The British Film Institute’s mission is to develop greater understanding and appreciation of film, television and the moving image.
I have recently completed my first year as Chair of the bfi and I am happy to report that the three main objectives I outlined when I arrived are being steadfastly and rigorously pursued.

**Chair’s foreword**

**Joan Bakewell CBE, bfi Chair**

Education remains our first priority. In agreement with the purposes of the Department of Culture, Media and Sport as set out by the Film Council by whom we are funded, the bfi seeks to promote the knowledge and understanding of film and the moving image throughout Britain’s schools and colleges. We are doing this on a larger scale than ever before through a programme of events, seminars and collaborations that is as inventive as it is resourceful. Teachers are responding with enthusiasm to our initiatives. Already new generations of children are being given insight into the richness and creative potential of film culture.

We remain committed in our determination to make our collections accessible to anyone with an interest and love of film. The broadest access comes, of course, through the internet. Already our website is one of the most respected in the field for its accuracy and scholarship. Now we are engaged in developing within the bfi an integrated user-friendly database that will transform the way both scholars, fans and the public in general can enjoy the treasures we hold in trust for the country. This project is being pressed forward in-house by a keen and authoritative staff.

The **J Paul Getty Conservation Centre** is central to our major obligation to preserve and restore the great film and television archive in our care. Plans are going forward for the complete renewal of the centre itself so that it becomes a global resource for archivists, scholars and students around the world. New procedures are now in place and the consequent improvements in our service have delighted many.

All these aspirations are crystallized in our plans for a **bfi Film Centre** on the south bank of the Thames. After a major architectural competition, the distinguished British architect David Chipperfield was appointed to design what will be a landmark building in the cinema world. It will house modern state-of-the-art exhibition spaces to allow access to our collections (in the interim about to go on an extended tour of the country) – our unique library of film and television reference, and five cinema auditoria, the largest of them on a scale to accommodate world-class Festival events. Already our Development Board is in place, under the chairmanship of Lord Puttnam, and among its members such stalwart supporters of film as Trudie Styler and Jonathan Ross.

I am conscious, as ever, that much of what we do is dependent on the enthusiasm and commitment of our sponsors. Regus and Accenture lead the way; many others lend support to specific enterprises – the Regus London Film Festival (RLFF), the London Lesbian and Gay Film Festival (LLGFF) among them. We owe thanks to our collaborators in the educational field, and are delighted that UCI and Odeon are extending the range of cinemas where films are programmed by the bfi.

In the current year, two dedicated members of the board, Barry Norman and Brian Winston are leaving us. We shall miss their professional wisdom but trust we can draw on it in the future. The bfi values its friends. In their place we welcome filmmaker John Akomfrah and film educationalist Elan Closs Stephens. Eric Senat remains a Vice Chairman of outstanding dedication. And Jon Teckman as Director now leads a bfi that has a renewed sense of purpose and direction.
Over the past few years, the bfi has been aligning its activities through reorganisation and restructuring to work towards two main aims: improving the quality and status of moving image education in the UK and increasing and broadening access to the extensive collections of film, television and related material that the bfi holds in care for the nation.

In a remarkably busy year at all the bfi’s locations – Stephen Street and the South Bank in central London, Berkhamsted in Hertfordshire and Gaydon in Warwickshire our 450 staff delivered an astonishing array of excellent services, engaging the public in the marvels of the moving image.

We have made significant gains in making our resources more accessible to the public over the last few years. The number of ‘interactions’ with the public has increased by 300% – the bfi hitting the five million milestone during this reporting year. It is important that this figure continues to grow at least at the same rate in the future in our efforts to serve all UK audiences.

We now give more access to our collections than any other film archive in the world. There were almost 600,000 attendances to screenings of our material in the UK last year and a further 200,000 overseas, including the highly successful Typiquement British season at the Pompidou Centre in Paris – a five month long retrospective of British film, in association with the British Council.

Thanks to the efforts of our preservation section, eight new restorations were completed this year, which included the 333 mins epic Napoléon (1927) by Abel Gance in collaboration with Photoplay Productions. The new print, which contains additional footage selected and edited into the film by Kevin Brownlow, was presented with its Carl Davis score and full orchestral accompaniment to at the opening of the FIAF (International Federation of Film Archives) Congress in June. Two prints are now available for screening both in the UK and abroad and there is considerable interest from a range of venues interested in staging a full presentation with orchestra and dramatic triptych ending.

During this reporting year the bfi also carried out a major review of its five year Heritage Lottery Fund project which is intended to clear many of the backlogs of unacquired and unprocessed material at the J Paul Getty Conservation Centre. For a variety of reasons the £18 million project had fallen behind schedule. Thanks to a huge effort by everyone involved we were able to report the successful completion of the pilot project under new working arrangements that have put us right back on course. The changes made in the project will form the basis for a re-engineering of the Conservation Centre which will deliver even better care of and access to the national collections.

Our cinema exhibition activities also continue to go from strength to strength, providing challenging programmes at the National Film Theatre (NFT), Festivals and bfi London IMAX® Cinema. I am also particularly pleased to report new partnerships formed with commercial chains that will extend and broaden our reach to new audiences all around the UK.

Harnessing the latest information and communications technologies to deliver greater access to our holdings is a key development. In particular, in the digital arena, we are pointing the way to the future of moving images in research and education. More than 30 hours of moving image material in high quality (MPEG) digital format are now available via online terminals, together with hundreds of still photographs, script extracts, personal papers and recorded interviews from the bfi collections.

bfi interactions with the public

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Our commitment to equality of opportunity and cultural diversity took another major step this year as we embarked on a series of measures to extend our provision to the UK's many and diverse cultures and communities. This work culminated in the production of phase one of our cultural diversity strategy, Towards Visibility, which will ensure ethnic minority audiences are engaged and identify with the bfi. The strategy not only represents a coherent, practical and deliverable set of proposals for improving our provision in this area, but it has also been a good example of how the bfi can deliver added value to its services through cross functional programmes of work.

As part of this initiative we also embarked on a pilot cultural diversity internship programme this year. The six interns recruited have now completed their placements with the bfi. All recruits found the programme to be a valuable part of their development. We will therefore continue this initiative and the intern period will now be extended from six months to one year.

We recognise that our success lies in the skills and commitment of our people. This reporting year we undertook a major commitment to train all staff in the use of electronic office systems to support the rollout of the new IT infrastructure. We also delivered 115 in-house courses to staff which proved to be highly successful with an average training evaluation rating of 4.1 recorded, based on a scale of 1 (poor) to 5 (excellent).

Looking to the future
All of these successes have been achieved in spite of constraints in our current operations that restrict us from doing even more. More in terms of access. More in terms of developing film culture. More in terms of broadening the spread of our educational activities. This year we formally announced four major commitments that will be necessary if we are fully to deliver our mission:

- **A new state-of-the-art bfi Film Centre on the South Bank:** Our plans envisage a five screen cinemathque, an expanded and updated museum, an expanded library, an educational suite, a mediatheque enabling individuals and small groups to see videos or disks or whatever the prevailing technology might be, and offices, retail and catering. Over the last year, we have made good progress on this development, working closely with our partners the South Bank Centre who are developing their overall masterplan for the area between County Hall and Waterloo Bridge. We have appointed David Chipperfield as our architects for the interior fit out. We have also established a Development Board, including Lord Puttnam (Chair), Trudie Styler and Jonathan Ross to help raise funds for this major capital development.

- **Developing the J Paul Getty Conservation Centre at Berkhamsted:** We intend to develop the Conservation Centre so that it is not just the greatest centre for the preservation and restoration of moving image and related materials in the world, but is also a place where researchers can go to study the moving image using primary materials. The Conservation Centre will also be the source of much of the material that will be shown at the new Film Centre.

- **Making our information holdings more accessible:** During this year we undertook a major IT development that, if fully realised, would have greatly improved the availability of resources and services on the internet. The venture required backing from commercial partners at a time when the global technology market was going through its dramatic re-evaluation and this led to the decision at the end of the reporting year that our project was not viable in these circumstances. However, our commitment to remote access still remains absolutely firm and will now be taken forward through an in-house database development. This will provide an integrated, user-friendly database which can, in turn, provide the platform to develop possible commercial activities in due course.

- **Staff development:** We need to build on the wealth of expertise that resides in our workforce to support our ambitious plans for the future. During this year we have made a major commitment to staff development aligned to a new staff pay and grading system that is directly linked to achievement. We intend to build on their platform to create a better trained, more involved and better paid workforce over the coming years.

Finally, as ever, with our annual reports, the issue becomes what to leave out, rather than what to put in. 2000/01 was a year of significant achievements for the bfi. The credit for this must go to our own superb staff without whom none of this would be possible, and to all our partners who help deliver film education and culture to the nation.
The BFI was established in 1933. Our main funder is the Film Council (FC) using resources delegated by the Department for Culture, Media and Sport (DCMS). Our remit (under the Royal Charter) is to foster study and appreciation of film, television and the moving image.

We are a unique organisation whose strengths lie in our collections of moving images and related material, our databases which are unparalleled in their size and diversity, our provision of mediated access to these assets, mainly through the NFT, Film Festivals and the BFI National Library, but also, increasingly, through online remote access and in the knowledge and expertise of our staff.

We are organised into three main operational departments:

**Education** encourages, promotes and facilitates understanding and learning about film, television and moving image throughout the UK. It includes the BFI National Library, BFI Publishing, Sight and Sound magazine, the Knowledge section (managing the BFI's website, online services and industry/audience research), and Education Projects, which works directly with the formal and informal education sectors.

**Collections** cares for the UK's national moving image collection for today's users and for future generations. The department's role is to acquire and preserve the BFI's collections and to ensure access to these collections to benefit ever wider audiences.

The collections include the National Film and Television Archive, the Related Collections of stills, posters, designs, paper and three-dimensional objects, and the Museum of the Moving Image (temporarily closed for redevelopment).

The Access section distributes a wide range of film and television material, principally from our own collections, through theatrical and non-theatrical release, on video and DVD and through sales and partnerships with television production.

