



Annual Report and Financial Statements

2022/23



BRITISH FILM INSTITUTE

Group and National Lottery

Annual Report and Financial Statements

for the year ended 31 March 2023

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Contents

Performance Report

06	Purpose, Mission & Vision
08	Chair & Chief Executive's Statement
10	Future Audiences
18	Technology and Digital Transformation
26	Growing Audiences Across the UK
32	Our Moving image Heritage
44	Future Learning & Skills
50	A Champion for New Filmmaking Talent
54	Supporting the Future Success of UK Film
62	On the International Stage
66	Leadership & Advocacy
70	Inclusion
74	Fundraising & Enterprise
80	Key Performance Measures
84	Financial Review (including Public Benefit)
92	Sustainability Report

Accountability Report

98	How the BFI is Governed
102	Remuneration and People Report
112	Corporate Information
114	Governance Statement
120	Audit, Governance and Risk
166	Annual Report Financial Statements
204	Statutory Background

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

Throughout our 90-year history, the BFI – like the medium of film – has responded to new opportunities presented by advancements in technology, and the ways in which audiences watch films and TV.

Key to navigating the ever-shifting landscape has been our enthusiasm for innovation, whilst always staying true to our core belief – that society needs stories.

In 2020, a change in leadership and the pandemic propelled the organisation into a dynamic state of transformation. In 2022, the BFI Board and a newly-formed Executive team have moved with great determination to develop a new long-term strategy for the BFI, alongside an operating model that ensures a more effective and resilient organisation.

We committed heavily throughout the year to consulting with the industry and the public to help inform the development of Screen Culture 2033 – the new 10-year corporate strategy and National Lottery strategy that will take us to our centenary year.

Screen Culture 2033 reflects the dynamism and ambition which has emerged through this period of organisational change, and builds on our vision of transforming access – to our programmes, to screen culture, and jobs across the UK. Through this strategy we aim to deliver the greatest possible benefit to the public and the screen sector.

Intrinsic to a ten-year strategy is the expectation that we will need to revisit it periodically to make sure we are evolving our thinking and continuing to create the right conditions for the industry and for film culture to thrive. 2022–23 marked a strong recovery for the industry, with much to celebrate as film and TV production spend overall started to bounce back. But we cannot be complacent and we remain focused on ongoing issues such as skills shortages, ensuring we are an accessible and inclusive sector, and the challenges for independent film and exhibition sector which have never felt more acute.

With an eye firmly on audience development and changes in viewing habits, as well as our commitment to become a digital first organisation, we have continued investment in our online platforms, including for accessing and watching archive material from our collections. Following many months of development and planning, and involving teams from across the BFI, we launched BFI Replay, offering thousands of free-to-access digitised television programmes from our Archive and our partners' moving image archives across the regions and nations, viewable in public libraries across the UK. We look forward to further strengthening our digital channels with significant investment into our popular streaming service, BFI Player.

In another notable highlight, we brought the IMAX cinema at Waterloo back under BFI operation, as we resumed overall programming and management of this iconic cinema, following a major technical upgrade. As well as giving us the opportunity to present major blockbusters, we have opened out the programming to ensure a wide array of contemporary and classic cinema and other events can be enjoyed on this beautiful big screen.

This year, people across the world celebrated HM Queen Elizabeth's Platinum Jubilee, and we were able to share remarkable historical moving images of her Majesty with a free online collection of films portraying her 70-year reign, and in a BBC documentary. A matter of months later and following the death of her Majesty, we were proud to be able to screen many films of the late Queen, from our collections, to the millions of people queuing along the South Bank to pay their respects as she lay in state.

We thank all of the incredible people at the BFI, and our many partners, for their hard work and commitment to our mission and vision under constantly changing and sometimes difficult times. And we thank the BFI Trust for its charitable support throughout the year. Any period of transformation programme is inherently disruptive, but the BFI's vibrancy is evident in the enthusiasm of our audiences, the popularity of our culture programmes, our strong relationship with government, and the trust we have built with the sector.



Tim Richards
Chair



Ben Roberts,
Chief Executive

Future Audiences

Programme highlights



British Film and Television

It was a year of diverse and wide-reaching acknowledgment of UK film heritage, celebrating performers and directors who have shaped our contemporary screen culture in different ways.

- A two-month retrospective of British auteur Peter Greenaway, featuring BFI National Archive restoration of *The Draughtsman's Contract* (re-released nationwide by BFI Distribution) and supported by on stage career conversations and introductions with Greenaway himself.
- A Gary Oldman season to accompany the UK release of *Nil by Mouth*, restored by the BFI National Archive and available on BFI DVD, including a BFI Southbank appearance from Oldman.
- A timely Mike Hodges retrospective and release (theatrical and physical) of *Get Carter*. This included a personal appearance from Mike Hodges, who sadly died a few months after his appearance.
- Glenda Jackson on stage discussing her career, and supporting a full season of her work across both film and television.
- In memory of director Menelik Shabazz, a BFI Blu-ray release and Southbank run for *Burning an Illusion* on its 40th anniversary. BFI Southbank presented a small season of Shabazz's work acknowledging his contribution to and impact on British film culture.
- Two major projects celebrating British television broadcasting; BBC 100: a season marking the centenary of the BBC and the release of the BFI's '100 BBC Gamechangers' editorial project; and Channel 4: 40 Years of Revolution.
- A season celebrating the work of influential film and television writer Nigel Kneale, including a month of Southbank screenings and the BFI Blu-ray release of his seminal adaptation of George Orwell's *Nineteen Eighty-Four*.
- The Blu-Ray and theatrical release of ska documentary *Dance Craze* proved hugely popular following a successful launch at BFI IMAX.



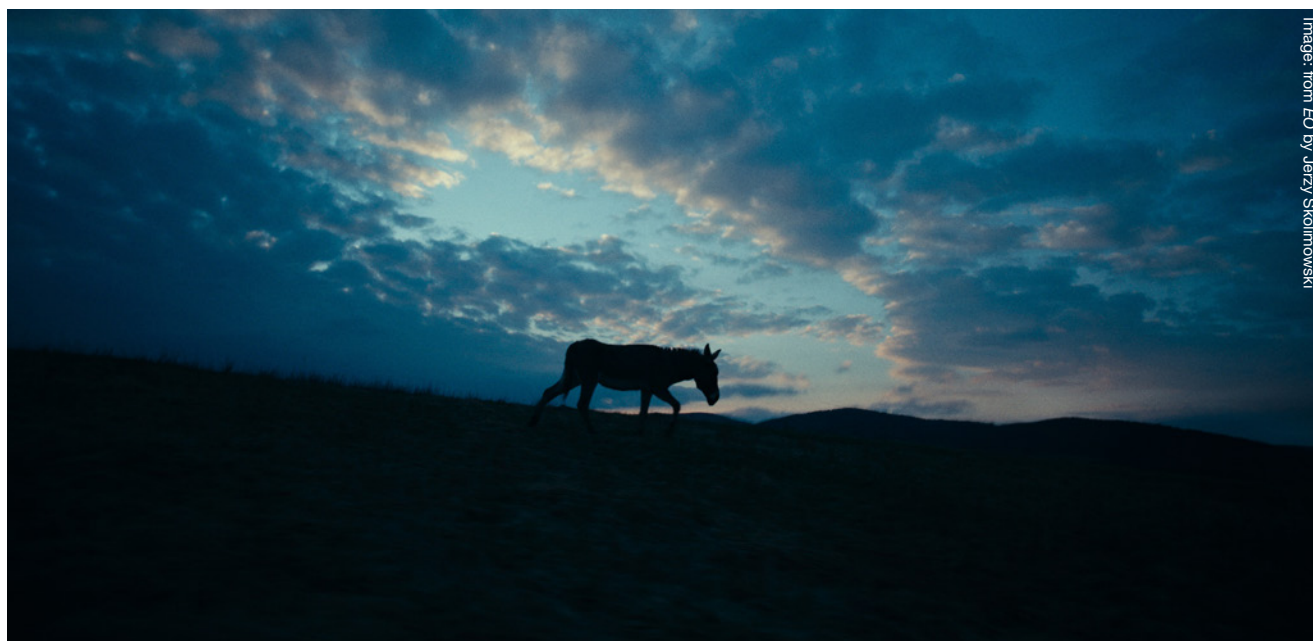


Image: Pam Grier at BFI Southbank. Image by Tim Whitby

Thematic Seasons

We continued to explore the history of cinema with thematic programming that opens up new lines of enquiry, provokes new debates and conversations and frames film in new cultural contexts.

- The BFI Blockbuster project for 2022 was **IN DREAMS ARE MONSTERS**, a major BFI UK-wide film and events season celebrating the horror genre on screen. It took over BFI Southbank, Player and IMAX whilst venues around the country participated via the BFI Film Audience Network. Through five horror archetypes – the beast, ghost, vampire, witch and zombie – the season explored how these monstrous bodies have been represented on screen over the last hundred years and how they have been reclaimed by new voices in horror filmmaking.
- **CRUEL FLESH: FILMS OF THE NEW FRENCH EXTREMITY** revisited the controversial movement and included on stage appearances from Gaspar Noé and Lucile Hadžihalilovic.
- **FROM JAMAICA TO THE WORLD: REGGAE ON FILM** marked 60 years of Jamaican independence with a season of reggae-led cinema, including a BFI release (theatrical and physical) of *The Harder They Come*.
- In partnership with The Hayward Gallery, Ekow Eshun's **IN THE BLACK FANTASTIC** brought mythical and speculative cinema from the Black diaspora to the Southbank, alongside the Hayward Gallery's exhibition.
- **YOU BEAUTIES: NEW AUSTRALIAN CINEMA** presented the most exciting voices emerging in Australian filmmaking, programmed in partnership with ACMI Melbourne.
- **THE SIGHT & SOUND TOP 100** films were screened in their entirety at BFI Southbank – a huge achievement for the research team sourcing all 100 titles, and a massive hit with audiences. We also managed to present a really substantial programme on BFI Player, with 75 of the 100 presented online.

Image: from *Eo* by Jerzy Skolimowski

Contemporary Film Releases

BFI Distribution continue to identify emerging voices from British cinema and beyond, whilst continuing to support and celebrate film heritage.

- The hotly anticipated follow up to the phenomenal *Bait*, Mark Jenkin's *Enys Men*, was released nationwide in January to critical acclaim. The release was supported by a full season at BFI Southbank and on BFI Player of influences, curated by Jenkin.
- Black comedy and social satire *All My Friends Hate Me* from debut director Andrew Gaynord was released to glowing reviews and with a Southbank preview event.
- Asif Kapadia's sci-fi ballet *Creature*, choreographed by Akram Khan, was released alongside the ballet it depicts.
- *God's Creatures* from writers Saela Davis and Anna Rose Holmer, and starring Paul Mescal and Emily Watson, was released following a successful premiere at the London Film Festival.
- Jerzy Skolimowski's Oscar nominated *Eo* debuted in Cannes and was released by BFI Distribution, alongside a full retrospective of his work at BFI Southbank and on BFI Player.

Retrospectives of Cinematic Greats

The BFI's dedication to bringing the work of great filmmakers to new audiences continues, with a number of special seasons dedicated to important voices from around the world.

- **SATYAJIT RAY: THE LANGUAGE OF FILM** marked the centenary of the great Indian auteur, including a nationwide re-release of *THE BIG CITY*.
- Appearances from the legend herself at Ritzy Brixton, MAC Birmingham and BFI Southbank boosted **PAM GRIER: FOXY, FIERCE AND FEARLESS** into a season to remember.
- **OF SIN AND SALVATION: THE CINEMA OF ROBERT BRESSON** presented his best works at BFI Southbank and re-released *Pickpocket* into cinemas UK wide.
- **JUDY GARLAND: A STAR IS REBORN** brought a colourful celebration of her talents to BFI Southbank.
- The great Liv Ullman returned to BFI Southbank to discuss her own career in support of a retrospective, the BFI Distribution re-release of *Cries and Whispers*, and to mark the release of BFI DVD's multi-part Ingmar Bergman boxset



Japan Legacy

Japanese cinema continued to bring BFI Southbank to life following **JAPAN 2021: 100 YEARS OF JAPANESE CINEMA**. BFI Player, Southbank and IMAX continued the legacy of the project with focused seasons celebrating the breadth of the country's film heritage:

- A two-month Anime season featuring gaming events in partnership with Gamepad, IMAX screenings, previews of Loundraw's *Summer Ghost* and Tetsuro Araki's *Bubble*, and an early anime shorts programme from the archive.
- A major and complete retrospective of legendary auteur Akira Kurosawa including a nationwide re-release of *Rashomon*.
- A season dedicated to director and actress Kinuyo Tanaka.



Broader Screen

- BFI Partnered with Gamepad to present gaming events tied to **IN DREAMS ARE MONSTERS** and **ANIME**, each with a very different focus and audience.
- We marked Mental Health Awareness Week with the UK Premiere of *Goliath*: a virtual reality installation, and winner of the Grand Jury Prize for Best VR Work at the 78th Venice International Film Festival; alongside panel discussion **PLAYING WITH REALITY**.
- The world premiere of Guy Maddin's *Haunted Hotel* took up residency at BFI Southbank in October.
- Stephen Stephenson's *Child of Empire* used virtual reality to explore the independence of Pakistan and was presented alongside the world premiere of *Lost Migrations* Project Dastaan, Puffball Studios and Spitting Image Studios.



Image: Bodies, Bodies, Bodies

High Profile Events

- Woman With a Movie Camera Summit returned to Southbank after moving online for a year, and filled the venue with young filmmakers, critics, students and enthusiasts.
- BFI and Radio Times Television Festival returned after a hiatus, celebrating the very best in contemporary TV.
- Partner festivals Refugee Week, London Indian Film Festival, UK Asian Film Festival, Focus Hong Kong, S.O.U.L. and Kinoteka all returned, along with a venue wide takeover from Queer East.
- Luca Guadagnino, The Dardenne Brothers, Darren Aronofsky, Guillermo Del Toro, Makoto Shinkai, Jerzy Skolimowski and Justin Lin were among the directors who appeared on stage to discuss their careers and filmmaking approaches.
- Emma Thompson, Harriet Walter, Ian McKellen, Juliet Stevenson, Lindsay Duncan, Eddie Izzard, Stanley Tucci, Ruby Wax and Timothy Spall appeared on stage to discuss their memories of the late Alan Rickman, alongside the release of his memoirs.
- Previews and Q&As included the premiere of *Wayward* along with *The Afterlight*, *The Sandman*, *Earwig*, *The Feast*, *Am I Being Unreasonable?*, *Jawbone*, *Bodies Bodies Bodies*, *The Score*, *Cunk on Earth*, *Inside Man*, *Flux Gourmet*, *The Woman King*, *Emily*, *Barbarian*, *Living*, *A Bunch of Amateurs*, *Strange World*, *She Said* and the wildly popular finale of *Happy Valley*.



Image: European Premiere of Glass Onion: A Knives Out Mystery. Image by Getty Images

BFI London Film Festival

The 66th BFI London Film Festival (LFF) in partnership with American Express opened with the World Premiere of *Roald Dahl's Matilda The Musical*, with full cast and crew in attendance, the first family film to open LFF in over a decade. The Festival closed with the European Premiere of *Glass Onion: A Knives Out Mystery* attended by filmmakers and cast, including writer/director Rian Johnson, Daniel Craig, Janelle Monáe, Edward Norton, Kathryn Hahn, Kate Hudson, Leslie Odom Jr. and Dave Bautista. Both events took place at the Southbank Centre's Royal Festival Hall, which returned as the Festival's Headline Gala venue for a second year.

This year's programme included

- 167 feature films from both established and emerging filmmakers
- 74 short films, 8 Series and 20 Immersive and XR works
- 23 World Premieres, 7 International Premieres and 22 European Premieres
- More than 750 international and UK filmmakers, XR artists and series creatives associated with the public programme for Q&As and events

This year, LFF showcased 29 new fiction and documentary features from the UK including the world premieres of previously mentioned *Matilda*, Dionne Edwards' debut *Pretty Red Dress*, Andrew Cumming's pre-historic survival horror *The Origin*, and world premieres of new non-fiction features, *Kanaval* by Eddie Hutton-Mills and Leah Gordon, and Yemi Bamiro's *Super Eagles*, to name a few.

Seeing a diverse range of work from around the world is one of the key drivers for audience attendance; feature films, short films, series and immersive art works broke down as:

- 63 countries represented
- 41% made by female and non-binary directors/creators or co-directors/creators
- 34% made by ethnically diverse directors/creators
- 25% of the feature film programme from debut filmmakers

Building on the huge success of last year's Festival model, this year's edition saw the return of dual West End hubs in London, a major exhibition of Immersive Art and XR at 26 Leake Street (with further LFF Expanded pieces at the National Theatre and BFI Southbank) and specially curated programmes of LFF films screening at nine partner cinemas around the UK, and on BFI Player from 14 – 23 October.

This year's programme of screenings and Immersive and XR works, as well as high-profile Screen Talks, a programme of events for industry delegates and immensely popular LFF For Free events were attended in person by 189,200 audience members (returning to pre-pandemic levels), while 101,900 attended the Festival online. Attendees at the nine regional partner cinemas were 33% higher than in 2021, while occupancy across the Festival's London in-cinema screenings and events increased to 87% (up slightly from 84% in 2018 and 83% in 2019).



Image: Flare 2023 at BFI Southbank, image by Mille Turner

BFI Flare

The 37th edition of BFI Flare: London LGBTQIA+ Film Festival, the UK's leading LGBTQIA+ film event, saw a continued growth in audiences returning to cinemas to experience the festival. BFI Flare saw 28,923 audience attendances across BFI Southbank screenings, events and on BFI Player. The festival saw 85% occupancy at BFI Southbank (very close to 2019's high of 87%) notably up from last year, with 57% of bookers new to BFI Flare.

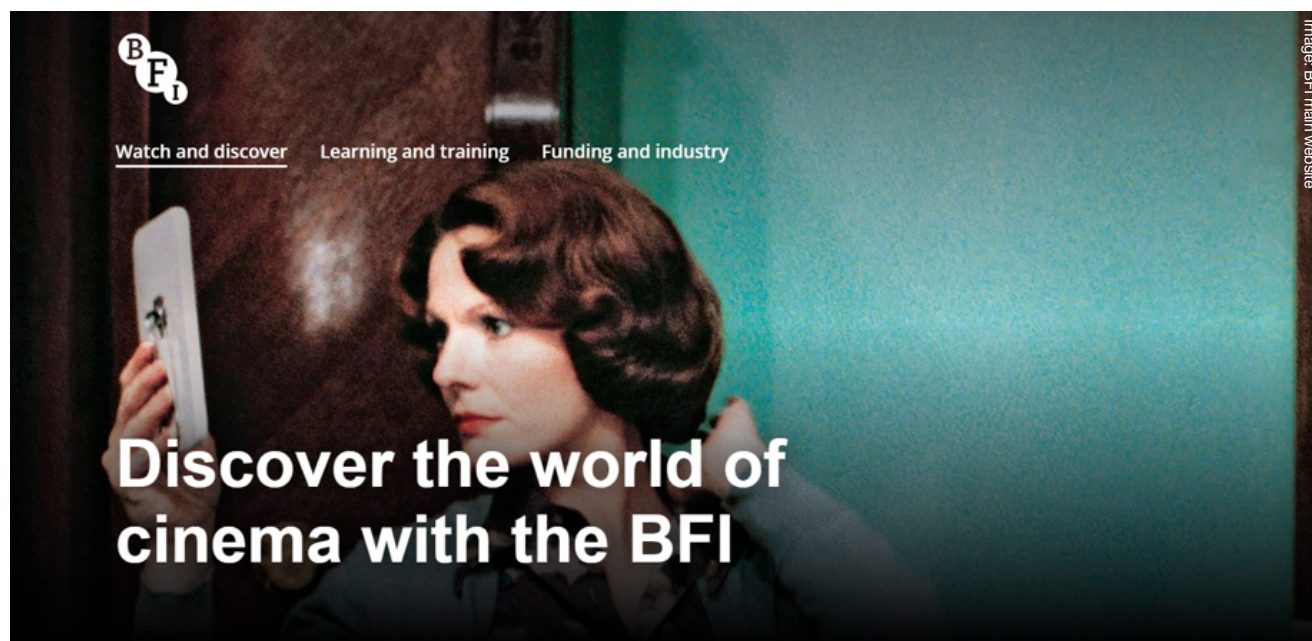
In March, BFI Flare welcomed audiences with 58 feature premieres and 90 shorts screened from 41 countries. Eight short films were made available for free on BFI Player plus the five shorts selected as part of Five Films for Freedom. The festival hosted six World Premieres, 13 International Premieres, four European Premiere and 18 UK Premieres from across the features programme.

Over the first four days of the festival, 800 attendees experienced the first BFI FLARE EXPANDED programme, a selection of five immersive art and virtual reality works from boundary-pushing LGBTQIA+ artists working across emerging technologies. The works, including interactive Virtual Reality, screen-based installations and 3D-scanning, explored themes of identity, belonging, self-expression and vulnerability.

Partnering for the ninth year, BFI Flare and the British Council made five LGBTQIA+ short films from the BFI Flare programme available to global audiences for the duration of the festival with the ground-breaking Five Films for Freedom. The LGBTQIA+ digital campaign attracted over three and a half million views from around the world with a quarter of views coming from parts of the world where freedom and equal rights are limited. The project allows audiences worldwide to show solidarity with LGBTQIA+ communities and this year's selection spanned from Guyana, Northern Ireland, Cyprus, Nigeria, South Korea, with each story celebrating love as a human right.

Technology & Digital Transformation

Digital services and products



bfi.org.uk

The main BFI website, bfi.org.uk, continues to be one of the first points of access for all BFI activity for consumer and industry users, with more than 7 million sessions and 5 million users per year in the UK (50% outside of London). Worldwide, we served 14 million sessions and 9 million users.

Sight & Sound poll

As outlined later in this report, the Sight and Sound Greatest Films of All Time and Directors' Top 100 polls were conducted and published online during 2022. The poll received over 600,000 page views in the first two weeks. As with past polls, this content has evergreen value and plays a vital role in bringing audiences to the BFI's entire offer, via internet search. A decade on from the last poll, we took a more sophisticated approach with data-driven film pages that cross-sell BFI services (for example automated links to titles on BFI Player).

Screen Culture 2033 microsite and blog

A microsite and blogging platform went live in September to support the launch of BFI Screen Culture 2033. This platform will ensure BFI staff can openly share their knowledge and delivery progress with stakeholders and audiences.

Digital services for Festivals, BFI Southbank and BFI IMAX

Ticketing, customer and membership data, financial reporting and content publishing for BFI's programmes and festivals throughout the year are delivered online through Audience View, a cloud-based ticketing system. BFI Southbank is supported through the monthly publishing of the cultural programme. Annual traffic to the BFI Southbank was 2.3 million visits. We delivered a new microsite to support the move of BFI IMAX from Odeon to BFI in July, and the opening of the refurbished venue in November. Since going live, the platform has seen 1.2 million visits.

BFI London Film Festival launched successfully in September 2022. From programme launch to the end of the festival, the online programme had 900,000 visits. Unfortunately, there was a technical issue on BFI Members' booking day for LFF on 8 October. We were disappointed that customers were adversely impacted by this and apologised at the time for the inconvenience caused. We are reviewing the online user experience of exploring our programme and buying tickets, both for the year-round venue programmes and festivals.



Online editorial

We published 363 new written editorial pieces over the year, in support of the BFI cultural programme, new releases and marking key anniversaries in film history. We increased our coverage of TV and video games and began publishing obituaries in collaboration with Sight and Sound. Lists continue to be our highest performing written content, with top 100 lists produced for the BBC centenary and our horror blockbuster **IN DREAMS ARE MONSTERS** each getting 40,000 views to date, and these will continue to grow. Our series looking at film locations ‘then and now’ remains popular, with entries on *Withnail & I* and *Get Carter* both seeing substantial traffic this year. Editorial pages, excluding Sight and Sound branded pages, received four million views over the year.

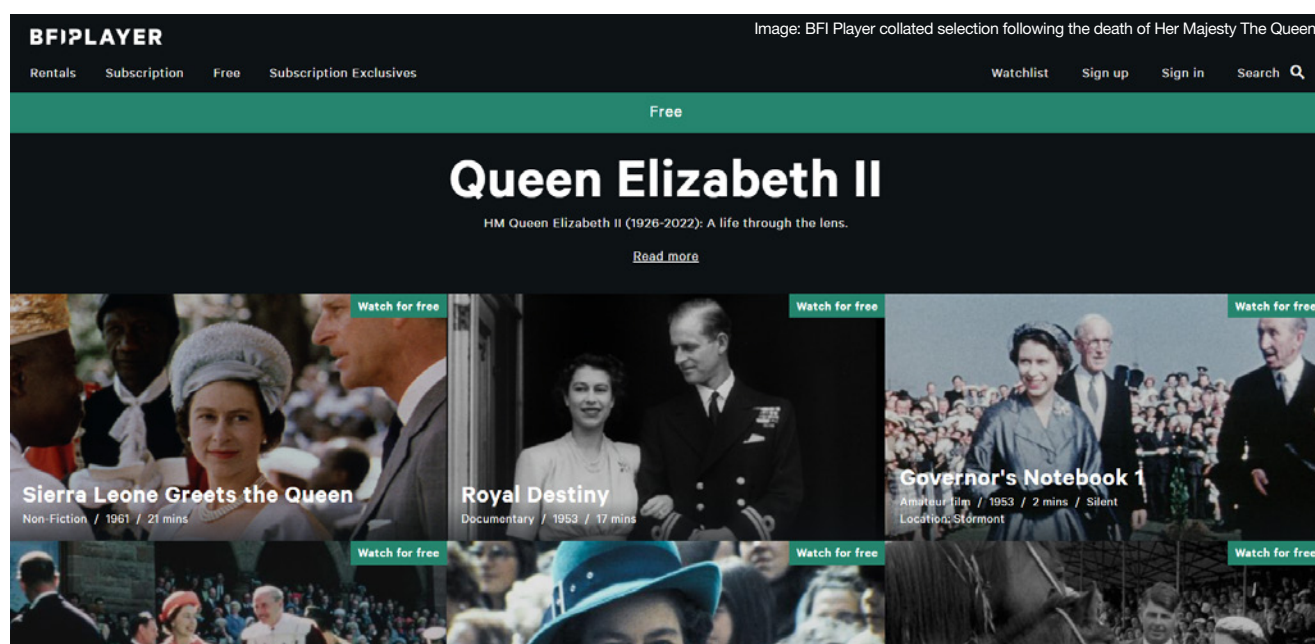
BFI Replay

The new BFI Replay product launched UK wide in March. The service is a free-to-access digital archive exclusively available online in UK public lending libraries, with 6,500 viewable titles organised into 60 different curated themes and collections.

Digital video

The BFI YouTube channel added 58,000 subscribers, gathered 31 million views and 1.2 million hours of watch time. The channel’s annual revenue exceeded £15,000 for the first time, aided by expansion into the YouTube Shorts format - a valuable content stream for the BFI online.

Key editorial campaigns included the Future Film Festival, which hosted all features on YouTube for the first time and subsequently achieved its highest ever online audience with 16,000 sessions. We also developed our video essay offering, taking a video essay to more than 10,000 views for the first time. A collection of content based on the **IN DREAMS ARE MONSTERS** programming, made in close collaboration with the season’s programmers, also proved popular and will have strong legacy value.



BFI Player

BFI Player has continued to see high engagement with more than 2 million views for feature films. Free-to-view content engagement is slightly down on previous years with 720,000 views, this however reflects the lower number of new free titles published this year.

In the UK, the BFI-distributed *All My Friends Hate Me* (Andrew Gaynord, 2021), was the stand-out title driving new subscribers on our native platform alongside *The Quiet Girl* (Colm Bairéad, 2022) and *Lawrence of Belgravia* (Paul Kelly, Reissued 2022). Sight and Sound's 100 Greatest Films of All Time poll proved a great success with winning film *Jeanne Dielman, 23 quai du Commerce, 1080 Bruxelles* (Chantal Akerman, 1975) proving a particular highlight with our audiences. Third-party platforms (Amazon and Apple) found audiences for the breadth of our programme with *The Untamed* (Amat Escalante, 2016), *Under the Skin* (Carine Adler, 1997) and *Nil by Mouth* (Gary Oldman, 1997) delighting fans new to the service.

The BFI Player once again delivered the digital strands of the BFI London Film Festival and BFI Flare. Alongside rich Free programmes, standout exclusive features included the Sutherland Award winning *1976* (Manuela Martelli, 2022), and the BAFTA winning *Blue Jean* (Georgia Oakley, 2022).

The BFI Player continued to grow its US audiences though our stateside service BFI Player Classics. With a narrower focus on British and Co British content, American customers were drawn to vintage classics *Evil Under the Sun* (Guy Hamilton, 1982), *Kind Hearts and Coronets* (Robert Hamer, 1949), and perennial favourite *The Third Man* (Carol Reed, 1949).

During this year we also developed the vision, business case and a detailed implementation plan for upgrading BFI Player to a next-generation version (provisionally called BFI+).

Cinema Technology



Image: Film on Film Festival logo

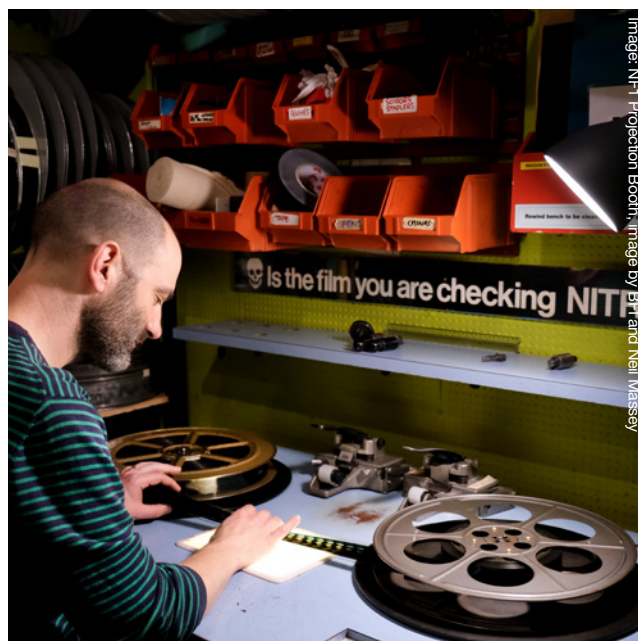


Image: NFI Projection Booth, image by BFI and Neil Massey

BFI Southbank

We have seen a return to pre-pandemic levels of activity in the BFI Southbank theatres with corporate hire on par with figures in 2019. This, coupled with a very busy events and festivals schedule, has seen the team working at capacity for some time. The technical team's unique setup and skills have come to the fore this year with a large amount of celluloid screened in a wide range of seasons including many titles from the Japan and Satyajit Ray seasons.

Southbank refurbishment

In May new cinema sound processors and line array speakers were installed in NFT2 and 3 to bring them into line with the NFT1 audio upgrade, and May and June saw NFT1 and NFT2 seating refurbishment. Refurbishments to the Vaults area saw some improvement to the office setup and improved Nitrate and Safety Film Vaults.

Film on Film

This year the Southbank Projection team began preparations for the June 2023 Film on Film festival showcasing the full range of analogue film formats. Notably this included the complex preparation for the return of Nitrate screenings to the public programme for the first time in ten years. All fire safety, front of house and Nitrate projection procedures have been updated and nine Nitrate prints were rehearsed in preparation for the festival. BFI Southbank is the only venue equipped to screen Nitrate prints in the UK.

Content Remastering and Delivery

BFI's technical producers enabled the delivery of 63 feature films for DVD/Blu-ray/4K UHD release by BFI Video Publishing, 20 feature films for theatrical release through BFI Distribution and hundreds of hours of BFI owned content for BFI Film Sales and BFI Footage Sales. Highlights of the last year include creating newly restored digital masters for the BBC adaptation of *Nineteen Eighty-Four* (1954), Lindsey Vickers's previously lost film *The Appointment* (1981), The BBC *Ghost Stories for Christmas* series, *Get Carter* (1971) and, from 70mm film, the legendary 2Tone concert film *Dance Craze* (1981). This year also saw upgrades to equipment which allowed for significant cost savings by bringing much of the remastering work in-house for the first time, allowing greater control over workflows and quality and enhancing revenues.



Image: BFI IMAX. Image by David Jensen

BFI IMAX

Following 10 years of Odeon operation, the IMAX cinema in Waterloo has come back into the fold at the BFI and relaunched with a refurbishment, including a major projection upgrade to the brighter and more vivid IMAX Commercial Laser, improved immersive audio, a new screen, seats and carpet in the auditorium. This was completed in time for the very successful run of *Avatar: The Way of Water 3D* which took full advantage of the excellent new projection facilities and was warmly received by IMAX audiences.

The UK's largest cinema screen has also hosted a number of premieres including *Babylon*, *Ant-Man and the Wasp: Quantumania* and a special presentation of *All Quiet on the Western Front* with cast and crew, and *The Last of Us*. The wide range of projection formats at the IMAX has been used to good effect during the year with excellent audiences for IMAX 70mm screenings of Christopher Nolan's films in a season Countdown to *Oppenheimer: Christopher Nolan on Film*. Other highlights include *John Wick Chapter 4* and successful runs of both *Dungeons and Dragons* and *Super Mario Bros* on mixed weeks over the Easter Holidays.

It's not just been mainstream titles on the IMAX screen as we've broadened our cultural programming to screen many of the Sight and Sound Top 100 titles such as *Once Upon a Time in the West*, *The Shining*, *Metropolis*, *Blade Runner*, *Spirited Away*, *Throne of Blood* and *Ran*. We have welcomed more niche audiences too with *Suzume* after screening the director Makoto Shinkai's previous IMAX anime films in a mini-season partnered with Ghiblioteque, which took the cinema to the top slot for box office receipts over the opening weekend.

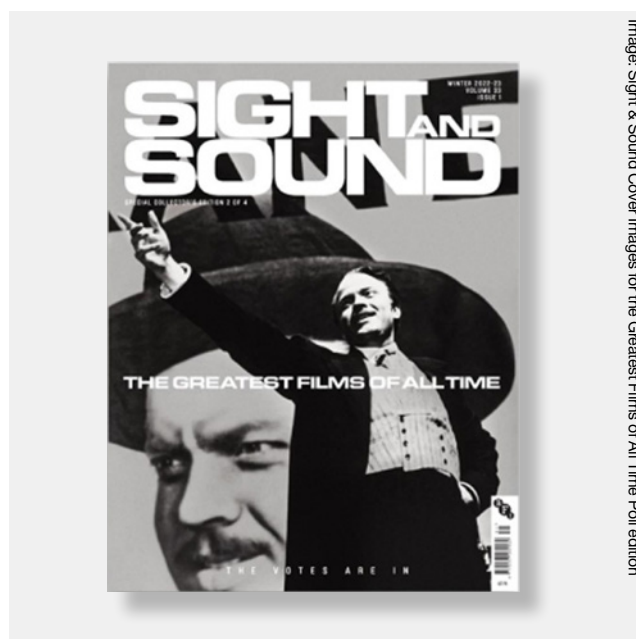


Image: Sight & Sound Cover Images for the Greatest Films of All Time Poll edition

Sight and Sound

The main focus of the year was on the once-a-decade Greatest Films of All Time poll. This was a huge undertaking, as we doubled the size of the voting body, delivered the most immersive cross-platform experience yet, and created a global news story when the results were announced on 1 December 2022.

Over 1,600 critics, programmers, curators, academics and archivists voted in our critics poll, and almost 600 filmmakers in our Directors' poll. 3,800 different films were voted for by the critics, 1,700 by the directors. The critics voted Chantal Akerman's *Jeanne Dielman, 23, quai du commerce, 1080 Bruxelles* as number one, the directors, Stanley Kubrick's *2001: A Space Odyssey*.

The poll was Sight and Sound's biggest ever media moment. In the UK, there were 231 broadcast pieces, alongside 261 online pieces and 24 pieces in print. There were 92 international press pieces and an interview for NPR was syndicated to 477 stations across the USA. The New York Times ran multiple pieces in print and online, including an interactive infographic that caught fire on social media.

The results and subsequent discussion around the poll were delivered as a huge cross-platform piece, demonstrating the evolution of the Sight and Sound brand over the past three years and our ability to sit at the centre of a cutting-edge cultural conversation both within our own channels and the wider media. The impact of the poll on the wider BFI was huge, with BFI Player and Southbank breaking records for sign ups, streams and season success. The positive effect of the poll will resonate within BFI for years to come, likewise in the wider screen industry, with rep cinema reinvigorated and critical debate stirred by the poll results and the ensuing coverage.



Magazine Performance

It was a strong year for the magazine, both on newsstands and through subscriptions. Highlights included a Mia Hansen-Løve cover performing way above expectation, a retrospective of our history as a magazine to mark 90 years in print, a beautiful tribute issue dedicated to Jean Luc Godard and Alice Diop becoming the first female filmmaker of colour to appear on the cover. Finally the four special edition covers for the Greatest Films of All Time issue, which became our biggest selling issue in years.

Editorial pieces of particular note include a deep dive into two decades of digital movies featuring an exclusive interview with David Lynch, Molly Haskell's powerful look at motherhood and the movies, Quentin Tarantino's paean to VHS culture, a Korean cinema special, plus pieces by emerging and established writers such as Kelli Weston, Nicole Flattery, Iain Sinclair and David Thomson.

In February the ABC circulation figures for 2022 were released, with Sight and Sound posting a +15% year on year uplift. Last year's +1% uplift was our first positive ABC result in 20 years, so this is a continuation of our growth and testament to the good work we've done over the past three years. Our magazine readership is now at its highest level since 2017¹.



