Crucial COVID-19 financial support through the Job Retention Scheme and the Culture Recovery Fund allowed our key functionality and resources to be maintained, while VAT rate reductions helped our recovering cinema and hospitality income streams. The BFI continued to play an enhanced role as a funding body, including as distributor for the Culture Recovery Fund for Independent Cinemas in England (CRFICE).

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.

Total income for the year to 31 March 2022 was £132.3m – a decrease of £13.3m from the £145.6m received in 2020-21. This decrease reflects the timing of COVID-19 emergency restricted Grant in Aid (GiA) funding for the independent cinema sector, managed by the BFI (CRFICE) of £7.8m (2021: £29.2m). Growth in earned income, as normal activities resumed, partially offset that movement in funding.

Total expenditure for the year of £134.3m (2021: £156.6m) was also lower than last year, in line with the decrease in awards through CRFICE.

Net expenditure of £1.9m (2021: £11.0m) included non-cash costs of depreciation and amortisation of £5.2m (2021: £5.8m) and pension of £5.5m (2021: £2.6m). Debtors have reduced to £14.2m (2021: £30.7m) largely due to the timing of GiA receipts while creditors are also down to £72.3m (2021: £88.6m) driven by payment of awards under the CRFICE and Young Audience Content Fund (YACF). With other working capital movements our cash holdings increased by £6.9m (2021: £9.1m) to £39.5m (2021: £32.6m). Much of the cash is held in respect of grant award commitments relating to the CRFICE, YACF and Global Screen Fund. Lottery award commitments are covered by a combination of the funds held at the National Lottery Distribution Fund and restricted cash.

Other recognised gains and losses were actuarial gains on the pension scheme of £26.2m (2021: loss of £30.1m) and gains on the fixed asset revaluation of £22.0m (2021: losses of £1.4m) following the quinquennial revaluation by external experts.

These factors combined to increase Total Reserves to £63.4m (2021: £17.1m), including total unrestricted reserves increased to £26.4m (2021: negative reserves of £13.9m). Lottery net income of £1.6m, together with other actuarial gains on the pension scheme of £2.4m, has increased Lottery reserves by £4.0m to £29.0m (2021: £25.0m). Other restricted reserves increased by £1.9m to £7.9m (2021: £6.0m) as CRFICE and Young Audience Content Fund awards were lower than anticipated, offsetting the use of reserves on the Heritage 22 programme.

In order to fund the delivery of its charitable objectives the BFI's financial strategy continues to be to grow income, while seeking operational efficiencies to further drive down costs. Increased free reserves of £2.1m (2021: £0.9m) remain below our policy level but will help us to weather challenging economic circumstances and seize new opportunities.

Non-Lottery activities

Incoming resources

Incoming resources from non-Lottery activities decreased in the year by a net £14.0m.

The main driver of this year's income was £52.0m revenue GiA, £7.8m of which was for the CRFICE (2021: £29.2m) in addition to £2.0m CRF funding received for our own activities (2021: £2.3m) £10.7m in revenue GiA for YACF (2021: £18.8m) and £0.3m of support for the final six months of the CJRS scheme (2021: £3.5m). Earned income recovered to close to pre-pandemic levels at £20.4m (2021: £13.9m).

Fundraising increased to £6.9m in 2022, of which £4.5m (66%) were cash contributions and £2.3m (34%) gifts in kind (2021: £4.0m of which cash contributions £3.7m (91%) and gifts in kind £0.4m (9%)). Sponsorship was largely consistent with the previous year at £1.7m (2021: £1.6m).

Fundraising costs of £1.9m represent the costs of running the BFI Development division in order to raise funds for the BFI (2021: £1.9m).

Resources Expended

Total non-Lottery expenditure decreased to £86.3m (2021: £103.1m). Although there were cost increases from income generating and other activities, there was also much lower expenditure of £5.3m relating to the CRFICE (2021: £28.7m).

Gross Transfers between funds

The non-Lottery activities received awards of £1.1m (2021: £3.5m) from BFI Lottery in the year to support the London Film Festival (2021: £0.25m for the London Film festival and £3.3m for the Heritage 22 archive preservation project).

Actuarial Gains/ losses on defined benefit pension scheme

On the FRS 102 basis the total net pension scheme deficit decreased by £20.7m to £74.1m (2021: a £32.8m increase from £62.0m to £94.8m). The reduction in the deficit is mainly due to the assumptions underlying the present value of the scheme liabilities plus a 15% increase in the asset value. See Note 8 to the Group Financial Statements for further details.

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. The latest valuation as at 31 March 2022 is still underway and will be reported in next year's accounts.

Movement in asset revaluation reserve

Following an independent revaluation of BFI properties by Deloitte LLP, the value of the leasehold land and buildings and associated plant and fixtures increased by £20.3m as at 31 March 2022 (2021: £3.7m reduction based on revaluation by using publicly available indices applied to the previous full valuation as at 31 March 2017). See Note 10 to the Group Financial Statements for further details.

Lottery activities

Incoming resources

BFI's share of the incoming resources of the National Lottery Distribution Fund was 2.7% (2021: 2.7%). This equated to £48.9m (2021: £49.1m) since lottery ticket sales were consistent with the prior year.

In addition the BFI received £6.9m of recoupment from its investments in the year (2021: £4.9m). Of this £1.7m (2021: £0.8m) was surplus recoupment over the original investment and was taken to income. The increase in both reflects the reopening of cinemas and recovery of the sector following the closures during the pandemic.

Resources Expended – Lottery awards

Although 2021-22 was due to be the final year of BFI's 5 year strategy BFI2022, it was extended for a further year due to the pandemic.

Non-film rights awards in the year amounted to £29.1m (2021: £32.0m). The decreased funding during the year is mainly the timing of the s27 award to the BFI for the Heritage 22 programme, similarly extended due to the impact of the pandemic on activities.

In addition £21.2m (2021: £22.3m) of awards were taken to Film Rights in the Statement of Financial Position.

Adjustments of £13.4m (2021: £19.4m) against Film Rights were charged to expenditure for the year.

Operating Costs and Administrative Costs targets

Operating costs were £6.7m in the year to March 2022 (2021: £5.5m).

Net incoming resources, on a three year rolling average 2019-22 and after offsetting costs of generating recoupment were £49.8m (2021: £48.2m), 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 7.75% of incoming resources. In 2021-22 the gross award processing and other administrative costs stood at 7.6% of net incoming resources (£3.8m) (2021: 7.4%, £3.6m).

Actuarial Gains/losses on defined benefit pension scheme

On the IAS 19 basis the net pension scheme deficit attributed to lottery activities reduced by £1.9m from £5.0m to £3.1m (2021: a £2.3m increase from £2.7m liability). See Note 8 to the Group Financial Statements for further details.

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.

The BFI's policy is to hold free reserves of three months' unrestricted expenditure in order to ensure financial stability by acting as a safeguard against volatile and unpredictable income streams, unforeseen expenditure or liabilities, management of working capital and to allow the BFI to take advantage of new opportunities.

The Group Free Reserves were £2.1m at the end of the year (2021: £0.9m) with much of that held within the subsidiaries, leaving Charity Free Reserves of £1.0m (2021: deficit of £0.2m). The Board recognises that these reserves are lower than envisaged by the policy and the BFI's financial objective is to manage within these limited funds while seeking opportunities to build reserves while continuing to deliver its charitable objectives.

Non-lottery restricted reserves are held in accordance with the requirements of grant givers as funding for specific future activities, ensuring that they are not used for general BFI purposes.

Lottery reserves of £29.0m have been reduced in recent years under the BFI 2022 strategy, now extended to 2023. This is currently under review in the context of the BFI's recently published Screen Culture 2033 strategy.

Going Concern

The accounts have been prepared on a going concern basis.

The BFI is a Royal Charter body and the government's lead body for film, a sector which is a successful contributor to the UK economy. As a lottery distributor, the BFI has a statutory right to receive a share of the National Lottery Distribution Fund (NLDF), is considered by government to be a "Non-Departmental Public Body" and is responsible for the National Film and Television Archive within its extensive collection. We receive substantial Grant-in-Aid (GiA) funding each year from the DCMS to help fund our wide ranging activities and providing financial security. The DCMS have confirmed our funding settlement through to 31 March 2025 with core funding maintained plus a 2% annual uplift for inflation. Lottery proceeds and GiA accounted for over three quarters of BFI group income in 2021-22 and it is clear that the BFI will continue to fulfil its valuable public services into the future.

Since our origins in 1933, the BFI has a long history of successful operation through challenging times, with its activities continuing to deliver public benefit. The COVID-19 pandemic severely tested the ability of the BFI to deal with major challenges. Although we are currently free from lockdowns and social distancing measures, with our cinemas and shops reopening in May 2021 and the public gradually returning to using public spaces, we are still feeling the impact on customers and the economy, and we remain live to the threat the virus still poses. The pandemic has had significant impacts on BFI trading income and fundraising although lottery income has been much less affected. Subsequently, Russia's illegal invasion of Ukraine has exacerbated the already challenging global economic conditions.

During 2020-21 and 2021-22 we have received vital funding from the government's Job Retention Scheme and the DCMS. The DCMS have also been supportive in flexibility with regard to drawing down GiA as required to help maintain positive cash balances across financial years, with potential further support available for 2022-23.

There remain a number of risks, which could worsen the forecast outlook and cash flows including:

- the attitude and willingness of customers to attend cinemas and associated food and drink concessions, especially with ongoing hybrid working reducing footfall near our London venues;
- the potential for further lockdowns in the coming winter if COVID-19 infections reach a critical level;
- the impact of inflation on our expenditure;
- the public response to the current economic conditions, with higher inflation and interest rates reducing discretionary spending; and
- pressures on government finances potentially impacting future funding.

As part of the work following the publication of our Screen Culture 2033 strategy the BFI is working on building a financially resilient, forward-looking organisation over the next 3-5 years. This is focussing on three strands of revenue, investment and efficiencies, while taking into account the above risks, to deliver a sustainable financial model to fund the objectives of Screen Culture 2033. This work is ongoing and is informing our financial outlook, with progress being made towards achieving a balanced budget for 2023-24.

Taking all these factors into consideration, the Board considers that the BFI will maintain a positive cash position in the foreseeable future. The capacity to control expenditure, generate additional income and to raise additional funds from supporters and philanthropists along with the opportunity to make a case for support to the DCMS provides the Board of Governors with 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 continued to operate in line with 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 (GiA) 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, GiA, 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.

There are many ways in which the public accesses the BFI's work to ensure 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 170 complaints via its customer enquiry service (79 in 2020-21).

No complaints were accepted for investigation by the Parliamentary Ombudsman (0 in 2020-21 also).
In terms of summary:

	2021-22	2020-21
Number of complaints accepted for investigation by the Parliamentary Ombudsman in the Year	0	0
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 Part – 0 Not Upheld – 0	In Full – 0 In Part – 0 Not Upheld – 0
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 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 2021-22, taking on board previous customer feedback, case analysis and considering best practice.

Environmental Sustainability

Environmental Sustainability

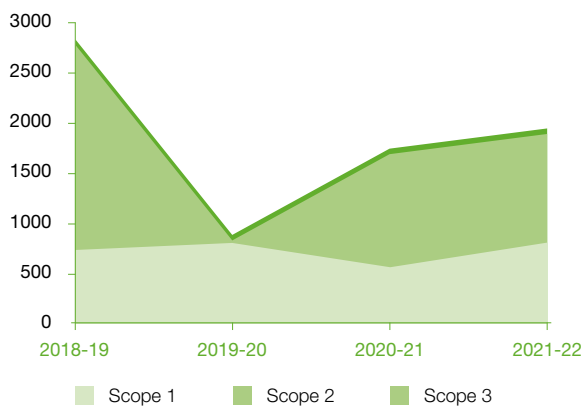
Greenhouse Gas Emissions

It is well known that greenhouse gas emissions have a strong correlation to activity. In 21-22 we were largely back to previous activity levels and therefore emissions have increased by 10% compared to 20-21 when the pandemic reduced our on-site activities. If we compare them against a baseline year of 2018-19 then we have reduced our total emissions (scopes 1, 2 and 3 in the table below) by 30%. This reduction has been achieved through estate capital investment in more efficient plant and the national grid becoming less reliant on fossil fuels.

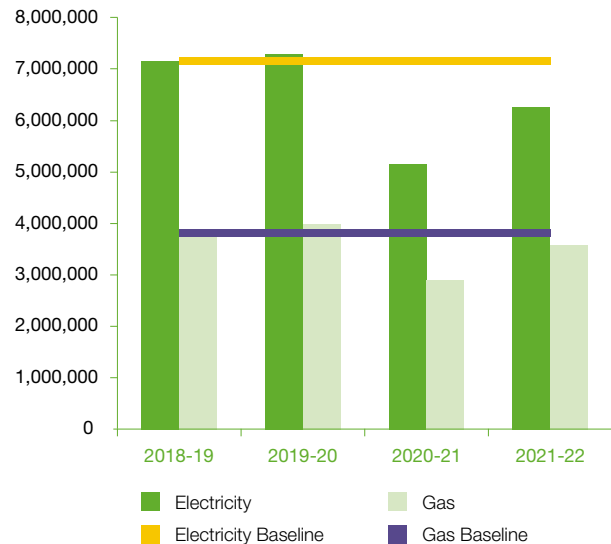
NB Scopes 1 and 2 refer to energy consumed on site and Scope 3 emissions are currently only travel. As an organisation we do not yet count the emissions from the majority of our suppliers and service providers.

Our absolute consumption of electricity and gas are down 11 and 4% respectively on the baseline year of 18-19. All of our electricity continues to be sourced on 100% clean renewable tariff. We look forward to seeing an estimated 3-4% reduction in KWh for our gas and electricity consumption next year realised from further plant upgrades and a solar array at Gaydon for which we have obtained planning permission.

Total CO₂ emissions (tCO₂e)



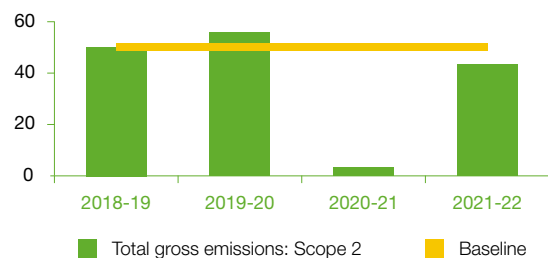
Electricity and Gas Use (kWh)



Business Travel

BFI Travel emissions were nearly back to previous levels and we continue to have a significant impact in this regard. We hope to realise some reduction on an ongoing basis with a hybrid home/office working model and reducing travel to our festivals and core programme.

Business Travel (tCO₂e)

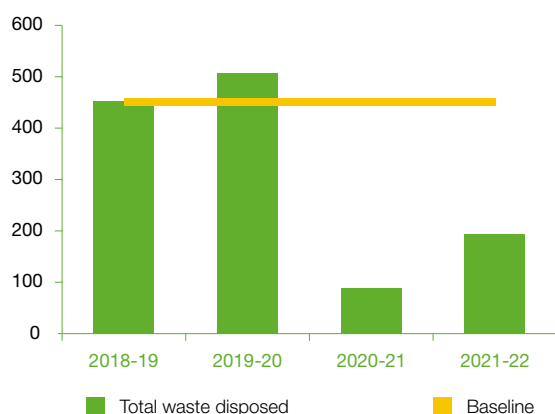


Waste (inc move to zero single-use plastic)

We have reduced waste output by 60% against 18/19 levels. We have installed water fountains in our public venue and head office to prevent the need to buy bottled water. We have also replaced hand towels in all locations apart from some at our venue where the noise is detrimental to our theatre experience. We have eliminated 90% of our single-use plastics; we no longer provide any plastic cups for drinks and our Food & Beverage partner has eliminated their single use plastics in all but the outside area of our bars.

Below is a graph of waste production over the last 4 years. Our average recycling rates are at approximately 70%.

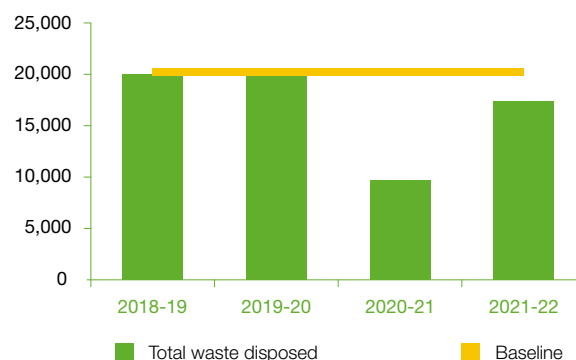
Waste Output (tonnes)



Finite Resource Consumption

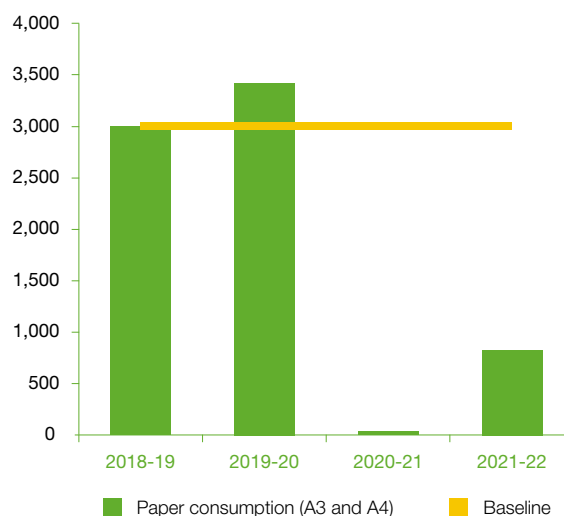
Water use has been relatively steady up until the last 2 years impacted by Covid-19. We expect the reduction in water consumption to be largely attributed to reduced activity at our venue and head office and in particular the bars and restaurants at BFI Southbank.

Water Consumption (m3)



Unsurprisingly, paper consumption has reduced considerably at our sites. Compared to a 2018-19 baseline we used 70% less. We expect this to increase next year with the resumption of our venue activities, in particular, our Education events.

Paper Use (reams)



Nature Recovery/ Biodiversity Action Planning

21-22 saw a good deal of activity in the field of biodiversity. We are fortunate enough to enjoy large green spaces at our archive sites in Warwickshire and Hertfordshire. To maximise biodiversity opportunities we have partnered with local wildlife trusts who have assessed our areas and made recommendations.

During 21-22 we have seen good progress:

- The installation of bird boxes (including swift boxes)
- 3 wildflower areas have been sown
- Installation of bat boxes and roosts
- Planted 12 fruit and flowering trees
- Created ponds and enhanced existing ones

The majority of the physical work was carried out on site by volunteers.

Reducing Impacts from Digital Activities

During the year we carried out a piece of work to establish our approximate digital carbon footprint and where it is emanates from. The results showed that the vast majority of our emissions result from IT server activity. We are preparing to roll out Microsoft 365 across the organisation and this will result in great improvement as we move to more cloud-based servers.

How the BFI is governed

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 2022. In preparing the annual report and financial statements of the Charity, the Governors have adopted the Statement of Recommended Practice, Accounting and Reporting by Charities issued in February 2005 (SORP 2005).

Governors

Governors who were in post for at least part of the financial year 2021-22 or at the date of signing these accounts:

J. Timothy Richards (Chair)¹
 Michael Birshan
 Monica Chadha²
 Idris Elba OBE³
 Gerry Fox⁴
 Anwen Griffiths⁵
 Jay Hunt
 Elizabeth Karlsen⁶
 Laura Miele⁷
 Jonathan Ross OBE⁸
 Romana Ramzan⁹
 Robin Saunders¹⁰
 Andrew M Smith OBE DL¹¹
 Phil Stokes¹²
 Edgar Wright¹³
 Scott Stuber¹⁴
 Eleanor Whitley

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.

