

**BRITISH FILM INSTITUTE
REPORT AND FINANCIAL STATEMENTS 2005**

Charity reference No: 287780

BRITISH FILM INSTITUTE

Report and Financial Statements

31 March 2005

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About the *bfi*

The *bfi* was established in 1933 to promote greater understanding, appreciation and access to film and television culture in Britain. In 1983 the Institute was incorporated by Royal Charter, a copy of which is available on request.

Our mission is '***to champion moving image culture in all its richness and diversity, across the UK, for the benefit of as wide an audience as possible, to create and encourage debate.***'

Summary of legal objectives:

- ❑ To establish, care for and develop collections reflecting the moving image history and heritage of United Kingdom
- ❑ To encourage the development of the art of film, television and the moving image throughout the United Kingdom
- ❑ To promote the use of film and television culture as a record of contemporary life and manners
- ❑ To promote access to and appreciation of the widest possible range of British and world cinema
- ❑ To promote education about film, television and the moving image generally, and their impact on society

The *bfi*'s main funder is the UK Film Council (UKFC) using resources delegated by the Department for Culture, Media and Sport (DCMS). It is a registered charity, number 287780.

Partnerships and Collaborations

Much of what the *bfi* has achieved could not have happened without the support and generosity of a number of individuals, organisations, companies, charitable trusts and foundations, to whom we are extremely grateful. The *bfi* has also received a number of legacies for which we are also very thankful.

How the *bfi* is governed

The *bfi* is governed by a Board of 15 trustees subject to the terms and conditions set out in the Charter. The Governors, who are also the trustees of the charity, submit their annual report and the audited financial statements for the year ended 31 March 2005.

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

The Governors who served during the financial year and as Governors at the date of signing these accounts are:

Anthony Minghella CBE (Chair)
David Kustow (Deputy Chair)
Jenny Abramsky, CBE
John Akomfrah
Tim Angel, OBE
Eric Fellner, CBE
Lizzie Francke
Stephen Frears
Leslie Hardcastle, OBE
Terry Ilott
Nasreen Munni Kabir
Professor Roger Laughton, CBE
Caroline Michel
Professor Elan Closs Stephens, CBE
Peter Watson

There were no appointments or resignations during the year.

Methods of Appointment

All Governors are appointed by the *bfi* Board of Governors, subject to ratification by the UK Film Council.

Two places on the Board are reserved for Member Governors. These are nominated and voted for by the *bfi*'s various members and subscribers throughout the United Kingdom. Such appointments also need to be ratified by the UK Film Council but that would not normally be withheld except in matters where there is a conflict of interest arising.

All Board positions are publicly advertised and fall for re-election every three years, with a total limit of six years service being set in accordance with the *bfi* Royal Charter. Newly appointed Governors receive a letter of appointment and an induction programme which together covers general responsibilities, committee membership and involvement outside of formal Governors' meetings. Emphasis is placed on close and regular consultation with Governors individually and collectively.

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The Chair of the Board of Governors is appointed with the approval of the Secretary of State for Culture Media and Sport by the Film Council with Governors being appointed by the Board, subject to ratification by the Film Council.

They are men and women with a wide range of experience and interests in film, television, the moving image generally, and public service, business and industry. All are part-time non-executives and meet monthly.

The Board of Governors has corporate responsibility for:

- ❑ developing the overall strategic direction of the *bfi* within the policy framework agreed with the Film Council
- ❑ ensuring that the *bfi* as a public service body complies with any statutory or administrative requirements for the use of public funds and to maximise *bfi* value for money
- ❑ ensuring that the *bfi* acts reasonably and prudently in all matters relating to its charity status
- ❑ appointing the Director and monitoring senior management performance
- ❑ ensuring that all *bfi* properties and assets are protected and effectively utilized 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
- ❑ 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

Organisational Structure

The Board of Governors delegates specific responsibilities to its Committees. Membership of these Committees is identified on page 6, and also comprises Officers and Professional Advisers. Recommendations made by Committees are presented to the Board as a whole for approval.

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

- ❑ **Budget and Performance Committee** approves capital and revenue budgets, sets the *bfi*'s operational targets, and monitors performance
- ❑ **Nominations and Appointments Committee** makes recommendations to the Board of Governors about appointments to the Board
- ❑ **Property Committee** manages on-going capital development projects, considers future options, and recommends preferred options to the Board
- ❑ **Remuneration Committee** determines and keeps under review the levels of pay, and the terms and conditions of service, for the *bfi* Director and other senior managers
- ❑ **Diversity Committee** advises the Board to ensure that the *bfi*, as a public body, properly serves and reflects the diverse audiences within the UK, by delivering its services to meet the needs of these different groups with the ultimate aim of recognising and celebrating diversity in all its activities
- ❑ **Audit and Governance 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 and Governance Committee considers all internal and external audit reports and recommendations

The following committees included the listed Governors during the year:

Budget and Performance	Terry Ilott, David Kustow, Tim Angel
Nominations and Appointments	Nasreen Munni Kabir, Stephen Frears, Lizzie Francke, David Kustow, Anthony Minghella, Roger Laughton
Property	David Kustow, Eric Fellner, Roger Laughton
Remuneration	Roger Laughton, Leslie Hardcastle, Anthony Minghella
Diversity	Nasreen Munni Kabir, David Kustow
Audit and Governance	Jenny Abramsky, David Kustow, Roger Laughton

Statement of Governors' Responsibilities

Charity law requires the Governors to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the charity and its subsidiaries and of the surplus or deficit for that period. In preparing those financial statements, the *bfi* has:

- ❑ selected suitable accounting policies and then applied them consistently;
- ❑ made judgements and estimates that are reasonable and prudent;
- ❑ stated whether applicable accounting standards and statements of recommended practice have been followed; and
- ❑ prepared the financial statements on the going concern basis

The Governors have overall responsibility for ensuring that the charity has appropriate systems of controls, financial and otherwise. They are also responsible for keeping accounting records, which disclose with reasonable accuracy at any time the financial position of the *bfi* and enable them to ensure that the financial statements comply with the Charities Act 1993 and the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005). They are also responsible for safeguarding the assets of the *bfi* and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- ❑ the charity is operating effectively and efficiently;
- ❑ its assets are safeguarded against unauthorised use or disposition;
- ❑ proper records are maintained and financial information used within the charity or for publication is reliable;
- ❑ the charity complies with relevant laws and regulations; and
- ❑ the Audit and Governance Committee acts on behalf of the Governors in this respect

The Board of Governors has adopted the Code of Best Practice for board members of Public Bodies, and maintains a register of interests of board members. This is available for inspection, on request, at the *bfi*'s main administrative centre at 21 Stephen Street, London W1T 1LN.

***bfi* Executive**

Under the guidance of the Governors, the Director concluded a fundamental strategic review of the *bfi*. A new executive team and organisational structure now comprises Directors from 8 new divisions, reporting to the *bfi* Director:

Amanda Nevill	-	Director
Eddie Berg	-	Artistic Director, <i>bfi</i> NFT and IMAX (<i>bfi</i> southbank)
Jim Hamilton	-	Head of <i>bfi</i> NFT and IMAX
Sandra Hebron	-	Artistic Director, Festivals
Jill McLaughlin	-	Director of Planning and Resources
Roy Payne	-	Director of Communications
Catharine Pusey	-	Director of <i>bfi</i> Trading
Heather Stewart	-	Cultural Programming Director (UK Wide)
Francesca Vinti	-	Director of Development
Jeanette Wilkins	-	Finance Director

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- UK Wide
 - Archive
 - Library
 - Distribution
 - Education
 - Partnerships
 - screenonline

- *bfi* southbank
 - NFT
 - IMAX

- *bfi* Trading
 - film sales
 - Sight & Sound
 - Publishing
 - DVD/Video sales

- Festivals

- Planning & Resources

- Finance

- Development

- Communications & Marketing

Risk Management Statement

As part of the Charity's risk management process the Governors acknowledge their responsibility for the Charity's system of internal control and reviewing its effectiveness. It is also recognised by the Governors that such a system is designed to manage rather than eliminate the risk of failure to achieve the Charity's objectives and can only provide reasonable, not absolute, reassurance against material misstatement or loss.

The Governors, through the Executive Directors, have set policies on risk and internal controls, which cover the following:

- the responsibility of management to implement the Governors' policies and identify and evaluate risks for their consideration on an ongoing basis
- consideration of the type of risks the Charity faces
- the level of risks which they regard as acceptable
- the likelihood of the risks concerned materialising
- the Charity's ability to reduce the incidence and impact on the business of risks that do materialise
- the costs of operating particular controls relative to the benefit obtained
- arrangements for monitoring and reporting on risk and control matters of importance, together with details of corrective action being undertaken

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During the year the Audit and Governance Committee commissioned the Executive Board to carry out a comprehensive review of financial, operational and commercial risks. A detailed risk analysis has been developed with full involvement throughout the bfi, which has been reviewed by the Committee. This work was further augmented as part of a full business continuity planning exercise during the year, aimed at reviewing the types of risks the Charity and each operating division and its departments face, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks. The charity risk map and risk register, together with individual divisional risk registers, identifying strengths and weaknesses of control together with actions required and taken to rectify the latter, have been prepared, updated and reviewed regularly by the Directors and management. The charity's risk register and risk map are formally reviewed and updated by the directors each year, and are reviewed by the Committee annually.

During the year the Governors, through the officers of the Audit & Governance Committee, have received reports from the Directors and from the external and internal auditors relating to risk and control. The reports have enabled the Governors to satisfy themselves that the above policies are being implemented, that significant weaknesses of control identified are being promptly addressed and on the overall adequacy and effectiveness of the Charity's system of internal control at the year end.

Director's Foreword

Totting up the number of films made available by the *bfi* last year, came to an astonishing number – some 3000 titles booked and screened in cinemas, film societies and arts venues, released on DVD, presented in festivals or as stand alone large event screenings. Three thousand films providing staggering richness to film culture in this country – and most of which simply wouldn't have been available otherwise.

The *bfi* depends on public funding to survive, because it provides public value. Much is being debated around the notion of public value and how this cultural currency can be measured and explained in terms as easy to implement and understand as commercial 'profit' value. Just as commercial organisations aim to maximise shareholder value, so we aim to maximise public value.

Diversity and Access

Around 450 films, mostly contemporary, were released commercially in the UK during 2004/05. Some will be enjoyed and vanish, some are destined to become the stuff of legacy. Nevertheless the economics dictate that the overall diversity is necessarily limited. The *bfi* acts as provocateur, by weaving original and different films into this existing offering. These might be those films which have not yet found an audience, perhaps by first time, first-seen directors, (and many examples can be found in the Festivals programme) films from a part of the world which haven't yet found distribution in the UK, or emerging new experimental film such as many of those found in Resfest or Antenna.

An area of our programming for which we are known internationally, and which often involves working with other international archives, is the large number of retrospective seasons of celebrated film-makers. They are popular because there is a thirst to see these well-known classic films, as well as to discover the lesser-known titles which, enjoyed in context, celebrate a renaissance. Such a choice brings private enjoyment to the viewer, nurtures personal, social and global understanding, promotes tolerance and artistically enriches lives.

A very important part of the diversity of film we exhibit and distribute comes from the National Film & Television Archive, almost certainly the most significant archive of moving image in the world. Possibly more than with any other area of our heritage, film archives exist within a dynamic which is rapidly evolving. Firstly the amount of film and TV being produced is forcing archives to question much more closely what they preserve and how. Film is very vulnerable and digital systems are not yet sufficiently time-proofed to provide a storage method with confidence. And yet digital technology does offer promises of tantalisingly easy methods of distribution. Secondly there is growing public interest in heritage film which is gradually causing rights owners to re-value their back catalogues, with the predicted result that in the future they will be more likely than is the case now to invest in safeguarding new releases for future generations.

The NFTVA embraces this fast changing world by adopting a three-fold plan: firstly to invest in state of the art storage systems; next to develop curatorial experts; and lastly to promote greater access by the public to the archive.

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The *bfi*'s forward plan places emphasis on the need to safeguard the future of the National Film Theatre which is approaching the end of its estate life (some would argue it has passed it). Such a plan must respond to the expectations of today's audiences, fifty years on from when the NFT first opened, in a very different world. Our response is to create a staging post - a rehearsal room – *bfi* southbank - where we can actively demonstrate a commitment to reaching new audiences in new, very 21st century, ways. Through real action and delivery we will amplify the argument for a new National Film Centre which provides a national focus and demonstrates to an international audience the scope and ambition of film in Britain.