Digital Growth

Our on-site and off-site audience development continued, with steady growth on our weekly newsletter, The Weekly Film Bulletin, now an established part of film media, and impressive engagement uplifts for traffic and social engagement. Traffic to the site in December was up 143%, sessions were up 184%, and the bounce rate was down 21%, meaning that not only did more people come to the site, but they stayed for longer. The total page views for all Sight and Sound polls pages (i.e. voters' top 10s and films) now stands at over 1.5million². We received 14 million impressions on our social posts during December, a 1,260% increase. Engagements were up a remarkable 1,360%. On Twitter, our most engaged platform, we gained 20,000 new followers, and our post sharing Bong Joon Ho's top 10 received almost 17,000 likes, a record for us by some distance. This is all part of a trend of greater digital engagement with Sight and Sound, driven by a digital-first mindset and more flexible approach to publishing.

¹ For context in our sector, Empire posted a -8% drop and Total Film posted a -5% drop. As an industry, magazine sales overall were down -11%.

² Due to current data on cookie consent on the site, all 2022 figures are likely to be half the actual number of visits

Growing Audiences Across the UK

Growing Audiences across the UK

The BFI Audience Fund

Awarding funds from the National Lottery, the BFI Audience Fund supported projects which aimed to boost diversity and inclusivity in audiences, on screen and in the workforce. The BFI Audience Fund, which ran during BFI2022, set a new approach to our audience development funding by focusing on priority audiences (determined by data analysis of who had benefitted the least from previous lottery investment), rather than by the sectors which previously each had their own fund such as Distribution, Film Festivals and Programming for cinemas. The fund was able to track and report the gains and growth of its aims back to industry and the public. Obviously, the impact of COVID was felt significantly across the industry and therefore the fund had some interruption, but the final year of the fund saw a return to a commitment for theatrical distribution in partnership with the various venues, festivals and organisations that were supported. Specific titles supported with lottery awards in the final year of the fund included *When a City Rises* (Dartmouth Films Ltd.), *A Little English* (Resource Productions CIC), *The Gravedigger's Wife* (Aya Films CIC), *Queen of Glory* (Bohemia Media Ltd.) and *Aftersun* (MUBI UK Ltd.).

A full independent evaluation of the fund was completed and published.

Culture Recovery Fund

Although final awards were made in the year ending March 2022, there was continued ongoing management of the Culture Recovery Fund for Independent Cinemas, managed by the BFI for the DCMS, throughout the year as supported cinemas re-established their businesses and reported on their awards.

British Film Premiere

We continued our partnership with the BBC to present the second season of British Film Premiere in October. British Film Premiere presented a brand-new premiere every Sunday night on BBC Two, celebrating a wave of British filmmakers who have offered fresh perspectives on UK life and experiences. All films were financed by the BBC, the BFI or both. Each film was available on both BFI Player and BBC iPlayer after its transmission on BBC Two. The films featured in the season were introduced by film programmers from across the UK.

Films and presenters in the season were;

- *After Love* (Aleem Khan, 2020) introduced by Isra Al Kassi of T A P E Collective
- *His House* (Remi Weekes, 2020) introduced by Mathieu Ajan of Bounce Cinema
- *Sweetheart* (Marley Morrison, 2021) introduced by Allison Gardner of Glasgow Film
- *Here Before* (Stacey Gregg, 2021) introduced by Michele Devlin of Belfast Film Festival
- *Surge* (Aneil Karia, 2020) introduced by Nia Childs, freelance curator and programmer
- *Mogul Mowgli* (Bassam Tariq, 2020) introduced by David Kapur of Massive Cinema
- *Cow* (Andrea Arnold, 2021) introduced by Melanie Iredale of Birds Eye View

Screen Culture 2033

Throughout the year the Audiences team have undertaken a huge amount of research and consultation to inform, devise and create the structure of our audiences strategy in Screen Culture 2033. The funds that have been created are an evolution of the previous strategy, with the Audience Projects Fund continuing to prioritise audiences over sectors, but now with an overall aim of ensuring audiences benefitting from the fund are representative of the UK population. The BFI Film Audience Network will continue as the BFI's flagship audience development partnership but with some changes to its priorities and focus. Lastly, a new initiative with the working title of BFI Open Cinemas will reimagine how we use our lottery funds to reach audiences through a major UK wide initiative to regularly screen films for free in UK independent cinemas. All three initiatives have either now opened or are active to ensure a frictionless transition from the previous strategy.

StoryTrails

StoryTrails ran throughout summer 2022 and was the UK's largest immersive storytelling project. It was presented as part of 'UNBOXED: Creativity in the UK' and led by StoryFutures Academy. The unique storytelling experience travelled through 15 towns and cities across the UK engaging thousands of people in each location (with 10,000+ visitors in total). The ground-breaking AR and VR experiences featured footage from the BFI National Archive interwoven with immersive technology, connecting audiences to the heritage of their local towns in ways never possible before.

The tour culminated in an installation at BFI IMAX that brought together all of the incredible StoryMaps on a cycloramic screen, forming collective 'emotional maps' of communities UK-wide, while VR projects on show ranged from the Punk era of the 1970s and the Asian underground rave scene of the 1980s to a Museum of Imagined Futures, all featuring material from the BFI National Archive. The project was also supported by *The People's Piazza: A History of Covent Garden*; a BBC feature documentary produced by Uplands TV with BFI serving as Executive Producers and presented by renowned Historian David Olusoga. After a premiere at LFF, the feature documentary was broadcast on primetime BBC2 with one million people watching the initial broadcast.

So far StoryTrails has won The Museums + Heritage Awards 2023, 'Best Use of Digital'; has been a finalist for Best Immersive at the SXSW Innovation Awards 2023, is an Honoree for 'Metaverse Immersive & Virtual; Diversity, Equity & Inclusion' at The Webby Awards 2023 and won 'Best Use of Footage on Innovative Platforms' at the 2023 Focal Awards.



Image: Story TrailG

The BFI Film Audience Network

The BFI Film Audience Network (FAN) uses National Lottery funds to support a stronger and more connected approach to growing the confidence and inclusivity of UK audiences watching British and international film on the big screen. FAN consists of eight Hubs across the UK, each providing a network for organisations within the cinema exhibition sector, such as cinemas, festivals, film archives and multi-arts venues. There are currently more than 1,770 member organisations in total, receiving access to funding, information, training, and networking opportunities through FAN.

This has been the first full year of exhibitors remaining open since the start of the pandemic in March 2020. While this increased opportunity for in-person venue activity is positive, the year has still posed challenges for the exhibition sector, with many still seeing a long way to go to reach pre-pandemic audience admissions levels. Some venues continued to adopt social distancing measures by limiting audience capacity into Q2 of this year, while others operating at full capacity report that admissions figures would still suggest continuing audience caution after the pandemic. The closure of a number of landmark venues, such as CMI in Edinburgh, has also been a shock to the independent cinema sector, and illustrates the difficulties faced by exhibitors in this climate. In addition to the lasting impact of the pandemic, exhibitors have also been confronted with challenges surrounding the cost of living crisis, rising fuel costs and increased pressure on household budgets, resulting in low admissions figures for in-person activity across the UK.

A key element of combatting these challenges has been the continued knowledge-sharing of best practice, as well as training focussing on rebuilding exhibitor confidence. A return to full capacity in-person member events has been welcomed. From Hub-specific activity, such as Exhibitors' Breakfasts and regular Members Meetings, to the return of FAN-wide events like This Way Up and Slate Days, the Hubs have shown a marked intention to focus on member support to aid a speedy recovery from the pandemic. Training offered at This Way Up has also been echoed by individual Hubs with a particular focus on Diversity & Inclusion, such as the New Promoters training scheme in Scotland which creates space for diverse curatorial voices. The Environment has also been a key topic for training, as with the Film Hub South East session on 'Making Your Cinema Environmentally Sustainable'.

Originally set up to boost cultural programming and activities which sought to engage diverse audiences as lockdown restrictions eased, the Film Exhibition Fund has been another success this year with wide support from the Hubs with almost £600,000 awarded across 137 projects.

During 2022–23, figures show 440,000 admissions (including 15,000 live online), across 553 projects delivered by 360 member organisations. 377 of these projects were primarily focussed on audiences, while 176 had a member-facing focus with 1570 member beneficiaries.

Film Hub Northern Ireland

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

- Delivered six strategic awards, four of which focussed on delivering accessible screenings to Newcastle Community Cinema, Strand, Movie House and Queen's Film Theatre.
- Developed 'Programme Together' in collaboration with Cinema For All, delivering training, workshops, panels and coaching to 45 individuals to help them better understand the powers of collaboration, and the wider opportunities the Fan presents.
- Supported five individuals to engage in development training or networking, including undertaking ICO programming and Elevate training, attending film festivals and networking events.

Film Hub Scotland

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

- Supported six festivals through their Amplify for Festivals - employing Mustard Studios to work with them to identify key challenges and develop their Mission Values and Business Plan
- Offered the Glasgow Communities Pilot to connect with local community organisations, encourage them to host pop-up screenings and develop a network of community cinemas
- Organised the Young Audiences Forum in October. This Way Up was attended by 183 delegates this year, with another 31 joining online for hybrid activity. Sessions included topics ranging from Community Cinema, Developing Audiences and Film Archives to talks on Diversity and Inclusion and Environmental Sustainability.

Film Hub Wales

Hub Lead Organisation: Chapter Arts Centre, Cardiff
Cross FAN lead for Diversity & Inclusion

- Supported Pontio with an award to deliver an Autumn Witchcraft Season in partnership with Made in Wales. Included a curated selection of international titles in house. Venues were also offered a filmed event which took place at Pontio called 'Witches Sabbath'.
- Developed a Working Class Resource, delivering a mixed-method approach of video and written resources to ensure accessible approaches to how we upskill exhibitors. The resource was published online in Q3, supported by a panel at This Way Up.

Film Hub London

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

- Film Hub London and London's Screen Archives (LSA) partnered with Lewisham Borough of Culture and Sunset Screening Sessions to screen an archive film compilation ahead of each feature in their outdoor programme reaching an audience of over 700.
- Created a Working With Young People Resource, covering range of topics including value and benefits of youth voices, engaging with young people, safeguarding, and relevant case studies.

Film Hub Midlands

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

- Through Strategic Interventions programme, worked with Sense charity to deliver two immersive film experiences Touch Screen, at The Reel Store in Coventry, and Moving Portraits at The Birmingham Repertory Theatre. Both projects utilised new technology to open up film to audiences with complex disabilities.
- IN DREAMS ARE MONSTERS – the Horror BFI blockbuster programme was delivered for FAN by Film Hub Midlands across 54 venues, including four festival commissions, achieving 7,750 admissions.

Film Hub North

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

- Seven Strategic awards, including to Storyhouse in Chester to develop audiences for independent screenings of non-English language titles. Other strategic awards went to Leigh, Wigan; Brewery, Kendal; Hyde Park Picturehouse, Leeds; The Forum, Hexham; ARC, Stockton; and NMM, Bradford.
- Delivered the Curious programme as part of Screen Heritage cross-FAN responsibility, with a combined audience admissions of approx. 7,500. Projects funded included Invisible Women – After Hours a three venue screening tour of Glasgow, Leeds and Erith, exploring the significance of nightlife and safe cultural spaces through a queer/feminist lens, co-curated by Invisible Women and T A P E Collective.

Film Hub South East

Hub Lead Organisation: Independent Cinema Office (ICO)
Cross FAN lead for Data & Evaluation

- 37,930 Admissions across 46 projects, delivered by 36 member organisations
- Hosted four Programming Group meetings over the year, with 15 participants, aiming to develop skills in Programming, discuss potential issues and offer networking opportunities.
- Offered five training and capability building sessions for 180 delegates, including annual Film Hub South East Forum.

Film Hub South West

Hub Lead Organisation: Watershed, Bristol
Cross FAN lead for Marketing, Communications & Audiences

- 22,443 Admissions across 82 projects delivered by 40 organisations
- Produced *Reframing Film*, a series of FAN industry sessions linked to the Cinema Rediscovered Festival. Attended by 80 delegates including exhibitors, archive practitioners and distributors such as Park Circus, MUBI, StudioCanal and the BFI.
- Cables & Cameras delivered the second iteration of *Inspired* at Watershed with additional support from ScreenSkills and BFI NETWORK attracting 181 admissions.
- Led on internal FAN communication, including Booking Now newsletters, sharing case studies and articles, and FAN Comms 'Deep Dive' Sessions.

Our Moving Image Heritage



Image: Gary Oldman in conversation at BFI Southbank, image by Tim Whitey

COLLECTING

Features

109 newly acquired or accessioned feature films into the BFI National Archive over the past year, including 28 contemporary works. Highlights include:

- Digitally restored material on Gary Oldman's *Nil by Mouth* (1997), scanned from the original negatives.
- Terry Gilliam's original 35mm prints of his own films, including *Jabberwocky* (1977), *Time Bandits* (1981), *Twelve Monkeys* (1995) and *The Zero Theorem* (2013).
- Digital masters of *British Winters* (2016), a low-budget feature drama from T A P E, a community filmmaking group focussed on inclusive work practice in front and behind the camera.
- Digital copies of Mark Jenkin's feature length titles *Bait* (2019) and *Enys Men* (2022).
- Contemporary features from BFI Film Fund, including BAFTA winning *Aftersun* (2022), *Triangle of Sadness* (2022), *Brian and Charles* (2021) and *The Phantom of the Open* (2021).
- Ten feature length documentary acquisitions, including *The Wolf Suit* (2021) and *A Bunch of Amateurs* (2022) through relationship with BFI Doc Society Fund.
- Work with Handmade Films was completed with final accession of the original negatives of all titles in their catalogue. Handmade Films was formed by former Beatle George Harrison, with Denis O'Brien in the late 1970s, initially to finance the Monty Python film, *Life of Brian*. Other notable projects included *The Long Good Friday* and *Withnail and I*.



Image: DCMS Minister Julia Lopez MP, Benjamin King, Senior Director, Public Policy, Netflix and Arke Oke, Director of Knowledge and Collections (BFI), at the Conservation Centre to mark Netflix content being preserved in the BFI National Archive.

Television

Over 1,600 TV works were acquired or accessioned to the National TV Archive including contemporary High Quality digital masters, in addition to our complete recording of 17 channels off-air as broadcast. Our work in this area is part of a long-term plan agreed with OFCOM and the Public Service Broadcasters (ITV, Channel 4 and Channel 5), and includes digitisation for preservation of content on video tape carrier formats.

Netflix became the first streaming service to have television content preserved for current and future generations in the BFI National Archive. To celebrate the announcement of this partnership (coinciding with UNESCO World Day for Audiovisual Heritage) DCMS Minister, Julia Lopez MP, visited the BFI National Archive's Conservation Centre in Berkhamsted.

Initially 26 titles comprising 175 single productions and episodic series were selected for conservation by our curators, including the first series of *After Life*, *Bridgerton*, *Sex Education*, *Top Boy*, and all four series of *The Crown*, plus feature films *The Dig*, *Enola Holmes* and *Rebecca*. This is a five-year partnership and over that time hundreds of culturally significant Netflix UK productions will be chosen for preservation. This is a landmark agreement with Netflix and represents a real milestone for the Archive. To help deliver the project, we are recruiting a new Assistant Curator of Television and Digital Media Specialist in preservation.

This year we replaced the legacy automated BBC system (Redux) that allowed us to record television off-air for the BFI National Archive, with a new system called STORA³. STORA automates capture from

17 Freesat channels and adds metadata to create collections database records. We have also open-sourced the code for STORA⁴.

Other acquisition highlights include:

- Selected television programmes, preserved in HD, from ITV, Channel Four and Channel 5, and curated off-air news coverage of the Queen's death and period of mourning from channels including Sky News.
- Covid lockdown programming including *Ramadan in Lockdown* (2020), *Ant and Dec's Saturday Night Takeaway* (2020) and *Isolation Stories* (2020).
- *The Peacock Screen*, a collection of 55 interviews with cast, crew and technicians in the Indian film industry from a series originally produced for UK's Channel 4 in the early 1990s.
- Episodes 1–4 of the Ken Loach documentary *Questions of Leadership* (1983), a series commissioned but eventually prevented from broadcast by the UK's Independent Broadcasting Authority (IBA) over questions of 'balance'.
- Primetime dramas *Deadwater Fell* (2020), *Flesh and Blood* (2020), and episodes from light entertainment shows *Grayson's Art Club* (2020) and *Mo Gilligan's All Star Happy Hours* (2020).
- Over 250 new children's television programmes backed by BFI Young Audience Content Fund, including *First Dates Teens* (2022) and *Lloyd of the Flies* (2023).

³ STORA: System for Television Off-air Recording and Archiving

⁴ Additional data on STORA can be found at <https://blog.bfi.org.uk/knowledge-and-collections/start-with-open-source>



Image: Life in Her Hands, part of BFI Player collection NHS on Film

Special Collections

One of the largest by volume collections areas of the BFI National Archive, our Special Collections have been exhibited, visited and researched this year. This has included displays of Ann and John Bloomfield's works at the BFI Southbank and preparations for 2023's Powell and Pressburger season.

Acquisition highlights include:

- The scripts of writer / producer G F Newman, including *Law and Order* (BBC), *The Nation's Health* (BBC) and *Judge John Deed* (BBC).
- Small package of letters relating to David Lean's time filming *Dr Zhivago* (1965), to his wife at the time, Leila Matkar (supplements the existing David Lean archive, cared for by the BFI).
- Over 1,000 new photographs relating to BFI Film Fund productions, 2022.
- A rare Danish poster for *I Know Where I'm Going* (1945).

Online, Non-Broadcast & Shorts

Newly acquired or accessioned digital works and short form content, including collections prepared for Heritage 2022 video digitisation project. Highlights include:

- 26 short films by Mark Jenkin.
- The complete single screen works of Onyeka Igwe.
- Video art collection from the LUX, comprising a substantial and significant chapter of twentieth century video art in the UK.
- *The Black Cop* (2021), BAFTA winning documentary portrait by Cherish Oteka about an ex-police officer exploring his memories of racially profiling and harassing at work.
- *I Don't Protest I Just Dance in My Shadow* (2017), a short essay film by artist animator Jessica Ashman, using animation and recorded interviews of eight other women of colour artists.
- 100+ adverts identified and accessioned as part of Heritage 2022 video digitisation project.
- 500+ public information films from Central Office of Information (COI) collection accessioned as part of Heritage 2022 project.
- Two significant collections representing Britain's thriving creative corporate films sector: *The Edge Picture Company*, an award-winning international sector leading company, and selections from *Take 3 Productions* a now defunct award-winning production company which worked for clients across the public, private and third sectors.
- Starting digital preservation of our *Britain on Lockdown* collection, a curated selection of online blogs and videos made during the UK's first lockdown in spring 2020.



PRESERVATION AND CATALOGUING

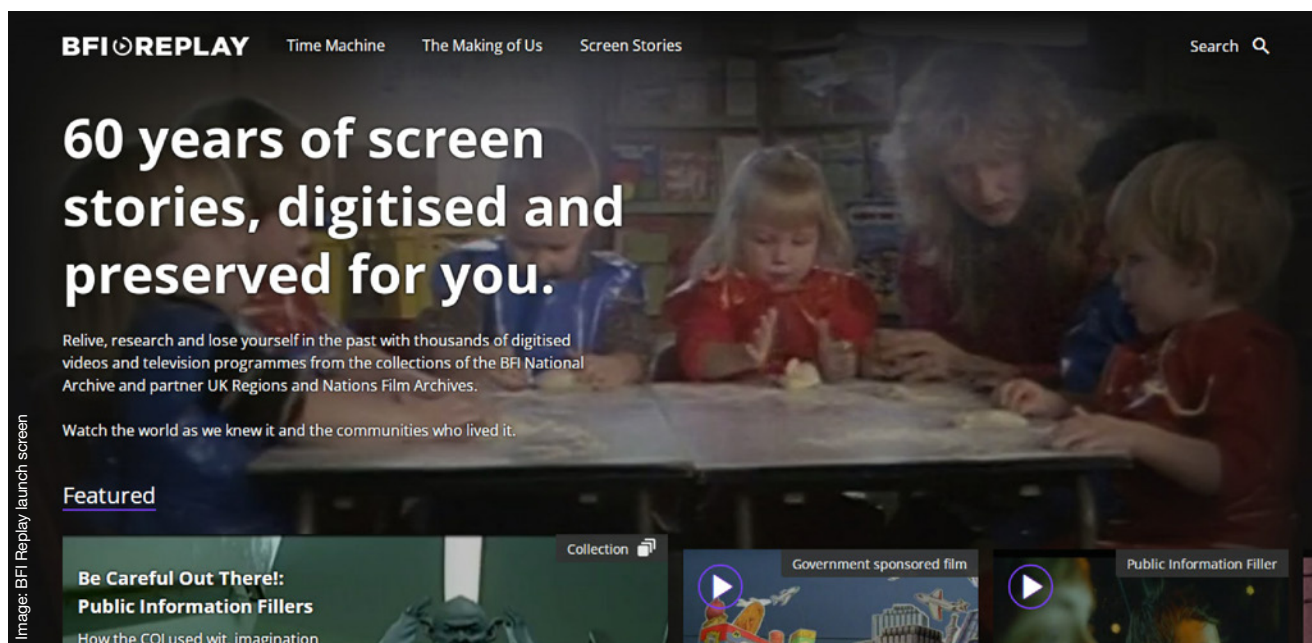
Towards a National Collection – digital preservation project completed

The BFI National Archive has been involved in several projects within the AHRC-funded Towards a National Collection programme. ‘Preserving and Sharing Born Digital and Hybrid Objects’ was a partnership between the V&A, the BFI, and Birkbeck University, exploring the challenges of collecting, preserving and sharing born-digital and hybrid digital objects. The BFI National Archive led on the creation of a Decision Tree Model of the processes involved in assessing an acquisition of a complex digital object.

Special Collections – women’s paper archives

A Special Collections-based project focused on cataloguing women’s paper archives that we care for is the first step in our wider Special Collections strategy to make the presence of women in film and in the archive more visible. This work has focused primarily on the pivotal, yet often undervalued, role of the Script Supervisor, ensuring the collections of Pat Rambaut, Penny Eyles, Valerie Booth and Alison Thorne are fully catalogued, preserved, and accessible to the public.

Two other collections of women in the industry have also been catalogued: the collection of Monica Sims, the first female Director of Radio Programmes at the BBC and later Vice-President of the BBFC (British Board of Film Classification), and the collection of scriptwriter and researcher, Sheila Carter.



HERITAGE 2022 PROGRAMME

The Heritage 2022 programme has continued this year. There are a number of interwoven strands to this programme and notable achievements this year included:

- Landmark target of 100,000 titles on 'at-risk' videotapes were digitised by March 2023.
- Special collections started to digitise their press kit collections
- BFI Replay launched – the BFI National Archive's new archive streaming service available in communities UK wide via local public libraries. has enriched BFI Replay with over 3,000 titles from across the UK, with a specific emphasis on the four content pillars of BFI Replay; Closer to Home, The Time Machine, You Are Here and Screen Stories enhancing the users experience
- Access funding from the National Lottery was made available to the RNAs, to provide further contextualised metadata for a selection of digitised videotape from regional collections for BFI Replayw
- Film Prints: We have almost concluded the 100 film prints strand of Heritage 2022. The team worked hard to advance delivery this year during a challenging period for film print creation internationally. They created 24 new 35mm projection prints. The ongoing legacy of Covid-19 continued to cause delays with rights-holders, film laboratories and partner archives alike, posing challenges to delivery targets. Prints delivered this year include *Die Büchse der Pandora* (Pandora's Box) (Pabst, 1929), *La Passion de Jeanne d'Arc* (The Passion of Joan of Arc) (Dreyer, 1928), *Killer of Sheep* (Burnett, 1978) and *Thelma and Louise* (Scott, 1991) working with MGM, Deluxe, Fotokem, Paramount, The Academy of Motion Picture Arts and Sciences, Milestone, UCLA, ColourLab, George Eastman House, Hiventy and Titrifilm and Société Cinématographique Lyre.

Image from *I Know Where I'm Going!* by Michael Powell & Emeric Pressburger

RESTORING AND REMASTERING

Highlights from 2022–23 include:

Nil by Mouth (1997)

The BFI National Archive created a new 4k remaster from the original camera negative which premiered at BFI Southbank in October 2022. The remastering of Gary Oldman's directorial debut was to celebrate the film's 25th anniversary, and was supported by Simon and Harley Hessel.

The Draughtsman's Contract (1982)

A new restoration created in collaboration with director Peter Greenaway premiered at Venice Biennale in the Classics strand in September. It was originally shot on 16mm and blown up to 35mm for cinema release.

The Passion of Remembrance (1986)

The BFI's 4K remaster of the seminal debut feature from directors Maureen Blackwood and Isaac Julien, premiered at the BFI London Film Festival, with a simultaneous transatlantic premiere with the New York Film Festival. The remaster was undertaken in collaboration with the directors and cinematographer Nina Kellgren.

I Know Where I'm Going! (1945)

In May Martin Scorsese's The Film Foundation launched 'The Film Foundation Restoration Screening Room', with the aim of showcasing films restored with support from the Foundation and its partners. We co-presented their first presentation, *I Know Where I'm Going!* (1945, Powell and Pressburger), recently restored by BFI National Archive with funding from The Film Foundation, in association with ITV and Park Circus.

Victorians on Film: Entertainment, Innovation and Everyday Life

A new digital resource, in partnership with Adam Matthew (AM), publishing a unique collection of films created at the very dawn of cinema and filmmaking and providing a glimpse into the moving, breathing lives of 19th century Britain. Publishing the BFI National Archive's digitally restored late Victorian period, 1895–1901 and all the films of Sagar Mitchell & James Kenyon from 1900 onwards for use in Higher Education and academic study. A BFI National Archive Curator is serving on the Editorial Board.



***Elizabeth: The Unseen Queen* - BFI National Archive digital restoration and preservation opens up access for new BBC feature documentary**

For decades the late Queen's private film collection has been carefully preserved by the BFI National Archive, on the Royal Household's behalf, using the specialist skills of our archivists and controlled storage environment at the Master Film Store to care for them. The Royal Collection of film dates from 1931 with in excess of 1,000 individual reels of film.

To mark the late monarch's Platinum Jubilee, the BBC developed a new feature documentary *Elizabeth: The Unseen Queen*, using rare and previously unseen footage from this personal film collection. This involved us examining 700 original film reels, of which we subsequently 4K-scanned and graded 500 reels, totalling 115 hours of material, for the BBC production.

Five restorations screening at Toute la Mémoire du Monde

Five recent restorations from the BFI screened at the tenth edition of the festival *Toute la Mémoire du Monde* in Paris in March. A special programme strand entitled 'This is England' showcased the restoration work of the BFI National Archive, including *Women in Love*, *Friendship's Death*, *Naked*, *Nil by Mouth* and *The Private Life of Henry VIII*. This was an opportunity to celebrate the sense of kinship between the BFI National Archive and the Cinémathèque Française: born a year apart in the 1930s, they represent half of the founding membership of the International Federation of Film Archives (FIAPF).



Image: Spike Lee visiting the Conservation Centre. Image by Yves Salmon

ENGAGEMENT & INTERNATIONAL COLLABORATION

Advocacy and Engagement with the national collection

As part of Spike Lee receiving a BFI fellowship, he visited the Conservation Centre. He was deeply impressed and was adamant that the BFI National Archive “is the best in the world”.

In late January the British Library Sound Archive were hosted at the Archive. They were shown the Archive Technology Group’s 3D scanning and printing capabilities

In another tour the Archive Sales Manager hosted the first two trainees to take part in the six-month archive research training scheme hosted by the BBC Studios Documentary Unit. Along with BBC Archive Producers, they were given an introduction into research and licencing archive content and then taken on a tour of the Conservation Centre.

BFI joins the National Museums Directors Council

In March the BFI became a member of the National Museum Directors Council, the most influential independent group of heritage leaders in the UK, which allows us to be part of the group that debates and develops heritage policy. The National Museums Directors Council (NMDC) represents the leaders of the UK’s national collections and major regional museums. The heritage represented in the group until this point included libraries, archives, natural history, science, outdoor museums, but not the moving image. Membership of this group will help us to raise the profile and status of our national collections, alongside giving us access to the developing best practice and early conversations on national issues around heritage – from skills challenges to decolonising collections.

BFI joins the Digital Preservation Coalition

In September the BFI became a full member of the Digital Preservation Coalition, the international charitable foundation which supports digital preservation. Membership of the DPC acknowledges the BFI National Archive’s contribution to developments in audiovisual digital preservation, and provides access to the global network of expert practitioners, as well as creating opportunities for collaboration and advocacy for good practice.



Image: We Are UK Film Pavilion at Cannes Festival

International advocacy and knowledge exchange

In October the BFI attended the FIAT-IFTA World Conference in South Africa. As a member of the Preservation & Migration Commission, we participated in the first PMC open meeting since 2019 and were part of the judging panel for the FIAT-IFTA 'Excellence In Media Preservation' Award.

The BFI were represented at the International Market for Classic Film (MIFC) in Lyon, France, sharing the BFI's approach to restorations and remasters, and making links for future collaboration and archive exhibition opportunities.

Team members also presented their cutting-edge work in recording off-air TV using open source code (that they wrote) at the No Time To Wait conference in the Hague, Netherlands: 'Introducing STORA – YouTube' as well as at the European Broadcasting Union's online Data Technology Seminar.

The BFI National Archive was represented alongside INA (France) and National Film Board of Canada at a special EURODOC lab for documentary filmmakers held in Martinique in the eastern Caribbean (the BFI team zoomed in from London). We introduced key BFI collections, licensing and access practicalities, and discussed our work on creative collaborations and broadcast partnerships. Attendees included filmmakers from Haiti, St Vincent and Venezuela among others, all developing projects as we speak including around cultural access to archive of former colonial territories.

These training sessions can be a good way of engaging the international filmmaking community with our collections, demystifying the BFI, and hopefully inspiring them to work with us.

In December our Film Preservation Manager, and Executive Director of Knowledge & Collections, accepted an invitation from India's Film Heritage Foundation (FHF) to join the faculty of the 7th annual Film Preservation & Restoration Workshop. The workshop is sponsored by FIAF and is open to applicants from countries which have no or very limited access to film archival and preservation support, infrastructure and training. Our attendance was financially supported by the FHF.

The students this year included people who were in the process of setting up new national film archives (Sri Lanka, Saudi Arabia) as well as people from established archives in countries with no formal training in this area of work (India, Turkey). The faculty were drawn from major institutions – from the US the Academy and the Met Museum, Italy's l'Immagine Ritrovata, France's INA and Pathe Foundation, also Portugal, Germany and Switzerland.



Image: The BFI Master Film Store facility in Warwickshire

ACHIEVEMENTS IN THE RESEARCH AND MUSEUM SECTOR

AHRC Capital Funding to improve collections storage

For a second year running we have been successful in attaining a funding grant from the Arts and Humanities Research Council (AHRC) under their Creative Research Capability grant scheme. The award of £150,789 will allow us to renew and upgrade of our existing library facilities through the refurbishment and enhancement of our library store in the multi-media vault at the Conservation Centre in Berkhamsted. The new shelving will provide us with vital growth space for the next ten years as well as improved facilities for working with the material in situ. We anticipate completing our new library store in May 2023.

AHRC Research Projects

BFI National Archives curators co-led with University of West London an AHRC-funded Research Network *Hidden Screen Industries*. This network brought together academics, curators and practitioners to collate expertise on professional screen sectors beyond cinema and TV, investigating their huge but often neglected presence in historical and contemporary British filmmaking and how that should influence heritage practice, academic histories and contemporary policy.

The Archive is a Co-Investigator on a major multi-institutional AHRC project which commenced in 2022. *The Congruence Engine*, led by the Science Museum Group, aims to connect multiple collections, including the BFI's film collections, reflecting British industrial histories (textiles, energy and communications) and to synthesise curatorial, academic and community expertise on those collections and histories using new digital tools.

O'CONNELL
BRENDAN FRASER

'THE MUMMY'



John Bloomfield.

Future Learning & Skills

Future Learning and Skills



Education is central to future filmmaking talent, both above and below the line. Throughout the year we strived to create opportunities for every young person across the UK to engage with film from an early age, developing their understanding and command of screen literacy in tandem with learning industry standard production skills.

NFTS Early Stage Access and Diversity Accelerator Programme

BFI awarded the National Film and Television School (NFTS) National Lottery funding towards the costs of delivering this programme during the term from 1 April 2021 to 31 March 2023. The aim was to increase the diversity of applicants to their programmes and increase their reach and impact to inform and support more young people to work in the film and TV industries.

Since the programme started, NFTS have engaged over 16,000 young people, benchmarking positively against diversity and inclusion targets. The accelerator resulted in the most diverse cohort ever enrolling at the school in January 2022 with 33% of students female, 46% ethnically diverse, 23% LGBTQ+ and 38% disabled.

Into Film

Into Film is a UK-wide education charity, part-funded by BFI, which puts film at the heart of children and young people's education and supports teachers and educators in their use of film. During Covid, Into Film adopted a hybrid led remote teaching and programme delivery. This has helped transform their approach to become more online and resource led, increasing dramatically the reach and scale of operation, and deepening impact.

The number of UK account holders continues to increase year on year (51,000+ this year). Teachers engage with the programme in different ways - engaging with Into Film's curriculum-linked resources, Into Film+ SVOD service and other member-facing filmmaking activities. Throughout the year a total of over 3.8 million beneficiaries benefitted from Into Film funded activities.



Ffilm Cymru Wales

BFI continued to support the delivery of film education projects in Wales, via National Lottery funding managed and allocated by Ffilm Cymru Wales through their Film Education Project Fund. During this year the Film Education Project Fund supported three projects in Wales, engaging young people in creative learning. The grants enabled film education practitioners to teach new and exciting film practices to participants in their schools as part of the curriculum, or in local community spaces as extra-curricular activities.

BFI National Film Club Programme

BFI Film Clubs offer an exciting opportunity for aspiring 12–15-year-old film-makers in some of England's most socially and educationally challenged areas to learn new skills, develop their creativity, and engage with the best of world cinema. The network of clubs complements BFI's existing programmes for 16–19-year-olds offered through the Film Academy network. Throughout the year the clubs returned to in-person delivery, after a very successful online approach during Covid. Delivery partners ranged from local community providers, through BFI Film Academy partners, to national delivery partner the National Saturday Club. Clubs have been delivered in community settings and in partnership with local colleges and universities to around 800 beneficiaries.



Image: The Prince of Wales meeting Film Academy alumnus

BFI FILM ACADEMY 2022/23

Now in its eleventh year, BFI Film Academy is backed by the Department for Education (DfE), National Lottery, Screen Scotland, and Northern Ireland Screen, and continues to provide young people across the UK, the opportunity to take part in hands-on filmmaking, receive training from industry professionals and build their professional networks, ensuring they are prepared to take their next steps into the UK film and screen industries.

Courses

Since 2012 approximately 10,000 places have been created on short courses and specialist residential courses for 16–19-year-olds. This year the DfE committed a further £1 million, supported by £500,000 from the National Lottery and £77,500 from Screen Scotland and Northern Ireland Screen, for delivery in those nations, to deliver 54 script to screen courses to over 1,200 young people. Specialist residential course options include animation, VFX, documentary, programming and audience development, and craft skills.

Events

Our monthly skills-based Lab events this year recorded 1,000 live views and almost 4,000 post-event views to-date. Topics covered included writing for genre films, festival strategies, finding inspiration in the archives in partnership with the BFI Collections team, and a session on programming that attracted aspiring programmers from across the UK.



Image: Prize winners at the Future Film Festival 2023

We continue to host weekly SCENE events – Instagram Live interviews with young filmmakers, including alumni of Film Academy courses – were hosted by the Film Academy Young Programmers, who help shape and promote the BFI Film Academy events programme. The SCENE events have so far achieved more than 2,000 live and 5,000 post-event views, and the audience continues to grow. Highlights included two seasons curated by the Young Programmers that focused on health & well-being and adaptations.

The Young Programmers also publish weekly film reviews for the Film Academy social channels and in March a 'Film Academy Recommends' section was introduced in the BFI Southbank guide, with Young Programmers picking one film from the BFI's public programme to highlight each month.

Future Film Festival

The 16th edition of the BFI Future Film Festival ran as a hybrid event. The festival received over 1,000 eligible submissions of short films made by young people aged 16-25 from 53 countries across the world, with increased global representation attracting 40% ethnically diverse directors, 47% female directors and 4% non-binary directors.

BFI worked with a panel of ten BFI Film Academy Young Programmers, all aged under 25, and helped us shape the programme of 55 short films. These films were shown at the BFI Southbank and for the first time all the shortlisted films were available to view, for free, from anywhere in the world via YouTube.

During the four-day festival 55 events were hosted, utilising 143 speakers and guests including Daisy Ridley and Rian Johnson, with new BFI Fellow Spike Lee announcing the start of the festival, which saw an increase in in-venue sales of 16%. In a bid to make the festival as accessible as possible all the morning keynotes were British Sign Language (BSL) interpreted, trigger warnings were displayed for each event, and quiet rooms available. All our Digital Hot Spot events were shared with Closed Captions and had BSL interpreted video options.



Image: Spike Lee with BFI Film Academy Alumni at his Masterclass event

Venue Education Fund

Since its launch in 2021 the BFI Film Academy's Venue Education Fund has worked with seven lead organisations across the UK enabling venues across the UK to provide locally tailored masterclasses, screenings, and bursaries, to help young people aged 16 to 25 learn more about the film industry. By watching cultural cinema, becoming familiar with local venues we aim to develop young people's skills as independent filmmakers, film curators and film industry new entrants. The Venue Education fund provided a vital link between the existing BFI Film Academy programme, BFI Network, and the BFI FAN network.

Film Academy Alumni Programme

Our Film Academy alumni receive opportunities throughout the year to grow & develop. This year this included attending a masterclass with BFI Fellowship Award recipient Spike Lee, and a roundtable session with Michael B Jordan.

Future Skills Trainee Programme

Now in its seventh year, the BFI Film Academy Future Skills Trainee Programme supports young people from under-represented groups to build a career in film through extended, fully paid, work placements. This year, 42 young people gained valuable experience on placements across 24 departments on UK productions, including two high-end television productions from a major studio, joining over 150 other trainees who have begun their careers through the Future Skills programme since 2016.