¹ Appointed on 16 February 2021

² Appointed on 8 April 2022

³ Term expired 24 May 2022

⁴ Reappointed as Member Governor on 24 February 2022 until 1 October 2022

⁵ Appointed on 10 May 2022

⁶ Appointed on 8 April 2022

⁷ Appointed on 8 April 2022

⁸ Term expired 24 August 2022

⁹ Appointed on 10 May 2022

¹⁰ Reappointed on 10 May 2022

¹¹ Reappointed on 10 May 2022

¹² Reappointed on 10 May 2022

¹³ Appointed on 8 April 2022

¹⁴ Appointed on 8 April 2022

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 OBE DL
Charles Cecil MBE (co-opted)
Sukie Kooner (co-opted)

Finance

Michael Birshan (Chair)
Robin Saunders
Phil Stokes (co-opted)
Andrew Coates (co-opted)¹⁵
Lara Naqushbandi (co-opted)¹⁶

Remuneration

J. Timothy Richards (Chair)
Michael Birshan
Phil Stokes

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

Board of Governors Attendance 2021-22

The number of BFI Board meetings held in the 2021-22 financial year was 9 and the Governors' attendance records were as follows:

		%
J. Timothy Richards (Chair)	9 of 9	100
Michael Birshan	9 of 9	100
Monica Chadha	0 of 0	n/a
Idris Elba OBE	0 of 9	0
Gerry Fox	2 of 2	100
Anwen Griffiths	0 of 0	n/a
Jay Hunt	8 of 9	88
Elizabeth Karlsen	0 of 0	n/a
Laura Miele	0 of 0	n/a
Jonathan Ross OBE	1 of 3	33
Romana Ramzan	0 of 0	n/a
Robin Saunders	8 of 9	88
Andrew M Smith OBE DL	9 of 9	100
Phil Stokes	9 of 9	100
Edgar Wright	0 of 0	n/a
Scott Stuber	0 of 0	n/a
Eleanor Whitley	8 of 9	88

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 2021-22

The number of Audit Risk and Governance Committee meetings held in the 2021-22 financial year was three and the members' attendance records were as follows:

Phil Stokes (Chair)	3 of 3
Andrew Smith	3 of 3
Sukie Kooner	
(Non-Governor Member)	3 of 3
Charles Cecil MBE	
(Non-Governor Member)	2 of 3

¹⁵ Appointed 14 June 2022

¹⁶ Appointed 14 June 2022; resigned 20 October 2022.

Executive

The Board of Governors employs a Chief Executive, Ben Roberts, who was appointed in December 2019. Ben leads an executive team that during the year consisted of:

Ben Roberts	Chief Executive
Harriet Finney ¹⁷	Deputy Chief Executive and Director of Corporate and Industry Affairs
Alyson Hagan ¹⁸	Director of Finance, People and Business Operations
Ed Humphrey ¹⁹	Director of Digital and Ventures
Arike Oke ²⁰	Director of Knowledge and Collections
David Parkhill ²¹	Director of Finance and Resources
Heather Stewart ²²	Creative Director of BFI
Neil Williams ²³	Director of Technology and Digital Transformation
Jason Wood ²⁴	Director of Programmes and Audiences
Francesca Vinti ²⁵	Director of Fundraising and Enterprise

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 19 days (2021: 30).

Data Protection

- Received and managed 146 requests
- Ongoing advice relating to data protection was provided as and when required to numerous departments

¹⁷ Appointed to new role on 12 November 2021.

¹⁸ Appointed 20 September 2021.

¹⁹ Contract ended 31 March 2022.

²⁰ Appointed 4 January 2022.

²¹ Retired 31 October 2021.

²² Resigned 31 December 2021.

²³ Appointed 7 February 2022.

²⁴ Appointed 28 February 2022.

²⁵ Appointed to new role on 12 November 2021.

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 been 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.

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 2022, 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 2021-22 was held on 8 July 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 Richards
Michael Birshan
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.

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 2022. The period of notice required for termination of contract is no greater than six months.

Remuneration Report – Audited Information

Governors' remuneration

No Governor drew any remuneration in the year. No payments were made in the year for services (2021: £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, and depending on 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 2022, not all senior staff 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 11.4%. 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 2022
- Re-calculating the equivalent figure from 31 March 2021 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:

Senior Staff Remuneration (continued)

	Total salary for the year ended 31 March 2022 (2021)	Bonuses attributable for the year ended 31 March 2022 (2021)	Benefits in Kind for the year ended 31 March 2022 (2021)	Pension benefits in the year ended 31 March 2022 (2021)	Total remuneration for the year ended 31 March 2022 (2021)
	£'000	£'000	Nearest £100	£'000	£'000
Ben Roberts CEO and Accounting Officer	145-150 (150-155)	- (-)	100 (100)	20-25 (25-30)	170-175 (175-180)
Harriet Finney Deputy CEO	125-130 (115-120)	- (-)	100 (100)	N/A (N/A)	125-130 (115-120)
Francesca Vinti Director of Development	115-120 (105-110)	- (-)	100 (100)	45-50 (35-40)	165-170 (145-150)
New appointments:					
Alyson Hagan Director of Finance, People & Business Operations ¹	55-60 (-)	- (-)	100 (-)	N/A (N/A)	55-60 (-)
Arike Oke Director of Knowledge and Collections ²	25-30 (-)	- (-)	100 (-)	N/A (N/A)	25-30 (-)
Neil Williams Director of Technology and Digital Transformation ³	15-20 (-)	- (-)	100 (-)	N/A (N/A)	15-20 (-)
Jason Wood Director of Public Programme and Audiences ⁴	10-15 (-)	- (-)	100 (-)	N/A (N/A)	10-15 (-)
Departures:					
Amanda Nevill CEO and Accounting Officer ⁵	- (10-15)	- (-)	- (-)	- (5-10)	- (15-20)
David Parkhill Director of Finance and Resources ⁶	85-90 (125-130)	- (-)	100 (100)	20-25 (40-45)	110-110 (170-175)
Heather Stewart Creative Director ⁷	90-95 (390-395)	- (-)	100 (100)	N/A (35-40)	90-95 (430-435)
Ed Humphrey Director of Digital and Ventures ⁸	115-120 (195-200)	10-15 (10-15)	100 (100)	70-75 (20-25)	205-210 (230-235)

¹ Appointed 20 September 2021. The full year equivalent salary is £115-120,000

² Appointed 4 January 2022. The full year equivalent salary is £115-120,000

³ Appointed 7 February 2022. The full year equivalent salary is £115-120,000

⁴ Appointed 28 February 2022. The full year equivalent salary is £115-120,000

⁵ Resigned 14 February 2020. The full year equivalent salary is £150-£155,000. The remuneration in 2020-21 reflects the amounts due relating to the three month notice period.

⁶ Retired 31 October 2021. The full year equivalent salary is £130-135,000

⁷ Contract ended 31 December 2021. The full year equivalent salary is £125-130,000. Prior year includes the accrued termination payment of £265-270,000.

⁸ Contract ended 31 March 2022. The full year equivalent salary is £115-120,000. Prior year includes the accrued termination payment of £75-80,000.

Senior Staff Remuneration (continued)

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

Contributions paid		
	2021-22	2020-21
Harriet Finney Director of External Affairs	9,018	8,499
Alyson Hagan Director of Finance, People & Business Operations ¹	1,938	-
Arike Oke Director of Knowledge and Collections ²	-	-
Neil Williams Director of Technology and Digital Transformation ³	-	-
Jason Wood Director of Public Programme and Audiences ⁴	-	-

Included in the above is remuneration for senior staff in the year which is attributable to lottery for the year ending 31 March 2022. 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 2022.

43% of the remuneration for Ben Roberts, David Parkhill and Alyson Hagan has been attributed to lottery for the year (2021: 44%) 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 café 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 2022 (or leaving date, if earlier):

	Real increase in accrued pension benefits 2021-22	Attributable pension accrued at 65 at 31 March 2022 (or date left the BFI if earlier)	Cash Equivalent Transfer Value (CETV) as at 31 March 2021	CETV as at 31 March 2022 (or at date left the BFI if earlier)	Real increase in CETV after adjustment for inflation etc. in 2021-22
	£'000	£'000	£'000	£'000	£'000
Ed Humphrey Director of Digital and Ventures ⁸	5-10 (lump sum; 0-2.5)	15-20 (lump sum; 0-5)	115	186	70-75
David Parkhill Director of Finance and Resources ⁶	0-2.5 (lump sum; 0-2.5)	20-25 (lump sum; 0-5)	331	348	15-20
Ben Roberts CEO and Accounting Officer	0-2.5 (lump sum; 0-2.5)	20-25 (lump sum; 0-5)	211	227	15-20
Heather Stewart Creative Director ⁷	N/A (lump sum; N/A)	N/A (lump sum; N/A)	1,251	N/A	N/A
Francesca Vinti Director of Development	2.5-5 (lump sum; reduction 0-2.5)	30-35 (lump sum; 15-20)	462	519	50-55

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 2022:

Salary Banding	2022 (Number)	2021 (Number)
£150,000 – £159,999	–	1
£140,000 – £149,999	1	–
£130,000 – £139,999	1	1
£120,000 – £129,999	5	2
£110,000 – £119,999	–	2
£100,000 – £109,999	–	–
£90,000 – £99,999	–	–
£80,000 – £89,999	–	–

Other senior staff during the year:

Salary Banding	2022 (Number)	2021 (Number)
£100,000 – £109,999	4	1
£90,000 – £99,999	8	7
£80,000 – £89,999	18	17
£70,000 – £79,999	14	19
£60,000 – £69,999	27	23

Staff number and costs (including on-costs)

	2022		2021	
	Number	£'000	Number	£'000
Average no of permanent staff during the year	547	33,160	497	29,716
Average no of other staff engaged on objectives of the organisation	7	413	7	421

Termination payments

The termination payments payable to employees were:

Cost of redundancies (as per BFI's agreed)	Number of compulsory redundancies		Number of voluntary redundancies		Total	
	2022	2021	2022	2021	2022	2021
<£10,000	–	–	–	–	–	–
£10,000-£25,000	–	–	3	–	3	–
£25,000-£50,000	–	–	2	1	2	1
£50,000-£100,000	–	–	–	2	–	2
£150,000-£200,000	–	–	–	–	–	–
£201,000 >	–	1	–	–	–	1
No of exit packages	–	1	5	3	5	4
Cost £'000	–	269	120	202	120	471

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 of their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the Chief Executive Officer in the financial year was £145,000-£150,000 (2021: £150,000-£155,000).

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 £21,000-£150,000 (2021: £23,000-£151,000).

Year	25th percentile pay / ratio	Median pay / ratio	75th percentile pay / ratio
2021-22	£28,728 / 5.1	£35,622 / 4.1	£44,163 / 3.3
2020-21	£28,728 / 5.3	£35,622 / 4.3	£44,163 / 3.5

The median pay; upper and lower quartiles did not change compared to 2020/21, as the majority of staff did not receive a pay award, other than the lowest paid receiving the 1.9% increase in the London Living Wage, with effect from 1 November 2021. The highest paid director's remuneration was reduced by 3.3%.

Remuneration Report – 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 %
31-03-22	2.4%	0%	53.5%	45.5%
31-03-21	3.1%	0%	54.6%	45.4%
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 2022:

	Self-identified (31-03-22)	Self-identified (31-03-21)	Self-identified (31-03-20)	Our Data Gaps (2022)	Our Targets
Disability	9.8%	8.6%	9.0%	12.2%	18%
Ethnicity (Ethnically diverse)	19.5%	16.7%	16.2%	0.6%	40% in urban areas; 37% overall
Sex (Women)	52.6%	54.6%	52.6%	0%	50%
Sexual Orientation (LGBTQIA+)	16.7%	13%	13.6%	21.4%	10%

We are working to close our data gaps to ensure that our reporting better reflects who we are and that 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. 11% in 2021-22).

Off Payroll Consultancy Engagements

During the year ended 31 March 2022 the BFI had 15 off payroll engagements totalling £592,000 (2021: 11 totalling £447,000) for more than £245 per day (2021: £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.

Our 2021- 22 People Initiatives included:

- We continued our support of BFI people through the 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 Queer Network.
- We have a target of 15% for ethnically diverse senior management, and currently 11.5% of our senior management team have told us they are ethnically diverse. We work with the following recruitment sites to encourage ethnically diverse candidates: We Are POCC; and SocialFixt.
- We appointed a Race Equality Lead and Disability Equality Lead within the Inclusion team to deliver initiatives to support areas of historic underrepresentation.
 - We began planning work with the What If... Experiment to start our anti-racism journey.
 - We guarantee 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 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 advertise roles. Our person specifications for each role are based on '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 workforce targets are in place for each Executive.
 - Director to own and action plan their delivery. We are founding members for our sector of the global Employer's Network for Equality and Inclusion and represent on the Executive Steering Committee.

COVID-19

Continuing to react to government requirements and fluctuating infection rates has been a challenge. A considerable amount of time and effort has gone into ensuring our sites are safe to operate within COVID Secure guidance and the subsequent relaxations. We have regularly met with operational teams and the joint unions to agree and implement COVID secure procedures. Measures implemented included, calculation of maximum occupancy of areas at requisite social distancing, installing barriers and divides, enhanced cleaning and improvements to ventilation. We have provided 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.

Mental Wellbeing

Mental Wellbeing has been at the forefront of communication across the BFI during what has been a very difficult time for many.

Key successes of our 2021/22 wellbeing programme were:

- We ran another Mental Health First Aider training session to increase the number of MHFA's we now have a pool of over 30 MHFA's.
- Wellbeing Working group has been set up to drive our Wellbeing strategy and look at improvement to our wellbeing benefits.
- Ran an online nutrition session.
- Regular communication signposting internal and external support available.
- Extra webinars focusing on Suicide Prevention and World Mental Health day were offered by our EAP service.

Occupational Health Usage

There were 19 management referrals to Occupational Health in 21/22 which is up by 5 from last year. Around 40% of our sickness referrals to occupational health are mental health related. We continue to work with our OH providers to adjust workplaces and working patterns to get people back to work.

Around 200 new starters (including festivals temporary staff) were health screened prior to starting their new roles at the BFI.

Employee Assistance Programme

Workplace Options was contracted to provide the BFI's EAP service. It provided staff and their immediate families with support on a broad range of work-life issues. Utilisation of the service has decreased this year to 8.78% compared to 14.13% last year. It is surprising to see such a reduction in uptake of this support service but it's possible that the additional support and flexibility given to BFI people during the Pandemic reduced the need for this service.

The service provided counselling (inc. face-to-face, telephone and online) which 35 people took up in 2021/22. The broader work-life sessions that include legal assistance, financial advice and career coaching totalled 6. Out of the 35 clinical cases, 7 were classed as workplace concerns. More general information was sought an additional 853 times through our EAP provider via web visits.

Training

Training continues to be an important aspect of our health, safety and wellbeing strategy and this has been delivered entirely online this year.

Members from Technical, FOH and the facilities team completed an on-line Managing Safely. Our Mental Health First Aiders took part in a MHFA refresher.

In 22-23 we will revamp our e-learning offer to ensure our staff have basic awareness of fire safety, mental health, agile working and environmental issues.

Corporate Information

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
150 Aldersgate Street, London, EC1A 4AB

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 16 January 2023.



Phil Stokes
Governor



Ben Roberts
Chief Executive

Governance Statement

Governance Statement

Scope of Responsibility

How the BFI is governed is covered on pages 82 to 95. 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 2022 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 2021-22 is detailed at page 84.

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 2021-22 is detailed at page 84.

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 31 March 2022 the risk register as noted by the Executive Team included 39 corporate risks; these were considered as either time-sensitive or perennial risks.

The most significant are:

Risk	Mitigation
Generated income depressed due to slow COVID recovery with customer activity reduced	<p>Maximise all income streams</p> <p>Minimise expenditure</p> <p>Discuss with Government any additional support available</p>
BFI operations compromised due to staff absence/availability resulting from increased COVID infection rates	Operational Plans in place for key activities, notably for the Archive and the BFI Southbank
Period of uncertainty and change with changing Board of Governors membership and new Executive Directors	Plans in place to ensure change is managed effectively and efficiently
BFI operations compromised due to various current market conditions – inflation, winter shortages, cargo delays, energy price increases, Personnel and Skills shortages – negatively impacts on BFI operations	Identification and review of key aspects undertaken with a number of key actions identified
BFI digital and online business compromised including disruption and/or financial loss and/or loss of personal data and/or intellectual property	BCP in place; Counter Fraud Policy and Procedures in place; close working with Cabinet Office and DCMS on counter fraud activities; working with DCMS on the BFI's Counter Fraud Functional Standard activities; Cyber Essentials membership gained; Data Security protocol established; implement encrypted USB's for key users; run staff awareness workshop(s) to advise of issues
Loss of key staff results in key areas of knowledge and expertise	Succession planning in place but to be updated and reviewed as part of Budget Review process

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 2021-22 internal audit reports covered:

- Working with Government (2 part)
- BFI Network
- Collections and Information
- Transformation Programme
- Risk Management
- Key Financial Systems (Payroll)
- Grant Maturity Self-Assessment
- Global Screen Fund (2 part)
- Culture Recovery Fund and PEA

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 19 July 2022, 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 by the National Lottery Act 1998). 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 2021-22 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,
Governor



Ben Roberts,
Chief Executive

Functional Standards

During the year, the BFI prioritised its approach to the Government's review of its Departments and ALBs in relation to each of the 14 standards that is:

By the end of March 2022, all central government departments and their arm's length bodies should have a plan in place to comply with each functional standard in a way that meets its business needs and priorities. Use of the standards should be embedded into each organisation's business plans for 2022-23 onwards. Statements about use of functional standards should be included in annual reports and, where relevant, Accounting Officer system statements

In the year, the BFI has:

- a Senior Responsible Officer (SRO) identified for each standard;
- undertaken a review against the Mandatory elements;
- set out a plan for a review of each standard which is an annual requirement and will be set as a priority in the respective directorate annual business plan; and
- as part of the annual Internal Audit plan, when an activity is part of the plan the Terms of Reference will include an objective that the activity is meeting the relevant Functional Standard; in addition, for those activities not part of the annual internal plan, at least one Functional Standard area will be included as a stand-alone (internal audit) review.

Group 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.

STATEMENT OF GOVERNORS AND ACCOUNTING OFFICER'S RESPONSIBILITIES (continued)

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; the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998), 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 111 to 152, 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,
Governor



Ben Roberts,
Chief Executive

THE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE GOVERNORS OF THE BRITISH FILM INSTITUTE, THE HOUSES OF PARLIAMENT AND THE SCOTTISH PARLIAMENT

Opinion on financial statements

I have audited the financial statements of the British Film Institute and its Group for the year ended 31 March 2022. The financial statements comprise:

- The Statement of Financial Activities as at 31 March 2022, the Consolidated and Charity Balance Sheet, and the Consolidated Statement of Cash Flows for the year then ended; and
- the related notes including the significant accounting policies

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom accounting standards including Financial Reporting Standards (FRS) 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion, the financial statements:

- give a true and fair view of the state of the British Film Institute's and its Group's affairs as at 31 March 2022 and The British Film Institute's and its Group's net expenditure for the year then ended;
- have been properly prepared in accordance with the Royal Charter and Secretary of State directions issued thereunder;
- have been properly prepared in accordance with the Charities Act 2011.

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 (UK) (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 report.

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 and its Group 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 and its Group'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 and its Group'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.

Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements nor my auditor's report. 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.

THE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE GOVERNORS OF THE BRITISH FILM INSTITUTE AND THE HOUSES OF PARLIAMENT (continued)

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 section of the Annual Report titled How the BFI is Governed and labelled to be audited has been properly prepared in accordance with Secretary of State directions issued under the Royal Charter.

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

- those parts of the Annual Report subject to audit have been properly prepared in accordance with Secretary of State directions issued under the Royal Charter; and
- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

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:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the British Film Institute or returns adequate for my audit have not been received from branches not visited by my staff; or

- information given in the Annual Report is consistent with the financial statements and with information obtained during the course of my audit; or
- certain disclosures of remuneration specified by the Secretary of State direction under the Royal Charter, and the Charities Act 2011 have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Governors and Accounting Officer for the financial statements

As explained more fully in the Statement of Governors' and Accounting Officer's Responsibilities, the Trustees and the 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 Governors and the Accounting Officer determines are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- assessing the British Film Institute's and its Group'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 either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK).

THE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE GOVERNORS OF THE BRITISH FILM INSTITUTE AND THE HOUSES OF PARLIAMENT (continued)

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 report 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

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

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the British Film Institute's and its Group's accounting policies.
- 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 and its Group'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 and its Group's controls relating to the British Film Institute's compliance with the compliance with the Royal Charter, The Charities Act 2011, and Managing Public Money.

- discussing among the engagement team including significant component audit teams and involving relevant internal specialists, including pensions and film rights regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the British Film Institute and its Group for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, and bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the British Film Institute and Group's framework of authority as well as other legal and regulatory frameworks in which the British Film Institute and Group operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the British Film Institute and its Group. The key laws and regulations I considered in this context included, the Royal Charter, The Charities Act 2011, employment legislation and Managing Public Money.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management and the Audit Risk and Governance Committee concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Governors and internal audit reports;

THE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE GOVERNORS OF THE BRITISH FILM INSTITUTE AND THE HOUSES OF PARLIAMENT (continued)

- 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

Gareth Davies
Comptroller and Auditor General

Date 18 January 2023

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

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams 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 report.

Other auditor's responsibilities

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.

