

NFTS FOUNDATION

England & Wales · Charity number 1061561

Details

Status Registered

Legal form Charitable company

Company number [03290399](#)

Registered 1997-03-25

Register [View on the Charity Commission register](#)

Contact

Address NATIONAL FILM & TELEVISION SCHOOL
Station Road
Beaconsfield
HP9 1LG

Phone 01494731330

Email info@nfts.co.uk

Activities

Objects: THE ADVANCEMENT OF THE PUBLIC'S EDUCATION IN FILM, TELEVISION, AND OTHER MEDIA, IN PARTICULAR AT OR SUPPORTED BY THE NATIONAL FILM AND TELEVISION SCHOOL

Activities: To help raise and manage funds to support the National Film and Television School (NFTS)

Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training
- **Who:** Other Charities Or Voluntary Bodies

Geography

- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,453,052	£214,896	£6,479,805	0
2023-12-31	£635,178	£172,016	£4,980,883	0
2022-12-31	£113,177	£791,865	-	-
2021-12-31	£663,925	£166,916	£5,174,188	0
2020-12-31	£429,018	£140,027	-	-

Trustees

Name	Role	Appointed
JUDITH CHAN		2017-02-22
Neil Forster		2024-07-09
STEPHEN LOUIS		
Steve Mertz		2021-12-10

Accounts

NFTS Foundation

Report and Financial Statements

Year Ended

31 December 2024

Company registration number 03290399

NFTS Foundation

Report and financial statements for the year ended 31 December 2024

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Reference and Administrative Information

Trustees

Stephen Louis – Chair of Trustees
Judith Chan
Neil Forster
Steve Mertz

Secretary and Registered Office

Trevor Hall
Beaconsfield Studios
Station Road
Beaconsfield
Buckinghamshire
HP9 1LG

Management Team

Dr Jon Wardle
Alex Gurney
Trevor Hall

Company Registration Number

03290399

Charity Registration Number

1061561

NFTS Foundation

**Report and financial statements
for the year ended 31 December 2024 (*continued*)**

Reference and Administrative Information (*continued*)

Auditors

BDO LLP
First Floor
Bottle Works
The Bars
Guildford
Surrey
GU1 4LP

Bankers

Lloyds Bank PLC
25 Gresham Street
London
EC2V 7HN

Solicitors

Eversheds Sutherland LLP
1 Wood Street
London
EC2V 7WS

Investment Managers

Investec Wealth & Investment Limited
30 Gresham Street
London
EC2V 7QN

NFTS Foundation

Report of the Trustees for the year ended 31 December 2024

The NFTS Foundation trustees ("the Trustees"), who are also directors of the registered charity of the same name ("the Charity") for the purposes of the Companies Act, present their annual report together with the audited financial statements for the year ended 31 December 2024. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2019, preparing the annual report and financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. This report includes the directors' report as required by company law.

Trustees

The trustees of the NFTS Foundation during the year were:

Stephen Louis – Chair of Trustees
Judith Chan
Neil Forster (appointed 9 July 2024)
Linda James (resigned 9 July 2024)
Steve Mertz

The trustees have given generously of their time and expertise for which the NFTS Foundation and the National Film and Television School ("the School") are extremely grateful.

Structure, Governance and Management

NFTS Foundation ("the Foundation") is a charitable company limited by guarantee, which was established on 11 December 1996. It is governed by a Memorandum and Articles of Association.

The principal advisers at the date of this report are listed on the previous page.

Connected Charities

The School is a charity connected with the Foundation.

By mutual agreement, all costs associated with fundraising activities are borne by the School. From monies received for investment, the Foundation from time to time makes grants, donations and scholarships. The Foundation donates income and capital from investments to the School. The trustees review the Foundation's investment performance and strategy.

Investment Policy (including reserves policy)

Grants, donations and other income received from various organisations and individuals are invested in a broad range of fixed income securities and equities to provide scholarships and contribute to the running costs of the School. As at 31 December 2024, the reserves of the Foundation are used for investments held to provide future funding to the School.

The trustees exercise reasonable care to ensure that these investments are effectively managed by the Foundation's investment managers, Investec Wealth & Investment Limited. The Foundation's Reserve policy is to hold an investment portfolio of at least £3m, the individual amounts being held in accordance with all donor wishes and obligations. At 31 December 2024, the Foundation's reserves were £6.5m, £3.5m higher than the minimum value set out in the Foundation's Reserve policy, which is subject to annual review.

It is anticipated that the income generated from this level of reserves will enable the Foundation to provide a consistent level of funding to the School each year.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2024 (continued)

Objectives and Activities

The Foundation was established to help in the advancement of the education of the public in film, television and other media, and in particular the advancement of education and research at or supported by the School or any charity or educational establishment connected or associated with the School.

The School is responsible for all fundraising activity for both the School and the Foundation.

Ethical and Environmental, Social, and Governance (ESG) considerations

The trustees seek to invest in a way that furthers the charitable objectives of the Foundation, with an emphasis on a proactive approach to sustainability and socially responsible investing.

The trustees reserve the right to exclude companies that carry out, or may carry out, activities incompatible with their aims or hold, or may hold particular investments which damage, or could damage, the Foundation's or the School's reputation.

The trustees will continue to exercise prudent oversight over the performance of the funds invested to ensure that the funds continue to meet the charitable objectives of the Foundation. The investment portfolio is diversified across a number of sectors and markets, and invested in companies that demonstrate strong Environmental, Social and Governance credentials to ensure investment returns are sustainable.

Taking into account the reputation of the Foundation and the School, the trustees require their appointed investment managers to have due regard for the suitability of any recommended investments. The investment managers must consider Environmental, Social and Governance (ESG) factors in their investment process and investment selections.

Powers of Investment

Pursuant to the Foundation's Memorandum of Association, the trustees may exercise their investment powers by:

- making grants and donations, whether out of income or capital, in line with the restrictions applicable to each fund;
- accepting any gifts, endowments, legacies or contributions of any other kind of money or property of any kind; and
- investing the monies of the Foundation in such investments, securities or property of any other kind as may be thought fit, subject nevertheless to such conditions and such consents as may be imposed or required by law.

The board of trustees confirms that all investment funds are held and made in accordance with these powers.

Risk Management

The trustees routinely examine significant risks that the Foundation may face during each financial year, and have developed systems to monitor and control these risks to mitigate any impact that they may have on Foundation in the future.

Accounting Policies

Accounting policies that have been applied during the year are outlined in the notes to the financial statements.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2024 (*continued*)

Financial Review

Total income for the Foundation for the year ended 31 December 2024 was £1,453k (2023 – £366k).

Investment income in the year was £137k (2023 – £116k). This related to dividends and interest earned during the year and represented an average rate of return of 2.7% on the Foundation's £4,981k investment portfolio at 1 January 2024.

Donations received in the year were £1,317k (2023 – £251k). Donations included £1 million for The Crown Scholarship and £316k for The Jenne Casarotto Scholarship.

Total expenditure in the year was £215k (2023 – £172k). Expenditure represented the donation to the School, this being the £195k (2023 – £150k) donation for scholarships, bursaries, masterclasses and other costs of the School's curriculum, and investment management costs. The increase in the donation to the School is due to the new scholarships awarded from The Crown Scholarship fund, an expendable endowment fund to be awarded over the next 20 years.

Market value movements on the investment portfolio generated a net investment gain for the year of £261k (realised loss £33k and unrealised gain £294k), compared with an investment gain of £269k in the previous year (realised gain £596k and unrealised loss £327k). The net movement in funds for the year was an increase of £1,499k and represented a 30% increase in the value of the Foundation's investments.

The fund balance at 31 December 2024 was £6,480k (£4,981k at 31 December 2023) and represented an equities/cash and fixed interest investment mix of 84/16, compared with a mix of 84/16 in the previous year.

The investment funds raised are held in a broad range of fixed interest securities and equities, which are quoted on a recognised investment exchange.

Future Activities

Fundraising activities will continue to be undertaken by the School on behalf of the Foundation. These activities aim to:

- raise funds in the form of scholarships, chairs, fellowships and legacies, on a revenue basis, and, where practical, on an investment basis; and
- raise funds for special projects such as capital equipment and building development.

New funds received in 2024 included The Crown Scholarship and Jenne Casarotto Scholarship. As a result of these new funds, the trustees currently aim to distribute approximately £195k per annum (an increase of £45k on 2023), generated primarily from annual dividend and interest returns on the Foundation's investments for the benefit of the School. However, all distributions by the Foundation are at the discretion of the trustees.

Looking forward, the Bloomberg consensus forecast for world GDP growth in 2025 is now 2.8% as at March 2025, a small downgrade from 3.0% at the start of the year.

Growth expectations have slowed in the US economy with President Trump's tariffs contributing to this. The probability of a US recession remains low but markets are not ruling out the possibility of it happening whilst inflation forecasts globally have risen on the threat of Trump's tariffs and any reciprocal tariffs. This has caused a degree of heightened market volatility in the short term.

The latest market valuation of the Foundation's investments for the five months ended 31 May 2025 valued the investments at £6.2m, thus £3.2m above the minimum level set out in the Foundation's reserve policy. This is below the portfolio's valuation as at 31 December 2024 year end given the equity market weakness over the past few months.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2024 (*continued*)

Future Activities (*continued*)

The trustees invest on a medium risk basis, with an investment horizon of 10+ years. As such, the trustees are not uncomfortable having to accommodate short-term volatility in capital values, in the expectation of long-term, sustainable gains.

The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern, given the headroom the Foundation has on its minimum reserve level, a review of cash flow forecasts and the expected investment performance over the 12 months following sign off of the balance sheet. Further, all donations are at the discretion of the Charity.

Public Benefit

The Foundation meets its public benefits requirement as a charity by distributing grants to the School and scholarships to the School's students. The trustees are aware of their responsibilities with regards to the public benefits requirement and are conversant with the relevant Charity Commission guidance.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2024 (*continued*)

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The trustees are not aware of any relevant audit information of which the auditor is unaware.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

On behalf of the Board



Stephen Louis

Chair of Trustees

Date: 9th June 2025

NFTS Foundation

Independent Auditor's Report

Independent Auditor's Report to the members of NFTS Foundation

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 December 2024 and of its incoming resources and application of resources and application of resources for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of NFTS Foundation ("the Charitable Company") for the year ended 31 December 2024 which comprise the Statement of financial activities, Balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

NFTS Foundation

Independent Auditor's Report

Independent Auditor's Report to the members of NFTS Foundation *(continued)*

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustees' report.

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

NFTS Foundation

Independent Auditor's Report

Independent Auditor's Report to the members of NFTS Foundation *(continued)*

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Charitable Company and the sector in which it operates.
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Charitable Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the applicable accounting framework, UK tax legislation etc.

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be their registration with the Charity Commission.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations.
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud.
- Obtaining an understanding of the Charitable Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the area's most susceptible to fraud to be manipulation of the financial statements through management override of controls and fraud in revenue recognition for donations income.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criterion, along with a random sample of journals, by agreeing to supporting documentation.

NFTS Foundation

Independent Auditor's Report

Independent Auditor's Report to the members of NFTS Foundation *(continued)*

- Reviewing journal entries processed by management when recording the investment portfolio results
- Selecting a sample of donations received in the year and checking its recognition and fund classification, as well as a review of post year end receipts and board minutes to confirm completeness of the donations recognised.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

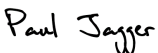
A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Signed by:



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Paul Jagger (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
Guildford, UK

Date: 19 June 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

NFTS Foundation

Statement of Financial Activities (including income and expenditure account) for the year ended 31 December 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Permanent endowment funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
Income and endowments from:						
Donations	6	-	1,316,524	-	1,316,524	250,723
Investments	7	2,847	133,569	-	136,416	115,570
Other income		-	112	-	112	58
Total income		<u>2,847</u>	<u>1,450,205</u>	<u>-</u>	<u>1,453,052</u>	<u>366,351</u>
Expenditure on:						
<i>Raising funds</i>						
Investment management costs	8	412	19,484	-	19,896	22,016
<i>Charitable activities</i>						
Education	9	-	195,000	-	195,000	150,000
Total expenditure		<u>412</u>	<u>214,484</u>	<u>-</u>	<u>214,896</u>	<u>172,016</u>
Net gains on investments		5,682	192,973	62,111	260,766	268,827
Net income		<u>8,117</u>	<u>1,428,694</u>	<u>62,111</u>	<u>1,498,922</u>	<u>463,162</u>
Transfers between funds		(1,435)	4,776	(3,341)	-	-
Net movement in funds	14	<u>6,682</u>	<u>1,433,470</u>	<u>58,770</u>	<u>1,498,922</u>	<u>463,162</u>
Reconciliation of funds:						
Total fund balances brought forward at 1 January	14	109,140	3,684,625	1,187,118	4,980,883	4,517,721
Total fund balances carried forward at 31 December	14	<u>115,822</u>	<u>5,118,095</u>	<u>1,245,888</u>	<u>6,479,805</u>	<u>4,980,883</u>

All amounts relate to continuing activities.

The notes on pages 12 to 22 form part of these financial statements.

NFTS Foundation

Balance Sheet at 31 December 2024

Company number 03290399

	Note	2024 £	2023 £
Fixed assets			
Investments	12	6,296,220	4,753,495
Current assets			
Cash and cash equivalents		183,585	227,388
Net assets		6,479,805	4,980,883
Funds of the charity:			
Permanent endowment funds	14	1,245,888	1,187,118
Restricted funds	14	5,118,095	3,684,625
Unrestricted funds	14	115,822	109,140
Total charity funds		6,479,805	4,980,883

These accounts have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the trustees and authorised for issue on 9th June 2025 and signed on their behalf by:



Stephen Louis
Chair of Trustees



Judith Chan
Trustee

The notes on pages 12 to 22 form part of these financial statements.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2024

1 Status of the company

The Foundation is a private company limited by guarantee and is a registered charity incorporated in England and Wales. Each member's liability is limited, upon winding up, to an amount not exceeding ten pounds.

2 Accounting policies

(a) Basis of preparation

The financial statements of the Foundation have been prepared under the historic cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Foundation constitutes a public benefit entity as defined by FRS 102.

(b) Assessment of going concern

Looking forward, the Bloomberg consensus forecast for world GDP growth in 2025 is now 2.8% as at March 2025, a small downgrade from 3.0% at the start of the year.

Growth expectations have slowed in the US economy with President Trump's tariffs contributing to this. The probability of a US recession remains low but markets are not ruling out the possibility of it happening whilst inflation forecasts globally have risen on the threat of Trump's tariffs and any reciprocal tariffs. This has caused a degree of heightened market volatility in the short term.

The latest market valuation of the Foundation's investments for the five months ended 31 May 2025 valued the investments at £6.2m, thus £3.2m above the minimum level set out in the Foundation's reserve policy. This is below the portfolio's valuation as at 31 December 2024 year end given the equity market weakness over the past few months.

The trustees invest on a medium risk basis, with an investment horizon of 10+ years. As such, the trustees are comfortable accommodating some short-term volatility in capital values, in the expectation of long-term gains.

The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern, given the headroom the Foundation has on its minimum reserve level, a review of cash flow forecasts and expected investment performance over the 12 months following sign off of the balance sheet. The annual committed expenditure is not significant compared to the easily liquidated cash balances available and all donations are at the discretion of the trustees.

(c) Funds structure

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Foundation and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Permanent endowment funds are funds where a principal sum is held and only the income generated can be used, unless the donor gives permission to use capital from the fund. The donor instructs the principal sum to be held and the income generated is used in accordance with specific restrictions imposed by the donor, and is recognised in a restricted fund.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

2 Principal accounting policies (continued)

Transfers between endowment funds and restricted funds are made to ensure the principal sum invested is always recognised in the endowment funds with income and investment costs transferred to restricted funds.

Investment income, investment management costs and net gains/losses on investments are apportioned across the funds quarterly based on the value of each fund at 31 March, 30 June, 30 September, and 31 December 2024.

An analysis of the charitable funds has been disclosed in note 14.

(d) Income recognition

All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations are recognised when the Foundation is contractually entitled to the income.

In the event that a donation is subject to conditions that require a level of performance before the Foundation is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Foundation and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio.

(e) Expenditure

All costs, except investment management costs, associated with the Foundation and fundraising activities are borne by the School.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank, deposits and short-term investments with an original maturity of three months or less.

(g) Taxation

The Foundation is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010 and accordingly, the Foundation is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478 – 488 of the Corporation Tax Act 2010 (CTA 2010) or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

Expenditure includes irrecoverable Value Added Tax charged by suppliers to the Foundation. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

(h) Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

2 Principal accounting policies (continued)

The Foundation does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Foundation is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(i) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the trustees have made the following judgements:

- investment income, investment management costs and net gains/losses on investments are apportioned across the funds quarterly based on the value of each fund at 31 March, 30 June, 30 September, and 31 December 2024; and
- with respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Foundation are the level of investment return and the performance of investment markets.

