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**FILM NATION UK  
TRADING AS INTO FILM  
(A company limited by guarantee)**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 MARCH 2021**

**Company Number: 08210217  
Charity Number: 1154030**

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**FILM NATION UK**  
**(A company limited by guarantee)**

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**DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

**Reference and Administrative Information**

Charity Name	Film Nation UK (trading as Into Film)
Company Registration Number	08210217
Charity Registration Number	1154030
Registered Office	31 Islington Green London N1 8DU
Auditors	Cooper Parry Group Limited One Central Boulevard Blythe Valley Park Solihull, Birmingham B90 8BG
Bankers	Barclays Bank plc 27 Soho Square London, W1D 3QR

**Board of Trustees**

Members of the Board of Trustees, who are directors for the purpose of company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out below:

Mr J P F Bradley\* (resigned 23<sup>rd</sup> June 2021)  
Ms B D Broccoli OBE  
Ms L Bryer \*\*  
Mr D Clark\*\*  
Mr M J Devereux (resigned 23<sup>rd</sup> June 2021)  
Mr E N Fellner CBE  
Mr J A Graydon ACA\*  
Ms K Lee\*\*  
Ms D Lewis-Egonu (appointed 23<sup>rd</sup> June 2021)  
Sir A Macdonald  
Ms G McKenna\* (appointed 24<sup>th</sup> March 2021)  
Ms A A A Mensah (appointed 9<sup>th</sup> September 2020)  
Mr C J Needham  
Ms N Park  
Dame H V Rabbatts DBE\* (resigned 28<sup>th</sup> October 2020)  
Ms L Williams (appointed 23<sup>rd</sup> June 2021)

\* Finance and Audit Sub-committee members

\*\* Development Sub-committee members

**Senior Management Team**

Chief Executive	Paul Reeve MBE
Chief Technology Officer	Alan Reitsch
Director of Communications	Mark Frodsham
Director of Programme Delivery	Jane Fletcher
Director of Finance and Operations	Will Elkerton
Director of Business Development	Leigh Thomas

**CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

A test of an organisation's relevance and mission often comes in times of adversity. In a year that brought unprecedented challenges, the key focus for Into Film and its staff team was to find new ways to realise the ability of film and the moving image to provide educational and cultural inspiration at a time when those things were never more valuable.

In part, Into Film acts as a bridge between the screen industries and the education sector, enabling them to connect with and benefit from each other. This relies on some basic 'givens': schools where teaching and learning take place; cinemas where films are shown; a production industry making those films. At the start of the year, as the Coronavirus took a grip, we were forced to consider what film learning and our programme should look like with all the 'givens' suddenly taken away.

Almost overnight, homes became both our schools and our cinemas. We were well positioned to respond to this shift due to an already established 'digital first' approach, and film itself being a digital medium. This enabled us to swiftly create a portal for families that gave access to a rich range of learning resources, accompanied by regular lists of recommended films available on free-to-air channels. For schools, we provided resources and training opportunities to support 'virtual' teaching. Consequently, during the period of the first lockdown our online resources received a record number of downloads and Nature in Your Neighbourhood a record number of submitted films.

As schools and their pupils gradually returned to in-person activity, we introduced two major new online programme elements that, together, marked the biggest step-change in our 'offer' since Into Film was founded. A Learning Management System was launched in January 2021, enabling us to publish online training and Continuing Professional Development (CPD) courses to help equip educators to teach with and about film across the curriculum and beyond. We also commenced extensive beta testing of Into Film+, the UK's first free streaming service dedicated to film and designed for all school settings. These innovations will enable us to further realise our aim to make all the key elements of our programme and the many proven educational outcomes they achieve accessible to every school.

Due to the pandemic, we were regrettably forced to cancel our two flagship events: the Into Film Festival, the world's largest event of its kind, and the Into Film Awards, an important showcase for children and young people's talent. We did nevertheless hold an online awards ceremony, kindly hosted by David Walliams, and were able to run a handful of cinema screenings in the autumn. We are excited that both events will return in 2021/22.

In addition to our work to help foster a love of cinema-going, we support the screen industry in another way by fuelling young people's awareness and aspirations regarding potential future careers. A series of online talks and webinars by industry professionals, some in partnership with Speakers for Schools, proved popular with schools and FE colleges, while our ScreenWorks work experience programme in Northern Ireland established innovative approaches to 'virtual' delivery. These were two examples of how the necessity to move our entire programme online achieved learning and positive outcomes that we will take forward into our future work. Another is the Moving Minds filmmaking project, whose focus on mental health and wellbeing issues couldn't have been more pertinent.

Beyond the pandemic, other world events caused us to reflect on the need to learn and make change in our practice. The Black Lives Matter movement and discourse it prompted shone an even greater light on societal injustice and inequity. We acknowledged the need for Into Film to become more proactive in our commitment to equity, equality, diversity and inclusion, both internally as an organisation and in the way we promote and represent these values through our programme: something stories told in film are superbly equipped to achieve. Working with partner organisation Diversity Pride, we commenced this journey by undertaking extensive internal discussion, and formulating a new policy and action plan that will be implemented over the coming years.

**CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT - continued**

**FOR THE YEAR ENDED 31 MARCH 2021**

Looking to the future, substantial research indicates that the impact of the pandemic on the lives and education of our children and young people will be felt for years to come, with the negative effects being especially acute among those from the most disadvantaged backgrounds. We want to do all we can to mobilise our programme to address these issues and inequalities: to realise the potential of cinema and the moving image to enrich young people's educational, cultural, and personal development, regardless of background. We intend to redouble our efforts to engage and support schools and teachers as the key means to achieve that. Consultation with teachers and young people themselves will be crucial, with our Education Ambassador groups and Youth Advisory Councils across the four nations playing a central role.

We will continue to collaborate with the film industry to support its ongoing recovery from the pandemic, by fostering young people's love of film and cinema-going, and their career aspirations. We will also begin to explore how we can create further educational opportunity and value by embracing other forms of moving image storytelling beyond traditional 'film'.

It's a huge privilege to offer our programme free of charge to state schools and eligible youth settings, and to have been able to continue to do so during such a difficult year. That would simply not have been possible without the support of our funders (listed below); we are extremely grateful to all of them. In particular, we would like to thank the BFI for its partnership and the UK's Lottery players who enable the BFI to grant us National Lottery funding. We also extend thanks to Cinema First, Northern Ireland Screen, the Paul Hamlyn Foundation and TPICAP for their invaluable support.

Finally, we wish to pay tribute to the thousands of educators who were among the heroes of the pandemic; to our dedicated staff team for their flexibility, creativity, resilience, and unwavering commitment during a year of remote working; and to our Trustees for their ongoing guidance and support.



**Eric Fellner, Chairman**  
**Paul Reeve, CEO**  
**Date: 3 November 2021**



**Paul Reeve**

**With thanks to:**

***Our funders:***

British Film Institute  
Cinema First  
Northern Ireland Screen  
Paul Hamlyn Foundation  
ICAP Charity Day  
British Council

***Our film industry ambassadors:***

Sir Kenneth Branagh  
Ruby Barnhill  
Lynwen Brennan  
Naomi Harris  
Rhys Ifans  
Celyn Jones

Katie Leung  
Jack Lowden  
Eddie Redmayne  
Matthew Rhys  
Michael Sheen  
Cornelius Walker

**DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 MARCH 2021**

The Trustees present their annual report and audited financial statements for the year ended 31 March 2021. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

***Objectives and Activities***

**Objectives**

Into Film puts film at the heart of children and young people's educational, cultural and personal development. More than half of UK schools engage with our programme of Into Film Clubs, special cinema screenings, and resources and training to support classroom teaching.

Alongside rich online content for young audiences, this provides 5-19 year olds with inspiring opportunities to learn about and make film, and develop a passion for cinema.

Our mission is to inspire dynamic ways of learning with film and connecting with cinema that reaches the widest possible young audience across the UK.

Our vision is that film is at the heart of every child and young person's life and learning.

Into Film is a not-for-profit organisation supported principally by the BFI (through the National Lottery), Cinema First and Northern Ireland Screen.

The charitable organisation's objects as set out in its Articles of Association are:

- To advance education among children and young people by the use of film as a learning tool.
- To advance the education, knowledge, understanding and appreciation of film, in particular among children and young people, by the provision of services, facilities, and events and by such other means as the Trustees may determine.

**Public benefit**

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's aims and objectives and in planning future activities. In particular, the Trustees have considered how planned activities will contribute to the aims and objectives set.

Since its inception, the Into Film education programme has connected with over half of all UK schools, as well as a significant number of colleges and youth groups.

One of our biggest successes is the spread and make-up of our clubs, right across the four nations with the broadest spectrum of schools. We have the greatest geographical reach of any UK cultural education organisation and maybe, outside of the Scouts and Guides, of any UK educational charity.

As a result of support from our principal funders, the BFI and Cinema First, we are able to make our programme free of charge. Both the financial and administrative benefits of this universal access are key drivers of our unparalleled success at reaching scale and achieving diversity within the school system.

**Use of volunteers**

All club leaders, including head teachers, teachers, classroom assistants and others, give their time to running their clubs on a voluntary basis. Into Film also works with actors, directors, producers, and many other professionals from the film industry who give their time on a voluntary basis in delivering its activities.

**DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued**

**FOR THE YEAR ENDED 31 MARCH 2021**

***Key achievements, performance, and impact***

**The Into Film Programme**

Into Film is the UK's leading charity for film in education. We support educators to unlock the power of film to deliver transformative learning outcomes for children and young people aged 5-19 in class, extra-curricular settings and in cinemas.

Designed in partnership with educators, our programme features the UK's only school-specific film streaming service (Into Film+), online teaching resources and training, careers information, cinema screenings and a network of extra-curricular film clubs.

During the period 2020-21 we launched two products – Into Film+, the UK's first streaming service dedicated to film and designed for all school settings, and an online learning platform. The former offered 170 feature and short film titles, alongside a wide range of teaching resources and exclusive video content. The learning platform enabled educators to access online training in a way that suited their needs, and Into Film to reach a larger audience. These two new products represented the biggest step change in the Into Film offer since the charity launched in 2012-13 and will underpin our next five-year strategy.

*"The quality of the films were excellent, and it was very helpful to have the film to hand rather than having to order it through the post...The linked resources for follow on activities and support materials are very useful."*

**Teacher feedback on Into Film+**

*"I loved it all. It's very creative and it allows me to apply most of the tasks to other areas of literacy and to play with the ideas. I tried some of the activities already with my students and the response was great!"*

**Teacher feedback on literacy course on the LMS**

We are delighted to report that in 2020-21, a year in which schools were heavily impacted by the pandemic, we still supported 6,876 extra-curricular film clubs to provide rich and varied opportunities to watch, discuss, review, and make films. Many clubs were less able to operate due to school closures and class bubbling so we supported schools to run remote and face-to-face film learning activities in a Covid-safe manner. Teachers reported that for many children and young people, film club provided a much-needed opportunity for them to connect and socialise during a time of great uncertainty.