Group Financial Statements

Registered charity no: 287780

BRITISH FILM INSTITUTE GROUP AND NATIONAL LOTTERY ANNUAL REPORT AND FINANCIAL STATEMENTS 2021-22

British Film Institute Consolidated Statement of Financial Activities Year Ended 31 March 2022

		2022					
		Unrestricted	Non-Lottery	Total	Lottery	2022	2021
	Note	£'000	Restricted	Non-Lottery	Restricted	Total	Total
		£'000	£'000	£'000	£'000	£'000	£'000
Income							
Income and endowments from charitable activities (earned income)							
Audiences	3	20,198	-	20,198	-	20,198	13,784
Learning & Skills	3	155	-	155	-	155	79
Talent	3	-	-	-	-	-	
Leadership	3	-	-	-	-	-	-
Income from donations and legacies							
Voluntary Income							
Lottery proceeds	3 & 15	-	-	-	48,951	48,951	49,073
Lottery recoupment income	3	-	-	-	1,765	1,765	806
Revenue Grant in Aid funding	2	16,580	35,408	51,988	-	51,988	72,245
Capital Grant in Aid funding	2	-	2,082	2,082	-	2,082	1,987
Other grants, legacies and donations	3	926	3,896	4,822	28	4,850	7,271
Donated services and facilities	4	-	2,344	2,344	-	2,344	356
Investment income	5	-	-	-	-	-	27
Total income		37,859	43,730	81,589	50,744	132,333	145,628
Expenditure on							
Charitable activities							
Audiences	6	(39,134)	(35,647)	(74,781)	(8,758)	(83,539)	(102,042)
Learning & Skills	6	(2,220)	(1,359)	(3,579)	(11,585)	(15,164)	(14,486)
Talent	6	(3,212)	(2,168)	(5,380)	(26,737)	(32,117)	(36,580)
Leadership	6	(431)	(276)	(707)	(881)	(1,588)	(1,644)
Total charitable activities		(44,997)	(39,450)	(84,447)	(47,961)	(132,408)	(154,752)
Costs of raising funds	6	(1,864)	-	(1,864)	-	(1,864)	(1,859)
		(1,864)	-	(1,864)	-	(1,864)	(1,859)
Total expenditure		(46,861)	(39,450)	(86,311)	(47,961)	(134,272)	(156,611)
Net expenditure		(9,002)	4,280	(4,722)	2,783	(1,939)	(10,983)
Gross transfers between funds	24	3,518	(2,384)	1,134	(1,134)	-	-
Net expenditure and net movement in funds before other recognised gains and losses		(5,484)	1,896	(3,588)	1,649	(1,939)	(10,983)
Other recognised gains / (losses)							
Actuarial gains / (losses) on defined benefit pension scheme	8	23,762	-	23,762	2,424	26,186	(30,144)
Gains / (losses) on the revaluation of fixed assets	10	22,039	-	22,039	-	22,039	(1,415)
Net movement in funds		40,317	1,896	42,213	4,073	46,286	(42,542)
Reconciliation of funds							
Total funds brought forward	24	(13,879)	6,006	(7,873)	24,969	17,096	59,638
Total funds carried forward	24	26,438	7,902	34,340	29,042	63,382	17,096

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 2022

		2022				2021
	Note	Unrestricted £'000	Non-Lottery Restricted £'000	Total Non-Lottery £'000	Lottery Restricted £'000	2021 Total £'000
Income						
<i>Income and endowments from charitable activities (earned income)</i>						
Audiences	3	14,097	-	14,097	-	10,883
Learning & Skills	3	155	-	155	-	79
<i>Income from donations and legacies</i>						
Voluntary Income						
Lottery proceeds	3 & 15	-	-	-	48,951	49,073
Lottery recoupment income	3	-	-	-	1,765	806
Revenue Grant in Aid funding	2	16,580	35,408	51,988	-	72,245
Capital Grant in Aid funding	2	-	2,082	2,082	-	1,987
Other grants, legacies and donations	3	4,386	3,896	8,282	28	8,192
Donated services and facilities	4	-	2,344	2,344	-	356
Investment income	5	-	-	-	-	23
Total income		35,218	43,730	78,948	50,744	143,644
Expenditure on						
<i>Charitable activities</i>						
Audiences	6	(36,457)	(35,647)	(72,104)	(8,758)	(99,899)
Learning & Skills	6	(2,220)	(1,359)	(3,579)	(11,585)	(14,486)
Talent	6	(3,212)	(2,168)	(5,380)	(26,737)	(36,580)
Leadership	6	(431)	(276)	(707)	(881)	(1,644)
<i>Total charitable activities</i>		<i>(42,320)</i>	<i>(39,450)</i>	<i>(81,770)</i>	<i>(47,961)</i>	<i>(152,609)</i>
Costs of raising funds	6	(1,864)	-	(1,864)	-	(1,859)
		(1,864)	-	(1,864)	-	(1,859)
Total expenditure		(44,184)	(39,450)	(83,634)	(47,961)	(154,468)
Net expenditure		(8,966)	4,280	(4,686)	2,783	(10,824)
Gross transfers between funds	24	3,518	(2,384)	1,134	(1,134)	-
Net expenditure and net movement in funds before other recognised gains and losses		(5,448)	1,896	(3,552)	1,649	(10,824)
<i>Other recognised gains / (losses)</i>						
Actuarial gains / (losses) on defined benefit pension scheme	8	23,762	-	23,762	2,424	(30,144)
Gains / (losses) on the revaluation of fixed assets	10	22,039	-	22,039	-	(1,415)
Net movement in funds		40,353	1,896	42,249	4,073	(42,383)
Reconciliation of funds						
Total funds brought forward	24	(13,576)	6,006	(7,570)	24,969	59,782
Total funds carried forward		26,777	7,902	34,679	29,042	17,399

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 of 31 March 2022

	Note	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Fixed assets:					
Intangible fixed assets	9	-	40	-	-
Tangible fixed assets	10	95,377	75,057	95,377	75,057
Investments	12	-	-	1,443	1,443
Total fixed assets		95,377	75,097	96,820	76,500
Non-current assets:					
Film Rights	14	10,008	9,228	10,008	9,228
Current assets:					
Stocks & work in progress	16	594	572	428	383
Debtors	17	14,234	30,737	14,370	31,425
Film Rights	14	3,463	2,331	3,463	2,331
National Lottery Distribution Fund	15	50,941	53,120	50,941	53,120
Cash at bank and in hand	18	39,507	32,557	38,120	30,734
Total current assets		108,739	119,317	107,322	117,993
Liabilities:					
Creditors: amounts falling due within one year	20	(72,334)	(88,571)	(72,021)	(88,347)
Provisions	22	(4,328)	(3,166)	(4,328)	(3,166)
Net current assets		32,077	27,580	30,973	26,480
Total assets less current liabilities		137,462	111,905	137,801	112,208
Defined benefit pension scheme net liability	8	(74,080)	(94,809)	(74,080)	(94,809)
Total net assets		63,382	17,096	63,721	17,399
The Funds of the Charity:					
Restricted income funds					
Restricted income funds excluding Lottery and pensions liability	24	7,902	6,006	7,902	6,006
Lottery reserve		32,130	29,919	32,130	29,919
Lottery share of pension reserve	24	(3,088)	(4,950)	(3,088)	(4,950)
		29,042	24,969	29,042	24,969
Total restricted funds		36,944	30,975	36,944	30,975
Unrestricted income funds					
Unrestricted income funds excluding pensions asset/liability		34,460	33,065	34,799	33,368
Unrestricted fixed asset revaluation reserve		62,970	42,915	62,970	42,915
		97,430	75,980	97,769	76,283
Pension reserve		(70,992)	(89,859)	(70,992)	(89,859)
Total unrestricted funds	24	26,438	(13,879)	26,777	(13,576)
Total charity funds	24	63,382	17,096	63,721	17,399

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 16 January 2023.



Phil Stokes
Governor



Ben Roberts
Chief Executive

British Film Institute
Consolidated Statement of Cash Flows
Year Ended 31 March 2022

	Note	2022			2021		
		Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Net (expenditure) / income		(9,002)	7,063	(1,939)	(8,364)	(2,619)	(10,983)
Less interest receivable	5	-	(69)	(69)	(17)	(10)	(27)
Loss on disposal of tangible fixed assets		29	-	29	-	-	-
Depreciation	10	5,208	-	5,208	5,616	-	5,616
Amortisation of goodwill	9	40	-	40	157	-	157
(Increase) / decrease in film rights – due after one year	14	-	(780)	(780)	-	1,304	1,304
(Increase) / decrease in film rights – due within one year	14	-	(1,132)	(1,132)	-	474	474
(Increase) / decrease in stocks	16	(22)	-	(22)	(3)	-	(3)
(Increase) / decrease in debtors	17	(445)	16,948	16,503	(1,400)	(20,660)	(22,060)
Increase / (decrease) in creditors due within one year	20	(4,302)	(11,935)	(16,237)	3,736	31,448	35,184
Increase / (decrease) in provisions due within one year	22	-	1,162	1,162	-	(721)	(721)
Non-cash pension movements	8	4,895	562	5,457	2,398	225	2,623
<i>Cash flows from operating activities</i>		(3,599)	11,819	8,220	2,123	9,441	11,564
<i>Cash flows from investing activities</i>							
National Lottery Distribution Fund income received	15	-	(48,951)	(48,951)	-	(49,073)	(49,073)
National Lottery Distribution Fund cash drawn down	15	-	51,130	51,130	-	49,757	49,757
Interest receivable	5	-	69	69	17	10	27
Purchase of tangible fixed assets	10	-	(3,518)	(3,518)	-	(3,128)	(3,128)
<i>Cash flows from investing activities</i>		-	(1,270)	(1,270)	17	(2,434)	(2,417)
Change in cash and cash equivalents in the year		(3,599)	10,549	6,950	2,140	7,007	9,147
Cash and Cash equivalents at the beginning of the year		4,199	28,358	32,557	2,059	21,351	23,410
Cash and Cash equivalents at the end of the year	18 & 24	600	38,907	39,507	4,199	28,358	32,557

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

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 (as amended by the National Lottery Act 1998) 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 £56.6m (2021 £48.9m). 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 2022.

Going concern

COVID-19 continued to impact the operations of the British Film Institute, with our cinemas and shops reopening in May 2021 and the public gradually returning to using public spaces. 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 immediate financial impacts. 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 2022

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 £1.9m (2021: net expenditure of £11.0m), albeit after non-cash transactions including depreciation of £5.2m (2021: £5.7m) and net non-cash pension charges of £5.5m (2021: £2.6m). The FRS102 pension liability has decreased to £74.1m (2021: £94.8m) and fixed asset revaluations adding £22.0m of value (2021: reduction of £1.4m) contribute to unrestricted reserves of £26.4m (2021: deficit of £13.9m). 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 £74.1m (2021: £94.8m) under FRS102 and the governors are satisfied that this approach is appropriate.

At the year end total group reserves were £63.4m (2021: £17.1m) which included unrestricted cash balances of £0.6m (2021: £4.2m) and free reserves of £2.1m (2021: £0.9m) (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.

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.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (continued)

Income and endowments (continued)

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.

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 (as amended by the National Lottery Act 1998), 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 2021-22. In line with the National Lottery etc. Act 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 Lottery etc. Act 1993 (as amended by the National Lottery Act 1998) the Secretary of State did not object to an award of to the BFI in relation to the London Film Festival. The award of £1,400,000 was made in July 2021 however as a result of the actual associated expenditure incurred against this, only £1,135,000 was drawn down, with the balance of the award falling in the subsequent year.

No new award was made in the year under these powers to the Heritage 2022 strategy.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (continued)

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.

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. Leasehold land and buildings, together with some associated plant and fixtures, are included at fair value in accordance with the FReM. See Note 10. Tangible Fixed Assets.

The BFI's long leasehold properties BFI Southbank and BFI London IMAX are revalued quinquennially by appropriately qualified valuers. Between valuation years the values are estimated using appropriate indexation. The most recent quinquennial valuations were completed with an effective date of 31 March 2022.

The BFI's short leasehold properties in London, Berkhamsted and Warwickshire have been subject to leasehold improvements. The values are estimated using appropriate indexation each year and applied to acquisitions, starting in the year following the acquisition.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (continued)

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 (5–99 years straight line/over the period of the lease)

Short leasehold property improvements

5-20% per annum (5–20 years straight line)

Computer and other IT equipment

5-25% per annum (4–20 years straight line)

Furniture, fixtures and fittings

4-20% per annum (5–25 years straight line)

Plant and machinery

4-25% per annum (4–25 years straight line)

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, associates 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 2022

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.

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 filmmaking activity. The funds held on behalf of filmmakers ("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.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (continued)

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.

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 2022

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:

		2022 £'000	2021 £'000
Revenue Grant in Aid funding	Unrestricted	16,580	16,649
Revenue Grant in Aid funding	Restricted	35,408	55,596
		51,988	72,245
Capital Grant in Aid funding		2,082	1,987

Restricted Revenue Grant in Aid funding includes funds for Northern Ireland of £5.8m (2021: £4.3m), Education (Film Academies) of £1m (2021: £1m), Young Audience Content Fund of £10.7m (2021: £18.8m), Culture Recovery Fund £7.8m (2021: £29.2m) and other funding of £12.2m – see note 24.

The Reserves balances carried forward at the end of the year are £5.1m (2021: £0.6m) for restricted funds and £nil (2021: £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.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

2. OTHER SIGNIFICANT TRANSACTIONS (continued)

b) Governors

The Governors neither received nor waived any emoluments during the year (2021: £nil). Governors' expenses amounted to £nil in the year (2021: £nil). No governor claimed expenses during the year (2021: £nil). No payments were made in the year for services (2021: £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 £11,125 (2021: £7,950), 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:

		2022 £'000	2021 £'000
<i>Income from generated funds – Other grants, legacies and donations includes:</i>			
Grants receivable from BFI Trust	Restricted	1,835	100
	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 2022

3. INCOME – GROUP

	Unrestricted	Non-Lottery Restricted	Lottery Restricted	Total Non-Lottery
	2022	2022	2022	2022
	£'000	£'000	£'000	£'000
<i>Income and endowments from charitable activities (earned income)</i>				
Audiences	20,198	-	-	20,198
Learning & Skills	155	-	-	155
	20,353	-	-	20,353
<i>Income from Donations and legacies</i>				
Voluntary Income				
Lottery proceeds	-	-	48,951	48,951
Lottery recoupment income	-	-	1,765	1,765
Revenue Grant in Aid funding	16,580	35,408	-	51,988
Capital Grant in Aid funding	-	2,082	-	2,082
Other grants, legacies and donations	926	3,896	28	4,850
Donated services and facilities	-	2,344	-	2,344
	17,506	43,730	50,744	111,980
Investment income	-	-	-	-
Total Income	37,859	43,730	50,744	132,333
	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
	13,863	-	-	13,863
<i>Income from Donations and legacies</i>				
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
	18,447	63,258	50,033	131,738
Investment income	17	-	10	27
Total Income	32,327	63,258	50,043	145,628

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

3. INCOME – GROUP (continued)

	2022 £'000	2021 £'000
Sponsorship and other income included in Income from charitable activities (earned income):		
Sponsorship income, associated with the costs of generating voluntary income	1,698	1,624
Other income, associated with the costs of generating voluntary income	-	-
	<u>1,698</u>	<u>1,624</u>
Costs of generating funds		
Costs of generating voluntary income	<u>(1,864)</u>	<u>(1,859)</u>

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 £1,698,000 (2021:£1,624,000) raised by the teams.

This income primarily relates to the corporate sponsorship of the BFI London Film Festival and BFI Flare film festival.

4. DONATED SERVICES AND FACILITIES

	2022 £'000	2021 £'000
Publicity and advertising	1,509	355
Buildings and facilities	619	-
Services and equipment hire	188	-
Food and drink	29	1
	<u>2,345</u>	<u>356</u>

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

5. INVESTMENT INCOME – GROUP

	Unrestricted £'000	Lottery Restricted £'000	2022 Total £'000	Unrestricted £'000	Lottery Restricted £'000	2021 Total £'000
Bank interest receivable	-	69	69	17	10	27

Bank interest receivable was £69,000 (2020: £27,000) of which £Nil was unrestricted bank interest income (2021: £17,000) and £69,000 was restricted bank interest income (2021: £27,000).

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

6. EXPENDITURE – GROUP

	Direct Costs 2022 £'000	Allocated Pension charges 2022 £'000	Allocated Support costs 2022 £'000	Total 2022 £'000
Audiences	(72,258)	(6,638)	(4,643)	(83,539)
Learning & Skills	(14,419)	(453)	(292)	(15,164)
Talent	(31,137)	(885)	(95)	(32,117)
Leadership	(1,097)	(431)	(60)	(1,588)
Costs of generating voluntary income	(1,864)	-	-	(1,864)
Total resources expended	(120,775)	(8,407)	(5,090)	(134,272)

	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	(145,919)	(5,812)	(4,880)	(156,611)

Expenditure on charitable activities was £132,408,000 (2021: £154,753,000) of which £44,997,000 was unrestricted (2021: £38,833,000), £39,450,000 was restricted (2021: £62,434,000) and £47,961,000 was Lottery funded restricted expenditure (2021: £53,484,000).

As part of the Government's support during the pandemic the BFI has been awarded £7.8m (2021: £29.2m) in aid from the Culture Recovery Fund to support independent cinemas (Audiences), of which £5.3m (2021: £28.7m) was used to make awards in the year.

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:

Nature of cost	Allocation basis	2022 £'000	2021 £'000
IT and finance support	Combination of head count and departmental spend	(2,592)	(2,481)
Human resources	Head count	(515)	(445)
Premises and utilities	Combination of floor area and head count	(729)	(710)
Communication and marketing	Direct spend and percentage of income generated	(574)	(517)
Other overheads	Combination of time and department spend	(408)	(372)
Governance costs	Departmental spend	(270)	(354)
Total support		(5,088)	(4,880)
Pension cost (note 8)	Net revenue account cost	(8,407)	(5,812)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

6. EXPENDITURE – GROUP (continued)

	2022 £'000	2021 £'000
Governance costs:		
Audit fees: Charity (excluding Lottery)	(105)	(97)
Audit fees: Lottery	(52)	(52)
Audit: subsidiaries (British Screen group of companies)	(5)	(6)
Audit: subsidiary (British Film Institute (Big Screen) Limited)	(5)	(5)
Audit: subsidiary (BFI Enterprise Limited)	(8)	(8)
Audit of UK Media Desk grant claim	-	(4)
Trustees' costs	(1)	(1)
Corporate policy and planning	(94)	(181)
Total governance	(270)	(354)

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.

Net resources expended before transfers are stated after charging:

	2022 £'000	2021 £'000
Auditors' remuneration (analysed above)	(175)	(172)

Auditors' remuneration for the National Audit Office includes £nil fees for non audit services (2021: £nil). The National Audit Office provided audit services for the Charity and Lottery, with the subsidiary and other audits performed by Brebners LLP.

	2022 £'000	2021 £'000
Foreign exchange (losses) / gains	(20)	1
Depreciation	(5,208)	(5,616)
Amortisation of goodwill	(40)	(157)
Charges for operating leases:		
Land and buildings	(1,885)	(1,886)
Plant & machinery	(5)	(41)
Film rights adjustments:		
Film rights adjustments	(13,380)	(19,430)

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.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

6. EXPENDITURE – GROUP (continued)

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:

	2022 £'000	2021 £'000
Creative England	-	(300)
Film London	(2,774)	(1,974)
Northern Ireland Screen: Irish Language Fund	(3,930)	(3,180)
Northern Ireland Screen: Ulster Scots Fund	(1,893)	(1,143)
Film Academy awards	(718)	(713)
Global Screen Fund	(5,548)	-
Culture Recovery Fund	(4,241)	-
Young Audience Content Fund	(8,421)	(17,909)
	(27,525)	(25,219)

In addition to the above further Grant-in-Aid awards were made to partner organisations on or before 31 March 2022 for funded activity commencing on or after 1 April 2022. These are disclosed in note 27: Contingent Liabilities.

	2022 £'000	2021 £'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	(27,942)	(30,017)
Heritage 2022 – award to the BFI – Gross transfers between funds, note 24: Statement of Funds	-	(2,888)
Film Festivals – award to BFI LFF – Gross transfers between funds, note 24: Statement of Funds	(1,134)	(250)
Lottery – non-film rights awards per Lottery Statement of Comprehensive Net Expenditure	(29,076)	(33,155)

7. STAFF COSTS

	2022 £'000	2021 £'000
Staff costs consists of:		
Wages & salaries	(24,337)	(23,154)
Social security costs	(2,580)	(2,313)
Pension costs (see note 8)	(6,342)	(4,249)
	(33,259)	(29,716)
Agency staff costs included in Wages & salaries above	(413)	(421)
Staff costs capitalised and not included above	(39)	(89)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

7. STAFF COSTS (continued)

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

	2022	2022	2022
	Full Time	Part Time	Total
Costs of generating voluntary income	14	4	18
Audiences	325	81	406
Learning & Skills	32	8	40
Talent	38	9	47
Leadership	28	8	36
	437	110	547
	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
	387	110	497
	2022	2021	
	Number	Number	
Average number of full time equivalent Agency staff at the BFI during the year	7	7	

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

7. STAFF COSTS (continued)

Higher paid employees

	2022 £'000	2021 £'000
Chief Executive – pay for the full year		
Ben Roberts		
Lottery – non-film rights awards included in the SOFA – Expenditure on Charitable activities	150	150

Including bonuses totalling £Nil (2021: £Nil). Employer's pension contributions for the year amounted to £23,000 (2021: £23,000).