4 Related party transactions and trustees' expenses and remuneration

During the course of the year, the Foundation and the School entered into a number of related party transactions. The transactions represented fundraising initiatives undertaken to support the scholarship programme, donations towards bursaries, and donations towards the running cost of the curriculum. During the year the Foundation made total donations to the School of £195k (2023 – £150k) (see note 9).

Key management personnel are considered to be the School's Director, Finance Director and Head of Financial Reporting.

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2023 – £Nil). During the year, none of the trustees received any reimbursement for meeting expenses (2023 – £Nil). There were no transactions with trustees and connected persons during the year.

During the year, insurance costing £1.3k (2023 – £1.1k) was purchased to indemnify the trustees against default on their part. The School paid this during the year on behalf of the Foundation.

5 Connected charities

The Foundation was incorporated to help in the advancement of the education of the public in film, television and other media and in particular the advancement of education and research at or supported by the School or any charity or educational establishment connected or associated with the School.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

6 Donations

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2024 £	Total 2023 £
Donations	-	1,316,524	-	1,316,524	250,723
	-	1,316,524	-	1,316,524	250,723

7 Investment income

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2024 £	Total 2023 £
Income from listed investments	2,847	133,569	-	136,416	115,570
	2,847	133,569	-	136,416	115,570

Investment income is apportioned across the funds based on the fund balances held at the end of each quarter.

8 Investment management costs

	2024 £	2023 £
Investment management fees	19,896	22,016

9 Analysis of charitable expenditure

During the year, donations of £195k (2023 – £150k) were made to the School. These donations represent £125k towards scholarships and bursaries and £70k towards masterclasses and other costs of the School's curriculum.

All other costs associated with the Foundation's fundraising activities are borne by the School because there is an integrated fundraising programme for the School and for the Foundation.

10 Employee emoluments

No staff are employed by the Foundation (2023 – £Nil).

11 Auditors' remuneration

The audit fee of £14.4k (2023 – £12k) was borne by the School.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

12 Fixed asset investments

			2024 £	2023 £
<i>Movement in quoted investments:</i>				
Market value brought forward as at 1 January			4,753,495	4,283,196
Additions to investments at cost			2,200,555	2,717,091
Disposals at carrying value			(951,611)	(1,919,142)
Gain/loss on revaluation			293,781	(327,650)
			<u>6,296,220</u>	<u>4,753,495</u>
Market value as at 31 December				
			<u>6,296,220</u>	<u>4,753,495</u>
	Cost	Market	Cost	Market
	2024	value	2023	value
	£	£	£	£
These investments are represented by:				
<i>Quoted investments:</i>				
UK fixed interest	1,057,466	1,028,998	561,579	566,262
UK equities	971,931	1,083,409	1,077,947	1,149,918
Overseas fixed interest	418,387	406,036	417,485	416,710
Overseas equities	3,240,249	3,777,777	2,381,411	2,620,605
	<u>5,688,033</u>	<u>6,296,220</u>	<u>4,438,422</u>	<u>4,753,495</u>

There were no investments representing more than 5% of the value of the portfolio as at 31 December 2024 (2023 – £Nil).

Investments are retained by the Foundation for the long term to generate income for the School and to ensure that the objectives of the charity are fulfilled.

Investment in equities and fixed interest securities are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value, using bid price.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2024 (*continued*)

13 Financial instruments

Financial assets measured at fair value through profit or loss comprise fixed asset investments in a trading portfolio of listed company shares. Details of these can be found in note 12.

The significance of financial instruments to the ongoing financial sustainability of the Foundation is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The Foundation's investments are mainly traded in markets with good liquidity and high trading volumes; therefore, liquidity risk is assessed as low. The Foundation has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Foundation does not make use of any derivatives or complex financial instruments.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

14 Analysis of charitable funds

Analysis of fund movements year ended 31 December 2024	Fund balances brought forward £	Income £	Expenditure donations to School net transfers £	Expenditure investment fees £	Gains and losses £	Fund balances carried forward £
Permanent endowment funds:						
Louis Malle Scholarship	120,533	-	-	-	6,777	127,310
Post Office Scholarship	303,454	-	-	-	15,610	319,064
Kodak Scholarship	142,069	-	-	-	7,672	149,741
John Sargent Scholarship	256,570	-	-	-	13,339	269,909
Nik Powell Scholarship	110,675	-	-	-	5,686	116,361
Lesley Land Scholarship	253,817	-	(3,341)	-	13,027	263,503
Total permanent endowment funds	1,187,118	-	(3,341)	-	62,111	1,245,888
Restricted funds:						
Lew Grade Chair	1,993,488	51,608	(60,000)	(7,472)	103,282	2,080,906
Cubby Broccoli Chair	962,088	25,099	(30,000)	(3,641)	50,092	1,003,638
Richard Dunn Scholarship	554,671	14,330	(7,000)	(2,074)	28,703	588,630
David Munro Fund Human Rights	83,015	2,146	(1,000)	(311)	4,297	88,147
Michael Samuelson Scholarship	428	11	-	(2)	22	459
Freddie Young Scholarship	623	16	-	(2)	32	669
Colin Young Scholarship	4,727	123	-	(18)	246	5,078
Trevor Jones Scholarship	6,238	163	-	(24)	325	6,702
Sir John Terry Memorial Scholarship	35,839	915	(1,000)	(132)	1,841	37,463
Louis Malle Scholarship	10,591	3,381	(2,000)	(489)	-	11,483
Post Office Scholarship	-	7,767	(6,646)	(1,121)	-	-
Kodak Scholarship	6,974	3,818	(3,500)	(551)	-	6,741
Nik Powell Scholarship	-	2,827	(2,419)	(408)	-	-
John Sargent Scholarship	2,055	6,647	(5,000)	(960)	-	2,742
James Walker NFTS Writers Fund	22,752	659	(20,000)	(13)	681	4,079
Lesley Land Scholarship	1,136	6,451	(6,659)	(928)	-	-
The Crown Scholarship	-	1,006,436	(45,000)	(1,048)	2,566	962,954
Jenne Casarotto Scholarship	-	317,808	-	(290)	886	318,404
Total restricted funds	3,684,625	1,450,205	(190,224)	(19,484)	192,973	5,118,095
Unrestricted funds:						
General reserves	109,140	2,847	(1,435)	(412)	5,682	115,822
Total unrestricted funds	109,140	2,847	(1,435)	(412)	5,682	115,822
Total funds	4,980,883	1,453,052	(195,000)	(19,896)	260,766	6,479,805

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2024 (*continued*)

The restricted funds of £5,118k include £1,945k to provide scholarships and bursaries (Richard Dunn, Freddie Young, Sir John Terry, Colin Young, Trevor Jones, James Walker, The Crown, Jenne Casarotto), £3,085k for Chairs (Lew Grade, Cubby Broccoli), and £88k to support documentary film making concerning human rights (David Munro Fund).

The new Crown Scholarship is an expendable endowment over 20 years.

The permanent endowment funds of £1,246k are endowments to provide scholarships (Louis Malle, Post Office, Kodak, John Sargent, Nik Powell, Lesley Land).

The dividends earned on the funds during the year of £136k, the realised loss of £33k, the unrealised gain of £293k and the investment management costs of £20k have been allocated across the funds quarterly based on the value of each fund at 31 March, 30 June, 30 September, and 31 December 2024.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

14 Analysis of charitable funds

Analysis of fund movements year ended 31 December 2023	Fund balances brought forward £	Income £	Expenditure donations to School net transfers £	Expenditure investment fees £	Gains and losses £	Fund balances carried forward £
Permanent endowment funds:						
Louis Malle Scholarship	113,261	-	-	-	7,272	120,533
Post Office Scholarship	286,635	-	-	-	16,819	303,454
Kodak Scholarship	133,769	-	-	-	8,300	142,069
John Sargent Scholarship	242,468	-	-	-	14,102	256,570
Nik Powell Scholarship	104,548	-	-	-	6,127	110,675
Lesley Land Scholarship	-	250,156	-	-	3,661	253,817
Total permanent endowment funds	880,681	250,156	-	-	56,281	1,187,118
Restricted funds:						
Lew Grade Chair	1,901,773	48,507	(60,000)	(9,247)	112,455	1,993,488
Cubby Broccoli Chair	918,379	23,623	(30,000)	(4,500)	54,586	962,088
Richard Dunn Scholarship	520,239	13,238	(7,000)	(2,524)	30,718	554,671
David Munro Fund Human Rights	77,816	1,981	(1,000)	(378)	4,596	83,015
Michael Samuelson Scholarship	396	10	-	(2)	24	428
Freddie Young Scholarship	577	15	-	(3)	34	623
Colin Young Scholarship	4,375	113	-	(21)	260	4,727
Trevor Jones Scholarship	5,774	149	-	(28)	343	6,238
Sir John Terry Memorial Scholarship	34,145	858	(1,000)	(164)	2,000	35,839
Louis Malle Scholarship	10,057	3,131	(2,000)	(597)	-	10,591
Post Office Scholarship	-	7,219	(5,841)	(1,378)	-	-
Kodak Scholarship	7,590	3,564	(3,500)	(680)	-	6,974
Nik Powell Scholarship	-	2,627	(2,126)	(501)	-	-
John Sargent Scholarship	2,149	6,063	(5,000)	(1,157)	-	2,055
James Walker NFTS Writers Fund	41,137	825	(20,000)	(45)	835	22,752
Lesley Land Scholarship	-	1,375	-	(239)	-	1,136
Total restricted funds	3,524,407	113,298	(137,467)	(21,464)	205,851	3,684,625
Unrestricted funds:						
General reserves	112,633	2,897	(12,533)	(552)	6,695	109,140
Total unrestricted funds	112,633	2,897	(12,533)	(552)	6,695	109,140
Total funds	4,517,721	366,351	(150,000)	(22,016)	268,827	4,980,883

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2024 £	Total 2023 £
Fund balances at 31 December 2024 are represented by:					
Investments	-	5,050,332	1,245,888	6,296,220	4,753,495
Cash and cash equivalents	115,822	67,763	-	183,585	227,388
	<u>115,822</u>	<u>5,118,095</u>	<u>1,245,888</u>	<u>6,479,805</u>	<u>4,980,883</u>

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2023 £	Restated Total 2022 £
Fund balances at 31 December 2023 are represented by:					
Investments	-	3,566,377	1,187,118	4,753,495	4,283,196
Cash and cash equivalents	109,140	118,248	-	227,388	212,304
Debtors	-	-	-	-	22,221
	<u>109,140</u>	<u>3,684,625</u>	<u>1,187,118</u>	<u>4,980,883</u>	<u>4,517,721</u>

Sufficient resources are held in an appropriate form to enable each restricted fund to be applied in accordance with the restrictions.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2024 (*continued*)

16 Statement of Financial Activities for the year ended 31 December 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Permanent endowment funds 2023 £	Total Funds 2023 £
Income and endowments from:					
Donations	6	-	625	250,098	250,723
Investments	7	2,897	112,673	-	115,570
Other income		-	-	58	58
Total income		2,897	113,298	250,156	366,351
Expenditure on:					
<i>Raising funds</i>					
Investment management costs	8	552	21,464	-	22,016
<i>Charitable activities</i>					
Education	9	10,000	140,000	-	150,000
Total expenditure		10,552	161,464	-	172,016
Net gains on investments		6,695	205,851	56,281	268,827
Net (losses)/income		(960)	157,685	306,437	463,162
Transfers between funds		(2,533)	2,533	-	-
Net movement in funds	14	(3,493)	160,218	306,437	463,162
Total fund balances brought forward at 1 January	14	112,633	3,524,407	880,681	4,517,721
Total fund balances carried forward at 31 December	14	109,140	3,684,625	1,187,118	4,980,883

Accounts

NFTS Foundation

Report and Financial Statements

Year Ended

31 December 2023

Company registration number 03290399

NFTS Foundation

Report and financial statements for the year ended 31 December 2023

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Reference and Administrative Information

Trustees

Stephen Louis – Chair of Trustees
Judith Chan
Neil Forster
Steve Mertz

Secretary and Registered Office

Trevor Hall
Beaconsfield Studios
Station Road
Beaconsfield
Buckinghamshire
HP9 1LG

Management Team

Dr Jon Wardle
Alex Gurney
Trevor Hall

Company Registration Number

03290399

Charity Registration Number

1061561

NFTS Foundation

**Report and financial statements
for the year ended 31 December 2023 (*continued*)**

Reference and Administrative Information (*continued*)

Auditors

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

Bankers

Lloyds Bank PLC
25 Gresham Street
London
EC2V 7HN

Solicitors

Eversheds Sutherland LLP
1 Wood Street
London
EC2V 7WS

Investment Managers

Investec Wealth & Investment Limited
30 Gresham Street
London
EC2V 7QN

NFTS Foundation

Report of the Trustees for the year ended 31 December 2023

The NFTS Foundation trustees ("the Trustees"), who are also directors of the registered charity of the same name ("the Charity") for the purposes of the Companies Act, present their annual report together with the audited financial statements for the year ended 31 December 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2019, preparing the annual report and financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. This report includes the directors' report as required by company law.

Trustees

The trustees of the NFTS Foundation during the year were:

Stephen Louis – Chair of Trustees

Ken Roberts – Chair of Trustees (resigned 9 June 2023)

Judith Chan

Neil Forster (appointed 9 July 2024)

Linda James (resigned 9 July 2024)

Steve Mertz

The trustees have given generously of their time and expertise for which the NFTS Foundation and the National Film and Television School ("the School") are extremely grateful.

Structure, Governance and Management

NFTS Foundation ("the Foundation") is a charitable company limited by guarantee, which was established on 11 December 1996. It is governed by a Memorandum and Articles of Association.

The principal advisers at the date of this report are listed on the previous page.

Connected Charities

The School is a charity connected with the Foundation.

By mutual agreement, all costs associated with fundraising activities are borne by the School. From monies received for investment, the Foundation from time to time makes grants, donations and scholarships. The Foundation donates income and capital from investments to the School. The trustees review the Foundation's investment performance and strategy.

Investment Policy (including reserves policy)

Grants, donations and other income received from various organisations and individuals are invested in a broad range of fixed income securities and equities to provide scholarships and contribute to the running costs of the School. As at 31 December 2023, the reserves of the Foundation are used for investments held to provide future funding to the School.

The trustees exercise reasonable care to ensure that these investments are effectively managed by the Foundation's current investment managers, Investec Wealth & Investment Limited. The Foundation's reserves policy is to hold an investment portfolio of at least £3m, the individual amounts being held in accordance with all donor wishes and obligations. At 31 December 2023, the Foundation's reserves were £5m, £2m higher than the minimum value set out in the Foundation's reserve policy.

It is anticipated that the income generated from this level of reserves will enable the Foundation to provide a consistent level of funding to the School each year.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2023 (*continued*)

Objectives and Activities

The Foundation was established to help in the advancement of the education of the public in film, television and other media, and in particular the advancement of education and research at or supported by the School or any charity or educational establishment connected or associated with the School.

The School is responsible for all fundraising activity for both the School and the Foundation.

Ethical and Environmental, Social, and Governance (ESG) considerations

The trustees seek to invest in a way that furthers the charitable objectives of the Foundation, with an emphasis on a proactive approach to sustainability and socially responsible investing.

The trustees reserve the right to exclude companies that carry out, or may carry out, activities incompatible with their aims or hold, or may hold particular investments which damage, or could damage, the Charity and the School's reputation.

The trustees will continue to exercise prudent oversight over the performance of the funds invested to ensure that the funds continue to meet the charitable objectives of the Foundation. The investment portfolio is diversified across a number of sectors and markets, and invested in companies that demonstrate strong Environmental, Social and Governance credentials to ensure investment returns are sustainable.

Taking into account the reputation of the Charity and the School, the trustees require their appointed investment managers to have due regard for the suitability of any recommended investments. The investment managers must consider Environmental, Social and Governance (ESG) factors in their investment process and investment selections.

Powers of Investment

Pursuant to the Foundation's Memorandum of Association, the trustees may exercise their investment powers by:

- making grants and donations, whether out of income or capital;
- accepting any gifts, endowments, legacies or contributions of any other kind of money or property of any kind; and
- investing the monies of the Foundation not required for its purposes in or upon such investments, securities or property of any other kind as may be thought fit subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.

The board of trustees confirms that all investment funds are held and made in accordance with these powers.

Risk Management

The trustees routinely examine significant risks that the Foundation may face during each financial year, and have developed systems to monitor and control these risks to mitigate any impact that they may have on Foundation in the future.

Accounting Policies

Accounting policies that have been applied during the year are outlined in the notes to the financial statements.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2023 (*continued*)

Financial Review

Total income for the Foundation for the year ended 31 December 2023 was £366k (2022 – £116k).