BFI LEARNING

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. This year we led on launching the Network for Ethnically Diverse Film Educators, which aims to consult on representation in film studies in the curriculum in England.

In August we hosted 20 ethnically diverse teachers to participate in a two-week Teach First placement programme. Coming from a range of subject backgrounds they created teaching resources using films from the BFI National Archive to challenge racism and racist attitudes through the school curriculum.



The BFI's support for schools, teachers, pupils, and students continued via a hybrid programme, combining venue activity at BFI Southbank, and a smaller online offer. We welcomed 10,826 students in venue, and over 3,000 online at a total of 67 events. We were excited to launch a programme for schools, offering IMAX documentaries to support the curriculum on the biggest screen in the UK. Our popular events for trainee teachers continued, with close to 300 teachers attending workshops in the spring of 2022. In June, the BFI Media Conference returned to venue bringing 150 film and media teachers to sample the best of industry insight and teaching practice.

BFI Families and Children

Our programme for families and children and young people under 16 continues to attract high demand. We opened a new club in Bromley and renewed our partnership with local neighbourhood provider Coin Street Community, screening family films for their clients once a month. We continue to look for new local partnerships to support this kind of work.

Online Learning for Adults

Over the last three years, we have been working on an exciting collaboration with The Open University to develop three short courses. Each of these courses are six-weeks in length and contain specially chosen BFI archive materials. The first two courses' *Media, Politics, and Society*, and *Reading the Screen*, launched in 2021 enrolling 150 students, while the third, *A Story of Documentary Film*, opened in February. These courses run three times a year, across eight years, giving worldwide audiences access to the treasures of the BFI Archive.

In October in partnership with Learnaboutfilm we launched a brand new four-week course on *How to Make a Short Film*. To date this course has 1,824 sign ups and has 4.8 out of 5 stars from users. Our FutureLearn courses continue to attract many new learners with *Victorian Film* – 6,613 enrolments, *Film Education: A User's Guide* – 6,331, and *Short Film in Language Teaching* – 22,628.

A Champion for New Filmmaking Talent

A Champion for New Filmmaking Talent



BFI NETWORK champions new talent and unheard stories and is passionate about films that reach new audiences. As part of the BFI's long-term commitment to discovering, developing and championing new and emerging filmmakers, BFI NETWORK offers extensive professional development, funding and editorial support for producers, writers and directors aged 18 and over at the start of their careers.

The programme awards National Lottery funds for the production of short films and the development of debut feature film projects. The UK-wide BFI NETWORK teams are based in leading cultural venues across England in the five BFI FAN Hubs and with our national partners Ffilm Cymru Wales, Northern Ireland Screen and Short Circuit in Scotland.

We also work with Doc Society to support short documentary films each year through their BFI Doc Society Made of Truth Fund, and British Council on the More Films for Freedom short film funding programme exploring LGBTQIA+ stories from the Middle East and Africa, and for this year only, a special additional focus on Brazil.

Funding

UK-wide this year we received over 800 applications for short film projects, and over 300 for early development projects. This means fierce competition, and difficult decisions, but continuing our regular growth we saw 41 short films and 31 early development projects funded and are very excited to see these projects reach completion soon. Our delegate partners in Northern Ireland, Scotland and Wales saw a combined 38 short films funded into production, and BFI Doc Society supported nine short films through their Made of Truth Fund.

We have piloted a Wellbeing Facilitator trial on a selected number of shorts, offering access to additional training and on set support. We will be reviewing the findings from these projects and re-grouping to consider and plan what support that can be offered into the new strategy period, what worked and what could be improved.

We continued to provide additional funding for COVID-related production costs and access related costs to our short films where needed. As well as cohort training for all BFI NETWORK funded teams in areas such as health & safety, sustainably, bullying & harassment and more.

Partnerships

During this year BFI NETWORK underwent a large scale evaluation for 2017–2021, which has allowed us to reflect more widely on the expansion of our partnerships, as we continue to build more collaborations with other organisations for outreach and activity provision.

Connected to our eight core delivery partners, we now have a network of 250 UK-wide organisations who our partners work with to diversify the screen sector, co-develop programmes, run joint activities and promote our funded work.

There has been a particular focus on partnerships with community led and industry facing D/deaf and Disabled organisations, including DANC, Beacons Films, Bigger House Films, Little By Little Films, 104 Films, Disability Arts Cymru, University of Atypical and more. The long-term commitment in this area has led to an increase of D/deaf and Disabled talent being awarded BFI NETWORK funds over the five years (detailed below).

Professional Development

This year we have seen a shift back to in person attendance for professional development and are working in a truly hybrid way. Over 4,200 people benefited from in-depth professional development programmes and events, nearly double from the previous year. These included a huge array of targeted training for writers, directors and producers across the regions and nations via labs, workshops and large scale networking events. Our Talent Executives respond to arising sector needs, and provide resources and activities that addressed reliance, on-set wellbeing and how to deal with creative setbacks, for example the recent Growth Mindset Webinars run by Film Hub Midlands to accompany the application refusal process.

Our flagship NETWORK@LFF programme was back this year with a four day programme and increased capacity with 15 exciting emerging writers, directors and producers from all over the UK selected from 596 applications. The programme creates an environment where the participants can ask candid questions of the makers they are introduced to, who share their expertise with absolute generosity. Highlights this year included sessions with Saim Sadiq (*Joyland*), Alice Diop (*Saint Omer*) and Dionne Edwards (*Pretty Red Dress*), and meetings with commissioners from Film 4, BBC, Netflix and BFI.

We ran our second iteration of BFI NETWORK Insight: Emerging Producers programme, designed and delivered by Screen Yorkshire, providing 12 UK emerging producers with vital training and professional

development support in taking serious steps towards their debut feature and growing sustainable, creative companies. The participants had the opportunity to take part in the European Film Market in Berlin, where they had pre-arranged meetings and talks with international producers, sales agents and distributors.

From the largest number of applications to date (180), six emerging LGBTQIA+ filmmakers were selected for the 2023 BFI Flare x BAFTA mentoring. We also supported over 100 filmmakers to attend festivals or labs through our Travel Grants scheme run by the British Council.

Inclusion

BFI NETWORK builds inclusion into every element of its activity and the structural impact of this approach was demonstrated in the inclusion statistics for funded projects in England, which saw 49% of awards made to female or non-binary filmmakers; 16% to disabled filmmakers; 33% to ethnically diverse filmmakers; and 28% to LGBTQIA+ filmmakers.

These results meet or exceed our targets in every category and are a testament to the detailed work of BFI NETWORK's staff and partners to design programmes and practice that opens doors, demystifies the industry and interrogates – and alters – the status quo at every opportunity. The most notable increase in 2022–23 was with ethnically diverse filmmakers, which is up from 24% last year to 33% this year.

Festival Awards and Success

BFI NETWORK-backed short *An Irish Goodbye* (made through our partner Northern Ireland Screen) was our most successful project this year winning in both the BAFTA and Academy Award Short Film categories. Via our British Council travel grants we supported the co-directors and lead actor to attend the award ceremonies and make the most of this incredible opportunity. From Scotland, BFI NETWORK backed short *Too Rough* (partner Short Circuit) won the BIFA Best British Short Film Award 2022.



Supporting the Future success of UK Film

We move into the new strategy period and fund restructure on the back of considerable recent success: 2022–23 represented the last year of the Film Forever strategy and saw standout success as projects backed by the fund won critical praise and accolades, and generated cultural conversation. Film Fund supported projects won the Palme D’Or 2022, garnered Oscar and BAFTA nominations and wins, and made significant cultural impact.

This past year, the Filmmaking Fund has continued to tackle barriers against inclusion and equal opportunity to foster a more skilled, representative and sustainable UK-wide workforce. The Fund’s work this year has included rolling out new mandatory training for all Fund team members on Anti-Racist practice, Active Bystander practice, Disability & Access Awareness, and Supporting Trans Professionals in the Screen Industries.

The Step Up scheme, first introduced in 2018 to address an imbalance in representation on film productions, has continued to provide opportunities to underrepresented people. To date over 60 people working in crew or as Heads of Department have stepped up across 35 Film Fund productions. Over the past year, 64 projects have received Development funding and 10 projects have received Production Funding, with eight additional projects also given letters of interest. As of April 2023, two projects are currently shooting and eight are in pre or post-production.

Formerly known as the BFI Film Fund, the new BFI National Lottery Filmmaking Fund was officially launched in March 2023, as part of the wider BFI 2033 Screen Culture strategy. The Filmmaking Fund will continue to uphold National Lottery funding principles and, by using clear and refreshed funding priorities to drive decisions, aiming to expand the support for culturally impactful films in both development and production. 2023–2026 will see the opening of new funds providing financial and career support for early and mid-career filmmakers. Production funding will be split into two funds: Discovery, for debut features under £3.5m, and Impact, for second features (and beyond) or debuts with budgets of over £3.5m. For the first time in several years, the Discovery Fund will operate in rounds in order to maximise the budget and make funding decisions more equitable. Impact is a rolling fund.

Future Takes, a new high budget short film fund run in partnership with Film 4, opened for applications in December 2022 and received more than 400 applications from experienced short form filmmakers who are progressing towards their first feature. Through this fund, we will make up to 7 awards of £90,000 to fully fund 7 high budget short films. Assessments are still ongoing but there are plans to see a similar scheme return in the future.

Supported Filmmaker diversity and inclusion data 22-23 (Writer, Producer, Director)	Development	Production	2022–23 Targets
Female/non binary	66%	64.81%	50%
Black or Global Majority	39%	35.19%	30%
LGBTQIA+	21%	16.67%	15%
D/deaf and disabled	10%	6.11%	10%



Image: Blue Jean

Stand Out Film Successes

Last May, Ruben Östlund's searing satire *Triangle of Sadness* had its world premiere at Cannes Film Festival receiving widespread critical acclaim and the festival's prestigious top prize, the Palme d'Or. The film went on to receive further accolades internationally, winning four European Film Awards, (Best European Film, Director, Actor and Screenwriter), two Golden Globe nominations, three BAFTA nominations and three Oscar nominations (Best Picture, Best Director and Best Original Screenplay). In addition to Cannes, the film also screened at London Film Festival (LFF), Toronto International Film Festival (TIFF) New York Film Festival (NYFF) and San Sebastian Film Festival. The film has chimed with audiences globally and grossed a worldwide total box office in excess of \$25 million, achieving over one million cinema admissions just five weeks into its theatrical release.

Charlotte Wells' debut feature *Aftersun* also made a splash with its premiere at Cannes and picked up the French Touch Prize of the Critics' Week Jury. The film subsequently screened at LFF, TIFF, NYFF, Telluride Film Festival, Edinburgh International Film Festival, Adelaide and Melbourne Film Festival. The film has received near universal critical acclaim both in the UK and overseas. The filmmakers swept last year's British Independent Film Awards (BIFA), winning seven awards, including for Best British Independent Film, Director, Screenplay, Debut Director, Cinematography, Editing and Music. Charlotte's work was also recognised at the BAFTAs where she won the award for Outstanding Debut by a British Writer, Director or Producer. The tremendous performances have also been celebrated, with the film's

star Paul Mescal receiving his first Oscar nomination for his lead role. *Aftersun* has resonated with audiences and taken in excess of £1.8 million at the UK box office alone, having played for a remarkable five months in cinemas. The film sold in all territories worldwide, an incredible achievement for a feature debut.

Writer-director Georgia Oakley also made her feature debut with Section-28 drama *Blue Jean*. It had its world premiere at Venice Film Festival where it won the Gionate Degli Autori's People's Choice Award. Subsequently it also premiered at LFF, Thessaloniki and Seville Film Festivals. The filmmakers and cast won four BIFA awards (Best Lead for Rosy McEwan, Supporting Performance for Kerrie Hayes, Debut Screenwriter, and Best Casting). Writer-director Georgia Oakley and producer Helene Sifre were also jointly nominated for a BAFTA for Outstanding Debut by a British Writer, Director or Producer. Like *Aftersun*, in a remarkable achievement for a debut, *Blue Jean* also sold in all territories worldwide.

Raine Allen-Miller's feature debut *Rye Lane* had its world premiere at Sundance in January 2023. The film received an enthusiastic reception at the festival and subsequently opened across 350+ screens in the UK. From powerful word of mouth and positive reviews, the film played strongly in cinemas across the UK and heading towards a domestic box office in excess of £1 million. Supported by Searchlight Pictures, the charming South London set film was released in North America on Hulu and to further large audiences worldwide on Disney+.



Image: Nezouh

Soudade Kaadan's highly anticipated sophomore feature *Nezouh* also made its world premiere in the Horizons Extra section of the Venice Film Festival. This Syrian-set drama received critical acclaim and picked up the Audience Award for the Horizons strand. The film went on to also screen at LFF (where it was nominated for Best Film), at the Red Sea International Film Festival and the Cairo International Film Festival.

Having premiered at the 2022 Sundance Film Festival, *Brian & Charles* continued its lauded run. The film received BIFA nominations for Best Debut Screenwriter for David Earl and Chris Hayward as well as Breakthrough Producer for Rupert Majendie. This year the film also scored a BAFTA nomination for Outstanding British Film.

Charlotte Regan's feature debut *Scrapper* premiered at Sundance 2023. Starring Harris Dickinson and introducing Lola Campbell in her first role, the debut won the Grand Jury Prize for the World Cinema Dramatic Competition. The film has been announced as the opening film of the Sundance London Film Festival in July 2023.

Ella Glendining's probing documentary *Is There Anybody Out There?* also received well-deserved praise when it premiered at Sundance 2023 and Copenhagen International Film Festival. The film follows Ella as she travels to the US in search of people who, like her, love their body and do not view all disabilities as simply conditions in need of treatment. It now has a deal for distribution in UK and Ireland.

Lastly, Adura Onashile's debut feature *Girl* also made its premiere in the World Cinema Dramatic Competition at Sundance. Anchored by moving central performances from Deborah Lukumuena and Le'Shantey Bonsu, the film received critical acclaim. GIRL subsequently made its UK premiere as the gala opening film of Glasgow Film Festival (GFF) and will be released in cinemas in August 2023.

Carol Morley's hotly anticipated fourth feature, *Typist Artist Pirate King*, starring Monica Dolan, Kelly MacDonald and Gina McKee, also made its UK premiere at GFF. This followed on from a very warmly received world premiere at Tallinn Black Nights Film Festival in November.

Following on from his Oscar-nominated short, Basil Khalil's debut feature, *A Gaza Weekend*, screened in the Discovery section of TIFF. The film stars Stephen Mangan, and is a darkly comic film about an international pandemic that traps a British journalist in the Gaza strip.

Image: *Pretty Red Dress*

BFI NETWORK

BFI Network works nationwide with key delivery partners to continue to support short film production UK-wide and develops careers and projects in early development. Just one highlight of their work this year is *An Irish Goodbye*, which was funded by BFI Network N.I and Northern Ireland Screen, and won the Oscar for Best Live Action Short 2022; a stand-out achievement amongst many this year.

Short Form Animation Fund-supported works also had brilliant releases over the past year. *The Debutante*, based on a short story by Leonora Carrington and directed by Elizabeth Hobbs, premiered at LFF as well as Annecy Festival, Bucheon International Film Festival in South Korea and Clermont-Ferrand International Short Film Festival, where it received the Lab Special Jury Prize. Another short animation film, *Your Mountain is Waiting*, directed by Hannah Jacobs and written by Harriet Gillian, premiered at Leeds International Film Festival and Aesthetica Film Festival before picking up a BAFTA nomination for Best Animated Short.

Film Fund-supported VR immersive experience Consensus Gentium premiered internationally at SXSW in Austin, Texas. The immersive, smartphone-based experience debuted to widespread acclaim and won the Grand Jury Prize in the Immersive strand of the festival. The experience was also presented at Copenhagen International Documentary Festival.

BFI London Film Festival

The festival continues to be a brilliant showcase for Filmmaking Fund-backed features. The debut film for both director Andrew Cumming and screenwriter Ruth Greenberg, *The Origin*, had its world premiere at LFF. The critical praise it received was followed by three BIFA nominations (Best Music, Best Hair and Make-Up and Best Debut Screenplay) and Safia Oakley-Green won the BIFA for Breakthrough Performance.

Tom Hardiman's debut feature *Medusa Deluxe* also had its UK premiere at LFF, following its world premiere at Locarno Film Festival. The US rights were snapped up by A24 and the UK rights by MUBI, who released the film in UK cinemas in June 2023.

Lastly, Dionne Edwards' feature debut *Pretty Red Dress* also had its world premiere at LFF, where the film received critical praise for the strong central performances from Natey Jones, Alexandra Burke and Temilola Olatunbosun. BFI Distribution have bought UK rights for theatrical release in June 2023.



Image: Don't Hug Me, I'm Scared

New Initiatives

In order to celebrate creative audacity and support early career UK filmmakers, the first BFI & Chanel Filmmakers Awards were launched in September. Industry bodies were invited to make nominations, which were then shortlisted and deliberated on by the final jury, which included British Vogue Editor-in-Chief Edward Enninful OBE, producer and founder of Le Cinema Club Marie-Louise Khondji and Tilda Swinton. The jury awarded £20,000 each to 4 awardees, Baff Akoto (*Queen of Glory*), Kathryn Ferguson (*Nothing Compares*), Sam Firth (*The Wolf Suit*) and Erfan Saadati (*Child of Empire*), to further their ground-breaking work in VR, documentary and narrative fiction filmmaking.

Documentary Funding

LFF also provided a brilliant platform to celebrate documentary works supported by BFI delegate partner Doc Society. Directed by Edward Lovelace, *Name Me Lawand* had its world premiere at LFF and received a nomination for the Grierson Award. The film explores how a young, Deaf, Kurdish boy learns to navigate life in his new home in Yorkshire.

Leah Gordon and Eddie Hutton Mill's film *Kanaval: A People's History of Haiti in Six Chapters* was similarly nominated for the Grierson Award and also received BIFA nominations for best Debut Director and Best Cinematography. Directors Lisa Selby, Alex Fry and Rebecca Lloyd-Evan's created an unflinching portrait of addiction in *Blue Bag Life*, which won the Audience Award after its premiere at LFF. The film also won the Golden Alexander in the Film Forward Competition at Thessaloniki Documentary Film Festival and will screen in UK cinemas in April 2023. Finally, the festival screened Alice Russell's *If The Streets Were on Fire*, which powerfully explores the consequences of austerity in the UK.

This year, BFI Southbank also hosted a preview and Q&A with the cast and crew of Kim Hopkins' Doc Society supported *A Bunch of Amateurs*. Filmed in part during the COVID pandemic, the film allowed audiences to live vicariously through some of the fascinating, charming, and often raucous members of Britain's oldest amateur film club. The film has been enthusiastically received by audiences, picking up the Audience Awards at Leeds, Sheffield and Leipzig Film Festivals. The film also won Best Documentary at Sheffield Documentary Festival as well as at

Santa Barbara International Film Festival. Kathryn Ferguson's powerful Sinead O'Connor documentary *Nothing Compares* premiered at Sundance 2022 and subsequently sold worldwide to Universal, in a brilliant achievement for her debut.

Doc Society has been the Fund's delegate partner for funding short and long form documentary development and production for the last five years. As we enter the new strategy, the delegate partnership went under review ahead of the new fund launch. Three organisations made full applications, which were comprehensively assessed through evaluations and interviews, with the support of external expert assessors. After careful consideration, Doc Society was reappointed the delegate partner for 2023–2026.

Young Audiences Content Fund

The Young Audiences Content Fund (YACF) closed for applications on 25th February 2022, with oversight of production and development awards continuing through this annual report period. The YACF, which was managed by the BFI and funded by the UK Government via the Department for Culture, Media & Sport (DCMS), supported the development and production of new, unique and distinctive, UK-made content on platforms, for young audiences in the UK.

An independent evaluation report, created by external consultancy Bigger Picture Research, detailed the success of the pilot. 61 new productions for young audiences were supported, of which 13 were recommissioned based on the strength of their performance. The fund also supported the development of 160 new projects, of which just over 9% have since been commissioned and / or gone into production for broadcast to date (higher than the average 5% industry standard).

The programmes that have transmitted to date have enjoyed ratings success, securing a total of 36 national and international prestigious industry award nominations with a total of 14 winners.

The Fund proved an effective lever in delivering high quality public service content for young audiences across different genres and techniques, contributing to a more plural landscape in the industry and directly encouraged additional investment for projects, targeting this age group.

- 71% of development and production spend was located outside of London and the South East.
- 10% of production awards and 7% of development awards supported new content in indigenous languages (Scottish Gaelic, Irish Gaelic and Welsh).
- To date, an estimated 6,976 roles for UK cast and crew were created by projects backed by YACF funding, equating to 185,087 job days

The YACF backed critically acclaimed and award-winning series such as *COP26: In Your Hands* (Sky Kids), *Don't Hug Me I'm Scared* (Channel 4), *Big Boys* (Channel 4), *The World According To Grandpa* (Milkshake!), *Teen First Dates* (E4), *Generation Genome* (KMTV), *Ted's Top Ten* (CITV), *Makeaway Takeaway* (CITV), *Mimi's World* (Channel 5's Milkshake!), *Meet The Experts* (Milkshake!), *Go Green With the Grimwades* (Milkshake!) and *Tell Me Everything* (ITVX), as well as projects in indigenous languages such as *Run* (BBC ALBA), *Lachlan Boy at the Top* (BBC ALBA) and *Sol* – a film on grief created for the Celtic language channels ITG4 (Irish), BBC ALBA (Scottish Gaelic) and S4C (Welsh).



On the International Stage



Image: Medusa Deluxe

Partnership building and exchange

In-person delegations were led by the BFI to Cannes ImpACT Lab, Munich International Film Festival, Nigerian International Film & TV Summit, Les Arcs Co-production Village and the EFM Berlinale inclusion initiative. We worked with the Doc Society to support a delegation of UK documentary filmmakers to attend CPH:DOX in Denmark. Further delegations of UK producers were invited to Poland and Mongolia.

We also organised two on-line networking sessions for producers exploring collaboration with Uruguay and Finland. BFI collaborated with the French Institute in the UK and Unifrance to host a delegation to LFF for French producers seeking co-production opportunities. The delegations to markets and festivals have provided opportunities for producers to progress their co-productions, gain additional international experience and build their networks of international producers. Many of the participants are emerging, and/or from diverse, under represented backgrounds.

Through the International Fund we were able to support international industry events including the Production Finance Market at LFF, Sheffield DocFest, the UK Stand at the Annecy Animation Festival and Market, British Film Festival in Dinard, Locarno Match Me!, New Cinema Days in Manchester and This is England Short Film Festival in Rouen.

BFI's International Fund supported the UK Pavilion at the Cannes Film Festival Market, which offered a series of curated industry panels and networking sessions. Also at Cannes we facilitated UK producers networking with their counterparts from the Nordic countries.

The Fund also supported Film Export UK to ensure the UK presence in the form of a dedicated stand branded We Are UK Film at the following events: Berlinale, Toronto International Film Festival (TIFF) and Asia Contents and Film Market Busan. Film London was supported to organise another edition of London Screenings, an export focussed event showcasing new UK films to international buyers. NFTS received support to deliver Inside Pictures – an international film business professional training programme.

Finally, the Film Export Fund supported 14 UK Films at many leading international festivals, including Sundance, Cannes, Telluride and SXSW. Titles included *Aftersun*, *Scrapper*, *GIRL*, *Medusa Deluxe*, *Merkel*, *Blue Jean*, *Nezouh*, *Great Yarmouth*, *My Name is Happy* and *Fashion Reimagined*.

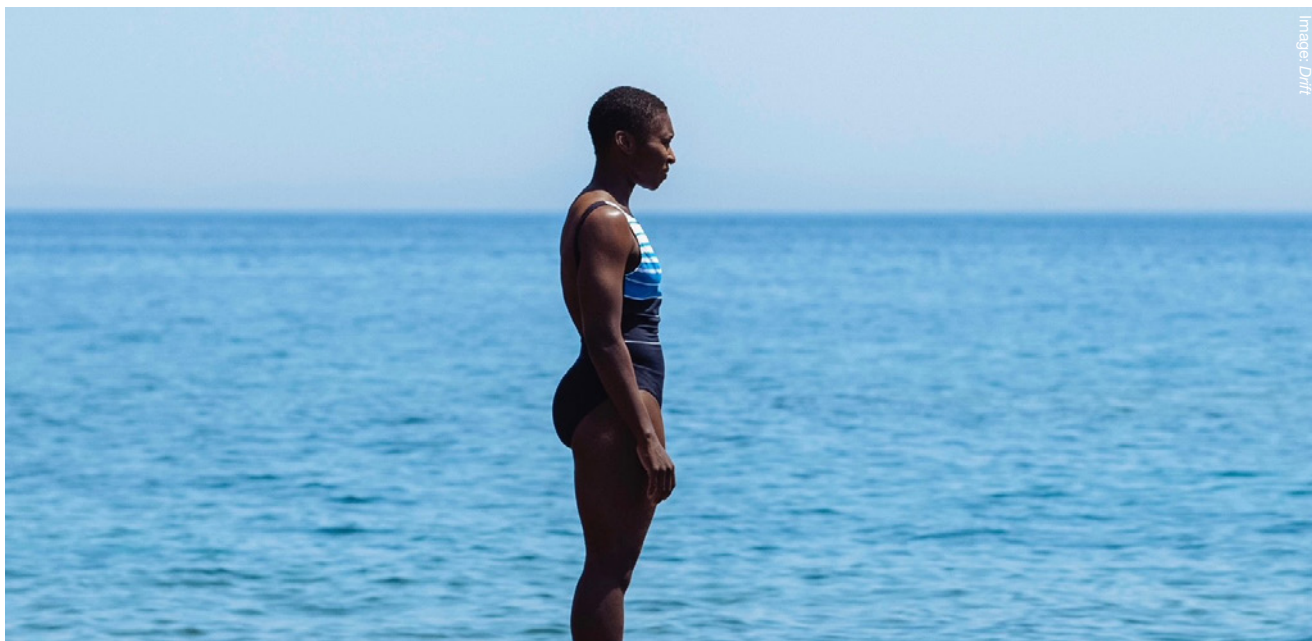


Image: Drift

Co-production

BFI engaged with the UK government in ongoing negotiations with the governments of Australia and Canada on modernising existing co-production treaties with these two countries. Once they enter into force, the revised treaties are expected to unlock increased opportunities for collaboration across film and TV.

UK Global Screen Fund

The UK Global Screen Fund (UKGSF), launched in 2021, is a £7m per annum fund designed to boost international development, production, distribution and promotional opportunities for the UK's independent screen sector. The UKGSF targets support across the screen sector, including film, TV, documentary, animation and interactive narrative games content. Financed by the UK government's Department for Culture, Media and Sport (DCMS), the UKGSF is focused on supporting International Co-production, International Business Development and International Distribution.

To date, the UK Global Screen Fund has made 97 awards, in the form of non-recoupable grants, totalling over £7.9m⁵. It has awarded funding to 25 international co-productions, bringing new global partnerships with 24 territories including China, New Zealand, Chile, Argentina, Ireland, France and Germany. The fund has helped boost international sales of critically-acclaimed UK feature titles including *Living* (Oliver Hermanus, 2022), *Enys Men* (Mark Jenkin, 2022) and *Good Luck to You, Leo Grande* (Sophie Hyde, 2022). To date it has awarded 35 companies with support for business development strategies that drive international growth.

Alongside financial support for UK screen businesses, the UKGSF has launched a consumer brand, ScreenUK, to promote UK screen content internationally. The digital campaign showcases and celebrates UK independent-spirited film, TV, animation and games, inspiring global audiences to discover the best talent and titles from across the UK.

⁵ Following its successful pilot year, the fund was renewed and budget confirmed within this financial year 2022/23. As a result of these timings, some UKGSF funding programmes will continue to make awards from this year's budget post 1 April and will therefore report on those further figures subsequently.



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 screen agencies across the UK, which this year attracted almost £1.3bn of feature film inward investment and £3.1bn of High End Television 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 BFI worked with the BFC 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 circumstances. 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.

International Policy

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

Work continued on ensuring the interests of the UK's screen sectors are represented and protected in the Government's negotiation of new Free Trade Agreements (FTAs) around the world including India and Australia as well as the UK's accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Leadership & Advocacy

Leadership & Advocacy



UK Film & TV Production Restart Scheme

In July 2020 the DCMS launched the Film & TV Production Restart Scheme to help UK productions that were ready but unable to start/restart due to a lack of insurance cover in the commercial marketplace to cover COVID-19 related losses. 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 supported 1,259 individual indigenous UK film and TV productions with a combined production expenditure of £3.06 billion and secured over 100,000 jobs. The scheme was kept under review as the sector gradually recovered, and was extended to provide cover for production losses incurred up until 30 June 2022 and has now closed.

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 an important part in the sector's recovery.

Screen Culture /2033

National Lottery Funding Strategy

In October we published the BFI's new ten-year National Lottery Strategy, which sets out what we want to achieve through the National Lottery funds we award over the period from April 2023 to March 2033. We paired this with a National Lottery Funding Plan setting out the specific funds and programmes through which we will award up to £136 million over the first three years of the strategy period, from April 2023 to March 2026.

We continued to develop both the Strategy and the Funding Plan over the first half of the year, building on the extensive stakeholder consultation, research and analysis that started in August 2021. In April, we published a draft version of the strategy based on all the evidence we had collected and developed in line with the HM Treasury Green Book's guidance on designing funding programmes.

We ran a second round of consultation based on this draft strategy. We asked people whether it was fit for purpose, whether there was anything missing, and whether we should make any changes. We offered an online survey on the draft framework, which was open to anyone to contribute or comment on over a four week period. We also held a series of online meetings from across the UK, including Belfast, Bradford, Bristol, Cardiff, Glasgow, Liverpool, London, Manchester, Newcastle, Norwich, Nottingham, Plymouth and Sheffield. We also ran sessions on key areas of focus, including young people, video games and interactive content, and equity, diversity and inclusion. In addition to collecting this feedback, we continued to feed in new research and insight that could help

make sure our Strategy was effective as possible.

This included the BFI Skills Review, Economic Review of UK Independent Film, a review of the BFI Diversity Standards, as well as evaluations for a wide range of our existing National Lottery funds.

BFI National Lottery funding has historically focused on film, however, we used the strategy development process to engage with television, video games and interactive and immersive sectors too. This has helped us to understand the role that National Lottery funding may play as screen culture continues to evolve. Since launching the Strategy and the Funding Plan in October, we have worked hard to get our funds and programmes up and running for April 2023, so we can begin delivery immediately. The majority of these have now launched, with more to follow in the early months of the strategy period.

Research & Statistics

The Research and Statistics Unit (RSU) supports the creation of independent, trusted and rigorous evidence on the screen sector. It provides insight on how independent and cultural organisations – as well as wider industry – can adapt and thrive, and deliver the greatest benefit to the public. The team's research projects and studies are informed by industry and academic stakeholders who advise and help determine our research priorities.

A key report this year was the Economic Review of UK Independent Film, commissioned by the BFI, authored by independent economists and guided by a steering group of industry experts. The report examined the significant and rapidly increasing challenges being faced by UK independent producers and put forward recommendations to support independent film, which were welcomed by the sector.

The RSU also published comprehensive research into film audiences across the UK and internationally. Our Screen Engagement Audience Tracker profiled cinema audiences across the nation, providing insight into the post-pandemic theatrical audience. We also published a bank of international market intelligence reports, providing resources for UK organisations selling film and TV across the world.

Evaluations were also completed for programmes under BFI2022 and additional Government programmes, to assess the delivery and impact of funding activities as well as to inform the development of our strategy. These included significant evaluations for National Lottery funds and programmes including the Film Fund, Audience Fund and BFI Network. On behalf of the DCMS the BFI commissioned an independent evaluation into the landmark Production Restart Scheme, which was published in April 2023.

Amongst projects initiated this year are two studies undertaken in collaboration with the Creative Industries Policy and Evidence Centre. The first of these, on the Economic and Cultural Value of Cinema Venues, aims generate robust evidence on the value of existing UK cinemas. The second is a scoping study seeking ways to measure the impact of overseas mergers and acquisitions on the UK video games industry. We have also initiated a scoping study researching skills gaps and shortages for the digital content production sectors (animation, post-production, video games, VFX as well as immersive and interactive tech).

Academic Partnerships

Success with research funding from the AHRC continued at pace, with awards made for a major project led by the University of Leeds looking at film costume, and to Emma Smart to upgrade the storage capacity and accessibility of the Library's physical infrastructure. We also secured a PhD studentship that will support a collections-led examination of the role of migrant creatives in the historical development of 'British' cinema, and designed a brand new funding scheme with the AHRC to celebrate the 75th anniversary of the NHS, a partnership that will fund three emerging filmmakers, and an academic consultant, to create films that reimagine the BFI's NHS on Film collection. The year ended strongly with the BFI partnering again with the AHRC on CoSTAR (Convergent Screen Technologies and Performance in Realtime), a £70 million programme of investment in screen technologies.

BFI Certification Unit

The BFI Certification Unit sits at the heart of the UK's world leading screen sector tax reliefs. The unit has administered the cultural test and co-production treaty qualifications on behalf of the Department for Culture, Media and Sport (DCMS), His Majesty's Revenue and Customs (HMRC) and His Majesty's Treasury (HMT) since 2011. The audio-visual tax reliefs play a key role in incentivising the production of culturally British content and make a huge contribution to economic growth in the UK.

In this financial year, the Unit received 2,550 applications (up from 1,831 in 21/22 and 2,073 in FY 20/21). This comprised of 1246 applications for film, 471 applications for High End television productions, 116 for animation, 537 for video games and 180 for children's television productions.

Inclusion

Inclusion



Image: Is There Anybody Out There? dir. Ella Glendinning

BFI Diversity Standards

In 2022, following a review of the Diversity Standards conducted by Huma Qazi and the New Inclusion consultancy we re-engaged Huma and team to rewrite the Standards. This work was completed in August 2022, drawing together the feedback from an industry-wide consultation to adapt and improve the existing policy. The changes were made in consultation with industry stakeholders such as BAFTA, as well as with internal teams involved in distributing Lottery funds. In essence, the changes reflected the expanding ways the Standards are being used across the sector, merging them with specific guidance encompassing Film, Television, Games, Distribution and Exhibition, Skills and Education and their use across organisational activity. The language was updated to reflect the evolution of inclusive terms. We have also made some aspects of the Standards mandatory to guide where we would like to see real movement in each area and added specific elements around Duty of Care roles such as Wellbeing Facilitators, and a dedicated Standard E regarding Accessibility. These have been rolled out with our new BFI Lottery Funds and we will continue to monitor their use over the coming months and years.

Disability Equality and Access

In a newly appointed role, our Disability Equality Lead joined the Inclusion Team and has been instrumental in embedding intersectional and accessible work and practice into our activity at the BFI. She has been working with internal teams to grow our work in this area, including looking at trialling access coordinators on funded shorts and in venue.

In August 2022 an access audit was carried out at the reacquired BFI IMAX to ensure that any and all improvements to the space took into account the access needs of audiences and some of this learning was able to be implemented in the first adaptation of the space.

March 2023 saw the fifth edition of our disability and access film festival, Busting the Bias. This was the second edition in-venue at BFI Southbank and also included a UK-wide offering of a D/deaf and disabled curated shorts programme hosted on BFI Player. This programme of screenings, talks and immersive presentations championed accessible and equitable practices and cultures within filmmaking and exhibition, tackled conversations around authentic on-screen representation, and advocacy and inclusion for Disabled talent and audiences. It saw the first use of an access coordinator to deliver events with incredible audience feedback as well as allowing the BFI to reflect on the achievements of the outgoing membership of our Disability Advisory Group, ushering in the new generation of Chairs.

Social Mobility

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, which has now been included in our new Diversity Standards as well as across our strategy, Screen Culture 2033. We partnered with Underscore Studios and BFI Network to run a film festival at the Rio Cinema in Hackney, highlighting and celebrating the work of working-class filmmakers. It was a huge success, selling over 120 tickets and showing huge interest in the foregrounding of this work.

Race Equality

In February, we took four Black and Global Majority producers to the Berlinale, in collaboration with our International Team. The trip allowed our producers to take part in the Inclusion Pathways programme at the EFM who gifted our cohort accreditation to the festival. Our Race Equality Lead curated a series of activity with producer, Pamela Drameh, to ensure that the cohort met with a range of industry stakeholders and networked with other filmmakers in order to grow their expertise and contacts in the industry. We continue to take an intersectional lens on race, organising a Queer Nigerian event during Flare in March and taking part in Black Pride last summer.

We have also been continuing our internal anti-racism practice, engaging with the What If Experiment who have delivered anti-racism training to a group of twenty senior leaders at the BFI. They have also worked closely with our Race Equality Network (REN) to support them through this work and have been contracted again after a competitive tender process, to cascade training throughout the organisation and move some of our learnings into practice to benefit the culture of the organisation.

International Activity

The Inclusion Team continues to advocate for and provide thought leadership around Equity, Diversity, Inclusion and Access around the world. Over the past year the team has appeared on panels and created partnerships at various international film festivals and events including Cannes, Munich, Berlin, Toronto, Locarno and others, furthering the global conversation on inclusion and leading to additional activity with organisations such as the Black Screen Office in Canada which have helped to foster co-production and talent development opportunities in both countries.



Lashana Lynch at the premiere of Roald Dahl's Matilda the Musical, which screened as the Opening Night Gala at the 66th BFI London Film Festival

Fundraising and Enterprise

The cultural sector has experienced another difficult year. Despite challenging market conditions, we are proud to have exceeded our annual fundraising target, bringing in a total of £5.3 million to support the BFI's cultural and charitable work. This success is down to our treasured supporters and partners – both new and returning – whose generosity has had a major impact across the organisation. From BFI Southbank's cultural programme to the BFI National Archive, via education, festivals, and beyond, their support has been vital during this period of post-pandemic recovery. We are enormously grateful.