	2022 £'000	2021 £'000
Executive Team Members (including the Chief Executive)		
£150,000 – £159,999	-	1
£140,000 – £149,999	1	-
£130,000 – £139,999	1	1
£120,000 – £129,999	2	2
£110,000 – £119,999	1	2
Cost	£712,000	£776,000
Other senior staff		
£100,000 - £109,999	4	1
£90,000 - £99,999	8	7
£80,000 - £89,999	18	17
£70,000 - £79,999	14	19
£60,000 - £69,999	27	23
Cost	£5,518,000	£5,093,000
Total Cost	£6,230,000	£5,869,000

Included in the above are 51 (2021: 48) staff who are ordinary members of the LPFA pension scheme. The amount of employer's pension contributions attributable to these staff amounted to £647,000 (2021: £603,000). There were 26 (2021: 24) staff who were members of defined contribution schemes.

The amount of employer's pension contributions attributable to these staff amounted to £103,100 (2021: £99,000). A number of Executive staff and other employees have interests in award applications which have been fully disclosed in note 30: Related Parties.

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 2022 under the requirements of FRS102. Therefore, as at 31 March 2022, a pension liability of £74,100,000 (2021: £94,809,000) 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 £413,000 (2021: £399,000).

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 (2021: 36) former employees and their spouses or dependents. The total actuarial valuation for this liability at 31 March 2022 is included in the pension provision.

For FRS 102 disclosure, the full valuation at 31 March 2022 has been updated by the actuaries, Barnett Waddingham, to assess the liabilities of the scheme as at 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

8. PENSIONS (continued)

The most significant actuarial assumptions in this recent valuation are:

		2022	2021
		%	%
		Per annum	Per annum
Rate of increase in prices	RPI	4.3	3.2
Rate of increase in prices	CPI	3.3	2.9
Rate of increase in salaries		4.3	3.9
Rate of increase in pensions in payment		3.3	2.9
Discount rate		2.6	2.0

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

	2022	2021
	Years	Years
Life expectancy at age 65 of female aged 45	26.1	26.1
Life expectancy at age 65 of female aged 65	24.4	24.3
Life expectancy at age 65 of male aged 45	23.5	23.4
Life expectancy at age 65 of male aged 65	22.0	22.0

BFI share of net pension liability as at 31 March:	2022	2021	2020	2019	2018
	£'000	£'000	£'000	£'000	£'000
Fair value of employer assets	139,001	121,020	104,704	109,847	101,586
Present value of scheme liabilities	(210,865)	(213,418)	(164,675)	(172,316)	(164,891)
Net underfunding in funded plans	(71,864)	(92,398)	(59,971)	(62,469)	(63,305)
Present value of unfunded liabilities	(2,216)	(2,411)	(2,072)	(2,228)	(2,343)
Net pension deficit	(74,080)	(94,809)	(62,043)	(64,697)	(65,648)

Assets – Split of Investments by Category	2022	Asset	2021	Asset
Assets whole fund	£'000	Distribution	£'000	Distribution
		%		%
Equities	79,118	57%	67,192	55%
Target return funds	29,938	22%	27,770	23%
Infrastructure	14,161	10%	10,335	9%
Properties	12,472	9%	10,669	9%
Cash	3,312	2%	5,054	4%
Total	139,001	100%	121,020	100%

Analysis of the amount chargeable to expenditure under FRS102	2022	2021
	£'000	£'000
Current service cost	(5,623)	(3,716)
Past service cost	(99)	-
Contributions in respect of defined contribution schemes	(620)	(533)
Sub-total reflected in Staff costs (note 7)	(6,342)	(4,249)
Administration expenses	(157)	(136)
Net Interest on the defined liability	(1,908)	(1,427)
Total expenditure	(8,407)	(5,812)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

8. PENSIONS (continued)

Analysis of amount recognised in the SOFA	2022 £'000	2021 £'000
Return on plan assets in excess of interest	16,391	14,783
Change in demographic assumptions	-	1,769
Experience (losses) / gains arising on the scheme liabilities	(427)	2,142
Changes in assumptions underlying the present value of the scheme liabilities	10,221	(48,838)
Actuarial gain / (loss) recognised in SOFA	26,185	(30,144)

Reconciliation of defined benefit obligation	2022 £'000	2021 £'000
Defined benefit obligation in scheme at beginning of year	(215,829)	(166,747)
<i>Movement in year:</i>		
Current service cost	(5,623)	(3,716)
Interest cost	(4,272)	(3,878)
Contributions by members	(929)	(872)
Unfunded benefits paid	151	151
Past service cost	(99)	-
Benefits paid	3,726	4,160
Change in demographic assumptions	-	1,769
Experience gains / (losses) on defined benefit obligation	(427)	2,142
Change in financial assumptions	10,221	(48,838)
Deficit in scheme at end of the year	(213,081)	(215,829)

Reconciliation of fair value of employer assets	2022 £'000	2021 £'000
Fair value of employer assets in scheme at beginning of year	121,020	104,704
<i>Movement in year:</i>		
Interest on assets	2,364	2,451
Return on assets less interest	16,391	14,783
Contributions by members	929	872
Administration expenses	(157)	(136)
Contributions by the employer, including in respect of unfunded benefits	2,331	2,657
Benefits paid, including unfunded benefits	(3,877)	(4,311)
Fair value of employer assets in scheme at end of year	139,001	121,020

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

8. PENSIONS (continued)

History of experience gains and losses	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Fair value of employer assets	139,001	121,020	104,704	109,847	101,586
Present value of defined benefit obligation	(213,081)	(215,829)	(166,747)	(174,544)	(167,234)
Deficit	(74,080)	(94,809)	(62,043)	(64,697)	(65,648)
Experience (losses) / gains on assets	16,391	14,783	(3,039)	6,096	3,153
Experience (losses) / gains on liabilities	(427)	2,142	(1,094)	-	-

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

	£'000	£'000	£'000
Adjustment to discount rate			
Present value of total obligation	+0.1%	0.0%	-0.1%
Projected service cost	208,775	213,081	217,481
	4,843	5,001	5,163
Adjustment to long term salary increase			
Present value of total obligation	+0.1%	0.0%	-0.1%
Projected service cost	213,480	213,081	212,686
	5,004	5,001	4,998
Adjustment to pension increases and deferred valuation			
Present value of total obligation	+0.1%	0.0%	-0.1%
Projected service cost	217,050	213,081	209,193
	5,162	5,001	4,844
Adjustment to mortality age rating assumption			
Present value of total obligation	+ 1 Year	None	- 1 Year
Projected service cost	222,454	213,081	204,121
	5,225	5,001	4,785

9. INTANGIBLE FIXED ASSETS (Group)

Goodwill	Group £'000
Goodwill on Acquisition	
At 1 April 2021 and 31 March 2022	1,574
Goodwill Amortisation	
At 1 April 2021	(1,534)
Amortisation in the year	(40)
At 31 March 2022	(1,574)
Net Book Value	
At 31 March 2022	-
At 1 April 2021	40

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

10. TANGIBLE FIXED ASSETS (Group and Charity)

	Long leasehold property	Short leasehold property improvements	Computer and other IT equipment	Furniture fixtures and fittings	Plant and machinery	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 April 2021	77,926	12,819	8,582	3,023	7,139	741	110,230
Additions	500	-	607	347	664	1,400	3,518
Disposals	-	-	-	(209)	(205)	-	(414)
Reclassification	41	(41)	-	120	621	(741)	-
Revaluation	4,533	813	-	-	-	-	5,346
At 31 March 2022	83,000	13,591	9,189	3,281	8,219	1,400	118,680
Depreciation							
At 1 April 2021	(13,657)	(8,711)	(5,942)	(1,387)	(5,476)	-	(35,173)
Charge for the year	(3,592)	(674)	(386)	(221)	(335)	-	(5,208)
Disposals	-	-	-	180	205	-	385
Revaluation	17,249	(556)	-	-	-	-	16,693
At 31 March 2022	-	(9,941)	(6,328)	(1,428)	(5,606)	-	(23,303)
Net Book Value							
At 31 March 2022	83,000	3,650	2,861	1,853	2,613	1,400	95,377
At 1 April 2021	64,269	4,108	2,640	1,636	1,663	741	75,057

The BFI's long leasehold properties BFI Southbank and BFI London IMAX, including associated plant and fixtures, were revalued as at 31 March 2022 by appropriately qualified valuers, Deloitte LLP, in accordance with FRS 102: Section 17 – Property Plant and Equipment. Since the previous valuation at 31 March 2017 the assets have been adjusted annually using appropriate indices. The latest full valuation has resulted in a net increase in value in the year of £21.8m (2021: decrease of £1.4m using indexation).

Short leasehold property improvements have been revalued using appropriate indices, resulting in a net increase in value in the year of £0.3m (2021: decrease of £0.2m). 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	Short leasehold property improvements	Computer and other IT equipment	Furniture fixtures and fittings	Plant and machinery	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 April 2021	40,409	11,274	8,582	3,023	7,139	741	71,168
Additions	500	-	607	347	664	1,400	3,518
Disposals	-	-	-	(209)	(205)	-	(414)
Reclassification	-	-	-	120	621	(741)	-
At 31 March 2022	40,909	11,274	9,189	3,281	8,219	1,400	74,272
Depreciation							
At 1 April 2021	(18,888)	(7,333)	(5,942)	(1,387)	(5,476)	-	(39,026)
Charge for the year	(1,249)	(1,033)	(386)	(221)	(335)	-	(3,224)
Disposals	-	-	-	180	205	-	385
At 31 March 2022	(20,137)	(8,366)	(6,328)	(1,428)	(5,606)	-	(41,865)
Net Book Value							
At 31 March 2022	20,772	2,908	2,860	1,853	2,611	1,400	32,407
At 1 April 2021	21,521	3,941	2,640	1,636	1,663	741	32,144

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

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 2022

12. INVESTMENTS (Charity)

Assets – Split of Investments by Category	2022			2022 Total
	BFI Big Screen	British Screen Finance Group	BFI Enterprise	
	£'000	£'000	£'000	£'000
Trading Account				
Income	2,722	291	3,088	6,101
Expenditure	(878)	(26)	-	(904)
Expenditure – BFI recharges	(40)	(28)	(1,669)	(1,737)
Net operating profit	1,804	237	1,419	3,460
Interest receivable and similar income	-	-	-	-
Surplus gift aided to the BFI	(1,804)	(237)	(1,419)	(3,460)
Net profit	-	-	-	-
Balance Sheet				
Stocks & work in progress	-	-	166	166
Debtors	2,040	61	89	2,190
Cash at bank and in hand	56	1,314	17	1,387
Current liabilities	(267)	(11)	(42)	(320)
Current liabilities – owed to the BFI	(1,829)	(352)	(137)	(2,318)
Total (BFI interest)	-	1,012	93	1,105

Trading Account	2021			2021 Total
	BFI Big Screen	British Screen Finance Group	BFI Enterprise	
	£'000	£'000	£'000	£'000
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				
Stock and 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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

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 Enterprise Limited	3088677
BFI (Big Screen) Limited (operates the theatrical and commercial activities of the BFI IMAX)	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)	01056412	100	100%
European Co-Production Fund Limited (ECF)	02631250	2	100%
British Screen Rights Limited (BSR)	02908542	2	100%
The Greenlight Fund Limited (GLF)	03191007	2	100%
National Film Development Fund (NFDF)	01268342	-	Not applicable
Associated undertakings			
British Film-Makers Limited (BFM)	00368248	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 2021 and 31 March 2022	2,450
Impairment	
At 1 April 2021 and 31 March 2022	(1,007)
Net Book Value	
At 1 April 2021 and 31 March 2022	1,443

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

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.

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:	2021-22 £'000	2020-21 £'000	2019-20 £'000	2018-19 £'000	2017-18 £'000
Production Awards	12,095	9,760	11,330	12,181	10,210
Vision Awards	906	1,411	1,238	1,323	1,368
Development Awards	292	227	534	284	333
Distribution Awards	178	161	235	220	489
Other Awards	-	-	-	-	30
Film Rights valuation	13,471	11,559	13,337	14,008	12,430

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:

	2021-22 £'000	2020-21 £'000	2019-20 £'000	2018-19 £'000	2017-18 £'000
Film rights – non-current	10,008	9,228	10,532	8,249	7,492
Film rights – current	3,463	2,331	2,805	5,759	4,938
	13,471	11,559	13,337	14,008	12,430

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

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

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.

Movements in the valuation of film rights	2021-22 £'000	2020-21 £'000	2019-20 £'000	2018-19 £'000	2017-18 £'000
Film rights valuation at 1 April	11,559	13,337	14,008	12,430	12,627
New commitments: made in year	21,000	22,275	17,002	20,840	18,783
Decommitments: new film rights in year	(25)	(370)	-	(3)	(23)
Decommitments: historical portfolio	(412)	(178)	(461)	(369)	(451)
Repayment of investments: new film rights in year	(1,186)	(1,528)	(285)	(588)	(508)
Repayment of investments: historical portfolio	(4,085)	(2,547)	(4,191)	(3,546)	(5,024)
Adjustments: new film rights in year	(17,233)	(17,559)	(13,932)	(16,110)	(15,530)
Adjustments: historical portfolio	(400)	(5,174)	(3,873)	(2,476)	(2,315)
Adjustments written back	4,253	3,303	5,069	3,830	4,871
Film rights valuation at 31 March	13,471	11,559	13,337	14,008	12,430

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 2.6% (2021: 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 2022, the Film Rights valuation for production awards is £12.1m (2021: £9.8m) and for all other Film Rights is £1.4m (2021: £1.8m) totalling £13.5m (2021: £11.6m). For production awards, were the recoupment levels and valuation to vary by +/- 5%, the impact of the valuation of Film Rights at 31 March 2022 would be £0.6m for 184 awards (2021: £0.5m for 207 awards).

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

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 £6.1m (2021: £4.3m). Were this default reduction percentage to change to +/- 10% the Film Rights valuation would change by:

	£'000 +10%	£'000 0%	£'000 -10%
2021-22	(950)	6,090	860
2020-21	(400)	4,320	390

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 2022 for production awards is US \$1.35 (2021: US \$1.30).

Had the pound sterling to US dollar exchange rate been \$1.45, for the purposes of the Film Rights valuation, then the valuation of the total of these production awards would be reduced by £0.4m (2021: \$1.40 and the awards at March 2021 would reduce by £0.5m). Were the valuation calculated using US \$1.25, then these valuations would be increased by £0.5m (2021: \$1.20 and the awards at March 2021 would increase by £0.6m).

Further information on the movement on film rights can be found on the BFI website: 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:

	2022 £'000	2021 £'000
Balance at 1 April	53,120	53,804
Income received from the Lottery receipts	48,882	49,044
Investment income earned on NLDF balances	69	29
Available for distribution	102,071	102,877
Cash drawn down	(51,130)	(49,757)
Balance at 31 March	50,941	53,120

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 (2021: £nil).

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

16. STOCKS AND WORK IN PROGRESS

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Work in progress	49	54	49	54
Finished goods	545	518	379	329
	594	572	428	383

17. DEBTORS

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Trade debtors	4,389	2,281	3,959	1,795
Amount owed by subsidiary undertakings	-	-	2,317	1,426
Other debtors	2,886	3,331	2,838	3,256
Prepayments and accrued income	6,959	25,125	5,256	24,948
	14,234	30,737	14,370	31,425

18. CASH AT BANK AND IN HAND

		Unrestricted £'000	Restricted £'000	2022 Total £'000	2021 Total £'000
Analysis of cash and cash equivalents					
Cash at bank and in hand	Group	600	38,907	39,507	32,557
Cash at bank and in hand	Charity	(787)	38,907	38,120	30,734

All cash at bank is held with UK commercial banks.

£4.3m (2021: £3.2m) 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.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

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 profit and loss account 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.

	2022 £'000	2021 £'000
Film rights – non-current	10,008	9,228
Film rights – current	3,463	2,331
	13,471	11,559

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:

	2022 £'000	%	2021 £'000	%
DCMS Grant-in-aid	51,988	39%	72,245	50%
DCMS Capital provision	2,082	2%	1,987	1%
Other legacies, grants and donations and investment income	4,919	4%	7,298	5%
Resources generated from charitable activities	20,353	15%	13,863	10%
Donated services and facilities	2,344	2%	356	0%
Lottery proceeds and receipts	50,647	38%	49,879	34%
	132,333	100%	145,628	100%

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 £59.3m at the balance sheet date (2021: £61.6m), sufficient liquid resources are available to cover all existing commitments totalling £46.6m (2021: £44.1m) and any other payables.

The non-Lottery cash holdings are considered sufficient to cover the non-Lottery other payables.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

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

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 £50.9m (2021: £53.1m) and the average investment return for the year was 0.1% (2021: 0.1%).

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 0.01% (2021: 0.13%). The group cash balance at the year end was £8.3m (2021: £8.4m).

