



## **Scottish Screen**

### **Annual Report and Accounts 2004-2005**

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*We are an enabling organisation that invests in the development of talent, businesses and audiences*

Scottish Screen develops, encourages and promotes every aspect of film, television and interactive media in Scotland.

Working with the Scottish Executive and our partners, it is our vision and mission to encourage a vibrant screen culture in Scotland in which creative and sustainable screen businesses can compete successfully on the national and international stage.

In addition to helping celebrate and maintain Scotland's film heritage, Scottish Screen acts as a catalyst for cultural and industrial development. We also recognise that we need to become a strategic advisor to government and take a more prominent role in determining the future of the screen industries.

Scottish Screen has a key role investing allotted National Lottery Funds in film production and development; however, our main function is as an enabling and facilitating organisation that invests in the development of talent, businesses and audiences.

This means that we need to target allocated resources as effectively as possible across the wide range of programmes and projects, run through our six core departments:

- Production and Development
- Locations
- Training and Education
- Cinema Exhibition
- Scottish Screen Archive
- MEDIA Antenna Scotland

This Annual Report examines our activities and achievements in 2004-2005. While the focus here is on the activities of Scottish Screen, we recognise that we can only achieve our objectives working with and through many partner organisations, agencies and businesses – to whom we extend our most sincere thanks.

This report satisfies both Lottery and Exchequer reporting requirements.

## Chairman's Report

Welcome to the Scottish Screen Annual Report for 2004/05. This was an exceptionally busy year that once again demonstrated the value of Scottish Screen in developing a vibrant and sustainable screen industry sector in Scotland. Some of the highlights of the year included:

- Location spending on film, television and commercials exceeded £25m
- The launch of Archive Live – utilising our wonderful archive collection in new and innovative ways
- Eight graduates from the New Entrants Training Scheme found relevant employment in the industry
- The despatch of the second Screen Machine to Hi-Arts, taking film to the remotest parts of Scotland
- The introduction of Moving Image Education - the Future Learning & Teaching project which will take media literacy to a new level in schools and beyond.

Scottish Screen reached a turning point in 2004/05. Over the previous eight years the organisation achieved an incredible amount, including, critically, maintaining and developing the responsibilities it inherited from its predecessor bodies – covering training, education, locations, exhibition, production, development and archive. However, it became clear that Scottish Screen needed to evolve to become more than the sum of its parts.

The context for this was underlined by the discussions and debates surrounding the Cultural Commission, the BBC Charter Review, OFCOM's ongoing examination of public sector broadcasting, the review of film tax relief, the introduction of the proposed digital screen network by the UK Film Council, and the ongoing convergence of the means of production, distribution and consumption.

Scottish Screen has gone through major changes in senior personnel in the last year. The Chief Executive, Steve McIntyre, and the Head of Operations, Alan Knowles, both left the company for pastures new after many years of dedicated service. The year also saw major changes to the board, with the retirement in March after eight years of service of four board members, Stuart Cosgrove, David Strachan, Philip Schlesinger and John McCormick, and the appointment of three new members, Karen Hogarty, Barbara McKissack and April Chamberlain.

All these changes have provided me and the rest of the board with an opportunity to examine exactly what Scottish Screen requires in the way of leadership and direction. Having gone through a thorough and open recruitment process, we were delighted to be able to announce that Ken Hay, the former Chief Executive of EM Media – the regional screen agency for England's East Midlands – had agreed to take the reins from April 2005.

The next year is going to be one of great change and development and we look forward to working with all our partners in achieving our objectives.

## Chief Executive's Report

Scottish Screen is rightly regarded as a success story at UK and international levels. We have a strong reputation for our ability to manage a diverse portfolio of projects, to support talent at all levels, to promote and develop access - as well as business, and to invest in critically acclaimed product. What I have discovered since I started at Scottish Screen is that perhaps we are not always as good at recognising these successes at home.

That is not to say that Scottish Screen does not need to change. Ray Macfarlane's introduction has already outlined some of the key reasons why we need to evolve – to both clarify our purpose as the national screen agency and to reassess how we can best make a difference. To ensure as Ray puts it, "we need to evolve to become more than the sum of our parts."

However, what this Annual Report does show is that Scottish Screen is already a highly successful agency that performs well against a range of objectives, and achieves a great deal within the inevitable resource limitations. This success is built on a range of partnerships at local, national and international levels. Within Scotland, our working relationships with partner organisations such as the Scottish Arts Council, BBC Scotland, Grampian TV, Scottish TV, the Screen Industries Summit Group, PACT, Scottish Enterprise, Highlands and Islands Enterprise, local authorities and, of course, the Scottish Executive, remain critically important to our work. In the wider context of the UK, we work very closely, on both a policy and operational level, with the UK Film Council, Skillset and our sister bodies in Wales and Northern Ireland. The screen industries in Scotland obviously operate within an international context and Scottish Screen is therefore also active developing partnerships in Europe and beyond.

So what of 2005/06? By the time I come to write this report for the 2005/06 Annual Report what will I be aiming to say?

I will be reporting on the emergence of a new Scottish Screen: one that knows what it does, why it does it, where it does it, and how it does it. Above all, a Scottish Screen that has a clear sense of purpose, a clear sense of identity and the confidence to lead.

It will describe the first steps in genuinely demonstrating Scottish Screen as the strategic body charged by government with creating and driving an integrated screen policy across Scotland (including film, television, video, radio, interactive, web, animation and computer games), focusing on being an advisor to government, an advocate for development and change, and a strategic investor, utilising Lottery, Treasury and other funds to maximum effect.

It will show that Scottish Screen understands and embraces mutually supportive and mutually strengthening relationships across economic, cultural and talent development, and that we recognise our responsibility across the value chain from production to consumption.

We will only achieve this by working in partnership and I look forward to working with existing partners better and identifying and working with new partners through the year.

## **About Our Business**

*Scottish Screen develops, encourages and promotes every aspect of film, television and new media in Scotland*

Scotland's screen industries – principally film, television and new media – generate in excess of £200 million pounds each year. The sector is fast moving and increasingly global in terms of the marketplace for products and services (and competition). To be successful requires high levels of both creative and professional skills, particularly with digital technologies driving a trend toward cross-platform working.

Established as a company limited by guarantee, Scottish Screen is a Non-Departmental Public Body, governed by a Board of Directors appointed by the Scottish Executive. Details of our Directors are included later in this report

The organisation is charged by the Scottish Executive with developing and nurturing screen culture and the screen industries in Scotland. Working with the Executive and a variety of other partners, our vision is to support and develop a vibrant screen culture in Scotland in which creative and sustainable screen businesses compete internationally.

## **About Our Services**

Scottish Screen is a strategic, enabling organisation with a cultural and business development remit, and our range of services reflect these responsibilities.

We focus our services on customers across film, television and new media, and our service areas map directly with our six core departments:

- Production and Development
- Locations
- Training and Education
- Cinema Exhibition
- Scottish Screen Archive
- MEDIA Antenna Scotland

The activities of these departments will be described in detail in later sections of this Annual Report.

## **About Our Strategy**

Our priorities for 2004/05 were to:

- Support the development of sustainable screen businesses
- Develop business and creative opportunities on new media platforms
- Ensure that we provide access to screen culture, heritage and industry for a wide range of groups and individuals in communities across Scotland
- Put in place an evaluation and monitoring regime and identify key performance indicators.

## **About Our Remit**

We act on behalf of the Scottish Executive in carrying out our activities. The key areas of responsibility identified by Ministers are to:

- Encourage and support the development and production of locally based films for cinema and television release.
- Work actively with the Enterprise Networks, local authorities and other bodies to secure the infrastructure to meet the current and future business needs of the screen industry in Scotland.
- Deliver services to the screen industry in Scotland that represent good value for the input of public funds.
- Promote the awareness of and use of Scottish locations for filming and photography, including television, by filmmakers and photographers, whether based in Scotland or elsewhere.
- Assist in the promotion of Scottish talent and local support services and in the effective marketing of Scottish-produced film and television products.
- Ensure that the training needs of the screen industry, including those of the broadcasters, independents and new entrants, are met most effectively.
- Encourage access to, study of and understanding of the screen arts, working with education authorities, schools, colleges and universities.
- Promote and, where appropriate, provide financial support for access in all regions of Scotland to film exhibition facilities with a high standard of viewing exhibiting a wide range of films.
- Preserve and make available for public access, public exhibition and broadcast the archive film and other screen industry heritage in Scotland.

### **About Our Planning Process**

To maintain a clear focus on our roles and responsibilities, we undertake a comprehensive planning and review process at the start of each year.

Scottish Screen uses a three-year planning framework, as we find this medium-term perspective gives a clearer purpose to our annual Operational Plan. The Operational Plan sets objectives and targets for each department. These are underpinned by more detailed departmental goals and objectives, each of which has specific outcomes and timescales.

Preparation of this Annual Report and Accounts at the end of the year gives us the opportunity to review our progress against the Operational Plan, which in turn informs the next round of corporate planning.

### **About Our Finances**

In the year 2004-05, Scottish Screen received £2.875 million grant in aid from the Scottish Executive. Full Financial Statements for the year can be found later in this document.

Scottish Screen's share of proceeds from the National Lottery Fund during the year 2004/05 was £2.6 million. Summarised financial statements are included later in this report.

Scottish Screen is made up of six core departments:

**Production and Development** – supporting new and existing filmmaking talent in Scotland and helping build a sustainable screen industry

**Locations** – encouraging and facilitating mobile productions from anywhere in the world to shoot in Scotland

**Training and Education** – providing access, appreciation, engagement and skills development opportunities from the classroom to the industry

**Cinema Exhibition** – helping audiences throughout Scotland to enjoy the wealth of international, UK and Scottish cinema culture

**Scottish Screen Archive** – preserving and making accessible Scotland's moving image heritage

**MEDIA Antenna Scotland** – enabling Scotland's screen industries to benefit from European Union funding and opportunities

The departmental reviews in the following section highlight the achievements across the six operational areas during 2004/05.

## Production and Development

*Supporting new and existing filmmaking talent in Scotland and helping build sustainable screen industries*

The Production and Development department invests in a range of programmes across a number of different genres and forms. We work with Scottish talent, providing both editorial and business support to ensure that National Lottery funding is used to best effect. Across all programmes, we support production companies and individuals by enabling them to gain valuable creative and production experience. This helps develop talent and generates growth in the screen industries of Scotland. Our goals are to:

- Continue to invest in high quality projects which fulfil cultural and commercial objectives and have international audience appeal
- Establish a clear ladder of progression across the screen industry for new and existing talent by providing opportunities and training at a number of different levels across a variety of forms
- Engage with a range of new media initiatives to exploit new forms of media in a way which is creatively challenging and culturally significant.

### Achievements

2004/05 was a successful year for production and development activity supported by Scottish Screen.

### Key performance indicator

Launch of Fast Forward Feature scheme for low budget feature film production and development with BBC Scotland and Films – to increase funds available to emerging talent and recognise problems of film financing in the UK

- During the year we selected and invested £39,300 in developing 10 projects within the scheme with a view to shortlisting up to 3 to go into production in 2005/06

### Short Films

With our broadcast partners, BBC Scotland, Scottish Television and Grampian Television, Scottish Screen ran four short film schemes: Tartan Shorts, Tartan Smalls, New Found Land and This Scotland. We also invested in a number of independently run short film schemes - Artist Film and Video, Cineworks, Bridging the Gap, Paris: Entente Cordiale and First Writes, and in stand-alone independent short film productions.

Scottish Screen invested a total of over £600,000 in the development and production of short film through 2004/05. These films have been hugely successful in gaining critical acclaim and awards, including, *Milk* (Golden Bear, Berlin), *Skeleton Woman* (Best Short Film, Berlin) and *Tumshie McFadgen's Bid for Ultimate Bliss* (Best Short Film, Scottish BAFTA).

### Feature Films

A total of £377,000 was invested in feature film development and £3,665,000 in production. £702,000 was recouped from films on release, including *Dear Frankie*, *Rivers and Tides*, *Ae Fond Kiss* and *The Magdalene Sisters*.

Numerous supported projects went into production, including, *Festival*, *Gamerz*, *Night People*, *On A Clear Day*, *Hidden Flaws*, *Greyfriars Bobby* and *The Gospel Truth*.

With Scottish TV and Grampian TV, Scottish Screen ran New Found Films, a scheme providing a bridge between short and feature film production. Two films with budgets of £300,000 each were put into production for completion in 2005.

With our partners, BBC Scotland, BBC Films and Content Film, we launched Fast Forward Features, which aims to produce up to three feature films, with budgets up to £1.2m each over the next three years. Ten projects went into development.

*Dear Frankie* premiered at the Cannes Film Festival, and *On a Clear Day* and *The Jacket* premiered at the Sundance Film Festival, while *Blind Flight* and *16 Years of Alcohol* screened at the Dublin Film Festival.

### **Awards**

*Touch the Sound* – Best Documentary, Scottish BAFTA

*Yasmin* – Audience Award, Dinard

*Afterlife* – Best First Time Performance (Paula Sage), BAFTA Scotland

*American Cousins* – Best Screenplay (Sergio Casci), BAFTA Scotland

*Young Adam* – Best Actor, BAFTA Scotland (Ewan McGregor), Best Actress, BAFTA Scotland (Tilda Swinton), Best Director, BAFTA Scotland (David Mackenzie), Best Scottish Film, BAFTA Scotland

### **New Media Initiatives**

We developed three new media initiatives:

- Archive Live – see the Scottish Screen Archive section for further details
- Alt-W which develops digital, experimental and interactive productions for on-line access and distribution: 28 projects have been completed
- Pocket Shorts a mobile content creation scheme to be launched with partners Scottish Enterprise and NESTA.

### **CASE STUDY**

*Festival* – Annie Griffin Writer/Director, Chris Young Producer

#### **Background**

Released in summer 2005, the feature film *Festival* is a comic drama about the Edinburgh Fringe and the colourful performers it attracts. The script was written by Annie Griffin and developed through her company Pirate Productions with funding from Channel 4 and the UK Film Council. After the original producer was forced to withdraw, Annie Griffin applied to Scottish Screen for further development funding without a producer attached.

#### **Scottish Screen Involvement**

Excited by the project, Production and Development suggested that Annie contact a number of producers, including Chris Young, who agreed to produce *Festival* as a low-budget feature. Both Claire Chapman, Head of Production and Carole Sheridan, Development Executive fully supported the low-budget ethos and Annie as writer/director. The script was rewritten for a reduced budget of £1.83 million, and a reading arranged to help convince the other investors that the production should stay independent and autonomous, and employing mostly Scottish Heads of Department (HODs).

#### **Impact**

*Festival* has a uniquely Scottish subject matter with international box-office appeal. The film was shot during the Edinburgh Festival 2004, with a £400K investment from Scottish Screen. Of the £1.83 million budget, £305,000 was spent in Scotland on above-the-line costs, £950,000 in Edinburgh on the shoot, and a further £50,000 in Glasgow on post-production. The cast and crew were largely Edinburgh-based, with numerous new entrants, and with many of the Scottish HODs gaining their first feature credit.

## Scottish Screen Locations

*Encouraging and facilitating mobile productions from anywhere in the world to shoot in Scotland*

The Locations department provides a comprehensive locations service that encourages film production from anywhere in the world to shoot in Scotland. Our fully searchable website [www.scottishscreenlocations.com](http://www.scottishscreenlocations.com) displays the widest possible variety of locations available in Scotland, from historic sites to private homes, lochs to lighthouses, and mountain glens to city streets. Our goals are to:

- Promote Scotland as a location for all types of production, from features to commercials to stills photography
- Offer free, practical advice to companies considering Scotland as a location
- Provide a national point of contact and co-ordinating role for the growing network of local film offices throughout Scotland.

## Achievements

### Key performance indicator

To promote Scotland as a location for mobile screen production in UK and overseas

- Worldwide enquiries increased by 200%
- Attracted 6 internationally-funded feature films to Scotland, along with 8 Scottish-based features.

### Spend

The total value of location shooting in Scotland for 2004 was £25.5 million. Six internationally-funded feature films were partly shot on location in Scotland, along with eight Scottish-based features. This brought in a total of £10 million local spend. The highest spending film was for *The Jacket*, a multi-million dollar Hollywood movie that brought in £2.7 million to Lanarkshire and West Lothian.

The figures for television were even higher. Television features, series, programmes and documentaries spent £14.2 million in Scotland last year. This figure includes Scottish-based TV productions such as *Taggart* and *Sea of Souls*, as well as UK and European TV productions that chose to shoot on location in Scotland.