On 29 September 2022, our LUMINOUS fundraising gala, supported by CHANEL and LAIKA, took place in the ballroom of The Londoner Hotel. More than two years in the making, the evening proved a star-studded success, raising an impressive net profit of over £700,000 to support the BFI's education work. Tilda Swinton presented the inaugural BFI & CHANEL Filmmaker Awards to four talented recipients who each went home with a prize of £20,000. Our heartfelt thanks to the incredible talent, guests, partners and committee members who made the event such a success, including our visionary LUMINOUS committee chair Gerry Fox.

Nurturing and celebrating exceptional talent has been a key theme of this reporting period. In January, we launched The BMW Filmmaking Challenge in partnership with the BFI. The Challenge will provide five shortlisted filmmakers with access to the latest technology and a £10,000 production budget, enabling them to explore new perspectives and experiment with an exciting format, unlocking the potential of 8K / 32:9 cinematography. From the five shorts, a winning film will be selected to premiere as part of the Closing Night of the BFI London Film Festival in partnership with American Express taking place in October 2023 and all five films will be available on BFI Player.

This year we also had the privilege of awarding BFI Fellowships to three industry legends. In June, we celebrated James Bond producers Michael G. Wilson, CBE and Barbara Broccoli, CBE at Claridge's Hotel with our first Chairman's Dinner in two years. Then, in February, we were honoured to host the incomparable filmmaker Spike Lee at BFI Southbank for a sold out onstage conversation and award presentation.

The London Film Festival (LFF) is always a highlight of the year, and 2022's edition was no exception. It was a pleasure to work with our longstanding Principal Partner American Express, Main Sponsor American Airlines, Official Partner The Londoner Hotel and Sponsors Adobe, Bloomberg Philanthropies and Netflix

and our In-Kind Sponsors Christie, Dalston's Soda and Four Pure Beer. Across the festival, we welcomed guests to a series of pre-screening receptions at the Royal Festival Hall and hosted exclusive events at Sea Containers London's rooftop bar for both Opening and Closing Night. Fundraising tickets for the Opening Night Gala Roald Dahl's *Matilda the Musical* proved enormously popular, generating over £22,000 of charitable income. This year also saw the culmination of Old Possum's Practical Trust's transformative three year grant towards our LFF Education work.

The 2023 Future Film Festival (FFF) was a huge success, benefitting from the involvement of fantastic new Principal Partner Warner Media. We were delighted to welcome back our Main Sponsor Netflix for the third year. Netflix also kindly sponsored the Future Film Festival Awards, enabling us to continue sharing the event online as well as in person at BFI Southbank. We would also like to thank The Chapman Charitable Trust who marked their 15th year supporting the festival, as well as longstanding funders London School of English who increased their grant towards FFF this year.

Just a month later, we were delighted to bring Campari on board for the first year as Main Partner of the BFI Flare London LGBTQIA+ Film Festival. We also welcomed back Official Partners American Airlines, Mischo de Reya and PGIM, Special Screening Partner Interbank, Accessibility Partner FactSet and our generous In-Kind Sponsors Dalston's Soda, Konditor and Noughty.

Over the past year our work with UK Universities has blossomed and we are grateful to have worked with so many incredible institutions across the UK. The BFI Player is now accessible to students and staff in over 30 Higher Education institutions providing a simple route to access the breadth and depth of UK independent and world cinema. We are forming deeper partnerships with our university network, bringing in guest speakers, providing industry ready training, supporting new Masters courses, and raising awareness and engagement with the BFI's cultural programme.

In March, we successfully completed another project with the English Cricket Board, focussing on increasing the diversity of storytelling and story-makers in cricket. It was delivered via a series of online and in-person filmmaking training sessions to over 100 participants from grassroots volunteers to community and county cricket.

In collaboration with the British Council, we delivered a two-day screenwriting lab in Madrid, attracting over



150 applicants for a sell-out course. We were privileged to be joined by Georgia Oakley, the director of BFI backed film *Blue Jean*, for a Q&A with students and members of Spain's Academia de Cine' emerging filmmaker programme.

Another international highlight was our Patron and Major Donors' trip to Il Cinema Ritrovato in Bologna, where 30 guests enjoyed five days of the best classic cinema. Across the year, our Philanthropy team have been delighted to welcome 45 new patrons and six Film Forever Club members with a renewal rate of 90% across the two individual giving schemes. In addition, we welcomed two new Major Donors alongside continued support from each of our existing lead supporters. A special thanks to longstanding supporters Col & Karen Needham and Philippe & Stephanie Camu who threw support behind the Sight & Sound Greatest Films of All Time Poll and BFI Southbank's Akira Kurosawa season respectively. Additional thanks to Simon and Harley Hessel for continuing their invaluable, sustained support of BFI National Archive activity across the year.

Likewise, we are indebted to the Trusts and Foundations who made vital contributions to our charitable work this year. We were excited to connect with fantastic new funders The Steel Charitable Trust, who gave a grant to the relaxed screenings programme at BFI Southbank. The BFI Reuben Library has benefitted from the generosity of two incredible organisations this year, with the John S Cohen Foundation doubling its grant towards new activity and The Unwin Charitable Trust making a major gift towards acquisitions. The Polonsky Foundation supported our

Heritage 2022 film prints restoration project and we were grateful to have the National Lottery Heritage Fund support the BFI's inclusion in their Heritage Innovation Fund programme. With support from Esmée Fairbairn Foundation, we ran a successful soft launch of our new digital screen heritage service, BFI Replay, with partner public libraries across the UK in preparation for a nationwide roll-out in 2023/24. Last, but by no means least, we would like to express our gratitude to The Thompson Family Trust, who granted us a fantastic new unrestricted major gift.

Thank you to everyone who has supported the BFI over the past twelve months.

List of sponsors, funders, donors & patrons for year start of April 2022 – end of March 2023

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* 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.

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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. As a result of the extension of the plan due to the pandemic, 14 key performance measures have been tracked through to 2023.

By 2023 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 2022–23 performance was as follows:

Measure of Success	2023 Target (where applicable)	2022–23 Performance	2021–22 Performance
Increased the diversity of talent supported across all BFI activities	Female 50% Ethnically diverse 20% With a disability 12% LGBTQIA+ 17%	Female 49% Ethnically diverse 33% With a disability 16% LGBTQIA+ 25%	Female 52% Ethnically diverse 23% With a disability 11% LGBTQIA+ 20%
Increased the diversity of audiences across all BFI activities	Female 50% Ethnically diverse 20% With a disability 13% LGBTQIA+ 15%	See Below	See below
Increased engagement with BFI activities across the UK and increased the quality and cultural depth of their experience	n/a	Engagements / take up per category Theatrical 3.0m Distribution 0.4m Online 5.7m Education & skills 4.4m	Engagements / take up per category Theatrical 2.6m Distribution 0.4m Online 7.1m Education & skills 4.4m
Increased participation of 16-30 year olds across all BFI activities and funded programmes*	25%	See Below	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	35,225 (programme to date 117,080)	26,274 (programme to date 81,855)

Measure of Success	2023 Target (where applicable)	2022–23 Performance	2021–22 Performance
Supported talent to progress in their filmmaking careers*	n/a	See below	See below
Supported British films and British talent which have received recognition domestically and internationally	n/a	21 films received a total of 76 nominations and 37 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	479 (Cumulative total)	357
Supported a greater geographic spread of film production in the UK	n/a	57% UK domestic shoot spend completely outside London and the South East	39% UK domestic shoot spend completely outside London and the South East

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 2022	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 Collected	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%
Organisation-wide targets for each attendance / engagement category	25%	50%	20%	15%	13%	-

First Time Supported Filmmakers

First time supported by the BFI**

Producers 28% supported for the first time
(2021–22: 15%)

Directors 61% supported for the first time
(2021–22: 27%)

Writers 61% supported for the first time
(2021–22: 29%)

Previous Release History of Supported Filmmakers

Producers 63% no previous releases
(2021–22: 60%)

Directors 85% no previous releases
(2021–22: 83%)

Writers 87% no previous releases
(2021–22: 88%)

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

Financial Review (including Public Benefit)

Financial Review

Review of the year

As in all organisations, the year has been challenging with many external factors impacting the organisation's operations. A key focus of activity has been on how we develop and structure the organisation to be able to adapt to both challenges and opportunities presented now and in the long term. It has been a year of transition, with the final year of the extended BFI 2022 plan; ongoing post Covid trading recovery and the development and launch of the new Screen Culture 2033 plan. Detailed planning was also undertaken during the year to develop a range of new business models, alongside a new intelligent operating model, to support the delivery of the new 10 year strategy. The year also saw the scheduled end of some specific funding, with grant in aid correspondingly lower, while other income grew, including from bringing the IMAX cinema back in-house and securing new funding to enable the BFI's transformation. Similarly, Lottery multi-year awards were made in the year as part of the new Lottery Strategy and funding streams, resulting in higher expenditure and negative Lottery reserves. These Lottery liabilities will be funded from future year revenues to match the timing of the award payments.

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 finances of the charity, with a focus on the development of organisational and financial resilience. As a result the BFI was able to increase net free reserves, although reserves remain below the target policy levels.

Total income for the year to 31 March 2023 was £127.8m – a decrease of £4.5m from the £132.3m received in 2021–22. This decrease reflects the scheduled reduction in COVID-19 emergency restricted Grant in Aid (GiA) funding for the independent cinema sector, managed by the BFI through the Cultural Recovery Fund CRFICE) of £0.4m (2022: £7.8m) and the winding down of the Young Audience Content Fund, for which no further funding was received during the year (2022: £10.7m). While reductions related to restricted GiA funding, growth in earned income partially offset that movement in funding, alongside an increase in grants, with strategically important investment awards from the BFI Trust, in support of our new ten-year strategy "Screen Culture 2033".

Total expenditure for the year of £167.0m (2022: £132.4m) was higher than last year, although there was a decrease in awards due to CRFICE and the Young Audience Content Fund, the inclusion of Lottery multi-year awards, resulted in total Lottery expenditure

of £88.7m (2022: £48.0m), with net Lottery expenditure of £37.1m (2022: Net income of £2.8m).

Net Group expenditure of £39.2m (2022: £1.9m) included non-cash costs of depreciation of £4.6m (2022: £5.2m) and pension of £4.8m (2022: £5.5m). Debtors have increased to £20.3m (2022: £14.2m) largely due to the timing of BFI Trust grants, while creditors have also increased to £98.8m (2022: £72.3m) driven by the timing of awards payments for Lottery and other funds.

With other working capital movements our cash holdings decreased by £5.9m (2022: £6.9m) to £33.6m (2022: £39.5m). Much of the cash is restricted, held in respect of grant award commitments relating to the YACF, CRFICE 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 £77.7m (2022: £26.2m) and gains on the fixed asset revaluation of £6.9m (2022: £22.0m).

These factors combined to increase Total Reserves to £108.8m (2022: £63.4m), including total unrestricted reserves increased to £101.8m (2022: £26.4m).

Lottery net expenditure, together with other recognised gains and losses, has resulted in a decrease in Lottery reserves by £35.7m to a deficit of £6.7m due to forward commitments. Other restricted reserves increased by £5.8m to £13.7m mainly driven by funding from BFI Trust, partially offset by opening CRFICE reserves now repayable to DCMS. Net expenditure of unrestricted reserves was £5.5m before transfers of £2.4m, actuarial gains on the pension scheme of £71.4m and fixed asset revaluation of £6.9m. As a result, total unrestricted reserves increased to £101.8m (2022: £26.4m).

In order to fund the delivery of its charitable objectives the BFI's financial strategy continues to be to maximise income and margin growth through optimizing existing as well as seeking out new income streams. This is alongside seeking improvements to operational effectiveness and operational efficiencies to further drive down costs. Increased Group free reserves of £5.7m (2022: £2.1m) remain below our policy level but will help us to weather challenging economic circumstances and support seizing new opportunities.

Non-Lottery activities

Incoming resources

Incoming resources from non-Lottery activities decreased in the year by a net £5.3m, as outlined below.

The main driver of this year's income was £33.2m revenue GiA (2022: £52.0m), £7.0m of which was for the Global Screen Fund (2022: £7.0m), £0.4m for the CRFICE (2022: £7.8m), but with no further funding received for the YACF, which was wound down during the year (2022: £10.7m). Earned income continued to recover to pre-pandemic levels, at £26.2m (2022: £20.4m).

Fundraising increased to £15.3m in 2023, of which £12.9m (84%) were cash contributions and £2.4m (16%) gifts in kind (2022: £7.2m of which cash contributions £4.9m (67%) and gifts in kind £2.3m (33%)). Sponsorship was largely consistent with the previous year at £1.5m (2022: £1.7m).

Fundraising costs of £2.0m represent the costs of running the BFI Development division in order to raise funds for the BFI (2022: £1.9m) and reflect the higher costs of holding the Luminous fund raising event.

Resources Expended

Total non-Lottery expenditure decreased to £78.4m (2022: £86.3m). Although there were cost increases from income generating and other activities, there was also much lower expenditure of £2.4m relating to the CRFICE (2022: £5.3m) and £1.3m on the YACF (2022: £9.3m).

Gross Transfers between funds

The non-Lottery activities received awards of £1.4m (2022: £1.1m) from BFI Lottery in the year to support the London Film Festival and £3.5m (2022: £Nil) to support the extended Heritage 2022 programme.

Actuarial Gains/ losses on defined pension scheme
On the FRS 102 basis the total net pension scheme deficit decreased by £72.9m to £1.2m (2022: a £20.7m decrease to £74.1m). The reduction in the deficit is mainly due to a 34% decrease in the present value of the scheme liabilities and the assumptions underlying the valuation. 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 2022, upon which current and future contributions are based, is a surplus of £18.2m (2019: deficit of £2.3m) for the whole pension scheme including lottery.

Movement in asset revaluation reserve

The value of the leasehold land and buildings and associated plant and fixtures increased by £6.9m, following revaluation using publicly available indices (2022: £20.3m increase, based on an independent revaluation of BFI properties by Deloitte LLP). 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% (2022: 2.7%). This equated to £47.8m (2022: £48.9m) with lottery ticket sales remaining broadly consistent with the prior year.

In addition the BFI received £6.1m of recoupment from its investments in the year (2022: £6.9m). Of this £2.4m (2022: £1.7m) was surplus recoupment over the original investment and was taken to income.

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 in 2022–23 due to the pandemic. BFI's new 10 year strategy, Screen Culture 2033, as detailed above in the Annual Report, launched in the autumn of 2022 with at least some of the new strands of funding opening in the second half of the year.

Under the National Lottery etc. Act, lottery distributors are permitted to commit funds against future years' revenues. Under the new strategy BFI committed £57.4m of funds for partnership activity in the period April 2023–2026. We are required to recognise these awards as expenditure at the point of decision, with the liabilities reflected in Provisions in the standalone accounts and in Creditors in the Group accounts. Non-film rights awards in the year therefore increased sharply to £71.6m (2022: £29.1m).

As a result we have net liabilities at the year-end of £6.7m (2022: £29.0m net assets). However, with forecast levels of income and control over funds to be awarded in 2023–4 and beyond, it is anticipated that we will return to a net asset position by March 2025 or earlier.

In addition £17.7m (2022: £21.0m) of awards were taken to Film Rights in the Statement of Financial Position.

Adjustments of £14.2m (2022: £13.4m) against Film Rights were charged to expenditure for the year.

Operating Costs and Administrative Costs targets

Operating costs were £7.1m in the year to March 2023 (2022: £6.7m).

Net incoming resources on a three year rolling average (2020–23) and after offsetting costs of generating recoupment, were £50.3m (2022: £49.8m), continuing to reflect 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 2022–23 the gross award processing and other administrative costs stood at 8.1% of net incoming resources (£4.2m) (2022: 7.6%, £3.8m). This includes some additional costs from the launch of the new strategy in the year and work is ongoing to reduce administrative costs in the next financial year.

Actuarial Gains/ losses on defined pension scheme
On the IAS 19 basis the net pension scheme deficit attributed to lottery activities reduced by £5.8m from a liability of £3.1m to a net asset of £2.7m (2022: a £1.9m decrease from £5.0m to £3.1m 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 £5.7m at the end of the year (2022: £2.1m) with Charity Free Reserves of £4.6m (2022: £1.0m). The Board welcomes the improved position but recognises that these reserves remain lower than envisaged by the policy. In these uncertain economic times the BFI's financial objective is to manage within these limited funds, balancing opportunities to build reserves with the requirement to undertake essential investment and 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 and ensure that they are not used for general BFI purposes.

Lottery reserves have been reduced in recent years under the BFI 2022 strategy, extended to 2023, and during the year decreased to a temporary deficit of £6.7m due to the long-term awards referenced above. However, net current assets remain positive at £18.9m (2022: £22.0m). The reserves level remains under review in the context of the BFI's new 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 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 2022–23 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.

We continue to operate in a challenging economic environment with inflation and post-pandemic working arrangements impacting our financial performance and cash flows.

As part of the work following the publication of our Screen Culture 2033 strategy the BFI has been developing detailed plans to support the delivery of an organisationally and financially resilient, forward-looking organisation over the next 3–5 years. Although challenging, we are currently in the process of delivering against a balanced budget for 2023–24 with consistent projections into future years.

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 to support activities including education and lifelong learning and the preservation of the UK's screen heritage. All these interventions deliver significant public benefit.

The BFI delivers public benefit and covers its operating costs utilising a mix of income drawn from the National Lottery, Grant in Aid from the Government, philanthropic activity and income from ticket and other sales, fees and charges. In setting both the overall strategy for the organisation as the lead body for film and the level of prices, fees and charges. In setting both the overall strategy for the organisation as the lead body for film and the level of prices, fees and charges, the Governors have given careful consideration to accessibility to the activities funded by the BFI for those on low incomes.

A key part of our longer-term development strategy has involved providing free access to a wide range of the services we fund and those we run for example, through the BFI Player, our Mediatheque and our websites, to free public screenings and broadcast partnerships. In addition to meeting our social responsibilities, the BFI also considers its impact on local communities, a diverse range of audiences, provides work experience and employment opportunities and works with schools, local authorities and many other organisations.

The BFI directly supports the distribution and exhibition of film through National Lottery funding and is also the UK's biggest distributor of world cinema - non-commercial film culture from all parts of the world, both these interventions give the public access to a diversity of film culture which would not otherwise be available.

The diversity of Britain's cultural life would be dramatically reduced without the BFI's interventions. We also support and directly make available a wide range of titles on all other platforms. There are many ways in which the public accesses the BFI's work, and this range ensures we deliver the maximum public benefit for our charitable resources. The BFI activities which deliver public benefit are described in more detail in the pages of this report.

Complaints

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

During the year, the BFI received 254 complaints via its customer enquiry service (170 in 2021–22).

No complaints were accepted for investigation by the Parliamentary Ombudsman (0 in 2021–22 also).

In terms of summary:

	2022–23	2021–22
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 help the BFI identify opportunities to make better use of our resources and 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 they 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 again reviewed in 2022–23, taking on board previous customer feedback, case analysis and considering best practice. In addition an Equality Impact Assessment (EIA) was undertaken on the Complaints Procedure to ensure that the policy, and procedure, are fair and do not present barriers to participation or disadvantage any protected groups.



LIFE OF A QUEEN (1960)

BFI National Archive

Images: The BFI's tribute to the late Her Majesty the Queen.

Sustainability Report

Sustainability Report

The BFI recognises that our activities have an impact on the environment. We work to reduce this as far as reasonably practicable and use our status as the lead body for film and the moving image to assist the wider industry to lessen its impact on the environment.

Screen Culture 2033 and National Lottery funding

Environmental sustainability is one of three guiding principles in the BFI's new strategy Screen Culture 2033. This means that, every future decision taken will be considered in terms of how it contributes to positive change on environmental sustainability and supports the BFI's work towards net zero.

This principle of Environmental Sustainability is carried through to the supporting ten-year National Lottery Strategy. Every funding application will be assessed on its ability to support the wider screen sector to become a net positive contributor to the environment. As part of the BFI's National Lottery Funding Plan 2023-2026, which sets out how the BFI will award a budget of £135m of National Lottery funding over three years including a dedicated £0.6m programme designed to support all awardees to deliver against this commitment.

Corporate Commitments

It is imperative that we commit to a step change in how we work as an organisation. Over the next year, we will begin to develop a roadmap for reducing our absolute greenhouse gas emissions and establish the internal resource necessary to reach net zero ahead of the 2050 government deadline. The roadmap will help us determine how we embed sustainability into estate upgrades and operational planning. We will prioritise those areas of greatest impact and find the most sustainable option for the future of the BFI National Archive. As we transition to being a digital first organisation, it will also help us embed low-carbon practices throughout our decision-making.

Greenhouse Gas Emissions

We have made substantial progress in reducing our greenhouse gas emissions with a total (Scope 1, 2 & 3) reduction of 29% against our benchmark year of 2018 to 2019 and an 11% reduction in Scope 1 (direct emissions) from our sites. In 2023 we hope to undertake a heat decarbonisation study for all the BFI sites to help us form a strategy to first reduce and then eliminate direct Scope 1 emissions from our operations.

This is also the first year we have reported on international travel as part of our Scope 3 emissions. We will be working to improve our policies on international travel to reduce this impact, including introducing a travel management system to improve the collection of our travel data and promote less carbon intensive modes of transport.

Non-financial indicators (tonnes Co2e)	22/23	21/22	20/21	19/20	18/19 Benchmark
Scope 1 Gas	609	742	552	740	693
Scope 1 Fuel LPG	33	34	44	32	28
Scope 2 Electricity	1,189	1,153	1,218	1,864	2,037
Scope 3 Domestic Travel	46	45	5	55	49
Scope 3 International Travel	128	-	-	-	-
Total	2,005	1,974	1,819	2,691	2,807

Energy Usage

This year is the first full year post-pandemic where our operations have begun to resemble those prior to March 2020. This has allowed the BFI to measure progress on energy usage on a more like-for-like basis.

Overall, we continue a downward trend on consumption with our absolute consumption across all sites down against our benchmark year of 2018 to 2019 (15% for electricity, 20% for gas and LPG).

The success story of this year has been the significant reduction in electricity and gas usage at our site in Berkhamsted, which houses the BFI Conservation Centre and storage vaults for the BFI National Archive. Following the replacement of the central chillers and associated controls for the site, we have reduced the electricity consumption of the site by 30% against the

benchmark 2018/19 and 13% against the 2021/22. This is also reflected in the gas (Scope 1) consumption on site which has reduced by 8% against the benchmark year of 2018/19 and a reduction of 2% against the previous year of 2021/22.

We have also tendered and awarded the contract for the installation of the solar photovoltaic (PV) panel system at our Gaydon site which houses the BFI Master Film Store. This system, when fully operational, will generate approximately 18% of the site's electricity consumption. We expect it to come online in early summer 2024. There are future opportunities to expand this system to further increase the self-generation on site.

Energy Consumption (MWh)	22/23	21/22	20/21	19/20	18/19 Benchmark
Scope 1 Gas LPG	3,103	3,695	3,013	4,137	3902
Scope 2 Electricity	6,149	6,371	5,223	7,291	7,195
Total	9,252	10,066	8,236	11,428	11,097

Energy Consumption (MWh)	22/23	21/22	20/21	19/20	18/19 Benchmark
Energy Costs	1.32	1.01	0.8	1.04	0.94

Waste

The total waste output has increased in this financial year and is now above our benchmark year of 18/19. This is due to the BFI resuming direct operational control of the BFI IMAX, so the waste output for this site has been added in to the overall totals.

We have now introduced food waste and coffee grounds recycling for our public venues and catering operations and improved processes for the IMAX 3D glasses to ensure they are correctly recycled. At the Conservation Centre we are exploring 3D printing to produce spare parts of equipment which would otherwise be disposed of. We are continuing our work with our public facing caterers to reduce the number of single use plastics used in their operation.

Non-financial indicators (tonnes)	22/23	21/22	20/21	19/20	18/19 Benchmark
Landfill	0	0	0	0	0
Recycled	404	155	63	326	323
Composted	7	2	0	7	14
Incinerated (EfW)	258	30	21	180	123
Total	669	187	84	513	460

Financial indicators (£)	22/23	21/22	20/21	19/20	18/19 Benchmark
Energy Costs	77,888	23,203	26,921	97,271	51,958

Water

We have been working to improve the quality and detail of our water consumption data so that we can identify patterns and unusual usage. We are currently investigating higher than expected usage at our Conservation Centre (Following the removal of the cooling towers in 2021 we had expected to see a significant decrease in water consumption but this has not occurred). We are also investigating opportunities to design in water consumption reductions at our public sites with planned refurbishment works to a number of our main toilets in 2023.

Paper

New ways of working since the pandemic have reduced our reliance on printed documents and the move to Microsoft Office 365 will allow more collaborative electronic working to further reduce the reliance on printed documents in the future. As part of our public programme, we have reduced the requirement for paper copy 'Programme Notes' which are available to customers at the start of each screening by making these available online as a PDF allowing customers to download them in advance.

Water		22/23	21/22	20/21	19/20	18/19 Benchmark
Non-financial indicators (M3)	Estate Usage	17,462	17,844	9,372	19,916	20,298
Non-financial indicators (M3)	Water Costs	38,770	27,000	38,647	58,178	51,333

Paper		22/23	21/22	20/21	19/20	18/19 Benchmark
Non-financial indicators (reams)	A4	951	837	51	3,405	2,915
	A3	25	0	0	55	70
Financial indicators (£)	Paper Costs	4,986	2,234	136	7,908	8,314

Reducing environment impacts from ICT and digital

As we transition to being a digital-first organisation, we will continue to align this with our net-zero strategy. Over the next 12-18 months, we will audit our technology estate, enabling us to create a roadmap to decommission products and services and reduce our physical footprint within our data centres. Our cloud strategy provides us with the opportunity to procure products & services with partners that are committed to net zero when possible.

Nature Recovery/ Biodiversity Action Planning

We continue to build on our biodiversity improvements of the last few years especially on our National Collection sites in Berkhamsted and Gaydon, including by continuing with the wilding of a number of areas and improving the habitat for native species. We are looking at how we can improve the biodiversity opportunities at our central London sites, especially at our BFI Southbank site working in collaboration with our cultural neighbours and local stakeholders.

Sustainable Procurement & Construction

Sustainability is an integral element of our procurement process and scored accordingly. For procurement exercises with a greater scope to positively impact our sustainability performance, the tender is drawn up in conjunction with our sustainability lead. We are ensuring that environmental standards are also expected within our Supplier Code of Conduct including within the Supply Chain.

All works for this period have been focused on refurbishment of spaces or building systems, and sustainability is an integral part of the design process to ensure we deliver an efficient and sustainable design. When procuring contractors there are mandatory sections concerning sustainability as part of the evaluation and work with the appointed contractor to use their experience and knowledge how we can improve the design further and the delivery on site.



J. Timothy Richards,
Chair



Ben Roberts,
Chief Executive

Accountability Report: 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 2023. 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 2022–23 or at the date of signing these accounts:

Tim Richards (Chair)
 Michael Birshan
 Monica Chadha
 Idris Elba OBE ⁶
 Gerry Fox ⁷
 Anwen Griffiths ⁸
 Jay Hunt
 Elizabeth Karlsen ⁹
 Laura Miele ¹⁰
 Romana Ramzan ¹¹
 Robin Saunders ¹²
 Andrew M Smith OBE DL ¹³
 Phil Stokes ¹⁴
 Scott Stuber ¹⁵
 Eleanor Whitley
 Edgar Wright ¹⁶

Methods of Appointment

The Chair and Governors of the BFI are appointed by the Secretary of State for 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.

⁶ Term expired 24 May 2022

⁷ Term expired 1 October 2022

⁸ Appointed on 10 May 2022

⁹ Appointed on 8 April 2022

¹⁰ Appointed on 8 April 2022

¹¹ Appointed on 10 May 2022

¹² Reappointed on 10 May 2022

¹³ Reappointed on 10 May 2022

¹⁴ Reappointed on 10 May 2022

¹⁵ Appointed on 8 April 2022

¹⁶ 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)¹⁷
Lara Naqushbandi (co-opted)¹⁸

Remuneration

Tim Richards (Chair)
Michael Birshan
Phil Stokes

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

Board of Governors Attendance 2022–23

The number of BFI Board meetings held in the 2022–23 financial year was 7 and the Governors' attendance records were as follows:

		%
Tim Richards (Chair)	7 of 7	100
Michael Birshan	6 of 7	86
Monica Chadha	7 of 7	100
Idris Elba OBE	0 of 0	n/a
Gerry Fox	2 of 2	100
Anwen Griffiths	7 of 7	100
Jay Hunt	6 of 7	86
Elizabeth Karlsen	7 of 7	100
Laura Miele	4 of 7	57
Romana Ramzan	4 of 7	57
Robin Saunders	6 of 7	86
Andrew M Smith OBE DL	7 of 7	100
Phil Stokes	7 of 7	100
Scott Stuber	1 of 7	14
Eleanor Whitley	6 of 7	86
Edgar Wright	6 of 7	86

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 31 of the Charity and Group financial statements.

Audit, Risk and Governance Committee Attendance 2022–23

The number of Audit Risk and Governance Committee meetings held in the 2022–23 financial year was three and the members' attendance records were as follows:

Phil Stokes (Chair)	3 of 3
Andrew M Smith OBE DL	1 of 3
Sukie Kooner	
(Non-Governor Member)	3 of 3
Charles Cecil MBE	
(Non-Governor Member)	3 of 3

¹⁷ Appointed 14 June 2022

¹⁸ Appointed 14 June 2022;
departed October 2022

Finance Committee Attendance 2022–23

There were six Finance Committee meetings held in the 2022–23 financial year and the members' attendance records were as follows:

Michael Birshan (Chair)	6 of 6
Robin Saunders	4 of 6
Phil Stokes (co-opted)	6 of 6
Andrew Coates (co-opted) ¹⁹	4 of 5
Lara Naqushbandi (co-opted) ²⁰	2 of 2

Remuneration Committee Attendance 2022–23

There was one Remuneration Committee meeting held in the 2022–23 financial year and the members' attendance records were as follows:

Tim Richards (Chair)	1 of 1
Michael Birshan	1 of 1
Phil Stokes	1 of 1

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	Deputy Chief Executive and Director of Corporate and Industry Affairs
Alyson Hagan	Director of Finance, People and Business Operations
Ed Humphrey	Director of Digital and Ventures
Arike Oke	Director of Knowledge and Collections
David Parkhill	Director of Finance and Resources
Heather Stewart	Creative Director of BFI
Neil Williams	Director of Technology and Digital Transformation
Jason Wood	Director of Programmes and Audiences
Francesca Vinti	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 (2022: 19).

Data Protection

In the year, the BFI was committed to ensuring the security and protection of the personal information that it processes and also to ensure that it was compliant and provided a consistent approach to data protection. In so doing, the BFI received and managed 154 Data Protection (DP) related requests (2022: 146).

The Information Commissioners Office (ICO) contacted the BFI in relation to four cases regarding data protection. In one case, the ICO found that the BFI had infringed its DP obligations and, although no fine was imposed, a record of the case has been placed on the ICO website. The ICO accepted the BFI responses to the other three cases and no further action was taken.

¹⁹ Co-opted onto committee June 2022

²⁰ Co-opted onto committee June 2022;
departed October 2022

Speaking Up Policy and Procedure

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

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

Disclosure of information to the auditors

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

REMUNERATION and PEOPLE REPORT

The Remuneration Committee

The Board of the BFI is responsible for determining the remuneration of the Chief Executive and senior staff. In the year ending 31 March 2023, 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 2022–23 was held on 2 December 2022. 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:

Tim Richards
Phil Stokes
Michael Birshan

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 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 2023. The period of notice required for termination of contract is no greater than six months.

Audited Information

Governors' remuneration

No Governor drew any remuneration in the year. No payments were made in the year for services (2022: £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 2023, 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 2023
- Re-calculating the equivalent figure from 31 March 2022 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 2023 (2022)	Bonuses attributable for the year ended 31 March 2023 (2022)	Benefits in Kind for the year ended 31 March 2023 (2022)	Pension benefits in the year ended 31 March 2023 (2022)	Total remuneration for the year ended 31 March 2023 (2022)
	£'000	£'000	Nearest £100	£'000	£'000
Ben Roberts CEO and Accounting Officer	145-150 (145-150)	- (-)	100 (100)	50-55 (20-25)	205-210 (170-175)
Harriet Finney Deputy CEO	125-130 (125-130)	- (-)	100 (100)	N/A (N/A)	125-130 (115-120)
Francesca Vinti Director of Development	115-120 (115-120)	- (-)	100 (100)	40-45 (45-50)	160-165 (165-170)
Alyson Hagan Director of Finance, People & Business Operations ¹	115-120 (55-60)	- (-)	100 (100)	N/A (N/A)	115-120 (55-60)
Arike Oke Director of Knowledge and Collections ²	115-120 (25-30)	- (-)	100 (100)	N/A (N/A)	115-120 (25-30)
Neil Williams Director of Technology and Digital Transformation ³	115-120 (15-20)	- (-)	100 (100)	N/A (N/A)	115-120 (15-20)
Jason Wood Director of Public Programme and Audiences ⁴	115-120 (10-15)	- (-)	100 (100)	N/A (N/A)	115-120 (10-15)
David Parkhill Director of Finance and Resources ⁵	- (85-90)	- (-)	- (100)	- (20-25)	- (110-110)
Heather Stewart Creative Director ⁶	- (90-95)	- (-)	- (100)	-(N/A)	- (90-95)
Ed Humphrey Director of Digital and Ventures ⁷	- (115-120)	- (10-15)	- (100)	- (70-75)	- (205-210)

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

⁶ Contract ended 31 December 2021. The full year equivalent salary is £125-130,000

⁷ Contract ended 31 March 2022. The full year equivalent salary is £125-130,000

Senior Staff Remuneration (continued)

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

	Contributions paid	
	2022–23	2021–22
Harriet Finney Director of External Affairs	9,100	9,018
Alyson Hagan Director of Finance, People & Business Operations ¹	6,600	1,938
Arike Oke Director of Knowledge and Collections ²	8,400	-
Neil Williams Director of Technology and Digital Transformation ³	5,500	-
Jason Wood Director of Public Programme and Audiences ⁴	5,500	-

Included in the above is remuneration for senior staff in the year which is attributable to lottery for the year ending 31 March 2023. 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 2023.

50% of the remuneration for Ben Roberts and Alyson Hagan has been attributed to lottery for the year (2022: 43%) 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.

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

Senior staff pension arrangements

The following senior staff were members of the LPFA scheme at 31 March 2023 (or leaving date, if earlier):

	Real increase in accrued pension benefits 2022–23	Attributable pension accrued at 65 at 31 March 2023 (or date left the BFI if earlier)	Cash Equivalent Transfer Value (CETV) as at 31 March 2022	CETV as at 31 March 2023 (or at date left the BFI if earlier)	Real increase in CETV after adjustment for inflation etc. in 2022–23
	£'000	£'000	£'000	£'000	£'000
Ben Roberts CEO and Accounting Officer	2.5-5 (lump sum; 0-2.5)	20-25 (lump sum; 0-5)	277	328	100
Francesca Vinti Director of Development	2.5-5 (lump sum; reduction 0-2.5)	35-40 (lump sum; 15-20)	519	641	119

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 2023:

Salary Banding	2023 (Number)	2022 (Number)
£140,000 – £149,999	1	1
£130,000 – £139,999	1	1
£120,000 – £129,999	5	5

Other senior staff during the year:

Salary Banding	2023 (Number)	2022 (Number)
£100,000 – £109,999	4	4
£90,000 – £99,999	5	8
£80,000 – £89,999	20	18
£70,000 – £79,999	15	14
£60,000 – £69,999	23	27

Staff number and costs (including on-costs)

	2023		2022	
	Number (Full time equivalent)	£'000	Number (Full time equivalent)	£'000
Average no of permanent staff during the year	599	35,533	547	32,846
Average no of other staff engaged on objectives of the organisation	11	638	7	413

Termination payments

The termination payments payable to employees were:

Cost of redundancies (as per BFI's agreed redundancy policies)	Number of compulsory redundancies		Number of voluntary redundancies		Total	
	2023	2022	2023	2022	2023	2022
<£10,000	3	–	1	–	4	–
£10,000-£25,000	3	–	5	3	8	3
£25,000-£50,000	1	–	3	2	4	2
£50,000-£100,000	–	–	2	–	2	–
£100,000-£200,000	–	–	1	–	1	–
No of exit packages	7	–	12	5	19	5
Cost £'000	83	–	473	120	556	120

Hutton Review of Fair Pay

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

The banded remuneration of the Chief Executive Officer (who was also the highest paid member of staff) in the financial year was £145,000–£150,000 (2022: £145,000–£150,000), representing a 0% change from the previous financial year. Performance related pay and bonuses amounted to £Nil (2022: £Nil).

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 £22,000–£150,000 (2022: £21,000–£150,000).

The median pay; upper and lower quartiles changed compared to 2021/22, as the majority of staff received

a pay award of between 2% and 10%, other than the Executive team who received no increase. The change in the percentile pay also reflects the TUPE transfer of staff from Odeon to operate the BFI London IMAX cinema venue, largely lower paid front of house staff. All employees are paid at the London Living Wage rate or above.

The average salary and allowances for the employees of the entity taken as a whole year were £38,935 (2022: £43,010), a decrease of 10.3%.

The average performance pay and bonuses for the employees of the entity taken as a whole year were £Nil (2022: £27), a decrease of 100%.

No performance bonuses were awarded in 2022–23 and only one member of staff received a bonus for 2021–22, which did not affect the calculation of median or quartile pay or the ratios. The figures in the table below are therefore salary and allowances

Year	25th percentile pay / ratio	Median pay / ratio	75th percentile pay / ratio
2022–23	£28,323 / 5.2	£34,083 / 4.3	£45,315 / 3.3
2021–22	£28,728 / 5.1	£35,622 / 4.1	£44,163 / 3.3

Our People – Unaudited Information

Diversity and Inclusion

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

Our profile and our action plan:

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

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

	Mean Pay Gap	Median Pay Gap	Female %	Male %
31-03-23	0.2%	3.6%	55.3%	44.7%
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 2023:

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).