We continued to support a wide range of schools across the UK, including a high number in areas of disadvantage. More than 40% of Into Film Clubs in England and Wales were located in schools with a higher than average take up of Free School Meals; In Scotland, 45% of Into Film Clubs were run in schools where more than 50% of pupils live in areas of economic and social deprivation.

Film has an important role to play in delivering a broad and balanced curriculum and is used by educators throughout the UK to bring subjects alive, develop key skills and broaden pupils' access to culture. In 2019 Into Film ran a comprehensive survey with Educators. Respondents reported that the Into Film offer had helped improve:

- Literacy skills: 99%
- Social skills: 98%
- Creativity: 99%

The educators surveyed stated that the Into Film programme had supported pupil development in the following transferable areas:

- Behaviour: 97%
- Motivation to learn: 96%
- Leadership skills: 76%

**DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued**

**FOR THE YEAR ENDED 31 MARCH 2021**

***Key achievements, performance, and impact (continued)***

99% said that the Into Film programme increased member's enjoyment of school, and 98% said that the Into Film programme enhances access to culture. In addition, 96% felt it increased their appreciation of diverse types of film.

In response to the pandemic and its disruptive impact on school learning, we developed a strong remote and home learning offer that was well received by parents as well as teachers. In addition to the 135,497 educational resources downloaded in 2020-21 (a 23% increase on 2019-20), we offered a wide range of film watching and learning articles designed for use by parents at home using free-to-access channels.

We are proud to offer 852 learning resources as part of our extensive catalogue. During 2021-21 we partnered with Doc Academy to host a suite of documentary-focussed resources, and with a range of commercial partners including Puffin and Universal, to deliver in-class and at home learning content. We also provided new learning hubs on important cross-curricular subjects including mental health and wellbeing, and Black Lives Matter.

In May 2020 we ran Nature in Your Neighbourhood, a filmmaking competition that tasked young people and their families to document their experience of life during the first lockdown. The project resonated strongly with families and generated a record 450 entries, and the films created provided an extraordinary snapshot of young lives during the pandemic. We offered further filmmaking opportunities through our Moving Minds 2 Project. Funded by the proceeds raised by the 2019 ICAP Charity Day, this initiative supported four groups of young people from organisations including Pupil Referral Units and Child and Mental and Adolescent Mental Health Services to make films on the topic of mental health. In 2020-21 we are proud to have supported more than 1,000 children and young people to engage with filmmaking through initiatives such as Nature in Your Neighbourhood, Moving Minds 2, and our Film of the Month competition.

Our two flagship events, Into Film Festival and Into Film Awards, were both impacted by the pandemic. The former was cancelled, although we did manage to host a small number of cinema screenings during the Autumn term. The Into Film Awards, usually an in-person event, was delivered online and kindly hosted by author and presenter David Walliams. The online event recognised the talents of children and young people from across the UK and was a great way of compensating the shortlisted candidates following the cancellation of the London ceremony.

Into Film's teacher training offer continued in 2020-21 and performed strongly despite the impact of the pandemic on teachers' ability to access continuing professional development (CPD). We trained 4,533 educators, including trainee teachers and experienced senior leaders, developing their skills to teach in, through and about film. We were thrilled to launch our new online training platform, which hosted a number of courses including Teaching Film through Literacy and Filmmaking for Primary Literacy.

Our careers offer was also delivered remotely in 2020-21 and included a number of online workshops with industry talent including Sarah Gavron, Director of *Rocks* and *Suffragette*. These online events proved to be very popular, engaging more than 2,000 children and young people.

Into Film's Youth Ambassador Council continued to run, giving 63 young people from across the UK an opportunity to shape our policy and practice, as well as access training and development opportunities, including film making, journalism and film festival programming. They were joined by 23 young reporters who we supported to produce content for our Get Into Film channels, including interviewing Hollywood names such as George MacKay and Anna Kendrick. Get Into Film engaged an audience of over one million viewers in 2020-21.



**DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued**  
**FOR THE YEAR ENDED 31 MARCH 2021**

***Structure, governance, and management***

**Nature of the governing document**

The charitable company is limited by guarantee and does not have share capital. It is governed by its Memorandum and Articles of Association. Film Nation UK is a registered charity, trading as Into Film.

**Governance**

Into Film has a Board of Trustees, chaired by Eric Fellner CBE. The Board can comprise up to fourteen Trustees, including the Chair. There were thirteen Trustees as at 31 March 2021.

There are two permanent Sub-committees: a Finance and Audit committee comprising two Trustees, and a Development committee comprising two Trustees (plus other non-Trustees to help with fundraising), which meet bi-monthly. Additional expertise led sub-committees will be created as needs demand.

**Trustee induction and training**

The founding Trustees are experienced as Trustees and have been instrumental in the development of Into Film. Trustees appointed since formation have been inducted by the Chief Executive using a recently compiled induction manual to ensure a comprehensive view of the organisation, its stakeholders, partners, and the wider context in which Into Film operates. Trustees are regularly kept up to date with changes in relevant legislation and receive training where appropriate to their responsibilities.

