

Financial Statements

***bfi* Status** The British Film Institute is a body incorporated by Royal Charter and also a registered charity, number 287780. A copy of the Royal Charter is available on request.

British Film Institute
Report of the Governors
for the year ended 31 March 1999

The Governors are the trustees of the charity.

Governors of the *bfi* during the year were:

Alan Parker (*Chairman*)

Joan Bakewell (*Deputy Chairman*)

Ray Deahl

Charles Denton

Sir Anthony Durant MP
(*retired 30.9.98*)

Lord Dafydd Elis-Thomas

Tony Elliott

Terry Gilliam

Alan Howden

Ronnie Kells

Gus Macdonald
(*resigned 30.9.98*)

Steve Morrison
(*retired 30.9.98*)

Simon Olswang

Barry Norman

Rodney Payne

Sarah Radclyffe

Eric Senat

Allan Shiach
(*retired 30.9.98*)

Brian Winston

Jean Young

Governors of the *bfi* are appointed by the Secretary of State for Culture Media & Sport. Governors also serve on the following committees:

Audit Sub-Committee
Budget Sub-Committee
Disability Committee
Industry Festival
National Film and Video Forum
Production Board
Property
Remuneration Committee

Financial controls

The Governors are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the *bfi* and which enable them to ascertain the financial position of the charity and which enable them to ensure that the financial statements comply with applicable regulations. They are also responsible for safe-guarding the assets of the *bfi* and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Audit Committee examines the effectiveness of the systems of internal financial control on behalf of the Governors and are satisfied that the systems in place comply in all material aspects with Charity Commission and DCMS guidance, and that:

- The *bfi* is operating effectively and efficiently
- Its assets are safeguarded against unauthorised use or disposition
- Proper records are maintained and financial information used within the *bfi* or for publication is reliable; and
- The *bfi* complies with relevant laws and regulations

The systems of financial control are designed to provide reasonable, but not absolute, assurance against material mis-statement or loss and include regular consideration by the Governors of actual results, including non-financial performance targets, against budgets and forecasts.

Deloitte & Touche provide the *bfi* with an internal audit function. The Audit Committee considers all internal audit reports and recommendations.

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 W1P 2LN.

The *bfi*'s Royal Charter requires the *bfi* to keep proper accounts and other records and to prepare for each financial year statements of account in such form as the Secretary of State for Culture Media & Sport with the consent of the Treasury may direct. The Governors are required to ensure that a registered auditor audits the financial statements each year and report on whether they show a true and fair view of the *bfi*'s state of affairs at the year-end and of its income and expenditure and cash flows for the financial year. The Governors are also required as soon as practical after the end of the financial year to issue an Annual Report containing the financial statements and a report on the affairs of the *bfi*.

In preparing these financial statements, the *bfi* is required to:

- Observe the accounts directions issued by the Secretary of State for Culture Media & Sport including the adoption of suitable accounting policies within the framework outlined in the *bfi*'s Royal Charter;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the *bfi* will continue in operation.

The *bfi* is also responsible for safeguarding its assets and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are regarded as trustees for investment purposes.

Review of activities

The objects of the *bfi* are to encourage the development of the art of film in the United Kingdom, to promote its use as a record of contemporary life and manners, to foster study and appreciation of it from these points of view, to foster study and appreciation of film for television and television programmes generally and to encourage the best use of television in the United Kingdom. The *bfi* is governed subject to the terms and conditions set out in its Royal Charter.

The *bfi* cannot operate as effectively as it does without the support of sponsors and donors. The Governors wish to express their thanks to the *bfi*'s benefactors, and in particular to J Paul Getty KBE, for his generosity over many years towards every aspect of our work, in particular the preservation of the heritage of our national cinema.

Subsequent to the year-end, the *bfi* announced that, from 1st September 1999, the Museum of the Moving Image would become a touring museum, while redevelopment of the South Bank Arts Complex takes place.

Financial performance

Total expenditure during the year 'including depreciation' amounted to £30,306m. Activity income amounted to £9,374m which, when added to the grant of £15,100m from the Department for Culture Media & Sport, interest received and other income, gives total income of £39,039m. The Consolidated Statement of Financial Activities (SOFA) is set out on page 39 and

shows a surplus for the year on general funds of £27k. The overall surplus including designated and restricted funds was £8,733m. The Consolidated Statement of Financial Activities (SOFA) is set out on page 39 with further detail provided in note 19.