Completed productions	2002	2003	2004
Feature Films	14	17	14
TV Productions	81	127	217
Commercials	28	32	48
Corporate films	1	19	26
Stills	8	23	17
Shorts	8	39	45

Table 1: figures for number of completed productions in Scotland 2002-04

### Supporting the Industry

We help producers, location managers and other production personnel with a huge variety of requests, from supplying images, contacts for crew and facilities, to information on weather, transport links and accommodation. The Locations website now holds a total of 1,100 images. We have added a further 500 locations to our database in the past year, and our digital photographic library now contains close to 9,000 images in total.

Unusual filming requests dealt with included finding a pair of castles for *Trading Places* (a US based home makeover show); securing permission for Jump-UK to film people climbing over the Forth Rail Bridge and Edinburgh Castle; and finding a steep mountain slope for Jeremy Clarkson to drive up in a 4x4 vehicle.

Enquiries to Scottish Screen from outside the UK increased by 200%. This is a notable achievement that supports Scotland's growing reputation as a film location, and highlights Scotland's potential as an international co-production partner.

Origin of location enquiries	2002	2003	2004
From within Scotland	85	176	136
Rest of UK	86	173	130
Worldwide	60	82	255
Totals for year	231	434	521

Table 2: origins of location enquiries at Scottish Screen 2002-04

### Partnerships

Scottish links with the Association of Film Commissioners International (AFCI) and the European Network of Film Offices became even closer over the last year. Scottish Screen and Glasgow Film Office worked together to bid successfully for Cineposium, the annual AFCI conference, to be held in Glasgow in August 2005.

There is now a network of ten local film offices within Scotland that Scottish Screen work closely with. As part of our long-term strategy to make Scotland as 'film-friendly' as possible, we continue to work closely with other local authorities who are looking to develop ad-hoc film liaison work into dedicated part-time and full-time posts.

### CASE STUDY

*The Jacket* – Producers: George Clooney, Steven Soderburgh, Peter Gruber; Location Manager: Loret Dunn

#### Background

*The Jacket* is a big-budget, psychological thriller about a Gulf War veteran who is experimented upon in a mental hospital against his will. Set in the United States, and originally scheduled to shoot in Canada and England, the production encountered difficulties finding a suitable location to shoot the key hospital exteriors. The producers approached Location Manager Loret Dunn to scout for a location in Scotland.

#### Scottish Screen Involvement

Loret worked out of the Locations office where she was had access to all our facilities as well as full logistical support. Locations also provided Loret with a car, paid from the Production Scouting Fund – set up specifically to attract film production to Scotland. When the ideal hospital was found, the producers were so pleased that they decided to shoot more of the film in Scotland. Scottish Screen also invested a small percentage of the production finance.

#### Impact

*The Jacket* is a showcase for Scottish production creativity. It not only provided seven weeks of work and also gave the Scottish cast and crew invaluable big-budget production experience and their first major movie credits. The production brought in approximately £2.7 million of direct spending and demonstrated once again that Scotland can double successfully for almost anywhere in the world.

## Training and Education

*Providing access, appreciation, engagement and skills development opportunities from the classroom to the industry*

The Training and Education department has two distinct areas of responsibility. In the area of education, we collaborate with a range of partners to promote moving image education within a clear strategic framework. In training, again collaborating with key partners, we take a strategic view of the present and future needs of the screen industries in Scotland and provide a range of courses, bursaries and developmental initiatives designed to meet these requirements. Our goals are to:

- Champion and facilitate engagement with moving image education within both statutory education and out-of-school-hours activity
- Provide entry routes into the industry for emergent talent
- Provide continuing professional development to the industry workforce to ensure that Scotland's screen industry is amongst the best in the world.

## Achievements

### Education

#### Key performance indicator

To strategically impact on the provision of moving image education in Scotland.

- Establishment of prototype of moving image education, embedded into the curriculum, throughout the Brechin cluster of schools, through 4-year programme funded by the Executive's Future Learning and Teaching (FLaT) programme.
- Recruitment and professional development of a team of 20 'lead practitioners'; training programme in moving image education created and offered to local authorities across Scotland.
- Training delivered in moving image education in 3 local authorities to 75 teachers.

#### Moving Image Education

Education Minister Peter Peacock launched a working prototype of the Future Learning & Teaching project in the Brechin cluster of schools. Funded by Scottish Executive, delivered through Angus Digital Media Centre and sponsored by Angus Council, BFI and Apple Macintosh, the project cost £0.5m and will be subject to thorough evaluation by the University of Glasgow's Faculty of Education (see Education Case Study).

Scottish Screen recruited a team of 21 'lead practitioners' from education and industry to design and deliver the training programme for schools. Training in Moving Image Education is being delivered in 4 local authorities while Chartered Teacher modules are in development with Glasgow University.

#### Scottish Screen Archive

Training and Education supported Scottish Screen Archive's bid to the Heritage Lottery Fund, with an educational development plan (£0.75 m funding secured).

#### Scottish Students on Screen

After highly positive feedback from an evaluation study for the period 2000-2004, we reviewed and remodelled the Scottish Students on Screen event, which was hosted very successfully in Glasgow in 2005.

### **First Writes**

Following the excellent results of an evaluation for the First Writes screenwriting competition we revised the competition for future years for 11-16 year olds and relaunched it with new partners BBC Scotland and Learning & Teaching Scotland. The entries were numerous and of a very high quality.

### **Training**

#### **Key performance indicator**

To increase access to and participation in top quality training provision for both new industry entrants and experienced practitioners

- 23 craft & business courses run and 29 training bursaries awarded to facilitate access to specialist courses
- Over 350 writer trained through Writers Factory
- 8 craft & technical trainees selected for full new entrant training and 17 trainees from minority ethnic communities gained introductory industry training

#### **Skills for Screen**

21 short courses were attended by 294 delegates, while the Business Skills for Media Production course was run in 12-week and Express versions (in Dundee and Glasgow).

#### **Writers Factory**

A number of writers were supported to attend postgraduate and short screenwriting programmes, while 7 screenwriters were trained as tutors on Training the Trainer courses in association with the UK Film Council.

17 Introduction to Screenwriting courses were delivered by six tutors across six venues attended by over 300 students - five of the resultant projects were short-listed for Scottish Screen's short filmmaking schemes. 17 writers also trained to write for games and interactive media on 2 Gameplay courses at the University of Abertay and Glasgow Lighthouse.

Of the nine writers who attended the Stage to Small Screen course, one graduate obtained an internship with Scottish Media Group (SMG), two were short-listed for *River City*, and one for *Eastenders*. Following two internships at SMG both interns now have projects in development with the broadcaster.

#### **Assessment Centre**

The Assessment Centre had a successful year with 26 candidate completions and 13 new registrations for N/SVQs. In addition, one assessor and one verifier achieved A & V qualifications through Central College of Commerce and five new Modern Apprenticeships registered with Scottish Enterprise and EAL (Ema Awards Limited), bringing the total to six.

#### **New Entrants**

The New Entrants Training Scheme (NETS) secured £198,000 for skills development for Scotland from the Skillset Freelance Training Fund and Skills Investment Fund, and recruited for and managed the training of 8 new freelance industry practitioners. Together with The Production Guild, we developed and introduced a new strand of production accounts as part of NETS. The success of the relationship resulted in a planned formal partnership with the Guild.

After the recruitment period for NETS diversity statistics identified a drop in applications from under-represented communities. We funded a series of positive action courses, developed with the industry, to actively promote access to the creative industries to these communities. NETS worked in partnership with the Diverse Screen Course delivered by Media Base, by providing placements, set visits and workshops for 17 trainees from minority ethnic communities.

## **TRAINING CASE STUDY**

Skills for Screen – Business Skills for Media Production. Participant: Karin McDonald

### **Background**

Karin McDonald was an experienced marketing director and MBA keen to start a new career in TV and Film. To pursue her ambitions, Karin initially enrolled in a directing course at Queen Margaret University, but was unable to continue due to financial constraints. Karin then approached Scottish Screen's Training Department for advice on developing her career via a different route.

### **Scottish Screen Involvement**

Given Karin's business experience and financial situation, the Training Department advised her to take Business Skills for Media Production; a twelve-week course developed by Scottish Screen and the Central College of Commerce. This practical course covers many areas, including: the role of the producer, creating a production company, script analysis, contracts, budgeting, scheduling, finance, pitching, negotiating, H&S, marketing, sales and distribution. Karin has since attended four other Skills for Screen Short Courses, including Production Management for Factual TV.

### **Impact**

Encouraged by the Training Department and her course tutors, Karin started Carrot Seed Studios and began pitching programme ideas to broadcasters. Discovery Home and Health Channel were interested in one of the concepts, *Dress of Your Dreams*, which was then produced in conjunction with La Belle Allee Productions. Karin McDonald now works as a commission-based development executive. She is currently developing 3 film projects, in addition to developing new factual programme ideas.

## **EDUCATION CASE STUDY**

*Moving Image Education* – Andrew Gallagher, Angus Digital Media Centre, Brechin School

### **Background**

Moving Image Education is an innovative project set up to give school pupils the skills they need to analyse moving image narratives. The project aims to raise awareness of the cultural significance of moving images, improve literacy standards and increase motivation in disengaged learners. Pupils are also encouraged to create their own moving image texts and short films. Piloted by the P6 pupils of schools in Brechin, the project's progress is being tracked by the University of Glasgow's Faculty of Education.

### **Scottish Screen Involvement**

The project was conceived by Professor Paul Harris and Scott Donaldson, Education Projects Manager. Training and Education then assisted Andrew Gallagher at the Angus Digital Media Centre to develop materials and also provided teacher training. As the pilot moves into its second year, Training and Education continues to provide advice and back-up on a wide range of practical and theoretical matters, along with material from the Scottish Screen Archive

### **Impact**

The evaluation team at the University of Glasgow use observation, interviews and statistical analysis to monitor levels of pupil confidence and English language skills. Initial indications are that pupils are responding very well to this contextualised mode of delivery. In the longer term, the Moving Image Education project may alter the way that Literacy and English are taught within the Scottish Curriculum.

## **Cinema Exhibition**

*Helping audiences throughout Scotland to enjoy the wealth of international, UK and Scottish cinema culture*

Scottish Screen provides annual revenue grants to a range of cinemas, festivals and film societies across Scotland. We work with individuals, community groups, local authorities and others to help develop screening facilities. We provide project grants to assist in new developments, to encourage innovative programming, to develop new audiences and to increase the effectiveness of existing organisations. Our goals are to:

- Ensure that the public in as many areas of Scotland as possible has access to programmes of mainstream cinema and a wide range of world cinema
- Develop programmes which enable audiences to appreciate and enjoy films more fully through informal educational activities
- Maintain and develop an infrastructure which will enable the public to sample and appreciate new areas of cinema, see examples from cinema history and reassess areas of mainstream and specialised cinema.

## **Achievements**

### **Key performance indicator**

To enhance access and inclusion, institute a rural cinemas challenge scheme – to improve opportunities for audiences in a rural areas to see a wider range of film

- Rural Cinema Development Fund, a 2 year initiative was launched

### **Cinemas**

In 2004/05, Scottish Screen continued to support the development of cinema access across Scotland. We invested in venues in Aberdeen, Inverness, Dundee, Stirling, Edinburgh and Glasgow. Supporting Hi-Arts we brought a second mobile cinema to the Highlands and Islands to enhance the already successful work of Screen Machine 1. Screen Machine 2 was delivered to Hi-Arts in Spring 2005. One of our supported cinemas, Eden Court Theatre in Inverness, with a supported grant from Scottish Arts Council, is undergoing an extensive re-modelling of the theatre. The arrival of Screen Machine 2 has allowed the original screen machine to be assigned to Eden Court Theatre during the building project, to maintain a screening programme in Inverness.

Supported cinemas reported record admissions, with 555,665 tickets sold during the year – 36,000 ahead of our target. They also staged 881 programme enhancements, such as visits by filmmakers and audience discussions, along with 790 education events and screenings, an increase of approximately 13% on last year.

Scottish Screen commissioned a key study into the future of cinema exhibition in Scotland. This is due to report in summer 2005 and will inform the development of our future strategy.

### **Festivals**

To open up new areas of cinema to new audiences, Scottish Screen provided funding and support to a range of festivals, including:

Additional financial support from ourselves and the Scottish Executive was provided to the Edinburgh International Film Festival – which continued to grow admissions, achieving over 54,000 visitors. As well as the cinema-going public the festival is important for the screen industry, bringing to Edinburgh 670 industry delegates; 334 filmmaker guests; and 400 accredited press. We also continue to work with Edinburgh International Film Festival and Filmhouse in the development of a

mutually beneficial, joint-working relationship, to further enhance the successes of each of the organisations and benefit from the cross over of skills and expertise.

The Discovery International Young People's Film Festival 2004, the first of its kind to be held in Scotland, was held at the Dundee Contemporary Arts Centre (DCA) and the macrobert centre in Stirling – (see Case Study) and Document 2 – the increasingly popular human rights documentary film festival held in Glasgow in September 2004.

### **Improving Access**

During the year, we launched two new initiatives to further develop access and inclusion: the Rural Cinema Development Fund and the Digital Access Fund.

The Rural Cinema Development Fund is a two year project which aims to deliver a series of pilot projects that test new ways of developing audiences for a greater range of films within a rural setting. Highlands and Islands Arts Ltd (Hi-Arts) was successful with their application.

Supported by the Scottish Arts Council, the Digital Access Fund is a larger scheme spanning 3 years that seeks to enable individuals and communities, traditionally under-represented in moving image culture, to become involved in projects which explore creative development and moving image culture through the use of new digital technology. Pilton Video in Edinburgh, Aberdeen's Peacock Visual Arts, Glasgow Media Access Centre and Eden Court in Inverness were successful applicants.

We provided support to Edinburgh City Council for their development of a 'Moving Image Strategy', the findings of which will be shared with other Local Authorities throughout Scotland to facilitate a consistent national approach in developing local strategies.

### **CASE STUDY**

Discovery - Scotland's International Film Festival for Children and Young People - Joe Morton, Discovery Festival Co-ordinator DCA; Mairi Wallace, Cinema Development Officer

#### **Background**

In September 2004, Dundee Contemporary Arts Centre and macrobert in Stirling held The Discovery International Young People's Film Festival. Believing that visually literate children can better understand and contribute to the world around them, the festival featured discussions and workshops, celebrity events for the public, and events for teachers and the industry, plus two weeks of screening for schools at both DCA and macrobert. Selected *Discovery* films then toured other Scottish venues.

#### **Scottish Screen Involvement**

Scottish Screen assisted with the co-ordination and marketing of Discovery and its 136 events, and provided exhibition funding and logistical support for the festival, as well as helping to promote Discovery's two new keynote events: *INSPIRE - 21st century literacies, creativity and ambition* and *RESPECT – young audiences, new attitudes*.

#### **Impact**

A total of 8559 admissions were recorded in Dundee, Stirling and across Scotland. The age of audiences ranged from toddlers to senior citizens, with school groups accounting for the most admissions. The keynote events *INSPIRE* and *RESPECT* were seen to have great significance for the future of cinema exhibition and moving image education in Scotland. *Discovery* was the only cultural event for Scotland mentioned in the First Minister's St Andrew's Day speech 2004.

## Scottish Screen Archive

*Preserving and making accessible Scotland's moving image heritage*

Scottish Screen Archive collects and preserves Scotland's rich moving image heritage so that current and future audiences will have the opportunity to view and use this great wealth of historical and cultural material. Our enquiry service and online catalogue [www.scottishscreen.com/archivelive](http://www.scottishscreen.com/archivelive) enable public, educational and broadcast users to access the ever growing collection. Our goals are to:

- Increase the range of Scottish society reflected in the Archive collection
- Increase dissemination of information on Archives holdings
- Increase accessibility of images for public, educational and commercial use.

### Achievements

#### Key performance indicator

Increase % of archive materials available for viewing by securing Heritage Lottery Funding (HLF).

- Success in securing HLF award. Target of 100% increase in volume of viewing footage now achievable as planned by 2007/08

#### Margaret Tait Collection

The Archive's preservation and re-presentation in 2004 of the Margaret Tait collection ranks as one of our major achievements to date. Tait's experimental and non-conventional film making techniques presented unique preservation challenges that required innovative solutions using both traditional and cutting-edge digital duplication processes. As a result of the newly accessible prints and video, Tait's internationally acclaimed but rarely seen work is now enjoying a major revival. A 16mm touring programme launched in November 2004 is in distribution, complemented by a new book on the film maker and her work. The project was supported by a grant from the Esmee Fairbairn Trust, and delivered in partnership with Lux.

