

Northern Ireland Screen Commission
Registration Number NI 031997

Northern Ireland Screen Commission
Directors' Report and Financial Statements
for the year ended 31 March 2010

Company Information

| | |
|--------------------------|--|
| Directors | Richard Hill (Chair) Roger Austin Anne Therese Cormican Maurice Hayes Terry Loane Ruth Helene McCance Maria McCann (resigned 25.11.09) Tim McKane Philip Morrow James Penny Peter Quinn Mairead Regan Kate Smith |
| Secretary | Richard Williams |
| Company Number | NI 031997 |
| Registered Office | Alfred House 21 Alfred Street Belfast BT2 8ED |
| Auditors | ASM Horwath Horwath House 20 Rosemary Street Belfast BT1 1QD |
| Bankers | Ulster Bank Limited 11-16 Donegall Square East Belfast BT1 5UB Northern Bank Corporate First Floor Donegall Square West Belfast BT1 6JS |

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**Directors' Report and Commentary
for the year ended 31 March 2010**

The Directors who served during the year are as follows:

| | | |
|----------------------|-----------------------|--------------|
| Richard Hill (Chair) | Tim McKane | Roger Austin |
| Philip Morrow | Anne Therese Cormican | James Penny |
| Maurice Hayes | Peter Quinn | Terry Loane |
| Mairead Regan | Ruth Helene McCance | Kate Smith |
| Maria McCann | | |

History, statutory background and review of business

Northern Ireland Screen Commission (trading as Northern Ireland Screen) was established on 28 April 1997 as a direct result of recommendations made in the Edmund Review, which was commissioned by the Department of Education for Northern Ireland (DENI) and the Department of Economic Development (DED). It assumed the previous responsibilities of the Northern Ireland Film Council. The company is limited by guarantee.

Since its establishment, the principal activity of the company has been to accelerate the development of a dynamic and sustainable film and television industry and culture in Northern Ireland. The company is also responsible for the distribution of Lottery funds under the Lottery Film Funding Programme.

Business Review

This report covers the final year of Northern Ireland Screen's 3-year strategy, 'Building On Success', which included a full independent evaluation of the Invest Northern Ireland financed elements of the 3-year strategy and an economic appraisal of our proposed new 4-year strategy 'Driving Global Growth'.

The economic evaluation, undertaken by KPMG in association with Oxford Economics, was very positive. For example, the Northern Ireland Screen Fund, which invested £9.8 million during the period and represents 79% of our incentive funding, exceeded its target, delivering an economic return of circa £45 million at a ratio of 4.6:1 against a return to investment target of 4.2:1. Importantly, the Northern Ireland Screen Fund was also deemed to be 96% additional, indicating that this investment is absolutely critical if the screen industry is to be effectively grown – without the funding, the film and television drama activity would not have happened.

The evaluation also highlighted very clearly the central importance of the Paint Hall studio. Over 50% of the economic return from the Screen Fund was derived from Paint Hall projects. However, the evaluation also strongly endorsed Northern Ireland Screen's view that it is extremely important to encourage a wide range of projects and companies within the screen industries and that to focus exclusively on the Paint Hall would be a mistake.

I was also extremely encouraged that KPMG's consultation exercise captured a very complimentary picture of how Northern Ireland Screen goes about its business. The consultees gave strong and wide-ranging praise of our work. I am determined that Northern Ireland Screen should be customer-facing and I would like to take this opportunity to thank all of my colleagues at Northern Ireland Screen for ensuring that the 'Building On Success' strategy was focused on delivering for the sector which it is designed to support.

Of course the evaluation did show up weaknesses, highlighting the delay from the BBC in rolling out its strategy as one of two main causes for a failure to hit the target growth in the local independent production sector, the other being the recession. Encouragingly, the evaluation concluded that, while the BBC was behind schedule, there were strong signs that the strategy of devolving production to the Nations and Regions, including Northern Ireland, was to be carried through. The 8 BAFTA nominations associated with productions filmed in Northern Ireland should help break down the reticence of key decision-makers to embrace fully the potential of Northern Ireland.

Northern Ireland Screen also accepts the recommendation that a more joined-up approach should be taken to the development of digital content.

However, we are less comfortable that the value of the Product Development Fund remains in question. As a matter of urgency, we will press for development funding for the screen industries to be seen as analogous to supporting research and development or innovation in other sectors. As has been highlighted with R&D and innovation, development is the key to Northern Ireland's future success in the screen industries and we must support it.

A summary of KPMG's report is available on Invest Northern Ireland's website: http://www.investni.com/evaluation_of_the_ni_screen_commission_s_strategy_for_2007-2010_-_summary_report.pdf.

The Irish Language Broadcast Fund was also the subject of an evaluation this year. McClure Waters undertook an evaluation on behalf of DCAL of the first 4 years of the Irish Language Broadcast Fund 2005-2009.

The evaluation was extremely positive, reporting that all of the targets set had been successfully reached. The report highlights the significant economic and cultural impact which the ILBF has had on both the production sector and on stakeholders in Northern Ireland since its creation in 2005.

Risk

Principal risks and uncertainties facing the company identified during the year were:

The inability to attract sustainable funding: Invest Northern Ireland's funding of Northern Ireland Screen's Driving Global Growth Strategy 2010-2014 awaits DETI Ministerial approval at the time of writing. Irish Language Broadcast Fund and the new Ulster-Scots Broadcast Fund await Ministerial approval from the DCMS Minister.

Insufficient corporate governance which could lead to a negative impact on our relationship with funders, or negative public perception of the organisation: We have improved the quality and flow of information within Northern Ireland Screen's governing structure and this is managed through quarterly accountability meetings with DCAL and Invest NI. We continue to review and evaluate governance procedures. We continue to monitor the governance arrangements of our third party funded organisations to improve accountability.

Public perception of funding decisions made: We continue to maintain the transparency of the grant decision process along with establishing strong public relations across Northern Ireland. Following DCAL recommendations we have engaged CPD for future procurement.