**Senior management structure**

The day-to-day management of Into Film is carried out by the Senior Management team comprising the directors of all departments, led by the Chief Executive. Executive team salaries were made equal at the inception of Into Film when they were benchmarked against equivalent roles in the public sector and other educational charities. Since then, they have increased with inflation, where possible, in line with the experience in similar sectors.

**Risk Management**

In line with best practice and the requirements of the Charity SORP FRS 102, specific consideration has been given to the identification and management of risk within the organisation. This has resulted in a risk register, detailing priorities of importance with required actions identified to manage the risk. This is reviewed twice a year by the Finance and Audit committee and quarterly by the Senior Management Team. Details of specific risks facing the organisation and the steps taken by the Trustees to manage these risks are given on the following page.

**DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued**

**FOR THE YEAR ENDED 31 MARCH 2021**

***Structure, governance, and management (continued)***

**Principal Risks and Uncertainties**

The main risks facing the charity are:

- The uncertainty around the future of funding beyond 31 March 2023 from our current long-term partners, and in-year reductions during the current funding period.

Lottery funding is at risk from fluctuations in future Lottery income, and funding from Cinema First will depend to an extent on the future commercial marketplace. This is mitigated through continued work to further programme impact and dialogue with the BFI regarding approaches to maximising public value; researching where there is potential to continue elements of programme, and introducing new ones, that could attract alternative income sources and use findings to inform the Business Plan; and implementing a fundraising strategy. In the future we plan to co-opt a Development Specialist on to Board and have already set-up a Board Fundraising sub-committee.

This risk has increased since the arrival of COVID-19, however we remain in close contact with our funders, who have remained supportive during this period. We have also planned for different funding scenarios to ensure that the organisation is not adversely affected by a reduction.

This is the same risk as in previous years, however, due to the pandemic, we have been given an extra year of Lottery funding, so the uncertainty is now what happens beyond 31 March 2023.

- Ongoing impact of COVID-19 on our service, our staff, and our users

COVID-19 has had a significant impact on both the film and education sectors, which we will continue to monitor and change our strategy accordingly. We have already switched to online delivery for many of our activities, and plan to do so for the foreseeable future, at least until we can safely return to face-to-face delivery. Our staff are our priority and have worked from home since before the lockdown; since then, we have put in place as many processes as possible to help people work as effectively as possible under difficult and varied individual circumstances, to maintain work relationships and monitor their mental health and well-being.

The challenge now is to incorporate the developments and learning from remote working and online delivery into the next organisational strategy and ensure that our working conditions and arrangements are the best possible for our staff and the organisation.

- Film distribution service fails to meet the needs of the organisation and/or film clubs

The delivery of the Into Film programme has relied heavily on our DVD order service, which has now been enhanced by the development of our own streaming service, Into Film+. As streaming from providers to customers becomes more commonplace, the urgency of the government to extend existing film licensing legislation for education organisations to cover streaming becomes ever more pressing. This is mitigated by using specialist legal advice and a Board working group to address licensing issues.

- Uncertainty in securing additional funding/income streams to supplement that of principal funders in future years where our principal funders' priorities have shifted.

Given the overall reduction in funding for cultural and film education activity, securing funds has become harder in the current climate. We monitor fundraising quarterly, with the Director of Business Development responsible for commercial income and income from trusts and foundations.

**DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued**

**FOR THE YEAR ENDED 31 MARCH 2021**

***Structure, governance, and management (continued)***

**Financial Review**

A summary of the financial results and the work of the Charity are set out below.

**Income and expenditure for the year**

The Statement of Financial Activities for the year is set out on page 16 of the financial statements. A summary of the financial results and the work of the Charity is set out below.

Total income for Into Film for the year was £5,504,215 comprised mainly of donations and grants from film and education related organisations, with the majority (£4,517,500) being Lottery funding distributed by the British Film Institute (BFI).

Total expenditure for the year was £5,757,503 which has resulted in a net deficit of £253,288. This is due mainly to costs incurred in 2020/21 that relate to designated reserves or restricted income received in 2019/20.

The net unrestricted loss, including income retained from restricted projects, was £79,112 which means our freely available reserves have fallen slightly to £942,089. However, that amount includes reserves designated in line with our reserves policy below, leaving available general reserves at £533,567.

**Reserves policy**

In accordance with the Charity's Articles of Association, Film Nation UK may set aside funds for special purposes or as reserves against future expenditure. The Board of Trustees have agreed that it is prudent to retain a level of reserves sufficient to cover the costs of transition, in the event of significantly reduced funding. The level of funding is reviewed annually, and the reserves increased if required and funds are available.

Given that our Lottery contract stipulates that we would receive six months' funding at the current levels, should we get any reduction or notice of cessation of funding (the equivalent to £400,000 per month), Trustees have deemed that holding additional general reserves of around £300,000 is more than sufficient. The level of reserves held at 31 March 2021 exceeds the reserves target, in light of both COVID-19 and the point the organisation is in the funding cycle.

Last year we designated additional reserves towards digital development, to ensure that there were funds available to continue to develop and launch our Video on Demand (VoD) service and associated Learning Management System (LMS). Most of these funds were used during the year; now that they have been launched, the remaining funds will be used to offset the costs of running the services during 2021/22.

In 2020/21 we have designated two additional reserve amounts: a donation received from EON, which will be used against specific activity, yet to be decided; plus, the carry forward of NI Screen income, which is unrestricted income but has been allocated against NI costs in 2021/22.