#### Improving access to our collections

The Archive was awarded Heritage Lottery Funding for a major public and educational access project. 400 hours of original footage will be transferred to broadcast standard videotape over a three year programme. The initial phase, of repair and preparation of the film stock, commenced in January 2005. Collaboration with BBC Scotland continued on the production of the popular series *Scotland on Film* and its website enhanced public access to the collection. We also enlarged the Archive's on-line catalogue through the addition of 300 video clips.

#### Developing our collection

Through the continuing fruitful relationship with Seirbheis nam Meadhanan Gaidhlig (Gaelic Media Service), the Archive now acquires contemporary Gaelic language broadcasts, while recordings of the Scottish Parliament are acquired on a rolling basis based on a partnership with the National Archives of Scotland.

The Archive gratefully accepted a large collection from Robin Crichton at Edinburgh Film Productions, and other donations of particular interest include Ramsay Macdonald's family film and one of the first amateur colour films made in Scotland *Unveiling of the Bruce and Wallace Statues, Edinburgh Castle May 1929*.

#### Preserving our collection

The Archive continues to give priority to preserving and duplicating film stock affected by vinegar syndrome. Special restoration projects included a 'lost' Harry Lauder film, *Bunkered at Blackpool* (ca 1917), and *The Wedding of the 4<sup>th</sup> Marquess of Bute* (1905), a nitrate film acquired in a parlous state of crystalline decay.

### **Serving the industry**

Our production library serviced 147 commercial productions during the year, including the series *Scotland's Secret War* (BBC Scotland), *Scots at Sea* (BBC Scotland), *Nation on Film* (BBC), *History Now* (Grampian TV) and *Sugh an Eorna* (Juice of the Barley) (Scottish TV). In partnership with Production and Development two innovative web-based productions were premiered under the Archive Live banner in 2004: The Tomorrows Project and Best Laid Schemes.

### **Public screenings**

The Archive curated programmes for the Older People's Festival in Aberdeen, two special screenings under Archives Awareness Month in Dundee and Glasgow, and for Glasgow World Film Festival in February.

### **Professional development and training**

Archive staff co-ordinated the UK Film Archive Forum Training Day in September, as well as presenting screenings and papers at the Society of Archivists national conference and the UK Learning on Screen symposium.

### **CASE STUDY**

*Archive Live Production Scheme: Best Laid Schemes* - Alistair McCallum, Design is Central

#### **Background**

The *Archive Live Production Scheme* was set-up to encourage digital media professionals to explore experimental interactive creations and also popularise the Scottish Screen Archive Online. Design is Central submitted one of the successful projects *Best Laid Schemes*, which focuses on the *Bruce Plan* to redevelop post-war Glasgow and other urban regeneration initiatives. Their idea was to develop an intuitive, interactive cityscape that would allow users to access public information films in the archive.

#### **Scottish Screen Involvement**

Funding was provided through Production and Development. With the help of the archivists, Alistair McCallum and his team at Design is Central digitised 46 public information films covering a period from 1938-1984. These films can now be accessed online at [www.bestlaid schemes.com](http://www.bestlaid schemes.com) as clips or in their entirety.

#### **Impact**

*Best Laid Schemes* promotes Archive Live to the public and provides Web users with a new form of non-linear documentary experience that delivers sounds, text and film footage within a fully interactive cityscape. The project enabled Design is Central to carry out funded R&D on new ways to use technology and deliver interactive content in an innovative way. They will now be able to use the specially developed software on other client commissions.

## **MEDIA Antenna Scotland**

*Enabling Scotland's screen industries to benefit from European Union funding and opportunities*

The MEDIA Programme is an initiative of the European Union which aims to support and encourage the European audio-visual industries. MEDIA Antenna Scotland is part of a network of offices throughout Europe. We advise and encourage the Scottish industry to make full use of these international opportunities.

MEDIA Antenna Scotland is hosted and supported by Scottish Screen, and the MEDIA Programme of the European Union. Our goals are to:

- Encourage Scottish production companies, organisations and professionals to take advantage of the funding and training opportunities afforded by the MEDIA Plus Programme and other European schemes
- Stimulate the integration of Scottish companies, organisations and professionals into the international film and television industry
- Assist local industry bodies to develop productive international partnerships.

## **Achievements**

### **Key performance indicator**

To act as an interface between the MEDIA Plus programme and the Scottish industry, to encourage the Scottish industry to take advantage of funding and training opportunities afforded by the MEDIA Plus programme. The target was set at 30 participants for each MEDIA training and networking from Scotland. This was exceeded in total:

- 60 MEDIA training participants
- 20 MEDIA networking participants

### **Supporting the industry**

Since MEDIA began €8,225,333 (£5,671,800) has been invested within Scotland. Scots professionals have accessed almost 300 MEDIA subsidised training places and 400 MEDIA subsidised networking places.

€911,521 (£616,917) was brought into Scotland from MEDIA Plus funding rounds in 2004 – a record year.

MEDIA training courses, events and publications have been recognised as essential for Scottish professionals, while 15 companies were assisted with funding applications to the MEDIA Plus Programme. 32 individual consultations, 7 “surgeries” and 2 MEDIA Information Roadshows were held around the country to inform professionals about MEDIA Plus.

The MEDIA Television Broadcasting event was held in Glasgow to help companies access the fund. MEDIA Antenna Scotland also organised industry events at the Celtic Film and Television Festival, PACT Creative Strategies Conference, Edinburgh International Film Festival and Scottish Students on Screen.

## **CASE STUDY**

MEDIA Development Funding - Mark Littlewood, Pelicula Films

### **Background**

In 2001, Mark Littlewood was awarded MEDIA Development Funding (€30,000/£20,270) for a project called *Homage to History – George Orwell*. Mark then attended the MEDIA-supported events Docsbarcelona and the Amsterdam Forum, and applied for MEDIA Televising Broadcasting funds (€84,000/£56,757) to produce the film *Orwell - Against the Tide*. In 2004, Pelicula Films applied for MEDIA slate funding and was awarded €80,000 (£54,054). One of the projects, *Ethel MacDonald* was pitched at Docsbarcelona in 2004 and awarded Scottish Screen funding in 2005.

### **Scottish Screen Involvement**

MEDIA application documents have a reputation for being long and complex. Fortunately, MEDIA Antenna Scotland was always on hand to advise Pelicula how to provide the full and detailed answers required for each question. This ensured that applications were not rejected on technicalities, or because of some minor omission or misinterpretation.

### **Impact**

MEDIA Development Funding enables filmmakers to present broadcasters or funders with a fully developed project. Since they do not have to put in their own development money, broadcasters are much more likely to give the filmmaker a positive hearing. *Orwell - Against The Tide* was outstanding promotional vehicle for Pelicula which helped secure funding for future projects. Everyone who worked on the film gained significant experience, including the final year honours students from the University of Paisley Media Course

## Departmental Outcomes

### Production and Development

- Ran 4 short film schemes and supported 4 others, investing over £600,000 in short film production
- Launched in Cannes in May 2004, Fast Forward Features, with BBC Scotland and Content film to produce up to 3 feature films over the next 3 years
- A total of £377,000 invested in feature film development and £3,665,000 in production, with £702,000 was recouped from films on release.
- 3 innovative production schemes developed: Archive Live, Alt-W and Pocket Shorts (a content creation scheme for mobile phones).

### Scottish Screen Locations

- Worldwide enquiries increased by 200%
- Attracted 6 internationally-funded feature films to Scotland, along with 8 Scottish-based features.
- Location spending in Scotland for 2004 reached £25.5 million
- Monitored 373 completed filming projects in Scotland (up 12% from 2003)
- Scottish Screen Locations and Glasgow Film Office bid successfully for Cineposium, the annual AFCl conference, to be held in Glasgow in August 2005.

## Training and Education

### Education

- The Future Learning & Teaching project, Moving Image Education piloted in the Brechin cluster of schools
- 21 'lead practitioners' from education and industry to design recruited to deliver Moving Image Education in 4 local authorities
- Assisted Screen Archive's bid to the Heritage Lottery Fund, with an educational development plan (£3/4m funding secured)
- Scottish Students on Screen relocated to Glasgow
- First Writes screenwriting competition for 11-16 year olds relaunched with new partners BBC Scotland and Learning & Teaching Scotland.

### Training

- 21 short Skills for Screen courses attended by 294 delegates.
- 29 Scottish Screen Training bursaries awarded to support 30 practitioners attend 22 courses
- 17 Introduction to Screenwriting courses delivered by 6 tutors across 6 venues attended by over 300 students
- 2 x 6 monthly internships at SMG. Both interns now have projects in development with SMG
- 8 graduates from the New Entrants Training Scheme found relevant employment in the industry.

## **Cinema Exhibition**

- Supported cinemas reported record admissions, with 555,665 tickets sold, staged 881 programme enhancements and 790 educational events and screenings
- Screen Machine 2 delivered in Spring 2005
- Rural Cinema Development Fund and the Digital Access Fund set-up to improve moving image access in under-represented communities
- Support provided to Edinburgh City Council to develop a 'Moving Image Strategy' to be shared with other Local Authorities Scotland wide
- Study commissioned into the future of cinema exhibition in Scotland which will inform future strategy.

## **Scottish Screen Archive**

- 92 collections acquired, 358 film titles accessioned along with 87 hours of broadcasts in the Gaelic language
- 5660 feet of film duplicated and preserved, including the Margaret Tait collection of experimental films
- 190,306 feet of film and 22 hours of video materials catalogued and 598 new records were added
- 1312 enquiries received with 1398 titles produced for research, reference and usage
- Archive Live scheme helps popularise the Scottish Screen Archive Online.

## **MEDIA Antenna Scotland**

- €911,521 (£616,917) was brought into Scotland from MEDIA Plus funding rounds in 2004 – a record year
- 60 Scottish professionals attended MEDIA supported training courses
- 32 individual consultations, 7 “surgeries” and 2 MEDIA Information Roadshows held to inform professionals about MEDIA Plus
- MEDIA Television Broadcasting event held in Glasgow to help companies access the fund
- Industry events organised at Celtic Film and Television Festival, PACT Creative Strategies Conference, EIFF and Scottish Students on Screen.

## Scottish Screen Board 2004/2005

**Ray Macfarlane** (Chair) joined the Board in April 1997, and was appointed Chairman in September 2002. Ray is a Senior Director of Corporate Banking at Bank of Scotland. She is a qualified solicitor and has held several significant posts in economic development including that of Managing Director, Scottish Enterprise, where she had responsibility for National and International Operations. She is a non-executive Director of the Scottish Institute of Sport and Honorary Co-Chair of BAFTA Scotland.

**John McCormick** (Vice Chair) was appointed to the Board in April 1997 and re-appointed in April 2001. He was Controller of BBC Scotland until 2 April 2004 and is Chairman of the Edinburgh International Film Festival. (Resigned March 2005)

**Dinah Caine OBE** was appointed in the board in February 2003. She is the Chief Executive of Skillset, the Sector Skills Council for the Audio Visual Industries. Ms Caine is a member of the British Screen Advisory Council and has been recently awarded Fellowship of the Royal Television Society. She was awarded the OBE in 2002 for her services to the media industry.

**April Chamberlain** is Joint Managing Director of the Comedy Unit Ltd, a Glasgow based independent TV and radio production company.

**Stuart Cosgrove** was appointed to the Board in April 1997 and re-appointed in April 2001. He is Director of Nations and Regions for Channel Four, is a Non Executive Director of BT (Scotland) and was a Director of Scottish Enterprise, Glasgow until 2004. (Resigned March 2005).

**Donald Emslie** was appointed to the Board in July 2000 and reappointed in July 2004. He is Chief Executive of SMG Television (comprising Scottish TV, Grampian TV, SMG TV Productions, Ginger Television and SMG Broadcast & Events Solutions), Chairman of ITV Council and the Royal Lyceum Theatre Company is a vice president of the RTS. He is also a Director of Skillset and chairs the Scottish Screen Industry Skills Panel

**Richard Findlay** was appointed to the board in February 2003. He is Entertainment and Media Law Partner with Tods Murray LLP, Vice Chairman of the Royal Lyceum Theatre Company and a Director of the Scottish National Photography Centre Ltd and Audio Description Film Fund.

**Kay Henning** was appointed to the board in February 2003. She is a Director of Catalyst Media, an independent Media Consultancy specialising in new digital media. Prior to 1995 when she established her own business, she worked in the BBC drama department, where she was Head of Research in Interactive Media.

**Karen Hogarty** is a lawyer with particular expertise in international film financing. Karen studied at Glasgow University and McGill University, Montreal before pursuing her career in London as a media lawyer. Karen's last position was as Head of Legal and Business Affairs for Miramax UK. She is currently on a career break.

**Barbara McKissack** has been BBC Scotland's Head of Drama since May 1998. Network Television output at BBC Scotland has included *Sea of Souls*, *55 Degrees North*, *Monarch of the Glen*, *Tinseltown*, *England Expects* and *the Key*. She also developed and has overseen the successful twice weekly soap *River City* for Scotland. In addition she has been Executive Producer on a number of feature films including *Ratcatcher* and *Morvern Callar*.

**Malcolm Ritchie** was appointed to the board in February 2003. A chartered accountant, and formerly Chief Operating Officer of PolyGram Filmed Entertainment, he is a film and media consultant with London based Qwerty Films Ltd and a non-executive director or financial and strategic advisor to various Scottish film and television companies.

**Iain Smith** was appointed to the board in February 2003. He is a film producer. He is a Board member of the UK Film Council, Chair of the Film Skills Strategy Committee, Deputy Chair of the British Film Advisory Group, a Director of the Children's Film and Television Foundation and Vice Chairman of the Production Guild of Great Britain.

**Professor Philip Schlesinger** was appointed to the Board in April 1997 and re-appointed in April 2001. He is Professor of Film and Media Studies at the University of Stirling and Director of the Stirling Media Research Institute. (Resigned March 2005)

**David Strachan** was appointed to the Board in April 1997, re-appointed in April 2000 and is Chairman of Tern Television Production Ltd. and is an elected representative on the board of Pact, the independent producers' trade association. (Resigned March 2005)

**Scottish Screen  
(Limited by Guarantee)  
Consolidated financial statements  
For the year ended 31<sup>st</sup> March 2005**

Registered number SC173976

Registered Charity SC026210

## Financial Statements

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## Company Information

Chief Executive	Ken Hay
Secretary	Alyson Hagan
Auditors	KPMG LLP Chartered Accountants 191 West George Street Glasgow G2 2LJ
Bankers	The Royal Bank of Scotland plc 23 Sauchiehall Street Glasgow G2 3AD
Solicitors	Maclay, Murray & Spens 151 St Vincent Street Glasgow G2 5NJ
Registered Office	249 West George Street Glasgow G2 4QE

## **Directors' Report Incorporating Foreword**

During the year 2004-2005 Scottish Screen continued to channel its resources on building the screen industries in Scotland and on supporting Scotland's screen culture.

Scottish Screen is a Registered Charity (No SCO 26210) and also a Company Limited by Guarantee. It was formed in 1997 and has the status of a Non Departmental Public Body (NDPB). It has a Board of Directors, which are also Trustees for the purposes of charity law, and the Board is the key decision making body for the organisation. Its Board members are appointed by the Scottish Ministers. At 31<sup>st</sup> March 2005 there were 10 directors in post. Under Scottish Screen's Memorandum and Articles of Association the organisation may have a maximum of fifteen directors in post and these directors (with the exception of the Chair, who may be appointed for a maximum of two, three year periods), will remain in post until the termination of their appointment by the Scottish Ministers.

The work of the organisation is carried out by staff in a total of seven departments. These departments are: Production & Development, Training & Education, Archive, Exhibition, MEDIA Antenna, Marketing, Communications and Locations and Central (comprising Finance, Administration and Human Resources). The day to day responsibility for the organisation rests with the Chief Executive who is the Accountable Officer. He is aided in this by the senior management team, which is comprised of the Head of Production, Development Executive, MEDIA Co-ordinator, Business Affairs Executive, Head of Training & Education, Archive Curator, Head of Operations (which includes Exhibition), Head of Marketing, Head of Corporate Communications, and Chief Operating Officer/Company Secretary.