	Self-identified (31-03-23)	Self-identified (31-03-22)	Our Data Gaps (2023)	Our Targets
Disability	10.3%	9.8%	20.6%	18%
Ethnicity (Ethnically diverse)	18.7%	19.5%	9.9%	40% in urban areas; 37% overall
Sex (Women)	55.3%	52.6%	0%	50%
Sexual Orientation (LGBTQIA+)	16.3%	16.7%	11.4%	10%

Our People Initiatives

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, BFI Queer Network and BFI Disability Network.

We have a target of 15% for ethnically diverse senior management, and currently 13.5% 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 started our anti-racism journey in partnership with the What If. Experiment in 2022/23. A group of senior leaders including the majority of the Executive, have completed a zesting programme to understand how white supremacy is embedded in the cultural sector; how it is upheld by white identifying leaders and the development of a toolkit of analysis, reflection and application to help the BFI become a more accountable and transparent organisation. All staff were asked to complete a culture of belonging training to ensure all BFI colleagues are aware of how to identify and address white supremacy in the cultural sector. Further zesting cohorts, a policy audit and a co-designed action plan have been planned for 2023/24.

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.

Health & Wellbeing

Our overall sickness absence is low at 1.06% time lost to sickness absence.

We continue to focus on BFI people wellbeing as a priority. In April and June 2022 we ran Health checks at Stephen Street, South Bank and Berkhamsted. These consisted of a health ‘MOT’ checking areas like blood pressure, BMI and cholesterol and were well received.

In October of 2022 we ran further Mental Health First Aid training, this included IMAX staff. We are working with the people team and unions to explore current wellbeing benefits, and to seek to improve these ensuring they are more inclusive has been taking place across the year.

Occupational Health Usage

There were 48 people referred to Occupational Health by management in 2022/23 which is an increase of 150% compared to last year. Of these referrals, 34% were categorised as anxiety, stress, depression or psychological, which is a decrease from 41% last year.

Employee Assistance Programme

We appointed Health Assured as our Employee Assistance Programme Provider in April 2022. This provides staff and their immediate families with support on a broad range of work-life issues. Utilisation of the service has increased this year to 13.2% compared to 8.78% last year.

The service offers counselling (incl. face to face, telephone and online plus computerised CBT) which 4 people took up in 2022/23 across 14 support sessions for these individuals. The broader work-life sessions that include legal assistance, financial advice and career coaching sessions totalled 8. Depression, Anxiety and Housing were the 3 reasons for individuals accessing this service.

Off Payroll Consultancy Engagements

During the year ended 31 March 2023 the BFI had 14 off payroll engagements totalling £598,000 (2022: 15 totalling £592,000) for more than £245 per day (2022: £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.

Off Payroll Consultancy Engagements (continued)

Table 1: Highly paid off-payroll worker engagements as at 31 March 2023, earning £245 per day or greater.

No. of existing engagements as of 31 March 2023	11
Of which ...	
No. that have existed for less than one year at time of reporting.	2
No. that have existed for between one and two years at time of reporting.	3
No. that have existed for between two and three years at time of reporting.	2
No. that have existed for between three and four years at time of reporting.	0
No. that have existed for four or more years at time of reporting.	4

Table 2: All highly paid off-payroll workers engaged at any point during the year ended 31 March 2023, earning £245 per day or greater.

No. of temporary off-payroll workers engaged during the year ended 31 March 2023	14
Of which ...	
Not subject to off-payroll legislation	9
Subject to off-payroll legislation and determined as in-scope of IR35	0
Subject to off-payroll legislation and determined as out-of-scope of IR35	5
No. of engagements reassessed for compliance or assurance purposes during the year	14
Of which: No. of engagements that saw a change to IR35 status following review	0

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	0
Total no. of individuals on payroll and off-payroll that have been deemed “board members and/or senior officials with significant financial responsibility”, during the financial year. This figure includes both on payroll and off- payroll engagements.	7

(7 individuals were members of our Executive senior management team for all or part of the year and were all on payroll. Our Governors (Trustees) are all unpaid and therefore excluded from this.)

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
25 Gresham Street, London EC2V 7HN

Internal auditors

BDO LLP
55 Baker Street, London W1U 7EU

Solicitors

Farrer & Co
66 Lincoln's Inn Fields, London WC2A 3LH

Approval of Annual Report

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

The Annual Report, including the Remuneration Report, was approved by the Board of Governors for signature on 7 December 2023.



J. Timothy Richards,
Chair



Ben Roberts
Chief Executive

Governance Statement

Governance Statement

Scope of Responsibility

How the BFI is governed is covered on pages 99 to 108. The Board of Governors is aware of the requirements of the *Corporate Governance in Central Government Departments: Code of Good Practice* 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 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 2023 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 2022–23 is detailed at page 100.

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 2022–23 is detailed at page 100.

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 2023 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
BFI operations compromised, therefore risks to income and expenditure, due to various market conditions	Inflation and additional Contingencies included Within budget
The BFI does not secure a sustainable funding model for the Certification Unit	Options continue to be developed; ongoing discussions with Government and industry
The BFI response to the inclusion and diversity agenda is seen as performative/formative	Inclusion & Diversity Strategy in place; delivery plans at draft stage
Risks arising from technology not delivering the expected services	Increased budget; business plan in place
The 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, operated to standards set out in the Public Sector Internal Audit Standards was developed from an analysis of BFI's UK exposure.

In 2022–23 internal audit reports covered

- Working with Government (2 part)
- Key Financial Controls
- (Irish) Language Funds
- Culture
- Diversity & Inclusion
- Communications
- Cyber Security
- Section 25 and 27 reviews

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 22 June 2023, 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.

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.

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.

Going Forward

Following the introduction of the functional standards the BFI will continue to review its business plan in line with relevant functional standards requirements.



J. Timothy Richards,
Chair



Ben Roberts,
Chief Executive

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 127 to 165, 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.



J. Timothy Richards,
Chair



Ben Roberts,
Chief Executive

THE AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE GOVERNORS OF THE BRITISH FILM INSTITUTE AND THE HOUSES OF 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 2023. The financial statements comprise: the British Film Institute and its Group's:

- Balance Sheets as at 31 March 2023;
- Statements of Financial Activities, Statements of Cash Flows and Statements of Changes in Taxpayers' 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 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 and its Group's affairs as at 31 March 2023 and their net expenditure before other recognised gains and losses for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 and Regularity of Public Sector Bodies in the United Kingdom* (2022). 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 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 the information included in the Performance Report and Accountability Report, but does not include either the Group or Lottery Distribution financial statements nor my auditor's certificate and reports. 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.

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.

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

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:

- the parts of the Accountability 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 Performance Report and Accountability 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 Performance and Accountability Reports.

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

- Adequate accounting records have not been kept by the British Film Institute and its Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report, subject to audit are not in agreement with the accounting records and returns; 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 and Staff Report to be audited are 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 the Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the British Film Institute and its Group from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error; and
- ensuring that the financial statements give a true and fair view and are prepared in accordance with UK Generally Accepted Accounting Practice and the Charities Act 2011;
- ensuring that the Performance Report and Accountability Report, which includes the Remuneration and People Report labelled Audited Information, is prepared in accordance with HM Treasury's Government Financial Reporting Manual; and
- assessing the British Film Institute 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 intend to liquidate the entity or to cease operations, or have 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 section 151 of the Charities Act 2011 and International Standards on Auditing (ISAs) (UK).

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

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

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 nature of the sector, control environment and operational performance including the design of the British Film Institute and its Group's accounting policies.
- inquired 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 and its Group's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the British Film Institute and its Group's controls relating to the British Film Institute's compliance with the Royal Charter, the Charities Act 2011, and Managing Public Money;
- inquired of management, the British Film Institute's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team including significant component audit teams and the relevant internal specialists, including those assisting on the valuation of 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.

I obtained an understanding of the British Film Institute and Group's framework of authority and other legal and regulatory frameworks in which the British Film Institute and Group operates. I focused 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 Charities Act 2011, the Royal Charter, Managing Public Money, employment law, pensions legislation and tax Legislation..

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed 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;
- I enquired of management, the Audit Risk and Governance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

I communicated relevant identified laws and regulations and potential risks of fraud 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 expenditure and income 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.

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 I identify during my audit.

Gareth Davies
Comptroller and Auditor General

December 2023

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

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2023

		2023					
		Unrestricted	Non-Lottery	Total	Lottery	2023	2022
	Note	£'000	Restricted £'000	Non-Lottery £'000	Restricted £'000	Total £'000	Total £'000
Income							
<i>Income and endowments from charitable activities (earned income)</i>							
Audiences	3	25,921	-	25,921	-	25,921	20,198
Learning & Skills	3	247	-	247	-	247	155
Talent	3	60	-	60	-	60	-
<i>Income from donations and legacies</i>							
Voluntary Income							
Lottery proceeds	3 & 15	-	-	-	47,809	47,809	48,951
Lottery recoupment income	3	-	-	-	2,441	2,441	1,765
Revenue Grant in Aid funding	2	18,808	14,380	33,188	-	33,188	51,988
Capital Grant in Aid funding	2	-	1,327	1,327	-	1,327	2,082
Other grants, legacies and donations	3	2,713	10,162	12,875	247	13,122	4,850
Donated services and facilities	4	-	2,401	2,401	-	2,401	2,344
Investment income	5	264	-	264	1,047	1,311	-
Total income		48,013	28,270	76,283	51,544	127,827	132,333
Expenditure on							
<i>Charitable activities</i>							
Audiences	6	(45,360)	(21,975)	(67,335)	(38,523)	(105,858)	(83,539)
Learning & Skills	6	(2,357)	(1,072)	(3,429)	(13,907)	(17,336)	(15,164)
Talent	6	(3,526)	(1,189)	(4,715)	(35,292)	(40,007)	(32,117)
Leadership	6	(256)	(619)	(875)	(930)	(1,805)	(1,588)
<i>Total charitable activities</i>		(51,499)	(24,855)	(76,354)	(88,652)	(165,006)	(132,408)
Costs of raising funds	6	(1,975)	-	(1,975)	-	(1,975)	(1,864)
		(1,975)	-	(1,975)	-	(1,975)	(1,864)
Total expenditure		(53,474)	(24,855)	(78,329)	(88,652)	(166,981)	(134,272)
Net (expenditure) / income		(5,461)	3,415	(2,046)	(37,108)	(39,154)	(1,939)
Gross transfers between funds	25	2,445	2,420	4,865	(4,865)	-	-
Net (expenditure) / income and net movement in funds before other recognised gains and losses		(3,016)	5,835	2,819	(41,973)	(39,154)	(1,939)
Other recognised gains							
Actuarial gains on defined benefit pension scheme	8	71,437	-	71,437	6,232	77,669	26,186
Gains on the revaluation of fixed assets	10	6,949	-	6,949	-	6,949	22,039
Net movement in funds		75,370	5,835	81,205	(35,741)	45,464	46,286
Reconciliation of funds							
Total funds brought forward	25	26,438	7,902	34,340	29,042	63,382	17,096
Total funds carried forward	25	101,808	13,737	115,545	(6,699)	108,846	63,382

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 33 form part of these Accounts.

STATEMENT OF FINANCIAL ACTIVITIES – CHARITY ONLY

YEAR ENDED 31 MARCH 2023

		2023					
	Note	Unrestricted £'000	Non-Lottery Restricted £'000	Total Non-Lottery £'000	Lottery Restricted £'000	2023 Total £'000	2022 Total £'000
Income							
<i>Income and endowments from charitable activities (earned income)</i>							
Audiences	3	16,280	-	16,280	-	16,280	14,097
Learning & Skills	3	247	-	247	-	247	155
Talent	3	60	-	60	-	60	-
<i>Income from donations and legacies</i>							
<i>Voluntary Income</i>							
Lottery proceeds	3 & 15	-	-	-	47,809	47,809	48,951
Lottery recoupment income	3	-	-	-	2,441	2,441	1,765
Revenue Grant in Aid funding	2	18,808	14,380	33,188	-	33,188	51,988
Capital Grant in Aid funding	2	-	1,327	1,327	-	1,327	2,082
Other grants, legacies and donations	3	6,685	10,162	16,847	247	17,094	8,310
Donated services and facilities	4	-	2,401	2,401	-	2,401	2,344
Investment income	5	234	-	234	1,047	1,281	-
Total income		42,314	28,270	70,584	51,544	122,128	129,692
Expenditure on							
<i>Charitable activities</i>							
Audiences	6	(39,662)	(21,975)	(61,637)	(38,523)	(100,160)	(80,862)
Learning & Skills	6	(2,357)	(1,072)	(3,429)	(13,907)	(17,336)	(15,164)
Talent	6	(3,526)	(1,189)	(4,715)	(35,292)	(40,007)	(32,117)
Leadership	6	(256)	(619)	(875)	(930)	(1,805)	(1,588)
<i>Total charitable activities</i>		(45,801)	(24,855)	(70,656)	(88,652)	(159,308)	(129,731)
<i>Costs of raising funds</i>							
	6	(1,975)	-	(1,975)	-	(1,975)	(1,864)
		(1,975)	-	(1,975)	-	(1,975)	(1,864)
Total expenditure		(47,776)	(24,855)	(72,631)	(88,652)	(161,283)	(131,595)
Net (expenditure) / income		(5,462)	3,415	(2,047)	(37,108)	(39,155)	(1,903)
Gross transfers between funds	25	2,445	2,420	4,865	(4,865)	-	-
Net (expenditure) / income and net movement in funds before other recognised gains and losses		(3,017)	5,835	2,818	(41,973)	(39,155)	(1,903)
Other recognised gains							
Actuarial gains on defined benefit pension scheme	8	71,437	-	71,437	6,232	77,669	26,186
Gains on the revaluation of fixed assets	10	6,949	-	6,949	-	6,949	22,039
Net movement in funds		75,369	5,835	81,204	(35,741)	45,463	46,322
Reconciliation of funds							
Total funds brought forward	25	26,777	7,902	34,679	29,042	63,721	17,399
Total funds carried forward		102,146	13,737	115,883	(6,699)	109,184	63,721

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 33 form part of these Accounts.

CONSOLIDATED AND CHARITY BALANCE SHEET AS AT 31 MARCH 2023

	Note	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Fixed assets:					
Intangible fixed assets	9	-	-	-	-
Tangible fixed assets	10	100,016	95,377	100,016	95,377
Investments	12	-	-	1,443	1,443
Total fixed assets		100,016	95,377	101,459	96,820
Non-current assets:					
Film Rights	14	9,833	10,008	9,833	10,008
Current assets:					
Stocks & work in progress	16	638	594	433	428
Debtors	17	20,343	14,234	23,248	14,370
Film Rights	14	3,038	3,463	3,038	3,463
National Lottery Distribution Fund	15	45,260	50,941	45,260	50,941
Cash at bank and in hand	18	33,581	39,507	29,327	38,120
Total current assets		102,860	108,739	101,306	107,322
Liabilities:					
Creditors: amounts falling due within one year	20	(60,381)	(72,334)	(59,932)	(72,021)
Provisions	23	(3,954)	(4,328)	(3,954)	(4,328)
Net current assets		38,525	32,077	37,420	30,973
Total assets less current liabilities		148,374	137,462	148,712	137,801
Creditors: amounts falling due after more than one year	21	(38,296)	-	(38,296)	-
Defined benefit pension scheme net liability	8	(1,232)	(74,080)	(1,232)	(74,080)
Total non-current liabilities		(39,528)	(74,080)	(39,528)	(74,080)
Total net assets		108,846	63,382	109,184	63,721
The Funds of the Charity:					
Restricted income funds					
Restricted income funds excluding Lottery and pensions liability	25	13,737	7,902	13,737	7,902
Lottery reserve		(9,377)	32,130	(9,377)	32,130
Lottery share of pension reserve		2,678	(3,088)	2,678	(3,088)
	25	(6,699)	29,042	(6,699)	29,042
Total restricted funds		7,038	36,944	7,038	36,944
Unrestricted income funds					
Unrestricted income funds excluding pensions asset/liability		37,801	34,460	38,139	34,799
Unrestricted fixed asset revaluation reserve		67,917	62,970	67,917	62,970
		105,718	97,430	106,056	97,769
Pension reserve		(3,910)	(70,992)	(3,910)	(70,992)
Total unrestricted funds	25	101,808	26,438	102,146	26,777
Total charity funds	25	108,846	63,382	109,184	63,721

The accompanying notes 1 to 33 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 5 December 2023.



Tim Richards
Chair



Ben Roberts
Chief Executive

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2023

	Notes	2023			2022		
		Unrestricted £'000	Restricted £'000	Total £'000	Unrestricted £'000	Restricted £'000	Total £'000
Net (expenditure) / income		(5,461)	(33,693)	(39,154)	(9,002)	7,063	(1,939)
Less interest receivable	5	(264)	(1,047)	(1,311)	-	(69)	(69)
Loss on disposal of tangible fixed assets		197	-	197	29	-	29
Depreciation	10	4,558	-	4,558	5,208	-	5,208
Amortisation of goodwill	9	-	-	-	40	-	40
(Increase) / decrease in film rights - due after one year	14	-	175	175	-	(780)	(780)
(Increase) / decrease in film rights - due within one year	14	-	425	425	-	(1,132)	(1,132)
(Increase) / decrease in stocks	16	(44)	-	(44)	(22)	-	(22)
(Increase) / decrease in debtors	17	(129)	(5,980)	(6,109)	(445)	16,948	16,503
Increase / (decrease) in creditors due within one year	20	1,697	(13,650)	(11,953)	(4,302)	(11,935)	(16,237)
Increase / (decrease) in creditors due after one year	21	-	38,296	38,296	-	-	-
Increase / (decrease) in provisions due within one year	23	-	(374)	(374)	-	1,162	1,162
Non-cash pension movements	8	4,355	466	4,821	4,895	562	5,457
Cash flows from operating activities		4,909	(15,382)	(10,473)	(3,599)	11,819	8,220
<i>Cash flows from investing activities</i>							
National Lottery Distribution Fund income received	15	-	(48,768)	(48,768)	-	(48,951)	(48,951)
National Lottery Distribution Fund cash drawn down	15	-	54,449	54,449	-	51,130	51,130
Interest receivable	5	264	1,047	1,311	-	69	69
Purchase of tangible fixed assets	10	-	(2,445)	(2,445)	-	(3,518)	(3,518)
Cash flows from investing activities		264	4,283	4,547	-	(1,270)	(1,270)
Change in cash and cash equivalents in the year		5,173	(11,099)	(5,926)	(3,599)	10,549	6,950
Cash and cash equivalents at the beginning of the year		600	38,907	39,507	4,199	28,358	32,557
Cash and cash equivalents at the end of the year	18 & 25	5,773	27,808	33,581	600	38,907	39,507

The accompanying notes 1 to 33 form part of these Accounts.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

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), the Accounts Direction issued by the Secretary of State for 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 £57.2m (2022: £56.6m). 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 2023.

Going concern

Based on our status as a Royal Charter body, Non-Departmental Public Body and National Lottery Distributor, and in light of the 2022 Comprehensive Spending Review and our forward financial plans and free reserves, we have reasonable expectations of continuing trading within the funding available to the BFI and that there will 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 2023

1. ACCOUNTING POLICIES (CONTINUED)

Going concern (continued)

While unrestricted activities show a deficit for the year, these figures include significant non-cash expenditure transactions relating to depreciation and FRS102 pension charges. Excluding the impact of these, net free reserves have increased, albeit they continue to be below the level targeted by our reserves policy. Total unrestricted reserves have further benefited from the decrease in FRS102 pension liability and increased fixed asset valuations. The defined benefit pension scheme with the London Pension Fund Authority, based on the latest triennial actuarial valuation as at 31 March 2022, is now in surplus and the appropriate level of contributions are factored into our forward plans.

Lottery activities also show a deficit for the year and net negative reserves. However this is due to multi year awards, recognised as non-current liabilities, which will be funded from the BFI's ongoing share of National Lottery proceeds for good causes over the coming years. The restricted Lottery funds continue to hold positive net current assets to meet its liabilities as they fall due.

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 (extended to 2022–23 due to COVID–9). 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 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 2023

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 (provisions 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 fundraising 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 28: 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 addition to our current BFI 2022 plan, some Lottery awards were made under our new Screen Culture 2033 strategy, including funding for 2023-24 and beyond. In line with the National Lottery Act etc. 1993 (as amended by the National Lottery Act 1998) 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 after more than one year.

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 of £1.4m (2022: £1.4m).

A new award of £3.5m was made in the year under these powers to the Heritage 2022 strategy (2022: £Nil).

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

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, People & Business Operations, Corporate & Industry 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 values at 31 March 2023 have been estimated using appropriate indexation from an independent expert body.

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 end applied to acquisitions, starting in the year following the acquisition.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

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. Goodwill was fully amortised as at 31 March 2022.

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.

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 2023

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 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 film making activity. The funds held on behalf of film-makers ("the locked box") represents the monies held for this initiative at the balance sheet date and not yet drawn down and are included as Provisions on the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

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 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 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 for the standalone BFI Lottery accounts (appended), 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 2023

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:

		Note	2023 £'000	2022 £'000
Income				
Revenue Grant-in-Aid funding	Unrestricted		18,808	16,580
Revenue Grant-in-Aid funding	Restricted	25	14,380	35,408
			<u>33,188</u>	<u>51,988</u>
Capital Grant-in-Aid funding		25	<u>1,327</u>	<u>2,082</u>
Expenditure				
Funding repayable to DCMS	Restricted	6	<u>(5,062)</u>	<u>-</u>

Funding repayable to DCMS is in respect of Culture Recovery Fund support for the independent cinema sector; this represents the balance repayable to DCMS as at 31 March 2023.

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.

2. OTHER SIGNIFICANT TRANSACTIONS (CONTINUED)

b) Governors

The Governors neither received nor waived any emoluments during the year (2022: £Nil). Governors expenses amounted to £540 in the year (2022: £Nil). Two governors claimed expenses during the year (2022: £Nil). No payments were made in the year for services (2022: £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 31: 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 £13,210 (2022: £11,125), 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:

	Note	2023 £'000	2022 £'000
<i>Income from generated funds - Other grants, legacies and donations includes:</i>			
Grants receivable from BFI Trust	25	8,893	1,835
Restricted			
Unrestricted		1,602	-
<i>Resources expended - Charitable activities includes:</i>			
Rental of leasehold premises		(1,868)	(1,835)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

3. INCOME – GROUP

	Unrestricted 2023 £'000	Non-Lottery Restricted 2023 £'000	Lottery Restricted 2023 £'000	Total 2023 £'000
<i>Income and endowments from charitable activities (earned income)</i>				
Audiences	25,921	-	-	25,921
Learning & Skills	247	-	-	247
Talent	60	-	-	60
	<u>26,228</u>	<u>-</u>	<u>-</u>	<u>26,228</u>
<i>Income from Donations and legacies</i>				
Voluntary Income	-	-	47,809	47,809
Lottery proceeds	-	-	2,441	2,441
Lottery recoupment income	-	-	-	-
Revenue Grant-in-Aid funding	18,808	14,380	-	33,188
Capital Grant-in-Aid funding	-	1,327	-	1,327
Other grants, legacies and donations	2,713	10,162	247	13,122
Donated services and facilities	-	2,401	-	2,401
	<u>21,521</u>	<u>28,270</u>	<u>50,497</u>	<u>100,288</u>
Investment income	264	-	1,047	1,311
Total Income	<u>48,013</u>	<u>28,270</u>	<u>51,544</u>	<u>127,827</u>
	Unrestricted 2022 £'000	Non-Lottery Restricted 2022 £'000	Lottery Restricted 2022 £'000	Total 2022 £'000
<i>Income and endowments from charitable activities (earned income)</i>				
Audiences	20,198	-	-	20,198
Learning & Skills	155	-	-	155
	<u>20,353</u>	<u>-</u>	<u>-</u>	<u>20,353</u>
<i>Income from Donations and legacies</i>				
Voluntary Income	-	-	48,951	48,951
Lottery proceeds	-	-	1,765	1,765
Lottery recoupment income	-	-	-	-
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
	<u>17,506</u>	<u>43,730</u>	<u>50,744</u>	<u>111,980</u>
Investment income	-	-	-	-
Total Income	<u>37,859</u>	<u>43,730</u>	<u>50,744</u>	<u>132,333</u>
				2023
				£'000
<i>Sponsorship and other income included in Income from charitable activities (earned income):</i>				
Sponsorship income, associated with the costs of generating voluntary income				1,502
				<u>1,502</u>
				<u>1,698</u>
Costs of generating funds				
Costs of generating voluntary income				(1,975)
				<u>(1,864)</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 £1,502,000 (2022: £1,698,000) raised by the teams. This income primarily relates to the corporate sponsorship of the BFI London Film Festival and BFI Flare Film Festival.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

4. DONATED SERVICES AND FACILITIES

	2023 £'000	2022 £'000
Publicity and advertising	1,725	1,509
Buildings and facilities	458	619
Services and equipment hire	171	188
Food and drink	47	29
	<u>2,401</u>	<u>2,345</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	2023 Total £'000	Unrestricted £'000	Lottery Restricted £'000	2022 Total £'000
Bank interest receivable	<u>264</u>	<u>1,047</u>	<u>1,311</u>	<u>-</u>	<u>69</u>	<u>69</u>

Bank interest receivable was £1,311,000 (2022: £69,000) of which £264,000 was unrestricted bank interest income (2022: £Nil) and £1,047,000 was restricted bank interest income (2022: £69,000).

6. EXPENDITURE – GROUP

	Costs 2023 £'000	Pension charges 2023 £'000	Support costs 2023 £'000	Total 2023 £'000
Audiences	(95,171)	(5,629)	(5,058)	(105,858)
Learning & Skills	(16,683)	(369)	(284)	(17,336)
Talent	(38,821)	(1,080)	(106)	(40,007)
Leadership	(1,428)	(304)	(73)	(1,805)
Costs of generating voluntary income	<u>(1,975)</u>	<u>-</u>	<u>-</u>	<u>(1,975)</u>
Total resources expended	<u>(154,078)</u>	<u>(7,382)</u>	<u>(5,521)</u>	<u>(166,981)</u>

	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	<u>(1,864)</u>	<u>-</u>	<u>-</u>	<u>(1,864)</u>
Total resources expended	<u>(120,775)</u>	<u>(8,407)</u>	<u>(5,090)</u>	<u>(134,272)</u>

Expenditure on charitable activities was £165,006,000 (2022: £132,408,000) of which £51,499,000 was unrestricted (2022: £44,997,000), £24,855,000 was restricted (2022: £39,450,000) and £88,652,000 was Lottery funded restricted expenditure (2022: £47,961,000).

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

6. EXPENDITURE (Continued)

Net resources expended before transfers are stated after charging:	2023 £'000	2022 £'000
Auditors' remuneration (analysed above)	(183)	(175)

Auditors' remuneration for the National Audit Office includes £Nil fees for non audit services (2022: £Nil). The National Audit Office provided audit services for the Charity and Lottery, with the subsidiary and other audits performed by Brebners LLP.

	2023 £'000	2022 £'000
Foreign exchange gains / (losses)	4	(20)
Depreciation	(4,558)	(5,208)
Amortisation of goodwill	-	(40)
	2023 £'000	2022 £'000
<i>Charges for operating leases:</i>		
Land and buildings	(1,882)	(1,885)
Plant and machinery	(48)	(5)
	2023 £'000	2022 £'000
Film rights adjustments	(14,210)	(13,380)

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

Grant-in-Aid awards

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

Awards in the year (net of fall-ins, where grants have been adjusted within the year) were:

	2023 £'000	2022 £'000
Film London	(1,174)	(2,774)
Northern Ireland Screen: Irish Language Fund	(3,116)	(3,930)
Northern Ireland Screen: Ulster Scots Fund	(1,038)	(1,893)
Film Academy awards	(718)	(718)
Global Screen Fund	(2,923)	(5,548)
Culture Recovery Fund	2,164	(4,241)
Young Audience Content Fund	(902)	(8,421)
	<u>(7,707)</u>	<u>(27,525)</u>

In addition to the above further Grant-in-Aid awards were made to partner organisations on or before 31 March 2023 for funded activity commencing on or after 1 April 2023. These are disclosed in note 28: Contingent Liabilities.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

6. EXPENDITURE (Continued)

Lottery awards

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

	2023 £'000	2022 £'000
Lottery - non-film rights awards included in the SOFA - Expenditure on Charitable activities	(66,721)	(27,942)
Heritage 2022 - award to the BFI - Gross transfers between funds, note 25: Statement of Funds	(3,465)	-
Film Festivals - award to BFI LFF - Gross transfers between funds, note 25: Statement of Funds	(1,400)	(1,134)
Lottery - non-film rights awards per Lottery Statement of Comprehensive Net Expenditure	<u>(71,586)</u>	<u>(29,076)</u>

7. STAFF COSTS

	2023 £'000	2022 £'000
Staff costs consists of:		
Wages & salaries	(27,781)	(24,337)
Social security costs	(2,954)	(2,580)
Pension costs (see note 8)	(5,437)	(6,342)
	<u>(36,172)</u>	<u>(33,259)</u>
Agency staff costs included in Wages & salaries above	<u>(638)</u>	<u>(413)</u>
Staff costs capitalised and not included above	<u>(26)</u>	<u>(39)</u>

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

	2023 Full Time	2023 Part Time	2023 Total
Costs of generating voluntary income	18	2	20
Audiences	385	52	437
Learning & Skills	43	6	49
Talent	45	6	51
Leadership	37	5	42
	<u>528</u>	<u>71</u>	<u>599</u>
	2022 Full Time	2022 Part Time	2022 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
	<u>437</u>	<u>110</u>	<u>547</u>
	2023 Number	2022 Number	
Average number of full time equivalent Agency staff at the BFI during the year	11	7	

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

7. STAFF COSTS (continued)

Higher paid employees

	2023 £'000	2022 £'000
Chief Executive - pay for the full year		
B. Roberts	149	150

Including bonuses totalling £Nil (2022: £Nil). Employer's pension contributions for the year amounted to £23,000 (2022: £23,000).

Executive Team Members (including the Chief Executive)

	2023 Number	2022 Number
£140,000 - £149,999	1	1
£130,000 - £139,999	1	1
£120,000 - £129,999	5	2
£110,000 - £119,999	-	1
Cost	£879,000	£712,000
Other senior staff		
£100,000 - £109,999	4	4
£90,000 - £99,999	5	8
£80,000 - £89,999	20	18
£70,000 - £79,999	15	14
£60,000 - £69,999	23	27
Cost	£5,286,000	£5,518,000
Total Cost	£6,165,000	£6,230,000

Included in the above are 43 (2022: 51) staff who are ordinary members of the LPFA pension scheme. The amount of employer's pension contributions attributable to these staff amounted to £551,000 (2022: £647,000). There were 30 (2022: 26) staff who were members of defined contribution schemes. The amount of employer's pension contributions attributable to these staff amounted to £138,000 (2022: £103,100).

A number of Executive staff and other employees have interests in award applications which have been fully disclosed in note 31: 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 2023 under the requirements of FRS102. Therefore, as at 31 March 2023, a pension liability of £1,232,000 (2022: £74,100,000) 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 £Nil (2022: £413,000).

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 (2022: 36) former employees and their spouses or dependents. The total actuarial valuation for this liability at 31 March 2023 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 2023.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

8. PENSIONS (Continued)

The most significant actuarial assumptions in this recent valuation are:

		2023 %	2022 %
		Per annum	Per annum
Rate of increase in prices	RPI	3.3	4.3
Rate of increase in prices	CPI	2.9	3.3
Rate of increase in salaries		3.9	4.3
Rate of increase in pensions in payment		2.9	3.3
Discount rate		4.8	2.6

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

	2023 Years	2022 Years
Life expectancy at age 65 of female aged 45	25.6	26.1
Life expectancy at age 65 of female aged 65	24.2	24.4
Life expectancy at age 65 of male aged 45	22.7	23.5
Life expectancy at age 65 of male aged 65	21.4	22.0

BFI share of net pension liability as at 31 March:

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Fair value of employer assets	139,307	139,001	121,020	104,704	109,847
Present value of scheme liabilities	(138,862)	(210,865)	(213,418)	(164,675)	(172,316)
Net funding / (underfunding) in funded plans	445	(71,864)	(92,398)	(59,971)	(62,469)
Present value of unfunded liabilities	(1,677)	(2,216)	(2,411)	(2,072)	(2,228)
Net pension deficit	(1,232)	(74,080)	(94,809)	(62,043)	(64,697)

Assets - Split of Investments by Category Assets whole fund

	2023 £'000	Asset Distribution %	2022 £'000	Asset Distribution %
Equities	81,920	59%	79,118	57%
Target return funds	25,902	18%	29,938	22%
Infrastructure	17,627	13%	14,161	10%
Properties	13,680	10%	12,472	9%
Cash	178	0%	3,312	2%
Total	139,307	100%	139,001	100%

Analysis of the amount chargeable to expenditure under FRS102

	2023 £'000	2022 £'000
Current service cost	(4,662)	(5,623)
Past service cost	-	(99)
Contributions in respect of defined contribution schemes	(775)	(620)
Sub-total reflected in Staff costs (note 7)	(5,437)	(6,342)
Administration expenses	(42)	(157)
Net interest on the defined liability	(1,903)	(1,908)
Total expenditure	(7,382)	(8,407)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

8. PENSIONS (Continued)

Analysis of amount recognised in the SOFA	2023 £'000	2022 £'000
Return on plan assets in excess of interest	(1,779)	16,391
Other actuarial losses on assets	(226)	-
Change in demographic assumptions	5,829	-
Experience losses arising on the scheme liabilities	(12,748)	(427)
Changes in assumptions underlying the present value of the scheme liabilities	86,593	10,221
Actuarial gain recognised in SOFA	77,669	26,185
Reconciliation of defined benefit obligation	2023 £'000	2022 £'000
Defined benefit obligation in scheme at beginning of year	(213,081)	(215,829)
<i>Movement in year:</i>		
Current service cost	(4,662)	(5,623)
Interest cost	(5,501)	(4,272)
Contributions by members	(857)	(929)
Unfunded benefits paid	160	151
Past service cost	-	(99)
Benefits paid	3,728	3,726
Change in demographic assumptions	5,829	-
Experience losses on defined benefit obligation	(12,748)	(427)
Change in financial assumptions	86,593	10,221
Deficit in scheme at end of the year	(140,539)	(213,081)
Reconciliation of fair value of employer assets	2023 £'000	2022 £'000
Fair value of employer assets in scheme at beginning of year	139,001	121,020
<i>Movement in year:</i>		
Interest on assets	3,598	2,364
Other actuarial losses	(226)	-
Return on assets less interest	(1,779)	16,391
Contributions by members	857	929
Administration expenses	(42)	(157)
Contributions by the employer, including in respect of unfunded benefits	1,786	2,331
Benefits paid, including unfunded benefits	(3,888)	(3,877)
Fair value of employer assets in scheme at end of year	139,307	139,001

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

8. PENSIONS (Continued)

History of experience gains and losses	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Fair value of employer assets	139,307	139,001	121,020	104,704	109,847
Present value of defined benefit obligation	(140,539)	(213,081)	(215,829)	(166,747)	(174,544)
Deficit	(1,232)	(74,080)	(94,809)	(62,043)	(64,697)
Experience (losses) / gains on assets	(1,779)	16,391	14,783	(3,039)	6,096
Experience gains / (losses) on liabilities	12,748	(427)	2,142	(1,094)	-

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

		£'000	£'000	£'000
Adjustment to discount rate		+0.1%	0.0%	-0.1%
	Present value of total obligation	138,322	140,539	142,812
	Projected service cost	1,996	2,059	2,124
Adjustment to long term salary increase		+0.1%	0.0%	-0.1%
	Present value of total obligation	140,732	140,539	140,348
	Projected service cost	2,060	2,059	2,057
Adjustment to pension increases and deferred valuation		+0.1%	0.0%	-0.1%
	Present value of total obligation	142,659	140,539	138,471
	Projected service cost	2,125	2,059	1,995
Adjustment to mortality age rating assumption		+ 1 Year	None	- 1 Year
	Present value of total obligation	145,878	140,539	135,421
	Projected service cost	2,138	2,059	1,982

9. INTANGIBLE FIXED ASSETS (Group)

Goodwill	Group £'000
Goodwill on Acquisition	
At 1 April 2022 and 31 March 2023	1,574
Goodwill Amortisation	
At 1 April 2022 and 31 March 2023	(1,574)
Net Book Value	
At 1 April 2022 and 31 March 2023	-

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 was charged against Audiences. Goodwill was fully amortised as at 31 March 2022.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

10. TANGIBLE FIXED ASSETS (Group and Charity)

	Long leasehold property £'000	Short leasehold property improvements £'000	Computer and other IT equipment £'000	Furniture fixtures and fittings £'000	Plant and machinery £'000	Assets in the course of construction £'000	Total £'000
Cost or valuation							
At 1 April 2022	83,000	13,591	9,189	3,281	8,219	1,400	118,680
Additions	-	-	601	820	318	706	2,445
Disposals	(99)	(3,666)	(250)	(132)	(365)	-	(4,512)
Reclassification	1,832	-	-	-	-	(1,832)	-
Revaluation	6,644	833	-	-	-	-	7,477
At 31 March 2023	91,377	10,758	9,540	3,969	8,172	274	124,090
Depreciation							
At 1 April 2022	-	(9,941)	(6,328)	(1,428)	(5,606)	-	(23,303)
Charge for the year	(3,110)	(453)	(404)	(253)	(338)	-	(4,558)
Disposals	-	3,666	250	85	314	-	4,315
Reclassification	-	-	-	-	-	-	-
Revaluation	-	(528)	-	-	-	-	(528)
At 31 March 2023	(3,110)	(7,256)	(6,482)	(1,596)	(5,630)	-	(24,074)
Net Book Value							
At 31 March 2023	88,267	3,502	3,058	2,373	2,542	274	100,016
At 1 April 2022	83,000	3,650	2,861	1,853	2,613	1,400	95,377

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 the FRM. The values at 31 March 2023 have been estimated using appropriate indices, resulting in a net increase in value in the year of £6.6m (2022: £21.8m increase from external valuation). Short leasehold property improvements have been revalued using appropriate indices, resulting in a net increase in value in the year of £0.3m (2022: increase of £0.3m). Other classes of assets have not been revalued, as they are made up of low value and/or short useful economic life assets or where the historical cost is considered a reasonable approximation of fair value.

