



## **THE PRINTS & ADVERTISING FUND**

### **GUIDELINES FOR APPLICANTS**

**(including details of the Digital Innovation in Distribution Process)**

Please note that these guidelines revised April 2010 replace in their entirety all previous guidelines for the P&A Fund.

## 1. Introduction

The Prints & Advertising (P&A) Fund is designed to widen and support the distribution and marketing strategy of 'specialised' films and commercially focused 'British' films that nevertheless remains difficult to market.

This Fund is not intended to substitute pre-existing investment but rather is seeking to add value to the investment already being made by distributors in each film.

The Fund aims to benefit audiences by:

- widening access in terms of the range of films available;
- widening opportunities to view such films across the UK; and
- widening audience awareness of the range of films potentially available.

The UK Film Council is currently trialling an early application process for specific online marketing and audience development activity and intends to make up to seven further awards as part of this trial. Further details about this Digital Innovation in Distribution Process are set out in Appendix C.

The Fast-Track application route is currently suspended and UK Film Council will not accept any applications under this route.

## 2. P&A Fund Can you apply? (Eligibility)

### Applicant

An applicant to the P&A Fund must be a company registered and centrally managed in the UK or another state of the European Union or European Economic Area. Individuals may not apply.

Applicants should have direct experience of theatrical distribution in the UK. Exceptions to this will be considered at the sole discretion of the UK Film Council.

### Eligible categories of film

In order to be eligible for the P&A Fund films must be capable of being categorised as either a 'Specialised' film or a 'British' film as follows:

#### **Specialised film (for the purposes of the P&A Fund)**

A specialised film is one that is able to meet the UK Film Council's definition of a Specialised Film is set out in Appendix A.

#### **British film (for the purposes of the P&A Fund)**

Applications can also be made for 'British' qualifying films that may not be able to be categorised as 'specialised' films because they have a more a commercial focus but which are nevertheless **difficult to market**. This difficulty to market may be due to the film's subject matter, lack of named stars or director, lack of any significant 'hook', or a difficult or different cinematic style.

'British' films are those that are in receipt of a 'Certificate of a British Film' under the terms of **Schedule 1 of the Films Act 1985** as amended. 'British' films, for the purposes of this P&A Fund, do not include films certified under any of the UK's co-production treaties or under the European Convention on Cinematographic Co-Production (although applicants should note that such films may be eligible under the Specialised Film category above).

#### **Other eligibility criteria for both 'Specialised' or 'British' films**

1. Applications can only be made in respect of feature length films (defined as a minimum of 69 minutes).
2. Applicants must own or control at a minimum the UK theatrical rights to the film at the time of submitting the application, and preferably also own other UK distribution rights, eg DVD and television. Successful applicants will be required to demonstrate rights ownership or control as a condition precedent to UK Film Council funding.
3. Applicants must have already committed, or be planning to commit, a significant P&A investment in the film relative to the type of film and its perceived market potential. The UK Film Council will determine if such a commitment is significant based on its assessment of the film and its knowledge of the market. Where the applicant already has a minimum P&A commitment the UK Film Council will not subsidise the operations of the applicant by providing funding to allow the applicant to meet such minimum commitment.
4. Applications relating to the release of the film in territories other than the UK will not be eligible. For the purposes of this Fund the UK territory will include Eire in relation to the distribution plan. However a solo Eire release will not be eligible and neither will specific P&A requests that are directly linked to Eire expenditure eg Eire TV expenditure.
5. The film must have already received, or be capable of receiving, a classification certificate from the British Board of Film Classification. Films classified or likely to be classified as R18, however, will not be eligible.
6. The applicant must be in possession of a 35mm print (or other suitable digital format) for a screening at the time of application, or be in possession of one within a maximum of 2 weeks of the application.
7. Applications must be submitted at least 16 weeks prior to the planned release date. Exceptions to this criteria may be made at the UK Film Council's discretion.