The charitable objectives of Scottish Screen are:

- To preserve and make available Scotland's film culture
- To ensure access to screen culture and heritage for a range of groups and individuals in communities across Scotland
- To encourage an awareness within education of screen culture
- To encourage the development of an appropriate skills base for the sector

The year was marked by a period of transition for the senior management and board of the organisation, with the resignation and departure of the Chief Executive in the summer of 2004, the retirement of four Board members after 8 years in office and the appointment of three new members to the Board. The Chief Operating Officer took responsibility for the Chief Executive's role for the duration of the recruitment period and effectively managed the organisation until the appointment of the new Chief Executive in April 2005.

Throughout the year Scottish Screen successfully delivered against its charitable and business objectives. These are highlighted later in the report.

## **Results for the year**

During the year ended 31 March 2005 Scottish Screen made a surplus of £21,000.

Scottish Screen has adopted FRS17 Retirements Benefits in full. This required the financial statements to reflect at fair value the assets and liabilities arising from Scottish Screen's retirement benefits obligations.

## Principal activities

### Introduction

Scottish Screen's high level priorities, as outlined in our Corporate Plan focus on business growth and increasing access for people across Scotland to opportunities with moving image. These priorities run through the work of all Departments.

Scottish Screen has continued to work closely with partner organisations such as the Scottish Arts Council, PACT in Scotland and Scottish Enterprise to devise and implement joint programmes of work. It has continued to work closely with the Scottish Executive on a range of policy development and implementation across the cultural, education, enterprise and lifelong learning agendas. The company has also been an active participant in the Cultural Commission.

Scottish Screen continues to conduct its activities in line with its Management Statement and Financial Memorandum and continues to keep all of its operations under review to ensure efficiency and fitness for purpose.

### Production and Development

The Production and Development department supports feature films, short films and new media projects in Scotland. We develop talent through production schemes such as New Found Films, Tartan Shorts and This Scotland. This year saw the launch of a new high profile scheme, Fast Forward Features, designed to produce three feature films with budgets of £1.2m in Scotland over the next three years. New lottery guidelines were successfully launched after a fruitful consultation process with PACT and other industry members. We continue to support production companies to develop and produce distinctive content with wide appeal to sustain the growth of the screen industries of Scotland.

### Training & Education

Providing access, appreciation, engagement and skills development opportunities from the classroom to the industry.

**Education** - This year saw the launch by Education Minister Peter Peacock of a major 4-year prototype of moving image education, the culmination of a long development process by education staff and partners. This will embed moving images in the heart of the literacy curriculum from Primary year 6 to Secondary year 2 across the Brechin cluster of schools, and, being evaluated throughout by an independent education research team, will demonstrate for the first time what moving image education can do for teaching and learning in schools, as well as informing our ongoing teacher training programme. This year also saw the launch of the revised *First Writes* screenwriting competition for 11-16 year olds, with new sponsors BBC Scotland and Learning and Teaching Scotland, and the sixth successful edition of *Scottish Students on Screen*, held for the first time in Glasgow.

**Training** - The Writers Factory programme, developed and delivered in partnership with Scottish Arts Council and The UK Film Council, progressed with over 20 courses across the country, including new courses (games, stage to small screen, broadcast), 20 bursaries and new internships for writers. 21 short courses were produced, and the Business Skills for Media production course was provided in Express versions as well as the original full 12-week course. 26 candidates successfully completed Vocational Qualifications (VQs), and 6 Modern Apprenticeships registered. The New Entrants Training Scheme (NETS) secured £198,000 from Skillset funds, for the development and management of on-the-job training of 8 new freelance industry practitioners in 8 different disciplines, in partnership with industry, including a new strand in production accounts.

## Locations

Encouraging and facilitating mobile productions from anywhere in the world to shoot in Scotland. The Locations department had an extremely busy year, dealing with 521 location enquiries from all over the world. International enquiries increased in 2004 by 200%, a good reflection of Scotland's growing international reputation as a film location. Of these enquiries, 373 filming projects were completed, generating a total of 25.5 million for the Scottish economy. The highest spending film in Scotland was THE JACKET, an international production starring Adrien Brody and Keira Knightley, with a local spend of £2.7 million.

## Exhibition

Scottish Screen has continued to support the development of access to cinema across Scotland. Through investment in venues in Aberdeen, Inverness, Dundee, Stirling, Edinburgh and Glasgow, the mobile touring cinema, Screen Machine, serving the Highlands and Islands, and a range of festivals, including the Edinburgh International Film Festival and Discovery, Scottish Screen has ensured a diversity of world cinema reaches a diversity of audiences. Admissions in supported venues were maintained at above 500,000 for the year. Scottish Screen commissioned a study into the future of cinema exhibition in Scotland, that will inform future strategy. This study is due to report in summer 2005.

## MEDIA Antenna Scotland

Enabling Scotland's screen industries to benefit from European Union funding and opportunities. MEDIA Antenna Scotland hosted a wide range of industry events at key festivals and conferences to highlight the opportunities available through the MEDIA Plus Programme. MEDIA Information Roadshows and MEDIA Surgeries were held in Edinburgh and Dundee. A total of €911,521 (£616,917) came into Scotland from MEDIA Plus funding rounds in 2004 – a record year. 80 Scottish professionals attended MEDIA-supported training and networking opportunities in Europe.

## Archive

Preserving and making accessible Scotland's moving image heritage. The internationally renowned Margaret Tait film collection was preserved and made accessible. The Archive secured an award from the Heritage Lottery Fund, to undertake a major public and educational access project. The Archive's on-line catalogue was enhanced with the addition of 300 illustrative clips.

Continued funding from Seirbheis nam Meadhanan Gaidhlig (Gaelic Media Services) enables the Archive to acquire contemporary Gaelic language broadcasts. Two innovative web based productions under the *Archive Live* banner were premiered in November

2004: [The Tomorrows Project](#) and [Best Laid Schemes](#).

**A full narrative of all the above activities can be found in the annual report section of this document.**

**Significant changes in fixed assets**

During the year to 31 March 2005 Scottish Screen acquired fixed assets totalling £156,920 in value.

**Activities in research and development**

Scottish Screen continues to participate in the 'Screen Industries Summit Group', progressing the updating of the results of the research on the screen industries undertaken in 2003/04.

Scottish Screen has committed itself to developing its research and policy making capacity and will be making appropriate appointments in 2005/06.

All departments continue to keep operations under review to ensure efficiency and cost effectiveness is maintained.

**Future developments**

Scottish Screen will work closely with the Scottish Executive in analysing the implications of the Cultural Commission's final report expected in June 2005.

## Directors

The directors who held office during the year were:

Ray Macfarlane (Chair)  
Dinah Caine  
Andrea Calderwood (Resigned 1<sup>st</sup> July 2004)  
April Chamberlain (Appointed 1<sup>st</sup> March 2005)  
Stuart Cosgrove (Retired 31<sup>st</sup> March 2005)  
Donald Emslie  
Richard Findlay  
Kay Henning  
Karen Hogarty (Appointed 1<sup>st</sup> March 2005)  
John McCormick (Retired 31<sup>st</sup> March 2005)  
Barbara McKissack (Appointed 1<sup>st</sup> March 2005)  
Malcolm Ritchie  
Professor Philip Schlesinger (Retired 31<sup>st</sup> March 2005)  
Iain Smith  
David Strachan (Retired 31<sup>st</sup> March 2005)

The Board of Directors is responsible for agreeing the strategy of the organisation through approval of the Corporate Plan and the budgets. The Chief Executive and Accountable Officer is responsible for developing and implementing the strategy and for the day to day operation of the organisation in conjunction with the Senior Management Team. Related party transactions in respect of Scottish Screen's Lottery Distribution Fund are detailed in the Fund's Financial Statements for the year ended 31 March 2005.

To achieve its remit the board of Scottish Screen includes individuals with experience across a wide range of Scottish Screen activities. As a result of this, potential conflicts of interest may arise. Scottish Screen has strict procedures for directors to register and declare their interests and to exclude themselves from considering issues which may present a conflict. The related parties transactions with Scottish Screen board members are given at note 28 to the financial statements. Scottish Screen's work in the area of film development and production requires the use of external experts with sufficient knowledge and experience of the film and television industry in Scotland and overseas to enable them to make sound judgements as to the suitability of projects coming forward for funding. Scottish Screen has strict procedures in place to ensure that no participants in our assessment process can benefit directly from their involvement.

A register of committee members' interests is held at Scottish Screen's registered office. If a committee member wishes to bring a project forward for funding they are required to declare an interest and absent themselves from the relevant meeting. In addition, they do not receive any of the papers for that meeting. Also to avoid any potential conflict of interest it is a condition of employment that Scottish Screen's staff are required not to work on any of their own projects for the duration of their contract.

## Legal and administrative information

These financial statements have been prepared in a form directed by the Scottish Ministers in accordance with Section 23 of the National Heritage (Scotland) Act 1985. Without limiting the information given, the accounts meet the accounting and disclosure requirements of applicable accounting standards so far as these requirements are appropriate and comply with the Statement of Recommended Practice Accounting and Reporting by Charities 2002. Company Information is detailed on page 29.

### **Employees**

Scottish Screen is committed to providing a workplace and an environment that attracts and retains the best people. The group's policy and practice is to encourage the employment of disabled persons (or persons becoming disabled whilst employed), their recruitment, training, career development and promotion. Scottish Screen is an Investors in People and an equal opportunities employer and has monitoring procedures in place to ensure continual compliance in this area. During the year Scottish Screen achieved re-accreditation of Disability 2 Ticks.

During the year, the group maintained the practice of keeping employees informed about current activities and progress through formal communication channels, of open staff meetings and the distribution of information in written and electronic formats.

### **Reserves Policy**

Scottish Screen maintains a level of reserves to fulfil potential future needs, opportunities, contingencies or risks to the organisation. The level of reserves as at 31<sup>st</sup> March 2005 was £287,000.

### **Risk Policy**

The risks faced by Scottish Screen have been identified and controls established to mitigate these risks. A Business Risk Assessment Register is in place which identifies the organisation's risks, categorised as 'Business Critical', Important Risks and Other Risks. A control strategy has been established for each of the significant risks and the register is reviewed and updated to reflect any changes in potential risks and or developments of the controls in place.

### **Payment of creditors**

Scottish Screen's policy is to pay creditors within thirty days of a valid invoice. During the year ended 31 March 2005 43% (2004: 47.2%) of invoices were paid within the terms of the payment policy. At 31 March 2005 the level of creditors as a proportion of the aggregate invoiced amounts during the year was 13% (2004: 9.2%). These percentages were calculated using the date stated on the invoice as opposed to the date the invoice was received.

### **Auditors**

In accordance with Section 384 of the Companies Act 1985, a resolution for the appointment of external auditors of the company is to be proposed at the forthcoming Annual General Meeting. During the year a full tendering exercise was undertaken to select and appoint an external auditor and an internal auditor as best practice now required that the work of external audit and internal audit be undertaken by separate firms. The tendering process was successful and KPMG LLP were selected and appointed external auditors and Wylie and Bisset were selected and appointed internal auditors, both for a period of 3 years.



Ken Hay  
**Chief Executive and Accountable Officer**



Alyson Hagan  
**Company Secretary**



Ray MacFarlane  
**Chair**

### **Statement of Chief Executive's and Directors' Responsibilities**

Company law and the financial memorandum given to the company by the Scottish Ministers require the chief executive and directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the surplus or deficit for that period. In preparing those financial statements, the chief executive and directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the applicable accounting standards have been followed;
- subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The chief executive and directors are also 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 1985. The chief executive and directors also have a responsibility for taking such steps as are reasonably available to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

In addition, in appointing the chief executive of Scottish Screen the Accountable Officer for the company, the Scottish Ministers have placed on the chief executive responsibility for ensuring the regularity and propriety of the public finances, a requirement which is set out in the company's financial memorandum.



Ken Hay  
**Chief Executive and Accountable Officer**

Scottish Screen (Limited by Guarantee)

Registered Number SC173976

Registered Office

249 West George Street

Glasgow, G2 4QE

## Statement on internal control

As Accountable Officer and Chief Executive and in conjunction with the Board, we have joint responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, set by the Scottish Ministers, whilst safeguarding the public funds and assets for which the Accountable Officer is personally responsible, in accordance with the responsibilities assigned in Government Accounting.

As Accountable Officer the Chief Executive chairs regular meetings of the senior management of Scottish Screen which effectively delivers on risk management for the Organisation. Through a regular, formal process, key risks are identified. These are given a weighting and allocated to specific managers for control. Management of organisational risks are discussed at the management team meetings. Details are given below. High level risks (for example, the risk to the Screen Archive of losing its premises) are notified to the Scottish Executive and where appropriate, communicated to Ministers.

Scottish Screen works closely with other partner organisations such as Scottish Enterprise and the Scottish Arts Council. Each partnered scheme or project would be driven by one lead agency which would undertake risk management as part of its overall risk management portfolio.

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 achievement of the organisation'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 the organisation for the year ended 31 March 2005 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

The Accountable Officer and Board have ultimate responsibility for the control of all identified organisational risks. To ensure effective daily control, a large proportion of the risks are allocated to members of the Senior Management Team, based on their appropriate skills/knowledge within the area concerned. They have responsibility to ensure that current controls are maintained; initiatives for improvement are successfully undertaken and that any new risks identified within their areas are immediately highlighted to the Accountable Officer/Chief Executive. To fully support the Senior Management in this process, any newly identified risks; decisions for controls, new initiatives, reviews of risks and controls etc are discussed with the Accountable Officer/Chief Executive and further guidance is given before any action is taken.

As Accountable Officer, the Chief Executive also has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the managers within the organisation who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letters and other reports. He has been advised of the effectiveness of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

A Business Risk Assessment Register is in place which identifies the organisation's risks, categorised as 'Business Critical', Important Risks and Other Risks. A control strategy has been established for each of the significant risks and the register is reviewed and updated to reflect any changes in potential risks and or developments of the controls in place. Risk management is an agenda item at management meetings and risk management is fully incorporated into the corporate planning and decision making processes of the organisation.

The organisation's internal auditors submit stringent reports on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement. All recommendations from the Audit process are responded to by management, the recommendations and responses for implementation being rigorously reviewed by the Audit Committee before being either approved or amended, for implementation. The findings from Audit are then reported to the Board.



Ken Hay

**Chief Executive and Accountable Officer**  
**2 September 2005**



Ray MacFarlane

**Chair**  
**2 September 2005**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SCOTTISH SCREEN**

We have audited the financial statements on pages 41 to 68.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985 and our terms of our engagement. 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 opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 36, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

We read the other information contained in the directors' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of audit opinion**

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

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

## Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 March 2005 and of the surplus of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**KPMG LLP**  
**Chartered Accountants**  
**Registered Auditor**

**191 West George Street**  
**Glasgow**  
**G2 2LJ**

**2<sup>nd</sup> September 2005**

Consolidated income and expenditure account  
for the year ended 31 March 2005

	Notes	2004-05	2003-04
		£000s	£000s
<b>Income</b>			
Scottish Executive Education Department: grant income		2,875	2,685
Other funding income	3	66	52
Project income	4	702	658
Other operating income	5	<u>369</u>	<u>339</u>
		<u>4,012</u>	<u>3,734</u>
<b>Expenditure</b>			
Staff costs	6	1,430	1,267
Amortisation	12	7	-
Depreciation	13	80	51
Project expenses	7	829	817
Grants	8	655	532
Other operating expenses	9	1,001	1,053
Notional costs (cost of capital)		<u>7</u>	<u>11</u>
		<u>4,009</u>	<u>3,731</u>
<b>Operating surplus</b>		3	3
Interest receivable		8	8
Interest payable		(4)	(3)
Other finance income/(costs)	25	<u>7</u>	<u>(5)</u>
<b>Surplus on ordinary activities before taxation</b>		14	3
Tax on surplus on ordinary activities	10	-	-
<b>Surplus for the financial year after taxation</b>		<u>14</u>	<u>3</u>
Adjustment for notional costs (cost of capital)		<u>7</u>	<u>11</u>
<b>Retained surplus for the financial year</b>		<u>21</u>	<u>14</u>

**Statement of Recognised Gains and Losses**

	2004-05	2003-04
	£000s	£000s
Surplus for the financial year	21	14
Actuarial gain/loss arising on pension fund	<u>68</u>	<u>260</u>
Total recognised gains and losses	<u>89</u>	<u>274</u>

The results for the year relate wholly to continuing activities.