Our plans for exhibition and distribution and the Archive are symbiotic. One cannot succeed without the other. But there is one more important magic ingredient essential to stimulate a curious mind - education.

Lifelong Learning, Research and Debate

The *bfi* has lifelong learning and education at its core. It can be as simple as the film notes provided for every film screened at the NFT, or the contextual material on *bfi* DVDs, through to more complex debates in Sight & Sound, the reservoirs of information to be found on any one of our websites or by visiting the National Film & Television Library. These facilities have a growing importance. The 20th century was the first to be recorded by moving image – it changed forever the way that history is considered and remembered. We would argue that just as it is inconceivable that any child should leave school not knowing how to read and write, so in today's society it should be inconceivable that similar critical skills for the moving image should not be an assumed and core educational entitlement.

Many, if not all film-makers can cite an influence or creative pivotal moments in their lives when the influence of classic, celebrated historic cinema has shaped their thinking and provided a creative spark leading them to pursue a career in film television or the wider creative industries.

Just watching a broad spectrum of films can help community cohesion, build understanding of other diverse cultures, as we temporarily experience another world view through borrowed eyes. Film and television is still so young compared to say painting or sculpture that it sometimes struggles to command the authority it deserves, yet no one questions the high impact influence that it has had on our lives. Which is why it is important that such an organisation as the *bfi* exists and why we must constantly seek to critically examine and improve the public value we can bring.

Amanda Nevill - director, British Film Institute

The *bfi*'s Cultural Commitment

The *bfi*'s work explores cinema, television and other related moving-image materials in a way that reflects the cultural, historical and aesthetic diversity of those media. The Institute is concerned not only to introduce audiences to work that is new or for some other reason unfamiliar, but also to facilitate a reappraisal of acknowledged classics; it aims not only to encourage an interest in innovation and experiment, but also to foster and reward curiosity and a desire to learn more about past achievements. To tackle these challenges, the Institute runs the National Film Theatre (NFT) and a number of festivals including the London Film Festival and the London Lesbian and Gay Film Festival; it also releases films through *bfi* Distribution and on its own DVD label; it encourages and organises tours of packages of films around the country; and it publishes secondary materials about film and television in the form of books and the monthly magazine *Sight & Sound*.

In terms of theatrical distribution, the films released by the *bfi* consisted primarily of revivals of classic titles, which in most cases – Jacques Feyder's *La Kermesse Heroique*, for example, or Hiroshi Teshigahara's *Woman of the Dunes* – had not been available in good prints for many years. Some films – Nicolas Roeg and Donald Cammell's *Performance*, Derek Jarman's *Caravaggio* and the NFTVA-restored version of David Lean's *Summer Madness*, all highlighting a commitment to British cinema – were reissued as standalone titles, but most releases coincided with seasons at the National Film Theatre, which would very often then proceed to play around the country. Hence, *Knife in the Water* and *Repulsion* were rereleased as part of a Roman Polanski retrospective; *The Women* and *Dead of Night* tied in, respectively, with seasons devoted to George Cukor and Robert Hamer; and *I Vitelloni*, *8 1/2* and *Amarcord* were part of the enormously successful comprehensive season of films by Federico Fellini.

These were just four of many seasons devoted to directors at the National Film Theatre. Other examples include filmmakers from the silent era like Victor Sjöström; established names like Pedro Almodóvar, Jim Jarmusch and Wong Kar-Wai or the late Lindsay Anderson and Andrei Tarkosvky; the B-movie pioneer Edgar G Ulmer; documentarists like Marcel Ophuls and Michael Grigsby; or experimental artists like Gregory Markopoulos and Valie Export. Particularly exciting, too, were those seasons enabling audiences to encounter for the first time work by filmmakers virtually unknown in this country, such as French documentarist Nicolas Philibert, Turkey's Nuri Bilge Ceylan, or Barbara Albert, Jessica Hausner and other filmmakers whose work was gathered together in a season devoted to women directors working in the newly revitalised Austrian cinema.

Albert's *Free Radicals* was just one of several new films from around the world which were given a first extended run at the NFT; others included Julio Medem's controversial documentary *The Basque Ball*; *A Thousand Months* by Morocco's Faouzi Bensaidi; *The Magic Gloves* by Argentina's Martin Rejtman; and *Goodbye, Dragon Inn* by Taiwan's Tsai Ming-Liang. These films alternated with revivals – also in new prints - of classic movies; not only the *bfi* Distribution titles mentioned above, but also Marcel Ophuls' *The Sorrow and the Pity*; the Marx Brothers' *Duck Soup* and David O Selznick's *Gone with the Wind* (both in superb digital restorations); Tarkosvky's *Solaris* and *Stalker*; and Robert Altman's *Nashville* and Martin Scorsese's *Mean Streets*.

These last two titles were part of *The Wild Bunch*, the NFT's massive two-month exploration of American films made between 1967 (*Bonnie and Clyde*) and 1980 (*Heaven's Gate*), one of many seasons which were not devoted to the work of an individual director. Performers featured strongly, of course, including the Marx Brothers, James Cagney, Gene Kelly, George Formby, Anna Neagle, Diana Dors, Nicole Kidman, Sylvia Syms and Dilip Kumar, the last two stars giving interviews on the NFT stage.

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Some seasons focused on films based on the works of people working in other fields (Graham Greene, Patrick Hamilton, Robert Crumb, Diaghilev and Balanchine); some dealt with national or regional cinemas (new films from Israel, Arab cinema, Basque cinema, Austria, French documentary); others explored a genre (animation, horror, gangster films of the silent era); still others a theme (India as portrayed by non-Indian directors, the sequence shot, a history of lesbian cinema). Television also featured strongly, of course, including a season devoted to the work of Dennis Potter; a fortieth-anniversary tribute to BBC2; the premieres of works as different as *Stealing a Nation* (with John Pilger returning to the NFT stage) and *Searching for the Wrong-Eyed Jesus* (with alt.country artist Jim White visiting the NFT to discuss the film and play a few songs to a thrilled audience); and of course TV2004.

This last was just one of several festivals held at the NFT. Besides The Times *bfi* London Film Festival (which also takes place in a clutch of other venues both in London and in various cities around the country) and the London Lesbian and Gay Film Festival, the NFT hosted the Disability Film Festival; the Sheffield International Documentary Festival on Tour; Crime Scene; and Resfest which, along with the regular Antenna evenings, allowed audiences to enjoy a wide range of cutting-edge work in the fields of promos, shorts, advertising and the avant-garde. At the other end of the spectrum could be found such blasts from the past as an evening devoted to Wilson, Keppel and Betty; the annual Archive Cricket Evening; a centenary tribute to the Royal Academy of Dramatic Arts which included a screening of *Masks and Faces*, a long-lost, recently rediscovered film by Fred Paul dating from 1917; and, last but most definitely not least, a series of programmes devoted to *The Lost World of Mitchell and Kenyon*.

The magnificent Mitchell and Kenyon collection of films, as restored by the NFTVA and as seen by an enthralled nation on BBC, were not only shown theatrically at the NFT and elsewhere; they were also the subject of a *bfi* book and were released on DVD by *bfi* Video. The latter released titles ranging from established classics like Jean-Pierre Melville's *Le Cercle Rouge*, Luchino Visconti's *The Leopard*, GW Pabst's *The Threepenny Opera* and Luis Buñuel's *L'Age d'or* with *Un Chien Andalou*; through lesser-known titles like Charles Burnett's *To Sleep with Anger* and Waris Hussein's *The Sixth Happiness* (examples of the Institute's commitment to reflecting and engaging with cultural and sexual diversity and the experiences of the disabled); to experimental artists' films like the work of William Raban or Bill Morrison's *Decasia*.

A similarly catholic approach could be found in the books brought out by *bfi* Publishing, ranging from new additions to the series of *bfi* Classics (*Nosferatu*, *In the Realm of the Senses*, *If...*) and Modern Classics (*Groundhog Day*, *Unforgiven*, *The Thin Red Line*); through genre studies (*Horizons West*); monographs on directors (Chaplin, Wong Kar-Wai); to more academic or specialised fare (*Understanding Realism*, *Teaching Women and Film*, *Contemporary World TV*). Together with the monthly magazine *Sight & Sound*, these and the other books published by the *bfi* helped readers to appreciate, enjoy and understand more fully the enormous array of film and TV material released and screened by the Institute throughout the year.

Geoff Andrew – head of programming, *bfi* National Film Theatre

Governors' Report

Reaching Out

Distribution and Exhibition

Total admissions to Distribution/Exhibition and tours in 2004/5 in UK were 420,000 (excluding ICO) and 254,000 at overseas venues
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The *bfi* is the main supplier of cultural and heritage cinema, specialising in support to independent cinemas and non-theatrical venues such as film societies, arts and community centres, making it as easy as possible for great cultural and heritage films to be seen and enjoyed. No screen is too small or too remote. This year over 750 venues across the UK from the Island of Unst in Scotland to Lands End in Cornwall borrowed films from the extensive *bfi* distribution catalogue of some 15,000 prints. This catalogue is constantly delivered through new *bfi* releases and special tours from the National Film Theatre and the *bfi* Film Festivals.

To develop further our support to venues, the *bfi* now funds the Independent Cinema Office (ICO), which provides a programming and films booking exhibition service to a growing number of independent cinemas.

We directly support the UK's film societies and educational sector by clearing non-theatrical viewing rights with key UK independent distributors including Optimum Releasing, Artificial Eye and Metro Tartan, and we manage DVD bookings to ensure that this sector has access to an increasingly wide range of specialised titles.

- Among the dozen classic films we offered in new prints for theatrical release were both British and international classics such as *Performance* (1970), the notorious and celebrated directorial debut of Nicholas Roeg and Donald Cammell; Roman Polanski's feature debut *Knife In The Water* (1962) and *Repulsion* (1965); David Lean's love letter to Venice *Summer Madness* (1955) which the *bfi* restored in collaboration with Academy Archive and with the generous support of the David Lean Foundation; and the Ealing horror classic *Dead of Night* (1945). *bfi* films typically reach around 90 different venues in the first year of release
- Films released by the *bfi* to tie in with NFT seasons include Hiroshi Teshigahara's *Woman of the Dunes* (1964), Fellini's *I Vitelloni* (1953), *8 ½* (1963) and *Amarcord* (1973), as well as George Cukor's *The Women* (1939)
- As part of the hugely successful project to restore and showcase the Mitchell & Kenyon Collection, a curated selection of highlights – *Electric Edwardians: The Films of Mitchell & Kenyon* – was screened in Wolverhampton, Glasgow, Cambridge, Manchester, London, Bradford, Oxford and Derby, with forward bookings from 30 further venues by the end of the year
- The *bfi* & TATE partnership that was launched last year continued in 2004 with a programme of George Franju titles from the *bfi* Distribution collection screening at Tate Modern to coincide with its exhibition of paintings by Luc Tuymans

bfi Touring Programmes

- Tours included The Golden Age of French Cinema, a History of the Horror Film, Reelviews, The Sheffield International Documentary Film Festival, American Cinema from the 70s and a complete Roman Polanski retrospective which screened at 39 venues with 90% of audiences outside London.
- The London Lesbian and Gay Film Festival on Tour continues to be the *bfi*'s largest touring programme. This year it reached a record-breaking 49 venues with the very best of gay and lesbian cinema from around the world. It incorporated six features, including the Festival's Opening Night Gala title, *Prey for Rock & Roll*, plus two documentaries and two programmes of short films.
- Two national touring programmes followed The Times *bfi* London Film Festival: New Films from New Film-makers, featuring films nominated for the *bfi*'s Sutherland Trophy (awarded to the director of the most original and imaginative first feature), and the other a programme of shorts and features drawn from the Experimenta strand. This included a tribute to Stan Brakhage and an extended run of Jessica Yu's *In The Realms of the Unreal* (2004), which received excellent reviews in the national press. This was the first Experimenta tour, supported by a grant from the Arts Council England National Touring Programme. It toured to 13 venues around the UK.