### 3. What is the requirement for partnership funding?

Each application will be assessed on its own merits. The level of the applicant's own investment will be taken as an indication of its own level of belief in and commitment to the film. The Distribution and Exhibition Department will need to be convinced that the award requested will actually make a difference to the film's outcome and is truly additional rather than a replacement for funds that the distributor might be reasonably be expected to invest, given the creative and commercial judgement of the film. Where the applicant already has a minimum P&A commitment (as evidence in its distribution agreement for the film) the UK Film Council will not subsidise the operations of the applicant by providing funding to allow the applicant to meet such minimum commitment.

The applicant's investment in the P&A budget can include the applicants own money or other grants such as those obtained through the **EU Media Programme**. The applicant should identify the source(s) of its investment on the Stage 2 Application Form (if the application progresses to Stage 2).

No application is likely to be successful that, in the UK Film Council's opinion, does not represent value for money. Among other factors, the amount of the application and the potential audience benefit it will produce will be a major consideration.

### 4. How to apply and the assessment process

Application to the P&A Fund is a two stage process:

#### Stage 1

##### **Application form**

Applications must be made on the **P&A Fund Stage 1 Application Form**. The applicant will be required to set out its planned P&A spend (assuming no UK Film Council support) and the amount requested from the UK Film Council. In compiling the P&A spend the applicant must only include proposed spend on the allowable P&A items set out in Appendix B.

The UK Film Council is committed to ensuring that the cinema experience is open to all, especially to disabled people. The applicant will therefore be required, at Stage 1, to set out its proposals to meet the needs of cinema-goers with sensory impairments. The applicant will be required, at the very least, to provide both soft subtitled and audio described tracks to those cinemas that have the equipment to use them. The wider the planned release the greater the expectation there will be for these facilities to be provided.

The P&A Fund Stage 1 Application Form must be signed by an authorised representative of the applicant and submitted in hard form (together with an e-mail copy sent to [P&A@ukfilmcouncil.org.uk](mailto:P&A@ukfilmcouncil.org.uk) if possible). The receipt of the signed hard copy will commence the assessment process.

The completed application form should be sent to:

Distribution and Exhibition Fund Administrator  
UK Film Council  
10 Little Portland Street  
London  
W1W 7JG

### Stage 1 Assessment process

P&A Fund Stage 1 Application Forms will be acknowledged within 2 weeks of receipt.

The Distribution and Exhibition Department will initially look at whether the application is eligible in terms of the criteria set out in '**Eligibility: Applicant**' and '**Eligibility: Other Criteria**' above. This includes whether the application has been submitted within the deadline for applicants set out above.

If the application fails to satisfy one of those eligibility criteria the application will be rejected at this point (except potentially where the UK Film Council retains a discretion to accept the application) and the applicant will be notified in writing.

If the application satisfies the eligibility criteria relating to '**Applicant**' and '**Other Criteria**' a screening of the film for the representative(s) of the Distribution and Exhibition Department will be requested.

After viewing the film, Distribution and Exhibition Department Executives will initially assess the eligibility of film itself as follows:

1. Can the film be categorised as **Specialised**; or
2. Can the film be categorised as a **British** film that is **difficult to market**.

If the answer is yes to either of these the Distribution and Exhibition Department will assess whether the film can contribute to the Department's overall objective of developing audiences for Specialised and British film.

In determining this, the specific criteria that will be considered for **Specialised** films are as follows:

1. Could a wider audience (than that of the 'core arthouse') be persuaded to see the film? The Department will take into account: its assessment of the film's market potential; the accessibility of the film's subject matter; whether the film is likely to receive good reviews and significant publicity coverage; and whether the film has a strong genre;
2. If a wider audience could be persuaded to see the film, would they enjoy it (ie would the film achieve audience ratings on an opening weekend exit poll in line with or above the statistical norms for all UK films)? The Department will apply its commercial and creative judgement to the film as well as its knowledge of the UK theatrical market;
3. Is the budget and the amount requested consistent with the film's perceived commercial potential as evidenced by the applicant's range of rental estimates and the Department own commercial judgement?; and
4. Does the proposed release plan demonstrate innovation in terms of reaching audiences?