Divisional activities during the year are set out in the Annual Review, copies of which are available on request.

Reserves policy

The *bfi* plans financially on a rolling three-year basis based on forecasts of activity and anticipated levels of income from the Department for Culture Media & Sport (DCMS) and other funders. The *bfi* funds both long-term developments and its on-going programmes from grants and donations received and income generated from its activities.

All expenditure plans are phased to ensure adequate funding is available as needed. It is the Board's intention to build up a liquidity reserve equivalent to one month's recurrent expenditure on general and designated activities, circa £2.4m.

Projects funded from Restricted Income, mainly grants and lottery awards, only proceed to implementation after all necessary funding has been secured. The balances of unspent grants and similar items held within the Restricted Fund are subject to specific conditions imposed by the donors and not available to fund our other activities.

Tangible fixed assets

The movement in tangible fixed assets is disclosed in note 11. Land and Buildings were revalued at 31st March 1999 and a surplus on revaluation of £9,164m identified.

Year 2000

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. A company-wide programme, designed to address the impact of the Year 2000 on our business, has been commissioned and is under way. All major IT systems will have been checked and made compliant for Year 2000 problems by the end of July 1999. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

The Governors have assessed the impact of the Year 2000 problem and are taking steps to ensure that all relevant systems and equipment will be Year 2000 compliant. Expenses associated with this are not expected to be material in relation to these financial statements and will be expensed as incurred.

Equal Opportunities

The *bfi* has an agreement with the recognised trade unions on Equal Opportunities. This is reflected in the policies and practices of recruitment, promotion and training.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the *bfi* continues and that appropriate training is arranged. It is *bfi* policy that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee involvement

The flow of information to staff is maintained by office notices and regular departmental meetings, and at general meetings of all staff held from time to time where matters of current interest and concern to the *bfi* are discussed. A monthly newsletter is circulated to all staff. Regular meetings are held with representatives of the recognised trade unions.

Charitable commitments

There were no material charitable commitments at the year-end.

Transactions with Governors

No Governors received remuneration for their service as Governors. In addition to the reimbursement of travelling expenses during the year (see note 8) the following Governor received payments for professional services: Brian Winston £850. All contracts with Governors for services are negotiated on an arms-length basis.

Professional advisors

The *bfi*'s principal advisors are:

Hutchinson Morrison and Childs –
Property
Lloyds Bank Plc – Bankers
Nicholson Graham and Jones –
Solicitors

On behalf of the Board of Governors

Alan Parker

Ray Deahl

23rd June 1999

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

We have audited the financial statements on pages 39-48 which have been prepared under the historical cost accounting convention as modified for the revaluation of fixed assets and on the basis of the accounting policies set out on pages 41-42.

Respective responsibilities of Governors and auditors

As described on this page the *bfi* is responsible for the preparation of the financial statements. 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 by the Governors under the *bfi*'s Royal Charter and report in accordance with the requirements of that Charter and in accordance with regulations made under Section 44 of the Charities Act 1993.

Basis of opinion

We conducted our audit in accordance with 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 *bfi* in the preparation of the financial statements, and of whether the accounting policies are appropriate to the *bfi*'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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the *bfi*'s affairs as at 31st March 1999 and of its incoming resources and application of resources for the year, and have been properly prepared in accordance with the requirements of the Royal Charter of Incorporation and the Charities Act 1993.

Binder Hamlyn
Chartered Accountants and
Registered Auditors
20 Old Bailey
London
EC4M 7BH

23rd June 1999

Consolidated Statement of Financial Activities for the year ended 31st March 1999