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 2022 have a valuation of £13.5m (2021: £11.6m). 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 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Trade creditors	(2,662)	(4,087)	(2,662)	(4,078)
Other taxes and social security costs	(819)	(899)	(817)	(899)
Other creditors	(26,650)	(40,857)	(26,650)	(40,855)
Lottery awards payable (see note 23)	(35,470)	(35,711)	(35,470)	(35,711)
Accruals	(4,082)	(4,728)	(3,830)	(4,562)
Deferred income (see note 21)	(2,651)	(2,289)	(2,593)	(2,242)
	(72,334)	(88,571)	(72,022)	(88,347)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

21. DEFERRED INCOME

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
At 1 April	(2,289)	(1,646)	(2,242)	(1,088)
Amount released to income	2,289	1,646	2,242	1,088
Amount deferred in year	(2,651)	(2,289)	(2,593)	(2,242)
At 31 March	(2,651)	(2,289)	(2,593)	(2,242)

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

22. PROVISIONS (Group and Charity)

	2022 £'000	2021 £'000
Rewarding success awards		
At 1 April	(3,166)	(3,887)
New provisions in year	(2,308)	(1,252)
Amounts paid in year	1,146	1,973
At 31 March	(4,328)	(3,166)

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 filmmakers ("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)

	2022 £'000	2021 £'000
At 1 April	(35,711)	(30,920)
New film rights commitments in year	(21,785)	(22,275)
Commitments transferred from prior year provision for non-film rights awards	-	(1,973)
New non-film rights commitments in year	(26,548)	(28,688)
Decommitments	2,377	3,686
Amounts paid	46,197	44,459
At 31 March	(35,470)	(35,711)

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

		2022 £'000	2021 £'000
Reconciliation to Lottery accounts			
Creditors: amounts falling due within one year	Lottery awards payable	(35,470)	(35,711)
Provisions	Lottery awards payable	(4,328)	(3,166)
Other payables – Awards Commitments:	Heritage 2022 – eliminated on consolidation	(1,909)	(5,263)
Total Awards Commitments as per Lottery accounts		(41,707)	(44,140)
Lottery accounts – Awards Commitments represented by:			
Other payables – Awards Commitments		(18,235)	(18,495)
Provision for award commitments		(23,472)	(25,645)
		(41,707)	(44,140)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

24. STATEMENT OF FUNDS (Group and Charity)

GROUP

	At 1 April			Other recognised		At 31 March
	2021	Income	Expenditure	gains/(losses)	Transfers	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:						
Income funds excluding pensions asset/liability	33,065	37,859	(39,982)	-	3,518	34,460
Pension reserve	(89,859)	-	(4,895)	23,762	-	(70,992)
Fixed asset revaluation reserve	42,915	-	(1,984)	22,039	-	62,970
Total unrestricted funds	(13,879)	37,859	(46,861)	45,801	3,518	26,438
Donated Services and Facilities	-	2,344	(2,344)	-	-	-
Arts and Humanities Research Council	8	136	9	-	-	153
DCMS – Northern Ireland	-	5,824	(5,824)	-	-	-
DCMS – PRS	-	262	(262)	-	-	-
DCMS – Global Screen Fund	8	7,000	(6,551)	-	-	457
DCMS GiA – DFE	-	1,000	(1,000)	-	-	-
DCMS – Culture Recovery Fund	575	7,848	(5,276)	-	-	3,147
DCMS – Young Audience Content Fund	55	10,700	(9,293)	-	-	1,462
DCMS – GiA Film London SSSD	-	2,774	(2,774)	-	-	-
DCMS – Capital GiA	-	2,082	-	-	(2,082)	-
BFI Lottery – Heritage 2022	5,110	-	(3,205)	-	(167)	1,738
BFI Lottery – BFI London Film Festival	-	-	(1,134)	-	1,134	-
BFI Trust	-	1,835	-	-	(1,269)	566
Chaplin Foundation	41	-	-	-	-	41
Charles Skey Charitable Trust	-	60	(60)	-	-	-
CVC Foundation	-	86	(86)	-	-	-
Esmée Fairbairn Foundation	-	180	(167)	-	-	13
Film London	-	60	(60)	-	-	-
Friends of the BFI	43	66	(76)	-	-	33
H.M. Government – Dept for Work & Pensions	-	352	(352)	-	-	-
H.M. Government – Job Retention Scheme	-	274	(274)	-	-	-
Julia and Hans Rausing Trust	-	290	(290)	-	-	-
LUMA Foundation	30	-	-	-	-	30
Reuben Foundation	-	120	(120)	-	-	-
Simon Hessel	50	-	(20)	-	-	30
The David Lean Foundation	-	69	(9)	-	-	60
Other up to £50,000	86	368	(282)	-	-	172
Total restricted funds excluding lottery	6,006	43,730	(39,450)	-	(2,384)	7,902
Lottery funds:						
Lottery reserve	29,919	50,716	(47,371)	-	(1,134)	32,130
Donations and other income	-	28	(28)	-	-	-
Lottery share of pension reserve	(4,950)	-	(562)	2,424	-	(3,088)
Total Lottery funds	24,969	50,744	(47,961)	2,424	(1,134)	29,042
Total funds	17,096	132,333	(134,272)	48,225	-	63,382

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

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

CHARITY

	At 1 April			Other recognised		At 31 March
	2021	Income	Expenditure	gains/(losses)	Transfers	2022
	£'000	£'000	£'000	£'000	£'000	£'000
Unrestricted funds:						
Income funds excluding pensions asset/liability	36,050	35,218	(37,305)	-	3,518	37,481
Pension reserve	(92,541)	-	(4,895)	23,762	-	(73,674)
Fixed asset revaluation reserve	42,915	-	(1,984)	22,039	-	62,970
Total unrestricted funds	(13,576)	35,218	(44,184)	45,801	3,518	26,777
Donated Services and Facilities	-	2,344	(2,344)	-	-	-
Arts and Humanities Research Council	8	136	9	-	-	153
DCMS – Northern Ireland	-	5,824	(5,824)	-	-	-
DCMS – PRS	-	262	(262)	-	-	-
DCMS – Global Screen Fund	8	7,000	(6,551)	-	-	457
DCMS GiA – DFE	-	1,000	(1,000)	-	-	-
DCMS – Culture Recovery Fund	575	7,848	(5,276)	-	-	3,147
DCMS – Young Audience Content Fund	55	10,700	(9,293)	-	-	1,462
DCMS – GiA Film London SSSD	-	2,774	(2,774)	-	-	-
DCMS – Capital GiA	-	2,082	-	-	(2,082)	-
BFI Lottery – Heritage 2022	5,110	-	(3,205)	-	(167)	1,738
BFI Lottery – BFI London Film Festival	-	-	(1,134)	-	1,134	-
BFI Trust	-	1,835	-	-	(1,269)	566
Chaplin Foundation	41	-	-	-	-	41
Charles Skey Charitable Trust	-	60	(60)	-	-	-
CVC Foundation	-	86	(86)	-	-	-
Esmée Fairbairn Foundation	-	180	(167)	-	-	13
Film London	-	60	(60)	-	-	-
Friends of the BFI	43	66	(76)	-	-	33
H.M. Government – Dept for Work & Pensions	-	352	(352)	-	-	-
H.M. Government – Job Retention Scheme	-	274	(274)	-	-	-
Julia and Hans Rausing Trust	-	290	(290)	-	-	-
LUMA Foundation	30	-	-	-	-	30
Reuben Foundation	-	120	(120)	-	-	-
Simon Hessel	50	-	(20)	-	-	30
The David Lean Foundation	-	69	(9)	-	-	60
Other up to £50,000	86	368	(282)	-	-	172
Total restricted funds excluding lottery	6,006	43,730	(39,450)	-	(2,384)	7,902
Lottery funds:						
Lottery reserve	29,919	50,716	(47,371)	-	(1,134)	32,130
Donations and other income	-	28	(28)	-	-	-
Lottery share of pension reserve	(4,950)	-	(562)	2,424	-	(3,088)
Total Lottery funds	24,969	50,744	(47,961)	2,424	(1,134)	29,042
Total funds	17,399	129,692	(131,595)	48,225	-	63,721

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

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 – Northern Ireland	Support for Northern Ireland Screen Irish and Ulster Scots language programming
DCMS – PRS	Production Restart Support for UK film production emerging from COVID-19
DCMS – Global Screen Fund	Support UK film distribution overseas
DCMS GiA – DFE	Funds ring fenced for education projects supported by the Department for Education
DCMS – Culture Recovery Fund	Support for independent cinemas impacted by COVID-19 restrictions
DCMS – Young Audience Content Fund	Funding for new youth television content
DCMS – GiA Film London SSSD	Ring fenced grant in aid support for Film London
DCMS – Capital GiA	Grant in aid funds for capital expenditure
BFI Lottery – Heritage 2022	Awarded by the Lottery under Section 27 dispensation towards supporting UK Film Heritage
BFI Lottery – BFI London Film Festival	Awarded by the Lottery under Section 27 dispensation towards improving public access to the 2021 BFI London Film Festival.
BFI Trust	Support for estates related projects and planning, including capital expenditure.
Chaplin Foundation	Archive restoration and other work
Charles Skey Charitable Trust	COVID-19 recovery support and nitrate vault refurbishment
CVC Foundation	Supporting BFI Inclusion work
Esmée Fairbairn Foundation	Supporting BFI Replay as part of the Heritage 22 programme
Film London	LFF Industry Programme and Virtual Film Screening
Friends of the BFI	Various projects including funding the restoration of the RAT(1925), Keep Film on Film Campaign, Women Documentary Filmmakers project and the film “I know where I am going”.
H.M. Government – Dept for Work & Pensions	Support for Education project
H.M. Government – Job Retention Scheme	Support for staff on Furlough
Julia and Hans Rausing Trust	Online education activity and BFI at Home digital programming
LUMA Foundation	Anthony Balch project
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
The David Lean Foundation	Heritage 22 Paper Conservation
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 attached to the asset created.
Lottery funds:	
Donations and other income	Northern Ireland Screen support for Young people's Filmmaking Programme
Transfers	Relate to the s27 Lottery awards for other BFI activities (note 30).

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

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

Fund balances at 31 March 2022 are represented by:

	Group			Charity		
	Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Fixed assets:						
Intangible fixed assets	-	-	-	-	-	-
Tangible fixed assets	95,377	-	95,377	95,377	-	95,377
Investments	-	-	-	1,443	-	1,443
Non-current assets:						
Film rights	-	10,008	10,008	-	10,008	10,008
Current Assets						
Film rights	-	3,463	3,463	-	3,463	3,463
National Lottery Distribution Fund	-	50,941	50,941	-	50,941	50,941
Stocks and work in progress	594	-	594	428	-	428
Debtors	9,807	4,427	14,234	9,943	4,427	14,370
Cash at bank and in hand	600	38,907	39,507	(787)	38,907	38,120
Current assets	11,001	97,738	108,739	9,584	97,738	107,322
Current liabilities	(8,948)	(67,714)	(76,662)	(8,636)	(67,714)	(76,349)
Income funds excluding pensions net liability	97,430	40,032	137,462	97,769	40,032	137,801
Long term pension liabilities	(70,992)	(3,088)	(74,080)	(70,992)	(3,088)	(74,080)
Total net assets	26,438	36,944	63,382	26,777	36,944	63,721

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
Current Assets						
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 2022

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

	Group	Group	Charity	Charity
	2022	2021	2022	2021
	Unrestricted	Unrestricted	Unrestricted	Unrestricted
	£'000	£'000	£'000	£'000
Net free reserves				
Current assets	11,005	14,133	9,588	12,809
Current liabilities	(8,948)	(13,250)	(8,636)	(13,026)
Net free reserves	2,057	883	952	(217)

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 (2021: £1,104,000) which are available for donation to the Charity if required (note 12).

25. LEASE COMMITMENTS (Group and Charity)

As at 31 March 2022, the Charity had commitments in respect of non-cancellable operating leases as set out below:

	Land and buildings	Land and buildings	Other	Other
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Leases which expire:				
Less than 1 year	(1,876)	(1,876)	(5)	(41)
Within 2 to 5 years	(7,466)	(7,352)	(2)	(7)
Over 5 years	(10,021)	(11,437)	-	-
	(19,363)	(20,665)	(7)	(48)

26. CAPITAL COMMITMENTS (Group and Charity)

As at 31 March 2022, the BFI had capital commitments outstanding of £350,000 (2021: £9,000) relating to the property infrastructure and digital upgrade.

27. CONTINGENT LIABILITIES (Group and Charity)

At 31 March 2022 Grant in Aid awards had been made for activity commencing on or after 1 April 2022. As these are contingent upon the receipt of Grant

in Aid funding from DCMS in 2022-23 these are not taken to the Statement of Financial Activities in the year but are disclosed here.

	2022	2021
	£'000	£'000
Film London	(374)	(1,974)
Northern Ireland Screen: Irish Language Fund	-	(3,930)
Northern Ireland Screen: Ulster Scots Fund	-	(1,893)
	(374)	(7,797)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

27. CONTINGENT LIABILITIES (Group and Charity) (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 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.

	2022 £'000	2021 £'000
Contingent liability – rewarding success projects in film rights	(3,083)	(2,975)

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.

	2022 £'000	2021 £'000
<i>Prior year Lottery awards</i>		
Talent Network awards	(74)	(191)
Production awards	(430)	(97)
Development awards	(3)	(26)
<i>In year Lottery awards</i>		
Production awards	(6,581)	(3,081)
Distribution awards	(60)	(624)
Development awards	(504)	(457)
Network awards	(50)	(60)
Financial commitments – notified but not yet recognised in the financial statements	(7,702)	(4,536)

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:

	2022 £'000	2021 £'000
Not later than one year	(1,704)	(1,287)
Later than one year and not later than five years	(907)	(880)
Later than five years	-	-
Contracts for delivery of services	(2,611)	(2,167)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

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 £675m 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 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 yet possible to quantify the value of such land sales. However given the information above the BFI could expect to receive in excess of £5m.

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 (Chair) 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 (2021: £Nil) and

expenditure, primarily cinema hire for the BFI London Film Festival, of £67,820 (2021: £Nil).

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 £145,250 (2021: £282,231).

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 £145,250 (2021: £282,231).

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 £57,202 (2021: £Nil).

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 £47,000 was receivable in the year (2021: £42,700) with grant awards to them and other expenditure amounting to £16,724 (2021: £121,093). The British Council received a lottery award in the year ending 31 March 2022 totalling £Nil (2021: £Nil) of which a balance of £Nil (2021: £10,500) remained payable at that date.

Governors made unrestricted donations totalling £20,000 (2021: £30,000).

Executive directors made unrestricted donations totalling £Nil (2021: £1,500).

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

30. RELATED PARTIES (Group and Charity)

Lottery Awards

Recipient of funding	Name	Role with BFI	Relationship to recipient of funding	New Awards made Year Ended 31 March 2022 £	Balance as at 31 March 2022 £
BFI – London Film Festival	Ben Roberts	CEO	CEO	1,400,000	-
BFI – Heritage 2022	Ben Roberts	CEO	CEO	-	1,912,034
StudioCanal Ltd	Idris Elba	Governor (until 24 May 2022)	Film Director	-	60,000
StudioCanal Ltd	Ben Luxford	Head of Audience Fund	Partner is employee of StudioCanal Ltd	-	60,000

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 2022 totalling £94,000 (2021: £9,400) of which a balance of £67,560 (2021: £38,911) remained payable at that date. The BFI transacted with the BAFTA on an arm's length basis during the year with sales of £3,068 (2021: £Nil) and purchases of £43,336 (2021: £17,400).

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 Lottery etc. Act 1993 (as amended by the National Lottery Act 1998) the Secretary of State did not object to an award of £1,400,000 to the BFI in relation to the London Film Festival. The award of £1,400,000 was made in July 2021 however as a result of the actual associated expenditure incurred against this, only £1,135,000 was drawn down with the balance of the award falling in the subsequent year.

No new award was made in the year under these powers to the Heritage 2022 strategy.

31. LOSSES AND SPECIAL PAYMENTS (Group and Charity)

There were no losses or special payments in the year (2021: none).

32. POST BALANCE SHEET EVENTS (Group and Charity)

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. The Accounting Officer authorised these financial statements for issue at 18 January 2023.

Lottery Financial Statements

BRITISH FILM INSTITUTE FOR THE YEAR ENDED 31 MARCH 2022 LOTTERY FINANCIAL STATEMENTS

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 (as amended by the National Lottery Act 1998) 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; and 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 are 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 (as amended by the National Lottery Act 1998).

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
Governor



Ben Roberts
Chief Executive

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL, TO THE HOUSE OF COMMONS AND THE SCOTTISH PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the British Film Institute Lottery distribution accounts for the year ended 31 March 2022 under the National Lottery etc. Act 1993.

The financial statements comprise the British Film Institute Lottery distribution accounts'

- Statement of Financial Position as at 31 March 2022;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the British Film Institute Lottery distribution accounts' affairs as at 31 March 2022 and its surplus 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 (UK) (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 Lottery distribution accounts 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 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 Lottery distribution accounts' 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 certificate. The going concern basis of accounting for the British Film Institute Lottery distribution accounts 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.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS (continued)

Other Information

The other information comprises information included in the Remuneration Report, but does not include the financial statements nor my auditor's certificate and report. 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 certificate, 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 part of the Annual Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the National Lottery etc Act 1993.

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

- the parts of the Annual Report subject to audit 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 for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the British Film Institute Lottery distribution accounts 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:

- I have not received all of the information and explanations I require for my audit; or
- adequate accounting records have not been kept by the British Film Institute Lottery distribution accounts 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 Annual Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Governors and Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- the preparation of the financial statements and Annual Report in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring that the Annual Report and accounts as a whole is fair, balanced and understandable;
- internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS (continued)

- assessing the British Film Institute Lottery distribution accounts' 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 Lottery distribution accounts 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

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

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I considered the following:

- the nature of the sector, control environment and operational performance including the design of the British Film Institute Lottery distribution accounts' accounting policies.
- Inquiring of management, the British Film Institute Lottery distribution accounts' head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the British Film Institute Lottery distribution accounts' 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 Lottery distribution accounts' controls relating to the British Film Institute Lottery distribution accounts' compliance with the National Lottery etc Act 1993 and Managing Public Money ;
- discussing among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the British Film Institute Lottery distribution accounts for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions, bias in management estimates. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS (continued)

I also obtained an understanding of the British Film Institute Lottery distribution accounts' framework of authority as well as other legal and regulatory frameworks in which the British Film Institute Lottery distribution accounts operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the British Film Institute Lottery distribution accounts. The key laws and regulations I considered in this context included the National Lottery etc Act 1993, Managing Public Money, employment law, pensions legislation and tax Legislation.

Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management and the Audit, Risk and Governance Committee concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Governors and internal audit reports;
- 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
- other audit procedures responsive to the risk of fraud, non-compliance with laws and regulation or irregularity as appropriate

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members 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: frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

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

18 January 2023

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

Lottery Financial Statements

Registered charity number 287780

BRITISH FILM INSTITUTE GROUP AND NATIONAL LOTTERY ANNUAL REPORT AND FINANCIAL STATEMENTS 2021-22

STATEMENT OF COMPREHENSIVE NET EXPENDITURE YEAR ENDED 31 MARCH 2022

	Notes	2021-22	2020-21
	£'000	£'000	£'000
Income			
Proceeds from the National Lottery	2	48,882	49,044
National Lottery Distribution Fund investment income	2	69	29
Recoupment income			
– Arts Council England and UK Film Council portfolio	3	119	275
– BFI portfolio	3	1,555	528
Other income		118	97
Total income		50,743	49,973
Expenditure			
Lottery – non-film rights awards	4	(29,076)	(32,037)
Adjustments against film rights	5	(17,633)	(22,733)
Reversal of adjustments against film rights	5	4,253	3,303
Operating costs	8	(6,651)	(5,488)
Leasehold improvements	9	-	(362)
Total expenditure		(49,106)	(57,317)
Operating surplus/(deficit)		1,637	(7,344)
Bank interest receivable		-	10
Surplus/(deficit) for the year		1,637	(7,334)
Other comprehensive income/(expenditure)			
Actuarial gain/(loss)	7	2,424	(2,052)
Total other comprehensive income/(expenditure)		2,424	(2,052)
Total comprehensive income/(expenditure)		4,061	(9,386)

All activities were on a continuing basis.

The accompanying notes on pages 163 to 185 form part of these accounts.

LOTTERY FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION YEAR ENDED 31 MARCH 2022

	Notes £'000	At 31 March 2022 £'000	At 31 March 2021 £'000
Non-current assets			
Right of use asset	10	1,395	1,550
Film Rights	5	10,008	9,228
Total non-current assets		11,403	10,778
Current assets			
Film rights	5	3,463	2,331
National Lottery Distribution Fund	2	50,941	53,120
Trade and other receivables falling due within one year	11	1,163	1,120
Cash and cash equivalents	12	8,340	8,449
Total current assets		63,907	65,020
Current liabilities			
Trade and other payables	14	(225)	(334)
Other payables - award commitments	15	(18,236)	(18,495)
Provisions	16	(23,473)	(25,644)
Total current liabilities		(41,934)	(44,473)
Total net current assets		21,973	20,547
Non-current liabilities			
Lease payables due after one year	14	(1,289)	(1,437)
Pension liability	7	(3,088)	(4,950)
Total non-current liabilities		(4,377)	(6,387)
Total assets less liabilities		28,999	24,938
Capital and reserves			
Lottery reserve		32,087	29,888
Pension reserve	7	(3,088)	(4,950)
		28,999	24,938

The accompanying notes on pages 163 to 185 form part of these accounts.

The financial statements were approved and authorised for signature by the Governors on 16 January 2023.



Phil Stokes
Governor



Ben Roberts
Chief Executive

LOTTERY FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2022

	Notes £'000	Lottery Reserve £'000	Pension Reserve £'000	Total Reserve £'000
Balance at 31 March 2020		36,996	(2,672)	34,324
(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		29,888	(4,950)	24,938
Surplus/(deficit) for the year		2,199	(562)	1,637
Re-measurements in the year	7	-	2,424	2,424
Balance at 31 March 2022		32,087	(3,088)	28,999

The accompanying notes on pages 163 to 185 form part of these accounts.

LOTTERY FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS YEAR ENDED 31 MARCH 2022

	Notes	2021-22 £'000	2020-21 £'000
Operating surplus/deficit			
Operating surplus/deficit		1,637	(7,334)
(Increase)/decrease in film rights falling due in excess of one year	5	(780)	1,304
(Increase)/decrease in film rights falling due within one year	5	(1,132)	474
Decrease in trade receivables	2,11	2,291	693
Decrease in trade payables	14	(257)	(720)
Decrease in award payables	15	(259)	(3,588)
(Decrease)/increase in other payables – provisions	16	(2,171)	8,835
Non cash pension movements	7	562	226
Interest received		-	(10)
Reclassification of receipts from National Lottery Distribution Fund as cashflows from investing activities	2	(51,130)	(49,757)
Reclassification of rental payments to cashflows from financing activities	10	145	141
Reclassification of interest payable for lease liabilities to cashflows from financing activities	10	31	35
Net cash (used in)/from operating activities		(51,063)	(49,701)
Cashflows from operating activities			
Interest received		-	10
Cash receipts from National Lottery Distribution Fund	2	51,130	49,757
Cashflows from investing activities		51,130	49,767
Cashflows from financing activities			
Interest payable for lease liabilities	10	(31)	(35)
Repayment of lease liabilities	10	(145)	(141)
Cashflows (used in)/from financing activities		(176)	(176)
Decrease in cash in the year		(109)	(110)
Cash and cash equivalents at 1 April 2021	12	8,449	8,559
Cash and cash equivalents at 31 March 2022		8,340	8,449

The accompanying notes on pages 163 to 185 form part of these accounts.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES

Basis of Accounting

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 ongoing Statutory appointment of the BFI as a lottery distributor, bringing a certainty of future revenues, combined with the year end reserves of £29.0m (2021: £24.9m)

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 governors 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 online 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 amended by the National Lottery Act 1998).