The Summary Performance Indicator Report reflects the strength of Northern Ireland Screen's performance in 2009-10 including in areas that had not performed so well in the earlier part of the 3-year 'Building On Success' strategy.

The Product Development Fund (PDF) began to show direct economic return with *Big City Park* commissioned by CBeebies from Sixteen South and Wild Rover commissioned by BBC1 to produce *Secret Fortune* on the basis of a PDF funded pilot. The first series value of these series is £2.65 million, with both series designed as returning.

The PDF also facilitated the inward investment of 3 super-indies – Kudos (*Ashes to Ashes; Spooks*), Mammoth (*Lost in Austen; Wuthering Heights*) and Ten Alps, the Bob Geldof backed factual content producing plc. Notably two of these inward investments involve local companies, with Generator Entertainment teaming up with Kudos and Below the Radar with Ten Alps. Developing stronger links to the UK's larger content companies, known as 'super-indies', is a long stated ambition of Northern Ireland Screen and it is extremely encouraging that these links are developing through assistance from the PDF.

The Creative Learning Centres, funded by Northern Ireland Screen as the main vehicles for delivering our Wider Literacy education strategy, dramatically outstripped their formal targets, as they develop multiple programmes to engage more and more teachers in the value and potential of using digital technologies and moving image in the classroom. These relatively small and very fragile organisations punch far above their weight and will continue to be prioritised by Northern Ireland Screen.

The exhibition sector also shows continuing strong growth in audiences. This is despite the ongoing difficulties of the recession and the knock-on effect on corporate sponsorship and disposable income.

Northern Ireland Screen's performance in 2009-10 was extremely strong and, despite the difficult financial times, we are extremely positive about the future of the screen industries in Northern Ireland.

We look forward to delivering our new 4-year strategy, 'Driving Global Growth', with the ongoing support of our main funders Invest Northern Ireland; the Department of Culture, Arts and Leisure; the UK Film Council and the Lottery Fund through the Arts Council of Northern Ireland.

Richard Williams



Summary Performance Indicator Report 2009-10

| Activity | Performance indicators in Operating Plan 2009-10 | Performance indicators 2009/10 |
|-------------------------------|--|---|
| Development | 2 projects to secure 2 nd phase support | 6 projects received 2 nd stage development funding – including Good Vibrations, The Original, Sister Genevieve, Reading in the Dark, 13 Coins, The Taken |
| Product Development Fund | Produce 1 micro budget feature in the comedy genre | Cup Cake (aka Wee buns) produced in 2009-10 |
| | £2m attributable production to be commissioned | £2.65m commissions attributable to PDF including a £1.5m Lottery game show for BBC 1 and Big City Park for CBeebies worth £1.13m |
| | 25% awards to be inward investing super Indies | 34% awarded, Kudos-Generator and Mammoth to establish local basis for drama development, and Below the Radar (Ten Alps) to develop a slate of documentaries |
| Screen Fund | Contract £700k in year and cash flow 75% funds in year | Fund contracted in full and 75% cash flowed in year |
| | 25% new awards from Digital content | 22% awards made to 5 Digital content companies worth £127k, 2 awards for 2 nd stage development |
| Screen Fund | Return £18m to the economy | Returned £22m to the economy @ ratio of 5.5:1 on £3.9m investment |
| Film & TV Drama | Your Highness to deliver £1.0m return utilising Paint Hall | Your highness shot in Paint Hall and returned £11.78m |
| | Game of Thrones pilot produced in Northern Ireland | Game of Thrones pilot (HBO) went into production October 2009 |
| | Series 1 commissioned | Series 1 commissioned March 10 |
| | 2 further television drama projects produced in NI returning 3:1 to the economy | 2 projects commissioned estimated to deliver 3.5:1 – Mo (ITV Studios) and Christopher and his Kind |
| Non Drama TV | £800k to be awarded resulting in 1 potentially returning series | £842k contracted. Produced by Tern television, 360 productions, Green Inc, Sixteen South. 3 potentially returning series - Big City Park, Sesame Tree, Things you Need to Know |
| | 75% cash flowed Return to the economy 3:1 | £89% cash flowed Projected return 4:1 £3.3m spend in NI |
| Digital Content | £300k contracted and 75% cash flowed | £100k contracted, 71% cash flowed |
| Irish Language Broadcast Fund | 70 hours of Broadcast television | 112.5 hours commissioned. All completed productions broadcast Celtic Media Festival award for Saacht |
| Marketing | 30 stand alone stories/features in NI and industry trade media covering Northern Ireland Screen funded productions. | Achieved 50+ stories/features including a world exclusive from the set of <i>Your Highness</i> for BBC Newsline as well as regional features in Broadcast and Variety. Overall advertising value equivalent of press coverage for the year was in excess of £1.6m |
| Short steps and Deviate | 50 applications 4 to progress to production of short films 50% of trainees to be working in industry at end of year | 47 applications received 4 projects produced 50% trainees still working in industry |
| New Entrant Programme | Secure funding from DEL/Skillset 5 trainees to complete programme Each trainee to receive 2 months placement in production | Secured funding for programme plus additional £25k awarded 19 trainees selected and completed programme 13 trainees secured placements on feature films 4 trainees gained permanent employment with local production companies |
| Creative Learning Centres | 30 new schools to be involved in extended programme 150 teachers to be trained in using digital technology | Total of 291 schools involved with 30 of these being new schools Teachers involved 2,008 204 courses for young people delivered |
| After School Film Clubs | 45 school clubs to be run Target 15 screenings per school | 45 clubs are running 8 schools averaged 25 screenings 6 schools delivered fewer than the target 15 screenings |
| Exhibition | Box office combined target £339,958 Combined paid admissions target 98,292 | Total Box Office for year £360,184 Paid admissions for year 101,629 |

Remuneration report

The Board Members are appointed by the Minister for Culture, Arts and Leisure in consultation with the Minister for Enterprise, Trade and Investment. Appointments of Board Members will normally be for a period of four years with the possibility of re-appointment for a further four years. These appointments are made in accordance with the Code of Practice issued by the Commissioner of Public Appointments for Northern Ireland.