Income and Expenditure	Notes	General £000	Designated £000	Restricted £000	Total £000	1998 £000
Incoming Resources						
Grant-in-aid	3	15,100	-	-	15,100	16,000
Other grants		-	-	984	984	1,502
Lottery award funding	4	-	-	11,923	11,923	3,260
Investment income	5	-	338	-	338	394
Income from activities		9,227	147	-	9,374	10,965
Fundraising activities		1,320	-	-	1,320	833
	6	<u>25,647</u>	<u>485</u>	<u>12,907</u>	<u>39,039</u>	<u>32,954</u>
Resources Expended						
Direct charitable expenditure		23,863	1,692	1,128	26,683	30,594
Lottery applications		-	24	1,226	1,250	570
Fundraising and publicity		655	43	-	698	410
Management and administration		1,102	573	-	1,675	3,049
	6, 10	<u>25,620</u>	<u>2,332</u>	<u>2,354</u>	<u>30,306</u>	<u>34,623</u>
Net incoming/(outgoing) resources		27	(1,847)	10,553	8,733	(1,669)
Notional Costs:						
Cost of capital	7	74	-	-	74	1,766
Net incoming/(outgoing) resources after notional costs		(47)	(1,847)	10,553	8,659	(3,435)
Realised gains/(losses) on investments	12	-	(71)	-	(71)	548
		(47)	(1,918)	10,553	8,588	(2,887)
Surplus on revaluation	11	-	9,164	-	9,164	-
Unrealised gains on investments	12	-	-	-	-	301
Reversal of notional costs		74	-	-	74	1,766
Net incoming/(outgoing) resources		<u>27</u>	<u>7,246</u>	<u>10,553</u>	<u>17,826</u>	<u>(820)</u>
Fund balances brought forward		1,200	22,653	4,332	28,185	29,005
Fund balances carried forward		<u>1,227</u>	<u>29,899</u>	<u>14,885</u>	<u>46,011</u>	<u>28,185</u>

There were no recognised gains and losses other than those shown in the statement above. All the above results derive from continuing operations. The notes on pages 41-48 form an integral part of these financial statements.

Summary Income and Expenditure Account	1999 £000	1998 £000
Income of continuing operations	39,039	32,954
Less lottery monies for capital projects	10,697	2,991
	<u>28,342</u>	<u>29,963</u>
Operating expenditure	30,306	34,623
Operating deficit on revenue income and expenditure	<u>(1,964)</u>	<u>(4,660)</u>

Consolidated Balance Sheet at 31st March 1999

	Notes	£000	1999 £000	£000	1998 £000
Fixed Assets					
Collections: Films etc			-		-
Tangible Fixed Assets	11		45,351		23,418
Investments	12		-		3,719
			<u>45,351</u>		<u>27,137</u>
Current Assets					
Stocks	14	452		557	
Debtors	15	6,274		3,929	
Cash at bank and in hand	16	640		3,581	
			<u>7,366</u>	<u>8,067</u>	
Less creditors: amounts falling due within one year	17	5,072		5,455	
Net current assets			<u>2,294</u>		<u>2,612</u>
Total assets less current liabilities			47,645		29,749
Less provision for liabilities and charges	18		1,634		1,564
	19		<u>46,011</u>		<u>28,185</u>
Financed by:					
Unrestricted funds					
General			1,227		1,200
Designated			29,899		22,653
Restricted funds			14,885		4,332
	19		<u>46,011</u>		<u>28,185</u>

The Governors and Director of the *bfi* approved these financial statements on 23rd June 1999.

Alan Parker

Ray Deahl

John Woodward

The notes on pages 41-48 form an integral part of these financial statements

Consolidated cash flow statement for the year ended 31st March 1999

	1999 £000	1998 £000
Net cash inflow from operating activities	7,355	3,288
Capital expenditure and financial investment	<u>(10,296)</u>	<u>(2,498)</u>
(Decrease)/increase in cash in the year	<u>(2,941)</u>	<u>790</u>