International Distribution

- Overseas film bookings by over 200 venues exceeded annual target admissions by 27%, an overall improvement of 22% compared to 2003/04. The *bfi* was involved in a number of overseas initiatives which included a major Minnelli retrospective in Spain, screened in Barcelona and Madrid. A diverse range of *bfi* titles were also booked by festivals across the globe including Korea, Hong Kong, Istanbul, Singapore, Sweden, Sydney and Bologna.

Broadcast

Total broadcast viewing figures for *bfi* films on the small screen were in excess of 12 million

After four years of meticulous preservation and restoration at the *bfi* NFTVA a successful joint venture with the BBC brought the Mitchell and Kenyon Collection of early archive films from the turn of the 19th century to the small screen. The three-part television documentary series exceeded all expectations by attracting viewing figures of up to 4½ million per episode, demonstrating a public very hungry to see more of their film heritage.

DVD

2004/2005 28 titles were released on DVD, with a total of 266,000 units sold

bfi DVD is one of the great success stories of the *bfi* in recent times, boasting a steadily increasing range of films on video and DVD including Classic World, silent and documentary cinema and archive television which would not otherwise be available.

It is one of the most authoritative DVD labels for historically important and diverse world cinema, renowned for the specially commissioned additional material, including commentaries, new scores to silent films and film-maker interviews.

Releases in 2004/5 included classic Jacques Tati comedies, *Playtime* (1967), *Mon Oncle* (1958), *Les Vacances de M. Hulot* (1953) and *Jour de fête* (1949); Visconti's beautiful epic *The Leopard* (1963); and the radical *Sixth Happiness* (1997).

A de-luxe box-set of Buñuel and Dali's landmark films *Un Chien Andalou* (1929) and *L'Âge d'Or* (1930) was met with critical acclaim both at home and abroad, whilst a new strand, British Artists' Films, made in partnership with Illuminations and Arts Council England and featuring significant contemporary film and video work, was launched with *William Raban* (1977 to 2002).

The Lost World of Mitchell & Kenyon, released to compliment the BBC documentary sold, and continues to sell, strongly.

Overall, the quality of the *bfi* DVD offering and the cultural accessibility of the key titles released in the year made 2004-5 the most successful year in the history of *bfi* video and DVD publishing.

Distribution Online

A priority goal in our Forward Vision is to provide access to our film and television collections online. In 2004-5 plans to make the *bfi*'s internationally recognised filmographic and television database available on the web made good progress with the new online information service expected to launch in spring 2006.

With over 30,000 pages, the *bfi*'s website (www.bfi.org.uk) is one of the main online destinations for any information about film. During 2004/05, visits to the site grew by 35%, recording around two million page impressions a month or 23 million over the course of the year.

In 2004 we launched weekly email bulletins for NFT and IMAX customers and by the end of the year 6,400 people had signed up to the NFT bulletin and 6,700 for the IMAX bulletin.

The website also launched The Moving Image Research Registry, which collates information about individual academics' film research.

The *bfi*'s festival microsites also performed well during the year. Page impressions for The Times *bfi* 48th London Film Festival site grew by 40% and 10,000 new people registered to receive updates and access site features, taking the total number of Festival subscribers to 21,000.

Visitor numbers to the 2005 London Lesbian and Gay Film Festival also increased with page impressions up by 45% and 1,350 new people registering to receive updates taking the total to 5,550.

The *bfi* continues to reach out across the nation through webcasting and several successful webcasts were carried out during The Times *bfi* London Film Festival in 2004.

Screenonline

Screenonline, (www.screenonline.org.uk), the *bfi*'s online resource devoted to the history of British films and television and their effect on social history, grew throughout the year and received five million page impressions.

- Available through schools, libraries and educational establishments, it now features some 2,000 film and television works, over 300 hours of moving image and around 800 biographies of key film and TV personalities and organisations
- The site began the year with an attractive new homepage design, and content dramatically expanded over the year, with hundreds of new titles added. High points included a 70th anniversary of Alan Bennett, overviews of TV police and detective dramas, a look at the Asian-British cinema boom, which has proved one of the most popular features on the site, and a rare exploration of Chinese-British film. A thorough look at Shakespeare's history plays began a comprehensive programme to examine the Bard's work on big and small screens in Britain
- During the year, user registrations for Screenonline more than doubled; by April 2005 nearly 4,000 schools and libraries had registered spanning the length and breadth of the UK, from Unst in the Shetlands to the Channel Islands. The concept has been borrowed for new or developing projects in Sweden, Norway, Australia and New York

Reaching Out to Partners

In response to the new structure of cultural film activity in the UK, we have established an in-house Partnership Office as part of a drive to be more user-friendly and facilitate greater co-ordinated working with partners across the UK. Due to begin its first full year programme of work in 2005/06, its role is to co-ordinate, promote and evaluate the full range of *bfi* services to Regional Film Archives, Regional Screen Agencies and Regional Exhibitors, with a new focus on delivering events in the nations and regions.

It is providing a focus for the development of National Strategies, for Archives, Education, Exhibition and Distribution. Film exhibition, distribution, archive and education are now looked after in the regions by dedicated Regional Screen Agencies.

By the end of 2004/5, the Office was managing the *bfi*'s partnerships with the Independent Cinema Office (ICO), a key agency for the delivery of specialised cinema programming across the UK; and Film Education, the national film education resource provider, whose services complement the strategies and activities of *bfi* education.

In order to strengthen the case for accessible and sustainable cinema provision, the Office has undertaken a study in partnership with the UK Film Council, EM Media and Film London, looking at the wider social, cultural and economic impacts of local cinemas - cinemas serving small towns or discrete catchment areas in larger cities.

The Office has initiated discussion about the Mediatheque project with potential regional partners, with a view to establishing a set of Mediatheque facilities in each of the regions and nations to provide increased access to the national collections for all citizens of the UK.

***bfi* National Film Theatre**

The *bfi* NFT attracted an audience of over 236,000 during 2004/05 - an increase in attendance of over 8% on 2003 and the NFT's highest admission figure for 13 years

A total audience of over 574,000 visited screenings at the *bfi* NFT and *bfi* London IMAX Cinema in 2004/05

The *bfi* National Film Theatre (NFT) is one of the great cinematheques of the world in spite of its now rather worn-out estate. Time has taken its toll on the present building, which was built in the 1950's, and in the long term its very fabric and location will no longer be viable if the *bfi* is to continue to achieve its cultural goals. The *bfi* has a vision to create a whole new landmark National Film Centre at a different site on the South Bank within the next seven years, but in the meantime as an interim step or 'rehearsal room', plans are well underway to refurbish the existing site and add a number of new features.

The refurbishment is due to be completed in late 2006 and one of the major new and pioneering additions that will be unveiled will be a Mediatheque where visitors can watch previously inaccessible films and television programmes from both the National and Regional Film Archives.

Currently, the *bfi* NFT screens over 2,000 films a year in a programme that covers the widest possible range of film and television, from rare silent comedies to cult movies and archive television screenings.

It is world renowned for its presentation of specific seasons celebrating particular directors or genres, often in partnership with international studios or other cinematheques. Many of these seasons, where rights allow, are toured and made available to other cinemas around the country, and in some cases, internationally.

In addition, the *bfi* NFT hosts previews and gala screenings of films which are about to be released, always in the context of informed debate, on-stage interviews, conversations with filmmakers, actors, producers, critics and writers. It also screens more avant-garde experimental and emerging moving image forms, such as the annual digital moving image festival Resfest.

And in keeping with the cutting edge and emerging format for film, the *bfi* NFT is home to the digital testbed, co-funded by the DTI and a raft of industry partners researching digital technology and high-end cinema technologies which has led to important pilot screenings of pioneering digitised prints including *Gone with the Wind* and *Singing in the Rain*. The testbed research has ensured that Britain has remained at the forefront of digital cinema development.

- In 2004/05 major retrospectives were held to celebrate the work of leading filmmakers such as Roman Polanski, Federico Fellini, Wong Kar Wai, and Andrei Tarkovsky
- More thematic seasons included The Wild Bunch: American Cinema 1967 – 1980, Arab Cinema, The Golden Age of French Cinema, A History of the Horror Film, and a survey of new films from Israel

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- The NFT hosted The 5th Disability Film Festival and other specialised seasons such as Resfest, a celebration of cutting edge short films and music videos
- Television programming included a salute to Forty Years of BBC2, Dennis Potter and Missing Believed Wiped, our annual celebration of rediscovered television treasures
- Among notable guest appearances at the NFT were John Pilger, Robert Vaughn, Dilip Kumar, Malcolm McDowell and Sylvia Syms. The Guardian Interview series featured guests such as Walter Salles, Jonathan Glazer, Mike Leigh and Robert Crumb

***bfi* London IMAX Cinema**

The *bfi* London IMAX is geographically close to the NFT and as such is regarded as an important element in the *bfi*'s ability to reach a broader audience, from a more popular base through to a more diverse cinematic offering. It has the largest cinema screen in Europe and shows film in 2D, 3D and IMAX DMR. Its education department provides training and resources for teachers as well as events for educational groups, many of which link directly with subjects in the National Curriculum.

The IMAX cinema remains a challenge, mainly due to the scarcity of films available and the very small number of IMAX venues worldwide, which mitigates against the possibility of marketing campaigns comparable to those associated with mainstream cinemas. The advent of DMR technology, which allows mainstream 35mm films to be digitally enhanced to IMAX proportions without loss of quality, has resulted in some notable successes – as seen in the previous year's 'Matrix' performances. Whether such ventures will be sufficiently commercially attractive to ensure a steady stream of DMR format cross-over films remains in the balance and overall performance is unpredictable.

- This year the *bfi* London IMAX Cinema screened blockbusters *Harry Potter and the Prisoner of Azkaban*, *Spider-Man 2* and *Robots*, all of which had been digitally re-mastered for the giant screen, whilst brand new IMAX films included James Cameron's *Aliens of the Deep 3D* and Disney's *Young Black Stallion*
- The cinema enjoyed sell-out houses with marathon all-night screenings of the *Lord of the Rings* trilogy, later repeated due to demand along with two similar events for the *Matrix* film trilogy
- Robert Zemeckis' state of the art 3D animated Christmas story *The Polar Express* proved a phenomenon, with sell-out screenings running into March, making the *bfi* London IMAX Cinema the top performing IMAX cinema outside the US for the film

Festivals

More than 180 feature films and 100 shorts from over 50 countries were shown in 364 screenings at the 48th London Film Festival with over half completely sold out

The Times *bfi* London Film Festival presents an expertly curated programme of contemporary cinema and artists' film and video from around the world, together with selected restorations of significant archive films. These are contextualised by an extensive schedule of industry and public events, education screenings, talks and filmmaker career interviews.

Running for two weeks every autumn across a range of London venues, the Festival brings the highest concentration of contemporary world cinema to Britain, presenting emerging cinema from countries whose work may otherwise have been overlooked or neglected. The majority of the films shown in the Festival will not achieve commercial distribution in the UK. The festival also recognises new talent, with a number of awards presented to first and second features, and also to short films.

This year, a development grant from the London Development Agency, Creative London and the Mayor of London through Film London allowed Festival venues to be extended by a further six in outer borough cinemas through the Film in the City project.

The grant also enabled a major extension to the services and facilities offered to Industry delegates, including a dedicated Industry screening at the Curzon Soho, new viewing equipment, an Industry publication and a large number of discussion panel and networking events. Additionally, for the first time, Skillset supported a career development training programme for new film-makers, for the first time.

The Festival subsequently organises two film tours around Britain: New Films from New Film-makers, featuring films nominated for the *bfi*'s Sutherland Trophy, and a programme of work curated from the Experimenta strand.

- ❑ In 2004/05 the Festival saw an increase in attendance on the previous year to over 116,000, the highest number of admissions in its history
- ❑ The Times *bfi* 48th London Film Festival opening night gala film was Mike Leigh's award-winning *Vera Drake* (2004) and Times Screen Talks hosts included director David O Russell, whose *I ♥ Huckabees* closed the Festival, and actor Kevin Bacon
- ❑ Other highlights included Wong Kar-Wai's *2046*; Lucrecia Martel's *The Holy Girl*; Ousmane Sembene's *Moolaade*; Saul Dibb's *Bullet Boy* (2004), Kenny Glenaan's *Yasmin* (2004), and *Tarnation* (2004) by Jonathan Caouette, who went on to win the *bfi* Sutherland Trophy
- ❑ In addition to public attendances, the Festival welcomed 514 film-makers and 1,395 Press and Industry delegates from 48 countries
- ❑ Important new initiatives this year were the inclusion of screenings in six cinemas in London's outer boroughs and a large screen promotion in Trafalgar Square
- ❑ 5,000 people of all ages attended the education programmes, and training initiatives for aspiring film-makers were organised in partnership with The Script Factory and Skillset

The London Lesbian and Gay Film Festival is the largest festival of its kind in Europe and one of the most prestigious lesbian and gay events in the world.