The specific criteria that will be considered for **British** films that are **difficult to market** are as follows:

1. Does the film have sufficient commercial theatrical potential (in proportion to the proposed P&A and release plan) to reach a mainstream audience? The Department will take into account: its assessment of the film's market potential; the accessibility of the film's subject matter; whether the film is likely to receive good reviews and significant publicity coverage; and whether the film has a strong genre.
2. Would such a mainstream audience enjoy the film (ie would the film achieve audience ratings on an opening weekend exit poll in line with or above the statistical norms for all UK films)?
3. Is the budget and the amount requested consistent with the film's perceived commercial potential as evidenced by the applicant's range of rental estimates and the Department own commercial judgement?; and
4. Does the proposed release plan demonstrate innovation in terms of reaching audiences

At this stage the Distribution and Exhibition Department will decide:

- To reject the application (in which case the applicant will be informed of the decision in writing); or
- To request a meeting with the applicant to discuss their plans for the film. This may result in the need for the applicant to revise its proposals. The application may be rejected at this stage or the applicant may be invited to submit a Stage 2 application.

## **Stage 2**

### **Application form**

If the Distribution and Exhibition Department notifies the applicant that it wishes to proceed to Stage 2 the applicant should, within two weeks of such notification, complete and submit the **P&A Fund Stage 2 Application Form**.

This should include:

- a comprehensive media plan
- a full P&A budget on the UK Film Council's pro forma (this must only contain those allowable P&A items listed in Appendix B)
- 'dating' list
- a copy of the distribution agreement for the film (or other evidence demonstrating the applicant's ownership or control of the theatrical distribution rights in the UK territory).

### **Stage 2 Assessment process**

The application will be then assessed by the Distribution and Exhibition Department who will look at:

(i) **Level of expenditure proposed and investment requested in the application:**

the department will need to feel confident that the level of investment requested will significantly help the film to reach a wider audience and thus provide value for money and represent a real addition to what the applicant would in any case invest.

**(ii) The number and location of cinemas proposed:**

In order for a film to attract an audience that might not otherwise have the opportunity to view it, it is essential that the range of cinemas proposed by the applicant include those that would not normally receive such a film. Geography and cinema type are important factors. It is not the **P&A Fund's** objective to support a film's release purely into those cinemas that would normally book the film anyway.

**(iii) Marketing and publicity strategy:**

The department will look at the publicity and marketing strategy for the film to ensure that the award would be targeted at broad national audience rather than being London West End based, in line with its objective of ensuring that films reach a wider audience.

## **5. What happens next?**

The Department will then decide whether to recommend the application for approval or whether to reject the application (in which case the applicant will be informed of the decision in writing).

If the Department decides to recommend the application for approval then it will submit the application to the UK Film Council's Distribution Finance Committee for approval. At this point the UK Film Council's legal and finance departments will undertake a due diligence assessment of the application and provide a report to the Distribution Finance Committee.

### **Offer letter**

If the application is then approved by the Distribution Finance Committee, the applicant will be sent an Offer Letter setting out the terms and conditions of the **P&A Fund** award. This Offer Letter must be counter-signed and returned to the UK Film Council within 14 days of issue.

The Offer Letter will contain the same terms and conditions for each successful applicant. The terms and conditions include the following:

#### **Conditions precedent**

The applicant must provide the UK Film Council with distributor-level access to daily EDI figures.

The applicant must own or control the theatrical distribution rights in the UK territory.

The applicant must have secured a British Board of Film Classification certificate for the film (excluding R18 category).

The film must be released on the agreed release date and according to the approved market plan and budget unless otherwise agreed **in writing** with the UK Film Council.

The distributor will allow the UK Film Council to use such images and/or clips (supplied in printed or electronic press kits) as it may require from time to time for the purposes of publicising the **P&A Fund**. In such instances, the UK Film Council will provide credit to the distributor as may reasonably be requested.

### **Use of award**

The full amount of the P&A budget (including the distributor investment and the UK Film Council award) must be spent as set out in the approved P&A budget and only on the allowable P&A items listed in Appendix B.

### **Cashflow**

The UK Film Council will cashflow 75% of the award upon release of the film, provided that the certain conditions of the award have been met (including all conditions precedent).

The balance of the award will be payable 12 weeks from the release of the film or when invoices for all third party costs relating to the P&A spend have been received and paid by the distributor (whichever is later) and the distributor has provided a cost statement to the UK Film Council on the UK Film Council pro forma, (which at the request of the UK Film Council may need to be supported by full back-up documentation, including copy invoices).