**Exhibition** offers UK audiences the broadest possible range of cinema and moving image culture. It works to ensure that exhibitors (including festivals and film societies) can obtain expert advice, training and programming support. Exhibition includes the NFT in London, the RLFF and the LGFF. It also supports a range of cultural cinema exhibition venues UK-wide including the Regional Film Theatres and the national exhibition strategy which is increasingly bringing non-mainstream films to wider audiences through partnerships with commercial cinema operators.
**Increasing opportunities about film and the moving image**

Film education is not a single activity, it is a process in which the bfi helps learners, at all stages, to take ‘one more step’ in developing their knowledge and understanding. The bfi, working in partnership with other education providers, is here to ensure that everyone, whatever their level of knowledge or interest, is served to optimum effect in our efforts to deliver film culture to the nation.

**Investing in future generations**

Children and young adults are among the most sophisticated users of media today. The UK is also fortunate to have a top quality, highly dedicated teaching profession, particularly those teachers who, through their own initiative, are already developing new pioneering ways of introducing film culture into teaching methods and student study materials.

This year the bfi developed its education strategy, which seeks to build on these two essential ingredients and to raise the quality and status of film education with key policy decision makers, by providing evidence for action through:

- Provision of teacher training, building a critical mass of activity within the teaching profession
- Provision and promotion of teaching resources and publications. We aim to build up a range of titles for the 5-18 age ranges, for use by both teachers and students, as part of our effort to improve the quality of teaching and learning about the moving image and to make available a wider range of source material for study
- Research into best practice
- Direct provision of education events and programmes

This year the bfi delivered a number of educational events to more than 25,000 attendees.

**Key developments over the year have been:**

The successful introduction of Moving Images in the Classroom, a guide for secondary school teachers to using film and television for a range of subject areas. To date over 5,000 copies have been distributed to key individuals and organisations and to targeted schools; another 2,000 have been downloaded from the bfi website. The Guide succinctly argues the case for accepting the moving image as a key part of a wider literacy for the 21st century, but it also offers teachers simple techniques for working with moving images more effectively, across eight different curriculum subjects. The guide provides the focus for bfi teacher training and events, as well as in lobbying for the wider acceptance of moving image education.

The publication coincided with the implementation of a new requirement for schools, from the beginning of the autumn term 2000, to address moving image texts as part of the National Curriculum for English. Based on simple classroom techniques, the Guide was developed with the English and Media Centre and with Film Education, both organisations being significant providers of resources and training in this field. The bfi also received help from the Qualifications and Curriculum Authority.
**Associate Tutor Scheme.** There is an increasing demand for high-quality expertise, not only from cinemas and arts venues but also from schools, colleges and informal learning centres such as libraries. The scheme launched in Autumn 2000 aims to build a range and quality of provision for education about the moving image right across the UK. Our partners will now have access to larger numbers of competent providers, as well as teachers, lecturers and workshop providers who can offer different kinds of knowledge and skills through events and sessions ranging from an introduced screening to an all-day animation workshop for children.

Thirty-three applicants successfully applied to the Registration Panel to join the scheme. Associate tutors will gain a range of benefits such as discounts on bfi resources and services, including access to a mentor.

Media Studies for the 16-18 age-group is an expanding sector with huge shortfalls in teacher training. The bfi is the lead provider in this area. The Media Studies Conference, which is an annual event, achieved its biggest ever numbers with an attendance of over 230 teachers from across England and Wales. Located at the bfi South Bank and King’s College London, the conference provided more than 50 optional sessions addressing a wide range of teacher needs, from the basic ‘How to teach...’ strand to Inside Industry sessions with many industry professionals. Plenary sessions included José Arroyo on Aesthetics and the Action/Spectacle Film, and John Woodward, Director of the Film Council, in conversation with David Elstein, the CEO of Channel 5.

Understanding Film Texts by Patrick Phillips (WJEC Examiner) was published to assist teachers and students encountering Film Studies for the first time.

A resource package for primary schools entitled Story Shorts has been developed which provides a compilation of complete short films that complement literacy teaching without compromising the study and appreciation of the films in their own right. The pack, which includes teachers’ notes, has been evaluated in a pilot study with over 35 schools covering London, Birmingham, Warwick and Bristol, including two primary schools in Bristol’s Education Action Zone. Teacher training sessions and cinema screenings formed part of each pilot initiative, and bfi staff also observed lessons and led focus groups of both teachers and children in two primary schools in Bristol’s Education Action Zone. Teacher enthusiasm for the resource has been enormous, emphasising ‘the children’s ability to respond critically to the films and to relate that to their story writing’. The resource was also evaluated by the National Literacy Strategy’s regional officers, who endorsed its efforts to build up children’s wider communicative competence. The pack will be available to all schools from Autumn 2001.

1-2 Children participating in a Story Shorts workshop – a new Moving Image resource for literacy in primary schools
A new programme for A level students was piloted at the NFT. The programme featured ten screenings of contemporary films, which were introduced by industry or academic speakers and which focused on drawing out elements directly relevant to the curriculum. Two sessions were for Modern Foreign Languages students and were introduced in French. The rest were for Media Studies and Film Studies students, including titles such as Local Hero, The Wicker Man and The Blair Witch Project. Teachers accompanying students to the events were also able to attend a training session in advance as part of the package, in order to ensure that they made the most of the event within their teaching. The pilot, which catered for 1,600 sixth formers, has proved to be a success with delegates and the bfi intends to develop a larger scale programme next year with the prospect of making this more widely available at regional venues as well.

Life long learning
The bfi's commitment to enjoyment and lifelong learning continued with the development of a Reminiscence Project which comprises three modules that aim to stimulate reminiscence about cinema going experiences in audiences aged 50+. Audiences were also able to see both familiar and new moving image material from bfi collections, and to use a variety of appropriate stimuli to encourage reminiscence work.

Entertaining the Nation (module one) is an actor-led event, set in a children's cinema club in 1946. It was piloted this year for older audiences and can be toured to venues such as residential homes, community centres and day centres. The monthly Film Club (module two) held at Age Exchange, Blackheath, provides a space for older learners to view films and have discussions, led by a bfi Education Officer trained in reminiscence work.

The Talking Cinema course (module three) ran for six weeks in September 2000 in partnership with the Westminster Education Authority. This was an experiential course for older learners at the NFT, and involved screenings and structured discussions, focusing on people's own first-hand experience of cinema.

This work is hugely empowering for older learners – the oldest Film Club regular participant being 95!
Increasing and broadening access for everyone

The BFI is committed to increasing and broadening public access to its own collections and educational resources, as well as to other film collections across the globe. To this end it is increasingly focusing its activities to meet the needs of groups previously underserved by the BFI.

Key contributors to this initiative over 2000/01 have been:

The BFI website which recorded 3.6 million user impressions during its first full year of operation. This year, harnessing the latest information and communications technologies, we provided more ways for the public to access the UK’s film and television heritage online. Important additions to the website this year include:

- The Film Links Gateway which contains annotated links to other websites about film and television. Information is categorised and ordered to help users navigate to the type of site that can answer their questions about film and television to their level of detail.

- BFI Collections and Film Education have been working together to create a fantastic opportunity for students to gain an invaluable insight into one of the cornerstones of the film industry - programming. This web-based project will provide school and college students with a unique chance to experience the challenges of planning a festival, arranging the marketing and getting the show on the road.

- The BFI National Library’s book catalogue, with more than 42,000 records, was made available for the first time on the Internet, allowing users, everywhere to research our vast collection of books on film and television. As well as reference books, the database lists pamphlets, bibliographies, PhD theses, directories, yearbooks, annual reports, encyclopedias, filmographies and published scripts. Searches may now be made by film title, personality, subject and keyword, as well as book title and author. Digitisation of study guides and bibliographies produced by the Library has significantly increased access to the use of these resources from 1,000 hard copies distributed a year to c36,000 electronic downloads recorded annually. More details are available at www.bfi.org.uk/library.

- The BFI National Film Theatre (NFT): The NFT is renowned as the place to see the world’s biggest and best choice of films. However, it is more than just a cinema. Through specially programmed film seasons it provides the forum for the public to gain a unique insight into the world of film and film culture. The NFT continued to deliver increased audiences through the successful implementation of a new programming strategy which provides a more coherent message to the public about what the NFT is here to deliver with improved programmes of screenings, seasons and events. These changes have also supported the further roll out of BFI programming to regional film theatres, independent cinemas and commercial chains, helping us to reach new audiences.

1 bfi Website: www.bfi.org.uk
Key highlights of seasons provided at the NFT this year included:

The Max Ophuls retrospective season in collaboration with the Edinburgh International Film Festival, provided audiences with the opportunity to see the works of one of the few filmmakers to have shown consistency of visual style and technique, across so wide a range of national cinemas and industries. Twenty titles were screened at the NFT to busy and very appreciative audiences. Introductions accompanied some screenings with discussions afterwards.

Brazil: Cinema Novo and Beyond. This season provided audiences with an insight into the changing face of Brazilian cinema from the 1960s to the present and depicted the gradual political liberalisation of artists from the state. The main season ended with the return to democracy and increasing freedoms, but also with the crisis and dismantling of state-led Brazilian cinema under new neo-liberal regimes. To complement this season the NFT took a close up look at the works of filmmaker Walter Salles, including Central Station, the moving story of a young illiterate boy desperately seeking his father.

The Other British Cinema. A collaboration with the Lux Cinema this season aimed to move the focus of attention and discussion of ‘British Cinema’ from hits such as Notting Hill and The Full Monty to the works of another strand of British filmmaking which is too often either completely forgotten about or dismissed as elitist or irrelevant. The programme comprised fictions and documentaries through to autobiographical recollections and covered subject areas such as sex, gender, race, family, age, class, politics, nationality, war, art and film itself. These types of programmes are important to ensure there is room for diversity, change and experimentation as these are signs of a healthy society and culture.