**Balance sheet**  
as at 31 March 2005

	Note	Consolidated 2005 £000s	Consolidated 2004 £000s	Scottish Screen 2005 £000s	Scottish Screen 2004 £000s
<b>Fixed assets</b>					
Intangible Assets	12	14	-	14	-
Tangible assets	13	189	133	176	115
<b>Current assets</b>					
Debtors	14	1,068	885	685	457
Cash at bank and in hand		<u>285</u>	<u>189</u>	<u>97</u>	<u>160</u>
		<u>1,353</u>	<u>1,074</u>	<u>782</u>	<u>617</u>
<b>Creditors:</b>					
amounts falling due within one year	15	<u>(1,286)</u>	<u>(922)</u>	<u>(715)</u>	<u>(472)</u>
<b>Net current assets</b>		<u>67</u>	<u>152</u>	<u>67</u>	<u>145</u>
<b>Total assets less current liabilities</b>		270	285	257	260
Deferred capital receipts	16	<u>(30)</u>	<u>(38)</u>	<u>(20)</u>	<u>(25)</u>
<b>Net Assets excluding pension liability</b>		<u>240</u>	<u>247</u>	<u>237</u>	<u>235</u>
Pension fund liability/asset		<u>47</u>	<u>(63)</u>	<u>47</u>	<u>(63)</u>
<b>Net Assets/liability including pension liability</b>		<u>287</u>	<u>184</u>	<u>284</u>	<u>172</u>
<b>Capital and reserves</b>					
Unrestricted funds	26	273	184	270	172
Restricted funds	26	-	-	-	-
Restricted funds – HLF access project	26	<u>14</u>	<u>≡</u>	<u>14</u>	
		<u>287</u>	<u>184</u>	<u>284</u>	<u>172</u>

These financial statements were approved by the board on 2 September 2005 and were signed on its behalf by:



Ken Hay  
Chief Executive



Ray MacFarlane  
Chair

**Consolidated cash flow statement**  
for the year ended 31 March 2005

	<b>2004-05</b>	<b>2003-04</b>
	£000s	£000s
<b>Net cash inflow from operating activities</b>	164	(85)
Returns on investments and servicing of finance		
Interest received	8	8
Interest paid	(4)	(3)
Net Interest expense/return on pension asset	7	(5)
<b>Net cash inflow from returns on investments and servicing of finance</b>	11	-
<b>Capital expenditure</b>		
Payments to acquire intangible assets	(21)	-
Payments to acquire tangible assets	(136)	(47)
Capital grants received	21	-
Net cash outflow from capital expenditure	<u>(136)</u>	<u>(47)</u>
<b>Decrease in cash in the period</b>	<u>39</u>	<u>(132)</u>

**Notes to the cash flow statement**

*Reconciliation of operating deficit to net cash flow from operating activities*

Total operating (deficit)	3	3
Notional costs of capital	7	11
Amortisation	7	-
Depreciation	80	51
Loss on disposal of assets	-	2
Capital grants released	(15)	(7)
(Increase)/Decrease in debtors	(183)	(60)
Increase/(Decrease) in creditors	307	(63)
(Decrease)/Increase in pension fund liability	(110)	(282)
Decrease/(Increase) in pension reserve	<u>68</u>	<u>260</u>
Net cash flow from operating activities	<u>164</u>	<u>(85)</u>

*Reconciliation of net cash flow to movement in net debt/funds*

Net cash at 1 April 2004	145	277
Net cash at 31 March 2005	<u>184</u>	<u>145</u>
Decrease in cash in the period	<u>39</u>	<u>(132)</u>

*Analysis of changes in net debt/funds*

	1 April 2004	Cash flows	31 March 2005
	£000s	£000s	£000s
Cash at bank and in hand	189	96	285
Bank overdrafts	<u>(44)</u>	<u>(57)</u>	<u>(101)</u>
Total	<u>145</u>	<u>39</u>	<u>184</u>

**Consolidated statement of financial activities**  
for the year ended 31 March 2005

Description	Note	Unrestricted funds £000s	Restricted funds £000s	Restricted Fund HLF access project £000s	Total 2005 £000s	Total 2004 £000s
<b>Income</b>						
<b>Activities in furtherance of the charity's objects:</b>						
Scottish Executive Grant		2,875	-		2,875	2,685
Other activities	18	-	316	21	337	221
<b>Activities for generating funds:</b>						
Archive Direct Sales	19	40	-	-	40	54
Other activities	20	56	751	-	807	790
Bank interest		<u>8</u>	-	-	<u>8</u>	<u>8</u>
		<u>2,979</u>	<u>1,067</u>	<u>21</u>	<u>4,067</u>	<u>3,758</u>
<b>Expenditure</b>						
<b>Cost of generating funds:</b>						
Fund raising and publicity	21	200	-	-	200	193
<b>Charitable expenditure</b>	22	1,658	264	7	1,929	1,497
Management and administration	23	331	405	-	736	666
Other expenditure: Scottish Screen Enterprises	24	<u>769</u>	<u>398</u>	-	<u>1,167</u>	<u>1,388</u>
		<u>2,958</u>	<u>1,067</u>	<u>7</u>	<u>4,032</u>	<u>3,744</u>
<i>Net movement in funds</i>		21	-	14	35	14
Balance brought forward at 1 April 2004		282	-	-	282	268
Balance carried forward at 31 March 2005		<u>303</u>	-	<u>14</u>	<u>317</u>	<u>282</u>

## Notes

*(forming part of the financial statements)*

### 1 Guarantee by members

There were 2 members of the company at 31 March 2005. Under their guarantee, their liability is limited to £1.

### 2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to Scottish Screen's financial statements.

#### *Basis of accounting and preparation*

The financial statements have been prepared under the historical cost convention and in accordance with the statement of recommended practice for accounting and reporting by charities and the accounts direction issued by the Scottish Ministers. The accounts direction requires the financial statements to be prepared in accordance with accounts guidance applicable to Executive Non-departmental bodies issued by the Scottish Ministers and, without limiting the information given, to meet the accounting and disclosure requirements of the Companies Act 1985 and accounting standards issued or adopted by the Accounting Standards Board in so far as these requirements are appropriate.

Without limiting the information given, the accounts meet the accounting and disclosure requirements of applicable accounting standards so far as these requirements are appropriate and comply with the Statement of Recommended Practice Accounting and Reporting by Charities 2002.

#### *Basis of consolidation*

The group financial statements consolidate the financial statements of Scottish Screen and its subsidiary undertaking Scottish Screen Enterprises (a company limited by guarantee) drawn up to 31 March 2005. No income and expenditure account is presented for Scottish Screen as permitted by Section 230 of the Companies Act 1985.

#### *Recognition of income*

Scottish Screen receives grant-in-aid funding from the Scottish Ministers which finances both revenue and capital expenditure. Grant-in-aid in respect of revenue expenditure is credited to the income and expenditure account in the period to which it relates. Grant-in-aid receivable in respect of capital expenditure is treated as a deferred capital receipt as detailed below. Project and other operating income is credited to the income and expenditure account in the period to which it relates.

#### *Grants payable*

Grants payable to third parties are accounted for in the period relating to the date of formal approval.

## 2 Accounting policies (continued)

### *Tangible fixed assets*

Expenditure on tangible fixed assets costing less than £5,000 per individual item or group of related items is charged to the income and expenditure account in the period of acquisition. Capital expenditure on time limited projects is depreciated on a straight line basis calculated to write off the cost of the assets over the life of the project, typically two to three years. All other expenditure on tangible fixed assets is capitalised and depreciated on a straight line basis calculated to write off the cost of each asset, less estimated residual value, over its expected useful life, as follows:

Plant and machinery	- 5 years
Fixtures and fittings	- 5 - 10 years
Computers	- 3 years

Scottish Screen is responsible for the maintenance and management of the Scottish Screen Archive. As the Scottish Screen Archive is a collection it is not recorded as an asset for the purpose of these financial statements.

Grant-in-aid receivable for the purpose of capital expenditure is credited to a deferred capital receipts account and released to the income and expenditure account by amounts related to the associated depreciation charge.

### *Leased assets*

Rentals payable under operating leases are charged to the income and expenditure account in the period to which they relate.

### *Pensions*

Scottish Screen is an admitted body of the Strathclyde Pension Fund, a defined benefit scheme whose assets are held independently, being invested in managed funds. The Fund is valued by actuaries, the rates of contribution payable being determined by the Trustees on the advice of the actuaries. Contributions to the Fund are calculated so as to provide the cost of providing pensions over the period during which admitted bodies benefit from the employees' services. Scottish Screen also contributes to certain employees' personal pension plans.

FRS17 has been implemented, the effect of which is that the defined benefits pension scheme's assets are included at market value and this is compared to the present value of the scheme liabilities using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to operating profit. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the Statement of Total Recognised Gains and Losses.

### *Taxation*

Scottish Screen has been recognised as a charity by the Inland Revenue for the purposes of Section 505, Income and Corporation Taxes Act 1988. It is also entitled under Section 1(7) of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 to describe itself as a Scottish charity (number SCO26210). Scottish Screen receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT is charged to the income and expenditure account in the period to which it relates.

### *Notional Costs*

In line with the accounts guidance issued by HM Treasury, notional costs in relation to the cost of capital have been charged to the income and expenditure account at the rate of 3.5% (3.5% 2003/04). This is the opportunity cost to the exchequer of the assets used by the body. An adjusting below the line credit has also been made.

### *Restricted Funds*

Restricted funds are funds received which are restricted to the purposes for which they are awarded.

### *Unrestricted Funds*

Unrestricted funds are funds received from the Scottish Executive and generated from Scottish Screen's activities in the archive and training.

### *Restricted Funds – HLF access project*

Restricted funds received specifically to service the HLF project and which are restricted to the purposes for which they are awarded.

**Notes** (continued)

**3 Other funding income**

	2004-05 £000s	2003-04 £000s
Film Council: Exhibition	45	45
Heritage Lottery Fund – Access Project	6	-
Capital grants released during the year	<u>15</u>	<u>7</u>
	<u>66</u>	<u>52</u>

**4 Project income**

	2004-05 £000s	2003-04 £000s
New Entrants Scheme (Skillset)	98	60
New Found Films (SMG plc)	-	259
New Found Land (SMG plc)	233	-
The Writers Factory (Scottish Arts Council)	43	1
The Writers Factory (BBC)	15	-
First Writes ( First Light)	-	19
Company Development Training (BBC Scotland)	-	15
Company Support Scheme (Scottish Enterprise)	-	75
MEDIA Antenna Project (EU)	36	38
Margaret Tait Restoration	19	-
Creative Industries Site Contribution	2	2
Education Projects	5	3
SVQ Scheme	4	10
Gaelic Television Project (CCG)	25	23
Entente Cordiale	14	-
Screen Industries Summit Group	41	-
Digital Access Fund (SAC)	10	-
This Scotland (SMG)	141	138
Tartan Shorts (BBC Scotland)	16	10
Tartan Smalls (BBC Scotland)	-	<u>5</u>
	<u>702</u>	<u>658</u>

**5 Other operating income**

	2004-05 £000s	2003-04 £000s
Scottish Screen National Lottery Funds: Staff costs	247	210
Scottish Screen National Lottery Funds: Other	59	53
Archive royalties	29	35
Development royalties and repayments	3	5
Sponsorship and merchandise	6	3
Archive sales	12	20
Freelance short course fees	12	9
Miscellaneous	<u>1</u>	<u>4</u>
	<u>369</u>	<u>339</u>

**Notes** (continued)

**6 Staff costs**

	2004-05	2003-04
<b>Staff costs during the year</b>		
	£000s	£000s
Wages and salaries	1,087	928
Social security costs	80	73
Net cost to pension scheme:		
Current service cost	104	95
Employer contributions	(138)	(121)
Contributions in respect of Unfunded benefits	(1)	(1)
Actual contributions paid	<u>144</u>	<u>113</u>
Other staff related costs, principally project and temporary staff	<u>154</u>	<u>180</u>
	<u>1,430</u>	<u>1,267</u>
	Number	Number
Average number of persons employed (wholtime equivalents) in the year ended 31 March 2005		
Central/Administration	9.25	8
Archive	10.25	9.5
Media	2.0	2.0
Marketing*	8.25	7.5
Production	5.0	4.0
Training	8.0	8.0
Development	<u>4.75</u>	<u>3.0</u>
	<u>47.5</u>	<u>42.0</u>

\*Locations, PR, Information, Communications

The directors of Scottish Screen are unpaid and received no remuneration or taxable emoluments during the year. Incidental travel and subsistence expenditure is reimbursed to directors in accordance with Scottish Screen's expenses policy, this amounted to £3,770 (£6,787 2003/04) and was reimbursed to 10 directors.

Steve McIntyre (aged 50) left on the 31<sup>st</sup> August 2004 at the end of his 3 year contract as Chief Executive.

	2004-05	2003-04
	£000s	£000s
Emoluments of the Chief Executive, Steve McIntyre		
Remuneration:		
Salary to date of leaving	29	60
Other taxable benefits	-	5
Ex-gratia payment	33	-
Pension scheme contributions	4	8
	<u>66</u>	<u>73</u>

Alyson Hagan (aged 36) was appointed as Acting Chief Executive on 1 September 2004

	2004-05	2003-04
	£000s	£000s
Emoluments of the Acting Chief Executive, Alyson Hagan		
Remuneration:		
Salary for period	38	-
Other taxable benefits	-	-
Pension scheme contributions	4	-
	<u>42</u>	-

The Chief Executive is an ordinary member of the organisation's pension scheme. Information on pension accrued as at 31 March 2005, together with the increase for the year, is unavailable.

	2004-05	2003-04
The following number of employees received remuneration (excluding pension contributions) falling within the following range:		
£50,001 - £60,000	1	-
£60,001 - £70,000	1	1

## 7 Project expenses

	2004-05 £000s	2003-04 £000s
New Found Land	232	2
New Found Film	-	265
Cineworks	-	10
New Entrants Scheme	111	50
Locations Incentive Fund	-	95
Innovation Fund	-	4
Company Support Scheme	-	75
Docspace	-	14
SVQ Scheme	9	10
MEDIA Antenna Project	10	13
Creative Industries Site Contribution	2	2
Print Completion Fund	-	8
Documentary Fund	-	10
New Media support	36	33
Industry Events	4	-
This Scotland	142	141
Access Project	-	10
Digital Access Fund	50	-
UK/Los Angeles Film Office	-	15
Gaelic Television Project	1	2
The Writers Factory	73	16
First Writes	5	24
Entente Cordiale	14	-
Margaret Tait Restoration	19	-
Fast Forward Features	3	-
Screen Industries Summit Group	48	3
Ideasmart	15	-
Archive Access Project	9	-
Cinema Exhibition Study	20	-
Tartan Shorts	11	10
Tartan Smalls	-	5
Rural Development Fund	15	-
	<u>829</u>	<u>817</u>

**8 Grants payable to other organisations**

	2004-05 £000s	2003-04 £000s
<b>Exhibition</b>		
<i>Revenue Grants:</i>		
Glasgow Film Theatre	109	109
Glasgow Film Theatre (Film Council contribution)	15	15
Edinburgh Film Festival	126	22
Edinburgh Film Festival (Film Council contribution)	15	15
Filmhouse	92	92
Filmhouse (Film Council contribution)	15	15
MacRobert Arts Centre	21	21
The Belmont	15	20
Eden Court Theatre	21	21
Adam Smith Theatre	4	4
Robert Burns Centre	7	7
DCA Arts	51	51
BFFS - Scottish Group	4	4
French Film Festival	4	-
Screen Machine	<u>25</u>	<u>25</u>
	<u>524</u>	<u>421</u>
	2004-05 £000s	2003-04 £000s
<i>Exhibition Development Fund:</i>		
Chinese Film Festival	-	2
Human Rights Festival	3	1
Filmhouse	3	5
Deaf Focus Film Festival	-	2
Programme development	1	-
Scottish Borders Council – Screen Machine	10	1
DCA – Nordic Children’s Film Festival	-	2
DCA – Audience Development Programme	5	-
Edinburgh City Council – Moving Image Strategy	5	-
French Film Festival	-	4
Discovery Childrens Festival	12	-
Margaret Tait Exhibition	6	-
EIFF	-	5
Eden Court	<u>-</u>	<u>1</u>
	<u>45</u>	<u>23</u>
	<u>569</u>	<u>444</u>
<b>Training</b>		
Moonstone	30	3
Television & Young People	5	5
Bursary funds	27	30
Pilton Video	<u>-</u>	<u>1</u>
	<u>62</u>	<u>39</u>

**Development Awards (2004-2005 Seed Fund)**

Seed Fund	4	34
Prior year awards not progressed	(4)	<u>(18)</u>
	=	<u>16</u>

**Administration**

BAFTA Scotland	4	3
Go and see Fund	5	5
Script Factory	-	10
ABSA	3	3
Celtic Film & TV Association	12	12
	<u>24</u>	<u>33</u>
Total grants payable	<u>655</u>	<u>532</u>

**9 Other operating expenses**

	2004-05	2003-04
	£000s	£000s
Office costs and overheads	485	427
Staff expenses and transport costs	78	81
Projecting Scotland	21	41
Legal and professional fees	19	18
Scottish Executive review costs	-	51
Print, design and advertising	44	63
Archive fixed costs	27	26
Festivals – Cannes	29	35
Staff recruitment and training	42	20
Producer/writer development	-	20
Company development training	9	30
Archive film preservation	16	13
Press and PR	22	29
Industry Debates/conferences	-	2
Auditors' remuneration: External audit fees	9	9
Other assurance services	7	6
Other services	1	3
Research	2	2
Information service	5	6
Committee costs	22	11
Moving Image Matters	34	37
Education projects	37	29
Script assessments	1	3
Locations	7	7
Archive sales and outreach	9	17
Freelance short training courses	22	26
Access Courses	15	-
Advice Service	8	10
Short Film Promotion	29	23
Subscriptions to societies	1	8
	<u>1,001</u>	<u>1,053</u>

**10 Tax on surplus on ordinary activities**

Scottish Screen as a registered Charity and has no liability under United Kingdom corporation tax, during the year 2004/05.