Any underspend on the agreed final P&A budget of more than 10% of the total budget will cause the UK Film Council to reassess the application and may result in the award being withdrawn by the UK Film Council and any amount already advanced will have to be repaid immediately to the UK Film Council. Any underspend of less than 10% of the total budget may be deducted from the UK Film Council award, at the discretion of the UK Film Council.

Any overspend by the distributor on the agreed final P&A budget will not count towards the applicant's P&A investment (see below) for the purposes of the recoupment positions (as described below) **unless it has been agreed in writing with the UK Film Council distribution and exhibition department before any overspend is incurred.**

### **Recoupment**

The UK Film Council will seek to recoup its award in the event that the film generates a surplus for the applicant/distributor in its theatrical release. This will work as follows:

Once the applicant has received an amount of money (from theatrical film rental receipts) equivalent to the amount of the theatrical distribution costs it has incurred itself then, without deductions, any film rental receipts in excess of this will be paid to the UK Film Council in recoupment of the award. In the event that insufficient film rental receipts are received to cover the award, then no further payment to the UK Film Council will be due from non-theatrical receipts. No premium or interest will be charged by the UK Film Council. The theatrical release of the film in the UK territory will be deemed by the UK Film Council to have ended six months after the actual release date of the film. The following examples demonstrate a number of possibilities.

#### Example 1

Distributor theatrical distribution costs	£100,000
UK Film Council award	£80,000
Film rental receipts	£ 120,000

Distributor fully recoups its investment  
UK Film Council recoups £20,000 only

Example 2

Distributor theatrical distribution costs	£100,000
UK Film Council award	£80,000
Film rental receipts	250,000

Both distributor and UK Film Council recoup their investment

Example 3

Distributor theatrical distribution costs	£100,000
UK Film Council award	£80,000
Film rental receipts	£75,000

Distributor recoups £75,000 toward its investment  
UK Film Council recoups nothing

The applicant/distributor must submit a royalty statement to the UK Film Council six months from the first theatrical release date of the film, and thereafter only at the request of the UK Film Council. The UK Film Council reserves the right to audit the references in the distributor's books to the film supported by the UK Film Council award.

**Credit**

The UK Film Council will be given a contractual front credit on the film containing such wording and logo as reasonably requested. The UK Film Council will also be given a contractual credit (in a form to be supplied by the UK Film Council) on all customary paid advertising (eg posters and press ads).

**Meeting the needs of disabled cinema-goers**

As stated above, the UK Film Council is committed to ensuring that the cinema experience is open to all, especially to disabled people. In all cases, the successful applicant will be expected to address the needs of cinema-goers with sensory impairments. The Offer Letter will specify the level to which the successful applicant must address the needs. Successful applicants who are planning a release involving 50 or more prints will be required to make audio-described and soft-subtitled discs available for those cinemas that are suitably equipped. Applicants will also be required to ensure that the availability of the discs is publicised through the normal industry channels and made available for delivery in time for the film's opening.

**Other requirements**

The UK Film Council will also require:

- successful applicants to ensure that any sub-titling and/or audio description will be used on the DVD release of the film;
- the applicant to provide updates to the D&E Department on delivery of the distribution plan for the film (particularly in terms of any variation from the agreed distribution plan) and performance of the film immediately prior to the release date and immediately after opening weekend;
- free access to (except reasonable costs of delivery) and use of a print(s) of the film for special private screenings arranged by the UK Film Council if requested;
- an educational element to the distribution of the film such as making production notes accessible over the world-wide web, supplying a reasonable number of

- gratis DVDs for educational use at designated libraries, or other elements as advised by the UK Film Council; and
- that the distributor participates in seminars for the film distribution sector and other educational events in order to disseminate knowledge and ideas (subject to reasonable notice and availability).

### **Research**

Each award will require the applicant to carry out two exit polls (no more than one such exit poll to take place in London). The Distribution and Exhibition Department has developed a range of questions that relate to audience make-up, sources of awareness, level of enjoyment and recommendations levels of the film seen, etc. The successful applicants will be free to use any company they wish, as long as the questions form part of their survey.