Beyond Hollywood: The films of John Cassavetes. This season celebrated the works of the godfather of independent cinema. In 1959 Shadows, the story of a New York family, marked the arrival of a new kind of filmmaking – spontaneous and streetwise. Cassavetes remained true to this vision of filmmaking for the next three decades. After Orson Welles, Cassavetes may be the single most influential American filmmaker of the last century. His constantly surprising and idiosyncratic works remain without parallel, sometimes dizzily hilarious, often devastatingly moving, and always absolutely unforgettable.

bfi Access
In addition to revivals of new prints of important historical titles which form the centrepiece of a number of NFT seasons, the bfi also operates a service which allows prints of titles in its collections, many of which are not available elsewhere, to be made accessible to cultural cinemas both across the UK and internationally. Important releases for this year included: Once Upon a Time in the West which played as part of the Sergio Leone season before going on to play successfully for months across the UK and Pasolini’s Salò, certificated for the first time in the UK, which was initially screened as part of the NFT Sex season, before being shown in mainstream cinemas and eventually released on DVD and video.

A number of specialist archival strands also featured at the NFT, among them tributes to famous 1920s-30s band singer Al Bowlly and inventive comic Arthur Askey. Films depicting the careers of the director Bernard Vorhaus, the British actor Miles Mander, ex-Olympic athletes Sonja Henie and Johnny Weissmuller were also screened. Work is currently underway to release special Archive programmes on early cinema colour featuring The Open Road by Claude Friese-Greene, and a recreation of the programme of the London Film Society on its 75th anniversary on DVD.
bfi Major Festivals: The Regus London Film Festival (RLFF) enjoyed its most successful year ever in 2000, confirming its long-term pattern of sustained growth. The programme presented no fewer than 190 feature films and 65 shorts - the largest film event ever presented in the UK. Alongside the screenings, the Festival also attracted 350 filmmakers from around the world. The ambitious programme with films from 50 countries and no less than 53% non-English language material attracted more than 122,000 people, again a new record, with an occupancy rate of 74%. Once again, the festival featured some of the most acclaimed films of the year including, the European Premiere of Cameron Crowe's Almost Famous attended by the film's star, Kate Hudson and the British premiere of Ang Lee's Crouching Tiger, Hidden Dragon - two of the three films that dominated awards ceremonies in the last twelve months.

Other highlights included:

- The World Premiere of Philip Kaufman's Quills - attended by Geoffrey Rush, Michael Caine, Kate Winslet and Joaquin Phoenix
- The British Gala of Jonathan Glazer's Sexy Beast
- The premiere of avant-garde filmmaker Ken Jacobs' Nervous System Performances supported by the Arts Council of England (ACE)
- Royal Gala Premiere of Into the Arms of Strangers, attended by Prince Charles
- Jean-Pierre Sinapi's Uneasy Riders receiving both the FIPRESCI Critics' Prize and the Satyajit Ray Award
- An extensive educational programme, which included 13 events aimed at children and young adults and life long learners

At the RLFF closing night gala in the Odeon, Leicester Square, the screenwriter Kenneth Lonergan won the bfi's coveted Sutherland Trophy for his impressive debut in the director's chair, You Can Count on Me, starring Laura Linney.

The bfi London Lesbian and Gay Film Festival (LLGFF) was also the most successful festival yet, with a record box office and an increase on last year's total admissions to 21,571. There were 181 films screened from more than 40 countries, including Thailand, Iceland, Hungary and Taiwan. The bfi was particularly thrilled to have showcased such a strong range of European films such as Krampack and Gaudi Afternoon.

The festival saw unprecedented demand for lesbian and gay themed films, with 37 completely sold out, or near sell-out screenings, including The Monkey's Mask, Presque Rien, Queer as Folk- US version and 101 Reykjavik. Highlights from the festival included Kelly McGillis's American Airlines Master Class - a questions and answers session about her career, European premiere screenings of Family Pack and Miami Moist; David Benson's Bona Cornucopia, a live tribute to the queen of double entendre Kenneth Williams. The films Urbania and The Girl were also greatly appreciated by cinema audiences and, as usual, Cine-oke was a fabulous success - a wonderful mix of film and karaoke presented by the BBC London Live DJ Amy Lamè.

A record number of overseas industry guests, which included 86 international filmmakers and 98 industry delegates, attended this year's LLGFF, further enhancing its reputation on the international film festival circuit. This was all made possible by the first ever LLGFF Principal Sponsor Queercompany.com, whose financial support and fantastic festival website enabled a hugely successful and lively film festival. We were also indebted to our principal media partners, Gay Times and Diva, for providing our festival supplement and to all our other cash and in-kind sponsors for making this festival so successful.

bfi London IMAX® Cinema. Made possible thanks to £15 million from the Arts Council of England's Lottery Fund, the £20 million bfi London IMAX® Cinema which opened in May 1999, performed successfully in its second year of operation, exceeding 380,000 admissions.

A highlight of this year's programme was Fantasia 2000, an updating of Walt Disney's classic animated feature, with new segments created especially for the large format. Particularly encouraging has been the response to the cinema's weekend drop-in workshops. An After Dark programming strand was also successfully introduced, presenting epic feature films such as Apocalypse Now, Titanic, Goodfellers and Gladiator, on 70mm or 35mm on the last weekend of each month. Programme details are available at www.bfi.org.uk/imax
**bfi Video and DVD releases.** As well as achieving a significant increase in sales, bfi Video/DVD published an increasing number of titles from the core archival collections. This area of bfi activity is making a significant contribution to increasing access. This year the bfi launched *The History of the Avant Garde*, a new series of video releases celebrating the independent vision of filmmakers such as Man Ray and Kenneth Anger, whose radical and innovative ideas have explored the limits of cinema during its first one hundred years. Three films from the series have been released this year and includes Emol Morris’ *The Thin Blue Line*, which broke new cinematic ground and established a new film genre – the non-fiction feature – in the tradition of Truman Capote’s *In Cold Blood*. In the dual role of director and detective Morris creates a fascinating collage, using interviews, film clips, illustrations and reconstruction to draw the audience into the investigation of a brutal and senseless murder to Philip Glass’ haunting and fatalistic score.

Following on from the phenomenally successful release of *Seven Samurai* on DVD (27,739 units sold during this year), the bfi continued to celebrate the works of the Japanese director Akira Kurosawa with the release of *Yojimbo* on DVD (5,689 units sold to date). This work offers audiences an opportunity to see a shift from the preachiness of some earlier Kurosawa movies to a story about a mercenary hired as a ‘yojimbo’ or bodyguard by rival factions in a small town – loosely remade by Sergio Leone as *A Fistful of Dollars*.

**bfi DVD & Video Sales**

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Other videos and DVDs released this year include:

- Martin Scorsese: *A Personal Journey through American Movies*
- *Man with a Movie Camera*
- *People on Sunday*
- *Salò o le 120 giornate di Sodoma*

More details are available on the above releases, as well as all bfi releases on www.bfi.org.uk/bookvid/videos

**bfi Online**, the multimedia pilot offering digital access to our collections, received a facelift and a substantial increase in content. A new web browser-based interface delivers a more user-friendly, reliable service. More than 30 hours of moving image material in high quality (MPEG) digital form are now available via the bfi online terminals, together with hundreds of still photographs, script extracts, personal papers, and recorded sound interviews from the bfi collections. There is a comprehensive exploration of Sir Alfred Hitchcock’s British career, plus sections devoted to Powell & Pressburger, Alexander Korda, silent British comedy and TV drama. A two-year pilot scheme began with the Technology College Trust, introducing bfi Online in ten specialist schools and media arts colleges, in addition to its three existing locations in London and Nottingham. More details are available at www.bfi.org.uk/bfionline

**bfi SIFT database** is now available via direct dial connection in an additional five sites across the UK: The National Library of Wales, Aberystwyth; the University of Exeter; Sheffield Hallam University; the University of Ulster, Belfast; and Scottish Screen, Glasgow.

**bfi Publishing.** Screening Scotland by Duncan Petrie was a notable contribution to the bfi’s UK-wide remit with a timely analysis of the industry north of the border. The Higher heralded it as ‘by far and away the best assessment of Scottish cinema yet’. Actor Simon Callow’s *bfi Film Classic, The Night of the Hunter* followed the successful re-release of this title by bfi last year. And two new series: *Sight and Sound Readers* for film enthusiasts and *Understanding the Moving Image* for 16-plus students (and their teachers) made their first appearances.
Raising awareness of film culture

Promoting British film culture overseas: Typiquement British
The BFI in collaboration with the British Council in Paris presented Typiquement British - the largest ever film festival of British films in Paris, with 60% of prints supplied by the BFI. The five month festival portraying over 200 British films ranging from the work of the earliest British pioneers to that of the latest practitioners, provided the most extensive season of British films, all with subtitles, with some films premiered in France for the very first time. The festival opened at the Centre Pompidou with a gala performance of Basil Dearden's 1946 drama The Captive Heart starring Michael Redgrave and his wife Rachel Kempson and many members of the Redgrave dynasty came out to support the occasion.

Shared midsummer dreams
On Saturday 24 June 2000, we celebrated midsummer at the BFI NFT with something for everyone. A screening of Max Reinhardt's lavish version of A Midsummer Night's Dream (1935) was enhanced by costume characters from our Museum Actors' Consultancy Service (MOMI Acts), a pre-film talk about the screen adaptation, a workshop and a highly impressive two-week foyer display of film stills, posters, books and magazines from the BFI's collections.

This project, which attracted local television coverage, complemented a Library Association promotional campaign themed to A Midsummer Night's Dream, and the London String of Pearls millennium initiative, boosting public access to cultural attractions along the Thames.

Wild about animation
2001 marked the centenary of Walt Disney's birth and the BFI celebrated this special occasion with a six-month celebration of the world of animation for children, under the title Drawn to Be Wild. Thanks to contributions from Crayola, Macromedia and Film Education, the BFI delivered programmes of international animated features and shorts at the NFT and touring to some 30 cinemas around the UK; talks and workshops; and the creation of a substantial new BFI website specially for children at www.bfi.org.uk/wild. A special BFI website was also created with our partner organisation, Film Education, containing a host of ideas and materials available for teachers to browse and download. There was also an online information service about animation provided by writer and animation expert, Brian Sibley.