Historic Cost Accounting:

	Long leasehold property £'000	Short leasehold property improvements £'000	Computer and other IT equipment £'000	Furniture fixtures and fittings £'000	Plant and machinery £'000	Assets in the course of construction £'000	Total £'000
Cost							
At 1 April 2022	40,909	11,274	9,189	3,281	8,219	1,400	74,272
Additions	-	-	601	820	318	706	2,445
Disposals	(605)	(2,740)	(250)	(132)	(365)	-	(4,092)
Reclassification	1,832	-	-	-	-	(1,832)	-
At 31 March 2023	42,136	8,534	9,540	3,969	8,172	274	72,625
Depreciation							
At 1 April 2022	(20,137)	(8,366)	(6,328)	(1,428)	(5,606)	-	(41,865)
Charge for the year	(1,246)	79	(404)	(253)	(338)	-	(2,162)
Disposals	532	2,740	250	85	314	-	3,921
At 31 March 2023	(20,851)	(5,547)	(6,482)	(1,596)	(5,630)	-	(40,106)
Net Book Value							
At 31 March 2023	21,285	2,987	3,058	2,373	2,542	274	32,519
At 1 April 2022	20,772	2,908	2,861	1,853	2,613	1,400	32,407

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

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 engagement 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, care and 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 (preservation status) and accessible materials, developing our extensive database of materials and information and in digitising materials for the dual purposes of preservation 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 (the figures reflect the collection inventory as described within the BFI's collection management system and exclude titles and materials that are pending acquisition).

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

135,000 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 1,500,000+ television titles including material recorded off-air, as it was seen by the viewer, as well as production and transmission material. The collection

reflects the role of the BFI as the national television archive (by Statute) with programming covering the history of television as broadcast by ITV, C4 and C5 including selected BBC programming. The collection includes unique live broadcasts, advertising 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. The collection is expanding to include programmes to be acquired from content streamers.

Library

The library holds some 49,000 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; 233,000 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

- 22,000 unpublished scripts, from first drafts to release scripts, relating primarily to British film and TV titles.
- 28,000 press books, 20,000 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 5,700 production and costume designs; 3,000 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 2023

12. INVESTMENTS (Charity)

The investments held by the Charity are summarised as follows:

	£'000
Cost	
At 1 April 2022 and 31 March 2023	2,450
Impairment	
At 1 April 2022 and 31 March 2023	(1,007)
Net Book Value	
At 1 April 2022 and 31 March 2023	1,443

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)		01910848	
BFI (Big Screen) Limited (operates the theatrical and commercial activities of the BFI IMAX)		03088677	
BFI Enterprise Limited		02463593	
Project Rosebud Limited (e-commerce development - dormant with nil assets and investment value)		03946785	
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 the 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.

	2023			
	BFI Big Screen £'000	British Screen Finance Group £'000	BFI Enterprise £'000	2023 Total £'000
Trading Account				
Income	5,065	381	4,194	9,640
Expenditure	(3,097)	(15)	-	(3,112)
Expenditure - BFI recharges	(37)	(28)	(2,521)	(2,586)
Net operating profit	1,931	338	1,673	3,942
Interest receivable and similar income	7	22	1	30
Surplus gift aided to the BFI	(1,938)	(360)	(1,674)	(3,972)
Net profit	-	-	-	-
Balance Sheet				
Stocks & work in progress	25	-	181	206
Debtors	802	96	328	1,226
Cash at bank and in hand	2,060	1,417	775	4,252
Current liabilities	(448)	(6)	-	(454)
Current liabilities - owed to the BFI	(2,439)	(495)	(1,191)	(4,125)
Total (BFI interest)	-	1,012	93	1,105

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

13. 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 to the Group and Charity accounts under FRS102 but it does apply to the standalone BFI Lottery accounts appended.

Those financial statements include costs of the rental of office space at 21 Stephen Street, London which fall under the definitions of the standard. BFI Lottery

accounts 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.

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:

	2022-23 £'000	2021-22 £'000	2020-21 £'000	2019-20 £'000	2018-19 £'000
Production Awards	11,510	12,095	9,760	11,330	12,181
Vision Awards	825	906	1,411	1,238	1,323
Development Awards	411	292	227	534	284
Distribution Awards	125	178	161	235	220
Film Rights valuation	12,871	13,471	11,559	13,337	14,008

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:

	2022-23 £'000	2021-22 £'000	2020-21 £'000	2019-20 £'000	2018-19 £'000
Film rights - non-current	9,833	10,008	9,228	10,532	8,249
Film rights - current	3,038	3,463	2,331	2,805	5,759
	12,871	13,471	11,559	13,337	14,008

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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 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.

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 film(s) 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

	2022-23 £'000	2021-22 £'000	2020-21 £'000	2019-20 £'000	2018-19 £'000
Film rights valuation at 1 April	13,471	11,559	13,337	14,008	12,430
New commitments: made in year	17,713	21,000	22,275	17,002	20,840
Decommitments: new film rights in year	(241)	(25)	(370)	-	(3)
Decommitments: historical portfolio	(217)	(412)	(178)	(461)	(369)
Repayment of investments: new film rights in year	(1,099)	(1,186)	(1,528)	(285)	(588)
Repayment of investments: historical portfolio	(2,546)	(4,085)	(2,547)	(4,191)	(3,546)
Adjustments: new film rights in year	(15,011)	(12,980)	(14,256)	(8,863)	(12,280)
Adjustments: historical portfolio	801	(400)	(5,174)	(3,873)	(2,476)
Film rights valuation at 31 March	12,871	13,471	11,559	13,337	14,008

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 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% (2022: 1.9%).

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

As at 31 March 2023, the Film Rights valuation for production awards is £11.5m (2022: £12.1m) and for all other Film Rights is £1.4m (2022: £1.4m) totalling £12.9m (2022: £13.5m). For production awards, were the recoupment levels and valuation to vary by +/- 5%, the impact of the valuation of Film Rights at 31 March 2023 would be £0.5m for 177 awards (2022: £0.6m for 184 awards).

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

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 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 balance sheet date, subject to a 120% default reduction every three years. The total amount of the Film Rights valuation based on this methodology is £5.9m (2022: £6.1m). Were this default reduction percentage to change by +/- 10% the Film Right valuation would change by :

	£'000 +10%	£'000 0%	£'000 -10%
2022-23	(850)	5,875	850
2021-22	(950)	6,090	860

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 2023 for production awards is US \$1.30 (2022: US \$1.35).

Had the pound sterling to US dollar exchange rate been \$1.40, for the purposes of the Film Rights valuation, then the valuation of the total of these production awards would be reduced by £0.3m (2022: \$1.45 and the awards at March 2022 would reduce by £0.4m). Were the valuation calculated using US \$1.05, then these valuations would be increased by £0.3m (2022: \$1.25 and the awards at March 2022 would increase by £0.5m).

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

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

The movement in balances held at the NLDF is:

	2023 £'000	2022 £'000
Balance at 1 April	50,941	53,120
Income received from the Lottery receipts	47,809	48,882
Investment income earned on NLDF balances	959	69
Available for distribution	99,709	102,071
Cash drawn down	(54,449)	(51,130)
Balance at 31 March	45,260	50,941

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 (2022: £nil).

16. STOCKS AND WORK IN PROGRESS

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Work in progress	25	49	25	49
Finished goods	613	545	408	379
	638	594	433	428

17. DEBTORS

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Trade debtors	5,667	4,389	4,567	3,959
Amount owed by subsidiary undertakings	-	-	4,126	2,317
Other debtors	1,769	2,886	1,769	2,838
Prepayments and accrued income	12,907	6,959	12,786	5,256
	20,343	14,234	23,248	14,370

18. CASH AT BANK AND IN HAND

	Unrestricted £'000	Restricted £'000	2023 Total £'000	2022 Total £'000
Analysis of cash and cash equivalents				
Cash at bank and in hand Group	5,773	27,808	33,581	39,507
Cash at bank and in hand Charity	1,519	27,808	29,327	38,120

All cash at bank is held with UK commercial banks.

£3.9m (2022: £4.3m) 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 23: Provisions.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

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

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 Statement of Financial Activities (SOFA).

Establishing the fair value of film rights is subjective and therefore contains an element of risk. The fair value is based on a review of external evidence such as the sales agents' estimates as to the likely revenues generated by a project, where it is in the life cycle of

the project, and upon actual performance of the film to date. This is matched with the knowledge and experience of the staff and management involved in the process of assessing the projects both at application stage and as they come to fruition. Any reduction in fair value is immediately taken to the SOFA in the year.

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

	2023 £'000	2022 £'000
Film rights - non-current	9,833	10,008
Film rights - current	3,038	3,463
	<u>12,871</u>	<u>13,471</u>

National Lottery Distribution Fund

Funds held at the National Lottery Distribution Fund are held as financial instruments held at amortised cost.

Liquidity risks

Income was derived from:

	2023 £'000	%	2022 £'000	%
DCMS Grant-in-aid	33,188	26%	51,988	39%
DCMS Capital provision	1,327	1%	2,082	2%
Other legacies, grants and donations and investment income	14,433	11%	4,919	4%
Resources generated from charitable activities	26,228	21%	20,353	15%
Donated services and facilities	2,401	2%	2,344	2%
Lottery proceeds and receipts	50,250	39%	50,647	38%
	<u>127,827</u>	<u>100%</u>	<u>132,333</u>	<u>100%</u>

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, with a current awards running in some cases up to March 2026. Thus the risk of holding insufficient resources to cover liabilities is held under constant review, to ensure that this risk is minimised, by review of current funds held in cash and at the National Lottery Distribution fund and anticipated future income versus the levels of commitment.

The Governors consider that, as the NLDF balance notified by the Secretary of State for Culture, Media and Sport and the BFI's own Lottery cash holding amount to £52.5m at the balance sheet date (2022: £59.3m), sufficient liquid resources are available to cover all existing commitments 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 2023

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

Interest rate risks

Interest rate risk is deemed low for the BFI as it does not have any exposure to interest payable. With interest rates increasing during the year the BFI has taken advantage of these low risk sources of interest income on its own cash holdings with interest on current accounts and short term deposits.

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 £45.3m (2022: £50.9m) and the average investment return for the year was 0.2% (2022: 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 1.13% (2022: 0.01%). The group cash balance at the year end was £33.6m (2022: £39.5m). (2022: 0.1%).

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 14. Film Rights and in the Lottery financial statements note 13: Financial Instruments and note 5: Film Rights.

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Trade creditors	(2,013)	(2,662)	(1,939)	(2,662)
Other taxes and social security costs	(1,144)	(819)	(1,138)	(817)
Other creditors	(17,826)	(26,650)	(17,826)	(26,650)
Lottery awards payable (see note 24)	(31,339)	(35,470)	(31,339)	(35,470)
Accruals	(5,116)	(4,082)	(4,859)	(3,830)
Deferred income (see note 22)	(2,943)	(2,651)	(2,831)	(2,593)
	<u>(60,381)</u>	<u>(72,334)</u>	<u>(59,932)</u>	<u>(72,022)</u>

21. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
Lottery awards payable (see note 24)	(38,296)	-	(38,296)	-
	<u>(38,296)</u>	<u>-</u>	<u>(38,296)</u>	<u>-</u>

22. DEFERRED INCOME

	Group 2023 £'000	Group 2022 £'000	Charity 2023 £'000	Charity 2022 £'000
At 1 April	(2,651)	(2,289)	(2,593)	(2,242)
Amount released to income	2,651	2,289	2,593	2,242
Amount deferred in year	(2,943)	(2,651)	(2,831)	(2,593)
At 31 March	<u>(2,943)</u>	<u>(2,651)</u>	<u>(2,831)</u>	<u>(2,593)</u>

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

23. PROVISIONS (Group and Charity)

	2023 £'000	2022 £'000
Rewarding success awards		
At 1 April	(4,328)	(3,166)
New provisions in the year	-	(2,308)
Amounts paid in year	374	1,146
At 31 March	(3,954)	(4,328)

Rewarding Success provision

The rewarding success initiative allows for a share of film recoupment income arising from lottery awards to be made available to UK Producers, Writers and Directors for their future film making activity. The

funds held on behalf of film-makers ("the locked box") represents the monies held for this initiative at the balance sheet date and not yet drawn down.

24. LOTTERY AWARDS PAYABLE (Group and Charity)

	2023 £'000	2022 £'000
At 1 April	(35,470)	(35,711)
New film rights commitments in year	(18,993)	(21,785)
New non-film rights commitments in year	(69,411)	(26,548)
Decommitments	745	2,377
Amounts paid	53,494	46,197
At 31 March	(69,635)	(35,470)

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

Reconciliation to Lottery accounts

	2023 £'000	2022 £'000
Creditors: amounts falling due within one year	(31,339)	(35,470)
Creditors: amounts falling due after one year	(38,296)	-
Provisions	(3,954)	(4,328)
Other payables - Awards Commitments:	(1,171)	(1,909)
Total Awards Commitments as per Lottery accounts	(74,760)	(41,707)

Lottery accounts – Awards Commitments represented by:

Provision for award commitments	Provisions falling due within one year	(12,676)	(18,235)
Provision for award commitments	Provisions falling due after one year	(23,788)	(23,472)
		(38,296)	-
		(74,760)	(41,707)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

25. STATEMENT OF FUNDS (Group and Charity)

GROUP	At 1 April 2022 £'000	Income £'000	Expenditure £'000	Other recognised gains/(losses) £'000	Transfers £'000	At 31 March 2023 £'000
Unrestricted funds:						
Income funds excluding pensions						
asset/liability	34,460	48,013	(47,117)	-	2,445	37,801
Pension reserve	(70,992)	-	(4,355)	71,437	-	(3,910)
Fixed asset revaluation reserve	62,970	-	(2,002)	6,949	-	67,917
Total unrestricted funds	26,438	48,013	(53,474)	78,386	2,445	101,808
Donated Services and Facilities	-	2,401	(2,401)	-	-	-
Arts and Humanities Research Council	153	151	(294)	-	-	10
DCMS - Northern Ireland	-	4,074	(4,074)	-	-	-
DCMS - Global Screen Fund	457	7,000	(4,800)	-	-	2,657
DCMS GiA - DFE	-	1,000	(1,000)	-	-	-
DCMS - Culture Recovery Fund	3,147	400	(3,547)	-	-	-
DCMS - Young Audience Content Fund	1,462	-	(1,304)	-	-	158
DCMS - GiA Film London SSSD	-	875	(675)	-	-	200
DCMS - Capital GiA	-	1,327	-	-	(1,327)	-
DCMS - BFI London Film Festival	-	880	-	-	-	880
DCMS - GiA Energy and London Bridge	-	151	(151)	-	-	-
BFI Lottery - Heritage 2022	1,738	-	(3,990)	-	3,272	1,020
BFI Lottery - BFI London Film Festival	-	-	(1,400)	-	1,400	-
BFI Trust	566	8,893	-	-	(925)	8,534
Chaplin Foundation	41	-	-	-	-	41
Col And Karen Needham	-	50	(50)	-	-	-
Esmee Fairbairn Foundation	13	105	(104)	-	-	14
Friends of the BFI	33	320	(312)	-	-	41
H.M. Government - Dept. for Work & Pensions	-	72	(72)	-	-	-
LUMA Foundation	30	-	(30)	-	-	-
Simon and Harley Hessel	30	100	(100)	-	-	30
The David Lean Foundation	60	-	(60)	-	-	-
The Thompson Family Charitable Trust	-	60	-	-	-	60
Other up to £50,000	172	411	(491)	-	-	92
Total restricted funds excluding lottery	7,902	28,270	(24,855)	-	2,420	13,737
Lottery funds:						
Lottery reserve	32,130	51,463	(88,105)	-	(4,865)	(9,377)
Donations and other income	-	81	(81)	-	-	-
Lottery share of pension reserve	(3,088)	-	(466)	6,232	-	2,678
Total Lottery funds	29,042	51,544	(88,652)	6,232	(4,865)	(6,699)
Total funds	63,382	127,827	(166,981)	84,618	-	108,846

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

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

CHARITY	At 1 April 2022 £'000	Income £'000	Expenditure £'000	Other recognised gains/(losses) £'000	Transfers £'000	At 31 March 2023 £'000
Unrestricted funds:						
Income funds excluding pensions asset/liability	37,481	42,314	(41,419)	-	2,445	40,821
Pension reserve	(73,674)	-	(4,355)	71,437	-	(6,592)
Fixed asset revaluation reserve	62,970	-	(2,002)	6,949	-	67,917
Total unrestricted funds	26,777	42,314	(47,776)	78,386	2,445	102,146
Donated Services and Facilities	-	2,401	(2,401)	-	-	-
Arts and Humanities Research Council	153	151	(294)	-	-	10
DCMS - Northern Ireland	-	4,074	(4,074)	-	-	-
DCMS - Global Screen Fund	457	7,000	(4,800)	-	-	2,657
DCMS GIA - DFE	-	1,000	(1,000)	-	-	-
DCMS - Culture Recovery Fund	3,147	400	(3,547)	-	-	-
DCMS - Young Audience Content Fund	1,462	-	(1,304)	-	-	158
DCMS - GiA Film London SSSD	-	875	(675)	-	-	200
DCMS - Capital GiA	-	1,327	-	-	(1,327)	-
DCMS - BFI London Film Festival	-	880	-	-	-	880
DCMS - GiA Energy and London Bridge	-	151	(151)	-	-	-
BFI Lottery - Heritage 2022	1,738	-	(3,990)	-	3,272	1,020
BFI Lottery - BFI London Film Festival	-	-	(1,400)	-	1,400	-
BFI Trust	566	8,893	-	-	(925)	8,534
Chaplin Foundation	41	-	-	-	-	41
Col And Karen Needham	-	50	(50)	-	-	-
Esmee Fairbairn Foundation	13	105	(104)	-	-	14
Friends of the BFI	33	320	(312)	-	-	41
H.M. Government - Dept. for Work & Pensions	-	72	(72)	-	-	-
LUMA Foundation	30	-	(30)	-	-	-
Simon and Harley Hessel	30	100	(100)	-	-	30
The David Lean Foundation	60	-	(60)	-	-	-
The Thompson Family Charitable Trust	-	60	-	-	-	60
Other up to £50,000	172	411	(491)	-	-	92
Total restricted funds excluding lottery	7,902	28,270	(24,855)	-	2,420	13,737
Lottery funds:						
Lottery reserve	32,130	51,463	(88,105)	-	(4,865)	(9,377)
Donations and other income	-	81	(81)	-	-	-
Lottery share of pension reserve	(3,088)	-	(466)	6,232	-	2,678
Total Lottery funds	29,042	51,544	(88,652)	6,232	(4,865)	(6,699)
Total funds	63,721	122,128	(161,283)	84,618	-	109,184

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

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

Restricted funds:

Donated Services and Facilities

Arts and Humanities Research Council

DCMS - Northern Ireland

DCMS - Global Screen Fund

DCMS - DfE

DCMS - Culture Recovery Fund

DCMS - Young Audience Content Fund

DCMS - GiA Film London SSSD

DCMS - BFI London Film Festival

DCMS - GiA Energy and London Bridge

DCMS - Capital GiA

BFI Lottery - Heritage 2022

BFI Lottery - BFI London Film Festival

BFI Trust

Chaplin Foundation

Col And Karen Needham

Esmee Fairbairn Foundation

Friends of the BFI

H.M. Government - Dept. for Work &

Pensions

LUMA Foundation

Simon and Harley Hessel

The David Lean Foundation

The Thompson Family Charitable Trust

Other up to £50,000

Transfers

Lottery funds:

Donations and other income

Transfers

Description:

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

Film Conservation, including capital expenditure

Support for Northern Ireland Screen Irish and Ulster Scots language programming

Support for UK film distribution overseas

Funds ring-fenced for education projects supported by the Department for Education

Support for independent cinemas impacted by COVID-19 restrictions. Expenditure includes the return of £5.1m of unspent funds to DCMS

Funding for new youth television content

Ring-fenced grant-in-aid support for Film London

Support for the 2022 BFI London Film Festival

Support in respect of Energy bills and arrangements for the Queen's lying in state facilitating crowds queuing along the

Thames at BFI Southbank

Grant-in-aid funds for capital expenditure

Awarded by the Lottery under Section 27 dispensation towards supporting UK Film Heritage

Awarded by the Lottery under Section 27 dispensation towards improving public access to the 2022 BFI London Film Festival

Support for estates related projects and planning, including capital expenditure

Archive restoration and other work

Support of Sight and Sound Greatest of All Time Poll

Supporting BFI Replay as part of the Heritage 22 programme

Various projects including funding for the BFI National Archive and restoration of the *Peeping Tom*, *The Small Black*

Room and *Pressure*.

Support for Education project

Anthony Balch project

Support of the BFI National Archive, including restorations of *The Small Back Room* and *Contraband*

Heritage 22 Paper Conservation

Supporting the Film on Film Festival 2023/24

Various grant awards towards education, restoration and programming and other sundry income.

Relate to the receipt of s27 Lottery funding (note 31) and the transfer to unrestricted reserves of capital grants used to acquire fixed assets in the year, where there is no ongoing restriction attaching to the asset created.

Northern Ireland Screen support for Young people's Filmmaking Programme

Relate to the s27 Lottery awards for other BFI activities (note 31)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

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

Fund balances at 31 March 2023 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	100,016	-	100,016	100,016	-	100,016
Investments	-	-	-	1,443	-	1,443
Non-current assets:						
Film rights	-	9,833	9,833	-	9,833	9,833
Current Assets:						
Film rights	-	3,038	3,038	-	3,038	3,038
National Lottery Distribution Fund	-	45,260	45,260	-	45,260	45,260
Stocks and work in progress	638	-	638	433	-	433
Debtors	9,936	10,407	20,343	12,841	10,407	23,248
Cash at bank and in hand	5,773	27,808	33,581	1,519	27,808	29,327
Current assets	16,347	86,513	102,860	14,793	86,513	101,306
Current liabilities	(10,645)	(53,690)	(64,335)	(10,196)	(53,690)	(63,886)
Income funds excluding pensions net liability	105,718	42,656	148,374	106,056	42,656	148,712
Creditors due after more than one year	-	(38,296)	(38,296)	-	(38,296)	(38,296)
Long term pension asset/liability	(3,910)	2,678	(1,232)	(3,910)	2,678	(1,232)
Total net assets	101,808	7,038	108,846	102,146	7,038	109,184

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 liability	(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

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

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

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

	Group		Charity	
	2023 Unrestricted £'000	2022 Unrestricted £'000	2023 Unrestricted £'000	2022 Unrestricted £'000
Net free reserves				
Current assets	16,347	11,005	14,793	9,588
Current liabilities	(10,645)	(8,948)	(10,196)	(8,636)
Net free reserves	5,702	2,057	4,597	952

Reserves are managed to ensure that restricted funds are not used to fund other activities. Some 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 (2022: £1,105,000) which are available for donation to the Charity if required (note 12).

26. LEASE COMMITMENTS (Group and Charity)

At 31 March 2023, the Charity had commitments in respect of non-cancellable operating leases as set out below:

	Land and buildings 2023 £'000	Land and buildings 2022 £'000	Other 2023 £'000	Other 2022 £'000
Leases which expire:				
Less than 1 year	(1,867)	(1,876)	(48)	(5)
Within 2 to 5 years	(7,466)	(7,466)	(186)	(2)
Over 5 years	(8,189)	(10,021)	(188)	-
	(17,522)	(19,363)	(422)	(7)

27. CAPITAL COMMITMENTS (Group and Charity)

As at 31 March 2023, the BFI had capital commitments outstanding of £327,000 (2022: £350,000) relating to the property infrastructure and digital upgrade.

8. CONTINGENT LIABILITIES (Group and Charity)

At 31 March 2023 Grant-in-Aid awards had been made for activity commencing on or after 1 April 2023. As these are contingent upon the receipt of Grant-in-Aid

funding from DCMS in 2023–24 these are not taken to the Statement of Financial Activities in the year but are disclosed here.

	2023 £'000	2022 £'000
Film London	(375)	(374)
	(375)	(374)

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 and in support of organisational costs.

	2023 £'000	2022 £'000
Contingent liability - rewarding success projects in film rights	(2,881)	(3,083)

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

29. FINANCIAL AND OTHER COMMITMENTS

At the balance sheet date 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.

	2023 £'000	2022 £'000
<i>Prior year Lottery awards</i>		
Talent Network awards	(5)	(74)
Production awards	(779)	(430)
Development awards	(2)	(3)
<i>In year Lottery awards</i>		
Production awards	(839)	(6,581)
Development awards	(290)	(504)
Talent Network awards	(2)	(50)
Distribution awards	(9)	(60)
Financial commitments - notified but not yet recognised in the financial statements	<u>(1,926)</u>	<u>(7,702)</u>

Other contractual commitments

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

	2023 £'000	2022 £'000
Not later than one year	(1,082)	(1,704)
Later than one year and not later than five years	(653)	(907)
Later than five years	(199)	-
Contracts for delivery of services	<u>(1,934)</u>	<u>(2,611)</u>

30. 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 now advised that the land sales on the Olympic Park are now forecast to return less than £200m with payment beginning in 2026-27.

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

Due to the inherent uncertainties over such a time period it is not possible to yet quantify the value of such land sales. However given the information above the BFI could expect to receive in excess of £5m.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

31. 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:

Related party	Name	Role with BFI	Relationship to related party	New Awards made year ended 31 March 2023 £	Sales year ended 31 March 2023 £	Purchases year ended 31 March 2023 £	Debtor/ (creditor) balance as at 31 March 2023 £
British Council	Tricia Tuttle	Former Festivals Director	Partner is the Director of Film	-	46,520	8,670	18,325
British Film Commission	Andrew Smith	Governor	Advisory Board member	2,750,000	-	-	(1,460,000)
British Screen Forum	Andrew Smith	Governor	Member	-	-	7,220	-
Deloitte LLP	Sukie Kooner	Non-governor co-opted committee member	Partner	-	-	48,180	(39,600)
Friends of the BFI	Simon Bartlett	Head of Lottery & Grant Accounting	Treasurer	-	325,058	-	325,058
Friends of the BFI	Francesca Vinti	Director of Development	Chair	-	325,058	-	325,058
Lee & Thompson LLP	Anwen Griffiths	Governor	Partner	-	-	920	-
Number 9 Films Ltd	Elizabeth Karlsen	Governor	Partner is a director	-	-	-	(16,000)
Pinewood Studios	Andrew Smith	Governor	Director	-	263	14,800	(2,116)
Revolution Software	Charles Cecil	Non-governor co-opted committee member	CEO	-	-	-	(17,500)
Screen Yorkshire	Charles Cecil	Non-governor co-opted committee member	Board member	2,300,000	-	-	(2,355,000)
Vue Cinemas	J. Timothy Richards	Chair	Director	-	8,552	2,000	4,185

A number of BFI Governors and Staff are members of BAFTA, but with no formal management or governance role therein. BAFTA received lottery and other awards in the year ending 31 March 2023 totalling £34,700 (2022: £94,000) of which £6,140 (2022: £67,560) remained payable at that date. Additionally an award of £286,955 was made to BAFTA Albert, a subsidiary of BAFTA on which drawdown had not commenced by year end and an award balance of £51,120 remained payable to BAFTA Enterprises Limited at the year end.

The BFI transacted with BAFTA on an arm's length basis during the year with sales of £2,188 (2022: £3,068) and purchases of £3,910 (2022: £43,336) and a debtor balance of £2,400 was receivable at the year end. Governors made unrestricted donations totalling £11,665 (2022: £20,000) and restricted donations totalling £10,000 (2022: £Nil). A number of governors also purchased patron scheme packages during the year totalling £23,000, of which the donation element was £16,994. Executive directors made unrestricted donations totalling £Nil (2022: £Nil).

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

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

Lottery Awards

Recipient of funding	Name	Role with BFI	Relationship to recipient of funding	New Awards made Year Ended 31 March 2023 £	Balance as at 31 March 2023 £
BFI - London Film Festival	Ben Roberts	CEO	CEO	1,400,000	-
BFI - Heritage 2022	Ben Roberts	CEO	CEO	3,465,000	1,171,000
Jingo Juice Ltd and subsidiaries	Eleanor Whitley	Governor	Director Advisory Board	435,000	435,000
Film London - British Film Commission	Andrew Smith	Governor	member	1,150,000	1,150,000

The BFI is a non-departmental public body sponsored by the Department for 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 August 2022 and was fully drawn down within the year.

Under the same power the Secretary of State did not object to an award of £3,465,000 in relation to the National Film and TV Archive under the Heritage 22 scheme. The award was made in April 2022 and by the end of the year £1,171,000 remained undrawn; this is shown as an award commitment in the standalone BFI Lottery financial statements (appended), but eliminated in full on consolidation.

32. LOSSES AND SPECIAL PAYMENTS (Group and Charity)

There were no losses or special payments in the year (2022: none).

33. 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.

Lottery Financial Statements

BRITISH FILM INSTITUTE
LOTTERY FINANCIAL STATEMENTS
For the year ended 31 March 2023

STATEMENT OF GOVERNORS AND ACCOUNTING OFFICER'S RESPONSIBILITIES

The Governors and Chief Executive are responsible for preparing the financial statements for the Lottery distribution activities of the BFI for each financial year under section 35(2) and (3) of the National Lottery etc. Act 1993 in the form and on the basis directed by the Secretary of State for 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. 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 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 is fair, balanced and understandable and that the Accounting Officer takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

The Accounting Officer for the DCMS has designated the Chief Executive of the BFI as the Accounting Officer for the BFI. The relevant responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable and for keeping of proper records and for safeguarding the BFI's assets are set out in Managing Public Money published by HM Treasury and in the Financial Directions issued by the Secretary of State for Culture, Media and Sport under section 26(3) of the National Lottery etc. Act 1993.

The Governors and Chief Executive confirm they have met the responsibilities set out above and complied with the requirements for preparing the annual report and accounts on a fair, balanced and understandable basis, and the Chief Executive takes personal responsibility for this. The financial statements for the Lottery distribution activities, have been compiled from and are in accordance with the financial records maintained by the Governors and Chief Executive, and all relevant information has been made available to the auditors.



Tim Richards
Chair



Ben Roberts
Chief Executive

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE SCOTTISH PARLIAMENT

Opinion on financial statements

I certify that I have audited the financial statements of the British Film Institute's Lottery Distribution Activities for the year ended 31 March 2023 under the National Lottery etc Act 1993.

The financial statements comprise the British Film Institute's Lottery Distribution Activities'

- Statement of Financial Position as at 31 March 2023;
- 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's Lottery Distribution Activities' affairs as at 31 March 2023 and its deficit 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 and Regularity of Public Sector Bodies in the United Kingdom (2022). 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 am independent of the British Film Institute in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the British Film Institute's Lottery Distribution Activities' 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 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's Lottery Distribution Activities 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 is anticipated that the services which they provide will continue into the future.

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE SCOTTISH PARLIAMENT (continued)

Other Information

The other information comprises the information included in the Annual Report but does not include either the Group or Lottery Distribution financial statements nor my certificate and reports. 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 certificate, I do not express any form of assurance conclusion thereon.

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 Remuneration and People 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 Accountability 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 Performance Report and Accountability 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's Lottery Distribution Activities and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and Accountability Report.

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

- Adequate accounting records have not been kept by the British Film Institute or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability 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 and Staff Report to be audited are 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 board and Accounting Officer are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the British Film Institute from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with Secretary of State directions made under the National Lottery etc Act 1993;

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE SCOTTISH PARLIAMENT (continued)

- ensuring that the annual report, which includes the Remuneration and People Report, is prepared in accordance with Secretary of State directions made under the National Lottery etc Act 1993; and
- assessing the British Film Institute's Lottery Distribution Activities' 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 Accounting Officer anticipates that the services provided by the British Film Institute's Lottery Distribution Activities 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 nature of the sector, control environment and operational performance including the design of the British Film Institute Lottery Distribution Activities' accounting policies, and key performance indicators.
- inquired 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 Lottery Distribution Activities' policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the British Film Institute's controls relating to the British Film Institute's compliance with the National Lottery etc Act 1993, Managing Public Money;
- inquired of management, the British Film Institute's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team and the relevant internal specialists 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's Lottery Distribution Activities for fraud and identified the greatest potential for fraud in the following areas: 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.

I obtained an understanding of the British Film Institute's Lottery Distribution Activities' framework of authority and other legal and regulatory frameworks in which the British Film Institute operates. I focused 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's Lottery

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT AND THE SCOTTISH PARLIAMENT (continued)

Distribution Activities. The key laws and regulations I considered in this context included the National Lottery etc Act 1993, Managing Public Money, employment law and pensions legislation and tax Legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed 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;
- I enquired of management, the Audit Risk and Governance Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income 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.

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 I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

December 2023

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

STATEMENT OF COMPREHENSIVE NET EXPENDITURE YEAR ENDED 31 MARCH 2023

	Notes	2022-23	2021-22
		£'000	£'000
Income			
Proceeds from the National Lottery	2	47,809	48,882
National Lottery Distribution Fund investment income	2	959	69
Recoupment income			
Arts Council England and UK Film Council portfolio	3	514	119
BFI portfolio	3	1,927	1,555
Other income		247	118
Total income		51,456	50,743
Expenditure			
Lottery - non-film rights awards	4	(71,586)	(29,076)
Adjustments against film rights	5	(18,181)	(17,632)
Reversal of adjustments against film rights	5	3,971	4,253
Operating costs	8	(7,078)	(6,651)
Cost of change	9	(645)	-
Total expenditure		(93,519)	(49,106)
Operating (loss) / profit		(42,063)	1,637
Bank interest receivable		88	-
(Loss)/Profit on ordinary activities before taxation		(41,975)	1,637
Tax on surplus on ordinary activities for the year		-	-
(Deficit)/Surplus for the year		(41,975)	1,637
Other comprehensive income			
Actuarial gain	7	6,232	2,424
Total other comprehensive income		6,232	2,424
Total comprehensive (expenditure)/income		(35,743)	4,061

All activities were on a continuing basis. The accompanying notes on pages 176 to 199 form part of these accounts.

STATEMENT OF FINANCIAL POSITION

31 MARCH 2023

	Notes	At 31 March 2023	At 31 March 2022
		£'000	£'000
Non-current assets			
Right of use asset	10	1,240	1,395
Film Rights	5	9,833	10,008
Pension asset	7	2,678	-
Total non-current assets		13,751	11,403
Current assets			
Film rights	5	3,038	3,463
National Lottery Distribution Fund	2	45,260	50,941
Trade and other receivables falling due within one year	11	708	1,163
Cash and cash equivalents	12	7,196	8,340
Total current assets		56,202	63,907
Current liabilities			
Trade and other payables	14	(798)	(225)
Other payables - award commitments	15	(12,676)	(18,236)
Provisions	16	(23,788)	(23,473)
Total current liabilities		(37,262)	(41,934)
Total net current assets for the year ended 31 March		18,940	21,973
Non-current liabilities			
Lease payables due after one year	14	(1,139)	(1,289)
Provisions falling due after one year	16	(38,296)	-
Pension liability	7	-	(3,088)
Total non-current liabilities		(39,435)	(4,377)
Assets less liabilities		(6,744)	28,999
Capital and reserves			
Lottery reserve		(9,422)	32,087
Pension reserve	7	2,678	(3,088)
		(6,744)	28,999

The accompanying notes on pages 176 to 199 form part of these accounts.

The financial statements were approved and authorised for signature by the Governors on 7 December 2023.



Tim Richards
Chair



Ben Roberts
Chief Executive

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2023

	Notes	Lottery Reserve £'000	Pension Reserve £'000	Total Reserve £'000
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		<u>32,087</u>	<u>(3,088)</u>	<u>28,999</u>
Deficit for the year		(41,509)	(466)	(41,975)
Re-measurements in the year	7	-	6,232	6,232
Balance at 31 March 2023		<u>(9,422)</u>	<u>2,678</u>	<u>(6,744)</u>

The accompanying notes on pages 176 to 199 form part of these accounts.

STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2023

	Notes	2022-23 £'000	2021-22 £'000
Cashflows from operating activities			
Operating (deficit)/surplus		(41,975)	1,637
Decrease/(increase) in film rights falling due in excess of one year	5	175	(780)
Decrease/(increase) in film rights falling due within one year	5	425	(1,132)
Decrease in trade receivables	2, 10, 11	6,291	2,291
Increase/(decrease) in trade payables	14	423	(257)
Decrease in award payables	15	(5,560)	(259)
Increase/(decrease) in other payables - provisions	16	38,611	(2,171)
Non cash pension movements	7	466	562
Interest received		(88)	-
Reclassification of receipts from National Lottery Distribution Fund as cashflows from investing activities	2	(54,449)	(51,130)
Reclassification of rental payments to cashflows from financing activities	10	147	145
Reclassification of interest payable for lease liabilities to cashflows from financing activities	10	29	31
Net cash from operating activities		(55,505)	(51,063)
Cashflows from investing activities			
Interest received		88	-
Cash receipts from National Lottery Distribution Fund	2	54,449	51,130
Cashflows from investing activities		54,537	51,130
Cashflows from financing activities			
Interest payable for lease liabilities	10	(29)	(31)
Repayment of lease liabilities	10	(147)	(145)
Cashflows from financing activities		(176)	(176)
(Decrease)/increase in cash in the year		(1,144)	(109)
Cash and cash equivalents at 1 April 2022	12	8,340	8,449
Cash and cash equivalents at 31 March 2023		7,196	8,340

The accompanying notes on pages 176 to 199 form part of these accounts.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

Basis of Accounts

These financial statements are prepared on a going concern basis under the historical cost convention, and in accordance with the Accounts Direction issued by the Secretary of State for Culture, Media and Sport with the consent of Treasury in December 2014. These meet the requirements of section 35(3) of the National Lottery etc. Act 1993 (as amended by the National Lottery Act 1998) and applicable Accounting Standards, except certain headings have been amended in order to reflect special circumstances of the charity.