Investment income in the year was £116k (2022 – £113k). This related to dividends and interest earned during the year and represented an average rate of return of 2.5% on the Foundation's £4,518k investment portfolio at 1 January 2023.

Donations received in the year were £251k (2022 – £3k).

Total expenditure in the year was £172k (2022 – £173k). Expenditure represented the donation to the School, this being the £150k donation for scholarships, bursaries, masterclasses and other costs of the School's curriculum, and investment management costs.

Market value movements on the investment portfolio generated a net investment gain for the year of £269k (realised gain £596k and unrealised loss £327k), compared with an investment loss of £619k in the previous year (realised gain £256k and unrealised loss £875k). The net movement in funds for the year was an increase of £463k and represented a 10.2% increase in the value of the Foundation's investments.

The fund balance at 31 December 2023 was £4,981k (£4,518k at 31 December 2022) and represented an equities/cash and fixed interest investment mix of 84/16, compared with a mix of 90/10 in the previous year.

The trustees have invested prudently and cautiously during the year. The investment funds raised are held in a broad range of fixed interest securities and equities, which are quoted on a recognised investment exchange.

Future Activities

Fundraising activities will continue to be undertaken by the School on behalf of the Foundation. These activities aim to:

- raise funds in the form of scholarships, chairs, fellowships and legacies, on a revenue basis, and, where practical, on an investment basis; and
- raise funds for special projects such as capital equipment and building development.

New funds received in 2023 and 2024 included The Lesley Land Scholarship and The Crown Scholarship. As a result of these new funds the trustees currently aim to distribute approximately £195k per annum (an increase of £45k on 2023), generated primarily from annual dividend and interest returns on the Foundation's investments for the benefit of the School. However, all distributions by the Foundation are at the discretion of the trustees.

Looking forward, the Bloomberg consensus forecast for world GDP growth in 2024 is 2.8%, followed by 3% in 2025.

Fears of a US recession continue to diminish, while economic momentum in Europe and the UK appears to be at its lowest ebb, and China is still struggling to generate renewed forward momentum. The quid pro quo for the slightly better growth outlook has been that inflation is not coming down at quite the pace central bankers might have wished, but, for now at least, the underlying trajectory is lower.

The latest market valuation of the Foundation's investments for the three months ended 31 March 2024 valued the investments at £5m, thus £2m above the minimum level set out in the Foundation's reserve policy. This is in line with the portfolio's valuation as at 31 December 2023 year end.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2023 (*continued*)

Future Activities (*continued*)

The trustees invest on a medium risk basis, with an investment horizon of 10+ years. As such, the trustees are not uncomfortable having to accommodate short-term volatility in capital values, in the expectation of long-term, sustainable gains.

The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern, given the headroom the Foundation has on its minimum reserve level, a review of cash flow forecasts and the expected investment performance over the 12 months following sign off of the balance sheet. Further, all donations are at the discretion of the Charity.

Public Benefit

The Foundation meets its public benefits requirement as a charity by distributing grants to the School and scholarships to the School's students. The trustees are aware of their responsibilities with regards to the public benefits requirement and are conversant with the relevant Charity Commission guidance.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2023 (*continued*)

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The trustees are not aware of any relevant audit information of which the auditor is unaware.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

On behalf of the Board



Stephen Louis

Chair of Trustees

Date: 9 July 2024

NFTS Foundation

Independent Auditor's Report

Independent Auditor's Report to the members of NFTS Foundation

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 December 2023 and of its incoming resources and application of resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of NFTS Foundation ("the Charitable Company") for the year ended 31 December 2023 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves.

NFTS Foundation

Independent Auditor's Report

Independent Auditor's Report to the members of NFTS Foundation *(continued)*

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustees' report.

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

NFTS Foundation

Independent Auditor's Report

Independent Auditor's Report to the members of NFTS Foundation *(continued)*

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Charitable Company and the sector in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Charitable Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the United Kingdom Generally Accepted Accounting Practice, United Kingdom tax legislation and Companies act 2006.

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be their registration with the Charity Commission.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Charitable Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements.

Based on our risk assessment, we considered the area's most susceptible to fraud to be manipulation of the financial statements via management override.

NFTS Foundation

Independent Auditor's Report

Independent Auditor's Report to the members of NFTS Foundation *(continued)*

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criterion, by agreeing to supporting documentation; and
- Reviewing the manual journals made by management when recording the investment portfolio results.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

Paula Willock

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Paula Willock (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, UK

Date 12 August 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

NFTS Foundation

Statement of Financial Activities (including income and expenditure account) for the year ended 31 December 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Permanent endowment funds 2023 £	Total Funds 2023 £	Restated Total Funds 2022 £
Income and endowments from:						
Donations	6	-	625	250,098	250,723	3,052
Investments	7	2,897	112,673	-	115,570	113,177
Other income		-	-	58	58	-
Total income		2,897	113,298	250,156	366,351	116,229
Expenditure on:						
<i>Raising funds</i>						
Investment management costs	8	552	21,464	-	22,016	22,926
<i>Charitable activities</i>						
Education	9	10,000	140,000	-	150,000	150,000
Total expenditure		10,552	161,464	-	172,016	172,926
Net gains/(losses) on investments		6,695	205,851	56,281	268,827	(618,939)
Net income/(losses)		(960)	157,685	306,437	463,162	(675,636)
Transfers between funds		(2,533)	2,533	-	-	-
Net movement in funds	14	(3,493)	160,218	306,437	463,162	(675,636)
Reconciliation of funds:						
Total fund balances brought forward at 1 January (Restated)	14	112,633	3,524,407	880,681	4,517,721	5,193,357
Total fund balances carried forward at 31 December	14	109,140	3,684,625	1,187,118	4,980,883	4,517,721

All amounts relate to continuing activities.

The notes on pages 12 to 22 form part of these financial statements.

NFTS Foundation

Balance Sheet at 31 December 2023

Company number 03290399

	Note	2023 £	Restated 2022 £
Fixed assets			
Investments	12	4,753,495	4,283,196
Current assets			
Cash and cash equivalents		227,388	212,304
Debtors		-	22,221
Net assets		<u>4,980,883</u>	<u>4,517,721</u>
Funds of the charity:			
Permanent endowment funds	14	1,187,118	880,681
Restricted funds	14	3,684,625	3,524,407
Unrestricted funds	14	109,140	112,633
Total charity funds		<u>4,980,883</u>	<u>4,517,721</u>

These accounts have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the trustees and authorised for issue on 9 July 2024 and signed on their behalf by:



Stephen Louis
Chair of Trustees



Judith Chan
Trustee

The notes on pages 12 to 22 form part of these financial statements.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2023

1 Status of the company

The Foundation is a private company limited by guarantee and is a registered charity incorporated in England and Wales. Each member's liability is limited, upon winding up, to an amount not exceeding ten pounds.

2 Accounting policies

(a) Basis of preparation

The financial statements of the Foundation have been prepared under the historic cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Foundation constitutes a public benefit entity as defined by FRS 102.

(b) Assessment of going concern

Looking forward, the Bloomberg consensus forecast for world GDP growth in 2024 is 2.8%, followed by 3% in 2025.

Fears of a US recession continue to diminish, while economic momentum in Europe and the UK appears to be at its lowest ebb, and China is still struggling to generate renewed forward momentum. The quid pro quo for the slightly better growth outlook has been that inflation is not coming down at quite the pace central bankers might have wished, but, for now at least, the underlying trajectory is lower.

The latest market valuation of the Foundation's investments for the three months ended 31 March 2024 valued the investments at £5m, thus £2m above the minimum level set out in the Foundation's reserve policy. This is in line with the portfolio's valuation as at 31 December 2023 year end.

The trustees invest on a medium risk basis, with an investment horizon of 10+ years. As such, the trustees are not uncomfortable having to accommodate short-term volatility in capital values, in the expectation of long-term, sustainable gains.

The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern, given the headroom the Foundation has on its minimum reserve level, a review of cash flow forecasts and expected investment performance over the 12 months following sign off of the balance sheet. Further, all donations are at the discretion of the Charity.

(c) Funds structure

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Foundation and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Permanent endowment funds are funds where a principal sum is held and only the income generated can be used. The donor instructs the principal sum to be held and the income generated is used in accordance with specific restrictions imposed by the donor.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2023 (*continued*)

2 Principal accounting policies (*continued*)

Transfers between endowment funds and restricted funds are made to ensure the principal sum invested is always recognised in the endowment funds with income and investment costs transferred to restricted funds.

Investment income, investment management costs and net gains/losses on investments are apportioned across the funds quarterly based on the value of each fund at 31 March, 30 June, 30 September, and 31 December 2023.

An analysis of the charitable funds has been disclosed in note 14.

(d) Income recognition

All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations are recognised when the Foundation is contractually entitled to the income.

In the event that a donation is subject to conditions that require a level of performance before the Foundation is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Foundation and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio.

(e) Expenditure

All costs, except investment management costs, associated with the Foundation and fundraising activities are borne by the School.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank, deposits and short-term investments with an original maturity of three months or less.

(g) Taxation

The Foundation is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010 and accordingly, the Foundation is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478 – 488 of the Corporation Tax Act 2010 (CTA 2010) or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

Expenditure includes irrecoverable Value Added Tax charged by suppliers to the Foundation. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

(h) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2023 (*continued*)

2 Principal accounting policies (*continued*)

The Foundation does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Foundation is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(i) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the trustees have made the following judgements:

- investment income, investment management costs and net gains/losses on investments are apportioned across the funds quarterly based on the value of each fund at 31 March, 30 June, 30 September, and 31 December 2023; and
- with respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Foundation are the level of investment return and the performance of investment markets.

4 Related party transactions and trustees' expenses and remuneration

During the course of the year, the Foundation and the School entered into a number of related party transactions. The transactions represented fundraising initiatives undertaken to support the scholarship programme, donations towards bursaries, and donations towards the running cost of the curriculum. During the year the Foundation made total donations to the School of £150k (2022 – £150k) (see note 9).

Key management personnel are considered to be the School's Director, Finance Director and Head of Financial Reporting.

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2022 – £Nil). During the year, none of the trustees received any reimbursement for meeting expenses (2022 – £Nil). There were no transactions with trustees and connected persons during the year.

During the year, insurance costing £1.1k (2022 – £1k) was purchased to indemnify the trustees against default on their part. The School paid this during the year on behalf of the Foundation.

5 Connected charities

The Foundation was incorporated to help in the advancement of the education of the public in film, television and other media and in particular the advancement of education and research at or supported by the School or any charity or educational establishment connected or associated with the School.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

6 Donations

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2023 £	Restated Total 2022 £
Donations	-	625	250,098	250,723	3,052
	-	625	250,098	250,723	3,052

7 Investment income

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2023 £	Total 2022 £
Income from listed investments	2,897	112,673	-	115,570	113,177
	2,897	112,673	-	115,570	113,177

Investment income is apportioned across the funds based on the fund balances held at the end of each quarter.

8 Investment management costs

	2023 £	2022 £
Investment management fees	22,016	22,926

9 Analysis of charitable expenditure

During the year, donations of £150k (2022 – £150k) were made to the School. These donations represent £69k towards scholarships and bursaries and £81k towards masterclasses and other costs of the School's curriculum.

All other costs associated with the Foundation's fundraising activities are borne by the School because there is an integrated fundraising programme for the School and for the Foundation.

10 Employee emoluments

No staff are employed by the Foundation (2022 – £Nil).

11 Auditors' remuneration

The audit fee of £12,000 (2022 – £8,400) was borne by the School.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2023 (*continued*)

12 Fixed asset investments

	2023 £	2022 £
<i>Movement in quoted investments:</i>		
Market value brought forward as at 1 January	4,283,196	4,815,795
Additions to investments at cost	2,717,091	1,745,872
Disposals at carrying value	(1,919,142)	(1,403,889)
Loss on revaluation	(327,650)	(874,582)
Market value as at 31 December	4,753,495	4,283,196

	Cost 2023 £	Market value 2023 £	Cost 2022 £	Market value 2022 £
These investments are represented by:				
<i>Quoted investments:</i>				
UK fixed interest	561,579	566,262	243,375	215,692
UK equities	1,077,947	1,149,918	1,378,394	1,744,280
Overseas fixed interest	417,485	416,710	537,366	519,798
Overseas equities	2,381,411	2,620,605	1,481,340	1,803,426
	4,438,422	4,753,495	3,640,475	4,283,196

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

12 Fixed asset investments (continued)

There were no investments representing more than 5% of the value of the portfolio as at 31 December 2023.

The following investments represented more than 5% of the value of the portfolio as at 31 December 2022:

	Number of units	Market Value £	% of portfolio
Brown Advisory Fds US Sustainable Gth Si GBP	18,130	230,070	5.1
JP Morgan Fund Icvc JPM US Eq Inc C2 GBP Net Di	146,000	230,972	5.1

Investments are retained by the Foundation for the long term to generate income for the School and to ensure that the objectives of the charity are fulfilled.

Investment in equities and fixed interest securities are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value, using bid price.

13 Financial instruments

Financial assets measured at fair value through profit or loss comprise fixed asset investments in a trading portfolio of listed company shares. Details of these can be found in note 12.

The significance of financial instruments to the ongoing financial sustainability of the Foundation is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Foundation from financial instruments lies in the combination of uncertain investment markets and volatility of yield. Due to market sentiment favouring lower risk investments, the yield on bonds has been abnormally low giving rise to a significant downside risk of a fall in capital values when interest rates return to normal levels.

The Foundation's investments are mainly traded in markets with good liquidity and high trading volumes; therefore, liquidity risk is assessed as low. The Foundation has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Foundation does not make use of any derivatives or complex financial instruments.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

14 Analysis of charitable funds

Analysis of fund movements year ended 31 December 2023	Fund balances brought forward £	Income £	Expenditure donations to School net transfers £	Expenditure investment fees £	Gains and losses £	Fund balances carried forward £
Permanent endowment funds:						
The Louis Malle Scholarship	113,261	-	-	-	7,272	120,533
Post Office Scholarship	286,635	-	-	-	16,819	303,454
Kodak Scholarship	133,769	-	-	-	8,300	142,069
John Sargent Scholarship	242,468	-	-	-	14,102	256,570
Nik Powell Scholarship	104,548	-	-	-	6,127	110,675
Lesley Land Scholarship	-	250,156	-	-	3,661	253,817
Total permanent endowment funds	880,681	250,156	-	-	56,281	1,187,118
Restricted funds:						
Lew Grade Chair	1,901,773	48,507	(60,000)	(9,247)	112,455	1,993,488
Cubby Broccoli Chair	918,379	23,623	(30,000)	(4,500)	54,586	962,088
Richard Dunn Scholarship	520,239	13,238	(7,000)	(2,524)	30,718	554,671
David Munro Fund Human Rights Documentary Award	77,816	1,981	(1,000)	(378)	4,596	83,015
Michael Samuelson Scholarship	396	10	-	(2)	24	428
Freddie Young Scholarship	577	15	-	(3)	34	623
The Colin Young Scholarship	4,375	113	-	(21)	260	4,727
The Trevor Jones Scholarship	5,774	149	-	(28)	343	6,238
Sir John Terry Memorial Scholarship	34,145	858	(1,000)	(164)	2,000	35,839
The Louis Malle Scholarship	10,057	3,131	(2,000)	(597)	-	10,591
Post Office Scholarship	-	7,219	(5,841)	(1,378)	-	-
Kodak Scholarship	7,590	3,564	(3,500)	(680)	-	6,974
Nik Powell Scholarship	-	2,627	(2,126)	(501)	-	-
John Sargent Scholarship	2,149	6,063	(5,000)	(1,157)	-	2,055
James Walker NFTS Writers Fund	41,137	825	(20,000)	(45)	835	22,752
Lesley Land Scholarship	-	1,375	-	(239)	-	1,136
Total restricted funds	3,524,407	113,298	(137,467)	(21,464)	205,851	3,684,625
Unrestricted funds:						
General reserves	112,633	2,897	(12,533)	(552)	6,695	109,140
Total unrestricted funds	112,633	2,897	(12,533)	(552)	6,695	109,140
Total funds	4,517,721	366,351	(150,000)	(22,016)	268,827	4,980,883

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2023 (*continued*)

The restricted funds of £3,685k include £646k to provide scholarships and bursaries (Richard Dunn, Freddie Young, Sir John Terry, Colin Young, Trevor Jones, James Walker), £2,956k for Chairs (Lew Grade, Cubby Broccoli), and £83k to support documentary film making concerning human rights (David Munro Fund).

The permanent endowment funds of £1,187k are endowments to provide scholarships (Louis Malle, Post Office, Kodak, John Sargent, Nik Powell, Lesley Land).