**11 Analysis of expenditure by activity**

	Staff costs	Other operating expenses	Depreciation	Interest payable	Total 2005	Total 2004
	£000s	£000s	£000s	£000s	£000s	£000s
Media	53	10	-	-	63	66
Development	126	10	-	-	136	132
Production	181	495	-	-	676	763
Training	244	444	-	-	688	505
Exhibition	34	605	-	-	639	489
Archive	262	93	-	-	355	314
Marketing*	250	147	-	-	397	515
Administration	<u>280</u>	<u>681</u>	<u>87</u>	<u>4</u>	<u>1,052</u>	<u>966</u>
	<u>1,430</u>	<u>2,485</u>	<u>87</u>	<u>4</u>	<u>4,006</u>	<u>3,750</u>

\*Locations, PR, Information, Communications

**12 Intangible fixed assets Consolidated**

	Computer Software £000s	Total £000s
<i>Cost</i>		
At 1 April 2004	-	-
Additions	<u>21</u>	<u>21</u>
At 31 March 2005	21	21
<i>Depreciation</i>		
At 1 April 2004	-	-
Charge for year	7	7
Disposals	<u>-</u>	<u>-</u>
At 31 March 2005	7	7
<i>Net book value</i>		
At 31 March 2005	<u>14</u>	<u>14</u>
At 31 March 2004	-	-

**Scottish Screen**

	Computer Software £000s	Total £000s
<i>Cost</i>		
At 1 April 2004	-	-
Additions	<u>21</u>	<u>21</u>
At 31 March 2005	21	21
<i>Depreciation</i>		
At 1 April 2004	-	-
Charge for year	7	7
Disposals	<u>-</u>	<u>-</u>
At 31 March 2005	7	7
<i>Net book value</i>		
At 31 March 2005	<u>14</u>	<u>14</u>
At 31 March 2004	-	-

All assets are held for charitable purposes

**13 Tangible fixed assets Consolidated**

	Plant and machinery £000s	Fixtures and fittings £000s	Computers £000s	Total £000s
<i>Cost</i>				
At 1 April 2004	318	343	187	848
Additions	-	70	66	136
Disposals	-	-	-	-
At 31 March 2005	318	413	253	984
<i>Depreciation</i>				
At 1 April 2004	308	238	169	715
Charge for year *	10	36	34	80
Disposals	-	-	-	-
At 31 March 2005	318	274	203	795
<i>Net book value</i>				
At 31 March 2005	-	<u>139</u>	<u>50</u>	<u>189</u>
At 31 March 2004	<u>10</u>	<u>105</u>	<u>18</u>	<u>133</u>

**Scottish Screen**

	Plant and machinery £000s	Fixtures and fittings £000s	Computers £000s	Total £000s
<i>Cost</i>				
At 1 April 2004	318	311	143	772
Additions	-	70	66	136
Disposals	-	-	-	-
At 31 March 2005	318	381	209	908
<i>Depreciation</i>				
At 1 April 2004	308	223	126	657
Charge for year	10	32	33	75
Disposals	-	-	-	-
At 31 March 2005	318	255	159	732
<i>Net book value</i>				
At 31 March 2005	-	<u>126</u>	<u>50</u>	<u>176</u>
At 31 March 2004	<u>10</u>	<u>88</u>	<u>17</u>	<u>115</u>

All assets are held for charitable purposes

**14 Debtors**

	Consolidated 2005 £000s	Consolidated 2004 £000s	Scottish Screen 2005 £000s	Scottish Screen 2004 £000s
Trade debtors	353	273	135	29
Prepayments	271	193	47	69
Sundry debtors	444	419	498	355
VAT	-	-	<u>5</u>	<u>4</u>
	<u>1068</u>	<u>885</u>	<u>685</u>	<u>457</u>

**15 Creditors: amounts falling due within one year**

	Consolidated 2005 £000s	Consolidated 2004 £000s	Scottish Screen 2005 £000s	Scottish Screen 2004 £000s
Bank overdraft	101	44	87	39
Trade creditors	152	103	102	76
Accruals	472	393	354	209
Deferred income	490	323	116	109
Sundry creditors	22	16	34	19
VAT	17	15	-	-
Other taxes and social security	<u>32</u>	<u>28</u>	<u>22</u>	<u>20</u>
	<u>1286</u>	<u>922</u>	<u>715</u>	<u>472</u>

**16 Deferred capital receipts Consolidated**

	<b>Scottish Executive Education Department</b> £000s	<b>Total</b> £000s
At 1 April 2004	38	38
Additions	-	-
Released in year	<u>8</u>	<u>8</u>
Balance at 31 March 2005	<u>30</u>	<u>30</u>

Scottish Screen

	<b>Scottish Executive Education Department</b> £000s	<b>Total</b> £000s
At 1 April 2004	25	25
Additions	-	-
Released in year	<u>5</u>	<u>5</u>
Balance at 31 March 2005	<u>20</u>	<u>20</u>

**17 Obligations under operating leases**

At 31 March 2005 the group had annual commitments under non-cancellable operating leases relating to annual rent. Lease due to expire in 9 May 2009:

	Consolidated 2005 £000s	Consolidated 2004 £000s	Scottish Screen 2005 £000s	Scottish Screen 2004 £000s
Land and buildings				
Expiry within 4-5 years (premises rental)	163	-	163	-
Expiry after 5 years (premises rental)	-	163	-	163

Notes 18 to 24 relate to the Statement of Financial Activities on page 44.

**18 Other funding**

	2004-05 £000s Restricted	2004-05 £000s Restricted – HLF access project	2003-04 £000s
Heritage Lottery Fund	6	-	-
Film Council: Exhibition	45	-	45
Capital grants	<u>8</u>	<u>21</u>	<u>5</u>
	<u>59</u>	<u>21</u>	<u>50</u>
<b>Project funding</b>			
Gaelic Television Project (CCG)	25	-	24
MEDIA Antenna Project (EU)	36	-	39
New Entrants Scheme (Skillset)	98	-	60
Education Projects	5	-	3
SVQ Scheme	4	-	10
The Writers Factory (SAC & BBC)	58	-	1
First Writes (First Light)	-	-	19
Company Development Training	-	-	15
Margaret Tait Project	19	-	-
Digital Access Fund	10	-	-
Creative Industries Site Contribution	<u>2</u>	-	-
	<u>257</u>	-	<u>171</u>
Total	<u>316</u>	<u>21</u>	<u>221</u>

**19 Archive direct sales**

	2004-05 £000s	2003-04 £000s
Royalties	28	35
Film and video - sales and hire	<u>12</u>	<u>19</u>
	<u>40</u>	<u>54</u>

**20 Other activities**

	2004-05 £000s	2004-05 £000s	2003-04 £000s
	Unrestricted	Restricted	
Management charges (Scottish Screen Lottery Fund)	-	82	88
Freelance short course fees	12	-	9
Scottish Screen Enterprises – gift aid	9	-	8
Sundry income	-	-	6
New Found Film (Scottish Media Group)	-	-	259
New Found Land (Scottish Media Group)	-	233	-
This Scotland	-	141	138
Company Support Scheme (Scottish Enterprise)	-	-	75
Scottish Screen Lottery, management charge	-	224	175
Royalties and repayments	3	-	5
Tartan Shorts (BBC Scotland)	-	16	10
Tartan Smalls (BBC Scotland)	-	-	5
Industry Events	2	-	-
Management recharge	17	-	8
Other Finance Income	7	-	-
Screen Industries Summit Group	-	41	-
Entente Cordiale	-	14	-
Sponsorship & Miscellaneous income	<u>6</u>	<u>-</u>	<u>4</u>
	<u>56</u>	<u>751</u>	<u>790</u>

**21 Fundraising and publicity**

	2004-05 £000s	2003-04 £000s
<b>Central</b>		
Salaries and related costs	49	45
Website development	2	2
Office costs and overheads	80	69
Staff expenses and transport	<u>6</u>	<u>6</u>
	<u>137</u>	<u>122</u>
<b>Marketing</b>		
Salaries and related costs	<u>63</u>	<u>71</u>
	<u>63</u>	<u>71</u>
<b>Total</b>	<u>200</u>	<u>193</u>

**22 Charitable Expenditure**

	2004-05 £000s Unrestricted	2004-05 £000s Restricted	2004-05 £000s Restricted – HLF access project	2003-04 £000s
<b>Central</b>				
Depreciation	67	8	7	45
Industry debates and conferences	2	-	-	2
Grants to other organisations	51	-	-	20
Adjustment to salary costs - FRS17 implementation	<u>(35)</u>	-	-	<u>(27)</u>
	<u>85</u>	<u>8</u>	<u>7</u>	<u>40</u>
<b>Exhibition</b>				
Salaries and related costs	33	-	-	44
Staff expenses	2	-	-	2
Exhibition Development Fund	33	-	-	23
Exhibition Annual Revenue Grants	<u>526</u>	<u>45</u>	-	<u>420</u>
	<u>594</u>	<u>45</u>	-	<u>489</u>
<b>Marketing</b>				
Salaries and related costs	63	-	-	71
Information	<u>24</u>	-	-	<u>12</u>
	<u>87</u>	-	-	<u>83</u>
<b>Training</b>				
Salaries and related costs	242	-	-	232
Staff expenses	4	-	-	7
Grants to other organisations	82	-	-	39
Industry Events	-	4	-	-
New Entrants training schemes	-	110	-	49
Research and Development	2	-	-	2
Freelance training short courses	22	-	-	26
Producer/writer development	-	-	-	20
Company development	-	-	-	-
Access Project	15	-	-	10
The Writers Factory	-	73	-	16
First Writes	-	5	-	24
Company development Training	9	-	-	31
Advice Service	8	-	-	10
SVQ Scheme	9	-	-	10
Education projects	<u>71</u>	-	-	<u>30</u>

	<u>464</u>	<u>192</u>	-	<u>506</u>
<b>MEDIA Antenna</b>				
Salaries and related costs	53	-	-	52
Staff expenses and transport	6	-	-	6
Miscellaneous	-	-	-	1
Printing and stationery	2	-	-	4
Promotional events	<u>2</u>	-	-	<u>3</u>
	<u>63</u>	-	-	66
<b>Archive</b>				
Salaries and related costs	260	-	-	246
Staff Expenses and transport	8	-	-	9
Archive fixed costs	27	-	-	26
Film preservation	16	-	-	13
Archive sales and outreach	10	-	-	17
Grant funded projects	<u>44</u>	<u>19</u>	-	<u>2</u>
	<u>365</u>	<u>19</u>	-	313
Total direct charitable expenditure	<u>1,658</u>	<u>264</u>	<u>7</u>	<u>1497</u>

**23 Management and administration**

	Unrestricted Fund £000s	Restricted Fund £000s	Total 2004-05 £000s	Total 2003-04 £000s
Salaries and related costs	12	184	196	180
Office costs and overheads	319	-	319	275
Staff expenses and transport	-	24	24	23
Scottish Executive review costs	-	-	-	51
Legal and professional fees	-	13	13	18
Audit fee	-	12	12	13
Staff recruitment and training	-	42	42	18
Screen Industries Summit	-	48	48	3
Docspace	-	-	-	14
Moving Image Matters	-	-	-	37
Committee costs	-	21	21	11
Subscriptions to societies	-	3	3	7
Interest charges	-	3	3	3
Management Recharge	-	17	17	8
Extraordinary costs	-	38	38	5
Total management and administration	<u>331</u>	<u>405</u>	<u>736</u>	<u>666</u>

**24. Other expenditure: Scottish Screen Enterprises**

	2004-05 £000s Unrestricted	2004-05 £000s Restricted	2003-04 £000s
Rent & overheads	515	-	425
Depreciation	5	-	5
Factual Development Fund	-	-	10
Development awards	-	-	16
New Found Film	-	-	254
New Found Film expenses	-	-	8
New Found Film development	-	-	3
Locations Incentive Fund	-	-	95
New Found Land	-	223	-
New Found Land expenses	-	9	2
Company Support Scheme	-	-	75
Cineworks	-	-	10
New Media scheme	36	-	33
Projecting Scotland	21	-	41
Staff expenses and transport	39	-	41
Print, design and advertising	30	-	63
Print completion fund	-	-	8
Innovation Fund	-	-	14
Festival representation - Cannes	29	-	35
UK film office, Los Angeles	-	-	15
Short film promotion	29	-	23
Miscellaneous	-	-	3
Script assessment	1	-	3
Locations	8	-	8
PR Services	22	-	29
Auditors remuneration	5	-	5
Tartan Shorts (Expenses)	-	11	10
Tartan Smalls (Expenses)	-	-	5

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This Scotland Award	-	141	138
This Scotland (Expenses)	2	-	3
Ideasmart	15	-	-
Entente Cordiale		14	-
ABSA	3	-	-
Scottish Screen Enterprises – Gift Aid	<u>9</u>	-	<u>8</u>
	<u>769</u>	<u>398</u>	<u>1,388</u>

## 25 Pension scheme

The company operates a defined benefit pension scheme as an admitted body under the Strathclyde Pension Fund, the assets of which are held in a separate trustee administered fund.

These figures are prepared by the Actuaries in accordance with their understanding of Financial Reporting Standard 17 (FRS17), published in November 2000. The calculations have been carried out in accordance with Guidance note 36: Accounting for Retirement Benefits under Financial Reporting Standard 17 issued by Institute and Faculty of Actuaries.

A full actuarial valuation was carried out on 31 March 2002 and was updated by the actuary on an FRS 17 basis as at 31 March 2005.

The major assumptions used by the actuary in these valuations were:

	31 March 2005	31 March 2004	31 March 2003
Rate of increase in salaries	4.4% (Real 1.5%)	4.4% (Real 1.5%)	4.0% (Real 1.5%)
Rate of increase in pensions in payment and deferred pensions	2.9%	2.9%	2.5%
Discount rate applied to scheme liabilities	6.5% (Real 3.5%)	6.5% (Real 3.5%)	6.1% (Real 3.5%)
Inflation assumption	2.9%	2.9%	2.5%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions, which, due to the timescale covered, may not necessarily be borne out in practice.