The accounts have been prepared on a going concern basis given the on-going Statutory appointment of the BFI as a lottery distributor, bringing a certainty of future revenues, despite net liabilities at year end reserves of £6.7m (2022: £29.0m net assets). Under the National Lottery Act distributors are permitted to make commitments against future years' income.

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 Culture, Media and Sport, financial statements have also been prepared for the BFI Group activities as a whole.

A copy of the Accounts Direction is available from the Secretary to the Board of Governors, 21 Stephen Street, London W1T 1LN or is available on line from www.gov.uk.

Accruals convention

Income and expenditure is accounted for on a receivable basis. The exception to this is recoupment income because of the inherent difficulties in relating the income to the period to which it relates. Recoupment income is therefore accounted for upon notification of amounts received by the BFI. Commitments are reported as per the National Lottery etc. Act 1993.

As required by the Secretary of State for Culture, Media and Sport in the Accounts Direction, Lottery awards are accounted for on an accruals basis. Where the BFI has made a firm offer of a grant to a film rights or a non-film rights project, which together with the relevant conditions has been accepted by the recipient and the conditions of the grant have been fully met, the award is recognised as a payable. Where the BFI has agreed in principle to fund a scheme or project and made an offer, but the offer has not been accepted nor the associated conditions precedent met, the award is provided for in full at the year end. However, where the BFI has agreed in principle to fund a project in which it will take rights of recoupment ('film rights'), but the offer has not been accepted nor the associated conditions met, as the associated assets of the project can not yet exist, the award is treated as a financial commitment at the year end. These financial commitments are disclosed by way of a note to the financial statements, whereas the liabilities and provision are recognised in the financial statements.

Award commitments payable within one year of the Statement of Financial Position are recognised in the statement as current liabilities. Those payable more than one year from the date of the statement of financial position are shown as commitments payable over more than one year. Commitments for future years have been entered into which take into account income forecasts provided by the Department for Culture, Media and Sport (DCMS). These forecasts take a conservative view of future income.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

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 are based on an assessment of the relevant direct costs of the lottery departments and an appropriate proportion of the central support functions such as Facilities, Finance and IT. Further information can be found in note 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 head count, office space occupied, activity levels and additional expenditure incurred. These departments include Finance & Resources, External Affairs and the Chief Executive's Office.

National Lottery Distribution Fund

Balances held in the National Lottery Distribution Fund (NLDF) remain under the stewardship of the Secretary of State for 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 Culture, Media and Sport as being available for distribution by the BFI in respect of current and future commitments. With the introduction of IFRS 9 funds held at the National Lottery Distribution Fund are held as financial instruments held at amortised cost.

As the investments are held with the Debt Management Account and the National Loans Fund, these are exempt from recognising stage 1 and stage 2 impairment so no expected credit losses have been calculated for these investments.

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

Other Financial instruments

Other Lottery financial instruments include trade receivables and payables that arise directly from Lottery operations. The main risks arising from the financial instruments in the Lottery accounts are interest rate risk, foreign currency risk and other price risk. Further detail of this can be found in note 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 Statement of Comprehensive Net Expenditure (SOCNE). 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 2023

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.

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 Statement of Financial Position matched to a Right of Use asset. The former of these is reduced by the annual payment of lease liabilities including both rental and interest (finance) charge, whilst the latter is depreciated annually.

This differs from the treatment in the BFI Charity and Group accounts where, under the Charities SORP, rentals payable under operating leases are charged in the group statement of financial activity on a straight-line basis over the lease term.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

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.

At 31 March 2023 the lottery reserve was a net liability of £6.7m (2022: £29m net asset). This was due to overcommitment at the balance sheet date against future revenues, as permitted under the National Lotteries Act, due to commitment of £57.4m of funds under the BFI new lottery Strategy, Screen Culture 33. It is anticipated that with a consequent reduction in new awards being made in 2023 4 and the anticipated proceeds from the National Lottery and recoupment income that this situation will significantly reduce by 31 March 2024 and reverse thereafter.

The pension reserve represents the asset/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 National Lottery Acts to produce statutory accounts which cover its operations as a Lottery distributor to 31 March 2023. 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 2022–23 all activities in these accounts are programme spend.

Standards, amendments and interpretations to existing standards not yet effective

The application of any new or amended International Financial Reporting Standards is governed by their adoption into the FReM issued by HM Treasury. Usually such changes are not put into effect by the FReM until the effective date of the related IFRS, although occasionally some changes are adopted early or might be delayed. It is not believed that any such standards have been published and are relevant as at 31 March 2023.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

2. LOTTERY INCOME AND THE NATIONAL LOTTERY DISTRIBUTION FUND

The movement in balances held at the NLDF is as follows:

	2022-23 £'000	2021-22 £'000
Opening balance held at the NLDF	50,941	53,120
Income received from the Lottery	47,809	48,882
Investment income earned	959	69
Available for distribution	99,709	102,071
Cash drawn down	(54,449)	(51,130)
Balance as at 31 March	45,260	50,941

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 (2022: nil).

Income received from the Lottery

Our share of the income received from the lottery in 2022–23 appears to continue to reflect a slight downward trend of £1m in a year on year comparison. However, the income includes the variable factor of receipts of unclaimed prize money, the £1m reduction in which accounts for this, rather than a reduction in underlying sales.

Income received from Lottery therefore contains:

	2022-23 £'000	2021-22 £'000
Unclaimed prize money	1,901	2,998

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

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.

	2022-23 £'000	2021-22 £'000
Total film receipts taken as income	2,441	1,674
Total film receipts taken against film rights on the statement of financial position	3,644	5,271
	6,085	6,945

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

	2022-23 £'000
28 Days Later	107
Billy Elliott	314
5 films generating < £100,000	93
Arts Council England and UK Film Council portfolio	514
Brian and Charles	328
Saint Maud	539
Nothing Compares	135
Creative England	645
22 films generating < £100,000	280
BFI portfolio	1,927
	2,441

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

	2022-23 £'000
Altitude Film Distribution Ltd	125
Boxing Day	131
Brian and Charles	706
Chaplin (working title)	176
Documentary Society slate	150
Hoard	100
How To Have Sex	100
In Camera	100
Kneecap	100
Knockers	100
Layla	100
Lollipop	100
Sebastian	100
Sister Midnight	100
The Old Oak	100
The Souvenir - Part 2	142
Timestalker	100
98 films generating < £100,000	1,113
	3,643

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

4. NON-FILM RIGHTS AWARDS

Non-film rights awards are made across a number of schemes operated by the BFI. In the year to 31 March 2023, initial partner awards were made for new funds in our new Lottery Strategy: Screen Culture 2033, with three year awards covering the period April 23 - March 2026. The remaining awards in year are for single projects which are anticipated to be completed within one year.

The activity support areas itemised below are those areas where it is deemed that activity on behalf of the industry and indeed the public at large, and funded by Lottery monies, are most cost effectively and efficiently carried out by the BFI as the lead body for the film sector.

Analysis of non-film rights awards by strand:

	New awards in the year £'000	2022-23 Decommit- ments* £'000	Awards net of fall ins £'000	2021-22 Awards net of fall ins £'000
Funding to cover the future years				
Film Education awards	-		-	(5,387)
Film Skills Fund	-		-	(4,920)
Audience fund awards	-		-	(3,441)
Film Audience Network fund	-		-	(3,300)
Talent Network awards	-		-	(1,317)
International awards	-		-	(575)
National Cluster Growth Fund awards	-		-	(455)
Audience Projects Fund	(6,047)		(6,047)	-
Audience - FAN Lead Organisations	(9,900)		(9,900)	-
Education - Careers and Progression	(5,950)		(5,950)	-
Education - Film Academy Plus	(1,199)		(1,199)	-
Education - Teaching with Film	(4,950)		(4,950)	-
Education - Young Creatives	(3,000)		(3,000)	-
Filmmakers	(6,000)		(6,000)	-
Filmmakers - Network	(4,146)		(4,146)	-
International - Production Support Services	(2,280)		(2,280)	-
Sustainable Screen	(587)		(587)	-
Skills - Skills Network (Clusters)	(8,100)		(8,100)	-
Skills - Business Development	(2,400)		(2,400)	-
Skills - Bursary Fund	(1,500)		(1,500)	-
Screen Heritage: Resilience Fund	(1,384)		(1,384)	-
	(57,443)	-	(57,443)	(19,395)

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

4. NON-FILM RIGHTS AWARDS (continued)

Project or single year funding to cover the period to March 2023

Film Heritage fund	(3,465)		(3,465)	1
Talent Network awards	(1,658)		(1,658)	(1,183)
International awards	(1,517)	94	(1,423)	(950)
London Film Festival	(1,400)		(1,400)	(1,135)
Creative Enterprise	(1,615)	271	(1,344)	(1,614)
Audience Fund	(1,127)	34	(1,093)	(418)
Rewarding Success	(1,052)		(1,052)	(2,308)
Film Skills Fund awards	(185)		(185)	-
Production services award	(625)		(625)	(625)
Film Academy awards	(535)	44	(491)	(332)
Research and Statistics awards	(458)	3	(455)	(412)
Education fund awards	(678)	19	(659)	-
Distribution and Exhibition awards		(19)	(19)	(99)
Development Fund	(11)		(11)	(9)
Film Fund awards (non-film rights)		(7)	(7)	(97)
Development Fund (non-film rights)		60	60	(30)
Vision awards			-	43
Film Audience Network fund		58	58	(160)
	(14,326)	557	(13,769)	(9,328)
Activity support				
Diversity			-	-
Research and statistics	(374)	-	(374)	(353)
	(374)	-	(374)	(353)
Total Lottery non-film rights	(72,143)	557	(71,586)	(29,076)

* 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 16.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

5. FILM RIGHTS

Under IFRS 9 the valuation of the films rights assets are determined on the basis of level 3 inputs, with unobservable inputs being used for the asset as there is no market activity for these assets at the balance sheet date. The valuation approach to establish the fair value of the film rights portfolio is set out in Note 1 : Accounting Policies.

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

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

	2022-23 £'000	2021-22 £'000	2020-21 £'000	2019-20 £'000	2018-19 £'000
Production Awards	11,510	12,095	9,760	11,330	12,181
Vision Awards	825	906	1,411	1,238	1,323
Development Awards	411	292	227	534	284
Distribution Awards	125	178	161	235	220
Other Awards	-	-	-	-	-
Film Rights valuation	12,871	13,471	11,559	13,337	14,008

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:

	2022-23 £'000	2021-22 £'000	2020-21 £'000	2019-20 £'000	2018-19 £'000
Film rights - non-current	9,833	10,008	9,228	10,532	8,249
Film rights - current	3,038	3,463	2,331	2,805	5,759
	12,871	13,471	11,559	13,337	14,008

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.

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 film(s) in the UK and repayable dependent upon the performance of the film release.

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

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

5. FILM RIGHTS (continued)

Movements in the valuation of film rights

	2022-23 £'000	2021-22 £'000	2020-21 £'000	2019-20 £'000	2018-19 £'000
Film rights valuation at 1 April	13,471	11,559	13,337	14,008	12,430
New commitments: made in year	17,713	21,000	22,275	17,002	20,840
Decommitments: new film rights in year	(241)	(25)	(370)	-	(3)
Decommitments: historical portfolio	(217)	(412)	(178)	(461)	(369)
Repayment of investments: new film rights in year	(1,099)	(1,186)	(1,528)	(285)	(588)
Repayment of investments: historical portfolio	(2,546)	(4,085)	(2,547)	(4,191)	(3,546)
Adjustments: new film rights in year	(15,011)	(12,980)	(14,256)	(8,863)	(12,280)
Adjustments: historical portfolio	801	(400)	(5,174)	(3,873)	(2,476)
Film rights valuation at 31 March	12,871	13,471	11,559	13,337	14,008

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

The valuation of the Film Rights is based on the anticipated cash receipts over the next seven financial years after the Statement of Financial Position date. In relation to recent production awards (that is production awards that were recognised as awards payable this financial year and the last three financial years), the valuation is based on the cash receipts anticipated from the first cycle of revenues including revenues from cinema, DVD, Video On Demand and television. In relation to older production awards, the valuation is based on the anticipated cash receipts for the next seven years following the balance sheet date calculated from the individual film's historic cash receipts. All such anticipated cash receipts are discounted using the applicable Treasury Rate of 1.9% (2022: 1.9%).

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

As at 31 March 2023, the Film Rights valuation for production awards is £11.5m (2022: £12.1m) and for

all other Film Rights is £1.4m (2022: £1.4m) totalling £12.9m (2022: £13.5m). For production awards, were the recoupment levels and valuation to vary by +/- 5%, the impact of the valuation of Film Rights at 31 March 2023 would be £0.5m for 177 awards (2021: £0.6m for 184 awards).

In relation to older production awards, the Film Rights valuation is calculated on the assumption that the future anticipated receipts will be based on the historic cash receipts for the two years prior to the Statement of Financial Position date, subject to an 85% default reduction every three years, except for films in profit which are calculated on the assumption that the future anticipated receipts will be based on the historic cash receipts for the three years prior to the Statement of Financial Position date, subject to a 120% default reduction every three years. The total amount of the Film Rights valuation based on this methodology is £5.9m (2022: £6.1m). Were this default reduction percentage to change by +/- 10% the Film Right valuation would change by :

2022-23	(850)	5,875	850
2021-22	(950)	6,090	860

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

5. FILM RIGHTS (continued)

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 2023 for production awards is US \$1.30 (2022: US \$1.35).

Had the pound sterling to US dollar exchange rate been \$1.40, for the purposes of the Film Rights valuation, then the valuation of the total of these production awards would be reduced by £0.3m (2022: \$1.45 and the awards at March 2022 would reduce by £0.4m). Were the valuation calculated using US \$1.05, then these valuations would be increased by £0.3m (2022: \$1.25 and the awards at March 2022 would increase by £0.5m).

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

6. STAFF COSTS

No member of the Board of Governors received remuneration during the year (2022: none).

The costs of staff working wholly on Lottery activities comprised:

	2022-23 £'000	2021-22 £'000
Wages and salaries	2,161	1,960
Social Security costs	250	232
Pension service costs and other pension costs	436	396
	2,847	2,588

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

	2022-23 Number	2021-22 Number
Management and administration:		
Permanent staff	39	38
	39	38

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

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

	2022-23 £	%	Attributable to Lottery £
Ben Roberts Salary and benefits	150,000		75,000
Total	150,000	50.0%	75,000
Pension contribution	23,028		11,514
	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

The percentage of the remuneration of the Chief Executive Officer apportioned to Lottery is reviewed on an annual basis.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

7. PENSION BENEFITS

The BFI is an admitted body of the LPFA. Although membership of the scheme is open to all employees, only those costs relating to staff employed on Lottery activities are disclosed in these accounts. An apportionment of the pension assets and liabilities is calculated on the basis of the numbers of staff employed on Lottery activities and their pensions contributions in year as a percentage of those of the whole organisation.

The pension scheme is (for joiners on or prior to 31 December 2013) a defined benefit scheme and is funded by employees and employers at actuarially

determined rates. Employer contributions charged for members of the defined benefit scheme amounted to £0.1m (2022: £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 (2022: 15.4%).

A valuation under IAS19 as at March 2023 was carried out by a qualified independent actuary. The assumptions used by the actuary for the BFI's scheme were:

	2022-23 %	2021-22 %
Rate of increase in salaries	3.9	4.25
Rate of increase in pension payments	2.9	3.25
Discount rate	4.8	2.6
Inflation assumption (CPI)	2.9	3.25

Average life expectancy at 65:

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

	2022-23 Years	2021-22 Years
Life expectancy at age 65 of female aged 45	25.6	26.1
Life expectancy at age 65 of female aged 65	24.2	24.4
Life expectancy at age 65 of male aged 45	22.7	23.5
Life expectancy at age 65 of male aged 65	21.4	22.0

The estimated asset allocation as at 31 March was:

	2022-23 Long term rate of return expected £'000	2021-22 Long term rate of return expected £'000
Equities	8,287	8,051
Target return portfolio	2,715	3,107
Infrastructure	1,858	1,412
Property	1,429	1,271
Cash	-	282
Total market value of assets	14,289	14,123
The net pension liability was:	At 31 March 2023 £'000	At 31 March 2022 £'000
Present value of funded obligation	(11,611)	(17,211)
Fair value of scheme asset	14,289	14,123
Net liability	2,678	(3,088)

At 31 March 2021
£'000

(17,117)

12,167

(4,950)

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

7. PENSION BENEFITS (continued)

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

	2022-23 £'000	2021-22 £'000
Current service cost	(584)	(710)
Net interest on the defined liability	(79)	(101)
Administration expenses	(5)	(20)
Total	(668)	(831)
Actual return on plan assets	185	1,885
Amounts recognised in statement of changes in equity:	2022-23 £'000	2021-22 £'000
Return on plan assets in excess of interest	(181)	1,647
Other actuarial gains/(losses) on assets	(22)	-
Change in financial assumption	7,465	811
Experience (loss)/gain of defined benefit obligation	(1,030)	(34)
Remeasurements recognised in the statement of changes in equity	6,232	2,424
Cumulative remeasurements in statement of changes in equity	4,008	(2,223)

Changes in the present value of the defined benefit obligation:

	2022-23 £'000	2020-21 £'000
Opening defined benefit obligation	(17,211)	(17,117)
Current service cost	(584)	(710)
Past service cost	-	-
Interest cost	(445)	(339)
Contributions by members	(107)	(117)
Change in financial assumptions	7,465	811
Experience (loss)/gain on defined benefit	(1,030)	(34)
Benefits paid	301	296
Closing defined benefit obligation	(11,611)	(17,211)

Changes in the fair value of the scheme assets:

	2022-23 £'000	2021-22 £'000
Opening fair value of employer assets	14,123	12,167
Contributions by members	107	117
Contributions by employer	204	270
Interest on assets	366	238
Return on assets less interest	(181)	1,647
Other actuarial gains/(losses)	(22)	-
Admin expenses	(5)	(20)
Benefits paid	(301)	(296)
Closing fair value of employer assets	14,291	14,123

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

7. PENSION BENEFITS (continued)

The sensitivity analysis on the major assumptions in the above, and based on the whole scheme is:

	£'000	£'000	£'000
	+0.1%	0.0%	-0.1%
Present value of total obligation	11,428	11,611	11,799
Projected service cost	246	258	266
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	11,627	11,611	11,595
Projected service cost	258	258	258
Adjustment to pension increases and deferred valuation	+0.1%	0.0%	-0.1%
Present value of total obligation	11,786	11,611	11,440
Projected service cost	266	258	250
Adjustment to mortality age rating assumption	+ 1 year	0.0%	- 1 year
Present value of total obligation	12,052	11,611	11,188
Projected service cost	268	258	248
A history of experience gains and losses is shown below:	2022-23		2021-22
	£'000		£'000
Fair value of employer assets	14,290		14,123
Present value of defined benefit obligation	(11,611)		(17,211)
Deficit	2,679		(3,088)
Experience gains on assets	185		1,885

From 1 January 2014 the BFI also operates a defined contribution pension scheme which is available for all employees not already in the defined benefit scheme.

8. OPERATING COSTS and OTHER FINANCE COSTS

	2022-23 £'000	2021-22 £'000
<i>Direct Lottery costs</i>		
Direct staff costs	2,847	2,588
Other staff costs (including agency staff, training and recruitment)	100	100
Travel and subsistence	33	33
Events and other hospitality	12	12
Professional fees: Audit - National Audit Office	52	52
Professional fees: other	86	86
Depreciation re right of use asset	155	155
Other	64	77
	<u>3,349</u>	<u>3,103</u>
Recharged costs from BFI non-lottery activities re support functions	3,388	3,396
Total operating costs	<u>6,737</u>	<u>6,499</u>
Recharged costs from creation of new BFI lottery strategy : Screen Culture 2033	227	-
Finance costs		
Interest re lease on right of use asset	29	31
Net return on pension assets	85	121
Total financing costs	<u>114</u>	<u>152</u>
	<u>7,078</u>	<u>6,651</u>
Total operating and other finance costs		

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

8. OPERATING COSTS (continued)

The direct lottery costs are those of the front-line award making departments. These costs are those of the Film Fund (International, Production, Operations, Audience Fund, Deputy CEO Office), Education Directorate, Education Partners, Business Affairs and Production Finance. These costs cover the administration and processing of grants, project development and other costs, the costs of generating recoupment and talent support and development activities.

The remaining costs are those central costs of the BFI attributed to Lottery relating to CEO, External Affairs, and support functionality such as Finance, HR, IT and Digital.

Costs of generating recoupment relate to the costs of generation and management of BFI income from the investments in film rights within Business Affairs, Production Finance and the Film Funds – in 2022–23 these stood at £0.8m (2022: £0.8m).

Other Finance Costs

	2022-23 £'000	2021-22 £'000
Net return of assets re pension	85	121
Interest on rental of right of use assets	29	31
	114	152

9. COSTS OF CHANGE

Costs of change represent the costs associated with restructuring of the film-making fund in the light of the new BFI strategy: Screen Culture 2033.

10. RIGHT OF USE ASSETS AND LEASE LIABILITIES

As at 31 March 2023, the BFI had a right of use asset reflecting a non-cancellable operating leases relating to the BFI offices in London running until March 2031. With the introduction of IFRS 16: Lease Accounting,

this is now shown in the accounts as a trade receivable split between the amounts falling due within and over one year - these are matched to the lease liability.

	At 31 March 2023 £'000	At 31 March 2022 £'000
Right of use asset at 1 April	1,395	1,550
Depreciation in year	(155)	(155)
Right of use asset at 31 March	1,240	1,395

Consequently a lease liability was recognised in year with the finance cost calculated using the HMT discount rate of 1.99%

	At 31 March 2023 £'000	At 31 March 2022 £'000
Lease liability at 1 April	1,435	1,580
Repayment of lease liabilities	(176)	(176)
Finance cost in year	29	31
Lease liability at 31 March	1,288	1,435

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

11. TRADE AND OTHER RECEIVABLES

	At 31 March 2023 £'000	At 31 March 2022 £'000
Trade and other receivables falling due within one year		
Trade debtors	470	457
Other receivables - BFI Exchequer	109	384
Other receivables	129	322
Total trade and other receivables falling due within one year	708	1,163

12. CASH AND CASH EQUIVALENTS

	At 31 March 2023 £'000	At 31 March 2022 £'000
Cash and cash equivalents at 1 April	8,340	8,449
Net change in cash and cash equivalent balances	(1,144)	(109)
Cash and cash equivalents at 31 March	7,196	8,340

£4.0m (2022: £4.0m) of cash held in BFI lottery bank accounts is funds recouped by BFI and held on behalf of producers under the "Rewarding Success" recoupment corridor. See note 16: Provisions. All Lottery cash balances are held in commercial bank accounts.

13. FINANCIAL INSTRUMENTS

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

Film rights

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

Establishing the fair value of film rights is subjective and therefore contains an element of risk. The fair value is based on a review of external evidence such as the sales agents' estimates as to the likely revenues generated by a project, where it is in the life cycle of the project, and upon actual performance of the film

to date. This is matched with the knowledge and experience of the staff and management involved in the process of assessing the projects both at application stage and as they come to fruition. Any reduction in fair value is immediately taken to the statement of comprehensive net expenditure in the year.

The valuation of film rights is subject to on-going annual review to ensure a fair value is maintained and thus mitigating the risk of a perceived overstatement of the value, with any adjustments being charged as expenditure.

	2022-23 £'000	2021-22 £'000
Film rights falling due in excess of one year	9,833	10,008
Film rights falling due within one year	3,038	3,463
Film rights valuations at 31 March	12,871	13,471

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

13. FINANCIAL INSTRUMENTS (continued)

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, with current awards running in some cases up to March 2026. Thus the risk of holding insufficient resources to cover liabilities

is held under constant review, to ensure that this risk is minimised, by review of current funds held in cash and at the National Lottery Distribution fund and anticipated future income versus the levels of commitment.

Lottery cash inflows can be analysed as:	2022-23		2021-22	
	£'000	%	£'000	%
Income received from the National Lottery	47,809	86.7%	48,882	87.3%
Investment returns from the balance held at the NLDF	959	1.7%	69	0.1%
Recoupment income from film rights	6,085	11.0%	6,945	12.4%
Bank interest	88	0.2%	0	0.0%
Other income including legacies, grants and donations	247	0.4%	118	0.2%
	55,188	100.0%	56,014	100.0%

Cash and cash equivalents held by BFI at the NLDF and in our own bank accounts:

	£'000	£'000
NLDF balance at 31 March as notified by the Secretary of State for Culture, Media and Sport	45,260	50,941
Lottery funds held in cash and cash equivalents by the BFI at 31 March	7,196	8,340
	52,456	59,281
Total lottery award commitments as at 31 March:		
	2022-23	2021-22
	£'000	£'000
Lottery awards payable	12,676	18,236
Provision for non-Lottery film rights awards	62,084	23,473
Film rights award allocations noted as contingent liabilities	1,926	7,702
	76,686	49,411
(Over)/under commitment against funds available at 31 March	(24,230)	9,870

£57.4m of the provisions relates to awards made under the our new strategy Screen Culture 2033, and in many cases are three year awards covering the period to March 2026. Taking this into account, alongside the levels of anticipated additional project awards to be made in the years ahead and against our ongoing expectation of constant levels of lottery income, it is anticipated that the over-commitment against funds at March 2023 will reduce significantly by March 2024 and be in at least net zero position thereafter - thereby mitigating the apparent year end risk.

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 no capacity to mitigate any risk here-in.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

13. FINANCIAL INSTRUMENTS (continued)

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 where interest rates showed little movement across the year on instant access bank 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.

	2022-23 £'000	2021-22 £'000
Market value of BFI investment at NLDF at 31 March	45,260	50,941
Average investment return at NLDF	2.32%	0.19%

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

	2022-23 £000s	2021-22 £000s
Lottery funds held in cash and cash equivalents by the BFI at 31 March	7,196	8,340
Average interest rate on cash held in variable rate bank accounts	1.13%	0.01%

Foreign currency risks

exchange risks are significant in the valuation of the Film Rights as explained in note 5: Film Rights.

14. TRADE AND OTHER PAYABLES

	At 31 March 2023 £'000	At 31 March 2022 £'000
Accruals	645	-
Other payables (including lease liability)	153	225
Other payables due in < 1 year	798	225
	At 31 March 2023 £'000	At 31 March 2022 £'000
Other payables: lease liability	1,139	1,289
Lease payables due in >1 year	1,139	1,289

As at 31 March 2023, 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.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

14. TRADE AND OTHER PAYABLES (continued)

The proportion of these costs relating to these leases that form part of the costs apportioned to Lottery are:

	At 31 March 2023 £'000	At 31 March 2022 £'000
Amounts payable within one year	150	147
Amounts payable within two to five years	618	618
Amounts payable over five years	521	671
	<u>1,289</u>	<u>1,436</u>

15. OTHER PAYABLES – AWARDS COMMITMENTS

	At 31 March 2023 £'000	At 31 March 2022 £'000
At 1 April	18,236	18,495
New film rights commitments in year	18,993	21,785
Commitments transferred from prior year provision for non-film rights awards	19,120	22,307
New non-film rights commitments in year	11,306	7,405
Decommitments	(371)	(1,062)
Amounts paid	(54,608)	(50,694)
At 31 March	<u>12,676</u>	<u>18,236</u>

Award commitments payable at 31 March relate to:

	At 31 March 2023 £'000	At 31 March 2022 £'000
Audience Development Fund - Organisation	929	1,018
Audience Development Fund - Projects	926	1,025
BFI Film Academy	911	100
Creative Enterprise	80	-
Development Fund	1,372	1,608
Film Audience Network Fund	220	1,061
Film Heritage	1,171	1,911
International Fund	404	562
Into Film	-	4,800
National Cluster Growth Fund	250	270
Other	1,057	374
Production Fund	2,787	2,220
Research and Statistics Fund	314	475
Skills	1,540	1,742
Talent Development	688	884
Vision Awards	27	186
	<u>12,676</u>	<u>18,236</u>

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

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

15. OTHER PAYABLES – AWARDS COMMITMENTS (continued)

Commitments transferred from the provision for non-film rights awards are as follows:

	At 31 March 2023 £'000	At 31 March 2022 £'000
Film Education Awards	6,157	9,522
Skills Fund	4,150	-
Audience Fund	3,677	4,437
Film Audience Network	2,300	3,140
Talent Network	1,317	1,210
International Fund	866	584
National Cluster Growth Fund	455	-
Film Academies	198	64
Heritage and Regional Archives	-	3,263
Research Fund	-	87
	19,120	22,307

New non-film rights commitments in the year:

	At 31 March 2023 £'000	At 31 March 2022 £'000
Project funding to 31 March 2023		
Heritage Awards	3,465	-
Creative Enterprise	1,615	1,615
Audience Fund	1,490	888
London Film Festival award	1,400	1,400
International	1,115	1,002
Production Services	625	625
Skills Fund	501	-
Film Academies	453	303
Research Fund	360	412
Film Education Awards	282	-
Film Audience Network	-	1,160
New commitments in year	11,306	7,405

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 2023 £'000	At 31 March 2022 £'000
Non-film rights awards taken to SOCNE in the year	71,586	29,076
Less spend on activity support in year	(374)	(353)
	(57,443)	(21,451)
Less new awards in year taken to SOCNE but recorded by way of provision at year end		
Add back decommitments of awards from prior years taken as negative spend on SOCNE	(2,463)	133
New non-film rights commitments taken as awards payable	11,306	7,405
Ageing of award commitments, estimated date of payment:	At 31 March 2023 £'000	At 31 March 2022 £'000
Estimated payment within one year	12,676	18,236

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

16. PROVISIONS

	At 31 March 2023			At 31 March 2022
	Non Film Right Awards £'000	Rewarding Success awards £'000	Total £'000	Total £'000
At 1 April	19,145	4,328	23,473	25,644
New provisions in the year	69,412	-	69,412	28,856
Provisions written back in year	-	-	-	(169)
Provisions released in year	-	(374)	(374)	(1,146)
Transferred to other payables - award commitments	(30,427)	-	(30,427)	(29,712)
At 31 March	58,130	3,954	62,084	23,473

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.

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 2023 £'000	At 31 March 2022 £'000
Awards under Film Forever 2022 (+1)		
International	400	866
Research Fund	99	
Film Education Awards	83	6,160
Film Academies	83	198
Audience Fund	22	3,699
Skills Fund	-	4,150
Film Audience Network	-	2,300
Talent Network	-	1,317
National Cluster Growth Fund	-	455
Awards under Screen Culture 33 (covering 2023-6)		
Film Education Awards	15,100	
Skills Fund	12,000	
Filmmakers Fund	10,146	
Film Audience Network	9,900	
Audience Fund	6,047	
International	2,280	
Heritage and Regional Archives	1,384	
Sustainable Screen	587	
	58,130	19,145

A provision written back arises when the conditions of the terms of the award are not met prior to signature of contract.

Rewarding Success provision

The rewarding success initiative allows for a share of film recoupment income arising from lottery awards to be made available to UK Producers, Writers and Directors for their future film making activity. The funds held on

behalf of film-makers ("the locked box") represents the monies held for this initiative at the balance sheet date and not yet drawn down.

	At 31 March 2023 £'000	At 31 March 2022 £'000
Ageing of provisions, estimated date of payment		
Amounts anticipated as payable within one year	23,788	23,473
Amounts anticipated as payable beyond one year	38,296	-
	62,084	23,473

At the date of the statement of financial position the BFI Lottery activities had no further provisions (2022: £nil).

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

17. CAPITAL COMMITMENTS

As at 31 March 2023, 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 (2022: £nil).

18. OTHER FINANCIAL COMMITMENTS and CONTINGENT LIABILITIES

Financial Commitments

At the date of the statement of financial position there were financial commitments representing film rights investments made by the BFI where the investment decisions had been taken by the BFI and notified to the applicants but either the contracts had not been signed

and/or the conditions precedent not met. Therefore work had not commenced on the assets in which the BFI is investing, so neither the asset nor the matching liability are represented in the statement of financial position at that date.

	At 31 March 2023 £'000	At 31 March 2022 £'000
<i>Prior year awards</i>		
Talent Network awards	5	74
Production awards	779	430
Development awards	2	3
<i>In year awards</i>		
Production awards	839	6,581
Development awards	290	504
Talent Network awards	2	50
Distribution awards	9	60
Financial commitments notified but not yet recognised in the financial statements	1,926	7,702

Other Contingent Liabilities – Rewarding Success projects in Film Rights

The film rights valuation is based on the value of the initial BFI investment as detailed in the Accounting Policies note above. However on a number of these investments, the BFI Locked Box initiative applies and accordingly there is a potential and contingent liability with regard to the element of the valuation which would be made available to UK-filmmakers. The BFI Locked Box initiative enables UK-filmmakers supported through the BFI to benefit from their film's success. In short,

a share of income from supported film productions is put aside (into a BFI Locked Box) and can be used by the filmmakers for the development and/or production of their future projects or towards staff training. In the year these criteria were expanded to include support of organisational costs as part of the BFI's response to assist the industry as a result of the COVID-19 pandemic and resultant lockdown.

	At 31 March 2023 £'000	At 31 March 2022 £'000
Contingent liability - rewarding success projects in film rights	2,881	3,083

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

19. CONTINGENT ASSETS

The National Lottery Distributors are entitled to receive a share of the receipts from the sale of land on Queen Elizabeth Olympic Park in return for their contribution of an additional £675 million to the funding of the London 2012 Olympic and Paralympic Games. This was announced in 2007. The arrangements are set out in a legal agreement between the Secretary of State and the Greater London Authority dated 29 March 2012 which sets out the distribution of funds between the GLA and the lottery distributors (via DCMS). The GLA has now advised that the land sales on the Olympic Park are now forecast to return less than £200m with payment beginning in 2026-27.

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

Due to the inherent uncertainties over such a time period it is not possible to yet quantify the value of such land sales.

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 awardmaking 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 2023	Balance as at 31 March 2023
				£	£
BFI - London Film Festival	Ben Roberts	CEO	CEO	1,400,000	-
BFI - Heritage 2022	Ben Roberts	CEO	CEO	3,465,000	1,171,000
Jingo Juice Ltd and subsidiaries	Eleanor Whitley	Governor	Director	435,000	435,000
Film London - British Film Commission	Andrew Smith	Governor	Advisory Board member	1,150,000	1,150,000

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 2023 totalling £20,700 (2022: £94,000) of which £4,140 (2022: £67,560) remained payable at that date. Additionally an award of £286,955 was made to BAFTA Albert, a subsidiary of BAFTA on which drawdown had not commenced by year end.

The BFI is a non-departmental public body sponsored by the Department for 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.

NOTES TO THE LOTTERY FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

20. RELATED PARTIES (continued)

Awards made under the National Lottery etc. Act Section 27 dispensation

Using the power granted by the Section 27 of the National Lottery etc. Act 1993 the Secretary of State did not object to an award to the BFI in relation to the London Film Festival. The award of £1,400,000 was made in August 2022 and was fully drawn down within the year.

Under the same power the Secretary of State did not object to a award of £3,465,000 in relation to the National Film and TV Archive under the Heritage 22 scheme. The award was made in April 2022 and by the end of the year £1,171,000 remained undrawn and this is shown as an award commitment in these financial statements.

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.

Schedule 1: New Lottery commitments (unaudited information) in the year ended 31 March 2023

All awards and delegations approved by the Lottery Finance Committee in the year to 31 March 2023 are listed below. In the financial statements these are represented as Non film right awards on the Statement of Comprehensive Net Expenditure (£63.8m), £17.7m

were taken to the statement of financial position and subsequently impaired, with the remainder (£1.1m) disclosed within Other Financial Commitments in the notes to the accounts.