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 cannot 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.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (continued)

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 5: Film Rights. The recharge of operating costs is 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 8: Operating Costs and information on the assumptions underlying the pension valuation can be found in note 7: Pensions.

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 headcount, office space occupied, activity levels and additional expenditure incurred. These departments include Finance, People & Business Operations; Corporate & Industry 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 in the National Lottery Distribution Fund are held as financial instruments recognised 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 13 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.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (continued)

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. This was continued for the year ending 31 March 2021 in light of the continuing uncertainties arising from the pandemic prevalent at the time, however with the removal of all COVID-19 related restrictions, this was removed as at March 2022.

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.

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 the 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 Activities on a straight-line basis over the lease term.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (continued)

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.

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.

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 2022. 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 2021-22 all activities in these accounts are programme spend.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

1. ACCOUNTING POLICIES (continued)

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 any 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:

	2021-22 £'000	2021-22 £'000
Opening balance held at the NLDF	53,120	53,804
Income received from the Lottery	48,882	49,044
Investment income earned	69	29
Available for distribution	102,071	102,877
Cash drawn down	(51,130)	(49,757)
Balance as at 31 March	50,941	53,120

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 (2021: nil).

Income received from the Lottery

Underlying lottery sales in 2021-22 whilst at first sight appearing largely static over the year in full, in reality reflect a slight downward trend when taking into account the low levels of income in the early weeks of the prior year arising in the early weeks of the COVID-19 lockdowns. However, the income includes the variable factor of receipts of unclaimed prize money:

	2021-22 £'000	2021-22 £'000
Unclaimed prize money	2,998	2,744

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

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.

	2021-22 £'000	2020-21 £'000
Total film receipts taken as income	1,674	803
Total film receipts taken against film rights on the statement of financial position	5,271	4,074
	6,945	4,877

Those film receipts where the revenue is taken as income related to:

	2021-22 £'000
6 films generating < £100,000	119
Arts Council England and UK Film Council portfolio	119
Ammonite	511
Saint Maud	123
Supernova	373
24 films generating < £100,000	548
BFI portfolio	1,555
	1,674

Total film receipts taken against film rights on the statement of financial position:

	2021-22 £'000
Beautiful Creatures (aka Creatures)	262
A Gaza Weekend	178
Ammonite – (fka Mary Anning)	473
Censor	298
Herself (fka Owned)	425
Supernova	522
Early Man United	184
The Girl with All the Gifts (aka She Who Brings Gifts)	119
Saint Maud	345
Birchanger Green	100
Blue Jean	100
Chuck Chuck Baby	100
GIRL – pre closing finance	100
Nezouh	100
Starve Acre	100
Stopmotion	100
The Unlikely Pilgrimage of Harold Fry	100
Tuesday	100
108 films generating < £100,000	1,565
	5,271

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

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 single year extension of our 5 year plan, BFI2022, to cover 2022-23 and in comparison to previous years, no significant multi-year awards were made. However, some awards were made in the year to March 2022 for activities to March 2023.

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:

	2021-22		2020-21	
	New awards in the year £'000	Decommitments* £'000	Awards net of fall ins £'000	Awards net of fall ins £'000
Funding to cover the future years				
Film Education awards	(5,387)	-	(5,387)	(4,888)
Film Skills Fund	(4,920)	-	(4,920)	(4,190)
Audience fund awards	(3,441)	-	(3,441)	(3,811)
Film Audience Network fund	(3,300)	-	(3,300)	(3,300)
Film Heritage fund	-	-	-	(3,263)
Talent Network awards	(1,317)	-	(1,317)	(1,210)
International awards	(575)	-	(575)	(575)
National Cluster Growth Fund awards	(455)	-	(455)	-
	(19,395)	-	(19,395)	(21,237)
Project or single year funding to cover the period to March 2022				
Rewarding Success	(2,308)	-	(2,308)	(1,252)
Creative Enterprise	(1,615)	1	(1,614)	(1,540)
Talent Network awards	(1,261)	78	(1,183)	(1,199)
London Film Festival	(1,400)	265	(1,135)	(250)
International awards	(1,293)	343	(950)	(646)
Production services award	(625)	-	(625)	(550)
Audience Fund	(418)	-	(418)	(971)
Research and Statistics awards	(412)	-	(412)	(634)
Film Academy awards	(501)	169	(332)	(363)
Film Audience Network fund	(160)	-	(160)	160
Distribution and Exhibition awards	(101)	2	(99)	(295)
Development Fund (non-film rights)	(30)	-	(30)	-
Development Fund	-	(9)	(9)	233
Education fund awards	-	-	-	(1,316)
Film Skills Fund awards	-	-	-	(400)
Vision awards	-	43	43	(1,000)
Film Fund awards (non-film rights)	(266)	170	(96)	(493)
	(10,390)	1,062	(9,328)	(10,516)
Activity support				
Research and statistics	(353)	-	(353)	(284)
	(353)	-	(353)	(284)
Total Lottery non-film rights	(30,138)	1,062	(29,076)	(32,037)

* 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 18.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

5. FILM RIGHTS

Under IFRS 9 the valuation of the film 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 criterion.

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

	2021-22	2020-21	2019-20	2018-19	2017-18
	£'000	£'000	£'000	£'000	£'000
Production Awards	12,095	9,760	11,330	12,181	10,210
Vision Awards	906	1,411	1,238	1,323	1,368
Development Awards	292	227	534	284	333
Distribution Awards	178	162	235	220	489
Other Awards	-	-	-	-	30
Film Rights valuation	13,471	11,559	13,337	14,008	12,430

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:

	2021-22	2020-21	2019-20	2018-19	2017-18
	£'000	£'000	£'000	£'000	£'000
Film rights – non-current	10,008	9,228	10,532	8,249	7,492
Film rights – current	3,463	2,331	2,805	5,759	4,938
	13,471	11,559	13,337	14,008	12,430

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 element of the award in the year in which it is committed.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

5. FILM RIGHTS (continued)

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	2021-22 £'000	2020-21 £'000	2019-20 £'000	2018-19 £'000	2017-18 £'000
Film rights valuation at 1 April	11,559	13,337	14,008	12,430	12,627
New commitments: made in year	21,000	22,275	17,002	20,840	18,783
Decommitments: new film rights in year	(25)	(370)	-	(3)	(23)
Decommitments: historical portfolio	(412)	(178)	(461)	(369)	(451)
Repayment of investments: new film rights in year	(1,186)	(1,528)	(285)	(588)	(508)
Repayment of investments: historical portfolio	(4,085)	(2,547)	(4,191)	(3,546)	(5,024)
Adjustments: new film rights in year	(17,233)	(17,559)	(13,932)	(16,110)	(15,530)
Adjustments: historical portfolio	(400)	(5,174)	(3,873)	(2,476)	(2,315)
Adjustments written back	4,253	3,303	5,069	3,830	4,871
Film rights valuation at 31 March	13,471	11,559	13,337	14,008	12,430

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

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.

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 1.9% (2021: 3.7%).

As at 31 March 2022, the Film Rights valuation for production awards is £12.1m (2021: £9.8m) and for all other Film Rights is £1.4m (2021: £1.8m) totalling £13.5m (2021: £11.6m). For production awards, were the recoupment levels and valuation to vary by +/- 5%, the impact of the valuation of Film Rights at 31 March 2022 would be £0.6m for 182 awards (2021: £0.5m for 207 awards).

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

5. FILM RIGHTS (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 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 £6.1m (2021: £4.3m). Were this default reduction percentage to change by +/- 10% the Film Right valuation would change by:

	£'000 +10%	£'000 0%	£'000 -10%
2021-22	(950)	6,090	860
2020-21	(400)	4,320	390

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 2022 for production awards is US \$1.35 (2021:US \$1.30).

Had the pound sterling to US dollar exchange rate been \$1.45, for the purposes of the Film Rights valuation, then the valuation of the total of these production awards would be reduced by £0.4m (2021: \$1.40 and the awards at March 2021 would reduce by £0.5m). Were the valuation calculated using US \$1.25, then these valuations would be increased by £0.5m (2021: \$1.20 and the awards at March 2021 would increase by £0.6m).

Further information on the movement on film rights can be found on the BFI website: 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 (2021: none).

The costs of staff working wholly on Lottery activities comprised:

	2021-22 £'000	2020-21 £'000
Wages and salaries	1,960	1,826
Social Security costs	232	206
Pension service costs and other pension costs	396	312
	2,588	2,344

The average number of staff (full-time equivalents) employed during the year was made up as follows:

	2021-22 Number	2020-21 Number
Management and administration:		
Permanent staff	38	40

Staff costs for the year are contained within the costs apportioned from grant-in-aid on the statement of comprehensive net expenditure.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

6. STAFF COSTS (continued)

The remuneration of the Chief Executive Officer and costs attributable to Lottery during the year are as follows:

	2021-22 £	%	Attributable to Lottery £
Ben Roberts Salary and benefits	150,000		64,500
Total	150,000	43.0%	64,500
Pension contribution	23,028		9,902
	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

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 pension 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 (2021: £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 15.4% throughout the year (2021: 15.4%).

A valuation under IAS19 as at March 2022 was carried out by a qualified independent actuary. The assumptions used by the actuary for the BFI's scheme were:

The costs of staff working wholly on Lottery activities comprised:	2021-22 %	2020-21 %
Rate of increase in salaries	4.25	3.85
Rate of increase in pension payments	3.25	2.85
Discount rate	2.6	2.0
Inflation assumption (CPI)	3.25	2.85
<i>Average life expectancy at 65:</i>		
Under the adopted mortality tables, the assumed life expectancies from age 65, weighted by liability, are as follows:		
	2021-22 Years	2020-21 Years
Life expectancy at age 65 of female aged 45	26.1	26.1
Life expectancy at age 65 of female aged 65	24.4	24.3
Life expectancy at age 65 of male aged 45	23.5	23.4
Life expectancy at age 65 of male aged 65	22.0	22.0

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

7. PENSION BENEFITS (continued)

The estimated asset allocation as at 31 March was:

	2021-22 Long term rate of return expected £'000	2020-21 Long term rate of return expected £'000
Equities	8,051	6,693
Target return portfolio	3,107	2,798
Infrastructure	1,412	1,095
Property	1,271	1,095
Cash	282	486
Total market value of assets	14,123	12,167

	At 31 March 2022 £'000	At 31 March 2021 £'000	At 31 March 2020 £'000
The net pension liability was:			
Present value of funded obligation	(17,211)	(17,117)	(13,059)
Fair value of scheme asset	14,123	12,167	10,387
Net liability	(3,088)	(4,950)	(2,672)

The amounts recognised in the statement of comprehensive net expenditure are as follows:

	2021-22 £'000	2020-21 £'000
Current service cost	(710)	(455)
Net interest on the defined liability	(101)	(61)
Administration expenses	(20)	(17)
Total	(831)	(533)
Actual return on plan assets	1,885	1,709

The amounts recognised in the statement of changes in equity are as follows:

	£'000	£'000
Return on plan assets in excess of interest	1,647	1,466
Change in financial assumption	811	(3,686)
Experience (loss)/gain of defined benefit obligation	(34)	168
Remeasurements recognised in the statement of changes in equity	2,424	(2,052)
Cumulative remeasurements in statement of changes in equity	(2,223)	(4,647)

	2021-22 £'000	2020-21 £'000
Changes in the present value of the defined benefit obligation:		
Opening defined benefit obligation	(17,210)	(13,059)
Current service cost	(710)	(455)
Past service cost	-	-
Interest cost	(339)	(304)
Contributions by members	(117)	(107)
Change in financial assumptions	811	(3,686)
Experience (loss)/gain on defined benefit	(34)	168
Benefits paid	296	326
Closing defined benefit obligation	(17,211)	(17,117)

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

7. PENSION BENEFITS (continued)

Changes in the fair value of the scheme assets:

	2021-22 £'000	2020-21 £'000
Opening fair value of employer assets	12,167	10,387
Contributions by members	117	107
Contributions by employer	270	307
Interest on assets	238	243
Return on assets less interest	1,647	1,466
Admin expenses	(20)	(17)
Benefits paid	(296)	(326)
Net liability	14,123	12,167

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	16,863	17,211	17,566
	Projected service cost	612	631	652
Adjustment to long term salary increase		+0.1%	0.0%	-0.1%
	Present value of total obligation	17,243	17,211	17,179
	Projected service cost	632	631	631
Adjustment to pension increases and deferred valuation		+0.1%	0.0%	-0.1%
	Present value of total obligation	17,532	17,211	16,897
	Projected service cost	652	631	617
Adjustment to mortality age rating assumption		+ 1 year	0.0%	- 1 year
	Present value of total obligation	17,968	17,211	16,487
	Projected service cost	660	631	604
A history of experience gains and losses is shown below:		2021-22		2020-21
		£'000		£'000
Fair value of employer assets		14,123		12,167
Present value of defined benefit obligation		(17,211)		(17,117)
Deficit		(3,088)		(4,950)
Experience gains on assets		1,885		1,709

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.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

8. OPERATING COSTS AND OTHER FINANCE COSTS

	2021-22 £'000	2020-21 £'000
<i>Direct Lottery costs</i>		
Direct staff costs	2,588	2,342
Other staff costs (including agency staff, training and recruitment)	100	60
Travel and subsistence	33	-
Events and other hospitality	12	2
Professional fees: Audit – National Audit Office	52	52
Professional fees: other	86	46
Depreciation re right of use asset	155	155
Other	77	298
	3,103	2,956
Recharged costs from BFI non-lottery activities re support functions	3,396	2,420
Total operating costs	6,499	5,376
Finance costs		
Interest re lease on right of use asset	31	35
Net return on pension assets	121	77
Total financing costs	152	112
Total operating and other finance costs	6,651	5,488

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, Corporate & Industry 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 2021-22 these stood at £0.8m (2021: £0.8m).

9. LEASEHOLD IMPROVEMENTS

	2021-22 £'000	2020-21 £'000
Release of prepayment of capital transfer to BFI	-	362
	-	362

The final release of prepayment in 2020-21 related 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.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

10. RIGHT OF USE ASSETS and LEASE LIABILITIES

As at 31 March 2022, the BFI had a right of use asset reflecting 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 trade receivable split between the amounts falling due within and over one year – these are matched to the lease liability.

	At 31 March 2022 £'000	At 31 March 2021 £'000
Right of use asset at 1 April	1,550	1,705
Depreciation in year	(155)	(155)
Right of use asset at 31 March	1,395	1,550

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	1,580	1,721
Repayment of lease liabilities	(176)	(176)
Finance cost in year	31	35
Lease liability at 31 March	1,435	1,580

11. TRADE AND OTHER RECEIVABLES

	At 31 March 2022 £'000	At 31 March 2021 £'000
Trade and other receivables falling due within one year		
Trade debtors	457	823
Other receivables – BFI Exchequer	384	-
Other receivables	322	297
Total trade and other receivables falling due within one year	1,163	1,120

12. CASH AND CASH EQUIVALENTS

	At 31 March 2022 £'000	At 31 March 2021 £'000
Cash and cash equivalents at 1 April	8,449	8,559
Net change in cash and cash equivalent balances	(109)	(110)
Cash and cash equivalents at 31 March	8,340	8,449

£4.0m (2021: £3.2m) 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.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

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 ongoing 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.

	2021-22 £'000	2020-21 £'000
Film rights falling due in excess of one year	10,008	9,228
Film rights falling due within one year	3,463	2,331
Film rights valuations at 31 March	13,471	11,559

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.

Movements in the valuation of film rights	2021-22 £'000	%	2020-21 £'000	%
Income received from the National Lottery	48,882	87.3%	49,044	90.7%
Investment returns from the balance held at the NLDF	69	0.1%	29	0.1%
Recoupment income from film rights	6,945	12.4%	4,877	9.0%
Other income including legacies, grants and donations	118	0.2%	97	0.2%
	56,014	100.0%	54,047	100.0%

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

13. FINANCIAL INSTRUMENTS (continued)

	2021-22 £'000	2020-21 £'000
NLDF balance at 31 March as notified by the Secretary of State for Digital, Culture, Media and Sport	50,941	53,120
Lottery funds held in cash and cash equivalents by the BFI at 31 March	8,340	8,449
	59,281	61,569
	2021-22 £'000	2020-21 £'000
Lottery awards payable	18,236	18,495
Provision for non-Lottery film rights awards	23,473	25,644
Film rights award allocations noted as contingent liabilities	7,702	4,536
	49,411	48,675
Under commitment against funds available at 31 March	9,870	12,894

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.

	2021-22 £'000	2020-21 £'000
Market value of BFI investment at NLDF at 31 March	50,941	53,120
Average investment return at NLDF	0.19%	0.10%

Cash drawn from the NLDF, or received from other sources, to pay grant commitments and operating costs are held in variable rate bank accounts:

	2021-22 £000s	2020-21 £000s
Lottery funds held in cash and cash equivalents by the BFI at 31 March	8,340	8,449
Average interest rate on cash held in variable rate bank accounts	0.01%	0.13%

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

13. FINANCIAL INSTRUMENTS (continued)

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 2022 £'000	At 31 March 2021 £'000
Other payables (including lease liability)	225	334
Other payables due in < 1 year	225	334

	At 31 March 2022 £'000	At 31 March 2021 £'000
Other payables: lease liability	1,289	1,437
Lease payables due in >1 year	1,289	1,437

As at 31 March 2022, the BFI had total minimum payments under a non-cancellable operating lease relating to the BFI offices in London running until March 2031. Under IFRS 16: Lease Accounting, this is 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 2022 £'000	At 31 March 2021 £'000
Amounts payable within one year	147	144
Amounts payable within two to five years	618	607
Amounts payable over five years	671	830
	1,436	1,581

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

15. OTHER PAYABLES – AWARDS COMMITMENTS

	At 31 March 2022 £'000	At 31 March 2021 £'000
At 1 April	18,495	22,083
New film rights commitments in year	21,785	24,297
Commitments transferred from prior year provision for non-film rights awards	22,307	12,915
New non-film rights commitments in year	7,405	7,423
Decommitments	(1,062)	(1,679)
Amounts paid	(50,694)	(46,544)
At 31 March	18,236	18,495
	At 31 March 2022 £'000	At 31 March 2021 £'000
Award commitments payable at 31 March relate to:		
Audience Development Fund – Organisation	1,018	681
Audience Development Fund – Projects	1,025	941
BFI Film Academy	100	882
Creative Enterprise	-	221
Development Fund	1,608	1,201
Film Audience Network Fund	1,061	155
Film Heritage	1,911	2,226
International Fund	562	412
Into Film	4,800	250
National Cluster Growth Fund	270	1,045
Other	374	124
Production Fund	2,220	4,351
Research and Statistics Fund	475	354
Skills	1,742	3,576
Talent Development	884	867
Vision Awards	186	1,209
	18,236	18,495

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 2022 £'000	At 31 March 2021 £'000
Film Education Awards	9,522	4,887
Audience Fund	4,437	1,590
Heritage and Regional Archives	3,263	2,275
Film Audience Network	3,140	2,480
Talent Network	1,210	537
International	584	33
Research Fund	87	30
Film Academies	64	83
National Cluster Growth Fund	-	1,000
	22,307	12,915

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

15. OTHER PAYABLES – AWARDS COMMITMENTS (continued)

	At 31 March 2022 £'000	At 31 March 2021 £'000
Project funding to 31 March		
Creative Enterprise	1,615	1,540
London Film Festival award	1,400	1,250
Film Audience Network	1,160	213
International	1,002	676
Audience Fund	888	1,086
Production Services	625	550
Research Fund	412	553
Film Academies	303	247
Film Education Awards	-	1,308
New commitments in year	7,405	7,423

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 2022 £'000	At 31 March 2021 £'000
Non-film rights awards taken to SOCNE in the year	29,076	32,037
Less spend on activity support in year	(353)	(284)
Less new awards in year taken to SOCNE but recorded by way of provision at year end	(21,451)	(23,723)
Add back decommitments of awards from prior years taken as negative spend on SOCNE	133	(607)
New non-film rights commitments taken as awards payable	7,405	7,423
Ageing of award commitments, estimated date of payment:	At 31 March 2022 £'000	At 31 March 2021 £'000
Estimated payment within one year	18,236	18,495

16. PROVISIONS

	At 31 March 2022		At 31 March 2021	
	Non Film-Right Awards	Rewarding Success awards	Total	Total
	£'000	£'000	£'000	£'000
At 1 April	22,478	3,166	25,644	16,809
New provisions in the year	26,548	2,308	28,856	31,179
Provisions written back in year	(169)	-	(169)	(34)
Provisions released in year	-	(1,146)	(1,146)	(1,973)
Transferred to other payables – award commitments	(29,712)	-	(29,712)	(20,337)
Film Rights valuation	19,145	4,328	23,473	25,644

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.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

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 2022 £'000	At 31 March 2021 £'000
Film Education Awards	6,160	9,523
Skills Fund	4,150	-
Audience Fund	3,699	4,437
Film Audience Network	2,300	3,140
Talent Network	1,317	1,210
International	866	584
National Cluster Growth Fund	455	-
Film Academies	198	233
Heritage and Regional Archives	-	3,263
Research Fund	-	87
	19,145	22,478

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 filmmakers ("the locked box") represent the monies held for this initiative at the date of the statement of financial position and not yet drawn down.