The dividends earned on the funds during the year of £116k, the realised profit of £596k, the unrealised loss of £327k and the investment management costs of £22k have been allocated across the funds quarterly based on the value of each fund at 31 March, 30 June, 30 September, and 31 December 2023.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

14 Analysis of charitable funds (continued)

Analysis of fund movements year ended 31 December 2022	Fund balances brought forward £	Restated income £	Restated expenditure (net of transfers) £	Restated gains and losses £	Restated fund balances carried forward £
Permanent endowment funds:					
The Louis Malle Scholarship	129,958	-	-	(16,697)	113,261
Post Office Scholarship	325,581	-	-	(38,946)	286,635
Kodak Scholarship	153,070	-	-	(19,301)	133,769
John Sargent Scholarship	275,072	-	-	(32,604)	242,468
Nik Powell Scholarship	118,753	-	-	(14,205)	104,548
Total permanent endowment funds	1,002,434	-	-	(121,753)	880,681
Lew Grade Chair	2,185,038	47,793	(69,682)	(261,376)	1,901,773
Cubby Broccoli Chair	1,056,310	23,105	(34,680)	(126,356)	918,379
Richard Dunn Scholarship	587,242	12,845	(9,602)	(70,246)	520,239
David Munro Fund – Human Rights Documentary Award	90,013	1,969	(3,399)	(10,767)	77,816
Michael Samuelson Scholarship	441	10	(2)	(53)	396
Freddie Young Scholarship	643	14	(3)	(77)	577
The Colin Young Scholarship	4,873	107	(22)	(583)	4,375
The Trevor Jones Scholarship	6,430	141	(28)	(769)	5,774
Sir John Terry Memorial Scholarship	39,144	856	(1,173)	(4,682)	34,145
The Louis Malle Scholarship	9,622	3,053	(2,618)	-	10,057
Post Office Scholarship	-	7,122	(7,122)	-	-
Kodak Scholarship	8,276	3,529	(4,215)	-	7,590
Nik Powell Scholarship	-	2,597	(2,597)	-	-
John Sargent Scholarship	2,394	5,962	(6,207)	-	2,149
James Walker NFTS Writers Fund	60,845	4,071	(18,207)	(5,572)	41,137
Total restricted funds	4,051,271	113,174	(159,557)	(480,481)	3,524,407
Unrestricted funds:					
General reserves	139,652	3,055	(13,369)	(16,705)	112,633
Total unrestricted funds	139,652	3,055	(13,369)	(16,705)	112,633
Total funds	5,193,357	116,229	(172,926)	(618,939)	4,517,721

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2023 £	Restated Total 2022 £
Fund balances at 31 December 2023 are represented by:					
Investments	-	3,566,377	1,187,118	4,753,495	4,283,196
Cash and cash equivalents	109,140	118,248	-	227,388	212,304
Debtors	-	-	-	-	22,221
	<u>109,140</u>	<u>3,684,625</u>	<u>1,187,118</u>	<u>4,980,883</u>	<u>4,517,721</u>

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Restated Total 2022 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:					
Investments	-	3,407,420	875,776	4,283,196	4,815,795
Cash and cash equivalents	112,633	99,671	-	212,304	358,393
Debtors	-	17,316	4,905	22,221	19,169
	<u>112,633</u>	<u>3,507,091</u>	<u>875,776</u>	<u>4,517,721</u>	<u>5,193,357</u>

Sufficient resources are held in an appropriate form to enable each restricted fund to be applied in accordance with the restrictions.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2023 (*continued*)

16 Statement of Financial Activities for the year ended 31 December 2022

	Note	Unrestricted funds 2022 £	Restated restricted funds 2022 £	Permanent endowment funds 2022 £	Restated total funds 2022 £
Income and endowments from:					
Donations	6	-	3,052	-	3,052
Investments	7	3,055	110,122	-	113,177
Total income		3,055	113,174	-	116,229
Expenditure on:					
<i>Raising funds</i>					
Investment management costs	8	619	22,307	-	22,926
<i>Charitable activities</i>					
Education	9	10,000	140,000	-	150,000
Total expenditure		10,619	162,307	-	172,926
Net losses on investments		(16,705)	(480,481)	(121,753)	(618,939)
Net losses		(24,269)	(529,614)	(121,753)	(675,636)
Transfers between funds		(2,750)	2,750	-	-
Net movement in funds	14	(27,019)	(526,864)	(121,753)	(675,636)
Total fund balances brought forward at 1 January	14	139,652	4,051,271	1,002,434	5,193,357
Total fund balances carried forward at 31 December	14	112,633	3,524,407	880,681	4,517,721

17 Restatement

Restricted income of £17.3k for the James Walker NFTS Writers Fund and permanent endowment income of £4.9k for the John Sargent Scholarship Fund was recognised in 2023 that related to funds received by the School in 2021 and 2022. These funds were received into the School's Just Giving fundraising account and were not identified and transferred to the Foundation until 2023. The School's Just Giving account is now reconciled by the School on at least a quarterly basis, with any monies due to the Foundation transferred immediately.

The restatement recognises the funds in the correct accounting period the donations were received, with the impact being an adjustment to the 2022 funds totalling £22.2k.

Accounts

NFTS Foundation

Report and Financial Statements

Year Ended

31 December 2022

Company registration number 03290399

NFTS Foundation

Report and financial statements for the year ended 31 December 2022

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Trustees

Ken Roberts – Chair of Trustees
Judith Chan
Linda James
Stephen Louis
Steve Mertz

Secretary and Registered Office

Trevor Hall
Beaconsfield Studios
Station Road
Beaconsfield
Buckinghamshire
HP9 1LG

Management Team

Dr Jon Wardle
Alex Gurney
Trevor Hall

Company Registration Number

03290399

Charity Registration Number

1061561

NFTS Foundation

Report and financial statements for the year ended 31 December 2022 (*continued*)

Reference and Administrative Information (*continued*)

Auditors

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

Bankers

Lloyds Bank PLC
25 Gresham Street
London
EC2V 7HN

Solicitors

Eversheds Sutherland LLP
1 Wood Street
London
EC2V 7WS

Investment Managers

Investec Wealth & Investment Limited
30 Gresham Street
London
EC2V 7QN

NFTS Foundation

Report of the Trustees for the year ended 31 December 2022

The NFTS Foundation trustees ("the Trustees"), who are also directors of the registered charity of the same name ("the Charity") for the purposes of the Companies Act, present their annual report together with the audited financial statements for the year ended 31 December 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2019, preparing the annual report and financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. This report includes the directors' report as required by company law.

Trustees

The trustees of the NFTS Foundation during the year were:

Ken Roberts – Chair of Trustees
Judith Chan
Linda James
Stephen Louis
Steve Mertz

The trustees have given generously of their time and expertise for which the NFTS Foundation and the National Film and Television School ("the School") are extremely grateful.

Structure, Governance and Management

Organisation and Decision-Making Structure

NFTS Foundation ("the Foundation") is a charitable company limited by guarantee, which was established on 11 December 1996. It is governed by a Memorandum and Articles of Association.

The principal advisers at the date of this report are listed on the previous page.

Connected Charities

The School is a charity connected with the Foundation.

By mutual agreement, all costs associated with fundraising activities are borne by the School. From monies received for investment, the Foundation from time to time makes grants, donations and scholarships. The Foundation donates income and capital from investments to the School. The trustees review the Foundation's investment performance and strategy.

Investment Policy (including reserves policy)

Grants, donations and other income received from various organisations and individuals are invested in a broad range of fixed income securities and equities to provide scholarships and contribute to the running costs of the School. As at 31 December 2022, the reserves of the Foundation are used for investments held to provide future funding to the School.

The trustees exercise reasonable care to ensure that these investments are effectively managed by the Foundation's current investment managers, Investec Wealth & Investment Limited. The Foundation's reserves policy is to hold an investment portfolio of at least £3m, the individual amounts being held in accordance with all donor wishes and obligations. At 31 December 2022, the Foundation's reserves were £4.5m, £1.5m higher than the minimum value set out in the Foundation's reserve policy.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2022 (*continued*)

Investment Policy (including reserves policy) (continued)

It is anticipated that the income generated from this level of reserves will enable the Foundation to provide a consistent level of funding to the School each year.

Organisation and Decision-Making Structure (*continued*)

Ethical and Environmental, Social, and Governance (ESG) considerations

The trustees seek to invest in a way that furthers the charitable objectives of the Foundation, with an emphasis on a proactive approach to sustainability and socially responsible investing.

The trustees reserve the right to exclude companies that carry out, or may carry out, activities incompatible with their aims or hold, or may hold particular investments which damage, or could damage, the Charity and the School's reputation. To this effect, the trustees preclude direct and known investment in tobacco, arms, gambling, pornography, high interest rate lending and thermal coal, understood to be investment in companies with more than 10% of their turnover in these activities. Where third party funds are held, the fund is to have no more than 20% of the fund's value invested in the above restrictions.

Taking into account the reputation of the Charity and the School, the trustees require their appointed investment managers to have due regard for the suitability of any recommended investments. The investment managers must consider Environmental, Social and Governance (ESG) factors in their investment process and investment selections.

Powers of Investment

Pursuant to the Foundation's Memorandum of Association, the trustees may exercise their investment powers by:

- making grants and donations, whether out of income or capital;
- accepting any gifts, endowments, legacies or contributions of any other kind of money or property of any kind; and
- investing the monies of the Foundation not required for its purposes in or upon such investments, securities or property of any other kind as may be thought fit subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.

The board of trustees confirms that all investment funds are held and made in accordance with these powers.

Risk Management

The trustees routinely examine significant risks that the Foundation may face during each financial year, and have developed systems to monitor and control these risks to mitigate any impact that they may have on Foundation in the future.

Accounting Policies

Accounting policies that have been applied during the year are outlined in the notes to the financial statements.

Objectives and Activities

The Foundation was established to help in the advancement of the education of the public in film, television and other media, and in particular the advancement of education and research at or supported by the School or any charity or educational establishment connected or associated with the School.

The School is responsible for all fundraising activity for both the School and the Foundation.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2022 (*continued*)

Financial Review

Total income for the Foundation for the year ended 31 December 2022 was £113k (2021 – £210k).

Investment income in the year was £113k (2021 – £109k). This related to dividends and interest earned during the year and represented an average rate of return of 2.2% on the Foundation's £5,174k investment portfolio at 1 January 2022.

Donations received in the year were £Nil (2021 – £100k).

Total expenditure in the year was £173k (2021 – £167k). Expenditure represented the donation to the School, this being the £150k donation for scholarships, bursaries, masterclasses and other costs of the School's curriculum, and investment management costs.

Market value movements on the investment portfolio generated a net investment loss for the year of £619k (realised gain £256k and unrealised loss £875k), compared with an investment gain of £454k in the previous year (realised gain £384k and unrealised gain £70k). The net movement in funds for the year was a decrease of £679k and represented a 13.1% decrease in the value of the Foundation's investments.

The fund balance at 31 December 2022 was £4,495k (£5,174k at 31 December 2021) and represented an equities/cash and fixed interest investment mix of 90/10, compared with a mix of 85/15 in the previous year.

The trustees have invested prudently and cautiously during the year. The investment funds raised are held in a broad range of fixed interest securities and equities, which are quoted on a recognised investment exchange.

Future Activities

Fundraising activities will continue to be undertaken by the School on behalf of the Foundation. These activities aim to:

- raise funds in the form of scholarships, chairs, fellowships and legacies, on a revenue basis, and, where practical, on an investment basis;
- raise funds for special projects such as capital equipment and building development; and
- raise funds for regular events and publications, including graduation productions and screenings, the graduation screening brochure and prospectus.

The trustees will continue to exercise prudent oversight over the performance of the funds invested to ensure that the funds continue to meet the charitable objectives of the Foundation. The investment portfolio is diversified across a number of sectors and markets, and invested in companies that demonstrate strong Environmental, Social and Governance credentials to ensure investment returns are sustainable.

The trustees currently aim to distribute approximately £150k per annum generated primarily from annual dividend and interest returns on the Foundation's investments for the benefit of the School. However, all distributions by the Foundation are at the discretion of the trustees.

Global markets have been challenging over the five months following the financial year end, due to a number of related and unrelated factors. As a result of rising inflation and the cost of living crisis, central banks have increased interest rates to try to bring inflation under control. The Bloomberg consensus growth forecast for global GDP in 2023 is 2.4%, although there is considerable uncertainty about how the year will evolve. The UK, Europe and US markets appear to have been remarkably resilient, however the pace of China's recovery has been somewhat disappointing.

Russia's invasion of the Ukraine continues to exacerbate the current cost of living crisis and market confidence. Sanctions on trade with Russia have impacted the global supply of energy, particularly natural gas to Europe.

The Foundation does not have any direct investment in any Ukrainian or Russian companies, and is advised that any indirect investment equates to less than 1% of the Foundations' portfolio.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2022 *(continued)*

Future Activities *(continued)*

The latest market valuation of the Foundation's investments for the three months ended 31 March 2023 valued the investments at £4.57m, thus £1.57m above the minimum level set out in the Foundation's reserve policy. This is an increase of approximately £77k on the portfolio's valuation as at 31 December 2022 year end.

The trustees invest on a medium risk basis, with an investment horizon of 10+ years. As such, the trustees are not uncomfortable having to accommodate short-term volatility in capital values, as displayed by current markets, in the expectation of long-term, sustainable gains.

The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern, given the headroom the Foundation has on its minimum reserve level, a review of cash flow forecasts and the expected investment performance over the 12 months following sign off of the balance sheet. Further, all donations are at the discretion of the Charity.

Public Benefit

The Foundation meets its public benefits requirement as a charity by distributing grants to the School and scholarships to the School's students. The trustees are aware of their responsibilities with regards to the public benefits requirement and are conversant with the relevant Charity Commission guidance.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2022 (*continued*)

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

On behalf of the Board



Ken Roberts

Chair of Trustees

Date: 02 June 2023

NFTS Foundation

Independent Auditor's Report

Independent Auditor's Report to the members of NFTS Foundation

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 December 2022 and of incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of NFTS Foundation ("the Charitable Company") for the year ended 31 December 2022 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is

NFTS Foundation

Independent Auditor's Report

Independent Auditor's Report to the members of NFTS Foundation *(continued)*

a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustees' report.

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

NFTS Foundation

Independent Auditor's Report

Independent Auditor's Report to the members of NFTS Foundation *(continued)*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Based on our understanding of the Charitable Company and the sector in which it operates, discussion with management and those charged with governance and obtaining and understanding of the policies and procedures regarding compliance with laws and regulations we identified the significant laws and regulations to be United Kingdom Generally Accepted Accounting Practice, United Kingdom tax legislation and Companies act 2006.

The Charitable Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be their registration with the Charity Commission.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations; and
- Review of financial statement disclosures and agreeing to supporting documentation.

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included enquiry with management and those charged with governance regarding any known or suspected instances of fraud, obtaining an understanding of the policies and procedures relating to detecting and responding to the risks of fraud; and internal controls established to mitigate risks related to fraud and review of minutes of meeting of those charged with governance for any known or suspected instances of fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be manipulation of the financial statements via management override.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Reviewing the manual journals made by management when recording the investment portfolio results.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

NFTS Foundation

Independent Auditor's Report

Independent Auditor's Report to the members of NFTS Foundation *(continued)*

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

Paula Willock

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Paula Willock (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, UK

Date 09 June 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

NFTS Foundation

Statement of Financial Activities (including income and expenditure account) for the year ended 31 December 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Permanent endowment funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Income and endowments from:						
Donations	6	-	-	-	-	100,223
Investments	7	3,055	110,122	-	113,177	109,422
Total income		<u>3,055</u>	<u>110,122</u>	<u>-</u>	<u>113,177</u>	<u>209,645</u>
Expenditure on:						
<i>Raising funds</i>						
Investment management costs	8	619	22,307	-	22,926	22,916
<i>Charitable activities</i>						
Education	9	10,000	140,000	-	150,000	144,000
Total expenditure		<u>10,619</u>	<u>162,307</u>	<u>-</u>	<u>172,926</u>	<u>166,916</u>
Net (losses)/gains on investments		(16,705)	(480,481)	(121,753)	(618,939)	454,280
Net income		<u>(24,269)</u>	<u>(532,666)</u>	<u>(121,753)</u>	<u>(678,688)</u>	<u>497,009</u>
Transfers between funds		(2,750)	2,750	-	-	-
Net movement in funds	14	<u>(27,019)</u>	<u>(529,916)</u>	<u>(121,753)</u>	<u>(678,688)</u>	<u>497,009</u>
Reconciliation of funds:						
Total fund balances brought forward at 1 January	14	139,652	4,037,007	997,529	5,174,188	4,677,179
Total fund balances carried forward at 31 December	14	<u>112,633</u>	<u>3,507,091</u>	<u>875,776</u>	<u>4,495,500</u>	<u>5,174,188</u>

All amounts relate to continuing activities.

The notes on pages 12 to 22 form part of these financial statements.