The Directors who served during the year are as follows:

| | | |
|----------------------|-----------------------|--------------|
| Richard Hill (Chair) | Tim McKane | Roger Austin |
| Philip Morrow | Anne Therese Cormican | James Penny |
| Maurice Hayes | Peter Quinn | Terry Loane |
| Mairead Regan | Ruth Helene McCance | Kate Smith |
| María McCann | | |

María McCann stepped down as a Board member on 25th November 2009.

Richard Hill received payments totalling £10,000 during the year as Chair of the Board.

As of 31 March 2010 DCAL were in the process of finalising the appointment of the new Vice Chair. This process is now complete. Brian James McMahon's appointment is effective from 1 April 2010 until 31 March 2014. This position attracts an honorarium of £3,500 per annum.

The Chief Executive is appointed by Northern Ireland Screen's Board of Directors and reports to the Board.

Formal grading methodologies such as JEGS and JESP will be employed to ensure that the post is correctly loaded and graded. The grading of the post shall be reviewed before the appointment of a new Chief Executive and periodically as determined by DCAL or Northern Ireland Screen. Northern Ireland Screen shall liaise closely with DCAL throughout this process. DCAL shall provide advice and guidance as and when required. Northern Ireland Screen shall obtain DCAL approval regarding the proposed remuneration and terms and conditions prior to publication of the advertisement for the position.

The Chief Executive, and Accounting Officer, Richard Williams, receives a salary for his employment and employer contributions to the company defined contribution pension scheme. There is an accrued bonus figure of £6,597 for the year 2009-10 in the accounts awaiting Departmental approval.

Remuneration paid for the year was as follows:

| | |
|---|---------------|
| | £ |
| Salary | 65,976 |
| Employer contributions to defined contribution pension scheme | <u>3,298</u> |
| | <u>69,274</u> |

Total remuneration received by the Chief Executive in the previous financial year was £74,404.

Statement of Directors' and Accounting Officer's Responsibilities

Northern Ireland Screen is preparing its financial statements for each financial year which give a true and fair view of the state of the company and the surplus/deficit of the company for that year in accordance with FReM. The Directors are also required to prepare financial statements in the form and on the basis directed by the Department of Culture, Arts and Leisure with the approval of the Department of Finance and Personnel. The financial statements are prepared on an accruals basis and must give a true and fair view of the state of affairs of Northern Ireland Screen and of its income and expenditure and recognised gains and losses and cash flows for the financial year.

In preparing the financial statements the Directors are required to:

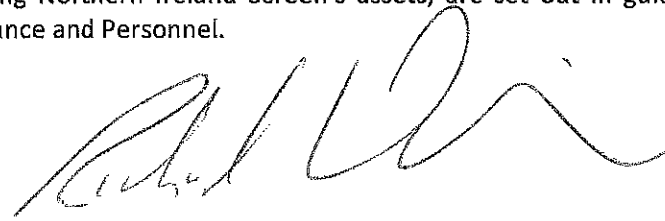
- observe the Accounts Direction issued by the Department of Culture, Arts and Leisure, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a regular and consistent basis;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Accounting Officer of the Department of Culture, Arts and Leisure has designated the Chief Executive as the Accounting Officer of Northern Ireland Screen. His responsibilities, including responsibility for the propriety and regularity of the public finances, for keeping proper records and for safeguarding Northern Ireland Screen's assets, are set out in guidance issued by the Department of Finance and Personnel.

R Williams
Accounting Officer

29 June 2010



**Statement on Internal Control
for the year ended 31 March 2010**

Scope of responsibility

As Accounting Officer of Northern Ireland Screen, I have responsibility for maintaining a sound system of internal control that supports the achievement of the policies, aims and objectives of Northern Ireland Screen, whilst safeguarding the public funds and the assets of Northern Ireland Screen, for which I am personally responsible, in accordance with the responsibilities assigned to me by the Board of Northern Ireland Screen and Managing Public Money Northern Ireland.

My responsibilities as Accounting Officer are framed within the context of Northern Ireland Screen's Chair and Board and Northern Ireland Screen's relationship to the Department of Culture, Arts and Leisure as its sponsoring department, as well as Invest Northern Ireland, the Arts Council of Northern Ireland, the UK Film Council and the Department of Culture, Media and Sport, being Northern Ireland Screen's primary funders.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievements of Northern Ireland Screen's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Northern Ireland Screen for the year ended 31 March 2010 and up to the date of approval of the financial statements, and accords with Department of Finance and Personnel guidance.

Capacity to handle risk

Risk at Northern Ireland Screen is primarily handled by ensuring that those responsible, whether staff or Board members, are suitably qualified and experienced. This is critical in the management of investments in film and television production and development, where experience is the only tool that differentiates between viable and non-viable projects.

Financial decisions are structured so as to separate responsibility as far as is possible in a relatively small organisation with a long-established structure of Investment Committees assessing proposed decisions laid out by appropriately qualified and experienced staff.

As Accounting Officer I have been delegated responsibility for overseeing and monitoring all risk. Through my management team I ensure that all staff and Board members have received training and guidance on risk.

The risk and control framework

Risk is identified through the standard mechanisms of internal audit, Finance and Audit Committee, Risk Register, Board consideration when appropriate, and referral to the relevant government department.

Risks are identified, evaluated and managed to ensure that all exposure is within an acceptable range. The level of risk is assessed through standard mechanisms of internal control.

Northern Ireland Screen has control mechanisms in place to ensure that the risk to information is minimal. These include controlled access to information, computer user guides and staff obligation forms, which are signed on induction to cover all staff while working at Northern Ireland Screen and after working at Northern Ireland Screen.