Notes to the Cash Flow Statement

	1999 £000	1998 £000	
1 Reconciliation of changes in resources to net inflow from operating activities			
Net incoming resources before lottery funding	(1,964)	(4,660)	
Assets funded by lottery	10,697	2,991	
Net incoming/(outgoing) resources	8,733	(1,669)	
Realised investment gains/(losses)	(71)	548	
Depreciation	1,246	1,489	
Decrease/(increase) in stocks	105	(35)	
(Increase)/decrease in debtors	(2,345)	350	
(Decrease)/increase in creditors	(383)	1,041	
Increase in provision for liabilities and charges	70	1,564	
Net cash inflow from operating activities	<u>7,355</u>	<u>3,288</u>	
2 Analysis of cash flows			
Capital expenditure and financial investments	14,015	4,670	
Capital expenditure in year	(3,719)	(2,172)	
Investment disposals at cost	<u>10,296</u>	<u>2,498</u>	
3 Reconciliation of net cash flow to movement in net funds			
Increase in cash in the period			
Cash (outflow) inflow from increase in liquid resources	(2,941)	790	
Movement in net funds in the period	(2,941)	790	
Net funds at 1st April 1998	3,581	2,791	
Net funds at 31st March 1999	<u>640</u>	<u>3,581</u>	
4 Analysis of net funds	1.4.98	Cash flow	31.3.99
	£000	£000	£000
Cash at bank and in hand	<u>3,581</u>	<u>(2,941)</u>	<u>640</u>

The notes on pages 41-48 form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 31st March 1999

1 Accounting Policies

The financial statements of the *bfi* are prepared under the historical cost convention as modified by the revaluation of listed investments and in accordance with applicable accounting standards and the Statement of Recommended Practice 'Accounting for Charities' (SORP).

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated accounts incorporate the financial statements of the *bfi* and all of its subsidiary undertakings and include the results of the *bfi* itself together with those of its subsidiary undertakings to the date of these financial statements.

The consolidated financial statements have been prepared using the acquisitions method.

A separate SOFA is not included for the *bfi* itself; similarly a separate balance sheet is not presented for the *bfi* as this would not be materially different from the consolidated balance sheet.

Income

Income is accounted for on the following basis:

Lottery Funding and other grants
Lottery income and other grants are recognised when the conditions for their receipt have been met.

South Bank
Sales of ticket and retail items at the National Film Theatre and Museum of the Moving Image are credited to income on an accruals basis.

Other income
Income from sales of publications, provision of services, member and magazine subscriptions, and miscellaneous items are dealt with on the accruals basis and represent amounts invoiced to clients excluding VAT where appropriate.

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. 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.

Tangible fixed assets

The *bfi*'s accounting presentation of expenditure on tangible fixed assets is in accordance with the HM Treasury publication *Trading Accounts: A guide for Government Departments and Non-Departmental Bodies*. Expenditure on tangible fixed assets is capitalised and depreciation charged to the SOFA.

Costs in making applications are charged to the SOFA in the year they are incurred and matched with related income from Lottery awards. Expenditure on tangible fixed assets is capitalised within the Restricted and Designated Funds.

Depreciation

Depreciation is provided to write-off the cost, less estimated residual values, of all fixed assets except freehold land, over their expected useful lives. It is calculated at the following rates:

Freehold buildings
2% per annum

Long leasehold property
2% per annum

Furniture, fittings and equipment
10-33% per annum

Motor vehicles
20% per annum

Investments

Investments in subsidiary undertakings are included at cost, less provision for a

permanent diminution of value if appropriate.

Listed investments are included at market value at the balance sheet date.

Surplus or deficits on sales of investments are credited or charged in the SOFA.

Stocks

Stocks are valued at the lower of cost and net realisable value and comprise goods held for resale.

Direct charitable expenditure

Expenditure includes direct costs of the activities and depreciation on related assets. Where costs relate to more than one activity they are allocated on an appropriate basis.

Management and administration

These costs are incurred in the management of the *bfi*'s assets, corporate administration and compliance with constitutional and statutory requirements.

Staff costs

Staff costs consist of wages and salaries, social security and pension costs (note 8).

Film production costs and income

Committed expenditure on film productions is charged in the income and expenditure account in the year production commenced.

Income from completed film production is credited to the income and expenditure

account in the year in which it is earned.

Pension costs

Contributions to a defined benefit pension scheme are charged to the SOFA so as to spread the cost of pensions over employees' working lives within the *bfi*, in accordance with the Statement of Standard Accounting Practice 24.

Notional costs

In accordance with Treasury Guidance, notional costs of estimated capital are charged in the SOFA in arriving at a net income (outgoing) resources figure. Notional costs are not charged on donated or lottery funded assets.

Operating lease transactions

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

Fund accounting

General funds are available for use at the discretion of the Governors in the furtherance of the general objectives of the *bfi*.

Designated funds comprise funds which have been set aside at the discretion of the Governors for fixed asset purchases and other expenditure. The purpose and use of the designated funds are set out in the notes to the financial statements.