NFTS Foundation

Balance Sheet at 31 December 2022

Company number 03290399

	Note	2022 £	2021 £
Fixed assets			
Investments	12	4,283,196	4,815,795
Current assets			
Cash and cash equivalents		212,304	358,393
Net assets		<u>4,495,500</u>	<u>5,174,188</u>
Funds of the charity:			
Permanent endowment funds	14	875,776	997,529
Restricted funds	14	3,507,091	4,037,007
Unrestricted funds	14	112,633	139,652
Total charity funds		<u>4,495,500</u>	<u>5,174,188</u>

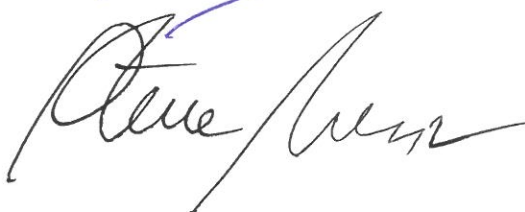
These accounts have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the trustees and authorised for issue on 02 June 2023 and signed on their behalf by:

Ken Roberts
Chair of Trustees



Steve Mertz
Trustee



The notes on pages 12 to 22 form part of these financial statements.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2022

1 Status of the company

The Foundation is a private company limited by guarantee and is a registered charity incorporated in England and Wales. Each member's liability is limited, upon winding up, to an amount not exceeding ten pounds.

2 Accounting policies

(a) Basis of preparation

The financial statements of the Foundation have been prepared under the historic cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Foundation constitutes a public benefit entity as defined by FRS 102.

(b) Assessment of going concern

Global markets have been challenging over the five months following the financial year end, due to a number of related and unrelated factors. As a result of rising inflation and the cost of living crisis, central banks have increased interest rates to try to bring inflation under control. The Bloomberg consensus growth forecast for global GDP in 2023 is 2.4%, although there is considerable uncertainty about how the year will evolve. The UK, Europe and US markets appear to have been remarkably resilient, however the pace of China's recovery has been somewhat disappointing.

Russia's invasion of the Ukraine continues to exacerbate the current cost of living crisis and market confidence. Sanctions on trade with Russia have impacted the global supply of energy, particularly natural gas to Europe.

The Foundation does not have any direct investment in any Ukrainian or Russian companies, and is advised that any indirect investment equates to less than 1% of the Foundations' portfolio.

The latest market valuation of the Foundation's investments for the three months ended 31 March 2023 valued the investments at £4.57m, thus £1.57m above the minimum level set out in the Foundation's reserve policy. This is an increase of approximately £77k on the portfolio's valuation as at 31 December 2022 year end.

The trustees invest on a medium risk basis, with an investment horizon of 10+ years. As such, the trustees are not uncomfortable having to accommodate short-term volatility in capital values, as displayed by current markets, in the expectation of long-term, sustainable gains.

The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern, given the headroom the Foundation has on its minimum reserve level, a review of cash flow forecasts and expected investment performance over the 12 months following sign off of the balance sheet. Further, all donations are at the discretion of the Charity.

(c) Funds structure

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Foundation and which have not been designated for other purposes.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

2 Principal accounting policies (continued)

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Permanent endowment funds are funds where a principal sum is held and only the income generated can be used. The donor instructs the principal sum to be held and the income generated is used in accordance with specific restrictions imposed by the donor.

Transfers between endowment funds and restricted funds are made to ensure the principal sum invested is always recognised in the endowment funds with income and investment costs transferred to restricted funds.

Investment income and losses are allocated to the appropriate fund on the basis of the value of the fund at the beginning of the year.

An analysis of the charitable funds has been disclosed in note 14.

(d) Income recognition

All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations are recognised when the Foundation is contractually entitled to the income.

In the event that a donation is subject to conditions that require a level of performance before the Foundation is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Foundation and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio.

(e) Expenditure

All costs, except investment management costs, associated with the Foundation and fundraising activities are borne by the School.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank, deposits and short-term investments with an original maturity of three months or less.

(g) Taxation

The Foundation is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010 and accordingly, the Foundation is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478 – 488 of the Corporation Tax Act 2010 (CTA 2010) or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

Expenditure includes irrecoverable Value Added Tax charged by suppliers to the Foundation. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2022 (*continued*)

2 Principal accounting policies (*continued*)

(h) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Foundation is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(i) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the trustees have made the following judgements:

- investment income, investment management costs and net gains on investments are apportioned across the charitable funds based on the total of each fund at 1 January 2022; and
- with respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Foundation are the level of investment return and the performance of investment markets.

4 Related party transactions and trustees' expenses and remuneration

During the course of the year, the Foundation and the School entered into a number of related party transactions. The transactions represented fundraising initiatives undertaken to support the scholarship programme, donations towards bursaries, and donations towards the running cost of the curriculum. During the year the Foundation made total donations to the School of £150k (2021 – £144k) (see note 9).

Key management personnel are considered to be the School's Director, Finance Director and Head of Financial Reporting.

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2021 – £Nil). During the year, none of the trustees received any reimbursement for meeting expenses (2021 – £Nil). There were no transactions with trustees and connected persons during the year.

During the year, insurance costing £1k (2021 – £1k) was purchased to indemnify the trustees against default on their part. The School paid this during the year on behalf of the Foundation.

5 Connected charities

The Foundation was incorporated to help in the advancement of the education of the public in film, television and other media and in particular the advancement of education and research at or supported by the School or any charity or educational establishment connected or associated with the School.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

6 Donations

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2022 £	Total 2021 £
Donations	-	-	-	-	100,223
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,223</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,223</u>

7 Investment income

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2022 £	Total 2021 £
Income from listed investments	3,055	110,122	-	113,177	109,422
	<u>3,055</u>	<u>110,122</u>	<u>-</u>	<u>113,177</u>	<u>109,422</u>

Investment income is apportioned across the funds based on the fund balance held at the start of the year.

8 Investment management costs

	2022 £	2021 £
Investment management fees	<u>22,926</u>	<u>22,916</u>

9 Analysis of charitable expenditure

During the year, donations of £150k (2021 – £144k) were made to the School. These donations represent £67k towards scholarships and bursaries and £83k towards masterclasses and other costs of the School's curriculum.

All other costs associated with the Foundation's fundraising activities are borne by the School because there is an integrated fundraising programme for the School and for the Foundation.

10 Employee emoluments

No staff are employed by the Foundation (2021 – £Nil).

11 Auditors' remuneration

The audit fee of £8,400 (2021 – £4,200) was borne by the School.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

12 Fixed asset investments

	2022 £	2021 £
<i>Movement in quoted investments:</i>		
Market value brought forward as at 1 January	4,815,795	4,457,092
Additions to investments at cost	1,745,872	887,768
Disposals at carrying value	(1,403,889)	(599,146)
(Loss)/gain on revaluation	(874,582)	70,081
Market value as at 31 December	4,283,196	4,815,795

	Cost 2022 £	Market value 2022 £	Cost 2021 £	Market value 2021 £
These investments are represented by:				
<i>Quoted investments:</i>				
UK fixed interest	243,375	215,692	441,188	449,714
UK equities	1,378,394	1,744,280	1,696,124	2,464,334
Overseas fixed interest	537,366	519,798	162,153	170,580
Overseas equities	1,481,340	1,803,426	999,026	1,731,167
	3,640,475	4,283,196	3,298,491	4,815,795

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

12 Fixed asset investments (continued)

The following investments represented more than 5% of the value of the portfolio as at 31 December 2022:

	Number of units	Market Value £	% of portfolio
Brown Advisory Fds US Sustainable Gth Si GBP	18,130	230,070	5.1
JP Morgan Fund Icvc JPM US Eq Inc C2 GBP	146,000	230,972	5.1
Net Di			

There were no investments representing more than 5% of the value of the portfolio as at 31 December 2021.

Investments are retained by the Foundation for the long term to generate income for the School and to ensure that the objectives of the charity are fulfilled.

Investment in equities and fixed interest securities are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value, using bid price.

The Foundation does not have any direct investment in any Ukrainian or Russian companies and any indirect investment equates to less than 1% of the Foundations' portfolio.

13 Financial instruments

Financial assets measured at fair value through profit or loss comprise fixed asset investments in a trading portfolio of listed company shares. Details of these can be found in note 12.

The significance of financial instruments to the ongoing financial sustainability of the Foundation is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Foundation from financial instruments lies in the combination of uncertain investment markets and volatility of yield. Due to market sentiment favouring lower risk investments, the yield on bonds has been abnormally low giving rise to a significant downside risk of a fall in capital values when interest rates return to normal levels.

The Foundation's investments are mainly traded in markets with good liquidity and high trading volumes; therefore, liquidity risk is assessed as low. The Foundation has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Foundation does not make use of any derivatives or complex financial instruments.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

14 Analysis of charitable funds

Analysis of fund movements year ended 31 December 2022	Fund balances brought forward £	Income £	Expenditure (net of transfers) £	Gains and losses £	Fund balances carried forward £
Permanent endowment funds:					
The Louis Malle Scholarship	129,958	-	-	(16,697)	113,261
Post Office Scholarship	325,581	-	-	(38,946)	286,635
Kodak Scholarship	153,070	-	-	(19,301)	133,769
John Sargent Scholarship	270,167	-	-	(32,604)	237,563
Nik Powell Scholarship	118,753	-	-	(14,205)	104,548
Total permanent endowment funds	997,529	-	-	(121,753)	875,776
Restricted funds:					
Lew Grade Chair	2,185,038	47,793	(69,682)	(261,376)	1,901,773
Cubby Broccoli Chair	1,056,310	23,105	(34,680)	(126,356)	918,379
Richard Dunn Scholarship	587,242	12,845	(9,602)	(70,246)	520,239
David Munro Fund – Human Rights Documentary Award	90,013	1,969	(3,399)	(10,767)	77,816
Michael Samuelson Scholarship	441	10	(2)	(53)	396
Freddie Young Scholarship	643	14	(3)	(77)	577
The Colin Young Scholarship	4,873	107	(22)	(583)	4,375
The Trevor Jones Scholarship	6,430	141	(28)	(769)	5,774
Sir John Terry Memorial Scholarship	39,144	856	(1,173)	(4,682)	34,145
The Louis Malle Scholarship	9,622	3,053	(2,618)	-	10,057
Post Office Scholarship	-	7,122	(7,122)	-	-
Kodak Scholarship	8,276	3,529	(4,215)	-	7,590
Nik Powell Scholarship	-	2,597	(2,597)	-	-
John Sargent Scholarship	2,394	5,962	(6,207)	-	2,149
James Walker NFTS Writers Fund	46,581	1,019	(18,207)	(5,572)	23,821
Total restricted funds	4,037,007	110,122	(159,557)	(480,481)	3,507,091
Unrestricted funds:					
General reserves	139,652	3,055	(13,369)	(16,705)	112,633
Total unrestricted funds	139,652	3,055	(13,369)	(16,705)	112,633
Total funds	5,174,188	113,177	(172,926)	(618,939)	4,495,500

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2022 (*continued*)

The restricted funds of £3,507k include £609k to provide scholarships and bursaries (Richard Dunn, Freddie Young, Sir John Terry, Colin Young, Trevor Jones, James Walker), £2,820k for Chairs (Lew Grade, Cubby Broccoli), and £78k to support documentary film making concerning human rights (David Munro Fund).

The permanent endowment funds of £876k are endowments to provide scholarships (Louis Malle, Post Office, Kodak, John Sargent, Nik Powell).

The dividends earned on the funds during the year of £113k, the realised profit of £256k, the unrealised loss of £875k and the investment management costs of £23k have been allocated across the funds based on the brought forward fund balances at 1 January 2022.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

14 Analysis of charitable funds (continued)

Analysis of fund movements year ended 31 December 2021	Fund balances brought forward £	Income £	Expenditure (net of transfers) £	Gains and losses £	Fund balances carried forward £
Permanent endowment funds:					
The Louis Malle Scholarship	117,806	-	-	12,152	129,958
Post Office Scholarship	296,758	-	-	28,823	325,581
Kodak Scholarship	138,718	-	-	14,352	153,070
John Sargent Scholarship	200,152	50,223	-	19,792	270,167
Nik Powell Scholarship	62,666	50,000	-	6,087	118,753
Total permanent endowment funds	816,100	100,223	-	81,206	997,529
Lew Grade Chair	1,994,438	46,661	(49,774)	193,713	2,185,038
Cubby Broccoli Chair	973,726	22,780	(34,771)	94,575	1,056,310
Richard Dunn Scholarship	532,656	12,461	(9,610)	51,735	587,242
David Munro Fund – Human Rights Documentary Award	82,282	1,925	(2,186)	7,992	90,013
Michael Samuelson Scholarship	396	9	(2)	38	441
Freddie Young Scholarship	3,266	76	(3,016)	317	643
Freddie Francis Scholarship	1,626	38	(1,822)	158	-
The Stanley Kubrick Fellowship	2,109	49	(2,363)	205	-
The Colin Young Scholarship	4,368	102	(21)	424	4,873
The Trevor Jones Scholarship	5,763	135	(28)	560	6,430
Sir John Terry Memorial Scholarship	35,983	842	(1,176)	3,495	39,144
The Louis Malle Scholarship	7,308	2,927	(613)	-	9,622
Post Office Scholarship	-	6,943	(6,943)	-	-
Kodak Scholarship	9,043	3,457	(4,224)	-	8,276
Nik Powell Scholarship	-	1,466	(1,466)	-	-
John Sargent Scholarship	3,625	4,767	(5,998)	-	2,394
James Walker NFTS Writers Fund	59,680	1,396	(20,292)	5,797	46,581
Total restricted funds	3,716,269	106,034	(144,305)	359,009	4,037,007
Unrestricted funds:					
General reserves	144,810	3,388	(22,611)	14,065	139,652
Total unrestricted funds	144,810	3,388	(22,611)	14,065	139,652
Total funds	4,677,179	209,645	(166,916)	454,280	5,174,188

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2022 £	Total 2021 £
Fund balances at 31 December 2022 are represented by:					
Investments	-	3,407,420	875,776	4,283,196	4,815,795
Cash and cash equivalents	112,633	99,671	-	212,304	358,393
	<u>112,633</u>	<u>3,507,091</u>	<u>875,776</u>	<u>4,495,500</u>	<u>5,174,188</u>

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2021 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:					
Investments	-	3,818,266	997,529	4,815,795	4,457,092
Cash and cash equivalents	139,652	218,741	-	358,393	220,087
	<u>139,652</u>	<u>4,037,007</u>	<u>997,529</u>	<u>5,174,188</u>	<u>4,677,179</u>

Sufficient resources are held in an appropriate form to enable each restricted fund to be applied in accordance with the restrictions.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2022 (*continued*)

16 Statement of Financial Activities for the year ended 31 December 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Permanent endowment funds 2021 £	Total Funds 2021 £
Income and endowments from:					
Donations	6	-	-	100,223	100,223
Investments	7	3,388	106,034	-	109,422
Total income		3,388	106,034	100,223	209,645
Expenditure on:					
<i>Raising funds</i>					
Investment management costs	8	709	22,207	-	22,916
<i>Charitable activities</i>					
Education	9	15,864	128,136	-	144,000
Total expenditure		16,573	150,343	-	166,916
Net gains on investments		14,065	359,009	81,206	454,280
Net income		880	314,700	181,429	497,009
Transfers between funds		(6,038)	6,038	-	-
Net movement in funds	14	(5,158)	320,738	181,429	497,009
Total fund balances brought forward at 1 January	14	144,810	3,716,269	816,100	4,677,179
Total fund balances carried forward at 31 December	14	139,652	4,037,007	997,529	5,174,188

Accounts

NFTS Foundation

Report and Financial Statements

Year Ended

31 December 2021

Company registration number 03290399

NFTS Foundation

Report and financial statements for the year ended 31 December 2021

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Reference and Administrative Information

Trustees

Ken Roberts – Chair of Trustees
Judith Chan
Linda James
Stephen Louis
Steve Mertz

Secretary and Registered Office

Trevor Hall
Beaconsfield Studios
Station Road
Beaconsfield
Buckinghamshire
HP9 1LG

Management Team

Dr Jon Wardle
Alex Gurney
Trevor Hall

Company Registration Number

03290399

Charity Registration Number

1061561

NFTS Foundation

Report and financial statements for the year ended 31 December 2021 (*continued*)

Reference and Administrative Information (*continued*)

Auditors

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

Bankers

Lloyds Bank PLC
25 Gresham Street
London
EC2V 7HN

Solicitors

Eversheds Sutherland LLP
1 Wood Street
London
EC2V 7WS

Investment Managers

Investec Wealth & Investment Limited
30 Gresham Street
London
EC2V 7QN

NFTS Foundation

Report of the Trustees for the year ended 31 December 2021

The NFTS Foundation trustees [“the Trustees”], who are also directors of the registered charity of the same name [“the Charity”] for the purposes of the Companies Act, present their annual report together with the audited financial statements for the year ended 31 December 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) “Accounting and Reporting by Charities” issued in October 2019, preparing the annual report and financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. This report includes the directors’ report as required by company law.