The main procedures in place to monitor the effectiveness of the system of internal control are as follows:

- Regular meetings with the officials from the Department of Culture, Arts and Leisure and Invest Northern Ireland to consider both operational and strategic issues and matters relating to the system of internal control;
- Regular reports by administrative staff on progress against principal financial targets and the projected financial outcome for the year, and progress reports by staff responsible for major funds;
- Detailed progress reports to the Finance and Audit Committee and the Board of Northern Ireland Screen at their regular meetings, and the inclusion of performance measures and results against targets in the annual operating plan;
- Annual reports from the internal auditors to the Finance and Audit Committee on the system of internal control for the year provided a high assurance rating over the internal control environment of the company;
- Annual reports from external auditors to the Finance and Audit Committee and the Board of Northern Ireland Screen on the material issues relating to the financial statements, which provide an opinion on whether the financial statements give a true and fair view of the affairs of the company and of its incoming resources and application of resources.
- Periodic review of the risk register by the Chief Executive and Head of Finance and also by the Finance and Audit Committee and internal auditors of Northern Ireland Screen. The principal risks to the achievement of the objectives of Northern Ireland Screen have been identified and recorded in the risk register, together with the controls in place and any further controls required to manage the risk effectively, efficiently and economically. Reports on emerging issues and strategies to deal with any associated risks are made to the Department of Culture, Arts and Leisure, Invest Northern Ireland, the Finance and Audit Committee and the Board at their regular meetings.

- A comprehensive framework of policies including procurement have been updated and approved during the year. Procurement procedures have been revised to bring them into line with DCAL's requirements. Procurement activity is carried out through the Central Procurement Directorate, and business cases are written and approved for all expenditure.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the Heads of Department and senior staff within Northern Ireland Screen who have responsibility for the development and maintenance of the internal control framework, and by the comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Finance and Audit Committee, and a plan to address any weaknesses and ensure continuous improvement of the system is in place. This is overseen by the Finance and Audit Committee and prescribed by the internal auditor.

Significant internal control issues

We were not compliant with procurement requirements as stated in the MSFM in 2009/10. As a result, DCAL instructed us to revise our procurement procedures and ensure that future procurement is undertaken using Central Procurement Directorate. We are working closely with DCAL to ensure business cases are in place to cover all DCAL related programme expenditure. DCAL and Invest NI have engaged with the Chair of Northern Ireland Screen to ensure that compliance with governance and accountability requirements is achieved.

R Williams
29 June 2010



Independent auditors' report to the members of Northern Ireland Screen Commission

We have audited the financial statements of Northern Ireland Screen Commission for the year ended 31 March 2010 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Reserves and the related notes. These financial statements have been prepared under the accounting policies set out therein. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union. We have also audited that part of the Remuneration Report to be audited.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of the directors and auditors

As explained more fully in the Statement of Directors' and Accounting Officer's Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition we are required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

Opinion on regularity

In our opinion, in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its deficit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Government Financial Reporting Manual; and
- the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of the director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Statement of Internal Control does not reflect compliance with the Department of Finance and Personnel's guidance.



Brian Clerkin (Senior Statutory Auditor)
for and on behalf of ASM Horwath (A) Limited
Chartered Accountants
Statutory Auditor
Horwath House
20 Rosemary Street
Belfast
BT1 1QD

29 June 2010

NORTHERN IRELAND SCREEN COMMISSION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2010

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**Statement of comprehensive income
for the year ended 31st March 2010**

| | Note | 2010 £ | 2009 £ |
|------------------------------------|------|---------------------|--------------------|
| Income | 6 | 12,412,066 | 9,647,111 |
| Other income | 6 | 180,000 | 69,542 |
| Administrative expenses | 7 | (956,766) | (976,313) |
| Programme expenses | 8 | <u>(11,662,728)</u> | <u>(8,814,742)</u> |
| | | (27,428) | (74,402) |
| Credit in respect of notional cost | 9 | <u>1,760</u> | <u>3,245</u> |
| Surplus/(deficit) for the year | 5 | <u>(25,668)</u> | <u>(71,157)</u> |

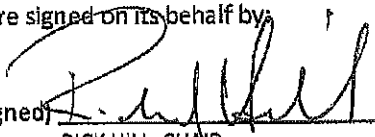
The notes on pages 18 to 30 form part of these financial statements.

**Statement of financial position
 as at 31st March 2010**

| | Note | 2010 £ | 2009 £ | 1 st April 2008 £ |
|---|------|----------------------|----------------------|------------------------------------|
| Non-current assets | | | | |
| Property, plant and equipment | 12 | 10,351 | 20,150 | 100,100 |
| Current assets | | | | |
| Trade and other receivables | 13 | 646,626 | 403,268 | 782,653 |
| Cash and cash equivalents | 14 | <u>125,669</u> | <u>549,947</u> | <u>237,441</u> |
| | | 772,295 | 953,215 | 1,020,094 |
| Total assets | | 782,646 | 973,365 | 1,120,194 |
| Current liabilities | | | | |
| Trade and other payables | 15 | 751,178 | 916,229 | 991,901 |
| Non-current assets plus net current assets | | 31,468 | 57,136 | 129,293 |
| Assets less liabilities | | <u>31,468</u> | <u>57,136</u> | <u>128,293</u> |
| Reserves | | | | |
| Revenue reserve | 16 | 29,667 | 36,564 | 35,164 |
| Government grant reserve | 16 | <u>1,801</u> | <u>20,572</u> | <u>93,129</u> |
| | | <u>31,468</u> | <u>57,136</u> | <u>128,293</u> |

These financial statements have been prepared in accordance with the Government Financial Reporting Manual 2009-10 (FRM).

The financial statements on pages 14 to 17 were approved by the Board on 29 June 2010 and were signed on its behalf by:

(Signed) 
 RICK HILL, CHAIR

(Signed) 
 PETER QUINN, DIRECTOR

Date 29-6-10

Date 29-6-10

The notes on pages 18 to 30 form part of these financial statements.