**Visits to the LLGFF website increased by 46%,
while online ticketing grew four-fold**

- ❑ The 19th London Lesbian and Gay Film Festival ended on Wednesday 13 April with a special Leicester Square Gala screening of Gregg Araki's *Mysterious Skin* after a record-breaking two weeks of screening the very best of international lesbian and gay cinema, including a significant number of titles from Eastern Europe and South East Asia. Other key highlights were the Centerpiece screening of Ian Iqbal Rashid's *Touch of Pink*; Todd Solondz' *Palindromes* and Asia Argento's *The Heart is Deceitful Above All Things*.
- ❑ Attendances were back up to over 25,000 and this year 61 screenings were sold out, an increase on the past two festivals
- ❑ Visits to the LLGFF website increased significantly in 2005 with 46% more page requests than the previous year. Online ticketing increased by four-fold year on year
- ❑ The festival caters for an ever-widening range of cinematic taste and passions, including new art and cultural events. This year's event included our first-ever collaboration with Tate Modern featuring a retrospective of William E Jones' work, and a special programme of work by Jennifer Reeves at LUX.

Aims for 2005 / 2006 – Reaching Out

- ❑ The *bfi* will tour the Electric Edwardians Collection further throughout next year in an effort to show highlights of these remarkable films to as wide an audience as possible
- ❑ 2005 will see the *bfi* launch of one of the biggest national celebrations of Black moving image culture seen in the UK. Years in the planning, *Blackworld* will be a truly pan-Institute initiative, featuring film and musical programme screenings, DVD releases, workshops, on-stage discussions and events, and online resources. Highlights will also be toured nationally
- ❑ The *bfi* is the official archive for ITV which celebrates its 50th anniversary in 2005. To mark this major milestone, we will be touring a programme of television highlights from the UK's leading commercial television company, bringing a reminder of the proliferation and quality of television productions over its fifty-year history to audiences across the UK.
- ❑ Following the huge success of our collaboration with the BBC to bring Mitchell & Kenyon to the small screen, we are now investigating opportunities for further broadcast co-productions, in particular on an early colour film held in the National Film and Television Archive, *The Open Road*, shot in the 1920s by Claude Friese-Greene

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- During the year we will be centralising our DVD and Book order fulfilment, including online ordering facilities, with an aim to providing the best possible customer service
- Online distribution of moving image material and information is a key aim for the *bfi* in 2005 and beyond. By the end of the year, the *bfi*'s extensive database will be made available to users of the world wide web
- In order to promote and showcase Screenonline (www.screenonline.org.uk) we are planning a series of interactive archive tours to allow audiences worldwide to explore and enjoy materials from the *bfi* National Film and Television Archive
- The *bfi* will be working closely with partners to allow greater access to moving image material in the National Film and Television Archive. *The Creative Archive* partnership with Channel 4, the Open University and initiated by the BBC, will see people able to access and download material for non-commercial creative use
- In the next financial year, a major priority will be to redevelop the *bfi* National Film Theatre site. As a priority some essential works will be carried out to improve wheelchair access and other refurbishment, and separately work will begin on developing the space formerly occupied by the Museum of the Moving Image
- The Times *bfi* London Film Festival remains a priority area for the *bfi* and in 2005 we aim to secure the continued support of our existing partners and sponsors, as well as develop the festival further with new supporters and programme additions

Film and TV Heritage

***bfi* National Film and Television Archive**

The *bfi* looks after, cares for, preserves and makes available arguably one of the most important British heritage archives – the National Film and Television Archive (NFTVA). It is the largest and most significant archive of moving image in the world, located predominantly on two sites.

The *bfi* NFTVA is regarded as a world leader in the skills of preservation and restoration, much of which is done on site with international partners. It is a founder member of the International Federation of Film Archives and is also one of the busiest archives in the world, loaning out on average 12,000 prints a year.

It is the main source of archive cultural film in Britain and contributes to the *bfi*'s extensive programme of distribution. As the designated National Television Archive, the *bfi* receives funding from ITV and Channels 4 and 5 to fulfil their legislated responsibility in this area.

The *bfi*'s Forward Strategy for the archive has involved a number of key initiatives:

- 1 A restructuring of the archive reducing the overall number of staff, plus a comprehensive re-training and active recruitment of new skills particularly in the subject expertise and curatorial areas which had declined over the years
- 2 The improvement and upgrade of storage facilities to prevent ongoing deterioration of materials
- 3 An adoption of a curatorial approach to conservation and preservation initiatives so resource is directed towards elements of the collection that are most at risk or which have most cultural value – in terms of either uniqueness or cultural/historical significance
- 4 The creation of a curatorial team tasked not only with the care of the Collection but also with interpretation of it. This will promote a wider use, understanding and engagement. Research projects started this year include the compilation of a list of Black British material held by the NFTVA, in anticipation of the *bfi*'s forthcoming *Black World* celebration in 2005, and detailed research into our holdings of films made by Mancunian Studios, the short-lived regional production company. Team members also contributed to research into early colour films
- 5 The formulation of a clear and sustainable Collecting Policy that prioritises British works and which sets clear protocols for acquisition. The policy was reworked and is now out for international consultation
- 6 The setting up of a Governor-chaired committee of international experts to guide and support the *bfi* in its future development of the archive
- 7 A feasibility study is underway to explore potential research and training partnerships for the *bfi* in respect of our Collections.
- 8 To substantially increase meaningful access, the *bfi* is pursuing new initiatives, such as increased engagement with broadcasters (which has already borne fruit as in the Mitchell & Kenyon project), a greater focus on archive material across all *bfi* activities and a pioneering new facility – Mediatheque – which will allow unprecedented informal access to digital material from the archive. The first of these mediatheques is planned for *bfi* southbank and preliminary curatorial and archive work has already begun.

Following these reforms and initiatives outlined, the *bfi* is now in a position to take the lead required of it in terms of drawing up a new national strategy. It has a clear model for the future of its own moving image collections and is also the 'skill centre' for the sector in terms on technical capability and knowledge.

The collective expertise and experience within the regional film archives means that they also have much to contribute. They have specialist areas of work, innovative access and delivery mechanisms, and a proven record of delivering against key DCMS objectives.

Progress during the year

The *bfi* has moved to build closer relationships with the major studios, providing them with access to unique materials preserved in the archive and collaborating with them on major restoration and remastering projects. A key example is Granada's restoration of *Black Narcissus* (1947).

- ❑ The full restoration of *Piccadilly* (also distributed in DVD) was launched at the New York Film Festival to a capacity audience alongside a specially commissioned score by British musician Neil Brand. The film subsequently played with a live orchestra again to a sell-out audience in the Barbican in London
- ❑ The Venice Film Festival in 2004 featured a special screening of David Lean's *Summer Madness*, newly restored by the *bfi* NFTVA. Restorations of two Keystone Chaplin shorts – *Kid Auto Races* (1914) and *Mabel at the Wheel* (1914) - premiered within the archive strand of The Times *bfi* London Film Festival
- ❑ Other *bfi* NFTVA restorations that were screened internationally include *Underground* (1928) and *Napoleon* (1927), which, together with Mitchell & Kenyon, featured in the 2004 Giornate Del Cinema Muto festival.
- ❑ *Making Advertising History*, a project to locate, restore and catalogue the archive of British screen advertisements for general viewing as well as academic and professional research purposes, was launched in November. Starting the restoration initiative was made possible thanks to the generous support from Coca-Cola GB and its advertising agencies

Cannes Classics

The *bfi* NFTVA screened a high quality print of Tony Richardson's *The Loneliness of the Long Distance Runner* (1962) which inaugurated the Cannes Classic section at the Cannes Film Festival in 2004.

Mitchell & Kenyon

One major project this year which exemplified the *bfi*'s intention to reach new audiences and work more effectively out of London through partnership, was the launch of The Mitchell and Kenyon Collection. This initiative was a key film heritage public access project which drew together activity from across the organisation and marked a new direction in terms of curating material from the *bfi*'s collections and making it available to a wide audience.

The project celebrated the pioneering contribution made to the British film industry by Sagar Mitchell and James Kenyon who made films of ordinary people going about their daily lives. This remarkable collection of films from 1900 -1913 was commissioned by travelling showmen to screen at fairgrounds and other locations across the UK and provides a fascinating social record of Edwardian Britain.

Discovered in a shop basement in Blackburn after lying unnoticed for 70 years, the films were painstakingly restored over the past four years by the *bfi* in a project part-funded by the Arts and Humanities Research Board, and in partnership with the National Fairground Archive at the University of Sheffield

To mark the completed £1 million restoration the *bfi* hosted a special gala screening at King George's Hall, Blackburn, just around the corner from where the films were rediscovered. A three-part BBC television series aired in January, receiving both critical acclaim and excellent viewing figures.

In addition, the collection was brought back to life through a programme of events and activities including a nationwide tour to cinemas with films of specific local interest, an accompanying book and a DVD of the BBC series. A further DVD was scheduled for release later in the year.

Aims for 2005 / 2006 – Film and TV Heritage

- ❑ In consultation with the UK Film Council and the DCMS, the *bfi* will in 2005 lead on the development of a national strategy for archives in the UK
- ❑ The *bfi* will continue to drive forward its Curatorial research work, reflecting its shift towards a curatorially driven archive
- ❑ Once the external consultation on our revised Collecting Policy has been completed, we will embark on developing our policies for the related and special collections, for data collecting and for Collections Care and Disaster Planning
- ❑ We aim to see in 2005 the completion of a major Collections Stabilisation project. Work is underway to rehouse all the nitrate film holdings at Gaydon and we will be carrying out ongoing detailed surveys of the condition of our acetate collection to determine how much material is likely to require cold storage
- ❑ With a shift towards new image recording technologies, the *bfi* is often called upon to access moving image on obsolete formats. A priority for 2005 will be to establish the extent of likely future demand and to ensure that the Archive is adequately resourced and able to meet customer demands
- ❑ 2005 marks the centenary of the birth of Michael Powell and the *bfi* will be celebrating this great British director with a number of initiatives, including a showcase of his work from the Archive, restored by the *bfi* and with partners and screened at the Cannes film festival

Lifelong Learning, Research and Debate

In many respects, all of the *bfi*'s work can be described as educational as we seek to offer different opportunities for people across all age groups to engage with all forms of moving image, learning to appreciate it, generating new knowledge and stimulating debate.

The *bfi* has three core target audiences in education: Higher Education, schools and colleges, and broader audiences interested in understanding film and television.

A feasibility study is under way co-funded by HEFCE and the British Library looking at how the Library and the overall cultural assets of the *bfi* can be better used in partnership with higher education. It is proposing the development of courses and research which would both contribute to a further understanding and leadership in film archiving (all the more sought after in an era where commercial studios are just realising the value of their back catalogues) and the use of these assets across a wider curricular base, such as chemistry, archaeological research and social history.

The *bfi*'s education teams publish educational books and resources for teachers and students, supporting primary and secondary school pupils studying media for the first time, to those undergraduates who are studying the moving image at an advanced level.

These resources are sold by mail order: over 40 titles are currently in print, and sales in 2004-05 to primary schools exceeded those to other sectors for the first time. A range of free online resources is also provided, including two guides which have been funded by the Qualifications and Curriculum Authority and by the DfES: *Moving Images in the Classroom* (for secondary teachers) and *Look Again!* for primary teachers.

bfi Education resources play a key role in benchmarking good practice in a curricular area where there is little initial training for teachers. We therefore provide professional development for teachers, ranging from half and one-day sessions, to year-long distance learning courses accredited at Master's level by higher education partners. This direct provision reaches over 1500 teachers a year across the UK, but the department also works strategically to ensure a wider reach through key partners in all four UK nations.