This research will be analysed and certain non-commercially sensitive data may be published by the UK Film Council including on its website in order to inform the industry.

### **Monitoring**

The UK Film Council may undertake monitoring of the award in line with the aims of the Fund and reserves the right to request further information and to use external consultants if required in the monitoring and evaluation process.

## APPENDIX A

### UK FILM COUNCIL: DEFINITION OF SPECIALISED FILM

The UK Film Council definition of 'specialised' is quite broad and relates to those films that do not sit easily within a mainstream and highly commercial genre. They may be characterised as being predominantly from the independent production sector (although they may be being handled by a mainstream, studio-based distributor), or made with a relatively low production budget (eg as compared to a Hollywood production), and have a focus that is more script and character than effect and event driven and might be expected to appeal at present to a more narrow audience segment than a more mainstream film.

Specifically, the UK Film Council's Distribution and Exhibition Department will use the following criteria when determining whether a film will be categorised as 'specialised':

#### Foreign language with subtitles

In almost all circumstances a film of this type will be classified as 'specialised'. Examples might include: *Coco Before Chanel*, *Broken Embraces*, *The Class*.

#### Documentaries

In almost all circumstances feature length documentaries intended for theatrical distribution will be classified as specialised. Examples might include: *Touching the Void*, *The Age of Stupid*, *Man On Wire*.

#### Archive/classic films

Notwithstanding the focus of the original film, or the language it is presented in, or the audience which today it might appeal to, archive or classic films will be regarded as specialised. Examples might include: *From Russia With Love*, *The Wizard of Oz*, *A Throw of Dice*.

Films that fall outside the above parameters may still be regarded as specialised. Other criteria to be applied in the assessment process will include:

#### Genre

Whereas mainstream films might be regarded as falling within popular and recognisable genres, specialised films are often less easy to define and thus more difficult to categorise in this way.

#### Hook or USP (Unique Selling Point)

With mainstream films, the subject matter is generally more straightforward and easy to communicate to audiences. Specialised films tend to deal with more complex and challenging subject matters that are less easy to communicate.

**Cinematic style**

Within the mainstream genre, the film’s narrative and cinematic style are generally quite straightforward, uncomplex, conventional and with high production values. Specialised films are often characterised as having a more innovative or unconventional storytelling style or aesthetic and may deviate from the straightforward narrative structure found in mainstream cinema. Overall, Specialised films tend to be more dependent on story, character development and a challenging subject matter than on high production values, effects and star names.

In reality, the distinction between specialised and mainstream films is not always clear cut. Indeed, even within specialised films, distinctions might be drawn between those that might have an opportunity to attract and please a wide audience and those that will intrinsically remain open only to a limited audience. Films, thus, might be regarded as existing along a spectrum with core arthouse at one end, and high cost, high production value effect and star driven films (mainstream Hollywood) at the other. Schematically, the spectrum, with examples, might usefully be regarded as follows.

<i>My Winnipeg</i>	<i>4 Months, 3 Weeks, 2 Days</i>	<i>Man on Wire</i>	<i>Control</i>	<i>The Lives of Others</i>	<i>Atonement</i>	<i>Collateral</i>	<i>The Dark Knight</i>	<i>The Mummy: Tomb of the Dragon Emperor</i>

Rather than seeing films in black and white terms, the UK Film Council realises that they exist along a spectrum with various shades of grey. Clearly, unanimity is unlikely when assessing the intrinsic nature of a film and where it might be placed on the spectrum and the UK Film Council will of necessity exercise a degree of creative judgement when assessing a particular film.

**However, the judgement as to whether a certain film can be categorised as ‘specialised’ is necessarily subjective. On receipt of an application the UK Film Council will make this subjective assessment. The decision of the UK Film Council will therefore be final.**

## APPENDIX B

### ALLOWABLE P&A ITEMS

- a. **Production and design**
  - Posters
  - Trailer(s)
  - TV spot(s)
  - Radio spot(s)
  - Press and magazine ads
  - Theatre displays (eg standees)
  - Press book
  - Screening tickets
  - Promotional merchandise (eg T-shirts, games, books, etc)
  - Website
  - Digital assets
  