The event attracted mass coverage and was featured on CBBC's Blue Peter on 26 January 2001. Blue Peter presenter, Konnie Huq, attended the Drawn to Be Wild launch at our own Film Café, together with the project's patron, Thunderbirds creator, Gerry Anderson, and a class of pupils from Newnham Croft Primary School, Cambridge, who won a BFI competition to design the Drawn to Be Wild logo. Blue Peter viewers voted Aardman's Chicken Run their favourite film from a shortlist of recent animated classics, and screenings took place at ten multiplexes in England, Wales, Scotland and Northern Ireland.

1 Typiquement British - The Redgrave family setting off to France
2 A Midsummer's Night Dream at the NFT
3 Gerry Anderson with pupils at the launch of Drawn to Be Wild
bfi TV 100
Following on from the success of the 1999 bfi 100 all-time favourite British feature films, in 2000 we offered the bfi TV 100. This was a companion list of the favourite home-grown television programmes, compiled from the votes of more than 1,500 members of the TV industry throughout the UK. Topped by the BBC’s wonderful Fawlty Towers, the bfi TV 100 spanned the decades (1950s-1990s) and across the genres.

Hosted by bfi Fellow Michael Parkinson CBE, the launch of the list attracted dozens of actors, presenters and programme-makers, and became a real celebration of the UK’s vital TV heritage. Every programme on the list is preserved and may still be watched today. In January and February 2001, the NFT played an extensive selection of the shows for today’s audiences to review and enjoy.

The bfi TV 100 ‘top ten’:

1. Fawlty Towers – BBC 1975 & 1979
2. Cathy Come Home (The Wednesday Play) – BBC 1966
4. The Naked Civil Servant – ITV/Thames 1975
5. Monty Python’s Flying Circus – BBC 1969-74
6. Blue Peter – BBC 1958-
7. Boys from the Blackstuff – BBC 1982
9. Yes Minister/Yes Prime Minister – BBC 1980-86

The event was made available on the website and attracted many hits. You can explore the full 100 lists online at www.bfi.org.uk/bfi100 (films) and www.bfi.org.uk/tv100 (television programmes). National events such as these create greater awareness of bfi resources available to users throughout the UK and have resulted in increased website activity since the event.

1. Anthony Andrews at the launch of bfi TV 100
Latif Imdad Hussain
Systems Manager, IT
My role is to ensure that the bfi computer systems are kept up to date and are up and running. Every day is different. Sometimes our planned work has to take a backseat depending on the problems that arise that day. I also help to devise and implement strategies for the department.

One of our big successes this year was to help create a centralised online library book catalogue (OLIB). Apart from the technical aspects of implementing this facility, the project involved convincing colleagues of the benefits of developing resources this way. The catalogue is now online and accessible to both in-house and web users: a big step forward for the bfi.

Upgrading the network infrastructure to bring it in line with current technology and standard systems, and ensuring that the network is ‘future proof’ has been another major undertaking this year. It has been very satisfying to see these changes being implemented, especially as I helped to develop the strategy.

Security of data, especially in line with the new Human Rights Act, is something we will be addressing in the future. Internet policies and guidelines also need to be implemented, as well as facilities for mobile users, in order to provide as flexible a service as possible. The development of an integrated film database, fully accessible via the Internet, is another major project. I think by digitising our collections, we will make great strides in becoming the world’s leading information source for film and television-related material.

The bfi is a good organisation to work for as it has a good blend of people to work with. I have been here for ten years so have seen a lot of changes but remain through choice. In my line of work I know there are greater financial gains to be made in the technology and finance sectors but I like the diversity of working at the bfi.

Wendy Earle
Resources Editor, Education Projects
It is my responsibility to develop resources which help to promote moving image education in schools. Working with my colleagues, I have to identify what teachers need to know about moving image education and how we can get new ideas about teaching with the moving image across to them. This involves consolidating our existing resources, looking at what the bfi has already published in terms of books or videos, and identifying gaps that we can fill.

Over the past year I have developed a new annual catalogue of bfi products for schools and colleges, which combined with a new distribution system, has created a ‘one-stop-shop’ for bfi educational resources. Another success has been Moving Images in the Classroom, which is a teachers’ guide to using film and television. This is a consolidation of several years’ work by colleagues in moving image education and represents an important step in getting our message across. It has been widely distributed both in the UK and overseas.

I have also established a publishing programme to produce resources for teachers in primary and secondary schools and FE colleges. I have commissioned a wide range of materials including Show Us a Story!, a guide to help primary teachers use films more effectively; Story Shorts, a moving image pack to support the development of literacy skills; Macbeth on Film, a teaching pack including a video compilation; and an interactive CD-ROM, An Introduction to Film Language.

The main challenge over the coming year is to identify materials from the bfi’s archives which can be developed for the schools market. We are currently producing a compilation on the Suffragettes, which we hope to publish in a teaching pack early next year. I hope this will be the start of a new series of bfi resources to support the teaching of history and citizenship in schools – and an important step in the process of making bfi materials more accessible. Helping to fulfil this potential is what I find most challenging, interesting and exciting about working here.
João Oliveira  
**Technical Manager, Conservation Centre, Berkhamsted – recently appointed Head of the FIAF Technical Commission**

My job is to ensure that the Conservation Centre is implementing best practice and using the most effective technology to carry out its work.

Most of my work is carried out in the research and development laboratory. Here we work on the basis of testing hypotheses, and if they prove to be correct, changing the working practices of the conservation centre accordingly. It is all about rethinking the way we do things. For example, carrying out conservation repairs to film negatives affects the stability of the film, generating further problems in the future. So, instead of making changes to the negative, we are looking at modifying the printing process to compensate for these imperfections; achieving the same end without destabilising the film.

Another area of investigation is in the field of restoration. When restoring film we try to ensure that the constitution of the final product is as close as possible to when the film was first made. We know that special finishing techniques were used on film stock in the early era of cinema (1910-1930) so we are carrying out a series of studies to investigate how we can re-create these effects using modern chemicals on modern stock - effectively we are carrying out an archaeological-type research process into the early practices of film technology. We also have to adhere to modern working conditions and health and safety practices so it really is very challenging.

The restoration of The Magic Box has been another exciting project which has incorporated some techniques we have developed here in the laboratory.

There are some fascinating challenges ahead. If we are the guardians of the moving image we need to start engaging with the advancements of digital technology; I am not conservative or purist in my approach and believe we must welcome everything which can benefit our work. The bfi has a wonderful and diverse collection - there is everything that I could dream of here to work on in the future.

Julie Pearce  
**Programme Co-ordinator, Programming**

I am part of the programming team that decides what is screened at the NFT. At the NFT we show films and television from all around the world. We all bring our own ideas to the table and additionally are open to suggestions from colleagues within the film industry, critics and members of the public. We also take interest in the programmes of other like-minded cinemas worldwide. I also work for the LLGFF and the RLFF.

Once we have decided the programme, the Programme Co-ordination team is then responsible for locating screening copies of the films we have selected and gaining permission for these screenings from the relevant rightsholders. Ours is essentially a detective job - screening copies can often be difficult to locate and tracing rightsholders can be equally problematic. We consult our records from previous screenings at the NFT, take advice from other departments within the bfi and consult a range of contacts around the world. The job is very much about building up contacts and everyday you gain more experience and make new friends. Also, working internationally requires complete flexibility - this certainly isn't a nine to five job.

Our Robert Altman retrospective in January 2001 was a great success. Robert Altman visited the NFT to give a career interview, The Long Goodbye was re-released on a new print, and we screened some of his US TV work in collaboration with the Museum of Television & Radio in New York.

As well as other projects we are currently working on the Akira Kurosawa and Alec Guinness retrospectives which will form part of the year-long 50th anniversary celebrations of the NFT in 2002.

I am also lucky to attend various film festivals and meetings abroad and hear nothing but praise for the work we do here. It is definitely the respect and good thoughts we receive from colleagues that makes my difficult and challenging job all the more rewarding.
Two new major sponsors

The bfi was delighted this year to welcome two major sponsors to the bfi family.

Regus became the first ever title sponsor of our annual London Film Festival. This year’s acclaimed event, the 44th, attracted a record 122,000 attendances to cinemas across the capital in the first two weeks of November, then the UK-wide festival tour visited more cities than ever before. We are excited about our new relationship with Regus and look forward to it flourishing further in subsequent years. The bfi also formed an association with Accenture which will now enable bfi to bring eight classic feature films back into theatrical distribution, on brand new 35mm prints, each with a gala ‘premiere’. These will all be films for which there are currently no good prints available in the UK but which programmers and audiences regularly request. Titles released in this year are:

Some Like It Hot (1959), re-released by the bfi in October 2000

Breakfast at Tiffany’s (1961), re-released in February 2001

Don’t Look Now (1973), re-released in March 2001

Breakfast at Tiffany’s, performed well beyond original expectation, exceeding the projected 20,000 cinema admissions within the first 20 days. All new prints are now available for regional distribution and can be booked through the bfi Bookings service. FIAF 2000 also benefited from sponsorship from Accenture.

Working with commercial exhibitors - extending our reach

Two collaborations with commercial exhibitors were formed this year: bfi@Odeon and bfi@UCI. These partnerships bring the bfi and a new series of programming initiatives to eight Odeon cinemas and over 35 UCI cinemas around the country.

The bfi@UCI initiative features one-day bookings in all UCI Cinemas except the Empire, Leicester Square. These include the latest UCI Cinemas known as the filmworks in Manchester and Greenwich. The programme kicked off with the new Australian comedy The Dish and closed with a new British comedy, by director Mel Smith, High Heels and Low Life. Included in the programme was a season of seventies movies based on the best selling book Easy Riders and Raging Bulls, by Peter Biskind. The mini-season included Martin Scorsese’s Taxi Driver and Francis Ford Coppola’s The Godfather. Also part of this initiative, building on the bfi’s relationship with commercial cinemas, are screenings of Singin’ in the Rain, Some Like It Hot and Breakfast at Tiffany’s – already one of the bfi’s most successful reissues.

