

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.

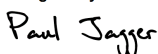
A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at:

<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		2,847	1,450,205	-	1,453,052	366,351
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		412	214,484	-	214,896	172,016
Net gains on investments		5,682	192,973	62,111	260,766	268,827
Net income		8,117	1,428,694	62,111	1,498,922	463,162
Transfers between funds		(1,435)	4,776	(3,341)	-	-
Net movement in funds	14	6,682	1,433,470	58,770	1,498,922	463,162
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	115,822	5,118,095	1,245,888	6,479,805	4,980,883

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