In 2004/05, there were 17,531 education admissions at the *bfi* NFT; 5,451 education admissions at *bfi* festivals; 755 film club attendees; 1439 teacher training places at INSETs, conferences and courses; 12,500 copies of resources sold to teachers (and each teacher reaches between 50 and 200 children or students); and 4.5 million visits to the education pages of the *bfi* website.

- 105 media educators from 23 countries attended an international *bfi* conference in Belfast, following which agreement was secured on a European Charter for Media Literacy with lead organisations in eight European nations
- 190 teachers gained accreditation at Master's level through our distance learning courses
- 650 teachers attended our one-day training events offered in partnership with Regional Film Theatres
- Over 300 delegates attended our two national conferences for media teachers and a new scheme to train 'lead practitioners' for moving image media literacy with local education authorities in England and Scotland was also launched.

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- ❑ Nine new education resources were published, making a total of nearly 50 titles now available both in print and online
- ❑ The Government-funded National Strategies, charged with raising school standards, distributed and promoted *bfi* resources and training materials for the 3 - 14 age range to schools and local education authorities across England
- ❑ Education events at the *bfi* NFT reached an audience of over 18,000 learners of all ages and covered such topics as TV Advertising, the Lost World of Mitchell & Kenyon and American Cinema in the 70s, as well as featuring guest speakers such as Mark Kermode, Nicolas Philibert, Christopher Frayling and Richard Dyer
- ❑ The NFT education team continued to work in partnership with (amongst others) the BBFC, Newsround, the Design Museum, King's College London and Aim Higher
- ❑ Supporting scholarship across the spectrum, the *bfi* National Library provided access to one of the largest collections about moving image culture and industry in the world to users in person, via the web and in print
- ❑ Over 90% of the 40,000+ visitors to the Library and its research facilities in 2004/05 were in full time education, researchers or scholars
- ❑ Scholarly highlights this year include four new web-based titles in the successful 16+ guides: Experimental Film; Tarantino; Remakes; and TV Sitcom – both older classic material and more cutting edge titles that also reflect diversity

***bfi* National Film and Television Library**

40,500 people used the Library and Research Viewing, Catalogue and Stills service in 2004/05

Research and debate is further fuelled through the *bfi* National Film and Television Library. The *bfi* National Library offers access to the world's largest collection of information on films and television. Its holdings include over 46,000 books, 5,000 periodicals titles and over 2 million newspaper cuttings.

In line with the *bfi*'s future strategy of having a greater impact to reach across the country, the main thrust for the Library over the next two years is the transferral of the Library database online so that everyone can access it wherever they live in the country. The library database is legendary, containing as it does seventy years of accumulated information on film and television.

The library also looks after the *bfi* Special Collections – papers, screenplays, posters and other material on industry history. Researchers have access to a special service to view moving footage from the archive at viewing stations as well as interrogate the archive catalogue.

Over 90% of the visitors to the library and research facilities are in full-time education or are researchers or scholars.

Sight & Sound

Sight & Sound sales in 2004/05 were 278,150
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The *bfi* publishes *Sight & Sound*, one of the world's leading English-language film magazines. In 2004-2005 the magazine continued its 70-year-long tradition of providing accessible, intelligent writing on film to a general readership, winning the Subscription Magazine of the Year award at the PPA Circulation Marketing Awards.

With an emphasis on world cinema and film history alongside its focus on the best of English-language film, the magazine featured a strong line-up of articles by the best writers on cinema. These ranged from an exclusive interview with Martin Scorsese, through an appreciation of new work by leading foreign language directors such as Pedro Almodovar (June's cover star) to a sneak preview of the Mitchell and Kenyon Collection, which included a tie-in book offer for *bfi* Publishing's *The Lost World of Mitchell and Kenyon*.

A further highlight was a special issue devoted to film music, which saw contributions from high-profile film-makers such as Woody Allen and Francis Coppola and was the highest-selling issue in recent years.

In a market where the sales and subscription trends of consumer magazines were generally down from the previous year, *Sight & Sound* held its sales relatively steady at 278,150, an average of 23,179 per issue. The magazine built on its reputation for informed and knowledgeable film criticism with the number of reviews of theatrical features at an all-time high.

This increase prompted a review of the look of the magazine and how it could be made more accessible to a wider readership. A redesign will take place later in 2005.

During 2004, a new distance learning course for aspiring film journalists, offered in association with *Sight & Sound*, proved particularly popular, with applications to join the course four times oversubscribed.

***bfi* Publishing**

<p>332,000 books and educational resources were sold by <i>bfi</i> Publishing in 2004/05</p>

bfi Publishing has consistently set a cultural agenda for the publication of titles on film and television. We publish a wide range of books offering criticism, theory and history as well as popular companions to individual film titles.

Educational books and resources for teachers and students are also published aimed at users ranging from primary and secondary school pupils studying media for the first time, to undergraduates studying the moving image at an advanced level.

We published 30 new books in 2004/05, including two titles in the brand new *bfi* Screen Guide series, *100 American Independent Films* by Jason Wood and *100 Modern Soundtracks* by Philip Brophy.

Many of the *bfi*'s more popular titles are aimed at a broader audience with an informed interest in cinema and television. These include the acclaimed *bfi* film classics series and its complementary series *bfi* Modern Classics focusing on the best in contemporary world cinema. We released six new titles in this series including *The Matrix* by Joshua Clover and four new *bfi* Film Classics including *if...* by Mark Sinker which tied in with the Lindsay Anderson season at the NFT. The *bfi* Film Classics *Easy Rider* and *Shawshank Redemption* reached new potential readers through inclusion in special anniversary editions of the respective DVDs.

bfi titles continue to feature prominently on the required reading lists for Film Studies courses at undergraduate level. The books were presented at academic conferences in the UK and beyond during the course of the year to keep the academic influencers in touch with our plans.

Other notable titles published during the year include the successful *The French Cinema Book*, a collection of essays edited by Michael Temple and Michael Witt and the timely new addition to the *bfi* World Directors series *Wong Kar Wai* by Stephen Teo which includes a chapter on his film *2046*.

Sales of *bfi* books through traditional outlets in the UK and overseas remained stable year on year. The worldwide distribution of the *bfi* imprint was enhanced by 200,000 through the *Shawshank Redemption* and *Easy Rider* DVD packages.

Aims for 2005 / 2006 – Lifelong Learning, Research and Debate

- The *bfi* will aim to take a lead position in promoting media literacy to schools in 2005
- The stimulation of public debate will continue throughout the year as we seek to raise awareness of the importance of film from the Archive and from around the world in the rounded education of children
- We will be undertaking a major consultancy project aimed at reviewing options to increase access to the unrivalled collection of film and television materials in the *bfi* National Library and in the National Film and Television Archive

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- In order to further improve the readability and navigation of Sight & Sound, we will undertake a redesign of the editorial space and structure
- Web delivery of teaching resources remains a high priority for the *bfi* and we will be looking closely next year at developing an online series of workbooks for classroom use in conjunction with the Teaching Film and Media Studies Series
- The *bfi* holds a broad and rich collection of moving image stills and posters and during 2005 we will be investigating how the collection can be exploited and promoted

Additional aims for 2005 / 2006

Diversity

- A review of its Diversity policy and strategy has revealed the *bfi* is fundamentally sound but a number of improvements can be made. In 2005 we will begin the process of engaging the workforce in order to exceed the aims of the Diversity strategy

Brand

- Following a comprehensive review of the *bfi*'s brand and values, we will embark on a project in 2005 to improve working practices and culture

Accessibility

- We will continue to invest in improving physical access, not only to our premises but also to our cultural programme. Accessibility of our buildings to users with mobility difficulties has been improved over the last year at Stephen Street (new reception and improved access to viewing theatres) and work is due to commence at the NFT later in 2005 with fundamental work included in the refurbishment of the *bfi*'s venue on the South Bank under the guidance of a specialist access advisor
- Accessibility to our programme will continue to include sub-titles for all English speaking DVD titles and support at selected screenings at the NFT and during the Festivals

Financial Review

Funding

In modernising the *bfi*, the latest Statement of Recommended Practice (SORP) 2005 was adopted as best practice for the presentation and interpretation of the accounts which also, for the first time this year, and in step with other similar organisations, properly incorporated FRS 17 'Accounting for Pensions'. This had the impact of reducing brought forward reserves by £16.4m from £45.0m to £28.6m as disclosed in last year's accounts. The pension charge in the year under FRS17 amounted to £2.6m (2004: £0.2m credit). The *bfi* has agreed a sustainable level of contributions with the London Pension Fund Authority over the next three years and is in the process of reviewing its future pension arrangements.

During the year, the *bfi* concluded its Strategic Review and commenced a restructuring of the organisation, starting with the appointment of a new Executive Team. In line with the plan, essential work began on the archive, the development of the National Film Theatre and initiatives designed to increase impact across the nations and regions. Although underlying expenditure decreased in total, this was due to the conclusion of the Heritage Lottery Fund capital project at the Archive. Investment in core activities was maintained at a similar level to 2003/4.

Following the delivery of the new Forward Vision and outline financial scoping, the UK Film Council agreed an increase in funding. A good performance across most activities compensated for a challenging year for the *bfi* London IMAX Cinema.

Our ability to deliver the first year of this long term plans was compromised by the unexpected discovery of complexities surrounding the *bfi*'s status and its relationship to the UKFC and Government. This put in question plans to raise a mortgage to facilitate immediate investment in priority areas. Whilst our forward strategic direction remains robust, the speed of change was necessarily reduced and significant resource needed to be diverted to seek a solution whilst evolving the plan to meet different financial circumstances.

Nevertheless, going forward the strategy remains to achieve economies, re-focus existing funds and build new funds for investment in the areas prioritised in the Forward Vision.

Reserves Policy

The *bfi* funds both current and long-term developments from grants and donations received, and from income generated by its activities. The Governors were successful in achieving their objective of holding unrestricted cash balances at £5.0m (2004: £5.1m) - equivalent to more than two months of recurrent expenditure on unrestricted activities. The *bfi* has also increased its free reserves (net unrestricted current assets, see Note 18) to £3.1m (2004: £0.7m) and we are looking to improve future levels of free reserves. The Governors are committed to maintaining an adequate level of free reserves to meet any unforeseen expenditure or fall in income, and this is incorporated into the budgets going forward.

At 31 March 2005 the *bfi* had total consolidated reserves of £27.2m (2004 £28.6m) after the impact of adopting FRS 17 Accounting for Pensions, which reduced brought forward reserves by £16.4m from £45.0m to £28.6m.

**BRITISH FILM INSTITUTE
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Restricted funds of £15.2m (2004: £16.5m) represents £15.7m (2004: £16.1m) invested in the bfi's restricted fixed assets. The balance of £0.4m of liabilities (2004: £0.4m of assets) is due to £0.7m of restructuring costs committed to in the year but paid in 2005/6 from agreed matching grant funding from the UK Film Council, offset by net unspent income of £0.3m (2004: £0.4m) from donors who have set specific conditions for the use of those funds. A summary of restricted fund balances is set out in Note 18.

Changes in Fixed Assets

The movement in tangible fixed assets is disclosed in Note 11.

Review of principal funding sources

Income Generation

Total income improved to £32.1m (2004: £30.9m). Grant-in-Aid income from the UK Film Council, at £16m, was £1.5m higher than the 2004 grant after three years at £14.5m. Income from charitable activities remained steady at £12.1m but donated services increased to £1.2m from £0.9m (primarily relating to The Times *bfi* London Film Festival). Other grants and lottery awards received in the year increased to £2.6m from £1.6m, the difference largely being attributable to restructuring funding from the Department of Culture, Media & Sport of £0.8m (2004: £0.2m) and fund raising for the development of the *bfi* southbank/ National Film Centre. In 2003/04 a £1.3m grant was received from the Heritage Lottery Fund which essentially concluded the restoration project at the Archive and the matching income (and expenditure) are not repeated in 2004/05.

Fund Raising

Fund-raising costs of £0.4m (2004: £0.3m) represent the cost of running the *bfi* Sponsorship and Development Division in order to raise funds for the *bfi*. The Division was restructured in the year with key appointments strengthening the team which is primarily aimed at securing grants and donations to support specific projects and activities. This has proved particularly successful in raising funds for the redevelopment of the *bfi* on the Southbank during 2005/6.