Northern Ireland Digital Film Archive

November 2000 saw the launch of the Northern Ireland Digital Film Archive, developed by the Northern Ireland Film Commission with support from the bfi and the Heritage Lottery Fund (HLF). Now available online at six educational centres across Northern Ireland, including Belfast, Derry, Coleraine and Omagh, this Archive presents some 50 hours of digital video reflecting the history and culture of Northern Ireland from 1897 to 2000. Please see www.nifc.co.uk/news/archive.html

1 Crouching Tiger, Hidden Dragon featured at the RLFF
2 Some Like It Hot bfi Theatrical Release
3 Breakfast at Tiffany’s bfi Theatrical Release
Recognising excellence in the film industry: bfi fellowship awards
The bfi presented bfi Fellowships to two individuals for their outstanding contribution to the film industry. The 51st award, a silver plaque appropriately studded with a diamond courtesy of DeBeers, was given in May 2000 to Dame Elizabeth Taylor on the occasion of a tribute dinner at The Dorchester in aid of the Red Hot AIDS Charitable Trust and the Dame Elizabeth Taylor AIDS Foundation. Then in January 2001, our 52nd Fellowship went to the independent American filmmaker, Robert Altman, following a lively interview on stage at the NFT and a screening of one of his most notable works, The Long Goodbye. The bfi followed this up with an extensive tribute celebrating the works of the three times Oscar® nominated filmmaker, which included new prints of at least seven of his films. One new print is of MASH (1969), the anarchic black comedy starring Donald Sutherland and Elliott Gould, which established Altman as a major Hollywood player. The retrospective included some of his early television work, rarely seen in recent years, alongside the features, including The Long Goodbye, Nashville, A Wedding, Short Cuts and The Player.

Promoting excellence in archive management
The bfi’s J Paul Getty Conservation Centre at Berkhamsted is the national centre for the collection, restoration, storage and preparation for access of film, television and related collections. Spanning over a hundred years of feature, non-fiction and television titles, it holds the largest collections of the moving image in Europe. As custodians of the national collections the bfi must preserve these collections to the highest standards and make them available in easily accessible formats (where appropriate) in order to offer invaluable insights into the 20th century itself, and to act as a research centre for the media themselves.

This year the bfi hosted the 56th Annual Congress of the International Federation of Film Archives (FIAF) at the NFT and the J Paul Getty Conservation Centre, sponsored by Accenture. The main symposium of the congress was The Last Nitrate Picture Show which explored the archival problems of this unstable medium of half of film’s history, but also celebrated its glorious quality on the screen.

‘It is most unusual for audiences nowadays to have the chance to see nitrate film, as opposed to modern safety stock or digitally projected images, and several rare prints will be put on public show at the NFT.’

Jon Teckman, speaking at the opening of FIAF 2000

The congress opened on 3 June with the premiere at the Royal Festival Hall of a brand new bfi restoration of Abel Gance’s 1927 333min epic, Napoléon, in association with Photoplay productions. With a live orchestral accompaniment, composed and conducted by Carl Davis, the performance drew a prolonged standing ovation. Lord Attenborough CBE kindly agreed to be Congress Patron and attended several events, in which some 300 delegates from film archives around the world took part.
bfi rewarded for excellence

Vive le cinéma!
On 29 January 2001, the bfi Director participated in a seminar which explored both the history of public finance for non-mainstream cinema and the funding opportunities currently available on both sides of the Channel for emerging film makers. An absorbing retrospective of films from bfi Production was screened. At the BAFTA Awards in February 2001, Tinge Krishnan’s ten minute Shadowscan, made by bfi Production in its final year in partnership with FilmFour Lab, scooped Best Short Film.

Sight and Sound
The bfi’s Sight and Sound, which offers intelligent film journalism, concentrating on quality rather than celebrity, was recognised for its contribution to publishing by being awarded International Subscription Magazine of the Year by the Periodical Publishers’ Association (PPA) at their annual subscriptions event held in November 2000. The PPA judges cited the magazine’s high level of subscribers, with a larger percentage of readers choosing this method to obtain their copies than any other film magazine, as a tribute to the title’s quality. Efforts to improve the title’s international efforts through online subscription won particular praise from judges.

‘Customer service is at the centre of all our efforts. Our responsibility doesn’t end when we bank a subscriber’s cheque, we have to provide a level of service that adds value and brings people back again and again.’

John Innes,
Sight and Sound Publishing Manager,
speaking at the award ceremony

Kate Hoey MP Unveils Civic Trust Award for the bfi London IMAX® Cinema
The bfi was presented with the Civic Trust award which recognises both excellence in design and the contribution which building projects make to their environment and the community.

‘The bfi London IMAX® Cinema is particularly deserving of this award. Not only is it a stunning building which has become a landmark, especially at night with what the Civic Trust describes as its ‘particularly impressive’ lighting, but the cinema must also be commended for the way in which it has transformed this area into an attractive public space.’

Kate Hoey MP,
-speaking at the award ceremony

1 Ray Winstone on the cover of the January 2001 Sight and Sound
2 bfi London IMAX® Cinema
Foreword for the
Financial statements
bfi Status
The British Film Institute (bfi) is a body incorporated
by Royal Charter and also a registered charity, number
287780. A copy of the Royal Charter is available on
request. The bfi’s main funder is the Film Council
(FC) using resources
deployed by the
Department for Culture,
Media and Sport (DCMS).
The Governors are the
trustees of the charity.
Joan Bakewell (Chair)
Jenny Abramsky
Ray Deahl
Tony Elliott
Tony Gilliam
Ali Frazer
(appointed 1-Oct-00)
Terry Ilott
Naseem Munir Kabir
Ronnie Kells
David Kustow
Barry Norman
Rochdale Payne
Eric Senat
Brian Winston
Joan Young
Governors also served on the
following committees during the year:
Audit Sub-Committee
Budget Sub-Committee
Disability Committee
E-Commerce Advisory
Committee
National Film and Video
Forum
Production Board
Property Sub-Committee
Remuneration Committee
A review of bfi corporate
Governance procedures
was also undertaken during the
year and has resulted in the
adoption of a new
governance framework
from April 2001.
Internal Controls
The Governors are
responsible for keeping
accounting records, which
disclose with reasonable
accuracy the financial
position of the bfi and ensure
the timely submission of
financial statements.
The Governors are also
responsible for safeguarding
the assets of the bfi and hence for
preventing and detecting
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 respects with
Charity Commission and
Department for Culture,
Media and Sport
(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 misstatement
of error or loss and include
regular consideration by the
Governors of actual results,
including non-financial
performance targets, against
budgets and forecasts.
Littlejohn Fraser 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 Film Council with
the consent of DCMS
and the Charity Commission
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
Film Council on behalf
of the Secretary of State for
Culture, Media and 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. 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 dissemination
of film for television and
theatre 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
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.

Financial Performance
Total expenditure during the
year including depreciation
amounted to £3,268,915
(2000 £3,287,095). The
generates £16,451m (including
£16,450m) for the advancement
of Project Rosebud) from the
Film Council, interest
received, activity and other
gains, gives total income

The SOPA is set out on
Page 21 and shows a
deficit for the year of
This deficit arises from a
increase in lottery income
and the cost of support of
Project Rosebud Ltd. The fixed
asset base of the bfi has
decreased to £48.6m at 31 March 2001 (2000 £54.1m).

Divisional activities and
performance against targets
agreed with the Film
Council 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 3-year basis based on
forecasts of activity and
anticipated levelds of income
from the Film Council
and other funders. The bfi funds
both long term developments
and its on-going programmes
cash received and income
generated from its activities.

Dividends are paid in the
year after the end of the
calendar year, and are
paid in the year following
the year in which the
dividends are declared.

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 £2.6m (2000 £2.3m).

Cash at bank and in Hand
at 31 March 2001 was
£2.9m, principally from
Restricted and Designated
funding received in advance
of cash. The bfi also
received a €600k grant
from the Film Council.

Projects funded from
Restricted Income,
mainly grants and lottery
awards, only proceed to
implementation after all
necessary funding has been
secured. The balances of
grants and similar
programmes are
negotiated on an
arms-length basis.

Professional Advisors
The bfi’s principal
advisors are:
Bindi Hamlin – Auditors
Hutchinson Morrison
and Children – Property
Lloyds TSB – Bankers
Nicholson Graham
and Jones – Solicitors

On behalf of the Board
of Governors
Joan Bakewell CBE
Ray Deahl

Transactions with
Governors
No Governors received
remuneration for their
service as Governors. In addition
to the remuneration of
traveling expenses during the
year (see Note 8) the
following Governor received
payments for professional
services:
Joan Bakewell – Administration
Services £2,500, Brian
Winston – Royalties £1,250, Tutoring
£500, Seminar £100, S&S
Article £221. All contracts
with Governors for services
are negotiated on an
arms-length basis.