**Statement of cash flows
 for the year ended 31st March 2010**

| | 2010 | 2009 |
|--|-----------------------|-----------------------|
| | £ | £ |
| Cash flows from operating activities | - | - |
| Surplus/(deficit) for the year | (25,668) | (71,157) |
| Adjustments for: | | |
| Depreciation | 9,799 | 79,950 |
| Bank interest received | <u>-</u> | <u>(9,716)</u> |
| Operating surplus/(deficit) before working capital changes | (15,869) | (923) |
| Decrease/(increase) in trade and other receivables | (243,358) | 379,385 |
| (Decrease)/increase in trade and other payables | <u>(165,051)</u> | <u>72,799</u> |
| Net cash generated from operations | (424,278) | 451,261 |
| Cash flows from investing activities | - | - |
| Bank interest received | <u>-</u> | <u>9,716</u> |
| Net cash generated from investing activities | <u>-</u> | <u>9,716</u> |
| Increase/(decrease) in cash and cash equivalents | (424,278) | 460,977 |
| Cash and cash equivalents at 1st April 2009 (Note 14) | <u>549,947</u> | <u>88,970</u> |
| Cash and cash equivalents at 31st March 2010 (Note 14) | <u>125,669</u> | <u>549,947</u> |

The notes on pages 18 to 30 form part of these financial statements.

**Statement of changes in reserves
 for the year ended 31st March 2010**

| | Revenue reserve £ | Government grant reserve £ |
|--|-------------------------|----------------------------------|
| Balance at 1st April 2008 | 35,164 | 93,129 |
| Changes in reserves for 2009 | | |
| Release of government grant reserve | 72,557 | (72,557) |
| Surplus/(deficit) for the year | <u>(71,157)</u> | - |
| Total recognised changes for the year | 1,400 | (72,557) |
| Balance at 31st March 2009 | 36,564 | 20,572 |
| Changes in reserves for 2010 | | |
| Release of government grant reserve | 18,771 | (18,771) |
| Surplus/(deficit) for the year | (25,668) | - |
| Total recognised changes for the year | <u>-</u> | <u>-</u> |
| Balance at 31st March 2010 | <u>29,667</u> | <u>1,801</u> |

The notes on pages 18 to 30 form part of these financial statements.

**Notes to the financial statements
for the year ended 31st March 2010**

1 Statement of accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Government Financial Reporting Manual 2009-10 (FRoM) as directed by the Department of Culture, Arts and Leisure (DCAL), except that there is a departure from the requirement to recognise grants-in-aid on a cash basis. This departure is detailed in note 4. The accounting policies contained in the FRoM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FRoM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of Northern Ireland Screen for the purpose of giving a true and fair view has been selected. The financial statements are prepared in accordance with the FRoM. The particular policies adopted by Northern Ireland Screen are described below. They have been adopted consistently in dealing with items that are considered material to the financial statements.

1.2 Tangible non-current assets and depreciation

Tangible non-current assets are valued at depreciated historical cost as a proxy for fair value, as the assets have short useful lives and low values.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

| | |
|------------------------|-----------------------|
| Production equipment | 50% straight line |
| Computer equipment | 33 1/3% straight line |
| TV and video equipment | 25% reducing balance |
| Fixtures and fittings | 25% reducing balance |
| Office equipment | 25% reducing balance |

1.3 Programme Expenditure

Expenditure in film production is fully provided in the year incurred. Recoupment of expenditure and any profit participation depends on the successful outcome of the production. The recoupment must be reinvested in the fund within 12 months of the date received or repaid to the funder. Northern Ireland Screen does not retain ownership of the recoupment.

Expenditure incurred but not claimed by projects at the end of the year (note 21) would be difficult to estimate and to recognise as a liability at the year end. If the expenditure was recognised as a liability in the accounts there would be a need to recognise the income under the existing Letter of Offer against this expenditure. Moving to a strictly accruals basis would not change the position of the accounts materially at the year end.

Notes to the financial statements

1.4 Pensions

The company operates a defined contribution scheme. The pension costs charged in the financial statements represent the contributions payable by the company during the year.

1.5 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted;
- deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.6 Incoming resources

Grants are credited to deferred income. Grants towards capital expenditure are credited to the government grant reserve and released to the revenue reserve over the expected useful life of the assets. Grants towards revenue expenditure are released to the statement of comprehensive income as the related expenditure is incurred.

In selecting this accounting policy, the directors have departed from the requirements of the FReM in order to achieve a true and fair view. The rationale for the selection of the accounting policy and the effect on the financial statements are detailed in note 4.

Other income represents the total invoice value, excluding value added tax, of sales made during the year.

1.7 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against income on a straight line basis over the period of the lease.

Notes to the financial statements

1.8 Capital charge

A charge, reflecting the cost of capital utilised by Northern Ireland Screen, is included in the Statement of Comprehensive Income. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all the assets less liabilities.

2 Financial instruments

As the cash requirements of Northern Ireland Screen are met through grants provided by a range of funders including DCAL, Invest NI, UKFC, Arts Council and others, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The majority of financial instruments relate to contracts to buy non-financial items in line with Northern Ireland Screen's expected purchase and usage requirements and the organisation is therefore exposed to little credit, liquidity or market risk.

3 First-time adoption of IFRS and FReM 2009-10

| | Revenue reserve £ | Government grant reserve £ |
|---|-------------------------|----------------------------------|
| Reserves at 31 st March 2009 under UK GAAP | 43,183 | - |
| IAS 19 'Employee benefits' | (6,619) | - |
| Recognition of government grant reserve | - | <u>20,572</u> |
| Reserves at 1 st April 2009 under IFRS | <u>36,564</u> | <u>20,572</u> |
| | Revenue reserve £ | Government grant reserve £ |
| Reserves at 1 st April 2008 under UK GAAP | 36,119 | - |
| IAS 19 'Employee benefits' | (955) | - |
| Recognition of government grant reserve | - | <u>93,129</u> |
| Reserves at 1 st April 2008 under IFRS | <u>35,164</u> | <u>93,129</u> |
| | | 2009 £ |
| Surplus/(deficit) for 2009 under UK GAAP | - | 7,064 |
| IAS 19 'Employee benefits' | - | (5,664) |
| Recognition of government grant reserve | - | <u>(72,557)</u> |
| Surplus/(deficit) for 2009 under IFRS | - | <u>(71,157)</u> |

Notes to the financial statements

The company has recognised and accrued the expected cost of accumulating compensated absences in accordance with IAS 19 'Employee benefits'.