Investment in activities

During the year the *bfi* concluded its Strategic Review and commenced the restructuring of the *bfi* with a new Executive team and operating structure. Restructuring costs including redundancies amounted to £1.7m and these are identified separately on the Statement of Financial Activities. In modernising the *bfi* we have also adopted the latest Statement of Recommended Practice (SORP) 2005 in our accounts plus FRS 17 "Accounting for Pensions" to improve the quality of information provided in our accounts.

Although underlying expenditure has decreased in total, this is due to the conclusion of the Heritage Lottery Fund project at the Archive, and we were able to maintain investment in our activities at a similar level to 2003/04.

More positively we have achieved growth in income through the continued support of the UK Film Council and Department of Culture, Media and Sport, whilst maintaining total income from activities.

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Looking forward we are continuing to maximise our impact on film culture, heritage and education across the UK through greater management focus, partnerships and ongoing improvements in efficiencies.

Because of the nature of its funding the *bfi* does not have large amounts of disposable monies. Instead, financial investment is focussed on its property asset base and investing in people and activities to achieve its charitable objectives. The *bfi* aims to maximise the interest income from its cash balances and thereby yield maximum benefit from our grants and donations.

Resources Expended and Services

Total expenditure was £33.5m (2004: £30.7m) after pension charges under FRS17 of £2.6m (2004: £0.2m credit) and restructuring costs of £1.7m (2004: £0.4m).

Expenditure excluding these exceptional items was £29.2m (2004: £30.6m) with the reduction largely due to the conclusion in the prior year of the Heritage Lottery Fund project at the Archive. Expenditure before fundraising and publicity costs of £0.4m (2004: £0.3m) was £28.8m (2004: £30.3m).

Net Outgoing Resources

Net resources expended for the year amounted to £1.4m (2004: surplus £0.2m). This is after pension charges under FRS17 of £2.6m (2004: £0.2m credit) and restructuring costs of £1.7m (2004: £0.4m). The underlying operating result before these items was a surplus of £2.9m (2004: £0.3m) and reflects operational efficiencies achieved during the year.

Distribution and Exhibition

Income for the year decreased to £7.1m (2004: £7.4m) due to less popular releases of DMR format films available to the IMAX cinema (films such as Matrix were popular in 2004). This masked an underlying growth in other areas. Expenditure was £12.1m (2004: £12.5m), due to net cost savings.

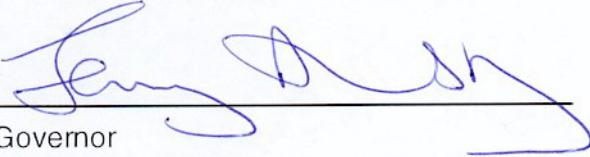
Film and TV Heritage

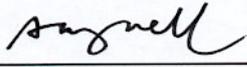
Income for the year increased to £1.4m (2004: £1.3m) as a result of improved book and DVD sales. Expenditure in this area was down to £7.7m (2004: £9.1m) due to costs in the prior year associated with the end of the Heritage Lottery Fund project at the archive.

Lifelong Learning, Research and Debate

Income for the year increased to £3.6m (2004: £3.4m) as a result of improved book and DVD sales. Expenditure in this area increased to £8.8m (2004: £8.7m), due to the increased costs associated with higher impact.

Approved by the Board of Governors on 18th January 2006


Governor


Governor

SOLICITORS

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Farrer & Co
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BANKERS

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PROPERTY ADVISERS

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AUDITORS

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REGISTERED OFFICE

21 Stephen Street, London W1T 1LN

www.bfi.org.uk

Independent Auditors' Report to the Governors of the British Film Institute

We have audited the financial statements of the British Film Institute for the year ended 31 March 2005, which comprise the statement of financial activities, the balance sheets, the cash flow statement and the related notes 1 to 21, which have been prepared under the accounting policies set out therein.

This report is made solely to the charity's Governors, who are also the trustees of the charity, as a body, in accordance with Regulation 7 of The Charities (Accounts and Reports) Regulations 2005. Our audit work has been undertaken so that we might state to the charity's Governors those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Governors as a body, for our audit work, for this report, or for the opinions that we have formed.

Respective responsibilities of governors and auditors

As described in the statement of Governors' responsibilities, you are responsible as Governors for the preparation of the financial statements, which you are required to prepare in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you. We have been appointed as auditors under s43 Charities Act 1993 and report in accordance with regulations made under s44 of that Act.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993 and Regulation 3 of the Charities (Accounts and Reports) Regulations 2005 and trust deed.

We read the other information as described in the contents page and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of opinion

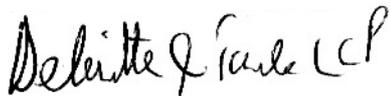
We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' Report to the Governors of the British Film Institute (continued)

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Group's and charity's state of affairs as at 31 March 2005 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Charities Act 1993, Regulation 3 of the Charities (Accounts and Reports) Regulations 2005.



Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

27 January 2006

BRITISH FILM INSTITUTE

STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 March 2005

	Note	Unrestricted £'000	Restricted £'000	2005 Total £'000	Restated 2004 Total £'000
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary Income					
Grant-in-aid	4	16,000		16,000	14,500
Other grants, legacies and donations		573	1,954	2,527	1,593
Lottery awards	5	-	33	33	1,466
Donated services		1,120	120	1,240	923
Investment income	6	154		154	100
<i>Incoming resources from charitable activities</i>					
Lifelong learning		3,591		3,591	3,406
Distribution & Exhibition		7,085	-	7,085	7,408
Cinema heritage		1,439		1,439	1,323
<i>Other incoming resources</i>		24		24	203
Total incoming resources		29,986	2,107	32,093	30,922
Resources expended					
<i>Costs of generating funds</i>					
Costs of generating voluntary income		434		434	259
<i>Charitable activities</i>					
Lifelong learning		7,999	768	8,767	8,650
Distribution & Exhibition		11,658	471	12,129	12,451
Cinema heritage		7,184	517	7,701	9,092
<i>Governance costs</i>		181		181	138
Restructuring costs		139	1,531	1,670	352
Increase in provision arising on pension liabilities - FRS17	9	1,924	-	1,924	902
Total costs of activities in furtherance of the charity's objects		29,519	3,287	32,806	31,844
Total resources expended	7,10	29,519	3,287	32,806	31,844
Net incoming/(outgoing) resources before other recognised gains and losses		467	(1,180)	(713)	(922)
Other recognised gains/losses					
Actuarial (losses)/gains on defined benefit pension schemes	9	(718)	-	(718)	1,144
Net movement in funds		(251)	(1,180)	(1,431)	222
Reconciliation of funds					
Total funds brought forward as previously reported		28,574	16,457	45,031	45,027
Prior year adjustment: FRS17	21	(16,386)	-	(16,386)	(16,604)
Total funds brought forward as restated		12,188	16,457	28,645	28,423
Total funds carried forward	18	11,937	15,277	27,214	28,645

All gains and losses recognised in the year are included in this Statement of Financial Activities.
The accompanying notes form an integral part of this Statement of Financial Activities.

BRITISH FILM INSTITUTE

CONSOLIDATED AND CHARITY BALANCE SHEET
31 March 2005

	Note	Group 2005 £'000	Restated Group 2004 £'000	Charity 2005 £'000	Restated Charity 2004 £'000
Fixed assets:					
Tangible fixed assets	11	45,158	46,214	45,158	46,197
Investments	12	-	-	96	96
Total fixed assets		<u>45,158</u>	<u>46,214</u>	<u>45,254</u>	<u>46,293</u>
Current assets:					
Stocks & work in progress	13	440	494	415	466
Debtors	14	3,050	2,784	3,256	2,928
Cash at bank and in hand	15	5,048	5,120	4,494	4,542
Total current assets		<u>8,538</u>	<u>8,398</u>	<u>8,165</u>	<u>7,936</u>
Liabilities:					
Creditors: amounts falling due within one year	16	<u>(5,840)</u>	<u>(7,200)</u>	<u>(5,516)</u>	<u>(6,817)</u>
Net current assets		<u>2,698</u>	<u>1,198</u>	<u>2,649</u>	<u>1,119</u>
Net assets excluding pension liability		47,856	47,412	47,903	47,412
Defined benefit pension scheme liability	17	<u>(20,642)</u>	<u>(18,767)</u>	<u>(20,642)</u>	<u>(18,767)</u>
Net assets including pension liability		<u><u>27,214</u></u>	<u><u>28,645</u></u>	<u><u>27,261</u></u>	<u><u>28,645</u></u>
Funds:					
Restricted income funds	18	15,277	16,457	15,277	16,457
Unrestricted income funds:					
Unrestricted income funds excluding pensions asset/liability	18	32,579	30,955	32,626	30,955
Pension reserve	18	<u>(20,642)</u>	<u>(18,767)</u>	<u>(20,642)</u>	<u>(18,767)</u>
Total unrestricted funds		<u>11,937</u>	<u>12,188</u>	<u>11,984</u>	<u>12,188</u>
Total funds	18	<u><u>27,214</u></u>	<u><u>28,645</u></u>	<u><u>27,261</u></u>	<u><u>28,645</u></u>

The accompanying notes form an integral part of this consolidated and charity balance sheet.

The governors and directors of the *bf* approved these financial statements on 18 Jan 06

J. Mann
Director

Governor

Director

S. M. G. M.

BRITISH FILM INSTITUTE

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 March 2005

	Notes	2005 £'000	2004 £'000
Net cash inflow from operating activities	2	147	2,703
Return on investments and servicing of finance	3	154	100
Capital expenditure and financial investment	3	(373)	(563)
(Decrease)/increase in cash in the year		<u>(72)</u>	<u>2,240</u>

The accompanying notes form an integral part of this consolidated cash flow statement.

BRITISH FILM INSTITUTE

NOTES TO THE ACCOUNTS

Year ended 31 March 2005

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 and in accordance with the Charities Act, the Statement of Recommended Practice (SORP), "Accounting and Reporting for Charities" (revised 2005) published in February 2005 and applicable accounting standards.

Certain prior year figures have been restated due to SORP 2005 (the charity has implemented SORP 2005 early), and FRS 17 – Retirement benefits: the charity has adopted full disclosure of this standard early replacing the use of actuarial values for assets in a pension scheme in favour of a market-based approach. In order to cope with the volatility inherent in this measurement basis, the standard requires that the relatively stable ongoing service cost, interest cost and expected return on assets are shown separately from the movements in market value.

Basis of consolidation

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis within the SOFA. A separate Income and Expenditure account has been presented for the charity, as permitted by paragraph 397 of the SORP. The balance sheet and related notes, however, show the assets and liabilities of the Group as well as the Charity.

Incoming resources

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies apply to categories of income:

Donation of services and facilities: are included in income and expenditure at the value to the charity where this can be quantified.

Gifts in Kind: are included at valuation where their value is ascertainable.

Grants: where related to performance and specific deliverables 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. Where entitlement occurs before income being received the income is accrued. Capital grants are accounted for as income as soon as they are receivable.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Premises overheads have been allocated on a floor area basis and other overheads have been allocated on the basis of staff numbers. Fund-raising and publicity costs are those incurred in seeking voluntary contributions and do not include the cost of disseminating information in support of charitable activities. Support services costs are those incurred directly in support of expenditure on the objects of the charity and include the planning and management of development projects. Governance costs comprise all costs identified as wholly or mainly attributable to ensuring the public accountability of the charity and its compliance with regulation. These costs include external and internal audit and governors' costs.

Collections: films etc

All expenditure on acquiring and improving the national collection of films, television material, photographic stills, posters, books and other related materials held by the *bfi* is included in charitable expenditure in the year incurred. In the main this expenditure is of a curatorial or restoration nature and the Trustees are of the opinion that any value attributed to fixed assets would not be material. The Collections also comprise donated material and these items are not susceptible to formal valuation. A nominal value of £1 has been placed on these collections.

Investments

Investments in subsidiaries are stated at cost less provision for impairment.

BRITISH FILM INSTITUTE

NOTES TO THE ACCOUNTS

Year ended 31 March 2005

1. ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets and depreciation

Expenditure of £1,000 or more on tangible fixed assets is capitalised and included at cost.