Financial statements for
year ended 31 March 2001
### Income and Expenditure

<table>
<thead>
<tr>
<th>Notes</th>
<th>Incoming Resources</th>
<th>Resources Expended</th>
<th>Net (outgoing)/incoming resources before Notional costs</th>
<th>Notional Costs:</th>
<th>Net (outgoing)/incoming resources after Notional costs</th>
<th>Reversal of notional costs</th>
<th>Net incoming/(outgoing) resources</th>
<th>Fund balances brought forward as previously stated</th>
<th>Prior year adjustment</th>
<th>Fund balances brought forward restated</th>
<th>Transfers</th>
<th>Fund balances carried forward</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Grant-in-aid</td>
<td>Direct charitable</td>
<td>3,152</td>
<td>7</td>
<td>3,005</td>
<td>7</td>
<td>3,152</td>
<td>3,152</td>
<td>939</td>
<td>22</td>
<td>(130)</td>
<td>3,961</td>
</tr>
<tr>
<td>3</td>
<td>Other grants</td>
<td>Fundraising and publicity</td>
<td>1,175</td>
<td></td>
<td>1,381</td>
<td></td>
<td>(1,381)</td>
<td>(1,381)</td>
<td>29,399</td>
<td>29,399</td>
<td>130</td>
<td>28,148</td>
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<tr>
<td></td>
<td>Lottery awards</td>
<td>Management and administration</td>
<td>10,391</td>
<td></td>
<td>(1,997)</td>
<td></td>
<td>(1,997)</td>
<td>(1,997)</td>
<td>19,113</td>
<td>19,113</td>
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<td>17,116</td>
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<td>4</td>
<td>Investment income</td>
<td>-</td>
<td>1,520</td>
<td></td>
<td>-</td>
<td></td>
<td>(1,520)</td>
<td>(1,520)</td>
<td>49,451</td>
<td>49,451</td>
<td>130</td>
<td>49,225</td>
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<tr>
<td>5</td>
<td>Activities including sponsorships</td>
<td>-</td>
<td>225</td>
<td></td>
<td>-</td>
<td></td>
<td>225</td>
<td>225</td>
<td>99,451</td>
<td>99,451</td>
<td>130</td>
<td>99,225</td>
</tr>
<tr>
<td>7</td>
<td>Sub-total</td>
<td>Sub-total</td>
<td>23,648</td>
<td>6,10</td>
<td>20,496</td>
<td>6</td>
<td>23,648</td>
<td>23,648</td>
<td>32,042</td>
<td>32,042</td>
<td>6,10</td>
<td>32,042</td>
</tr>
</tbody>
</table>

**Net incoming/(outgoing) resources**

2000: 3,152

**Fund balances brought forward as previously stated**

2000: 939

**Prior year adjustment**

2000: -

**Fund balances brought forward restated**

2000: 939

**Transfers**

2000: (130)

**Fund balances carried forward**

2000: 3,961

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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 24 to 31 form an integral part of these financial statements.
The Governors and Director of the bfi approved these financial statements on 7 December 2001.

Jenny Abramsky
Ronnie Kells
Ray Deahl
Jon Teckman

The notes on Pages 24 to 31 form an integral part of these financial statements.
1. Reconciliation of changes in resources
to net inflow from operating activities

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net (outgoing) resources before lottery funding</td>
<td>(1,746)</td>
<td>(101)</td>
</tr>
<tr>
<td>Assets funded by lottery</td>
<td>1,520</td>
<td>3,495</td>
</tr>
<tr>
<td>Net (outgoing)/incoming resources</td>
<td>(226)</td>
<td>3,394</td>
</tr>
</tbody>
</table>

Realised investment gains
Depreciation/loss on disposal of fixed assets
Decrease in stocks
Decrease in debtors
Increase/(decrease) in creditors
Increase in provision for liabilities and charges
Net cash inflow from operating activities | 2,384 | 6,614 |

2. Analysis of cash flows

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditure and financial investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditure in year</td>
<td>1,140</td>
<td>5,631</td>
</tr>
<tr>
<td>Proceeds from sale of assets</td>
<td>–</td>
<td>(43)</td>
</tr>
<tr>
<td>Investment disposals at cost</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>1,140</td>
<td>5,588</td>
</tr>
</tbody>
</table>

3. Reconciliation of net cash flow
to movement in net funds

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in cash in the period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash inflow</td>
<td>1,244</td>
<td>1,026</td>
</tr>
<tr>
<td>Movement in net funds in the period</td>
<td>1,244</td>
<td>1,026</td>
</tr>
<tr>
<td>Net funds at 1 April 2000</td>
<td>4,22</td>
<td>1,666</td>
</tr>
<tr>
<td>Net funds at 31 March 2001</td>
<td>2,910</td>
<td>1,666</td>
</tr>
</tbody>
</table>

4. Analysis of net funds

<table>
<thead>
<tr>
<th></th>
<th>1,4.00</th>
<th>Prior Year Adjust</th>
<th>1,4.00</th>
<th>Cash flow Adjust</th>
<th>31.3.01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank and in hand</td>
<td>1,612</td>
<td>54</td>
<td>1,666</td>
<td>1,244</td>
<td>2,910</td>
</tr>
</tbody>
</table>

The notes on Pages 24 to 31 form an integral part of these financial statements.
1. Accounting Policies
The financial statements of the bfi are prepared under the historical cost convention 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.

SouthBank
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 is 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 H.M.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
Listed investments are included at market value at the balance sheet date.

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).

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 Film Council, with consent of the Secretary of State for Culture, Media and Sport, may direct.

A copy of the Direction given by the Film Council may be obtained from the Director of the bfi, 21 Stephen Street, London W1P 2LN.
The Film Council is regarded as a related party, being the bfi’s main funder, using resources delegated by the Department for Culture, Media and Sport (DCMS). During the year, the bfi has had material transactions with the Film Council.

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>General funds</td>
<td>16,000</td>
<td>16,420</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>0</td>
<td>490</td>
</tr>
<tr>
<td>Restricted funds</td>
<td>450</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>16,450</td>
<td>16,935</td>
</tr>
</tbody>
</table>

Grant-in-aid is spent in accordance with the funding agreement between the bfi and the Film Council and is apportioned between published Film Council objectives:

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Extend and 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</td>
<td>7,665</td>
<td>6,723</td>
</tr>
<tr>
<td>Improve education about the moving image</td>
<td>4,915</td>
<td>6,426</td>
</tr>
<tr>
<td>Support and encourage cultural diversity and social inclusiveness</td>
<td>1,500</td>
<td>2,347</td>
</tr>
<tr>
<td>Promote film activity in the nations and regions and ensure that national and regional bodies work in concert towards the FC’s goals</td>
<td>2,370</td>
<td>1,357</td>
</tr>
</tbody>
</table>

DCMS objectives from prior year:

To maintain public support for the National Lottery and ensure that the objectives of the Lottery Fund supports DCMS’ and other national priorities; and

To create an efficient and competitive market by removing obstacles to growth and unnecessary regulation so as to promote Britain’s success in the fields of culture, media, sport and tourism at home and abroad

16,450 16,935

b) Film Council

The bfi incurred expenditure totalling £2,411 during 2000-2001 on behalf of the Film Council. Of this sum £2,144 had been reimbursed by 31 March 2001. The balance of £267 is included in Debtors.

The bfi has entered into a funding agreement with the Film Council from 1 April 2000 and in 2000-01 the bfi received £16m to meet agreed Film Council goals. A further £450k was advanced to develop Project Rosebud.

c) Lottery Funding Bodies – see Note 4

4. Lottery Funding

<table>
<thead>
<tr>
<th></th>
<th>Gross Costs 2000-1 £000</th>
<th>Less Lottery Monies Receivable £000</th>
<th>bfi Funding Restricted £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heritage Lottery Fund Film preservation</td>
<td>2,026</td>
<td>1,520</td>
<td>506</td>
</tr>
<tr>
<td>Total</td>
<td>2,026</td>
<td>1,520</td>
<td>506</td>
</tr>
</tbody>
</table>
5. Investment Income

<table>
<thead>
<tr>
<th>Interest receivable</th>
<th>2001 £000</th>
<th>2000 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>225</td>
<td>183</td>
</tr>
</tbody>
</table>

6. Income and Resources Expended

<table>
<thead>
<tr>
<th></th>
<th>Income £000</th>
<th>Staff £000</th>
<th>Other £000</th>
<th>Overheads £000</th>
<th>Total £000</th>
<th>Net Support £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibition</td>
<td>3,343</td>
<td>2,435</td>
<td>5,182</td>
<td>661</td>
<td>8,278</td>
<td>4,935</td>
</tr>
<tr>
<td>Collections</td>
<td>2,426</td>
<td>5,140</td>
<td>1,408</td>
<td>1,645</td>
<td>8,193</td>
<td>5,767</td>
</tr>
<tr>
<td>Education</td>
<td>1,995</td>
<td>1,973</td>
<td>2,135</td>
<td>679</td>
<td>4,787</td>
<td>2,792</td>
</tr>
<tr>
<td>Subsidiaries</td>
<td>5,845</td>
<td>674</td>
<td>5,628</td>
<td>133</td>
<td>6,435</td>
<td>590</td>
</tr>
<tr>
<td>Production</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Services &amp; Admin.</td>
<td>108</td>
<td>1,425</td>
<td>4,368</td>
<td>(3,057)</td>
<td>2,736</td>
<td>2,628</td>
</tr>
<tr>
<td>Sub-total (Direct Charitable)</td>
<td>13,717</td>
<td>11,647</td>
<td>18,721</td>
<td>61</td>
<td>30,429</td>
<td>16,712</td>
</tr>
<tr>
<td>Fundraising &amp; publicity</td>
<td>105</td>
<td>301</td>
<td>457</td>
<td>–</td>
<td>758</td>
<td>653</td>
</tr>
<tr>
<td>Management &amp; Administration</td>
<td>250</td>
<td>224</td>
<td>784</td>
<td>73</td>
<td>1,081</td>
<td>831</td>
</tr>
<tr>
<td>Grant-in-aid</td>
<td>16,450</td>
<td></td>
<td></td>
<td></td>
<td>1,081</td>
<td>(16,450)</td>
</tr>
<tr>
<td>Lottery</td>
<td>1,520</td>
<td></td>
<td></td>
<td></td>
<td>1,520</td>
<td>(1,520)</td>
</tr>
<tr>
<td>Total</td>
<td>32,042</td>
<td>12,172</td>
<td>19,962</td>
<td>134</td>
<td>32,268</td>
<td>226</td>
</tr>
</tbody>
</table>

Production activities were transferred to the Film Council on 1 April 2000.

7. Notional Cost of Capital

Notional cost of capital is calculated as 6% of the average General Funds employed (1999 6%). No notional interest is calculated on donated or lottery-funded assets.
8. Staff

Staff costs consist of:

<table>
<thead>
<tr>
<th>Description</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>9,900</td>
<td>10,219</td>
</tr>
<tr>
<td>Social security costs</td>
<td>798</td>
<td>787</td>
</tr>
<tr>
<td>Pension costs</td>
<td>336</td>
<td>377</td>
</tr>
<tr>
<td></td>
<td><strong>11,034</strong></td>
<td><strong>11,383</strong></td>
</tr>
</tbody>
</table>

Staff costs for 2000 include £1,035k for redundancy payments following the closure of the Museum of Moving Image.