This has led to unrestricted general funds as at 31 March 2021 of £533,567, unrestricted designated funds of £408,522 and restricted funds of £242,038.

Further detail regarding fund balances is given at Note 14 to the financial statements.

**Investments**

Apart from cash deposits Into Film does not have investments. Investments are permitted under the Articles of Association and the Board of Trustees will seek to develop an appropriate policy when required.

**DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued**

**FOR THE YEAR ENDED 31 MARCH 2020**

***Structure, governance, and management (continued)***

**Fundraising**

Into Film does not actively raise funds from the public but does occasionally receive unsolicited donations from individuals or organisations. These are ring fenced and allocated to specific activity, either at the request of the donor or as suggested by Into Film.

We do employ a small (freelance) fundraising team who work mainly on securing income from trusts, foundations, and corporate bodies.

***Looking to the future***

Into Film's five-year strategy identifies the following objectives, that remain in place for 2021/22:

- Review the Into Film offer with a view to offering a fit-for-purpose product that meets the needs of modern-day schools and the environment in which they operate
- Recruit, activate and support a UK-wide network of Into Film clubs and leaders, delivering a curated offer that drives engagement amongst target audiences
- Progress plans for a streaming-based model for the distribution of films across our club network
- Launch a pilot loyalty scheme that incentivises cinema-going for young people, enabling them to experience film on the big screen
- Further develop our CRM system to better understand and communicate with our network of Into Film Clubs and other programme users
- Provide high-quality CPD training and resources for educators, through a wide range of face-to-face and digital products that link to the curriculum
- Strengthen links between young people participating in our film clubs and wider programme and the BFI Film Audience Network, working in partnership to develop an audience of active film goers.

**DIRECTORS' AND TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT - continued**

**FOR THE YEAR ENDED 31 MARCH 2021**

**Responsibilities of the Trustees**

The Trustees (who are also the directors of Film Nation UK for the purposes of company law) are responsible for preparing the Directors' and Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

**Auditors**

Cooper Parry Group Limited has expressed its willingness to continue in office and will be proposed for re-appointment at the Annual General Meeting.

**Approved by the Board of Directors on 3 November 2021 and signed on behalf of the Board:**



**Eric Fellner**  
**Chairman**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES**  
**OF FILM NATION UK**

**Opinion**

We have audited the financial statements of Film Nation UK ("the charitable company") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021, and of the incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES**

**OF FILM NATION UK - continued**

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the report of the Trustees, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Directors' and Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' and Trustees' Annual Report has been prepared in accordance with legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' and Trustees' Annual Report .

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' and Trustees' Annual Report and from the requirement to prepare a strategic report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES**

**OF FILM NATION UK - continued**

**Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our assessment focussed on key laws and regulations the charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection and employment legislation.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the charitable company's control environment and how the charitable company has applied relevant control procedures, through discussions with Trustees and other management and by performing walkthrough testing over key areas;
- obtaining an understanding of the charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing accounting estimates for bias.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES**

**OF FILM NATION UK – continued**

**Auditor's responsibilities for the audit of the financial statements (continued)**

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006 and to the charitable company's Trustees as a body in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Glen Bott FCA

Senior Statutory Auditor for and on behalf of:

**Cooper Parry Group Limited**

Chartered Accountants and Statutory Auditor  
One Central Boulevard  
Park View  
Blythe Valley Park  
Solihull  
West Midlands  
B90 8BG

Date: 8 November 2021

**FILM NATION UK**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating an income and expenditure account)

**FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	General Funds £	Restricted Funds £	2021 Total £	2020 Total £
<b>INCOME FROM:</b>					
Donations and legacies	2	151,407	-	151,407	123,760
Other trading activities	3	304,288	-	304,288	1,054,856
Investments	4	520	-	520	4,831
Charitable activities	5	4,647,500	400,500	5,048,000	5,571,500
Total income		5,103,715	400,500	5,504,215	6,754,947
<b>EXPENDITURE ON:</b>					
Costs of generating funds		66,923	-	66,923	85,084
Charitable activities		5,328,727	361,853	5,690,580	6,193,394
Total expenditure	6	5,395,650	361,853	5,757,503	6,278,478
<b>NET (EXPENDITURE)/INCOME FOR THE YEAR</b>		(291,935)	38,647	(253,288)	476,469
Transfer between funds		106,650	(106,650)	-	-
<b>NET MOVEMENT IN FUNDS</b>		(185,285)	(68,003)	(253,288)	476,469
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward at 1 April 2020		1,127,374	310,041	1,437,415	960,946
Total funds carried forward at 31 March 2021	14	942,089	242,038	1,184,127	1,437,415

All income and expenditure derive from continuing activities.

The statement of financial activities incorporates all gains and losses recognised in the above two financial periods.

The notes on pages 19 to 31 form part of these financial statements.