Trustees

The trustees of the NFTS Foundation during the year were:

Ken Roberts – Chair of Trustees
Judith Chan
Linda James
Stephen Louis
Steve Mertz (appointed 10 December 2021)

The trustees have given generously of their time and expertise for which the NFTS Foundation and the National Film and Television School (“the School”) are extremely grateful.

Structure, Governance and Management

Organisation and Decision Making Structure

NFTS Foundation (“the Foundation”) is a charitable company limited by guarantee, which was established on 11 December 1996. It is governed by a Memorandum and Articles of Association.

The principal advisers at the date of this report are listed on the previous page.

Connected Charities

The School is a charity connected with the Foundation.

By mutual agreement, all costs associated with fundraising activities are borne by the School. From monies received for investment, the Foundation from time to time makes grants, donations and scholarships. The Foundation donates income and capital from investments to the School. The trustees review the Foundation’s investment performance and strategy

Investment Policy (including reserves policy)

Grants, donations and other income received from various organisations and individuals are invested in a broad range of fixed income securities and equities to provide scholarships and contribute to the running costs of the School. As at 31 December 2021, the reserves of the Foundation are used for investments held to provide future funding to the School.

The trustees exercise reasonable care to ensure that these investments are effectively managed by the Foundation’s current investment managers, Investec Wealth & Investment Limited. The Foundation’s reserves policy is to hold an investment portfolio of at least £3m, the individual amounts being held in accordance with all donor wishes and obligations. At 31 December 2021, the Foundation’s reserves were £5.17m, £2.17m higher than the minimum value set out in the Foundation’s reserve policy.

It is anticipated that the income generated from this level of reserves will enable the Foundation to provide a consistent level of funding to the School each year.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2021 (*continued*)

Organisation and Decision Making Structure (*continued*)

Ethical and Environmental, Social, and Governance (ESG) considerations

The trustees seek to invest in a way that furthers the charitable objectives of the Foundation, with an emphasis on a proactive approach to sustainability and socially responsible investing.

The trustees reserve the right to exclude companies that carry out, or may carry out, activities incompatible with their aims or hold, or may hold particular investments which damage, or could damage, the Charity and the School's reputation. To this effect, the trustees preclude direct and known investment in tobacco, arms, gambling, pornography, high interest rate lending and thermal coal, understood to be investment in companies with more than 10% of their turnover in these activities. Where third party funds are held, the fund is to have no more than 20% of the fund's value invested in the above restrictions.

Taking into account the reputation of the Charity and the School, the trustees require their appointed investment managers to have due regard for the suitability of any recommended investments. The investment managers must consider Environmental, Social and Governance (ESG) factors in their investment process and investment selections.

Powers of Investment

Pursuant to the Foundation's Memorandum of Association, the trustees may exercise their investment powers by:

- making grants and donations, whether out of income or capital;
- accepting any gifts, endowments, legacies or contributions of any other kind of money or property of any kind; and
- investing the monies of the Foundation not required for its purposes in or upon such investments, securities or property of any other kind as may be thought fit subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.

The board of trustees confirms that all investment funds are held and made in accordance with these powers.

Risk Management

The trustees routinely examine significant risks that the Foundation may face during each financial year, and have developed systems to monitor and control these risks to mitigate any impact that they may have on Foundation in the future.

Accounting Policies

Accounting policies that have been applied during the year are outlined in the notes to the financial statements.

Objectives and Activities

The Foundation was established to help in the advancement of the education of the public in film, television and other media, and in particular the advancement of education and research at or supported by the School or any charity or educational establishment connected or associated with the School.

The School is responsible for all fundraising activity for both the School and the Foundation.

Financial Review

Total income for the Foundation for the year ended 31 December 2021 was £210k (2020 – £426k).

Investment income in the year was £109k (2020 – £103k). This related to dividends and interest earned during the year and represented an average rate of return of 2.4% on the Foundation's £4,555k investment portfolio at 1 January 2021.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2021 (*continued*)

Financial Review (*continued*)

Donations received in the year for the John Sargent Scholarship and Nik Powell Scholarship were £100k (2020 – £322k).

Total expenditure in the year was £167k (2020 – £140k). Expenditure represented the donation to the School, this being the £144k donation for scholarships, bursaries, masterclasses and other costs of the School's curriculum, and investment management costs.

Market value movements on the investment portfolio generated a net investment gain (realised and unrealised) for the year of £454k, compared with an investment gain of £3k in the previous year. The net movement in funds for the year was an increase of £497k and represented a 10.6% increase in the value of the Foundation's investments.

The fund balance at 31 December 2021 was £5,174k (£4,677k at 31 December 2020) and represented an equities/cash and fixed interest investment mix of 85/15, compared with a mix of 82/18 in the previous year.

The trustees have invested prudently and cautiously during the year. The investment funds raised are held in a broad range of fixed interest securities and equities, which are quoted on a recognised investment exchange.

Future Activities

Fundraising activities will continue to be undertaken by the School on behalf of the Foundation. These activities aim to:

- raise funds in the form of scholarships, chairs, fellowships and legacies, on a revenue basis, and, where practical, on an investment basis;
- raise funds for special projects such as capital equipment and building development; and
- raise funds for regular events and publications, including graduation productions and screenings, the graduation screening brochure and prospectus.

The trustees will continue to exercise prudent oversight over the performance of the funds invested to ensure that the funds continue to meet the charitable objectives of the Foundation. The investment portfolio is diversified across a number of sectors and markets, and invested in companies that demonstrate strong Environmental, Social and Governance credentials to ensure investment returns are sustainable.

The trustees currently aim to distribute approximately £150k per annum generated primarily from annual dividend and interest returns on the Foundation's investments for the benefit of the School. However, all distributions by the Foundation are at the discretion of the trustees.

Global markets have been particularly challenging over the eight months following the financial year end, due to a number of related and unrelated factors. As a result of rising inflation and the growing cost of living crisis, central banks have increased interest rates to try to bring inflation under control. This is anticipated to have both positive (e.g., a reduction of inflation and the public expectation of inflation, so perhaps mitigating a possible wage/price spiral) and negative (e.g., a detrimental impact on global economic growth, consumer confidence, and ultimately company earnings) effects.

Russia's invasion of the Ukraine further exacerbates the current cost of living crisis and market confidence. The Ukraine is a major global supplier of grain, with supply constrained by the Russian blockade of Ukrainian ports. Further, sanctions on trade with Russia impacts the global supply of energy, particularly natural gas to Europe. These factors are a major contributor to driving up global prices.

The Foundation does not have any direct investment in any Ukrainian or Russian companies, and is advised that any indirect investment equates to less than 1% of the Foundations' portfolio.

The latest market valuation of the Foundation's investments for the eight months ended 31 August 2022 valued the investments at £4.7m, thus £1.7m above the minimum level set out in the Foundation's reserve policy. However, this

NFTS Foundation

Report of the Trustees for the year ended 31 December 2021 (*continued*)

Future Activities (*continued*)

is a reduction of approximately £0.5m reduction on the portfolio's valuation as at 31 December 2021 year end, primarily due to the challenges mentioned above.

The trustees invest on a medium risk basis, with an investment horizon of 10+ years. As such, the trustees are not uncomfortable having to accommodate short-term volatility in capital values, as displayed by current markets, in the expectation of long-term, sustainable gains.

The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern, given the headroom the Foundation has on its minimum reserve level, a review of cash flow forecasts and the expected investment performance over the 12 months following sign off of the balance sheet. Further, all donations are at the discretion of the Charity.

Public Benefit

The Foundation meets its public benefits requirement as a charity by distributing grants to the School and scholarships to the School's students. The trustees are aware of their responsibilities with regards to the public benefits requirement and are conversant with the relevant Charity Commission guidance.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2021 (*continued*)

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware. [

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

On behalf of the Board

Ken Roberts



Chair of Trustees

Date 23 September 2022

NFTS Foundation

Independent Auditor's Report

Independent Auditor's Report to Members of NFTS Foundation

Opinion on the financial statements

In our opinion, the financial statements:

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

We have audited the financial statements of NFTS Foundation ("the Charitable Company") for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

NFTS Foundation

Independent Auditor's Report (*continued*)

Independent Auditor's Report to Members of NFTS Foundation (*continued*)

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustee's report.

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

NFTS Foundation

Independent Auditor's Report (*continued*)

Independent Auditor's Report to Members of NFTS Foundation (*continued*)

Extent to which the audit was capable of detecting irregularities, including fraud

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

Based on our understanding of the Charitable Company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the valuation of investments
- Identifying and testing journal entries, in particular any journal entries posted by key management and journals posted after the year end.
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Charity Commission.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

Paula Willock

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Paula Willock (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick UK

Date: 29 September 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

NFTS Foundation

Statement of Financial Activities (including income and expenditure account) for the year ended 31 December 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Permanent endowment funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Income and endowments from:						
Donations	6	-	-	100,223	100,223	322,346
Investments	7	3,388	106,034	-	109,422	103,192
Total income		<u>3,388</u>	<u>106,034</u>	<u>100,223</u>	<u>209,645</u>	<u>425,538</u>
Expenditure on:						
<i>Raising funds</i>						
Investment management costs	8	709	22,207	-	22,916	20,027
<i>Charitable activities</i>						
Education	9	15,864	128,136	-	144,000	120,000
Total expenditure		<u>16,573</u>	<u>150,343</u>	<u>-</u>	<u>166,916</u>	<u>140,027</u>
Net gains on investments		14,065	359,009	81,206	454,280	3,480
Net income		<u>880</u>	<u>314,700</u>	<u>181,429</u>	<u>497,009</u>	<u>288,991</u>
Transfers between funds		(6,038)	6,038	-	-	-
Net movement in funds	14	<u>(5,158)</u>	<u>320,738</u>	<u>181,429</u>	<u>497,009</u>	<u>288,991</u>
Reconciliation of funds:						
Total fund balances brought forward at 1 January	14	144,810	3,716,269	816,100	4,677,179	4,388,188
Total fund balances carried forward at 31 December	14	<u>139,652</u>	<u>4,037,007</u>	<u>997,529</u>	<u>5,174,188</u>	<u>4,677,179</u>

All amounts relate to continuing activities.

The notes on pages 11 to 21 form part of these financial statements.

NFTS Foundation

Balance Sheet at 31 December 2021

Company number 03290399

	Note	2021 £	2020 £
Fixed assets			
Investments	12	4,815,795	4,457,092
Current assets			
Cash and cash equivalents		358,393	220,087
Net assets		<u>5,174,188</u>	<u>4,677,179</u>
Funds of the charity:			
Permanent endowment funds	14	997,529	816,100
Restricted funds	14	4,037,007	3,716,269
Unrestricted funds	14	139,652	144,810
Total charity funds		<u>5,174,188</u>	<u>4,677,179</u>

These accounts have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the trustees and authorised for issue on 23 September 2022 and signed on their behalf by:

Ken Roberts
Chair of Trustees



Stephen Louis
Trustee



The notes on pages 11 to 21 form part of these financial statements.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2021

1 Status of the company

The Foundation is a private company limited by guarantee and is a registered charity incorporated in England and Wales. Each member's liability is limited, upon winding up, to an amount not exceeding ten pounds.

2 Accounting policies

(a) Basis of preparation

The financial statements of the Foundation have been prepared under the historic cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Foundation constitutes a public benefit entity as defined by FRS 102.

(b) Assessment of going concern

Global markets have been particularly challenging over the eight months following the financial year end, due to a number of related and unrelated factors. As a result of rising inflation and the growing cost of living crisis, central banks have increased interest rates to try to bring inflation under control. This is anticipated to have both positive (e.g., a reduction of inflation and the public expectation of inflation, so perhaps mitigating a possible wage/price spiral) and negative (e.g., a detrimental impact on global economic growth, consumer confidence, and ultimately company earnings) effects.

Russia's invasion of the Ukraine further exacerbates the current cost of living crisis and market confidence. The Ukraine is a major global supplier of grain, with supply constrained by the Russian blockade of Ukrainian ports. Further, sanctions on trade with Russia impacts the global supply of energy, particularly natural gas to Europe. These factors are a major contributor to driving up global prices.

The Foundation does not have any direct investment in any Ukrainian or Russian companies, and is advised that any indirect investment equates to less than 1% of the Foundations' portfolio.

The latest market valuation of the Foundation's investments for the eight months ended 31 August 2022 valued the investments at £4.7m, thus £1.7m above the minimum level set out in the Foundation's reserve policy. However, this is a reduction of approximately £0.5m reduction on the portfolio's valuation as at 31 December 2021 year end, primarily due to the challenges mentioned above.

The trustees invest on a medium risk basis, with an investment horizon of 10+ years. As such, the trustees are not uncomfortable having to accommodate short-term volatility in capital values, as displayed by current markets, in the expectation of long-term, sustainable gains.

The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern, given the headroom the Foundation has on its minimum reserve level, a review of cash flow forecasts and expected investment performance over the 12 months following sign off of the balance sheet. Further, all donations are at the discretion of the Charity.

(c) Funds structure

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Foundation and which have not been designated for other purposes.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2021 *(continued)*

2 Principal accounting policies *(continued)*

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Permanent endowment funds are funds where a principal sum is held and only the income generated can be used. The donor instructs the principal sum to be held and the income generated is used in accordance with specific restrictions imposed by the donor.

Transfers between endowment funds and restricted funds are made to ensure the principal sum invested is always recognised in the endowment funds with income and investment costs transferred to restricted funds.

Investment income and losses are allocated to the appropriate fund on the basis of the value of the fund at the beginning of the year.

An analysis of the charitable funds has been disclosed in note 14.

(d) Income recognition

All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations are recognised when the Foundation has been notified in writing of both the amount and settlement date.

In the event that a donation is subject to conditions that require a level of performance before the Foundation is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Foundation and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio.

(e) Expenditure

All costs, except investment management costs, associated with the Foundation and fundraising activities are borne by the School.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash at bank, deposits and short-term investments with an original maturity of three months or less.

(g) Taxation

The Foundation is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010 and accordingly, the Foundation is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478 – 488 of the Corporation Tax Act 2010 (CTA 2010) or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

Expenditure includes irrecoverable Value Added Tax charged by suppliers to the Foundation. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2021 (*continued*)

2 Principal accounting policies (*continued*)

(h) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Foundation is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(i) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the trustees have made the following judgements:

- investment income, investment management costs and net gains on investments are apportioned across the charitable funds based on the total of each fund at 1 January 2021; and
- with respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Foundation are the level of investment return and the performance of investment markets.

4 Related party transactions and trustees' expenses and remuneration

During the course of the year, the Foundation and the School entered into a number of related party transactions. The transactions represented fundraising initiatives undertaken to support the scholarship programme, donations towards bursaries, and donations towards the running cost of the curriculum. During the year the Foundation made total donations to the School of £144k (2020 – £120k) (see note 9).

Key management personnel are considered to be the School's Director, Finance Director and Head of Financial Reporting.

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2020 – £Nil). During the year, none of the trustees received any reimbursement for meeting expenses (2020 – £Nil). There were no transactions with trustees and connected persons during the year.

During the year, insurance costing £1k (2020 – £1k) was purchased to indemnify the trustees against default on their part. The School paid this during the year on behalf of the Foundation.

5 Connected charities

The Foundation was incorporated to help in the advancement of the education of the public in film, television and other media and in particular the advancement of education and research at or supported by the School or any charity or educational establishment connected or associated with the School.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

6 Donations

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2021 £	Total 2020 £
Donations	-	-	100,223	100,223	322,346
	-	-	100,223	100,223	322,346

7 Investment income

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2021 £	Total 2020 £
Income from listed investments	3,388	106,034	-	109,422	103,192
	3,388	106,034	-	109,422	103,192

Investment income is apportioned across the funds based on the fund balance held at the start of the year.

8 Investment management costs

	2021 £	2020 £
Investment management fees	22,916	20,027

9 Analysis of charitable expenditure [Comments as above]

During the year, donations of £144k (2020 – £120k) were made to the School. These donations represent £64k towards scholarships and bursaries and £80k towards masterclasses and other costs of the School's curriculum.

All other costs associated with the Foundation's fundraising activities are borne by the School because there is an integrated fundraising programme for the School and for the Foundation.

10 Employee emoluments

No staff are employed by the Foundation (2020 – £Nil).