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

<table>
<thead>
<tr>
<th>Funded by Film Council grant and operating income:</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exhibition</td>
<td>87</td>
<td>84</td>
</tr>
<tr>
<td>Collections</td>
<td>158</td>
<td>183</td>
</tr>
<tr>
<td>Education</td>
<td>67</td>
<td>61</td>
</tr>
<tr>
<td>Production</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Central Services</td>
<td>44</td>
<td>52</td>
</tr>
<tr>
<td>Fundraising and publicity</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Management and administration</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>373</td>
<td>403</td>
</tr>
<tr>
<td>Employees funded by other grants or sponsorship monies</td>
<td>75</td>
<td>71</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>448</td>
<td>474</td>
</tr>
</tbody>
</table>

9. Pensions

The bfi is an admitted body to the London Pensions Fund Authority, 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's finances.

At 31 March 1998 the main actuarial assumptions for pension funding purposes were for annual rates of increase in salaries of 5.4% and returns on scheme investments of 7.2%. The market value of scheme assets was £1,165m representing 108% of estimated liabilities. The separate scheme for pensions in payment was £1,481m, representing 100% of the actuarial liability. After the fund was revalued at 31 March 1998 and found to be in surplus a revised employer's contribution rate of 3.4% was agreed for the 3 years commencing 1 April 1999.

The charge for pension costs for the year is in staff costs (Note 8):

<table>
<thead>
<tr>
<th>Description</th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension costs to salaried employees</td>
<td>206</td>
<td>233</td>
</tr>
<tr>
<td>Unfunded pensions to former staff (Note 18)</td>
<td>130</td>
<td>144</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>336</strong></td>
<td><strong>377</strong></td>
</tr>
</tbody>
</table>
## 10. Resources before transfers are stated after charging:

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>Auditors’ remuneration</td>
<td>35</td>
<td>29</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,641</td>
<td>1,762</td>
</tr>
<tr>
<td>Loss on disposals</td>
<td>6</td>
<td>29</td>
</tr>
</tbody>
</table>

**Charges for operating leases:**
- Equipment: 62
- Property rents: 167

## 11. Tangible Fixed Assets

<table>
<thead>
<tr>
<th></th>
<th>Long Leasehold Property £000</th>
<th>Freehold Land and Buildings £000</th>
<th>Furniture Fittings and Equipment £000</th>
<th>Motor Vehicles £000</th>
<th>Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2000</td>
<td>25,535</td>
<td>22,605</td>
<td>10,243</td>
<td>101</td>
<td>58,484</td>
</tr>
<tr>
<td><strong>Additions:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant-in-aid</td>
<td>–</td>
<td>–</td>
<td>1,021</td>
<td>–</td>
<td>1,021</td>
</tr>
<tr>
<td>Other</td>
<td>20</td>
<td>86</td>
<td>14</td>
<td>–</td>
<td>120</td>
</tr>
<tr>
<td>Disposals at cost</td>
<td>–</td>
<td>–</td>
<td>(485)</td>
<td>(17)</td>
<td>(502)</td>
</tr>
<tr>
<td>At 31 March 2001</td>
<td>25,555</td>
<td>22,691</td>
<td>10,793</td>
<td>84</td>
<td>59,123</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 April 2000</td>
<td>511</td>
<td>450</td>
<td>8,288</td>
<td>87</td>
<td>9,336</td>
</tr>
<tr>
<td>Eliminated on disposals</td>
<td>–</td>
<td>–</td>
<td>(478)</td>
<td>(17)</td>
<td>(495)</td>
</tr>
<tr>
<td>Charge for the year:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>–</td>
<td>–</td>
<td>362</td>
<td>–</td>
<td>362</td>
</tr>
<tr>
<td>Designated</td>
<td>168</td>
<td>369</td>
<td>174</td>
<td>–</td>
<td>711</td>
</tr>
<tr>
<td>Restricted</td>
<td>342</td>
<td>82</td>
<td>140</td>
<td>4</td>
<td>568</td>
</tr>
<tr>
<td>At 31 March 2001</td>
<td>1,021</td>
<td>901</td>
<td>8,486</td>
<td>74</td>
<td>10,482</td>
</tr>
<tr>
<td><strong>Net Book Value at 31 March 2001</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>–</td>
<td>–</td>
<td>1,633</td>
<td>–</td>
<td>1,633</td>
</tr>
<tr>
<td>Designated</td>
<td>11,531</td>
<td>17,855</td>
<td>506</td>
<td>–</td>
<td>29,892</td>
</tr>
<tr>
<td>Restricted</td>
<td>13,003</td>
<td>3,935</td>
<td>168</td>
<td>10</td>
<td>17,116</td>
</tr>
<tr>
<td>At 31 March 2000</td>
<td>24,534</td>
<td>21,790</td>
<td>2,307</td>
<td>10</td>
<td>48,641</td>
</tr>
<tr>
<td><strong>At 31 March 2000</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>–</td>
<td>–</td>
<td>980</td>
<td>–</td>
<td>980</td>
</tr>
<tr>
<td>Designated</td>
<td>11,679</td>
<td>18,166</td>
<td>681</td>
<td>–</td>
<td>30,526</td>
</tr>
<tr>
<td>Restricted</td>
<td>13,345</td>
<td>3,989</td>
<td>294</td>
<td>14</td>
<td>17,642</td>
</tr>
<tr>
<td>At 31 March 2000</td>
<td>25,024</td>
<td>22,155</td>
<td>1,955</td>
<td>14</td>
<td>49,148</td>
</tr>
</tbody>
</table>

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

Messrs. Jones Lang Wooton revalued Stephen Street, the Berkhamsted properties and the SouthBank leasehold property on an Existing Use Value basis in accordance with the RICS Appraisal and Valuation Manual at 31 March 1999. The Gaydon film vaults were valued on a depreciated replacement cost basis in view of the specialised design and construction. The Imax Theatre is valued at cost.

Furniture, fittings, equipment 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. Subsidiaries

<table>
<thead>
<tr>
<th></th>
<th>bfi Big Screen Ltd £000</th>
<th>Connoisseur Video Ltd £000</th>
<th>MOMI Ltd £000</th>
<th>Project Rosebud Ltd £000</th>
<th>Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trading Account</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>2,302</td>
<td>728</td>
<td>-</td>
<td>2,815</td>
<td>5,845</td>
</tr>
<tr>
<td>Expenditure</td>
<td>(2,215)</td>
<td>(766)</td>
<td>-</td>
<td>(3,454)</td>
<td>(6,435)</td>
</tr>
<tr>
<td>Net profit</td>
<td>87</td>
<td>(38)</td>
<td>-</td>
<td>(639)</td>
<td>(590)</td>
</tr>
</tbody>
</table>

**Balance Sheets**

|                      |                         |                           |               |                          |            |
| Tangible fixed assets| -                       | 1                         | -             | -                        | 1          |

**Current Assets/Liabilities**

|                      |                         |                           |               |                          |            |
| Stocks               | -                       | 25                        | -             | -                        | 25         |
| Debtors              | 107                     | 172                       | -             | -                        | 279        |
| Cash at bank and in hand | 576               | -                         | 1             | -                        | 577        |
| Current liabilities  | (683)                   | (102)                     | (1)           | (639)                    | (1,425)    |

**Total (bfi interest)**

- 96                     - (639)                   - (543)                   134

*bfi* (Big Screen) Ltd operates the commercial activities of the *bfi* London Imax and the theatrical operations of the Imax on an agency basis.

Connoisseur Video Ltd is the *bfi*'s video publishing activity.

MOMI Ltd receives income generated by the *bfi* affinity ArtsCard.

Project Rosebud Ltd is an e-commerce development project that the *bfi* undertook with a number of partners in the IT sector. The company ceased trading on 31 March 2001.

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. Income and expenditure is included within these financial statements.

**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 Films Ltd (dormant)
- Connoisseur Video Ltd
- Glenbuck Films Ltd (dormant)
- MOMI Ltd
- Rosebud Project Ltd (e-commerce development – ceased trading 31 March 2001)

13. Fixed Asset Investment

<table>
<thead>
<tr>
<th></th>
<th>2001 £000</th>
<th>2000 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market value at 1 April 2000</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions in year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disposals in year</td>
<td>-</td>
<td>(46)</td>
</tr>
<tr>
<td>Profit on disposals</td>
<td>-</td>
<td>46</td>
</tr>
<tr>
<td><strong>Market value at 31 March 2001</strong></td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
14. Stocks

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Book and video publishing</td>
<td>127</td>
<td>161</td>
</tr>
<tr>
<td></td>
<td>127</td>
<td>161</td>
</tr>
</tbody>
</table>

15. Debtors

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>1,256</td>
<td>2,314</td>
</tr>
<tr>
<td>Other debtors</td>
<td>921</td>
<td>706</td>
</tr>
<tr>
<td>Prepayments and accrued income</td>
<td>820</td>
<td>672</td>
</tr>
<tr>
<td>Lottery awards</td>
<td>553</td>
<td>676</td>
</tr>
<tr>
<td>Film Council</td>
<td>-</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td>3,550</td>
<td>4,453</td>
</tr>
</tbody>
</table>

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

16. Cash at bank and in hand

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash at bank</td>
<td>2,881</td>
<td>1,644</td>
</tr>
<tr>
<td>Cash in hand</td>
<td>29</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>2,910</td>
<td>1,666</td>
</tr>
</tbody>
</table>

17. Creditors falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>1,022</td>
<td>1,338</td>
</tr>
<tr>
<td>Other creditors including taxes and social security costs</td>
<td>529</td>
<td>228</td>
</tr>
<tr>
<td>Accruals</td>
<td>2,415</td>
<td>2,263</td>
</tr>
<tr>
<td>Lottery awards</td>
<td>310</td>
<td>457</td>
</tr>
<tr>
<td>Film Council Production liabilities</td>
<td>3</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>4,279</td>
<td>4,329</td>
</tr>
</tbody>
</table>

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 2000-01 shows that average credit taken during the year was 40 days (1999: 42 days).