**FILM NATION UK**  
(A company limited by guarantee)

**BALANCE SHEET**

**COMPANY No. 08210217**

**AS AT 31 MARCH 2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	11	14,877	20,449
Investments	20	-	-
		14,877	20,449
<b>CURRENT ASSETS</b>			
Debtors	12	234,114	302,381
Bank and cash balances		1,612,378	1,591,188
		1,846,492	1,893,569
<b>CREDITORS: Amounts falling due within one year</b>	13	(677,242)	(476,603)
<b>NET CURRENT ASSETS</b>		1,169,250	1,416,966
<b>NET ASSETS</b>		1,184,127	1,437,415
<b>Represented by:</b>			
Unrestricted - general funds	14	533,567	612,679
Unrestricted - designated funds	14	408,522	514,695
Restricted funds	14	242,038	310,041
		1,184,127	1,437,415

The financial statements were approved by the board of directors on 3 November 2021 and are signed on its behalf by:

  
**Eric Fellner**  
Chairman

The notes on pages 19 to 31 form part of the financial statements

**FILM NATION UK**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
for the year ended 31 March 2021

	<b>Notes</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Net cash used in operating activities</b>	17(a)	26,834	747,809
<b>Cash flow from investing activities</b>			
Capital expenditure	17(b)	(5,644)	(5,653)
<b>Net cash used in investing activities</b>		(5,644)	(5,653)
<b>Change in cash and cash equivalents in the reporting period</b>		21,190	742,156
<b>Cash and cash equivalents at 31 March 2021</b>		1,612,378	1,591,188
<b>Cash and cash equivalents at 31 March 2020</b>		1,591,188	849,032
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		1,612,378	1,591,188

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2021**

**1 Accounting policies**

**Basis of preparation**

Film Nation UK (trading as Into Film) is a charity limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are in education among children and young people by the use of film as a learning tool.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Voluntary income by way of grants, donations and gifts is included in full in the Statement of Financial Activities when receivable and when the amounts are known with certainty and are measurable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charitable company, are recognised when it becomes unconditionally entitled to the grant.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charitable company earns the right to consideration by its performance. Where income is received in advance of performance it is treated as deferred income and included within creditors.

The charitable company receives government grants in respect of its award from the British Film Institute. Income from government and other grants are recognised at fair value when the charitable company has entitlement after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2021**

**1 Accounting policies (continued)**

**Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably.

Charitable expenditure comprises those costs incurred by the charitable company in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charitable company and include audit fees and costs linked to the strategic management of the charitable company.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

**Fund accounting**

***Restricted funds***

Restricted funds represent grants and donations received which are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal. The aim and use of each restricted fund are set out in the notes to the financial statements.

***Unrestricted funds and designated funds***

Unrestricted funds represent funds that are expendable at the discretion of the directors in the furtherance of the objects of the charitable company. Such funds may be held in order to finance both working capital and capital investment.

Designated funds are those funds which are unrestricted in nature, but which have been designated by the directors to be used in a particular manner.

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2021**

**1 Accounting policies (continued)**

**Tangible fixed assets**

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Fixtures, fittings & equipment	4 years straight line
Plant & machinery etc.	3 years straight line

Assets purchased which are under £500 are expensed to the Statement of Financial Activities.

**Debtors and creditors receivable / payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**Recognition of liabilities**

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

**Employee benefits**

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

**VAT**

VAT is only partially recoverable by the charitable company. Any irrecoverable VAT is included within the relevant costs in the Statement of Financial Activities.

**Tax**

The charitable company meets the definition of a charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**Going concern**

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure are sufficient with the level of reserves for the charity to be able to continue as a going concern.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2021

<b>2 Donations and legacies</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Donations	151,407	123,760

All of the income received in respect of donations and legacies was attributable to unrestricted funds in both the years ended 2021 and 2020.

<b>3 Other trading activities</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Cinema First	271,875	725,000
Sponsorship	(40,000)	130,500
Earned income	72,413	199,356
	<b>304,288</b>	<b>1,054,856</b>

All of the income received in respect of other trading activities was attributable to unrestricted funds in both the years ended 2021 and 2020.

The sponsorship amount in 2021 relates to sponsorship income not collected due to the cancellation of the 2021 Awards.

<b>4 Investments</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	520	4,831

All of the income received in respect of investments was attributable to unrestricted funds in the year ended 2021 (and 2020).



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2021

<b>5 Income from charitable activities</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b><i>Restricted</i></b>		
Paul Hamlyn	116,500	232,500
Northern Ireland Screen	259,000	184,000
ICAP Charity Day	-	150,000
British Council	25,000	103,000
Arts Council England	-	1,500
<b><i>Unrestricted</i></b>		
BFI grants receivable	4,517,500	4,767,500
Northern Ireland Screen	129,000	133,000
Trust & Foundations	1,000	-
	<b>5,048,000</b>	<b>5,571,500</b>

A grant of £24,000,000 was awarded to Into Film by the British Film Institute for the five-year period commencing 1 April 2018. The BFI grant income identified for 2020/21 represents the cash drawn down during the financial year.

During 2017/18 an amount of £130,000 was drawn down early, to cover the costs of setting up a DVD delivery service for film clubs, to replace the service previously run by LOVEFiLM. This means that the amount available for the remaining 4 years of the BFI contract will be reduced by the same amount.

In 2020/21, COVID-19 meant that our costs were less than expected, so we requested that we delay drawing down £250,000 of Lottery funds to the final year of the original contract. This gives a final year Lottery balance of £5,017,500 to be drawn down in 2021/22.

During 2020/21 we were also informed by the BFI that COVID-19 had delayed the planning of the next funding cycle; instead, we would get an additional year of lottery funding, at the original level, meaning our current Lottery funding will now end at 31 March 2023.