- b. **Prints and Distribution**
  - Trailers
  - Release prints
  - Censorship costs
  - Exhibitor screenings
  - Despatch costs
  - Tracking costs
  
- c. **Media costs**
  - TV
  - National and local Press
  - Magazines
  - Radio
  - Outdoor
  - Online
  
- d. **Publicity**
  - Media screenings
  - B/W stills
  - Colour production
  - TV clips and EPK
  - Radio syndication
  - Talent visits
  - UK festival costs
  - PR agency fees and agreed expenses
  
- e. **Promotions**
  - Agency fee and agreed expenses
  - Talker screenings
  - Other promotions
  
- f. **Research**
  - Exit research
  - Sneak previews (playability)

- Media materials testing
  - Concept testing
- g. Digital production (features or trailers)**
- Scanning a negative or IP to digital format (in such cases where a high definition digital master does not exist and where the production of which might prove a significant benefit to the film's release)
  - Upgrading or remastering of a lower resolution digital master (eg digi-beta) where the production of which might facilitate a more cost effective, wider release.
  - Production of digital cinema distribution master (ie a compressed and encrypted master that can subsequently be copied onto physical media for delivery to cinemas with a digital capability) and compiling such master with sound elements
  - Inclusion of soft subtitled and audio described tracks in a combined digital cinema distribution master
  - Duplication and of such digital cinema distribution master and key sending/transmission
  - Duplication of digital cinema master and key transmission
  - Payment of virtual print fees to access digital screens

## Appendix D

### DIGITAL INNOVATION IN DISTRIBUTION PROCESS

#### Introduction

The UK Film Council recognises that the internet is transforming the way that audiences discover and engage with films. There are new opportunities for distributors to utilise online tools and services to engage with and build audiences for a film, particularly over a longer lead time than is normally the case for distribution.

Consultation with the distribution sector has shown that securing substantial cinema bookings, particularly for smaller specialised films, can be challenging. By accruing more data on the prospective audience for a film (eg location/nearest cinema, email address, media habits etc) a distributor may be better equipped to secure more bookings for a film in appropriate cinemas. Furthermore, this data can feed into the wider release plan for the film across other platforms such as DVD and online distribution, helping to ensure that the film reaches its widest possible audience. The internet is a highly efficient environment in which to gather such prospective audience data, particularly if the audience development activity can be carried out a long time in advance of the release date.

Online media costs and website promotion are allowable P&A items under the P&A Fund (see Appendix B) and the UK Film Council has always welcomed proposals for P&A funding that utilises online activity as part of the film's marketing plan. However, the UK Film Council wishes to encourage new ways of developing audiences by making better use of online opportunities and fostering innovation and experimentation.

Therefore, on a trial basis, the UK Film Council is piloting a specific application process that allows a film's distributor to seek funding to cover the cost of online media and website promotion only. This will allow funding to be accessed at an earlier stage in the distribution marketing process, therefore enabling a longer lead time to develop audiences for the film. This Digital Innovation in Distribution Process will focus on applications that demonstrate innovation and experimentation in the use of digital marketing tools. We propose to make up to seven further awards at no more than £30,000 each during this extended trial period.

The successful applicants will be required to publicly share the results of this marketing activity (whether positive or negative) and such results will help inform the UK Film Council strategy in relation to digital innovation.

#### Can you apply? (Eligibility)

The Digital Innovation in Distribution process is part of the P&A Fund and therefore applicants must satisfy the conditions set out in the main **P&A Fund** guidelines (section 2) in relation to both the Applicant and the Eligible Categories of Film.

## **Why should you apply through this process?**

This process is separate to, but not intended to be an alternative to, the P&A Fund. As you will see from the guidelines above, applications to the P&A Fund are expected to be made at least 16 weeks before the release of the film. Distribution plans are normally developed from 16-20 weeks ahead of the planned release date for a film and the P&A Fund application process is designed to fit in with that timetable. Awards from the UK Film Council are paid after the film has been released.

The online activity being targeted through the Digital Innovation in Distribution process is likely to benefit from a longer lead time and could commence during the actual production of the film. This process therefore allows applications to be made prior to the development of the full distribution plan for the film. Additionally the award from the UK Film Council will be paid in installments to coincide with the online activity and ahead of the actual release of the film.