11 Auditors' remuneration

The audit fee of £4,200 (2020 – £3,570) was borne by the School.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2021 (*continued*)

12 Fixed asset investments

	2021 £	2020 £
<i>Movement in quoted investments:</i>		
Market value brought forward as at 1 January	4,457,092	4,178,000
Additions to investments at cost	887,768	663,230
Disposals at carrying value	(599,146)	(516,592)
Gain on revaluation	70,081	132,454
Market value as at 31 December	4,815,795	4,457,092

	Cost 2021 £	Market value 2021 £	Cost 2020 £	Market value 2020 £
These investments are represented by:				
<i>Quoted investments:</i>				
UK fixed interest	441,188	449,714	484,266	513,559
UK equities	1,696,124	2,464,334	1,753,576	2,389,843
Overseas fixed interest	162,153	170,580	122,188	124,718
Overseas equities	999,026	1,731,167	649,835	1,428,972
	3,298,491	4,815,795	3,009,865	4,457,092

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2021 (*continued*)

12 Fixed asset investments (*continued*)

There were no investments representing more than 5% of the value of the portfolio as at 31 December 2021.

The following investments represented more than 5% of the value of the portfolio as at 31 December 2020:

	Number of units	Market Value £	% of portfolio
Ishares Core S & P 500 Ucits Etf USD	11,700	318,445	7.1
Merian Invest Mgmt Merian UK Mid Cap U1 GBP	124,894	236,673	5.3
Findlay Park Fds American USD Dis	1,925	222,217	5.0

Investments are retained by the Foundation for the long term to generate income for the School and to ensure that the objectives of the charity are fulfilled.

Investment in equities and fixed interest securities are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value, using bid price.

The Foundation does not have any direct investment in any Ukrainian or Russian companies and any indirect investment equates to less than 1% of the Foundations' portfolio. [Comments as above].

13 Financial instruments

Financial assets measured at fair value through profit or loss comprise fixed asset investments in a trading portfolio of listed company shares. Details of these can be found in note 12.

The significance of financial instruments to the ongoing financial sustainability of the Foundation is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Foundation from financial instruments lies in the combination of uncertain investment markets and volatility of yield. Due to market sentiment favouring lower risk investments, the yield on bonds has been abnormally low giving rise to a significant downside risk of a fall in capital values when interest rates return to normal levels.

The Foundation's investments are mainly traded in markets with good liquidity and high trading volumes; therefore liquidity risk is assessed as low. The Foundation has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Foundation does not make use of any derivatives or complex financial instruments.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

14 Analysis of charitable funds

Analysis of fund movements year ended 31 December 2021	Fund balances brought forward £	Income £	Expenditure (net of transfers) £	Gains and losses £	Fund balances carried forward £
Permanent endowment funds:					
The Louis Malle Scholarship	117,806	-	-	12,152	129,958
Post Office Scholarship	296,758	-	-	28,823	325,581
Kodak Scholarship	138,718	-	-	14,352	153,070
John Sargent Scholarship	200,152	50,223	-	19,792	270,167
Nik Powell Scholarship	62,666	50,000	-	6,087	118,753
Total permanent endowment funds	816,100	100,223	-	81,206	997,529
Restricted funds:					
Lew Grade Chair	1,994,438	46,661	(49,774)	193,713	2,185,038
Cubby Broccoli Chair	973,726	22,780	(34,771)	94,575	1,056,310
Richard Dunn Scholarship	532,656	12,461	(9,610)	51,735	587,242
David Munro Fund – Human Rights Documentary Award	82,282	1,925	(2,186)	7,992	90,013
Michael Samuelson Scholarship	396	9	(2)	38	441
Freddie Young Scholarship	3,266	76	(3,016)	317	643
Freddie Francis Scholarship	1,626	38	(1,822)	158	-
The Stanley Kubrick Fellowship	2,109	49	(2,363)	205	-
The Colin Young Scholarship	4,368	102	(21)	424	4,873
The Trevor Jones Scholarship	5,763	135	(28)	560	6,430
Sir John Terry Memorial Scholarship	35,983	842	(1,176)	3,495	39,144
The Louis Malle Scholarship	7,308	2,927	(613)	-	9,622
Post Office Scholarship	-	6,943	(6,943)	-	-
Kodak Scholarship	9,043	3,457	(4,224)	-	8,276
Nik Powell Scholarship	-	1,466	(1,466)	-	-
John Sargent Scholarship	3,625	4,767	(5,998)	-	2,394
James Walker NFTS Writers Fund	59,680	1,396	(20,292)	5,797	46,581
Total restricted funds	3,716,269	106,034	(144,305)	359,009	4,037,007
Unrestricted funds:					
General reserves	144,810	3,388	(22,611)	14,065	139,652
Total unrestricted funds	144,810	3,388	(22,611)	14,065	139,652
Total funds	4,677,179	209,645	(166,916)	454,280	5,174,188

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2021 (*continued*)

The restricted funds of £4,037k include £706k to provide scholarships and bursaries (Richard Dunn, Freddie Young, Freddie Francis, Sir John Terry, Colin Young, Trevor Jones, James Walker), £3,241k for Chairs (Lew Grade, Cubby Broccoli), and £90k to support documentary film making concerning human rights (David Munro Fund).

The permanent endowment funds of £998k are endowments to provide scholarships (Louis Malle, Post Office, Kodak, John Sargent, Nik Powell).

Donations in the year included £100k restricted endowment funds (John Sargent Scholarship and Nik Powell Scholarship).

The dividends earned on the funds during the year of £109k, the realised profit of £384k, the unrealised profit of £70k and the investment management costs of £23k have been allocated across the funds based on the brought forward fund balances at 1 January 2021.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

14 Analysis of charitable funds (continued)

Analysis of fund movements year ended 31 December 2020	Fund balances brought forward £	Income £	Expenditure (net of transfers) £	Gains and losses £	Fund balances carried forward £
Permanent endowment funds:					
The Louis Malle Scholarship	117,711	-	-	95	117,806
Post Office Scholarship	296,533	-	-	225	296,758
Kodak Scholarship	138,605	-	-	113	138,718
John Sargent Scholarship	-	200,000	-	152	200,152
Nik Powell Scholarship	-	62,666	-	-	62,666
Total permanent endowment funds	552,849	262,666	-	585	816,100
Lew Grade Chair	1,996,729	44,909	(48,715)	1,515	1,994,438
Cubby Broccoli Chair	985,121	22,157	(34,299)	747	973,726
Richard Dunn Scholarship	529,654	11,912	(9,312)	402	532,656
David Munro Fund – Human Rights Documentary Award	80,758	1,816	(353)	61	82,282
Michael Samuelson Scholarship	389	9	(2)	-	396
Freddie Young Scholarship	4,187	94	(1,018)	3	3,266
Freddie Francis Scholarship	5,522	124	(4,024)	4	1,626
The Stanley Kubrick Fellowship	21,700	488	(20,095)	16	2,109
The Colin Young Scholarship	4,288	96	(19)	3	4,368
The Trevor Jones Scholarship	5,657	127	(25)	4	5,763
Sir John Terry Memorial Scholarship	36,297	816	(1,158)	28	35,983
The Louis Malle Scholarship	7,047	2,806	(2,545)	-	7,308
Post Office Scholarship	388	6,678	(7,066)	-	-
Kodak Scholarship	9,852	3,339	(4,148)	-	9,043
John Sargent Scholarship	-	4,498	(873)	-	3,625
James Walker NFTS Writers Fund	-	59,680	-	-	59,680
Total restricted funds	3,687,589	159,549	(133,652)	2,783	3,716,269
Unrestricted funds:					
General reserves	147,750	3,323	(6,375)	112	144,810
Total unrestricted funds	147,750	3,323	(6,375)	112	144,810
Total funds	4,388,188	425,538	(140,027)	3,480	4,677,179

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2021 (*continued*)

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2021 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:					
Investments	-	3,818,266	997,529	4,815,795	4,457,092
Cash and cash equivalents	139,652	218,741	-	358,393	220,087
	<u>139,652</u>	<u>4,037,007</u>	<u>997,529</u>	<u>5,174,188</u>	<u>4,677,179</u>

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2020 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:					
Investments	47,069	3,656,589	753,434	4,457,092	4,178,000
Cash and cash equivalents	97,741	59,680	62,666	220,087	210,188
	<u>144,810</u>	<u>3,716,269</u>	<u>816,100</u>	<u>4,677,179</u>	<u>4,388,188</u>

Sufficient resources are held in an appropriate form to enable each restricted fund to be applied in accordance with the restrictions.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2021 (*continued*)

16 Statement of Financial Activities for the year ended 31 December 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Permanent endowment funds 2020 £	Total Funds 2020 £
Income and endowments from:					
Donations	6	-	59,680	262,666	322,346
Investments	7	3,323	99,869	-	103,192
Total income		3,323	159,549	262,666	425,538
Expenditure on:					
<i>Raising funds</i>					
Investment management costs	8	645	19,382	-	20,027
<i>Charitable activities</i>					
Education	9	4,000	116,000	-	120,000
Total expenditure		4,645	135,382	-	140,027
Net gains on investments		112	2,783	585	3,480
Net income/(expenditure)		(1,210)	26,950	263,251	288,991
Transfers between funds		(1,730)	1,730	-	-
Net movement in funds	14	(2,940)	28,680	263,251	288,991
Total fund balances brought forward at 1 January	14	147,750	3,687,589	552,849	4,388,188
Total fund balances carried forward at 31 December	14	144,810	3,716,269	816,100	4,677,179

Accounts

NFTS Foundation

Report and Financial Statements

Year Ended

31 December 2020

Company registration number 03290399

NFTS Foundation

Report and financial statements for the year ended 31 December 2020

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Reference and Administrative Information

Trustees

Ken Roberts – Chair of Trustees
Judith Chan
Linda James
Stephen Louis

Secretary and Registered Office

Trevor Hall
Beaconsfield Studios
Station Road
Beaconsfield
Buckinghamshire
HP9 1LG

Management Team

Dr Jon Wardle
Alex Gurney
Trevor Hall

Company Registration Number

03290399

Charity Registration Number

1061561

NFTS Foundation

Report and financial statements for the year ended 31 December 2020 (*continued*)

Reference and Administrative Information (*continued*)

Auditors

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

Bankers

Lloyds Bank PLC
25 Gresham Street
London
EC2V 7HN

Solicitors

Eversheds Sutherland LLP
1 Wood Street
London
EC2V 7WS

Investment Managers

Investec Wealth & Investment Limited
30 Gresham Street
London
EC2V 7QN

NFTS Foundation

Report of the Trustees for the year ended 31 December 2020

The trustees, who are also directors of the charity for the purposes of the Companies Act, present their annual report together with the audited financial statements for the year ended 31 December 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2019, preparing the annual report and financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. This report includes the directors' report as required by company law.

Trustees

The trustees of the NFTS Foundation during the year were:

Ken Roberts – Chair of Trustees
Judith Chan
Linda James
Stephen Louis
William Tudor-John (resigned 15 May 2021)

The NFTS Foundation's trustees have given generously of their time and expertise for which the NFTS Foundation and the National Film and Television School are extremely grateful.

Structure, Governance and Management

Organisation and Decision Making Structure

NFTS Foundation ("the Foundation") is a charitable company limited by guarantee, which was established on 11 December 1996. It is governed by a Memorandum and Articles of Association.

The principal advisers at the date of this report are listed on the previous page.

Connected Charities

The National Film and Television School ("the School") is a charity connected with the Foundation.

By mutual agreement, all costs associated with fundraising activities are borne by the School. The Foundation invests grants, donations and scholarships received for investment. The Foundation donates income and capital from invested funds to the School. The trustees review the Foundation's investment performance and strategy.

Investment Policy (including reserves policy)

Grants, donations and other income received from various organisations and individuals are invested in a broad range of securities and equities to provide income for the School in the future. As at 31 December 2020, the reserves of the charity represent funds to contribute to the long-term funding of the School.

The Foundation trustees take great care to ensure that these investments are effectively managed by the Foundation's investment managers Investec Wealth & Investment Limited. Representatives of Investec Wealth & Investment Limited attend the Foundation meetings and provide regular updates on investment performance and strategy.

The Foundation's reserves policy is to hold an investment portfolio of at least £3m, the individual amounts being held in accordance with all donor wishes and obligations. At 31 December 2020, the Foundation's reserves were £4.7m, £1.7m higher than the minimum value set out in the Foundation's reserve policy.

The income generated from this level of reserves enables the Foundation to provide a consistent level of funding to the School each year.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2020 (*continued*)

Organisation and Decision Making Structure (*continued*)

Powers of Investment

The powers of investment of the Foundation as stated in its Memorandum of Association include exercising the following powers:

- being able to make grants and loans whether out of income or capital;
- being able to accept any gifts, endowments, legacies or contributions of any other kind of money or property of any kind; and
- to invest the monies of the company not required for its purposes in or upon such investments, securities or property of any other kind as may be thought fit subject nevertheless to such conditions (if any) and such consents (if any) as may for the time being be imposed or required by law.

The board of trustees confirms that all investments are held in accordance with these powers.

Risk Management

The trustees examine the major risks that the charity faces each financial year, and have developed systems to monitor and control these risks to mitigate any impact that they may have on the company in the future.

Accounting Policies

Accounting policies that have been applied during the year are outlined in the notes to the financial statements.

Objectives and Activities

The Foundation was established to help in the advancement of the education of the public in film, television and other media, and in particular the advancement of education and research at or supported by the School or any charity or educational establishment connected or associated with the School.

The School is responsible for all fundraising activity for both the School and the Foundation's investment fund.

Financial Review

Total income for the Foundation for the year ended 31 December 2020 was £426k (2019 – £137k).

Investment income in the year was £103k (2019 – £137k). This related to dividends and interest earned during the year and represented an average rate of return of 2.4% on the Foundation's £4,178k investment portfolio at 1 January 2020.

Donations received in the year for the John Sargent Scholarship, Nik Powell Scholarship, and James Walker NFTS Writers Fund were £322k (2019 – £Nil).

Total expenditure in the year was £140k (2019 – £140k). Expenditure represented the annual contribution to the School, this being the £120k donation for scholarships, masterclasses and bursaries, and investment management costs.

Market value movements on the investment portfolio generated a net investment gain (realised and unrealised) for the year of £3k, compared with an investment gain of £443k in the previous year. The net movement in funds for the year was an increase of £289k and represented a 6.5% increase in the value of the Foundation's funds.

The fund balance at 31 December 2020 was £4,677k (£4,388k at 31 December 2019) and represented an equities/cash and fixed interest investment mix of 82/18, compared to a mix of 87/13 in the previous year.

The trustees have invested prudently and cautiously during the year. The investment funds raised are held in a broad range of fixed interest securities and equities, which are quoted on a recognised investment exchange.

NFTS Foundation

Report of the Trustees for the year ended 31 December 2020 (continued)

Future Activities

Fundraising activities will continue to be undertaken by the School on behalf of the Foundation. These activities aim to:

- raise funds in the form of scholarships, chairs, fellowships and legacies, on a revenue basis, and, where practical, on an investment basis;
- raise funds for special projects such as capital equipment and building development; and
- raise funds for regular events and publications, including graduation productions and screenings, the graduation screening brochure and prospectus.

The Foundation trustees will continue to exercise prudent oversight over the performance of the funds invested to ensure that the funds continue to meet the charitable objectives of the Foundation.

The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern based on a review of cash flow forecasts and expected investment performance.

The trustees aim to distribute approximately £120k per annum generated by annual dividend and interest returns on the Foundation's investment portfolio, for the benefit of the School. However, all distributions by the Foundation are at the discretion of the trustees.

The investment portfolio is diversified across a number of sectors and markets, adopting a prudent investment strategy to ensure investment returns are sustainable. At the height of the Covid-19 pandemic in March 2020, the value of the investment portfolio fell to £3.7m, a fall of 16%. Since then, the portfolio has recovered well with the value of the investment portfolio recovering to £4.6m as at March 2021, in line with the year-end position. This is £1.6m above the minimum level set out in the Foundation's reserves policy.

Public Benefit

The Foundation meets its public benefits requirement as a charity by distributing grants to the School and scholarships to the School's students. The trustees are aware of their responsibilities with regards to the public benefits requirement and are conversant with the Charity Commission guidance.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

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

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

NFTS Foundation

Report of the Trustees for the year ended 31 December 2020 *(continued)*

Statement of Trustees' Responsibilities *(continued)*

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The trustees are not aware of any relevant audit information of which the auditors are unaware.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

On behalf of the Board



Ken Roberts

Chair of Trustees

Date 07 July 2021

NFTS Foundation

Independent Auditor's Report

Independent Auditor's Report to Members of NFTS Foundation

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of NFTS Foundation ("the Charitable Company") for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The other information comprises the Report of the Trustees. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

NFTS Foundation

Independent Auditor's Report (*continued*)

Independent Auditor's Report to Members of NFTS Foundation (*continued*)

Other Companies Act 2006 reporting

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which are included in the Trustees' Report, has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Trustee's report.