Depreciation is provided on all tangible fixed assets, except freehold land, to write off the cost less estimated residual values over their expected useful economic lives. It is calculated on a straight line basis, except freehold buildings which are on a reducing balance basis, at the following rates:

Freehold buildings	2.9-5.3% per annum
Long leasehold property	2% per annum
Furniture, fittings and equipment	10-33% per annum
Motor vehicles	20% per annum

Stocks and 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 book publications and DVD and video development costs carried forward and written off over the expected commercial life of the individual titles.

Pension costs

In preparing the financial statements for the current year, the *bfi* has adopted the full reporting requirements of FRS17: Retirement Benefits.

The change in accounting policy has resulted in a prior year adjustment. Reserves at 1 April 2003 have been reduced by £16,604,000 whilst the surplus for the year ended 31 March 2004 has increased to £222,000. A pensions liability of £18,767,000 has been recognised at 31 March 2004. A pensions liability of £20,642,000 has been recognised as at 31 March 2005 and the recognised deficit for the year includes £1,874,000 of net pension charges under FRS17. Details are set out in Note 9.

Operating lease transactions

Payments made under operating leases are charged to the SOFA as they are incurred.

Fund accounting

Unrestricted funds are available for use at the discretion of the Governors in the furtherance of the general objectives of the *bfi* and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restriction imposed by donors. The aim and use of each restricted fund is set out in the notes to the financial statements

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.

Taxation

No corporation tax has been provided in these accounts because the income of the Charity is within the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988.

BRITISH FILM INSTITUTE

NOTES TO THE ACCOUNTS
Year ended 31 March 2005

2. CASH FLOW STATEMENT

Reconciliation of changes in resources to net inflow from operating activities:

	2005 £'000	2004 £'000
Net outgoing resources before lottery funding	(1,464)	(1,461)
Lottery funding	33	1,465
Net (outgoing)/incoming resources	<u>(1,431)</u>	<u>4</u>
Less interest receivable	(154)	(100)
Depreciation	1,412	1,475
Profit/(Loss) on fixed asset write offs	17	0
Decrease)/increase in stocks	54	(65)
(Increase)/decrease in debtors	(266)	9
(Decrease)/Increase in creditors	(1,360)	1,212
Increase in defined benefit pension scheme liability	1,875	168
Net cash inflow from operating activities	<u><u>147</u></u>	<u><u>2,703</u></u>

3. ANALYSIS OF CASH FLOWS

	2005 £'000	2004 £'000
Return on investments and servicing of finance		
Interest receivable	<u>154</u>	<u>100</u>

	2005 £'000	2004 £'000
Capital expenditure and financial investments		
Purchase of tangible fixed assets	<u>(373)</u>	<u>(563)</u>
	<u><u>(373)</u></u>	<u><u>(563)</u></u>

a) Reconciliation of net cash flow to movement in net funds

	2005 £'000	2004 £'000
(Decrease)/Increase in cash in the year	(72)	2,240
Net funds at 1 April 2004	<u>5,120</u>	<u>2,880</u>
Net funds at 31 March 2005	<u><u>5,048</u></u>	<u><u>5,120</u></u>

b) Analysis of net funds

	1 April 2004 £'000	Cash flow £'000	31 March 2005 £'000
Cash at bank and in hand	<u>5,120</u>	<u>(72)</u>	<u><u>5,048</u></u>

BRITISH FILM INSTITUTE

NOTES TO THE ACCOUNTS
Year ended 31 March 2005

4. RELATED PARTY TRANSACTIONS

The UK Film Council is regarded as a related party, being the *bfi*'s main funder, using resources delegated by the Department for Culture, Media and Sports (DCMS). During the year the *bfi* had the following material transactions with the UK Film Council:

a) Film Council Grant in Aid

	2005 £'000	2004 £'000
Unrestricted funds	<u>16,000</u>	<u>14,500</u>
Restricted funds (included within 'Other grants', see Note 18)	<u>800</u>	<u>200</u>

Grant-in-aid is spent in accordance with the funding agreement between the *bfi* and the UK Film Council and is directed at published UK Film Council objectives:

- 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
- Support & encourage cultural diversity and social inclusiveness
- Promote film activity in the nations & regions and ensure that national and regional bodies work in concert towards the Film Council's goals

b) Governors

The Governors neither received nor waived any emoluments during the year (2004 £Nil). One Governor received reimbursed expenses amounted to £1,016 in the year (2004 £3,544). This primarily represents reimbursed travelling expenses incurred in attending Governors' meetings. Payments totalling £Nil (2004 £Nil) were made in the year for services. There were no other material connected party transactions involving Governors in their personal capacity.

The charity has purchased insurance to indemnify the Governors against the consequences of any neglect or default on their part. This amounted to £1,764 (2004: £1,980).

5. LOTTERY FUNDED PROJECTS

	Gross costs of projects 2004/5 £'000	Less lottery monies b/fwd 1 April 2004 £'000	Less lottery monies received £'000	<i>bfi</i> funded £'000
Heritage Lottery Fund - film preservation project	33	-	33	-
	<u>33</u>	<u>-</u>	<u>33</u>	<u>-</u>

6. INVESTMENT INCOME

	2005 £'000	2004 £'000
Interest receivable	<u>154</u>	<u>100</u>

BRITISH FILM INSTITUTE

NOTES TO THE ACCOUNTS
Year ended 31 March 2005

7. TOTAL RESOURCES EXPENDED

	Costs £'000	Allocated Support costs £'000	2005 Total £'000	2004 Total £'000
Fund-raising & publicity	434		434	259
Lifelong learning	6,674	2,093	8,767	8,650
Distribution & Exhibition	9,640	2,489	12,129	12,451
Cinema heritage	5,285	2,416	7,701	9,092
Cost of support services	6,998	(6,998)	-	-
Governance costs	181		181	138
Restructuring costs	1,670		1,670	352
Increase in provision arising on pension liabilities - FRS17	1,924		1,924	902
Total resources expended	32,806	-	32,806	31,844

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

Nature of cost	Allocation basis	2005 £'000	2004 £'000
IT & Finance support	Combination of Head Count and transaction volumes (based on total income & expenditure)	(1,873)	(2,538)
Human resources	Head count	(527)	(504)
Premises and utilities	Combination of Floor area and Head Count	(2,748)	(2,442)
Communication and marketing	Direct Spend & weighted staff %	(1,468)	(1,207)
Other overheads	Combination of time and departmental spend	(382)	(411)
Total support		(6,998)	(7,102)

	2005 £'000	2004 £'000
Governance costs:		
Audit Fees	(55)	(75)
Legal fees	(53)	-
Trustees Costs	(1)	(4)
Corporate planning	(72)	(59)
Total governance	(181)	(138)

8. STAFF COSTS

	2005 £'000	2004 £'000
Staff costs consists of:		
Wages & salaries	13,720	13,116
Social security costs	995	970
Pension costs (see Note 9)	613	459
Increase/(Decrease) in provision arising on pension liabilities (see Note 9)	1,924	902
	17,252	15,447

BRITISH FILM INSTITUTE

NOTES TO THE ACCOUNTS
Year ended 31 March 2005

8. STAFF COSTS (CONTINUED)

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

	2005	2004
	Number	Number
Funded by UK Film Council grant and operating income:		
Culture and education	323	331
Planning & resources	73	71
Development & communications	8	10
Directorate	<u>2</u>	<u>3</u>
	406	415
Employees funded by other grants or sponsorship monies	<u>19</u>	<u>23</u>
	<u><u>425</u></u>	<u><u>438</u></u>

	Age at		
	31 March		
	2005	2005	2004
		£'000	£'000
Director			
A. Nevill	48	<u>110</u>	<u>100</u>
Relocation expenses		<u>-</u>	<u>14</u>

Including bonuses totalling £10,000 (2004: £Nil). A. Nevill became an ordinary member of the London Pensions Fund Authority pension scheme on 1st January 2004. Employers pension contributions for the year amounted to £6,300 (2004: £1,575).

	2005	2004
	Number	Number
Other senior staff		
(including employers' pension contributions)		
£80,000 - £89,999	1	-
£70,000 - £79,999	5	3
£60,000 - £69,999	8	9
£50,000 - £59,999	<u>6</u>	<u>9</u>

Included in the above are 18 (2004: 18) staff who are ordinary members of the London Pensions Fund Authority pension scheme. The amount of employers pension contributions attributable to these staff amounted to £66,286 (2004: £60,805)

NOTES TO THE ACCOUNTS
Year ended 31 March 2005

9. PENSIONS

The *bfi* is an admitted body to the London Pensions Fund Authority (LPFA), which provides a defined benefit pension scheme for its salaried employees. 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.

The *bfi* has accounted in full for pensions benefits in 2004/05 under the disclosure requirements of FRS17. Therefore as at 31 March 2005, a pension liability of £20,642,000 is disclosed in the *bfi* balance sheet. In accordance with FRS 17 a prior year adjustment has been made to reflect the *bfi* pension liability as at 31 March 2004 of £18,767,000.

For FRS17 disclosure the full valuation at 31 March 2004 has been updated by the actuaries Hymans Robertson to assess the liabilities of the scheme as at 31 March 2005.

The most significant actuarial assumptions in this recent valuation are:

	2005	2004	2003
	%	%	%
	Per annum	Per annum	Per annum
Rate of increase in prices	2.90	2.90	2.50
Rate of increase in salaries	4.40	4.40	4.00
Rate of increase in pensions in payment	2.90	2.90	2.50
Discount rate	5.40	5.50	5.40
Return on scheme investment:			
Equities	7.70	7.70	8.00
Bonds	4.80	5.10	4.80
Property	5.70	6.50	6.00
Cash	4.80	4.00	4.00

The *bfi* share of the net pension liability as at 31 March 2005

	2005	2004	2003
	£'000	£'000	£'000
Estimated employer assets	32,630	31,170	25,446
Present value of scheme liabilities	(50,940)	(47,555)	(42,050)
Present value of unfunded liabilities (see Note 17)	(2,320)	(2,370)	(2,210)
Net pension deficit	<u>(20,630)</u>	<u>(18,755)</u>	<u>(18,814)</u>

BRITISH FILM INSTITUTE

NOTES TO THE ACCOUNTS
Year ended 31 March 2005

9. PENSIONS (CONTINUED)

Analysis of the amount chargeable to resources expended under FRS17

	2005	2004	2003
	£'000	£'000	£'000
Current service cost	1,249	1,133	993
Curtailment and settlement	177	43	19
Total operating charge	<u>1,426</u>	<u>1,176</u>	<u>1,012</u>

Projected amount debited to other finance charges under FRS17

	2005	2004	2003
	£'000	£'000	£'000
Expected return on pension scheme assets	2,252	1,880	2,230
Interest on pension scheme liabilities	(2,755)	(2,400)	(2,398)
Net costs	<u>(503)</u>	<u>(520)</u>	<u>(168)</u>
Net revenue account cost	<u>1,929</u>	<u>1,696</u>	<u>1,180</u>

Analysis of amount recognised in the statement of financial activities (SOFA)

	2005	2004	2003
	£'000	£'000	£'000
Actual return less expected return on pension scheme assets	914	4,070	(10,972)
Experience gains and (losses) arising on the scheme liabilities	(720)	(157)	166
Changes in assumptions underlying the present value of the scheme liabilities	(912)	(2,769)	(1,316)
Actuarial gain/(loss) recognised in SOFA	<u>(718)</u>	<u>1,144</u>	<u>(12,122)</u>

Movement in deficit during the year

	2005	2004	2003
	£'000	£'000	£'000
Deficit in scheme at beginning of year	(18,767)	(18,814)	(5,843)
Movement in year:			
Current service cost	(1,249)	(1,133)	(993)
Contributions	630	474	330
Contributions in respect of Unfunded Benefits	142	125	-
Impact of settlements and curtailments	(177)	(43)	(19)
Net return on assets	(503)	(520)	(168)
Actuarial (loss)/gain	(718)	1,144	(12,121)
Deficit in scheme at end of the year	<u>(20,642)</u>	<u>(18,767)</u>	<u>(18,814)</u>