You can apply for online media and website promotion costs only through this Digital Innovation in Distribution process but you can also submit an application, in respect of the same film, to the P&A Fund either concurrently or subsequently in respect of other allowable P&A costs (see Appendix B).

## **What are we looking for?**

Applicant should submit for innovative digital audience development strategies for their film. This strategy should identify the target audience(s) for the film and include a plan of how to reach and develop such audience(s) using online tools. The strategy should also explain how the results of this digital activity would feed into the full distribution plan for release of the film theatrically in the UK.

Applications can be made in respect of finished or unfinished films. Whilst the assessment process will focus on the originality and inventiveness of the online plan, the UK Film Council will also review the film in order to determine both the eligibility of the film and whether the film merits support.

The applicant must be able to demonstrate to the UK Film Council a clear intention to distribute the film theatrically in the UK by providing an indicative or outline distribution plan demonstrating that the film will be released within 12 months of the date of the application to UK Film Council. However, if a film is unfinished at the point of application to this process, the UK Film Council acknowledges that the distribution plan, release date and P&A budget are unlikely to be finalised.

## What can you apply for?

Applications must:

- be for online UK media and website promotion costs only. This can include creating digital promotional/marketing materials; creating digital assets for promotional purposes; online data collection. Applications solely in respect of conventional online advertising are unlikely to be successful;
- be for no more than £30,000;
- enhance the original digital distribution plan ie demonstrate that the funds are not a substitute for costs that the applicant would have met from its own resources;
- be in respect of a feature length film (defined as a minimum of 69 minutes) in which the applicant owns or controls the UK theatrical rights at the time of submitting the application and which must be capable of receiving a classification certificate from the British Board of Film Classification (but films likely to be classified as R18 will not be eligible); and
- demonstrate, to the UK Film Council's satisfaction, that the applicant intends to spend more than £30,000 on the total P&A costs of the film. That is the application should include an indicative overall UK theatrical distribution plan and proposed P&A budget for the film.

## When can you apply?

Applications must be submitted no less than 16 weeks before the anticipated UK release date of the film but applications with a longer lead time are specifically encouraged.

## How to apply?

Applicants should complete the **Digital Innovation in Distribution P&A Fund Application Form** and initially email the form to [P&A@ukfilmcouncil.org.uk](mailto:P&A@ukfilmcouncil.org.uk) (in order to allow the UK Film Council to review the application as soon as possible) and then post or hand deliver copy of the form signed by an authorised representative of the applicant. Offers cannot be made until receipt by the UK Film Council of a properly completed, signed hard copy of the form. **Applications should be submitted no less than 16 weeks before the release date.**

**Applications should be accompanied by a DVD of the film or in the case of an unfinished film, a short synopsis of the film together with a copy of the shooting script.**

The completed application form should be sent to:

Distribution and Exhibition Fund Administrator  
UK Film Council  
10 Little Portland Street  
London  
W1W 7JG

## **What happens next?**

The Application will be acknowledged by email within one week of receipt of the signed hard copy.

The Distribution and Exhibition Department will initially look at whether the application is eligible in terms of:

- the applicant
- the film
- whether the application meets the requirements set out in 'What can you apply for?' above.

If the application is not eligible the applicant will be notified in writing. Note that in the case of an unfinished film the UK Film Council will review the shooting script to determine whether the film can be categorised as 'specialised' or 'British' according to the P&A guidelines.

### **Assessment**

If the application is eligible the UK Film Council will assess the application using the following criteria:

1. The degree to which the application clearly identifies the film's target audience(s)
2. The clarity and coherence of the plans to utilise online tools to reach and engage the target audience(s) for the film
3. The degree of innovation demonstrated in the plans
4. The length of time before the proposed release date (the fund is designed to encourage earlier activity than is the norm for theatrical distribution)
5. The degree to which the proposed P&A budget for the film is commensurate with the full distribution plan for the film
6. The UK Film Council's judgment of the audience potential for the film.

At this stage the Distribution and Exhibition Department will decide:

- To reject the application (in which case the applicant will be informed of the decision in writing)
- To request a meeting with the applicant to discuss their plans for the film. This may result in the need for the applicant to revise its proposals. The application may be rejected at this stage or the applicant may be invited to submit further information on the proposal.