Under the 2009-10 FReM, grants for the purchase of specific assets are credited to a government grant reserve and released over the useful life of the asset. This represents a reclassification from the 2008-09 FReM, which allowed the classification of the deferred element of the grants as deferred income within current liabilities. This reclassification is therefore not the result of a specific IFRS.

The release of the grant is transferred between the government grant reserve and the revenue reserve. Under the 2008-09 FReM the grant was released to the income statement and netted against depreciation in administrative expenses. Administrative expenses for 2009 are increased by £72,557 under the 2009-10 FReM.

The notional cost of capital is included in administrative expenses in the statement of comprehensive income and then credited as a notional cost in stating the surplus/(deficit) for the year. The charge for 2009 has been restated to £3,245 from £1,388. Administrative expenses for 2009 and the credit in respect of notional cost are both increased by £1,857. There is no net effect on the surplus/(deficit) for the year.

Administrative expenses for 2009 are increased to £976,313 from £896,235 leaving a total impact of £80,078 (£72,557, £5,664 and £1,857).

4 Incoming resources

Grants for revenue purposes are credited to deferred income and released to the statement of comprehensive income as the related expenditure is incurred. In selecting this accounting policy, the directors have departed from the accounting policy prescribed in the FReM that grants-in-aid should be accounted for on a cash basis. The directors consider the departure necessary to achieve a true and fair view.

Grants are generally drawn down in advance to ensure prompt settlement of anticipated claims and expenditure. The expenditure may therefore not be incurred in the same accounting period that the funds are received. The directors consider that recognising income on a cash basis would result in the recognition of a surplus in the period of receipt, and a deficit when the related expenditure is incurred, which would not give a true and fair view of the underlying activities and performance for those periods.

Notes to the financial statements

If the accounting policy prescribed by the FReM were applied, the financial statement would be restated as follows:

| | 2010 £ | 2009 £ | |
|--------------------------------|------------|-----------|----------------------------|
| Income | 11,814,053 | 9,929,652 | |
| Surplus/(deficit) for the year | (623,681) | 211,384 | |
| | 2010 £ | 2009 £ | 1 st April 2008 |
| Accruals and deferred income | 157,441 | 109,972 | 162,274 |
| Revenue reserves | 237,467 | 842,377 | 558,436 |

5 Surplus/(deficit) for the year is stated after charging/(crediting):

| | 2010 £ | 2009 £ |
|---|-----------|----------------|
| Depreciation of property, plant and equipment | 9,799 | 79,950 |
| Payments under operating leases | 53,266 | 51,950 |
| Auditors' remuneration – audit | 6,800 | 5,100 |
| Auditors' remuneration – other services * | 14,810 | 20,805 |
| Bank interest received | <u>-</u> | <u>(9,716)</u> |

* other services to include Invest Northern Ireland quarterly vouching , ifrem shadow accounts & VAT advice

6 Income and Other income

| Funding Income | 2010 £ |
|------------------------|-------------------|
| Invest NI | 6,391,781 |
| DCAL | 1,449,960 |
| UKFC | 3,879,635 |
| Arts Council | 510,369 |
| Various funding income | <u>180,321</u> |
| | <u>12,412,066</u> |

Notes to the financial statements

| | 2010 | 2009 |
|--------------------------|----------------|---------------|
| | £ | £ |
| Other Income | | |
| Rent receivable | 180,000 | 59,826 |
| Bank interest receivable | - | <u>9,716</u> |
| | <u>180,000</u> | <u>69,542</u> |

7 Administrative expenses

| | 2010 | 2009 |
|--------------------------|----------------|----------------|
| | £ | £ |
| Staff costs | 665,075 | 632,533 |
| Premises expenses | 115,860 | 102,401 |
| Office overheads | 110,290 | 93,625 |
| Staff and Board expenses | 53,982 | 64,559 |
| Depreciation | 9,799 | 79,950 |
| Cost of capital | <u>1,760</u> | <u>3,245</u> |
| | <u>956,766</u> | <u>976,313</u> |

8 Programme expenses

| | 2010 | 2009 |
|---|-------------------|------------------|
| | £ | £ |
| Film Production Fund | - | 27,500 |
| Northern Ireland Screen Fund | 4,799,496 | 3,089,018 |
| Business Development Programme | 87,000 | 85,000 |
| Product Development Fund | 700,000 | 728,312 |
| Markets, Festivals and Conferences Fund | 22,660 | 28,916 |
| Irish Language Broadcast Fund | 3,531,195 | 2,569,947 |
| Creative Learning Centres | 503,962 | 508,803 |
| Lottery Film Funding Programme | 507,864 | 462,589 |
| Third Party Organisations | 410,000 | 410,000 |
| Film Clubs | 80,000 | 80,000 |
| Development Programmes | 110,751 | 84,342 |
| Production legal fees | 67,669 | 68,673 |
| MA in Film & TV Management | 20,000 | 21,013 |
| Marketing and information | 258,472 | 307,849 |
| Digital archive | 16,076 | 12,020 |
| Education costs | 66,237 | 71,153 |
| UTV Home Training Scheme | 11,648 | 36,709 |
| Screen Skills | 101,187 | 7,560 |
| BCC Skills Activity | - | 37,331 |
| Maysfield | - | (41,183) |
| Infrastructure | 134,308 | - |
| Paint Hall | 200,000 | 219,190 |
| Film Societies | 2,937 | - |
| Legacy Trust | <u>31,266</u> | <u>-</u> |
| | <u>11,662,728</u> | <u>8,814,742</u> |

Notes to the financial statements

9 Notional costs

Notional cost of capital

The statement of comprehensive income bears a non-cash charge for interest relating to the holding of capital by Northern Ireland Screen. The basis of the charge is 3.5% of the average capital employed by Northern Ireland Screen during the year, defined as total assets less liabilities.

| | 2010 | 2009 |
|---------------------------|--------------|--------------|
| | £ | £ |
| Notional costs of capital | <u>1,760</u> | <u>3,245</u> |

10 Pension costs

The company operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company amounting to £27,820.