BRITISH FILM INSTITUTE

NOTES TO THE ACCOUNTS
Year ended 31 March 2005

9. PENSIONS (CONTINUED)

History of experience gains and losses

	2005	2004	2003
	£'000	£'000	£'000
Difference between the expected and actual return on scheme assets	914	4,070	(10,972)
value of scheme assets	32,630	31,170	25,446
percentage of scheme assets	2.8%	13.1%	-43.1%
Experience gains and losses on scheme liabilities	(720)	(157)	166
present value of scheme liabilities	53,260	49,913	44,260
percentage of the present value of the scheme liabilities	(0.0%)	(0.0%)	0.4%
Total amount recognised in statement of total recognised gains and losses	(718)	1,144	(12,122)
present value of scheme liabilities	53,260	49,913	44,260
percentage of the present value of the scheme liabilities	(0.0%)	2.3%	(0.3%)

10. NET RESOURCES

Net resources expended before transfers are stated after charging:

	2005	2004
	£'000	£'000
Auditors' remuneration:		
Audit	55	75
Other services	-	2
Depreciation	1,412	1,475
<i>Charges for operating leases:</i>		
Land & buildings	82	82
Other	<u>25</u>	<u>25</u>

11. TANGIBLE FIXED ASSETS

Group	Long leasehold property	Freehold land and buildings	Furniture fittings and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2004	25,555	22,699	10,379	88	58,721
Additions	-	-	373	-	373
Disposals	-	-	(225)	-	(225)
At 31 March 2005	<u>25,555</u>	<u>22,699</u>	<u>10,527</u>	<u>88</u>	<u>58,869</u>
Depreciation					
At 1 April 2004	(2,554)	(2,134)	(7,756)	(63)	(12,507)
Charge for the year	(511)	(315)	(581)	(5)	(1,412)
Disposals	-	-	208	-	208
At 31 March 2005	<u>(3,065)</u>	<u>(2,449)</u>	<u>(8,129)</u>	<u>(68)</u>	<u>(13,711)</u>
Net Book Value					
At 31 March 2005	<u>22,490</u>	<u>20,250</u>	<u>2,398</u>	<u>20</u>	<u>45,158</u>
At 1 April 2004	<u>23,001</u>	<u>20,565</u>	<u>2,623</u>	<u>25</u>	<u>46,214</u>

£Nil (2004: £16,147) of the net book value of furniture, fittings and equipment are held within the trading subsidiaries. There were no assets held on finance lease during the year or at the year end.

BRITISH FILM INSTITUTE

NOTES TO THE ACCOUNTS
Year ended 31 March 2005

12. SUBSIDIARIES

	<i>bfi</i> Big Screen £'000	Conn. Video Ltd £'000	2005 Total £'000	2004 Total £'000
Trading Account				
Income	2,670	32	2,702	3,010
Expenditure	<u>(2,717)</u>	<u>(33)</u>	<u>(2,750)</u>	<u>(2,822)</u>
Net operating profit/(loss)	(47)	(1)	(48)	188
Losses recovered from <i>bfi</i> under agency agreement		-	-	-
Surplus gift aided to the <i>bfi</i>		-	-	<u>(189)</u>
Net profit /(loss)	(47)	(1)	(48)	(1)
Balance Sheets				
Tangible fixed assets	0	-	-	16
Stocks and work in progress	24	-	24	27
Debtors	93	94	187	229
Cash at bank and in hand	554	-	554	595
Current liabilities	<u>(718)</u>	<u>-</u>	<u>(718)</u>	<u>(772)</u>
Total (<i>bfi</i> interest)	<u>(47)</u>	<u>94</u>	<u>47</u>	<u>95</u>

Shareholdings in subsidiaries

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

bfi (Big Screen) Ltd
 Connoisseur Video Ltd
 Project Rosebud Ltd (e-commerce development - dormant)

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 financial statements.

bfi (Big Screen) Limited operates the commercial activities of the *bfi* London IMAX and the theatrical operations of the IMAX.

Connoisseur Video Limited comprises the *bfi*'s video publishing export activity.

The investment held by the Charity is summarised as follows:

	2005 £'000
Cost	
At 1 April 2004 and 31 March 2005	<u>150</u>
Impairment	
At 1 April 2004	(54)
Charge for the year	-
At 31 March 2005	<u>(54)</u>
Net Book Value	
At 31 March 2005	<u>96</u>
At 31 March 2004	<u>96</u>

BRITISH FILM INSTITUTE

NOTES TO THE ACCOUNTS
Year ended 31 March 2005

13. STOCKS AND WORK IN PROGRESS

	Group 2005 £'000	Group 2004 £'000	Charity 2005 £'000	Charity 2004 £'000
Books and video publishing	254	246	229	218
Publications work in progress	46	99	46	99
Video work in progress	140	149	140	149
	<u>440</u>	<u>494</u>	<u>415</u>	<u>466</u>

14. DEBTORS

	Group 2005 £'000	Group 2004 £'000	Charity 2005 £'000	Charity 2004 £'000
Trade debtors	1,303	1,336	1,278	1,240
Amount owed by subsidiary undertakings	-	-	299	292
Other debtors	870	874	870	861
Prepayments and accrued income	851	462	783	423
Lottery awards	26	112	26	112
	<u>3,050</u>	<u>2,784</u>	<u>3,256</u>	<u>2,928</u>

15. CASH AT BANK AND IN HAND

	Group 2005 £'000	Group 2004 £'000	Charity 2005 £'000	Charity 2004 £'000
Cash at bank	5,034	5,108	4,480	4,530
Cash in hand	14	12	14	12
	<u>5,048</u>	<u>5,120</u>	<u>4,494</u>	<u>4,542</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2005 £'000	Group 2004 £'000	Charity 2005 £'000	Charity 2004 £'000
Trade creditors	(1,735)	(1,401)	(1,635)	(1,265)
Other taxes and social security costs	(345)	(328)	(331)	(321)
Other creditors	(351)	(633)	(207)	(471)
Accruals and deferred income	(3,409)	(4,838)	(3,343)	(4,760)
	<u>(5,840)</u>	<u>(7,200)</u>	<u>(5,516)</u>	<u>(6,817)</u>

Included in accruals and deferred income is £Nil of deferred income in respect of Lottery grants (2004: £95,202) and £Nil (2004: £1,333,000) in respect of the UK Film Council advanced funding.

NOTES TO THE ACCOUNTS
Year ended 31 March 2005

17. PROVISIONS FOR LIABILITIES AND CHARGES - GROUP AND CHARITY

In addition to the amounts payable for current members of the pension scheme (Note 9), within this scheme the *bfi* has an unfunded liability to pay pensions to 44 (2004: 44) former employees and their spouses. The total actuarial valuation for this liability at 31 March 2005 is included in the pension provision. The anticipated cost falling due in the year to 31 March 2006 of £138,000 is included in the defined benefit pension scheme liability.

A summary of the impact on the SOFA therefore is:

	2005 £'000	2004 £'000	2003 £'000
Release/(accrual) of costs	-	795	(795)
Charge for current year	(2,647)	(553)	(13,301)
Decrease/(increase) in overall pension accrual	<u>(2,647)</u>	<u>242</u>	<u>(14,096)</u>
	2005 £'000	2004 £'000	2003 £'000
		As restated	As restated
Pension liability			
Valuation as at 1 April 2004	<u>(18,767)</u>	<u>(19,609)</u>	<u>(5,843)</u>
Utilised in the year	767	600	330
Net (charge)/credit to SOFA	<u>(2,642)</u>	<u>242</u>	<u>(14,096)</u>
Net movement in year	<u>(1,875)</u>	<u>842</u>	<u>(13,766)</u>
Valuation as at 31 March 2005	<u>(20,642)</u>	<u>(18,767)</u>	<u>(19,609)</u>
Defined benefit pension scheme liability	<u>(20,642)</u>	<u>(18,767)</u>	<u>(19,609)</u>
	<u>(20,642)</u>	<u>(18,767)</u>	<u>(19,609)</u>

BRITISH FILM INSTITUTE

NOTES TO THE ACCOUNTS
Year ended 31 March 2005

18. STATEMENT OF FUNDS

	Restated At 1 April 2004 £'000	Income £'000	Expenditure £'000	Transfers £'000	At 31 March 2005 £'000
Unrestricted funds	12,188	29,986	(30,237)		11,937
Restricted funds:					
Fixed Assets	16,051		(397)	-	15,654
Charitable Activities:					
TV Grants - recording TV programmes for Uk Wide access to moving image materials	172	898	(881)	-	189
TV Grants - as above for Educational purposes	20	96	(96)	-	20
Digital Test Bed	0	160	(160)	-	0
ITC Library Grant	18		(18)		(0)
NFT Refurbishment Donations	26				26
Awards for All	3	-	(2)		1
Lambeth/Westminster Grants	9		(9)		-
Chaplin Foundation	96		-		96
Heritage Lottery Fund	-	33	(33)	-	-
NIACE	-	7	(6)		1
London Development Authority (LDA)	-	100	(100)		-
Sheffield University grant	-	12	(12)		-
Paul Hamlyn Foundation	20		(20)		-
Arts Council	33		(16)		17
David Parker project	6		(6)		-
UK Film Council	-	800	(1,531)		(731)
NFT General	3	1	(0)		4
Total restricted funds	16,457	2,107	(3,287)	-	15,277
Total funds	28,645	32,093	(33,524)	-	27,214

Operating statement - charity only	2005 Total £'000	Restated 2004 Total £'000
Incoming resources	29,391	27,932
Resources expended	30,774	27,899
Operating (deficit)/surplus	(1,383)	33
Charity only funds brought forward as restated	28,645	28,612
Charity only fund balances carried forward	27,261	28,645

TV Grants	Archiving services for both Independent Television and the BBC
Digital Test Bed	Research into digital projection technology
ITC Library Grant	Maintenance of library
NFT Refurbishment Donations	Donations specifically for the NFT refurbishment
Awards for All	Community education project
Lambeth/Westminster Grants	Local education projects
Chaplin Foundation	Charlie Chaplin archive and research projects
Heritage Lottery Fund	Film preservation project
NIACE	Northern Ireland Tourist Board European education workshops
LDA	Support for projects associated with The Times bfi London Film Festival
Sheffield University	Mitchell & Kenyon film restorations
Paul Hamlyn Foundation	London Film Festival education events
Arts Council	Contemporary artists DVD series
David Parker	Nuffield Foundation Grant re Bradford Riots
UK Film Council	Modernisation grant funding, continues into the next financial year.
NFT General	Donations specifically for the use of the NFT

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NOTES TO THE ACCOUNTS
Year ended 31 March 2005

Fund balances at 31 March 2005 are represented by:

	Unrestricted £'000	Restricted £'000	Total £'000
Tangible fixed assets	29,504	15,654	45,158
Stocks and Work in Progress	440	-	440
Debtors	2,820	230	3,050
Cash at Bank and in hand	4,998	50	5,048
Current assets	8,258	280	8,538
Current liabilities	(5,183)	(657)	(5,840)
Long term liabilities	(20,642)		(20,642)
Total net assets	11,937	15,277	27,214

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

Net free reserves

	2005 Unrestricted £'000	2004 Unrestricted £'000
Current assets	8,258	7,992
Current liabilities	(5,183)	(7,336)
Net free reserves	3,075	656

19. LEASE COMMITMENTS

Annual commitments in respect of operating leases payable in the year ending 31 March 2005 are as follows:

	Land and buildings 2005 £'000	Land and buildings 2004 £'000	Other 2005 £'000	Other 2004 £'000
Leases which expire:				
Less than 1 year	-	-	-	-
Within 2 to 5 years	40	40	25	25
Over 5 years	42	42	-	-
Total	82	82	25	25

20. TAX STATUS

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

It's subsidiaries' total taxable profits are gifted to the Charity and therefore no tax is payable.

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

21. PRIOR YEAR ADJUSTMENTS

Bfi has adopted the SORP 2005 and FRS17 in advance of the required dates. Comparative figures in the Statement of Financial Activities and the Balance Sheet have been revised to comply with these accounting requirements. The adoption of FRS17 has reduced the prior year's surplus by £926,000 and has reduced the total funds of the Charity by £20,642,000 (see note 9). Current year results have been reduced by £1,924,000.

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2005 £'000	Total 2004 £'000
Fund balance brought forward as reported	28,574	16,457	45,031	45,027
Prior year adjustment - Pension	(16,386)	-	(16,386)	(16,604)
Fund balance restated	12,188	16,457	28,645	28,423
Net movement in funds	(251)	(1,180)	(1,431)	222
Total funds carried forward	11,937	15,277	27,214	28,645