### Scheme assets

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and are thus inherently uncertain, were:

	Long Term Rate of Return 31 March 2005	Value at 31 March 2005 £000	Long Term Rate of Return 31 March 2004	Value at 31 March 2004 £000	Long Term Rate of Return 31 March 2003	Value at 31 March 2003 £000
Equities	7.7%	1,562	7.7%	1,296	8.0%	929
Government Securities	4.8%	283	5.1%	253	4.8%	152
Property	5.7%	202	6.5%	151	6.0%	144
Cash	4.8%	<u>67</u>	4.0%	<u>74</u>	4.0%	<u>46</u>
		2,114		1,774		1,271
Present value of scheme liabilities		<u>(2,067)</u>		<u>(1,837)</u>		<u>(1,616)</u>
Asset/Deficit in the scheme		47		(63)		(345)
Related deferred tax asset		=		=		=
Net pension (liability)		<u>47</u>		<u>(63)</u>		<u>(345)</u>

Movement in surplus/(deficit) during the year

	Year to 31 March 2005 £000	Year to 31 March 2004 £000
Surplus/deficit in scheme at beginning of year	(63)	(345)
Current service cost	(104)	(95)
Contributions paid	138	121
Contributions in respect of Unfunded Benefits	1	1
Past service cost	-	-
Impact of settlements and curtailments	-	-
Net return on assets	7	(5)
Other finance income/cost	-	-
Actuarial gain/loss	68	260
	<hr/>	<hr/>
Surplus/(Deficit) in the scheme at end of year	<u>47</u>	<u>(63)</u>

Analysis of other pension costs charged in arriving at operating profit

	Year to 31 March 2005 £000	Year to 31 March 2004 £000
Current service cost	104	95
Past service cost	-	-
Previously unrecognised surplus deducted from past service cost	-	-
Gains/losses on settlements or curtailments	-	-
Previously unrecognised surplus deducted from the settlement or curtailment losses	-	-
	<hr/>	<hr/>
	<u>104</u>	<u>95</u>

Analysis of amounts included in other finance income/costs

	Year to 31 March 2005 £000	Year to 31 March 2004 £000
Expected return on pension scheme assets	130	97
Interest on pension scheme liabilities	(123)	(102)
	<hr/>	<hr/>
	<u>7</u>	<u>(5)</u>

Analysis of amount recognised in statement of total recognised gains and losses

	Year to 31 March 2005 %	Year to 31 March 2005 £000
Actual return less expected return on scheme assets		69
Percentage of year end scheme assets	3.3%	
Experience gains and losses arising on scheme liabilities		(1)
Percentage of present value of year end scheme liabilities	(0.1)%	
Changes in assumptions underlying the present value of scheme liabilities		-
Percentage of present value of year end scheme liabilities	3.3%	
		<hr/>
Actuarial gain recognised in statement of total recognised gains and losses		<u>68</u>

The calculations on investment returns, incorporate the actual return on the Fund's assets for the year ended 31 March 2005 of 10.8%, based on actual fund returns to 31 December 2004 of 9.0% and index returns thereafter.

The pension cost relating to the scheme is assessed in accordance with the advice of independent qualified actuaries using the projected unit method.

The contributions of the company and employees were or will be as follows:

	Company	Employees
2004-2005	14.4%	6%
2005-2006	15.0%	6%

The pension charge for the year to the Strathclyde Pension Fund was £141,088 with contributions to other schemes - £2,340.

History of experience of gains and losses

	Year to 31 March 2005 £000s	Year to 31 March 2004 £000s	Year to 31 March 2003 £000s
Difference between the expected and actual return on assets	69	246	(426)
Value of assets	2,114	1,774	1,271
<b>Percentage of assets</b>	<b>3.3%</b>	<b>13.8%</b>	<b>(33.5%)</b>
Experience gains/(losses) on liabilities	(1)	14	(11)
Total present value of liabilities	2,067	1,837	1,616
<b>Percentage of the total present value liabilities</b>	<b>(0.1%)</b>	<b>0.8%</b>	<b>(0.7%)</b>
Actuarial gains/(losses) recognised in STRGL	68		(437)
		260	
Total present value of liabilities	2,067	1,837	1,616
<b>Percentage of the total present value of liabilities</b>	<b>3.3%</b>	<b>14.2%</b>	<b>(27.0%)</b>

## 26 Movement on reserves

	Group as at 31 March 2004	Movement	Group as at 31 March 2005
Unrestricted funds	282	21	303
Pension reserve	(98)	68	(30)
Restricted funds	-	-	-
Restricted funds – HLF Access Project	-	<u>14</u>	<u>14</u>
	<u>184</u>	<u>103</u>	<u>287</u>
	Scottish Screen as at 31 March 2004	Movement	Scottish Screen as at 31 March 2005
Unrestricted funds	270	30	300
Pension reserve	(98)	68	(30)
Restricted funds	-	-	-
Restricted funds – HLF Access Project	-	<u>14</u>	<u>14</u>
	<u>172</u>	<u>112</u>	<u>284</u>

## 27 Contingent Liabilities

The current lease on the registered office at 249 West George Street expires on the 9<sup>th</sup> May 2009. As part of the lease agreement Scottish Screen has an obligation to cover any dilapidation and reinstatement costs that may be required.

## 28 Related party transactions

Related party transactions in respect of Scottish Screen's Lottery Distribution Fund are detailed in the Fund's Financial Statements for the year ended 31 March 2005.

The Scottish Executive Education Department is regarded as a related party. During the year Scottish Screen had various material transactions with the Scottish Executive Education Department. To achieve its remit the board of Scottish Screen includes individuals with experience across a wide range of Scottish Screen activities. As a result of this, potential conflicts of interest may arise. Scottish Screen has strict procedures for directors to register their interests, declare their interests, and to exclude themselves from considering issues which may present a conflict.

In the event of any award being made to a related party it must be approved by Scottish Screen's Board of Directors and the individual or organisation concerned is expected to meet all of Scottish Screen's compliance requirements before any payment is released. During the course of the year the following transactions took place between Scottish Screen and its related parties, principally directors.

**Dinah Caine** is the Chief Executive of Skillset. During the year ending 31 March 2005, Skillset provided grant funding totalling £97,419 to Scottish Screen for the New Entrants training scheme. During the year, Scottish Screen made a £8,000 contribution to Skillset for the Skillset Careers helpline. Scottish Screen also made a payment to Skillset of £1,250 for an evaluation visit and report.

**April Chamberlain** is a Co-owner and joint Managing Director of The Comedy Unit. During the year ending 31 March 2005, during the year, Scottish Screen awarded a training bursary grant of £1,338 to The Comedy Unit.

**Claire Chapman** is Head of Production for Scottish Screen and a Non Executive Director of Moonstone International Limited. During the year ended 31 March 2005, Scottish Screen made grants to Moonstone International Limited to the sum of £30,000.

**Stuart Cosgrove** is a Board member of Channel 4 TV Corporation, The Research Centre for Television and Interactivity and of BT Scotland. During the financial year 2000-2001, Scottish Screen received a contribution of £40,000 towards the development of new media. These funds have been partially spent in 2003-04 and 2004-05, with the balance £34,638 being deferred until financial year 2005-06. During the financial year 2004-05, The Research Centre received a £20,000 grant towards the Researcher Training Programme.

**Donald Emslie** is a Board Member of SMG plc, Scottish Television Ltd and Grampian Television Ltd and is a Board Member of Skillset. During the year ended 31 March 2005, Scottish TV and Grampian TV, funded with Scottish Screen two production schemes – **This Scotland and New Found Land** to the sum of £140,700 and £233,350, respectively. Scottish Screen National Lottery Fund awarded £75,000 to **This Scotland** and £75,000 to **New Found Land**. In addition initial funding has also been received for the new round of **New Found Films** and **This Scotland**, which has been treated as deferred income in the financial year 2004-05. During the year, in the normal course of its business, Scottish Screen made sales of archive footage to Grampian TV to the sum of £1,198.50. Grampian TV also paid training course fees to the sum of £300.00. In addition SMG reimbursed Scottish Screen for promotional costs associated with **This Scotland** and **New Found Land**, totalling £1,300.05. During the year, SMG shared the cost with Scottish Screen of a table at the BAFTA awards in London at a cost of £2,790.63. In partnership with SMG, Scottish Screen contributed £6,000 towards the fees of two interns supported by Scottish Screen's training initiative The Writers Factory. During the year ending 31 March 2005, Skillset provided grant funding totalling £97,419 to Scottish Screen for the New Entrants training scheme. During the year, Scottish Screen made a £8,000 contribution to Skillset towards the Skillset Careers helpline. Scottish Screen also made a payment of £1,250.00 to Skillset for an evaluation visit and report.

**Richard Findlay** is the Company Secretary of Moonstone International Limited and a partner of Tods Murray LLP. During the year ended 31 March 2005, Scottish Screen made grants to Moonstone International Limited to the sum of £30,000. During the year, in the normal course of its business, Scottish Screen incurred legal fees of £4,445.00 from Tods Murray LLP.

**John McCormick** was Controller of BBC Scotland until the 2nd April 2004 and is Chairman of the Edinburgh International Film Festival. During the year ended 31 March 2005, BBC Scotland funded the Tartan Shorts and Tartan Smalls production schemes and promotional costs to the sum of £15,000.00 and £474.00 respectively. During the year, in the normal course of its business, Scottish Screen made sales of archive footage to the BBC to the sum of £9,462.57 and for attendance at Scottish Screen training courses, £200.00. During the year ended 31 March 2005, Scottish Screen funded the Edinburgh Film Festival to the sum of £126,500. The Festival also received £15,000 from the total funding from the UK Film Council of £45,000 which Scottish Screen distributes annually.

**Barbara McKissack** is Head of Drama at BBC Scotland. During the year ended 31 March 2005, BBC Scotland funded the Tartan Shorts and Tartan Smalls production schemes and promotional costs to the sum of £15,000.00 and £474.00 respectively. During the year, in the normal course of its business, Scottish Screen made sales of archive footage to the BBC to the sum of £9,462.57 and for attendance at Scottish Screen training courses, £200.00. During the financial year 2004-05, Scottish Screen collected a contribution of £10,000 from BBC Scotland acting on behalf of the "Screen Industries Summit Group".

**Philip Schlesinger** is a Trustee and Director of The Research Centre for Television and Interactivity. During the financial year 2004-05, The Research Centre received a £20,000 grant towards the Researcher Training Programme.

**David Strachan** is a Board member of PACT (Producers Alliance for Cinema and Television) and a Director of Tern Television Productions Ltd. During the year ended 31 March 2005, Scottish Screen renewed our annual Production Finance membership to PACT to the sum of £1,800.00.

**Iain Smith** is a Board member of the UK Film Council. During the year ending 31 March 2005, the UK Film Council provided grant funding totalling £45,000 to Scottish Screen for disbursement to Scottish regional film theatres and to the Edinburgh International Film Festival. During the year, in the normal course of its business, the UK Film Council invoiced Scottish Screen for £9,412.37 for costs associated with Scottish Screen taking a stand in the UK Film Centre in Cannes.

**Kay Sheridan** is on the steering committee of Skillset Film Trainee Network. During the year ending 31 March 2005, Skillset provided grant funding totalling £97,419 to Scottish Screen for the New Entrants training scheme. During the year, Scottish Screen made a £8,000 contribution to Skillset for the Skillset Careers helpline. Scottish Screen also made a payment to Skillset for of £1,250 for an evaluation visit and report.

**Becky Lloyd** resigned as a Non Executive Director of Screenbase Media Limited in September 2004. During the year ending 31 March 2005, Screenbase Media Limited provided a hosting service for the MEDIA website at a cost of £250 per month and a hosting service for the Scottish Screen website at a cost of £350 per month.

**Steve McIntyre** was a Non Executive Director of Moonstone International Limited. During the year ended 31 March 2005, Scottish Screen made grants to Moonstone International Limited to the sum of £30,000.

**Carole Sheridan** is the Development Executive for Scottish Screen and is married to writer Barry Gornell who wrote the New Found Land project *The Race*. The New Found Land scheme is a short film scheme funded in partnership with Scottish Television and Grampian Television. Under this scheme Barry Gornell received an award of £37,225.



## SCOTTISH SCREEN

### DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in accordance with Section 19(4) of the Public Finance and Accountability (Scotland) Act 2000, hereby give the following direction.

2. The statement of accounts which, it is the duty of Scottish Screen to prepare in respect of the financial year ended 31 March 2004 and in respect of any subsequent financial year, shall comprise:

- 2.1 a director's report;
- 2.2 an income and expenditure account;
- 2.3 a balance sheet;
- 2.4 a cash flow statement;
- 2.5 a statement of total recognised gains and losses;
- 2.6 a statement of accountable officer's responsibilities; and
- 2.7 a statement on the system of internal financial control.

including such notes as may be necessary for the purposes referred to in the following paragraphs.

3. The statement of accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs as at the end of the financial year. Subject to this requirement, the accounts shall be prepared in accordance with:

- 3.1 the accounting and disclosure requirements of the Companies Act for the time being in force;
- 3.2 generally accepted accounting practice in the UK, including accounting standards issued or adopted by the Accounting Standards Board and statements of recommended practice issued by the Charity Commission; and
- 3.3 guidance which the Scottish Ministers may issue from time to time in respect of accounts which are required to give a true and fair view;
- 3.4 the accounting and disclosure requirements given in "Executive NDPBs: Annual Reports and Accounts Guidance", as amended or augmented from time to time;

insofar as these are appropriate to Scottish Screen and are in force for the financial year for which the statement of accounts is to be prepared.

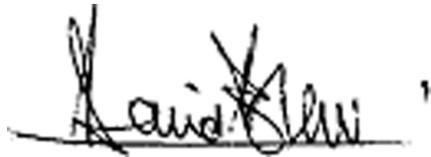
4. *Clarification of the application of the accounting and disclosure requirements of the Companies Act and accounting standards is given in Schedule 1 attached. Additional disclosure requirements are set out in Schedule 2 attached.*

5. *The income and expenditure account and balance sheet shall be prepared under the historical cost convention modified by the inclusion of:*

5.1 *fixed assets at their value to the business by reference to current costs; and*

5.2 *stocks valued at the lower of net current replacement cost (or historical cost if this is not materially different) and net realisable value.*

6. *This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 21 November 2002 is hereby revoked.*

A handwritten signature in black ink, appearing to read 'David Bell', is written over a horizontal line.

Signed by the authority of the Scottish Ministers

Dated 2 July 2004

## **SCHEDULE 1**

### **APPLICATION OF THE ACCOUNTING AND DISCLOSURE REQUIREMENTS OF THE COMPANIES ACT AND ACCOUNTING STANDARDS**

#### **Companies Act**

1. The disclosure exemptions permitted by the Companies Act shall not apply.
2. The Companies Act requires certain information to be disclosed in the Director's Report. To the extent that it is appropriate, the Director's Report shall also contain any additional information required by Executive Non-Departmental Public Bodies Annual Reports and Account Guidance with regard to the 'Foreword to the Accounts.'
3. When preparing its income and expenditure account Scottish Screen shall have regard to the profit and loss account format 2 prescribed in Schedule 4 to the Companies Act.
4. When preparing its balance sheet Scottish Screen shall have regard to the balance sheet format 1 prescribed in Schedule 4 to the Companies Act.
5. The director's report and balance sheet shall be signed and dated by Scottish Screen's Accountable Officer.

#### **Accounting Standards**

6. Scottish Screen shall not adopt the Financial Reporting Standard for Smaller Entities.

## **SCHEDULE 2**

### **ADDITIONAL DISCLOSURE REQUIREMENTS**

1. The foreword shall, *inter alia*:
  - 1.1 state that the statement of accounts have been prepared in a form directed by the Scottish Ministers in accordance with Section 19(4) of the Public Finance and Accountability (Scotland) Act 2000.
  - 1.2 include a brief history of Scottish Screen and its statutory background.
2. The notes to the accounts shall include:
  - 2.1 details of any key corporate financial targets set by the Scottish Ministers together with an indication of the performance achieved,
  - 2.2 details of the pension arrangements operated by Scottish Screen and confirmation that the scheme accords with the guidance contained in “Non-Departmental Public Bodies: A Guide for Departments”,
  - 2.3 details of the grants paid by Scottish Screen to individuals or organisations, and
  - 2.4 details of Scottish Screen’s running costs and internal expenditure.

## **Lottery Report 2004/05**

## Contents

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**Scottish Screen is a distributor of National Lottery funds for the production and development of films within Scotland. During the course of the year £4.8m was awarded through the following schemes:**

Scottish Screen operates a number of schemes offering support for:

- Feature film funding
- Script development
- Project development
- Short film production awards
- Distribution and exploitation
- Short film award schemes

**Income and expenditure account**  
for the year ended 31 March 2005

	2004-05 £000s	2003-04 £000s
<b>Income</b>		
National Lottery Fund proceeds	2,622	2,512
De-Commitment of SAC Awards	27	-
Other income	<u>891</u>	<u>921</u>
	<u>3,540</u>	<u>3,433</u>
<b>Expenditure</b>		
Award commitments	4,829	4,160
De-commitment of prior year awards	(1,163)	(1,283)
Staff costs	247	210
Other operating expenses	<u>228</u>	<u>204</u>
	<u>4141</u>	<u>3,291</u>
(Deficit) on ordinary activities	(601)	<u>142</u>
Notional interest payable	<u>37</u>	<u>36</u>
(Deficit) on ordinary activities	(638)	106
Reversal of notional interest payable	<u>37</u>	<u>36</u>
<b>(Decrease) in Fund</b>	<u>(601)</u>	<u>142</u>

The extracts shown on pages 76 to 77 are taken from Scottish Screen National Lottery Distribution Fund annual accounts for the year ended 31 March 2005, which have been prepared in a form directed by the Scottish Ministers in accordance with Section 35 of Part II of the National Lottery etc. Act 1993. A full version of the accounts are available from Scottish Screen upon request. The accounts for the year ended 31 March 2005 were audited by auditors appointed by the Auditor General for Scotland and received an unqualified audit opinion.