11 Staff costs

| | 2010 | 2009 |
|--------------------------|----------------|----------------|
| | £ | £ |
| Administrative expenses: | | |
| Salaries | 583,100 | 556,765 |
| Social security costs | 56,609 | 51,369 |
| Other pension costs | <u>25,366</u> | <u>24,399</u> |
| | <u>665,075</u> | <u>632,533</u> |
| Programme expenses: | | |
| Salaries | 65,973 | 64,680 |
| Social security costs | 7,074 | 6,303 |
| Other pension costs | 2,454 | 2,132 |
| Trainees wages | <u>120,176</u> | <u>86,264</u> |
| | <u>195,677</u> | <u>159,379</u> |

During the year Northern Ireland Screen employed an average of 21 full-time equivalent staff.

Notes to the financial statements

12 Property, plant and equipment

| | Production Equipment £ | Computer Equipment £ | Fixtures and fittings £ | Office equipment £ | TV equipment £ | Total £ |
|-------------------------------|------------------------------|----------------------------|-------------------------------|--------------------------|----------------------|----------------|
| Cost | | | | | | |
| At 1 st April 2009 | 125,861 | 153,920 | 33,423 | 40,453 | 20,040 | 373,697 |
| At 31 st Mar 2010 | <u>125,861</u> | <u>153,920</u> | <u>33,423</u> | <u>40,453</u> | <u>20,040</u> | <u>373,697</u> |
| Depreciation | | | | | | |
| At 1 st April 2009 | 125,861 | 147,095 | 29,012 | 36,839 | 14,740 | 353,547 |
| Charge for year | - | 6,825 | 984 | 807 | 1,183 | 9,799 |
| At 31 st Mar 2010 | <u>125,861</u> | <u>153,920</u> | <u>29,996</u> | <u>37,646</u> | <u>15,923</u> | <u>363,346</u> |
| Net book values | | | | | | |
| At 31 st Mar 2010 | <u>-</u> | <u>-</u> | <u>3,427</u> | <u>2,807</u> | <u>4,117</u> | <u>10,351</u> |
| At 31 st Mar 2009 | <u>-</u> | <u>6,825</u> | <u>4,411</u> | <u>3,614</u> | <u>5,300</u> | <u>20,150</u> |

| | Production Equipment £ | Computer Equipment £ | Fixtures and fittings £ | Office equipment £ | TV equipment £ | Total £ |
|--|------------------------------|----------------------------|-------------------------------|--------------------------|----------------------|---------------------|
| Cost | | | | | | |
| At 1 st April 2008 And 31 st Mar 09 | - <u>125,861</u> | - <u>153,920</u> | - <u>33,423</u> | - <u>40,453</u> | - <u>20,040</u> | - <u>373,697</u> |
| Depreciation | | | | | | |
| At 1 st April 2008 | 62,931 | 133,907 | 27,744 | 35,799 | 13,216 | 273,597 |
| Charge for year | <u>62,930</u> | <u>13,188</u> | <u>1,268</u> | <u>1,040</u> | <u>1,524</u> | <u>79,950</u> |
| At 31 st Mar 2009 | <u>125,861</u> | <u>147,095</u> | <u>29,012</u> | <u>36,839</u> | <u>14,740</u> | <u>353,547</u> |
| Net book values | | | | | | |
| At 31 st Mar 2009 | <u>-</u> | <u>6,825</u> | <u>4,411</u> | <u>3,614</u> | <u>5,300</u> | <u>20,150</u> |
| At 31 st Mar 2008 | <u>62,930</u> | <u>20,013</u> | <u>5,679</u> | <u>4,654</u> | <u>6,824</u> | <u>100,100</u> |

All assets are owned by the company.

Notes to the financial statements

13 Trade and other receivables

| | 2010 | 2009 | 1 st April 2008 |
|--------------------------------------|----------------|----------------|----------------------------|
| | £ | £ | £ |
| Trade receivables | 1,228 | 54,128 | 100,937 |
| Receivables from related parties | 1,945 | 1,945 | 1,945 |
| VAT receivable | 439,670 | 275,461 | 493,418 |
| Grants receivable | 179,075 | 32,459 | 115,249 |
| Grants receivable from related party | - | - | 40,000 |
| Prepayments and accrued income | <u>24,708</u> | <u>39,275</u> | <u>31,104</u> |
| | <u>646,626</u> | <u>403,268</u> | <u>782,653</u> |

VAT receivable is due from HM Revenue & Customs. Money spend in this financial year is still outstanding from Invest Northern Ireland £18,750 old strategy & £20,051 2nd strategy. ILBF funding £133,884 with other money due from bodies external to government.

14 Cash and cash equivalents

| | 2010 | 2009 |
|---|------------------|----------------|
| | £ | £ |
| At 1 st April 2009 | 549,947 | 88,970 |
| Net change in cash and cash equivalent balances | <u>(424,278)</u> | <u>460,977</u> |
| At 31 st March 2010 | <u>125,669</u> | <u>549,947</u> |

| | 2010 | 2009 | 1 st April 2008 |
|--------------------------|----------------|----------------|----------------------------|
| | £ | £ | £ |
| Represented by: | | | |
| Cash at bank and in hand | <u>125,669</u> | <u>549,947</u> | <u>237,441</u> |
| | <u>125,669</u> | <u>549,947</u> | <u>237,441</u> |

Northern Ireland Screen is responsible for distributing Lottery funds under the Lottery Film Funding Programme. Cash and cash equivalents includes a balance of funds held by the company for distribution under this programme. As at 31st March 2010 the balance held was £115,938. The Lottery Film Funding Programme is summarised in note 17.

Cash balances include petty cash of £314. The remainder of cash balances represent deposits held in commercial banks.