18. Provision for Liabilities And Charges

The BFI also has an unfunded liability to pay pensions to 46 former employees and their spouses. The total actuarial valuation of this liability at 31 March 2001 is estimated at £1,777k. After adjusting for payments during 2000-01, the annual cost of £144k is included within pension costs for the year (Note 9). At 31 March 2001 the anticipated cost falling due in 2001-02 of £130k is included within creditors, and the balance of £1,648k is included in provisions.

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation as at 31 March 2000</td>
<td>1,777</td>
</tr>
<tr>
<td>Payments to pension fund during year</td>
<td>(131)</td>
</tr>
<tr>
<td>Charge to income and expenditure</td>
<td>206</td>
</tr>
<tr>
<td>Net movement during year</td>
<td>75</td>
</tr>
<tr>
<td>Valuation as at 31 March 2001</td>
<td>1,854</td>
</tr>
<tr>
<td>Credits: amounts falling due within one year</td>
<td>130</td>
</tr>
<tr>
<td>Provision for liabilities and charges</td>
<td>1,724</td>
</tr>
</tbody>
</table>
## 19. Statement of Funds

<table>
<thead>
<tr>
<th></th>
<th>Balance 31.3.00 £000</th>
<th>Transfer £000</th>
<th>Income £000</th>
<th>Expenditure £000</th>
<th>Balance 31.3.01 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>939</td>
<td>(130)</td>
<td>23,649</td>
<td>(20,497)</td>
<td>3,961</td>
</tr>
<tr>
<td><strong>Designated</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital</td>
<td>22</td>
<td>28,802</td>
<td>–</td>
<td>–</td>
<td>28,148</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>597</td>
<td>130</td>
<td>–</td>
<td>(727)</td>
<td>–</td>
</tr>
<tr>
<td>Sub-total</td>
<td>29,399</td>
<td>130</td>
<td>–</td>
<td>(1,381)</td>
<td>28,148</td>
</tr>
<tr>
<td><strong>Restricted</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital</td>
<td>17,642</td>
<td>–</td>
<td>–</td>
<td>(526)</td>
<td>17,116</td>
</tr>
<tr>
<td>Charitable activities</td>
<td>1,471</td>
<td>–</td>
<td>8,393</td>
<td>(9,864)</td>
<td>–</td>
</tr>
<tr>
<td>Sub-total</td>
<td>19,113</td>
<td>–</td>
<td>8,393</td>
<td>(10,390)</td>
<td>17,116</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>49,451</td>
<td>–</td>
<td>32,042</td>
<td>(32,268)</td>
<td>49,225</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>General £000</th>
<th>Designated £000</th>
<th>Restricted £000</th>
<th>Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Analysis of Fund Balances</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>1,633</td>
<td>29,892</td>
<td>17,116</td>
<td>48,641</td>
</tr>
</tbody>
</table>

**Current Assets**

<table>
<thead>
<tr>
<th></th>
<th>General £000</th>
<th>Designated £000</th>
<th>Restricted £000</th>
<th>Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stocks</td>
<td>127</td>
<td>–</td>
<td>–</td>
<td>127</td>
</tr>
<tr>
<td>Debtors</td>
<td>2,753</td>
<td>–</td>
<td>797</td>
<td>3,550</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td>2,080</td>
<td>162</td>
<td>668</td>
<td>2,910</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(2,632)</td>
<td>(182)</td>
<td>(1,465)</td>
<td>(4,279)</td>
</tr>
<tr>
<td>Provision for liabilities and charges</td>
<td>–</td>
<td>(1,724)</td>
<td>–</td>
<td>(1,724)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3,961</td>
<td>28,148</td>
<td>17,116</td>
<td>49,225</td>
</tr>
</tbody>
</table>

Note: The designated and restricted funds are currently fully committed. The Major Projects Fund provided matching funding for the Imax and other projects. 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 31 March 2001 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Land &amp; Buildings 2001 £000</th>
<th>Land &amp; Buildings 2002 £000</th>
<th>Other 2001 £000</th>
<th>Other 2002 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leases which expire:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within 2 to 5 years</td>
<td>–</td>
<td>65</td>
<td>16</td>
<td>90</td>
</tr>
<tr>
<td>Over 5 years</td>
<td>102</td>
<td>42</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>102</td>
<td>107</td>
<td>16</td>
<td>90</td>
</tr>
</tbody>
</table>

## 21. Taxation Status

The **bfi** is a registered charity and its income falls within the exemptions to corporation tax.

## 22. Prior Year Adjustment

A prior year adjustment has been made to the fund balances due to a change in Accounting Policy, which affected the treatment of a provision in one of the subsidiary companies, **bfi** Big Screen Limited.

<table>
<thead>
<tr>
<th></th>
<th>Fund Balances 31.3.00 £000</th>
<th>Surplus for the year 31.3.00 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previously reported</td>
<td>49,397</td>
<td>3,340</td>
</tr>
<tr>
<td>Prior year adjustment relating to provision</td>
<td>54</td>
<td>54</td>
</tr>
<tr>
<td>Restated</td>
<td>49,451</td>
<td>3,394</td>
</tr>
</tbody>
</table>
The system of internal financial control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by Governors;
- Regular reviews by the Board of periodic and annual financial reports, which indicate financial performance against the forecasts;
- Setting targets to measure financial and other performance as set out in the annual bfi corporate plan, which informs the funding agreement with the Film Council;
- Application of formal project management disciplines as required.

Littlejohn Frazer provide the bfi with an internal audit function, which operates to standards defined in the Government Internal Audit Manual. The work of the internal auditors is informed by an analysis of the risk to which the body is exposed, and annual internal audit plans are based on this analysis. The analysis of risk and the internal audit plans are endorsed by the bfi’s Audit Committee and approved by me. At least annually, Littlejohn Frazer provide me with a report on internal audit activity. The report includes Littlejohn Frazer’s independent opinion on the adequacy and effectiveness of the body’s system of internal financial control. My review of the effectiveness of the system of internal financial control is informed by the work of the internal auditors, the Audit Committee which oversees the work of the internal auditors, the executive managers within the body who have responsibility for the development and maintenance of the financial control framework, and comments made by the external auditors in their management letter and other reports.

As Accounting Officer, I am aware of the recommendations of the Turnbull Committee and I am taking steps to comply with the Treasury’s requirement for a statement of internal control to be prepared for the year ended 31 March 2002, in accordance with the guidance to be issued by them.

Jon Teckman
Director
7 December 2001

Auditors report to the British Film Institute and accounting officer of the bfi
We have reviewed the Accounting Officer’s statement as described above relating to internal financial control (which follows the principles for executive Non-Departmental Public Bodies in accordance with DAO (Gen) 13/97 ‘Corporate Statement on the System of Internal Financial Control.’)

Basis of Opinion
We carried out our review on accordance with Bulletin 1995/1 ‘Disclosures relating to Corporate Governance’ issued by the Auditing Practices Board. The Bulletin does not require us to perform the additional work necessary to, and we do not express an opinion on the effectiveness of either the system of internal financial control or the corporate governance procedures, nor on the ability of the Institute to continue in operational existence.

Opinion
With respect to the Accounting Officer’s statement on internal financial control, as described above, in our opinion:
- The Accounting Officer has provided the disclosure required by this circular; and
- The Accounting Officer’s statement is not inconsistent with the information of which we are aware from our audit work on the financial statements.

Binder Hamlyn Chartered Accountants and Registered Auditors
180 Strand
London WC2R 1BL
7 December 2001

Report of the Auditors
To the Governors of the bfi
We have audited the financial statements on Pages 21 to 32 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 Page 24.

Binder Hamlyn Chartered Accountants and Registered Auditors
180 Strand
London WC2R 1BL
7 December 2001

Five Year Summary

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Incoming Resources</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant-in-aid</td>
<td>16,450</td>
<td>16,935</td>
<td>15,100</td>
<td>16,000</td>
<td>16,473</td>
</tr>
<tr>
<td>Other grants</td>
<td>3,407</td>
<td>1,585</td>
<td>984</td>
<td>1,502</td>
<td>1,299</td>
</tr>
<tr>
<td>Lottery funding</td>
<td>1,520</td>
<td>3,496</td>
<td>11,923</td>
<td>3,260</td>
<td>475</td>
</tr>
<tr>
<td>Investment income</td>
<td>225</td>
<td>183</td>
<td>338</td>
<td>394</td>
<td>434</td>
</tr>
<tr>
<td>Activities including sponsorship</td>
<td>10,440</td>
<td>9,905</td>
<td>10,694</td>
<td>11,798</td>
<td>12,620</td>
</tr>
<tr>
<td><strong>Total incoming resources</strong></td>
<td>32,042</td>
<td>32,103</td>
<td>39,039</td>
<td>32,954</td>
<td>31,301</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resources Expended</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct charitable expenditure</td>
<td>30,784</td>
<td>27,247</td>
<td>27,933</td>
<td>31,164</td>
<td>30,210</td>
</tr>
<tr>
<td>Fundraising and publicity</td>
<td>653</td>
<td>465</td>
<td>698</td>
<td>410</td>
<td>466</td>
</tr>
<tr>
<td>Management and administration</td>
<td>831</td>
<td>997</td>
<td>1,675</td>
<td>3,049</td>
<td>1,341</td>
</tr>
<tr>
<td><strong>Total resources expended</strong></td>
<td>32,268</td>
<td>28,709</td>
<td>30,306</td>
<td>34,623</td>
<td>32,017</td>
</tr>
<tr>
<td><strong>Net (outgoing)/incoming resources</strong></td>
<td>(226)</td>
<td>3,394</td>
<td>8,733</td>
<td>(1,669)</td>
<td>(716)</td>
</tr>
</tbody>
</table>

|                  |      |      |      |      |      |
| **Staff Numbers** |      |      |      |      |      |
| Funded by Film Council | 373   | 403   | 445   | 460   | 471   |
| Other external grants | 75    | 71    | 48    | 27    | 23    |

Funding for capital projects is reported under incoming resources to provide information about all resources available to the bfi in the year, irrespective of how they were spent.
The British Film Institute's mission is to develop greater understanding and appreciation of film, television and the moving image.