**Balance sheet**  
as at 31 March 2005

	2004-2005 £000s	2003-2004 £000s
<b>Current assets</b>		
Balance held in NLDF	4,750	2,195
Debtors		257
	46	
De-commitment of SAC Awards	-	-
Bank	<u>245</u>	<u>1,848</u>
	<u>5,041</u>	<u>4,300</u>
<b>Creditors:</b>		
amounts falling due within one year	<u>4,396</u>	<u>3,054</u>
<b>Net current assets</b>	<u>645</u>	<u>1,246</u>
<b>Total assets less current liabilities</b>	<u>645</u>	<u>1,246</u>
<b>Represented by:</b>		
<b>General reserve</b>	<u>645</u>	<u>1,246</u>

## Project Monitoring and Evaluation System

Post award, all projects are monitored by the designated Officer and Business Affairs on an ongoing basis to ensure compliance with contractual agreements, Lottery funding only being released on completion of designated milestones. Officers are in regular contact with relevant production companies to ensure that the production /development process is proceeding as planned.

2004/05 was the first full year for the newly implemented evaluation process which Scottish Screen developed in 2003/04. This system evaluates each funding strand, based on the collation of key quantitative and qualitative measurables. The evaluation forms are issued to award recipients, at designated times to best reflect the 'life' of projects and ensure optimum capture of evaluation material. The completion and return of the evaluation material within a specified timescales is stipulated as a contractual requirement. The collected material is collated to enable review of the effectiveness of award and scheme structures and also to provide key reference material. As part of our practice of continual review, this process will be reviewed as to effectiveness on an ongoing basis. Data Protection Act requirements are fulfilled in the undertaking of this process.

Detailed findings from the monitoring and evaluation process are presented later in this report.

## Performance against Objectives

Scottish Screen has reviewed its objectives as set out in its Operational Plan 2004/05, and is satisfied that all objectives have been satisfactorily addressed. An appraisal of performance against objective will be included in the Annual Report.

## Administration Costs

	2004-05 £000s Total	2003-04 £000s Total
Legal & professional fees	67	66
Rent & overheads	48	51
Depreciation	3	-
Office administration	10	14
IT costs	1	6
Auditors' remuneration	12	11
Staff expenses	27	22
Panel expenses	6	10
Irrecoverable VAT	16	17
Consultancy fees	27	-
Script assessment	<u>11</u>	<u>7</u>
	<u>228</u>	<u>204</u>

Total staff and administration costs represent 9.8% (9.9% 2003/04) of total awards for the year.

SCOTTISH SCREEN

National Lottery Distribution Fund

**List of awards made during the year ended 31 March 2005**

Decision body	Applicant	Project Title	Project Type	Award
<b>Hard Commitments</b>				
Officers	Roaring Fire Film Productions	The Ticking Man Sequel	feature	25000
Committee	The Mob Film Company (Alloway)	Burns	feature	500000
Committee	Young Pirate Productions	The Festival	feature	400000
Committee	Makar Productions	Master of Lies	feature	500000
Committee	Three Musketeers Films	The Three Musketeers	feature	100000
Officers	Nobles Gate	Sightseer	feature	12760
Committee	Advance Party Films	Advance Party	feature	50000
Committee	Crab Apple Films	The Darkest Hour	Feature	456840
Committee	DanFilms/Scala Productions	Du Cane's Boys	feature	395000
Committee	4 Way Pictures (Scotland)	The Lost City of Bam	feature	50000
Committee	Flying Scotsman Films Ltd	The Flying Scotsman	feature	340000
Committee	Pure Magic Film	Gamerz	feature	150000
Committee	Mead Kerr	Night People	feature	150000
Committee	Gorbals Films	Flesh & Blood	feature	500000
Officer	Scottish Documentary Institute	My Country's Photo Album	feature	20000
Officer	Young Miracle Films	The Listen	Project developer	5000
Officer	DJ Films	Except Me & My Monkey	Project development	7500
Officer	Blue Wonder Films	The Bothy	Project development	18750
Officers	Euroart (Media) Scotland	Laura	Project development	10000
Officers	Red Kite Films (Nocturna)	Nocturna	Project development	25000
Officers	Holdings Ecosse	Offside	Project development	12500
Officers	IWC Media	Devlin	Project development	12750

Officers	Posh Pictures	The Road to Marfa Lights	project development	10151
Officers	Scottish Documentary Institute	My Country's Photo Album	project development	5000
Officers	Sigma Films	Annie & Benny	project development	17500
Officers	Película Films	There Are Mountains	project development	12000
Officers	Sigma Films	Hallam Foe	project development	17500
Officers	Black Camel Picture Company	Air Force Wives	project development	5000
Officers	Lansdowne Productions	Hidden Gifts	short film	12719
Officers	Unthink Productions	Can't Stop Breathing	short film	20000
Officers	Red Kite Animations	The True Story of Sawney Beane	short film	25000
Officers	Eyeline Media	Gospel Truth	short film	25000
Officers	Ham & Enos	Oompie Ka Doompie	short film	24000
Officers	Brazen Hussies	The Way we Played	short film	24500
Committee	Scottish Documentary Institute	Bridging the Gap	short film	45000
Committee	Young Films	Foighidinn	short film	5000
Committee	Lazy Dream Productions	The Prize	short film	50004
Officers	Am Bosca	Calum Noah	short film	15580
Officers	Stella Maris Films	Worrals of the WAAF	script development	8000
Officers	Raindog	Ruby	script development	15292
Officers	Posh Pictures	It coulda been me	script development	500
Officers	Posh Pictures	It coulda been me	script development	2500
Officers	Mandragora Productions	Lollipop	script development	500
Officers	Mead Kerr	Night People	script development	500
Officers	Mead Kerr	Night People	script development	2500
Officers	Mead Kerr	White as snow	script development	500
Officers	Raindog	Bunny Mark and Me	script development	500
Officers	Peel Street Films	Making Love	script development	500
Officers	Peel Street Films	Making Love	script development	3500
Officers	Brassneck Film & TV Productions	Man o' War	script development	500
Officers	Brassneck Film & TV Productions	Man o' War	Script development	1500
Officers	Extra Veg	Gamerz aka Reign of Z'Rennk	script development	500
Officers	Extra Veg	Gamerz aka Reign of Z'Rennk	script development	2500
Officers	Search Party Productions	True North	script development	500
Officers	Search Party Productions	True North	script development	2500
Officers	Young Films	The Indian	script development	500
Officers	Young Films	The Indian	script development	2500
Officers	Hopscotch Films	98.6	script development	500
Officers	Hopscotch Films	98.6	script development	2500
Officers	Brocken Spectre	White Male Heart	script development	11500
Officers	Common Features	Alec & May	script development	24000

Officers	Edge city Films	50 days North	script development	5000
Officers	Rilke Productions	The cutting Room	script development	16000
Officers	Sigma Films	Hallam Foe	script development	6500
Officers	Edge City Films	Lore	script development	16000
Officers	Glasshouse Films	Sextet	script development	16000
Officers	Mike Barnes	Coldgrave Marsh	script development	10000
Officers	Keith Brumpton	The Last Dodo	script development	7000
Officers	Crab Apple Films	Leonard	script development	5000
Officers	La Belle Allee Productions(Scotland)	Still life in Blue	script development	6000
Officers	River Films	MacNab	script development	1500
Officers	Forged Films	Face Ache	script development	6000
Officers	Ko Lik Films	Out of the Woods	script development	10000
Officers	Makar Productions	All Summer I thought of you	script development	16840
Officers	Maverick Television	Way to Go	script development	7500
Officers	Mead Kerr	Night People	script development	2000
Officers	Extra Veg	Gamerz	script development	2000
Committee	Glasgow Media Access Centre	Cineworks	short film scheme	75000
Officers	Scottish Arts Council	Artists Film & Video	short film scheme	25000
Officers	Hopscotch Films	No Mans's Land	short film scheme	3250
Officers	Plum Films	Tumshie McFadgen	short film scheme	3250
Officers	Design Is Central	Best Laid Schemes	short film scheme	25000
Officers	Ablab & Dunlop	The Tomorrow's Project	short film scheme	25000
Officers	Mandragora Productions	Electric Blues	short film scheme	12500
Officers	Hee Haw Productions	IM	short film scheme	12500
Officers	Wish Film Productions	Elephant Boy	short film scheme	12500
Officers	Ideal World Production	The Race	short film scheme	12500
Officers	Nobles Gate	Baldy McBain	short film scheme	20000
Officers	Nobles Gate	Baldy McBain	short film scheme	3250
Officers	Edge City Productions	Total Rubbish	short film scheme	6250
Officers	Edinburgh Mediabase	Paris EC 100	short film scheme	14000
Officers	Ko Lik Films	Show Ponies	short film scheme	20000
Officers	Sprocketeers	Hushtown aka (SSHHH!)	short film scheme	20000
Officers	Dogtooth Media	St. Mathurins School	short film scheme	20000

Officers	Glasgow Media Centre	One True Path	short film scheme	6250
Officers	Sigma Films	The Climb	short film scheme	1000
Officers	Catherine Bailey	Dirt Under the carpet	short film scheme	1000
Officers	Effingee Productions	Fool Moon	short film scheme	1000
Officers	Anna Stothard	Mandy	short film scheme	1000
Officers	Unleashed Films	A Road Less Travelled	short film scheme	1000
Officers	Litmus Productions	Waiters	short film scheme	1000
Officers	Black Camel Picture Company	Good Things	short film scheme	1000
Officers	Catherine Bailey	Dirt Under the Carpet	short film scheme	4000
Officers	Effingee Productions	Fool Moon	short film scheme	4000
Officers	Anna Stothard	Mandy	short film scheme	4000
Officers	Unleashed Films	A Road Less Travelled	short film scheme	4000
Officers	Autonomi	Brighter Later	short film scheme	20000
Officers	Brazen Hussies	End of the Sentence	short film scheme	20000
Officers	Sprocketeers	Sweetie	short film scheme	20000
Officers	Gabriel Films	Afterlife	distribution	45000
Officers	Gabriel Films	Afterlife	distribution	6472
Officers	Docspace	Docspace	distribution	25000
Committee	Docspace	Docspace	distribution	65000
Officers	OACD (IOM)	On A Clear Day	Supplementary	15000
<b>Total of Hard Commitments</b>				<b>4,828,408</b>
<b>Soft Commitments</b>				
Committee	3 Sisters Films	The Soldiers Return	Features	200000
Officers	Plum Films	Foreign Exchange	Script development	1000
Officers	Simon Stephenson	Horse Patrol	Short Film	1000
Officers	Simon Stephenson	Horse Patrol	Short Film	4000
Officers	4 Way (Scotland)	The Man Who Walks	Short Film	1000
Officers	4 Way (Scotland)	The Man Who Walks	Short Film	4000
<b>Total of Soft commitments</b>				<b>211,000</b>
<b>Other commitments</b>				
Officers	River Films (Scotland)	Silent Prayer	Script Dev.	12500
Officers	Scottish Arts Council	Artists Film and Video	Short Film.	25000
<b>Total of Other commitments</b>				<b>37,500</b>

## SCOTTISH SCREEN NATIONAL LOTTERY AWARDS CLOSURE EVALUATION REPORT 2004 - 2005

Scottish Screen is responsible for the distribution of National Lottery funding for film in Scotland.

Film production companies can apply for various funding strands, including Script Development, Project Development, Short Film Production Funding, Short Film Award Schemes and Feature Film Funding. All of these funding strands are subject to strict eligibility criteria at the application stage and supported projects are closely monitored and evaluated throughout the course of the funding and delivery process.

All Scottish Screen Lottery projects are evaluated on completion. Each funding strand then has a number of further evaluation stages in place determined by the lifecycle of the project, for example, for Feature Film Projects evaluation is carried out at 6, 12, 24 and 36 months, whereas for Development projects at 6, 12 and 24 and Shorts at 6 and 12 months.

Closure Evaluation forms were issued to all applicants who received Lottery funding from Scottish Screen who had completed their projects in the financial year April 2004 to October 2004. A second round of evaluation forms were distributed for the period up to May 2005. Producers who have completed their projects since October 2004 are now required to return Evaluation Reports as a delivery requirement and this has been built into the various legal agreements generated for each funding strand. Approximately 83% of the forms that were sent were returned by the specified deadline.

### **Script Development**

Script Development funding supports production companies in the early stages of the development of feature film live action drama, theatrical documentary or animation projects. The maximum award for Script Development is £25,000 or a maximum of 90% of the total development budget. Within this financial year projects have been awarded between £500 and £24,000. The majority of the projects in this category came in on budget.

Eight 6 monthly evaluations were returned indicating that 4 projects were still in development and 4 on hold.

### **Project Development**

Project Development funding supports production companies in the advance stages of development of feature film live action drama, theatrical documentary or animation projects. The maximum award for Project Development is £25,000 or 75% of the total development budget. To date one of the projects is actively sourcing finance and intends to be in production by the end of October 2005. The remaining projects are refining their production package, with the options for the original materials still being held and to be renewed as necessary.

Of the projects that received Project Development funding the majority recorded no variance between projected and actual budgets, thereby demonstrating effective budget management. Awards made ranged from £5,000 to £25,000.

Where an overage was recorded, producers cited acceptable reasons such as extended timescales, employment of casting directors, option fees and writer's fees. Two projects recorded a reduction in the intended budget; one because further development was due to take place and one due to having to retain a sum to pay the writer and script editor for a further draft.

Eleven 6 monthly evaluation reports were returned providing an update on initial completion forms and stating that all projects were still in development with one in turnaround pending the return of rights to the writer.

### **Feature Film Production**

Feature Film Production supports production companies in the production of feature film projects and feature length documentaries (live action and/or animation). The maximum award is £500,000 or 25% of the total production budget.

Eleven closure evaluations were returned with only one of the projects going over budget, although the amount was small and the Scottish spend was proportionately larger due to some of the Spanish locations being transferred to Scotland.

Eight projects returned 6 monthly evaluations forms providing updates on their current sales/distribution status as well as listings of the festivals attended and any awards received. EIFF featured predominantly in the festival listings, as well as Berlin and Cannes, where *Dear Frankie* was premiered, in addition to various US festivals, Chicago, Tribeca and Sundance where *On a Clear Day* and *The Jacket* received their world premieres.

### **Short Film Production and Short Film Awards Schemes**

Short Film Production supports the production of short dramas, documentaries and animation. The maximum award is £75,000 or 50% of the total production budget. The purpose of the Short Film Production Scheme funding is to support organisations or companies who wish to run independent short film schemes. The maximum award is £75,000 or 50% of the total budget.

Approximately 60% of the forms returned in this strand related to films produced through one of the short film schemes; *Tartan Shorts* and *This Scotland*. All projects made through these schemes have been broadcast on Scottish and Grampian Television, or on BBC Scotland. 54% of the selection were documentary projects and one project was animation.

Budgets ranged from £14,000 to £67,500 with 54% not reporting a variance in their pre- and post-production budgets, again demonstrating effective budget management.

All of the projects had varying degrees of success at national and international film festivals over the course of the evaluation period – the more popular festivals being EIFF and Berlin. A total of 21 Lottery supported shorts were premiered at the EIFF in August 2004, which included 15 drama shorts, 4 animation projects and 2 documentaries, with *And So Goodbye* (Black Robins Productions) winning the Saltire Society Award for Best Short Scottish Documentary. Lottery supported projects were extremely successful at the BAFTA Scotland awards in November 2004 where a total of 13 categories were won by Scottish Screen supported projects, including, *Tumshie*

*McFadgen's Bid for Ultimate Bliss* Best Short Film, *The Tree Officer* Best Animation, *Touch the Sound – A Journey with Evelyn Glennie* Best Documentary, *Young Adam* Best Film, *American Cousins* Best Screenplay and *Six Hours of Daylight* Best New Work. *Milk*, a low-budget short film produced through the *Cineworks* scheme, won the Golden Bear for Best Short Film at the Berlin Film Festival in February 2004. A total of 60% of the independent short film projects were broadcast on either BBC or STV.

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