Producer	Project	£
Creative England Ltd	Creative Enterprise	1,615,000
	Creative Enterprise	1,615,000
65 Wilding Films Ltd	Up Yours!	43,076
Agile Films Ltd	Stuffed	32,140
Air Street Films	Folk	18,000
Archery Pictures	Freaks	22,750
Ardimages UK	Vapours	23,000
Bird Flight Films Limited	Two Roads	13,000
Bona Dea Films Limited	Princess Bari	1,745
Bosena	A Deft Pin to the Heart (previously Petrichor)	10,000
Brock Media Ltd	I Don't Eat Meat!	33,500
Caleb Productions Limited	FUR	43,250
Camberwell Productions	The Short Sweet Life of Steven Bundy	2,400
Candle & Bell Limited	Marwell	16,500
Chris Young Films Ltd	The Life of Reilly (Formerly Rosa)	18,000
Conspire Pictures Limited	White Lies	20,000
Day One Pictures Limited	The Shed	32,050
Dorothy St Pictures	Knockers	106,080
Dorothy St Pictures Ltd	Three Weeks	18,500
EMU Films Limited	Freestyle (former Riptide)	7,400
Endor Productions Ltd	Gun Dog	17,380
Erebus Pictures	21 Miles	29,000
Fine Point Films Ltd	Kneecap	100,000
Fly Film Company Limited	Lollipop	40,000
Fox Cub Films Ltd	Layla	110,350
Hot Property Films Ltd	Curiosities of Fools (Dev)	32,000
Hwyl Films Ltd	The Weight of the Wind	18,935
Indie Movie Company Limited	Less Than Human	8,000
Inflammable Films Limited	Mother Dog	13,125
Jeva Films Limited	Mrs Smith's Second Coming	15,000
Lunapark Pictures Ltd	Noonday (aka Pellagra)	27,500
Lunapark Pictures Ltd	Daughter of Eden	23,000
Lunar Lander Films Limited	Ginger	30,500
Mantilini Films LTD	Taal	27,000
Megaverse Ltd	Flood	4,000
Moonspun Films Ltd	Mary George	27,500
My Accomplice LTD	Surviving Earth	19,000
NICO PRODUCTIONS LIMITED	Jasper	20,900
Origin Pictures Ltd	Drawn to Trouble	42,500
Other Productions Ltd	Dam the Blood	22,500
Other Productions Ltd	Hear My Voice	27,500
Out of Orbit	Breathing	17,285
Parkville Pictures Limited	Lollipop	116,000
Pencil Trick Productions CIC	I Want Love	22,500
Pint Sized Pictures Ltd	Jean Zombi	20,800
Potboiler Productions	At Hawthorn Time	2,500
Primitive Film Ltd	After London	7,500
Primitive Film Ltd	Dangerous Romance	37,359
Public Display of Affection Films Ltd	Braids	15,000
Quark Films Ltd	Beak	8,500
Red Breast Productions Ltd	English Animals	21,500
Rowdy Entertainment Ltd	Little Isis	35,500
Selkie Productions Ltd	In the Kingdom of the Isles	30,500
Skysail Premium Development Ltd	Timestalker	100,000
Steel Made Films Limited	Springs A Girl	21,300
Strange Charm Limited	Barnbow Canaries	41,000
Tea Shop Productions Limited	Her Skin	33,500
The Bureau Film Company Limited	The Parrot	22,500
Tiger Lily Films Limited	Sound Girl (fka Sound System)	30,940
Tiger Lily Films Limited	Scattered (Trinidad Remains)	35,000
Tilt Films Limited	Dunwich	35,000
Try Hard Films Limited	Pram Snatcher	24,050
Wellington Films Ltd	Sister Midnight	131,943
Wild Swim Films	How to Have Sex	104,000
	Development	2,031,258

Schedule 1 (continued)

Creative England Limited	Production Services - Filming in England	625,000
	Production Services	625,000
Aesthetica Magazine Ltd	Aesthetica Film Festival	30,000
Altitude Film Distribution Limited	Altitude Organisational Award 2022-23	199,064
Aya Films C.I.C.	UK Release of The Gravedigger's Wife	28,920
Berwick Film and Media Arts Festival	18th Berwick Film & Media Arts Festival 2023	40,000
Borderlines Film Festival CIC	Borderlines Film Festival 2023	42,000
British Independent Film Awards	Always on marketing campaign	297,160
Curzon Film World Ltd	Kino Dreams - A touring retrospective of a selection of films by Wim Wenders	59,475
Doc'n Roll Films Ltd	Doc'n Roll Film Festival UK tour 22-23	39,300
elevenfiftyfive Ltd	Massive	199,234
First Take Limited	Qisah International Film Festival	15,000
Hong Kong Film Festival UK CIC	Hong Kong Film Festival UK ('HKFFUK') 2023	35,000
London Indian Film Festival Ltd	London Indian Film Festival 2022	50,000
London Short Film Festival Ltd	London Short Film Festival 2023	40,000
Manchester Animation Festival Ltd	Manchester Animation Festival 2022	35,000
Queer East CIC	Queer East Film Festival 2022	35,000
Royal African Society	Film Africa 2022	38,000
Sheba Soul Ensemble C.I.C.	FLY! Festival of BLACK* Women's Film - On the Road	15,000
Slapstick Festival Limited	Slapstick Festival 2023	38,000
T A P E Collective Ltd.	Found In Translation	24,100
The Arab British Centre	SAFAR Film Festival	34,300
The Edinburgh International Film Festival Limited	Edinburgh International Film Festival 2022	50,000
The Festivals Company Limited	Iris Prize LGBTQ+ Film Festival 2022 and Iris on the Move 2023	40,000
UK Jewish Film Ltd	UK Jewish Film Festival 2022	50,000
Watershed Arts Trust Limited (The)	Cinema Rediscovered on Tour 2022	20,800
Windrush Caribbean Film Festival CIC	Windrush Caribbean Film Festival	35,000
	Audience	1,490,353
Abandon Normal Devices	New Cinema Days	15,000
Autlook Filmsales GmbH	My Name is Happy	5,920
Autlook Filmsales GmbH	Is There Anybody Out There?	6,970
Blue Finch Film Releasing Limited	Raging Grace	9,835
Bridging Visions e.V	Bridging the Dragon UK-Focus Activity 2021-2022	15,000
CHARADES	Aftersun	14,000
CHARADES SAS	Scraper	9,850
Elation Pictures Limited	Great Yarmouth - Provisional Figures	6,185
Farabove International Services LTD(FISL)	Nigerian International Film and TV Summit	29,000
FESTIVAL INTERNAZIONALE DEL FILM DI LOCARNO	First Look on British Cinema	37,500
Film Constellation Ltd	Blue Jean	9,950
Film Export UK Ltd	47th Toronto International Film Festival 2022- UK stand	100,000
Film Export UK Ltd	Asia Contents & Film Market 2022 - UK stand	15,500
Film Export UK Ltd	2023 EFM UK Film umbrella stand	115,450
Film London	Production Finance Market	32,000
Film London	The London Screenings	98,000
International Documentary Festival Sheffield	Sheffield DocFest: Industry Programme 2023	78,000
KARNAVAS KONTOVRAKIS & SIA Ltd	A House In Jerusalem	3,550
Merkel Films Ltd	Merkel	15,000
Met Film Sales Limited	Fashion Re-imagined	10,975
MK2 Films	Nezouh	7,000
National Film & Television School	Inside Pictures	164,737
New Europe Film Sales Jan Naszewski	Medusa Deluxe	15,000
New Europe Film Sales Jan Naszewski	Girl	15,000
Rouen Norwich Club	This is England short film festiva	2,200
Rubix Films LTD	Phantom Parrot (formally Conspiracy)	9,825
Screen Producers Australia	Screen Forever - UK Connect	57,840
Small Car Big Road Ltd	Your Fat Friend	11,021
UK Screen Association Ltd	Annecy International Film Festival	55,000
Various	Cannes impACT Labs 2022	11,000
Various	Locarno Match Me!	8,500
Various	Munich Film Festival	15,000
Various	Nigerian International Film and TV Summit - Various	15,000
Various	Les Arcs Film Festival	3,280
Various	UK Film at Cannes 2023	450,000
Various	EFM, Inclusion and Equity Pathways Berlinale delegation	5,080
Various	International Co-production Market & Networking at CPH:DOX Market	8,000
Various	CNC – Paris – delegation	12,716
Various	BFI delegation at Marché du Film in Cannes	7,964
Ville de Dinard	Dinard Festival du Film Britannique	15,554
	International	1,517,402

Schedule 1 (continued)

The British Film Institute	Heritage 2022	3,465,000
	Heritage	3,465,000
444 Lollipops	Lollipop	872,000
Balloonheaven Limited	How To Have Sex	1,000,000
Bêtes Sauvages Ltd	SEBASTIAN	100,000
Chuck Chuck Baby Ltd	Chuck Chuck Baby Ltd	175,000
DSP Knock (2023) Limited	Knockers	880,000
Fox Cub Films Ltd	Layla	885,000
Hoard Film Ltd	Hoard	43,630
Interactive Film Ltd	Consensus Genitum	15,000
Jingo Juice Ltd t/a Marshmallow Laser Feast	Sweet Dreams	435,000
Kneecap Films Limited	Kneecap	610,000
MediaActive Projects CIC	The Knitted Brain	112,000
Moonchild Films Limited	Sister Midnight	1,026,000
NEZOUH LIMITED	Nezouh	16,100
One6th Ltd	Two Black Boys in Paradise	20,000
Out of Orbit Ltd	Wind and the Shadow	115,000
Passion Pictures Limited	Very 'British' London Stories	6,650
Pilgrimage Films Limited	The Unlikely Pilgrimage of Harold Fry	40,000
Quinn Trip Productions	Low Rider	310,000
Sebastian Film Limited	Sebastian	925,000
Zeb Films Limited	The End We Start From	535,000
Timestalker Ltd	Timestalker	1,125,000
Zeb Films Ltd	The End We Start From	72,020
	Production	9,318,400
Alma Economics Ltd	Economic review of the revenue model for UK independent film	9,100
Broadcasters' Audience Research Board Ltd	Research and Statistics Fund - Data and Services purchase 2022-2023 Tranche 7	18,750
	The economic ramifications of overseas IP acquisition of UK games development studios for the UK games industry	24,000
Games Investor Consulting Limited	Research and Statistics Fund - Data and Services purchase Tranche 4	9,450
Incorporate Design Ltd	Research and Statistics Fund - Data and Services purchase 2022-23 Tranche 5	35,085
Informa Telecoms & Media Limited	Research on the economic and cultural value of cinema venues	74,500
IPSOS MORI UK Limited	Skills scoping study for animation, post-production, VFX and video game:	80,000
Olsberg/SPI Ltd	Research and Statistics Fund data and services purchase 2022-2023 Tranche 6	43,283
Rentrak Limited	Research and Statistics Fund - Data and Services purchase Tranche 2	75,000
TRP Research Ltd	Research and Statistics Fund - Data and Services purchase Tranche 1	73,215
Various	Research and Statistics Fund - Data and Services purchase Tranche 3	16,000
Various		
	Research	458,383
808010 Productions Ltd	Kiss	13,900
Adam Bouabda	The Wilds	1,500
Afshan D'souza-Lodhi	how to eat mangoes	1,000
After Party Studios Limited	Grown in the Dark (fka Allotments)	15,000
After Party Studios Limited	The Licensed Fool	15,000
Agile Films	Seekers	14,500
Alta Ambit Productions Ltd.	Cuppa Chai	2,810
Alysia Maciejowska	Lorne of the Mackay Country	1,500
Autokino Ltd	Lode	12,000
Axis 12	NETWORK Website: hosting and content fees	13,300
Azma Jabeen Dar	Vampire in Bradford	1,850
Bear Behind You	Spines	710
Bethe Louise Townsend	The Doula	1,900
Blue Cedar Films Ltd	Distressing Images	13,000
Boundary Pictures Ltd	The Enchanted Day of the Erês	20,000
Bridie Films Ltd	The Pendle Witch Child	15,000
British Independent Film Awards	BIFA Best British Short Film Award 2022	18,500
Candid Broads Productions LTD	The Date	12,000
Casey Hennessy	All Gravy (FKA All Gravey)	1,850
Char Hurst	Hormonal	11,716
Charles Antony Peter Tidmas	Foundations (FKA Bricking It)	1,900
Christopher John Lane	Project: Homestead	1,500
Chromatopia Films Ltd	Darwin Story	12,500
COOC Productions Limited	South Facing	10,000
Cool-Pin Ltd	Sandra Gets a New Fringe	16,000
Cosmos Films Limited	The Rising of the Sap	15,400
Cosmosquare Films Limited	Bury the Dogs	10,000
Dan Shaw	Coasting	2,150
Dumbworld Productions Limited	Amor	20,000
Elevator Productions Limited	Nettle Day	12,500
Elicit Pictures	My Jerome	3,705
Elysium Pictures Limited	An Eighth of Him (FKA Sanctuary)	12,000
Eve Makis	The Underdogs (FKA The Stouthill Saints)	1,850
Fairview Film Limited	Fairview Park	16,050

Schedule 1 (continued)

Fancy a Jam Pictures Ltd	Results Day	15,000
Feringgi Bay Film Limited	Out	8,000
Forced Path Pictures Ltd	Said In Passing	12,000
Foyle River Films Ltd	Harm	17,000
Gabriel (Hope) Moon	Pillow Chocolate	11,272
Gallus Films Ltd	The Sin-Eater	16,590
Hidden Pictures North Ltd	Caterpillar	21,876
Hush Mann Adamson	Bowling for Bradford	1,500
Idle Eyes Productions Ltd	A Bird Called Memory	20,000
Jamie MacDonald	Strange Fish	1,350
Jamie McCubbin	My Dreams Have Been Dark of Late	10,000
Jason Bradbury	Layby	1,000
Jelly Film Ltd	The Girl with the Haunted Vagina	19,000
Jeremy Routledge	Rose of St Pauls	2,000
Jess Dadds	Kitt and The Deathless	1,900
Jessi Gutch	My Cells are Trying to Kill Me	1,900
Joseph Daly	The Navvies (fka The Navvy)	2,150
Julie Staight	Skating for Ladies (fka Madge)	1,900
Kato Pictures	Lord of The Free Range	3,863
Kingsley Marshall	Horse Piss For Blood	2,000
Kusini Productions Ltd	Measure	5,000
Land of Lasarica Productions Ltd	Beats, Rhymes and Time	13,000
Larsa Films Ltd	Beneath a Mother's Feet (fka Wedad)	15,000
Last Conker Ltd	Same Same?	12,000
Last Conker Ltd.	Longing	14,000
Lily Ashton	Roses	2,000
Lindsey Dryden	Haven at a Hundred Feet	1,625
Little Stitch Productions	Hope Ain't Right	795
Little Stitch Productions Limited	Ratthum	7,844
Lowkey Films Ltd	Snow Falls in the Summer	14,500
LS FILMS LTD	Cuffed	28,000
Lucy Meer	The Battle of Bamber Bridge	2,250
Lunar Pictures Ltd	The Call	14,450
Major Labia Limited	Witches	3,250
Matte Black London Productions Ltd	Shoot your Shot	5,500
Matte Black London Productions Ltd	Not dark yet	11,109
Matthew Crawford	Whiteboy	900
Merricat Pictures Ltd	Half Way	15,000
Messy Films Ltd	Burn Out	15,000
Mia Scerri	X to X	3,912
Michael Jenkins	The Duppy of Chessdon Manor	1,750
	Mo and Steph's A Television Broadcast from Outer Space [FKA A Television Broadcast from	
Mikel Stewart	Alternate Earth]	13,000
Mirrordoor Ltd	Independence	6,279
Molly Young	Barricade	13,500
Mono Films Limited	Returned	14,000
Morgan J. Stephenson	Dirty W****r!	13,877
Mycelium Productions Ltd	Beltane	15,440
Newmanfilms Ltd	Mother of Mine (FKA Mammy)	15,000
North of Watford Films Limited	Home Movie	15,000
Octarine Films Ltd	Asa	17,357
Ohna Falby	Little Seed	2,100
Old Hall Films Ltd	The Sun Is Up Forever	15,000
OPT8 LTD	Plaggy Bag	13,500
Other People's Films Ltd	Neo Nahda	20,000
Out Since Tuesday Ltd	My Brudda	13,000
Paramara Ltd	Run Outs	9,000
Paul Chambers	Amygdala	1,400
Pavilion Works Originals Ltd	Guests	15,000
Pencil Trick Productions CIC	Reflections	15,000
Primary Colour Pictures	Goodbye Pythin	26,853
Pulse Films Limited	The Girls' Room	2,163
Pylon Films Limited	Small Hours	14,974
Rebecca Graham	Just Passing	15,000
Redfield Films Ltd	Pick the Right Fruit	18,908
Rhian Smith	New Atlantis (Formerly Last Day)	12,096
Richard Higson	Nocturne (FKA Midwinter/Hag)	15,000
Rowland Jobson	Mare	1,900
Ryushi Lindsay	Crest	1,900
Salford Cowboys (Pili Mili Films) Ltd	The Last Cowboy in Salford	15,000
Sarah Louise Gonnet	The One You Cannot Reach	2,950
Silent Temple Films Ltd	Swole	16,060
Simon Dymond	Little Green Men	1,850
Sixteen Pylon Ltd	Pylon	15,000
Sleepwalker Studios Ltd	Alo (FKA Trip The Light Fantastic)	10,300
Slow Burn Ltd	Slow Burn	15,000
St Maur Pictures Ltd	In The Shadow of Darkness	19,400
Strive Films Ltd	Predators	15,000
Studio Erma Ltd	Mackling	12,000

Schedule 1 (continued)

T A P E Collective Ltd	Essec Girls	15,000
Tara Langford	Starling	10,639
The British Academy of Film and Television Arts	BFI Flare x BAFTA Mentoring in partnership with BFI NETWORK	20,700
The Creative Roots Productions Ltd	Thursdays	15,000
The Grierson Trust	Grierson Documentary Industry Support 2022/23	19,394
The Sikh Soldier Film Ltd	The Lion Solider (FKA The Sikh Soldier)	10,000
Theo James Krekis	Paros, not Paris	1,850
Tickershortfilm Ltd	Ticker	17,000
Tom Stubbs	Steve Parker	5,561
Tuyet Van Huynh Limited	Void Days	15,000
Two By Two Productions Ltd	House Party	15,000
Tyke Films Ltd	Born On Sunday, Silent	15,000
Type O Films Ltd	Monitor	8,500
Vankshita Mishra	Burnings	2,471
Vankshita Mishra	Burnings	10,000
Various	NETWORK@LFF	35,000
Various	Insight Producer Programme (round 2)	139,000
Wellington Films Limited	Safe	15,000
Xenia Glen	Carabao	1,500
You Kicked My Dog Productions	The Smell of Chicken	15,000
Yvonne Battle-Felton	Nemesis Ink	1,000
	Network	1,541,199
Blue Stockings (UK) Ltd	Paradox	168,920
E&E Industries (UK) Ltd	Pilgrim S2	204,280
Warner Bros. Entertainment UK Ltd	Access to Action UK Programme	128,024
	Film Skills - Apprenticeships	501,224
104 projects CIC	Film Academy Network Programme - Additional Finance	16,875
Bulldozer Films Ltd	Film Academy Network Programme - Additional Finance	51,000
Cinemagic	Film Academy Network Programme - Additional Finance	17,000
Creative Nation Ltd	Film Academy Network Programme - Additional Finance	34,000
Glasgow Media Access Limited	Film Academy Network Programme - Additional Finance	17,000
National Film & Television School	Specialist Programme - Additional Funding	198,000
Nerve Centre	Film Academy Network Programme - Additional Finance	51,000
Plymouth College of Art	Film Academy Network Programme - Additional Finance	16,999
Screen Argyll	Film Academy Network Programme - Additional Finance	17,000
Screen Education Edinburgh	Film Academy Network Programme - Additional Finance	17,000
Screen Education Edinburgh	Specialist Programme - Additional Funding	37,500
Sheffield Media Exhibition Centre	Specialist Programme - Additional Funding	45,000
Station House Media Unit	Film Academy Network Programme - Additional Finance	17,000
	Film Academies	535,374
Aunty Social CIC	BFI Film Club Blackpool	16,871
Film Nation UK	Careers Advice and Guidance	55,000
Greater Manchester Arts Centre Limited	Short Film Fund	29,371
Olsberg SPI Ltd	Crew Mapping and Forecasting Methodology	79,561
Reel Solutions (Film) LLP	BFI Film Club Scarborough	17,000
ScreenSkills Limited	Screen Sector Job Description templates	50,000
Signals Essex Media Centre Ltd	Signals - BFI FILM Club 2022	17,000
Somerset Film and Video Ltd	BFI Film Club West Somerset	16,933
The Saturday Club Trust	BFI Film Clubs	80,000
	Education awards	361,737
Bohemia Media Ltd	Queen of Glory	15,802
Dartmouth Films Limited	Hong Kong: A City on Fire (fka When A City Rises)	13,405
MUBI UK Limited	Aftersun	75,000
Peccadillo Pictures Ltd	Lunana: A Yak in the Classroom	45,924
Picturehouse Entertainment	Corsage	75,000
Picturehouse Entertainment Limited	The Feast / Gwledd	39,000
Resource Productions CIC	Little English - UK Tour	40,000
Studio Soho Distribution	Joyland	35,000
Tull Stories Ltd.	Big vs Small	12,780
	Distribution Fund	351,911

Schedule 1 (continued)

British Film Institute	66th BFI London Film Festival	1,400,000
	Festivals	1,400,000
Arts Alive in Shropshire and Herefordshire	Flicks in the Sticks – Reaching Out...	180,000
Birds Eye View	Reclaim The Frame With Me	420,000
British Federation of Film Societies (The)	Building diverse grassroots audiences for a wider choice of film across the UK through the power of affo	520,440
Carousel Project	Oska Bright Film Festival	363,000
Derby QUAD Ltd	New Worlds Of Cinema	70,000
Flatpack Projects	Open Up	90,000
Greater Manchester Arts Centre Limited	Re-building a diverse audience at HOME	555,000
Independent Cinema Office	Support for screening specialised film to the widest range of audiences	1,329,999
Leicester Arts Centre Ltd	MyPhoenix 2026 – Embracing Leicester’s Diverse Communities in Screen Culture	270,000
Nottingham Media Centre Limited	BROADER	480,000
Queen's University Belfast	QFT - Priority Audiences	270,000
Royal Holloway and Bedford New College	Virtual Reality Hubs Network	64,084
The Sheffield Media and Exhibition Centre Limited	Another Country	480,000
TONGUES ON FIRE LIMITED	UK Asian Film Festival 2023 -2026	105,000
Tyneside Cinema	Tyneside Cinema Audience Development Project	150,000
Watershed Arts Trust Limited (The)	Rebuilding audiences better - with inclusion at the centre	585,000
YourLocalCinema Ltd	YourLocalCinema Audience Development	114,000
	23-24 Audience Projects Fund	6,046,523
Chapter (Cardiff) Limited	BFI FAN Film Hub Lead Organisation 2023-26	859,500
Film London	BFI FAN Film Hub Lead Organisation 2023-26	784,500
Independent Cinema Office	BFI FAN Film Hub Lead Organisation 2023-26	1,876,500
Nottingham Media Centre Limited	BFI FAN Film Hub Lead Organisation 2023-26	1,285,500
Queen's University Belfast	BFI FAN Film Hub Lead Organisation 2023-26	811,500
The Glasgow Film Theatre	BFI FAN Film Hub Lead Organisation 2023-26	844,500
The Sheffield Media and Exhibition Centre Limited	BFI FAN Film Hub Lead Organisation 2023-26	1,570,500
Watershed Arts Trust Limited (The)	BFI FAN Film Hub Lead Organisation 2023-26	1,867,500
	23-24 FAN Lead Organisations	9,900,000
Film Nation UK	Careers and Progression	5,950,000
	23-24 Eduation - Careers and Progression	5,950,000
Chapter (Cardiff) Limited	BFI Film Academy Plus - FHLO 2023-26	171,300
Independent Cinema Office	BFI Film Academy Plus - FHLO 2023-26	171,300
Nottingham Media Centre Limited	BFI Film Academy Plus - FHLO 2023-26	171,300
Queen's University Belfast	BFI Film Academy Plus - FHLO 2023-26	171,300
The Glasgow Film Theatre	BFI Film Academy Plus - FHLO 2023-26	171,300
The Sheffield Media and Exhibition Centre Limited	BFI Film Academy Plus - FHLO 2023-26	171,300
Watershed Arts Trust Limited (The)	BFI Film Academy Plus - FHLO 2023-26	171,300
	23-24 Education - Film Academy Plus (FHLO)	1,199,100
Film Nation UK	Teaching with Film	4,950,000
	23-24 Education - Teaching with Film	4,950,000
The Saturday Club Trust	National Saturday Club	1,500,000
Film Nation UK	Young Creatives	1,500,000
	23-24 Education - Young Creatives	3,000,000
Doc Society	BFI National Lottery Documentary Fund 2023 to 2026 - Delegation	4,634,130
Doc Society	BFI National Lottery Documentary Fund 2023 to 2026 – Talent Support Programme	1,365,583
	23-24 Filmmakers	5,999,713

Schedule 1 (continued)

Creative Scotland	BFI NETWORK - National Delegate 2023-26	630,000
Ffilm Cymru Wales C.B.C	BFI NETWORK - National Delegate 2023-26	630,000
Film London	BFI NETWORK - Regions FHLO 2023-26	487,000
Independent Cinema Office	BFI NETWORK - Regions FHLO 2023-26	479,135
Northern Ireland Screen Commission	BFI NETWORK - National Delegate 2023-26	480,000
Nottingham Media Centre Limited	BFI NETWORK - Regions FHLO 2023-26	480,000
The Sheffield Media and Exhibition Centre Limited	BFI NETWORK - Regions FHLO 2023-26	480,000
Watershed Arts Trust Limited (The)	BFI NETWORK - Regions FHLO 2023-26	480,000
	23-24 Filmmakers - Network	4,146,135
Creative England Limited	Production Across England	1,130,000
Film London	British Film Commission	1,150,000
	23-24 International - Production Support Services	2,280,000
BAFTA Albert Ltd	Production-related support	286,955
Julie's Bicycle	Wider screen value chain support	299,800
	23-24 Sustainable Screen	586,755
Creative Scotland	Screen Scotland - Skills and Training Cluster	1,100,000
Film London	London and the South East Skills Cluster	2,200,000
Northern Ireland Screen Commission	Screen Careers Recruitment for Education and Employment Network (SCREEN)	900,000
Resource Productions CIC	Berkshire Skills For Screen	600,000
Screen Yorkshire Limited	Screen Alliance North Skills Cluster	2,300,000
West Midlands Combined Authority (Create Cental)	Create Central Skills Cluster 2023-2026	1,000,000
	23-24 Skills - Skills Network (Clusters)	8,100,000
Creative England Limited	Creative Enterprise: 2023-2026	2,400,000
	23-24 Skills - Business Developemt	2,400,000
Screenskills Limited	Skills Bursary Fund: Delegation 2023-2026	1,500,000
	23-24 Skills - Bursary Fund	1,500,000
Film London	Greater resilience at London's Screen Archives	234,523
Hampshire County Council	Whither WFSA: Building a sustainable future for Wessex Film and Sound Archive (WFSA)	80,000
Manchester Metropolitan University	North West Film Archive	120,000
Media Archive of Central England Limited	Sustain Our Screen Heritage	370,000
Plymouth City Council	Reimagining the Film Archive (RtFA)	195,000
University of East Anglia	Fast Forwarding Screen Heritage in the east of England	69,974
Yorkshire Film Archive	Yorkshire Film Archive - Resilience 26	315,000
	23-24 Screen Heritage - Resilience Fund	1,384,497
	Total Soft Commitments outstanding	82,654,964

Schedule 2: New Lottery commitments made by delegate bodies (unaudited information) in the year ended 31 March 2023

The Documentary Society were delegated £1.8m of new lottery funds for activity in 2022–23 Creative Scotland and Film 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 2023 are listed below.

Award Recipient	Project	£
The Documentary Society		
Anfanterrible Productions Ltd	I Don't Need Adult Conversation	16,000
Apropros Productions Limited	Pemon	1,000
Beehive Films Ltd	Frontier Town	21,053
Billo Studio Ltd	Fishtown	2,500
Bofa Productions Limited	Celluloid Underground	60,000
Cardamon Film Ltd	The Taste of Mango	40,062
Dr Mena Fombo, Boomflix Network	Boomflix Network	3,800
Dream Oracles Limited	Collateral Echoes	55,000
Fifty Foot Woman Limited	At the Scala	54,000
Film in Mind, Rebecca Day	Documentality / Emerging Filmmakers Group Support	1,900
Free Lens Collective, Mohammed Alazraq	Free Lens Collective Mentorship	1,600
Good Kid Films Limited	Red Herring	50,000
Happenstance Films Ltd	Reclaiming Identity: The Extraordinary Story of Ted Brown	25,000
Hopeful Productions Limited	Hope	50,000
Itan Films Ltd	The Archive: Queer Nigerian Project	20,000
Just Be Nice Studios	Trust Me	750
Khula Images and Arts Limited	Rage In Many Languages	4,000
Little Ease Film Ltd	Aftermath	25,000
Lono Moon Limited	Red Moon	70,000
My Extinction Ltd	My Extinction	55,000
Nature Hunter Film Ltd	Super Nature	66,000
Other Cinemas, Turab Shah	Other Cinemas Film School	1,300
Our Land Limited	The Trespasser, the Lord and the Gypsy	75,000
Primitive Film Limited	Mirrors	900
PROJECT 1961 LTD	Undiscovered Country	4,000
Resource Productions CIC, Abhi Arumbakkam	Doc Lab Mentoring Programme	1,300
Rubix Films	Phantom Parrot (Untitled Digital Security Project)	70,000
She Makes Productions LTD	Folk	20,000
Shy Bairns LTD	Untitled Jeanie Finlay North East Project	90,000
Small Car Big Road Limited	Your Fat Friend	75,000
Snowed-In Factual Limited	No Place Like Home	80,000
SPP Film Ltd	Still Pushing Pineapples	35,000
Story Compound	The Medallion	23,350
Studio RGL Partnership LLP	The Decision Machines	20,000
Sweet Leap Ltd	Gay Games	35,000
The Keeper Film Ltd	The Keeper	20,000
Tigerlily Two MD	Border Town	35,000
Tyke Films Ltd	My Blonde GF	2,500
UME19 LIMITED	My Friend Lanre	13,500
We Wear Masks Limited	Hongkong Mixtape	76,426
Whisperer LTD	Whisperer	17,500
WNBK Ltd	White Nanny, Black Kids	50,488
You Look Okay To Me Limited	SS IRPINIA	20,000
Total Documentary Society delegated awards 2022-3		1,388,929
Ffilm Cymru Wales		
Alison White	ALISON WHITE CPD	2,425
biggerhouse film	CRYBABY	1,000
Bulldozer Films	FILM NETWORKING SOCIALS	6,000
Calon TV	SHOES	1,000
Carys Eleri	THE SISTERS	5,000
Catrin Clarke	THE CALL	2,877
Cliff Edge Pictures	MOTHER'S DAY	1,000
Coup the Duke Films	FROSTLANDS	1,000
Crowblack Films	STATE OF SIEGE	5,000
Dani Abrams	THE FIRE DRILL	1,000
David Evans	DAVID EVANS CPD	2,589
Ego Tantrum Productions	PUPPETS AND MY MENTAL HEALTH	1,000
Eiko Meredith	EIKO MEREDITH CPD	3,461
Far Away Films	OSCAR ALBERT CPD	1,000
Fresh Catch Films Ltd	TOMOS O ENLLI	10,000
Griff Lynch	DIM OND TI A MI	1,000
Hijinx Theatre	BEING NORMAL	10,000

Schedule 2 (continued)

HONEYMILK FILMS LTD trading as LAIT DE MIEL FILMS	SEVEN	990
Jamie Adams	JAMIE ADAMS CPD	6,000
Knucklehead	ON A WING AND A PRAYER	1,000
Lisa Parry	THE MERTHYR STIGMATIST	3,900
Matsena Productions	SHIPS IN THE NIGHT	1,000
MediaActive Projects	FOLLOW THE DOGS	1,000
On Par Productions	TREADING WATER	1,000
On Par Productions	CRISTIAN SAAVEDRA CPD	2,000
Owen Lewis	OWEN LEWIS CPD	3,000
Pint-Sized Pictures Ltd T/A Rapt	NOT DROWNING	6,000
Sian Owen	OCTOBER OCTOBER	5,700
Sun & Moon Studios	PASSENGER	1,000
Tina Pasotra	TINA PASOTRA CPD	2,950
Wheesht Films	ANGELA CLARKE CPD	4,000
Total Ffilm Cymru Wales delegated awards 2022-23		94,892

Northern Ireland Screen Commission

1 in 5 Media CIC	WHERE ARE ALL THE DISABLED DJ's?	3,750
2nd Part Productions	Merrow	3,750
Brassneck Productions	OPERATION PABLO	3,750
CauseAScene Films	BEST BEFORE	3,750
Causeway Pictures	The Magic Spade	7,500
Conor Kelly	A Song for Strays	1,125
Conor Toner	EVERYTHING LOOKS SIMPLE	1,125
Dean Conway	Double Vodka and Blackcurrant	1,125
Elspeth Vischer	NURSING THROUGH	1,125
Emmet McMullan	TEENY	1,125
Esther Mogada	I AM AN INDIVIDUAL	1,125
Eva Gauley	Curers	1,125
Farset Films	Oyster	3,750
Farset Films	The Girl with the Lion	7,500
Haus Eight Films	A Face in the Crowd	3,750
Hoker Films	Boldie	3,750
Hollie Wallace	Coloured Corners	1,125
Last Conker	HEARTBEAT	3,750
Negative Waves	Rise	3,750
Out of Orbit	Malcolm	3,750
Paul Consiglia	STIGMA	1,125
Poli Productions	Polished	3,750
Poli Productions	Pike	5,000
Purple Finch Productions	By Appointment	3,750
Ronan Kerrigan	IDLE HANDS	1,125
Sean Coyle	COMMUNION	1,125
Triplevision Productions	They/Them	3,750
Village Films	Pub House	3,750
Total Northern Ireland Screen Commission delegated awards 2022-23		84,875

Schedule 2 (continued)

Creative Scotland

104 FILMS SOUTH LIMITED,	Tarantula	1,000
88MPH ENTERTAINMENT LTD	Empty-ness	5,000
Arpeggio	SOUL	20,000
Beatless Ltd	Beatless	20,000
BLACK WOOL FILMS LIMITED	Black Wool	20,000
BOMBITO PRODUCTIONS	Boifriend	15,000
Bombito Productions	Committed	15,000
Bombito Productions LTD	Living With It	15,499
CARDEL ENTERTAINMENT LIMITED	The Wall Dog	5,000
Ciara Elizabeth Smyth & Oisin Kearney	The Centre	5,000
FAIL BETTER FILMS	A Beating Wing	20,000
FINITE PRODUCTIONS SCOTLAND	You Land	20,000
Garden Shed Films LTD	The Jubilee	19,960
Hannah Kelso	For Love Nor Money	1,000
JULIA TAUDEVIN	Jump Club (formerly Orca)	5,000
Leyla Coll-O'Reily	Keen	5,000
LS SHORTS	Revert	20,000
Mallinson Television Productions	Just Jackie	20,000
Mallinson Television Productions	The Singer	20,000
Nathalie Ahmazdadeh	Wolves	6,000
Ossian International Limited	Paternal Advice	20,000
OSSIAN INTERNATIONAL LIMITED	Come Back	5,000
OSSIAN INTERNATIONAL LIMITED	Parodies	5,000
Phillip Wright	Committed	1,000
ROCKALL FILMS	Milkgum	22,000
Ruman Mundair	A Girl Called Elvis	5,000
Sixteen Films	Catherine	5,000
Smashing Pictures Ltd	The Key	20,000
Sophia Shek	The Other Side of The World	5,000
Stewart Thomson	Second Best	5,000
Story Horse Pictures Ltd	In The Name Of Pleasure	20,000
TEA SHOP PRODUCTIONS LTD	It's too late you can't save me	5,000
The Air We Breathe Ltd	The Air We Breathe	19,813
TOO ROUGH FILMS	Nostophobia	1,000
White Stag Films	Funeral Home	1,100
White Stag Films Ltd	Slay + Prepare the Animal for Meat	20,000

Creative Scotland delegated awards 2022-23

418,372

Total awards by delegate bodies 2022-23

1,987,068

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 2022–23.

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 2022–23.

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.

2022–23 was the last year of delivery of the BFI Strategic Plan – BFI2022 - which commenced delivery in April 2017; for that Strategy, the BFI consulted widely by way of a wide-scale public consultation undertaken in 2016. In 2022–23, the BFI completed its consultations which have helped shape the priorities for the new 10-year Corporate and National Lottery strategy –Screen Culture 2033.

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 2022–23 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.

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 was identified as a key priority within BFI2022 five-year strategy and was an assessment criterion for relevant funding programmes.

Notably the BFI 5-19 education scheme, which is managed by Into Film, managed approximately 6,500 '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 1,100 young people, from the whole of the UK and from any background, aged 16-19-year-olds to take the first step to being part of the future film industry.

In addition, the BFI managed a number of other programmes, notably the Venue Education Fund and the Film Audience Network, also focused on 16 – 30 year olds. The BFI's Future Film programme also supported over 43,000 young people

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 1800 organisations 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, the BFI published the Skills Review which highlighted existing approaches and initiatives that could be expanded or learned from, and set out recommended actions to help inform future strategy.

In addition, BFI NETWORK supported 41 short films and 31 early development projects through their England funds, with additional projects supported through delegate partners in Northern Ireland, Wales and Scotland and through documentary partner Doc Society.

F) The need to ensure that money is distributed for projects which promote public value and which are not intended primarily for private gain.

It has always been a primary intention of the National Lottery that it should improve the quality of life for people throughout the UK. All applicants, including private, voluntary or commercial organisations, have to be able to demonstrate the benefit to the public that would result from their proposed project. The BFI applies a range of criteria in order to ascertain that an appropriate level of public benefit is derived from the project. The criteria include the creative and technical quality of the project and its contribution towards the BFI's strategic objectives.

G) The need to further the objectives of sustainable development.

The BFI provides leadership and practical support for the wider film industry, including leading the UK-wide sustainability Group. Following the launch of the British Standard (BS 8909), specifically for film, sustainability is an intrinsic element to the new five-year plan.

Technological development is supported through encouraging the use of digital production techniques and associated processes.

On location filming of any Lottery-funded films, producers are expected to be sensitive to the needs of the environment and the use of natural resources, returning locations back to their original state in environmental terms, after use.

The BFI works with other Lottery Distributors and the Department for Culture, Media and Sport in developing proposals for sustainable development.

Following on from the publication in 2019 of the report – GREEN MATTERS - an overview of current practices of environmental sustainability and film production continued. The film industry especially Big-budget blockbusters produce 2,840 tonnes of CO₂, though their environmental impact is often underreported. The report's recommendations on digital processes have been adopted by many production studios.

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. The BFI continues to use of the Cabinet Office due diligence tool Spotlight and Enhanced Spotlight as an addition counter-fraud check for its lottery funded activities and will expand the remit across other non-lottery funded programmes.

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:

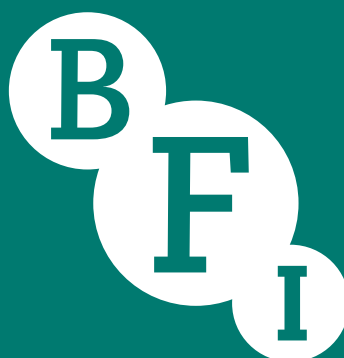
- i. Expanding education and learning opportunities and boosting audience choice across the UK;
- ii. Supporting the future success of British film;
- iii. Unlocking film heritage for everyone in the UK to enjoy.

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.



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