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

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

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

NFTS Foundation

Independent Auditor's Report (*continued*)

Independent Auditor's Report to Members of NFTS Foundation (*continued*)

Extent to which the audit was capable of detecting irregularities, including fraud

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

Based on our understanding of the Charitable Company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to their registration with the Charity Commission, and we considered the extent to which non-compliance might have a material effect on the Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the valuation of investments
- Identifying and testing journal entries, in particular any journal entries posted by key management and journals posted after the year end.
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the Charity Commission.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

Paula Willock

8F75FEDC31D1467

Paula Willock (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
Gatwick UK

Date: 13 July 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

NFTS Foundation

Statement of Financial Activities (including income and expenditure account) for the year ended 31 December 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Permanent endowment funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Income and endowments from:						
Donations	6	-	59,680	262,666	322,346	-
Investments	7	3,323	99,869	-	103,192	136,965
Total income		3,323	159,549	262,666	425,538	136,965
Expenditure on:						
<i>Raising funds</i>						
Investment management costs	8	645	19,382	-	20,027	20,155
<i>Charitable activities</i>						
Education	9	4,000	116,000	-	120,000	120,000
Total expenditure		4,645	135,382	-	140,027	140,155
Net gains on investments		112	2,783	585	3,480	443,211
Net income/(expenditure)		(1,210)	26,950	263,251	288,991	440,021
Transfers between funds		(1,730)	1,730	-	-	-
Net movement in funds	14	(2,940)	28,680	263,251	288,991	440,021
Reconciliation of funds:						
Total fund balances brought forward at 1 January	14	147,750	3,687,589	552,849	4,388,188	3,948,167
Total fund balances carried forward at 31 December	14	144,810	3,716,269	816,100	4,677,179	4,388,188

All amounts relate to continuing activities.

The notes on pages 10 to 19 form part of these financial statements.

NFTS Foundation

Balance Sheet at 31 December 2020

Company number 03290399

	Note	2020 £	2019 £
Fixed assets			
Investments	12	4,457,092	4,178,000
Current assets			
Cash and cash equivalents		220,087	210,188
Net assets		<u>4,677,179</u>	<u>4,388,188</u>
Funds of the charity:			
Permanent endowment funds	14	816,100	552,849
Restricted funds	14	3,716,269	3,687,589
Unrestricted funds	14	144,810	147,750
Total charity funds		<u>4,677,179</u>	<u>4,388,188</u>

These accounts have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the trustees and authorised for issue on 07 July 2021 and signed on their behalf by:



Ken Roberts
Chair of Trustees



Stephen Louis
Trustee

The notes on pages 10 to 19 form part of these financial statements.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2020

1 Status of the company

The Foundation is a private company limited by guarantee and is a registered charity incorporated in England and Wales. Each member's liability is limited, upon winding up, to an amount not exceeding ten pounds.

2 Accounting policies

(a) Basis of preparation

The financial statements of the Foundation have been prepared under the historic cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Foundation constitutes a public benefit entity as defined by FRS 102.

(b) Assessment of going concern

The trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern based on a review of cash flow forecasts and expected investment performance.

The trustees aim to distribute approximately £120k per annum generated by annual dividend and interest returns on the Foundation's investment portfolio, for the benefit of the School. However, all distributions by the Foundation are at the discretion of the trustees.

The investment portfolio is diversified across a number of sectors and markets, adopting a prudent investment strategy to ensure investment returns are sustainable. At the height of the Covid-19 pandemic in March 2020, the value of the investment portfolio fell to £3.7m, a fall of 16%. Since then, the portfolio has recovered well with the value of the investment portfolio recovering to £4.6m as at March 2021, in line with the year-end position. This is £1.6m above the minimum level set out in the Foundation's reserves policy.

(c) Funds structure

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Foundation and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Permanent endowment funds are funds where a principal sum is held and only the income generated can be used. The donor instructs the principal sum to be held and the income generated is used in accordance with specific restrictions imposed by the donor.

Transfers between endowment funds and restricted funds are made to ensure the principal sum invested is always recognised in the endowment funds with income and investment costs transferred to restricted funds.

Investment income and losses are allocated to the appropriate fund on the basis of the value of the fund at the beginning of the year.

An analysis of the charitable funds has been disclosed in note 14.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2020 *(continued)*

2 Principal accounting policies *(continued)*

(d) Income recognition

All income is recognised once the Foundation has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Donations are recognised when the Foundation has been notified in writing of both the amount and settlement date.

In the event that a donation is subject to conditions that require a level of performance before the Foundation is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Foundation and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Foundation; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio.

(e) Expenditure

All costs, except investment management costs, associated with the Foundation and fundraising activities are borne by the School.

(f) Cash and cash equivalents

Cash and cash equivalents consists of cash at bank, deposits and short term investments with an original maturity of three months or less.

(g) Taxation

The Foundation is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010 and accordingly, the Foundation is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478 – 488 of the Corporation Tax Act 2010 (CTA 2010) or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

Expenditure includes irrecoverable Value Added Tax charged by suppliers to the Foundation. Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

(h) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Foundation is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(i) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the trustees have made the following judgements:

- investment income, investment management costs and net gains on investments are apportioned across the charitable funds based on the total of each fund at 1 January 2020; and
- with respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Foundation are the level of investment return and the performance of investment markets.

4 Related party transactions and trustees' expenses and remuneration

During the course of the year, the Foundation and the School entered into a number of related party transactions. The transactions represented fundraising initiatives undertaken to support the scholarship programme, donations towards bursaries, and donations towards the running cost of the curriculum. At 31 December 2020 an amount of £Nil (2019 – £Nil) was owed by the School to the Foundation. During the year the Foundation made total donations to the School of £120,000 (2019 – £120,000) (see note 8).

Key management personnel are considered to be the School's Director and Finance Director.

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2019 – £Nil). During the year, none of the trustees received any reimbursement for meeting expenses (2019 – £Nil). There were no transactions with trustees and connected persons during the year.

During the year, insurance costing £1,000 (2019 – £1,000) was purchased to indemnify the trustees against default on their part. The School paid this during the year on behalf of the Foundation.

5 Connected charities

The Foundation was incorporated to help in the advancement of the education of the public in film, television and other media and in particular the advancement of education and research at or supported by the School or any charity or educational establishment connected or associated with the School.

6 Donations

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2020 £	Total 2019 £
Donations	-	59,680	262,666	322,346	-
	-	59,680	262,666	322,346	-

7 Investment income

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2020 £	Total 2019 £
Listed investments	3,323	99,869	-	103,192	136,965
	3,323	99,869	-	103,192	136,965

Investment income is apportioned across the funds based on the fund balance held at the start of the year.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

8 Investment management costs

	2020 £	2019 £
Investment management fees	20,027	20,155

9 Analysis of charitable expenditure

During the year, donations of £120,000 (2019 – £120,000) were made to the School. These donations represent £40,000 towards scholarships and £80,000 towards the curriculum (masterclasses and bursaries).

All other costs associated with the Foundation's fundraising activities are borne by the School because there is an integrated fundraising programme for the School and for the Foundation.

10 Employee emoluments

No staff are employed by the Foundation (2019 – £Nil).

11 Auditors' remuneration

The audit fee of £3,570 (2019 – £3,540) was borne by the School.

12 Fixed asset investments

	2020 £	2019 £
<i>Movement in quoted investments:</i>		
Market value brought forward as at 1 January	4,178,000	3,547,218
Additions to investments at cost	663,230	398,114
Disposals at carrying value	(516,592)	(203,638)
Gain on revaluation	132,454	436,306
	<u>4,457,092</u>	<u>4,178,000</u>
Market value as at 31 December	4,457,092	4,178,000

	Cost 2020 £	Market value 2020 £	Cost 2019 £	Market value 2019 £
These investments are represented by:				
<i>Quoted investments:</i>				
UK fixed interest	484,266	513,559	537,420	553,182
UK equities	1,753,576	2,389,843	1,733,665	2,450,688
Overseas fixed interest	122,188	124,718	30,215	28,701
Overseas equities	649,835	1,428,972	561,926	1,145,429
	<u>3,009,865</u>	<u>4,457,092</u>	<u>2,863,226</u>	<u>4,178,000</u>

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Notes to the Financial Statements for the year ended 31 December 2020 (continued)

12 Fixed asset investments (continued)

The following investments represented more than 5% of the value of the portfolio as at 31 December 2020:

	Number of units	Market Value £	% of portfolio
Ishares Core S & P 500 Ucits Etf USD	11,700	318,445	7.1
Merian Invest Mgmt Merian UK Mid Cap U1 GBP	124,894	236,673	5.3
Findlay Park Fds American USD Dis	1,925	222,217	5.0

The following investments represented more than 5% of the value of the portfolio as at 31 December 2019:

	Number of units	Market Value £	% of portfolio
Ishares Core S & P 500 Ucits Etf USD	11,700	284,573	6.8
Merian Invest Mgmt Merian UK Mid Cap U1 GBP	124,894	214,442	5.1

Investments are retained by the Foundation for the long term to generate income for the School and to ensure that the objectives of the charity are fulfilled.

Investment in equities and fixed interest securities are all traded in quoted public markets. The basis of fair value for quoted investments is equivalent to the market value, using bid price.

13 Financial instruments

Financial assets measured at fair value through profit or loss comprise fixed asset investments in a trading portfolio of listed company shares. Details of these can be found in note 12.

The significance of financial instruments to the ongoing financial sustainability of the Foundation is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the Foundation from financial instruments lies in the combination of uncertain investment markets and volatility of yield. Due to market sentiment favouring lower risk investments, the yield on bonds has been abnormally low giving rise to a significant downside risk of a fall in capital values when interest rates return to normal levels.

The Foundation's investments are mainly traded in markets with good liquidity and high trading volumes; therefore liquidity risk is assessed as low. The Foundation has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Foundation manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Foundation does not make use of any derivatives or complex financial instruments.

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Notes to the Financial Statements for the year ended 31 December 2020 (continued)

14 Analysis of charitable funds

	Fund balances brought forward	Income	Expenditure (net of transfers)	Gains and losses	Fund balances carried forward
Analysis of fund movements	£	£	£	£	£
year ended 31 December 2020					
Permanent endowment funds:					
The Louis Malle Scholarship	117,711	-	-	95	117,806
Post Office Scholarship	296,533	-	-	225	296,758
Kodak Scholarship	138,605	-	-	113	138,718
John Sargent Scholarship	-	200,000	-	152	200,152
Nik Powell Scholarship	-	62,666	-	-	62,666
Total permanent endowment funds	552,849	262,666	-	585	816,100
Restricted funds:					
Lew Grade Chair	1,996,729	44,909	(48,715)	1,515	1,994,438
Cubby Broccoli Chair	985,121	22,157	(34,299)	747	973,726
Richard Dunn Scholarship	529,654	11,912	(9,312)	402	532,656
David Munro Fund – Human Rights Documentary Award	80,758	1,816	(353)	61	82,282
Michael Samuelson Scholarship	389	9	(2)	-	396
Freddie Young Scholarship	4,187	94	(1,018)	3	3,266
Freddie Francis Scholarship	5,522	124	(4,024)	4	1,626
The Stanley Kubrick Fellowship	21,700	488	(20,095)	16	2,109
The Colin Young Scholarship	4,288	96	(19)	3	4,368
The Trevor Jones Scholarship	5,657	127	(25)	4	5,763
Sir John Terry Memorial Scholarship	36,297	816	(1,158)	28	35,983
The Louis Malle Scholarship	7,047	2,806	(2,545)	-	7,308
Post Office Scholarship	388	6,678	(7,066)	-	-
Kodak Scholarship	9,852	3,339	(4,148)	-	9,043
John Sargent Scholarship	-	4,498	(873)	-	3,625
James Walker NFTS Writers Fund	-	59,680	-	-	59,680
Total restricted funds	3,687,589	159,549	(133,652)	2,783	3,716,269
Unrestricted funds:					
General reserves	147,750	3,323	(6,375)	112	144,810
Total unrestricted funds	147,750	3,323	(6,375)	112	144,810
Total funds	4,388,188	425,538	(140,027)	3,480	4,677,179

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2020 (*continued*)

The restricted funds of £3,716k include £665k to provide scholarships and bursaries (Richard Dunn, Freddie Young, Freddie Francis, Sir John Terry, Colin Young, Trevor Jones, James Walker), £2,969k for Chairs (Lew Grade, Cubby Broccoli), and £82k to support documentary film making concerning human rights (David Munro Fund).

The permanent endowment funds of £816k are endowments to provide scholarships (Louis Malle, Post Office, Kodak, John Sargent, Nik Powell).

Donations in the year included £60k restricted funds (James Walker NFTS Writers Fund), and £263k restricted endowment funds (John Sargent Scholarship and Nik Powell Scholarship).

The dividends earned on the funds during the year of £103k, the realised loss of £129k, the unrealised profit of £132k and the investment management costs of £20k have been allocated across the funds based on the brought forward fund balances at 1 January 2020.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

14 Analysis of charitable funds (continued)

Analysis of fund movements	Restated Fund balances brought forward	Income	Expenditure	Gains and losses	Fund balances carried forward
year ended 31 December 2019	£	£	£	£	£
Permanent endowment funds:					
The Louis Malle Scholarship	105,446	-	-	12,265	117,711
Post Office Scholarship	266,605	-	-	29,928	296,533
Kodak Scholarship	123,666	-	-	14,939	138,605
Total permanent endowment funds	495,717	-	-	57,132	552,849
Restricted funds:					
Lew Grade Chair	1,783,721	61,879	(49,107)	200,236	1,996,729
Cubby Broccoli Chair	889,019	30,841	(34,538)	99,799	985,121
Richard Dunn Scholarship	469,989	16,304	(9,399)	52,760	529,654
David Munro Fund – Human Rights Documentary Award	72,952	2,531	(2,914)	8,189	80,758
Michael Samuelson Scholarship	341	12	(2)	38	389
Freddie Young Scholarship	3,667	127	(19)	412	4,187
Freddie Francis Scholarship	7,463	259	(3,038)	838	5,522
The Stanley Kubrick Fellowship	19,005	658	(97)	2,134	5,522
The Colin Young Scholarship	3,755	130	(19)	422	4,288
The Trevor Jones Scholarship	4,954	172	(25)	556	5,657
Sir John Terry Memorial Scholarship	36,167	1,255	(5,185)	4,060	36,297
The Louis Malle Scholarship	3,815	3,790	(558)	-	7,047
Post Office Scholarship	-	9,249	(8,861)	-	388
Kodak Scholarship	9,414	4,617	(4,179)	-	9,852
Total restricted funds	3,304,262	131,824	(117,941)	369,444	3,687,589
Unrestricted funds:					
General reserves	148,188	5,141	(22,214)	16,635	147,750
Total unrestricted funds	148,188	5,141	(22,214)	16,635	147,750
Total funds	3,948,167	136,965	(140,155)	443,211	4,388,188

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Notes to the Financial Statements for the year ended 31 December 2020 (continued)

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2020 £	Total 2019 £
Fund balances at 31 December 2020 are represented by:					
Investments	47,069	3,656,589	753,434	4,457,092	4,178,000
Cash and cash equivalents	97,741	59,680	62,666	220,087	210,188
	<u>144,810</u>	<u>3,716,269</u>	<u>816,100</u>	<u>4,677,179</u>	<u>4,388,188</u>

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total 2019 £	Total 2018 £
Fund balances at 31 December 2019 are represented by:					
Investments	-	3,625,151	552,849	4,178,000	3,547,218
Cash and cash equivalents	147,750	62,438	-	210,188	400,949
	<u>147,750</u>	<u>3,687,589</u>	<u>552,849</u>	<u>4,388,188</u>	<u>3,948,167</u>

Sufficient resources are held in an appropriate form to enable each restricted fund to be applied in accordance with the restrictions.

NFTS Foundation

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

16 Statement of Financial Activities for the year ended 31 December 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Permanent endowment funds 2019 £	Total Funds 2019 £	Total Funds 2018 £
Income and endowments from:						
Investments	7	5,141	131,824	-	136,965	128,417
Donations		-	-	-	-	23
Total income		5,141	131,824	-	136,965	128,440
Expenditure on:						
<i>Raising funds</i>						
Investment management costs	8	756	19,399	-	20,155	19,844
<i>Charitable activities</i>						
Education	9	21,458	98,542	-	120,000	120,000
Total expenditure		22,214	117,941	-	140,155	139,844
Net gains/(losses) on investments		16,635	369,444	57,132	443,211	(256,413)
Net income/(expenditure)		(438)	383,327	57,132	440,021	(267,817)
Net movement in funds	14	(438)	383,327	57,132	440,021	(267,817)
Reconciliation of funds:						
Total fund balances brought forward at 1 January	14	148,188	3,304,262	495,717	3,948,167	4,215,984
Total fund balances carried forward at 31 December	14	147,750	3,687,589	552,849	4,388,188	3,948,167