	At 31 March 2022 £'000	At 31 March 2021 £'000
Ageing of provisions, estimated date of payment		
Amounts anticipated as payable within one year	23,473	25,644

At the date of the statement of financial position the BFI Lottery activities had no further provisions (2021: £nil).

17. CAPITAL COMMITMENTS

As at 31 March 2022, 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 (2021: £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.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

18. OTHER FINANCIAL COMMITMENTS and CONTINGENT LIABILITIES (continued)

	At 31 March 2022 £'000	At 31 March 2021 £'000
<i>Prior year awards</i>		
Talent Network awards	74	191
Production awards	430	97
Development awards	3	26
<i>In year awards</i>		
Production awards	6,581	3,081
Development awards	504	624
Talent Network awards	50	457
Distribution awards	60	60
Financial commitments notified but not yet recognised in the financial statements	7,702	4,536

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. Since the prior 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 2022 £'000	At 31 March 2021 £'000
Contingent liability - rewarding success projects in film rights	3,083	2,975

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 £675m 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 yet possible to quantify the value of such land sales. However given the information above the BFI could expect to receive in excess of £5m.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

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 2022 £	Balance as at 31 March 2022 £
BFI – London Film Festival	Ben Roberts	CEO	CEO	1,400,000	-
BFI – Heritage 2022	Ben Roberts	CEO	CEO	-	1,912,034
StudioCanal Ltd	Idris Elba	Governor (until 24 May 2022)	Film Director	-	60,000
StudioCanal Ltd	Ben Luxford	Head of Audience Fund	Partner is employee of StudioCanal Ltd	-	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 lottery awards in the year ending 31 March 2022 totalling £94,000 (2021: £9,400) of which £67,560 (2021: £9,400) remained payable at that date.

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 (as amended by the National Lottery Act 1998) the Secretary of State did not object to an award of to the BFI in relation to the London Film Festival. The award of £1,400,000 was made in July 2021 however as a result of the actual associated expenditure incurred against this, only £1,135,000 was drawn down with the balance of the award falling in the subsequent year.

No new award was made in the year under these powers to the Heritage 2022 strategy.

21. EVENTS AFTER THE REPORTING PERIOD

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.

The Accounting Officer authorised these financial statements for issue on 18 January 2023.

Schedule 1: New Lottery commitments (unaudited information) in the year ended 31 March 2022

All awards and delegations approved by the Lottery Finance Committee in the year to 31 March 2022 are listed below. In the financial statements these are represented as Non film right awards on the Statement of Comprehensive Net Expenditure (£26.5m), £21.2 m

were taken to the statement of financial position and subsequently impaired, with the remainder (£3.6m) disclosed within Other Financial Commitments in the notes to the accounts.

Producer	Project	£
011 Productions Ltd.	The Devil	4,500
65 Wilding Films Ltd	Claude	8,250
AIR STREET FILMS LIMITED	Folk	35,500
Alex Reuben Kinema Ltd	Trumpet Voluntary	24,500
Ardimages UK Limited	Emilia	32,000
Artemisia Films Limited	Chuck Chuck Baby	107,620
Atar Productions Limited	No Animals Were Harmed	29,500
Autonomous Limited	All Before You	35,600
Banging The Drum Ltd	Making Noise (fka Evelyn)	12,550
Barry Crerar Ltd	Girl	119,755
Berkeley Media Group Limited	Nezouh	100,000
Big Rich Films Limited	The Unravelling	7,750
Bird Flight Films Limited	Two Roads	10,750
Blonde to Black Pictures Ltd	Cunning	32,400
Bona Dea Films Limited	Princess Bari	20,825
Bonnie and Co Ltd	Watermelon Seeds	5,750
Camberwell Productions	Staying On	6,500
Catalyst Global Media Limited	Doncaster Fever	18,250
Chris Young Films Ltd	Silent Roar	100,000
Cocoon Films limited	The Teacher	22,000
Conspire Pictures Limited	White Lies	17,500
Dandelion Films Ltd.	Repatriation	20,600
Dark Pictures Limited	Free	20,500
Death on a Tuesday Ltd	Tuesday	100,000
Delaval Film LTD	The Donor (fka Pig Child or Night Side)	23,250
Delaval Film Ltd	Hoard	100,000
DMC Film Limited	Scrapper	100,000
Dorothy St Pictures Ltd	Dispossessed	16,500
Dorothy St Pictures Ltd	I Don't Eat Meat	11,350
Dorothy St Pictures Ltd	Knockers	20,000
Elastic Film Entertainment Limited	My Year as Mia	8,600
Elation Pictures Ltd	Carry Me Home (fka Fanatic)	8,000
EMU Films Limited	Hard Hat Man	26,000
EMU Films Limited	Starting the End	19,524
EMU Films Ltd.	Riptide	33,200
Endor Productions Ltd	Falling for Icarus	21,750
Escape Films Ltd	Birchanger Green	132,125
Essential Cinema Ltd	The Unlikely Pilgrimage of Harold Fry	100,000
Fox Cub Films Ltd.	Layla	10,500
Good Chaos Ltd	Wolf Note	23,000
Hillbilly Films Ltd	Tin Man	49,000
Hinterland Pictures Ltd	Phil & Iain	13,000
Hinterland Pictures Ltd	Paradise Fields	24,000
House Starve Acre Limited	Starve Acre	100,000
Indie Movie Company Ltd	Wolf King and I	18,100
Inflammable Films Limited	Elmet	24,500
Inflammable Films Limited	Santosh	17,915
Inflammable Films Limited	Elmet	8,000
Jam Tomorrow Productions Limited	Hyper Hyper	41,000
Jante Films Limited	Dawn Chorus	7,000
Jeva Films Limited	Mrs Smith's Second Coming	15,375

Schedule 1 (continued)

Producer	Project	£
Joi Productions Limited	Loco Parentis (fka Mine)	14,979
Joi Productions Limited	The Manikin	22,500
Joi Productions Limited	The Lambeth Worm	23,000
Kimeleon.tv	The Book of Creatures	7,000
Kleio Films Limited	Blue Jean	109,000
Loop Projects Limited	The Caring Nineties (fka Untitled Charlie Lyne Project)	7,750
Lunapark Pictures Ltd	Daughter of Adam	25,500
Lupus Films Ltd	Las Dos Fridas/ The Two Fridas	43,500
M.I.H.K. Limited	Stopmotion	100,000
Megaverse LTD	Flood	21,675
MIHK Limited	Stopmotion	25,000
Mister U Limited	Mister Uterus	5,000
My Accomplice Ltd	Surviving Earth	19,000
Noor Pictures Ltd.	Florid	35,250
Other Productions Ltd	After Delores	25,500
Paisley Films LTD	Quijibords	6,100
Parkville Pictures Limited	Tribe	22,000
Parkville Pictures Limited	Lollipop	32,500
Poisson Rouge Pictures Limited	High Frequency	30,500
Poisson Rouge Pictures Limited	Black Dust	16,500
Prettybird Ltd	In Camera	100,000
Privateer Pictures Ltd	Other Lives	24,700
Privateer Pictures Ltd	Kayla	21,000
Public Dreams Ltd	Youts	25,500
Public Dreams Ltd	Dislocate	22,000
Quinn Trip Productions	Low Rider	100,000
Rainy Day Films Limited	I (Who Have Nothing)	12,800
Red Breast Productions Ltd	English Animals	3,600
Red Rover Film Limited	Red Rover	15,500
Rocliffe Limited	Lupa	25,000
Rollout Pictures Limited	King Coo	1,000
Rooks Nest Entertainment Limited	Wildcard	22,000
Rowdy Limited	Jolly Garden	6,700
Sarah Brocklehurst Productions Ltd	The Woman Who Gave Birth to Rabbits	32,500
Sixteen Films Ltd	Salvage	21,500
Sixteen Films Ltd	Downtrodden	24,500
Sixteen Oak Ltd	The Old Oak	100,000
Skysail Premium Development Ltd	Timestalker	11,500
Sungazer Limited	Zubeida's Crossing	32,150
Sweetdoh Ltd	Out There	19,750
The Other Gemini Pictures Ltd	Amrit	13,150
The Other Producer Limited	The Flash Mob (fka Cascades Female Factory)	17,500
Trumpet Voluntary Ltd	Trumpet Voluntary	2,500
Tulip Touch Ltd	The Tulip Touch	23,500
Tyke Films	We Are Dancers	24,500
Untold Theatre Ltd	Catalina	37,200
Wild Swim Films Ltd	How To Have Sex	28,040
Wild Swim Films Ltd	The Things We Never Said	20,116
Wild Swim Films Ltd	Sugar	27,000
Young Films Limited	Rosa	23,750
Development and Pre-Production Awards		3,295,499
38 Minutes Ltd	38 Minutes	240,000
AGW Films Ltd	A Gaza Weekend	49,600
AHIJ UK LTD	A House In Jerusalem	616,000
Amphibian Husbandry Ltd	Shackle	5,000
Animate Projects Limited	And Granny would dance	82,106
ANRK Ltd	There Exists	70,000

Schedule 1 (continued)

Producer	Project	£
Berkeley Media Group Limited	Nezouh	570,000
Blue Jean Productions Ltd	Blue Jean	885,000
Bluelight Stopmotion Limited	Stopmotion	905,000
Boxing Day Productions, LTD	Boxing Day	31,000
BT22 Film Ltd	Ballywalter	14,000
Cannon and Morley Productions Limited	Typist Artist Pirate King	1,084,500
Chris Young Films Silent Roar Ltd	Silent Roar	862,500
Chuck Chuck Baby Ltd	Chuck Chuck Baby	971,641
Death on a Tuesday Ltd	Tuesday	960,000
Delaval Film Ltd	Hoard	730,000
DJ FilmsS Ltd	Rye Lane (FKA Vibes and Stuff)	109,135
Doc Society	BFI Doc Society Fund Support Programme 2022-23	244,025
Doc Society	Documentary Fund Delegation 2022-23	1,824,975
East City Films Ltd	In Pursuit Of Repetitive Beats (VR)	431,000
Escape Films Ltd	Birchanger Green	885,000
Essential Cinema Ltd	The Unlikely Pilgrimage of Harold Fry	1,109,000
Girl 21 Ltd	GIRL	877,500
Hipster Films Ltd	GARDENING	115,500
House Starve Acre Limited	Starve Acre	1,035,000
In Camera Films Limited	In Camera	985,000
Interactive Film LTD	Consensus Gentium	9,500
Interactive Film LTD	Consensus Gentium	35,000
Koninck Studios Spk Galicia Limited	Sanatorium	573,490
Lilly Marvin CD Ltd	Pretty Red Dress	35,000
Maurice Media Ltd	Phantom of the Open (fka The Fantastic Flitcrofts: Maurice)	15,000
Melocoton Films	Scale	120,000
Mutnik Productions Limited	Laika	190,000
Nezouh Ltd	Nezouh	41,500
Nicofox Ltd	Niko and the Fox	120,000
Number 9 Films Sunday Ltd	Mothering Sunday	29,940
One6th Ltd	Two Black Boys in Paradise	100,000
Passion Pictures (Films) Ltd	Hag	120,000
Pilgrimage Films Limited	The Unlikely Pilgrimage of Harold Fry	27,500
Popsybabin Ltd	She's My Best Friend and I Hate Her	63,300
Quinn Trip Productions Ltd	Low Rider	675,000
Scraper Films Limited	Scraper (aka Yet To Be)	955,000
Second Home Studios Ltd	Beachcomber	70,000
Sixteen Oak Ltd	The Old Oak	400,000
Tyke Films Ltd	Plunge	127,150
Unified Theory Productions Ltd	Aftersun	920,000
Various	SFAF – Animation Consultant for Productions Uplift	6,000
We Are Anagram Ltd	Goliath	154,000
Production Awards		20,479,862
A Minor Ltd	It's Dog To Make A Houseplant If You're Sandwich	11,000
Abka Creative Ltd	Colby	9,000
Adam Lawrence	Chasign Arrows	2,266
Alexandra Blue	Champions	2,500
Alice Raymond	Billy, Becks and the Ex	8,000
Alta Ambit Productions Ltd.	Cuppa Chai	6,971
Anattic Ltd	Bert Rides Out	10,000
Artemisia Films Limited	Wings	9,500
Bad Wools	Mr Charles Christian Abbott	1,500
Bath and Shark Limited	Departure Point	15,000
Big People Music LTD	Cuffed	13,000
Bird in Hand Productions Ltd	Better	6,500
Blak Wave Productions Ltd	What They Left	9,000

Schedule 1 (continued)

Producer	Project	£
Boyandbear Film Ltd	Services	750
Bright Wire Films Limited	and their music mingles...	2,865
British Academy of Film and Television Arts BAFTA	BFI Flare x BAFTA Mentoring in Partnership with BFI Network	14,000
British Independent Film Awards	BIFA Short Film Talent Industry Support 2021	18,500
Cake Tin Productions Ltd.	Rapture	16,812
Charley Fox	The Hermit	1,000
Cosmos Films Ltd	The Rising of the Sap	15,000
Creative Scotland	BFI NETWORK Scotland - Creative Scotland 22/23	200,000
Creativ Label Ltd	Talk	5,000
Crutches Ltd	My Eyes Are Up Here (aka Crutches)	20,000
Daljinder Johal	MUG	13,460
Dead Jewels	Isla Badenoch	2,200
Domestic Bliss - A Trilogy	FNA Digital Ltd	500
DreamMore Films Ltd	Yummy Mummy	3,000
Elicit Pictures Ltd	My Jerome	9,500
Elysium Pictures Limited	(Spin)	8,957
Embers	James Robert McLoughlin	1,500
Erebus Pictures Limited	The Hewitt Sisters	12,000
Fastshadows Ltd	Daylight Rules	10,000
Ffilm Cymru Wales C.B.C	BFI NETWORK Wales - Ffilm Cymru Wales 22/23	200,000
Film London	BFI NETWORK England - London 22/23	150,000
Flumeri Films Ltd.	Hard to Reach (FKA Pickney)	5,500
Flyer Films Ltd.	Us & In Between	15,000
French Fancy Productions Ltd	Dream Big	15,000
Fuyoh Films Ltd	HELD	5,000
Girl At Party	Chloe Culpin	8,280
Glass Onion Films Ltd	Soulmate	15,000
Highland Games	Ray Grewal	1,500
Hope Ain't Right	Little Stitch Productions	13,990
Hunky Dory Films London Ltd	Torr	9,000
Independent Cinema Office	BFI NETWORK England - South East 22/23	150,000
Infocandy Animations Ltd	Qant	10,000
James Macdonald	The Ballad of Albert Dryden	2,000
Joe Was 'Ere Productions Ltd	Joe Was 'Ere	11,500
Karla Williams	The Ride	5,000
Kino Bino Ltd	Of All The Things (FKA Cluttered)	15,000
La Pêche Productions Ltd.	Mummy's Present	8,150
Lily Howkins	Cocoon	1,500
Lisa Goldman	Cable Street	1,500
Lit	Hester Miriam Bloom	2,500
Major Labia	Coven Nineteen	11,500
MELA	Jude Goldrei	2,500
MF The Barber Ltd	The Barber	18,897
Moon Under Water	Foreign Material Limited	15,000
Nico Pimparé	Chaos	1,200
Night Sky Films Ltd	Blind Spot	15,000
Norm	Alexandra Blue	2,050
Northern Ireland Screen Commission	BFI NETWORK Northern Ireland - Northern Ireland Screen 22/23	150,000
Nottingham Media Centre Limited	BFI NETWORK England - Midlands 22/23	150,000
Octopus	Fig Films Ltd	1,000
Picture Imperfect Ltd	Sweet Little Despair	5,125
Pilgrim	Alex Thiele	2,500
Pulse Films Ltd	The Girl's Room	9,000
Rainfrog Pictures Limited	Weekend Dad	1,219
Richard Michael Parry	Pole	550
Rowdy Entertainment Limited	LUMBU	3,500
Salt Water Town	Daniel Robert Thorburn	1,500
Sarah Elizabeth Dunn	White Pudding Supper	1,970

Schedule 1 (continued)

Producer	Project	£
Saturday Films Limited	Lions	8,000
Sea and Sky Pictures Ltd	The Wilds	15,000
Sixteen Films Ltd	Soft Facts	15,300
So Wired Ltd	The Piss Witch	12,000
Somesuch & Co Ltd	Audition	8,000
Sophie Elizabeth Jones	Peeler	9,000
Spines	Bear Behind You Ltd	5,918
Static Flow Productions Ltd	Vestige	11,050
Tedium Entertainment Films Ltd	Jim	7,568
Tentacle Media Ltd	Exhibit A	12,500
The Bower Film Ltd	The Bower	14,000
The Constant	Jacob Holmes-Brown	1,825
The Sheffield Media and Exhibition Centre Ltd	BFI NETWORK England – North 22/23	150,000
Tom Stubbs	Steve Parker	2,285
Tom's Shadow	Barrie James Edwards	2,750
Triskelle Pictures Ltd	Room 515 (working title)	14,500
Tuli-Gal Litvak	Nails & Beauty	10,065
Tuli-Gal Litvak	Bingo Queens	3,400
Uncut Artist Limited	Rushed	13,000
Various	NETWORK Website	28,000
Various	NETWORK@LFF	35,000
Various	NETWORK Website: product review costs	27,200
Watershed Arts Trust Limited (The)	BFI NETWORK England - South West 22/23	140,000
Watersmeet Productions Ltd	The Rev	8,351
Talent Development		2,051,924
Bohemia Media Ltd	Rebel Dread	25,000
MUBI UK Limited	Limbo	60,750
Peccadillo Pictures Limited	Sweetheart	75,010
Picturehouse Entertainment Limited	The Reason I Jump	37,000
Picturehouse Entertainment Limited	Pirates	50,000
Picturehouse Entertainment Limited	Happening	40,000
Sovereign Film Distribution Limited	Petrov's Flu	23,000
Studio Soho Distribution Limited	Tigers	20,000
Together Films Limited	The 8th	20,500
Together Films Limited	Ahead of the Curve	12,840
Vertigo Releasing Limited	Censor	55,000
Verve Pictures Limited	First Features – Distribution Support Scheme II	165,000
Audience Fund: Distribution Awards		584,100
Chapter (Cardiff) Ltd	Film Hub Wales	210,000
Chapter (Cardiff) Ltd	Cross FAN D&I	45,000
Chapter (Cardiff) Limited	Cross FAN D&I - Film Access Versions Catalogue	10,000
Chapter Arts Centre	Film Exhibition Fund	20,000
Film London	Film Exhibition Fund	25,000
Film London	Cross FAN Young Audiences	45,000
Film London	Film Hub London	200,000
Independent Cinema Office	Film Exhibition Fund	20,000
Independent Cinema Office	Film Hub South East	350,000
Independent Cinema Office	Cross FAN Evaluation	60,000
Nottingham Media Centre Limited	Film Hub Midlands	365,000
Nottingham Media Centre Limited	Cross FAN Major Programmes	440,000
Queen's University Belfast	Film Exhibition Fund	10,000
Queen's University Belfast	Film Hub NI	210,000
Queen's University Belfast	Cross FAN NTE	10,000
The Glasgow Film Theatre	Cross FAN MSD - This Way Up online	10,000

Schedule 1 (continued)