**FILM NATION UK**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2021

**6 Analysis of expenditure on charitable activities**

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
<b>Costs of generating income</b>				
Salaries, pensions and other staffing costs	66,923	-	66,923	85,084
<b>Direct costs</b>				
Audience development	6,721	-	6,721	73,958
Commercial activity	28,200	-	28,200	93,595
Communications and PR	681,658	-	681,658	728,224
Content	269,694	-	269,694	326,005
Digital	514,495	-	514,495	564,027
Digital Development (Streaming & LMS)	418,230	-	418,230	151,235
Events and Into Film Festival	92,577	-	92,577	442,156
Filmmaking	41,475	-	41,475	73,218
Programme Delivery	1,351,082	-	1,351,082	1,518,669
British Council (Camara Chica)	-	31,287	31,287	35,276
ICAP (Moving Minds)	-	83,543	83,543	994
Paul Hamlyn (Film for Learning)	-	89,040	89,040	140,183
Northern Ireland Screen (ScreenWorks)	-	140,190	140,190	165,557
Northern Ireland Screen (Mentoring pilots)	-	17,793	17,793	-
<b>Overhead costs</b>				
Customer Relationship Manager (CRM)	100,569	-	100,569	70,254
Finance	74,604	-	74,604	148,860
Human Resources	328,398	-	328,398	253,751
Information Technology	473,129	-	473,129	398,905
Offices and premises	404,968	-	404,968	463,247
Strategy & Planning	438,281	-	438,281	450,831
<b>Governance</b> (note 7)	104,646	-	104,646	94,449
	5,395,650	361,853	5,757,503	6,278,478

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2020

	<b>2021 Total Funds £</b>	<b>2020 Total Funds £</b>
<b>7 Governance costs</b>		
Audit & Accounting fees	26,649	16,443
Salaries	77,997	78,006
	104,646	94,449

**8 Net expenditure for the year**

Net expenditure is stated after charging:	<b>2021 £</b>	<b>2020 £</b>
Depreciation of owned assets	11,216	8,668
Insurance: Trustees' and senior staff indemnity insurance	9,535	9,535
Audit fees – current year	17,450	16,443

**9 Pension costs**

Into Film operates a salary sacrifice contribution pension scheme in respect of its employees. The scheme and the assets are held by independent managers.

In October 2017, the charity implemented auto-enrolment for all its staff, increasing the number of employees using the pension scheme. At 31 March 2021, a total of 78 employees participated in these schemes (2020: 79). The charitable company will match the percentage contribution by the employee, up to a maximum of 5% of salary.

The pension charge in the year was £283,897 (2020: £281,733) and at the year-end there were £31,441 contributions payable (2020: £25,937).

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2021

<b>10 Staff costs</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,949,614	2,858,542
Social security costs	306,692	299,934
Pension costs	283,897	281,733
Redundancy costs	-	5,631
	<hr/>	<hr/>
	3,540,204	3,445,840

**Number of employees**

The average monthly numbers of employees (excluding the Trustees) during the year, calculated on the basis of full time equivalents, was as follows:

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Chief Executive's office	2	2
Communications and PR (now includes Web content team)	21	24
Digital	8	8
Education	36	37
Partnerships and Strategy	8	6
Finance and Operations	6	8
	<hr/>	<hr/>
	81	85

The number of employees (individuals) was 92 (2020: 89).

The number of employees whose emoluments amounted to £60,000 or more in the year was as follows:

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £ 70,000	6	6
£70,001 - £ 80,000	-	-
£80,001 - £ 90,000	1	1
£90,001 - £100,000	1	1

Pension contributions in respect of the eight higher paid staff were £28,332 (2020: eight higher paid staff were £27,707).

No salaries or wages have been paid to Trustees during the year (2020: £nil).

No charity Trustee received payment for professional or other service supplied to the charity (2020: £nil).

The total amount of employee benefits received by key management personnel is £509,522 (2020: £509,618). The key management personnel consist of six individuals (2020: six): the Chief Executive, Director of Programme Delivery, Director of Business Development, Director of Finance and Operations, Chief Technology Officer, and Director of Marketing and Communications.

**FILM NATION UK**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2021

<b>11</b>	<b>Tangible fixed assets</b>	<b>Fixtures, Fittings &amp; Equipment</b>	<b>Computer Equipment</b>	<b>Total £</b>
	<b>Costs</b>			
	As at 1 April 2020	91,481	21,111	112,592
	Additions	-	5,644	5,644
	As at 31 March 2021	91,481	26,755	118,236
	<b>Depreciation</b>			
	As at 1 April 2020	84,684	7,459	92,143
	Charge for the year	3,066	8,150	11,216
	As at 31 March 2021	87,750	15,609	103,359
	<b>Net book values</b>			
	As at 31 March 2021	3,731	11,146	14,877
	As at 31 March 2020	6,797	13,652	20,449
<b>12</b>	<b>Debtors</b>		<b>2021 £</b>	<b>2020 £</b>
	Trade debtors		52,048	124,899
	Other debtors		4,073	3,525
	Prepayments		177,993	173,957
			234,114	302,381
<b>13</b>	<b>Creditors: Amounts falling due within one year</b>		<b>2021 £</b>	<b>2020 £</b>
	Trade creditors		331,736	258,096
	Other creditors		125,024	91,540
	Accruals		177,982	126,967
	Deferred income		42,500	-
			677,242	476,603

**FILM NATION UK**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2021

**14 Fund balances**

	General £	Restricted £	Total £
Fund balances at 31 March 2021 are represented by:			
Tangible fixed assets	14,877	-	14,877
Current assets	1,604,454	242,038	1,846,492
Current liabilities	(677,242)	-	(677,242)
	942,089	242,038	1,184,127

