Our ref [redacted]

[redacted]

[redacted]

[redacted]

Dear Sirs

Report of factual findings in respect of the production cost report to [redacted] 2019 in relation to "[redacted]" ("the Programme")

In order to assist you with meeting your reporting obligations to Creative Scotland ("CS") in relation to the above named Programme, we submit to you our findings in respect of the total reported costs of production (presented in Appendix 1) of the above named Programme.

As set out in the terms of our engagement letter dated [redacted] 2017, we have examined the information given in the production cost report in respect of the Programme and have performed procedures in accordance with generally accepted practice. We have obtained such information and explanations as we consider necessary for the purpose of these procedures.

The key procedures completed by us are as set out below:

- Agreed a sample of invoiced and committed costs disclosed in the production cost report to supporting documentation
- Agreed the receipt of a sample of funding advances from the parties financing the Programme to bank statement
- Agreed the total amount of funding due from the parties financing the Programme to executed contracts with these parties
- Agreed the recovery of a sample of amounts recognised in debtors per the [redacted] 2019 production trial balance to bank statement
- Agreed the payment of a sample of amounts recognised in creditors per the [redacted] 2019 production trial balance to bank statement
- Reviewed a sample of the bank reconciliations performed by the production team as at [redacted] 2019

[redacted]

These procedures did not constitute an examination made in accordance with generally accepted auditing standards. Had we performed an audit in accordance with generally accepted auditing standards, other matters might have come to our attention that we would have reported to you. This report and our findings as stated below relate only to the production cost report and do not extend to any financial statements of ("the Company") taken as a whole.

Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have (or may have had) in relation to the Company or otherwise. During our review of the books and records of production, we noted the following items that we feel should be drawn to your attention.

A) INCOME AND EXPENDITURE SUMMARY

INCOME – PRODUCTION ADVANCES

	Paid to 2019	*Outstanding (see note 1)*	*Total*
	£	£	£
Fee			
Fee			
Creative Scotland			
Tax credit loan (note 1)			
TOTAL			

1. has loaned the Company £ as a loan against the tax credit. Due to the underspend on the production and the tax credit being higher than expected, the loan has been reduced by £ This will be repaid to on receipt of the £ tax credit outstanding from HMRC. An interim tax credit claim of £ was made for the period to 2018, this was received from HMRC on 2019 and was repaid to during the current period.

EXPENDITURE – PRODUCTION COSTS

The final cost report can be found in Appendix 1. As at the date of this report, and based on the books and records supplied to us by the production, the cost of the Programme per the final cost report prepared by the production was £ and the reported Scottish spend was £

On discussion with production we were advised that due to a timing difference in the running of the cost report, there is a £ difference between the final cost reported in Appendix 1 and the total production cost reported above in respect of costs not yet incurred.

The reported Scottish spend was £ lower than the agreed Total Budgeted Scottish Spend amount. It is our understanding that this underspend was approved by Creative Scotland on 2019.

B) BANK ACCOUNTS

We have reviewed a sample of the bank reconciliations performed by the production team and found no errors in the preparation of the sampled reconciliations.

C) TRIAL BALANCE at 2019 prepared by the production team

	Dr	Cr
Production advances (per note 2)		
Insurance income		
Production costs (per appendix 1)		
Bank balance (overdraft) – current a/c		
Tax credit recoverable (per note 1)		
Amounts due to group companies		
Accruals & deferred income		
Share capital		
Profit and loss reserves		

Notes to Trial Balance

1. The total tax credit claim for the production is £ An interim claim of £ was claimed for the period ending 2018. This was received on 2019. A final claim for £ has been submitted to HMRC however it has not been received at the date of signing this report.
2. There is a difference between the production advances noted above to the total advance disclosed in note A, the difference relates to the £ production fee payable to for the provision of production services and £ for costs not yet incurred by the entity.

Our report is prepared solely for the confidential use of the Company and solely in connection with the proposed provision of facilities by CS to the Company. It may not be relied upon for any other purpose whatsoever without our prior written consent. Our report must not be recited or referred to in whole or in part in any other document. Our report must not be made available, copied or recited to any other party. Saffery Champness LLP neither owes nor accepts any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on our report.

[redacted]

Yours faithfully

[redacted]

Appendix 1

[redacted]

Chart	Description	Actual Scottish Spend	Actual Other Spend	PO Amount	TotalToDate	Est To Comp	Est Final Cost	Budget	Variance
501	Agreed Development Cost	[redacted]							
503	Writer's Fee								
504	Consultant								
507	Budgeting & Scheduling								
508	Script Editors								
601	Exec Producer								
602	Producer								
604	Director								
606	Line Producer								
701	Artists								
702	Guest Cast								
703	Extras/ Crowd etc								
704	Stunts								
705	ADR & Footsteps and Effects								
706	Chaperones/Voice Coaches								
901	Production Manager								
902	Location Manager								
904	Unit Manager								
905	Location Assistant & Trainee								
906	Production Co-ordinator								
907	Production Secretary								
908	Unit Runner								
909	Production Accountant								
910	Assistant Accountant								
911	Cashier								
912	Casting Director								
913	Nurse								
914	Head of Production STV								
1001	First Assistant Director								
1002	Second Assistant Director								
1003	Third Assistant Director								
1004	Script Supervisor								
1005	Extras Casting								
1007	Floor Runner								
1008	Dailies								
1101	Director of Photography								