Producer	Project	£
The Glasgow Film Theatre	Film Exhibition Fund	15,000
The Glasgow Film Theatre	Film Hub Scotland	225,000
The Glasgow Film Theatre	Cross FAN Member Support	145,000
The Sheffield Media and Exhibition Centre Ltd	XFAN Screen Heritage - New Directions	25,000
The Sheffield Media and Exhibition Centre Ltd	Cross FAN Screen Heritage	150,000
The Sheffield Media and Exhibition Centre Ltd	Film Hub North	460,000
The Watershed Arts Trust Limited	Film Exhibition Fund	25,000
The Watershed Arts Trust Limited	Cross FAN MCA	105,000
The Watershed Arts Trust Limited	Film Hub South West	280,000
Audience Fund – Film Audience Network		3,460,000
Aesthetica Magazine Ltd	Aesthetica Film Festival	30,000
Arts Alive In Shropshire And Herefordshire	Flicks Audience Development	45,000
Berwick Film & Media Arts Festival	17th Berwick Film & Media Arts Festival (2021)	40,000
Birds Eye View	Reclaim the Frame 2022-23	150,000
Blue Finch Film Releasing Limited	Wild Men	15,000
Boiling Point	Vertigo Releasing Ltd	35,000
Borderlines Film Festival CIC	Borderlines Film Festival 2022	42,000
Carousel Project	Oska Bright Film Festival	102,000
Chapter (Cardiff) Ltd	Organisational award 2022/23	60,000
Derby QUAD Limited	Audience Growth 2022-23	60,000
Doc'n Roll Films Ltd.	Doc'n Roll Film Festival UK tour 21-22	35,000
Dogwoof Ltd	Regional and Diverse Audience Development for Documentary film	125,000
Encounters Festivals Ltd	Encounters 2022	90,000
Flatpack Projects	Cinecov - Coventry UK City of Culture	264,700
Flatpack Projects	Flatpack Projects 2022-21	90,000
Greater Manchester Arts Centre Limited	HOME 2022-23	185,000
Hampshire County Council	Wessex Film and Sound Archive organisational award 2022-23	10,000
Independent Cinema Office	FEDS 2022/23	114,194
Independent Cinema Office	Strategic activities to support independent exhibitors 2022-23	578,016
International Documentary Festival Sheffield	International Documentary Festival Sheffield	210,000
Leeds City Council	Leeds Film 2022-23	130,000
Leicester Arts Centre Ltd	Phoenix Organisational award 2022-23	100,000
London Short Film Festival Ltd	London Short Film Festival 2022	30,000
Manchester Animation Festival Ltd.	Manchester Animation Festival 2021	35,000
Manchester Metropolitan University	North West Film Archive	15,000
Media Archive of Central England Ltd	Discover Watch Enjoy: MACE and Screen Heritage for the Midlands	85,000
MUBI UK Limited	The Worst Person in the World	105,785
MUBI UK Limited	Great Freedom	30,000
Nottingham Media Centre Limited	Broadway - Organisational Award 2022-23	150,000
Peccadillo Pictures Limited	Peccadillo Sofa Club	75,000
Peccadillo Pictures Ltd	Peccadillo 2022-23	113,500
Plymouth City Council	The Box: Revealing the Reel 22/23	55,000
Queen's University Belfast	Queen's Film Theatre 2022-23	60,000
Slapstick Festival Limited	Slapstick Festival 2022	36,000
T A P E Collective Ltd.	But Where Are You Really From?	25,845
The Bristol Cultural Development Partnership	Festival of the Future City Film Festival	22,000
The British Federation of Film Societies	Cinema For All – Building film communities across the UK 2022-23	159,992
The Edinburgh International Film Festival Limited	Edinburgh International Film Festival 2021	50,000
The Festivals Company Limited	Iris Prize LGBT+ Film Festival 2021 and Iris on the Move 2022	40,000
The Glasgow Film Theatre	Glasgow Film Festival 2023	115,000
The Sheffield Media and Exhibition Centre Ltd	Showroom Cinema 2022-22	150,000
Tongues On Fire Limited	UK Asian Film Festival 2022	35,000
Tyneside Cinema	Organisational Award	147,000
UK Jewish Film Ltd	UK Jewish Film Festival 2021	50,000
University of Brighton	Screen Archive South East Organisational award 2022-23	25,000
University of East Anglia	East Anglian Film Archive 2022-23	15,000

Schedule 1 (continued)

Producer	Project	£
Watershed Arts Trust Limited (The)	Reimagining Film Exhibition	195,000
Yonder Consulting Limited	Survey Project 2022-23	90,000
Yorkshire Film Archive	Yorkshire & North East Film Archive organisational award 2022-23	95,500
YourLocalCinema Ltd	YourLocalCinema Audience Development	25,000
Zebra Access CIO	Deaffest 2022 Unlocked	45,130
Audience Fund – Other Awards		4,586,662
104 projects CIC	Film Academy Network Programme	16,875
Bulldozer Films Ltd	Film Academy Network Programme	34,000
Bulldozer Films Ltd	Bulldozer - Network Programme	17,000
Cinemagic	Film Academy Network Programme	17,000
Creative Nation Ltd	Film Academy Network Programme	34,000
Glasgow Media Access Centre Ltd (Trading as GMAC FILM)	Film Academy Network Programme	17,000
National Film & Television School	NFTS Craft Skills course	198,000
Plymouth College of Art	Film Academy Network Programme	16,999
Screen Argyll Ltd	Film Academy Network Programme	16,990
Screen Education Edinburgh	Film Academy Residential	48,000
Screen Education Edinburgh	Film Academy Network Programme	17,000
Station House Media Unit	Film Academy Network Programme	17,000
The Nerve Centre	Film Academy Network Programme	51,255
Film Academies		501,119
ScreenSkills Limited	Future Film Skills (2022-23)	4,150,000
Skills Fund		4,150,000
Screen Cornwall Limited	Catalysing the Cornish Screen Sector	25,000
Screen Yorkshire Ltd	Yorkshire Growth Plan 2022-23	180,000
West Midlands Combined Authority	Create Central - 2022-23	250,000
National Cluster Growth Fund		455,000
Alma Economics Ltd	Economic review of the revenue model for UK independent film	80,000
BAFTA Enterprise Ltd	A Screen New Deal Transformation plan pilot	80,000
Cinema Advertising Association Ltd	Data and services purchases 2021-2022	6,398
Dr Sean Perkins	Production spend tracking service July 2021- March 2023	150,000
Informa Telecoms & Media Limited	Data and services purchases 2021-2022	32,486
Various	Data and services purchases 2021-2022	50,664
Various	Screen Business 2021 Tranche 2	12,500
Research and Statistics Fund		412,048
Creative England Limited	Creative Enterprise	1,615,000
Creative Enterprise Fund		1,615,000
Creative England Limited	Creative England Production Services – Filming in England	625,000
Production Services Fund		625,000
Aconite Productions Ltd	Electric Malady	6,200
Associazione Fondo per l'Audiovisivo del FVG	When East Meets West 2022	7,500
BE MTU	Industry@Tallinn & Baltic Event / Black Nights Film Festival	20,000
Canoe Film Ltd.	I Get Knocked Down	1,686
Discipline Global Mobile Ltd	In the Court of the Crimson King	7,800
Dogwoof Ltd	The Story of Film: A New Generation	11,572

Schedule 1 (continued)

Producer	Project	£
Dogwoof Ltd	My Old School	3,532
Film Export UK Ltd	European Film Market 2022 - UK pavilion	109,250
Film London	The Production Finance Market	38,000
Film London	British Film Commission Inward Investment Activity	575,000
Film London	The London Screenings	106,000
First Hand Films GmbH	The Story of Looking	8,095
Hillbilly Films Limited	Pirates	6,855
International Documentary Festival Sheffield	Sheffield DocFest: Industry Programme	70,000
Le Petit Bureau	True Things	15,000
Les Arcs Film Festival	Various	3,300
MK2 Films SAS	Cow	7,575
Montrose Pictures Ltd	Eye of the Storm	5,825
National Film & Television School	Inside Pictures	146,700
Protagonist Pictures Limited	The Souvenir Part II	15,000
The British Council	Supporting New Film Makers	56,500
UK Screen Association Ltd	Annecy International Film Festival	13,735
Various	Digital UK Film Presence - Cannes 2021	101,475
Various	UK Group Attendance at Cannes Producers Network	10,400
Various	UK Group Attendance at Locarno Match Me	7,500
Various	San Sebastián International Co-production Market & Networking 2021	3,700
Various	ACE (Ateliers du Cinéma Européen) 2021 Reunion – Scotland	2,500
Various	UK Attendance International Training & Networking Programme	
Various	AttaGirl 2021/2022	26,860
Various	UK Film at Cannes 2022	450,000
Various	UK Group Attendance International Co-production Market & Networking at CPH:DOX Market	12,695
Visit Films LLC	The Storms of Jeremy Thomas	10,438
Wild Bunch International	Earwig	7,500
International Fund Ltd		1,868,193
British Film Institute	65th BFI LONDON FILM FESTIVAL	1,400,000
London Film Festival		1,400,000
Chapter (Cardiff) Ltd	Venue Education Fund 2022-23	54,890
Film Cymru Wales C.B.C	Film Cymru Wales: Film Education 2022-23	120,000
Film Nation UK	Into Film Delivery Plan 2022/23	4,800,000
Greater Manchester Arts Centre Limited	Venue Education Fund 2022-23	55,000
Independent Cinema Office	Venue Education Fund 2022-23	54,997.36
NERVE CENTRE - THE	Venue Education Fund 2022-23	55,000
Nottingham Media Centre Limited	Venue Education Fund 2022-23	55,000
Screen Education Edinburgh	Specialist Programme - Additional Funding	37,500
Sheffield Media Exhibition Centre	Specialist Programme - Additional Funding	45,000
The Glasgow Film Theatre	Venue Education Fund 2022-23	55,000
The National Film and Television School	Early Stage Access and Diversity Accelerator	770,000
Watershed Arts Trust Limited (The)	Venue Education Fund 2022-23	55,000
Education Fund		6,157,387
		51,641,794

Schedule 2: New Lottery commitments made by delegate bodies (unaudited information) in the year ended 31 March 2022

The Documentary Society were delegated £1.9m of new lottery funds for activity in 2021-22 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 March 2022 are listed below.

Award Recipient	Project	£
The Documentary Society		
7A Films	All Points North	55,000
Amber Film and Photography Collective CIC	Supporting a Community of Documentary Filmmakers at Amber	19,000
Apropos Productions Ltd.	Pemon	1,650
Aruna Productions Ltd.	Hermit of Treig	45,000
AYA Films CIC	Aya Films CIC	18,500
Ayiti Ltd.	Haiti	3,818
Beyond the Emergency Ltd	Rebellion	70,000
Blue Bag Life Limited	Blue Bag Life	152,000
Bungalow Town Productions Ltd.	SUWO	80,000
Cables and Cameras CIC	Cables and Cameras	11,000
Cardamom Films Ltd.	It Didn't Start With You	60,000
Cassie Quarless	The Reel Black Retreat	23,000
Conscious Productions	Conscious	20,000
Demon Snapper Productions	Tish	100,000
Derryboy Films Ltd	Hello Stranger	26,300
EMU Films	My Friend Lanre	23,081
Enemy Productions	The Rabbits of Ravensbrück	23,870
Fail Better Films Ltd.	The Bus Drivers Children	16,505
Free Lens Collective CIC	Refugee Film Network	18,000
Good Kid Films Ltd.	Red Herring	24,000
Horsefilm Ltd.	Horsemen	25,000
Hot Property ITAOT Ltd.	Is There Anybody Out There?	102,653
Hot Property Films	Gold Machine	8,000
JSH Films Ltd.	The Veiled City	17,200
Labour of Love Films Ltd.	A Bunch of Amateurs	30,000
Lacunae Films	The Wolf Suit	21,000
Lawand Film Ltd.	Name me Lawand	12,000
Little Ease Films Ltd.	Aftermath	25,000
Lono Studio Ltd	Child of Polycritus	550
Migrant Media	Bradford 12	126,490
Missing In Action Films Ltd	Rage in Many Languages	15,000
Nascondino Ltd	Hide & Seek (Nascondino)	90,100
Northern Filmworks Ltd.	All Points North	6,000
Northern Heart Films Limited	Finding Appiness	1,500
Other Cinemas CIC	Other Cinemas x Doc Society	20,000
Panoptical Limited	Black Boy Joy Gone	2,550
Primitive Film LTD	Mirror with a Memory	2,300
Project 1961 Ltd.	Undiscovered Country	16,250
Pulse Films	Name Me Lawand	80,000
Rebecca Day (Film in Mind)	Documentality	18,000
Resource Community Film and Arts CIC	Creative Collective DocLab: Untold Stories	20,000
Screen Alliance for Wales	Wales Documentary Support Network	18,000
SD Films LLP	Trust Me!?	17,460
Somina Fombo	Boomflix Network Retreat	23,000
Story of Bones Ltd	A Story of Bones	48,200
Talon Productions Ltd. (fka Billo Studio Ltd.)	Fishtown	16,825
Tara Films	Nothing Compares	62,250
TBC	Adura Baba Mi	15,000
Tigerlily Productions & Doc Hearts Ltd.	White Nanny, Black Kids	95,000

Schedule 2 (continued)

Award Recipient	Project	£
Tyke Films Ltd.	My Blonde GF	18,000
Until the Tide Limited	Until the Tide Creeps In	3,000
Where the Sun Always Shines Ltd.	Where the Sun Always Shines	17,050
Total Documentary Society delegated awards 2021-22		1,764,102

Ffilm Cymru Wales

Alice McKee	LULL	1,000
Black Gold Productions Ltd	MO JANNAH CPD	5,044
Blue Horizon Productions Ltd	LITTLE ROCK	4,750
Brett Webb	G FLAT	18,750
C P E Productions Josh Hicks	SPECTRE OF THE BEAR	15,000
Cardiff Animation Festival	CARDIFF ANIMATION FESTIVAL - DIVERSE VOICES	6,000
Carys Lewis	BLUE MOTHER	6,000
Delta Pictures Ltd	ADAM PARTRIDGE CPD	5,530
Eiko Meredith	EIKO MEREDITH CPD	3,766
Eric Ngalle Charles & Greg Lewis	IYA	10,000
Erin Richards	SEALED	10,000
Gemma Green-Hope	HELL WEEK	1,000
Geronimogs CYF	GERONIMO	17,283
G-Expressions	WHITE AND BLACK	1,000
Hannah Daniel	INVISIBLE ALICE	6,000
Hannah Fitt	DUST	5,000
Hello Deer Productions Ltd	JASPER WARRY CPD	1,346
hijack film production	PAOLOZZI	10,000
Inceptive Films Ltd	BLOOM	10,000
Jelly Film Ltd	JELLY	1,400
Josh Hicks	SPECTRE OF THE BEAR	1,000
Katie Dolan	KATIE DOLAN CPD	6,464
Keith Potter	PERISH	9,500
Krystal S. Lowe	SEVEN	16,000
Lŷr Titus	FISITOR	16,000
Lowri Roberts	LOWRI ROBERTS CPD	4,438
Oliver Gabe	SPUTUM CUP	1,000
On Par Productions	THE QUEER TRICHOTEMY	16,970
Oscar Albert	GLASS HOUSE	3,250
Oscar Albert	RIBOLLITA	9,250
Peter Wynn Evans	FINGAZ	5,000
Picl Animation Ltd	HOUNDS OF ANNWN	16,408
Rhiannon Evans	RHIANNON EVANS CPD	2,750
Richard Billingham	TINA	10,000
Rupert Miles	THE COLLECTOR OF SOUNDS	6,500
Sarah Bickerton	GOBAITH MUL	1,000
Sixteen Films Ltd	BETHAN	9,950
Untamed Stories Ltd	WRITERS LAB UK & IRELAND 2022	7,000
Up Helly Aa Ltd	SALLY LEAPT OUT OF A WINDOW LAST NIGHT	10,000
Total Ffilm Cymru Wales delegated awards 2021-22		291,349

Northern Ireland Screen Commission

Aisling Daly	Young Ones	968
Apex Pictures	I'll be Frank	3,750
Aron Holden	True Colours	1,125
CauseAscene Films	The Music Teacher	3,750
Daniel Ritchie	When It Rains	968
Diana Cheung	Life of Rian	1,125

Schedule 2 (continued)

Award Recipient	Project	£
Dominic Curran	Lure	968
Emma Williamson	Newbie	1,125
Farwander	VIVA	6,666
Fine Point Films	I Know You	3,960
Flumeri Films Ltd	A Particular Friend	3,750
Italic Pig Ltd	Stan By Me	20,000
Joe Lavery	Smashing & Entering	1,125
Little Ease Films Ltd	Cluster	3,225
Michael McBroom	Sapling	1,125
Out of Orbit Ltd	Yield	3,750
Poli Productions	BAD VIBES	6,667
Poli Productions	LIFE RUINER	6,667
Púca	Breaking Out	3,225
Purple Finch Productions Ltd	Questionable Treatment	3,750
Sam Bell	Bleed	968
Sinéad Murphy	Border Stories	1,125
Sixteen South Originals Ltd	Cloud Bursting	20,000
Super Lemon Productions Ltd	Donkey Oaty	3,750
Tanith MacLynn-Hill	Pirates	1,125
Taunt Studios	Animus	20,000
Tiarnán McCartney	Mudslingers	968
Triplevision Productions LTD	Unlocking Christmas	3,225
Total Northern Ireland Screen Commission delegated awards 2021-22		128,850
Creative Scotland		
104 FILMS SOUTH	Names	5,000
BLAZING GRIFFIN	Street Hassle	5,000
BOMBITO PRODUCTIONS	Boifriend	5,000
BOMBITO PRODUCTIONS	A Good Spell	15,000
CANDY SHARP SHORTS	CANDY	20,000
HANNAH KELSO	For Love Nor Money	4,700
JEN MCGREGOR	Occupied	2,700
LOTHIAN FILMS	Yellow Moon	5,000
MISCIEVOUS D	Drovers Road	5,000
PHILIP WRIGHT	Committed	5,000
SARAH GRANT	Scare	15,000
SHAKEHAUS	Faux City	4,800
TOO ROUGH PRODUCTIONS	Nostophobia	5,000
WHITE STAG FILMS	Funeral Home	15,000
Creative Scotland delegated awards 2021-22		112,200
Total awards by delegate bodies 2021-22		2,296,501

Statutory Background

Statutory Background

Statement of compliance with the Government's Lottery policy and financial directions

Financial directions

Under the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998), 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 2021-22.

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 2021-22.

Policy directions

Under the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998), 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 (BFI2022) which commenced on 1 April 2017 by way of a wide-scale public consultation undertaken in 2016.

During 2021-22, a very important piece of work during the year was the BFI's 'Next Up' National Lottery strategy consultation. This ongoing consultation is being conducted to help shape the priorities for the BFI's new 10-year National Lottery strategy, working with partners and stakeholders to set what the BFI wants to achieve as a distributor of funding over this period.

As a first step of the consultation process, BritainThinks was commissioned to gain perspectives from a sample of stakeholders, industry and the UK public in establishing shared priorities for the screen sectors, including film, TV and video games; the work included a 7-week online consultation platform, combining private survey activities and public forums and 10 x 75-minute stakeholder workshops. The main priority was to further understand the screen sector's needs, expectations and priorities.

The BFI used evidence collected through this consultation to develop a draft framework for the National Lottery strategy, workshopping this in collaboration with agency Re-Set and a group of 'critical friends' from across the sector.

The BFI is now engaged in a second range of consultation, gathering feedback on how this framework can be improved via both an online survey and a series of virtual sessions running in the first quarter of 2022-23.

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 2021-22 the BFI continued to operate Diversity Standards across all the BFI's activities as part of the BFI2022 Strategy delivery and has also been adopted by BAFTA, BIFA, BBC Films, FILM 4, Paramount, NFTS, Screen Scotland, Facebook and AMPAS (collaboration on Oscars® version).

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 6,000 'active' film clubs, with an estimated total engagement of approximately 4.4 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 Fund 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 over 1600 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.

As part of the BFI's continuing focus on skills, a Skills Review was commissioned in the year and will be published in 2022-23.

In addition, the UK Talent Network – supported 90 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 has been an intrinsic element to the five year plan BFI2022, and will remain so for the new 10 year strategy.

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.

The BFI works with other Lottery Distributors and the Department for Digital, 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.

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 2021-22, to supplement its established counter-fraud approaches, the BFI introduced additional counter-fraud checks for all awarded/successful Lottery applications, including the enhanced use 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:

- i. Expanding education and learning opportunities and boosting audience choice across the UK;
- ii. Supporting the future success of British film;
- iii. 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.

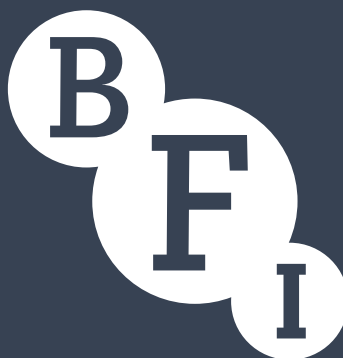
O) Where awards are made in relation to feature film production or distribution projects the BFI should take into account:

- 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.



Funded by
UK Government



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ISBN 978-1-5286-3825-8
E02837109