Fund balances at 31 March 2020 were represented by:

Tangible fixed assets	20,449	-	20,449
Current assets	1,583,528	310,041	1,893,569
Current liabilities	(476,603)	-	(476,603)
	1,127,374	310,041	1,437,415

**2020/21**

**Restricted Funds**

	At 1 April £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March £
ICAP	150,000	-	(83,543)	(32,500)	33,957
Paul Hamlyn	92,317	116,500	(89,040)	(49,950)	69,827
NI Screen (Projects)	-	259,000	(157,983)	(24,200)	76,817
British Council	67,724	25,000	(31,287)	-	61,437

	310,041	400,500	(361,853)	(106,650)	242,038
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**Unrestricted Fund**

General Funds	612,679	4,551,433	(4,731,551)	101,006	533,567
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**Designated Funds**

Cinema First	115,000	271,875	(286,875)	-	100,000
Digital development	379,246	-	(268,230)	-	111,016
EON donation	-	151,407	-	-	151,407
NI Screen (Clubs)	-	129,000	(97,778)	-	31,222
Fixed asset fund	20,449	-	(11,216)	5,644	14,877

	1,437,415	5,504,215	(5,757,503)	-	1,184,127
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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2021

**14 Fund balances (continued)**

	At 1 April £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March £
<b>2019/20</b>					
<b>Restricted Funds</b>					
ICAP & Goldman Sachs	65,442	150,000	(994)	(64,448)	150,000
Paul Hamlyn	(10,514)	232,500	(140,183)	10,514	92,317
NI Screen	42,355	184,000	(165,557)	(60,798)	-
British Council	-	103,000	(35,276)	-	67,724
Arts Council England	-	1,500	-	(1,500)	-
	97,283	671,000	(342,010)	(116,232)	310,041
<b>Unrestricted Fund</b>					
General funds	683,031	5,229,534	(5,120,061)	(179,825)	612,679
<b>Designated Funds</b>					
Cinema First	46,504	725,000	(656,504)	-	115,000
Digital development	127,550	123,760	(151,235)	279,171	379,246
Fixed asset fund	6,578	5,653	(8,668)	16,886	20,449
	960,946	6,754,947	(6,278,478)	-	1,437,415

**Description of funds**

**General funds** include any reserves available to be used in the event of future reductions in funding.

The **Paul Hamlyn** funding is for the Film for Learning project, to provide teachers with CPD to develop their film analysis, animation and filmmaking skills, and embed film in the classroom.

The **ICAP** funding is being used to explore and promote mental wellbeing through filmmaking, with professional filmmakers working with young people to improve their confidence, find their voice, learn about working in a fun and creative team, and to gain filmmaking skills and experience.

The **NI Screen** funding is being used to deliver the ScreenWorks project, a scheme to help young people in Northern Ireland aged 16-19 to explore screen crafts through a range of unique work experiences and a mentoring pilot.

The **British Council** funding is for the Camara Chica project, which runs filmmaking courses in overseas countries.

The transfers between the Restricted and General Funds represent amounts retained by Into Film to cover internal staff costs, management fees and other costs, as agreed with each funder.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2021

**14 Fund balances (continued)**

The **Designated Funds** represent funds ring-fenced by the Board in respect of the following:

- **Cinema First & NI Screen** income that has been agreed to be carried forward to 2021/22;
- **Digital development**, to help launch and support a new Video on Demand (VoD) platform, and Learning Management System (LMS) to host our online film and educational content;
- A donation from **EON** which has yet to be assigned to specific activity;
- **Fixed assets**, as they do not represent reserves that are freely available to the charity; future depreciation on these assets will be charged to this fund.

**15 Leasing commitments**

The total future minimum lease payments under non-cancellable operating leases in respect of land and buildings are as follows:

<b>Expiry Date</b>	<b>2021</b> £	2020 £
Within 1 year	200,460	283,320
Within 2-5 years	45,000	245,460

**16 Capital commitments**

There were no capital commitments at the balance sheet date (2020: £nil).

**17 Cash flow notes**

**(a) Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2021</b> £	2020 £
Net expenditure for the year	(253,288)	476,469
Depreciation	11,216	8,668
Loss on disposal	-	-
(Increase)/ decrease in debtors	68,267	288,736
Increase/ (decrease) in creditors	200,639	(26,064)
<b>Net Cash used in operating activities</b>	<b>26,834</b>	<b>747,809</b>



**FILM NATION UK**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2021

**17 Cash flow notes (continued)**

<b>(b) Capital expenditure</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Purchase of tangible fixed assets	(5,644)	(5,563)

  

<b>(c) Analysis of changes in net debt</b>	<b>At 1 April</b>	<b>Cash</b>	<b>At 31 March</b>
	<b>2020</b>	<b>flows</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	1,591,188	21,190	1,612,378

**18 Controlling interest**

The charitable company is controlled by its Trustees.

**19 Company limited by guarantee**

Film Nation UK is a charitable company limited by guarantee and accordingly does not have a share capital. The liability of each member of the charitable company is limited to £1 in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member.

**20 Investments**

**Subsidiary undertakings**

The following charitable companies are Limited by Guarantee and are under the control of Film Nation UK at the balance sheet date.

**Subsidiary name**

First Light Movies Limited Company No. 05730661	Dormant Company
Film Club (UK) Company No. 05895219	Dormant Company