Restricted funds are funds subject to specific restriction imposed by donors.

2 Presentation of Financial Statements

The *bfi*'s Royal Charter requires the *bfi* to keep proper accounts and other records and prepare for each financial year financial statements in such form as the Secretary of State for Culture Media & Sport, with the consent of the Treasury, may direct.

A copy of the Direction given by the Secretary of State for Culture Media & Sport may be obtained from the Director of the *bfi*, 21 Stephen Street, London W1P 2LN.

3 Related Party Transactions

The *bfi* is an NDPB of the Department for Culture Media & Sport (DCMS). The DCMS is regarded as a related party. During the year, the *bfi* has had material transactions with the DCMS, and with other entities for which the DCMS is regarded as the parent Department, viz:

	1999	1998
	£000	£000
a) DCMS – Grant-in-aid		
General funds	14,837	15,488
Tangible fixed assets	263	512
	<u>15,100</u>	<u>16,000</u>

Grant-in-aid is available for running costs, capital expenditure and additions to the national collection.

b) Lottery funding bodies – see note 4.

None of the *bfi* Governors, key management staff or other related parties has undertaken any material transactions with the *bfi* during the year.

4 Lottery Funding

	Gross Costs 1998-99 £000	Less Lottery and Other Monies Receivable £000	BFI Funding	
			General £000	Designated £000
Arts Council of England				
IMAX	12,290	9,263	-	3,027
NCC (Feasibility)	24	-	-	24
Heritage Lottery Fund				
Film preservation	2,660	2,660	-	-
Total	14,974	11,923	-	3,051
Fixed assets costs	13,724	10,697	-	3,027
	<u>1,250</u>	<u>1,226</u>	<u>-</u>	<u>24</u>

	Award In Year £000	Received In Year £000
Film Production Lottery Awards:		
Arts Council of England		
<i>Beautiful People</i>	554	554

5 Investment Income

	1999 £000	1998 £000
Interest receivable	284	209
British government stocks	9	38
UK equities	45	147
	<u>338</u>	<u>394</u>

6 Income and Resources Expended

	Income £000	Staff Costs £000	Other Costs £000	Accom. Support Costs £000	Total expenditure £000	Net Support £000
Charitable Activities						
Exhibition	2,654	2,292	5,003	974	8,269	5,615
Collections	5,288	4,283	4,865	1,821	10,969	5,681
Education	2,094	1,739	2,329	739	4,807	2,713
Production	1,291	308	2,082	131	2,521	1,230
Support services:						
Accommodation costs	-	-	1,959	(1,959)	-	-
IT and central administration	117	1,614	525	(2,022)	117	-
Sub-total	11,444	10,236	16,763	(316)	26,683	15,239
Lottery applications	11,923	-	1,250	-	1,250	(10,673)
Fundraising and publicity	-	203	409	86	698	698
Management and administration	572	542	903	230	1,675	1,103
Grant-in-aid received	15,100	-	-	-	-	(15,100)
Total	<u>39,039</u>	<u>10,981</u>	<u>19,325</u>	<u>-</u>	<u>30,306</u>	<u>(8,733)</u>

Income is shown above in accordance with internal allocations to charitable and other activities.

7 Notional Cost of Capital

Notional cost of capital is calculated as 6% of the average General Funds employed. No notional interest is calculated on donated or lottery-funded assets.

8 Staff

	1999	1998
	£000	Restated £000
Staff costs consist of:		
Wages and salaries	9,821	10,133
Social security costs	783	752
Pension costs	377	365
	<u>10,981</u>	<u>11,250</u>

**The average number of full-time equivalent employees of the *bfi* during the year:
Funded by DCMS grant and operating income:**

	1999	1998
	Number	Number
Exhibition	68	66
Collections	234	244
Education	62	65
Production	5	7
Central Services	60	62
Fundraising and publicity	4	4
Management and administration	12	12
	<u>445</u>	<u>460</u>
Employees funded by other grants or sponsorship monies	48	27
	<u>493</u>	<u>487</u>

Director

J C Woodward

(Including a non-consolidated performance related bonus of £9,996 (1998 £Nil);
personal pension scheme contribution of £12,467 (1998 £Nil))

£000

110

Other Senior Staff including employers pension contributions:

	1999	1998
	Number	Number
£60,000 - £69,999	-	-
£50,000 - £59,999	4	2
£40,000 - £49,999	14	10

The Governors neither received nor waived any emoluments during the year (1998 £Nil). Expenses reimbursed amounted to £2,070 (1998 £2,242).