Notes to the financial statements

15 Trade and other payables

| | 2010 £ | 2009 £ | 1 st April 2008 £ |
|---------------------------------------|----------------|----------------|---------------------------------|
| Bank overdraft | - | - | 148,471 |
| Trade creditors | 367,165 | 444 | 150,705 |
| Other taxes and social security costs | - | - | 302 |
| Other creditors | - | - | 6,877 |
| Accruals and deferred income | 268,075 | 802,351 | 563,948 |
| Lottery funds | <u>115,938</u> | <u>113,434</u> | <u>121,598</u> |
| | <u>751,178</u> | <u>916,229</u> | <u>991,901</u> |

Accruals and deferred income includes £104,941 received from Invest Northern Ireland. Lottery funds deferred are received from the Arts Council of Northern Ireland. Other payables are due to bodies external to government.

16 Reserves

| | Revenue reserve £ | Government Grant reserve £ |
|-------------------------------------|-------------------------|----------------------------------|
| At 1 st April 2009 | 36,564 | 20,572 |
| Surplus/(deficit) for the year | (25,668) | - |
| Release of government grant reserve | <u>18,771</u> | <u>(18,771)</u> |
| At 31 st March 2010 | <u>29,667</u> | <u>1,801</u> |
| | Revenue reserve £ | Government Grant reserve £ |
| At 1 st April 2008 | 35,164 | 93,129 |
| Surplus/(deficit) for the year | (71,157) | - |
| Release of government grant reserve | <u>72,557</u> | <u>(72,557)</u> |
| At 31 st March 2009 | <u>36,564</u> | <u>20,572</u> |

Grants credited to the government grant reserve are all UK grants.

Notes to the financial statements

17 National Lottery Film Funding Programme

Northern Ireland Screen is responsible for distributing Lottery funds under the Lottery Film Funding Programme. A summary of these funds is below.

| | 2010 £ | 2009 £ |
|--|-----------------|-----------------|
| Funds held at start of year | 113,434 | 121,598 |
| Lottery funds received during the year | 510,369 | 470,060 |
| Awards paid | (472,186) | (430,380) |
| Administration costs | <u>(35,679)</u> | <u>(47,844)</u> |
| Funds held at end of year | <u>115,938</u> | <u>113,434</u> |

18 Commitments under operating leases

At 31st March 2010 the company had annual commitments under non-cancellable operating leases as follows:

| | 2010 | | 2009 | |
|----------------------------|----------------------------|---------------|----------------------------|---------------|
| | Land and Buildings £ | Other £ | Land and Buildings £ | Other £ |
| Expiry date: | | | | |
| Within one year | 16,667 | 6,799 | 216,514 | 5,786 |
| Between one and five years | - | <u>14,295</u> | <u>16,667</u> | <u>4,977</u> |
| | <u>16,667</u> | <u>21,094</u> | <u>233,181</u> | <u>10,763</u> |

The following operating lease payments were recognised in the statement of comprehensive income for the year:

| 2010 £ | 2009 £ |
|---------------|---------------|
| <u>53,266</u> | <u>51,950</u> |

Notes to the financial statements

19 Related party transactions

Directors declare any interest in successful applications to the Commission and commercial relationships with the Commission.

The following payments were made by Northern Ireland Screen to related party organisations.

| Organisation | Name | Relationship to Recipient organisation | £ |
|-------------------|---------------|--|--------|
| UTV | Mairead Regan | Group HR Director | 11,500 |
| Wild Rover | Philip Morrow | Director | 57,500 |
| Ulster University | Roger Austin | Senior Lecturer | 20,000 |
| Cineman Films | Terry Loane | Director | 3,000 |
| Heaven's Gate | Terry Loane | Script Editor | 12,250 |

Rick Hill and Roger Austin served as directors of Northern Ireland Film Council during the year.

The company is owed £1,945 by Northern Ireland Film Council as at 31st March 2010.

Mairead Regan is Group Human Resources Director of UTV which provided £11,500 funding to the UTV Home Training Scheme.

Northern Ireland Screen is an Arm's Length Body (ALB) sponsored by the Department of Culture, Arts and Leisure (DCAL). Grant income is recognised for the year of £ 1,449,960.

20 Film awards and investments

The company made the following film awards and investments during the year:

| | 2010 £ | 2009 £ |
|---|------------------|------------------|
| Lottery awards | 472,186 | 430,380 |
| Irish Language Broadcast Fund investments | 3,157,862 | 2,249,445 |
| Product Development Fund investments | 700,000 | 728,312 |
| Film Production Fund investments | - | 27,500 |
| Northern Ireland Screen Fund investments | <u>4,799,496</u> | <u>3,089,018</u> |
| | <u>9,129,544</u> | <u>6,524,655</u> |

Notes to the financial statements

21 Production Awards contracted

| | Unpaid contracts as at 1 st April 2009 | Contracts awarded in year | Contract payments in year | Unpaid contracts as at 31 st March 10 |
|--------------------------------|--|---------------------------------|---------------------------------|---|
| | £ | £ | £ | £ |
| Lottery Film Funding Programme | 152,062 | 527,448 | 472,186 | 207,324 |
| Product Development Fund | 404,532 | 571,011 | 700,000 | 275,543 |
| Film Production Fund | - | - | - | - |
| Northern Ireland Screen Fund | 261,486 | 5,473,145 | 4,799,496 | 935,135 |
| Irish Language Broadcast Fund | <u>1,757,057</u> | <u>2,943,839</u> | <u>3,157,862</u> | <u>1,543,034</u> |
| | <u>2,575,137</u> | <u>9,515,443</u> | <u>9,129,544</u> | <u>2,961,036</u> |

Northern Ireland Screen is responsible for distributing Lottery funds under the Lottery Film Funding Programme. The programme is summarised in note 17.

Product Development Fund payments are funded by Invest Northern Ireland.

Film Production Fund receives funding from Invest Northern Ireland. As at 31st March 2010 Invest Northern Ireland owed £18,750, which is included as grants receivable within trade and other receivables.

Northern Ireland Screen Fund receives funding during the year from Invest Northern Ireland. An unpaid balance of £63,737 is included as deferred income within trade and other payables.

Irish Language Broadcast Fund is funded during the year by UKFC and has £133,884 in grants receivable.