The Department will then recommend applications for approval by the Distribution Finance Committee.

## **Offer letter**

If the application is approved by the Distribution Finance Committee the applicant will be sent an Offer Letter setting out the terms and conditions of this P&A Fund award. Offer Letters must be counter-signed and returned within seven days of issue or the offer will lapse. Unless otherwise stated below, the terms and conditions of this offer will be the same or similar to the terms and conditions set out in the main P&A Fund Guidelines.

**Use of the award** – the award must be spent as set out in the application and any changes to use must be pre-approved by UK Film Council.

**Cashflow** – 75% of the award will be payable once the UK Film Council has received the counter-signed Offer Letter with the balance payable after the actual release of the film.

**Recoupment of the award** – the UK Film Council will seek to recoup the award from theatrical revenues in the same manner as it would recoup an award from the P&A Fund process. The applicant will be required to submit a full cost statement relating to total P&A spend on the film including the UKFC's contribution (on the UK Film Council's pro forma) once the film has been in release for 12 weeks.

**Timescale** – the online distribution activity should commence within one month of the date of the award and the results should be shared with UK Film Council within six months of the date of the award.

**Data sharing and reporting** – all results of the online distribution activity (whether positive or negative) will be made available to the UK Film Council which will be able to publish those results for the benefit of the wider industry. Successful applicants will also need to submit a report on the project after its completion for publication by the UK Film Council. The report should include a comprehensive breakdown of all online activity undertaken and the results achieved. The UK Film Council will discuss with the applicant the results of the project and the specific content and format of the report.

**Other** – The UK Film Council will require a contractual front credit on the film. UK Film Council will undertake monitoring of the award and will reserve the right to request further information and to use external consultants if required in the monitoring and evaluation process.

## Important information

1. The information in these guidelines can change. The law and Government regulations on distributing National Lottery funds may also change. The UK Film Council therefore reserves the right to review this programme and/or change its policies, procedures and assessment criteria.
2. The application form does not necessarily cover all the information the UK Film Council uses to decide which applications to fund. The UK Film Council can ask applicants for extra information.
3. All applications are made at the applicant's own risk. The UK Film Council will not be liable for loss, damage or costs arising directly or indirectly from:
  - the application process;
  - the UK Film Council's decision not to provide an award to an applicant; or
  - dealing with the application.
4. The UK Film Council's decisions on applications are final.
5. The UK Film Council will not pay the award until it has received a fully executed copy of the P&A Fund offer letter.
6. The UK Film Council will publicise information on the number of applications it receives and the awards made.
7. The Freedom of Information Act 2000 gives members of the public the right to request information held by the UK Film Council. This includes information held in relation to applications to the UK Film Council's various funding programmes or schemes. Therefore if you choose to apply to the UK Film Council you should be aware that the information you supply, either in whole or in part, may be disclosed under the Freedom of Information Act.
8. Sometimes the UK Film Council's Board Directors or members of staff may be involved in some way with applicants. This interest has to be declared in applications from such applicants. The relevant Board Director or staff member will not be involved in assessing the application or the decision to make an award. Applicants are advised not to try to influence the success of their application by approaching a Board Director or staff member.
9. It is important that applicants carefully check the information given in the application form. The UK Film Council standard terms and conditions entitle it to withhold or reclaim an award in the following circumstances:
  - If the application was filled in dishonestly or with incorrect or misleading information about the organisation or the project whether deliberately or accidentally; and
  - If during the term of the agreement the awardee acts dishonestly or negligently to the disadvantage of the project.The UK Film Council will follow up cases of suspected fraud and will pass information to the police.
10. **Complaints and appeals:** The UK Film Council's decision is final. Inevitably, applicants will have to be turned down and may be disappointed by this result. Formal appeals against the final decision will not be considered unless the applicant has good cause to believe that the procedures for processing the applications were not adhered to, or applied in such a way as to prejudice the outcome of the application. A copy of the UK Film Council's Complaints and Appeals procedure can be downloaded from the website or obtained on request from the UK Film Council's Communications Office.