As disclosed in the foreword payments totalling £850 were made in the year for professional services. There were no other material connected party transactions involving Governors in their personal capacity.

9 Pensions

The *bfi* is an admitted body to the London Pensions Fund Authority, which is a defined benefit scheme for its salaried employees. It is a funded scheme and the assets are administered by trustees and are independent of the *bfi*'s finances.

The main actuarial assumptions were as follows:

Rate of increase in salaries	5.4%
Return on scheme investments	7.2%

The market value of scheme assets at 31st March 1999 was £1.17m representing 108% of estimated liabilities. The separate scheme for pensions in payment was £1.48m, representing 100% of the actuarial liability.

After the fund was revalued at 31st March 1998 and found to be in surplus a revised employer's contribution rate of 3.4% was agreed for the three years commencing 1st April 1999.

The charge for pension costs for the year is included in staff costs. The actual costs paid in the year amounted to £290,664 (including £128,780 in respect of unfunded pensions to former staff (note 18)).

10 Resources Before Transfers is Stated After Charging:

	1999 £000	1998 £000
Auditors' remuneration		
Audit fee	31	29
Accountancy and other services	7	9
Depreciation	1,246	1,455
Loss on disposals	-	34
Charges for operating leases:		
Equipment	86	156
Property rents	158	228

11 Tangible Fixed Assets

	Long Leasehold Property £000	Freehold Land and Buildings £000	Furniture Fittings & Equipment £000	Motor Vehicles £000	Total £000
Cost					
At 1st April 1998	12,316	13,205	8,991	84	34,596
Additions:					
Grant-in-aid	-	-	263	-	263
Major projects fund	-	-	28	-	28
Lottery	11,459	2,265	-	-	13,724
Surplus (loss) on revaluation	(888)	5,330	-	-	4,442
At 31st March 1999	<u>22,887</u>	<u>20,800</u>	<u>9,282</u>	<u>84</u>	<u>53,053</u>
Depreciation					
At 1st April 1998	1,543	2,749	6,802	84	11,178
Charge for the year:					
General	-	-	376	-	376
Designated	154	276	440	-	870
Elimination on revaluation	(1,697)	(3,025)	-	-	(4,722)
At 31st March 1999	<u>-</u>	<u>-</u>	<u>7,618</u>	<u>84</u>	<u>7,702</u>
Net Book Value at 31st March 1999					
General	-	-	880	-	880
Designated	11,027	18,535	784	-	30,346
Restricted	11,860	2,265	-	-	14,125
	<u>22,887</u>	<u>20,800</u>	<u>1,664</u>	<u>-</u>	<u>45,351</u>
At 31st March 1998					
General	-	-	994	-	994
Designated	7,346	10,456	1,195	-	18,997
Restricted	3,427	-	-	-	3,427
	<u>10,773</u>	<u>10,456</u>	<u>2,189</u>	<u>-</u>	<u>23,418</u>

Long leasehold property represents buildings held on lease with more than 50 years unexpired.

Stephen Street, Berkhamsted properties and the South Bank leasehold property were revalued on an Existing Use Value basis in accordance with the RICS Appraisal and Valuation Manual. The Gaydon film vaults were valued on a depreciated replacement cost basis in view of the specialised design and construction. The IMAX® Theatre was under construction at 31st March 1999 and is valued at cost.

The revaluation as at 31st March 1999 was conducted by Messrs Jones Lang Wooton:

	£000
Cost – increase on revaluation	4,442
Depreciation eliminated on revaluation	4,722
Surplus on revaluation	<u>9,164</u>

Furniture, fittings and motor vehicles fixed assets are included at net historic cost. These assets are not held for resale and market value basis is therefore considered inappropriate. Depreciation is calculated to write-off the cost of these assets in full over their useful lives.

All tangible fixed assets are employed in charitable activities.