Chart	Description	Actual Scottish Spend	Actual Other Spend	PO Amount	TotalToDate	Est To Comp	Est Final Cost	Budget	Variance
1102	Camera Operator /Steadicam A/B?	[redacted]							
1103	Focus Puller								
1104	Clapper Loader								
1105	Camera Trainee								
1106	Key Grip								
1107	Data Wrangler								
1201	Sound Recordist								
1202	Boom Operator								
1203	2nd Boom Operator / Sound Trainee								
1301	Gaffer								
1302	Best Boy								
1303	Electrician #1								
1304	Electrician #2								
1305	Electrician #3								
1306	Electrical Dailies								
1307	Rigger								
1401	Designer								
1403	Art Dept Assistant								
1404	Standby Art Director								
1405	Art Department Trainee								
1406	Art Directors								
1407	Graphics								
1408	Props Master								
1409	Props Buyer & Assistant Buyer								
1410	Stand-By Props 1								
1411	Stand-By Props 2								
1412	Dressing Props								
1414	Stand-By Carpenter								
1417	Daily Props								
1418	Tool Hire								
1501	Costume Designer								
1502	Costume Supervisor								
1503	Wardrobe Assistant 1								
1504	Wardrobe Assistant 2								
1506	Wardrobe Trainee								
1507	Wardrobe Dailies								
1508	Make-up Designer								
1509	Make-up Artist # 1 / Supervisor								
1510	Make-up Artist # 2								
1511	Make-up Trainee								

Chart	Description	Actual Scottish Spend	Actual Other Spend	PO Amount	TotalToDate	Est To Comp	Est Final Cost	Budget	Variance
1512	Makeup Dalies	[redacted]							
1601	Editor								
1602	Assistant Editor								
1604	Post Production Supervisor								
1701	2nd Unit /3rd Camera								
1702	Crew Overtime								
1901	Construction								
1902	Props Dressing								
1903	Action Props								
1905	Action Vehicles								
1906	Graphics								
1907	Special Effects								
1908	Armourer								
1909	Consumables								
1910	Prosthetics								
1911	Loss and Damage								
1912	Tool Hire								
2001	Costumes Hired and Purchased								
2002	Kit Hire								
2004	Make-up Materials								
2101	Camera Equipment								
2102	Camera Consumables								
2103	Grip Equipment								
2104	DIT Equipment								
2105	Sound Equipment								
2106	Sound Consumables								
2107	Lighting Equipment								
2109	Lighting Consumables								
2112	Rigging Equipment								
2114	Cherry Pickers/ Towers								
2115	Walkie Talkies								
2116	Misc Production Equipment								
2117	Mobiles Telephone / Location Internet								
2118	Hard Drives/ RAID								
2301	Studio hire								
2302	Studio costs								
2401	Rehearsal Rooms								
2403	Location Fees								
2405	Security								
2407	Location Equipment								

Chart	Description	Actual Scottish Spend	Actual Other Spend	PO Amount	TotalToDate	Est To Comp	Est Final Cost	Budget	Variance
2408	Health & Safety Advisor	[redacted]							
2701	Offline								
2702	Picture Post								
2708	Sound Post								
2712	Contingency								
2713	VFX								
2715	Titles								
3001	Composer								
3004	CD Purchase								
3011	Commercial Music								
3101	Recce bus / Minibuses								
3102	Cars - Crew								
3103	Cars - Artists								
3104	Crew Travel								
3105	Artist Travel								
3106	Tech Vehicles								
3108	Couriers								
3109	Prop Transport / Couriers								
3110	Facilities								
3111	Fuel								
3112	Taxis								
3201	Recce/Pre-Prod Costs								
3202	Crew Accommodation								
3203	Crew Location Accommodation								
3204	Artists Accommodation								
3205	Location Caterers								
3206	Living Allowances								
3207	Crew Location Living Allowance								
3208	Meal Allowances - Crew								
3209	Hospitality								
3301	Post Production Scripts								
3305	Publicity Stills								
3306	Neg Checks								
3307	Unit Publicist								
3308	Marketing Costs								
3401	Insurance								
3402	Finance - Bank Charges								
3403	Legal Fees								
3405	Skillset								
3406	E & O								

Chart	Description	Actual Scottish Spend	Actual Other Spend	PO Amount	TotalToDate	Est To Comp	Est Final Cost	Budget	Variance
3410	DPRS	[redacted]							
3501	Production Office								
3504	Telephone/Telex/Fax								
3505	Postage & Stationery								
3506	Photocopying								
3507	Office Equipment Hire								
3601	Contingency								
3701	Production fees								
	Total								