12 Fixed Asset Investments

	1999	1998
	£000	£000
Market value at 1st April 1998	3,719	5,590
Additions in year	-	5,764
Disposals in year	(3,648)	(8,484)
Profit (loss) on disposals	(71)	548
Unrealised gain in year on revaluation	-	301
Market value at 31st March 1999	<u>-</u>	<u>3,719</u>
Historic Cost at 31st March 1999		
Quoted investments	-	3,418
Unquoted investments	<u>-</u>	<u>-</u>
Unrealised investment gains at 31st March 1999	<u>-</u>	<u>301</u>

Unquoted Investments

As part of a funding arrangement, 100 shares are held in City Screen Oxford Ltd and in City Screen Exeter Ltd. These represent 10% of the issued share capital of each company.

13 Subsidiaries**The bfi has the following interests in subsidiary undertakings**

100% owned	<i>bfi</i> Projects Ltd*	(Dormant)
	Connoisseur Films Ltd	(Dormant)
	Connoisseur Video Ltd	(Video Publishing)
	Glenbuck Films Ltd	(Dormant)
	Museum of the Moving Image Ltd	(Artscard Administration)

**bfi* Projects Ltd renamed *bfi* (Big Screen) Ltd after 31st March 1999

The above undertakings are registered in England and Wales. As stated in note 1 the income and expenditure assets and liabilities of subsidiaries have been consolidated in the financial statements.

14 Stocks

	1999	1998
	£000	£000
South Bank gift and bookshops	281	320
Book and video publishing	171	237
	<u>452</u>	<u>557</u>

15 Debtors

	1999	1998
	£000	£000
Trade debtors	1,960	1,716
Other debtors	785	363
Prepayments and accrued income	364	368
Lottery awards	3,165	1,482
	<u>6,274</u>	<u>3,929</u>

All amounts shown under debtors fall due for payment within one year.

16 Cash at Bank and In Hand

	1999	1998
	£000	£000
Unrestricted funds	156	293
General	376	2,712
Designated	108	576
Restricted	<u>640</u>	<u>3,581</u>

17 Creditors Falling due Within One Year

	1999 £000	1998 £000
Trade creditors	1,370	1,542
Other taxes and social security costs	260	237
Other creditors	414	604
Accruals	1,884	1,920
Lottery awards	1,144	1,152
	<u>5,072</u>	<u>5,455</u>

The *bfi* aims to pay all suppliers on agreed credit terms subject to satisfactory supply of goods or services. Normal credit terms are 30 days after receipt of invoice at the central Finance Department, 21 Stephen Street London. An analysis of payments during 1998-99 shows that average credit taken during the year was 42 days (1998: 47 days).

18 Provision for Liabilities and Charges

The *bfi* also has an unfunded liability to pay pensions to 46 former employees. The total actuarial valuation of this liability is estimated at £1,763,406. The annual cost of £130,000 falling due in 1999-2000 is included within other creditors, and the balance of £1,633,406 is included in provisions.

19 Statement of Funds

	Balance 1.4.98 £000	Transfer £000	Income £000	Expenditure £000	Revaluation Increase £000	Balance 31.3.99 £000
General fund	1,200		25,647	25,620		1,227
Designated Funds:						
Capital reserve	17,314	3,055	-	1,079	9,164	28,454
Within Department:						
Exhibition	69	8	21	76	-	22
Collections	13	-	-	13	-	-
Education	14	-	-	14	-	-
Production	164	-	-	57	-	107
Central Services	33	240	49	273	-	49
Major projects	5,046	(3,303)	344	820	-	1,267
Sub-total	22,653	-	414	2,332	9,164	29,899
Restricted Funds:						
Fixed assets (lottery)	3,427	10,697	-	-	-	14,124
Grant Funding:						
Collections	830	-	816	993	-	653
Education	93	-	82	128	-	47
Production	(18)	-	86	7	-	61
Lottery (note 4)	-	(10,697)	11,923	1,226	-	-
Sub-total	4,332	-	12,907	2,354	-	14,885
Total	28,185	-	38,968	30,306	9,164	46,011

Analysis of Fund balances at 31st March 1999:

	General £000	Designated £000	Restricted £000	Total £000
Tangible Fixed Assets	880	30,347	14,124	45,351
Investments	-	-	-	-
Current Assets:				
Stock	452	-	-	452
Debtors	3,309	1,055	1,910	6,274
Cash and bank and in hand	156	376	108	640
Current liabilities	(3,570)	(245)	(1,257)	(5,072)
Provision for liabilities and charges	-	(1,634)	-	(1,634)
Total	1,227	29,899	14,885	46,011

Note: The designated and restricted funds are currently fully committed. The Major Projects Fund provides matching funding for the IMAX® project and funding for other projects already approved. Restricted funds are committed as directed by the donors. General funds are available to fund revenue initiatives identified during the year and to provide a reserve against unforeseen costs arising.

20 Lease Commitments

Annual commitments in respect of operating leases payable in the year ending 31st March 1999 are as follows:

	Land & Buildings:		Other:	
	1999 £000	1998 £000	1999 £000	1998 £000
Leases which expire:				
Within 2 to 5 years	37	36	86	128
Over 5 years	72	192	-	-
	<u>109</u>	<u>228</u>	<u>86</u>	<u>128</u>

21 Taxation Status

The *bfi* is a registered charity and is not subject to corporation tax.

22 Summary of Grants, Donations and Sponsorship Received Excluding the recurrent annual grant from the DCMS

During the year the *bfi* again received significant support from J Paul Getty KBE and the Governors have expressed their appreciation to a remarkable philanthropist for his generosity over many years towards every aspect of our work, in particular the preservation of the heritage of our national cinema.

Lottery awards are detailed in note 4.

Grants, donations and sponsorships during the year totalled £2,304k (excluding lottery awards). The *bfi* wishes to acknowledge its gratitude for this tremendous level of support from the following organisations, who have allowed the *bfi* to better carry out its mission:

ABSA	Carlton Screen Advertising	Evening Standard	Lambeth EMP	South London TEC
American Express	Channel 4	Film Foundation Inc	Marks & Spencer	Stella Artois
Arts Council of England	Channel 4 Animation	Gordon's Gin	Midnite Express	The Guardian
BSkyB	Channel 5	Granada Films	Milestone Film and Video	UK Arena
BBC	Charles Russell Solicitors	IDATE	Millivres	University of Cambridge
BBC Films	Eric Anker-Peterson Charity	ITC	New Covent Garden Soup Co.	Universitaet Skase
BBC Radio	Chewits	ITV	Office of Supervision	Westminster City Council
British Animation Training	De Moulpied Trust	Japan Festival Fund	Parliamentary Broadcasting	
British Telecom	Dorothy Burns	Judge Institute of	Scottish Screen	
Canadian High Commission	Dr. Martens (Airwair)	Management Studies	Skillset	
Carlton	Eidos Interactive	Lambeth Borough Council	Sony PlayStation	

Included above is sponsorship of £14,000 received from ABSA under the ABSA Pairing Scheme. This matched sponsorship of £10,000 from Eidos Interactive and £4,000 from Carlton Film Distribution.

Five Year Summary (Restated)

	1999 £000	1998 £000	1997 £000	1996 £000	1995 £000
Incoming Resources					
Grant-in-aid	15,100	16,000	16,473	16,973	17,073
Other grants	984	1,502	1,299	818	3,489
Lottery funding	11,923	3,260	475	356	-
Investment income	338	394	434	437	330
Income from activities	9,374	10,965	11,681	12,520	9,710
Fundraising activities	1,320	833	939	1,200	-
Total incoming resources	<u>39,039</u>	<u>32,954</u>	<u>31,301</u>	<u>32,304</u>	<u>30,602</u>
Resources Expended					
Direct charitable expenditure	26,683	30,594	29,964	30,424	27,639
Lottery applications	1,250	570	246	321	-
Fundraising and publicity	698	410	466	37	25
Management and administration	1,675	3,049	1,341	1,400	1,471
Total resources expended	<u>30,306</u>	<u>34,623</u>	<u>32,017</u>	<u>32,182</u>	<u>29,135</u>
Net incoming/(outgoing) resources	<u>8,733</u>	<u>(1,669)</u>	<u>(716)</u>	<u>122</u>	<u>1,467</u>
Staff Numbers:					
Funded by					
DCMS	445	460	471	485	490
Other external grants	48	27	23	19	22